

FCMB



BUILDING A SUPPORTIVE ECOSYSTEM

Investors & Analysts
Presentation

1H 2023



FCMB GROUP PLC
WWW.FCMBGROUPPLC.COM

August 2023

AGENDA

- 1 *Results Highlights & Strategic Updates*
- 2 *1H 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*

1H 2023 Results Highlights

Total Assets
N3.7 trillion

40%

1H 22: N2.7 trillion

Profit before Tax
N38.2 billion

148%

1H 22: N15.4 billion

Gross Earnings
N238.2 billion

89%

1H 22: N126.2 billion

Capital Adequacy
16.4%

130bps

1H 22: 15.1 %

Deposits
N2.4 trillion

45%

1H 22: N1.6 trillion

Cost-to-Income
45.3%

2330
bps

1H 22: 68.6%

Loans
N1.5 trillion

37%

1H 22: N1.1 trillion

Assets Under Management
N910.3 billion

24%

1H 22: N736.6 billion

Return on Average Equity
22.9%

1180
bps

1H 22: 11.1%

Non-Performing Loans
5.2%

60bps

1H 22: 4.6%

Customers
11.7 million

16%

1H 22: 10.1 million

*CIR excluding revaluation: 67.3%

**RoAE excluding AT-1: 23.7%

1a

Platforms: Our 4 operational platforms are exhibiting resilient profit growth. (Banking 189%, Consumer Finance 10%, Investment Banking 54% and Investment Management 53%).

1b

Technology Platforms

Borderless Banking: A Diaspora focused digital banking is currently in private Beta. Commercial launch anticipated in H2 2023.

Banking as a Service: Our Banking As A Service (BaaS) platform recorded over 2.6million transactions as at 1H 2023, compared to the 2million transactions recorded for 12 months 2022.

2 Customers: We acquired over 860,000 customers in 1H 2023 taking our customer base to 11.7million customers as at the end of 1H 2023.

3

Products

- I. **Payment:** Value of transactions via our Mobile/USSD platforms grew by 6% to 6.2trillion in 1H 2023 from the same period prior year.
- II. **Lending:** Grew loan book by 37% YoY to N1.5 trillion with loans to Manufacturing, Agriculture and Oil & Gas sectors contributing the highest to loan book growth.
- III. **Treasury:** Generated N5.9billion in Treasury Sales income in 1H 2023 growing by 21% YoY (1H 2022: N4.9billion).
- IV. **CASA:** Growth in low-cost deposits by 33% YoY to N1.6trillion as at 1H 2023.
- V. **Wealth:** Recorded a 24% YoY growth in Assets Under Management grew, to N910.3billion.
- VI. **Financial advisory/Capital Raise:** Our investment banking business grew fees from capital raising and advisory mandates by 37% YoY to N609.9 million as at 1H 2023.

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3rd Party Products and Services

Insurance: Over N390million in revenues generated from Insurance in 1H 2023. (1H 2022: N516million).

Airtime & Data: N770million in revenues generated from Airtime & Data sales in 1H 2023 up by 15% from 1H 2022.

Other Services: 29% YoY growth (to N140 million) in revenue for from in-app vending of services (gaming, utilities, travel etc).

5

Capital

N708billion incremental capital deployed to support the growth of our customers, capital markets and the economy as follows:

- N520billion – Capital Raised by FCMB Capital Markets
- N127billion – Growth in AUM
- N61 billion Incremental Loan Growth*

*Adjusted for revaluation



Democratizing access to comprehensive Financial Services

- Disbursed over 3 million loans worth N105 billion via our digital lending (fast cash) product.
- Grew our agency banking network to over 115,000 agents and provided over ₦5.2 billion microloans to over 33,000 beneficiaries.
- Disbursed over ₦171 billion to support SME's.
- 78,000 customers were also able to access retail investment products via our digital channels.



Driving Export and Diaspora Flows

- Leveraging our core business of banking, we are driving foreign exchange flows, facilitating over \$160 million and \$81 million in export and remittance flows, respectively.



Promoting Sustainable Economic Growth

- Contributed to Food Security by growing lending to Agricultural Sector by 18% to N174 billion as at H1 2023 from N147 billion as at FY 2022.
- Provided access to finance for 24,000 rural farmers in partnership with Agribusiness aggregators.
- Rehabilitation of 80,000 farming households in the North-East through partnerships.
- Over N71.6 billion of funding from DFI's and donor agencies was channeled through the Bank to support critical sectors of the economy.



Women Empowerment

- 120 women owned business (SMEs) participated in Sheventures mentorship program.
- 50 women admitted to an export trade accelerator program to build export capacity supported with gender loans to fund export logistics.
- Partnership with DFI to increase borrowing capacity of up to 1000 women SMEs through training and investment readiness program.
- Disbursed over ₦18.5 billion to women owned businesses



1H 2023 Results Overview: FCMB Group Plc

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

Group Statements of Comprehensive Income

- Group earnings grew by 72% and 89% QoQ and YoY respectively driven by YoY growth in both net-interest income and non-interest income.
- Net Interest Income grew by 28% and 20% QoQ and YoY, respectively, as a result of growth in YoY yield on earning assets from 12.0% to 14.9%.
- Non-interest income also grew by 262% YoY largely driven by growth in service fees and commissions, trading income and Foreign Exchange revenues from FX rates unification by the CBN.
- Operating expenses grew by 4% and 28% QoQ and YoY, respectively. YoY growth was largely due to increased personnel costs as well as general inflationary pressures.
- Impairment charges grew by 373 %YoY on the back of increased provisions on risk assets.
- Overall, Group PBT grew by 148% YoY from N15.4b in 1H 2022 to N38.2b in 1H 2023.

N'm	1Q23	2Q23	%Δ QoQ	1H22	1H23	%Δ YoY
Gross Earnings	87,434	150,748	72%	126,244	238,182	89%
Interest Income	66,043	82,983	26%	98,088	149,026	52%
Interest Expense	(34,312)	(42,398)	24%	(37,920)	(76,710)	102%
Net Interest Income	31,731	40,585	28%	60,167	72,316	20%
Non-Interest Income	18,764	64,837	246%	23,069	83,601	262%
- Net Fees & Commissions	11,783	11,130	-6%	17,001	22,913	35%
- Trading Income	4,392	3,295	-25%	6,129	8,226	34%
- FX Income	1,835	49,154	2579%	(1,337)	50,989	3914%
- Others	212	1,258	493%	1,276	1,473	15%
Operating Income	50,496	105,421	109%	83,237	155,917	87%
Operating Expenses	(34,638)	(35,966)	4%	(57,111)	(70,604)	24%
Net impairment loss on financial assets	(5,611)	(40,739)	626%	(9,804)	(46,350)	373%
PBT	10,711	27,520	157%	15,429	38,231	148%
PAT	9,292	26,188	182%	13,663	35,410	159%

Group Performance Highlights

- 1H 2023 RoAE grew to 22.9% from 11.1% in prior year a YoY growth of 106% as a direct result of growth in profitability.
- NIM declined marginally YoY due to a growth in average earning assets by 22%.
- Cost to Income ratio improved QoQ and YoY by 50% and 34%, respectively on the back of improved earnings closing at 45.3% in 1H23 from 68.6% in 1H22
- Both Capital Adequacy & Liquidity Ratios remained above regulatory thresholds closing at 16.4% and 36.5% respectively.

	Performance Index	1Q23	2Q23	%Δ QoQ	1H22	1H23	%Δ YoY
	Return on Average Equity	12.9%	33.8%	162%	11.1%	22.9%	106%
	Return on Average Assets	1.2%	3.1%	158%	1.1%	2.1%	91%
	Loan/Deposit Ratio	58.3%	61.9%	6%	60.3%	61.9%	3%
	Loan/Funding Ratio	48.9%	52.9%	8%	50.9%	52.9%	4%
	Cost/Income Ratio	68.6%	34.1%	-50%	68.6%	45.3%	-34%
Operating	Net Interest Margin	6.6%	8.1%	23%	7.3%	7.2%	1%
	NPL/Total Loans	5.4%	5.2%	-4%	4.6%	5.2%	13%
	Coverage Ratio	106.2%	146.5%	38%	97.9%	146.5%	50%
	NII/Operating Income	37.2%	53.6%	44%	27.7%	53.6%	94%
	Financial Leverage	90.2%	90.7%	1%	90.5%	90.7%	0%
	Cost of Risk*	1.3%	10.7%	723%	1.9%	5.9%	211%
Capital & Liquidity	Capital Adequacy Ratio	16.6%	16.4%	-1%	15.1%	16.4%	9%
	Liquidity Ratio	35.4%	36.5%	3%	30.7%	36.5%	19%
Investment	Share Price	4.15	5.10	23%	3.46	5.10	47%
	NAV(N'B)	303.4	344.6	14%	252.9	344.6	36%
	Dividend (Kobo)	0.0	0.0	-	0.0	0.0	-
	EPS (Kobo)**	187.7	527.6	181%	138.0	357.6	159%
Others	Opex (N'B)	34.6	35.9	4%	57.1	70.6	24%
	Risk Assets (net) (N'B)	1,194.8	1,540.6	29%	1,120.9	1,540.6	37%
	Customer Deposits (N'B)	2,002.3	2,378.5	19%	1,637.1	2,378.5	45%

* Including recoveries

** Annualized EPS

Group Earnings Contribution – Profit before Tax

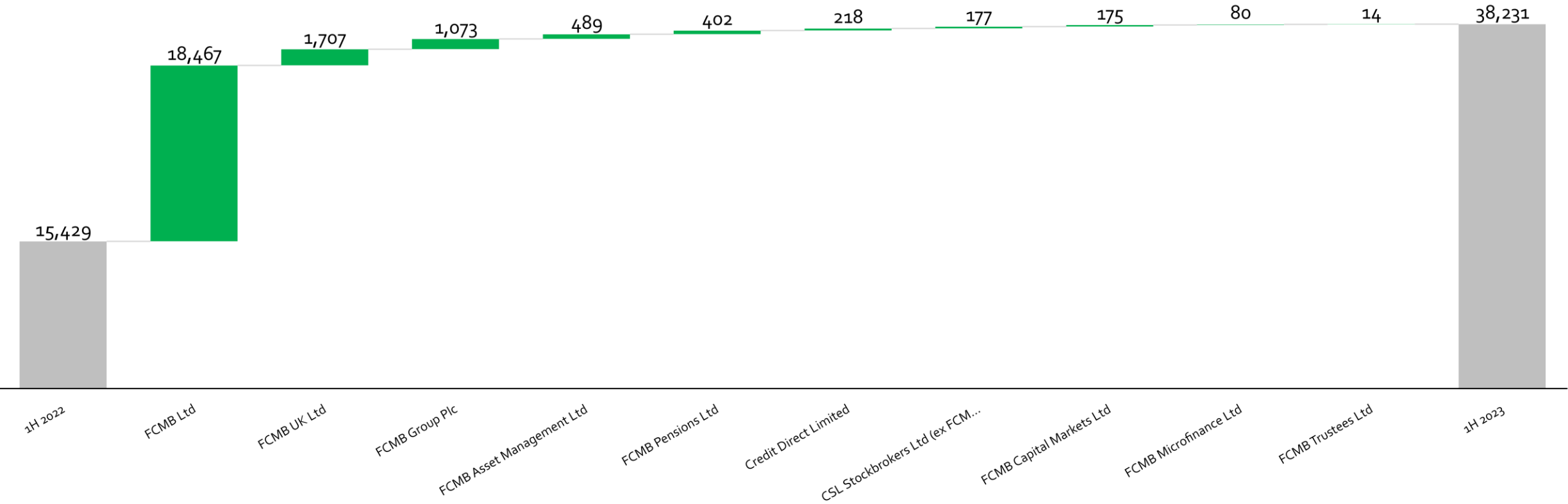
N'm	1Q23	2Q23	%Δ QoQ	1H22	1H23	%Δ YoY	% Contribution
Banking Group	8,010	23,163	189%	10,918	31,173	186%	82%
FCMB Ltd	6,459	22,435	247%	10,427	28,894	177%	76%
FCMB UK Ltd	1,530	672	-56%	495	2,202	345%	6%
FCMB Microfinance Ltd	20	56	180%	(4)	76	1824%	0%
Consumer Finance	1,112	1,234	11%	2,128	2,346	10%	6%
Credit Direct Limited	1,112	1,234	11%	2,128	2,346	10%	6%
Investment Banking	497	507	2%	651	1,004	54%	3%
FCMB Capital Markets Ltd	216	214	-1%	255	430	69%	1%
CSL Stockbrokers Ltd (ex FCMB-AM)	281	293	4%	396	573	45%	1%
Investment Management	1,068	1,534	44%	1,697	2,601	53%	7%
FCMB Pensions Ltd	811	842	4%	1,251	1,653	32%	4%
FCMB Asset Management Ltd	233	666	186%	411	900	119%	2%
FCMB Trustees Ltd	24	25	4%	35	49	40%	0%
FCMB Group Plc (Separate)	1,331	1,028	-23%	2,168	2,359	9%	6%
Intercompany Adjustments	(1,306)	55	104%	(2,133)	(1,251)	-41%	-3%
FCMB Group Plc (consolidated)	10,711	27,520	157%	15,429	38,231	148%	100%

All our operating companies recorded YoY growth as follows; Banking Group 186%, Consumer Finance 10%, Investment Banking 54% and Investment Management 53%.

