



# BUILDING A SUSTAINABLE ECOSYSTEM

Investors & Analysts Presentation 1Q 2022

FCMB GROUP PLC  
WWW.FCMBGROUPPLC.COM



May 2022

# AGENDA

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*Performance Review***

04.

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Performance Review**

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**Outlook**



# FCMB Group: Building an Ecosystem

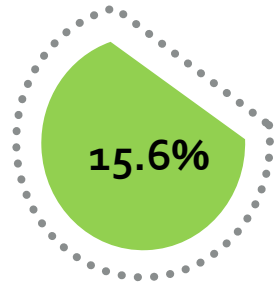
We are connecting our dots, transforming our technology (stack and architecture) and our culture, launching new technology businesses, and unlocking inherent synergies (e.g. data consolidation), towards a purposeful objective.



**Our objective is to create a technology enabled financial ecosystem that connects our customers to the products services and resources they need to achieve greater abundance.**

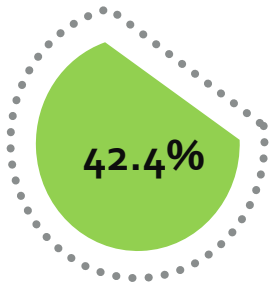
# 1Q22 Results Highlights

Total Assets  
**N2.5 trillion**



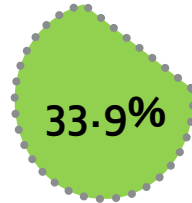
1Q21: N2.1 trillion

Profit before Tax  
**N6.0 billion**



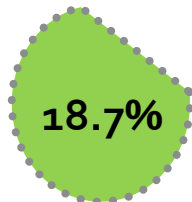
1Q21: N4.2 billion

Gross Earnings  
**N58.3 billion**



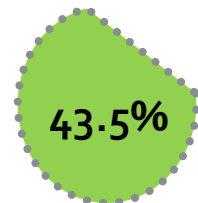
1Q21: N43.5 billion

Deposits  
**N1.6 trillion**



1Q21: N1.3 trillion

Assets Under Management  
**N712.6 billion**



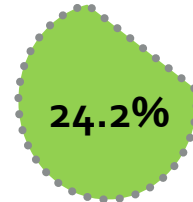
1Q21: N496.7 billion

Return on Average Equity  
**8.5%**



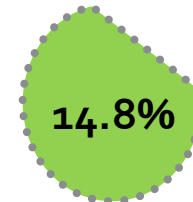
1Q21: 6.3%

Loans  
**N1.1 trillion**



1Q21: N886.1 billion

Customers  
**9.8 million**



1Q21: 8.5 million

Capital Adequacy  
**15.8%**



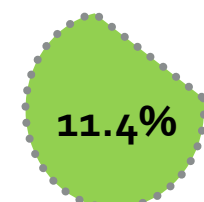
1Q21: 16.5%

Non-Performing Loans  
**4.7%**



1Q21: 3.2%

Digital Customers  
**8.1 million**



1Q21: 7.2 million



# 1Q22 Results Overview: FCMB Group Plc

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



- Overall 1Q22 performance improved YoY on the back of improved net-interest income earnings;
- Net Interest Income increased 10% QoQ and 33% YoY. This was due to a 41% increase in interest income on the back of a 24% YoY increase in our loan book.

| Performance Index              |                          | 1Q21    | 4Q21    | 1Q22    | %Δ QoQ | %Δ YoY |
|--------------------------------|--------------------------|---------|---------|---------|--------|--------|
| <b>Operating</b>               | Return on Average Equity | 6.3%    | 12.0%   | 8.5%    | -29.1% | 33.9%  |
|                                | Return on Average Assets | 0.7%    | 1.2%    | 0.8%    | -35.5% | 16.1%  |
|                                | Loan/Funding Ratio       | 67.8%   | 65.0%   | 65.8%   | 1.2%   | -3.0%  |
|                                | Loan/Deposit Ratio       | 53.0%   | 54.8%   | 55.7%   | 1.7%   | 5.2%   |
|                                | Cost/Income Ratio        | 79.5%   | 63.0%   | 72.7%   | 14.5%  | -8.6%  |
|                                | Net Interest Margin      | 7.1%    | 7.8%    | 7.1%    | -9.6%  | 0.9%   |
|                                | NPL/Total Loans          | 3.2%    | 4.0%    | 4.7%    | 18.7%  | 45.3%  |
|                                | Coverage Ratio           | 175.5%  | 112.5%  | 105.5%  | -6.2%  | -39.8% |
|                                | NII/Operating Income     | 27.8%   | 41.8%   | 24.2%   | -42.0% | -12.7% |
|                                | Financial Leverage       | 0.9     | 0.9     | 0.9     | -0.3%  | 0.7%   |
| Cost of Risk                   | 1.1%                     | 1.6%    | 1.1%    | -31.9%  | -0.8%  |        |
| <b>Capital &amp; Liquidity</b> | Capital Adequacy Ratio   | 16.5%   | 16.2%   | 15.8%   | -3.0%  | -4.5%  |
|                                | Liquidity Ratio          | 33.5%   | 34.8%   | 32.1%   | -7.8%  | -4.1%  |
| <b>Investment</b>              | Share Price              | 2.90    | 3.00    | 3.40    | 13.3%  | 17.2%  |
|                                | NAV(N'B)                 | 229.1   | 243.8   | 249.1   | 2.2%   | 8.7%   |
|                                | Dividend (Kobo)          | 0.0     | 20      | 0.0     | n/a    | n/a    |
|                                | EPS (Kobo)               | 18.04   | 35.91   | 26.09   | -25.1% | 49.1%  |
| <b>Others</b>                  | Opex (N'B)               | 23.4    | 23.0    | 27.0    | 17.6%  | 15.6%  |
|                                | Risk Assets (net) (N'B)  | 886.1   | 1,063.6 | 1,100.7 | 3.5%   | 24.2%  |
|                                | Customer Deposits (N'B)  | 1,324.4 | 1,554.4 | 1,571.5 | 1.1%   | 18.7%  |



- Group PBT grew by 42% YoY from N4.2n in 1Q21 to N6.0b in 1Q22.
- Non-interest income grew by 10% YoY largely driven by growth in service fees and commissions income despite a decline in Foreign Exchange revenues. Trading income also grew 63% YoY from higher volumes of fixed income instrument trades during the year.
- Operating expenses increased 18% and 16%, QoQ and YoY respectively, due to increased regulatory costs, investments in technology, and general inflationary pressures.
- Impairment charges declined 42% QoQ due to improved loan recovery efforts. However, grew 130% YoY.

| N'm                                     | 1Q21            | 4Q21            | 1Q22            | %Δ QoQ        | %Δ YoY       |
|---|-----------------|-----------------|-----------------|---------------|--------------|
| <b>Revenue</b>                          | <b>43,190</b>   | <b>62,545</b>   | <b>55,692</b>   | <b>-11.0%</b> | <b>28.9%</b> |
| Interest Income                         | 33,029          | 46,291          | 46,690          | 0.9%          | 41.4%        |
| Interest Expense                        | (11,801)        | (20,768)        | (18,542)        | -10.7%        | 57.1%        |
| <b>Net Interest Income</b>              | <b>21,228</b>   | <b>25,523</b>   | <b>28,148</b>   | <b>10.3%</b>  | <b>32.6%</b> |
| <b>Non-Interest Income</b>              | <b>8,161</b>    | <b>15,122</b>   | <b>9,002</b>    | <b>-40.5%</b> | <b>10.3%</b> |
| - Net Fees & Commissions                | 5,658           | 8,507           | 7,617           | -10.5%        | 34.6%        |
| - Trading Income                        | 1,540           | 2,757           | 2,509           | -9.0%         | 62.9%        |
| - FX Income                             | 799             | 3,392           | (1,380)         | 140.7%        | -272.7%      |
| - Others                                | 164             | 466             | 256             | -45.1%        | 56.1%        |
| <b>Operating Income</b>                 | <b>29,389</b>   | <b>36,989</b>   | <b>37,150</b>   | <b>0.4%</b>   | <b>26.4%</b> |
| <b>Operating Expenses</b>               | <b>(23,369)</b> | <b>(22,961)</b> | <b>(27,004)</b> | <b>17.6%</b>  | <b>15.6%</b> |
| Net impairment loss on financial assets | (1,794)         | (7,148)         | (4,127)         | -42.3%        | 130.0%       |
| <b>PBT</b>                              | <b>4,226</b>    | <b>6,975</b>    | <b>6,019</b>    | <b>-13.7%</b> | <b>42.4%</b> |
| <b>PAT</b>                              | <b>3,572</b>    | <b>7,112</b>    | <b>5,166</b>    | <b>-27.4%</b> | <b>44.6%</b> |

- Our Banking Group remained the largest contributor to overall PBT, contributing 64%.

- The consumer finance segment recorded a 17% contribution driven by growth and increased traction from the business.

- We continue to see increased contribution to the Groups profit from our Operating Companies.

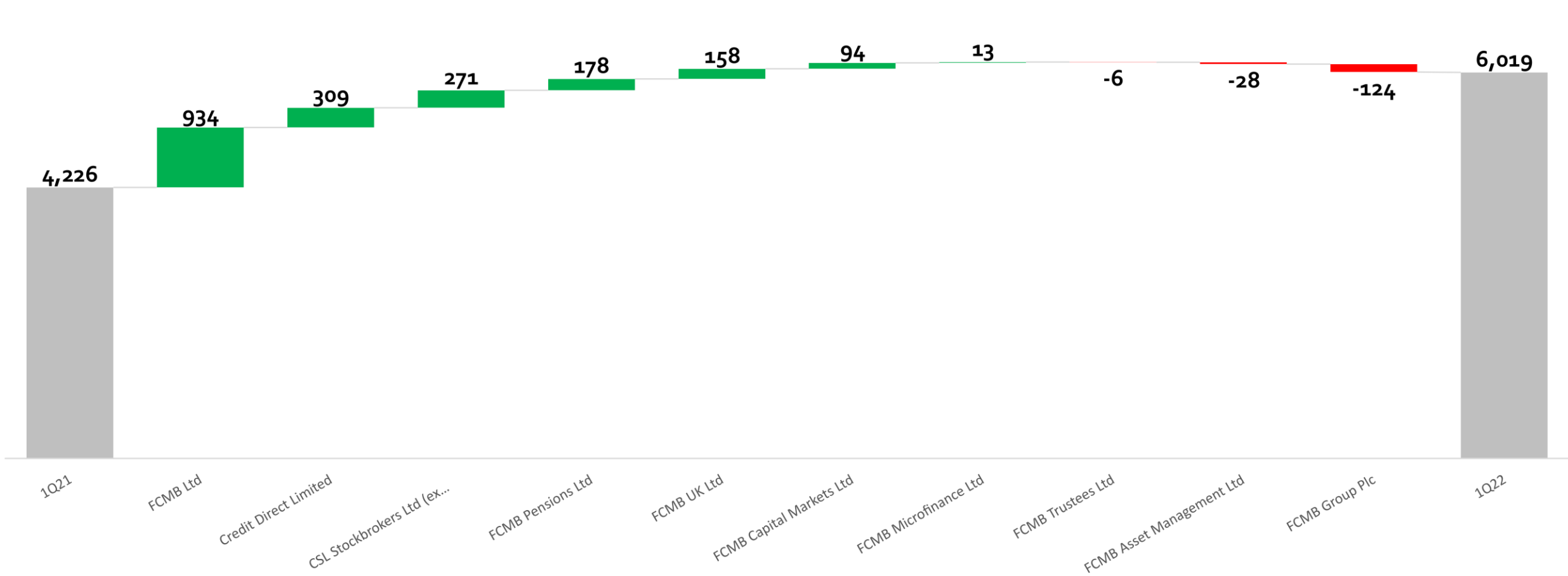
- Notably, our Investment Banking segment increased their contribution to overall Group performance YoY.

| N'm                                  | 1Q21           | 4Q21           | 1Q22         | %Δ QoQ      | %Δ YoY      | % Contribution |
|--------------------------------------|----------------|----------------|--------------|-------------|-------------|----------------|
| <b>Banking Group</b>                 | <b>2,731</b>   | <b>4,699</b>   | <b>3,836</b> | <b>-18%</b> | <b>40%</b>  | <b>64%</b>     |
| FCMB Ltd                             | 2,715          | 4,187          | 3,649        | -13%        | 34%         | 61%            |
| FCMB UK Ltd                          | 30             | 460            | 188          | -59%        | 527%        | 3%             |
| FCMB Microfinance Ltd                | (14)           | 51             | (1)          | -102%       | -93%        | 0%             |
| <b>Consumer Finance</b>              | <b>739</b>     | <b>765</b>     | <b>1,048</b> | <b>37%</b>  | <b>42%</b>  | <b>17%</b>     |
| Credit Direct Limited                | 739            | 765            | 1,048        | 37%         | 42%         | 17%            |
| <b>Investment Banking</b>            | <b>56</b>      | <b>738</b>     | <b>421</b>   | <b>-43%</b> | <b>652%</b> | <b>7%</b>      |
| FCMB Capital Markets Ltd             | 37             | 169            | 131          | -22%        | 254%        | 2%             |
| CSL Stockbrokers Ltd (ex FCMB-AM)    | 19             | 569            | 290          | -49%        | 1426%       | 5%             |
| <b>Investment Management</b>         | <b>582</b>     | <b>679</b>     | <b>726</b>   | <b>7%</b>   | <b>25%</b>  | <b>12%</b>     |
| FCMB Pensions Ltd                    | 354            | 423            | 532          | 26%         | 50%         | 9%             |
| FCMB Asset Management Ltd            | 212            | 249            | 184          | -26%        | -13%        | 3%             |
| FCMB Trustees Ltd                    | 16             | 8              | 10           | 25%         | -38%        | 0%             |
| <b>FCMB Group Plc (Separate)</b>     | <b>2,492</b>   | <b>2,623</b>   | <b>804</b>   | <b>-69%</b> | <b>-68%</b> | <b>13%</b>     |
| <b>Intercompany Adjustments</b>      | <b>(2,374)</b> | <b>(2,529)</b> | <b>(810)</b> | <b>-68%</b> | <b>-66%</b> | <b>-14%</b>    |
| <b>FCMB Group Plc (consolidated)</b> | <b>4,226</b>   | <b>6,975</b>   | <b>6,019</b> | <b>-14%</b> | <b>42%</b>  | <b>100%</b>    |



