BUILDING A SUPPORTIVE ECOSYSTEM

Investors & Analysts Presentation

9M 2023

FCMB GROUP PLC
WWW.FCMBGROUPPLC.COM

December 2023

AGENDA

1. *Results Highlights & Strategic Updates*
2. *9M 2023 Results Overview*
3. *Digital Business Review*
4. *The Banking Group: Performance Review*
5. *Consumer Finance: Performance Review*
6. *Investment Banking: Performance Review*
7. *Investment Management: Performance Review*
8. *Outlook*

9M 2023 Results Highlights

Total Assets
N3.9 trillion
32%
9M 22: N2.9 trillion

Deposits
N2.5 trillion
39%
9M 22: N1.8 trillion

Loans
N1.6 trillion
34%
9M 22: N1.2 trillion

Assets Under Management
N953.7 billion
26%
9M 22: N756.1 billion

Customers
12.0 million
15%
9M 22: 10.4 million

Profit before Tax
N55.1 billion
108%
9M 22: N26.5 billion

9M 2023 Results Overview: FCMB Group Plc

Mr. Deji Fayose: Chief Financial Officer - FCMB Group Plc

Group Statements of Comprehensive Income

- Group earnings grew by 76% YoY, however declined 25% QoQ. The QoQ decrease was due to the significant revaluation income recorded in Non-Interest Income in the previous quarter.
- Net Interest Income grew by 19% and 29% QoQ and YoY, respectively, as a result of growth in YoY yield on earning assets from 12.6% to 15.9%.
- Non-interest income grew by 167% YoY largely driven by growth in Foreign Exchange revenues, service fees and commissions and trading income.
- Operating expenses grew by 14% and 29% QoQ and YoY, respectively. YoY growth was largely due to increased personnel costs, regulatory costs, technology related costs and general inflationary pressures.
- Impairment charges grew by 186 % YoY on the back of increased provisions on risk assets however declined by 97% QoQ.
- Overall, Group PBT grew by 108% YoY from N26.5b in 9M 2022 to N55.1b in 9M 2023.

N'm	2Q23	3Q23	%Δ QoQ	9M22	9M23	%Δ YoY
Gross Earnings	**150,748**	**113,351**	**-25%**	**200,067**	**351,532**	**76%**
Interest Income	82,983	90,026	8%	154,084	239,052	55%
Interest Expense	(42,398)	(41,871)	-1%	61,028	118,581	94%
Net Interest Income	**40,585**	**48,155**	**19%**	**93,055**	**120,471**	**29%**
Non-Interest Income	**64,837**	**19,552**	**-70%**	**38,569**	**103,153**	**167%**
- Net Fees & Commissions	11,130	9,262	-17%	27,172	32,175	18%
- Trading Income	3,295	1,116	-66%	8,558	9,342	9%
- FX Income	49,154	3,770	-92%	1,348	54,759	3962%
- Others	1,258	5,404	330%	1,491	6,877	361%
Operating Income	**105,421**	**67,707**	**-36%**	**131,624**	**223,624**	**70%**
Operating Expenses	**(35,966)**	**(40,890)**	**14%**	**(86,415)**	**(111,494)**	**29%**
Net impairment loss on financial assets	(40,739)	(1,192)	-97%	(16,621)	(47,542)	186%
PBT	**27,520**	**16,910**	**-39%**	**26,505**	**55,141**	**108%**
PAT	**26,188**	**16,147**	**-38%**	**22,921**	**49,153**	**114%**

Group Performance Highlights

- 9M 2023 RoAE grew to 20.3% from 12.1% in prior year a YoY growth of 68% as a direct result of growth in profitability.
- NIM also grow by 13% YoY driven by a 29% growth in Net Interest Income.
- Cost to Income ratio declined QoQ to 60.4%, however showed a YoY improvement by 24% on the back of improved earnings closing at 49.9% in 9M23 from 65.7% in 9M22.
- Both Capital Adequacy & Liquidity Ratios remained above regulatory thresholds closing at 15.3% and 42.3% respectively.

	Performance Index	2Q23	3Q23	%Δ QoQ	9M22	9M23	%Δ YoY
Operating	Return on Average Equity	33.8%	19.9%	-41%	12.1%	20.3%	68%
	Return on Average Assets	3.1%	1.9%	-39%	1.1%	1.9%	73%
	Loan/Deposit Ratio	61.9%	59.4%	-4%	54.1%	59.4%	10%
	Loan/Funding Ratio	52.9%	51.0%	-4%	46.2%	51.0%	10%
	Cost/Income Ratio	34.1%	60.4%	77%	65.7%	49.9%	-24%
	Net Interest Margin	8.1%	9.6%	19%	7.1%	8.0%	13%
	NPL/Total Loans	5.2%	4.5%	-13%	4.4%	4.5%	2%
	Coverage Ratio	146.5%	101.7%	-31%	89.8%	101.7%	15%
	NII/Operating Income	53.6%	28.9%	-46%	29.3%	46.1%	57%
	Financial Leverage	90.7%	90.4%	0%	90.1%	90.4%	0%
	Cost of Risk*	10.7%	-0.1%	-101%	1.4%	3.9%	179%
Capital & Liquidity	Capital Adequacy Ratio	16.4%	15.3%	-7%	16.7%	15.3%	-8%
	Liquidity Ratio	36.5%	42.3%	16%	31.8%	42.3%	33%
Investment	Share Price	5.10	5.90	16%	3.36	5.90	76%
	NAV(N'B)	344.6	373.7	8%	263.5	373.7	42%
	Dividend (Kobo)	0.0	0.0	0	0.0	0.0	0
	EPS (Kobo)**	527.6	326.2	-38%	115.7	331.0	186%
Others	Opex (N'B)	35.9	40.9	14%	86.4	111.5	29%
	Risk Assets (net) (N'B)	1,540.6	1,592	3%	1,185.1	1,592	34%
	Customer Deposits (N'B)	2,378.5	2,528	6%	1,816.8	2,528	39%

* Including recoveries

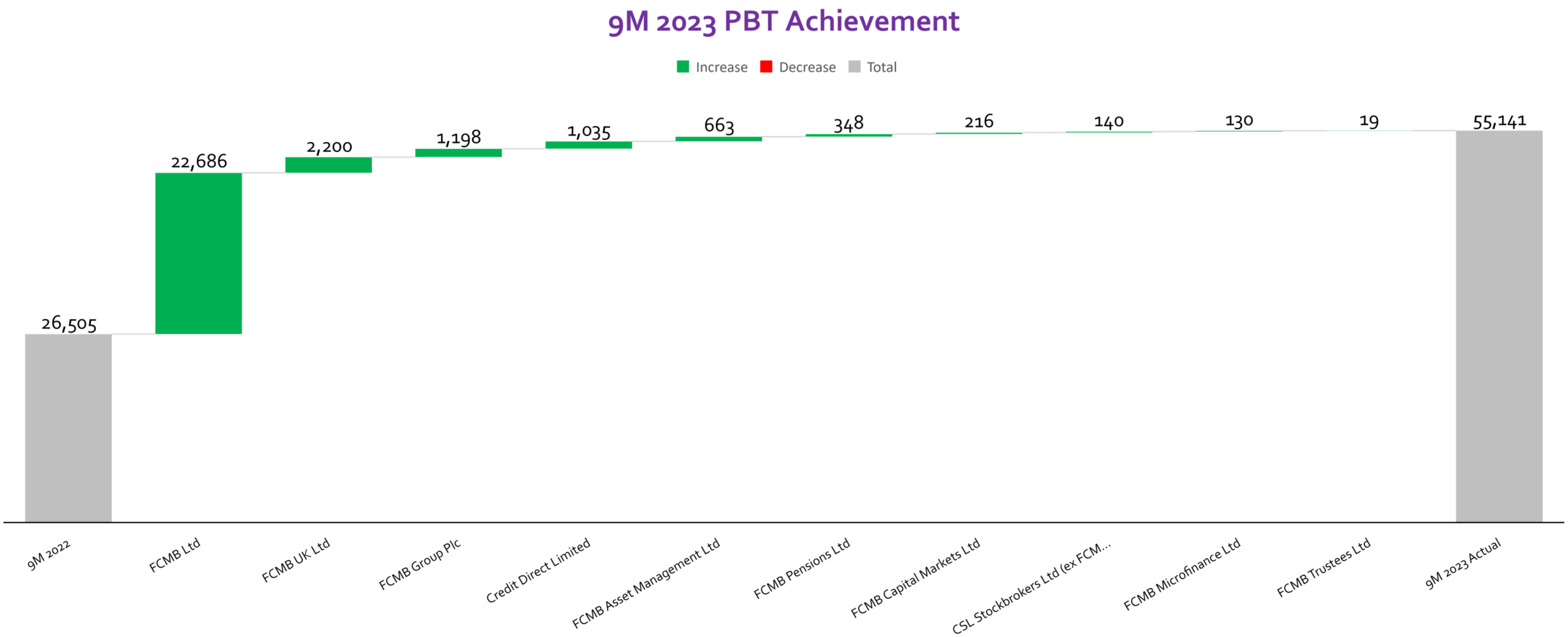
* *Annualized EPS

Group Earnings Contribution – Profit before Tax

- The Banking Group contributed 80% of Group profits, with 74% from our Nigeria Bank subsidiary and 6% from our UK franchise. Whilst all our other non-banking subsidiaries contributed 20% (Consumer Finance 8%, Investment Management 7%, Investment Banking 3% and Group Separate 2%).

N'm	2Q23	3Q23	%Δ QoQ	9M22	9M23	%Δ YoY	% Contribution
Banking Group	**23,163**	**13,066**	**-44%**	**19,222**	**44,239**	**130%**	**80%**
FCMB Ltd	22,435	11,862	-47%	18,069	40,756	126%	74%
FCMB UK Ltd	672	1,156	72%	1,158	3,359	190%	6%
FCMB Microfinance Ltd	56	48	-14%	(5)	124	2580%	0%
Consumer Finance	**1,234**	**1,861**	**51%**	**3,172**	**4,207**	**33%**	**8%**
Credit Direct Limited	1,234	1,861	51%	3,172	4,207	33%	8%
Investment Banking	**507**	**642**	**27%**	**1,290**	**1,646**	**28%**	**3%**
FCMB Capital Markets Ltd	214	194	-9%	408	624	53%	1%
CSL Stockbrokers Ltd (ex FCMB-AM)	293	448	53%	882	1,022	16%	2%
Investment Management	**1,534**	**1,091**	**-29%**	**2,662**	**3,693**	**39%**	**7%**
FCMB Pensions Ltd	842	693	-18%	1,997	2,346	17%	4%
FCMB Asset Management Ltd	666	372	-44%	609	1,271	109%	2%
FCMB Trustees Ltd	25	27	8%	56	76	36%	0%
FCMB Group Plc (Separate)	**1,028**	**249**	**-76%**	**2,291**	**2,607**	**14%**	**5%**
Intercompany Adjustments	55	0	-100%	(2,133)	(1,251)	-41%	-2%
FCMB Group Plc (consolidated)	**27,520**	**16,910**	**-39%**	**26,505**	**55,141**	**108%**	**100%**

Group Earnings Contribution – Profit before Tax



Digital Business Review: FCMB Group Plc

Mr. Gbolahan Joshua: Chief Operating Officer - FCMB Group Plc

Digital Key Results

Digital Revenue

- ✓ **N38.9bn** generated from digital payments, lending activities and wealth management in 9M 2023, a 41% growth from 9M 2022.
- ✓ Digital revenues accounted for **11%** of Gross Earnings for 9M 2023 driven by lending and payments.

