FY 2019 Results

INVESTORS & ANALYSTS PRESENTATION
3 APRIL 2020

Introduction

FY 2019 Results Overview

Commercial & Retail Banking: Performance Review

Commercial & Retail Banking: Risk Management Review

Corporate & Investment Banking Review

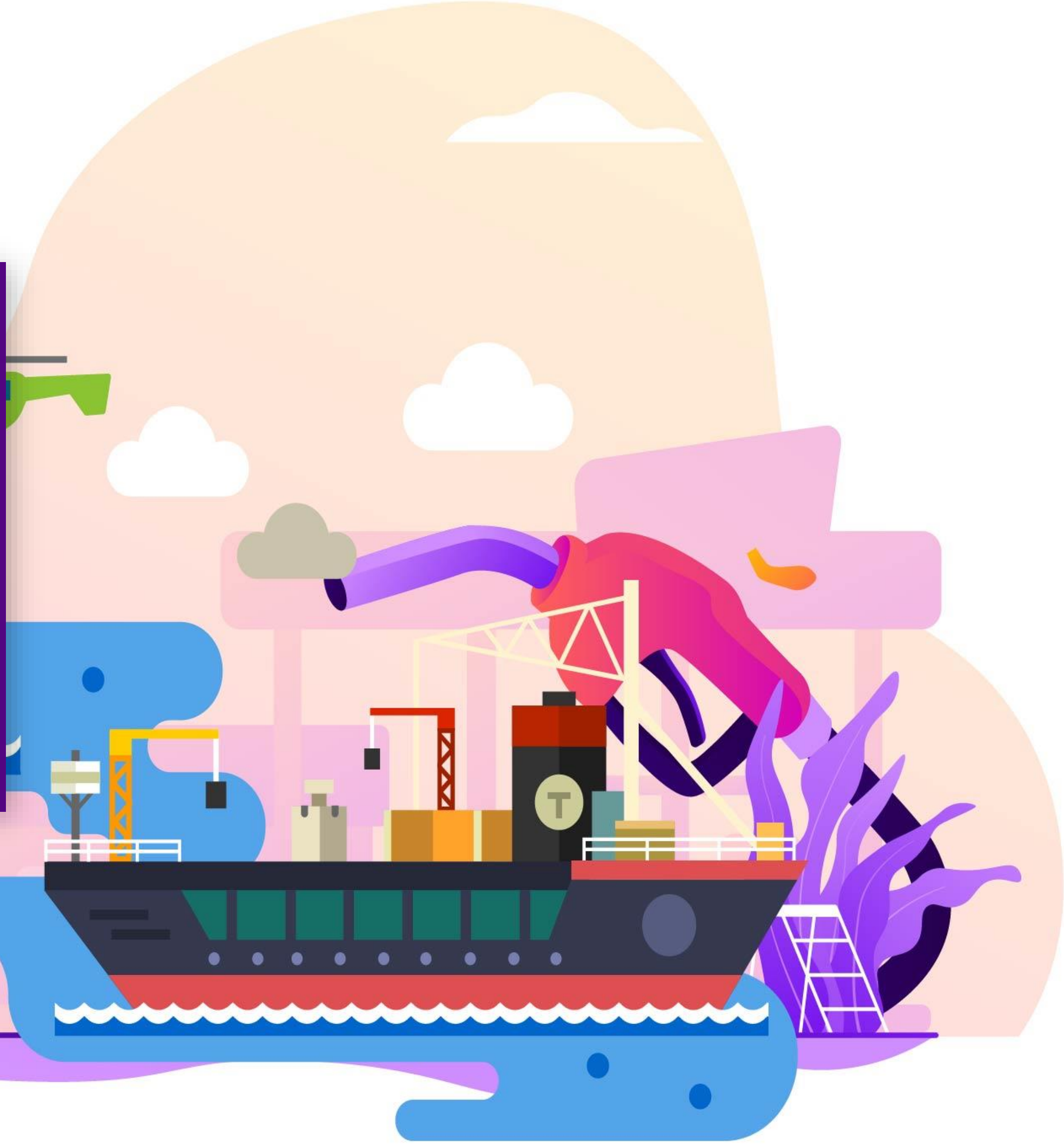
Investment Management Review

Outlook

Introduction

Mr. Ladi Balogun

Group Chief Executive: FCMB Group Plc



Results reveal a number of positive highlights, YoY, which point to the fact that we continue to create value in the business