1Q22 PBT Waterfall

■ Increase ■ Decrease ■ Total



**FCMB**

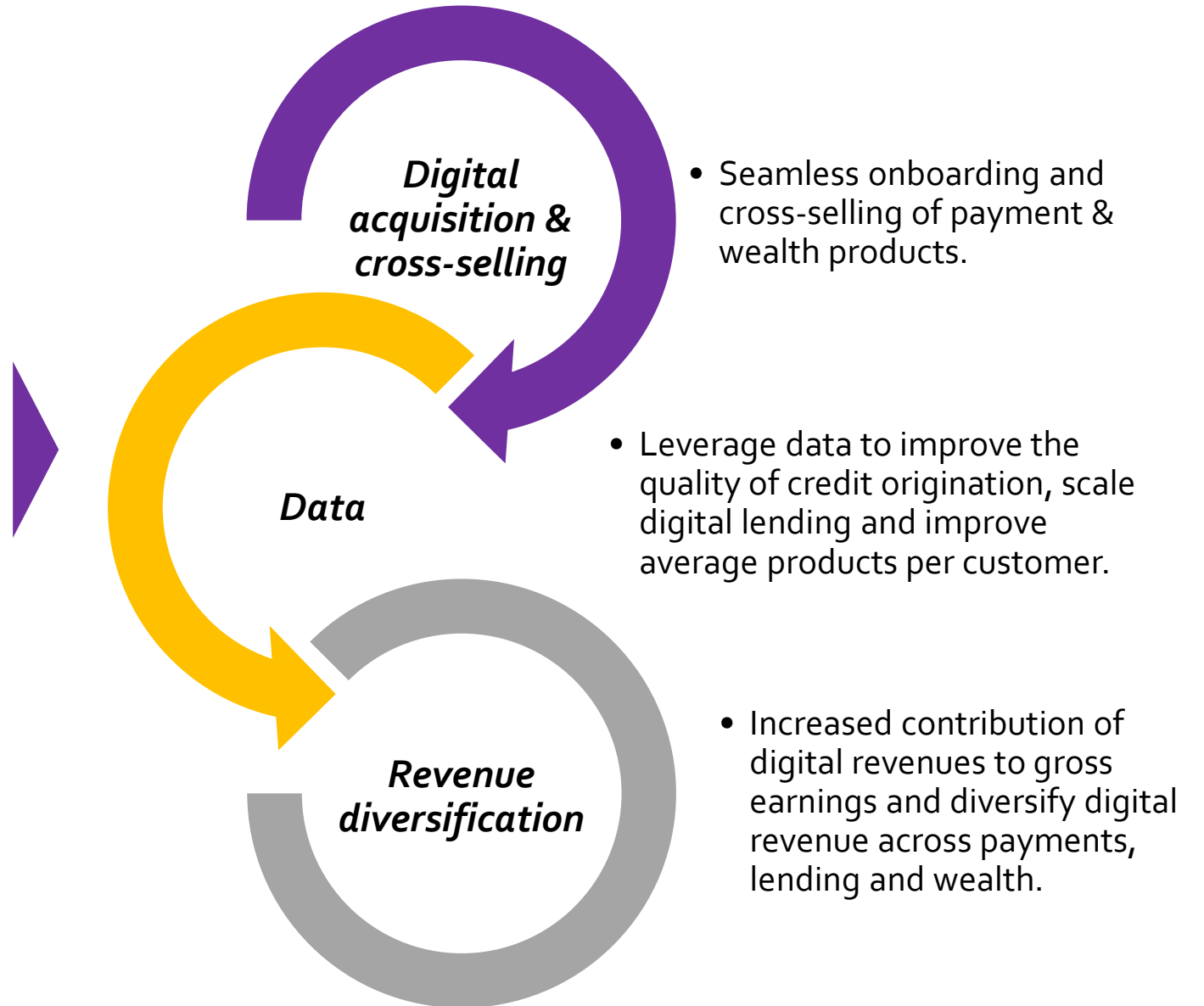


## **Digital Business Review: FCMB Group Plc**

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



*Our focus remains unchanged: To leverage digital to scale lending and cross-sell payments and wealth products to our customers.*





## Digital Revenue

- ✓ **N8.1bn** generated from digital payments and lending activities for 1Q22. Up 60% from revenues of N5.0bn reported in 1Q21.
- ✓ Digital now accounts for **14%** of Gross Earnings driven by lending & payments.
- ✓ Transaction Count and Volume on mobile up **25%** and **50%** YoY, respectively.



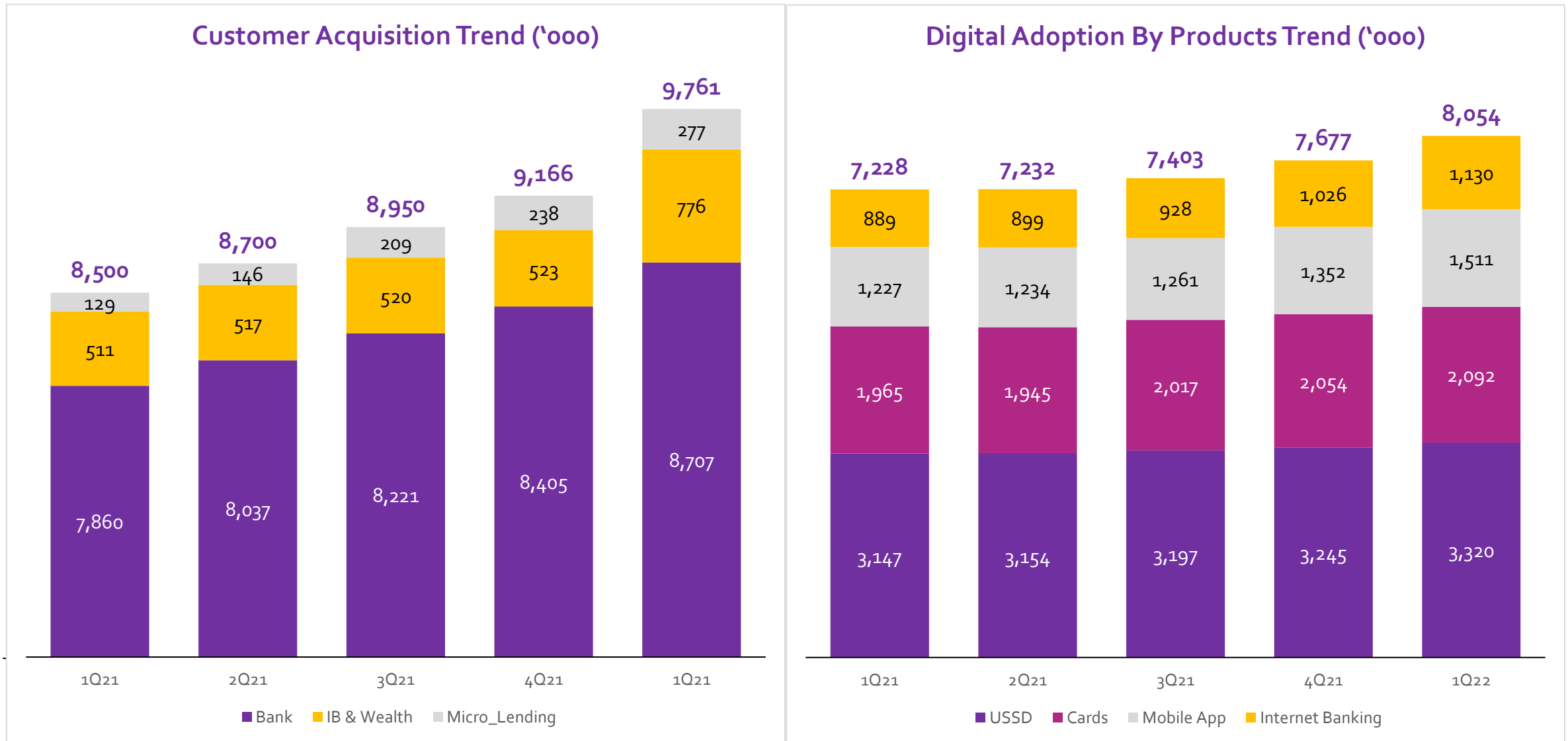
## Digital Loans

- ✓ Over **N57bn** disbursed to **217K** customers during the quarter.
- ✓ Total portfolio size (**68.9bn**) grew by **206%** year on year.
- ✓ Digital lending now accounts for **61%** of digital revenues.



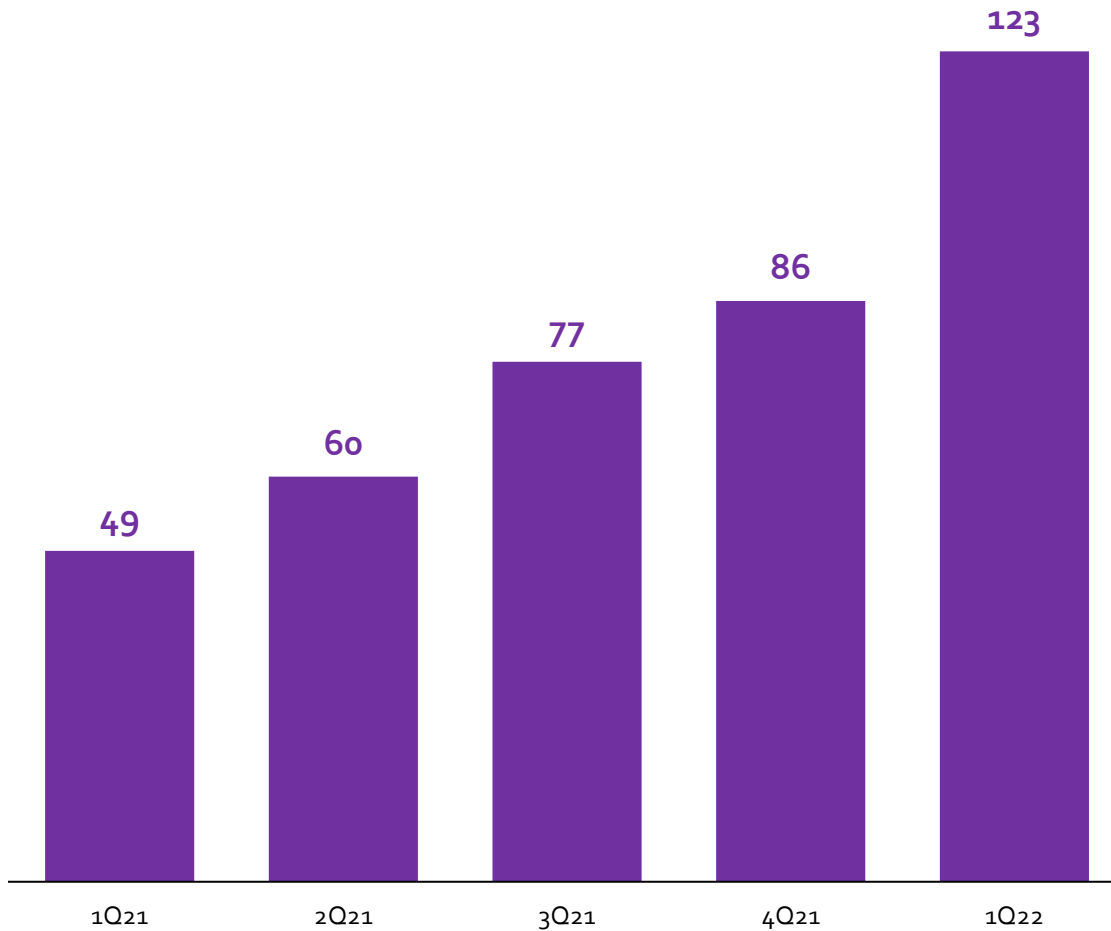
## Digital Customers

- ✓ **8.1 million** digital customers up **11.4%** from 7.2 million (Mar. 2021).

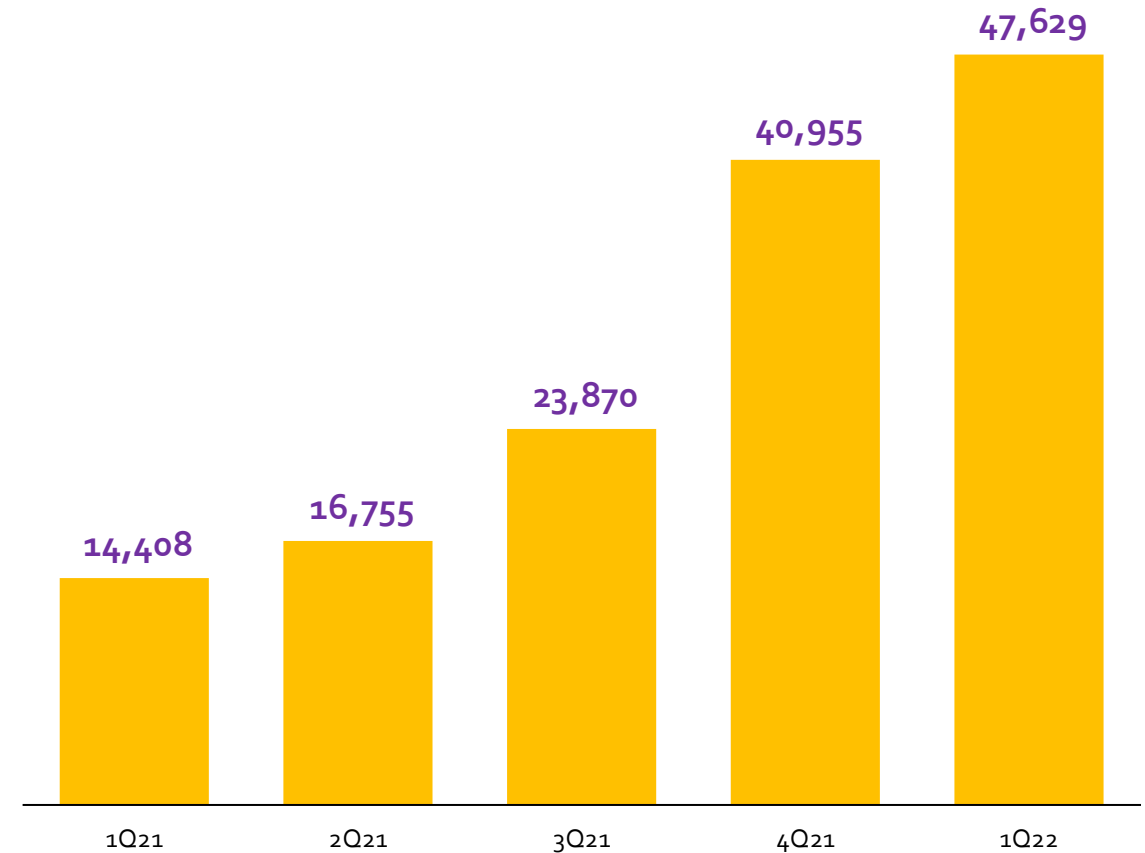


Consistent growth in customer acquisition with increased cross-selling of digital products, digital lending products in the retail and SME Sectors also driving increased adoption of digital channels by customers. The acquisition of AllCO Pensions, contributed to an increase in customers in our Pensions business by over 250k.