Digital Loans

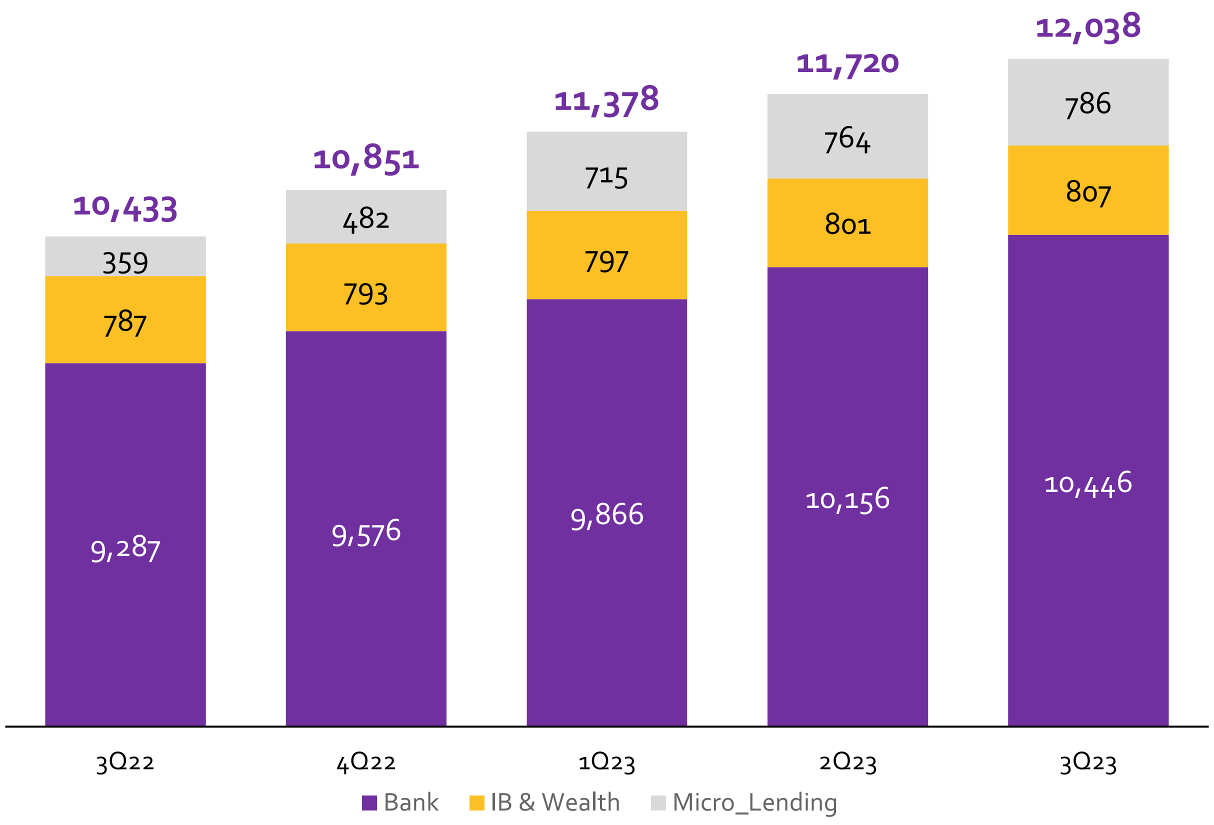
- ✓ Over **N199bn** disbursed to **1.2 million** customers as at 9M 2023.
- ✓ Total portfolio size (**N117.8bn**) grew by **53%** from 9M 2022.
- ✓ Digital lending now accounts for **69%** of digital revenues.

Digital Customers

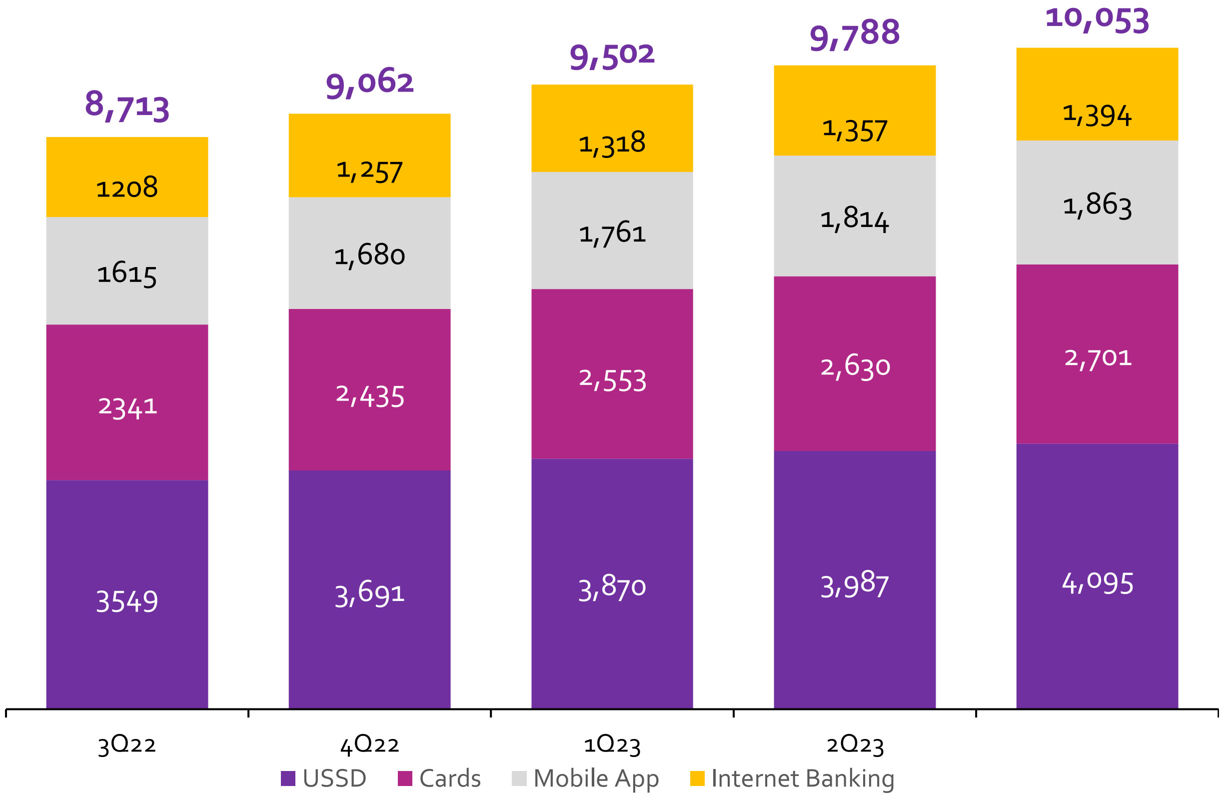
- ✓ **10.1 million** digital customers up **15%** from 8.7 million (September 2022).

Customer Acquisition & Digital Adoption Trend 3Q 2023

Customer Acquisition Trend ('000)

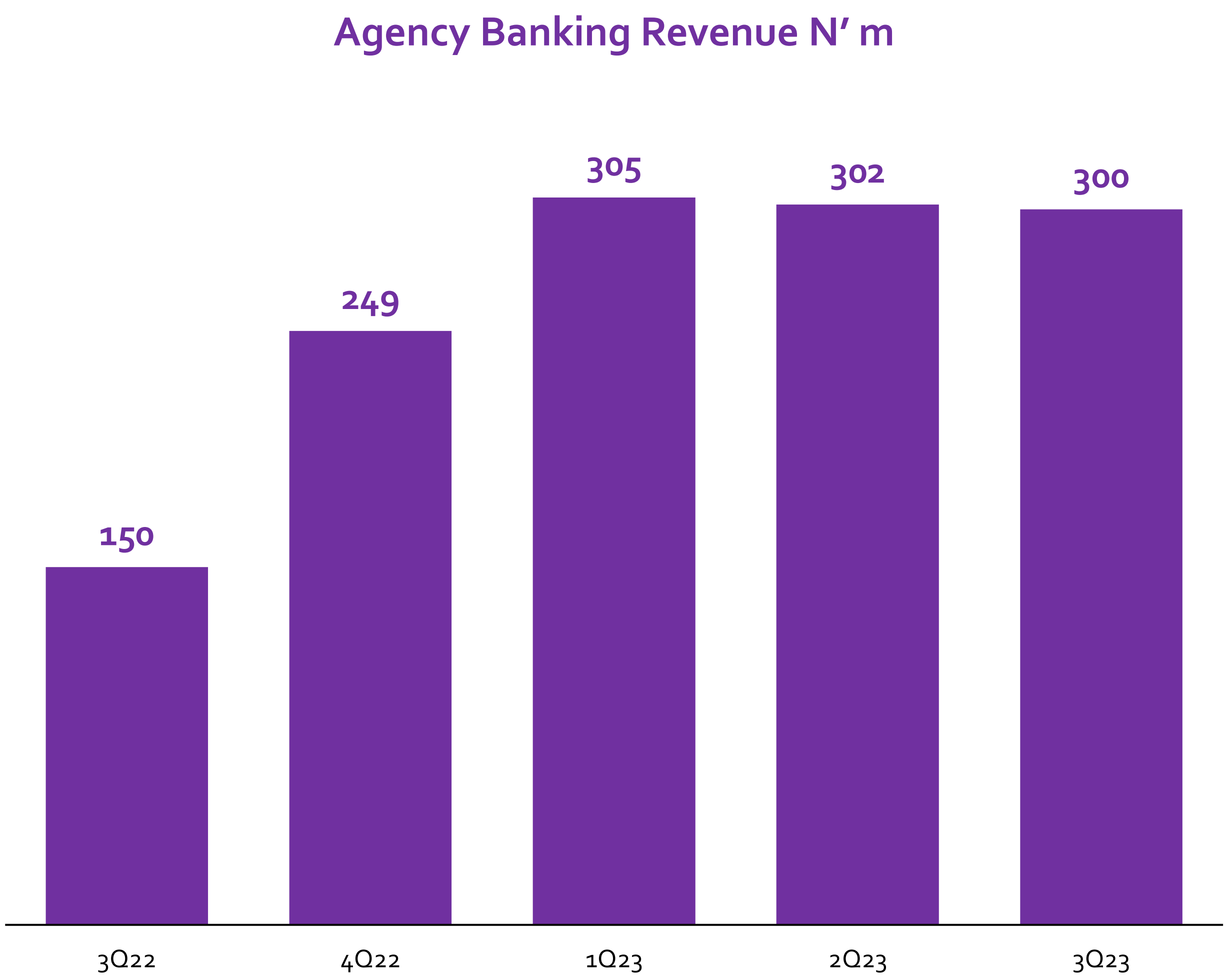


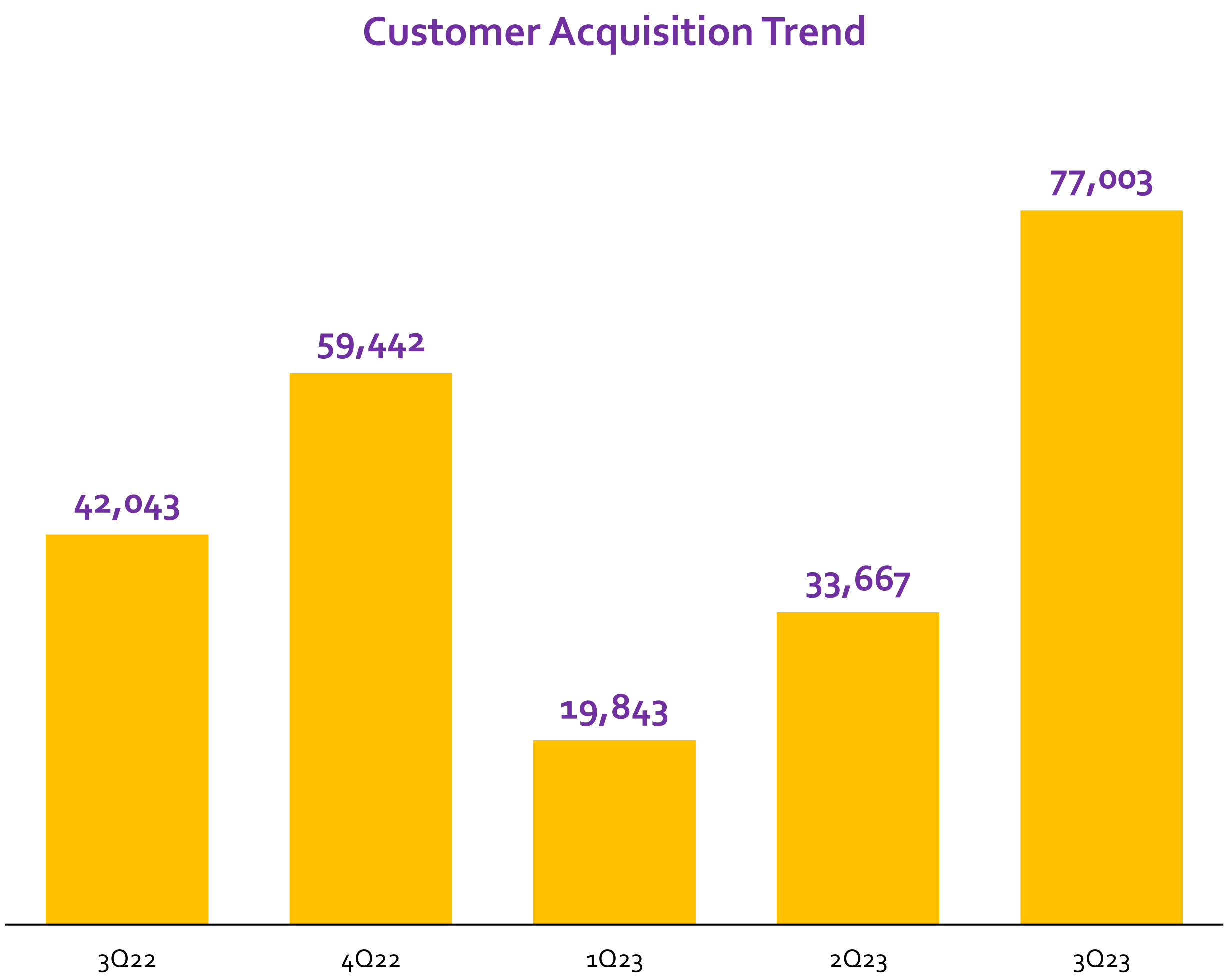
Digital Adoption By Products Trend ('000)



Over 318k customers acquired during the quarter driven by increased cross-selling of digital our products across payments, lending and wealth management.

