

FCMB Group Plc

Investors & Analysts
Presentation

FY 2013



8 April 2014



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	N/A	Not Applicable/ Not Available
CAGR	Compound Annual Growth Rate	NIM	Net Interest Margin
CAPEX	Capital Expenditure	NPL	Non Performing Loan
CAR	Capital Adequacy Ratio	NRFF	Net Revenue from Funds
CBG	Commercial Banking Group	NSE	Nigerian Stock Exchange
CDL	Credit Direct Limited	OH	Overheads
CIR	Cost to Income Ratio	OMO	Open Market Operations
COT	Commission on Turnover	OPEX	Operating Expenditure
CRR	Cash Reserve Ratio	PAT	Profit After Tax
FY	Full Year	P&L	Profit and Loss
IBG	Investment Banking Group	PBT	Profit Before Tax
IFRS	International Financial Reporting Standards	QoQ	Quarter-on-Quarter
IOC	International Oil & Gas Company	ROA	Return on Assets
KPI	Key Performance Indicators	ROE	Return on Equity
LCDM	Low Cost Deposit Mix	SME	Small & Medium Enterprises
LDR	Loan to Deposit Ratio	YE	Year End
M&A	Mergers & Acquisitions	YoY	Year-on-Year



AGENDA

Company and Operating Environment Overview

Group Performance Review

Commercial Banking Group: Business Review

Investment Banking Group: Business Review

Risk Management Review

2014 Outlook



Company & Operating Environment –

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

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:	528,348 ¹
Shareholders' funds:	N143.71 billion ²
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, Professor Oluwatoyin Ashiru, Engr. (Dr.) Gregory O. Ero 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)

1. Based on number of shareholders as at 31 December 2013

2. Based on shareholders' funds per FY 2013 audited accounts

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
Femi Bakre	Executive Director (ED) - Lagos & South West Nigeria
Adam Nuru	ED - Abuja & North Nigeria
Nath Ude	ED – Service Management & Technology
Yemisi Edun	Chief Financial Officer
Bayo Sanni	Chief Risk Officer
Okey Ezeala	Regional Director, 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

FCMB (UK) Ltd

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

CSL Stockbrokers Ltd

Name	Position
Gboyega Balogun	Managing Director

Arab Gambia Islamic Bank Ltd

Name	Position
Sirajo Salisu	Managing Director
Kingsley Okolie	Executive Director



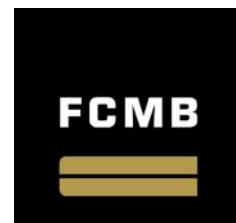
Tough macroeconomic environment, but continued growth

- ❖ Soft rebound of global economy in H2 2013, with adverse implications for emerging markets:
 - IMF revised global economy growth up, to 3.0%, from 2.9% in October 2013;
 - US Federal Reserve Quantitative Easing tapering;
- ❖ Challenged domestic fiscal policy environment:
 - Pressured earnings- crude production dipped below 1Q13 levels of 2.05mbpd to 1.87mbpd;
 - Extra budgetary expenditure at 5.5% of 2013 budget;
 - Deficit spending - 2.6% of GDP.
- ❖ Aggressive compensating monetary policies:
 - Monetary policy rate (MPR) - 12.0%;
 - Spirited efforts to stabilise naira within corridor of \$1:N155 (+/-3%);
 - Commitment to reining in inflation;
 - Liquidity mop-up via:
 - Increase in CRR on public sector deposits (from 12% to 50%) and private sector (maintained at 12%) - N1.074 trillion (N950 billion corralled, and N124 billion in lost income);
 - OMO bills - ~N10.1 trillion.
- ❖ Consequently
 - FPI exits, depletion of reserves (down to \$42.9bn) and foreign exchange volatility;
 - Depletion of Excess Crude Account from \$11.5bn in Dec '12 to <\$2.5bn in Jan '14;
 - Liquidity squeeze - NIBOR; CALL peaked at 55.83% on first CRR hike; prime lending rates at 17.1% in 4Q13;
 - Tamed inflation - 8% at year-end, from 12% the previous year-end;
 - Estimated real GDP growth of 6.9%; 7.7% in 4Q13.



Sustained regulation and reforms throughout the year

- ❖ Increase in AMCON's sinking fund from 0.3% to 0.5% of total assets.
- ❖ Privatisation / Local Content:
 - Power – distribution and generation assets unbundled/divested to private sector;
 - Oil & gas – IOC assets divestments, but privatisation of national refineries delayed.
- ❖ Agriculture – implementation of the government's agriculture incentive programs.
- ❖ Financial Inclusion / Consumerism:
 - Cash-lite – Successful pilot in Lagos; extended to Abuja and five other states;
 - Biometrics program – announced; potential retail impact significant;
 - Shift of ATM fees from consumers to banks;
 - Regulatory enforced increase in savings rate to 30% of MPR, effectively 3.6%;
 - Mandated 40% reduction on maximum COT to N3/mille.



