

FCMB Group Plc



FCMB Group Plc

Q3 2013 Investors & Analysts Presentation – 31 October 2013



Disclaimer

This document contains certain forward-looking statements, including statements regarding or related to events and business trends that may affect our future operating results, financial position and cash flows.

These statements are based on our assumptions and projections and are subject to risks and uncertainties, as they involve judgments with respect to, among other things, future economic, and industry/ market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. You can identify these forward looking statements by the use of the words "strategy," "plan," "goal," "target," "estimate", "project", "intend," "believe," "will" and "expect" and similar expressions. You can also identify these forward-looking statements by the fact that they do not relate strictly to historical or current facts.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements.

Glossary

BBG	Business Banking Group
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CAR	Capital Adequacy Ratio
CBG	Commercial Banking Group
CDL	Credit Direct Limited
CIR	Cost to Income Ratio
COT	Commission on Turnover
CRR	Cash Reserve Ratio
FMCG	Fast Moving Consumer Goods
FY	Full Year
IBG	Investment Banking Group
IFRS	International Financial Reporting Standards
IOC	International Oil & Gas Company
KPI	Key Performance Indicators
LCDM	Low Cost Deposit Mix
LDR	Loan to Deposit Ratio

M&A	Mergers & Acquisitions
N/A	Not Applicable/ Not Available
NIM	Net Interest Margin
NPL	Non Performing Loan
NRFF	Net Revenue from Funds
NSE	Nigerian Stock Exchange
OH	Overheads
OPEX	Operating Expenditure
PAT	Profit After Tax
P&L	Profit and Loss
PBT	Profit Before Tax
QoQ	Quarter-on-Quarter
ROA	Return on Assets
ROE	Return on Equity
SME	Small & Medium Enterprises
YE	Year End
YoY	Year-on-Year



Introduction to FCMB Group Plc – Mr. Peter Obaseki (Managing Director, FCMB Group Plc)

Group Performance Review

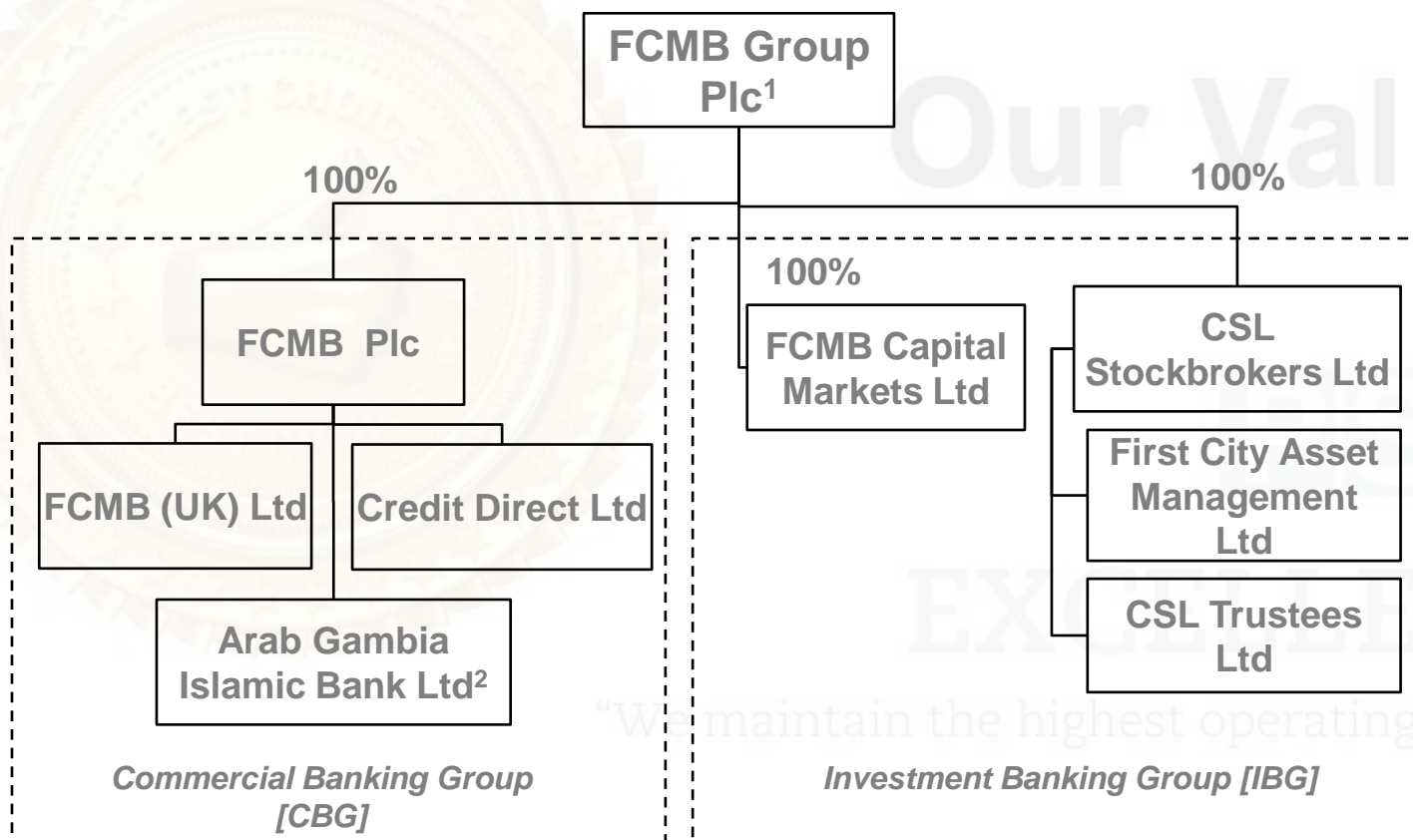
Commercial Banking Group: Business Review

Investment Banking Group: Business Review

Risk Management Review

Outlook to YE 2013

FCMB Group Plc Structure



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Notes:

- 1. Excludes Held for Sale assets
- 2. To be disposed of.