Profit after Tax
N17.3 billion
16%
2018: N14.9 billion

Loans
N715.9 billion
13.1%
2018: N633.0 billion

Deposits
N943.1 billion
14.7%
2018: N821.7 billion

Total Assets
N1.67 trillion
16.6%
2018: N1.43 trillion

Assets Under Management
N403.1 billion
28.3%
2018: N314.3 billion

Gross Earnings
N181.2 billion
2.3%
2018: N177.2 billion

Operating Expenses
N76.9 billion
-2.9%
2018: N79.2 billion

Capital Adequacy
17.17%
127bps
2018: 15.90%

Return on Average Equity
9.0%
80bps
2018: 8.1%

Digital Customers
4.6 million
66%
2018: 2.8 million

Non-Performing Loans
3.7%
-223bps
2018: 5.9%

Customers
7 million
27.5%
2018: 5.5 million

Building Resilience:

- At 18.47%, Capital Adequacy Ratio (CAR) has increased and is above regulatory threshold of 15%, in spite of the 13% loan growth.
- Liquidity ratio reduced largely because of a 42.6% increase in restricted funds, leading to a CRR of 31.2% at the end of 2019.

Diversification:

- Customer strength, across our group of companies, has grown 27.5% YoY from 5.5 million[1] as at December 2018 to 7 million[1] as at December 2019.
- Personal and business banking account for 72%, 29% and 70% of deposits, assets and revenue respectively.
- Non-banking activities account for 9% of PBT, largely driven by our Pensions business. Our Investment Management business saw a 28% YoY growth in AUM from N314.3bn to N403.1bn, as we continued to leverage an effective distribution model on the banks growing customer base.

Innovation:

- **Mobile Banking & USSD Commissions:** 59% YoY growth from N1.4 billion (FY18) to N2.3 billion (FY19). Average of N188.96million in monthly revenue (in 2019) - with N283 million revenue in Dec 2019 and N722.6 million revenue in 4Q19.
- **Total digital** loan book size is N10 billion, making up 44% of Personal & Business Banking loan book.
- **Transactions on our New App:**
  - Values grew 218% QoQ from N35bn in 3Q19 to N111.5bn in 4Q19;
  - Volumes grew 158% QoQ from 859,000 in 3Q19 to 2.2 million in 4Q19;
  - This fully customisable platform will serve as the foundation for turning our mobile channels into a financial marketplace.

Notes:

1. This figure includes total customer numbers for the Bank; active Easy Account holders; Credit Direct Ltd customers and total no. of RSAs with FCMB Pensions Ltd.

Plans for 2020

- Accelerate the digital transformation of Personal & Business Banking: which will improve scale, profitability and customer experience.

- Continue digital transformation:
  - CDL goes digital – positive impact on CIR;
  - Customer acquisition is likely to drop in 2Q20 but is also likely to resume by 3Q20, with about 60,000 being acquired digitally every month;
  - SME online account opening: Target 10,000 accounts opened per annum, c. 20% of total SME accounts opened;
  - Digital wealth management solutions – we've launched on our app and we expect to see growth;
  - Digitise more SME lending products: supply chain and medium-term loans. Targeting N4bn revenue growth from digital SME lending. N25bn book size, 20% of SME loan book;
  - Our Application Programming Interface (API) platform will give us the opportunity to create partnerships with software programmers that will allow us to continuously innovate and grow.

- Corporate and Investment Banking should resume growth.

- Accelerate Investment Management: non-banking net income contribution to rise.

- New reporting format from 2020:

Commercial & Retail Banking
- FCMB Ltd (excl. Corporate)
- FCMB Bank (UK) Ltd
- Credit Direct Ltd
- FCMB MFB Ltd

Corporate & Investment Banking
- FCMB Ltd Corporate Banking
- FCMB Capital Markets Ltd
- CSL Stockbrokers Ltd

Investment Management
- FCMB Pensions Ltd
- FCMB Asset Management Ltd
- FCMB Trustees Ltd

Plans for 2020 - *continued*

In response to the twin challenges of a global pandemic and a sustained drop in oil prices (the impact of which will be discussed on slide 27):

- FCMB has developed a comprehensive response to keep our employees and customers safe, business going and support those affected by this pandemic;
- We plan to alter our working practices (in the longer term) to reduce our carbon footprint and improve employee satisfaction through remote working;
- We see an opportunity to accelerate the adoption of our digital financial services for greater customer convenience;
- Our objectives for 2020 will be to keep people safe, keep business going and support those that will be affected by this pandemic.