Group Performance Review –

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



Key Performance Indices: Improvements in margins and cost of risk, coupled with risk assets growth

Performance Index		4Q12	3Q13	4Q13	%Δ YoY	%Δ QoQ	FY12	FY13	%Δ YoY
Operating	Return on Av. Equity	10.3%	10.1%	9.1%	-11.3%	-9.5%	12.1%	11.6%	-4.3%
	Return on Av. Assets	1.8%	1.5%	1.3%	-27.0%	-12.4%	2.0%	1.7%	-16.6%
	Loan/Deposit Ratio	55.4%	63.6%	63.0%	13.7%	-1.0%	55.4%	63.0%	13.8%
	Cost/Income Ratio	19.8%	73.8%	64.3%	224.6%	-12.9%	60.3%	69.0%	14.5%
	Net Interest Margin	5.7%	8.1%	8.4%	48.1%	4.2%	6.5%	7.9%	21.4%
	NPL/Total Loans	2.5%	2.7%	3.9%	55.6%	44.1%	2.6%	3.9%	49.0%
	Coverage Ratio ²	94.1%	55.2%	81.1%	-13.8%	47.0%	94.1%	81.1%	-13.8%
	NII/Operating Income	55.6%	31.3%	32.8%	-41.0%	4.8%	40.3%	33.4%	-17.1%
	Financial Leverage	6.1	6.8	7.0	14.8%	2.0%	6.1	7.0	14.8%
	Cost of Risk	2.7%	0.2%	0.9%	-66.6%	344.8%	2.9%	1.4%	-53.7%
Capital & Liquidity	Capital Adequacy Ratio	21.9%	22.8%	19.7%	Minimum statutory requirement: 15% ¹		22.7%	19.7%	Minimum statutory requirement: 15% ¹
	Liquidity Ratio	59.0%	50.8%	47.0%	Minimum regulatory requirement: 30%		59.0%	47.0%	Minimum regulatory requirement: 30%
Others	Opex (N'B)	3.9	15.3	14.4	268.1%	-6.2%	43.8	58.2	32.8%
	Risk Assets (net) (N'B)	357.8	439.4	450.5	25.9%	2.5%	357.8	450.5	25.9%
	Customer Deposits (N'B)	646.2	690.6	715.2	10.7%	3.6%	646.2	715.2	10.7%

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%
2. Prior year figures re-stated to include Regulatory Risk Reserve, while 3Q13 does not include Regulatory Risk Reserve as balance was yet to be determined

Income Statement:

Modest PBT growth, as risk asset volumes surged and funding improved, albeit gains subdued by opex normalisation

N'm	4Q12	3Q13	4Q13	%Δ		FY12	FY13	%Δ YoY
				YoY	QoQ			
Revenue	36,821	32,987	33,475	-9%	1%	116,279	129,332	11%
Interest Income	24,581	26,508	26,150	6%	-1%	87,021	101,640	17%
Interest Expense	(15,767)	(12,258)	(11,141)	-29%	-9%	(43,682)	(45,507)	4%
Net Interest Income	8,815	14,250	15,009	70%	5%	43,339	56,134	30%
Non Interest Income	12,240	6,479	7325	-40%	13%	29,258	27,692	-5%
- Net Fees & Commissions	3,100	3,616	2,647	-15%	-27%	14,312	13,981	-2%
- Securities Trading Income	4,407	270	242	-95%	-11%	5,604	480	-91%
- FX Income	1,412	1,850	3,009	113%	63%	4,191	6,905	65%
- Others	3,321	743	1,428	-57%	92%	5,151	6,325	23%
Operating Income	21,055	20,729	22,335	6%	8%	72,597	83,825	15%
Operating Expenses	(3,936)	(15,304)	(14,355)	265%	-6%	(43,769)	(58,151)	33%
Net impairment losses	(11,994)	(1,379)	(4,974)	-59%	261%	(12,698)	(7,983)	-37%
Net gains/(losses) from fin. instruments at fair value	(1,186)	22	395	-133%	1696%	(45)	424	-1052%
Share of Post tax result of Associate	162	-	68	-58%	100%	162	68	-58%
PBT	4,100	4,068	3,469	-15%	-15%	16,248	18,184	12%

Balance Sheet:

Earning assets growth underpinned by modest increases in deposit liabilities and borrowings

FCMB



N'm	4Q 12	1Q13	2Q13	3Q13	4Q13	% Δ YoY	% Δ QoQ
Cash and cash equivalents	123,452	81,736	98,879	134,139	199,700	62%	49%
Restricted reserve deposits	57,891	63,500	56,637	94,287	73,473	27%	-22%
Loans and advances	357,799	329,038	389,224	439,382	450,533	26%	3%
Derivative assets held	1,980	1,980	1,980	2,048	1,698	-14%	-17%
Non Pledged trading assets	1,170	7,732	5,068	6,576	2,921	150%	-56%
Investments	244,526	301,672	259,401	165,570	163,638	-33%	-1%
Assets classified as held for sale	13,547	13,076	785	785	-	-100%	-100%
Assets pledged as collateral	40,794	31,070	39,280	55,594	50,517	24%	-9%
Investment in associate	467	467	467	467	569	22%	22%
Intangible assets	11,895	11,848	12,031	12,035	7,581	-36%	-37%
Deferred tax assets	4,938	4,938	4,938	4,886	6,346	29%	30%
Other assets	23,757	21,739	27,685	36,600	24,492	3%	-33%
Fixed assets	26,331	26,408	26,753	26,280	26,812	2%	2%
Total Assets	908,546	895,204	923,128	978,649	1,008,280	11%	3%
LIABILITIES:							
Derivative liabilities held	1,980	1,980	1,980	2,048	1,356	-32%	-34%
Customer deposits	646,217	628,369	600,426	690,635	715,214	11%	4%
Deposits from banks	52	21,521	80,361	3,286	-	-100%	-100%
Liabilities classified as held for sale	9,039	8,683	734	734	-	-100%	-100%
Other liabilities	92,310	74,047	72,591	104,078	88,759	-4%	-15%
Borrowings	26,933	24,322	25,634	33,103	59,244	120%	79%
Shareholders' funds	132,015	136,282	141,402	144,765	143,707	9%	-1%
Liabilities and Shareholder Equity	908,546	895,204	923,128	978,649	1,008,280	11%	3%
Acceptances & Guarantees	121,081	144,042	144,892	138,826	105,731	-13%	-24%