The Banking Group contributed 82% of Group profits, whilst our other non-banking subsidiaries contributed 16% (Consumer Finance 6%, Investment Management 7%, and Investment Banking 3%).

1H 2023 PBT Waterfall

■ Increase ■ Decrease ■ Total





Digital Business Review: FCMB Group Plc

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



Digital Revenue

- ✓ **N22.6bn** generated from digital payments, lending activities and wealth management in 1H 2023, a 31% growth from 1H 2022.
- ✓ Digital revenues accounted for **9%** of Gross Earnings for 1H 2023 driven by lending and payments.



Digital Loans

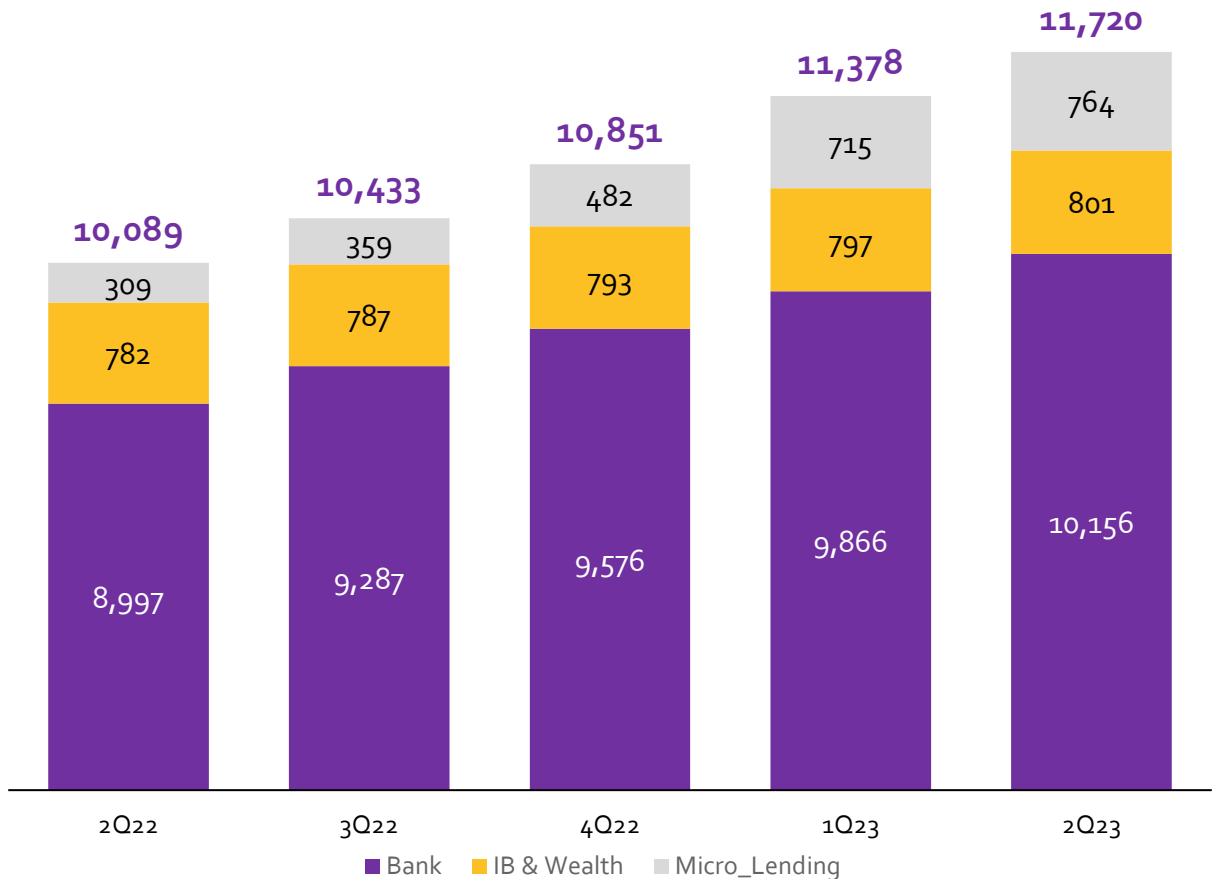
- ✓ Over **N123bn** disbursed to **771,622** customers as at 1H 2023.
- ✓ Total portfolio size (**N87.2bn**) grew by **18%** from 1H 2022.
- ✓ Digital lending now accounts for **65%** of digital revenues.



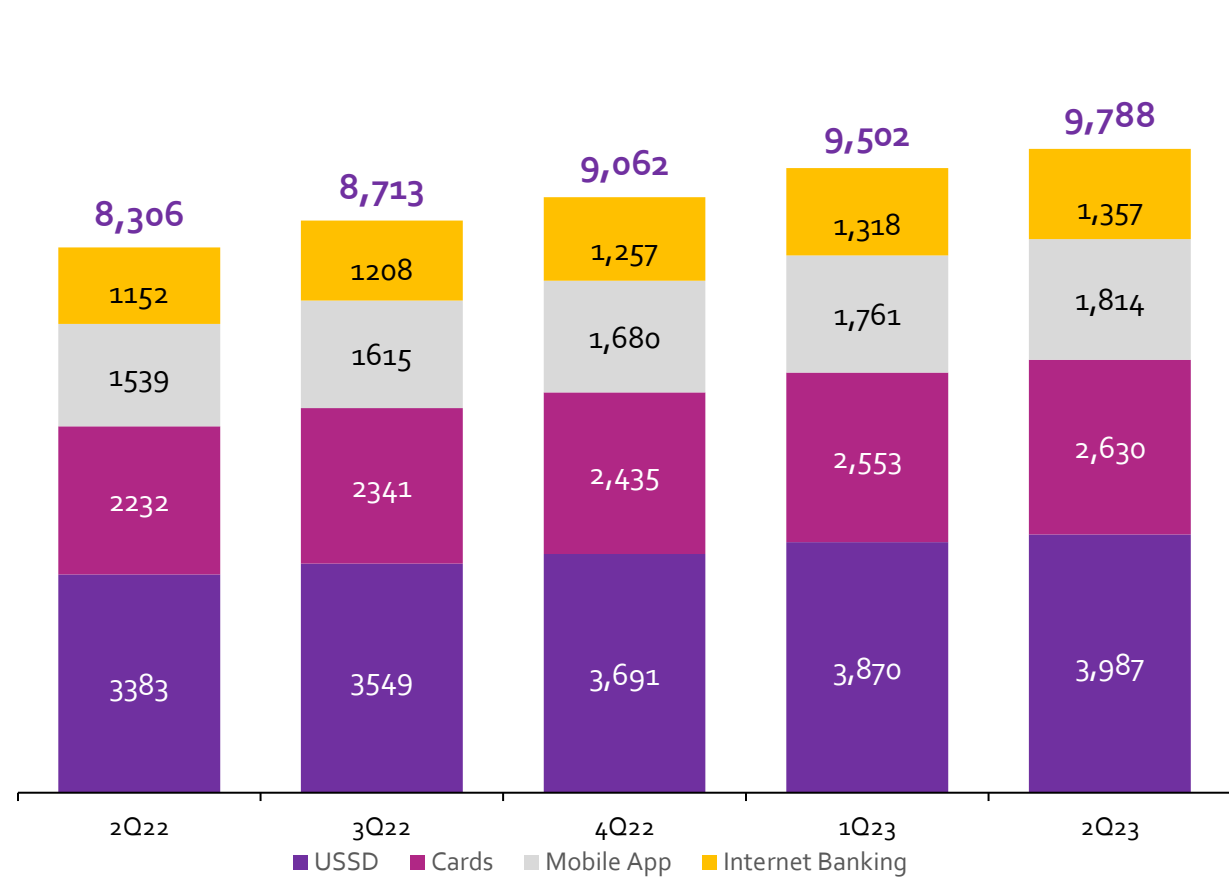
Digital Customers

- ✓ **9.8 million** digital customers up **18%** from 8.3 million (June 2022).

Customer Acquisition Trend ('000)

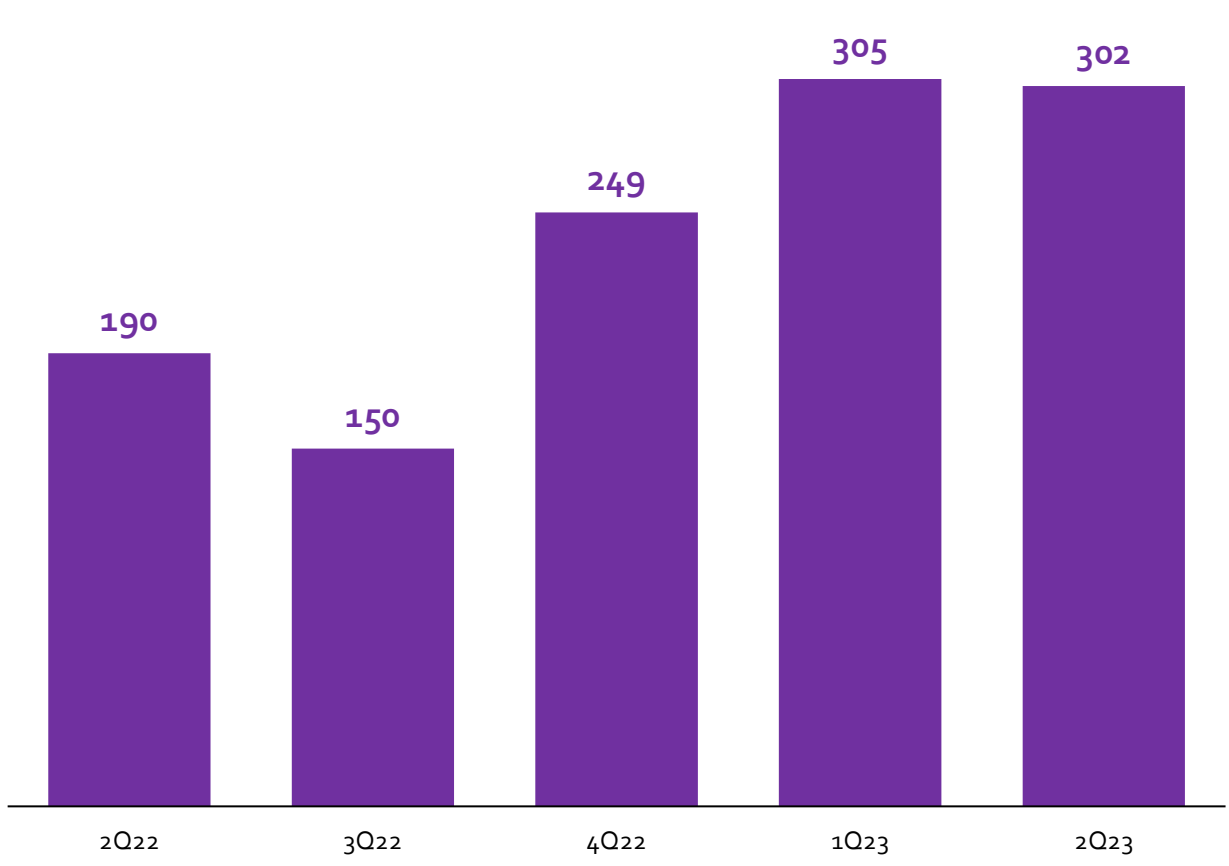


Digital Adoption By Products Trend ('000)

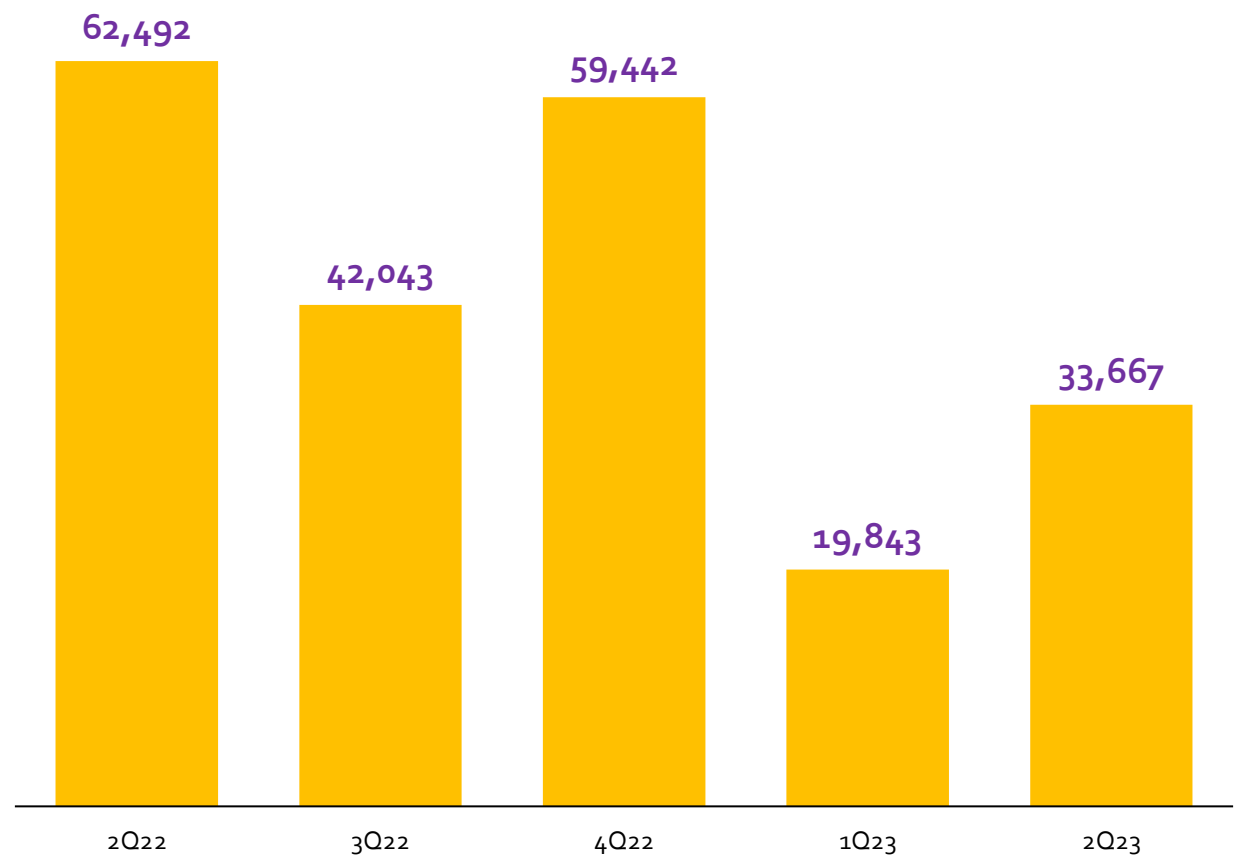


Over 340k customers acquired during the quarter driven by increased cross-selling of digital our products across payments, lending and wealth management.