Corporate Information

Name	FCMB Group Plc
Office address	44 Marina Street, Lagos
Ticker symbol	FCMB
No of shares	19,802,710,781
No of shareholders	529,045 ¹
Shareholders' funds	<ul style="list-style-type: none"> • N130.89 billion² • N144.77 billion³
Board	<ul style="list-style-type: none"> • Chairman - Dr. Jonathan Long • Other Board members – Mr. Ladi Balogun, Mr. Bismarck Rewane, Mr. Segun Odubogun, Mr. Tola Mobolurin, Mr. Tope Lawani, Mr. Martin Dirks (Alternate), Alhaji Mustapha Damcida and Mr. Peter Obaseki (Managing Director)
Managing Director	Mr. Peter Obaseki
Chief Financial Officer	Mr. Patrick Iyamabo
Regulators	<ul style="list-style-type: none"> • Central Bank of Nigeria (CBN) • Securities and Exchange Commission (SEC) • Nigerian Stock Exchange (NSE)

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1. Based on number of shareholders as at 24 October 2013
2. Based on shareholders' funds per 2012 audited accounts
3. Based on shareholders' funds @ 30 September 2013

Management Team of Operating Companies

First City Monument Bank Ltd

Name	Position
Ladi Balogun	Group Managing Director/ Chief Executive Officer (CEO)
Segun Odusanya	Deputy Managing Director
Yemisi Edun	Chief Financial Officer
Bayo Sanni	Chief Risk Officer
Femi Bakre	Executive Director (ED) - Lagos & South West Nigeria
Adam Nuru	ED - Abuja & North Nigeria
Nath Ude	ED – Service Management & Technology
Okey Ezeala	Regional Head, South-South & South-East Nigeria
Ola Olabinjo	Senior Vice-President (SVP) & Head, Corporate Banking
Olu Akanmu	SVP & Head, Retail Banking
Gerald Ikem	Head, Treasury & Financial Markets
Rolayo Akhigbe	Head, Transaction Banking

FCMB Capital Markets Ltd

Name	Position
Tolu Osinibi	Executive Director

Credit Direct Ltd

Name	Position
Akinwande Ademosu	Managing Director

Arab Gambia Islamic Bank Ltd

Name	Position
Sirajo Salisu	Managing Director
Kingsley Okolie	Executive Director

FCMB (UK) Ltd

Name	Position
Frank Le Roex	Chief Executive Officer
BC Achary	Executive Director

CSL Stockbrokers Ltd

Name	Position
Gboyega Balogun	Managing Director



Introduction to FCMB Group Plc

Group Performance Review – Mr. Patrick Iyamabo (Chief Financial Officer, FCMB Group Plc)

Commercial Banking Group: Business Review

Investment Banking Group: Business Review

Risk Management Review

Outlook to YE 2013

Key Performance Indices (FCMB Group Plc):

Performance Index		3Q12	1Q13	2Q13	3Q13	%Δ YoY	%Δ QoQ	9M12	9M13	%Δ YoY
Operating	Return on Av. Equity	12.3%	12.5%	14.9%	10.1%	(17.9%)	(32.2%)	11.3%	12.3%	8.9%
	Return on Av. Assets	2.0%	1.9%	2.2%	1.5%	(25.0%)	(31.8%)	1.9%	1.8%	(5.3%)
	Loan/Deposit Ratio	59.0%	50.6%	64.8%	63.6%	7.8%	(1.8%)	59.0%	63.6%	7.8%
	Cost/Income Ratio	70.4%	72.8%	67.3%	73.8%	4.8%	9.6%	75.6%	71.2%	(5.8%)
	Net Interest Margin	7.6%	8.2%	8.4%	8.1%	5.5%	(4.0%)	7.1%	7.8%	9.3%
	NPL/Total Loans	4.9%	3.3%	3.6%	2.7%	(44.9%)	(25.0%)	5.0%	2.7%	(45.7%)
	Coverage Ratio	111.0%	70.8%	65.8%	55.2%	(50.3%)	(16.1%)	111.0%	55.2%	(50.3%)
	NII/Operating Income	32.2%	31.9%	36.0%	31.3%	(2.7%)	(13.0%)	34.5%	33.2%	(4.0%)
Capital & Liquidity	Capital Adequacy Ratio	22.0%	27.2%	21.0%	22.8%	Minimum statutory requirement: 15% ¹		21.7%	22.8%	Minimum statutory requirement: 15% ¹
	Liquidity Ratio	56.1%	49.0%	49.3%	50.8%	Minimum regulatory requirement: 30%		56.1%	50.8%	Minimum regulatory requirement: 30%
Others	Opex (N'B)	13.4	14.0	14.5	15.3	14.3%	5.5%	39.8	43.8	10.0%
	Risk Assets (net) (N'B)	363.2	329.0	389.2	439.4	21.0%	12.9%	363.2	439.4	21.0%
	Customer Deposits (N'B)	615.3	628.4	600.4	690.6	12.2%	15.0%	615.3	690.6	12.2%

Notes:

1. The Central Bank of Nigeria requires each Bank, with international authorisation, to hold minimum regulatory capital of N50 billion and maintain Capital Adequacy Ratio of 15%.

Income Statement (FCMB Group Plc): Highlights

FCMB


N'm	3Q12	1Q13	2Q13	3Q13	%Δ		9M12	9M13	%Δ
					YoY	QoQ			YoY
Revenue	30,830	31,414	31,880	33,333	8%	5%	84,737	96,628	14%
Interest Income	24,042	25,090	23,892	26,508	10%	11%	66,347	75,490	14%
Interest Expense	(11,650)	(11,979)	(10,129)	(12,258)	5%	21%	(31,822)	(34,365)	8%
Net Interest Income	12,392	13,111	13,763	14,250	15%	4%	34,525	41,125	19%
Non Interest Income	6,502	6,156	7,732	6,479	0%	(16%)	18,200	20,367	12%
- Net Fees & Commissions	4,587	3,461	4,795	3,616	(21%)	(25%)	12,925	11,872	(8%)
- Trading Income	1,188	919	1,205	2,120	78%	76%	3,672	4,244	16%
- Others	727	1,776	1,732	743	2%	(57%)	1,603	4,251	165%
Operating Income	18,894	19,267	21,495	20,729	10%	(4%)	52,724	61,492	17%
Operating Expenses	(13,393)	(14,006)	(14,486)	(15,304)	14%	6%	(39,833)	(43,797)	10%
Impairment charge for losses/ recoveries	(1,280)	(411)	(1,219)	(1,379)	8%	13%	(704)	(3,009)	327%
Net gains/(losses) from fin. instruments at fair value	128	(18)	25	22	(83%)	(12%)	(40)	29	172%
PBT	4,349	4,832	5,815	4,068	(6%)	(30%)	12,148	14,715	21%