Earnings Distribution:

The banking business remains the key driver of value in the group

N'm	4Q12	3Q13	4Q13	% Δ YoY	% Δ QoQ	FY12	FY13	% Δ YoY
Commercial Banking Group	3,826	4,165	3,408	-11%	-18%	15,715	17,803	13%
Investment Banking Group	105	12	164	57%	1270%	302	593	97%
• FCMB CM	78	10	94	20%	841%	176	427	142%
• CSL Stockbrokers	26	2	70	167%	3414%	126	166	32%
FCMB Group Plc	-	(109)	(172)	100%	58%	-	(281)	100%
Assets Held for Sale disposed during the year	8	-	-	-100%		70	-	-100%
Share of Post tax result of Associate	162	-	68	-58%		162	68	-58%
FCMB Group Plc	4,100	4,068	3,469	-15%	-15%	16,248	18,184	12%



Commercial Banking Group: Business Review –

Mr. Ladi Balogun (GMD/ CEO, FCMB Ltd)

Key Performance Indices (CBG):

Performance Index		4Q12	3Q13	4Q13	%Δ YoY	%Δ QoQ	FY12	FY13	%Δ YoY
Operating	Return on Av. Equity	10.3%	11.0%	7.8%	-24.6%	-29.4%	11.2%	12.3%	9.8%
	Return on Av. Assets	1.8%	1.5%	1.1%	-40.5%	-28.5%	1.8%	1.9%	3.7%
	Loan/Deposit Ratio	55.4%	63.6%	62.8%	13.3%	-1.3%	55.4%	62.8%	13.3%
	Cost/Income Ratio	19.8%	72.8%	63.4%	220.3%	-12.9%	60.3%	69.0%	14.5%
	Net Interest Margin	5.7%	8.0%	8.4%	46.8%	4.6%	6.5%	7.8%	20.5%
	NPL/Total Loans	2.5%	2.7%	3.9%	56.0%	44.4%	2.5%	3.9%	56.0%
	Coverage Ratio	94.1%	75.0%	94.4%	0.3%	25.9%	94.1%	94.4%	0.3%
	NII/Operating Income	55.6%	30.3%	17.5%	-68.5%	-42.2%	34.5%	23.4%	-32.3%
	Financial Leverage	6.1	7.1	7.3	21.3%	2.9%	6.1	7.3	21.3%
Cost of Risk	2.7%	0.2%	0.9%	-66.6%	344.9%	2.9%	1.4%	-53.7%	
Capital & Liquidity	Capital Adequacy Ratio	21.9%	21.3%	17.5%	-20.1%	-17.8%	21.9%	17.5%	Min Statutory Rqment- 15%
	Liquidity Ratio	59.0%	50.8%	44.6%	-24.4%	-12.2%	59.0%	44.6%	Min Statutory Rqment- 30%
Others	Opex (N'B)	3.9	14.8	13.8	-254%	-7.0%	43.8	56.5	29.1%
	Risk Assets (net) (N'B)	357.8	439.2	450.2	25.8%	2.5%	357.8	450.2	25.8%
	Customer Deposits (N'B)	646.2	690.7	717.4	11.0%	3.9%	646.2	717.4	11.0%

Income Statement (CBG): Highlights

FCMB



N'm	4Q12	3Q13	4Q13	%Δ		FY12	FY13	%Δ YoY
				YoY	QoQ			
Revenue	32,995	32,983	33,719	2%	2%	116,832	129,012	10%
Interest Income	20,675	26,479	26,031	26%	-2%	87,021	101,354	16%
Interest Expense	-11,860	-12,294	-11,106	-6%	-10%	-43,682	-45,507	4%
Net Interest Income	8,815	14,186	14,925	69%	5%	43,339	55,847	29%
Non Interest Income								
- Net Fees & Commissions	3,100	3,437	2,450	-21%	-29%	14,312	12,764	-11%
- Securities Trading INCOME	4,407	160	242	-95%	51%	5,604	480	-91%
- FX income	1,412	1,850	3,009	113%	63%	4,191	6905	65%
- Others	3,321	732	1,118	-66%	53%	5,151	5,896	14%
Operating Income	21,055	20,365	21,743	3%	7%	72,597	81,893	13%
Operating Expenses	-3,936	-14,828	-13,789	-250%	7%	-43,769	-56,534	29%
Net impairment losses	-11,994	-1,372	-4,971	-59%	262%	-12,698	-7,980	-37%
Net gains/(losses) from fin. instruments at fair value	-1,186	0	424	136%	100%	-45	424	1052%
Share of Post tax result of associate	162	0	0	-100%	0%	162	0	-100%
PBT	4,100	4,165	3,407	-17%	-18%	16,248	17,803	10%

