



FCMB Group Plc

Investors & Analysts **9M 2021**
Presentation

December 03 2021

AGENDA

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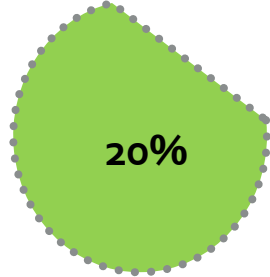
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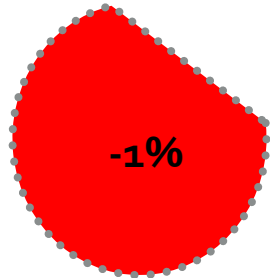
9M21 Results Highlights

Total Assets
N2.4 trillion



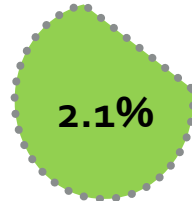
9M20: N2.0 trillion

Profit before Tax
N15.7 billion



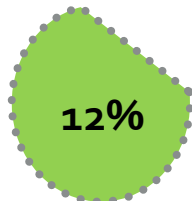
9M20: N15.9 billion

Gross Earnings
N149.5 billion



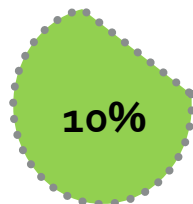
9M20: N146.4 billion

Deposits
N1.4 trillion



9M20: N1.2 trillion

Assets Under Management
N510.4 billion



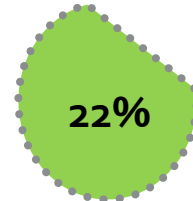
9M20: N462.1 billion

Return on Average Equity
8.0%



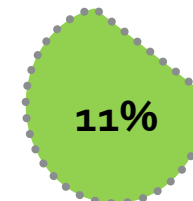
9M20: 8.9%

Loans
N967.6 billion



9M20: N793.1 billion

Customers
9.0 million



9M20: 8.1 million

Capital Adequacy
16.7%



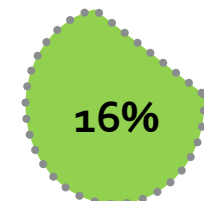
9M20: 18.4%

Non-Performing Loans
3.2%



9M20: 4.4%

Digital Customers
7.4 million



9M20: 6.4 million



Key Results



❖ **Digital Revenue: N18.3bn** generated from digital payments and lending activities for 9M 2021. Revenues have grown quarterly and now accounts for **12%** of Gross Earnings driven by Digital lending, Mobile banking and Cards.



❖ **Digital loans: over N94bn** has been disbursed to **614K** customers in 9M 2021. Portfolio size (**48.5b**) has increased by over **170%** in the last 9 months and digital lending now accounts for **46%** of digital revenues at the bank.



❖ **7.4m digital customers – up 16% YoY** from 6.4 million (Sept 2020). Growth is mainly due to:

- Simplified onboarding across the group – over **50%** of new customers acquired digitally by Pensions for 9M 2021
- Leveraging data for targeted digital marketing
- Digital Lending Products ramping up



Key Results



❖ **Diversification** - The Nigerian Bank now accounts for **69%** of PBT whilst the other subsidiaries in the Group now contribute **31%** of Profits as at 9M 2021.

❖ We are increasing our investments and accelerating growth across the Investment Banking, Wealth, Micro lending and our offshore franchise (UK) as regulatory costs and a tougher macro environment creates earnings headwinds for Nigerian Banks.



❖ **Ecosystem** ; our Group structure is enabling us to build an ecosystem of customers (**currently 9million**), partners and an extensive range of products and capabilities.

❖ This ecosystem will allow us to scale faster and build efficiencies whilst creating value for our customers, partners and stakeholders.

Update from Q2 2021

- ▶ Obtained relevant regulatory approvals for acquisition (Q2 2021) and Merger (Q4 2021)
- ▶ Path is now clear to get all shareholders approval and court sanction to conclude the merger by end of the year

Next Steps

- ▶ Receive court approval to hold meeting of shareholders
- ▶ Shareholders approval for the merger
- ▶ Court Sanction for the merger
- ▶ Operational integration of both entities

Impact on 2021

- ▶ Minimal impact on income statement for 2021 as merger would occur at the end of the year
- ▶ Integration charges to be borne in AllCO Pensions books prior to legal merger
- ▶ Cost synergies of ~ N1 billion identified
- ▶ AUM of over N155 billion to be added to FCMB Pensions

Projected impact for 2022

- ▶ Full impact of synergies to be realised
- ▶ AUM impact at end of 2022 estimated at N170 billion
- ▶ PBT contribution of over N1 billion



9M21 Results Overview: FCMB Group Plc

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



Group Performance Highlights

Overall 3Q21 performance improved QoQ on the back of higher trading and FX income, but dipped YoY due to the following;

- Lower net interest margins with CRR & Special Bills accounting for 21% of Total Assets
- Increase in Opex largely coming from regulatory costs, which accounted for 44% of Total cost growth.

However, fees & commission income, trading income and loan recovery improved YoY.

Performance Index		1Q21	2Q21	3Q21	%Δ QoQ	9M20	9M21	%Δ YoY
Operating	Return on Average Equity	6.3%	7.1%	10.7%	51.6%	8.9%	8.0%	-10.6%
	Return on Average Assets	0.7%	0.8%	1.1%	47.4%	1.1%	0.8%	-22.3%
	Loan/Funding Ratio	67.8%	70.0%	66.4%	-5.1%	66.4%	66.4%	0.1%
	Loan/Deposit Ratio	53.0%	53.3%	52.1%	-2.3%	49.2%	52.1%	5.9%
	Cost/Income Ratio	79.5%	78.1%	69.8%	-10.6%	69.3%	75.4%	8.9%
	Net Interest Margin	7.1%	6.8%	7.0%	2.2%	7.6%	6.9%	-9.9%
	NPL/Total Loans	3.2%	3.3%	3.2%	-3.4%	4.4%	3.2%	-28.1%
	Coverage Ratio	178.9%	171.5%	146.4%	-14.6%	149.8%	146.4%	-2.2%
	NII/Operating Income	27.8%	30.9%	38.1%	23.5%	28.4%	32.6%	14.8%
	Financial Leverage	0.9	0.9	0.9	0.8%	0.8	0.9	7.4%
Cost of Risk	1.1%	1.1%	0.16%	-85.8%	2.2%	0.8%	-65.2%	
Capital & Liquidity	Capital Adequacy Ratio	17.8%	17.1%	16.7%	-2.3%	18.4%	16.7%	-9.5%
	Liquidity Ratio	33.5%	35.7%	33.1%	-7.2%	33.5%	33.1%	-1.1%
Investment	Share Price	2.90	3.35	2.89	-13.7%	2.19	2.89	32.0%
	NAV(N'B)	229.1	234.5	236.0	0.7%	214.8	236.0	9.8%
	Dividend (Kobo)	0.0	0.0	0.0	n/a	0.0	0.0	n/a
	EPS (Kobo)	18.04	20.12	31.55	56.8%	70.21	69.71	-0.7%
Others	Opex (N'B)	23.4	24.6	25.3	2.8%	65.9	73.2	11.2%
	Risk Assets (net) (N'B)	886.1	916.7	967.6	5.6%	793.1	967.6	22.0%
	Customer Deposits (N'B)	1,324.4	1,338.5	1,408.3	5.2%	1,195.1	1,408.3	17.8%

Group Statements of Comprehensive Income

- PBT increased 46% QoQ but dropped marginally by less than 1% YoY due to a 4% decrease in Net Interest Income and 11% increase in OPEX.
- Net Interest Income increased 3% QoQ but declined 4% YoY due to a decline on net revenue from funds(NRFF) as a result of lower yields on earning assets.
- Operating expenses increased 3% and 11%, QoQ and YoY respectively, due to increased regulatory costs and general inflationary pressures.
- Impairment charges (including modification costs of N3.2b) increased 84% QoQ but dropped 39% YoY due to improved loan recovery efforts.

N'm	1Q21	2Q21	3Q21	%Δ QoQ	9M20	9M21	%Δ YoY
Revenue	43,190	51,038	55,239	8.2%	146,426	149,467	2.1%
Interest Income	33,029	39,642	43,080	8.7%	112,098	115,751	3.3%
Interest Expense	(11,801)	(17,871)	(20,687)	15.8%	(44,046)	(50,360)	14.3%
Net Interest Income	21,228	21,770	22,393	2.9%	68,053	65,391	-3.9%
Non-Interest Income	8,161	9,713	13,790	42.0%	27,009	31,665	17.2%
- Net Fees & Commissions	5,658	7,276	7,313	0.5%	14,910	20,246	35.8%
- Trading Income	1,540	1,099	3,972	261.5%	5,742	6,610	15.1%
- FX Income	799	531	1,416	166.4%	4,447	2,746	-38.2%
- Others	164	808	1,091	35.0%	1,911	2,062	7.9%
Operating Income	29,389	31,484	36,183	14.9%	95,062	97,056	2.1%
Operating Expenses	(23,369)	(24,584)	(25,271)	2.8%	(65,870)	(73,224)	11.2%
Net impairment loss on financial assets	(1,794)	(2,215)	(4,081)	84.3%	(13,342)	(8,090)	-39.4%
PBT	4,226	4,685	6,831	45.8%	15,850	15,742	-0.7%
PAT	3,572	3,985	6,248	56.8%	13,903	13,805	-0.7%

Group PBT Year end forecast

The Group is on track to achieve its FY 2021 PBT Forecast.

Opex is expected to moderate in Q4 as the banking subsidiary has taken 100% Amcon Charges due to the audit of the 9M Financials.

N'm	Q1'21	Q2'21	Q3'21	9M'21	FY 2021
	Actual	Actual	Actual	Actual	Forecast
Revenue	43,904	49,355	56,871	150,130	195,636
Interest Income	33,029	39,642	43,080	115,751	155,540
Interest Expense	(11,801)	(17,871)	(20,687)	(50,360)	(62,670)
Net Int. Inc	21,228	21,770	22,393	65,391	92,870
Non-Int. Income	8,161	9,713	13,790	31,665	40,097
- Fees & Commissions	5,658	7,276	7,313	20,246	26,241
- Trading Income	1,540	1,099	3,972	6,610	8,062
- FX Income	799	531	1,416	2,746	3,147
- Others	164	808	1,091	2,062	2,648
Net Operating Income	29,389	31,484	36,183	97,056	132,967
Operating Expenses	(23,369)	(24,584)	(25,271)	(73,224)	(96,861)
Net impairment loss on financial assets	(1,794)	(2,215)	(4,081)	(8,090)	(14,105)
PBT	4,226	4,685	6,831	15,742	22,001