Balance Sheet (FCMB Group Plc): Highlights

FCMB



N'm	3Q 12	4Q12	1Q13	2Q13	3Q13	% Δ YoY	% Δ QoQ
Cash & Balances with CBN	73,649	88,806	80,600	76,418	115,531	57%	51%
Loans and advances to banks	126,389	92,537	64,636	72,050	112,895	-11%	57%
Loans and advances Non Pledged trading Assets	363,163	357,799	329,038	389,224	439,382	21%	13%
Investments	4,052	1,170	7,732	5,068	6,576	62%	30%
Assets pledged as collateral	237,526	244,993	302,139	266,916	168,870	-29%	-37%
Intangible assets	26,079	40,794	31,070	39,280	55,594	113%	42%
Deferred tax assets	18,833	11,895	11,848	12,031	12,035	-36%	0%
Other assets	4,102	4,938	4,938	4,938	4,886	19%	-1%
Fixed assets	15,076	39,284	36,795	30,450	36,600	143%	20%
Total Assets	28,520	26,330	26,407	26,753	26,280	-8%	-2%
LIABILITIES:	897,389	908,546	895,203	923,128	978,649	9%	6%
Customer deposits	615,316	646,217	628,369	600,426	690,635	12%	15%
Deposits from banks	-	52	21521	80,361	3,286	n/a	-96%
Other liabilities	126,335	103,329	84,710	75,305	106,860	-15%	42%
Borrowings	25,093	26,933	24,321	25,634	33,103	32%	29%
Shareholders' funds	130,645	132,015	136,282	141,402	144,765	11%	2%
Liabilities and Shareholder Equity	897,389	908,546	895,203	923,128	978,649	9%	6%
Acceptances & Guarantees	164,406	121,081	144,042	144,892	138,826	-16%	-4%



Earnings Distribution

N'm	3Q12	1Q13	2Q13	3Q13	% Δ YoY	% Δ QoQ	9M 13
Commercial Banking Group							
• FCMB Ltd	2,661	3,451	4,353	2,962	11%	(32%)	10,766
• CDL	869	1,291	1,212	1,243	43%	3%	3,746
• FCMB UK	(57)	(23)	(22)	(15)	74%	34%	(60)
• Arab Gambia Islamic Bank	(4)	(15)	(16)	(26)	(539%)	(60%)	(57)
Investment Banking Group							
• FCMB CM	(3)	43	280	10	431%	(96%)	333
• CSL Stockbrokers	33	43	51	2	(95%)	(97%)	96
Holding Company	0	0	(1)	(109)	n/a	n/a	(110)
Held for sale/ Disposed of subsidiaries							
• City Securities Registrars	37	0	0	n/a	n/a	n/a	n/a
• FinHomes	838	n/a	n/a	n/a	n/a	n/a	n/a
• FinBank Insurance Co. Ltd	(16)	n/a	n/a	n/a	n/a	n/a	n/a
• FinBank Insurance Brokers Ltd	(29)	n/a	n/a	n/a	n/a	n/a	n/a
• FinBank Registrars	(6)	n/a	n/a	n/a	n/a	n/a	n/a
• FinBank Sec. & Asset Mgmt	17	33	(33)	n/a	n/a	n/a	n/a
• FinBank Capital	9	9	(9)	n/a	n/a	n/a	n/a
FCMB Group Plc	4,349	4,832	5,815	4,068	(6%)	(30%)	14,715



Introduction to FCMB Group Plc

Group Performance Review

Commercial Banking Group: Business Review – Mr. Ladi Balogun (GMD/ CEO, FCMB Ltd)

Investment Banking Group: Business Review

Risk Management Review

Outlook to YE 2013

Key Performance Indices (CBG):

Performance Index		3Q12	1Q13	2Q13	3Q13	%Δ YoY	%Δ QoQ	9M12	9M13	%Δ YoY
Operating	Return on Av. Equity	12.3%	12.5%	14.9%	11.0%	(10.6%)	(26.2%)	11.3%	12.8%	13.3%
	Return on Av. Assets	2.0%	1.9%	2.1%	1.5%	(25.0%)	(28.6%)	1.9%	1.8%	(5.3%)
	Loan/Deposit Ratio	59.0%	50.6%	64.8%	63.6%	7.8%	(1.9%)	59.0%	63.6%	7.7%
	Cost/Income Ratio	70.4%	72.8%	67.7%	72.8%	3.4%	7.6%	75.6%	71.1%	(6.0%)
	Net Interest Margin	7.6%	8.2%	8.4%	8.0%	5.1%	(4.5%)	7.1%	7.8%	9.3%
	NPL/Total Loans	4.9%	3.3%	3.6%	2.7%	(44.9%)	(25.0%)	5.0%	2.7%	(45.7%)
	Coverage Ratio	111.0%	70.8%	53.9%	55.2%	(50.3%)	2.4%	111.0%	55.2%	(50.3%)
	NII/Operating Income	32.2%	31.9%	33.7%	30.3%	(5.8%)	(10.0%)	31.8%	32.0%	0.4%
Capital & Liquidity	Capital Adequacy Ratio	22.0%	27.2%	21.0%	21.3%	(3.3%)	1.3%	21.7%	21.3%	(2.0%)
	Liquidity Ratio	56.1%	49.0%	49.3%	50.8%	(9.5%)	3.0%	56.1%	50.8%	(9.5%)
Others	Opex (N'B)	13.4	14.0	13.9	14.8	10.7%	6.6%	39.8	42.7	7.3%
	Risk Assets (net) (N'B)	363.2	329.0	389.2	439.2	20.9%	12.8%	363.2	439.2	20.9%
	Customer Deposits (N'B)	615.3	628.4	600.4	690.7	12.3%	15.0%	615.3	690.7	12.3%

Income Statement (CBG): Highlights

FCMB



N'm	3Q12	1Q13	2Q13	3Q13	%Δ		9M12	9M13	%Δ YoY
					YoY	QoQ			
Revenue	30,830	31,414	30,896	32,983	7%	7%	84,737	95,293	12%
Interest Income	24,041	25,090	23,753	26,479	10%	11%	66,347	75,323	14%
Interest Expense	(11,650)	(11,979)	(10,129)	(12,294)	6%	21%	(31,822)	(34,401)	8%
Net Interest Income	12,391	13,112	13,625	14,186	14%	4%	34,525	40,922	19%
Non Interest Income									
- Net Fees & Commissions	4,587	3,461	3,955	3,437	(25%)	(13%)	12,925	10,853	(16%)
- Trading Income	1,188	919	1,206	2,010	69%	67%	3,672	4,135	13%
- Others	727	1,759	1,750	732	1%	(58%)	1,603	4,240	164%
Operating Income	18,893	19,250	20,536	20,364	8%	(1%)	52,724	60,149	14%
Operating Expenses	(13,393)	(14,006)	(13,910)	(14,828)	11%	7%	(39,833)	(42,745)	7%
Impairment charge for losses /recoveries	(1280)	(411)	(1,226)	(1,371)	7%	12%	(704)	(3,009)	327%
Net gains/(losses) from fin. instruments at fair value	128	0	0	0	(100%)	n/a	(40)	0	(100%)
PBT	4,349	4,832	5,399	4,165	(4%)	(23%)	12,148	14,396	19%