Balance Sheet (CBG): Highlights

FCMB

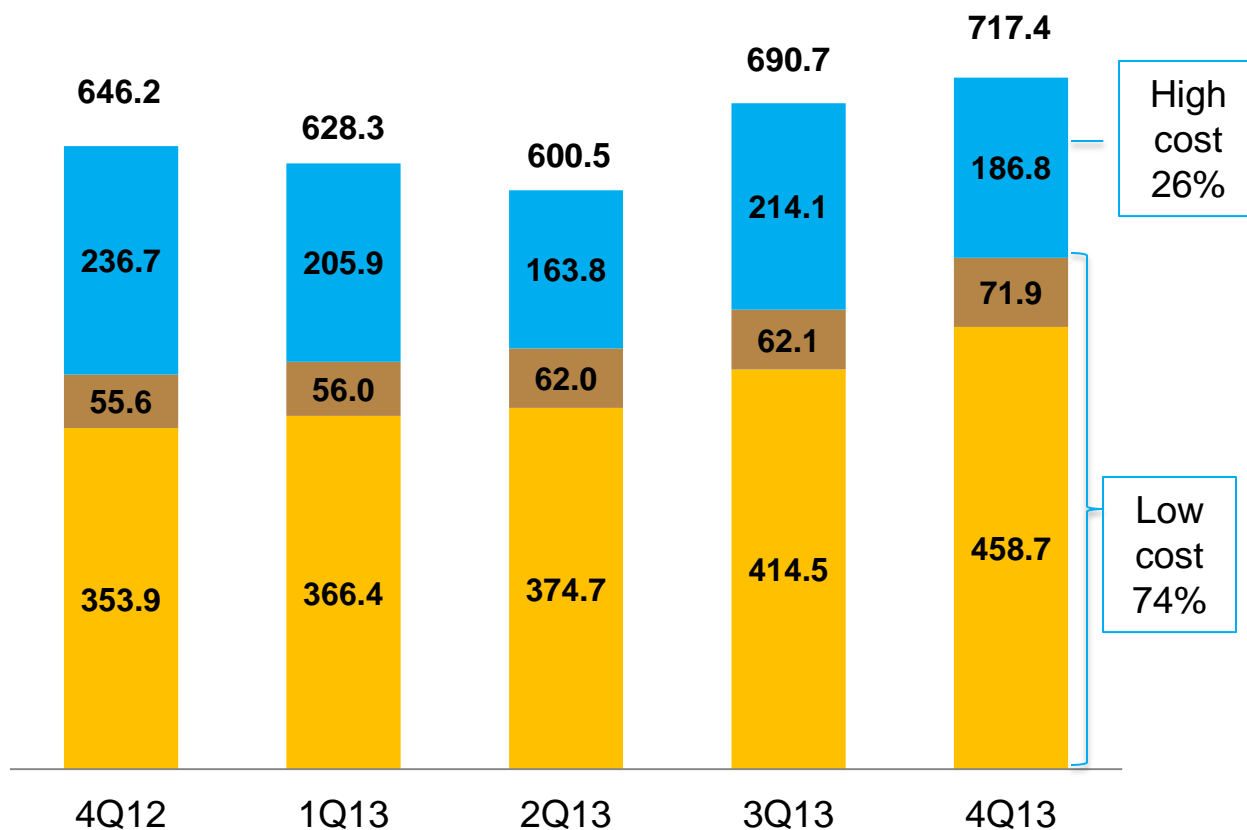


N'm	4Q 12	1Q13	2Q13	3Q13	4Q13	% Δ YoY	% Δ QoQ
Cash and cash equivalents	123,452	81,736	90,119	132,281	198,182	61%	50%
Restricted Reserve deposit	57,891	63,500	56,636	94,288	73,473	27%	-22%
Loans and advances to customers	357,799	329,038	388,999	439,156	450,167	26%	3%
Derivative assets held	1,980	1,980	1,980	2,048	1,698	-14%	-17%
Non Pledged trading assets	1,170	7,732	4,759	6,161	2,496	113%	-59%
Investments	244,526	301,672	263,231	165,092	159,949	-35%	-3%
Assets classified as held for sale	13,547	13,076	785	785	0	-100%	-100%
Assets pledged as collateral	40,794	31,070	39,280	55,594	50,517	24%	-9%
Investment in associate	467	467	0	0	0	-100%	0%
Intangible assets	11,895	11,848	6,422	6,427	6,561	-45%	2%
Deferred tax assets	4,938	4,938	4,758	4,758	6,310	28%	33%
Other assets	23,756	21,739	22,964	29,499	22,682	-5%	-23%
Fixed assets	26,331	26,407	26,686	26,200	26,682	1%	2%
Total Assets	908,546	895,203	906,619	962,289	998,717	10%	4%
LIABILITIES:							
Derivative liabilities held	1,980	1,980	1,980	2,048	1,356	-32%	-34%
Customer deposits	646,217	628,369	600,426	690,715	717,364	11%	4%
Deposits from banks	52	21,521	80,361	3,286	0	-100%	-100%
Liabilities classified as held for sale	9,039	8,683	734	734	0	-100%	0%
Other liabilities	92,310	74,047	71,016	102,493	93,161	1%	-9%
Borrowings	26,933	24,321	25,633	33,102	59,244	120%	79%
Shareholders' funds	132,015	136,282	126,469	129,911	127,593	-3%	-2%
Liabilities and Shareholder Equity	908,546	895,203	906,619	962,289	998,717	10%	4%
Acceptances & Guarantees	121,081	144,042	144,892	138,826	105,731	-13%	-24%

