



20 March 2012

FY 2011 Results

Presentation to Investors & Analysts

Disclaimer

This document contains certain forward-looking statements, including statements regarding or related to events and business trends that may affect our future operating results, financial position and cash flows.

These statements are based on our assumptions and projections and are subject to risks and uncertainties, as they involve judgments with respect to, among other things, future economic, and industry/ market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. You can identify these forward looking statements by the use of the words "strategy," "plan," "goal," "target," "estimate," "project," "intend," "believe," "will" and "expect" and similar expressions. You can also identify these forward-looking statements by the fact that they do not relate strictly to historical or current facts.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

- Group Financial Performance Review
- Risk Assets Report
- Updates on FinBank Transaction
- Outlook for 2012

P&L Highlights (Group)

Account	FY		%Δ
	2010 N'm	2011 N'm	
Gross Earnings	62,686	80,398	28%
Net Interest Income	21,934	32,063	46%
Corporate Finance fees	4,699	5,998	28%
Commissions	4,515	8,405	86%
Trading Income (FX,Equity,Bonds & T.Bills)	4,751	4,699	-1%
Other Income	4,128	2,677	-35%
Net Revenue	40,027	53,842	35%
Operating Expenses	(31,491)	(32,857)	4%
Provision For Loses	439	(32,453)	-7485%
Share of post tax result of associate	51	114	123%
Profit before tax	9,026	(11,354)	-226%
Profit after tax	7,935	(9,915)	-225%

Comments

- The bank saw growth in all revenue categories **except other income** of between 28% and 86%
- Net revenue grew by 35%
- 4% increase in operating expenses
- N32 billion in provisions, N29 billion taken in Q4.
- Provisions due to AMCON sales, impairments to investments and re-introduction of general loan loss provision.

Balance Sheet Highlights (Group): Improved and more efficient balance sheet

	FY 2010 N'm	FY 2011 N'm	%Δ YoY
<u>ASSETS:</u>			
Liquid assets	93,307	83,367	-11%
Loans and advances	330,421	322,502	-2%
Investments	74,466	155,405	109%
Goodwill on consolidation	6,074	6,074	0%
Other assets	14,391	14,842	3%
Fixed assets	19,933	19,514	-2%
Total Assets	538,591	601,705	12%
<u>LIABILITIES:</u>			
Customer and other deposits	334,821	409,875	22%
Other liabilities	43,883	54,966	25%
Borrowings	25,116	19,167	-24%
Shareholders' funds	134,771	117,697	-13%
Liabilities and Shareholder Equity	538,591	601,705	12%
Acceptances & Guarantees	65,250	97,261	49%

Comments

- ▶ 109% growth in investment was due to asset sales in exchange for Amcon bonds and increase in FGN bonds
- ▶ Decline in risk assets was as a result of asset sales and write offs. Gross loan growth was 23% before AMCON sales.
- ▶ 22% Deposit growth was largely driven by Retail and Transaction Banking with Corporates.
- ▶ 49% increase in acceptances and guarantees as a result of increased trade finance activities.

Financial Ratios (Group): Improved operational efficiency along key metrics

Performance Index		FY 2010	FY 2011	%Δ YoY		Comments
Operating	Return on Equity	6.0%	-9.0%	-249.9%	X	▶ 75% of key ratios have improved significantly on an operational level
	Return on Assets	1.6%	-2.0%	-224.5%	X	
	Loan/Deposit Ratio	98.5%	78.7%	-20.1%	✓	
	Cost/Income Ratio	78.6%	61.0%	-22.4%	✓	▶ 80% of ratios likely to be leading for peer group
	Net Interest Margin	5.30%	6.98%	31.72%	✓	
	NPL/Total Loans	5.5%	2.86%	-47.94%	✓	▶ RoE and RoA will be at a significant outlier to peer group and industry
	Coverage Ratio	100%	120%	20%	✓	
	NII ¹ /Operating Income	45.2%	40.5%	-10.5%	✓	
Capital & Liquidity	Capital Adequacy Ratio	31.0%	28%	-10%	-	
	Liquidity Ratio	32.0%	44.0%	37.5%	✓	
Others	Opex	31.50	32.86	4%	✓	
	Risk Assets	330.40	322.50	-2%	X	
	Deposit Growth	335.00	409.87	22%	✓	

Note:

1. Non-interest Income

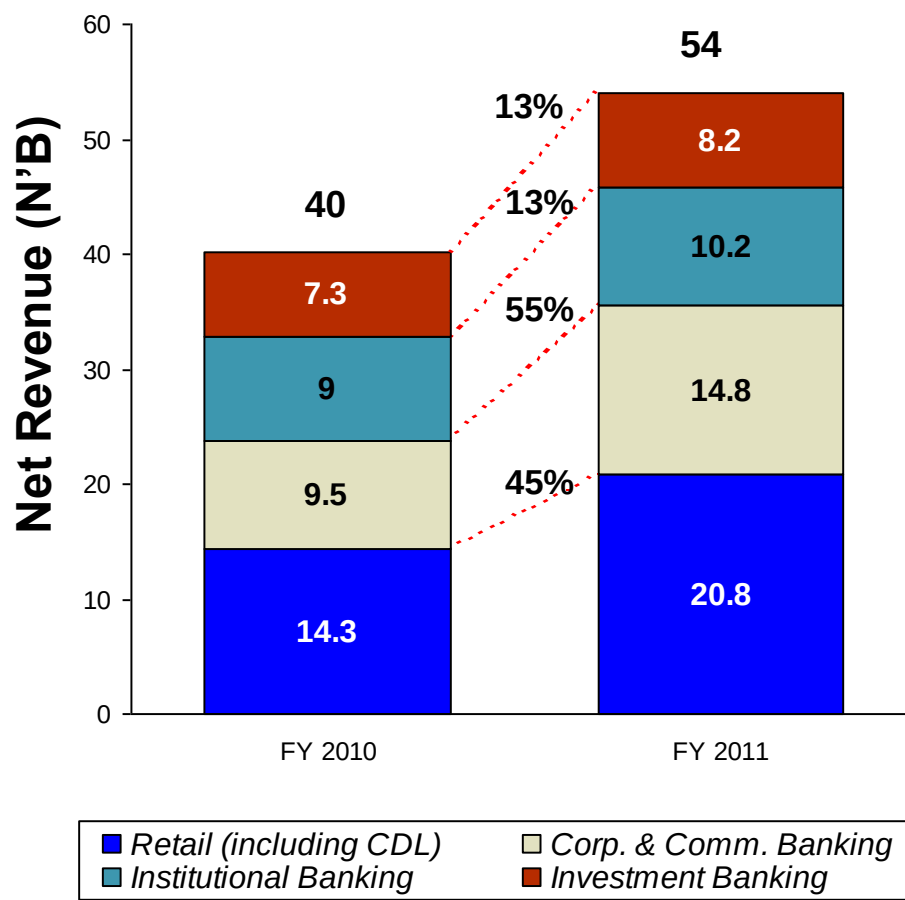
Subsidiaries: Profitability was up 77% YoY

COMPANY	FY 2010 N'm	FY 2011 N'm	%Δ
CDL	1,757	2,108	20%
FCMB CM	221	692	212%
City Securities (Registrars)	156	97	-38%
CSL Stockbrokers	-460	-211	54%
FCMB UK	-281	-219	22%
Total Subsidiaries	1,393	2,468	77%
FCMB Group	9,026	-11,354	-226%

Comments

- ▶ All the bank's subsidiaries except CSL Registrars recorded profitability growth in 2011
- ▶ All the subsidiaries, except for FCMB UK, are expected to be profitable in 2012.

Net Revenue by Segment (FY 2010 vs. FY 2011)