Agency Banking Revenue N' m



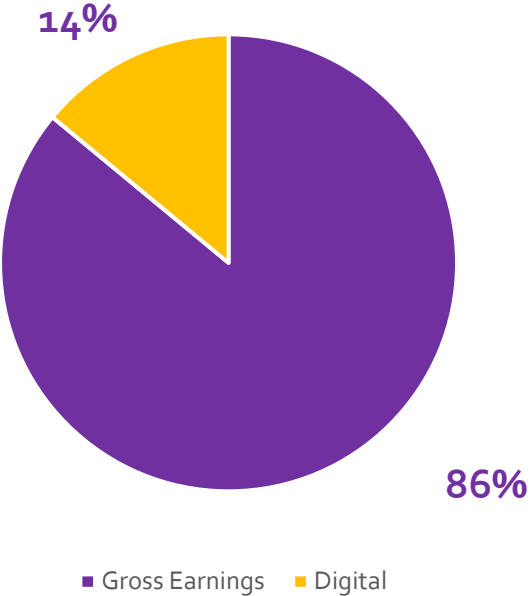
Customer Acquisition Trend



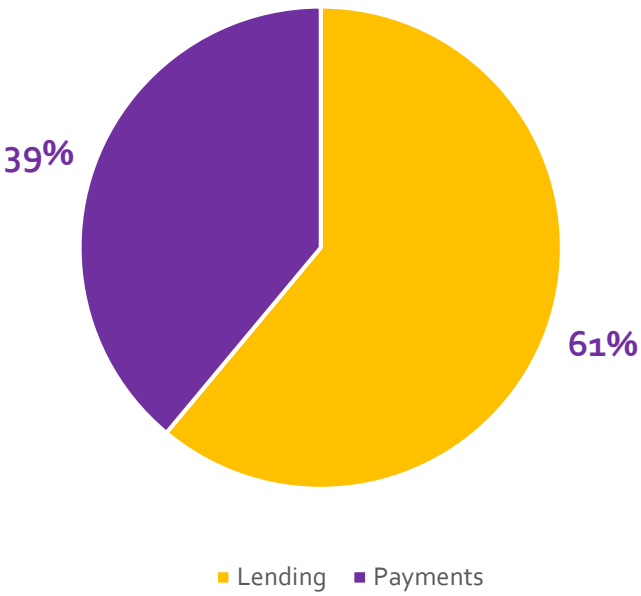
Our agency banking business remains a key focus for the Group. We continue to see increased traction across the business with revenues growing by 151% YoY and Customers by 231% YoY.



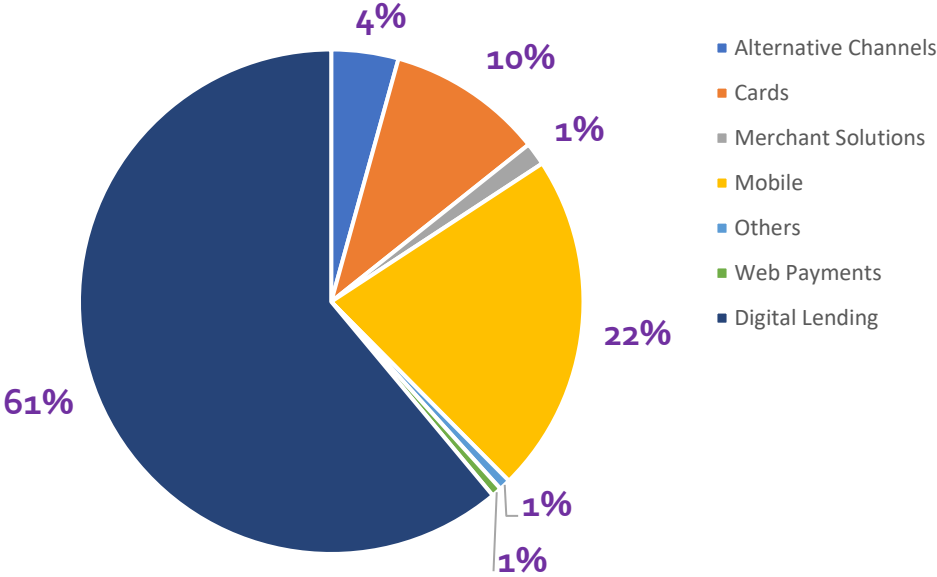
### Digital Contribution to Gross Earnings



### Digital Revenue Split



### Breakdown of Digital Revenue By Product



Digital revenue of N8.1bn - with Payments contributing N3.1bn and Lending N4.9bn.

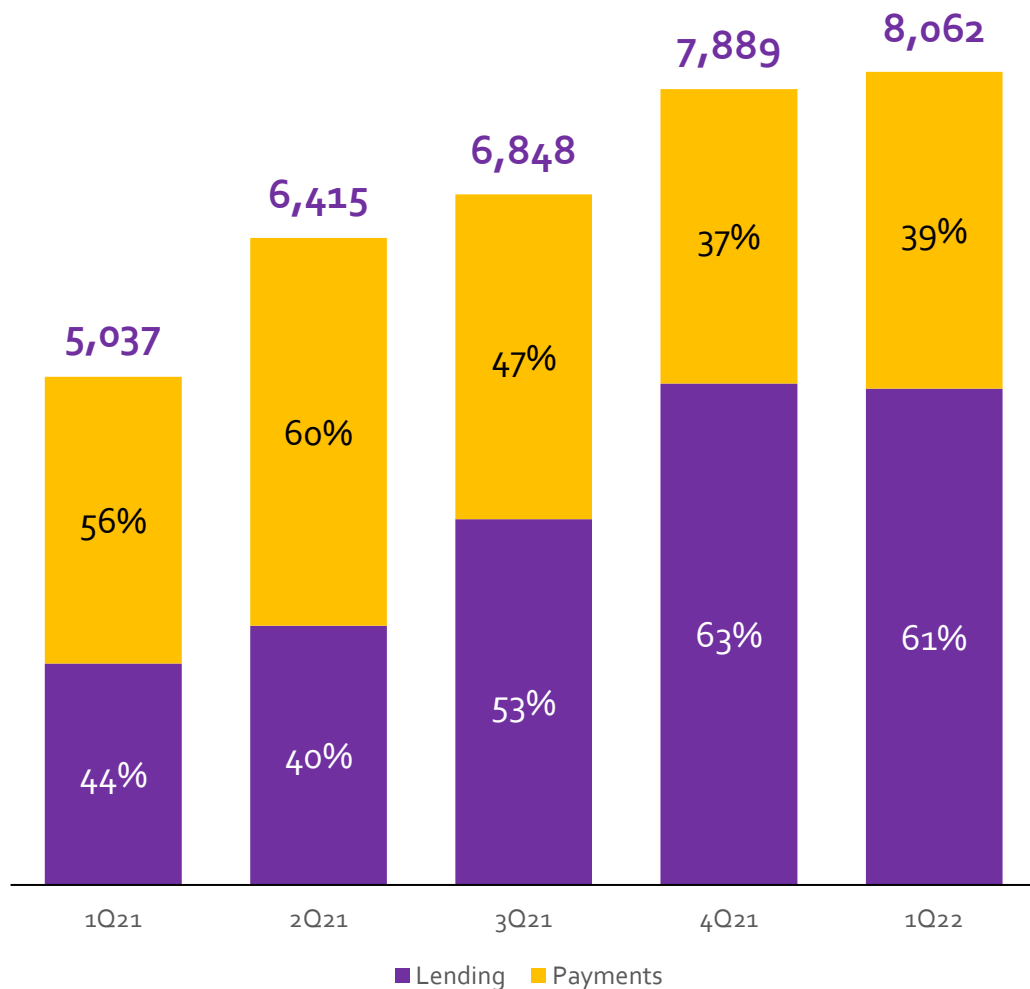


Lending & Payments remain the key drivers of digital revenues and account for up 93% of revenues. We continue to see greater traction in lending revenues which not accounts for 61% of digital revenues (51% as at FY21).

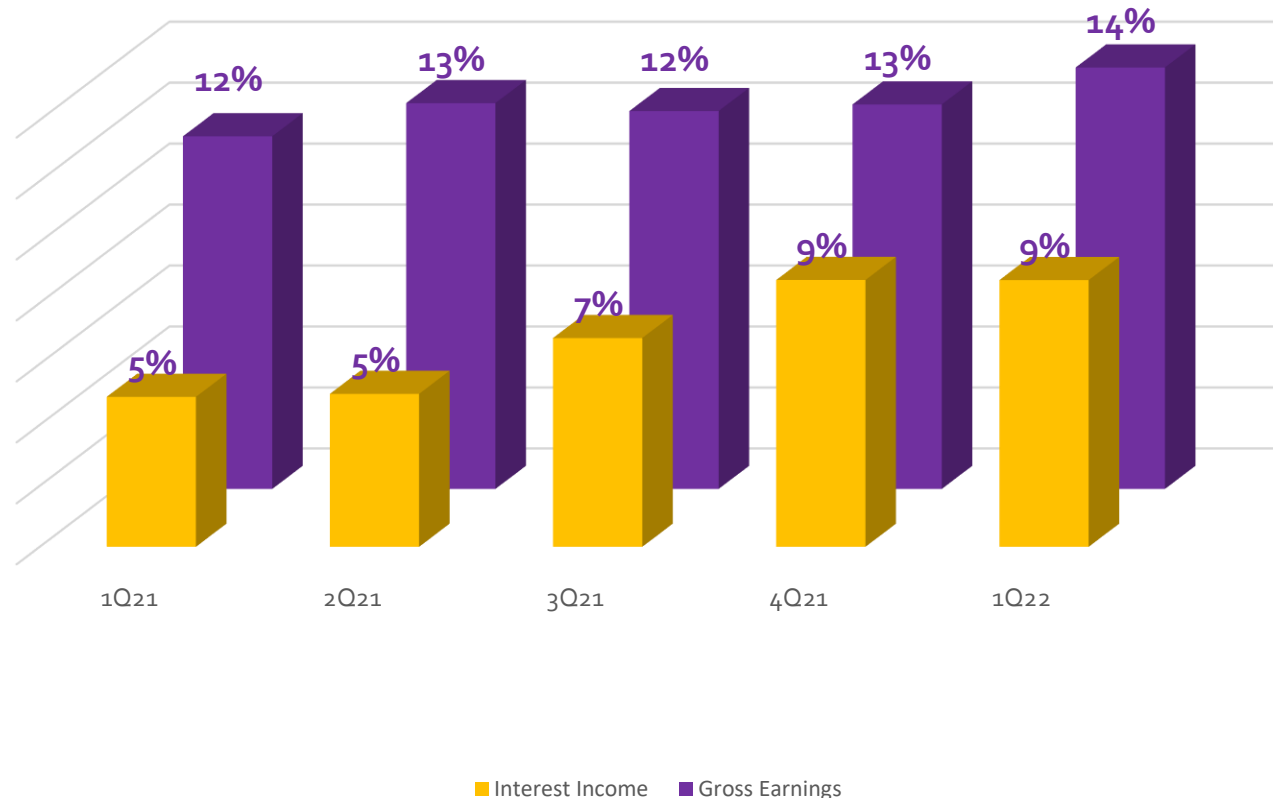


Digital loans to SME's grew by 11% QoQ and 218% YoY in line with our focus to our digital-led Retail and SME Banking Priorities.

Digital Revenue Trend (In Millions)