Balance Sheet (CBG): Highlights

FCMB



N'm	3Q 12	4Q12	1Q13	2Q13	3Q13	% Δ YoY	% Δ QoQ
Cash & Balances with CBN	73,649	88,806	80,600	76,417	115,531	57%	51%
Loans and advances to banks	126,389	92,537	64,636	70,338	111,037	-12%	58%
Loans and advances	363,163	357,799	329,038	388,999	439,156	21%	13%
Non Pledged trading Assets	4,052	1,170	7,732	4,759	6,161	52%	29%
Investments	237,526	244,993	302,139	263,231	165,092	-30%	-37%
Assets pledged as collateral	26,079	40,794	31,070	39,280	55,594	113%	42%
Intangible assets ¹	18,833	11,895	11,848	6,422	6,427	-66%	0%
Deferred tax assets	4,102	4,938	4,938	4,758	4,758	16%	0%
Other assets	15,076	39,284	36,795	25,729	32,333	114%	26%
Fixed assets	28,520	26,330	26,407	26,686	26,200	-8%	-2%
Total Assets	897,389	908,546	895,203	906,619	962,289	7%	6%
LIABILITIES:							
Customer deposits	615,316	646,217	628,369	600,426	690,715	12%	15%
Deposits from banks	0	52	21,521	80,361	3,286	n/a	-96%
Other liabilities	126,335	103,329	84,710	73,730	105,275	-17%	43%
Borrowings	25,093	26,933	24,321	25,633	33,102	32%	29%
Shareholders' funds ²	130,645	132,015	136,282	126,469	129,911	-1%	3%
Liabilities and Shareholder Equity	897,389	908,546	895,203	906,619	962,289	7%	6%
Acceptances & Guarantees	164,406	121,081	144,042	144,892	138,826	-16%	-4%

Notes:

1. Intangible Assets dropped in 2Q13 due to goodwill on CSLs transferred to the holding company.

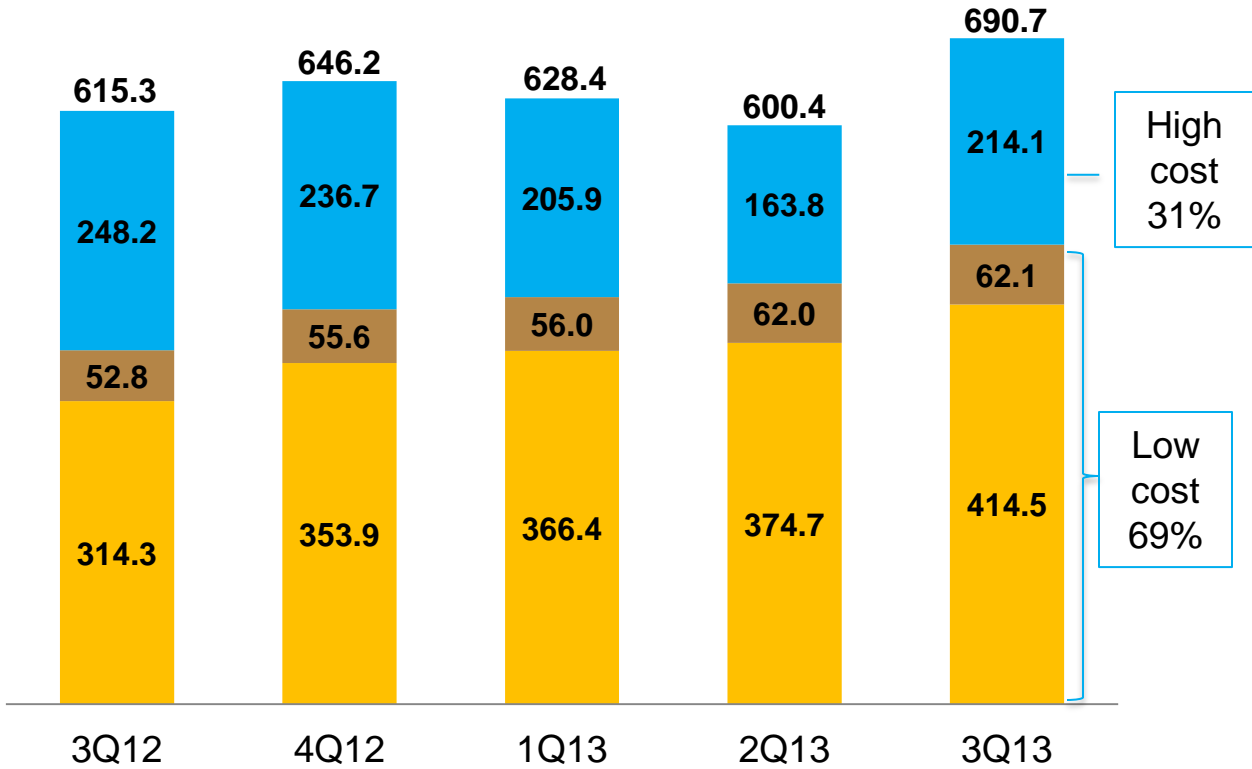
2. Drop in Shareholders Funds in 2Q13 due to transfer of Assets from Bank to Holding company.