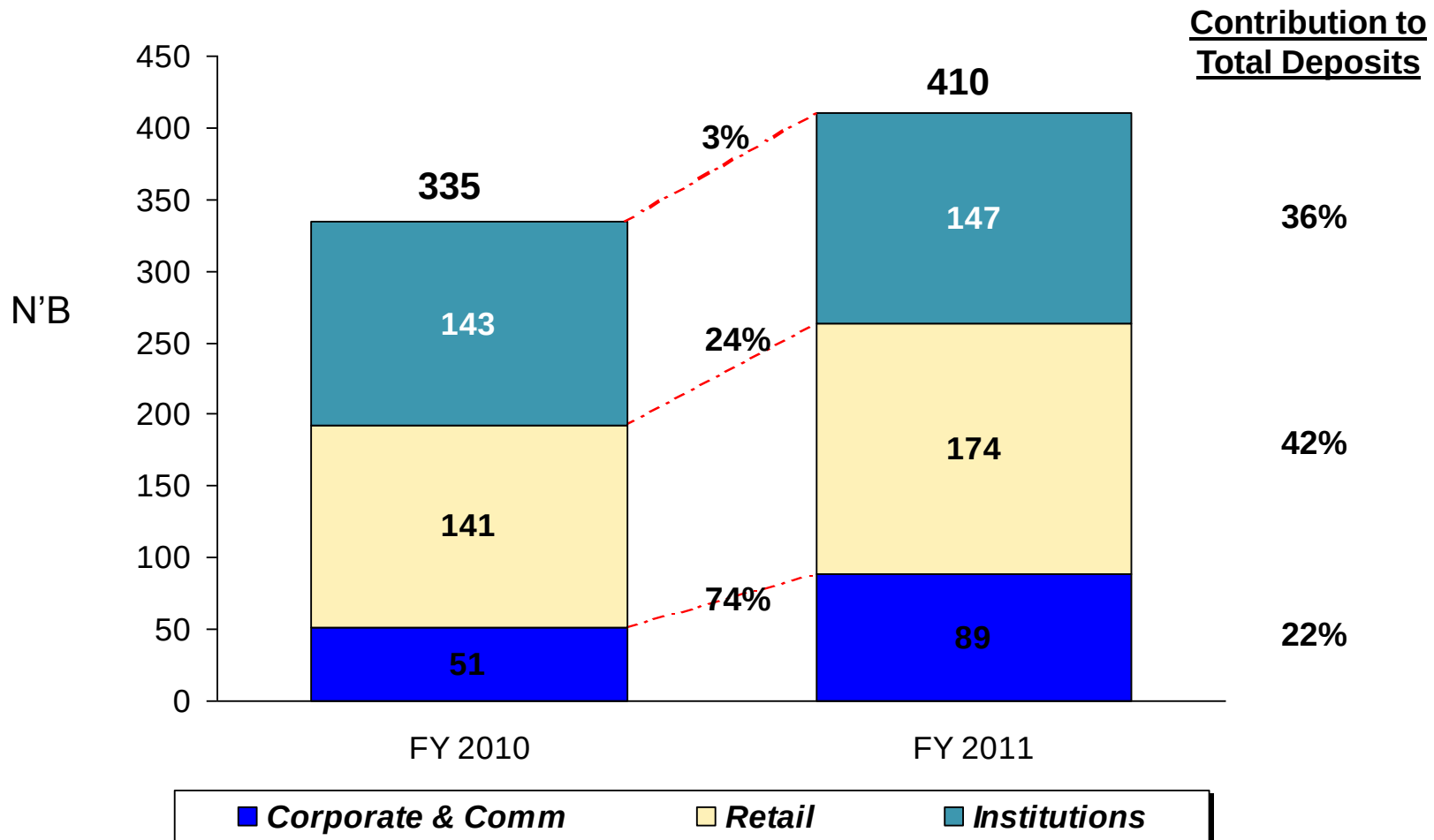


Comments

- ▶ 35% overall net revenue growth led by 45% growth in retail and 55% growth in institutional banking.
- ▶ Retail net revenue growth driven by 60% growth in transaction fees
- ▶ Institutional net revenue growth driven by improved interest margins
- ▶ Investment banking income benefitted from growth in advisory fees, but moderated by flat trading income.
- ▶ CCB income moderated by asset sales and rising interest rate environment

Contribution to Deposit Liabilities by SBU (FY 2010 vs. FY 2011)

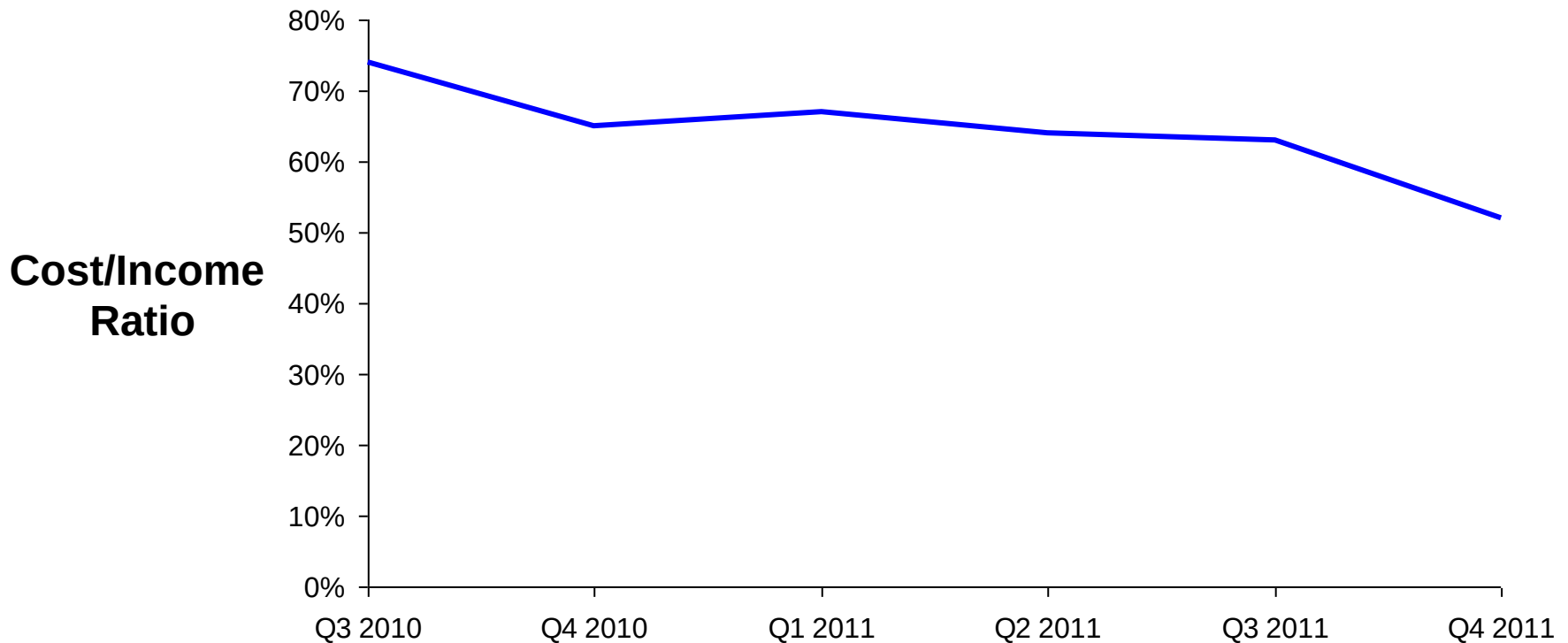
FCMB



Operational Efficiency (Q3 2010 – Q4 2011)