Agency Banking Performance 3Q 2023

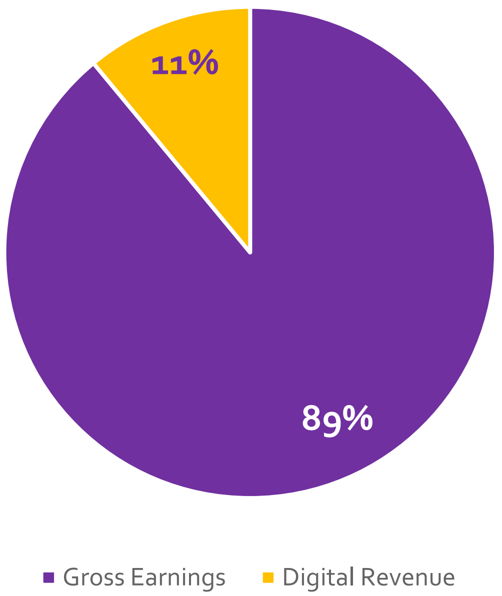




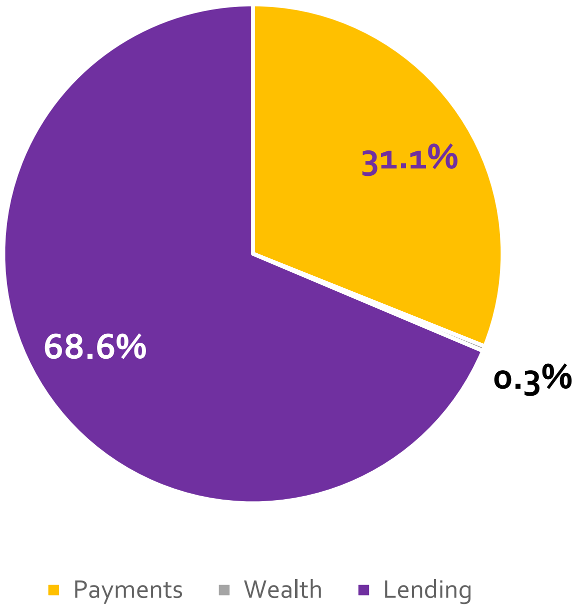
Revenues from our agency banking business remained stable QoQ however grew 100% YoY. Customer acquisition improved during the quarter growing by 83% QoQ following the introduction of a revamped digital onboarding platform for our agency banking business in Q3. Agency Banking revenue now contributes 2.3% of total digital revenues from 1.1% recorded in 9M22.

Digital Revenue Analysis 9M 2023

Digital Contribution to Gross Earnings



Digital Revenue Split

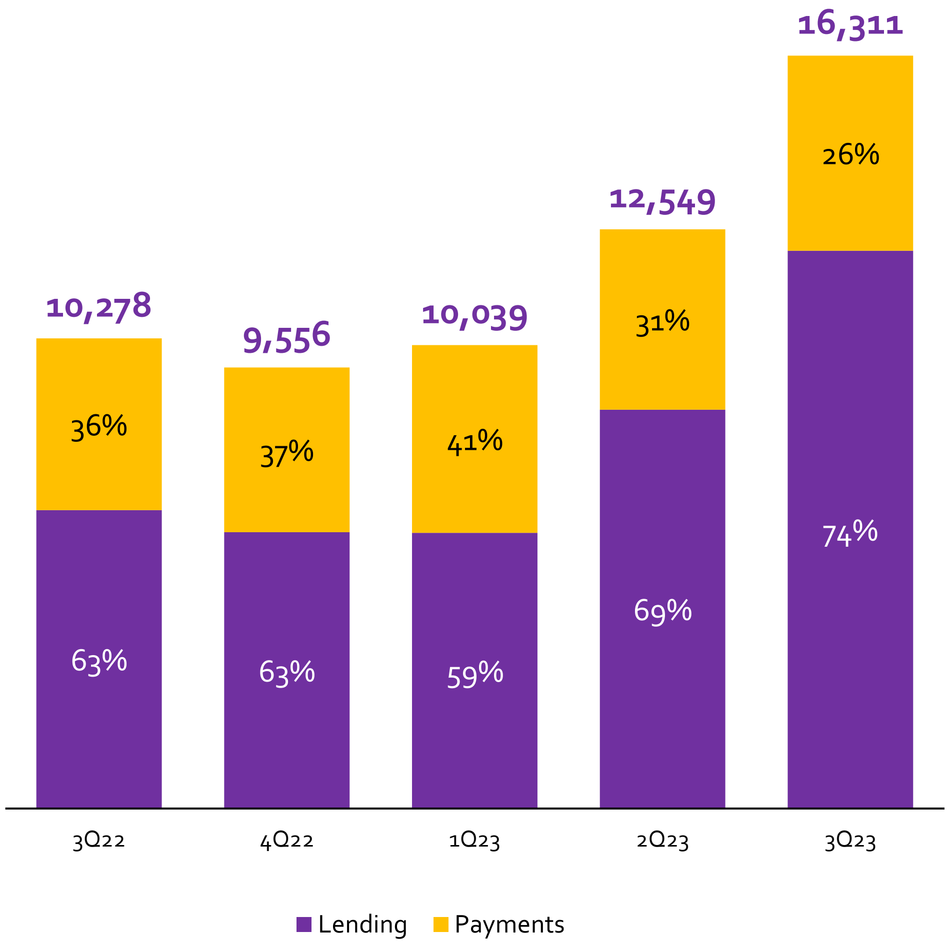


Digital revenue of **N38.9bn** accounts for **11%** of gross earnings with Lending at **N26.7bn** contributing the largest share of revenues as at 9M 2023.

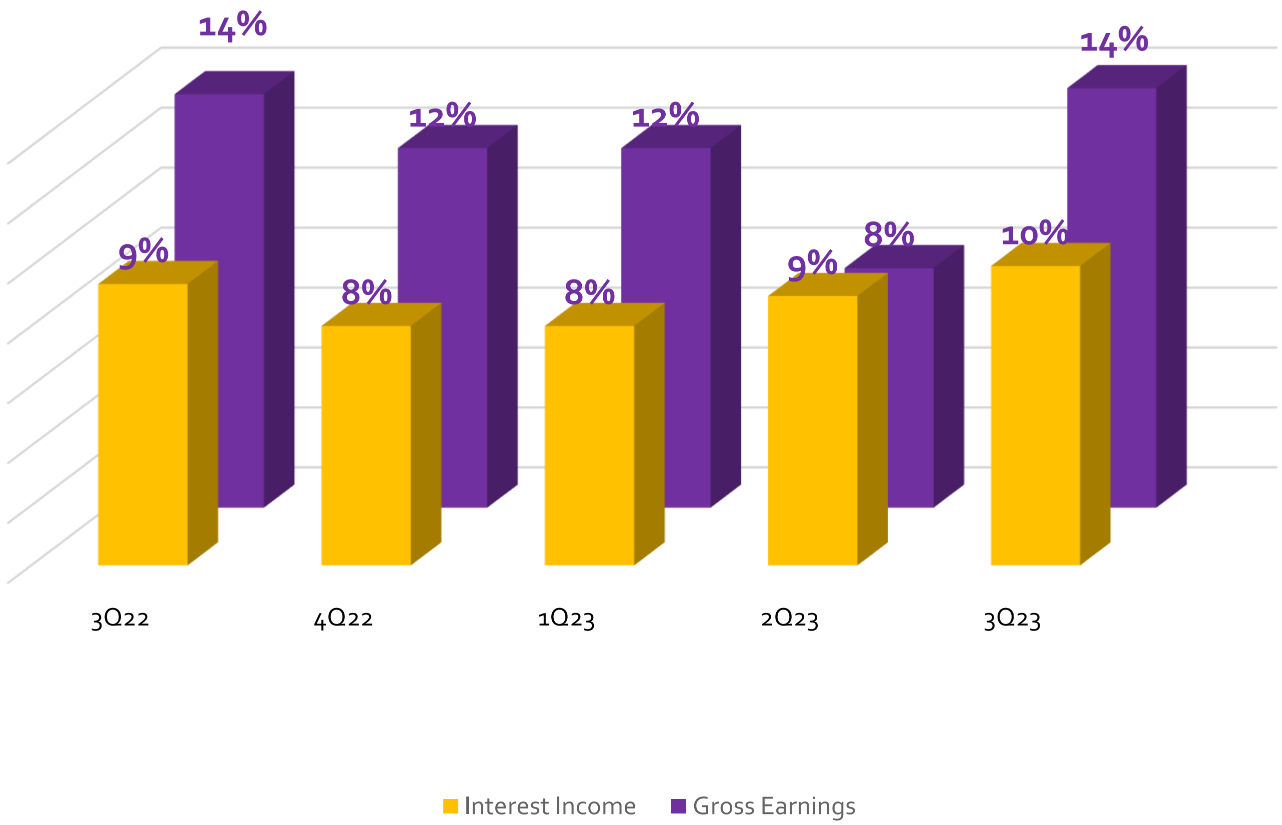
Digital lending and payments remain the key drivers of digital revenues of digital revenues (**99.7%**).

Digital loans to Retail have grown by **46%** while loans to SMEs grew by **28%** from the previous quarter.

Digital Revenue Trend / Contribution To Gross Earnings & Interest Income



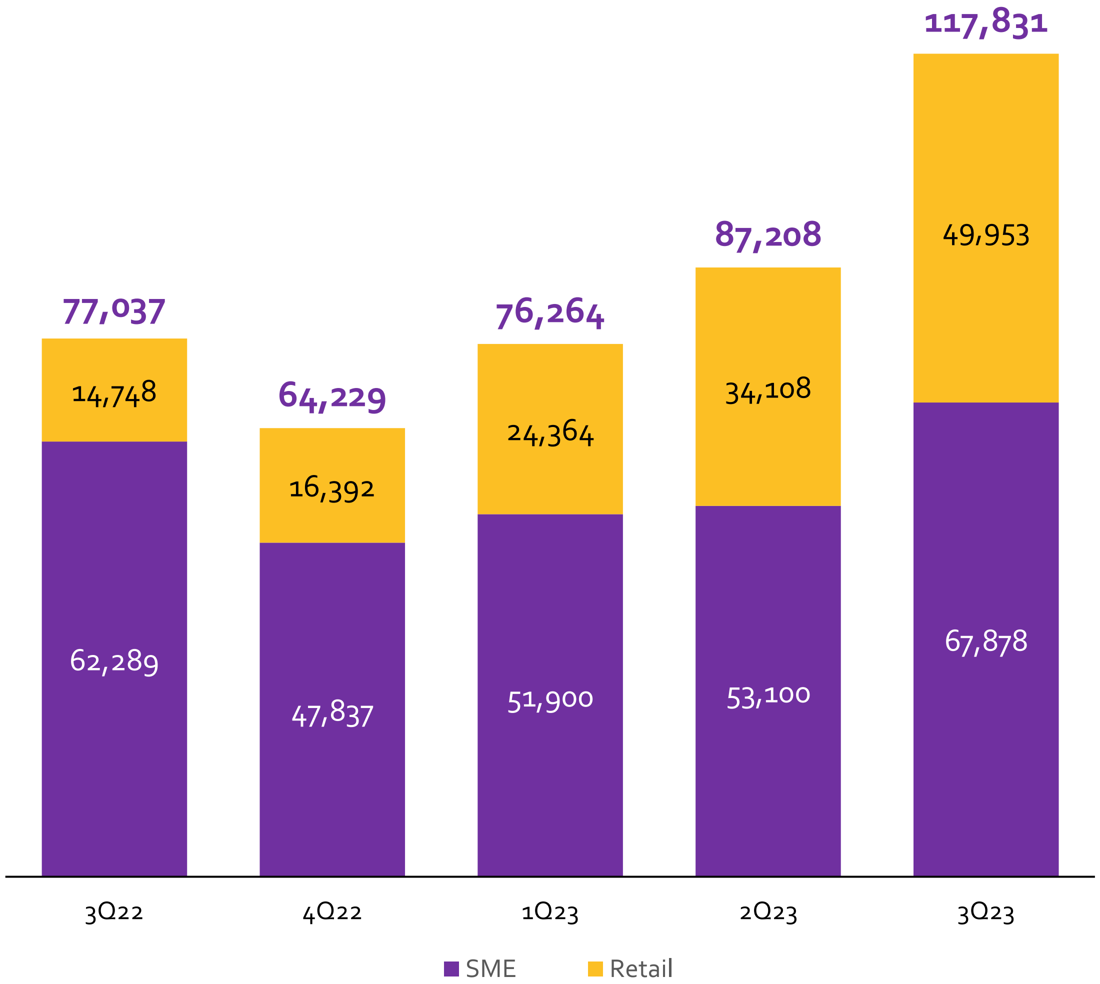
Digital Contribution To Interest Income & Gross Earnings