Current and Savings Account Growth: 30% YoY & 9% QoQ



Deposit Mix Analysis

■ Current ■ Savings ■ Fixed



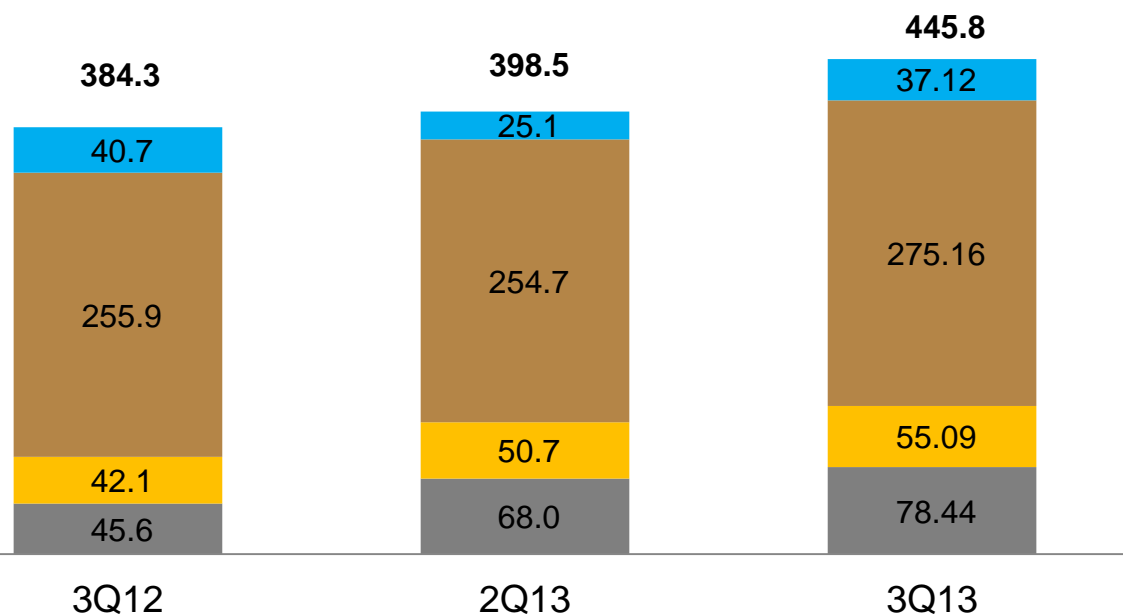
Comments

❖ Funding was improved in 3Q13, across both low cost and fixed deposit sources. Amounts were used to finance transactions, as well as provide additional stop-gap against CBN’s CRR debit.

Loan Distribution by Business Segment

■ Personal Banking ■ Business Banking
■ Corporate Banking ■ Institutional Banking

Loans per segment (N'bn)

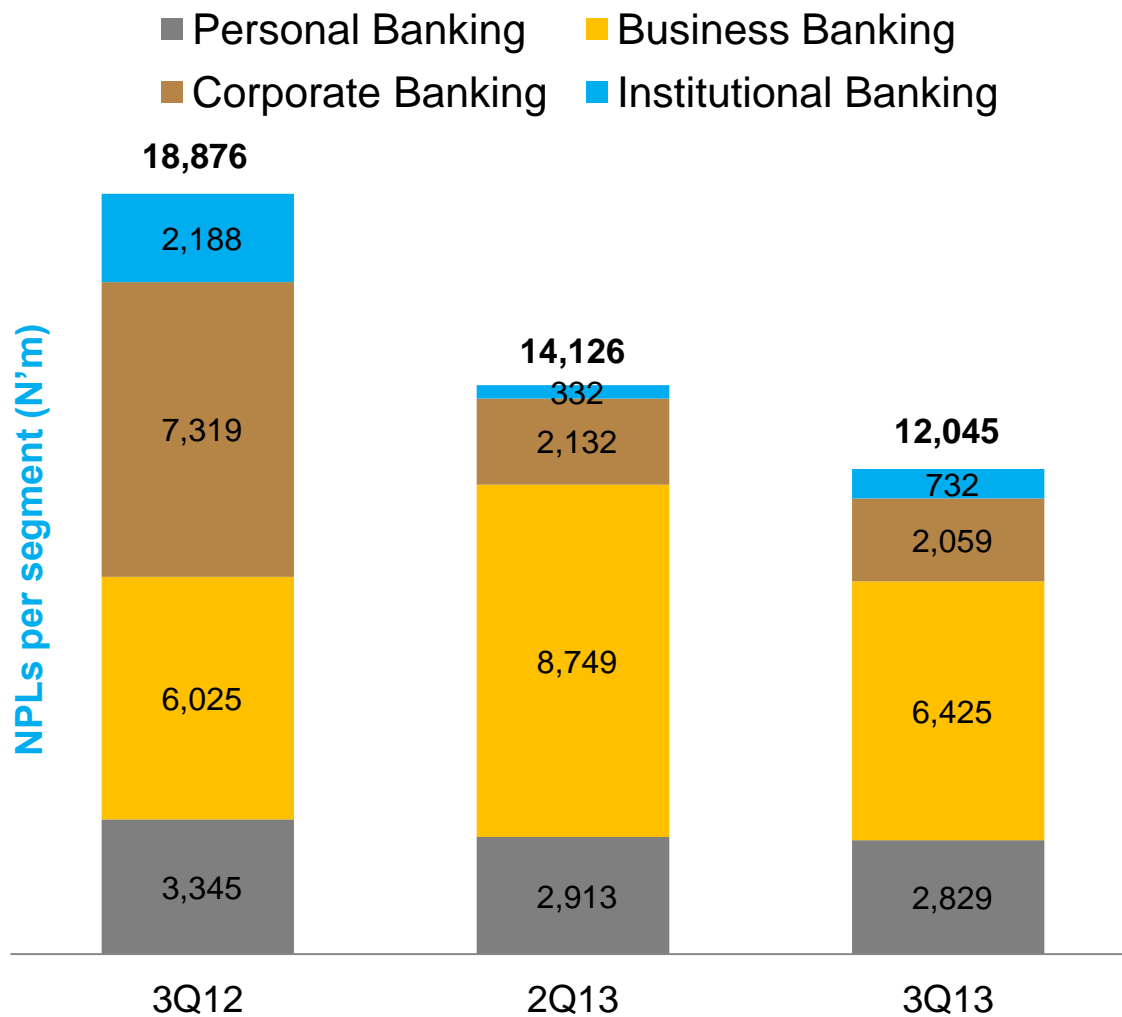


Comments

- ❖ The loan book further grew in the quarter by 2.7%, particularly in Power, Individual, Government, Oil and Gas Upstream and Telecomms sectors.
- ❖ Personal banking loan growth rate of 15.3% for the quarter is sustainable for future quarters and will have a positive impact on asset yields and interest margins.
- ❖ QoQ growth in Institutional banking came from public sector loans.

