

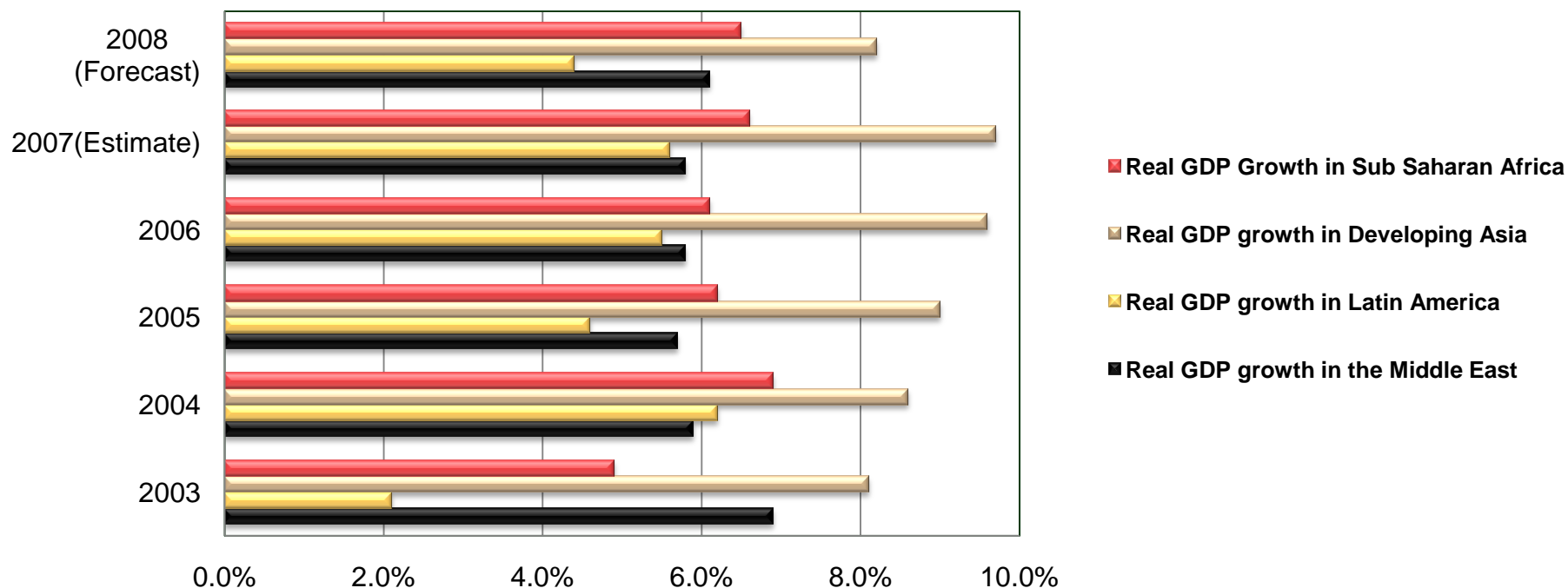
FIRST CITY MONUMENT BANK PLC

Vision: To be the premier financial services group of African origin

INVESTORS AND ANALYSTS CONFERENCE 2008

- Regional Review
- Review of the Nigerian Economy
- FCMB – Strategy
- FCMB – Review of the April 2008 Financial Year
- FCMB – Outlook

Comparable Real GDP rates



The sub-Saharan region is clearly better placed to withstand external shocks from a worsening global environment.

(Regional Economic Outlook for Sub-Saharan Africa, International Monetary Fund)^b

Sub-Saharan Region: Creating an Enabling Environment

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- Foreign reserves are growing;
 - Average monthly import cover has grown from 3 months in 2003 to approx. 7 months in 2007
- Improving balance of payments and stronger currencies
 - Appreciating average real effective exchange rate from 102 to 112 over the same period
- Low threat of recession
 - Forecast 2008 real GDP growth rate is second only to developing Asia
- Reducing external debt burden
 - External debt to official creditors down from 37.2% of GDP in 2003 to 8.6% in 2007
- Inflationary pressures persist

RIGHT SECTORS/OPPORTUNITIES

Infrastructure	Agric. Business
Commodities (oil, gas, etc)	Real Estate & Housing
Retail/Consumer Goods	Financial Services*