Deposits:
Paced improvement in funding, especially low cost

Deposit Mix Analysis

■ Current ■ Savings ■ Fixed



Comments

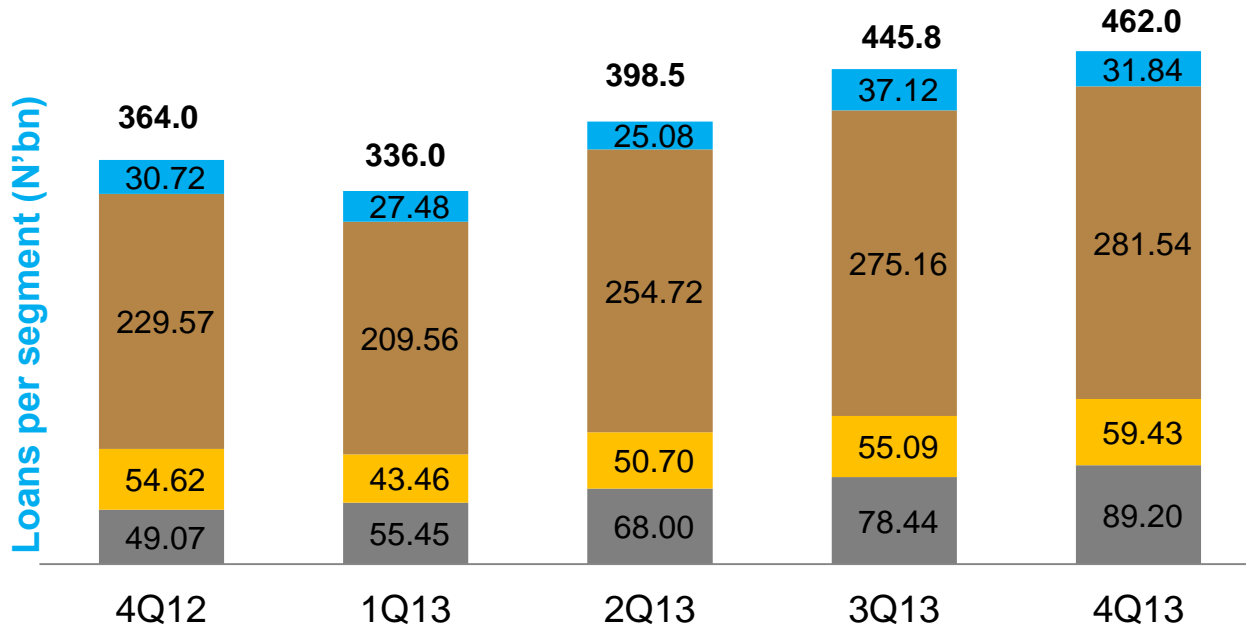
❖ Current and Savings Account Growth- 30% YoY & 11% QoQ.

Loans & Advances:

Risk asset growth momentum sustained, with retail (individuals and SMEs) gaining faster traction