FY19 Results Overview: FCMB Group Plc

Mr. Kayode Adewuyi
Chief Financial Officer: FCMB Group Plc

Group Performance Highlights: ROaE improved QoQ & YoY, driven primarily by reduction in OPEX. NPLs dropped mainly due to loans write-off and consequently, marginal decline in cost of risk.

	Performance Index	1Q19	2Q19	3Q19	4Q19	%Δ QoQ	FY18	FY19	%Δ YoY
Operating	Return on Average Equity	7.9%	8.4%	7.0%	13.5%	94%	8.1%	9.0%	12%
	Return on Average Assets	1.0%	1.1%	0.9%	1.7%	90.8%	1.1%	1.1%	-2.2%
	Loan/Deposit Ratio	73.9%	75.1%	73.9%	75.9%	2.7%	77.0%	75.9%	-1.5%
	Loan/Funding Ratio	55.6%	51.7%	52.2%	58.7%	12.4%	60.7%	58.7%	-3.3%
	Cost/Income Ratio	75.0%	72.1%	78.8%	54.8%	-30.4%	70.7%	69.4%	-1.8%
	Net Interest Margin	7.6%	7.6%	7.0%	7.3%	4.2%	7.6%	7.1%	-7.8%
	NPL/Total Loans	4.3%	4.3%	3.5%	3.7%	4.8%	5.9%	3.7%	-37.9%
	Coverage Ratio[1]	145.8%	157.2%	147.8%	154.4%	4.5%	120.5%	154.4%	28.1%
	NII/Operating Income	29.3%	27.6%	41.1%	21.0%	-48.8%	35.3%	30.2%	-14.4%
	Financial Leverage	7.7	7.9	7.9	8.1	1.7%	7.1	8.1	14.3%
	Cost of Risk	1.0%	1.8%	0.6%	1.8%	177.1%	1.3%	1.3%	-4.4%
Capital & Liquidity	Capital Adequacy Ratio	16.4%	16.3%	17.97%	17.17%	-4.5%	15.9%	17.17%	8.0%
	Liquidity Ratio	47.7%	40.2%	39.8%	32.9%	-17.3%	50.4%	32.9%	-34.7%
Investment	Share Price	1.86	1.63	1.65	1.84	11.5%	1.89	1.84	-2.6%
	NAV (N'B)	187.9	189.0	188.0	200.8	6.8%	183.4	200.8	9.5%
	Dividend (Kobo)	0	0	0	0	n/a	14	14	n/a
	EPS (Kobo)	18.19	19.67	16.37	33.06	101.9%	75.17	87.16	16.0%
Others	Opex (N'B)	19.7	19.9	23.5	13.7	-41.7%	79.2	76.9	-2.9%
	Risk Assets (net) (N'B)	615.2	617.9	638.1	715.9	12.2%	633.0	715.9	13.1%
	Customer Deposits (N'B)	831.9	823.0	863.4	943.1	9.2%	821.7	943.1	14.8%

FCMB's Operating Companies' Contribution to Profitability

N'm	PBT	PAT	Revenue	ROAE	NAV	% Contribution to Group PBT
Commercial & Retail Banking[1]	22,663	20,370	162,566	17.3%	115,735	112.6%
Corporate & Investment Banking[2]	(4,086)	(4,083)	15,249	-5.8%	70,613	-20.3%
Investment Management[3]	1,713	1,221	4,138	26.5%	4,235	8.5%
FCMB Group Plc (Separate)[4]	3,614	3,614	3,502	2.7%	131,939	18.0%
Intercompany Adjustments	(3,774)	(3,785)	(3,560)	-2.7%	(121,856)	-18.7%
FCMB Group Plc (consolidated)	20,130	17,337	181,250	9.0%	200,667	100%

Notes:

1. Includes FCMB Bank Ltd (and its subsidiary, FCMB (UK) Ltd); FCMB Microfinance Bank Ltd, Credit Direct Ltd.
2. Includes the Corporate Banking Division of the Bank, CSL Stockbrokers and FCMB Capital Markets Ltd.
3. Includes FCMB Pensions Ltd; FCMB Asset Management Ltd and FCMB Trustees Ltd.
4. Includes dividend income of N2.97bn from subsidiaries

Group Statements of Comprehensive Income: PBT grew QoQ & YoY driven mainly by increase in Net Interest Income and 3% reduction in OPEX. Drop in non-interest income was mainly due to significant reduction in FX income as 33% growth in electronic fees and commissions could not fully offset the decline

N'm	1Q19	2Q19	3Q19	4Q19	%Δ QoQ	FY18	FY19	%Δ YoY
Revenue	**43,904**	**45,882**	46,038	52,156	**13.3%**	**177,249**	**187,979**	**6.1%**
Interest Income	34,405	35,973	31,423	35,646	13.4%	131,663	137,447	4.4%
Interest Expense	(15,787)	(15,937)	(13,846)	(15,901)	14.8%	(59,090)	(61,471)	4.0%
Net Interest Income	**18,618**	**20,036**	**17,577**	**19,745**	12.3%	**72,573**	**75,976**	4.7%
Non Interest Income	**7,706**	**7,646**	**12,242**	**5,257**	-57.1%	**39,552**	**32,850**	-16.9%
- Net Fees & Commissions	4,958	5,143	5,207	5,414	4.0%	21,607	20,722	-4.1%
- Trading Income	2,162	1,377	1,303	2,063	58.3%	6,194	6,904	11.5%
- FX Income	483	488	779	1,799	131.0%	9,334	3,549	-62.0%
- Others	104	637	4,953	(4,020)	-181.2%	2,418	1,674	-30.8%
Operating Income	**26,324**	**27,682**	**29,819**	**25,002**	-16.2%	**112,126**	**108,826**	-2.9%
Operating Expenses	(19,742)	(19,949)	(23,503)	(13,707)	41.7%	(79,224)	(76,901)	-2.9%
Net impairment loss on financial assets	(2,285)	(3,213)	(2,353)	(5,896)	-150.5%	(14,113)	(13,748)	-2.6%
Net gains/(losses) from fin. instruments at fair value	0	0	25	1,928	7738.3%	(346)	1,952	-664.6%
PBT	**4,296**	**4,520**	**3,987**	**7,327**	**83.8%**	**18,442**	**20,130**	**9.2%**
TAX	(678)	(608)	(726)	(781)	7.7%	(3,471)	(2,793)	-19.5%
PAT	**3,618**	**3,912**	**3,262**	**6,546**	**100.7%**	**14,972**	**17,337**	**15.8%**