FCMB

Almost 20% improvement in CIR since 2010 due to effective cost management, and net revenue recovery



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Loan Book Distribution By Sector

Industry Sector	April 2009 (N'b)		December 2010 (N'b)		September 2011 (N'b)		December 2011 (N'b)	
Agric	3.60	1.2%	3.97	1.1%	4.42	1.3%	5.74	1.7%
Aviation	0.86	0.3%	1.04	0.3%	0.00	0.0%	-	0.0%
Commerce	29.66	10.1%	26.84	7.8%	38.34	11.6%	41.55	12.6%
FI	12.45	4.2%	39.05	11.3%	3.01	0.9%	4.31	1.3%
Government	31.91	10.8%	62.12	17.9%	37.25	11.2%	30.17	9.1%
Manufacturing	27.45	9.3%	16.79	4.8%	28.21	8.5%	31.56	9.6%
OIL&GAS- Marketing	20.31	6.9%	27.56	8.0%	38.31	11.6%	24.40	7.4%
OIL&GAS- Trading	42.48	14.4%	42.82	12.4%	38.52	11.6%	40.77	12.4%
Oil Exploration & Services	15.97	5.4%	15.22	4.4%	14.67	4.4%	24.39	7.4%
Construction & Real estate	47.80	16.2%	50.19	14.5%	38.99	11.8%	39.45	12.0%
Individual	22.25	7.6%	23.76	6.9%	28.33	8.6%	25.67	7.8%
Power & energy	-	0.0%	0.04	0.0%	5.64	1.7%	5.53	1.7%
Professional services	0.58	0.2%	2.88	0.8%	4.11	1.2%	4.68	1.4%
Transportation and Logistics	2.29	0.8%	3.76	1.1%	7.48	2.3%	9.57	2.9%
Telecoms	23.04	7.8%	24.49	7.1%	36.29	11.0%	36.41	11.0%
Margin	12.03	4.1%	2.94	0.9%	2.60	0.8%	0.88	0.3%
Others	1.55	0.5%	2.70	0.8%	4.98	1.5%	4.76	1.4%
Total	294	100%	346	100%	331	100%	330	100%

NPL Trend by Sector (N'bn)

	December 2010		December 2011	
Industry Sector	NPL	Provision	NPL	Provision
Oil & Gas - Trading	0.39	0.39	3.30	4.59
Commerce	4.53	4.29	2.57	3.08
Construction	1.20	1.09	1.21	1.22
Individual	3.78	3.79	0.82	0.91
Mortgage	2.64	2.17	0.31	0.17
FI	1.73	1.73	0.23	0.27
Government	0.09	0.09	0.20	0.31
Education	0.12	0.07	0.20	0.06
General - Others	0.03	0.02	0.09	0.04
Oil & Gas - Marketing	0.74	0.74	0.08	0.94
Real Estate	0.39	0.81	0.05	0.05
Margin Loans	2.11	2.52	0.02	0.04
Telecoms	0.13	0.13	0.00	0.00
Professional Services	-	-	0.00	0.00
Transportation & Logistics	0.15	0.15	0.00	0.00
Aviation	1.04	1.09	-	-
Manufacturing	0.02	0.02	-	-
Total	19.09	19.11	9.09	11.66

Provision Charge: Major Drivers

The Bank has made additional net provisions and write-offs between Q3 2011 and Q4 2011. This was done to strengthen its balance sheet following observed deterioration in restructured loans and legacy investments.

Major Drivers

The breakdown of the provisions were as follows:

- ☐ Losses recorded on the sale of systemically significant and other loans to AMCON, primarily in the oil trading sector (N11.6 billion, N7 billion of which relates to Zenon);
- ☐ Other loan losses and write-offs (N13.0 billion, N6 billion of which relates to a government related loan); and
- ☐ Impairments to equity underwritings (N4.9 billion, N4.0 billion of which relates to FinBank Plc preference shares).

Loan Book Breakdown and Additional Provisioning by Sector

Industry Sector	December 2011 (N'b)		
	Pre Write-Off	Additional 2011 Provisions	Post Write-Off
Commerce	46.69	5.14	41.55
Oil & Gas - Trading	47.23	9.29	40.77
Construction & Real Estate	41.77	1.91	39.45
Telecoms	36.63	0.21	36.41
Manufacturing	31.91	0.01	31.56
Government	36.55	6.43	30.17
Oil & Gas - Marketing	27.24	2.49	24.40
Oil Exploration & Services	24.39	0.00	24.39
Individual	25.29	2.79	20.77
Transportation & Logistics	9.72	0.02	9.57
FI	13.04	1.11	9.21
Agriculture	5.76	-	5.74
Power & Energy	5.53	-	5.53
Others	4.83	0.02	4.76
Professional services	4.74	0.04	4.68
Margin	0.88	0.11	0.88
Aviation	0.46	-	-
Total	362.65	29.57	329.83