	% Δ YoY	% Δ QoQ
Personal	71.9%	15.3%
Business	30.8%	8.7%
Corporate	7.5%	8.0%
Institutional	(8.8%)	48.0%

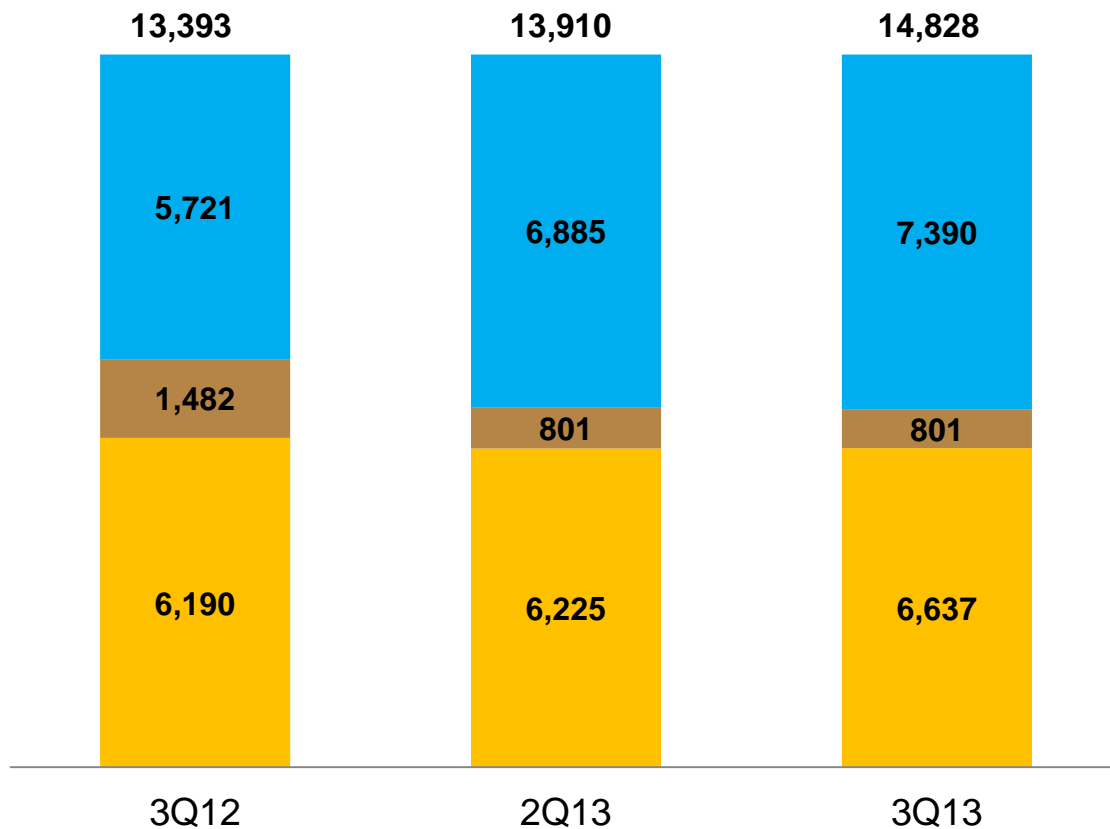
NPL Distribution by Business Segment



	% Δ YoY	% Δ QoQ
Personal	(15.4%)	(2.9%)
Business	6.7%	(26.6%)
Corporate	(71.9%)	(3.4%)
Institutional	(66.6%)	120.4%
Total	(36.2%)	(14.7%)

Opex Distribution by Expense Line

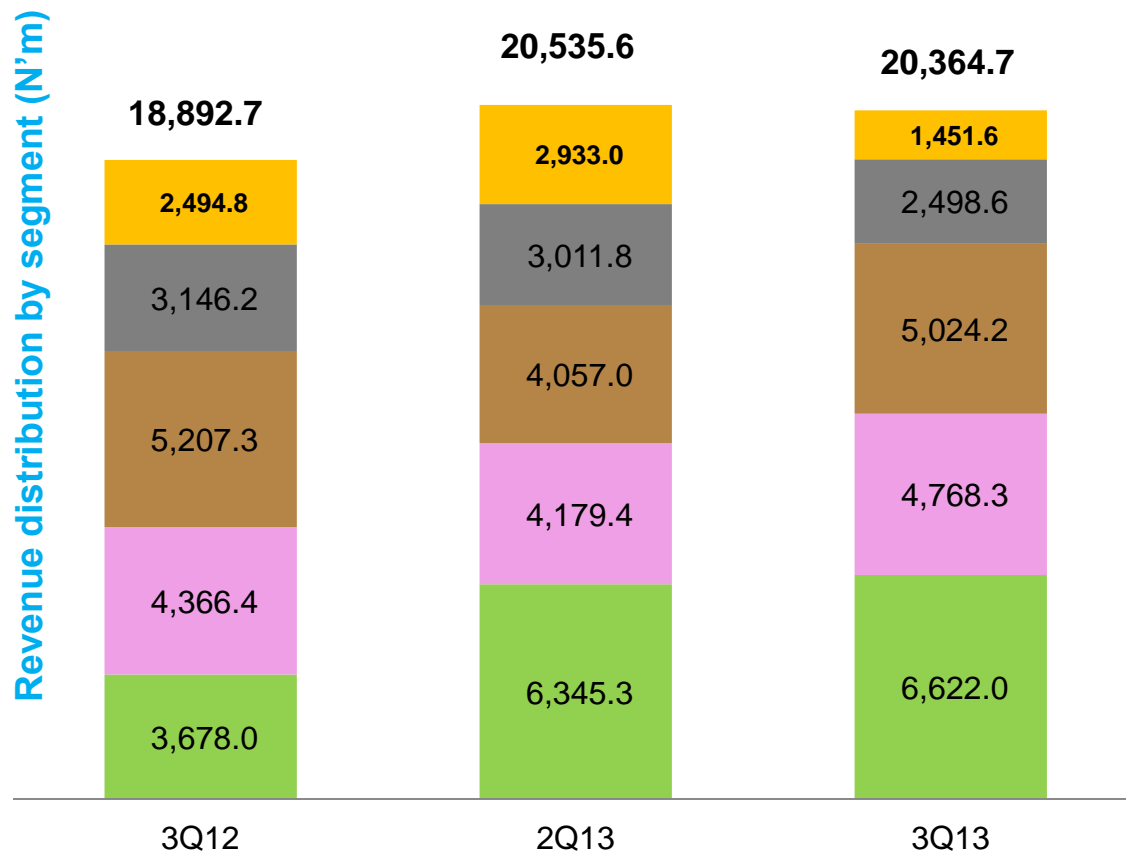
■ Personnel ■ Dep. & Amort. ■ Other Expenses



Expense Line	% Δ YoY	% Δ QoQ
Personnel expenses	7.2%	6.6%
Depreciation & amortisation expenses	(46.0%)	0.0%
Other expenses	29.2%	7.3%
Total	10.7%	6.6%

Revenue Distribution by Business Segment

- Personal Banking
- Business Banking
- Corporate & Commercial Banking
- Institutional Banking
- Treasury & Financial Markets



	% Δ YoY	% Δ QoQ	3Q13 % DISTR.
Personal	80.0%	4.2%	32.5%
Business	9.2%	14.1%	23.4%
Corporate	(3.5%)	23.8%	24.7%
Institutional	(20.6%)	(17.0%)	12.3%
Treasury & Financial Markets	(41.8%)	(50.5%)	7.1%
Total Gross Revenue	7.8%	(0.8%)	100.0%

Comments

- ❖ The QoQ and YoY decline in revenue from Institutional banking was due to the revised cash reserve requirements.