Agency Banking Revenue N' m



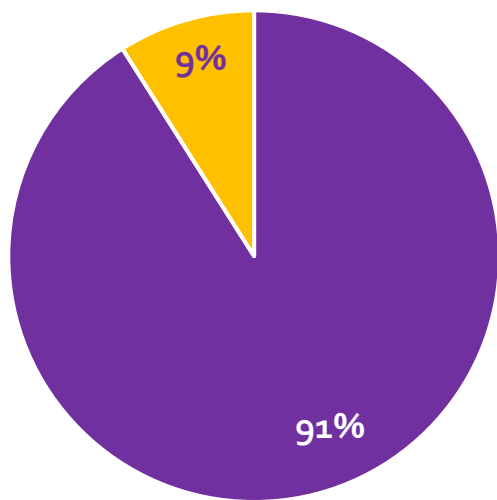
Customer Acquisition Trend



Revenues from our agency banking business declined marginally by 1% QoQ however grew 59% YoY. Customer acquisition improved during the quarter growing by 70% QoQ following the implementation of new operational measures on our technology platform.

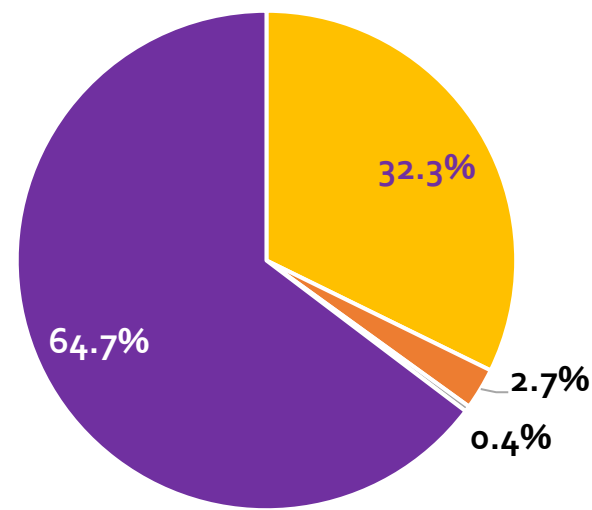
Digital Revenue Analysis 1H 2023

Digital Contribution to Gross Earnings



■ Gross Earnings ■ Digital Revenue

Digital Revenue Split



■ Payments ■ Agency ■ Wealth ■ Lending



Digital revenue of **N22.6bn** accounts for **9%** of gross earnings with Lending at **N14.6bn** contributing the largest share of revenues as at 1H 2023.

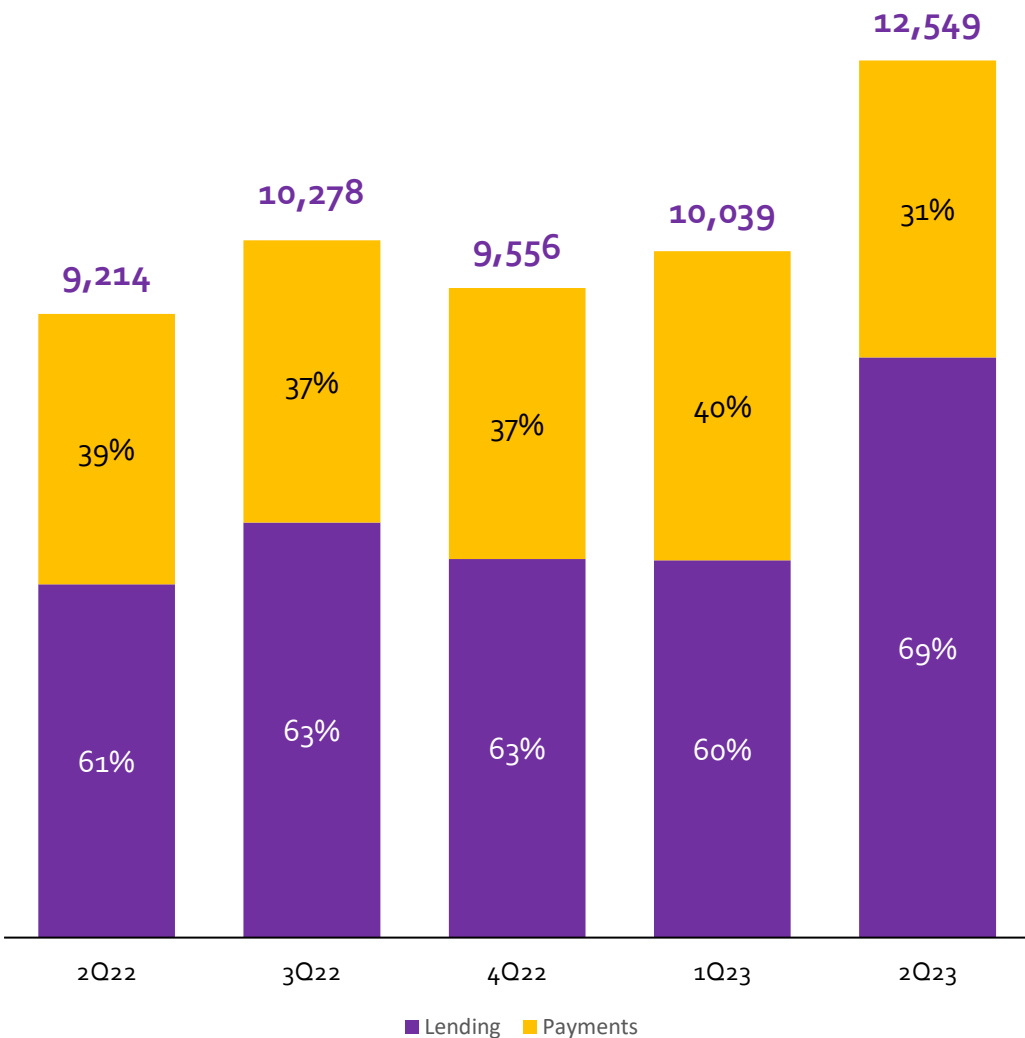


Digital lending and payments remain the key drivers of digital revenues of digital revenues (**97%**). Agency Banking revenue contribution up to 2.7% of total digital revenues from 1.8% recorded in 1H22.

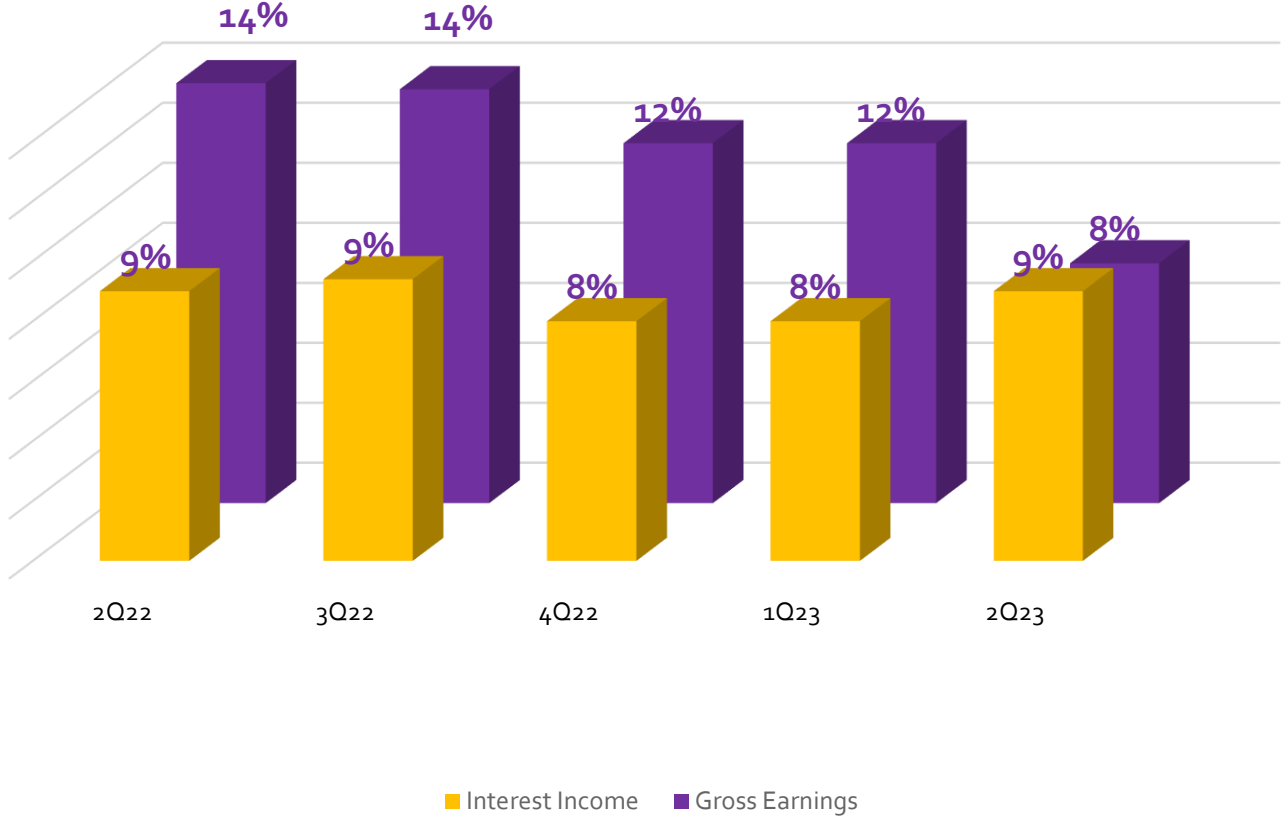


Digital loans to Retail have grown by **40%** while loans to SMEs grew by **2%** from the previous quarter.

Digital Revenue Trend / Contribution To Gross Earnings & Interest Income



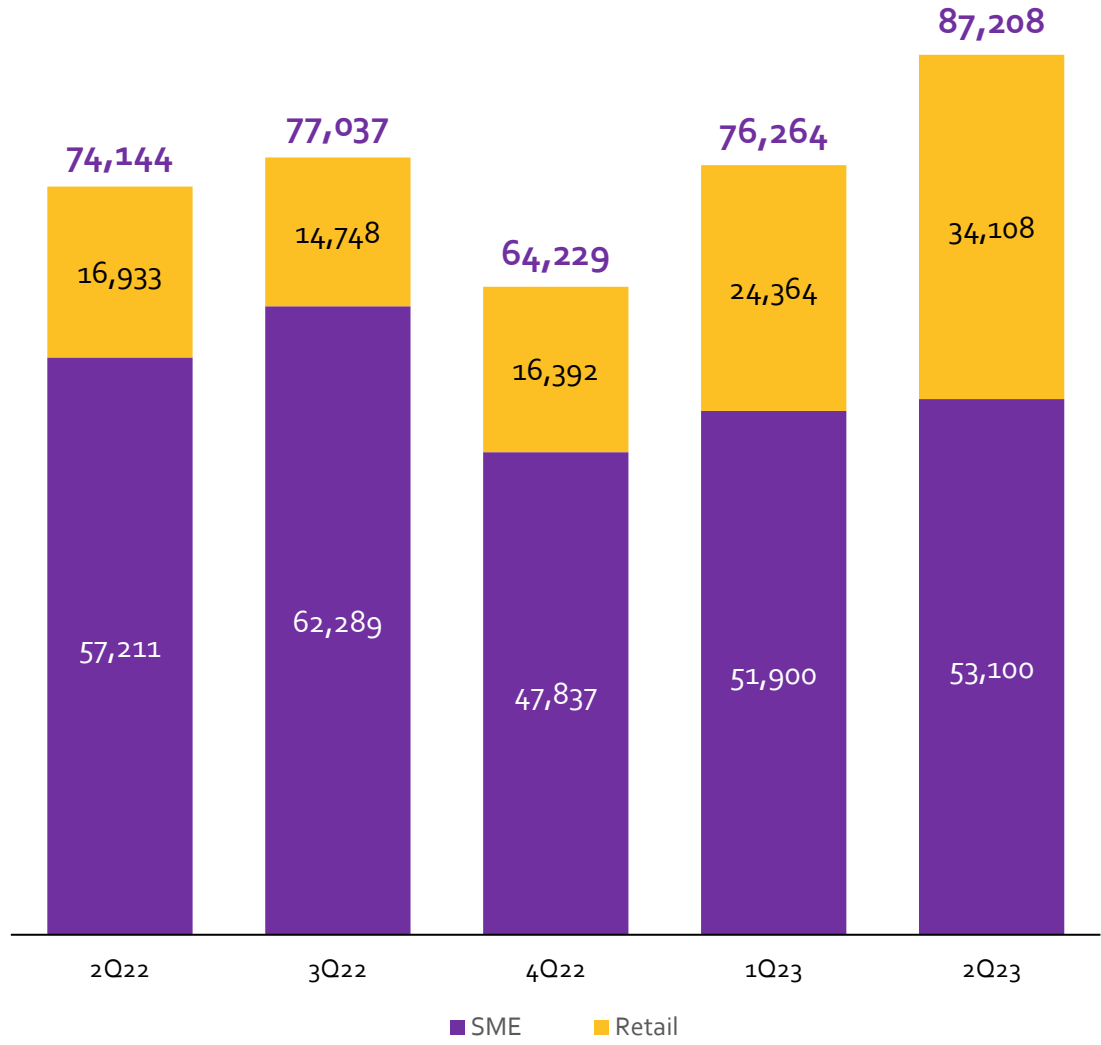
Digital Contribution To Interest Income & Gross Earnings



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 25% and 36% growth in digital revenues QoQ and YoY respectively.