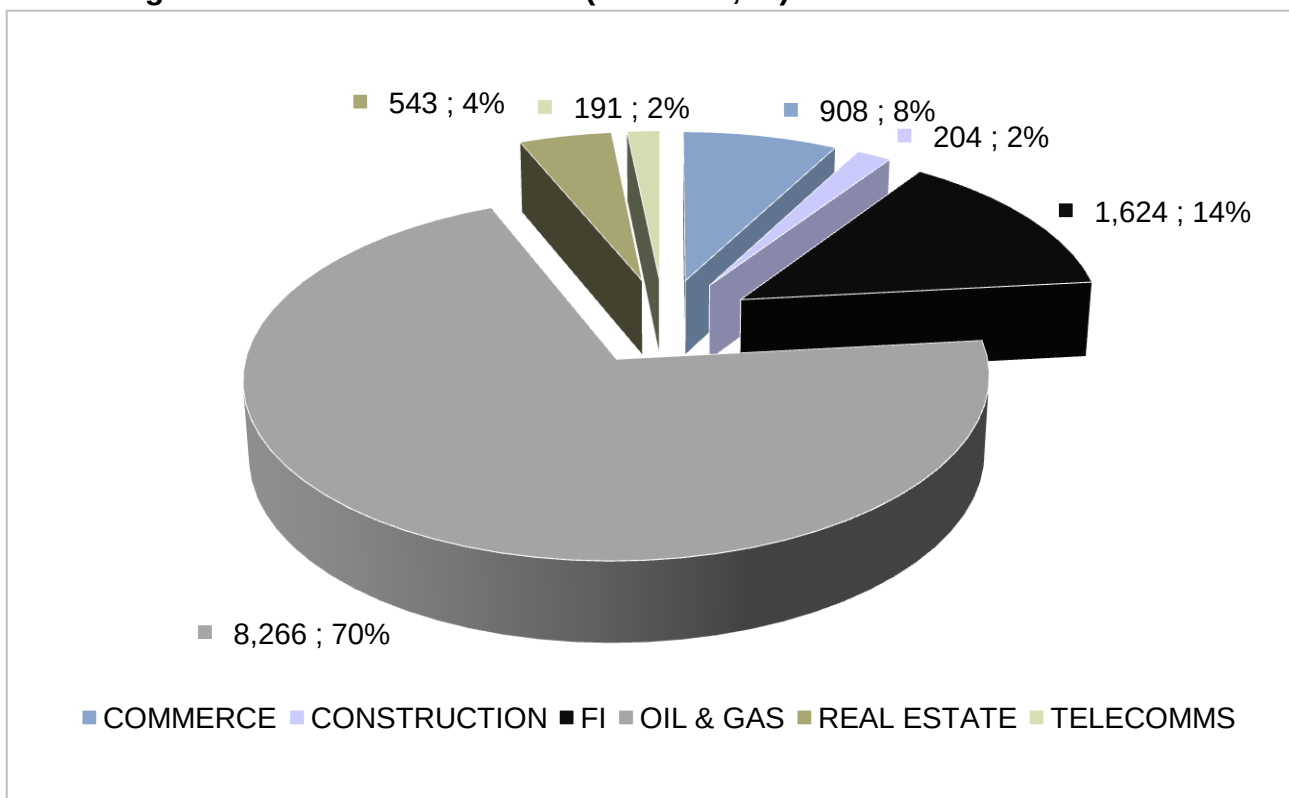
Comments

- N29.57bn represents gross specific charges on loans

Provision Charge: Due to Loans Sales to AMCON

The Oil & Gas sector accounted for about 70% (about N8.3bn) of the total additional charges resulting from assets sold to AMCON

Net Charge on Loan Sales to AMCON (N'million; %)