Group Performance Review: Commercial & Retail Banking

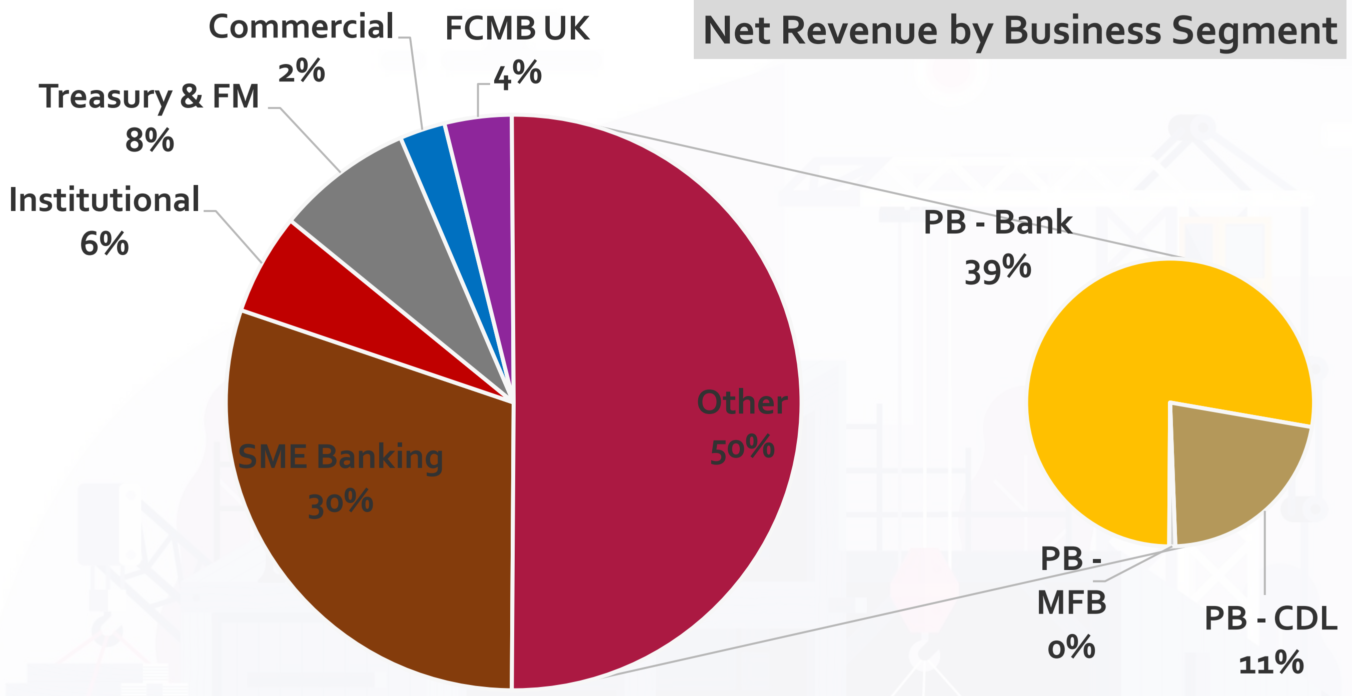
Mr. Adam Nuru
Managing Director: FCMB Ltd

FY19 Segment & Subsidiaries Highlights

Personal Banking

- With a 50% contribution, personal banking continues to be a major earner of net revenue. Our retail-led strategy continues to yield positive results with our Alternative Channels drive and Digital Banking initiatives, such as USSD, *329# and FCMB mobile app;
- Personal banking has a stable deposit base with the right low-cost mix. This is from new customer acquisition in addition to retention of deposits from existing customers;
- Upward trend in our retail digital banking evolution as more retail transactions now done on electronic/ digital banking channels (please refer to slides 21 & 22);
- The segment also continues to drive digital initiatives to moderate OPEX and cost of funds.

Net Revenue by Business Segment



SME Banking

- Contributed 30% to net revenue, driven majorly by growth in net interest income and non-interest income;
- Digitalised SME lending improved loan origination and processing.

Institutional Banking

- Contributed 6% to net revenue.

Commercial Banking

- Contributed 2% to net revenue.