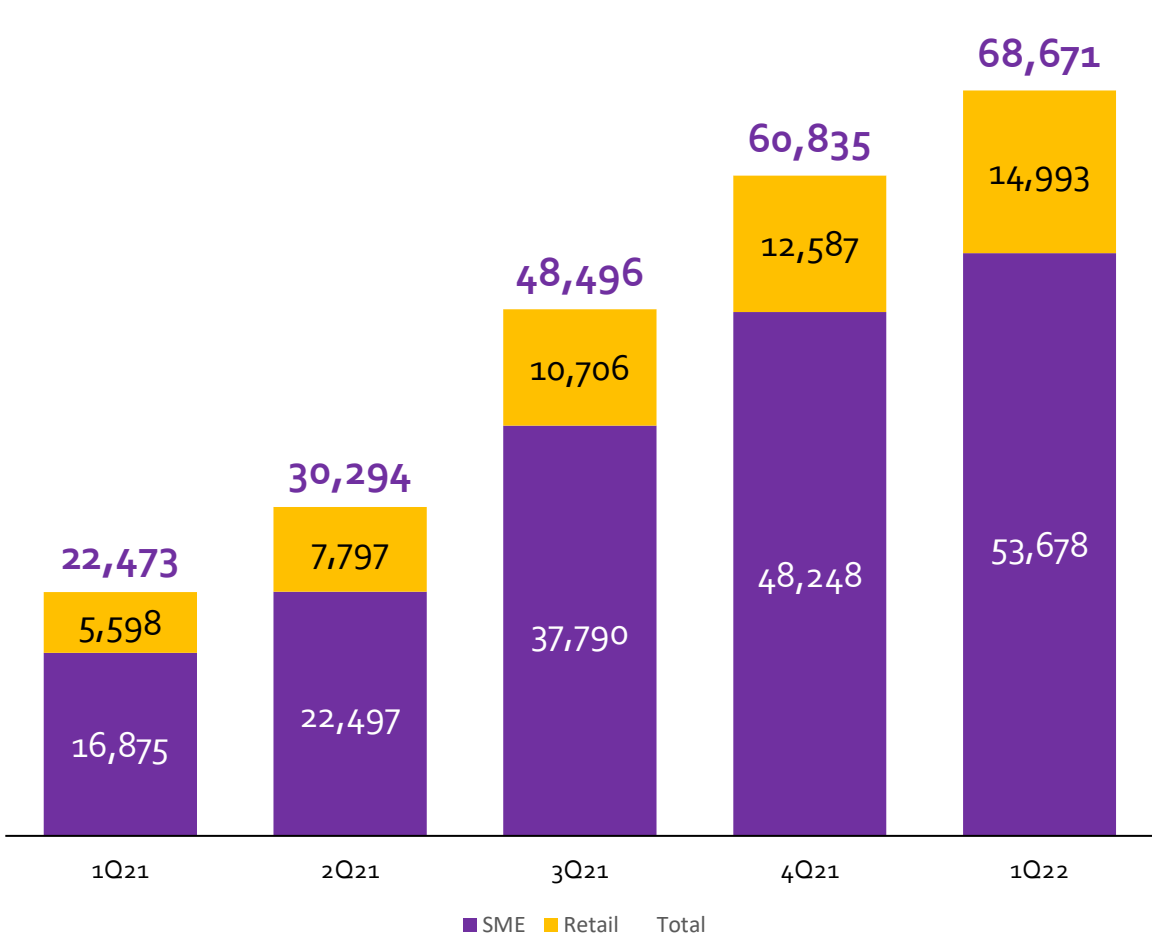


Digital Contribution To Interest Income & Gross Earnings

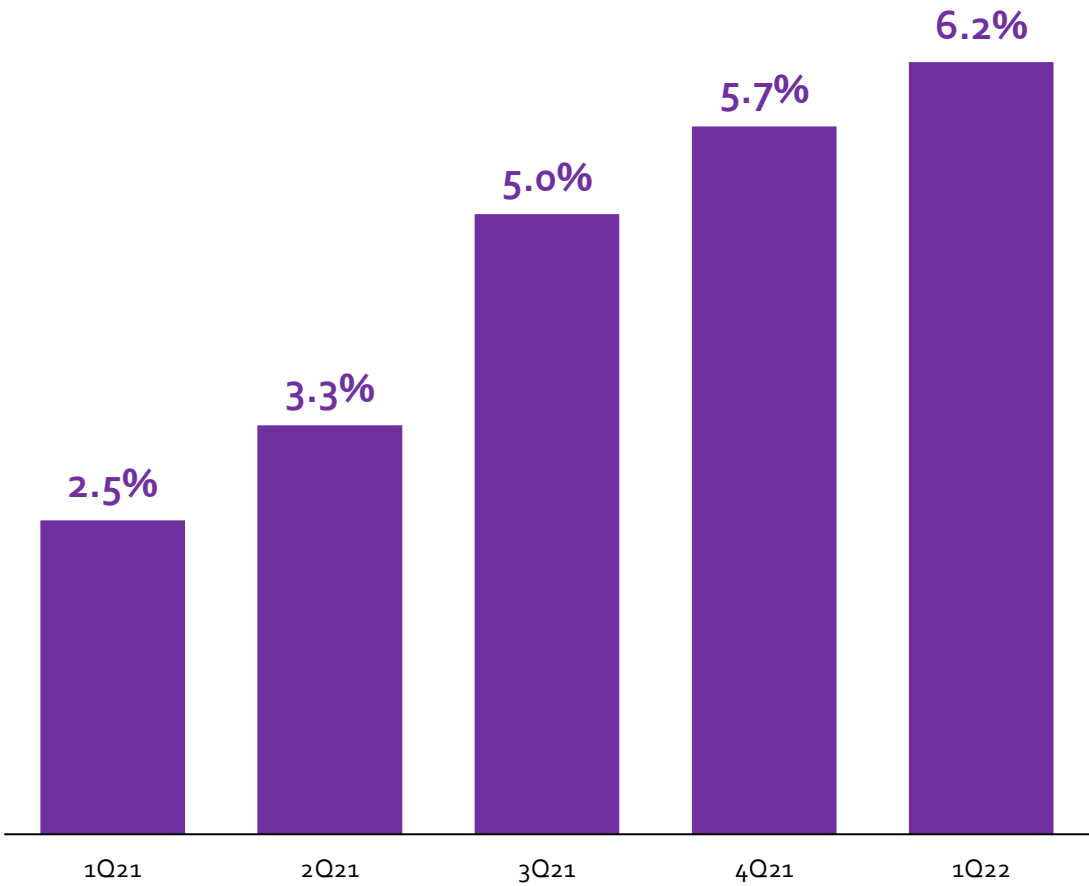


- Consistent quarterly growth in digital revenue driven by increased adoption on our digital channels and increased origination & repeat transactions on our digital lending products.

Digital Loans Trend (in billions)

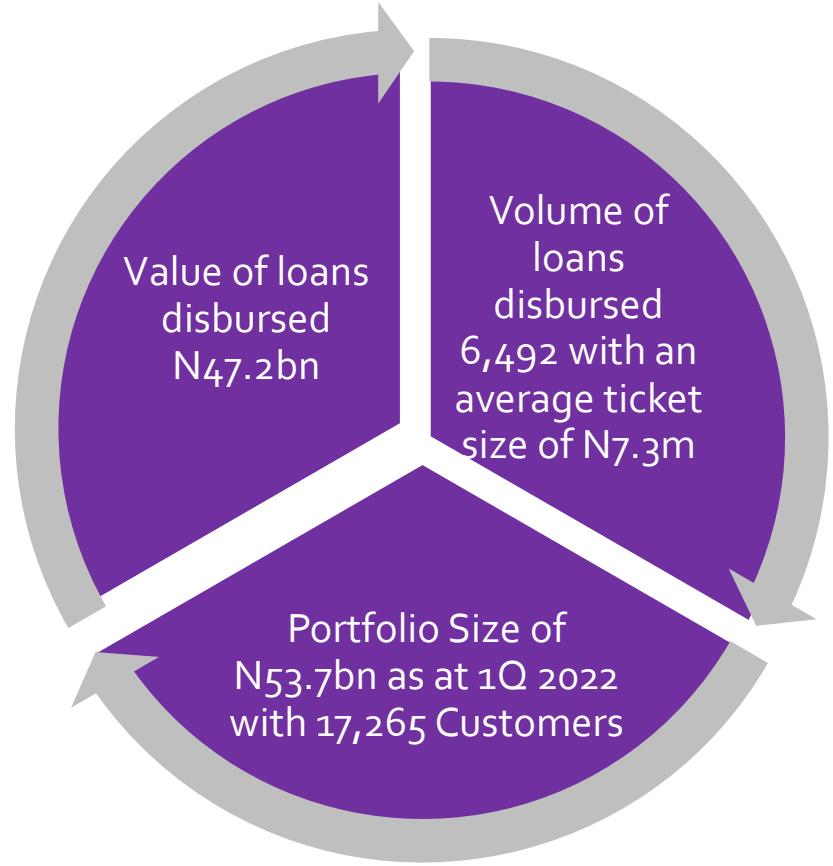


Digital Loans Contribution To Total Loans Trend

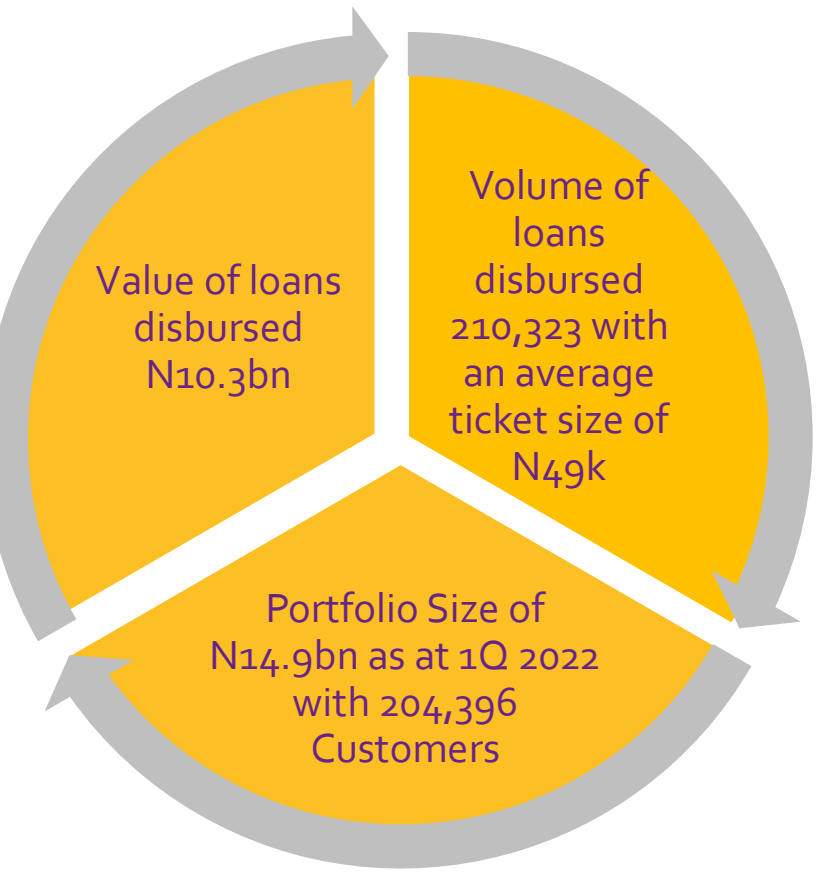


Digital loans grew by over 206% from N22.5bn in 1Q 2021 to N68.7bn in 1Q22 accounting for 6.2% of the Total Loan Portfolio and contributing 22% (N46.2 bn) of the total loan growth (N214.7bn) from 1Q21 – 1Q22.

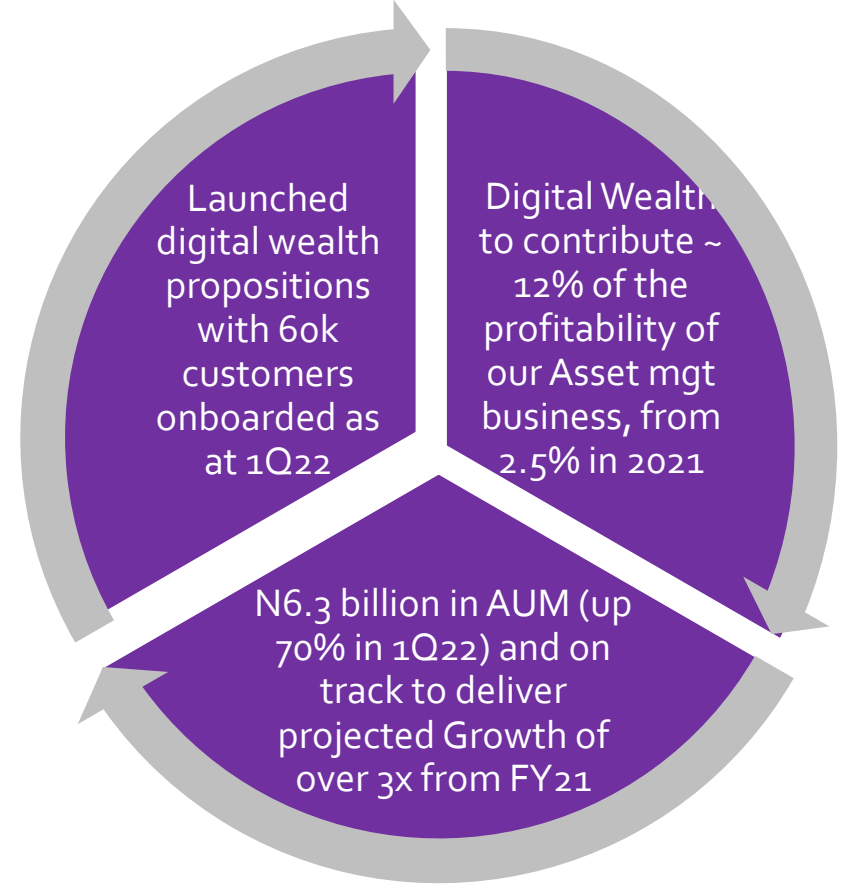
## SME Digital Loans – 1Q 2022 Highlights



## Retail Digital Loans – 1Q 2022 Highlights



## Digital Wealth – 1Q 2022 Highlights





## Group Performance Review: The Banking Group

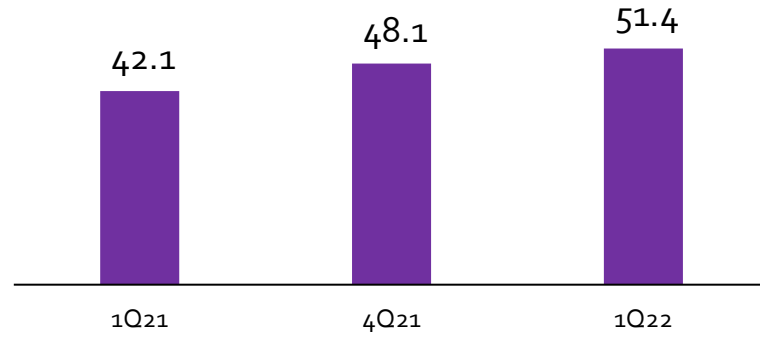
Mrs. Yemisi Edun: Managing Director - FCMB Ltd



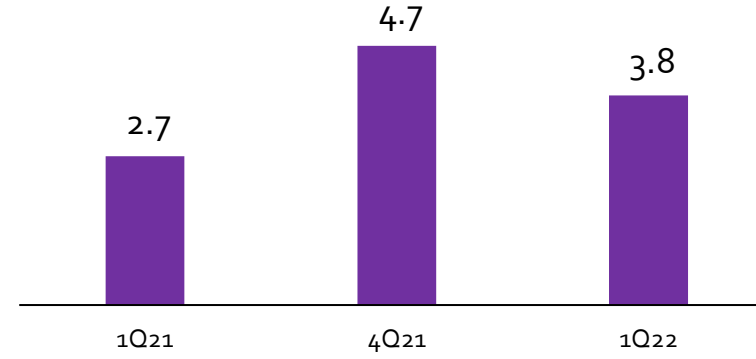


# Banking Group: 1Q22 Key Metrics

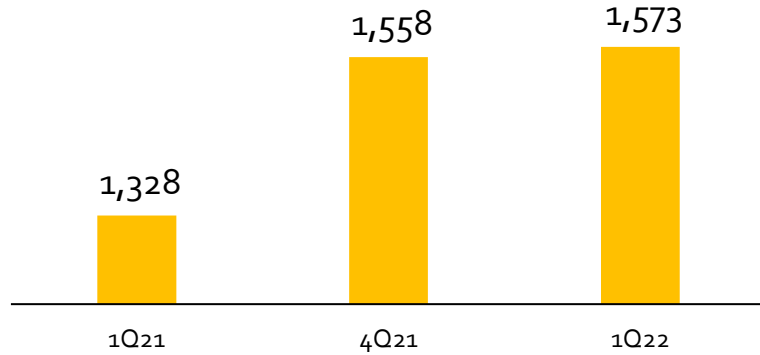
### Revenue (N' bn)



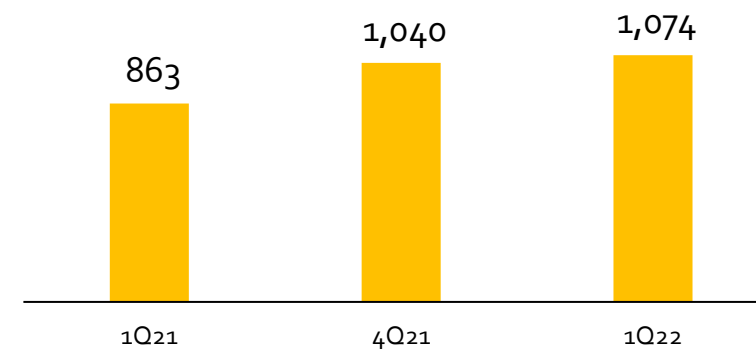
### Profit before Tax (N' bn)



