



FY 2018



INVESTORS & ANALYSTS PRESENTATION
2 APRIL 2019



AUM	Assets Under Management
CAR	Capital Adequacy Ratio
CIR	Cost to Income Ratio
CRB	Commercial & Retail Banking
CRR	Cash Reserve Ratio
FCAM	First City Asset Management Ltd
FCMB CM	FCMB Capital Markets Ltd
FCY	Foreign Currency
FX	Foreign Exchange
LCY	Local Currency
N/A	Not Applicable/ Not Available
NII	Non Interest Income

NIM	Net Interest Margin
NPL	Non Performing Loan
OPEX	Operating Expenditure
PAT	Profit After Tax
PBT	Profit Before Tax
QoQ	Quarter-on-Quarter
ROA	Return on Average Assets
ROE	Return on Average Equity
SME	Small & Medium Enterprises
YoY	Year-on-Year
YTD	Year to Date

FCMB

AGENDA

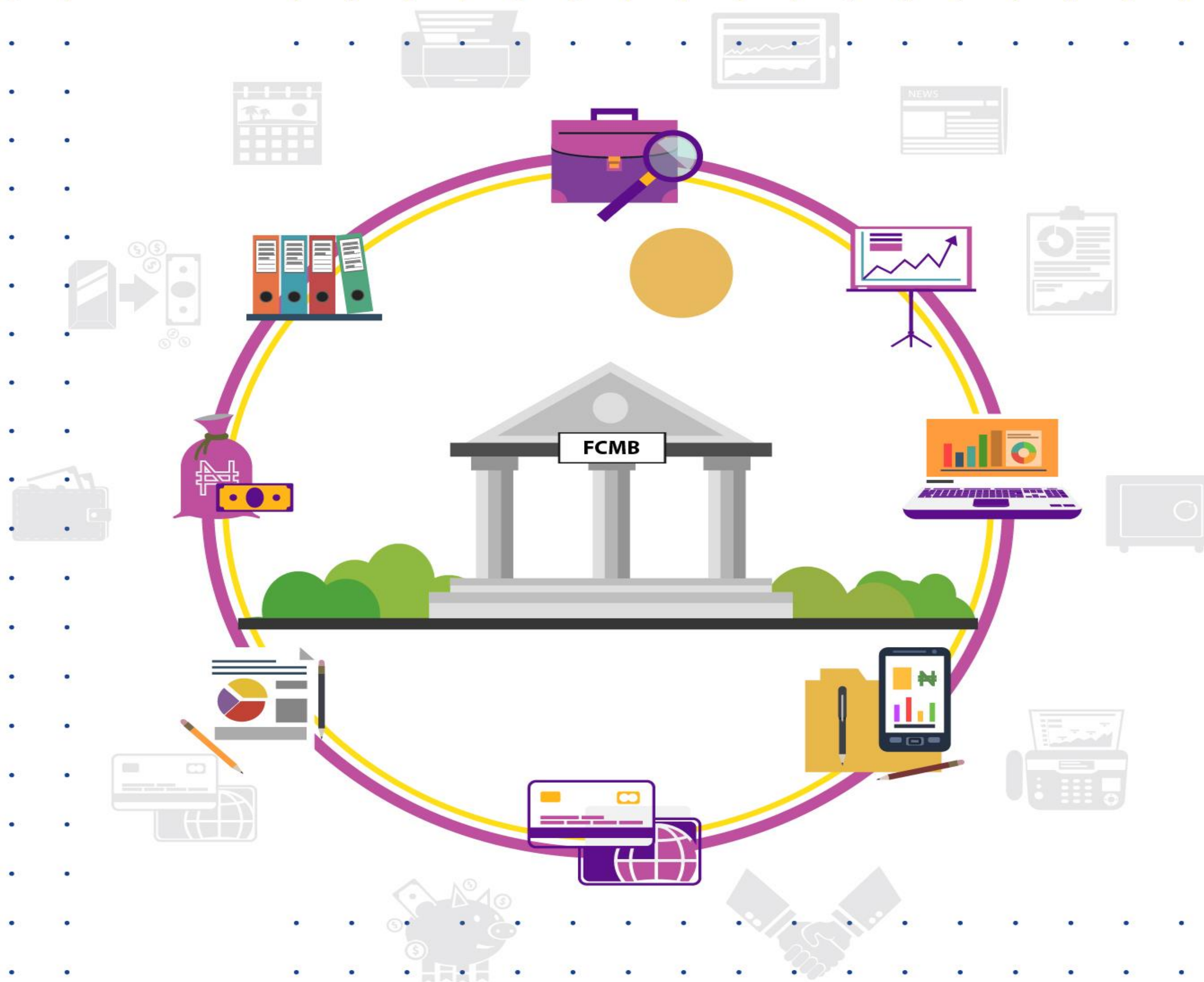
Introduction

FY 2018 Results Overview

Group Performance Review:

- Commercial & Retail Banking
 - Performance Review
 - Risk Management Review
- Asset & Wealth Management
- Investment Banking

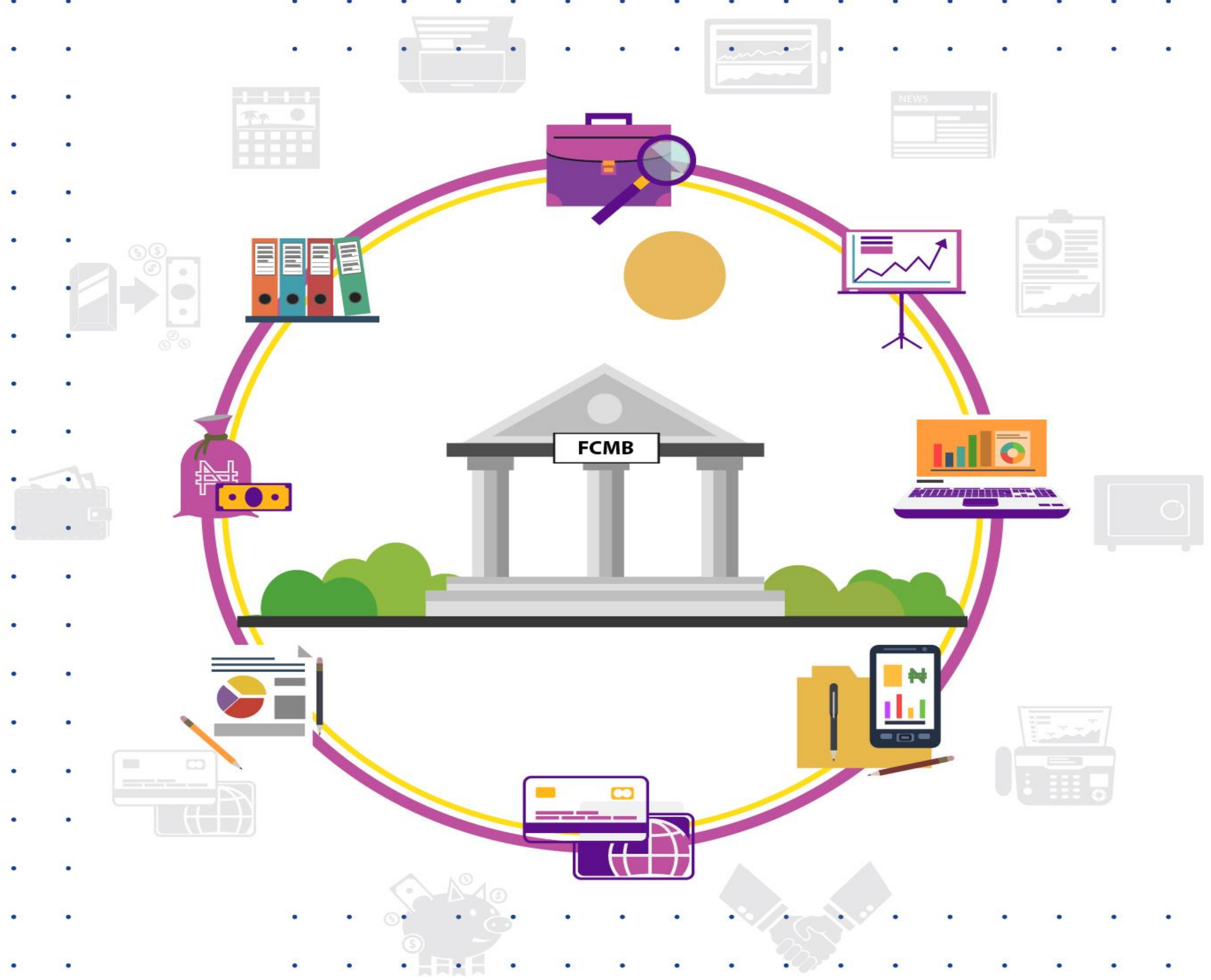
Looking Ahead





Introduction: FCMB Group Plc

Mr. Ladi Balogun
Group Chief Executive: FCMB Group Plc





Strategic Themes

01

Building Resilience:

- ❖ Strengthening Liquidity (50.4% for FY18 vs. 36.6% for FY17).
- ❖ Capital Adequacy Ratio stood at 15.9% as at FY18 vs. 16.9% as at FY17, due to adoption of IFRS 9, but will resume growth in 1Q19 and through 2019 via retained earnings and a tier 2 raise.

02

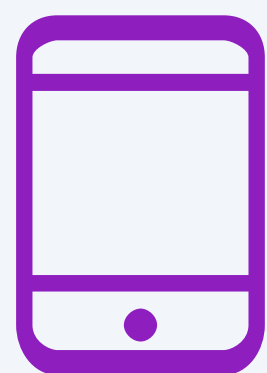
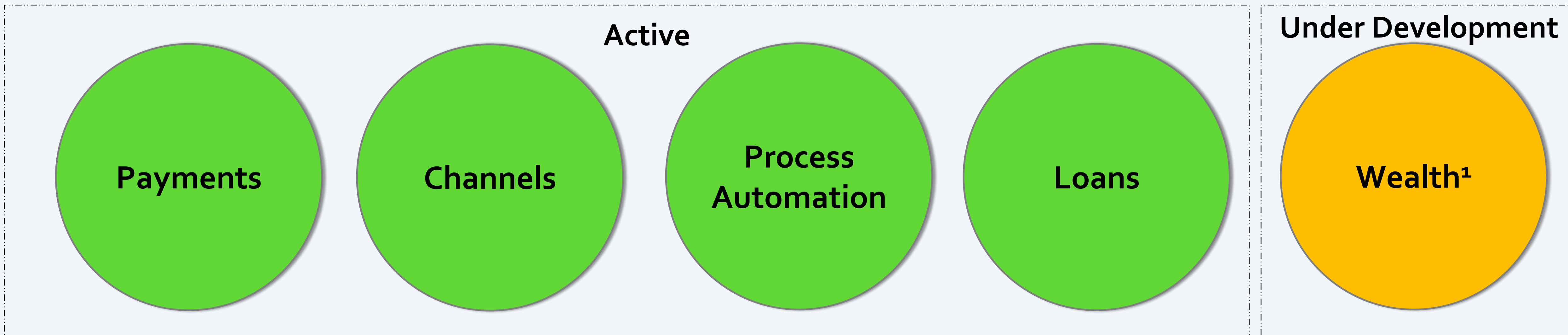
Diversification:

- ❖ **Geography:** UK and Nigeria. FCMB UK is growing profitably - through FI lending/trade finance across 8 African countries - recording a YoY profit growth of 42% from N363m to N515m for FY18.
- ❖ **Currency:** 54% of loans and around 42% of capital is in FCY.
- ❖ **Customers:** Customer growth 5% QoQ to 4.9 million as at December 2018.
- ❖ **Products/Business:** Retail, commercial, investment banking and asset management all contributing to earnings, with Asset management now accounting for 10% of group profit.