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



Comments

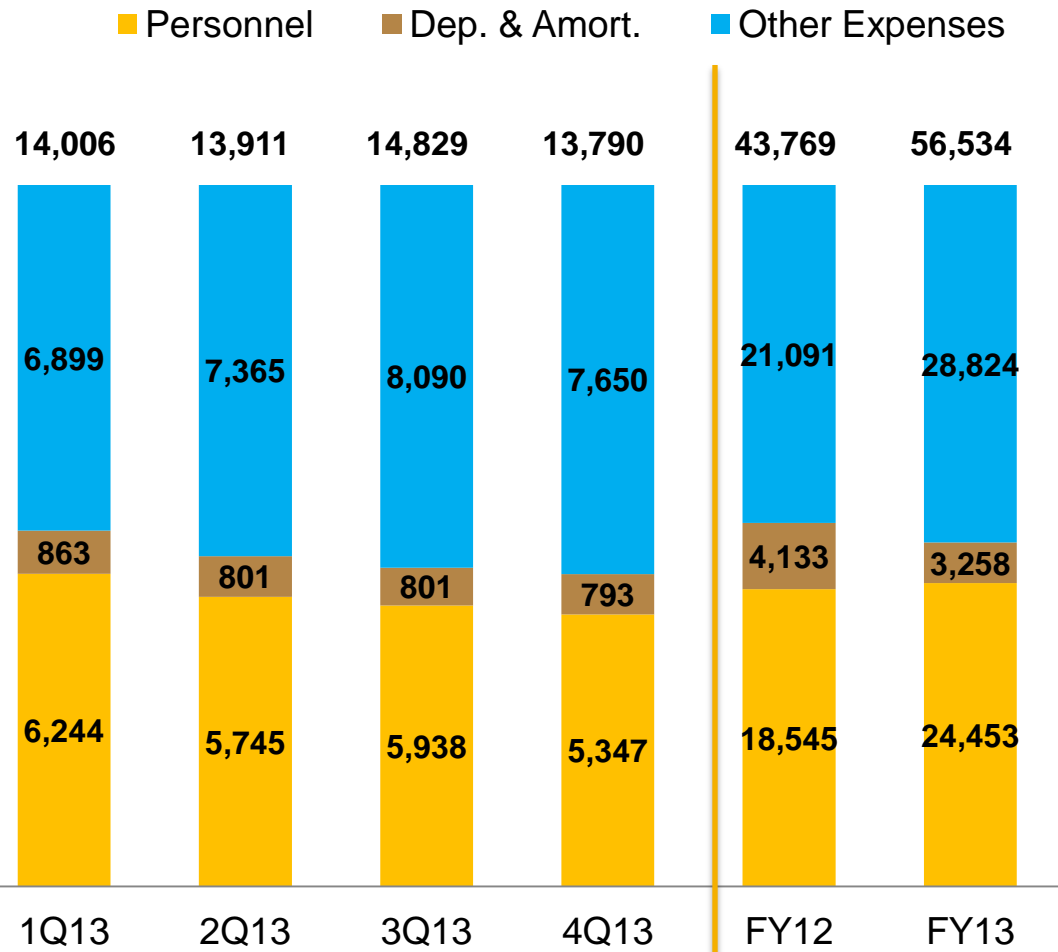
- ❖ The loan book grew 27% YoY, driven mainly by the Oil & Gas Upstream, Power, Personal, Telecoms & Real Estate sectors.
- ❖ Personal banking loan growth rate averaged at about 16% QoQ through the course of the year. This is sustainable with a resultant positive impact on the bank's risk asset yields.
- ❖ Public sector loans have remained steady in line with the bank's strategy.

	% Δ QoQ	% Δ YoY
Personal	13.7%	81.8%
Business	7.9%	8.8%
Corporate	2.3%	22.6%
Institutional	(14.2%)	3.6%



OPEX:

4Q12 reflects the reversal of excess FinBank merger accruals no longer required. 2014 forecasts quarterly OPEX run rate of N15B



Expense Line	% Δ QoQ	% Δ YoY
Personnel expenses	(10.0%)	31.9%
Depreciation & amortisation expenses	(1.0%)	(21.2%)
Other expenses	(5.4%)	(36.7%)
Total	(7.0%)	(29.2%)

Comments

❖ Personnel cost is 41% of total 2013 OPEX.



Other Highlights:

Personal Banking:

Key 2013 Highlights:

- ❖ Risk assets portfolio grew by **91%** from **44 billion** in Dec'12 to **84 billion** in Dec'13;
- ❖ Over **86%** increase on loan customer base: from **151,000** in Dec'12 to **281,000** in Dec'13;
- ❖ Acquisition of over **449,000** customers in 2013 - customer base reached **~2.2 million**;
- ❖ Monthly loan disbursement peaked at **27,000** while monthly customer acquisition peaked at **66,000**;
- ❖ **13%** increase in total deposit to **144 billion**; **80%** of growth coming from low cost transactional products;
- ❖ Increased micro-lending presence in Nigeria by four additional states to 21 states across the country.

2014 Plans:

- ❖ Sustain consumer asset momentum and market leadership;
- ❖ Acquire 500,000 new customers;
- ❖ Cross-sell effectively to accelerate deposit growth;
- ❖ Migrate customer transactions to alternate channels;
- ❖ Grow micro-lending footprint to 26 states.



Other Highlights (*continued*):

Business Banking

Key 2013 Highlights:

- ❖ Acquired additional 22,907 new SME relationships; increased SME customer base to ~191,000;
- ❖ Reactivated 11,535 dormant FinBank SME relationships, adding N5B to low-cost deposits;
- ❖ Launched SME internet banking solution;
- ❖ Receivable discounting and contract financing (to Government) were major drivers of NPLs, due to delayed payments.

2014 Plans:

- ❖ Double monthly SME customer-acquisition rate from 1,800 to 3,600;
- ❖ Offer collection services to more SMEs to accelerate low-cost deposit growth;
- ❖ Introduce new liability products to further drive deposit growth;
- ❖ Migrate transactions to alternate channels (i.e. cards, internet, mobile, POS);
- ❖ 10-15% loan growth target with focus on quality;
- ❖ De-emphasise lending to government contractors.



Other Highlights (*continued*)

Corporate Banking:

Some key accomplishments in FY13 included:

- ❖ Implemented a revenue collection framework for the Power distribution and the Telecomm service providers, which has benefited our low-cost deposit drive;
- ❖ Consistent increase in the wallet share of existing businesses
- ❖ Customer wins, particularly in the emerging corporate space;
- ❖ 22.6% YoY growth in risk assets to 281.5bn;
- ❖ Good quality loan book - NPL ratio of 1.3% (N3.6bn);
- ❖ 18% YoY growth in low-cost deposits.

2014 Plans:

- ❖ Consolidate and expand transaction banking activities (i.e. trade finance, collections and payments);
- ❖ Partner with investment banking for project & structured finance and advisory opportunities to drive fee income, loan growth and cash management mandates.