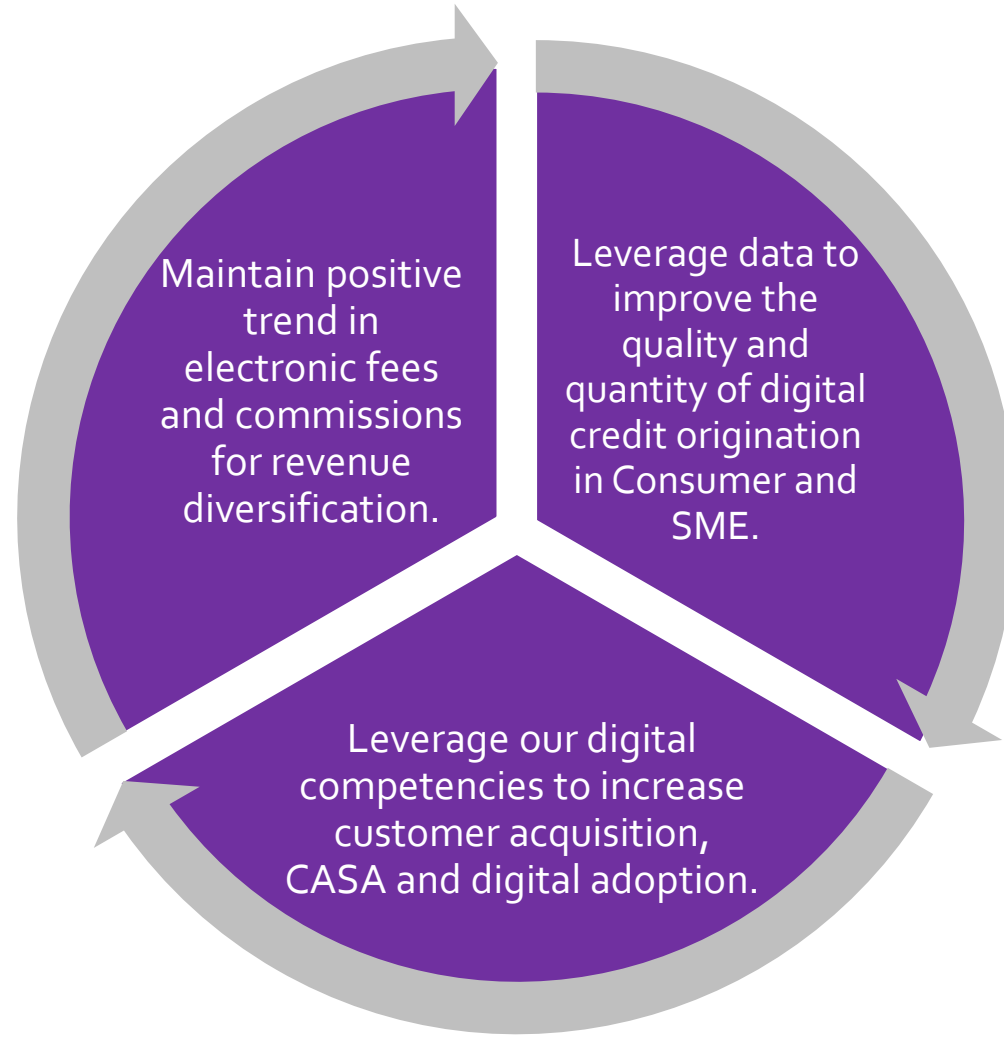


Digital Business Review: FCMB Group Plc

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

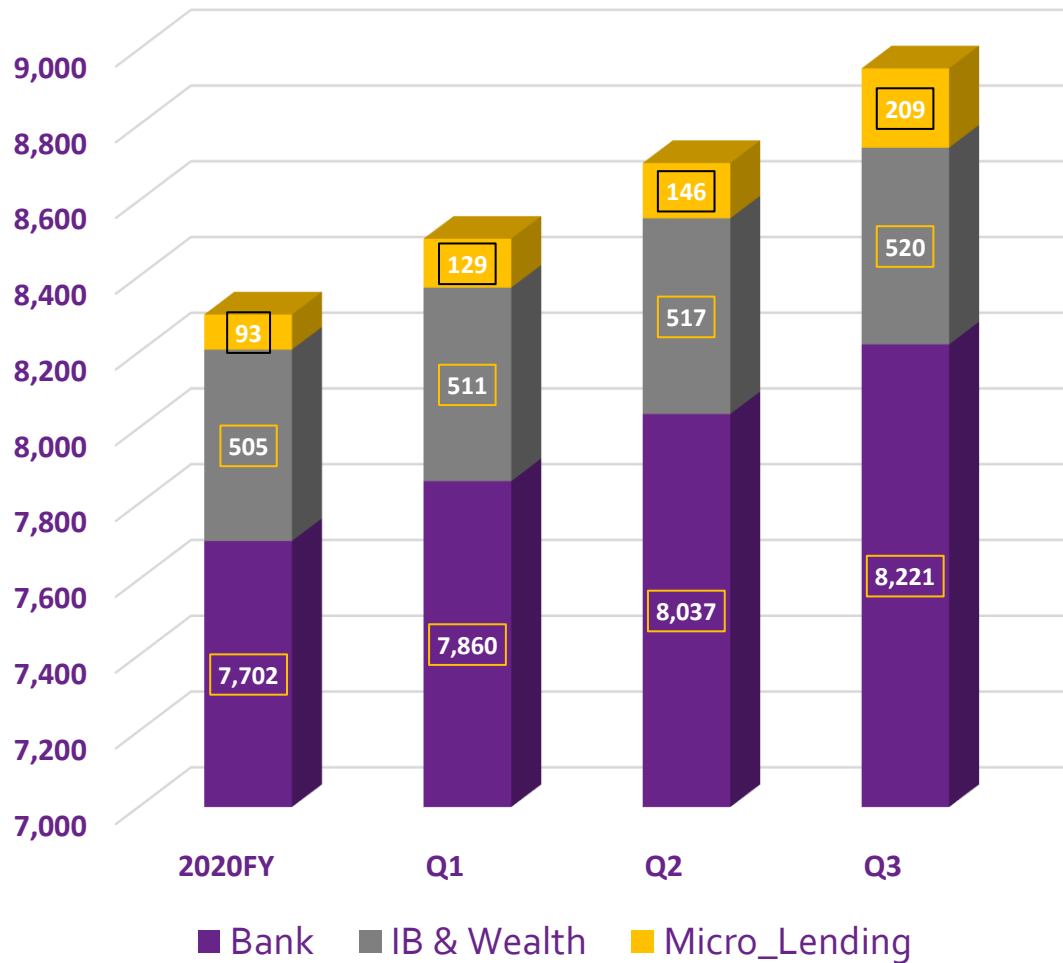
2021 Digital-led Retail and SME Banking Priorities

These are our 2021 Retail and SME banking priorities, to improve the digitisation of our products and services across payments, remittances, customer acquisition, consumer and SME lending

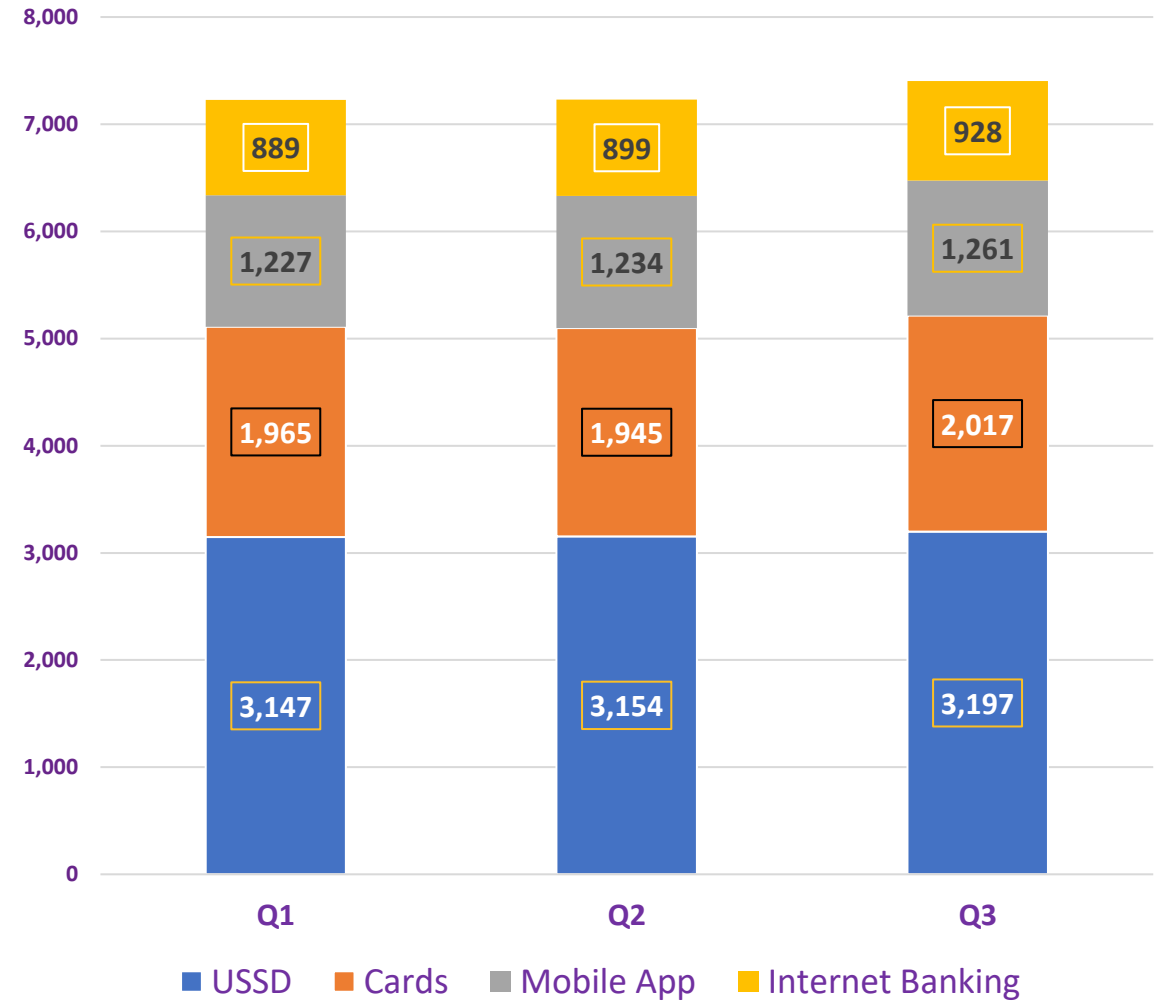


650k Customers Acquired in 9M 2021 – Projected to cross 1m for the 2021FY

Customer Acquisition Trend

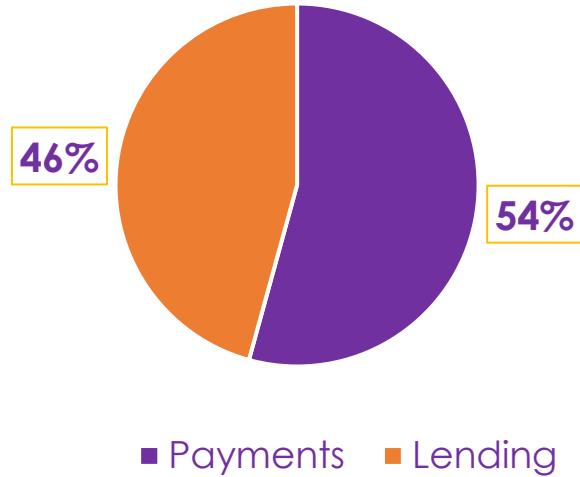


Digital Adoption By Products Trend

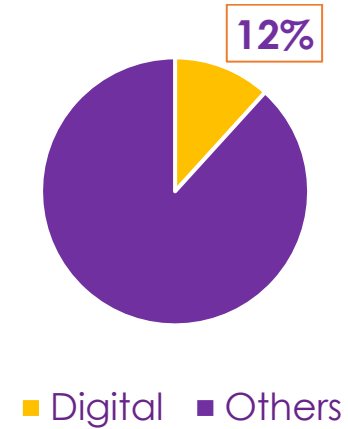


Consistent growth in customer acquisition which increased by 25% in Q3 2021 to 250K from 200K in Q2, new to group customers expected to increase by over 1m for the 2021FY inclusive of AllCO Acquisition (over 250k customers).

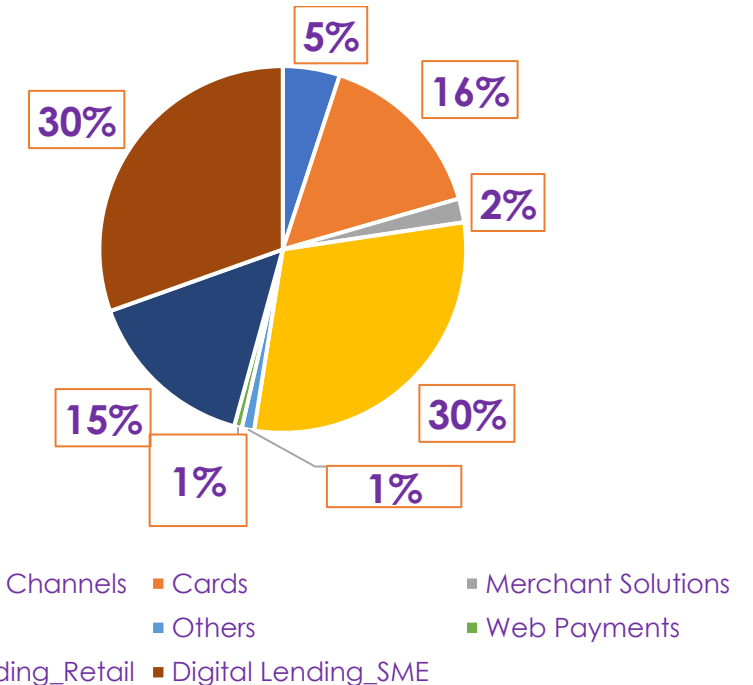
Digital Revenue Split 9M21 – Payments & Lending



Contribution to Gross Revenues in 9M21



Breakdown of Digital Revenue By Product



Digital revenue of N18.3bn - represents 12% of gross Revenue with Payments contributing N9.9bn and Lending N8.4bn. Digital revenues for the 2021FY expected to hit N25bn (Over \$50m).