03

Innovation:

- ❖ Drive customer acquisition via branches, mobile, agency and internet. Target is 1.05m new customers in 2019, up from c. 800,000 in 2018.
- ❖ Ramp up agency banking. 2019 plan is to have 16,500 agents (1,500 FCMB agents and 15,000 additional through partnerships and collaborations).
- ❖ Increasing revenue per customer by leveraging group cross sell capabilities (payments, lending, wealth).
- ❖ Partnering effectively with established and emerging technology companies to grow innovation pipeline.



Digital Financial Services

Focal Areas

Result:

- ❖ Better Unit Economics (cost to serve & cost to acquire)
- ❖ More Customers
- ❖ CASA Growth
- ❖ Improved Fees & Commissions

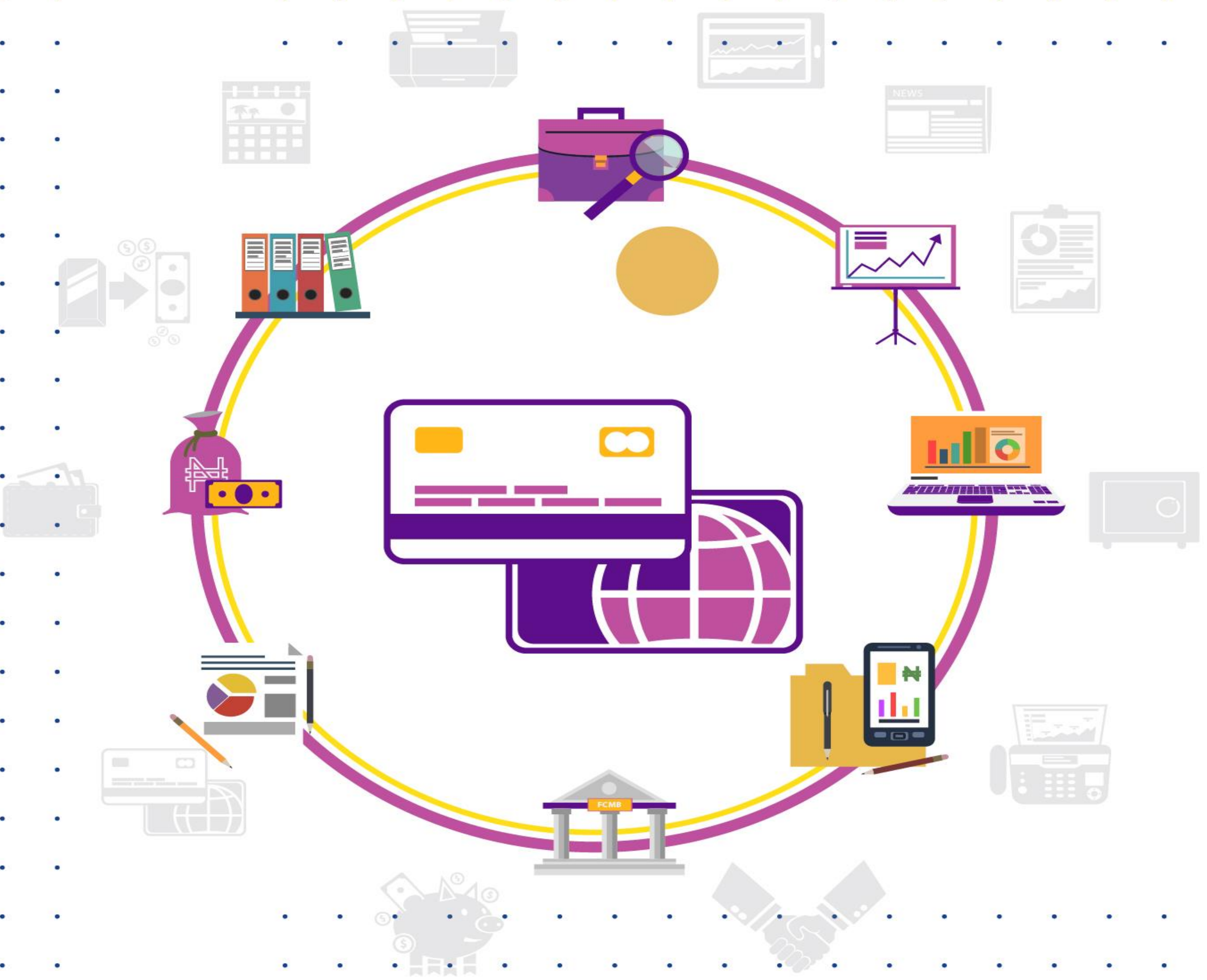
Note:

1. We'll be launching our digital wealth proposition by the end of HY19



FY18 Results Overview: FCMB Group Plc

Mr. Kayode Adewuyi
Chief Financial Officer: FCMB Group Plc





Group Performance Highlights

ROaE and ROaA improved significantly YoY, driven by growth in Non-Interest Income and improved Cost of Risk. Increase in NPL is adequately covered under IFRS 9

Note:

1. Inclusive of regulatory risk reserve.

Performance Index		1Q18	2Q18	3Q18	4Q18	%Δ QoQ	FY17	FY18	%Δ YoY
Operating	Return on Average Equity	5.7%	6.9%	12.1%	7.8%	-35.9%	4.7%	8.1%	71.4%
	Return on Average Assets	0.8%	1.0%	1.8%	1.1%	-38.7%	0.7%	1.1%	56.7%
	Loan/Deposit Ratio	79.7%	81.2%	79.6%	77.0%	-3.2%	94.2%	77.0%	-18.2%
	Loan/Funding Ratio	61.1%	60.9%	60.9%	60.7%	-0.31%	72.5%	60.7%	-16.3%
	Cost/Income Ratio	68.6%	75.7%	56.6%	86.4%	52.7%	67.8%	70.7%	4.2%
	Net Interest Margin	7.5%	7.9%	7.8%	8.1%	3.3%	8.3%	7.6%	-7.8%
	NPL/Total Loans	5.3%	5.7%	5.1%	5.9%	15.4%	4.9%	5.9%	19.9%
	Coverage Ratio ¹	135.7%	148.5%	145.3%	120.5%	-17.1%	120.6%	120.5%	-0.1%
	NII/Operating Income	31.2%	32.6%	47.9%	25.2%	-47.3%	31.2%	35.3%	13.0%
	Financial Leverage	6.7	6.6	6.7	7.1	4.7%	6.5	7.1	9.4%
Cost of Risk	2.8%	0.8%	1.3%	0.6%	-50.1%	3.1%	1.3%	-57.6%	
Capital & Liquidity	Capital Adequacy Ratio	18.1%	17.3%	17.05%	15.9%	-6.7%	16.9%	15.9%	-5.8%
	Liquidity Ratio	46.6%	40.6%	50.5%	50.4%	-0.3%	36.6%	50.4%	37.6%
Investment	Share Price	2.38	2.18	1.70	1.89	11.2%	1.48	1.89	27.7%
	NAV(N'B)	176.5	177.0	178.9	183.4	2.5%	187.5	183.4	-2.2%
	Dividend (Kobo)	0	0	0	14	n/a	10	14	40.0%
	EPS (Kobo)	13	16	28	18	-35.7%	43	75	72.8%
Others	Opex (N'B)	17.7	19.7	19.5	22.3	14.5%	69.5	79.2	13.9%
	Risk Assets (net) (N'B)	595.8	586.0	601.9	633.0	5.2%	649.8	633.0	-2.6%
	Customer Deposits (N'B)	747.7	721.3	755.9	821.7	8.7%	689.9	821.7	19.1%



FCMB's Operating Companies' Contribution to Profitability:

N'm	PBT	PAT	Size of revenue	ROAE	NAV	% Contribution to Group PBT
<i>Commercial & Retail Banking Group</i> ¹	15,405	12,586	169,738	7.3%	165,846	84%
<i>Asset & Wealth Management Group</i> ²	1,780	1,286	3,905	30.6%	4,025	10%
<i>Investment Banking Group</i> ³	537	504	2,033	14.9%	3,560	3%
<i>FCMB Group Plc (Separate)</i>	3,676	3,552	4,808	n/a	131,106	20%
FCMB Group Plc (consolidated)	18,442	14,972	177,249	8.1%	183,427	100%

Commercial & Retail Banking continues to be as dominant contributor. However, ROaE remained strong in Asset & Wealth Management

- Notes:
1. Includes FCMB Bank Ltd (and its subsidiary, FCMB (UK) Ltd); FCMB Microfinance Bank Ltd, Credit Direct Ltd.
 2. Includes Legacy Pension Managers; FCAM and CSL Trustees Ltd.
 3. Includes CSL Stockbrokers (ex FCAM) and FCMB Capital Markets Ltd.



Group Statements of Comprehensive Income

PBT grew YoY by 73% driven by growth in commissions and fees and reduction in Impairment Charges. However, OPEX increased QoQ and YoY due to increase in AMCON charges, litigation provisions, brand awareness and expenses on alternate channels development

N'm	1Q18	2Q18	3Q18	4Q18	%Δ QoQ	FY17 Restated	FY18	%Δ YoY
Revenue	42,171	41,753	48,950	44,374	-9.3%	169,882	177,249	4.3%
Interest Income	32,649	31,661	31,107	36,246	16.5%	132,357	131,663	-0.5%
Interest Expense	-14,898	-14,143	-13,141	-16,908	28.7%	-61,832	-59,090	-4.4%
Net Interest Income	17,751	17,518	17,966	19,338	7.6%	70,525	72,573	2.9%
Non Interest Income	8,058	8,479	16,492	6,523	-60.4%	32,006	39,552	23.6%
- Net Fees & Commissions	4,788	5,146	5,526	6,147	11.2%	16,222	21,607	33.2%
- Trading Income	1,754	565	2,262	1,612	-28.7%	2,399	6,194	158.2%
- FX Income	941	2,001	7,448	-1,056	-114.2%	8,723	9,334	7.0%
- Others	576	767	1,255	-180	-114.4%	4,661	2,418	-48.1%
Operating Income	25,810	25,997	34,458	25,862	-24.9%	102,531	112,126	9.4%
Operating Expenses	-17,700	-19,668	-19,501	-22,354	14.6%	-69,537	-79,224	13.9%
Net impairment loss on financial assets	-4,853	-2,480	-7,294	514	-107.0%	-22,668	-14,113	-37.7%
Net gains/(losses) from fin. instruments at fair value	-	-	-	-346	n/a	112	-346	-409.1%
Share of Post tax result of Associate	-	-	-	-	0.0%	227	-	-100.0%
PBT	3,256	3,848	7,662	3,675	-52.0%	10,665	18,442	72.9%
PAT	2,586	3,140	5,615	3,630	-35.4%	8,613	14,972	73.8%



FY18 Results Overview



Group Statements of Financial Position

Total assets grew QoQ and YoY driven mainly by 19% YoY growth in deposits, while QoQ loan growth is largely due to target growth in some focused sectors