Digital Loans Trend & Contribution To Total Loans 2Q 2023

Digital Loans Trend (in billions)



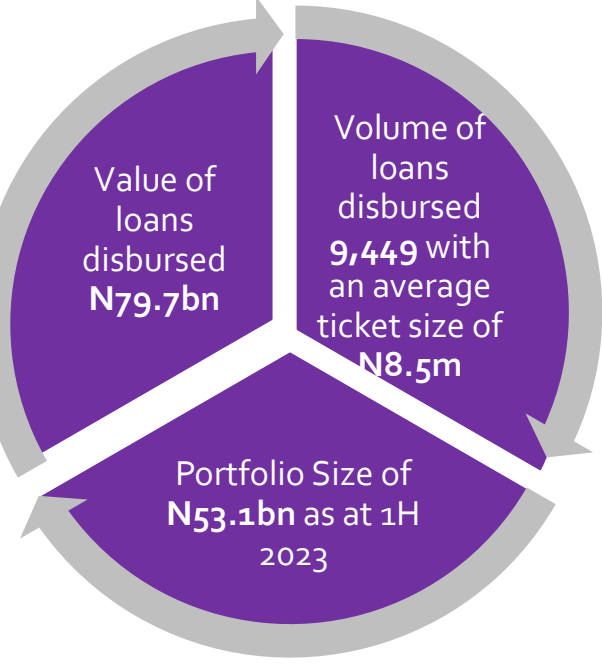
Digital Loans Contribution To Total Loans Trend



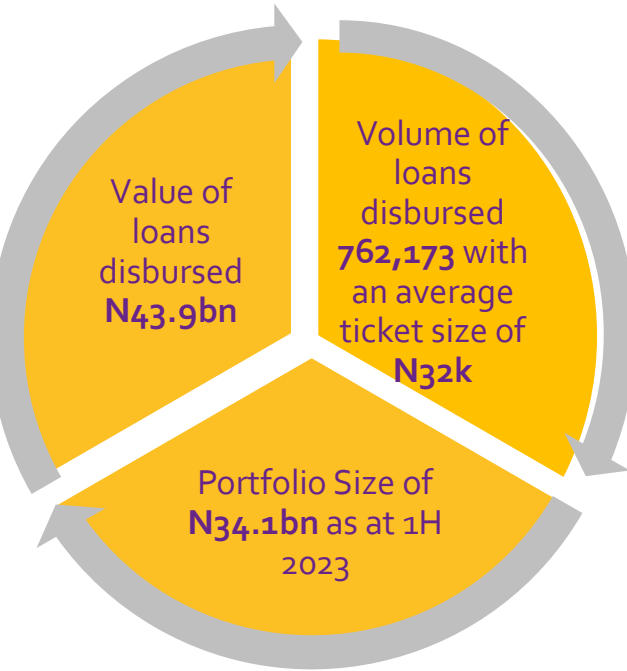
Digital loans grew by 18% from N74.1bn in 2Q22 to N87.2bn in 2Q23 accounting for 5.7% of the Total Loan Portfolio. Growth in retail digital lending portfolio was driven by increased adoption of the digital lending platform in our CDL business. Retail digital lending portfolio is currently split 72%/28% between CDL and the Bank.