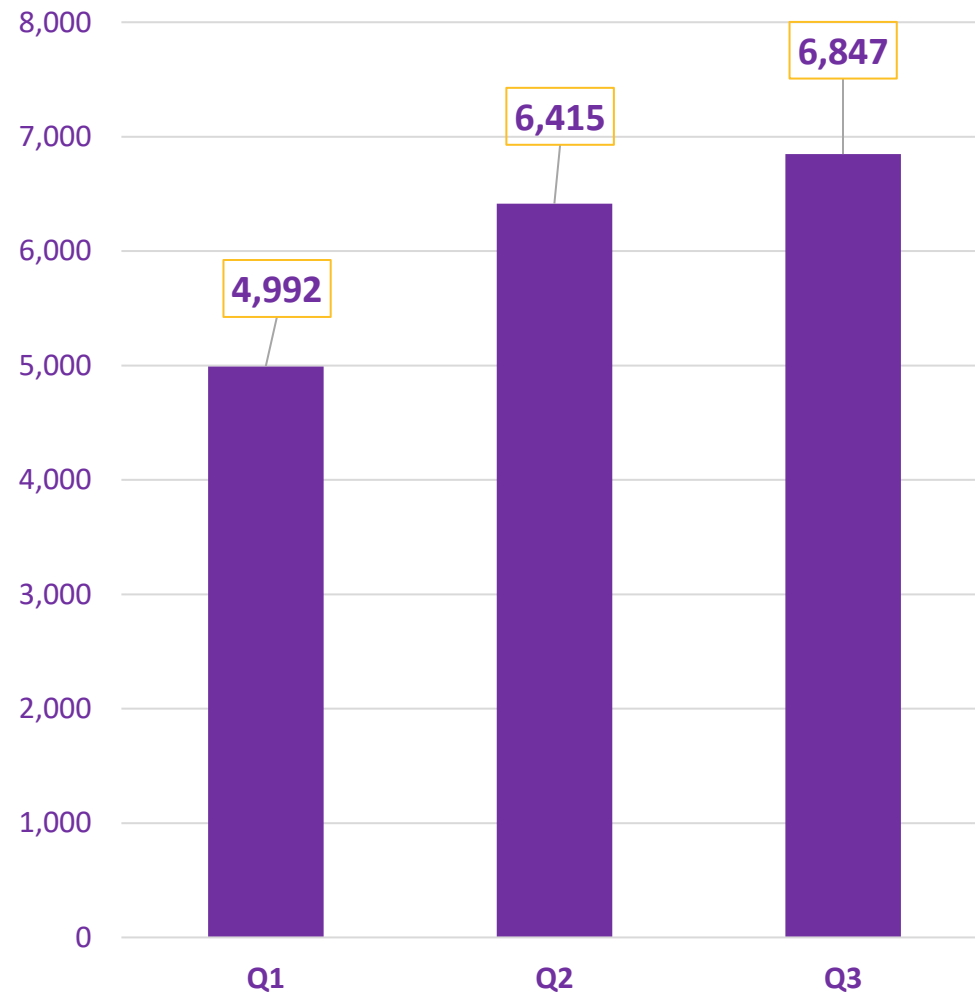
Mobile, Cards and Digital Lending are the key drivers of digital revenues and account for over 90% of revenues, 25% of retail digital lending income is from our micro-lending business.



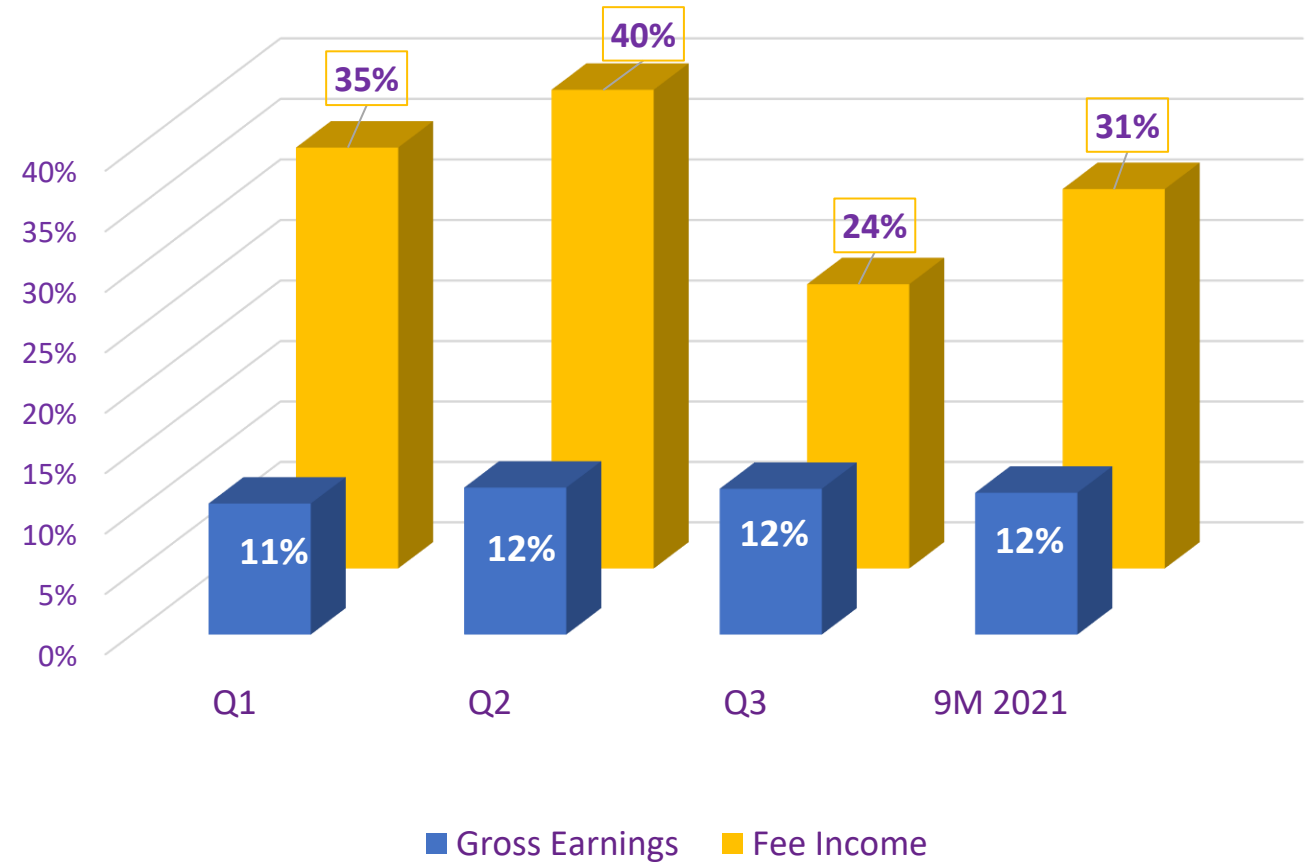
We also see a lot of market opportunities for our Merchant Solutions and Web business as we continue replicating the retail side's success to our SME Business.

Digital Revenue of N18.3b - Trend and Contribution To Gross Earnings & Fee Income

Digital Revenue Trend (In Millions)



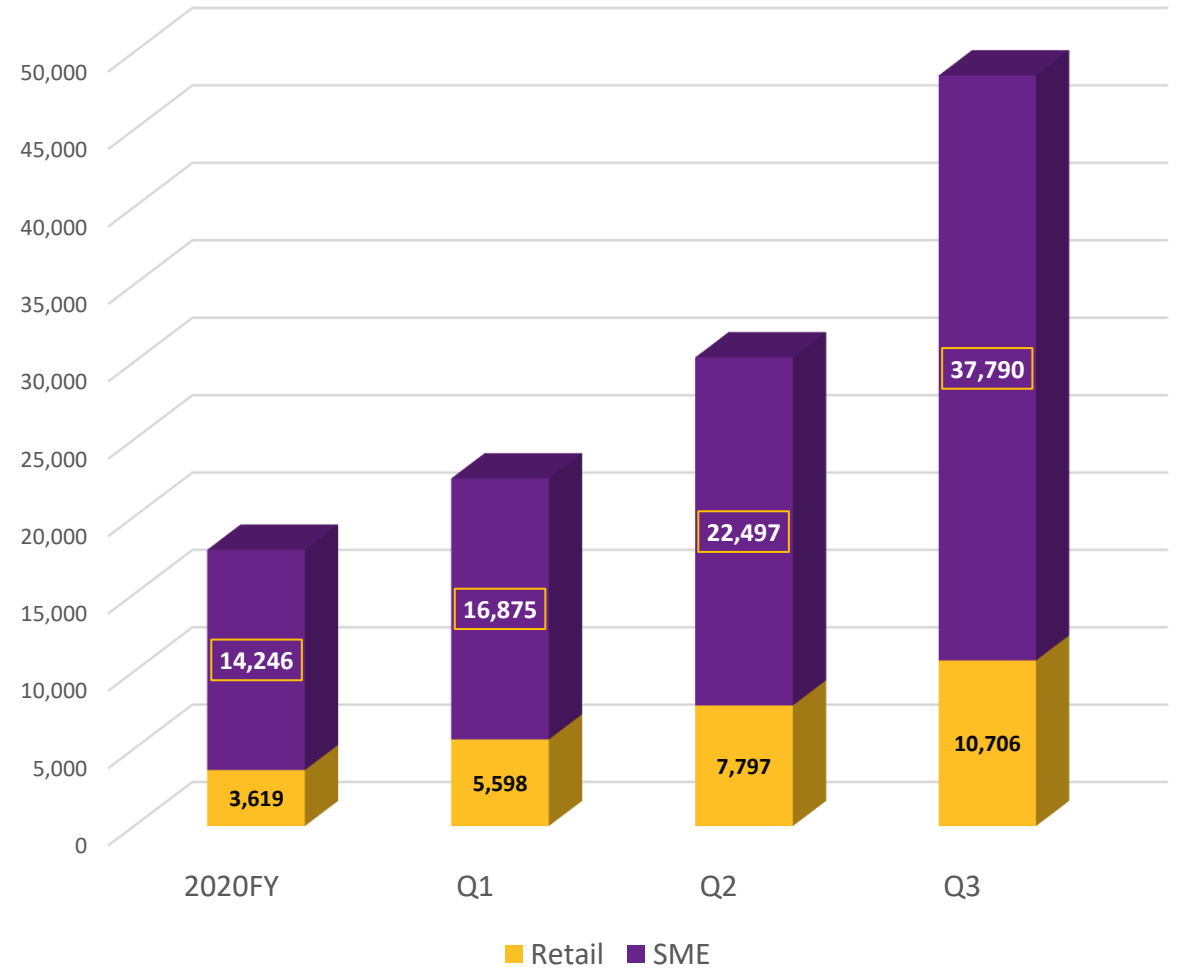
Digital Contribution To Gross Earnings & Fee Income



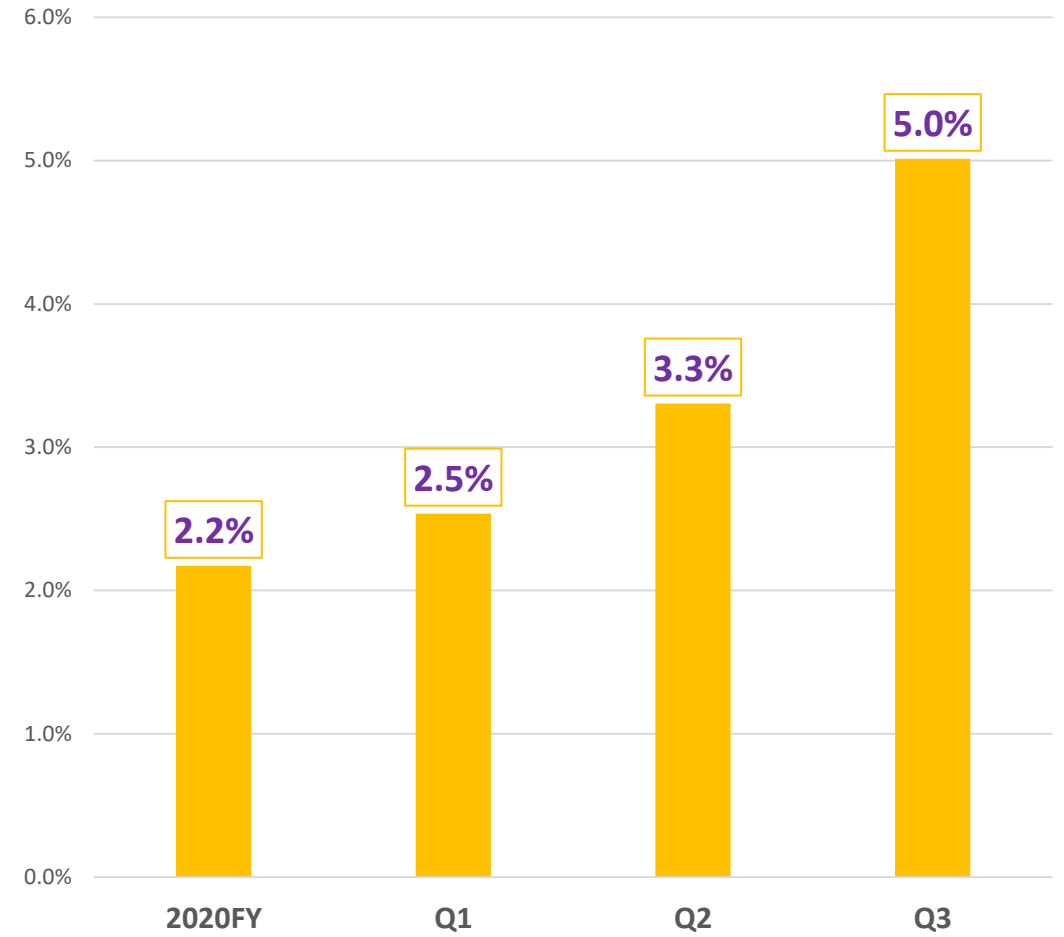
- Digital Income has grown consistently quarterly as we simplify digital onboarding, cross-sell more products to customers across payments/lending/wealth and replicate digital lending successes in the Retail Sector to our SME Customers