Institutional Banking:

- ❖ Deposits mobilisation slowed during the year, to limit dependence on public sector funding;
- ❖ Non-interest income grew by 81% QoQ from N525m in 3Q13 to N951m in 4Q13;
- ❖ Cost of funds dropped 17% from 3Q13.

2014 Plans:

- ❖ Continue to reduce emphasis on government funding;
- ❖ Actively mine government value chain;
- ❖ Pursue payroll opportunities.



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

Investment Banking Group Review: *Solid earnings growth from core business*

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

Investment Banking Group	3Q13	4Q13	% Δ QoQ	FY12	FY13	% Δ YoY
N'm						
Gross earnings	357	617	73%	1,344	1,960	46%
Net Interest Income	64	84	31%	329	287	-13%
Non Interest Income	293	533	82%	1,015	1,673	65%
Operating Income	357	617	73%	1,344	1,960	46%
Expenses	(367)	(425)	16%	(998)	(1,367)	37%
Impairment Charges	22	(29)	-232%	(36)	0	-100%
PBT	12	163	1261%	309	593	92%
CIR	97%	74%	-24%	77%	70%	-9%

Overview of Investment Banking Group

Investment Banking Group (IBG)

Key 2013 Highlights:

- ❖ Though contributing only 2% of group profits, IBG not only enabled the bank grow its customer wallet share, but also won new customers through advisory services that eventually led to transaction banking relationships;
- ❖ Maintained its position as the third largest stockbroker in the country, whilst increasing its market share;
- ❖ Grew volumes traded on the Nigerian Stock Exchange (NSE) 100%;
- ❖ Advised on deal flows of approximately N378 billion;
- ❖ Net operating earnings growth of 206%, enabled by project and structured finance advisory and arrangement activities;
- ❖ Actively participated in buy-side advisory and capital-raising mandates in the Power sector's privatisation;
- ❖ Acted as the sole local advisor on the first Greenfield Independent Power Producer project financing, under the new tariff regime;
- ❖ Won Euromoney Project Finance award for 'Africa Midstream Oil & Gas Deal of the Year 2013' .

2014 Plans:

- ❖ Expect a continuation of increase in market share through directly signing up more global emerging market funds;
- ❖ Launch of a comprehensive on-line trading platform;
- ❖ Launch a Nigeria Power Sector report and on the back of this aid companies in the sector to raise capital;
- ❖ Start receiving and transmitting equities trade orders from Kenya;
- ❖ Participate in further IPO/primary placements in the Upstream Oil & Gas space;
- ❖ First City Asset Management to launch two new funds during the course of 2014;
- ❖ Structured finance will continue to drive performance, as debt financing for oil & gas, power and commercial real estate transactions continue to dominate market activity;
- ❖ Develop competence and seek to grow leadership in the emerging Nigerian mining sector;
- ❖ Continued tight control of operating expenses to ensure achievement of cost-income ratio target.



Risk Management Review –

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

Gross Loan Distribution by Sector (N'm)