* Characterized by low penetration, an emerging middle class given the growth in per capita income, social and economic reconstruction, young population, reinforcing the opportunities in retail and consumer goods

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Nigeria's Macroeconomic Story: Stable Rating Outlook

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POSITIVE MACROECONOMIC STORY

5-year average GDP growth of over 6% with 2008 forecast growth of 7.5%

Budget deficit @ 2.5% of GDP, among the lowest in emerging markets

Stable currency; 5% appreciation YOY (May/April 2006/7 to May /April 2007/8)

External debt stock now US\$3.74billion, ~2% of GDP as at June 2008

Increasing reserves; US\$64.7 billion as at 15th Aug 2008

• **Inflationary pressures persist (14% YOY; 8% MMA as @ July 2008)**

- Despite 24 consecutive months of single-digit inflation
- Goal of single-digit inflation is tougher to achieve and MPR likely to increase at the next MPC meeting
- High interest rates will keep the currency strong

Nigeria's Macroeconomic Story: Risk Factors and Mitigants

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- Risk:** Niger Delta crisis will affect production volumes; global slowdown may weaken oil prices
- Mitigants:** Budget built on benchmark price of approx. US\$54/barrel
July production of 2.16 mbd (1.5mb.d in April)
Excess crude account (US\$15.3 billion as at June 2008)
Budgeted revenues of US\$37 billion (N4.210 trillion converted at N117/\$)
still intact
- Risk factor:** Bearish stock market
- Mitigants:** Market PE multiples are tending towards single digits
Strong corporate earnings
- Risk factor:** Policy reversals
- Mitigants:** Greater emphasis on the rule of law
Resulting policies should incorporate the views of stakeholders

Growth opportunities

- High-growth opportunities, especially in consumer banking (few banks getting it right)
- infrastructure finance opportunities estimated at 5% of GDP (~US\$10 billion, based on 2007 GDP of US\$194 billion)
- Investment banking – low market cap/GDP, low penetration of debt, dearth of structured finance offerings, etc

Valuations at two-year low *

- Single-digit forward PE multiples of 10.2x (2009) and 7.1x (2010)
- Forward price to book of 2.01x

Risk from bearish stock markets

- Likely losses from margin lending, difficult to predict but cushioned by robust capital levels

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Strategy: Focus on Value Opportunities with High Growth and Margins

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Strategic Product Segments

Investment Banking + Transaction Banking + Consumer Banking



Customer Segments

Corporate Clients + Government + SMEs + Individuals



Financial Implications of Strategy

- Upside from Consumer Bank: 25% of PBT by 2012
- Diversification of earnings
- High Margins & sustainable 40% Revenue CAGR over the next 4 years
- Maintain cost efficiency leadership



'B+'/'B' LONG-TERM, SHORT-TERM COUNTERPARTY RATING

- "focused strategy"
- "strong investment banking franchise"
- "good profitability"
- "robust capital levels"
- "competent/experienced management"



**INVESTMENT BANKING:
BEST EQUITY HOUSE 2008 & BEST INVESTMENT BANK 2007**

**163%
TRADE VOLS.**



**TRANSACTION BANKING:
(US\$1.2 BILLION 2008 YTD *from* US\$714 MILLION IN 2007)**

**20% FOREIGN
INTEREST**

**PUBLIC OFFER OF US\$800 MILLION
(80% OVERSUBSCRIPTION)**

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Scorecard: 2008 Results vs. Forecasts

FCMB

	Apr 2008 (actual)	Apr 2008 (forecast)	% Achievement
Total assets and contingents (US\$ million)	5,033	5,171	97%
Total deposits (US\$ million)	2,153	2,144	100%
Profit before tax (US\$ million)	170	158	108%
Profit after tax (US\$ million)	125	125	100%
Shareholders' funds (US\$ million)	1,145	1,046	109%