1H 2023 SME & Retail Digital Lending, Wealth & Payments Highlights

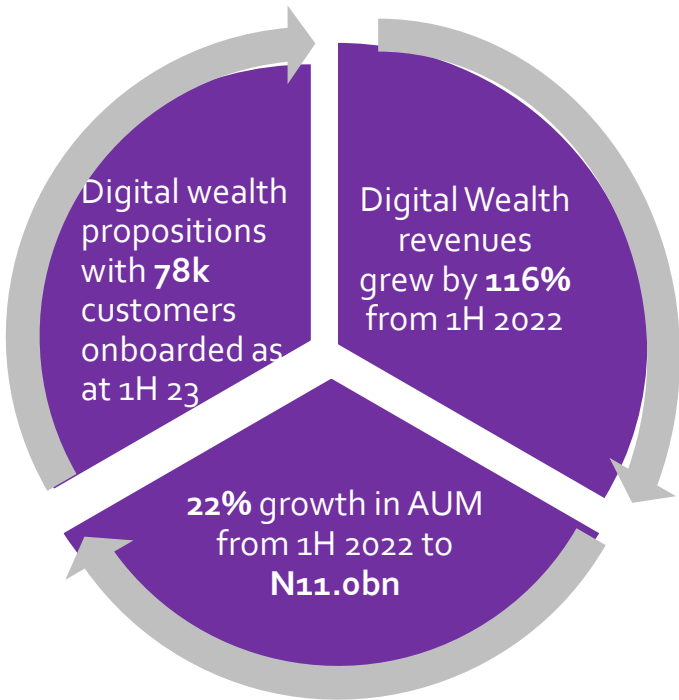
SME Digital Loans 1H 2023 Highlights



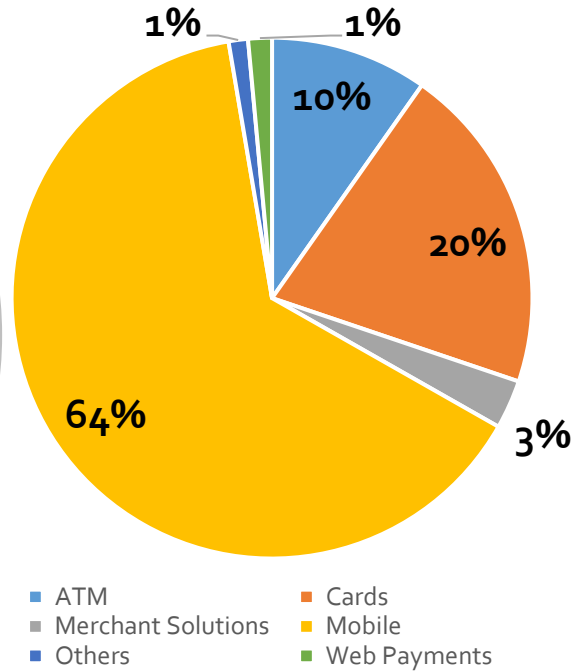
Retail Digital Loans 1H 2023 Highlights



Digital Wealth 1H 2023 Highlights



Digital Payments 1H 2023 Highlights



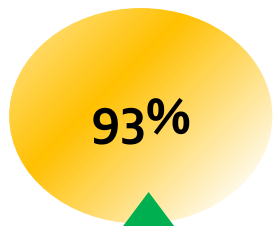


Group Performance Review: The Banking Group

Mrs. Yemisi Edun: Managing Director - FCMB Ltd

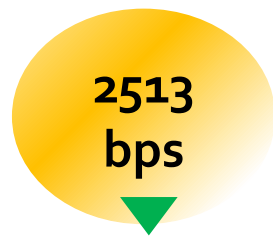
1H 2023 Results Highlights

Gross Earnings
N218.61 billion



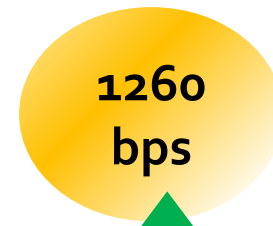
1H 22: N113.27 billion

Cost-to-income
45.8 %



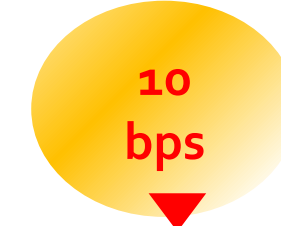
1H 22: 70.9%

Return on Average Equity
22.4%



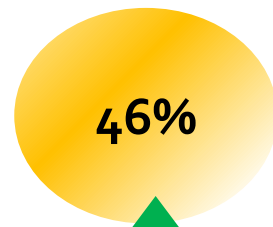
1H 22: 9.8%

Capital Adequacy
15.0%



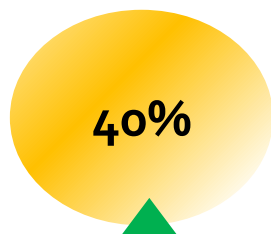
1H 22: 15.1 %

Deposits
N2.39 trillion



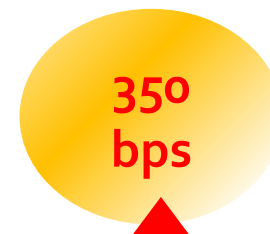
1H 22: N1.64 trillion

Gross Loans
N1.61 trillion



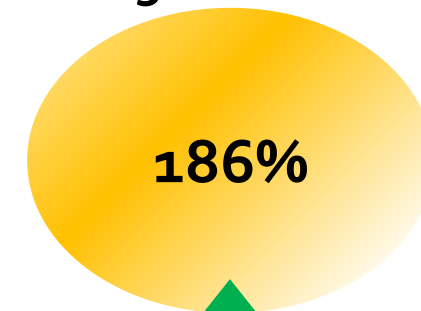
1H 22: N1.15 trillion

Cost of Risk
4.7%



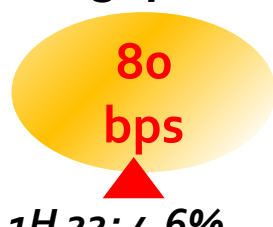
1H 22: 1.2%

Profit before Tax
N31.2 billion



1H 22: N10.9 billion

Non-Performing Loans
5.4%



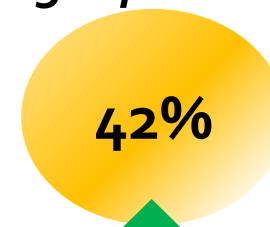
1H 22: 4.6%

Customers
8.49 million



1H 22: 7.46 million

Total Assets
N3.64 trillion



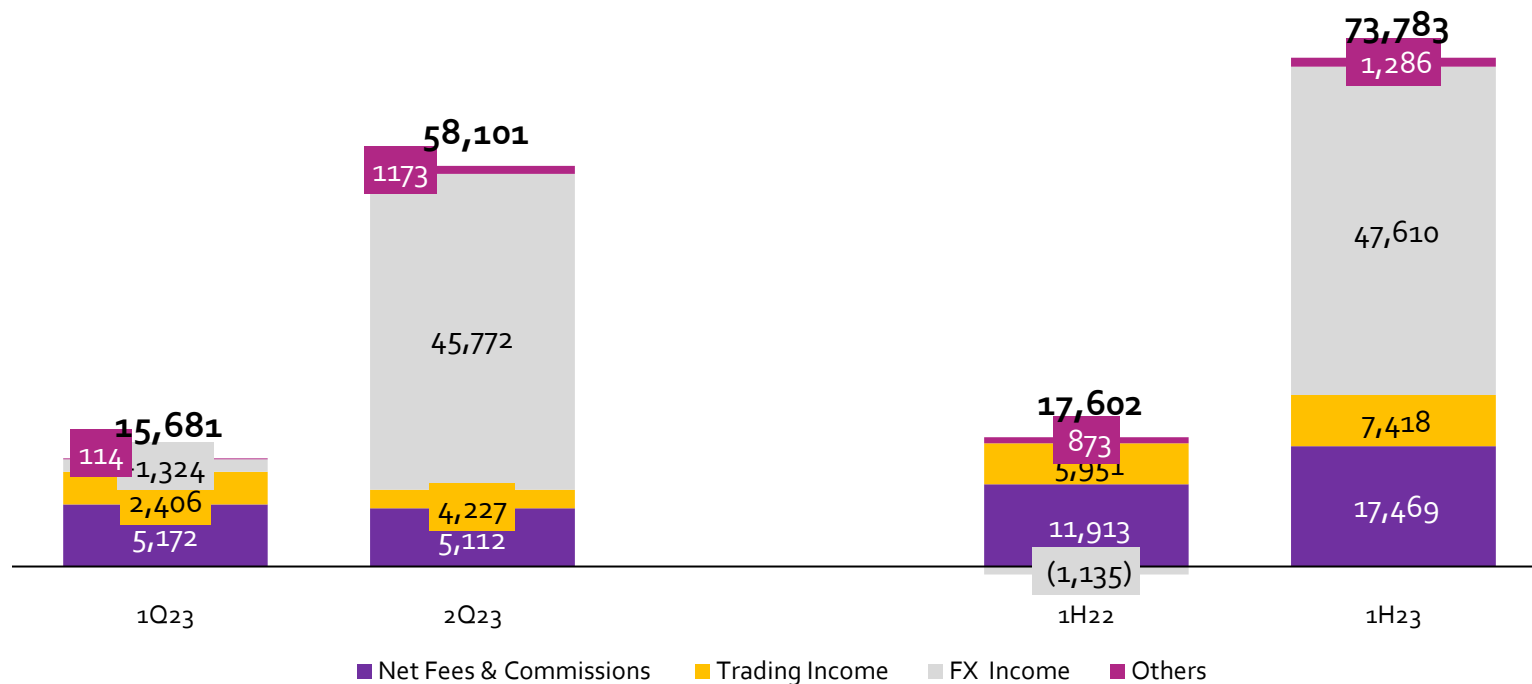
1H 22: N2.57 trillion

Banking Group: Financial Analysis: 1Q23 vs. 2Q23 and 1H22 vs. 1H23

- PBT grew 189% and 186% QoQ and YoY respectively 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 28% and 19% QoQ and YoY, due to a steady growth in loans and advances over the period.
- Non-Interest Income increased 271% QoQ and 319% YoY. The YoY growth was driven by an increase in fees & commissions as well as FX income following FX rates unification by the CBN.
- Operating expenses increased by 4% and 24% QoQ and YoY respectively due to technology enhancement costs and increased regulatory, coupled with the double-digit inflationary environment.
- Risk Assets (net) grew by 30% and 38% QoQ and YoY, respectively, while Customer Deposits also increased 19% QoQ and 46% YoY, respectively significantly due to the FX rates unification by the CBN.

N'm	1Q23	2Q23	%Δ QoQ	1H22	1H23	%Δ YoY
Gross Earnings	79,697	138,917	74%	113,271	218,614	93%
Interest Income	61,900	78,302	26%	91,137	140,202	54%
Interest Expense	(33,367)	(41,833)	25%	(36,629)	(75,300)	106%
Net Interest Income	28,433	36,469	28%	54,508	64,902	19%
Non-Interest Income	15,682	58,102	271%	17,601	73,783	319%
- Net Fees & Commissions	9,026	8,442	-6%	11,913	17,469	47%
- Trading Income	4,704	2,714	-42%	5,951	7,418	25%
- FX Income	1,837	45,772	2392%	(1,135)	47,610	4295%
- Others	114	1,173	929%	873	1,286	47%
Operating Income	44,115	94,571	114%	72,109	138,685	92%
Operating Expenses	(31,193)	(32,317)	4%	(51,159)	(63,510)	24%
Net impairment loss on financial assets	(4,912)	(39,090)	696%	(10,032)	(44,002)	339%
PBT	8,010	23,163	189%	10,918	31,173	186%
PAT	7,419	22,764	207%	10,472	30,184	188%
Balance Sheet (N'B)						
Customer Deposits	2,011	2,386	19%	1,638	2,386	46%
Risk Assets	1,163	1,512	30%	1,094	1,512	38%

Non-Interest Income Analysis: 1Q23 vs. 2Q23 and 1H22 vs. 1H23



	%Δ QoQ	%Δ YoY
Net Fees & Commissions	-6.5%	46.6%
Trading Income	-42.3%	24.7%
FX Income	2392.0%	4295.0%
Others	929.0%	47.3%
Non-Interest Income	270.5%	319.2%

- Net fees and commissions declined by 6% QoQ due to increase card recoverable expenses. However, grew by 47% YoY driven by growth in electronic and service fees & commissions;
- Trading income declined by 42% QoQ however grew by 25% YoY due to higher trading activities in government-backed securities;
- FX income grew by 2392% and 4295 % QoQ and YoY due to FX revaluation gains as a result of FX rates unification by the CBN;
- Other income grew by 929% and 47% QoQ and YoY respectively due to dividend income received.

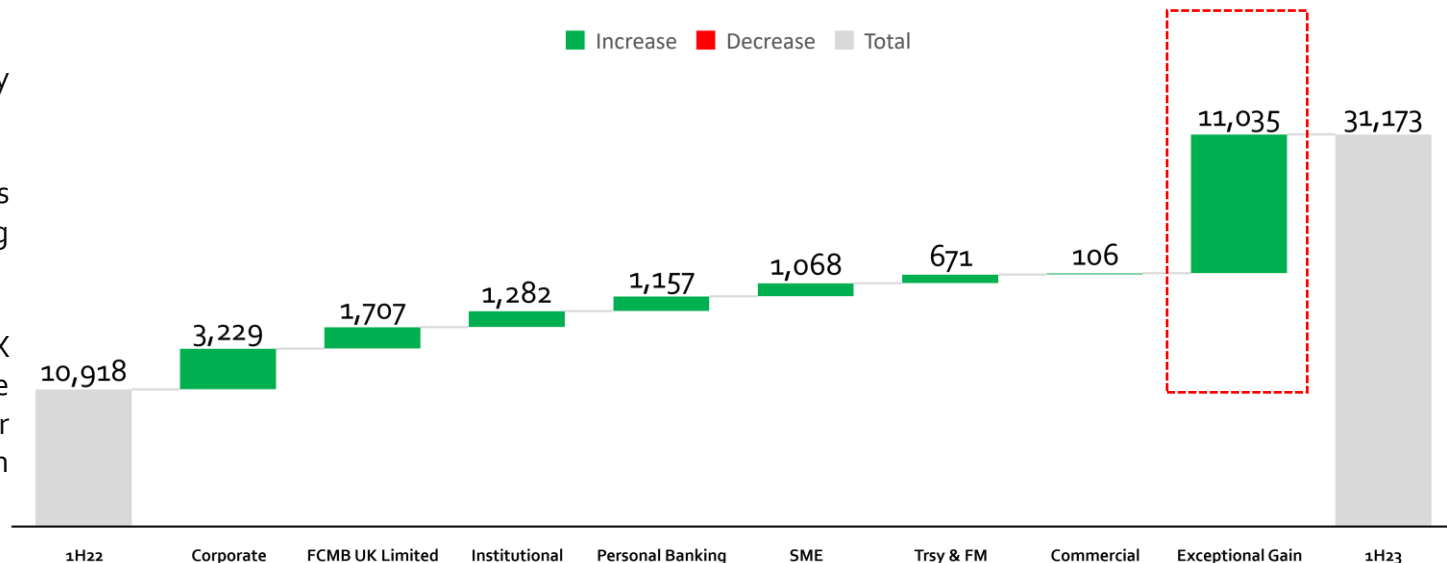
Segment & Subsidiaries Highlights: 1Q23 vs. 2Q23 and 1H22 vs. 1H23

- Personal Banking | 1H23: PBT N4.6bn** PBT grew by N1.60bn and N1.16bn QoQ and YoY 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 | 1H23 PBT: N6.8bn** 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 N1.07bn and N2.01bn QoQ.
- Treasury & Financial Markets | 1H23 PBT: N5.3bn** PBT declined QoQ by N1.14bn however, grew by No.67bn YoY largely due to higher trading activities in government-backed securities.
- Corporate Banking | 1H23** The business recorded a profit of **N1.47bn** with QoQ and YoY growth of No.91bn and N3.23bn respectively. We continue to see growth in the segment despite the challenging economic situation in the country.
- Commercial Banking | 1H23 PBT: No.28bn** PBT for the business grew by N1.30bn QoQ and No.11bn YoY.
- Institutional Banking | 1H23 PBT: (No.47bn)** though the business is still loss making, we have seen a significant reduction in losses, with losses declining by No.30bn and N1.28bn QoQ and YoY, respectively.
- Extra Ordinary Income from devaluation:** The Group recorded FX revaluation gain of N48.32bn captured as the exceptional income, due to the Naira devaluation in the NAFEX window, of which about 72% was set aside for anticipated impairment charges and the balance of N11bn was recorded as an exceptional item.

Banking Group: 2Q 23 PBT Waterfall

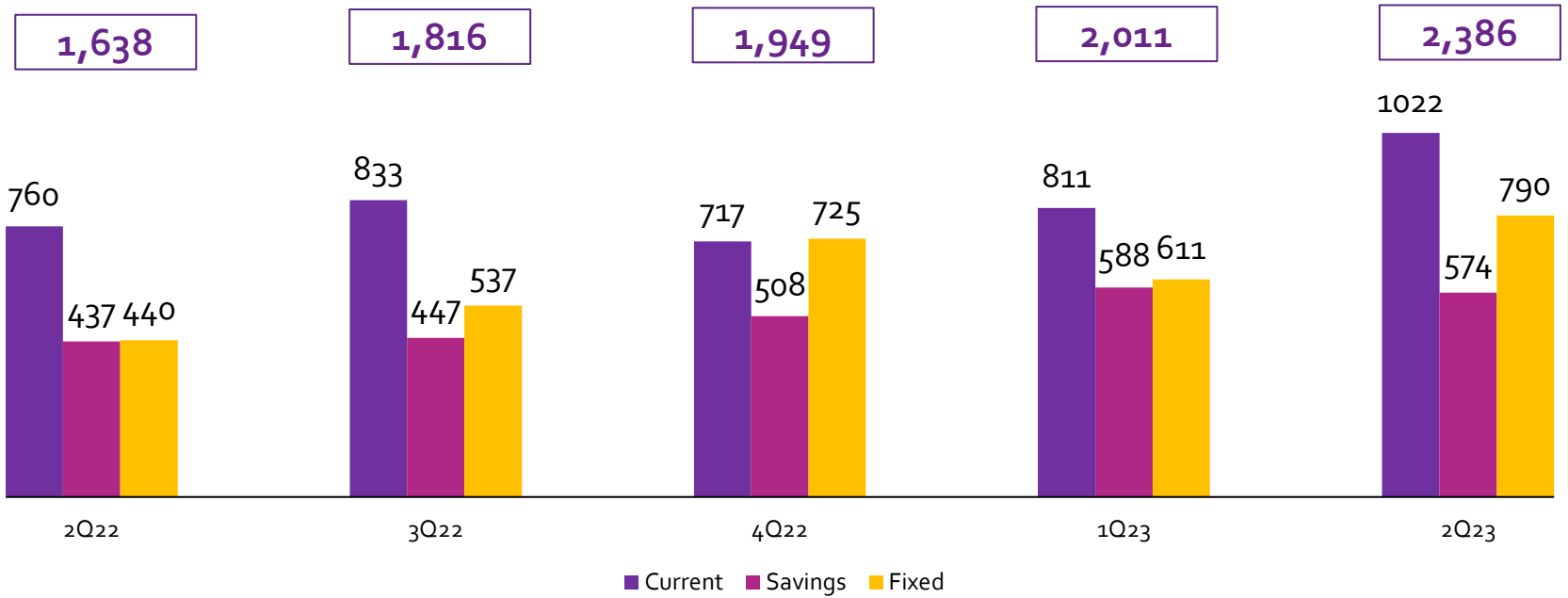


Banking Group: 1H 23 PBT Waterfall



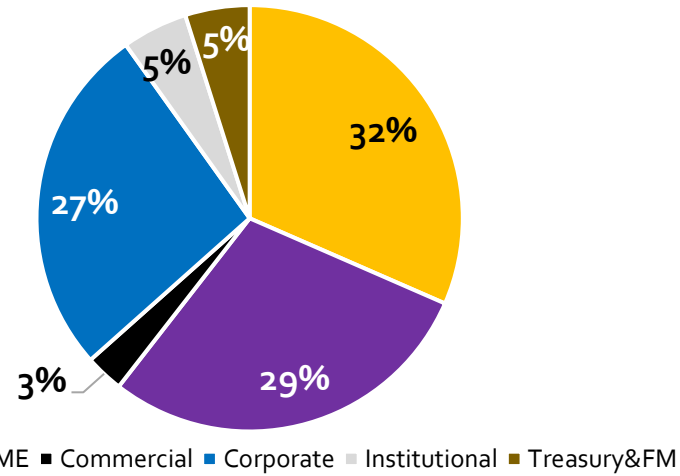
Deposits Trend Analysis

Customer Deposits (N'bn)

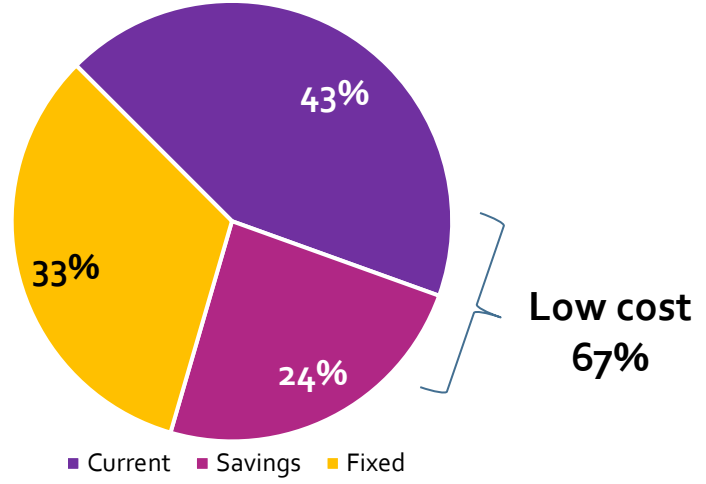


- Customer deposits rose **19%** QoQ and **46%** YoY.
- Low-cost deposits now account for **67%** of total deposits. Low-cost deposits grew by **14%** QoQ and **33%** YoY.
- Retail (Personal and SME Banking) deposits which now constitutes about **61%** of total deposits, grew by **9%** QoQ and **39%** YoY respectively.