Digital Loans Portfolio of N48.5b - Trend & Contribution To Total Loans 9M21

Digital Loans Trend

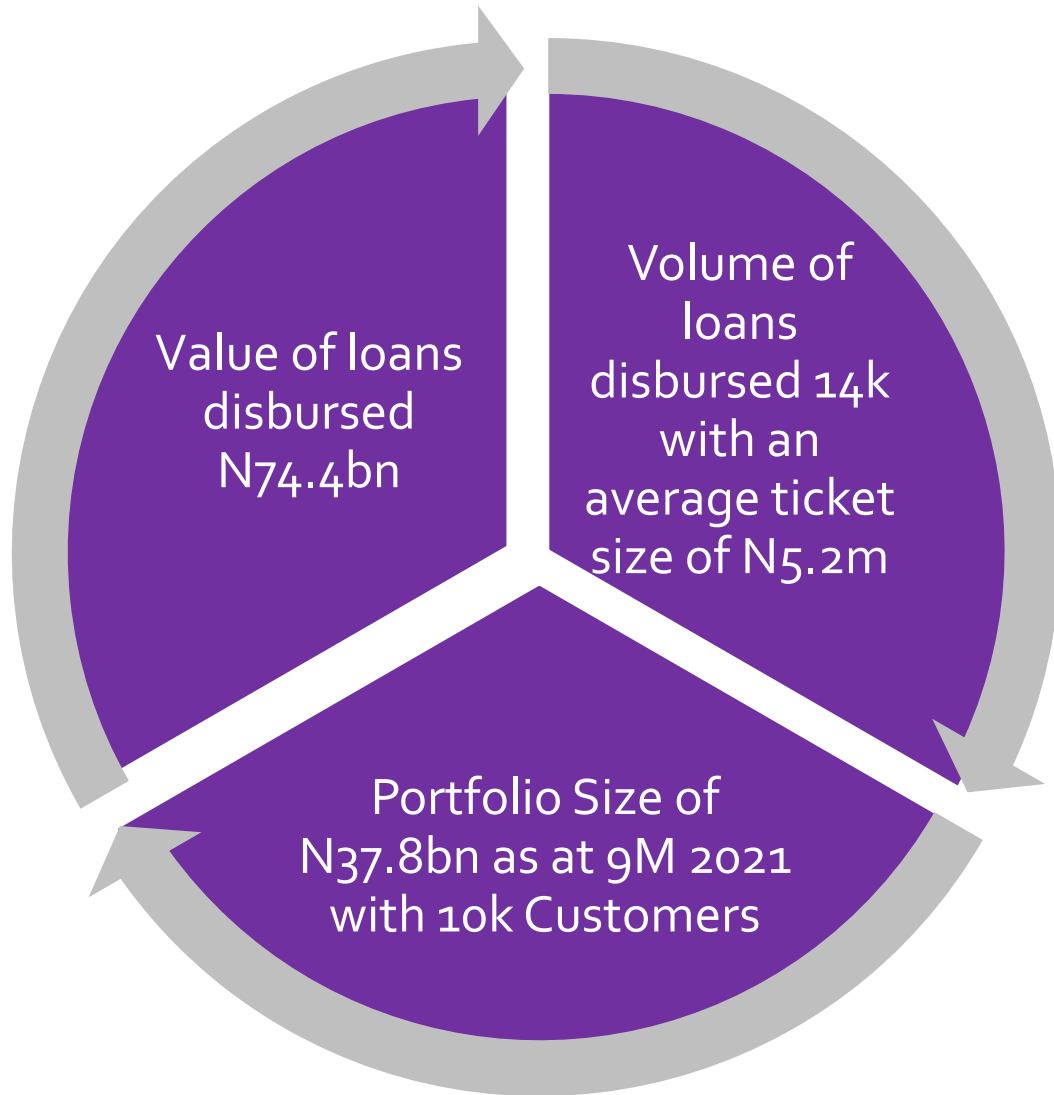


Digital Loans Contribution To Total Loans Trend

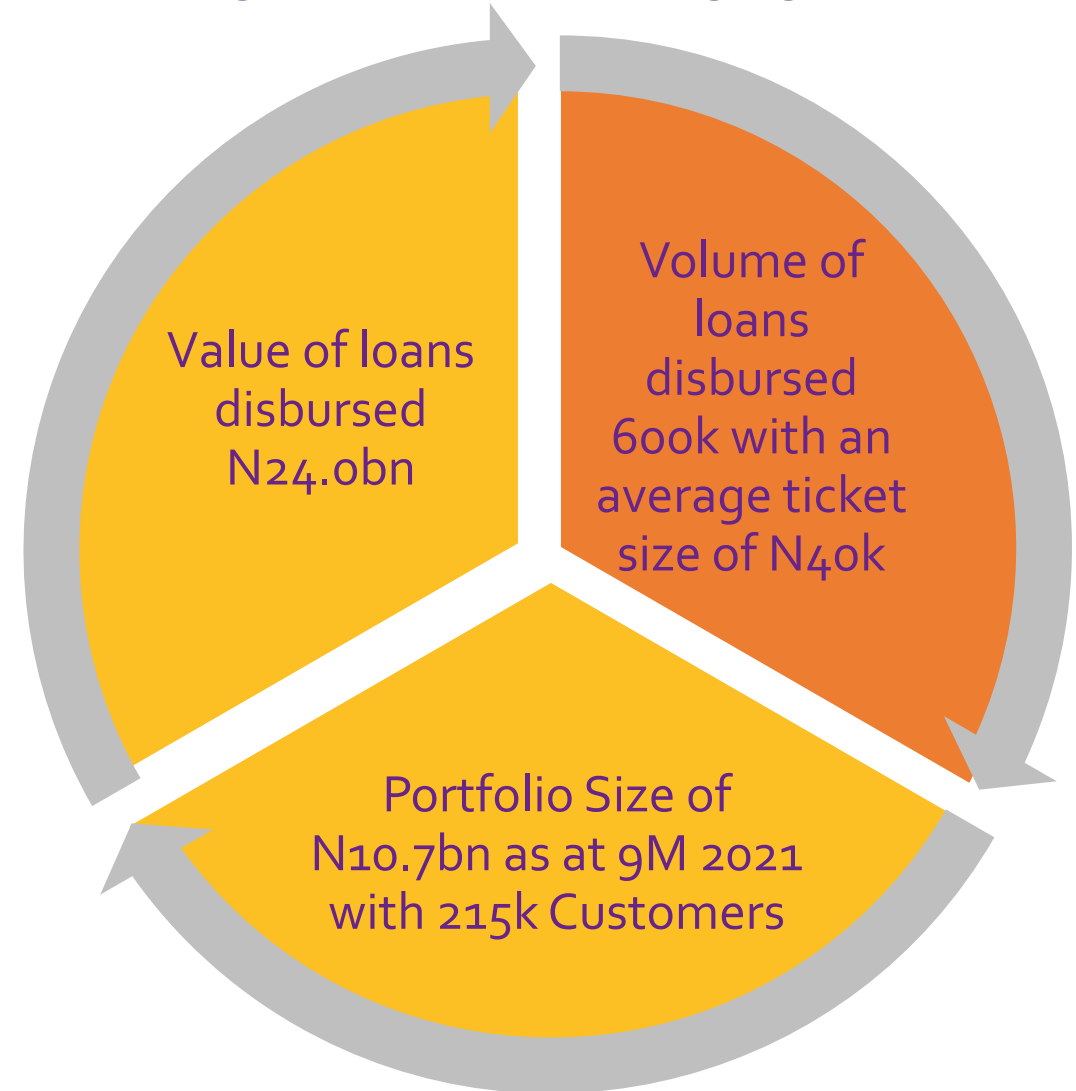


Digital loans are now 5.0% of the Loan Portfolio, portfolio grew by over 170% for the 9M 2021 from N17.8bn in Dec 2020 to N48.5bn as at 9M 2021 and contributed 21.2% (N30.6bn) of the total loan growth (N144.8bn) from Jan – Sept 2021

SME Digital Loans - 9M 2021 Highlights



Retail Digital Loans - 9M 2021 Highlights



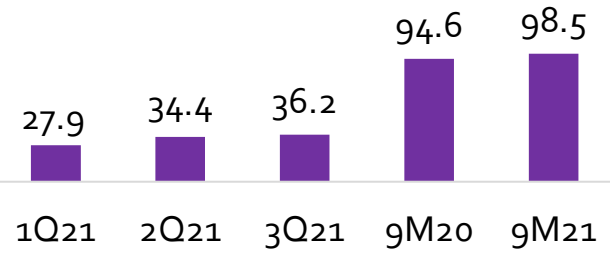


Group Performance Review: Commercial & Retail Banking

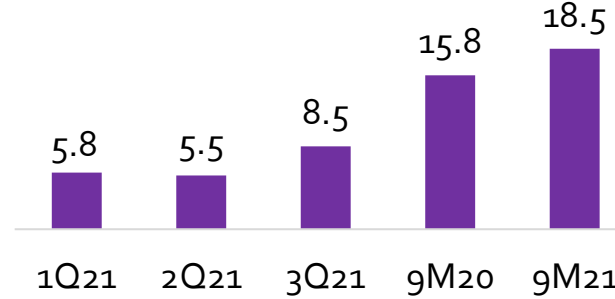
Mrs. Yemisi Edun: Managing Director - FCMB Ltd

Commercial & Retail Banking: 9M21 Key Metrics

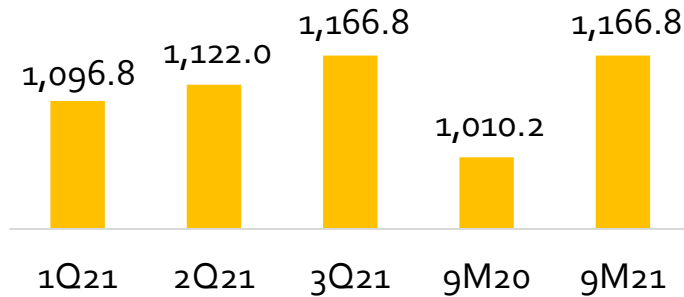
Revenue (N'bn)



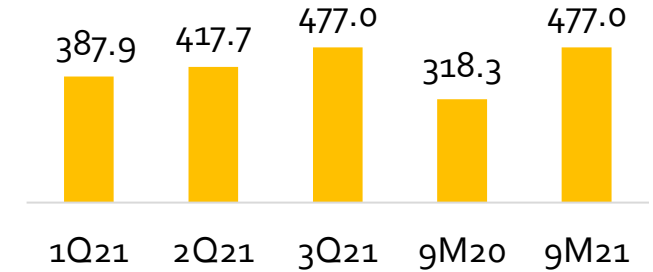
Profit before Tax (N'bn)



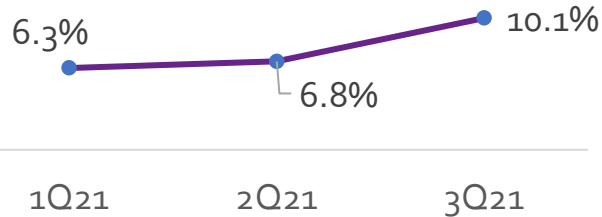
Deposits (N'bn)



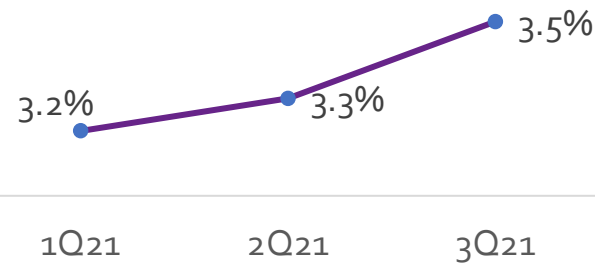
Loans (N'bn)



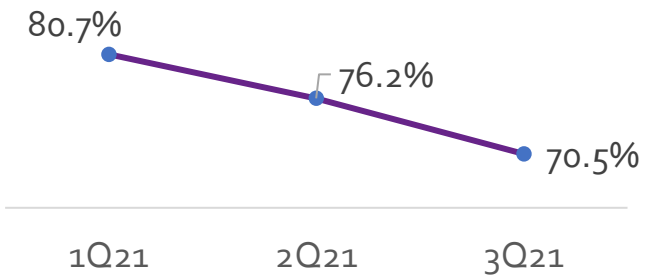
RoAE



NPL Ratio



CIR

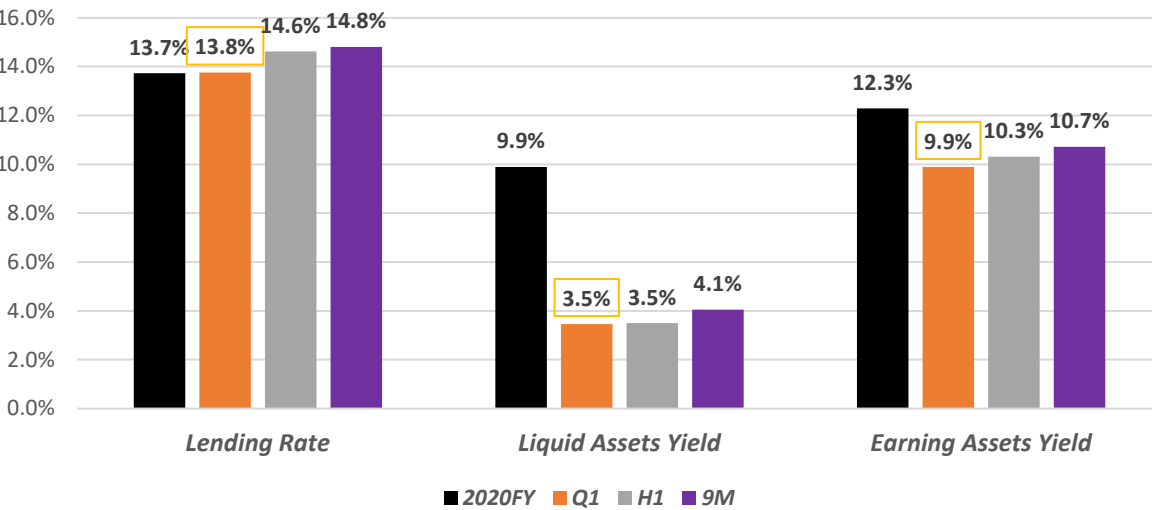


Commercial & Retail Banking: Financial Analysis - 2Q21 vs. 3Q21 and 9M20 vs. 9M21