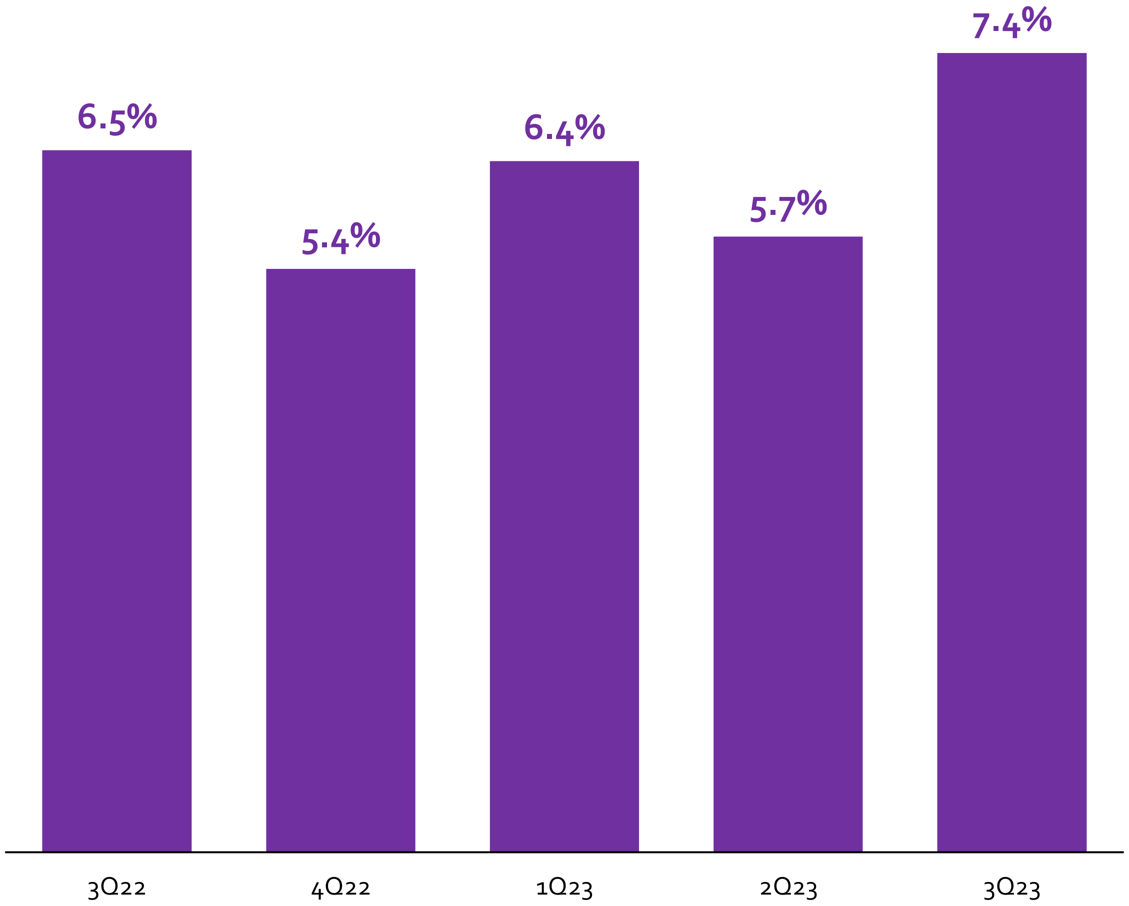
We continue to see traction in revenues from our digital channels driven by increased adoption, origination & repeat transactions on our digital lending products. On the back of this, we recorded a 30% and 59% growth in digital revenues QoQ and YoY respectively.

Digital Loans Trend & Contribution To Total Loans 3Q 2023

Digital Loans Trend (in billions)



Digital Loans Contribution To Total Loans Trend



Digital loans grew by 53% from N77.0bn in 3Q22 to N117.8bn in 3Q23 accounting for 7.4% of the Total Loan Portfolio. Growth in retai digital lending portfolio was driven by increased adoption of the digital lending platform in our CDL business. Retail digital lending portfolio is currently split 79%/21% between CDL and the Bank.

9M 2023 SME & Retail Digital Lending, Wealth & Payments Highlights

SME Digital Loans 9M 2023 Highlights

Value of loans disbursed **N127.2bn**

Volume of loans disbursed **14,984** with an average ticket size of **N8.5m**

Portfolio Size of **N67.9bn** as at 9M 2023

Retail Digital Loans 9M 2023 Highlights

Value of loans disbursed **N72.1bn**

Volume of loans disbursed **1.2m** with an average ticket size of **N31k**

Portfolio Size of **N50.0bn** as at 9M 2023

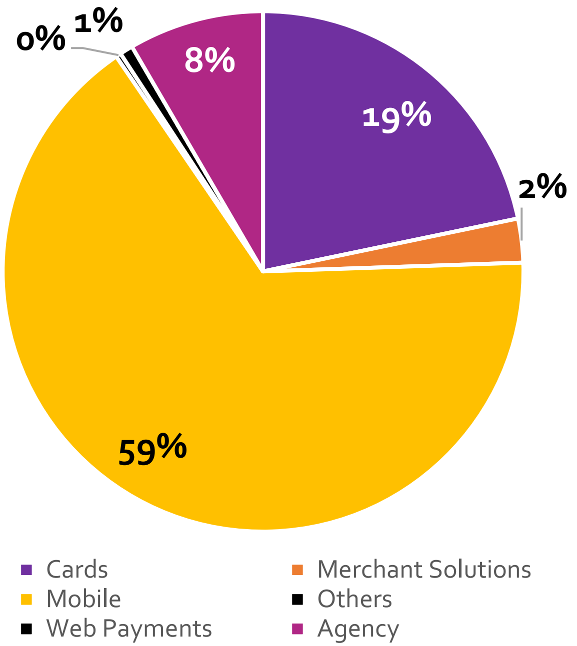
Digital Wealth 9M 2023 Highlights

Digital wealth propositions with **68k** customers onboarded as at 9M 23

Digital Wealth revenues grew by **100%** from 9M 2022

45% growth in AUM from FY 2022 to **N12.3bn**

Digital Payments 9M 2023 Highlights



Group Performance Review: The Banking Group

Mrs. Yemisi Edun: Managing Director - FCMB Ltd

9M 2023 Results Highlights

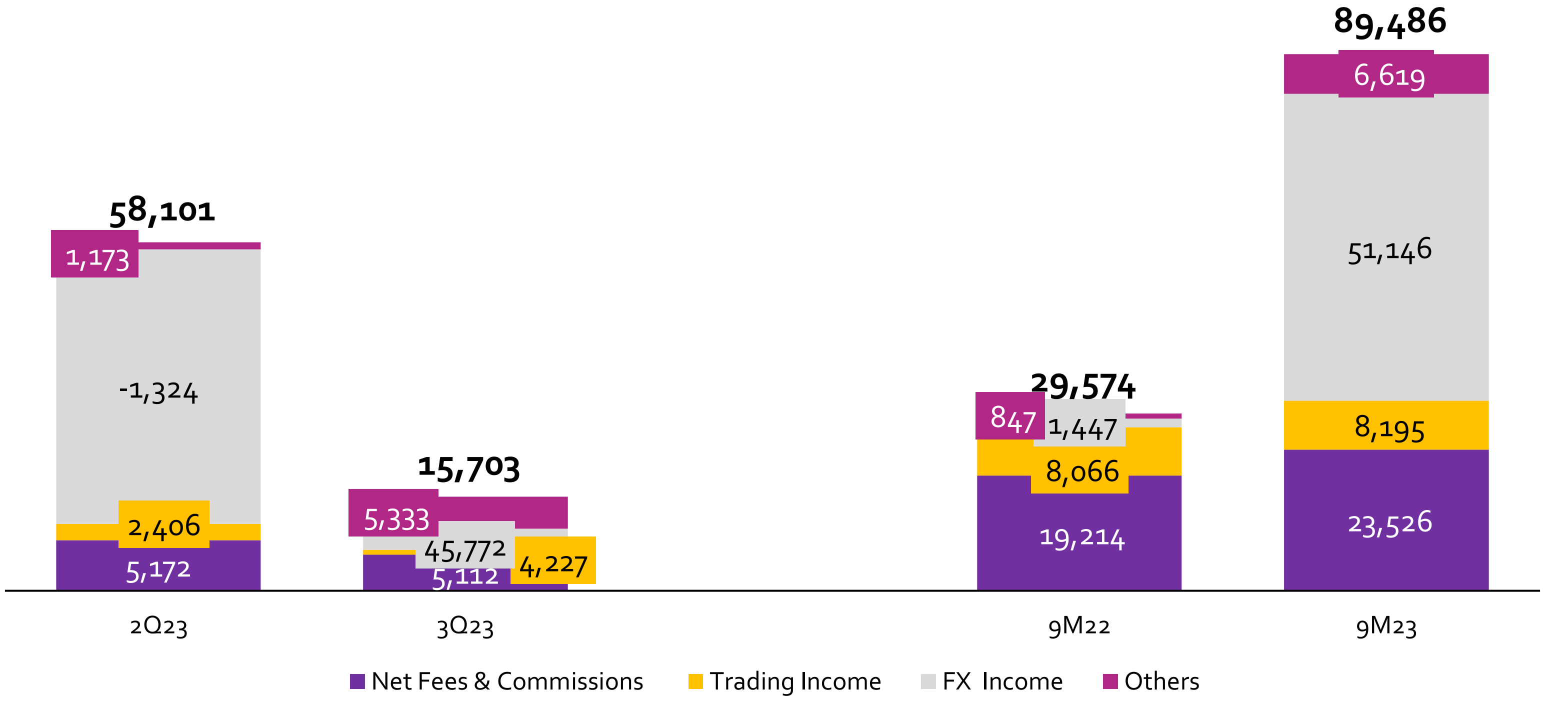
			9M 22
Gross Earnings	N321.2 billion	79%	N179.8 billion
Cost-to-income	50.6 %	1700 bps	67.6%
Return on Average Equity	19.3%	840 bps	10.9%
Capital Adequacy	15.3%	140 bps	16.7 %
Deposits	N2.54 trillion	40%	N1.82 trillion
Loans	N1.54 trillion	33%	N1.16 trillion
Cost of Risk	3.9%	260 bps	1.3%
Profit before Tax	N44.2 billion	130%	N19.2billion
Non-Performing Loans	4.4%	-	4.4%
Customers	8.70 million	13%	7.72 million
Total Assets	N3.78 trillion	33%	N2.85 trillion

Banking Group: Financial Analysis: 2Q23 vs. 3Q23 and 9M22 vs. 9M23

- PBT declined by 44% QoQ due to minimal FX revaluation gain in Q3 compared to Q2. However, grew by 130% YoY. YoY growth was largely due to a growth in Net interest income and Non-interest income propelled by Naira devaluation as a result of FX rates unification by the CBN.
- Net Interest Income increased 18% and 28% QoQ and YoY, due to a steady growth in loans and advances over the period as well growth in low-cost deposits that moderate cost of funds.
- Non-Interest Income declined by 73% QoQ due to minimal FX revaluation gain, decline in net fees and commissions because of increasing switching cost and trading income decline in trading activities because market uncertainties. However, grew by 203% YoY. The YoY growth was driven by an increase in fees & commissions as well as FX income following FX rates unification by the CBN in Q2.
- Operating expenses increased by 12% and 29% QoQ and YoY respectively due to technology enhancement costs and increased regulatory, coupled with the double-digit inflationary environment.
- Risk Assets (net) grew by 2% and 33% QoQ and YoY, respectively, while Customer Deposits also increased 6% QoQ and 40% YoY, respectively significantly due to the FX rates unification by the CBN.