N'm	Dec.2017	Mar. 2018	June. 2018	Sept. 2018	Dec. 2018	% Δ QoQ	% Δ YoY
Cash and cash equivalents	103,888	172,785	136,340	154,849	185,148	19.6%	78.2%
Restricted reserve deposits	109,639	118,710	128,096	134,081	146,497	9.3%	33.6%
Loans and advances	649,797	595,823	585,982	601,852	633,035	5.2%	-2.6%
Derivative assets held	346	-	-	-	11	n/a	-97.0%
Non Pledged trading assets	23,936	32,600	28,466	41,086	47,469	15.5%	98.3%
Investments	153,429	190,340	201,526	203,300	235,922	16.0%	53.8%
Assets pledged as collateral	61,330	57,496	62,951	70,334	87,410	24.3%	42.5%
Intangible assets	14,921	14,797	14,959	15,295	15,321	0.2%	2.7%
Deferred tax assets	8,234	8,234	8,234	8,259	7,945	-3.8%	-3.5%
Other assets	27,604	34,796	27,598	30,611	35,260	15.2%	27.7%
Fixed assets	33,402	33,333	34,433	35,357	37,282	5.4%	11.6%
Total Assets	1,186,525	1,258,914	1,228,584	1,295,024	1,431,298	10.5%	20.6%
LIABILITIES:							
Trading Liabilities	21,617	24,840	9,682	27,671	32,475	17.4%	50.2%
Derivative liabilities held	346	-	-	-	11	n/a	-97.0%
Customer deposits	689,861	747,694	721,286	755,891	821,747	8.7%	19.1%
Deposits from banks	6,355	14,487	34,900	28,708	39,140	36.3%	515.9%
Other liabilities	74,224	82,689	79,764	99,841	133,226	33.4%	79.5%
Borrowings	109,435	109,830	97,595	95,595	108,732	13.7%	-0.6%
On-lending facilities	42,534	46,054	53,561	51,762	57,889	11.8%	36.1%
Debt securities issued	54,692	56,788	54,781	56,613	54,651	-3.5%	-0.1%
Shareholders' funds	187,462	176,532	177,014	178,942	183,427	2.5%	-2.2%
Liabilities and Shareholder Equity	1,186,525	1,258,914	1,228,584	1,295,024	1,431,298	10.5%	20.6%
Acceptances & Guarantees	167,211	174,340	209,786	181,073	234,931	29.7%	40.5%

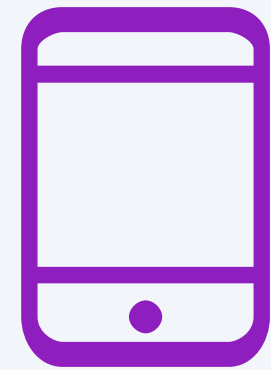


Group Performance Review: Commercial & Retail Banking

Mr. Adam Nuru
Managing Director: FCMB Ltd



We witnessed good growth in our alternate channels and will continue to focus on improving our service and distribution, leveraging on technology and collaborations while developing products, platforms and solutions to support our chosen segments.

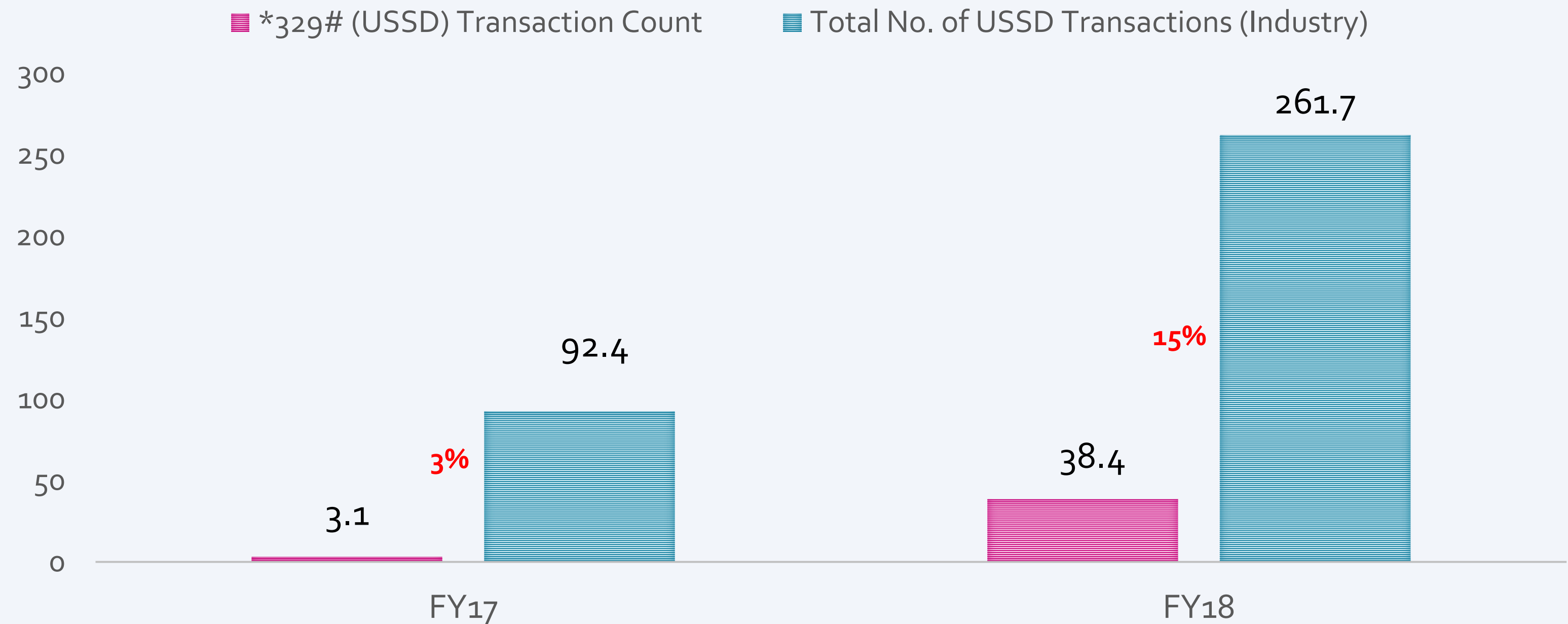


Digital Financial Services

Growth Rate of our USSD Offering

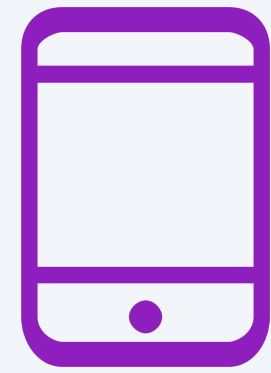
We're growing a more comprehensive digital offering

***329# USSD TRANSACTION COUNT VS. TOTAL NO. USSD TRANSACTIONS (INDUSTRY)¹ ('M) - YOY**



Note:

1. Source: NIBBS' 2018 Interbank Instant Payments Annual Report

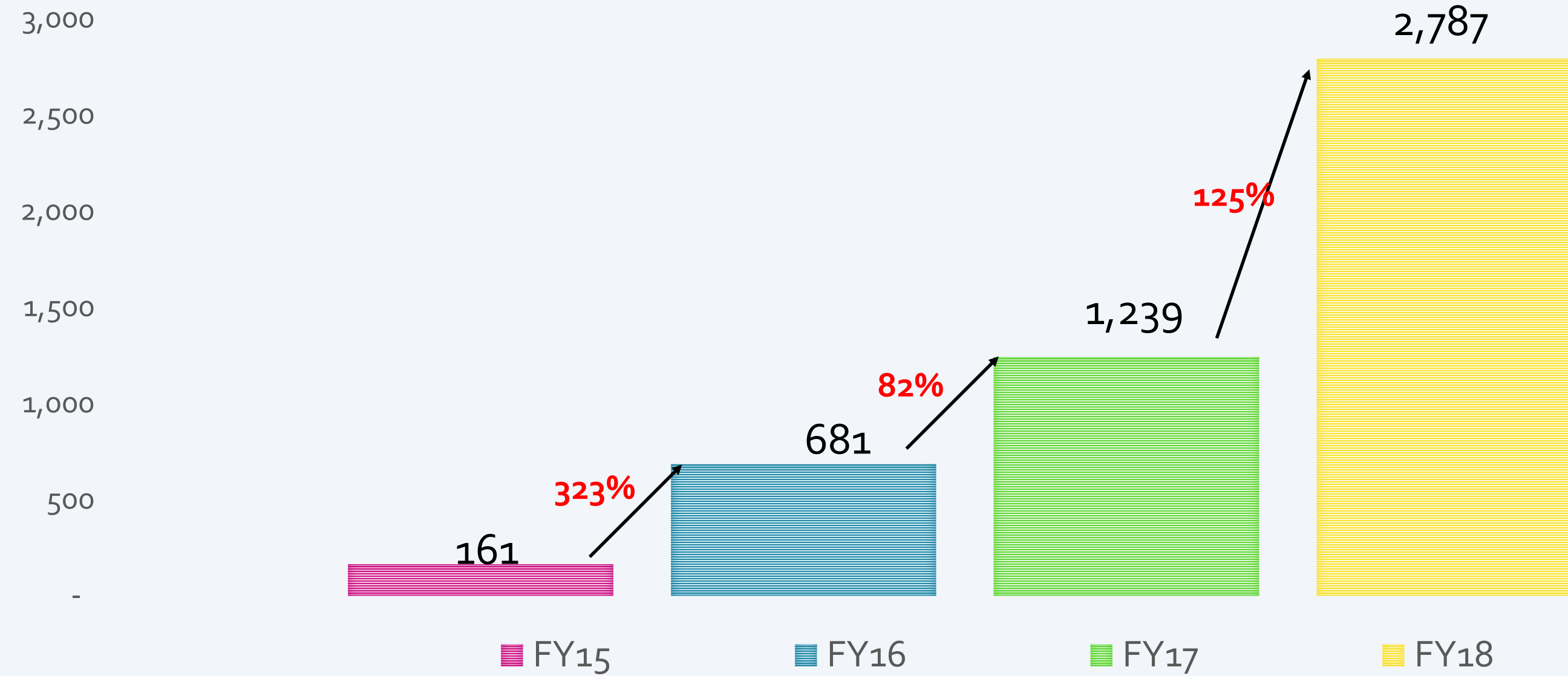


Digital Financial Services

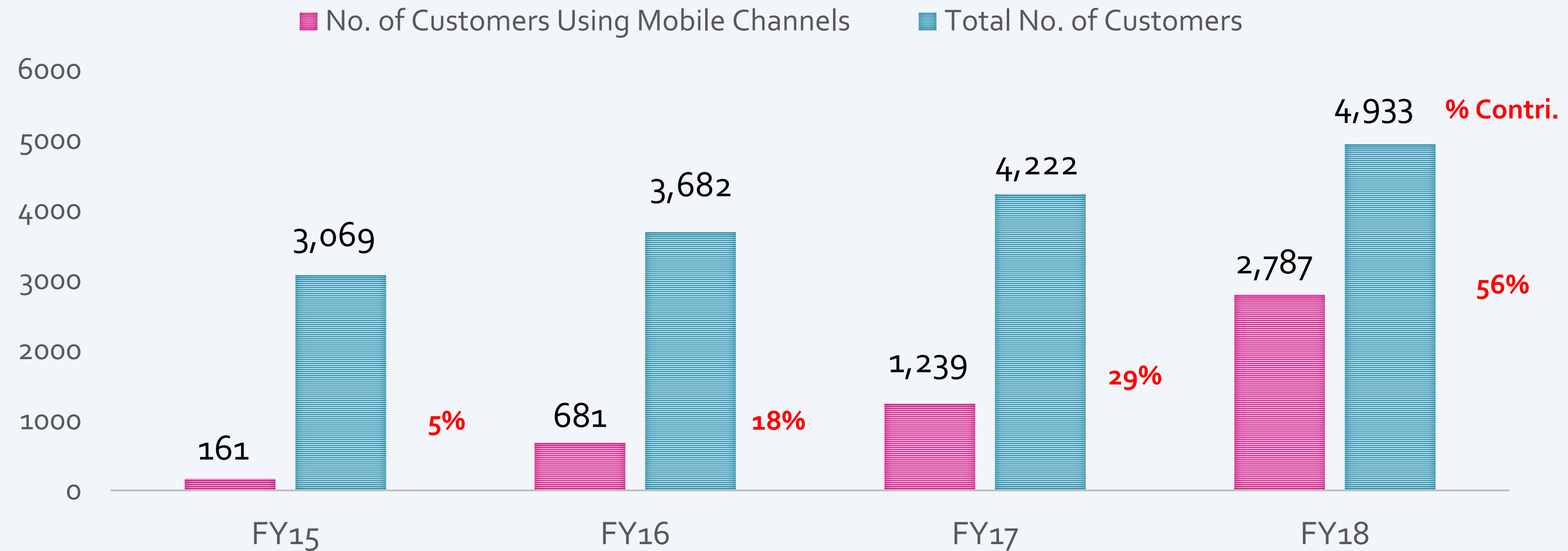
Mobile Customers Analysis

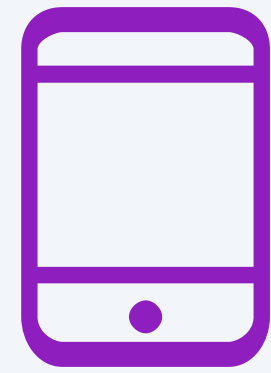
Strong Customer Acquisition and migration to digital channels for transactional purposes and increased cost savings