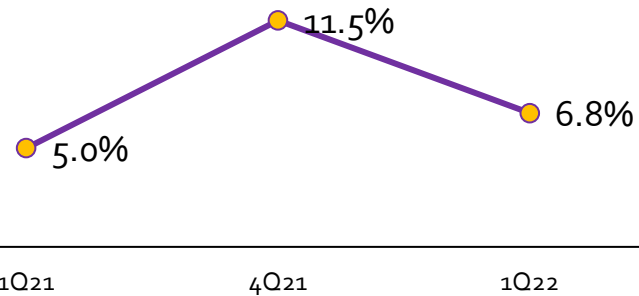
### Deposits (N' bn)



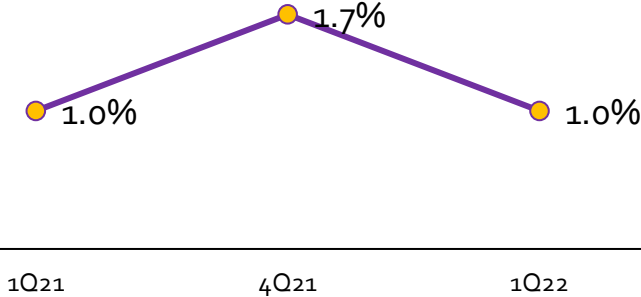
### Loans (N' bn)



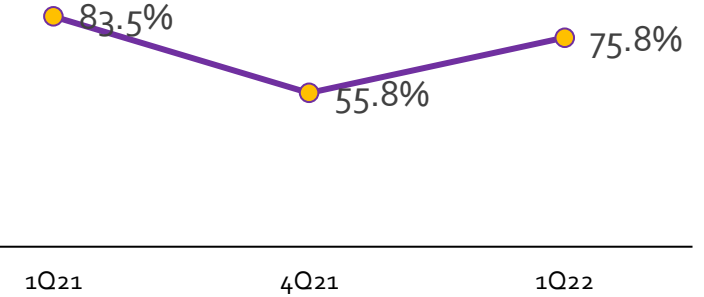
### RoAE



### CoR



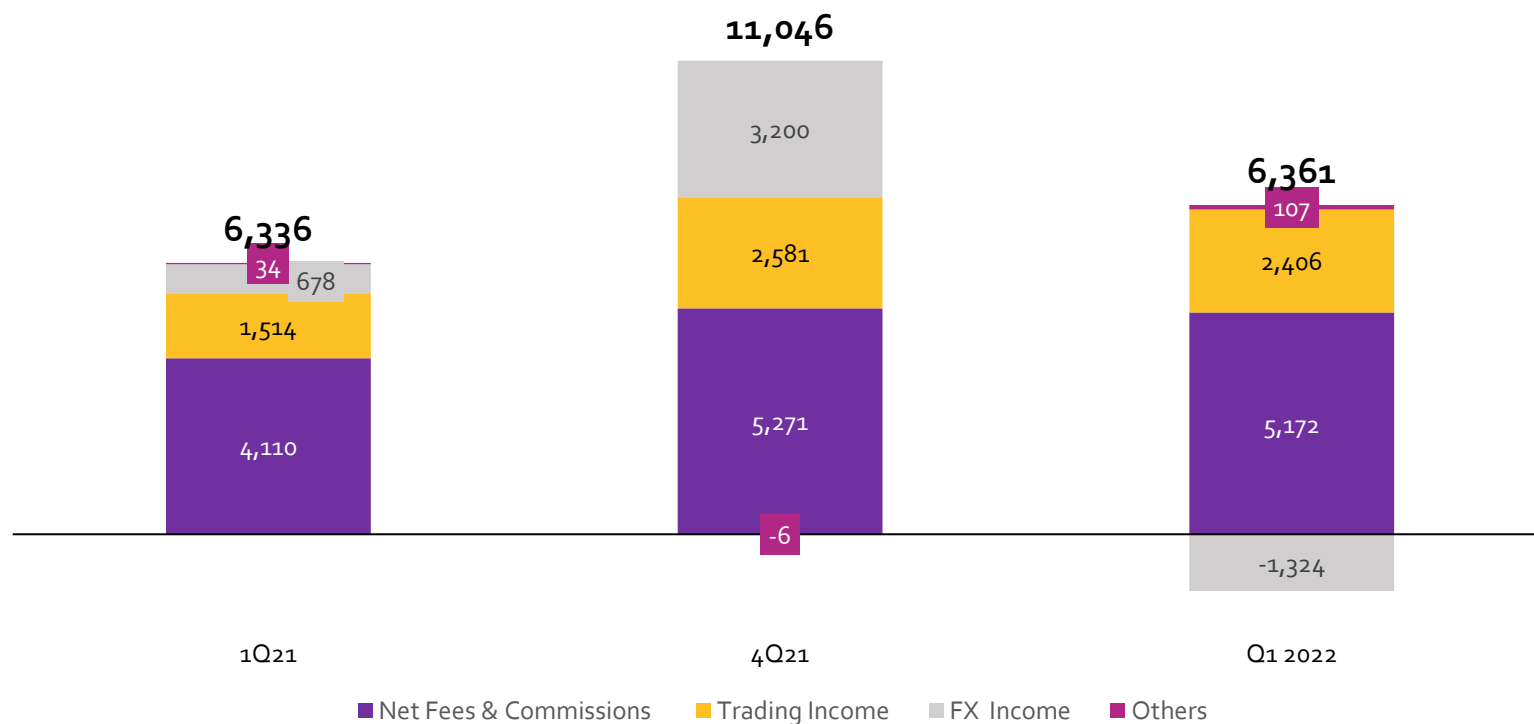
### CIR





- PBT declined **18%** QoQ largely due to a drop in Non-interest income and increase in operating expenses. However, PBT increased YoY by **40%** supported by improvements in net-interest income by **34%**.
- Net Interest Income improved by **12%** QoQ driven by a 12% decline in interest expense as interest income remained flat. YoY, net-interest income improved by **34%** as interest income grew by **41%** driven by growth in loans and advances.
- Non-Interest Income decreased **42%** QoQ driven by a decrease in FX Income from 4Q21 and remained stable YoY.
- Operating expenses increased **28%** QoQ and **14%** YoY due an increase in regulatory cost, and diesel cost and IT maintenance costs.
- Risk Assets (net) grew by **3%** QoQ and **24%** YoY, while Customer Deposits also increased **1%** QoQ and **18%** YoY respectively.

| N'm                                     | 1Q21            | 4Q21            | Q1 2022         | %Δ QoQ      | %Δ YoY     |
|---|-----------------|-----------------|-----------------|-------------|------------|
| <b>Revenue</b>                          | <b>42,060</b>   | <b>48,172</b>   | <b>51,408</b>   | <b>7%</b>   | <b>22%</b> |
| Interest Income                         | 30,782          | 43,110          | 43,305          | 1%          | 41%        |
| Interest Expense                        | (11,861)        | (20,358)        | (17,906)        | -12%        | 51%        |
| <b>Net Interest Income</b>              | <b>18,921</b>   | <b>22,752</b>   | <b>25,399</b>   | <b>12%</b>  | <b>34%</b> |
| <b>Non-Interest Income</b>              | <b>6,336</b>    | <b>11,046</b>   | <b>6,361</b>    | <b>-42%</b> | <b>0%</b>  |
| - Net Fees & Commissions                | 4,110           | 5,271           | 5,172           | -2%         | 26%        |
| - Trading Income                        | 1,514           | 2,581           | 2,406           | -7%         | 59%        |
| - FX Income                             | 678             | 3,200           | (1,324)         | 141%        | -295%      |
| - Others                                | 34              | (6)             | 104             | 1,883%      | 206%       |
| <b>Operating Income</b>                 | <b>25,256</b>   | <b>33,798</b>   | <b>31,757</b>   | <b>-6%</b>  | <b>26%</b> |
| <b>Operating Expenses</b>               | <b>(21,089)</b> | <b>(18,799)</b> | <b>(24,070)</b> | <b>28%</b>  | <b>14%</b> |
| Net impairment loss on financial assets | (1,436)         | (10,300)        | (3,851)         | -63%        | 168%       |
| <b>PBT</b>                              | <b>2,731</b>    | <b>4,699</b>    | <b>3,836</b>    | <b>-18%</b> | <b>40%</b> |
| <b>PAT</b>                              | <b>3,017</b>    | <b>6,008</b>    | <b>3,614</b>    | <b>-40%</b> | <b>44%</b> |
| <b>Balance Sheet (N'B)</b>              |                 |                 |                 |             |            |
| Customer Deposits                       | 1,328           | 1,558           | 1,573           | 1%          | 18%        |
| Risk Assets                             | 863             | 1,040           | 1,074           | 3%          | 24%        |

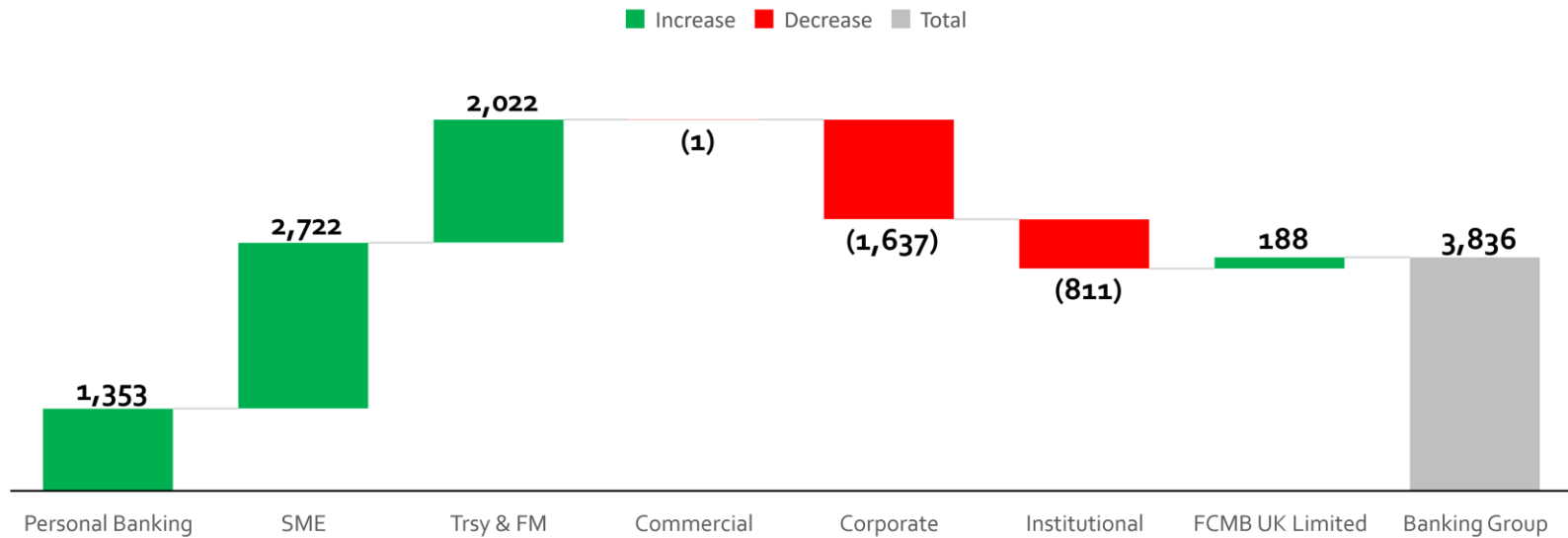


|                            | %Δ QoQ        | %Δ YoY      |
|----------------------------|---------------|-------------|
| Net Fees & Commissions     | -2%           | 26%         |
| Trading Income             | -7%           | 59%         |
| FX Income                  | -141%         | -295%       |
| Others                     | 1883%         | 206%        |
| <b>Non-Interest Income</b> | <b>-42.4%</b> | <b>0.4%</b> |

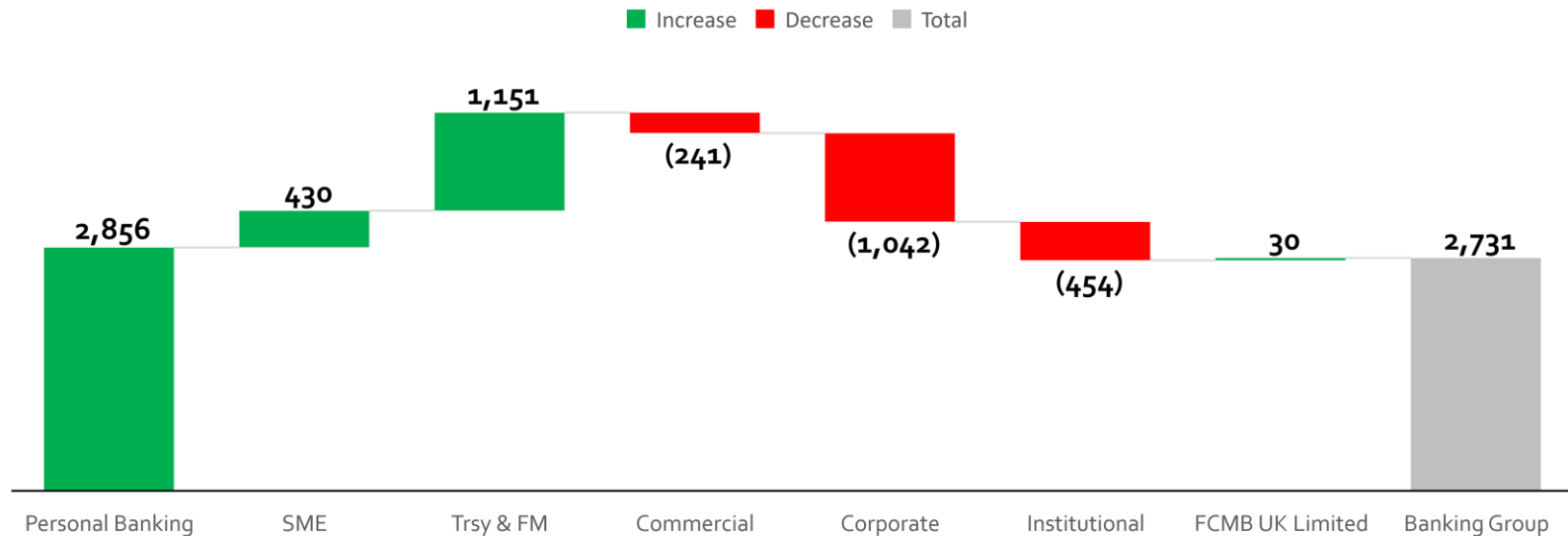
- Net fees and commissions grew by 26%YoY driven by growth in electronic fees and commissions, but declined 2% QoQ;
- Trading income grew by 59%YoY due to higher trading activities in government-backed securities. However, decreased by 7% QoQ as the volume of securities traded reduced
- FX income decreased by 295% and 141% YoY and QoQ respectively due to FX revaluation loss;
- Other income increase by 206% and 1883% YoY and QoQ respectively.