N'm	2Q23	3Q23	%Δ QoQ	9M22	9M23	%Δ YoY
Gross Earnings	**138,917**	**102,616**	**-26%**	**179,837**	**321,230**	**79%**
Interest Income	78,302	83,864	7%	143,735	224,041	56%
Interest Expense	(41,833)	(40,862)	-2%	(59,306)	(116,160)	96%
Net Interest Income	**36,469**	**43,002**	**18%**	**84,429**	**107,881**	**28%**
Non-Interest Income	**58,102**	**15,703**	**-73%**	**29,575**	**89,486**	**203%**
- Net Fees & Commissions	8,442	6,058	-28%	19,214	23,526	22%
- Trading Income	2,714	776	-71%	8,066	8,195	2%
- FX Income	45,772	3,536	-92%	1,447	51,146	3435%
- Others	1,173	5,333	355%	847	6,619	681%
Operating Income	**94,571**	**58,704**	**-38%**	**114,003**	**197,390**	**73%**
Operating Expenses	**(32,317)**	**(36,232)**	**12%**	**(77,082)**	**(99,742)**	**29%**
Net impairment loss on financial assets	(39,090)	(9,406)	-76%	(17,700)	(53,408)	202%
PBT	**23,163**	**13,066**	**-44%**	**19,222**	**44,239**	**130%**
PAT	**22,764**	**10,972**	**-52%**	**17,816**	**41,156**	**131%**
Balance Sheet (N'B)						
Customer Deposits	2,386	2,536	6%	1,817	2,536	40%
Risk Assets	1,512	1,543	2%	1,157	1,543	33%

Non-Interest Income Analysis: 2Q23 vs. 3Q23 and 9M22 vs. 9M23



	%Δ QoQ	%Δ YoY
Net Fees & Commissions	-28.2%	22.4%
Trading Income	-71.4%	1.6%
FX Income	-92.3%	3435.2%
Others	354.6%	681.5%
Non-Interest Income	**-73.0%**	**202.6%**

- Net fees and commissions declined by 28% QoQ due to increase card recoverable expenses. However, grew by 22% YoY driven by growth in electronic and service fees & commissions;
- Trading income declined by 71% QoQ due to decline in trading activities because market uncertainties. However, grew marginally by 2% YoY due to higher trading activities in government-backed securities;
- FX income declined by 92% QoQ due to minimal FX revaluation gain in Q3 compared to Q2. However, grew by 3435 % YoY due to FX revaluation gains as a result of FX rates unification by the CBN;
- Other income grew by 355% and 682% QoQ and YoY respectively due to dividend income received.

Segment & Subsidiaries Highlights: 2Q23 vs. 3Q23 and 9M22 vs. 9M23

- **Personal Banking | 9M23: PBT N8.4bn** PBT grew by N847m and N2.99bn QoQ and YoY respectively due to increase in transaction activities on Alternate channels as well as improved customer acquisition and retention in line with our sustained retail drive.

- **SME Banking | 9M23 PBT: N10.0bn** We continue to see traction as we remain on course with our strategy of using innovation and technology to drive the business. YoY, PBT grew by N190m, however declined N1.23bn QoQ.

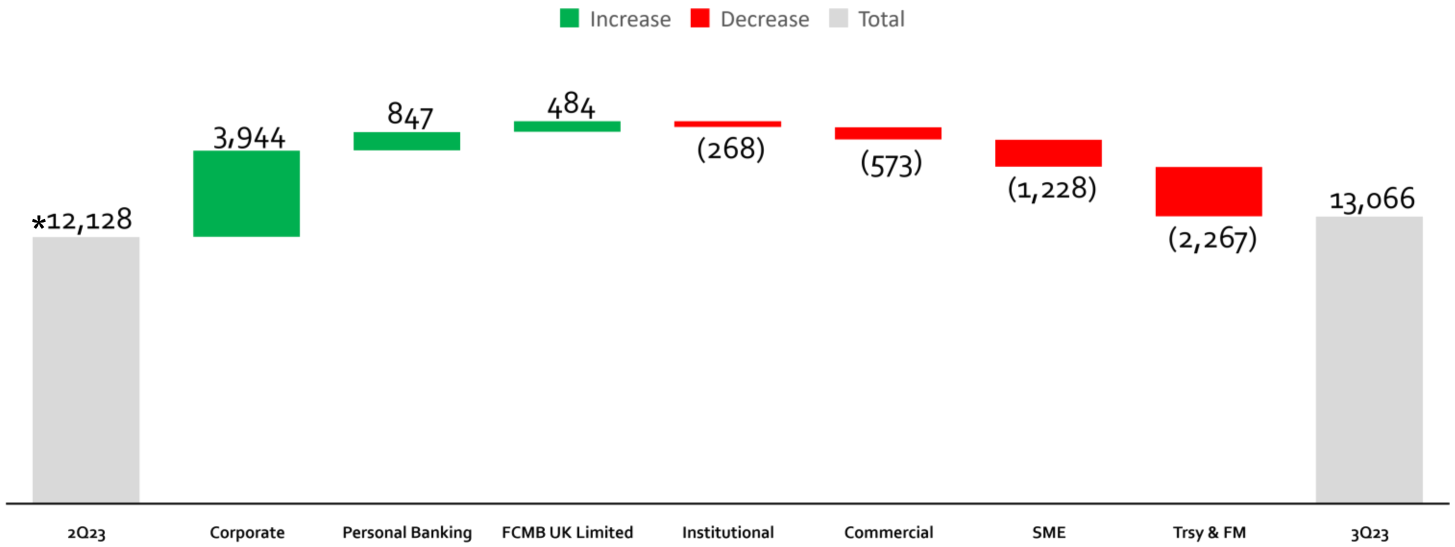
- **Treasury & Financial Markets | 9M23 PBT: N5.1bn** PBT declined by N2.27bn and N716m QoQ and YoY respectively. This was largely due to decline in trading activities in government-backed securities.

- **Corporate Banking | 9M23** The business recorded a profit of **N6.60bn** with QoQ and YoY growth of N3.94bn and N7.36bn respectively. We continue to see growth in the segment despite the challenging economic situation in the country.

- **Commercial Banking | 9M23 PBT: N492m** PBT for the business declined by N573m QoQ however grew by N664m YoY.

- **Institutional Banking | 9M23 PBT: (N819m)** though the business is still loss making, we have seen a significant reduction in losses, with losses declining by N1.28bn YoY.

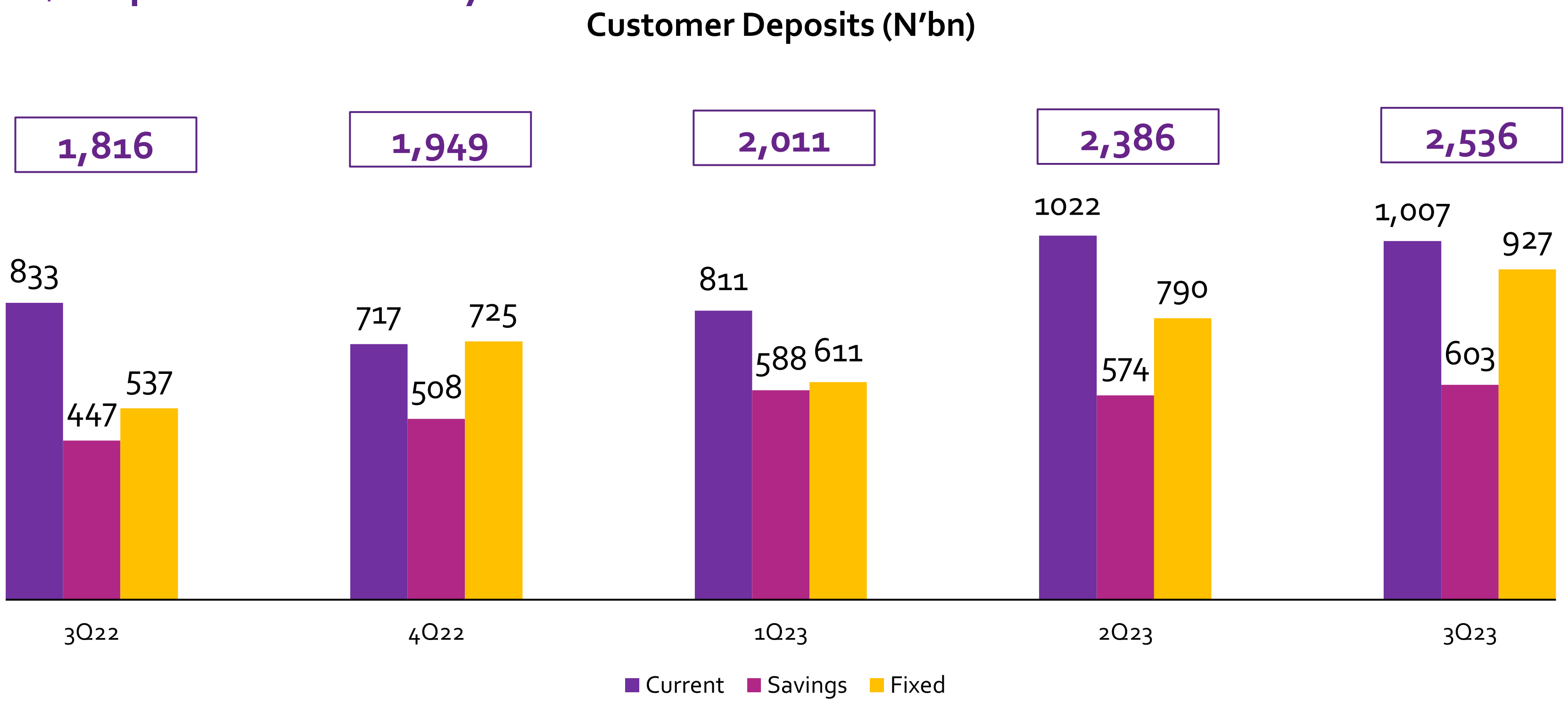
Banking Group: 3Q 23 PBT Waterfall



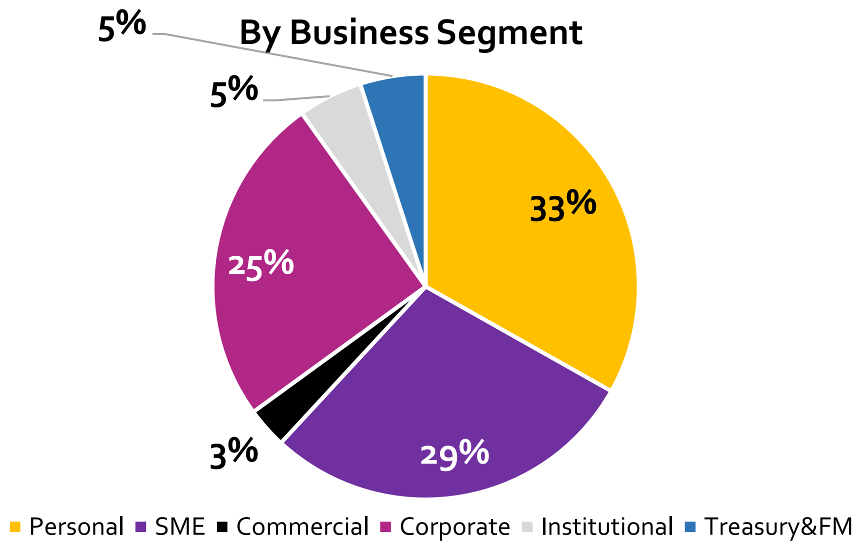
Banking Group: 9M23 PBT Waterfall

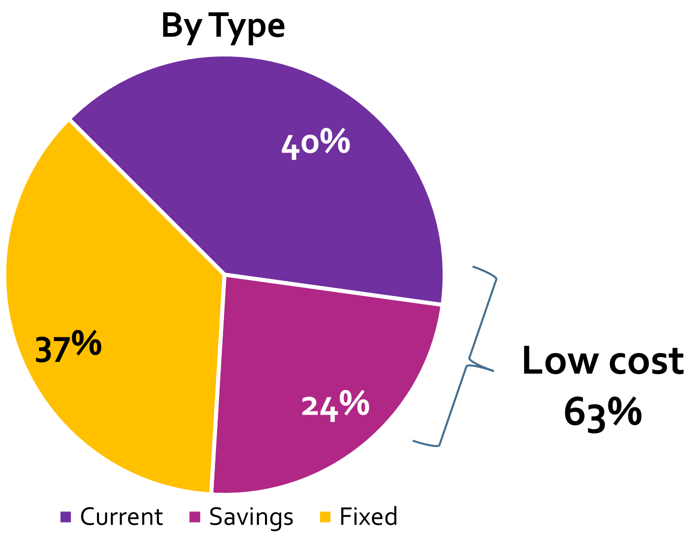
*** Excluding exceptional gain of N11 billion in Q2 2023***