CUSTOMERS USING MOBILE CHANNELS ('000) - YOY



CUSTOMERS USING MOBILE CHANNELS VS. TOTAL NO. OF CUSTOMERS ('000) - YOY



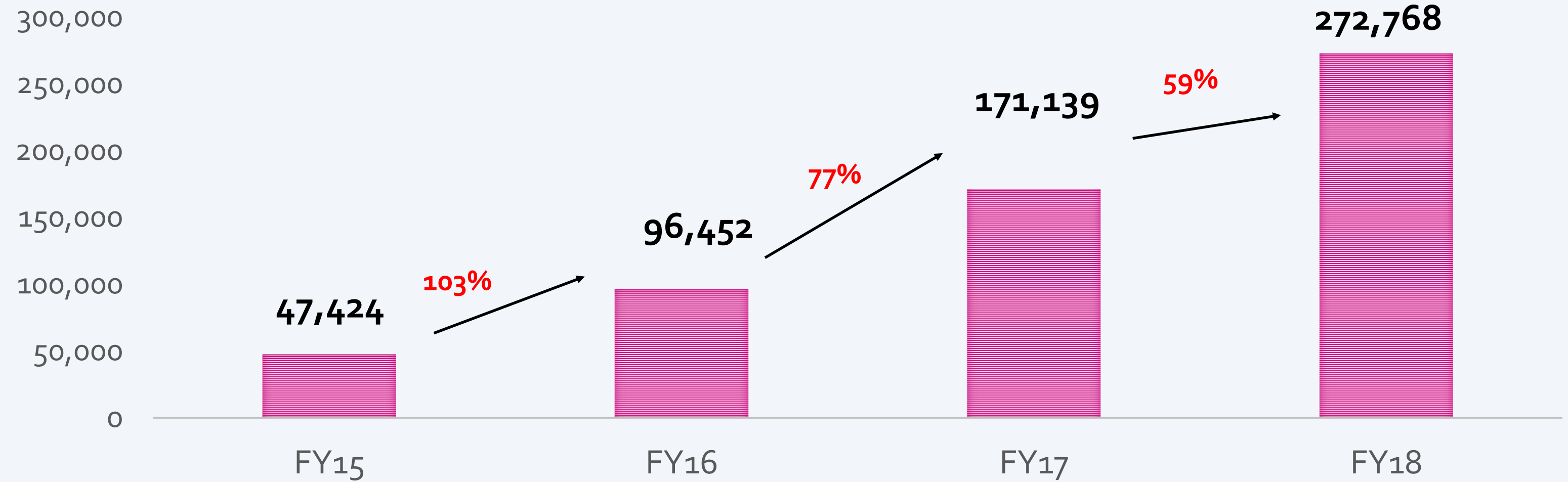


Digital Financial Services

POS Transactions Analysis

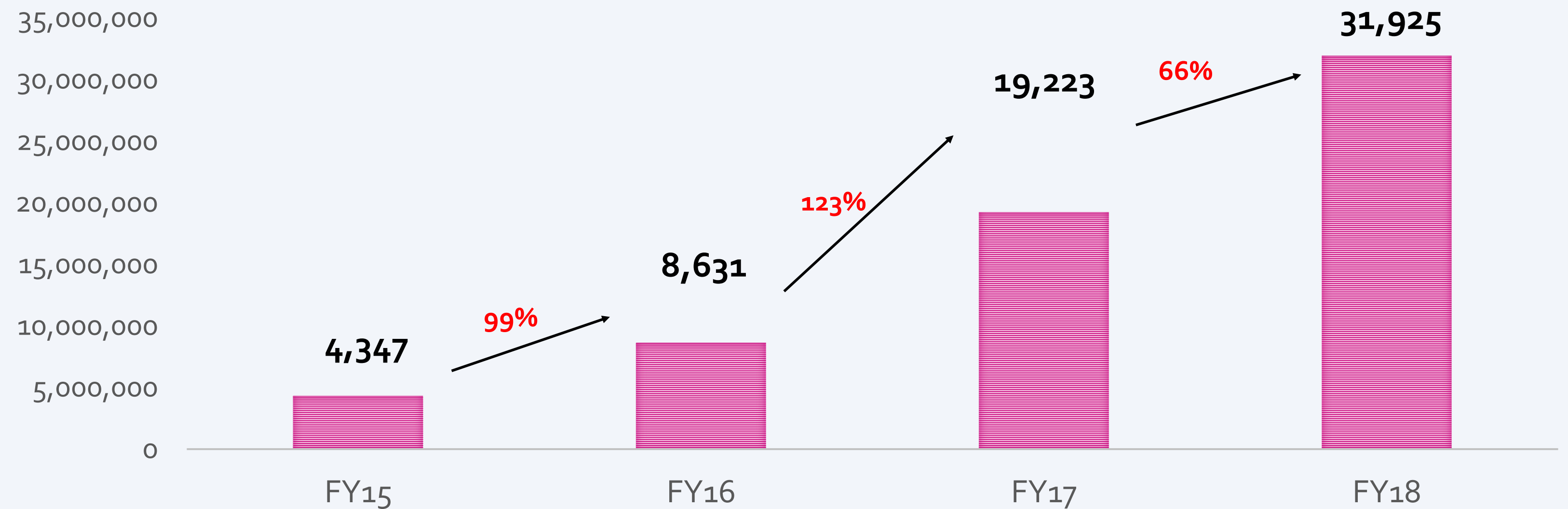
POS TRANSACTIONS - YOY

Value (N'M)



POS TRANSACTIONS - YOY

Transaction Count (N'ooo)



N'bn	1Q18	2Q18	3Q18	4Q18	%Δ QoQ	FY17	FY18	%Δ YoY
Revenue	40.1	39.7	47.3	43.0	-9.0%	166.0	170.1	2.5%
Net Interest Income	17.4	17.2	17.9	18.4	3.1%	69.0	70.9	2.8%
Non Interest Income	6.3	6.7	14.9	5.6	-62.0%	29.2	33.6	15.2%
Net impairment loss on financial assets	(4.8)	(2.5)	(7.3)	1.4	-119.1%	(22.7)	(13.2)	-41.6%
Operating Expenses	(16.67)	(18.55)	(18.61)	(21.24)	14.1%	(66.89)	(75.10)	12.2%
PBT	2.2	2.9	6.9	4.2	-38.6%	8.7	16.2	85.4%
Risk Assets (net) (N'B)	610.19	585.43	601.35	632.76	5.2%	649.38	632.76	-2.6%
Customer Deposits (N'B)	749.36	725.04	758.72	826.17	8.9%	692.39	826.17	19.3%



Commercial & Retail Banking Performance Review

1Q18 - 4Q18 & FY17 vs. FY18

- 38.6% QoQ decrease in PBT to N4.2bn for 4Q18 from N6.9bn in 3Q18. 85.4% YoY growth in PBT was largely due to growth in non-interest income and decline in net impairment charges;
- Net interest income increased by 3.1% QoQ and 2.8% YoY respectively;
- Non interest income decreased 62.0% QoQ to N5.6bn for 4Q18 from N14.9bn in 3Q18. However, there was a 15.2% YoY growth in non interest income from mobile banking and trading income;
- Overhead costs increased by 14.1% QoQ and 12.2% YoY respectively, largely attributable to AMCON levy and increase in digital spend;
- Risk assets grew by 5.2% QoQ, though declined 2.6% YoY;
- Deposits grew 8.9% QoQ and 19.3% YoY respectively, driven majorly by c. 27% growth in savings deposits from N154bn in 2017 to N195bn in 2018.

N'bn	1Q18	2Q18	3Q18	4Q18	%Δ QoQ	FY17	FY18	%Δ YoY
CIR	70.3%	77.4%	56.8%	88.2%	55.3%	67.2%	71.8%	6.9%
NIM	7.6%	7.6%	9.3%	7.7%	-17.1%	7.8%	7.4%	-4.8%
Cost of funds	6.4%	6.1%	5.5%	6.8%	23.1%	6.8%	5.9%	-12.7%
Loan/Funding Ratio	62.3%	60.5%	60.5%	58.1%	-4.0%	71.5%	58.1%	-18.8%
Loan/Deposit Ratio	76.7%	75.2%	74.2%	71.6%	-3.5%	88.4%	71.6%	-19.0%
Capital Adequacy Ratio	17.4%	17.3%	18.7%	15.8%	-15.7%	16.9%	15.8%	-6.5%
Liquidity Ratio	46.6%	40.6%	50.5%	49.0%	-3.0%	35.3%	49.0%	38.9%
NPL/Total Loans	5.9%	5.7%	6.2%	5.9%	-5.1%	4.7%	5.9%	25.4%