Financial Highlights: 2007/8 vs. 2006/7 Financial Year

FCMB

122%

Gross Earnings

US\$437 million

185%

Profit Before Tax

US\$170 million

43%

Dividend Per Share

50 kobo

Financial Highlights: 2007/8 vs. 2006/7 Financial Year

FCMB

366%

Shareholders
Funds

US\$1.15 billion

106%

Total Assets &
Contingents

US\$5.033 billion

45%

Total Deposits

US\$2.15 billion

Financial Highlights: 2007/8 vs. 2006/7 Financial Year

FCMB

7.4% ('08)
VS.
7.1% ('07)

Net Interest Margin

49% ('08)
VS.
59% ('07)

Cost to Income
ratio

4% ('08)
VS.
3.1% ('07)

Return on Assets

Financial Highlights: 2007/8 vs. 2006/7 Financial Year

FCMB

135k ('08)
VS.
63k ('07)

Earnings Per
Share

55% ('08)
VS.
21% ('07)

Capital Adequacy
Ratio

2.7% ('08)
VS.
3.2% ('07)

Non- Performing
Loan Ratio

Major Revenue Lines and Drivers

Net Interest Income

- Loan book growth feeding from corporate lending and impact of an appreciating currency
- Higher Net Interest Margin from a combination of higher cost of funds, quarter effect of the new capital raised, and growing impact of the consumer banking business

FX Income

- Sales and trading income from active financial markets and FX volatility

Corporate Finance Fees

- Capital raising and syndications for infrastructure, oil & gas and real estate (Afren, Oando, Eko Atlantic, The Palms, GT Bank, Access, Dangote)

Other Operating Income-Underwriting gains

Major Cost Lines and Drivers – Operating Expenses

Staff Costs

- Competition for talent and need to minimize execution risks; industry YOY growth of 61%
- Capacity building in strategic focus areas
- Cushioned by emphasizing low-cost distribution channels – 1,000 DSA (consumer banking)
- Branch expansion (20 in last financial year)

Depreciation

- Branch expansion and new hires

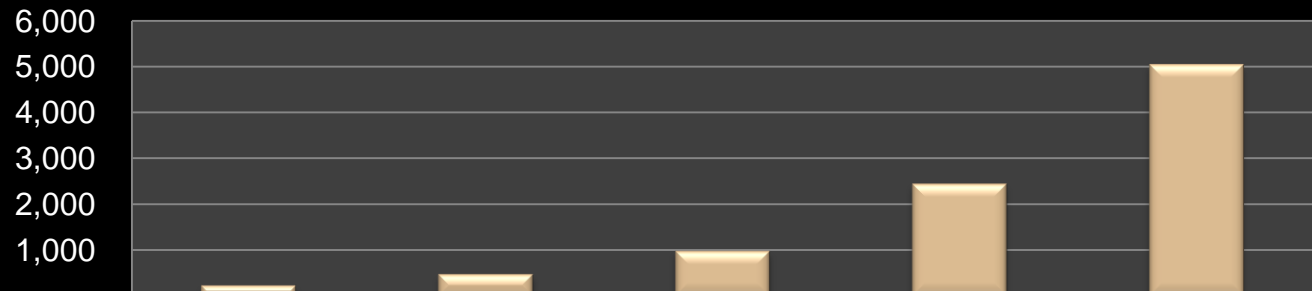
Sales and Marketing

- New product launches (consumer – four products in last financial year)
- Branch expansion

Asset Growth and Composition

FCMB

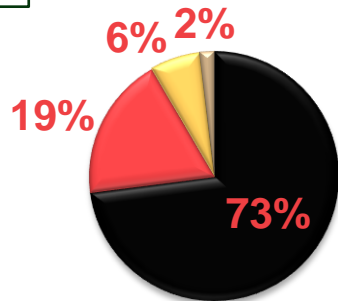
Total Assets & Contingents (US\$ millions)



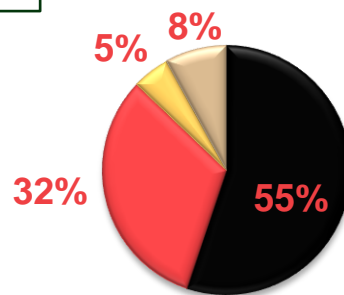
■ Total Assets & Contingents (US'millions)

Year	2004	2005	2006	2007	2008
Total Assets & Contingents (US'millions)	231	476	980	2,440	5,033