Deposits Trend Analysis

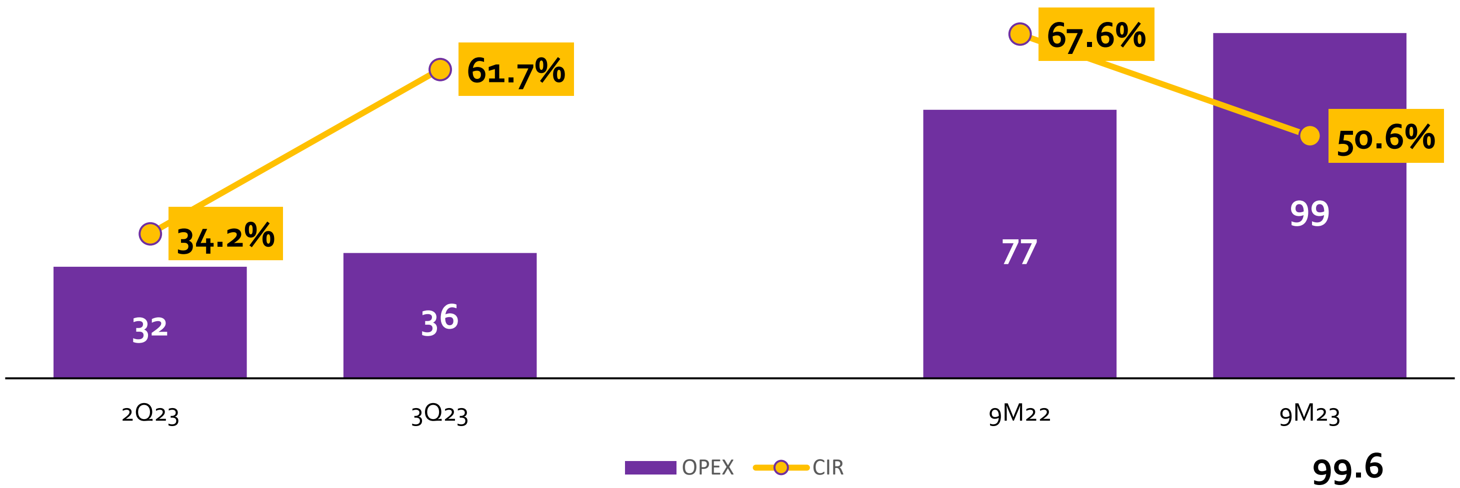


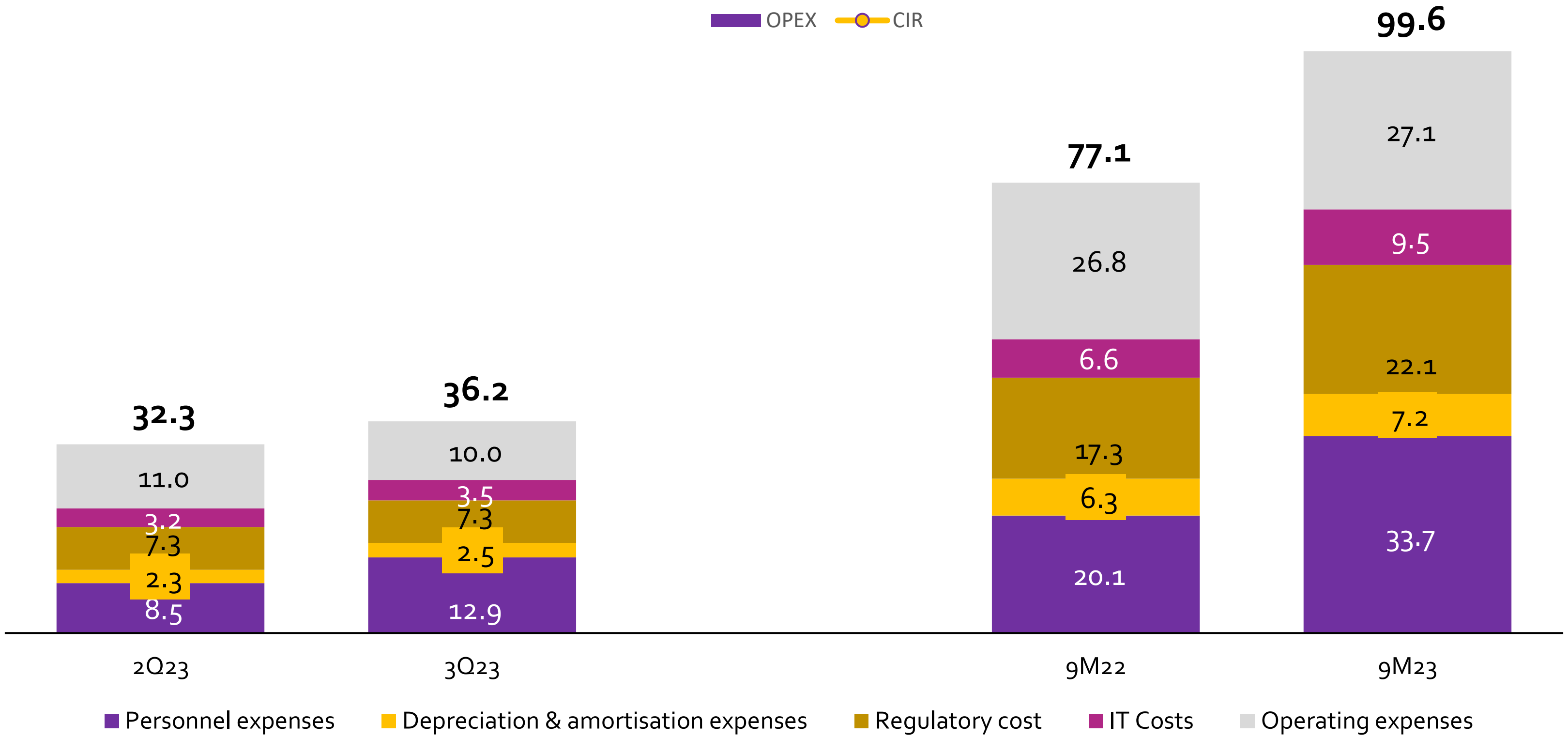
- Customer deposits rose **6%** QoQ and **40%** YoY.
- Low-cost deposits now account for **63%** of total deposits. Low-cost deposits grew by **1%** QoQ and **26%** YoY.
- Retail (Personal and SME Banking) deposits which now constitutes about **62%** of total deposits, grew by **9%** QoQ and **38%** YoY respectively.





Cost Analysis & Reduction Plans





Analysis

- Operating expenses grew by 12% and 29% QoQ and YoY, respectively. The YoY growth was largely due to an increase in personnel and regulatory costs, coupled with the double-digit inflationary environment.
- Regulatory costs (NDIC & AMCON) grew by 28% YoY.
- Technology costs also grew by 9% and 44% QoQ and YoY, respectively to account for 10% of OPEX in 9M23.

Reduction Plans

- Internal process realignment and automation for greater cost efficiency.
- Resources reallocation for optimization of performance.
- Focus remains on driving efficiencies and reducing cost-to-serve.

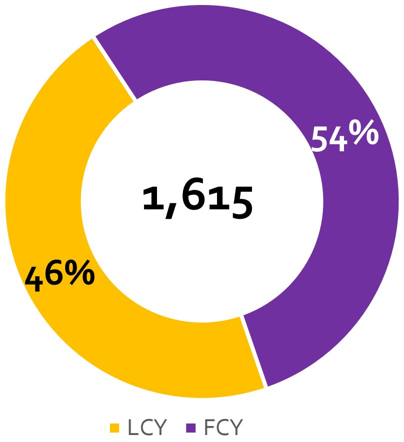
***NB**: Cost-to-Income excluding the revaluation gain impact would have been 68.2%.*

Loan Portfolio Classification

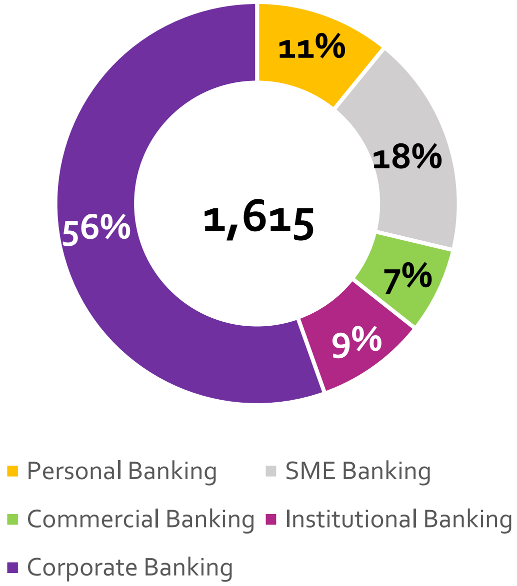
Corporate and Commercial Banking segments share of total portfolio grew YoY to 56% and 9% respectively. 34% growth YoY in Loan Book was largely from Commerce, Manufacturing and Oil &Gas Sectors.

Industry Sector	Sep. 22	Dec. 22	Mar. 23	Jun. 23	Sept. 23	% Distr.
Agriculture	102,871	104,312	116,591	131,897	104,232	**6.5%**
Commerce	114,694	126,957	142,860	171,778	193,142	**12.0%**
Construction	1,671	2,766	2,895	3,376	3,156	**0.2%**
Education	6,389	8,351	7,077	6,842	7,378	**0.5%**
Finance & Insurance	90,124	89,973	97,697	140,161	141,808	**8.8%**
General – Others	29,258	26,658	30,840	34,965	37,023	**2.3%**
Government	24,881	22,973	21,598	25,385	24,140	**1.5%**
Individual – Bank	158,107	158,045	158,376	169,348	175,762	**10.9%**
Individual – Microfinance	3,837	4,559	1,574	2,082	2,129	**0.1%**
Information & Communications	16,318	15,461	15,171	21,337	27,129	**1.7%**
Manufacturing	160,428	162,207	163,245	237,972	250,865	**15.5%**
Oil &Gas-Downstream	82,195	90,744	88,499	114,343	112,452	**7.0%**
Oil & Gas-Upstream	155,044	161,230	148,440	251,637	266,354	**16.5%**
Oi l& Gas Services	57,156	60,043	50,956	75,099	66,925	**4.1%**
Power & Energy	61,992	56,865	57,147	73,110	55,692	**3.4%**
Professional Services	23,365	9,183	2,501	3,901	3,970	**0.2%**
Real Estate	101,257	99,226	95,391	128,773	126,894	**7.9%**
Transportation & Logistics	15,366	14,441	15,677	16,639	16,289	**1.0%**
	1,204,954	**1,213,993**	**1,216,534**	**1,608,645**	**1,615,340**	**100%**

By Currency



By Business Segment

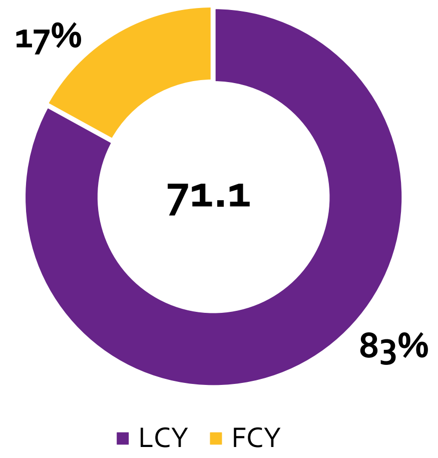


Non-Performing Loans

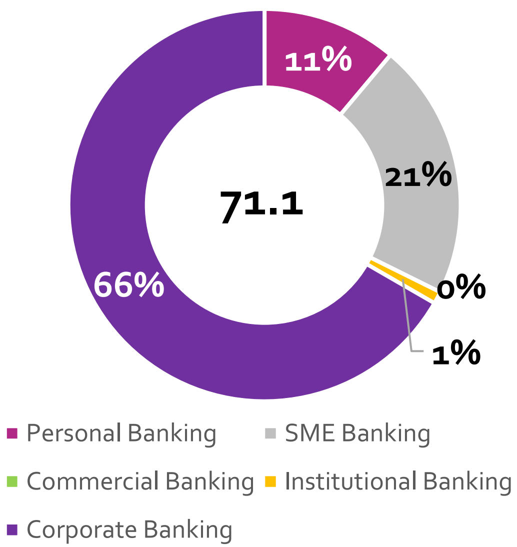
YoY NPL ratio remained flat at 4.4%, however grew by 33% in absolute terms.