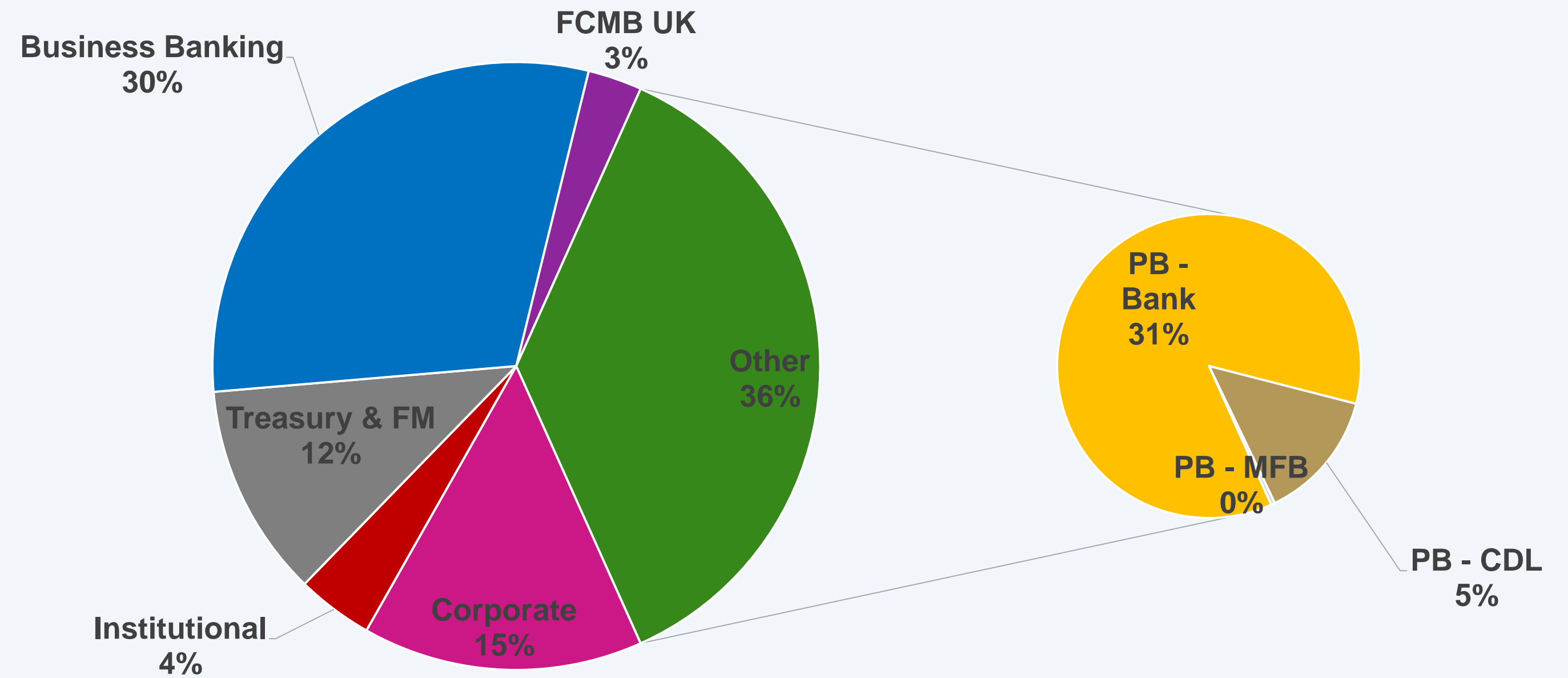


Commercial & Retail Banking Performance Review

1Q18 - 4Q18 & FY17 vs. FY18

- Liquidity remains strong at 49% YoY while CAR declined by 6.5% YoY to 15.8% due to regulatory requirements on IFRS 9 transition

Net Revenue by Business Segment



Personal Banking

- With a 36% contribution, personal banking continues to be a major earner of net revenue. While our retail-led strategy continues to yield positive results with alternate channels and Digital Banking initiatives such as USSD*329# and mobile app
- Strong deposit growth of N63.53bn, with the right low-cost mix driven by new customer acquisition and retention of deposits from existing customers.
- The segment grew customer base by approx. 800,000 customers to close at approx. 4.9m customers in FY18. This translates into a growth of 20% YoY with alternate channels acquisition contributing 19% of the total growth.

Business Banking

- Contributed 30% to net revenue, a 10.2% YoY increase, driven majorly by growth in non-Interest income.
- The key growth driver of non-interest income is commissions on payment services.
- 35,384 new customers had been acquired as at FY18 vs. 33,689 new customers as at FY17.

Corporate Banking

- Corporate banking contributed 15% to net revenue. This business grew total deposits by 4% QoQ from N114bn to N119bn.

Institutional banking

- Contributed 4% to net revenue and also recorded a 19.2% growth QoQ.

Subsidiaries Performance

- FCMB UK had a 49.3% YoY growth in net revenue from N1.96bn in FY17 to N2.92bn in FY18.
- PBT growth of 42% YoY from N363m for FY17 to N515m in FY18

**NB: Effective 1 October 2018, there was a restructuring within FCMB Group Plc (ultimate parent) and the Bank, whereby the Bank transferred its 100% equity stake in Credit Direct Limited (CDL) to FCMB Group Plc for a consideration equal to the carrying amount.*



Commercial & Retail Banking Performance Review

FY18 Segment & Subsidiary Highlights

N'm	1Q18	2Q18	3Q18	4Q18	%Δ QoQ	FY17	FY18	%Δ YoY
Non Interest Income	6,345	6,747	14,863	5,641	-62.0%	29,281	33,596	14.7%
Net Fees & Commissions	3,576	3,924	4,455	4,887	9.7%	14,533	16,841	15.9%
Trading Income	1,747	2,007	659	1,612	144.5%	1,753	6,026	243.7%
FX Revaluation Gain	899	330	8,894	(1,055)	-111.9%	8,452	9,068	7.3%
Dividend Income	77	344	59	(2)	-104.2%	396	477	20.5%
Gain/ Loss from Fin. Instr						112	-	-100.0%
Others	47	142	795	199	-74.9%	4,034	1,183	-70.7%



Commercial & Retail Banking Performance Review

Non-Interest Income Analysis:
1Q18 - 4Q18 & FY17 vs. FY18

- Net fees and commissions grew 9.7% QoQ and 15.9% YoY, as we recorded increased volumes on our alternate channels, service touch points and mobile platform;
- Trading income recorded growth of 144.5% QoQ and 243.7% YoY, which was propelled by FX trading income and trading in government-backed securities;
- 111.9% QoQ decline and 7.3% YoY increase in revaluation gains due to minimal FX gains recorded in FY 2018;
- Other non-interest income declined by 70.7% YoY due to non-reoccurrence of AMCON recoveries and gains from asset disposal recorded in FY17.

N'million	Dec. 2017	% Distr.	Sept. 2018	% Distr.	Dec. 2018	% Distr.	% Δ QoQ	% Δ YoY
Interbank placements	18,483	2.05%	11,573	1.24%	5,845	0.58%	-49.50%	-68.38%
Loans and advances to customers (gross)	674,776	74.87%	649,355	69.75%	681,024	67.83%	4.88%	0.93%
Investments in government & corporate securities	207,947	23.07%	269,983	29.00%	317,091	31.58%	17.45%	52.49%
Total Earning Assets	901,206	100.00%	930,911	100.00%	1,003,960	100.00%	7.85%	11.40%



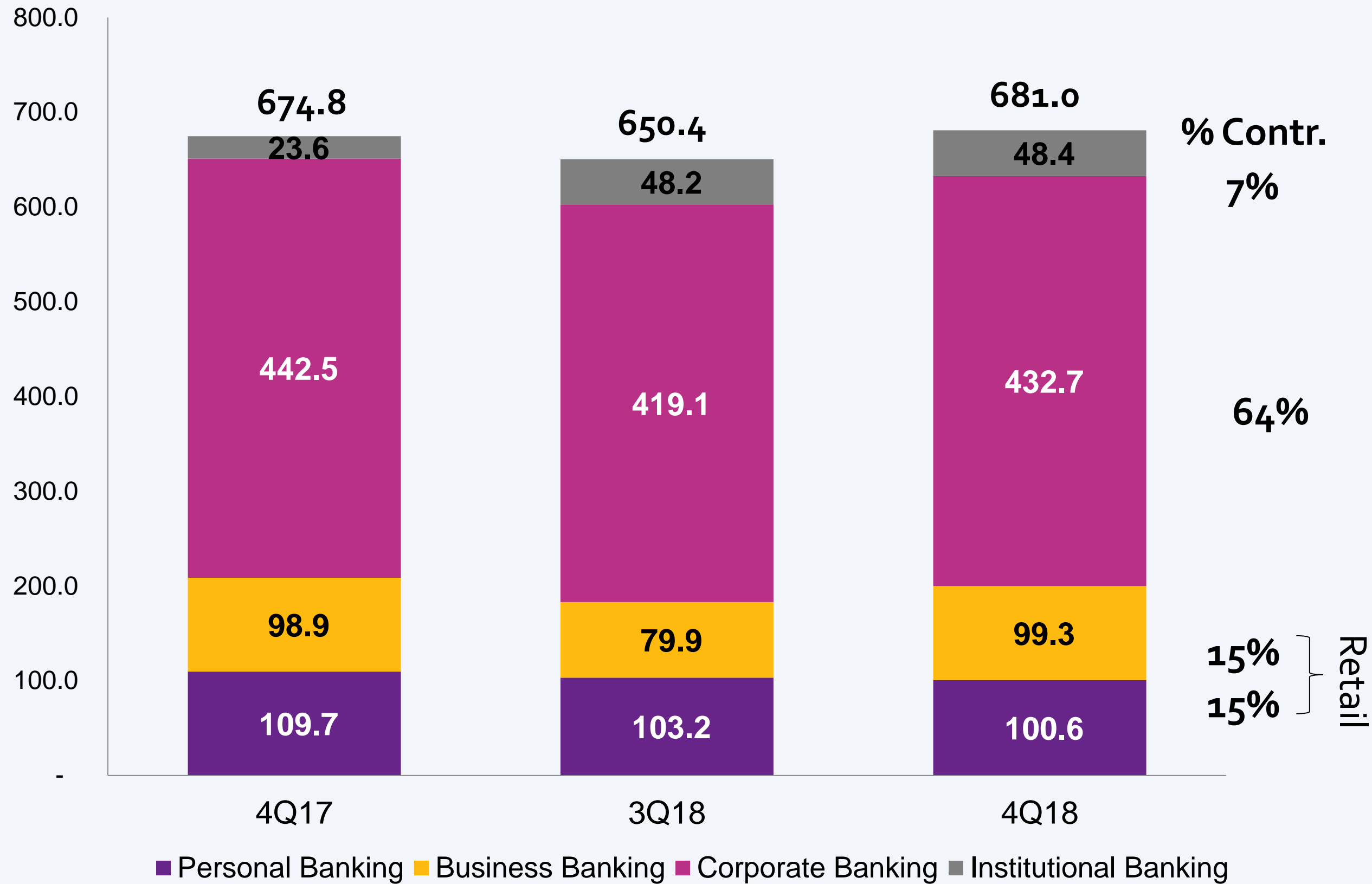
Commercial & Retail Banking Performance Review

Interest Income & Earnings Assets

- Total earning assets increased by 7.85% and 11.4% QoQ and YoY, respectively;
- An improved liquidity profile saw 17.45% and 52.49% QoQ and YoY growth in government securities respectively;
- Gross loans and advances increased QoQ by 4.8% and approx. 1% YoY respectively. Gross loan book of N681bn represents 67.83% of total earning assets.



FY18 Results Overview



Segment	% Δ QoQ	% Δ YoY
Personal Banking	-2.5%	-8.3%
Business Banking	24.2%	0.3%
Corporate Banking	3.3%	-2.2%
Institutional Banking	0.6%	105.4%



Loans & Advances

Gross Loan Distribution by Segment
4Q17 vs. 3Q18 vs. 4Q18

- Institutional banking grew by 0.6% QoQ in FY2018 and by 105.4% YoY mainly from increased throughput in the public sector
- In line with plan, the focus on SME resulted in a 24.2% QoQ growth and 0.3% segment increase in FY 2018
- Corporate banking also grew 3.3% in Q4' 2018 in line with projections, but witnessed a 2.2% YoY drop from planned pay-downs to reduce concentration in the loan book. However, there has been growth in focused sectors like Agriculture, Manufacturing and Renewable Energy
- Personal Banking dropped YoY, however, growth is expected to resume in 2019.