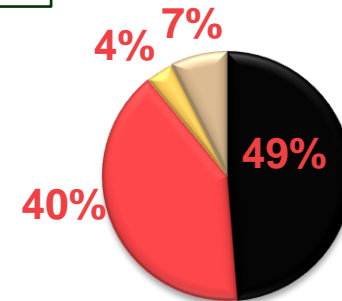
2006



2007



2008



Liquid Assets

Risk Assets

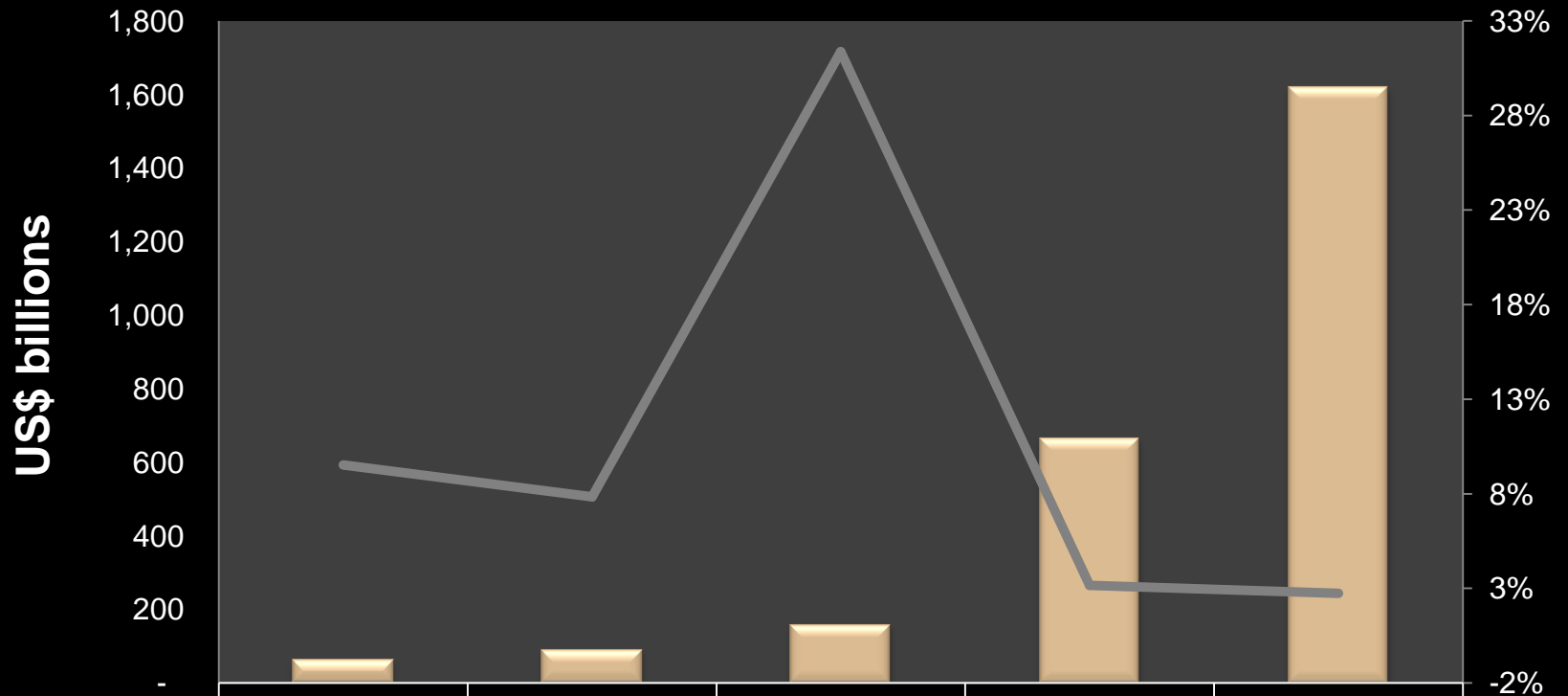
Fixed Assets



Other Assets

Declining NPLs: Reflection of Stronger Risk Management

FCMB

Risk Asset Growth vs. NPLs



 Risk Assets	61	89	157	665	1,619
 NPLs (%)	9.52%	7.83%	31.37%	3.16%	2.74%

- Global and Regional Context
- Nigerian Economy – Opportunities and Challenges
- FCMB – Vision and Major Events in 2008
- FCMB – Strategy, Basis of Differentiation & Competitive Advantage
- FCMB – Review of the April 2008 Financial Year
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FCMB: Outlook