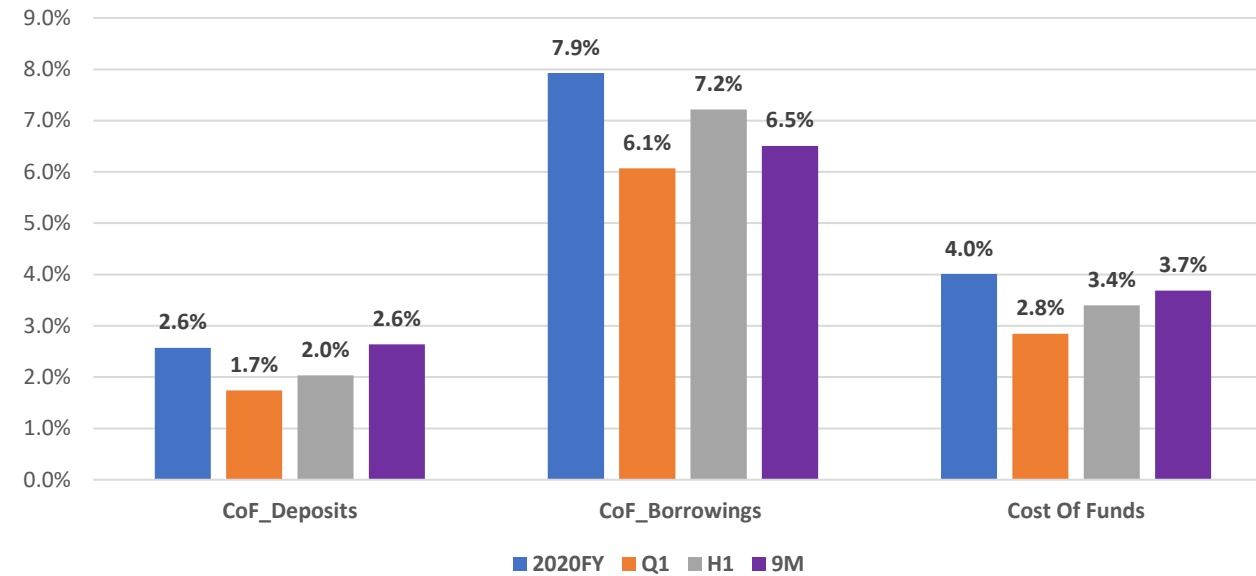
- PBT improved 54.0% QoQ due to 3.5% and 7.5% increases in Net Interest Income and Non-Interest Income, respectively. Also accounting for increase in PBT by 17.4% YoY is the 12.9% increase in Non-interest income.
- Net Interest Income increased 3.5% QoQ. However, declined 3.4% YoY as a result of the decline in average yield of earning assets.
- Non-Interest Income increased 7.5% QoQ and 12.9% YoY attributable to increase in fees and commissions due to an increase in transacting customers activities and alternate platform reliability.
- Operating expenses decreased 3.2% QoQ, However increased 8.2% YoY, largely due to technology enhancement costs, increased regulatory costs, double-digit inflationary environment and currency devaluation.
- Risk Assets grew 14.2% QoQ and 49.9% YoY, while Deposits also increased 4.0% QoQ and 15.5% YoY respectively.

	1Q21	2Q21	3Q21	%Δ QoQ	9M20	9M21	%Δ YoY
Income Statement (N'm)							
Revenue	27,893	34,423	36,166	5.1%	94,557	98,482	4.2%
Net Interest Income	17,559	18,812	19,467	3.5%	57,784	55,838	-3.4%
Non-Interest Income	5,996	7,511	8,072	7.5%	19,111	21,579	12.9%
Net impairment loss on financial assets	(3)	(743)	379	-151.0%	(7,031)	(367)	-94.8%
Operating Expenses	(19,017)	(20,064)	(19,421)	-3.2%	(54,065)	58,502)	8.2%
PBT	4,535	5,516	8,497	54.0%	15,799	18,548	17.4%
Balance Sheet (N'B)							
Risk Assets (gross)	388	418	477	14.2%	318	477	49.9%
Customer Deposits	1,097	1,122	1,167	4.0%	1,010	1,167	15.5%

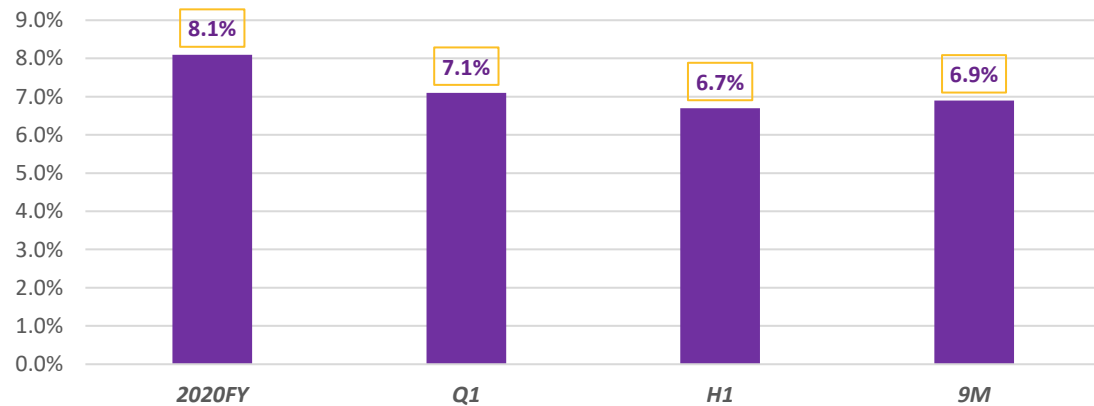
Earning Assets Yield Trend



Funding Cost Trend



Net Interest Income (NIM) Trend



NIM pressure is due to the sharp decline in the yield on Liquid Assets driven the lower yields of FGN Fixed Income instruments and the Special T-Bills that yield just 0.5%.

These Special Bills account for 33% of average earning assets over the period and over 7% of total assets.

However, NIM is gradually recovering , we are also gaining momentum in the digital lending space for the SME and Retail Sector whilst ensuring that key risks are well monitored.

Personal Banking

- Personal Banking contributed 47%, (9.8% YoY growth) as we remain on course with our strategy of using innovation and technology to increase retail transactions.
- The segment has a strong deposit base with a stable liability mix, which continues to position the business for sustainable growth and profitability.
- We have also seen the growing acceptance of our innovative propositions and strategy ('25 by 25') designed with a "Customer First" approach and digital agility.
- We will continue to use product innovation and technology to grow transaction volumes, improve cost efficiencies and enhance customer experience.



SME Banking

- Contributed 33% to net revenue, driven mainly by growth in net interest income.
- Growth is supported by the automation of the SME lending platform.

Treasury & Financial Markets

Contributed 8% to net revenue.

Institutional Banking

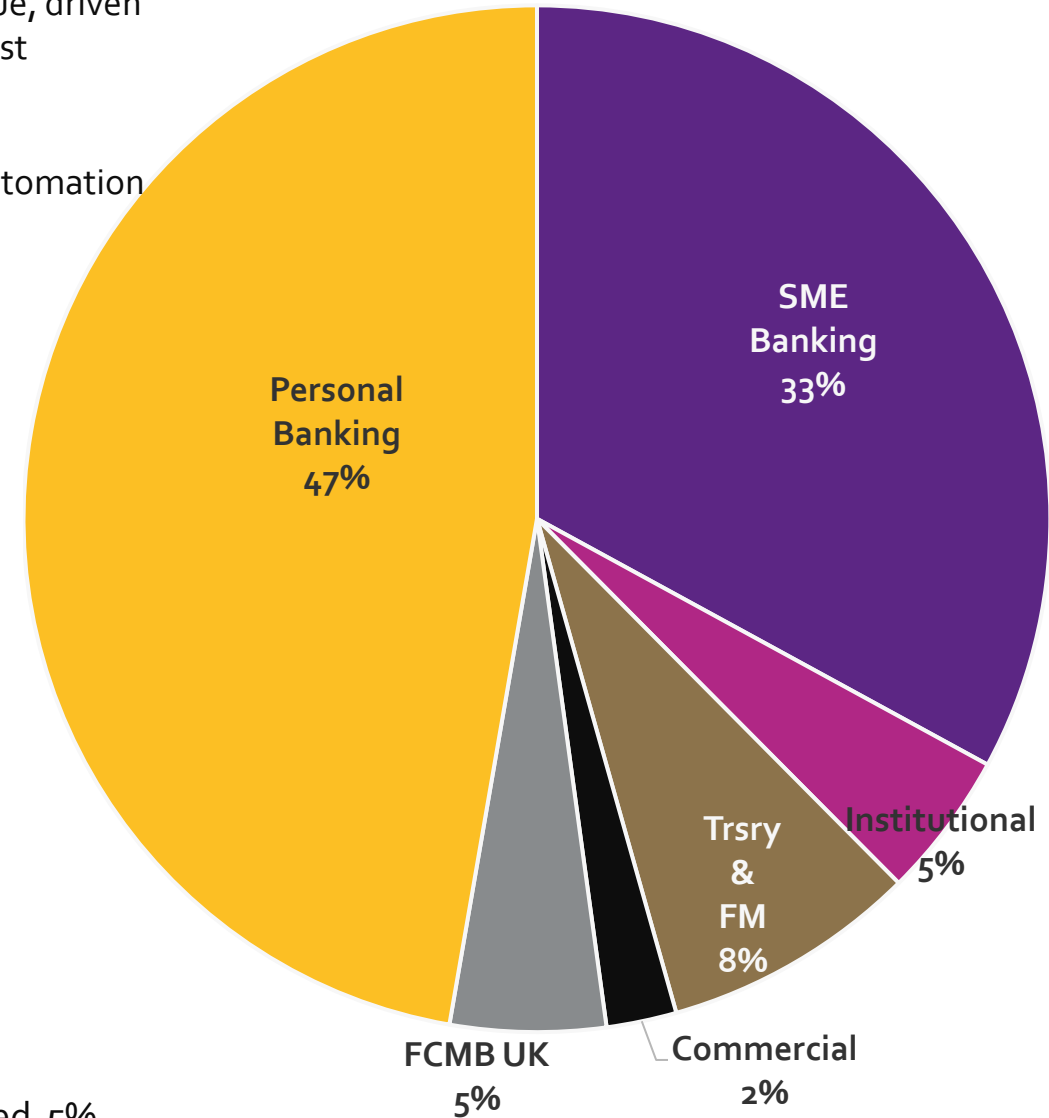
Contributed 5% to net revenue.

Commercial Banking

Contributed 2.% to net revenue.