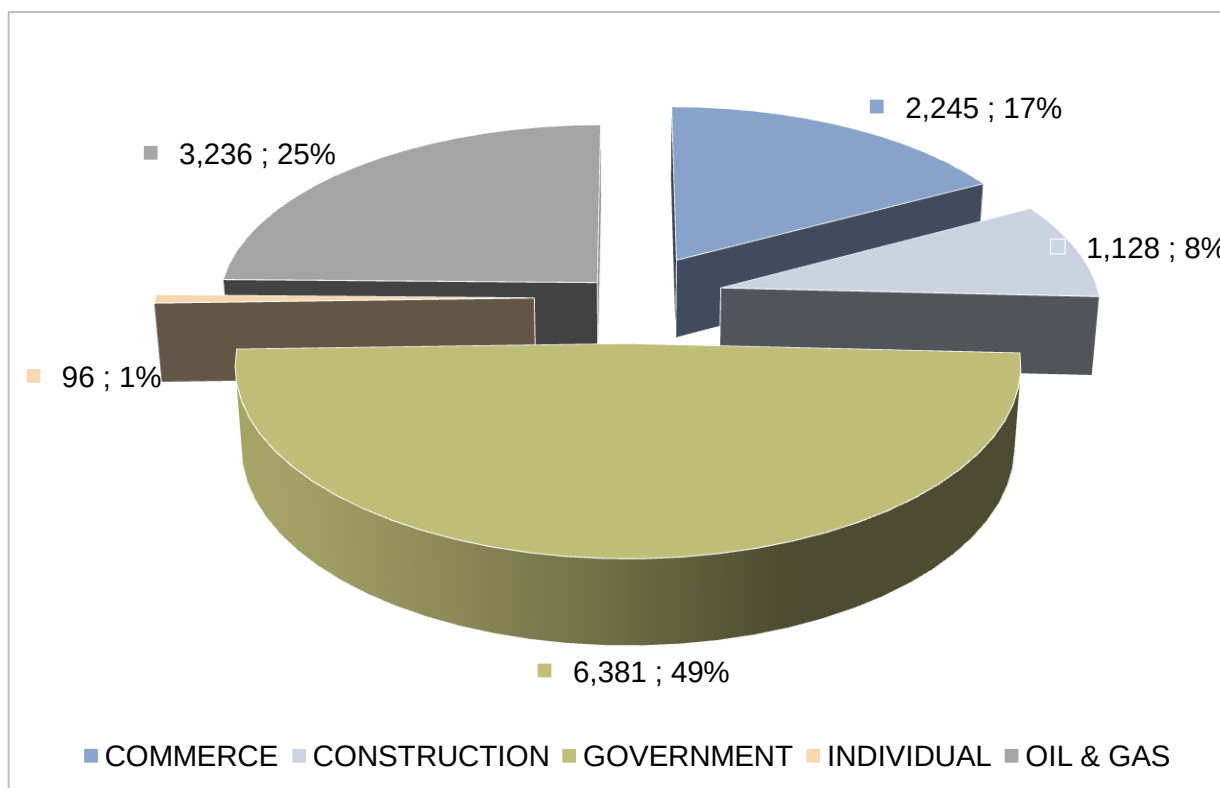


Source: Company data

Provision Charge: Due to Other Loans

The Government sector accounted for almost 50% (about N6.4 billion) of the net charge on other loans

Net Charge on Other Loans (N'million; %)

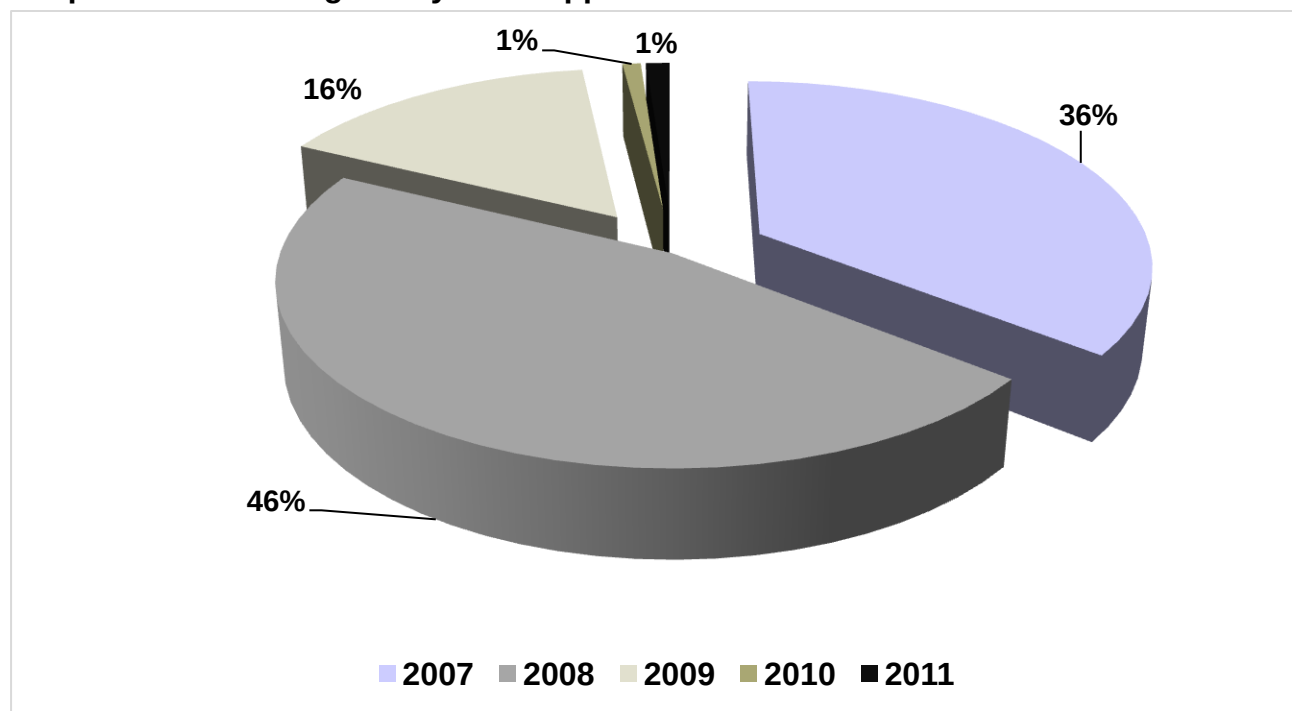


Source: Company data

Age Analysis of Assets Sold/ Written-off

99% of the assets sold and written off in 2011 were as a result of restructured loans or underwritings initiated prior to 2009