- Our **Personal Banking** Segments PBT declined YoY, driven largely by a growth in impairments during the quarter which we do not expect to continue in subsequent quarters.
- We continue to see traction in our **SME Banking** Segment as we remain on course with our strategy of using innovation and technology to drive the business. YoY, PBT grew by 533%.
- Our **Treasury & Financial Markets** Segment improved YoY, as PBT grew by 76%.
- Our **Corporate Banking** Segment remained in a loss position as at 1Q22 due to impairments and compressed margins. The segment is being repositioned for stronger assets quality growth as we deepen our presence in high growth sectors that offer better margins, while increasing cross-sell opportunities and transaction banking activity to boost Non-Interest Revenues.
- Our **Commercial Banking** Segment PBT improved significantly YoY although recorded a very marginal loss position for 1Q 22. The business is on course to return to profitability during the year 2022.
- Our **Institutional Banking** Segment PBT worsened YoY, however, is also on course to return to profitability during the year 2022.

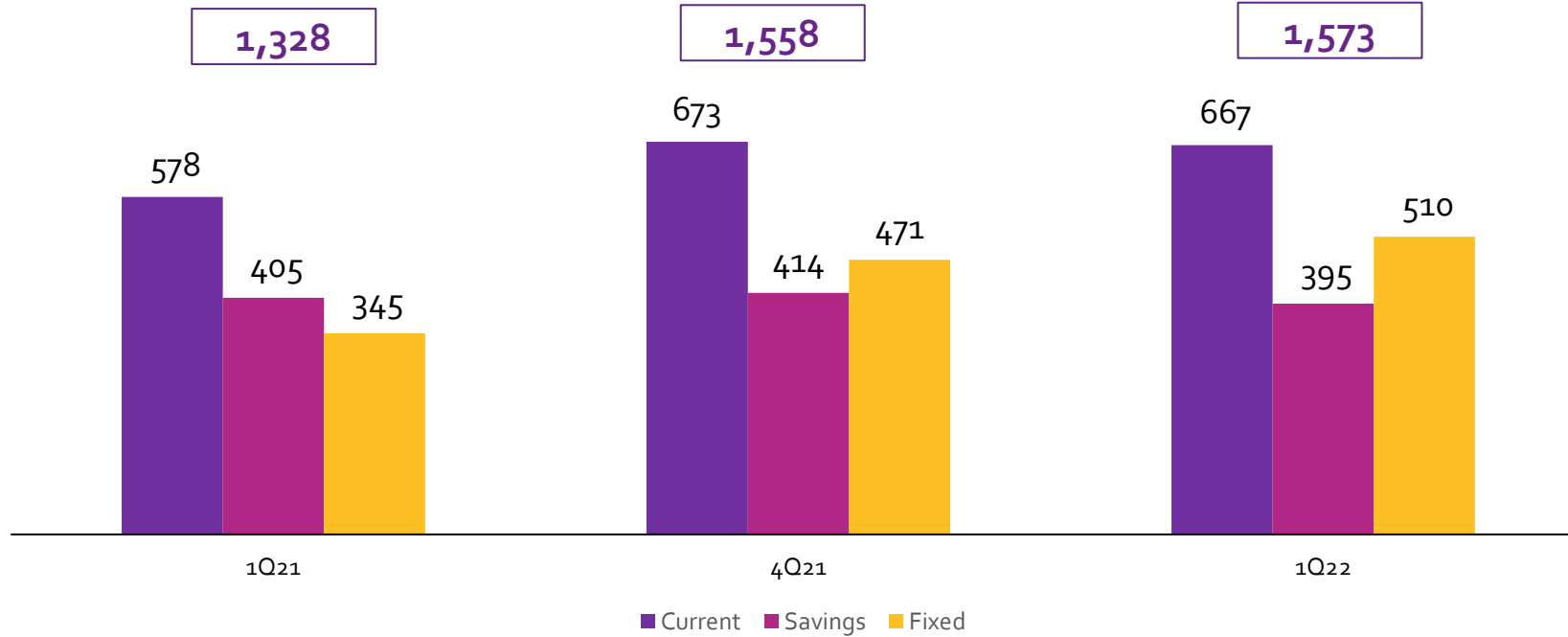
PBT Distribution by Business Segment - 1Q22



PBT Distribution by Business Segment - 1Q21

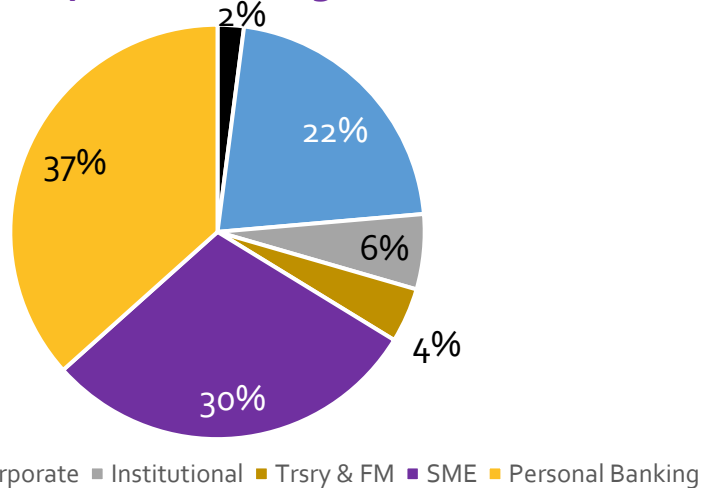


## Customer Deposits (N'bn)

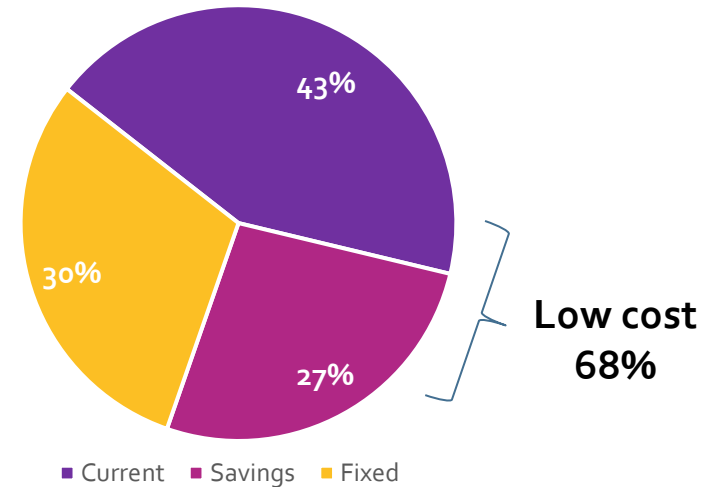


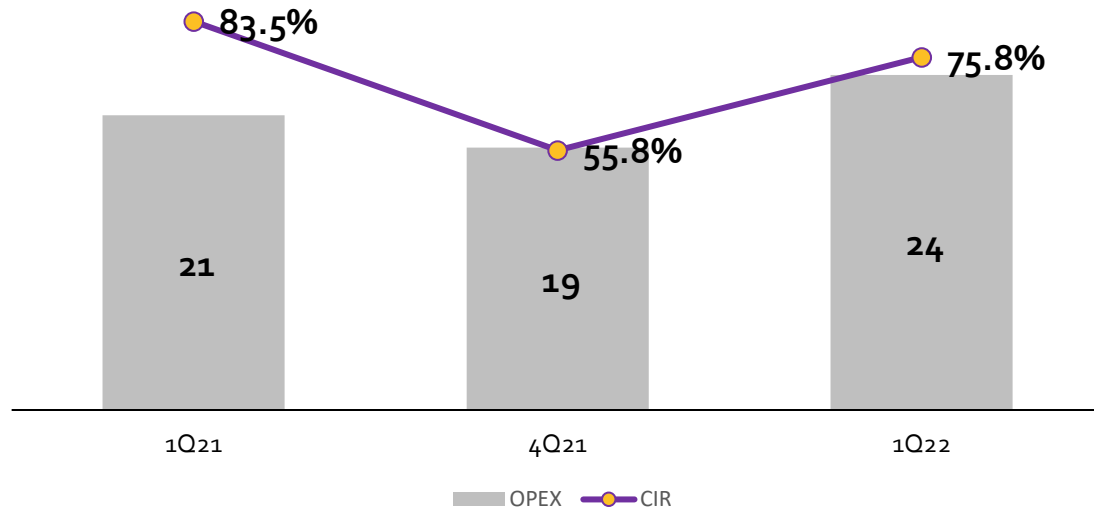
- Total deposits rose **1%** QoQ and **18%** YoY.
- Low-cost deposits now account for **68%** of our total deposits. Low-cost deposits declined by **2%** QoQ but grew by **8%** YoY.
- Retail (Personal and SME Banking) deposits which now constitutes about **66%** of total deposits grew **1%** QoQ and **20%** YoY.

### By Business Segment



### By Type



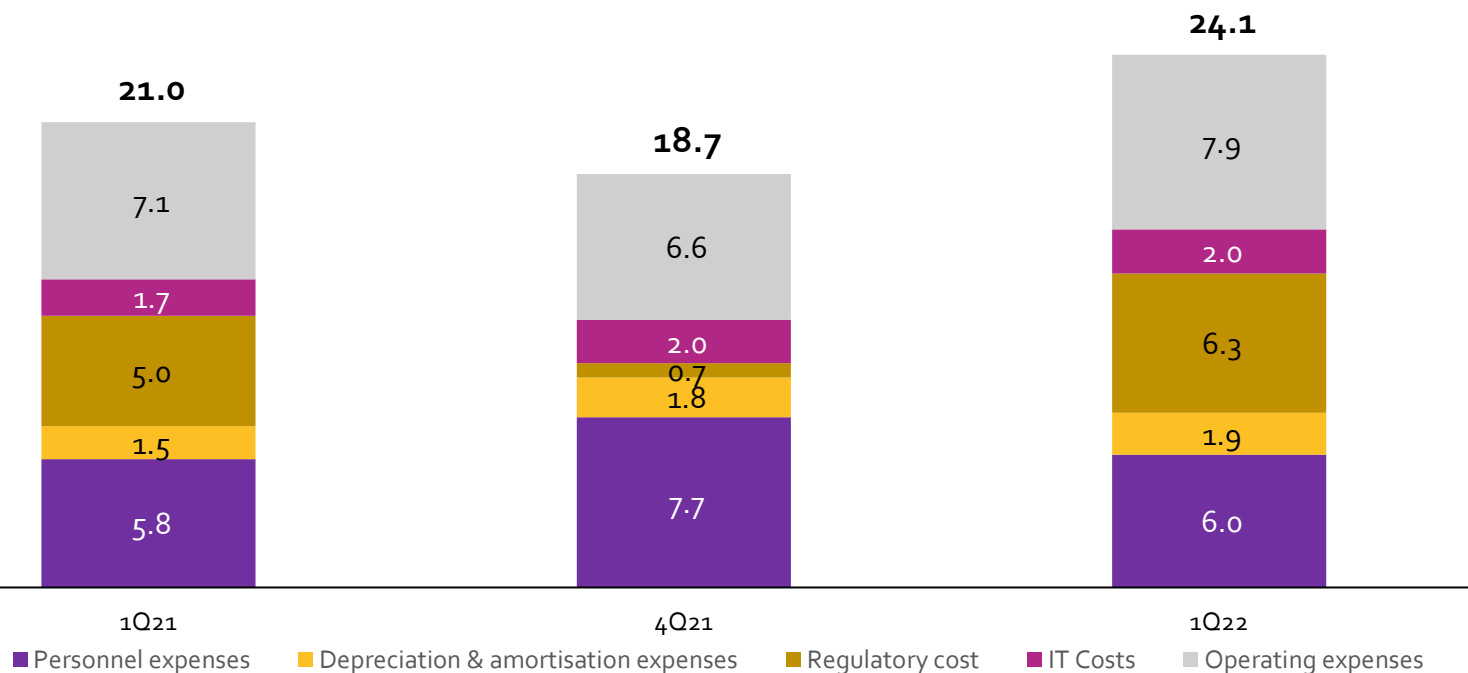


## Analysis

- Operating expenses increased **28%** QoQ and **14%** YoY due to increase in regulatory cost technology enhancement costs and diesel cost.
- Regulatory costs (NDIC & AMCON) grew YoY as a result growth in balance sheet size and deposit liabilities for financial year 2021.
- Technology costs grew **15%** YoY and accounted for **8%** of OPEX in 1Q22.

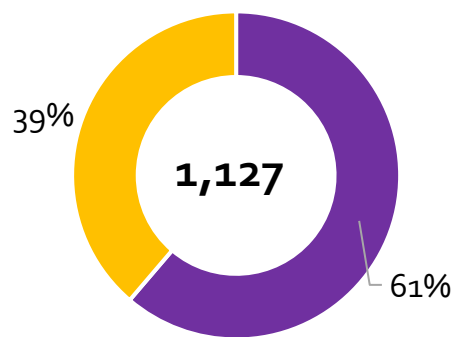
## Reduction Plans

- 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.