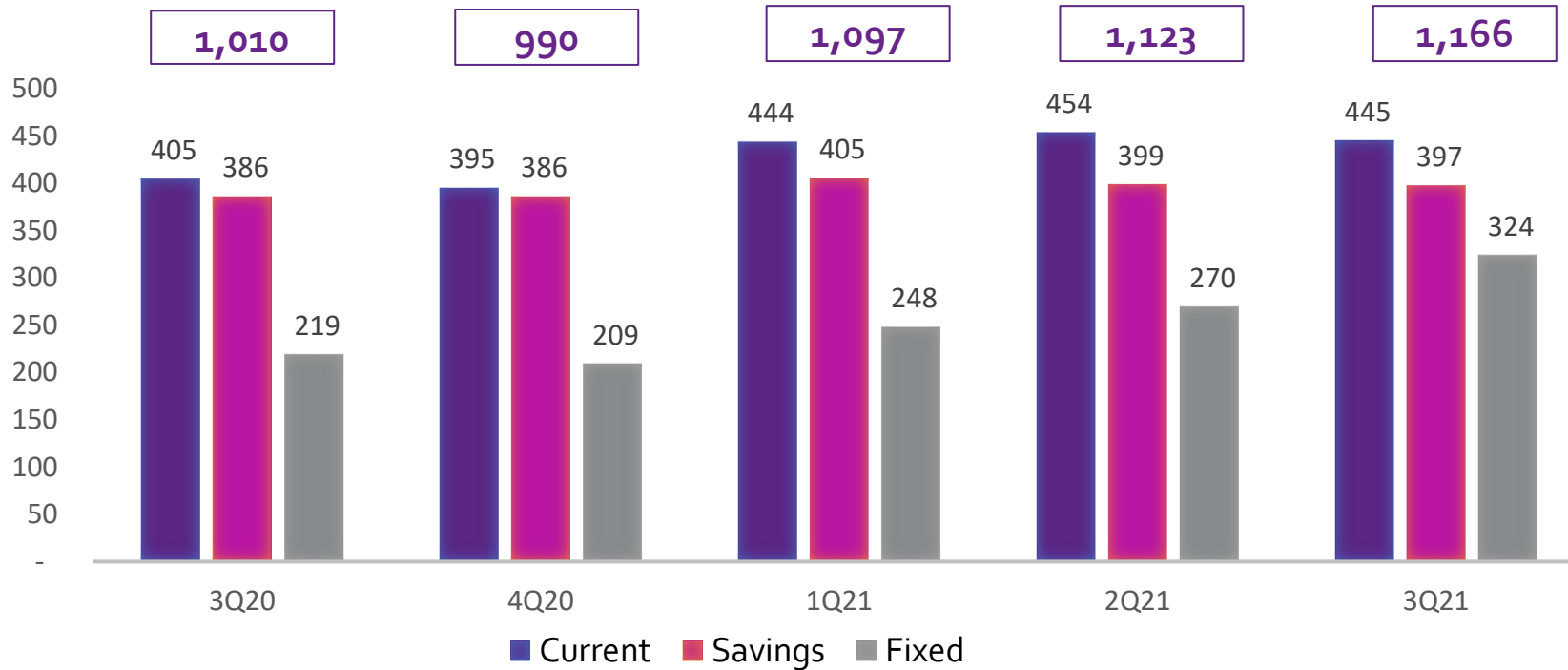
FCMB UK

FCMB UK Limited contributed 5% to net revenue.



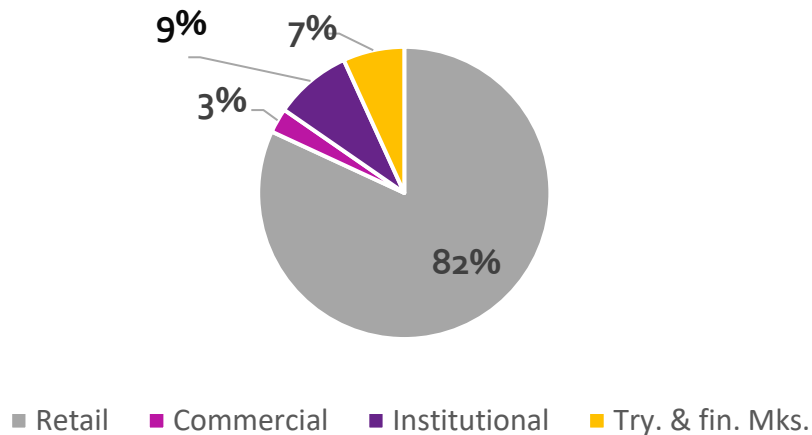
Deposits Trend Analysis

Customer Deposits (N'bn)

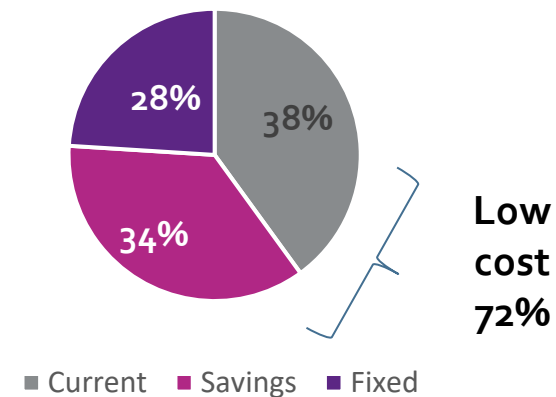


- Total deposits rose 4.0% QoQ and 15.5% YoY, driven by CASA deposits, as a result of our sustained focus on retail banking.
- Low-cost deposits now account for 72% of our total deposits. Low-cost deposits remained flat QoQ and grew 6.1% YoY.
- Retail (Personal and SME Banking) deposits which now constitutes about 82% of total deposits grew 3.3% QoQ and 13.1% YoY.

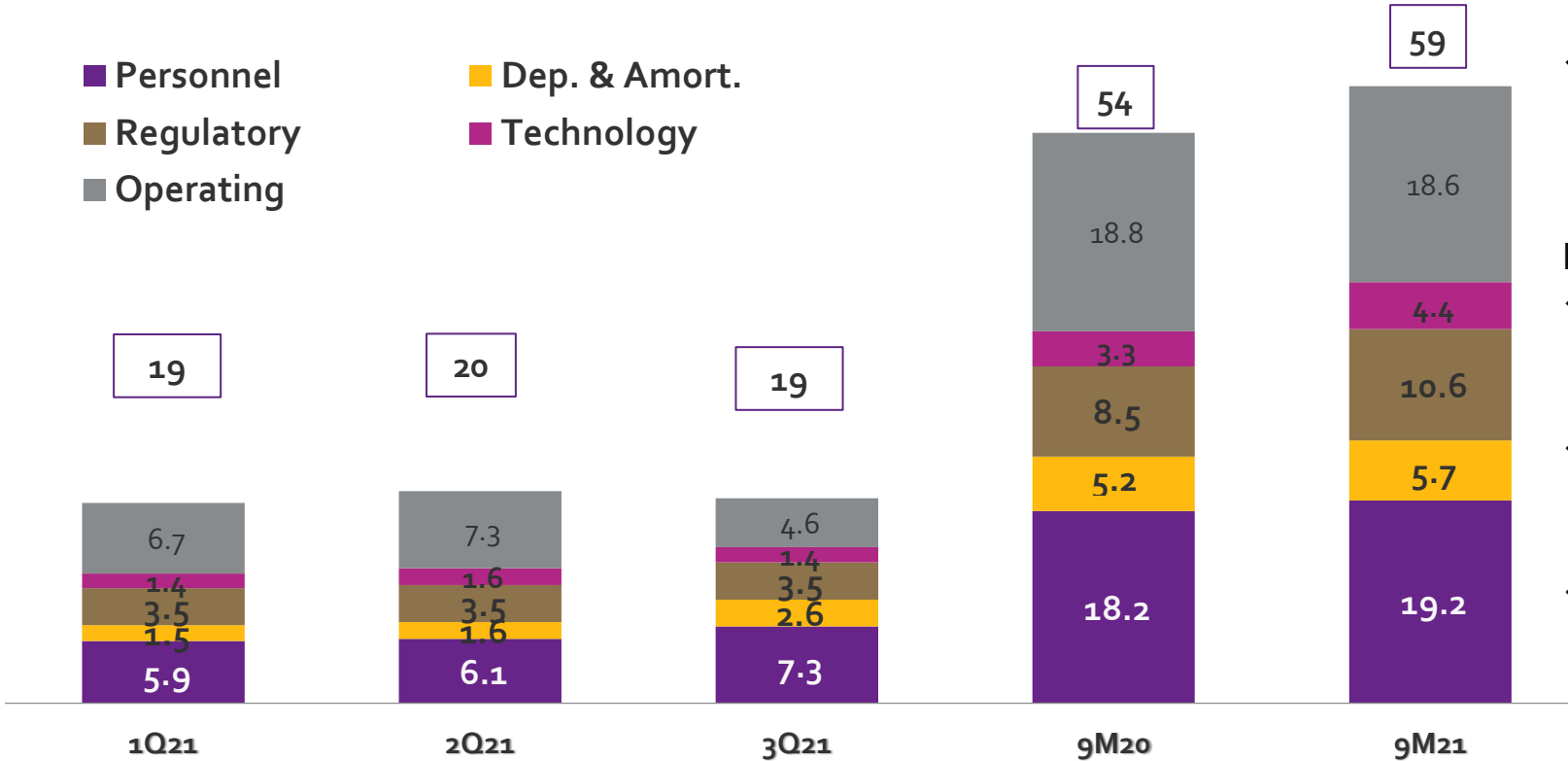
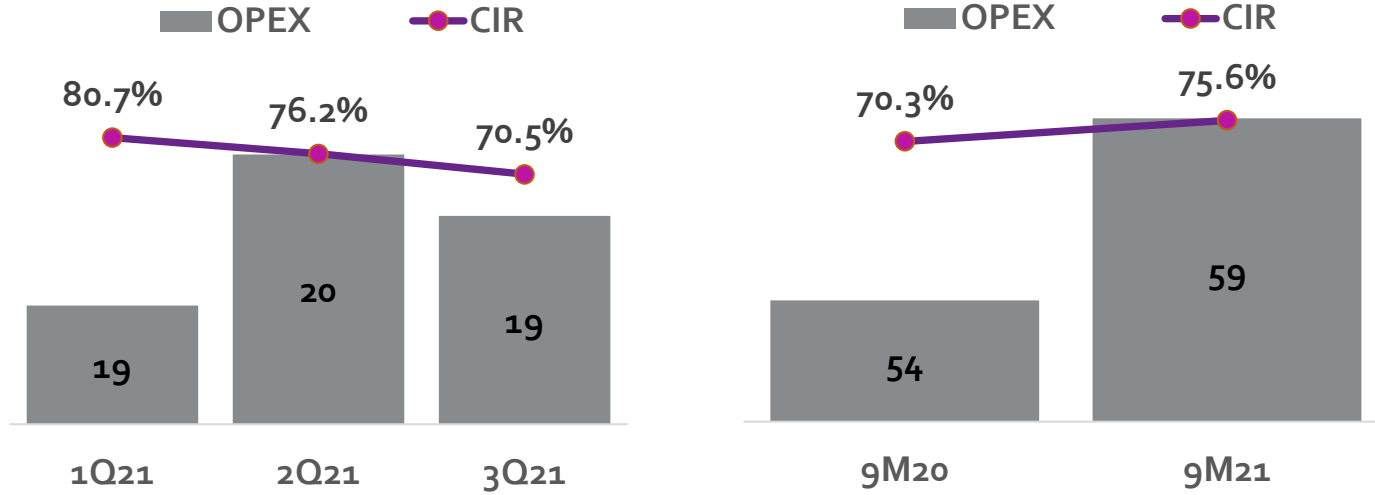
By Business Segment



By Type



Cost Analysis & Reduction Plans



Analysis

- ❖ Operating expenses decreased 3.2% QoQ. However, increased 8.2% YoY. The decline QoQ was due to continued drive to tame operating expenses, while YoY increase was due to regulatory cost, and resumption of business operations post lock-down.
- ❖ Regulatory costs (NDIC & AMCON) grew 24% YoY and accounted for 18% of OPEX in 9M21.
- ❖ Technology costs grew 33% YoY and accounted for 8% of OPEX in 9M21.

Reduction Plans

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

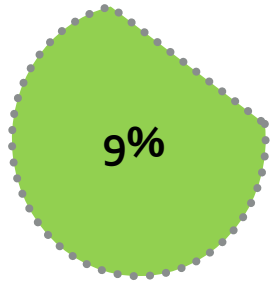


Group Performance Review: Corporate & Investment Banking

Mr. Femi Badeji: Executive Director FCMB Group Plc

CIB: 9M21 Performance Highlights

Total Assets
N566.6 billion



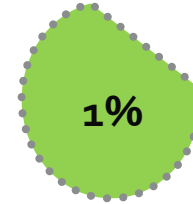
9M20: N520.9 billion

Operating Income
N12.1 billion



9M20: N13.4 billion

Loans
N508.6 billion



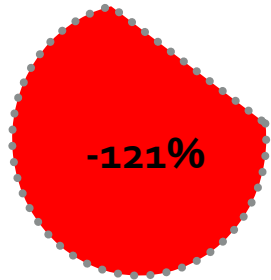
9M20: N504.9 billion

Deposits
N244.4 billion



9M20: N189.2 billion

Profit before Tax
N(4.7) billion



9M20: N(2.1) billion

Cost to Income Ratio
104%



9M20: 70%

Net Interest Margin
2.3%



9M20: 2.8%

CIB: 9M21 Financial Analysis

- CIB's PAT decreased QoQ by 55% and 111% YoY. The QoQ drop was mainly due to a 34% increase in Opex and 10% drop in Net Interest income, whilst the YoY drop was due to a 33% increase in Operating Expenses, driven by regulatory costs.
- Net Interest Income dropped 3% QoQ and 8% YoY. The QoQ decline was largely due to the increased funding costs.
- Non-Interest Income decreased 10% QoQ due to a 195% and 29% decline in income on Financial Assets and advisory fees, respectively.
- YoY, CIR increased 48% as Operating Income declined by 10%, whilst Operating Expenses increased 33%.
- Although NPLs increased YoY from 2.3% to 3.1%, impairment charges dropped 40% and 30% QoQ and YoY.
- LDR trended downwards from 269% to 208% YoY as our tech solutions led collections strategy begins to translate to increased deposit growth.