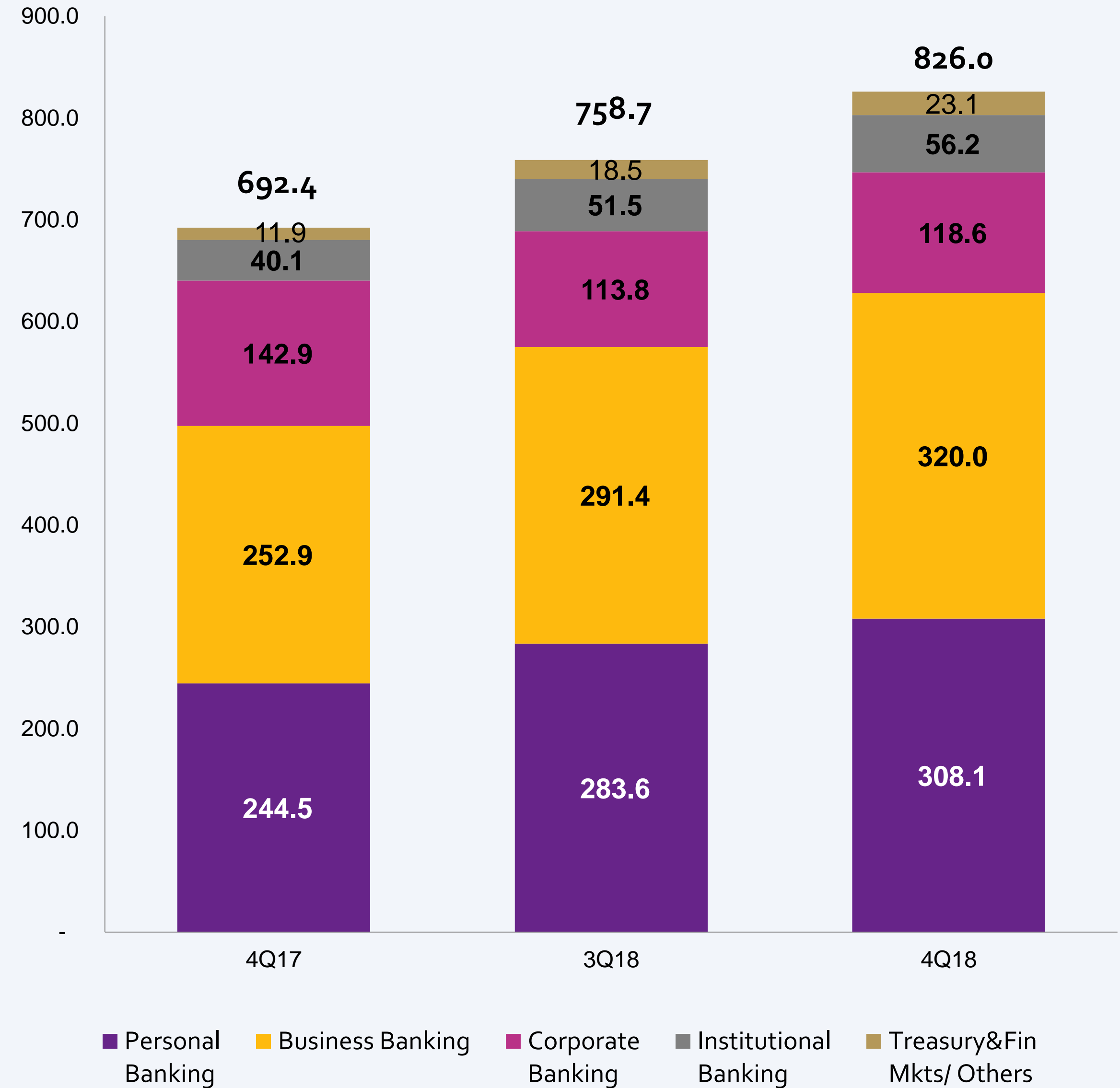
Segment	% Δ QoQ	% Δ YoY
Personal Banking	8.6%	26%
Business Banking	10%	27%
Corporate Banking	4.2%	17%
Institutional Banking	9.1%	40%
Treasury & Financial Mkts/ Others	24.9%	94%



Deposits Analysis

Deposit Distribution by Segment
4Q17 vs. 3Q18 vs. 4Q18

In line with our overall strategic thrust, retail deposits (Personal and Business Banking) accounted for 76% of total deposits, which grew 26% YoY



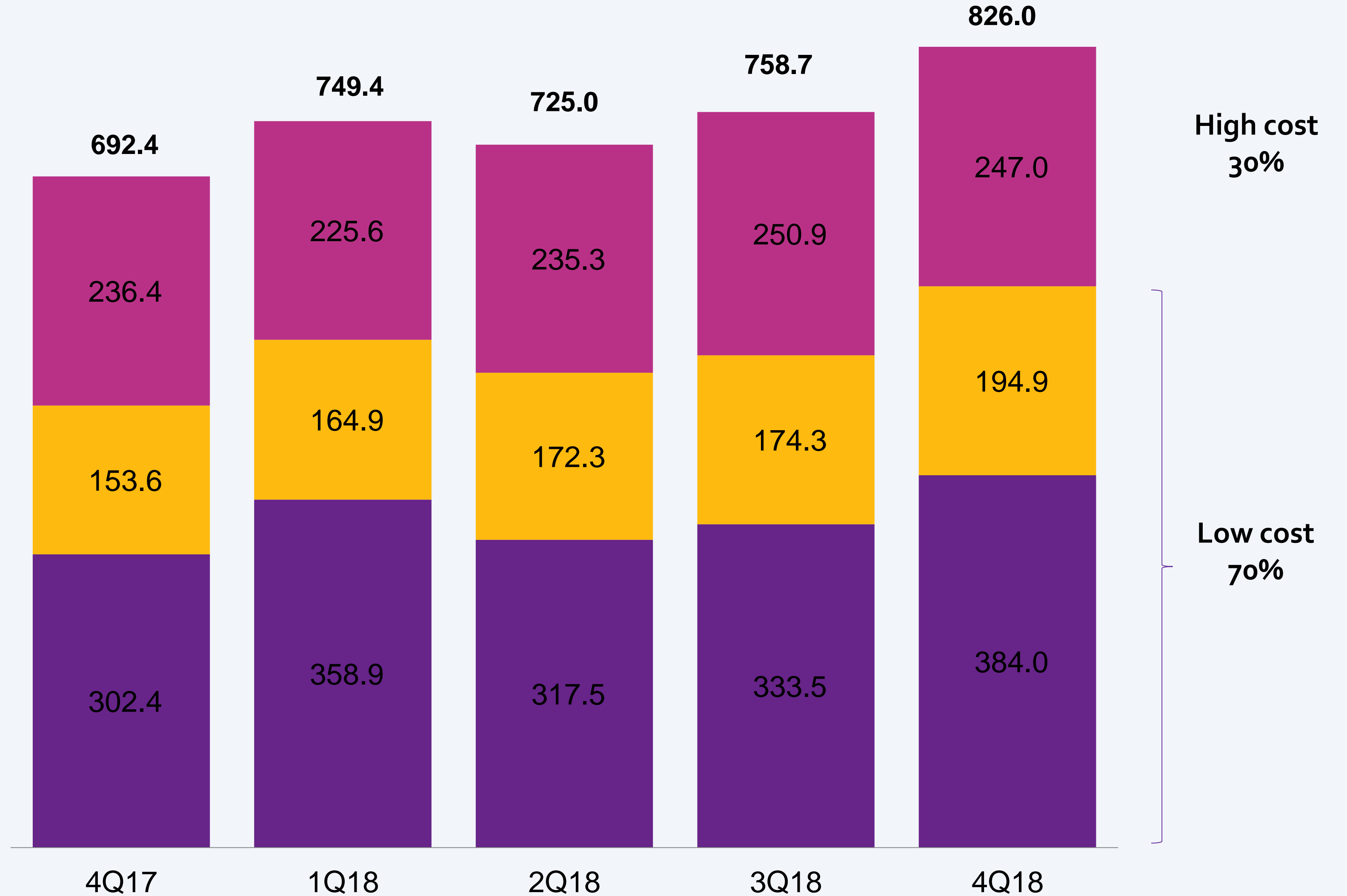


Commercial & Retail Banking Performance Review

Total deposits grew 19% YoY driven by growth in CASA deposits, as a result of our continued focus on retail banking. Low-cost deposits contributed 70% to our total deposits

Deposit Distribution by Type

■ Current ■ Savings ■ Fixed





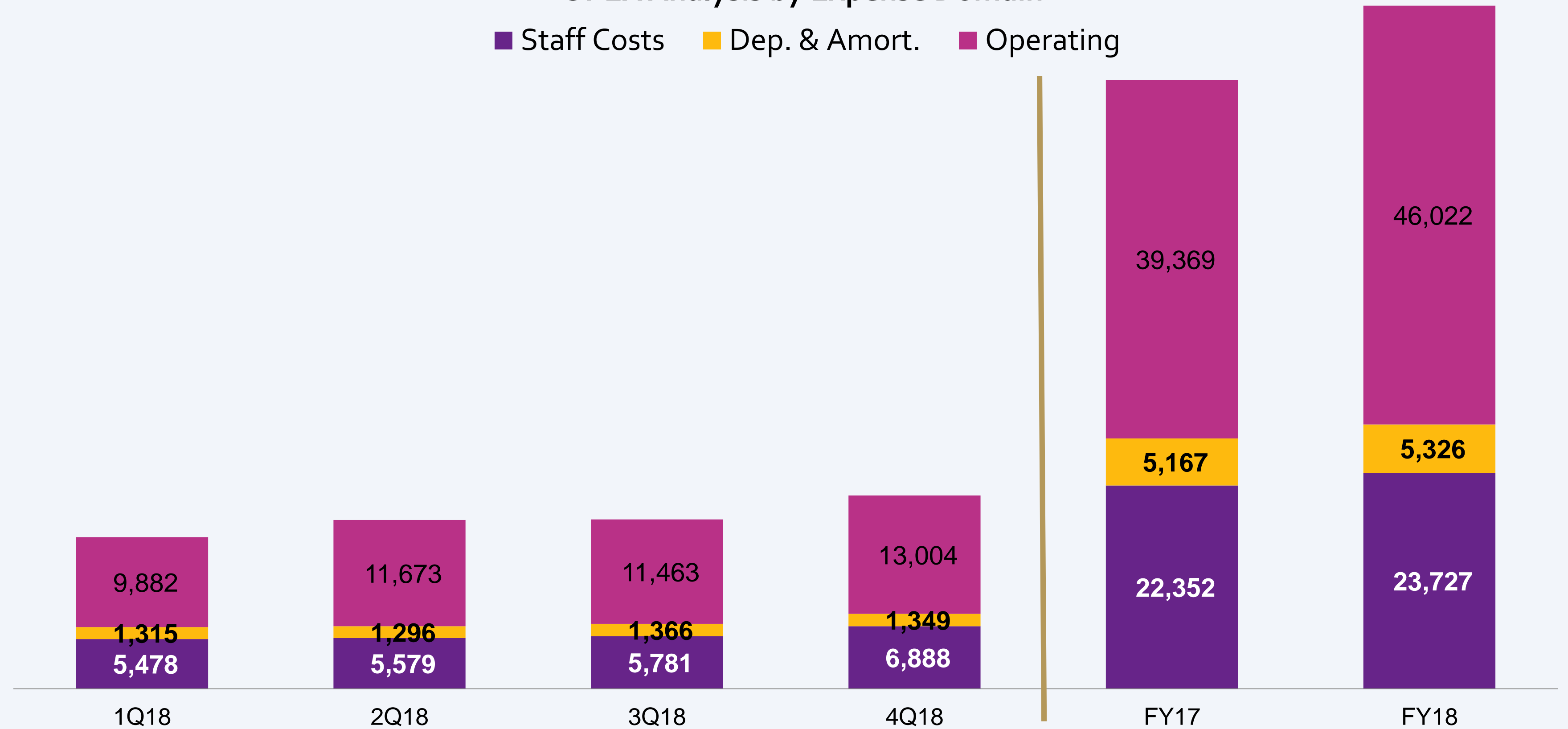
Commercial & Retail Banking Performance Review