Other Highlights:

Personal Banking:

- ❖ Average monthly acquisition of 59,308 a/cs in 3Q13, against 36,303 a/cs monthly in 2Q13; Acquired 63,110 accounts in August (first time over 60,000 accounts);
- ❖ Average monthly disbursement of 20,029 loans in 3Q12 (peak of 23,528 loans in Sept);
- ❖ 4% increase in operating income, from N6.35 billion in 2Q13 to N6.62 billion in 3Q13;
- ❖ Loan book size crossed 235,000 loan customers in September 2013;
- ❖ N4.6 billion growth in low-cost deposits in 3Q13;
- ❖ **Outlook for 4Q13:**
 - Sustained asset momentum to close the year at > N80bn;
 - Continued growth in non interest income on the back of strong insurance and risk asset fees;
 - Increased focus on branch productivity should continue to drive low cost deposits volumes.

Business Banking:

- ❖ Account acquisition rate improved 67% in Q3 compared to 1Q13 and by 39% compared to 2Q13. Twenty-two clusters, activated in 3Q13, contributed to increased rate of account acquisition;
- ❖ FCMB Online (Business Version) successfully launched in September;
- ❖ Non COT current account products being developed to replace existing products in anticipation of withdrawal of COT;
- ❖ Achieved monthly account acquisition of about 2,400 with target of 3,000 accounts monthly by year end;
- ❖ Net revenue growth of 26.7% and 27.0% from 1Q13 and 2Q13, respectively. Momentum to be improved through better positioning the business around SMEs

Other Highlights (*continued*)

Corporate Banking:

Some key accomplishments in 3Q13 included:

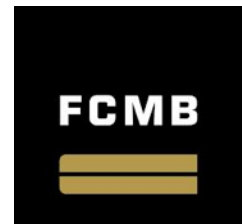
- ❖ Bilateral sign-up of four Telecomms and Power companies;
- ❖ Re-financed oil-rig acquisition (US\$50m);
- ❖ Loan Syndication (US\$65m) to three major Telecomms and Power companies;
- ❖ Participated in loan syndication (US40m) to acquire three privatised power assets;
- ❖ Improved wallet share of corporate clients; introduced distributor finance offerings as well as e-cash management solutions to mobilise low cost deposits and improve LDR;
- ❖ Tighter loan underwriting criteria and portfolio monitoring, resulted in declining NPL and cost of risks, currently at 0.7% and 0.2%, respectively.

Outlook to YE 2013:

- ❖ Aggressive deployment of electronic cash management solutions and trading propositions. Effectively executed, will boost non-interest income and improve NIM (low cost funds mobilisation).

Institutional Banking:

- ❖ Deposit growth of ~8% QoQ, and expected to be sustained in 4Q13;
- ❖ Non-interest income growth of ~15% QoQ, from N433m in 2Q13 to N525m in 3Q13. Growth expected to be sustained in 4Q13 with cash management propositions, payroll offerings and increased focus on contractor segment;
- ❖ Cost of funds in the segment continues to decline; dropped ~50BPS (or 20%) over 2Q13;
- ❖ Operating expenses continues to drop - N1.1bn in 1Q13 vs. N0.93bn in 3Q13. Expected to further drop in 4Q13 due to efficiency gains.



Introduction to FCMB Group Plc

Group Performance Review

Commercial Banking Group: Business Review

Investment Banking Group: Business Review – Mr. Tolu Osinibi (ED, FCMB Capital Markets Ltd)

Risk Management Review

Outlook to YE 2013

Investment Banking Group Review

Investment Banking Group (IBG) comprises of FCMB Capital Markets Ltd. and CSL Stockbrokers Ltd.

Investment Banking Group	3Q12	1Q13	2Q13	3Q13	% Δ YoY	% Δ QoQ
N'm						
Gross earnings	364	381	605	357	-2%	-41%
Net Interest Income	73	70	69	64	-11%	-6%
Non Interest Income	291	311	536	293	1%	-45%
Operating Income	364	381	605	357	-2%	-41%
Expenses	(266)	(276)	(299)	(367)	38%	23%
Net Impairment Charges	(25)	(18)	25	22	-188%	-13%
PBT	73	86	331	12	-84%	-96%
CIR	80%	77%	45%	97%	21%	114%



Overview of Investment Banking Group

Investment Banking Group:

- ❖ Appointed co-lead manager for the planned IPO and listing on the London Stock Exchange (LSE) and Nigerian Stock Exchange (NSE) of a leading Nigerian upstream oil & gas company. Post the IPO, the firm will rank amongst the most capitalised companies on the NSE;
- ❖ Financial adviser to a shortlisted bidder for OMLs 52, 53 and 55;
- ❖ Joint issuing house to the first Islamic bond issued in Nigeria, the N10 billion Sukuk bond for the State of Osun;
- ❖ Co-arranger for a US\$120 million debt finance facility for the acquisition of a power-generating company;
- ❖ Maintained position of 3rd largest broker, in terms of volumes traded;
- ❖ Mandated as broker to issue on four capital raising deals;
- ❖ Renewed corporate broking mandate for one of the largest listed consumer names.

Outlook to Year-End (YE) 2013:

- ❖ Capital raising: In excess of 20 ongoing capital raising transactions with an aggregate value of about N588bn
 - Equity Capital Markets – N55bn
 - Debt Capital Markets – N110bn
 - Project & Structured Finance – N423bn

We estimate transactions with aggregate global value of N200bn, should close by YE 2013, resulting in stronger H2 pre-tax earnings compared to H1 2013.