N'm	1Q21	2Q21	3Q21	%Δ QoQ	9M20	9M21	%Δ YoY
Net Interest Income	3,552	2,811	2,737	-3%	9,847	9,100	-8%
Non-Interest Income	922	1,086	979	-10%	3,560	2,988	-16%
Capital Raising/Advisory Fees	138	124	88	-29%	376	360	-4%
Brokerage Commissions	196	128	503	293%	1,249	827	-34%
Net Fees & Commissions	506	619	549	-11%	1,702	1,663	-2%
Trading Income	24	(7)	(1)	-93%	34	16	-53%
FX Income	25	24	30	27%	66	79	20%
Other Income	34	200	(190)	-195%	132	44	-67%
Operating Income	4,474	3,898	3,716	-5%	13,407	12,087	-10%
Operating Expenses	(3,694)	(3,777)	(5,052)	34%	(9,389)	(12,523)	33%
Net impairment loss on financial assets	(1,765)	(1,584)	(943)	-40%	(6,154)	(4,292)	-30%
PBT	(985)	(1,463)	(2,279)	56%	(2,136)	(4,728)	121%
PAT	(1,001)	(1,510)	(2,333)	55%	(2,292)	(4,843)	111%
Balance Sheet							
Loans	525,806	520,479	508,589	-2%	504,855	508,589	1%
Deposits	233,513	222,556	244,421	10%	187,565	244,421	30%
Key Ratios							
CIR	83%	97%	136%	40%	70%	104%	48%
LDR	225%	234%	208%	-11%	269%	208%	-23%
NIM	3%	2%	2%	-1%	2%	2%	-8%



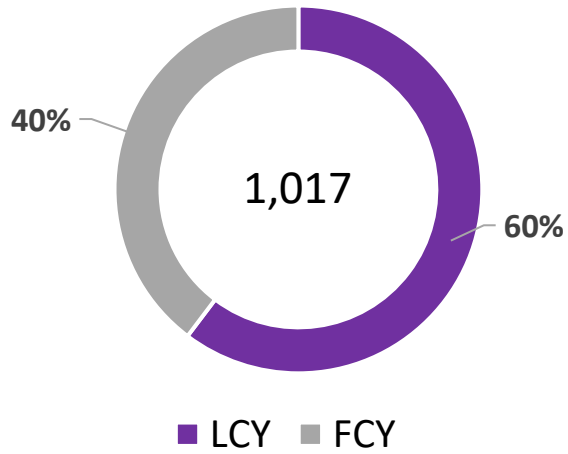
Risk Management Review

Mrs. Toyin Olaiya: Chief Risk Officer: FCMB Ltd

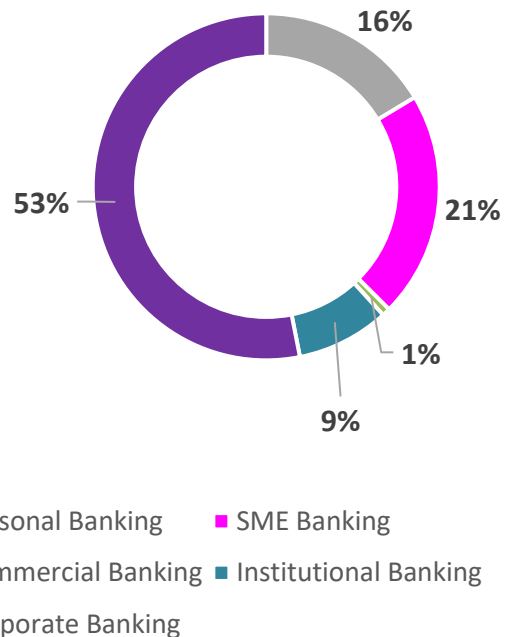


Diversified Loan Portfolio: *Reduced contribution from FCY & Corporate banking loans QoQ. SME gained 3% share of total portfolio driven by the Digital loan Product called Quick Loans. 4.8% growth QoQ was largely from Commerce, Finance and Individual.*

By Currency



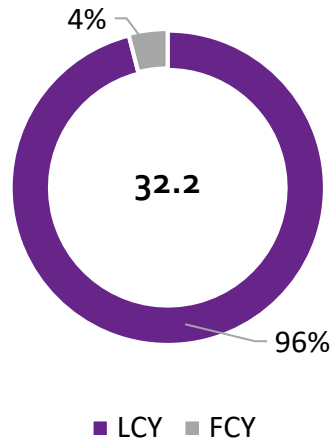
By Business Segment



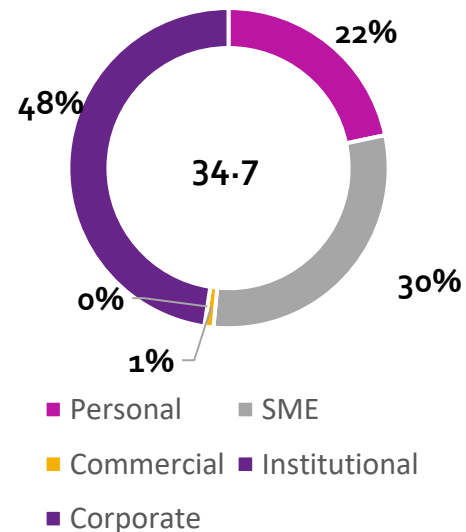
Industry Sector	Sep. 20	Dec. 20	Mar. 21	Jun. 21	Sep. 21	% Distr.
Agriculture	47,450	60,828	59,092	53,564	57,405	5.6%
Commerce	63,237	51,425	65,251	72,650	94,385	9.3%
Construction	1,004	414	1,003	1,545	1,554	0.2%
Education	2,246	2,606	2,575	3,108	5,308	0.5%
Finance & Insurance	66,473	67,692	74,780	73,564	87,755	8.6%
General – Others	10,456	9,798	12,578	13,419	14,169	1.4%
Government	9,539	10,714	22,217	26,342	28,691	2.8%
Individual - Bank	105,058	110,063	117,683	125,922	135,270	13.3%
Individual - CDL	23,177	24,244	25,601	28,186	28,227	2.8%
Individual - Microfinance	2,364	2,269	2,457	3,096	3,347	0.3%
Information & Communications	22,474	19,501	18,235	18,258	15,215	1.5%
Manufacturing	78,508	91,389	103,305	110,411	103,734	10.2%
Oil&Gas-Downstream	62,389	61,398	67,560	71,897	67,175	6.6%
Oil&Gas-Upstream	137,715	143,058	147,978	144,153	146,295	14.4%
Oil&Gas Services	46,899	46,910	47,934	50,009	50,976	5.0%
Power & Energy	60,297	61,414	61,148	65,143	65,332	6.4%
Professional Services	523	881	775	3,245	3,647	0.4%
Real Estate	98,565	99,068	99,940	101,452	101,741	10.0%
Transportation & Logistics	6,137	5,230	5,273	5,200	7,174	0.7%
	844,510	868,900	935,384	971,164	1,017,400	100%

Non-Performing Loans: 7.7% QoQ growth in NPL is largely driven by deterioration in the Manufacturing sector and Corporate banking loan book.

By Currency

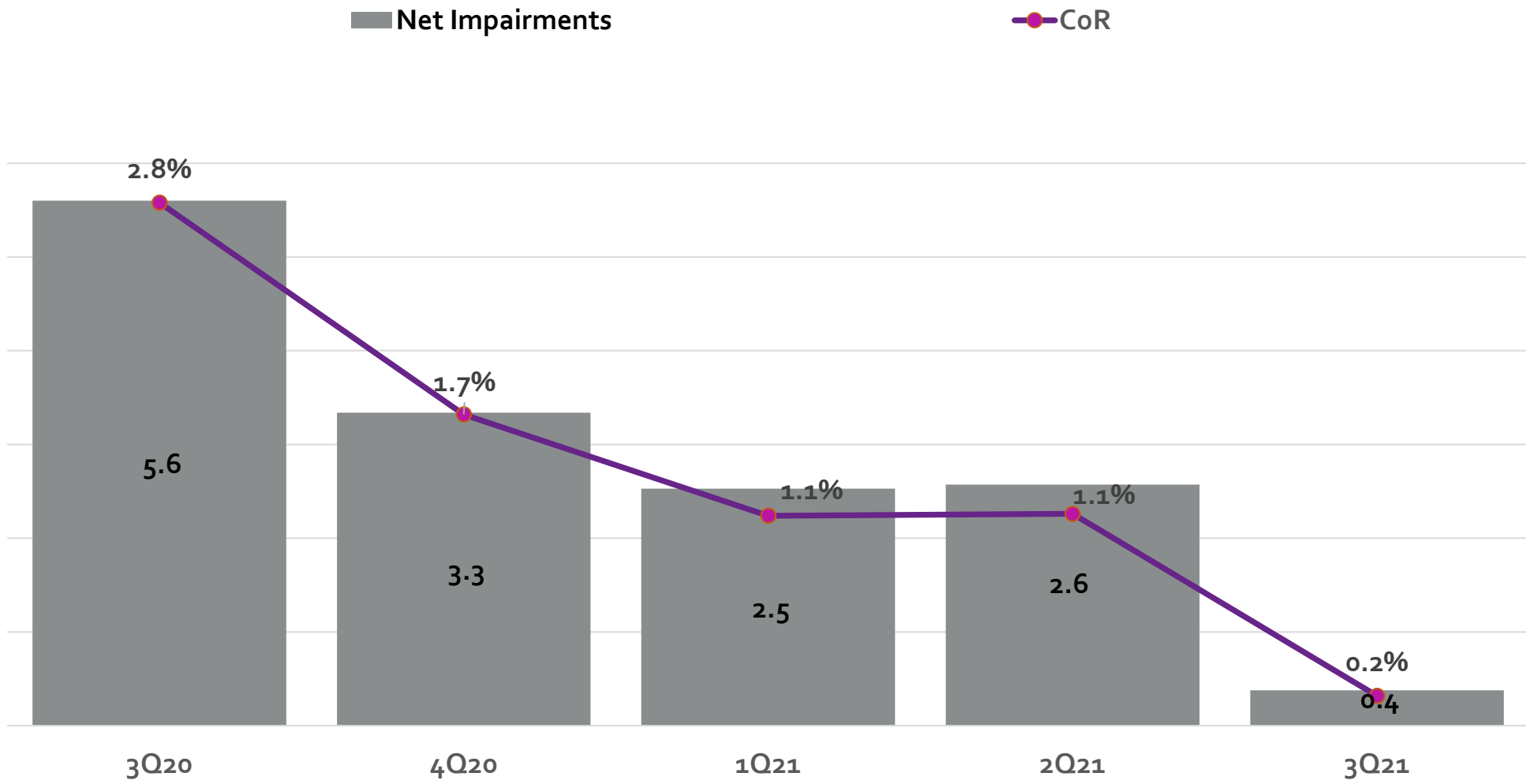


By Business Segment



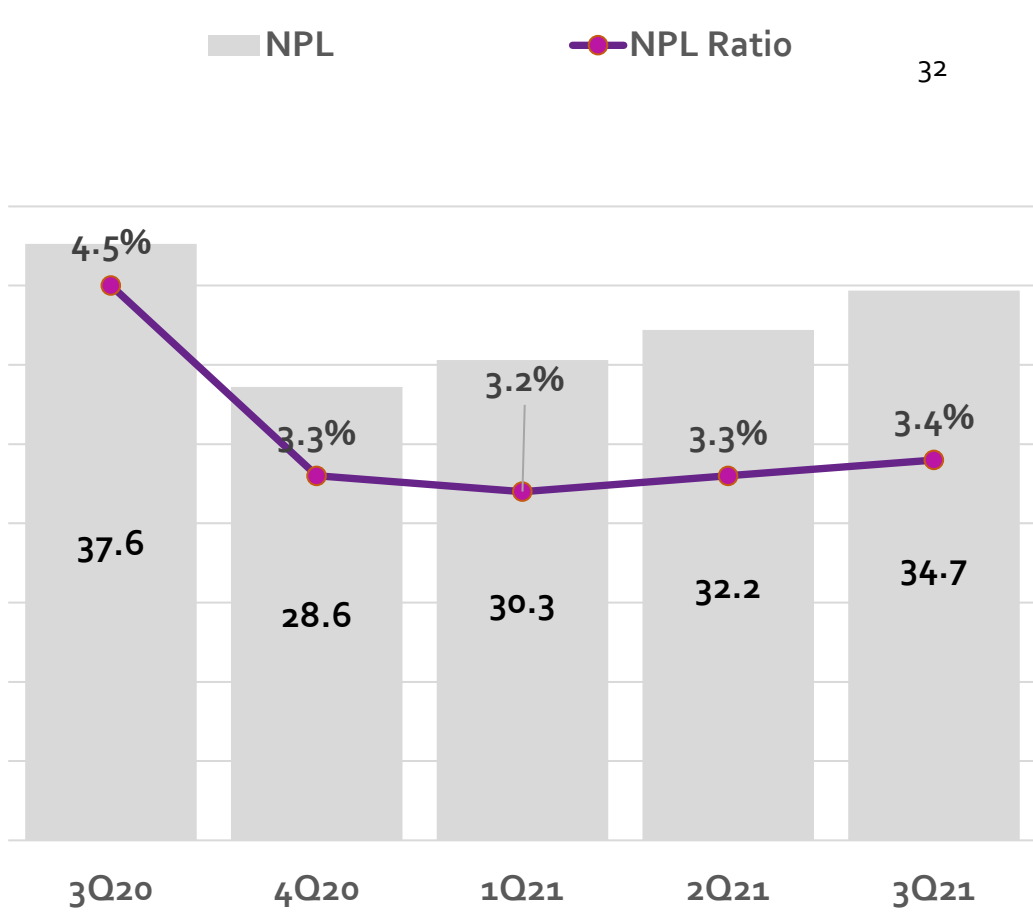
By Sector	Sep. 2020		Jun. 2021		Sep. 2021	
	NPL	NPL%	NPL	NPL%	NPL	NPL%
Agriculture	931.38	2.0%	1,003.25	1.9%	893.80	1.6%
Commerce	3,979.39	5.4%	4,966.11	6.2%	2,637.15	2.8%
Construction	3.68	0.4%	0.00	0.0%	-	0.0%
Education	124.34	5.5%	83.49	2.7%	92.70	1.7%
Finance & Insurance	1,167.77	1.8%	50.36	0.1%	9.98	0.0%
General – Others	395.41	3.8%	455.08	3.4%	163.28	1.2%
Government	0.02	0.0%	0.05	0.0%	0.02	0.0%
Individual - Bank	7,711.29	7.3%	6,482.17	5.1%	3,609.39	2.7%
Individual - CDL	3,285.57	14.2%	3,782.53	13.4%	3,908.54	13.8%
Individual - Microfinance	94.48	4.0%	105.56	3.4%	-	0.0%
Information & Communications	3,914.35	17.4%	1,580.74	8.8%	1,945.78	12.8%
Manufacturing	2,017.94	2.6%	242.64	0.2%	8,140.90	7.8%
Oil&Gas- Downstream	6,046.36	9.7%	6,003.16	8.8%	5,068.27	7.5%
Oil & Gas – Upstream	1,014.01	0.7%	1,126.41	0.8%	1,115.48	0.8%
Oil & Gas Services	0.01	0.0%	38.92	0.1%	41.83	0.1%
Power & Energy	0.00	0.0%	-	0.0%	-	0.0%
Professional Services	0.64	0.1%	6.72	0.4%	26.09	0.7%
Real Estate	6,890.50	7.8%	6,277.86	6.2%	7,037.57	6.9%
Transportation & Logistics	38.30	0.6%	0.04	0.0%	0.00	0.0%
Total	37,615.42	4.5%	32,205.09	3.3%	34,690.80	3.4%