Top Provision Charges - By Loan Approval Date



Source: Company data

Major Risk Management Strengthening Actions Since 2009

Actions

- **Emphasis on discipline and compliance.**
- **Prudent provisioning policies**
- **Exposures to commodity trading are now done under a structured framework with independent collateral management and price hedges**
- **Strengthening the risk management function**
- **Emphasis for future growth on portfolio diversification/ increased contribution of retail loans**
- **The tenors of all loans to government are now strictly tied to political term of office**

Results

- **Legacy loans and weaknesses associated with capital market and oil & gas transactions have been resolved**
- **NPL is currently at 2.75 %**
- **Coverage ratio is about 128%**
- **Less than 1% of all loans booked since January 2010 are non-performing**

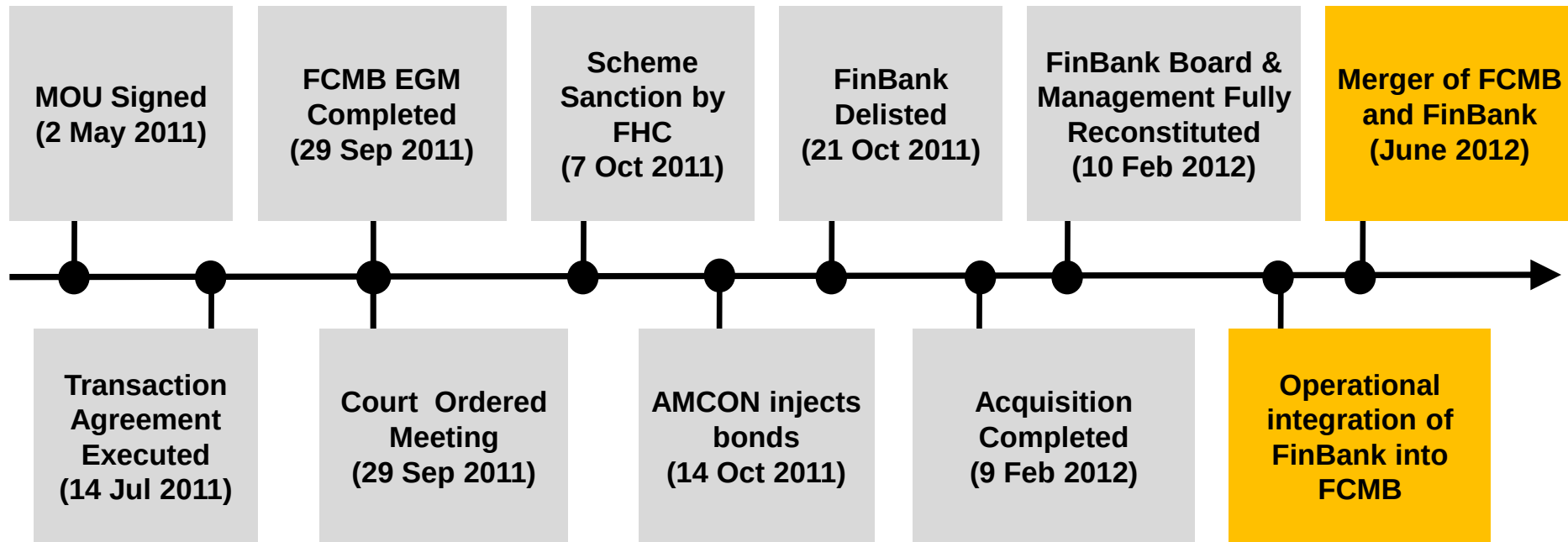
Outline

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Acquisition of FinBank Plc Complete, Full Merger Planned for Q2 2012