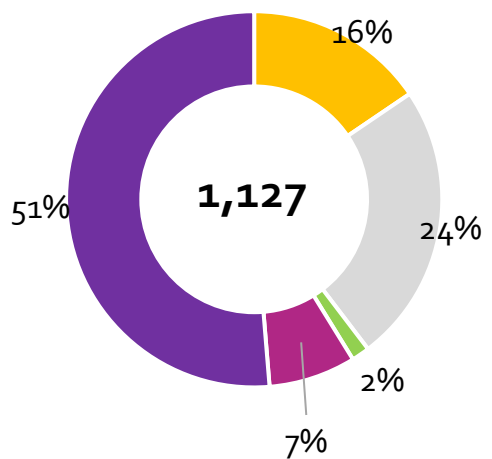


Diversified Loan Portfolio: *Improved Concentration in Corporate banking loans QoQ (53% as at FY21). SME gained 2% QoQ share of total portfolio driven by growth in Digital loan Product (22% as at FY21). 24% growth YoY was largely from Commerce, Individual, Manufacturing, Agriculture and Oil & Gas - Downstream.*

By Currency



By Business Segment



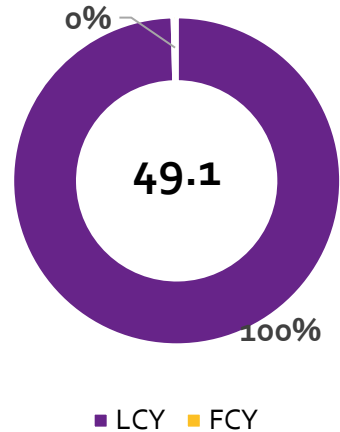
- Personal Banking
- SME Banking
- Commercial Banking
- Institutional Banking
- Corporate Banking

| Industry Sector              | Mar. 21        | Jun. 21        | Sep. 21        | Dec. 21          | Mar. 22          | % Distr.      |
|------------------------------|----------------|----------------|----------------|------------------|------------------|---------------|
| Agriculture                  | 59,092         | 53,564         | 53,305         | 78,907           | 89,230           | 7.7%          |
| Commerce                     | 65,251         | 72,650         | 102,719        | 132,272          | 145,684          | 12.6%         |
| Construction                 | 1,003          | 1,545          | 1,554          | 1,629            | 2,309            | 0.2%          |
| Education                    | 2,575          | 3,108          | 5,308          | 6,220            | 5,626            | 0.5%          |
| Finance & Insurance          | 74,780         | 73,564         | 87,755         | 83,108           | 83,870           | 7.3%          |
| General – Others             | 12,578         | 13,419         | 14,169         | 12,876           | 18,038           | 1.6%          |
| Government                   | 22,217         | 26,342         | 28,691         | 28,441           | 16,315           | 1.4%          |
| Individual – Bank            | 117,683        | 125,922        | 135,270        | 143,057          | 148,720          | 12.9%         |
| Individual – Microfinance    | 2,457          | 3,096          | 3,347          | 3,030            | 2,757            | 0.2%          |
| Information & Communications | 18,235         | 18,258         | 15,215         | 13,531           | 11,582           | 1.0%          |
| Manufacturing                | 103,305        | 110,411        | 99,500         | 113,925          | 123,605          | 10.7%         |
| Oil & Gas-Downstream         | 67,560         | 71,897         | 67,175         | 81,935           | 86,640           | 7.5%          |
| Oil & Gas-Upstream           | 147,978        | 144,153        | 146,295        | 148,710          | 144,684          | 12.5%         |
| Oil & Gas Services           | 47,934         | 50,009         | 50,976         | 52,358           | 54,081           | 4.7%          |
| Power & Energy               | 61,148         | 65,143         | 65,332         | 64,228           | 65,072           | 5.6%          |
| Professional Services        | 775            | 3,245          | 3,647          | 3,982            | 7,318            | 0.6%          |
| Real Estate                  | 99,940         | 101,452        | 101,741        | 112,437          | 111,646          | 9.7%          |
| Transportation & Logistics   | 5,273          | 5,200          | 7,174          | 6,870            | 9,352            | 0.8%          |
| <b>Total</b>                 | <b>909,783</b> | <b>942,978</b> | <b>989,173</b> | <b>1,087,517</b> | <b>1,126,531</b> | <b>100.0%</b> |

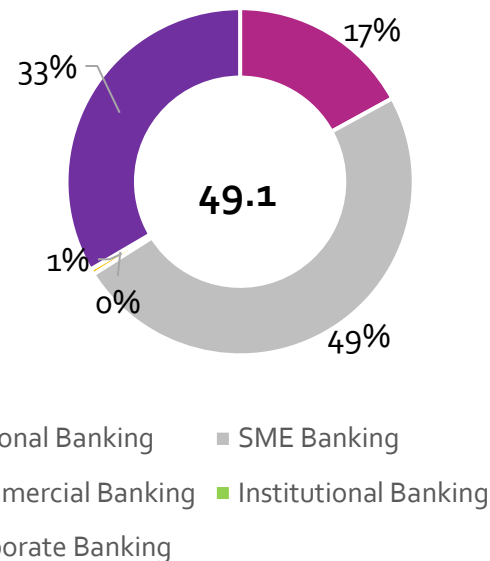


# Non-Performing Loans: 15 % QoQ growth in NPL is largely driven by deterioration in the Commerce and Retail sectors.

## By Currency



## By Business Segment

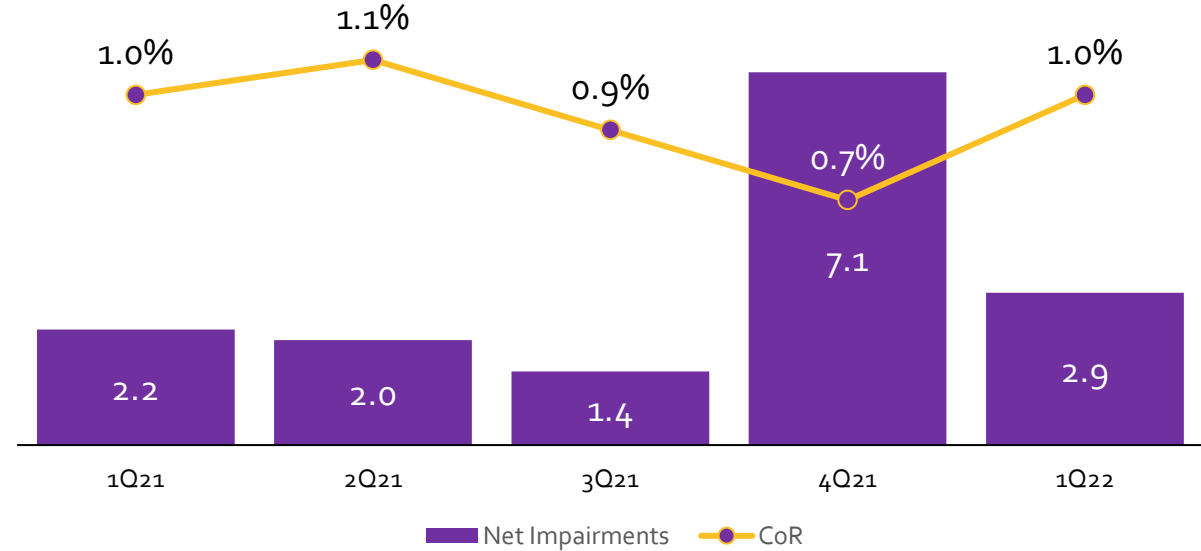


| By Sector                    | Mar. 2020       |             | Dec. 2021       |             | Mar. 2022       |             |
|------------------------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
|                              | NPL             | NPL%        | NPL             | NPL%        | NPL             | NPL%        |
| Agriculture                  | 834.03          | 1.4%        | 818.57          | 1.0%        | 809.04          | 0.8%        |
| Commerce                     | 4,602.29        | 7.1%        | 2,937.92        | 2.2%        | 5,287.50        | 3.9%        |
| Construction                 | 0.00            | 0.0%        | 0.00            | 0.0%        | 0.00            | 0.0%        |
| Education                    | 71.06           | 2.8%        | 93.22           | 1.5%        | 187.39          | 3.3%        |
| Finance & Insurance          | 38.04           | 0.1%        | 9.20            | 0.0%        | 8.57            | 0.0%        |
| General – Others             | 381.54          | 3.0%        | 79.64           | 0.6%        | 184.06          | 1.6%        |
| Government                   | 0.04            | 0.0%        | 0.03            | 0.0%        | 1.73            | 0.0%        |
| Individual – Bank            | 5,403.56        | 4.6%        | 3,937.53        | 2.8%        | 6,532.26        | 2.9%        |
| Individual – Microfinance    | 78.00           | 3.2%        | -               | 0.0%        | -               | 0.0%        |
| Information & Communications | 1,707.46        | 9.4%        | -               | 0.0%        | -               | 0.0%        |
| Manufacturing                | 191.47          | 0.2%        | 11,696.66       | 10.3%       | 12,108.09       | 9.8%        |
| Oil & Gas – Downstream       | 5,937.51        | 8.8%        | 4,837.61        | 5.9%        | 4,954.87        | 7.3%        |
| Oil & Gas – Upstream         | 1,060.92        | 0.7%        | -               | 0.0%        | -               | 0.0%        |
| Oil & Gas Services           | 0.35            | 0.0%        | 10,558.14       | 20.2%       | 11,241.87       | 20.8%       |
| Power & Energy               | -               | 0.0%        | -               | 0.0%        | -               | 0.0%        |
| Professional Services        | 25.37           | 3.3%        | 27.75           | 0.7%        | 29.78           | 1.7%        |
| Real Estate                  | 6,161.72        | 6.2%        | 7,582.60        | 6.7%        | 7,711.27        | 7.1%        |
| Transportation & Logistics   | 0.03            | 0.0%        | 0.02            | 0.0%        | 8.21            | 0.1%        |
| <b>Total</b>                 | <b>26,493.4</b> | <b>3.2%</b> | <b>42,578.9</b> | <b>3.9%</b> | <b>49,064.7</b> | <b>4.4%</b> |

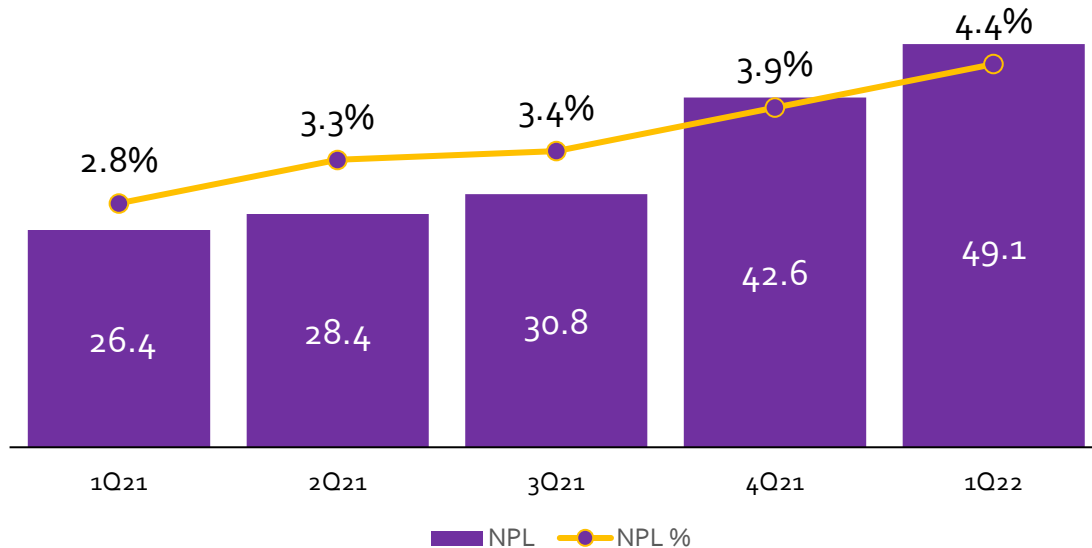
## NPL ratio deteriorated, while net Impairment charge & COR improved due to Recovery

- Net Impairments on Loans grew by 31% YoY while CoR remained stable at 1.0% for the quarter due to growth in the Loan Book.
- 15% QoQ growth in NPL was largely driven by deterioration in the Commerce and Retail sectors.
- Accumulate Impairments grew by 9% QoQ to cover for increased NPL, while NPL coverage declined to 106%.

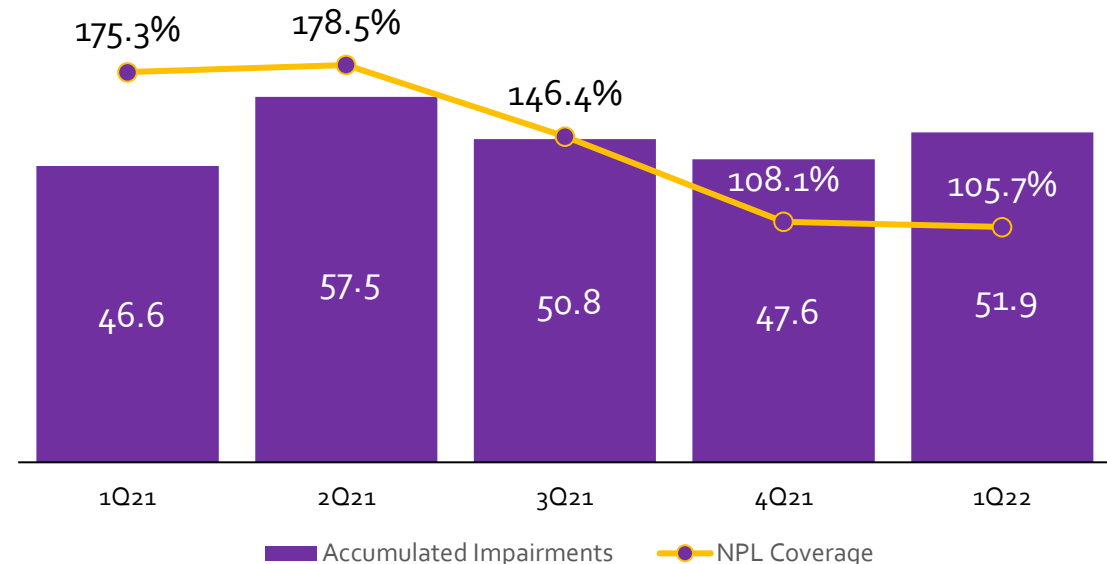
### Net impairment charges on loans (N'B) & Cost-of-risk



### NPL (N'B) & NPL Ratio



### Accumulated Impairments (N'B) & NPL Coverage





# Group Performance Review: Consumer Finance

Mr. Akinwande Ademosu: Managing Director - CDL



- Loan book expanded by 8% YoY to N27.6 billion in Q1 2022.
- PBT for our consumer finance business (CDL) grew 21% QoQ and 37% YoY to N1.0 billion. YoY growth was sustained by a growth in NII.
- Net Interest Income remained unchanged QoQ while growing by 14% YoY.
- Non-Interest Income grew by 19% QoQ and 18% YoY attributed to a growth in fees and commissions.
- Operating expenses remained decline by 21% QoQ, however grew by 9% YoY.
- In terms of asset quality, the business recorded a 331% increase in net impairment QoQ however, declined by 16% YoY supported by our robust risk management framework.
- Today our digital channels account for 30% of global sales, up 78% from Q1 2021.