Net impairment charges on loans (NIB) & Cost-of-risk

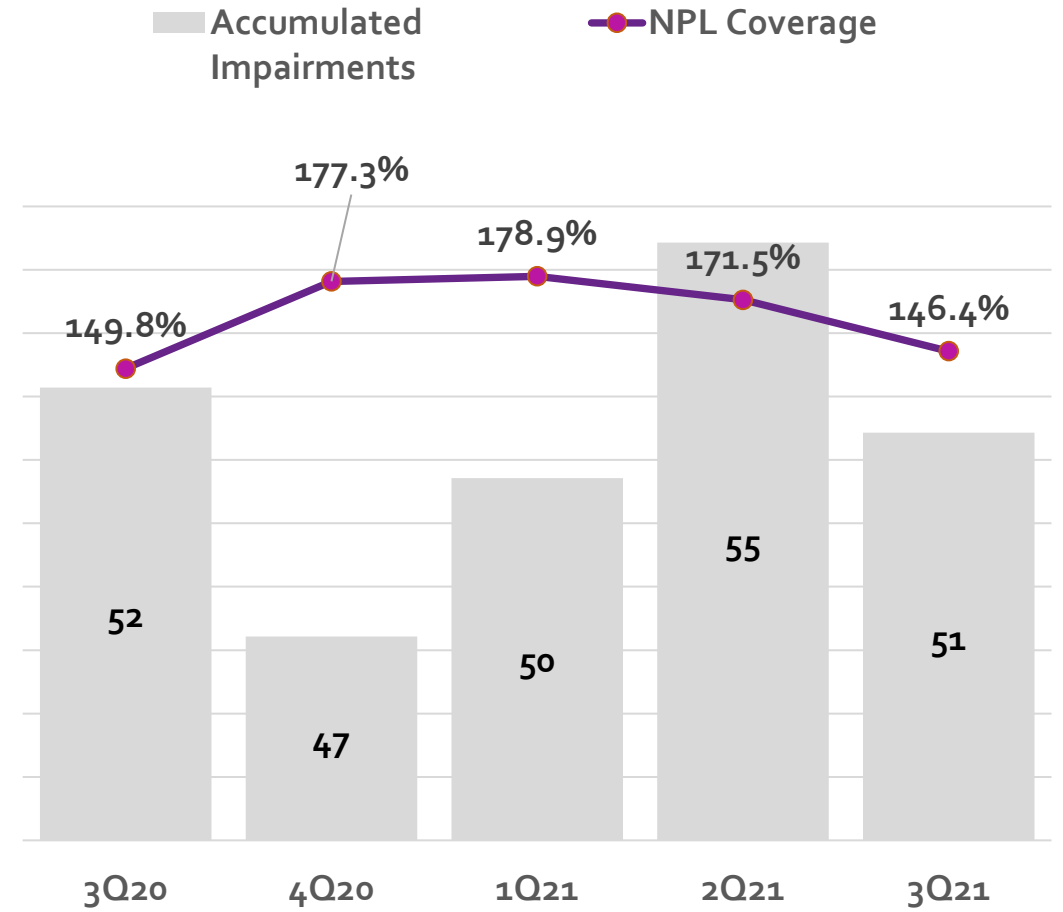


Proactively Built Reserves with Stable NPLs Year to Date

NPL (N'B) & NPL Ratio



Accumulated Impairments (N'B) & NPL Coverage





Group Performance Review: Investment Management

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

Investment Management: 9M21 Results Review

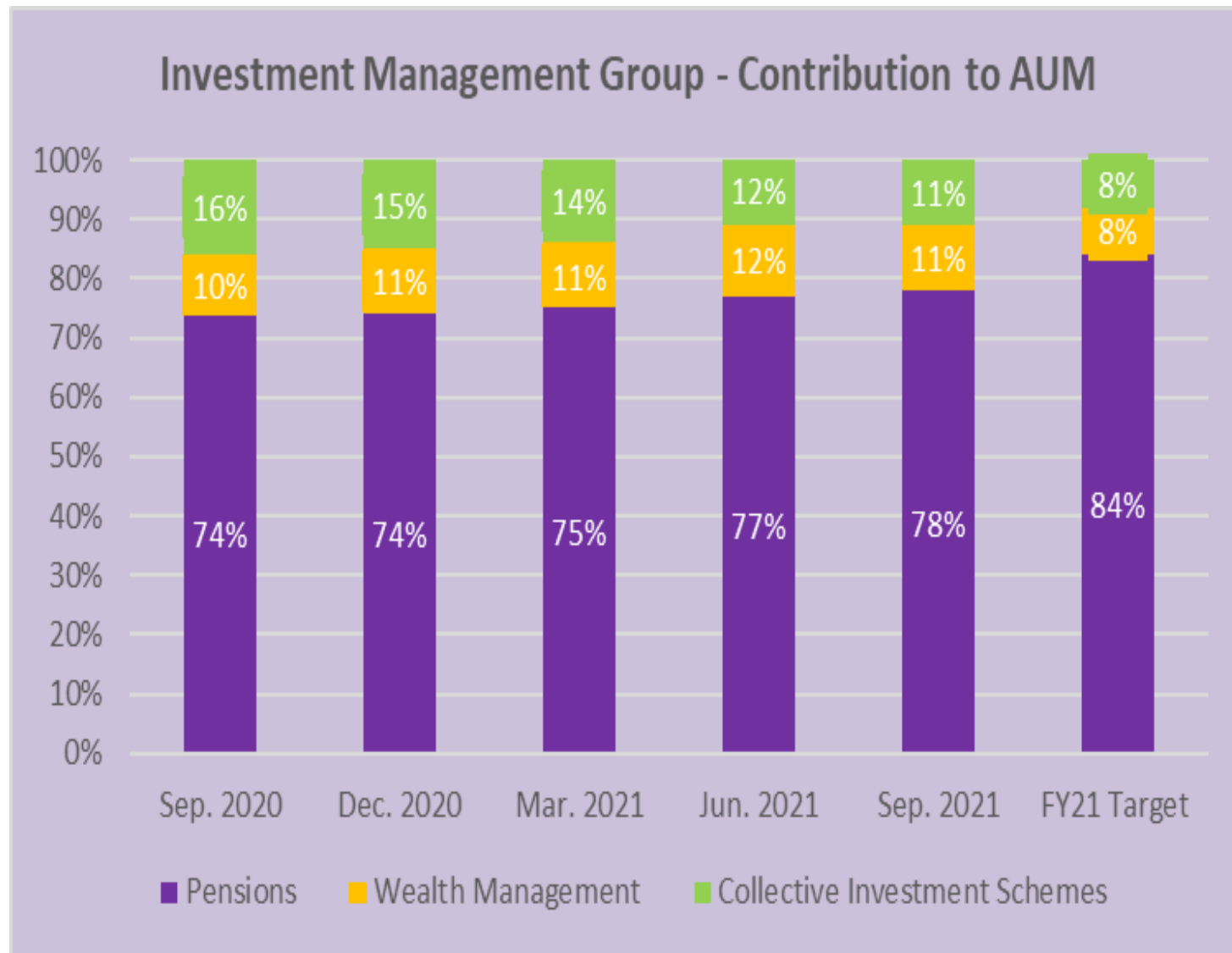
- Assets Under Management grew by 10% year-on-year, to N510 billion, with investment return performing very strongly in 9M 2021, a reflection of the recovery in the fixed income and equities markets following the impact of the pandemic, last year. The figure excludes AllCO Pensions' 3Q 21 AUM of N151 billion;
- Our Pensions business, ex AllCO, contributed 78% of 3Q21 AUM, compared with 77% of AUM in 2Q 2021;
- The number of Retirement Savings Accounts grew by 1% quarter-on-quarter, to 465,393. Registrations via our digital Platform accounted for 57% of the 3rd quarter increase;
- We were net recipients of funds from the transfer window in the third quarter, with a net inflow of over N2 billion. The figure remained positive, at N1.1 billion, net of AllCO's position;
- We achieved a 4% reduction in CIR, as we continued to record strong revenue growth and expense reduction from cost efficiencies.

N'm	1Q21	2Q21	3Q21	%Δ QoQ	9M20	9M21	%Δ YoY
Gross earnings	1,211	1,259	1,285	2%	3,317	3,754	13%
Net Interest Income	26	48	74	54%	120	149	24%
Non-Interest Income	1,184	1,210	1,211	0%	3,197	3,605	13%
-Advisory Fees	27	27	26	-4%	85	80	-6%
- Brokerage Commission	20	1	22	1508%	44	44	0%
-Asset Management Fees	1,124	1,161	1,148	-1%	3,033	3,433	13%
-Others	13	21	14	-31%	35	48	38%
Operating Income	1,211	1,259	1,285	2%	3,317	3,754	13%
Operating Expenses	(628)	(645)	(670)	4%	(1,845)	(1,944)	5%
Net gains/(losses) from fin. instruments at fair value	0	0	0	n/a	1	0	n/a
PBT	582	613	614	0%	1,472	1,810	23%
PAT	412	434	475	9%	1,040	1,321	27%
AUM	496,697	499,980	510,376	2%	462,059	510,376	10%
ROAE	32%	32%	24%	-25.1%	30%	23%	-25%
CIR	52%	51%	52%	2%	56%	52%	-7%

Investment Management: FY21 Projections

- We forecast a 33% year-on-year increase in AUM, to N679 billion, by the end of the year. The figure includes AllCO's projected AUM;
- Contribution to AUM from Collective Investment Schemes and Wealth Management should account for 16% of total year-end AUM, down from 26% at the end of 2020,. The decrease reflects the impact of consolidation of AllCO's AUM under our Pensions business line;
- Full year PBT is projected to increase by 34%, to N2.74 billion, with our Pensions business, contributing 70% of the total;
- We believe the recent increase in the minimum Shareholders Fund for Pension Fund Administrators, from N1 billion to N5 billion, will provide opportunities for further consolidation within the Pension industry. We plan to take advantage, where there are clear synergies between our business and those of potential targets.

Our Investment Management Group is divided into Pensions, Wealth Management and Collective Investment Schemes





Outlook

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

Outlook: Expecting a stronger and more sustainable performance in Q4, driven by:

NIMs to improve in Q4 supported by low cost deposit growth & loan growth in SME & Personal banking.

475k new customers expected to be acquired across the Group in Q4 driven by AllCO (250k), Bank (220k) & other Opcos (5k).

Non Interest Income to continue steady growth driven by Fees and commissions coming from growth in transacting customers (predominantly digital), Treasury Sales, Asset management & Investment banking.

AUM growth of >33% in Q4 as a result of AllCO acquisition and this would support net income growth in asset management.

OPEX would reduce in H2 due to non-recurrence of AMCON levy of N3.6 billion in Q4.

Cost of risk to increase slightly by 0.2%.

Given the strong growth in Q3 PBT and non-recurrence of AMCON levy of N3.6 billion in Q4, we now expect 2021FY PBT to marginally exceed that of the 2020FY.