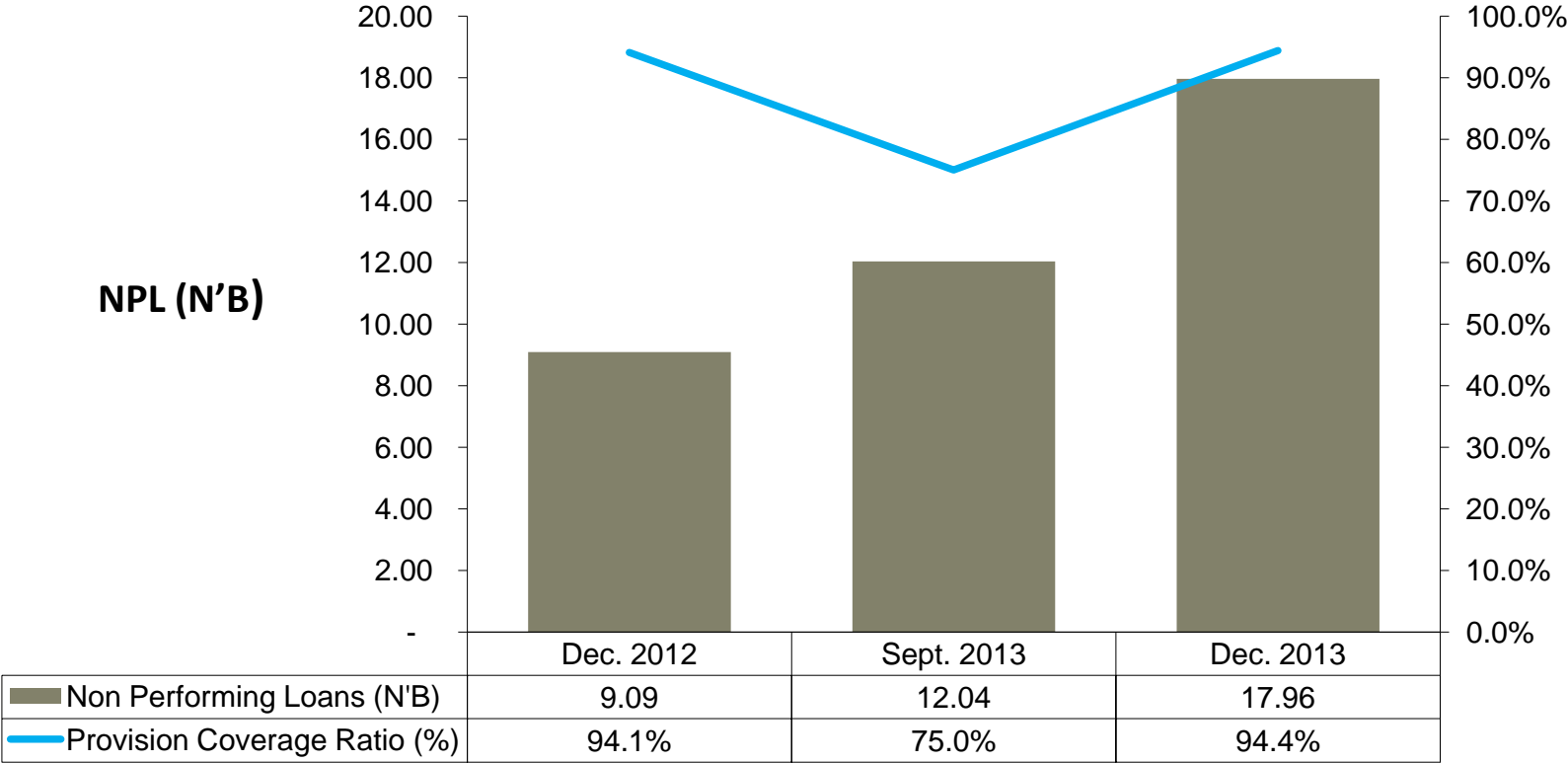
Industry Sector	Dec'12	Mar'13	Jun'13	Sept'13	NPL%	Dec'13	% DISTR.	NPL%
AGRICULTURE	13,655	12,826	34,106	17,931	0.6%	11,406	2.5%	11.1%
COMMERCE	52,382	52,461	55,602	45,880	12.0%	52,888	11.4%	11.2%
CONSTRUCTION	7,445	5,444	8,219	8,198	7.0%	6,135	1.3%	19.8%
EDUCATION	4,598	4,514	4,603	4,810	4.3%	4,719	1.0%	5.4%
FINANCE & INSURANCE	13,824	8,109	6,091	9,667	1.0%	20,409	4.4%	0.1%
GENERAL – OTHERS	5,014	4,713	6,750	8,383	4.0%	8,594	1.9%	5.8%
GOVERNMENT	28,702	25,987	23,123	34,876	0.4%	31,302	6.8%	0.5%
INDIVIDUAL	49,012	55,478	68,274	78,769	3.6%	89,455	19.4%	5.4%
MANUFACTURING	27,390	28,436	27,329	32,418	0.5%	28,025	6.1%	0.2%
OIL&GAS-DOWNSTREAM	67,339	41,761	45,401	40,671	3.8%	43,343	9.4%	4.1%
OIL&GAS- UPSTREAM&SERVICES	40,704	42,786	49,185	64,944	0.0%	61,119	13.2%	0.1%
POWER	4,609	4,369	6,164	24,038	0.0%	26,824	5.8%	0.0%
PROFESSIONAL SERVICES	774,336	592	1,822	2,101	6.1%	1,841	0.4%	9.6%
REAL ESTATE	25,323	24,221	33,921	33,849	1.0%	35,067	7.6%	4.4%
TELECOMMS	21,637	21,765	25,165	32,596	0.0%	34,223	7.4%	0.0%
TRANSPORTATION & LOGISTICS	1,566	2,496	2,775	6,670	0.6%	6,655	1.4%	3.0%
	363,974	335,958	398,528	445,803	2.7%	462,005	100.0%	3.9%

Comments

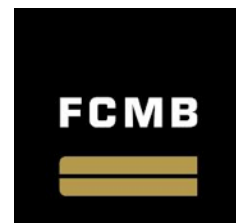
- ❖ Key drivers of loan growth have been in Oil & Gas Upstream, Power, Individual, Telecoms & Real estate sectors.

NPL coverage remains good

**Coverage Ratio Analysis:
Dec. 2012 vs. Sept. 2013 vs. Dec. 2013**



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



2014 Outlook –

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

2014 Outlook

- ❖ Anticipated tight monetary policy might keep cost of funds high;
- ❖ This will be compounded as competition for deposits intensifies outside of public sector;
- ❖ Strong Retail loan growth will counteract NIM pressure;
- ❖ Cost to Income Ratio should continue to improve for the following reasons:
 - Retail revenue to rise faster than expenses;
 - Acceleration of growth in lower risk, high efficiency corporate banking activities;
 - Investment banking profit profile rising as project and structured finance becomes an important and predictable source of revenue growth.

The group has established a stable base, with a diversified platform across retail, corporate and investment banking. While opportunities continue to abound in corporate and investment banking as the economy evolves, retail banking has become the largest contributor to revenue. This is an important strategic milestone. We therefore expect 2014 should see further improvements in profitability in spite of the challenging regulatory environment. 2014 focus will be on improving cost to income ratio and further improving cost of risk, which will translate into improved returns on asset and equity, all other things being equal.