| N'm                                     | 1Q21           | 4Q21           | 1Q22           | %Δ QoQ | %Δ YoY |
|---|----------------|----------------|----------------|--------|--------|
| Revenue                                 | 2,333          | 2,632          | 2,678          | 2%     | 15%    |
| Interest Income                         | 2,544          | 3,067          | 3,110          | 1%     | 22%    |
| Interest Expense                        | (385)          | (607)          | (638)          | 5%     | 66%    |
| <b>Net Interest Income</b>              | <b>2,159</b>   | <b>2,460</b>   | <b>2,472</b>   | 0%     | 14%    |
| <b>Non-Interest Income</b>              | <b>174</b>     | <b>172</b>     | <b>206</b>     | 19%    | 18%    |
| - Net Fees & Commissions                | 61             | 90             | 90             | 0%     | 48%    |
| - Others                                | 113            | 82             | 116            | 41%    | 3%     |
| <b>Operating Income</b>                 | <b>2,333</b>   | <b>2,632</b>   | <b>2,678</b>   | 2%     | 15%    |
| <b>Operating Expenses</b>               | <b>(1,238)</b> | <b>(1,702)</b> | <b>(1,350)</b> | -21%   | 9%     |
| Net impairment loss on financial assets | (332)          | (65)           | (280)          | 331%   | -16%   |
| <b>PBT</b>                              | <b>763</b>     | <b>865</b>     | <b>1,048</b>   | 21%    | 37%    |
| <b>PAT</b>                              | <b>511</b>     | <b>580</b>     | <b>702</b>     | 21%    | 37%    |

| Performance Index   |                          | 1Q21   | 4Q21   | 1Q22   | %Δ QoQ | %Δ YoY |
|---------------------|--------------------------|--------|--------|--------|--------|--------|
| Operating           | Return on Average Equity | 25%    | 29%    | 32%    | 11%    | 29%    |
|                     | Return on Average Assets | 7%     | 8%     | 9%     | 13%    | 29%    |
|                     | Loan/Deposit Ratio       | 149%   | 135%   | 132%   | -2%    | -11%   |
|                     | Loan/Funding Ratio       | 149%   | 135%   | 132%   | -2%    | -11%   |
|                     | Cost/Income Ratio        | 50%    | 54%    | 47%    | -13%   | -6%    |
|                     | Net Interest Margin      | 37%    | 42%    | 40%    | -5%    | 9%     |
|                     | NPL/Total Loans          | 15%    | 6%     | 8%     | 34%    | -47%   |
|                     | Coverage Ratio           | 89%    | 128%   | 101%   | -21%   | 13%    |
|                     | NII/Operating Income     | 7%     | 7%     | 8%     | 17%    | 3%     |
|                     | Financial Leverage       | 1.5%   | 1.4%   | 1.4%   | 1%     | -6%    |
|                     | Cost of Risk             | 5%     | 1%     | 4%     | 312%   | -20%   |
|                     | Cost of funds            | 9%     | 15%    | 14%    | -5%    | 60%    |
| Capital & Liquidity | Capital Adequacy Ratio   | 32%    | 28%    | 30%    | 6%     | -8%    |
|                     | Liquidity Ratio          | 127%   | 123%   | 123%   | -1%    | -3%    |
| Others              | Opex (N'B)               | 1,238  | 1,702  | 1,350  | -21%   | 9%     |
|                     | Risk Assets (net) (N'B)  | 25,699 | 26,335 | 26,838 | 10%    | 12%    |

- Recorded strong profitability ratios for 1Q 2022 as RoAE improved significantly.

- In terms of asset quality, NPL/Total Loans ratio also improved, dropping by 47% YoY.

- The business continues to maintain good liquidity and capital buffers.

FCMB



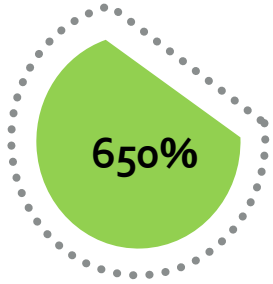
## Group Performance Review: Investment Banking

Mr. Femi Badeji: Executive Director FCMB Group Plc





Profit before Tax  
**N421 million**



1Q21: N56 million

Gross Earnings  
**N878 million**



1Q21: N427 million

Non-Interest Income  
**816 million**



1Q21: 397 million

Operating Expenses  
**457 million**



1Q21: 371 million

CIR  
**52%**



1Q21: 87%

Return on Average Equity  
**30%**



1Q21: 4%

- PBT for the investment banking business declined by 46% QoQ and grew 650% YoY. The YoY growth was driven by increased capital markets activity during the period which led to an increase in Financial Advisory Fees as well as improvements in brokerage commissions and trading income.
- The value of stockbroking trades grew 89% YoY from N11bn in 1Q2021 to N21bn in 1Q2022 contributing significantly to the 154% growth in Brokerage Commissions YoY, while an increase in the proprietary trading portfolio in 1Q22 steered the growth in trading income.
- Operating Expenses increased 23% YoY on the back of business expansion costs incurred during the period. The QoQ decline of 29% was largely driven by a decline in staffing and remuneration costs, as well as professional fees.
- CIR for the business reduced by 40% YoY and is currently at 52%.

| N'm                           | 1Q21         | 4Q21         | 1Q22         | %Δ QoQ      | %Δ YoY      |
|-------------------------------|--------------|--------------|--------------|-------------|-------------|
| <b>Gross earnings</b>         | <b>427</b>   | <b>1,407</b> | <b>878</b>   | <b>-38%</b> | <b>106%</b> |
| <b>Net Interest Income</b>    | <b>30</b>    | <b>85</b>    | <b>62</b>    | <b>-27%</b> | <b>106%</b> |
| <b>Non-Interest Income</b>    | <b>397</b>   | <b>1322</b>  | <b>816</b>   | <b>-38%</b> | <b>106%</b> |
| Capital Raising/Advisory Fees | 143          | 419          | 203          | -52%        | 42%         |
| Brokerage Commissions         | 196          | 822          | 497          | -39%        | 154%        |
| Trading Income                | 24           | 13           | 123          | 871%        | 420%        |
| Other Income                  | 34           | 68           | (8)          | -111%       | -121%       |
| <b>Operating Income</b>       | <b>427</b>   | <b>1,407</b> | <b>878</b>   | <b>-38%</b> | <b>106%</b> |
| <b>Operating Expenses</b>     | <b>(371)</b> | <b>(647)</b> | <b>(457)</b> | <b>-29%</b> | <b>23%</b>  |
| <b>PBT</b>                    | <b>56</b>    | <b>778</b>   | <b>421</b>   | <b>-46%</b> | <b>650%</b> |
| <b>PAT</b>                    | <b>41</b>    | <b>577</b>   | <b>309</b>   | <b>-46%</b> | <b>657%</b> |
| <b>Key Ratios</b>             |              |              |              |             |             |
| CIR                           | 87%          | 46%          | 52%          | 13%         | -40%        |
| Return on Average Equity      | 4.3%         | 58%          | 30%          | -48%        | 603%        |
| Return on Average Assets      | 2.5%         | 35%          | 21%          | -41%        | 738%        |

FCMB



## Group Performance Review: Investment Management

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



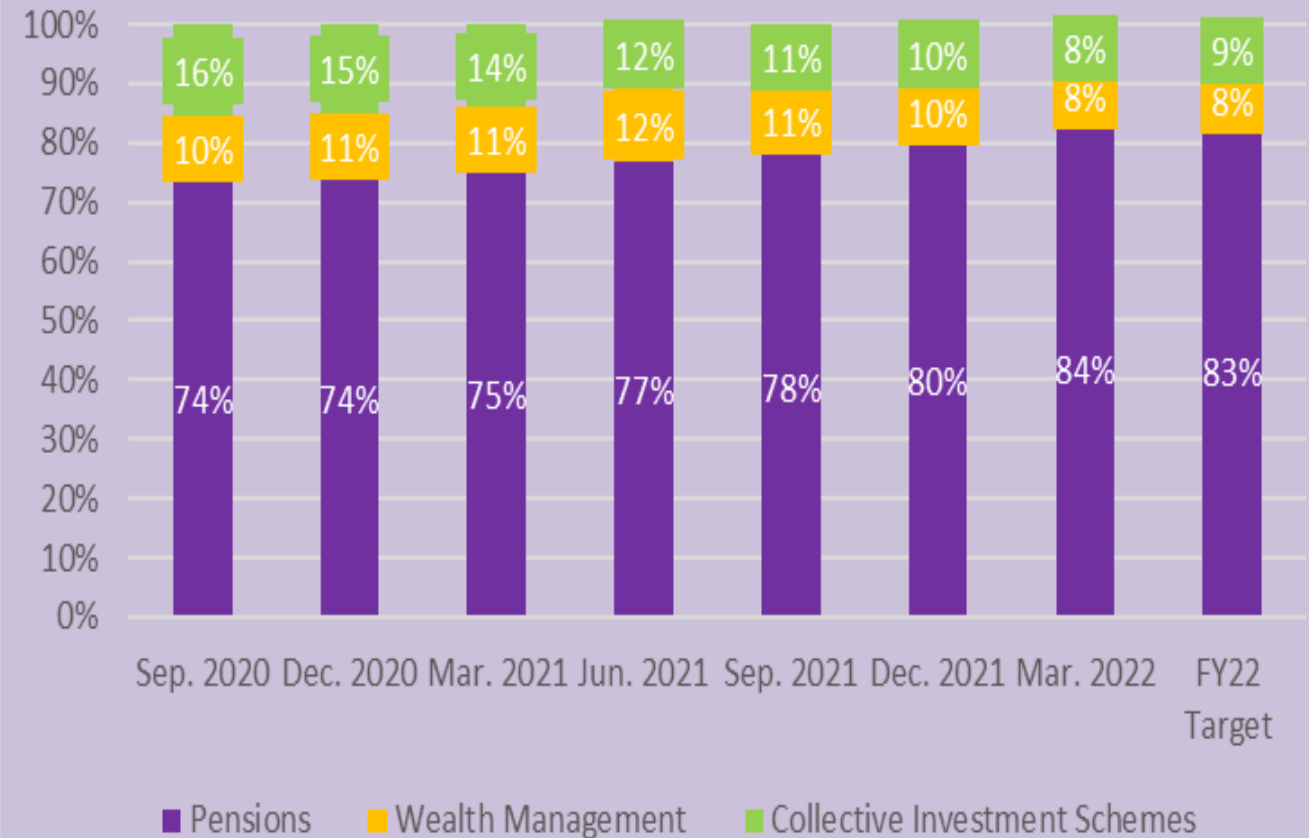
- Assets Under Management grew by 38% quarter-on-quarter and by 43% year-on-year, to N713 billion. The increase reflects the impact of the acquisition of AllCO Pensions on 1Q 2022 AUM. Taking AllCO's 2021 year-end AUM into consideration, AUM increased by 5% quarter-on-quarter, with Net Contribution from customers accounting for 53%;
- Our Pensions business, contributed 84% of AUM, compared with 75% in 1Q 2021 and 80% in 4Q 2021;
- The number of Retirement Savings Accounts grew by 4.2% year-on-year, to 475,147. Also, Registrations via our digital Platform accounted for 57% of the year-on-year increase in Retirement Savings Accounts;
- We were net recipients of funds from the transfer window, with a net inflow of N161 million;
- PBT increased by 7% quarter-on-quarter and by 25% year-on-year, while Cost-to-Income Ratio fell by 5% quarter-on-quarter, as benefits from cost synergies from the AllCO acquisition began to take effect.

| N'm  | 1Q21         | 4Q21         | 1Q22         | %Δ QoQ     | %Δ YoY     |
|--|--------------|--------------|--------------|------------|------------|
| <b>Gross earnings</b>                                  | <b>1,211</b> | <b>1,575</b> | <b>1,592</b> | <b>1%</b>  | <b>32%</b> |
| Net Interest Income                                    | 26           | 77           | 77           | 0%         | 193%       |
| <b>Non-Interest Income</b>                             | <b>1,184</b> | <b>1,497</b> | <b>1,515</b> | <b>1%</b>  | <b>28%</b> |
| – Advisory Fees  | 27           | 21           | 20           | -1%        | -25%       |
| – Brokerage Commission                                 | 20           | 36           | 5            | -85%       | -73%       |
| – Asset Management Fees                                | 1,124        | 1,233        | 1,485        | 20%        | 32%        |
| – Others   | 13           | 208          | 4            | -98%       | -67%       |
| <b>Operating Income</b>                                | <b>1,211</b> | <b>1,575</b> | <b>1,592</b> | <b>1%</b>  | <b>32%</b> |
| Operating Expenses                                     | (628)        | (887)        | (865)        | 2%         | 38%        |
| Net gains/(losses) from fin. instruments at fair value | 0            | (8)          | 0            | -          | -          |
| <b>PBT</b>   | <b>582</b>   | <b>679</b>   | <b>726</b>   | <b>7%</b>  | <b>25%</b> |
| <b>PAT</b>   | <b>412</b>   | <b>412</b>   | <b>512</b>   | <b>24%</b> | <b>24%</b> |
| AUM  | 496,697      | 525,750      | 712,669      | 38%        | 43%        |
| ROAE   | 32%          | 29%          | 24%          | -18.5%     | -25%       |
| CIR  | 52%          | 56%          | 54%          | 3%         | -5%        |

Our primary goals for the rest of the year remain unchanged:

- AIICO Pension integration:** The benefits in the first quarter, from the AIICO Pension integration, included AUM growth of N6 billion (in addition to N154 billion inherited from 2021), cost-savings of N220 million from synergies, and N125 million in additional PBT. We expect to achieve our full year targets of incremental AUM of N28 billion (so total AUM contribution from the AIICO would hit N182 billion; this includes the N154 billion from last year), Cost-savings of N1.1 billion, and additional PBT of N1.3 billion;
- Digital distribution:** The implementation of our digital distribution plan remains on track. We expect to exceed our AUM and Income targets, from both improvements to user-experience on our platforms and entering digital product distribution arrangements;
- Alternative Assets:** We have appointed the issuing house to coordinate the launch of our first Fund in Alternative Assets. We remain on track to launch the Fund before the end of the year.

Investment Management Group - Contribution to AUM





## Outlook

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



## We are on track to exceed our Target PBT Growth of 25% for the 2022FY driven by:

Increase in digital revenues by over 25% Year-on-Year driven by digital lending & payments. At our current run-rate digital revenues are projected to exceed N32 billion for FY22. A growth of over N6 billion from the N26.2 billion delivered in 2021.

Improved performance in our Corporate, Commercial & Institutional Banking segments while sustaining the momentum in our Personal Banking & SME segments.

Increased profitability from our Wealth Management segment driven by harnessing cost synergies from the acquisition of AICO Pensions.

Increased contribution from other Operating Companies including CDL, FCMB UK and our Investment Banking business (CSLS & FCMB Capital Markets).