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Risk Management Review – Mr. Bayo Sanni (Chief Risk Officer, FCMB Ltd)

Outlook to YE 2013

Gross Loan Distribution by Sector (N'm)

Industry Sector	3Q12	4Q12	1Q13	2Q13	NPL%	3Q'13	% DISTR.	NPL%	Comments
AGRICULTURE	16,720	13,655	12,826	34,106	0.4%	17,931	4.0%	0.6%	❖ Key drivers of loan growth have been in Power, Oil & Gas Upstream, Telecomms Government and Individual sectors.
COMMERCE	50,903	52,382	52,461	55,602	11.8%	45,880	10.3%	12.0%	
CONSTRUCTION	9,656	7,445	5,444	8,219	4.9%	8,198	1.8%	7.0%	
EDUCATION	4,572	4,598	4,514	4,603	9.5%	4,810	1.1%	4.3%	
FINANCE & INSURANCE	13,608	13,824	8,109	6,091	5.6%	9,667	2.2%	1.0%	
GENERAL – OTHERS	5,190	5,014	4,713	6,750	3.0%	8,383	1.9%	4.0%	
GOVERNMENT	36,511	28,702	25,987	23,123	0.2%	34,876	7.8%	0.4%	
INDIVIDUAL	45,238	49,012	55,478	68,274	4.2%	78,769	17.7%	3.6%	
MANUFACTURING	27,885	27,390	28,436	27,329	0.4%	32,418	7.3%	0.5%	
OIL&GAS-DOWNSTREAM	67,814	67,339	41,761	45,401	3.6%	40,671	9.1%	3.8%	
OIL&GAS-UPSTREAM&SERVICES	25,247	40,704	42,786	49,185	0.0%	64,944	14.6%	0.0%	
POWER & ENERGY	4,840	4,609	4,369	6,164	0.1%	24,038	5.4%	0.0%	
PROFESSIONAL SERVICES	1,586.43	774.34	592.16	1,822	6.2%	2,101	0.5%	6.1%	
REAL ESTATE	30,621	25,323	24,221	33,921	3.5%	33,849	7.6%	1.0%	
TELECOMMS	42,730	21,637	21,765	25,165	0.0%	32,596	7.3%	0.0%	
TRANSPORTATION & LOGISTICS	1,193	1,566	2,496	2,775	3.1%	6,670	1.5%	0.6%	
	384,314	363,974	335,958	398,528	3.6%	445,803	100.0%	2.7%	

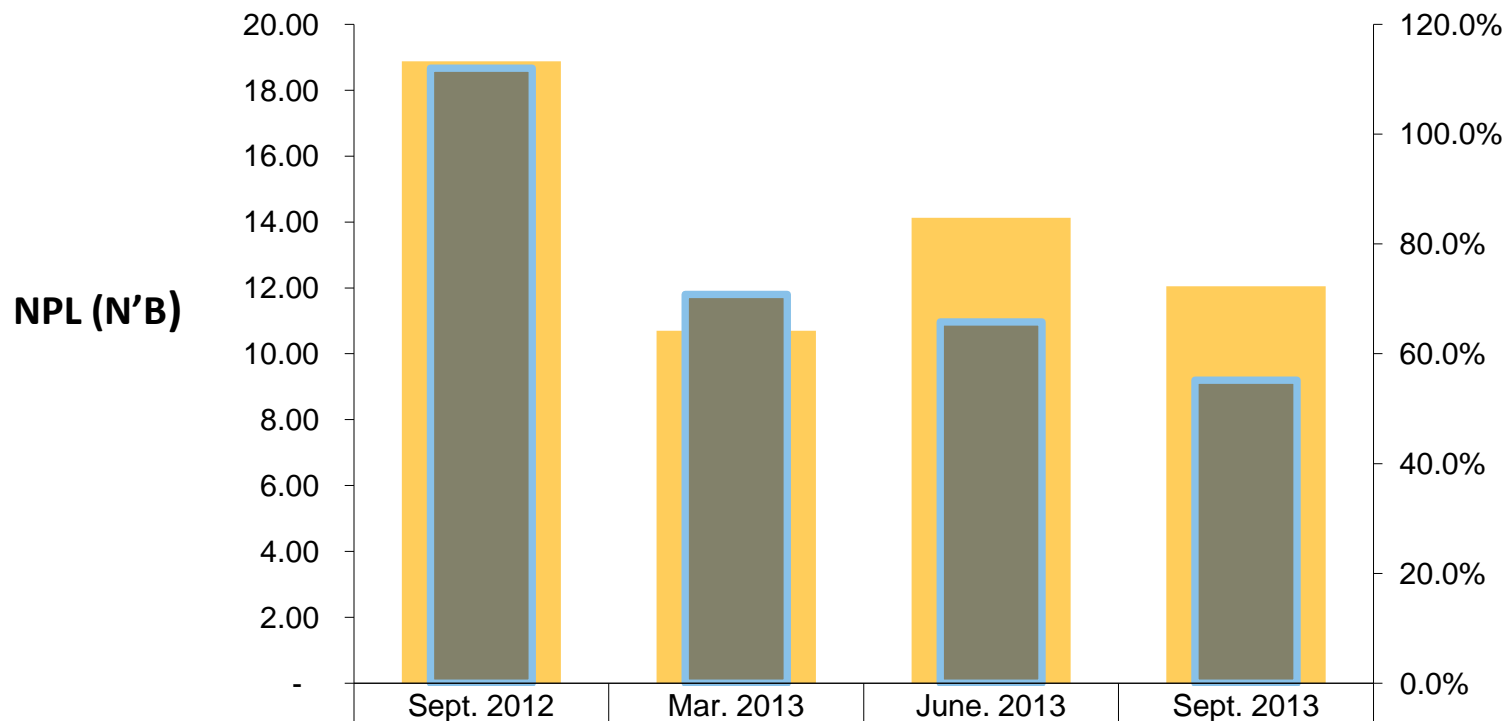
Consumer loan origination gathering momentum

Risk Assets by Segment Sept. 2012 – Sept. 2013

	Sept. 2012	% Distr.	Mar. 2013	% Distr.	June. 2013	% Distr.	Sept. 2013	% Distr.
Individual Banking	45.62	11.9%	55.45	16.5%	68.00	17.1%	78.44	17.6%
Business Banking	42.10	11.0%	43.46	12.9%	50.70	12.7%	55.09	12.4%
Corporate & Commercial Banking	255.90	66.6%	209.56	62.4%	254.72	63.9%	275.16	61.7%
Institutional Banking	40.70	10.6%	27.48	8.2%	25.08	6.3%	37.12	8.3%
	384.31	100%	335.95	100%	398.50	100%	445.80	100%

NPL dropping; coverage remains reasonable

Coverage Ratio Analysis: Sept 2012 – Sept 2013



■ Non Performing Loans (N'B)	18.88	10.70	14.13	12.04
■ Provision Coverage Ratio (%)	112.0%	70.8%	65.8%	55.2%

■ Non Performing Loans (N'B) ■ Provision Coverage Ratio (%)



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Risk Management Review

Outlook to YE 2013 – Mr. Peter Obaseki (Managing Director, FCMB Group Plc)



Outlook to YE 2013

- ❖ 4Q13 will be challenged by the following factors:
 - Marginal increase in cost of risk;
 - Continued pressure on fees and commissions;
 - Continued impact of cash reserve debit.

- ❖ However, quarterly earnings momentum should resume as a result of the following:
 - Improved money market conditions compared to 3Q13;
 - Continued low-cost deposit growth and retail loan growth;
 - Strong fee income from investment banking.