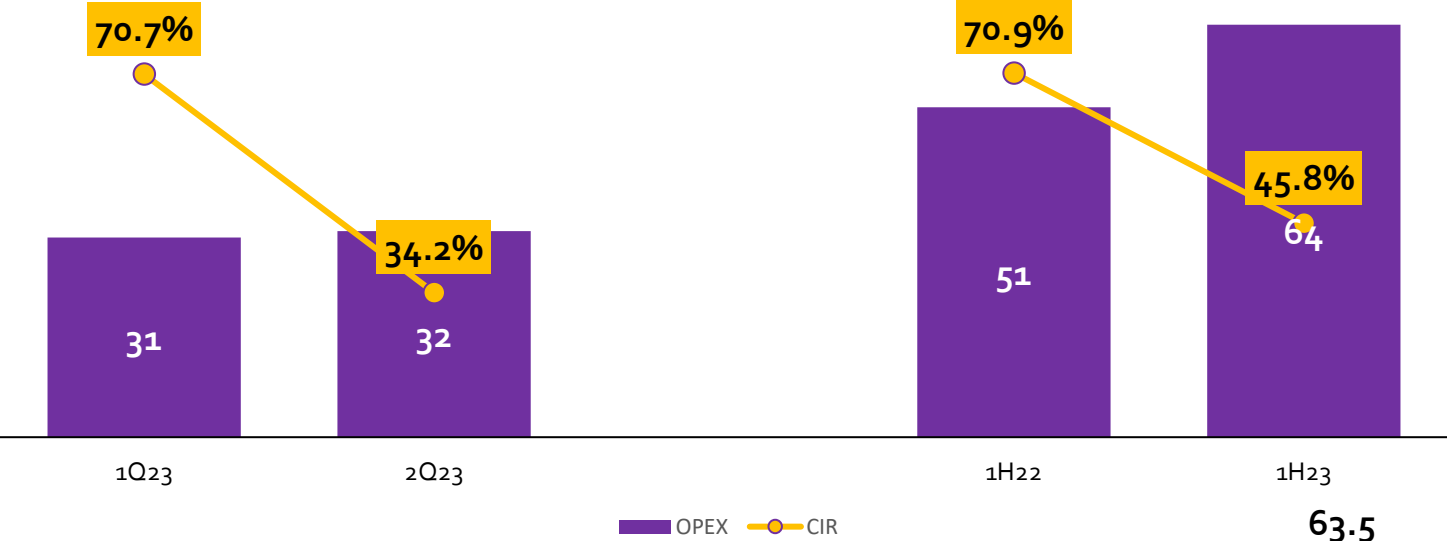
By Business Segment



By Type



Cost Analysis & Reduction Plans



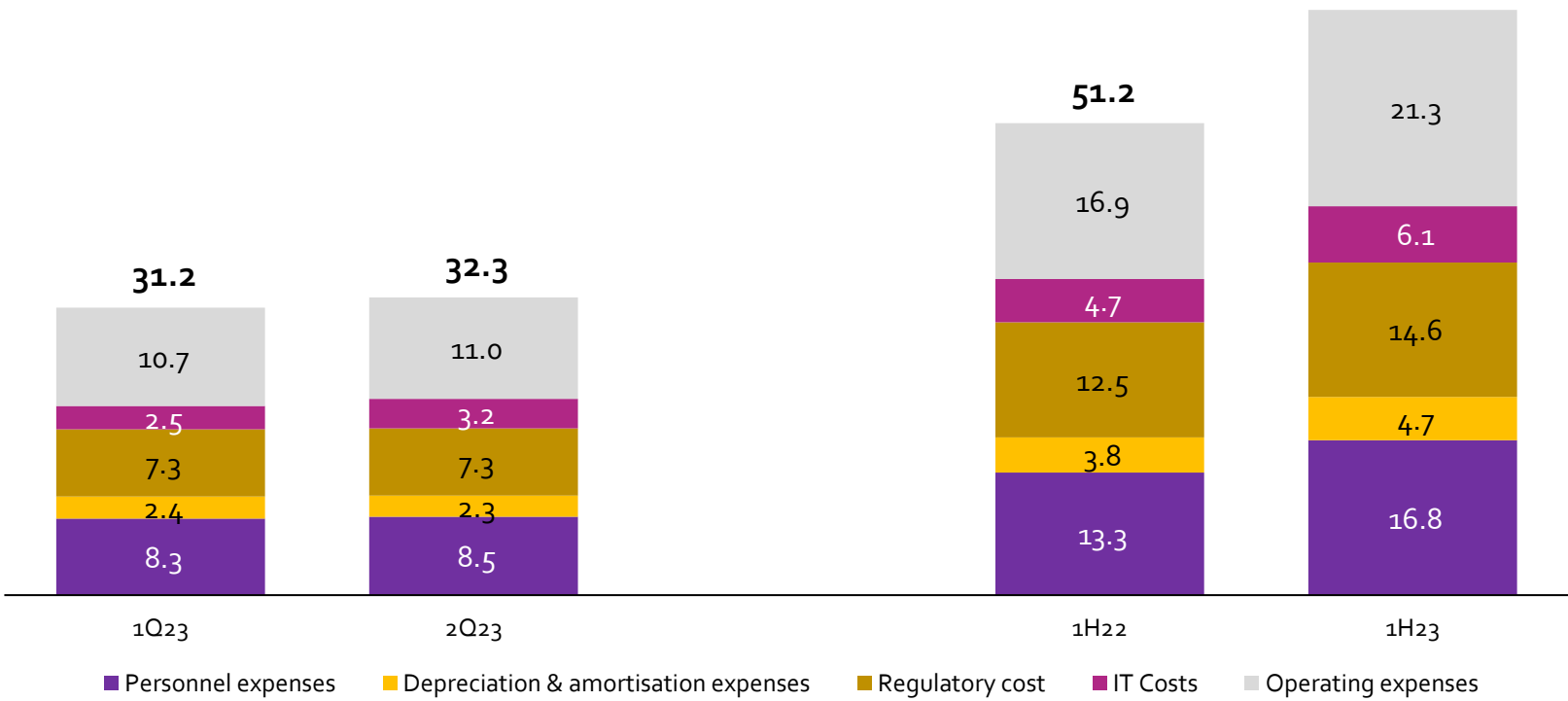
Analysis

- Operating expenses grew by 4% and 24% 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 17% YoY.
- Technology costs also grew by 30% and 29% QoQ and YoY, respectively to account for 10% of OPEX in 1H23.

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 70.8%.

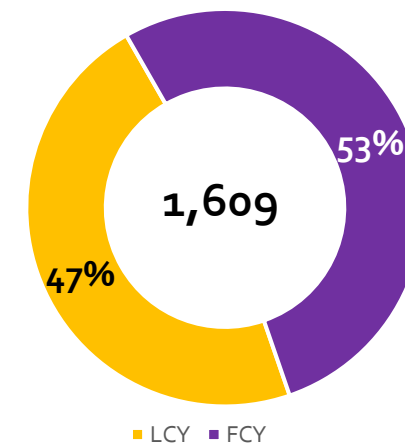


Loan Portfolio Classification

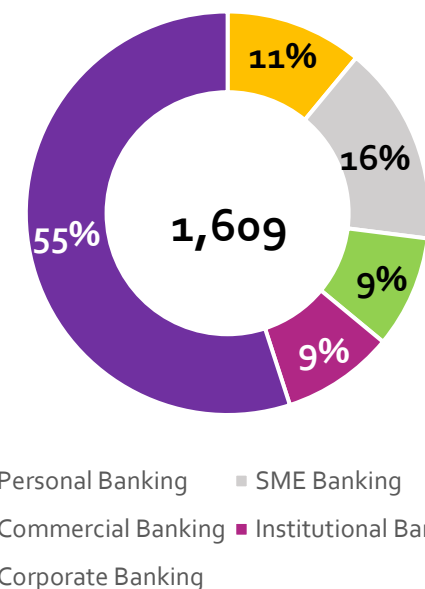
Corporate and Commercial Banking segments share of total portfolio grew YoY to 55% and 9% respectively. 40% growth YoY in Loan Book was largely from Manufacturing and Oil & Gas Sectors.

Industry Sector	Jun. 22	Sep. 22	Dec. 22	Mar. 23	Jun. 23	% Distr.
Agriculture	87,926	102,871	104,312	116,591	131,897	8.2%
Commerce	141,658	114,694	126,957	142,860	171,778	10.7%
Construction	1,788	1,671	2,766	2,895	3,376	0.2%
Education	6,113	6,389	8,351	7,077	6,842	0.4%
Finance & Insurance	84,502	90,124	89,973	97,697	140,161	8.7%
General – Others	16,572	29,258	26,658	30,840	34,965	2.2%
Government	25,019	24,881	22,973	21,598	25,385	1.6%
Individual – Bank	157,311	158,107	158,045	158,376	169,348	10.5%
Individual – Microfinance	3,135	3,837	4,559	1,574	2,082	0.1%
Information & Communications	15,446	16,318	15,461	15,171	21,337	1.3%
Manufacturing	123,884	160,428	162,207	163,245	237,972	14.8%
Oil & Gas-Downstream	81,213	82,195	90,744	88,499	114,343	7.1%
Oil & Gas-Upstream	159,477	155,044	161,230	148,440	251,637	15.6%
Oil & Gas Services	55,527	57,156	60,043	50,956	75,099	4.7%
Power & Energy	60,368	61,992	56,865	57,147	73,110	4.5%
Professional Services	6,495	23,365	9,183	2,501	3,901	0.2%
Real Estate	111,128	101,257	99,226	95,391	128,773	8.0%
Transportation & Logistics	13,469	15,366	14,441	15,677	16,639	1.0%
	1,151,031	1,204,954	1,213,993	1,216,534	1,608,645	100%

By Currency



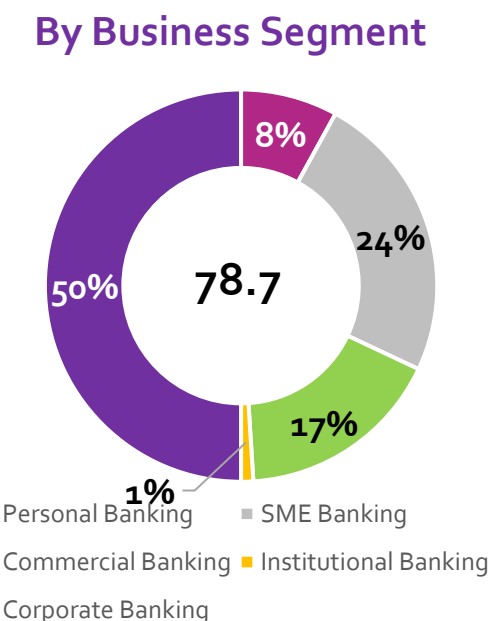
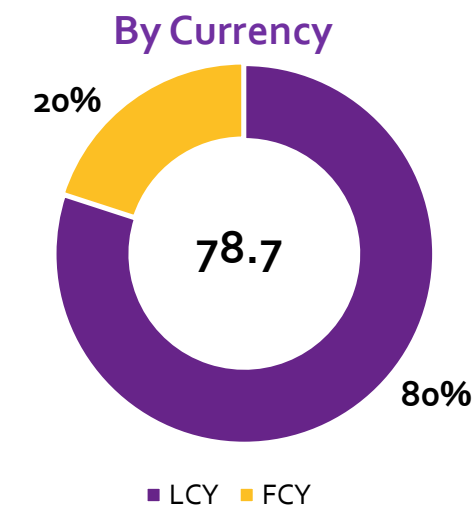
By Business Segment



Non-Performing Loans

YoY NPL ratio grew by 30bps, largely driven by deterioration in the Manufacturing, Power & Energy.