By Sector	Sept. 2022		Jun. 2023		Sept. 2023	
	NPL	NPL%	NPL	NPL%	NPL	NPL%
Agriculture	851.22	0.8%	1,642.78	1.2%	1,713.52	1.6%
Commerce	8,360.78	7.3%	13,924.58	8.1%	10,617.53	5.5%
Construction	91.31	5.5%	150.89	4.5%	158.18	5.0%
Education	521.88	8.2%	963.31	14.1%	711.54	9.6%
Finance & Insurance	36.49	0.0%	46.23	0.0%	38.27	0.0%
General – Others	863.11	2.9%	2,533.93	7.2%	1,749.65	4.7%
Government	1,094.82	4.4%	97.42	0.4%	-	0.0%
Individual – Bank	7,759.54	4.9%	6,038.60	3.6%	8,004.24	4.6%
Individual – Microfinance	-	0.0%	122.86	5.9%	115.54	5.4%
Information & Communications	33.85	0.2%	43.53	0.2%	1.96	0.0%
Manufacturing	11,819.70	7.4%	24,651.85	10.4%	25,794.03	10.3%
Oil &Gas – Downstream	64.52	0.1%	28.54	0.0%	39.37	0.0%
Oil & Gas – Upstream	-	0.0%	-	0.0%	-	0.0%
Oil & Gas Services	11,769.99	20.6%	12,354.70	16.5%	-	0.0%
Power & Energy	8,178.77	13.2%	15,045.81	20.6%	-	0.0%
Professional Services	1,700.37	7.3%	170.57	4.4%	780.67	19.7%
Real Estate	131.81	0.1%	686.79	0.5%	21,327.36	16.8%
Transportation & Logistics	87.18	0.6%	169.56	1.0%	92.94	0.6%
Total	**53,365.34**	**4.4%**	**78,671.98**	**4.9%**	**71,144.78**	**4.4%**

By Currency



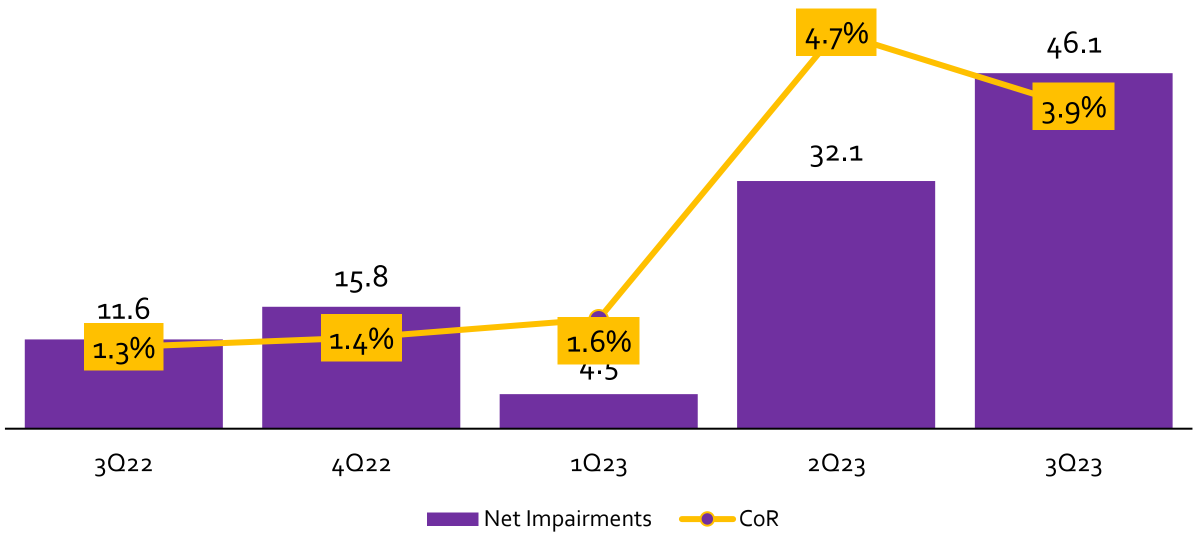
By Business Segment



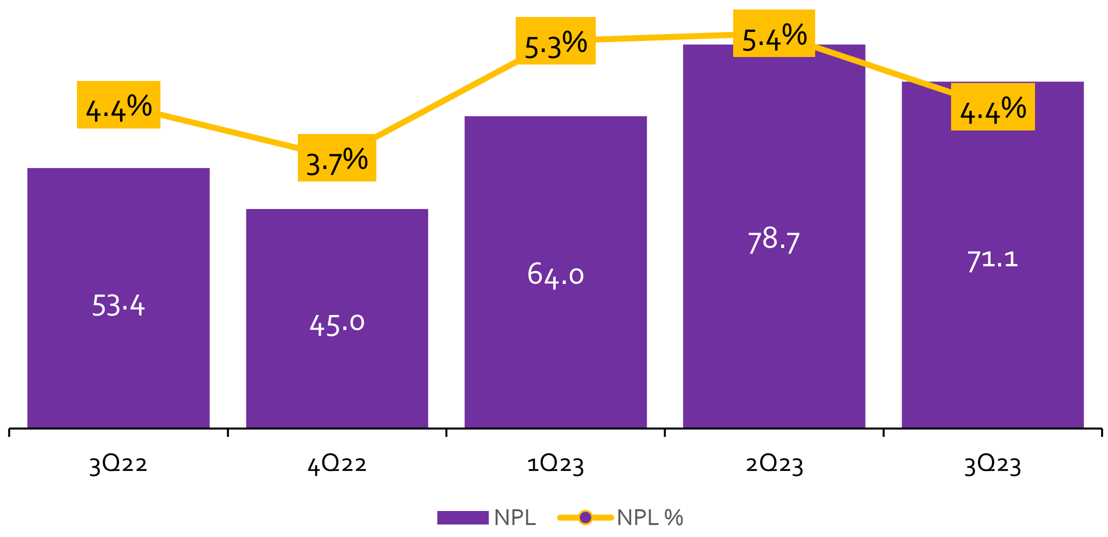
Net impairment charge grew YoY while coverage declined QoQ

- CoR trended upwards by 260bps YoY, reflecting the impact of devaluation on the loan book and net impairment charges.
- We recorded a 100bps QoQ improvement in NPL.
- Accumulated Impairments declined by 25% QoQ while NPL coverage declined to 102.2%.

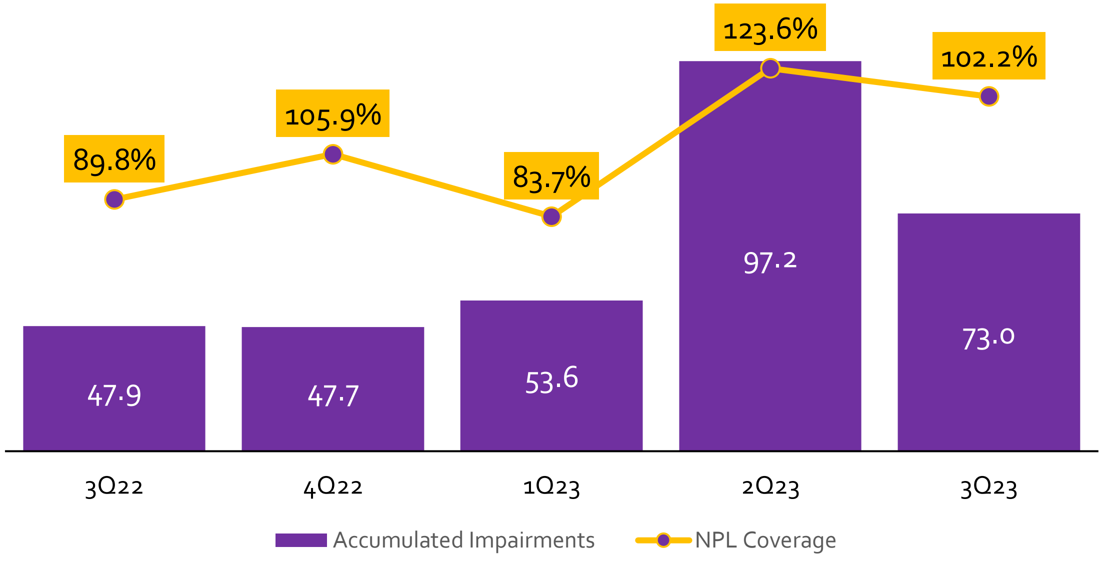
Net impairment charges on loans (N'B) & Cost-of-risk



NPL (₦'B) & NPL Ratio



Accumulated Impairments (₦'B) & NPL Coverage



Group Performance Review: Consumer Finance

Mr. Chukwuma Nwanze: Managing Director - CDL

Consumer Finance : 9M 2023 Performance Highlights

Gross Earnings
N14.3 billion
38% ▲
9M 22: N10.3 billion

Interest Income
N13.7 billion
41% ▲
9M 22: N9.7 billion

Profit before Tax
N4.2 billion
33% ▲
9M 22: N3.2 billion

CIR
47.8%
50bps ▼
9M 22: 48.3%

NPL
8.6%
60bps ▼
9M 22: 9.2%

Return on Average Equity
40%
1000 bps ▲
9M 22: 30%

Our Consumer Finance Business comprises of Credit Direct Limited

Consumer Finance: Financial Analysis - 2Q23 vs. 3Q23 and 9M22 vs. 9M23

- Gross earnings grew by 34% QoQ in the third quarter of the year bringing our 9M 2023 gross earnings performance to N14.3b (equaling our full year 2022 gross earnings performance) and representing a 38% jump when compared to the corresponding period in 2022
- 9M 2023 interest income rose to N13.7b, surpassing the N13.4b recorded in full year 2022 and representing a 41% jump in topline earnings on a year-on-year basis
- The growth in topline this year was supported by a strong growth in our loan disbursement by 84% YoY (circa N20billion growth) as we added 66,000 new customers since the start of the year
- The rapid growth in loan disbursement has required a significant increase in funding leading to higher interest expense which increased 62% YoY
- During this current quarter, we issued our debut commercial paper, raising N6.8b from institutional investors which has helped to further diversify our funding sources and ensure adequate funding to support the growth in disbursement
- The strong business growth in 2023 has been supported by the successful rollout of our new core banking engine which was an integral part of our digital transformation journey including the introduction of our wholly digital channels such as our USSD and embedded lending products that contributed N7.3b in disbursement in the first 9 months of 2023
- Our operating expenses grew to N5.6b in 9M 2023 driven by higher levels of operating activities and the adverse impact of inflationary pressures on operating expenditure
- Our PBT reached N4.2b in 9M 2022, surpassing our full year 2022 business performance and representing a 33% YoY growth in profitability

N'm	2Q23	3Q23	%Δ QoQ	9M22	9M23	%Δ YoY
Gross earnings	4,434	5,994	34%	10,317	14,262	38%
Interest income	4,276	5,750	34%	9,681	13,665	41%
Interest expense	(1,026)	(1,342)	31%	2,031	3,299	62%
Net interest income	**3,250**	**4,408**	**36%**	**7,649**	**10,367**	**36%**
Non-interest income	**158**	**244**	**55%**	**636**	**596**	**-6%**
- Net fees & commissions	88	94	7%	295	250	-15%
- Others	69	150	117%	341	346	1%
Operating income	**3,408**	**4,652**	**37%**	**8,286**	**10,963**	**32%**
Operating expenses	**(1,735)**	**(2,359)**	**36%**	**(4,178)**	**(5,595)**	**34%**
Net impairment loss on financial assets	(382)	(527)	38%	(933)	(1,161)	24%
PBT	**1,292**	**1,766**	**37%**	**3,174**	**4,207**	**33%**
PAT	**865**	**1,183**	**37%**	**2,127**	**2,819**	**33%**

Consumer Finance: Financial Analysis - 2Q23 vs. 3Q23 and 9M22 vs. 9M23

- CIR moderated by 10bps QoQ and 50bps YoY in spite of higher operational activities and inflationary pressures.
- Loan book expanded by 25% QoQ and 76% YoY to N48.2 billion in Q3 2023, supported by the addition of 66k new customers during the 9-month period.
- We continue to prioritize creation of good quality risk assets as non-performing loans ratio improved to 8.6% from 9.0% in Q2 and 9.2% in Sep 2022.
- Return on Average Equity improved from 30% to 40% YoY in 9M 2023 supported by a 33% growth in PAT during the same period
- We anticipate continued improvement in our profitability ratios, efficiency ratios, and regulatory ratios supported by organic loan book growth, business digitization and cost optimization.
- The business continues to maintain strong liquidity and capital buffers to support growth in loan disbursement, customer acquisition and funding optimization which we anticipate will help support us to finish the 2023 financial year strongly.