FCMB

Key Transaction Milestones



Concluded

Commenced, in progress

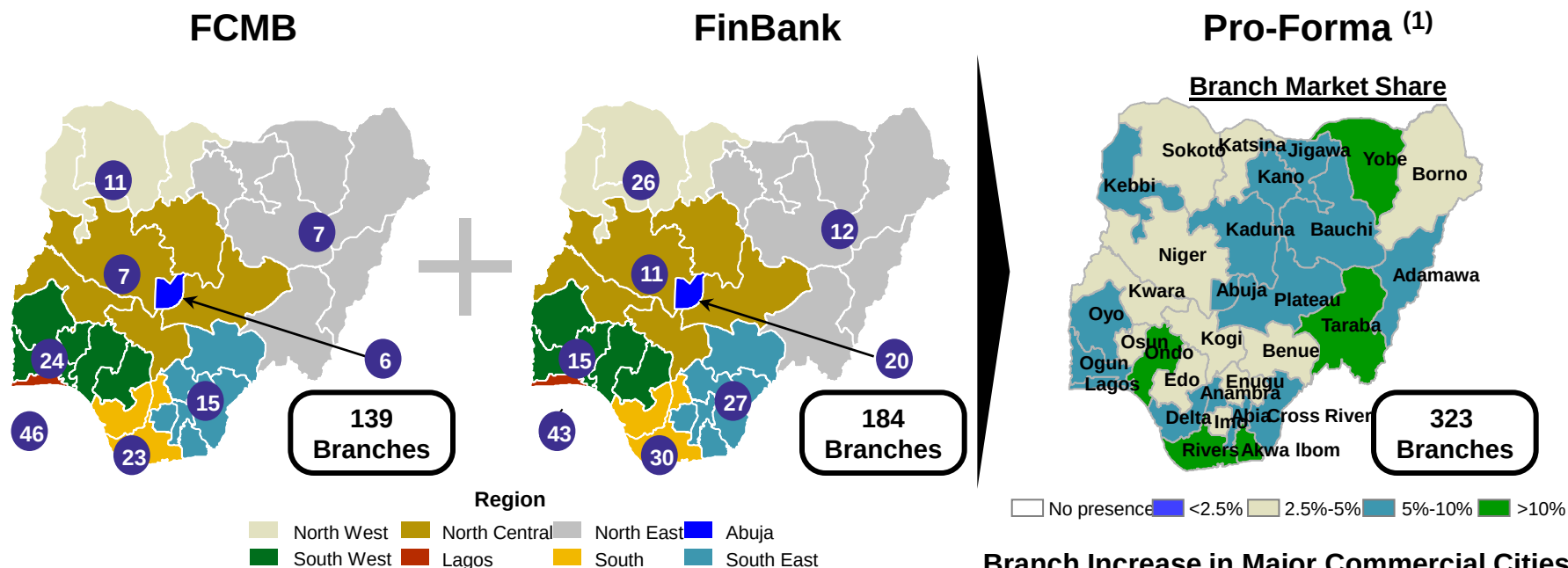
With the completion of the acquisition, FCMB's coverage and scope of operations have increased significantly

Customers and Channels*

323	<u>Branches</u>	▲	+132%
350	<u>ATMs</u>	▲	+96%
2,055	<u>Point of Sale (POS) Terminals (active)</u>	▲	+6%
393,800	<u>Active card users</u>	▲	+78%
1,796,622	<u>Banking customers</u>	▲	+179%
27,521	<u>Internet banking users</u>	▲	+47%
287,502	<u>Mobile banking users</u>	▲	+3,031%

* As at January 31, 2012

>100% increase in branches with biggest impact in commercial centres



- Expanded presence in South East, Abuja and Northern Nigeria

Branch Increase in Major Commercial Cities

Location	FCMB	FinBank	Pro-forma	% Increase
Aba	2	5	7	250%
Abuja	6	20	26	c.330%
Ibadan	5	6	11	c.120%
Kano	2	6	8	300%
Kaduna	2	6	8	300%
Lagos	46	43	89	c.90%
Onitsha	3	4	7	c.130%
Port Harcourt	8	13	21	c.160%

Source: Company data

(1) Does not account for potential branch rationalisation

In addition, the combined balance sheet is healthy and robust

Illustrative Proforma Balance Sheet – February 2012

	<u>FCMB</u> N'million	<u>FinBank</u> N'million	<u>Pro-Forma</u> N'million	
Cash and balances with central bank	36,333	27,114	63,448	
Due from other banks & financial Institutions	62,482	21,618	84,099	
Short term Investments	12,220	51,044	63,264	
Loans and advances	327,016	19,008	346,024	
Investment securities	46,459	38,283	84,742	
Long Term Investment	135,146	63,179	198,325	
Other Assets	18,084	10,448	28,532	
Property and equipment	19,637	10,654	30,291	
Total Assets	657,377	241,348	898,725	
Deposits	348,210	176,969	525,179	
Due to other banks & financial institutions	36,200		36,200	
Other Liabilities	136,345	51,502	187,847	
Borrowings	18,925	12,877	31,802	
Total Liabilities	539,680	234,376	774,056	
Capital and Reserves	117,697		117,697	
Acceptances and Guarantees	120,461	34,331	154,793	

**Assets &
Contingents of
N1.05 trillion**

Financial leverage has increased significantly while maintaining healthy capital adequacy and liquidity

Key Financial Indices (February 2012)

Key Indicator	FCMB	FCMB+ FinBank
CAR	27%	c.25%
Excess capital (over and beyond regulatory CAR needed)	N71 b	N69 b
Financial Leverage	5.6X	7.2X
LDR	94%	66%
Liquidity Ratio	48%	84%
Total Assets (N'billion)	657.4	898.7

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FY 2012 Outlook

Overall, the Bank's forecast for 2012 presents an attractive financial outlook...

Indicator	Proforma 2012
Gross Income (N)	141 b
Profit after tax (N)	19 b
Return on Equity	14%
Target EPS	1.10

Source: Company Forecast

10% and 25% merger related EPS accretion expected in 2012 and 2013 respectively