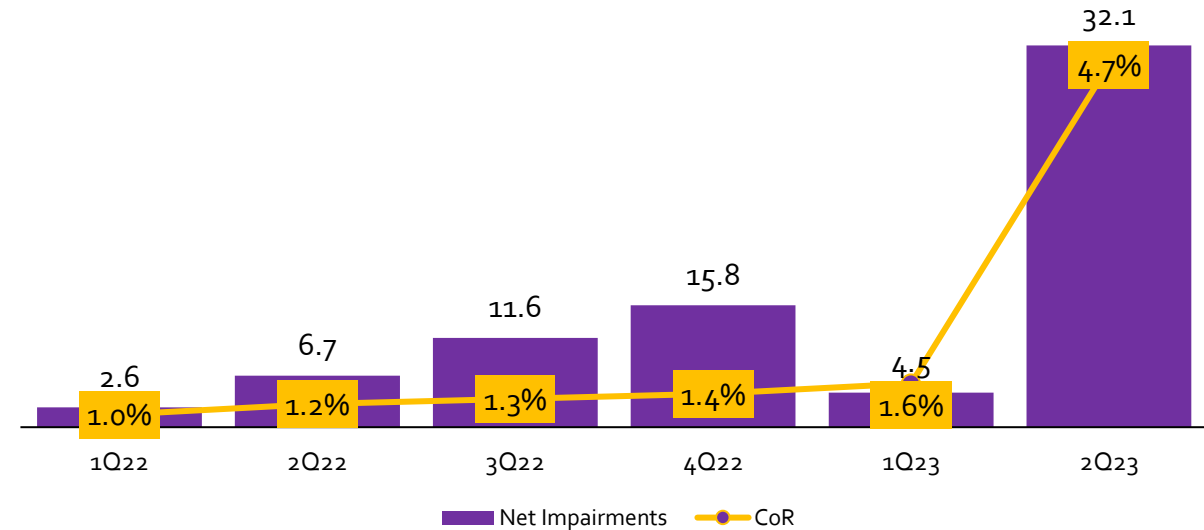
By Sector	Jun. 2022		Mar. 2023		Jun. 2023	
	NPL	NPL%	NPL	NPL%	NPL	NPL%
Agriculture	639.09	0.7%	559.72	0.5%	1,642.78	1.2%
Commerce	6,027.57	4.3%	7,580.20	5.3%	13,924.58	8.1%
Construction	6.93	0.4%	73.07	2.5%	150.89	4.5%
Education	257.99	4.2%	271.57	3.8%	963.31	14.1%
Finance & Insurance	9.71	0.0%	53.01	0.1%	46.23	0.0%
General – Others	334.23	2.0%	1,437.64	4.7%	2,533.93	7.2%
Government	0.00	0.0%	0.23	0.0%	97.42	0.4%
Individual – Bank	10,093.92	6.4%	6,687.55	4.2%	6,038.60	3.6%
Individual – Microfinance	-	0.0%	38.63	2.5%	122.86	5.9%
Information & Communications	0.45	0.0%	28.36	0.2%	43.53	0.2%
Manufacturing	11,826.31	9.5%	23,782.03	14.6%	24,651.85	10.4%
Oil & Gas – Downstream	4,702.76	5.8%	14.49	0.0%	28.54	0.0%
Oil & Gas – Upstream	-	0.0%	-	0.0%	-	0.0%
Oil & Gas Services	11,238.31	20.2%	13,256.21	26.0%	12,354.70	16.5%
Power & Energy	-	0.0%	8,915.07	15.6%	15,045.81	20.6%
Professional Services	39.30	0.6%	51.83	2.1%	170.57	4.4%
Real Estate	7,473.19	6.7%	1,142.83	1.2%	686.79	0.5%
Transportation & Logistics	14.39	0.1%	67.98	0.4%	169.56	1.0%
Total	52,664.17	4.6%	63,960.42	5.3%	78,671.98	4.9%



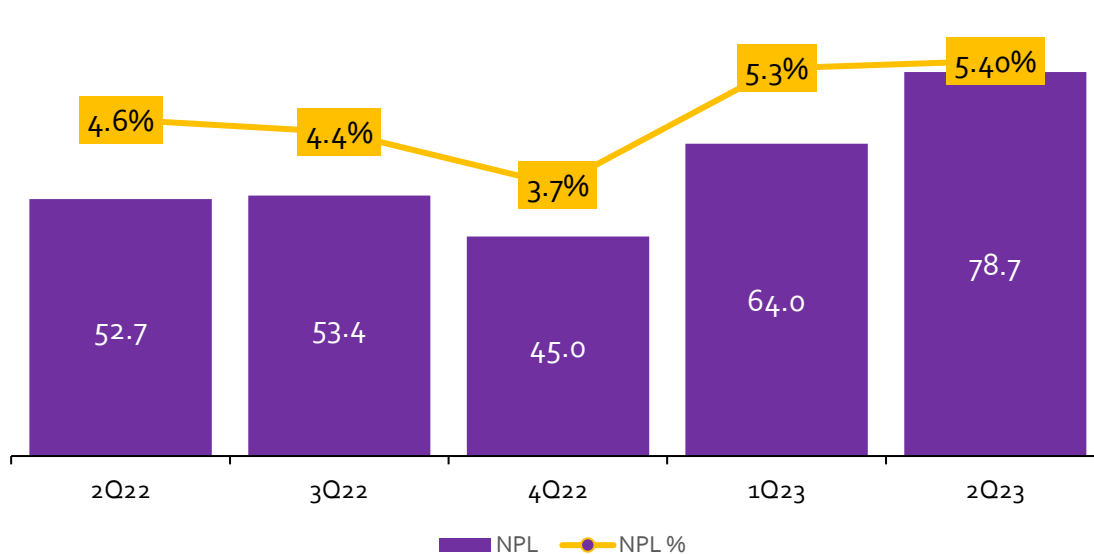
Net impairment charge grew YoY while coverage improved QoQ

- CoR trended upwards by 350bps YoY, reflecting growth in the Loan Book, NPL and impact of devaluation on the loan book
- 23% QoQ increase in NPL was largely driven by Commerce and Power & Energy Sectors
- Accumulated Impairments increased by 81% QoQ while NPL coverage increased to 123.6%. However, with consideration of the Regulatory Risk Reserve & Forbearance Reserve, coverage ratio is 145.1%

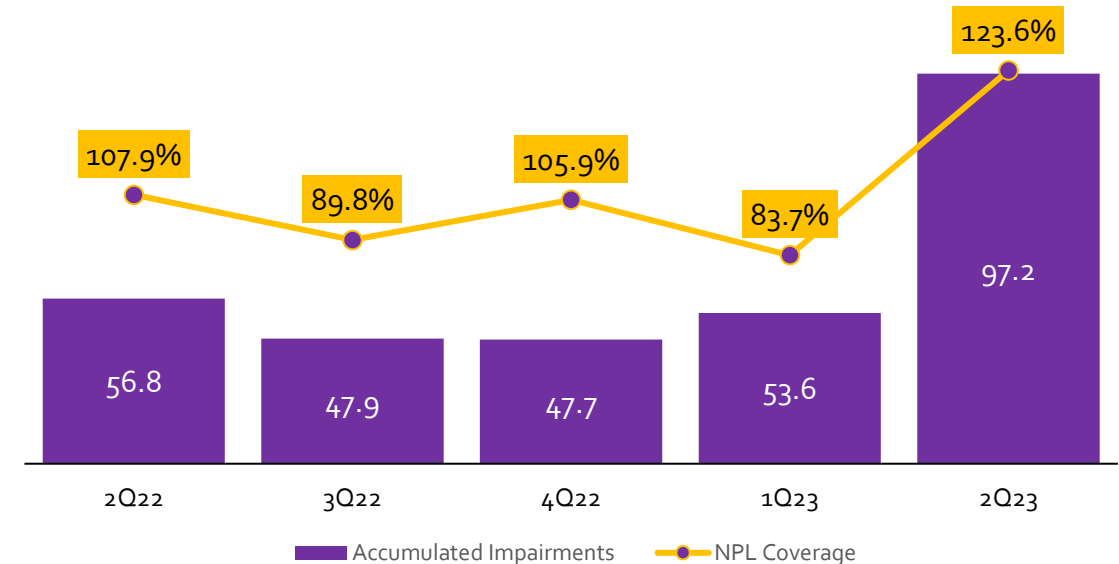
Net impairment charges on loans (N'B) & Cost-of-risk



NPL (N'B) & NPL Ratio



Accumulated Impairments (N'B) & NPL Coverage





Group Performance Review: Consumer Finance

Mr. Chukwuma Nwanze: Managing Director - CDL

Consumer Finance : 1H 2023 Performance Highlights

Gross Earnings
N8.4 billion

24%

1H 22: N6.8 billion

Interest Income
N7.9 billion

24%

1H 22: N6.4 billion

Profit before Tax
N2.3 billion

10%

1H 22: N2.1 billion

Operating Expenses
N3.3 billion

22%

1H 22: N2.7 billion

NPL
9.0%

80bps

1H 22: 8.2%

Return on Average Equity

33%

200
bps

1H 22: 31%

Consumer Finance: Financial Analysis - 1Q23 vs. 2Q23 and 1H22 vs. 1H23

- In the first half of the year, interest income and gross earnings both grew by about N1.6billion supported by a 66% growth in disbursement year-on-year compared to the corresponding period in 2022.
- In Q2 alone, interest income jumped nearly N600m quarter-on-quarter supported by a 93% QoQ growth in disbursement.
- Despite 3 hikes in monetary policy rate during the first half of the year, our interest expense dropped 2% QoQ while our cost of fund dropped 400bpts supported by stronger loan collections performance and our ability to attract low-cost funding from investors in our promissory notes.
- Our non-interest income grew 22% during the first half of the year, contributing more than half a billion in additional income for the company as we continue to grow our non-interest income streams.
- During the first half of the year, our wholly digital channel contributed an uplift of more than N4.5billion in loan disbursement as customers continue to adopt our more efficient customer acquisition channels.
- Our USSD channel alone helped service more than 18,000 customers in the last 4 months, including 14,000 new customers.

N'm	1Q23	2Q23	%Δ QoQ	1H22	1H23	%Δ YoY
Gross earnings	3,955	4,471	13%	6,817	8,426	24%
Interest Income	3,640	4,276	17%	6,398	7,916	24%
Interest Expense	(1,051)	(1,026)	-2%	(1,314)	(2,077)	58%
Net Interest Income	2,588	3,250	26%	5,084	5,838	15%
Non-Interest Income	315	195	-38%	419	510	22%
- Net Fees & Commissions	83	67	-19%	201	150	-25%
- Others	232	127	-45%	218	359	65%
Operating Income	2,903	3,408	17%	5,503	6,311	15%
Operating Expenses	(1,539)	(1,793)	17%	(2,741)	(3,332)	22%
Net impairment loss on financial assets	(252)	(382)	52%	(634)	(634)	0%
PBT	1,112	1,234	11%	2,128	2,346	10%
PAT	770	826	7%	1,426	1,596	12%

Consumer Finance: Financial Analysis - 1Q23 vs. 2Q23 and 1H22 vs. 1H23

- Operating expenses increased by about 22% YoY as a result of the increase in operating activities that supported the strong growth in risk asset creation. CIR remained flat QoQ despite inflation hovering around 22.4%, a clear testament to our strong emphasis on cost efficiency.
- Loan book expanded by 32% YoY to N38.0 billion in 1H 2023, supported by the addition of 40,000 new customers during the first 6 months of the year
- We continue to prioritize creation of high-quality risk assets as non-performing loans declined 60 bps from 9.6% to 9% between 1Q and 2Q which helped our LLP remain flat YoY despite the strong growth in our loan book over the past year
- Return on Average Equity improved from 31% to 33% YoY supported by a 12% growth in PAT during the first 6 months of the year.
- We anticipate a continued upward improvement in our profitability ratios, supported by strong growth in disbursements in the coming months
- The business continues to maintain good 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		1Q23	2Q23	%Δ QoQ	1H22	1H23	%Δ YoY
Operating	Return on Average Equity	33%	33%	0%	31%	33%	6%
	Return on Average Assets	9%	9%	0%	9%	9%	0%
	Loan/Deposit Ratio	117%	120%	3%	131%	120%	-8%
	Loan/Funding Ratio	117%	120%	3%	131%	120%	-8%
	Cost/Income Ratio	49%	49%	0%	47%	49%	4%
	Net Interest Margin	38%	38%	0%	44%	38%	-14%
	NPL/Total Loans	9.6%	9.0%	-6%	8%	9%	13%
	Coverage Ratio	102%	101%	-1%	102%	101%	-1%
	NII/Operating Income	9%	8%	-11%	8%	8%	0%
	Financial Leverage	1.3%	1.3%	0%	1.4%	1.3%	-7%
	Cost of Risk	3.3%	4.4%	33%	4%	4.4%	10%
	Cost of funds	18%	14%	-22%	14%	14%	0%
Capital & Liquidity	Capital Adequacy Ratio	27%	24%	-11%	32%	24%	-25%
	Liquidity Ratio	119%	119%	0%	126%	119%	-6%
Others	Opex (N'B)	1,517	1,793	18%	2,741	3,310	21%
	Risk Assets (net) (N'B)	31,047	38,416	24%	29,099	38,416	32%

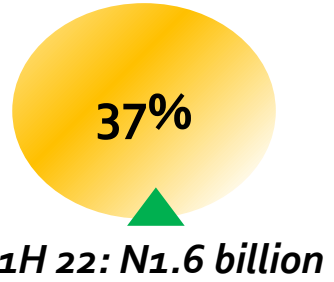


Group Performance Review: Investment Banking

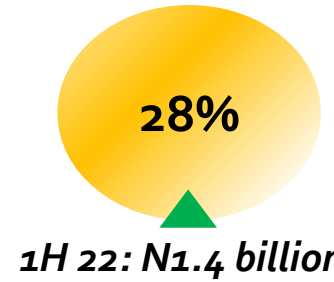
Mr. Femi Badeji: Executive Director FCMB Group Plc