OPEX Analysis by Expense Domain:
1Q18 - 4Q18 & FY17 vs. FY18

OPEX increased 14.1% QoQ and increased 12.2% YoY

OPEX Analysis by Expense Domain

■ Staff Costs ■ Dep. & Amort. ■ Operating



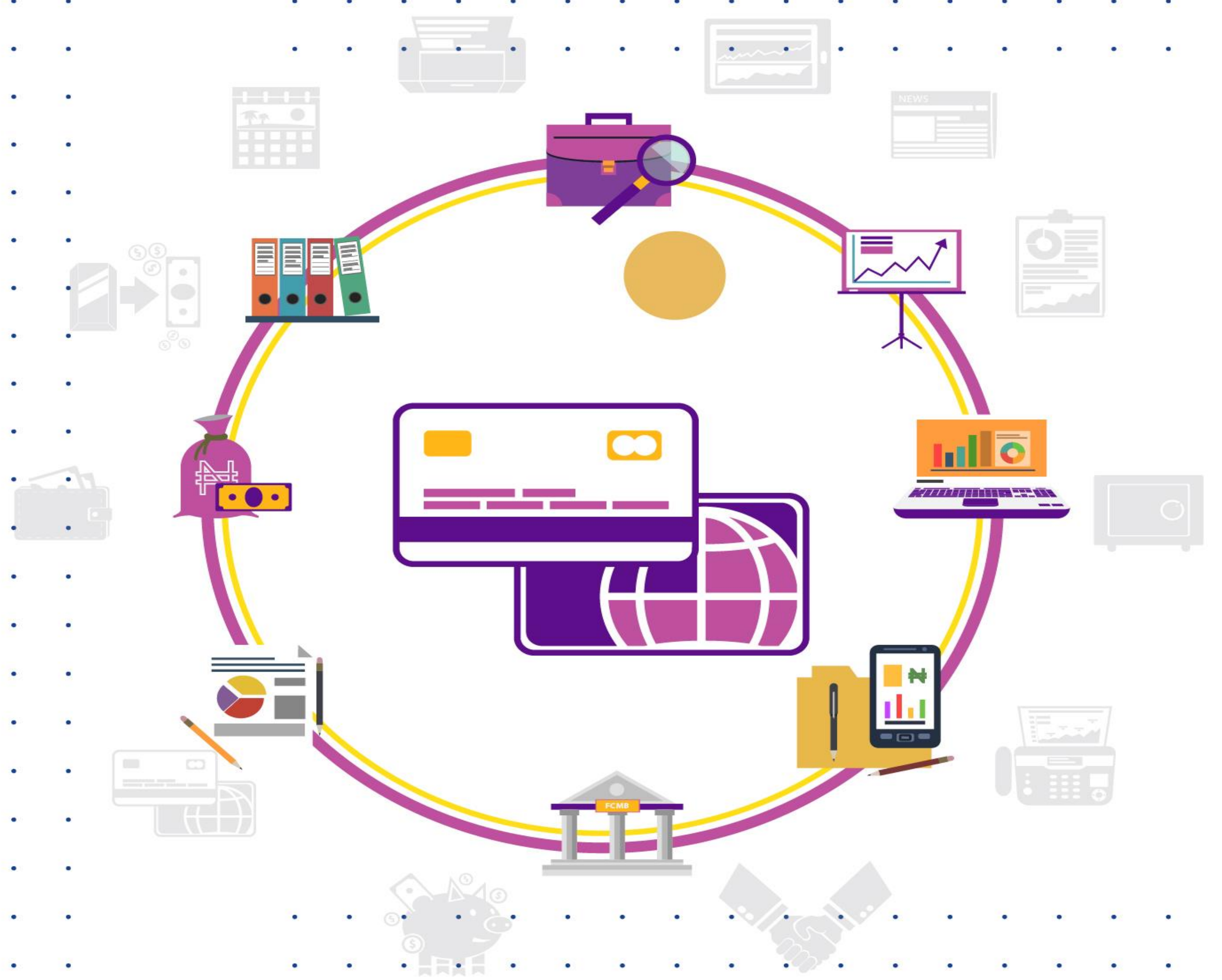
Segment	% Δ QoQ	% Δ YoY
Staff Costs	19.2%	6.1%
Depreciation & Amortisation	-1.2%	3.1%
Operating	13.4%	16.9%
Total	14.1%	12.2%

Operating expenses increased by 12.2% YoY and 14.1% QoQ, respectively, due to additional AMCON charges, litigation provisions and investments in technology and digital banking.



Risk Management Review – Commercial & Retail Banking:

Mrs. Toyin Olaiya
Chief Risk Officer: FCMB Ltd





Risk Management Review

Analysis of Gross Loans by Sector (Dec. 2017 to Dec. 2018) – N'm

Growth in Agriculture and Manufacturing, as focused sectors, contributed largely to the 0.9% YoY growth.

Industry Sector	Dec. 2017	Mar. 2018	Jun. 2018	Sep. 2018	Dec. 2018	% DISTR.
AGRICULTURE	16,376	19,994	21,605	29,040	40,328	5.9%
COMMERCE	46,979	42,570	37,443	34,595	54,180	8.0%
CONSTRUCTION	2,818	1,862	1,406	1,372	1,653	0.2%
EDUCATION	8,974	9,371	8,755	7,002	5,033	0.7%
FINANCE & INSURANCE	32,211	42,629	45,330	54,956	54,774	8.0%
GENERAL – OTHERS	12,713	12,684	13,415	13,654	11,205	1.6%
GOVERNMENT	4,168	4,182	7,010	2,453	2,409	0.4%
INDIVIDUAL - BANK	94,736	89,176	85,268	84,382	81,708	12.0%
INDIVIDUAL - CDL	14,857	15,373	16,050	17,283	17,167	2.5%
INDIVIDUAL - MICROFINANCE	1,700	1,358	1,426	1,498	1,698	0.2%
INFORMATION & COMMUNICATIONS	21,194	22,252	22,227	18,609	16,243	2.4%
MANUFACTURING	43,953	40,373	42,565	48,982	49,890	7.3%
OIL&GAS-DOWNSTREAM	50,022	47,877	47,698	58,404	68,528	10.0%
OIL&GAS-UPSTREAM	132,468	105,983	111,147	115,993	115,344	16.9%
OIL&GAS SERVICES	35,600	36,317	38,167	40,024	39,896	5.8%
POWER & ENERGY	56,750	51,648	50,458	51,801	50,013	7.3%
PROFESSIONAL SERVICES	52	46	57	51	224	0.0%
REAL ESTATE	92,918	93,176	78,870	63,898	65,500	9.6%
TRANSPORTATION & LOGISTICS	6,288	5,811	5,467	6,358	5,232	0.8%
	674,777	642,682	634,364	650,356	681,024	100.0%



Risk Management Review

NPL Distribution by Sector (Dec. 2017 to Dec. 2018) – N'm

19.5% YoY growth in NPL is largely from a few accounts in the Commerce segment. There was a slight drop of 2% QoQ, due to recoveries.

BUSINESS SEGMENT	Dec. 2017		Sept. 2018		Dec. 2018	
	NPL	NPL%	NPL	NPL%	NPL	NPL%
AGRICULTURE	1,441.00	8.8%	332.35	0.8%	372.78	0.9%
COMMERCE	6,464.16	13.8%	17,325.91	37.5%	18,773.51	34.7%
CONSTRUCTION	295.82	10.5%	0.19	0.0%	19.38	1.2%
EDUCATION	2,239.67	25.0%	88.20	1.8%	110.45	2.2%
FINANCE & INSURANCE	0.26	0.0%	35.98	0.1%	0.03	0.0%
GENERAL – OTHERS	359.38	2.8%	930.21	8.3%	1,035.53	9.2%
GOVERNMENT	28.81	0.7%	70.70	2.9%	71.50	3.0%
INDIVIDUAL - BANK	5,405.76	5.7%	6,160.35	7.5%	5,719.86	7.0%
INDIVIDUAL - CDL	2,754.39	18.5%	1,740.62	10.2%	489.08	2.8%
INDIVIDUAL - MICROFINANCE	53.04	3.1%	36.11	2.1%	23.24	1.4%
INFORMATION & COMMUNICATIONS	4,669.96	22.0%	5,035.99	31.0%	3,740.77	23.0%
MANUFACTURING	1,680.68	3.8%	1,672.89	3.4%	1,865.96	3.7%
OIL&GAS-DOWNSTREAM	1,293.69	2.6%	170.65	0.2%	182.85	0.3%
OIL&GAS-UPSTREAM	-	0.0%	-	0.0%	-	0.0%
OIL&GAS SERVICES	5,134.87	24.3%	5,147.70	12.9%	5,921.55	14.8%
POWER & ENERGY	-	0.0%	-	0.0%	-	0.0%
PROFESSIONAL SERVICES	42.92	82.0%	0.74	1.2%	0.81	0.4%
REAL ESTATE	894.94	1.0%	1,518.92	2.3%	1,075.66	1.6%
TRANSPORTATION & LOGISTICS	515.06	8.2%	320.58	6.1%	359.75	6.9%
TOTAL	33,274.40	4.9%	40,588.08	6.0%	39,762.73	5.8%



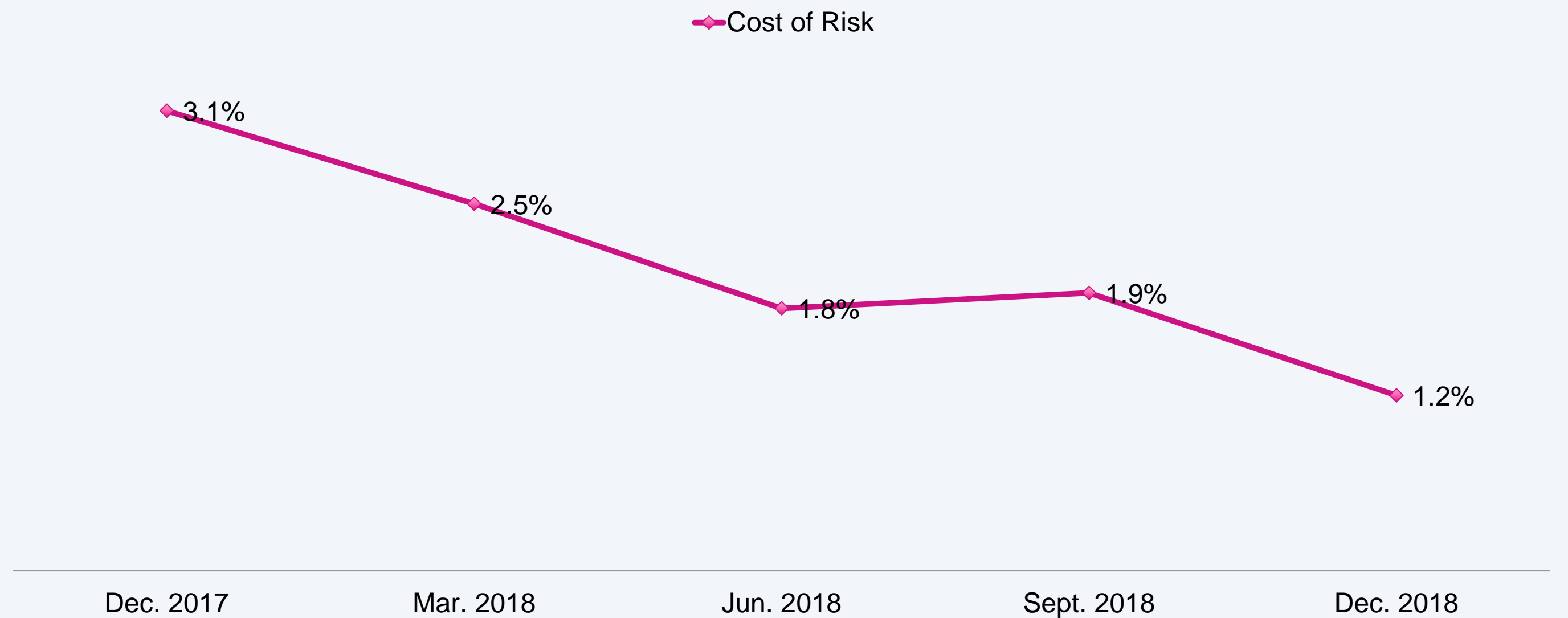
Risk Management Review

Net Impairment Charge declined by 64% YoY, with 1.9% improvement in Cost of Risk, on the back of recoveries.