FCMB

Segment contribution (US\$million)	2007/8 FY	% cont.	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FYE 2008/9
Corporate/Investment Banking	77.1	45%	26.45	38.45	39.24	43.95	148.08
Commercial Banking	54.3	32%	20.22	24.33	25.11	25.90	95.56
Consumer Banking	(4.2)	(2%)	(0.52)	(0.21)	(0.08)	-	(0.82)
Treasury and Financial Markets	42.5	25%	5.70	9.72	13.34	15.69	44.46
PROFIT BEFORE TAX	169.7		51.85	72.29	77.60	85.54	287.28

Significant asset growth to drive earnings in Corporate Banking.

The impact of Transaction and Investment Banking will further drive revenues in Corporate and Commercial Banking (SME and public sector) customer segments.

Consumer Banking will break even by Q4 2008.

Contribution from Treasury and Financial Markets is pressured by less volatility in the foreign exchange markets. However, we anticipate a recovery by broadening of currencies traded by Q3/Q4 2008, hence the growth in income in that quarter.

	2008/9 FY US\$ million	2007/8 FY US\$ million
Net interest income	290	173
55% growth in corporate finance income	127	77
60% growth in LC and COT commissions	63	38
25% growth in foreign exchange earnings	29	23
20% growth in other operating income	60	49
Net operating income	569	360
Provision for loan loss	(38)	(26)
35% growth in operating expenses	(244)	(165)
Profit before tax	287	170

FCMB: Outlook

Key Ratios and Valuations

FCMB

	2009/10 FY FORECAST	2008/9 FY ESTIMATE	2007/8 FY ACTUAL
Net Interest Margin	7.60%	7.44%	7.44%
Cost-to-Income Ratio	<50%	46%	49%
Return on Average Equity	>20%	18%	18%
Return on Average Assets	>4.5%	4.6%	4.14%

Price/Earnings Multiple (prices as at 2 Sept, 2008)	Trailing	Forward
FCMB	10.16x	8.44x
Industry*	12.6x	10.2x

Price to Book (prices as at 2 Sept, 2008)	Trailing	Forward
FCMB	1.67x	1.47x
Industry*	2.78x	2.01x

* SOURCE: RENCAP – NIGERIA BANKS WEEKLY VALUATION

Summary: Investment Case

FCMB



- The Macro outlook remains positive
- FCMB 's focused strategy is keyed into the growth opportunities within the economy and execution risks are reducing as we progress along our plan.
- Strong financial performance with key ratios up from prior year numbers; ROA of 4%, NPLs of 2.74%, CIR of 49%, NIM of 7.4%
- Well Diversified Revenue streams with non interest income accounting for 52% of revenues for the 2nd year running
- Reasonable Valuation :
 - Trailing PE of 10.16 x and forward of 8.4x
 - Trailing PB ratio of 1.67x and forward of 1.47x
 - ROE of 18.3% (20.7% 2007), despite 366% growth in equity

- Central Bank of Nigeria (various reports and website) for statistics on GDP growth, foreign reserves and currency appreciation
- Debt Management Office for external debt stock data
- FCMB Public Offer Prospectus, International Investor Presentation (2007) and April 2008 Audited Financials
- Federal Ministry of Finance/President Yar'Adua's 2008 Budget Speech for data on budget deficit
- Monthly Platt Survey (July 2008) <http://allafrica.com/stories/200808220534.html> for data on oil production
- Nigerian Bureau of Statistics for data on inflation
- Regional Economic Outlook – Sub-Saharan Africa April 2008- International Monetary Fund
- Review of Nigerian Banks – “Eyes on the Prize”, Renaissance Capital, June 2008 and Review of Nigerian Banks, JP Morgan, May 2008
- Speech by Revenue Mobilization Allocation and Fiscal Commission (RMAFC) Chairman, Alhaji Hamman Tukur (June 2008) for excess crude account balance
- The Economist (various issues)