Performance Index		2Q23	3Q23	%Δ QoQ	9M22	9M23	%Δ YoY
Operating	Return on Average Equity	38%	49%	29%	30%	40%	33%
	Return on Average Assets	8%	9%	13%	8%	9%	13%
	Loan/Deposit Ratio	120%	124%	3%	120%	124%	3%
	Loan/Funding Ratio	120%	124%	3%	120%	124%	3%
	Cost/Income Ratio	47.6%	47.5%	0%	48.3%	47.8%	-1%
	Net Interest Margin	36%	38%	6%	37%	34%	-8%
	NPL/Total Loans	9.0%	8.6%	-4%	9.2%	8.6%	-7%
	Coverage Ratio	101%	93%	-8%	102%	93%	-9%
	NII/Operating Income	5%	5%	0%	8%	5%	-38%
	Financial Leverage	1.3%	1.2%	-3%	1.3%	1.2%	-3%
	Cost of Risk	4.1%	4.5%	12%	4.1%	4.5%	12%
	Cost of funds	14%	15%	7%	13%	14%	8%
Capital & Liquidity	Capital Adequacy Ratio	24%	22%	-10%	29%	22%	-24%
	Liquidity Ratio	115%	113%	-2%	123%	113%	-8%
Others (N'B)	Opex	1,735	2,359	36%	4,178	5,595	34%
	Risk Assets (net)	38,416	48,181	25%	27,332	48,181	76%

Group Performance Review: Investment Banking

Mr. Femi Badeji: Executive Director FCMB Group Plc

Investment Banking: 9M 2023 Performance Highlights

Gross Earnings
N3.6 billion
29% ▲
9M 22: N2.8 billion

Non-Interest Income
N3.0 billion
24% ▲
9M 22: N2.5 billion

Profit before Tax
N1.6 billion
28% ▲
9M 22: N1.3 billion

Operating Expenses
N1.9 billion
31% ▲
9M 22: N1.5 billion

CIR
54%
100 bps ▲
9M 22: 53%

Return on Average Equity
31%
200 bps ▲
9M 22: 29%

Our Investment Banking Group comprises of FCMB Capital Markets and CSL Stockbrokers

Investment Banking: 9M 2023 Financial Analysis

- Gross Earnings and PBT YoY growth were driven by increased capital markets activity during the period as companies continued to explore capital markets offerings, which led to an increase in Capital Raising and Financial Advisory Fees.
- The Capital Markets business led or participated in 24 transactions for 9M 2023 helping to raise N691 billion for our clients.
- Fees & Commissions from our Stockbroking business grew by 77% and 27% QoQ and YoY, respectively. Whilst trading income grew 229% QoQ. It however declined by 35% YoY driven by lower volumes in proprietary trading activity for the period.
- CIR remained relatively stable YoY at 54% as at 9M 2023 despite a 31% increase in operating expenses which were largely personnel expenses.
- Overall contribution of the Investment Banking business to Group PBT was 3% as at 9M 2023.
- For the rest of the year, the business remains focused on providing support to its clients, to close out on existing transactions, by continuing to offer appropriate capital markets solutions and providing exceptional client service with the aim of retaining existing clients and acquiring new ones.

N'm	2Q23	3Q23	%Δ QoQ	9M22	9M23	%Δ YoY
Gross earnings	**1,099**	**1,426**	**30%**	**2,764**	**3,569**	**29%**
Net Interest Income	**191**	**185**	**-3%**	**304**	**528**	**74%**
Non-Interest Income	**908**	**1,241**	**37%**	**2,460**	**3,041**	**24%**
Capital Raising/Advisory Fees	301	146	-51%	680	755	11%
Fees & Commissions	449	793	77%	1,280	1,622	27%
Trading Income	31	102	229%	479	309	-35%
Other Income	128	200	56%	2	355	17650%
Operating Income	**1,099**	**1,426**	**30%**	**2,764**	**3,569**	**29%**
Operating Expenses	**(592)**	**(783)**	**32%**	**(1,473)**	**(1,923)**	**31%**
PBT	**507**	**643**	**27%**	**1,290**	**1,646**	**28%**
PAT	349	494	42%	945	1,190	26%
Key Ratios						
CIR	54%	55%	**2%**	53%	54%	**2%**
Return on Average Equity	28%	38%	**36%**	29%	31%	**7%**
Return on Average Assets	17%	20%	**18%**	18%	17%	**-6%**

Group Performance Review: Investment Management

Mr. James Ilori Chief Executive Officer: FCMB Asset Management Ltd

Investment Management: 9M 2023 Performance Highlights

Gross Earnings
N7.8 billion
39%
9M 22: N5.9 billion

Non-Interest Income
N7.3 billion
37%
9M 22: N5.3 billion

Profit before Tax
N3.7 billion
39%
9M 22: N2.7 billion

Operating Expenses
N4.1 billion
40%
9M 22: N2.9 billion

AUM
N953.7 billion
26%
9M 22: 756.1 billion

Return on Average Equity
35%
1200 bps
9M 22: 23%

Our Investment Management Group comprises of FCMB Pensions, FCMB Asset Management and FCMB Trustees

Investment Management: 9M 2023 Results Review

- Assets Under Management grew by 5% quarter-on-quarter, by 22% in the period to September 2023 and by 26% year-on-year, to close at N954 billion. Investment Income accounted for 45% of the Year-to-Date AUM increase, with the balance of 55% coming from Net Contribution from customers;
- Our Pensions business accounted for 79% of AUM in the third quarter, compared with 84% in the same period last year;
- AUM and Management fee from digital products increased by 41% and 107% year-on-year;
- In terms of number of Retirement Savings Accounts, it rose by 1.89% in the period to Sept 2023, to close at 748,239, with Registrations via our digital Platform contributing 63% of the increase, compared with 60% at the end of last year;
- On the Transfer window, we recorded a net inflow of N792 million in the 3rd quarter, compared with a net outflow of N2.5 billion in the previous quarter, as the reorganisation of our sales distribution network and staffing in key regions (Lagos and Abuja) positively impacted performance in the Transfer window;
- PBT increased by 39% year-on-year, with our Pensions business contributing 64% of PBT.

N'm	2Q23	3Q23	%Δ QoQ	9M22	9M23	%Δ YoY
Gross earnings	**2,871**	**2,655**	**-8%**	**5,609**	**7,824**	**39%**
Net Interest Income	181	180	-1%	304	552	82%
Non-Interest Income	**2,688**	**2,474**	**-8%**	**5,305**	**7,272**	**37%**
–Advisory Fees	30	32	7%	82	93	13%
– Brokerage Commission	25	3	-88%	67	29	-57%
–Asset Management Fees	2,133	2,359	11%	5,060	6,493	28%
–Others	501	83	-83%	97	657	577%
Operating Income	**2,871**	**2,655**	**-8%**	**5,609**	**7,823**	**39%**
Operating Expenses	(1,339)	(1,564)	17%	(2,947)	(4,133)	40%
Net gains/(losses) from fin. instruments at fair value						
PBT	**1,534**	**1,094**	**-29%**	**2,662**	**3,693**	**39%**
PAT	**1,079**	**642**	**-41%**	**1,877**	**2,598**	**38%**
AUM	910,305	953,676	5%	756,135	953,676	26%
ROAE	46%	26%	-43%	23%	35%	52%
CIR	47%	59%	26%	53%	53%	0%

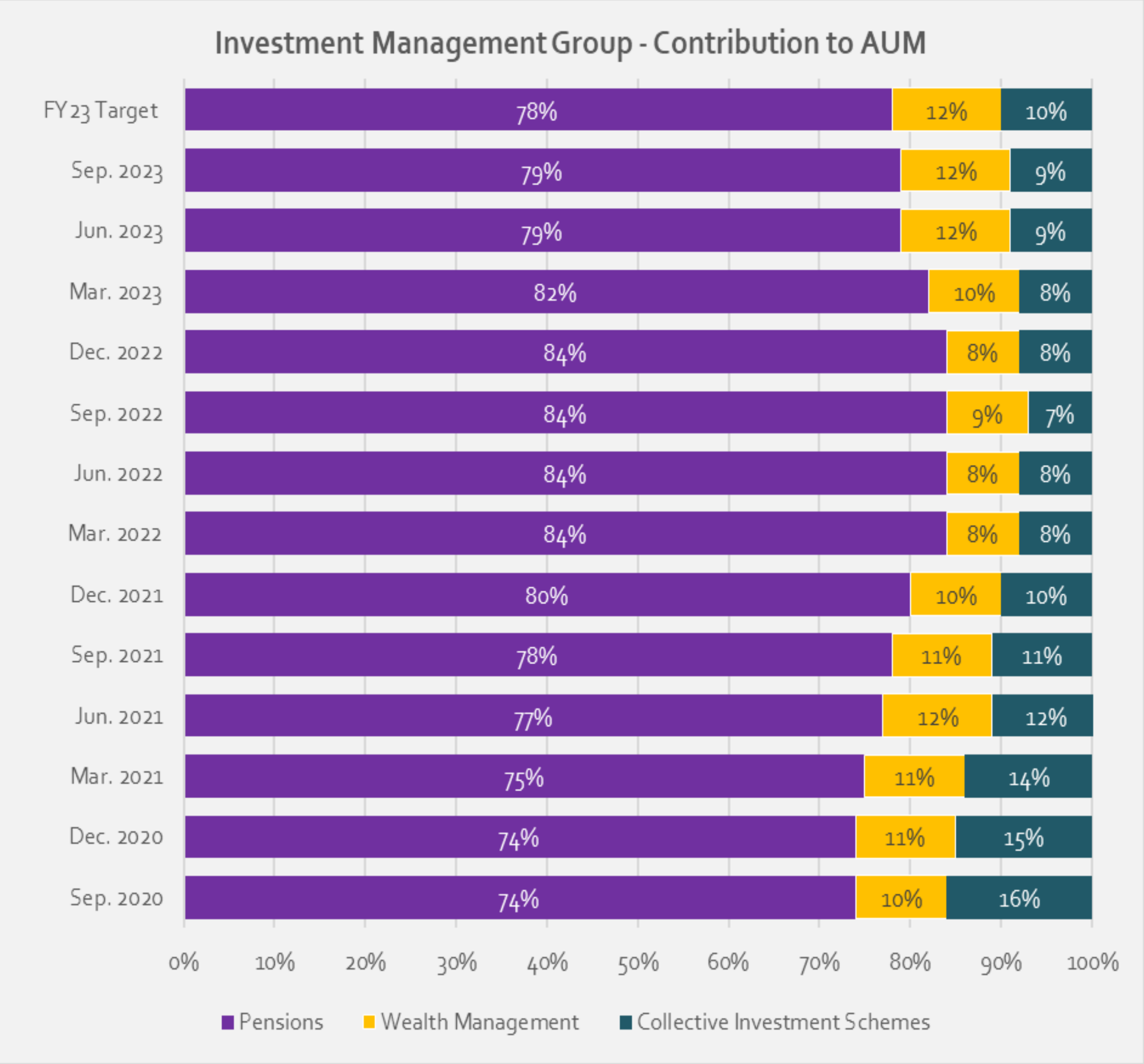
Investment Management: FY23 Focus

Update on primary goals in FY 2023:

- **AIICO Pension impact:** The AIICO transaction's impact on AUM and PBT were N182.2 billion and N1.1 billion in the period to Sept 2023, representing 24% of AUM and 46% of PBT contributions from our Pensions business. We remain on track to achieve our AIICO PBT contribution target of N1.4 billion in Financial Year 2023;

- **Digital distribution:** The web-version of our GRO digital investment products went live during the quarter and is expected to further diversify our client base by making it easier for non-FCMB investors to access our digital investment product offerings. AUM and Management fee from our digital products are projected to increase by 65% and 117%, this year;

- **Alternative Assets:** Our Fund registration request to the SEC, to raise at least N10 billion under Series 1 of our upcoming Alternative Assets Fund remains under review by the regulator. We continue to engage with the SEC, to ensure that the structure of the proposed Fund conforms with existing regulatory rules. We hope to secure final approval before the end of the year.



Outlook

Mr. Ladi Balogun: Group Chief Executive - FCMB Group Plc

We expect to sustain our YoY PBT growth trajectory with a positive outlook for Q4, due to the following:

Banking Group –Traditionally stronger profitability in Q4 due to non-recurrence of AMCON levy

Increase in digital revenues by over 45% Year-on-Year from digital lending & payments. At our current run rate digital revenues are projected to exceed N55 billion for FY23. A growth of over N18 billion from the N37.1 billion delivered in 2022.

Investment Management - Growth in AUM by ~25% YoY and associated asset management fees, increased market share in the Pensions business and our digital wealth management platforms.

Investment Banking – Sustained performance from our Capital Markets business as we continue to strengthen our Debt Capital Markets position and a growing pipeline of Equity Capital Market and M&A deal flow.

Consumer Finance - Performance trajectory expected to be sustained in Q4 2023.