YoY Cost of Risk Trend: Dec. 2014 – Dec. 2018



QoQ Cost of Risk Trend: Dec. 2017 – Dec. 2018





Group Performance Review – Asset & Wealth Management:

Mr. James Ilori

(Chief Executive Officer: First City Asset Management Ltd)



Asset & Wealth Management Group	1Q18	2Q18	3Q18	4Q18	%Δ QoQ	FY17	FY18	%Δ YoY
N'm								
Gross earnings	982	1,026	926	971	5%	967	3,905	304%
Net Interest Income	88	71	73	103	42%	194	335	72%
Non Interest Income	894	955	860	862	0%	773	3,570	362%
-Advisory Fees	23	31	21	18	-13%	67	93	37%
- Brokerage Commission	7	3	2	1	-32%	18	13	-26%
-Asset Management Fees	839	897	811	829	2%	554	3,376	509%
-Others	25	24	26	13	-51%	108	88	-18%
Operating Income	982	1,025	933	965	3%	967	3,905	304%
Operating Expenses	-474	-506	-520	-625	20%	-484	-2,125	339%
Net gains/(losses) from fin. instruments at fair value	0	1	-7	6	-192%	-	-	n/a
PBT	508	520	406	346	-15%	483	1,780	268%
TAX	-151	-155	-121	-68	-44%	-57	-494	767%
PAT	357	365	284	278	-2%	426	1,286	202%
AUM	274,871	288,974	294,722	314,311	7%	260,200	314,311	21%
ROAE	34%	33%	25%	26%	6%	31.9%	30.6%	-4%
CIR	48%	49%	56%	65%	16%	50%	54%	9%



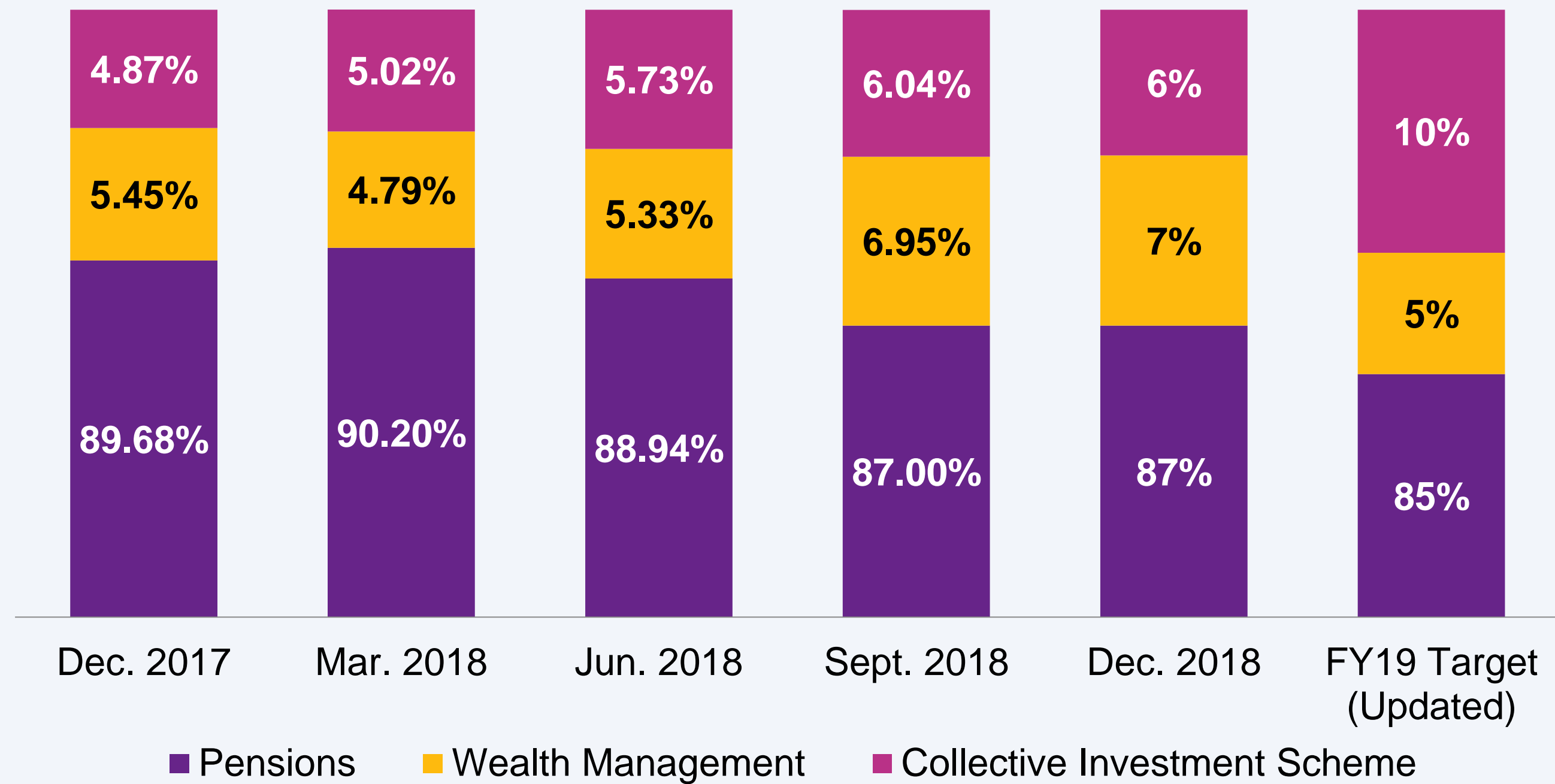
Asset & Wealth Management

Performance Review

Our Asset & Wealth Management Business is divided into Pensions, Wealth Management and Collective Investment Schemes

- Our Asset & Wealth Management division grew its AUM by 6.5% QoQ and by 21% YoY, to N314bn;
- The division's PBT also increased by 269% YoY, to N1.7bn, representing a 10% contribution to Group's PBT;
- Our Pensions business contributed 87% of AUM, down from 90% at the end of 2017;

Asset & Wealth Management Division - Contribution to AUM



Asset & Wealth Management Performance Review

Outlook

- New product development and innovation in distribution strategies will drive AUM and income growth in 2019;
- We expect to achieve a 2019 AUM growth of 23%, which should take the 2019 closing balance to N387bn;
- Contribution to AUM from Collective Investment Schemes and Wealth Management should account for 15% of total AUM, by the end of 2019;
- Our newest product, Legacy Money Market Fund, should add at least N13billion to AUM, this year;
- We expect PBT for our Pensions business line to remain at N1.4 billion, as a result of the fee reduction imposed on the industry by the industry regulator.



Group Performance Review – Investment Banking:

Mr. Tolu Osinibi
(Executive Director: FCMB Capital Markets Ltd)



Investment Banking Group	1Q18	2Q18	3Q18	4Q18	%Δ QoQ	FY17	FY18	%Δ YoY
N'm								
Gross earnings	487	414	343	750	119%	1,700	1,994	17%
Net Interest Income	154	135	121	176	46%	440	586	33%
Non Interest Income	333	279	222	574	158%	1,260	1,407	12%
– Advisory Fees	39	77	79	380	379%	383	575	50%
– Brokerage Commission	278	198	101	86	-15%	700	663	-5%
– Trading Income	9	-2	-2	-0	-97%	28	5	-83%
– Dividend	0	0	1	59	5101%	49	60	23%
– Others	7	6	43	48	13%	100	105	5%
Operating Income	487	414	343	750	119%	1,700	1,994	17%
Operating Expenses	-337	-304	-343	-474	38%	-1,247	-1,457	17%
Net gains/(losses) from fin. instruments at fair value	-2	15	8	-20	-363%	-3	0	-100%
PBT	148	125	8	256	3148%	450	537	19%
TAX	-66	-39	11	61	456%	-20	-33	67%
PAT	82	86	19	317	1585%	430	503	17%
ROaE	10%	11%	2%	37%	1543%	14.6%	14.9%	2%
CIR	69%	71%	98%	65%	-34%	73%	73%	-1%



Investment Banking Performance Review

Our Investment Banking comprises FCMB Capital Markets Ltd and CSL Stockbrokers Ltd

- Accounting for 3% of Group Profits, our Investment Banking division saw its gross earnings grew YoY and QoQ by 17% and 119% respectively. However, brokerage commissions dropped due to market depression as NSE All Shares Index (ASI) declined by 20% YoY.
- The division's PBT grew 19% YoY to N537m from N450m in 2017, largely driven by CSL Stockbrokers Limited.
- Equity market witnessed low activities during the year, as investors maintained a cautionary approach ahead of the 2019 elections, consequently, CSL's trade value declined by 24% from N313bn in 2017 to N239bn in 2018. However, the Company maintained third-ranked broker, by value traded.



Looking Ahead

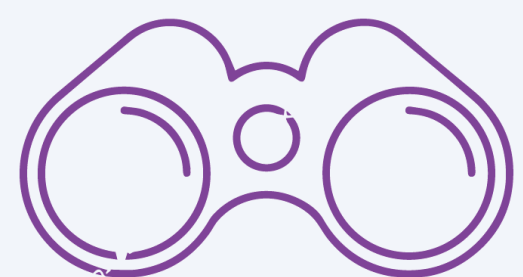


Mr. Ladi Balogun
Group Chief Executive: FCMB Group Plc



2019 Environmental Outlook

- ❖ GDP growth ~ 2-3% per annum;
- ❖ Stable Currency
- ❖ Monetary policy stance moderate
- ❖ Inflation ~ 10-11%



Looking Ahead

Impact on Our Business

- ❖ Deposit growth (20%) and mix (75% low cost deposits) will continue to improve, driven by >1 million new customers. Cost of funds expected to reduce;
- ❖ 5-10% loan growth;
- ❖ Cost of risk c.2%;
- ❖ Fees and commissions to exhibit strong growth;
- ❖ No revaluation gain;
- ❖ AUM to grow by c 23%, but profit growth dampened by reduction in PFA fees as stipulated by Pencom;
- ❖ Opex growth c.3.7%;
- ❖ Earnings growth will be modest, but higher quality driven by growing customer base in personal and SME banking, balance sheet growth, improved liquidity and revenue growth in (non-Pensions) asset management.