Investment Banking: 1H 2023 Performance Highlights

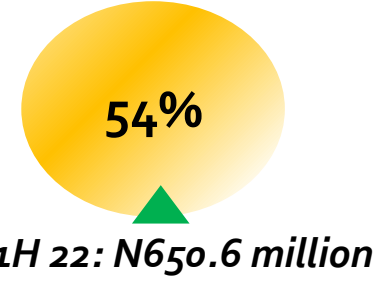
Gross Earnings
N2.1 billion



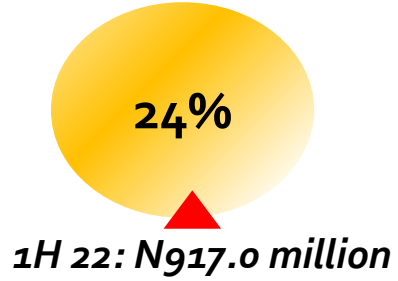
Non-Interest Income
N1.8 billion



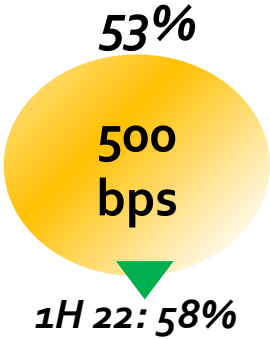
Profit before Tax
N1.0 billion



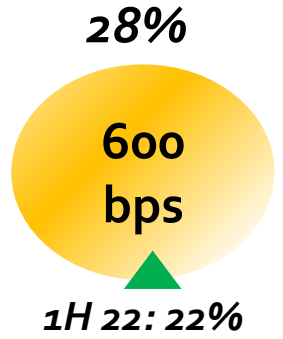
Operating Expenses
N1.1 billion



CIR



Return on Average Equity



Investment Banking: 1H 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 as well as improvements in Trading Income.
- The Capital Markets business led or participated in 17 transactions for 1H 2023 helping to raise N520 billion for our clients.
- Brokerage Commissions from our Stockbroking business grew by 6% YoY despite a 37% decline in the value of stockbroking trades YoY from N50.8bn in 1H 2022 to N32.3bn in 1H 2023. Trading income grew 21% YoY, driven by an increase in proprietary trading activity for the period.
- The YoY improvement in CIR to 53% as at 1H 2023 was largely on the back of earnings growth outstripping the rise in operating expenses which were largely personnel expenses.
- Overall contribution of the Investment Banking business to Group PBT was 3% as at 1H 2023.
- For the 2nd half of the year, our primary focus remains providing support to our clients by offering appropriate capital markets solutions and providing exceptional client service with the aim of retaining existing clients and acquiring new ones.

N'm	1Q23	2Q23	%Δ QoQ	1H22	1H23	%Δ YoY
Gross earnings	1,045	1,099	5%	1,568	2,144	37%
Net Interest Income	153	191	25%	148	343	132%
Non-Interest Income	892	908	2%	1,420	1,800	27%
Capital Raising/Advisory Fees	308	301	-2%	443	609	37%
Brokerage Commissions	380	449	18%	785	830	6%
Trading Income	177	31	-82%	171	207	21%
Other Income	27	128	374%	11	154	1300%
Operating Income	1,045	1,099	5%	1,568	2,144	37%
Operating Expenses	(548)	(592)	8%	(917)	(1,140)	24%
PBT	497	507	2%	651	1,004	54%
PAT	347	349	1%	466	696	49%
Key Ratios						
CIR	52%	54%	4%	58%	53%	-9%
Return on Average Equity	32%	28%	-13%	23%	28%	22%
Return on Average Assets	18%	17%	-6%	15%	17%	13%

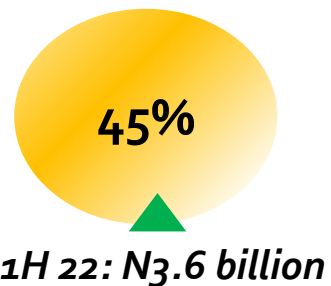


Group Performance Review: Investment Management

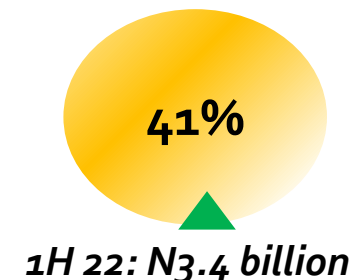
Mr. James Ilori Chief Executive Officer: FCMB Asset Management Ltd

Investment Management: 1H 2023 Performance Highlights

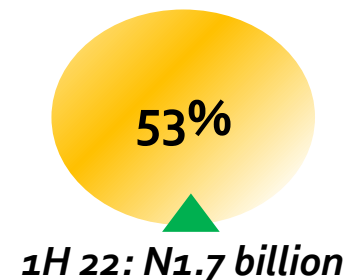
Gross Earnings
N5.2 billion



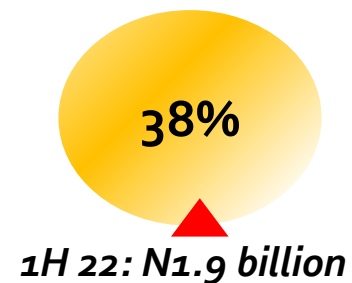
Non-Interest Income
N4.8 billion



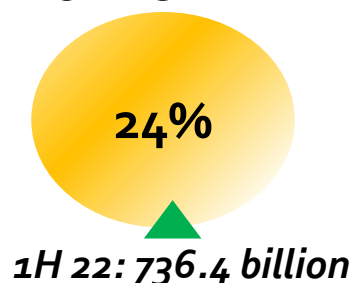
Profit before Tax
N2.6 billion



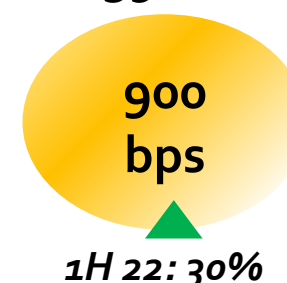
Operating Expenses
N2.6 billion



AUM
N910.3 billion



Return on Average Equity
39%

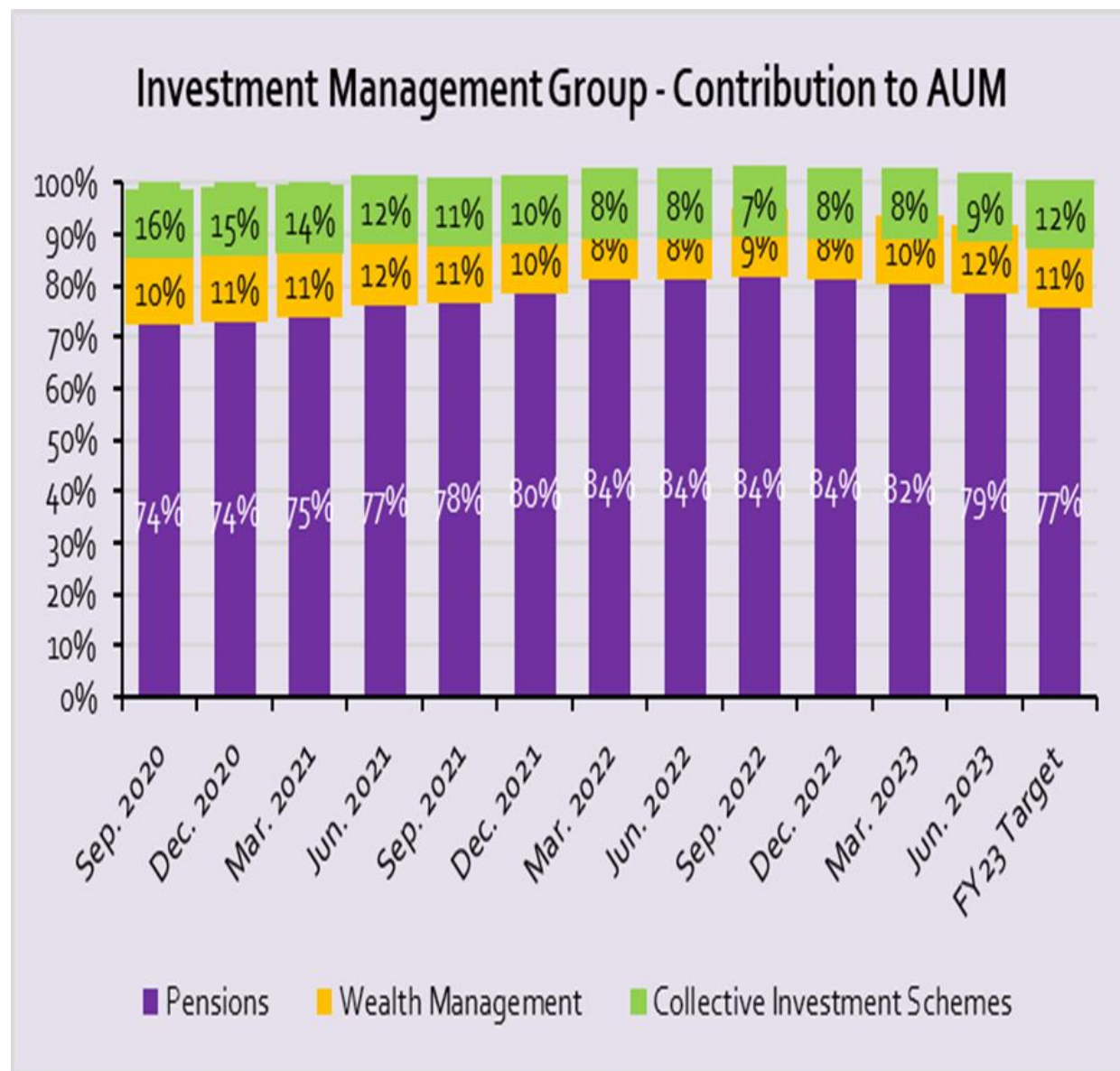


- Assets Under Management increased by 10% quarter-on-quarter, 16% in 1H 2023 and 24% year-on-year, to N910 billion. Investment Income contributed 41% of the half year AUM growth, with Net Contribution accounting for the balance;
- Our Pensions business contributed 79% of AUM in 2Q 2023, compared with 84% contribution in the same period in 2022;
- AUM and Management fee from digital products grew by 22% and 32% year-on-year;
- The number of Retirement Savings Accounts increased by 1.11% in 1H 2023, to 742,540, with Registrations via our digital Platform contributing 63% of the increase, compared with 60% at the end of 2022;
- We recorded a net outflow of N1.1 billion in the transfer window in 1H 2023, primarily due to increased competition from new entrants and delayed receipt of inflows totaling N2.6 billion;
- PBT increased by 53% year-on-year, with our Pensions business contributing 64% of PBT.

N'm	1Q23	2Q23	%Δ QoQ	1H22	1H23	%Δ YoY
Gross earnings	2,297	2,871	25%	3,565	5,169	45%
Net Interest Income	190	181	-5%	169	371	120%
Non-Interest Income	2,107	2,690	28%	3,396	4,797	41%
–Advisory Fees	31	30	-3%	51	61	20%
– Brokerage Commission	1	2	100%	52	3	-94%
–Asset Management Fees	2,001	2,158	8%	3,238	4,159	28%
–Others	74	498	573%	55	574	944%
Operating Income	2,297	2,871	25%	3,565	5,169	45%
Operating Expenses	(1,229)	(1,339)	9%	(1,868)	(2,569)	38%
Net gains/(losses) from fin. instruments at fair value	-					
PBT	1,068	1,534	44%	1,697	2,601	53%
PAT	751	1,079	44%	1,268	1,830	44%
AUM	830,164	910,305	10%	736,366	910,305	24%
ROAE	25%	46%	84%	30%	39%	30%
CIR	54%	47%	-13%	52%	50%	-4%

Update on primary goals in FY 2023:

- AIICO Pension impact:** The AIICO transaction’s impact on AUM and PBT were N174.4 billion and N770 million in 1H 2023. These accounted for 24% of AUM and 47% of PBT contributions from our Pensions business. We remain on track to achieve our AIICO PBT contribution target of N1.41 billion for FY 2023;
- Digital distribution:** We are concluding work on the web-version of our GRO digital investment products and now expect the web-version to go live in 3Q 2023. AUM and Management fee from our digital products are projected to increase by 58% and 83%, in FY 2023;
- 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. We remain optimistic that final approval to launch the Fund will be secured in 3Q 2023.





Outlook

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

We are revising our 2023 FY PBT growth forecast >65%, excluding future FX movements, due to the following:

Loan book to grow by ~35% (including revaluation impact) for FY23

Acquisition of additional 1.7 million+ transacting customers across the group for FY23, will support growth in transaction fees, CASA and AUM at projected 35%, 15% and 20% YoY growth respectively

Increase in digital revenues by >25% from lending, payments and wealth for FY23

Accelerating earnings growth in Wholesale banking (i.e., corporate and commercial banking)

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

Cost of Risk expected to close at ~5% for FY23

OPEX is to grow by ~30% for FY23