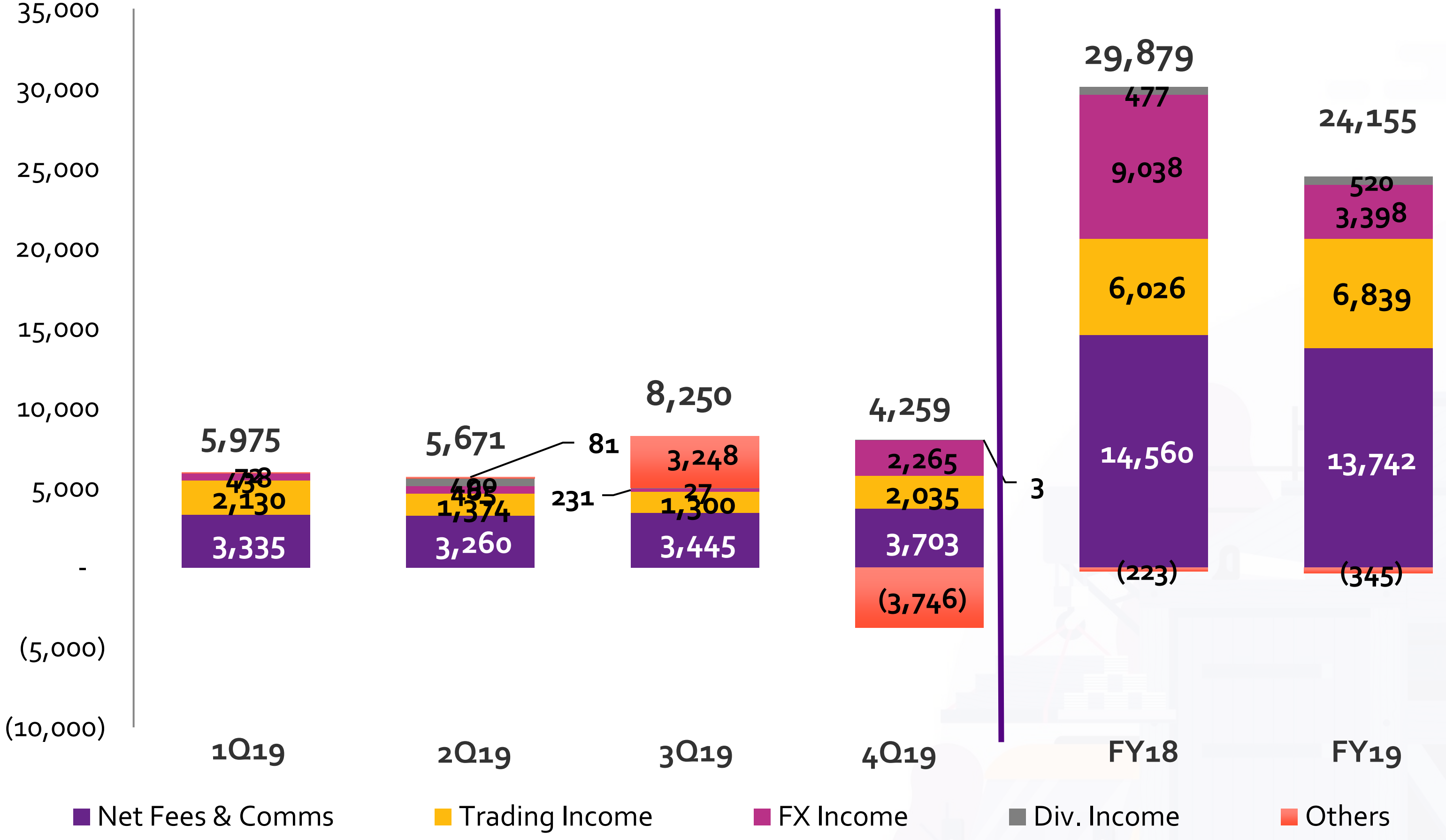
- FCMB UK Limited contributed 4% to net revenue from N2.92bn in FY18 to N N3.39 bn in FY 19;
- PBT growth of 10.8% YoY from from N515million for FY18 to N571million in FY19.

Commercial & Retail Banking Performance Review: 3Q19 vs. 4Q19 & FY18 vs. FY19

N'm	3Q19	4Q19	%Δ QoQ	FY18	FY19	%Δ YoY
Revenue	44,624	43,909	-1.60%	170,120	175,680	3.27%
Net Interest Income	18,280	16,361	-10.50%	59,838	67,756	13.23%
Non-Interest Income	8,250	4,259	-48.37%	29,879	24,155	-19.16%
Net impairment loss on financial assets	386.80	(2,372)	-713.28%	(6,608)	(4,577)	30.73%
Operating Expenses	(23,153)	(8,007)	65.42%	(66,577)	(64,671)	2.86%
PBT	3,764	10,242	172.10%	16,531	22,663	37.09%
Risk Assets (gross) (N'B)	245.76	279.32	13.65%	248.29	279.32	12.50%
Customer Deposits (N'B)	765.21	821.63	7.37%	707.53	821.63	16.13%

- 172.1% increase in PBT from N3.76bn in 3Q19 to N10.24bn for 4Q19. Also 37.1% YoY increase in PBT due to increase in net interest income, declined impairment loss on financial assets and operating expenses as a result of litigation-related reversal;
- Net interest income declined 10.5% QoQ. However, increased 13.2% YoY, largely due to growth on earning assets;
- Non-interest income declined 48.4% QoQ;
- Operating expenses declined 65.4% QoQ and 2.9% YoY majorly due to litigation-related reversal,
- Risk assets grew 13.7% QoQ and 12.5% YoY;
- Deposits grew 7.4% QoQ and 16.1% YoY, supported by growth in low cost deposits.

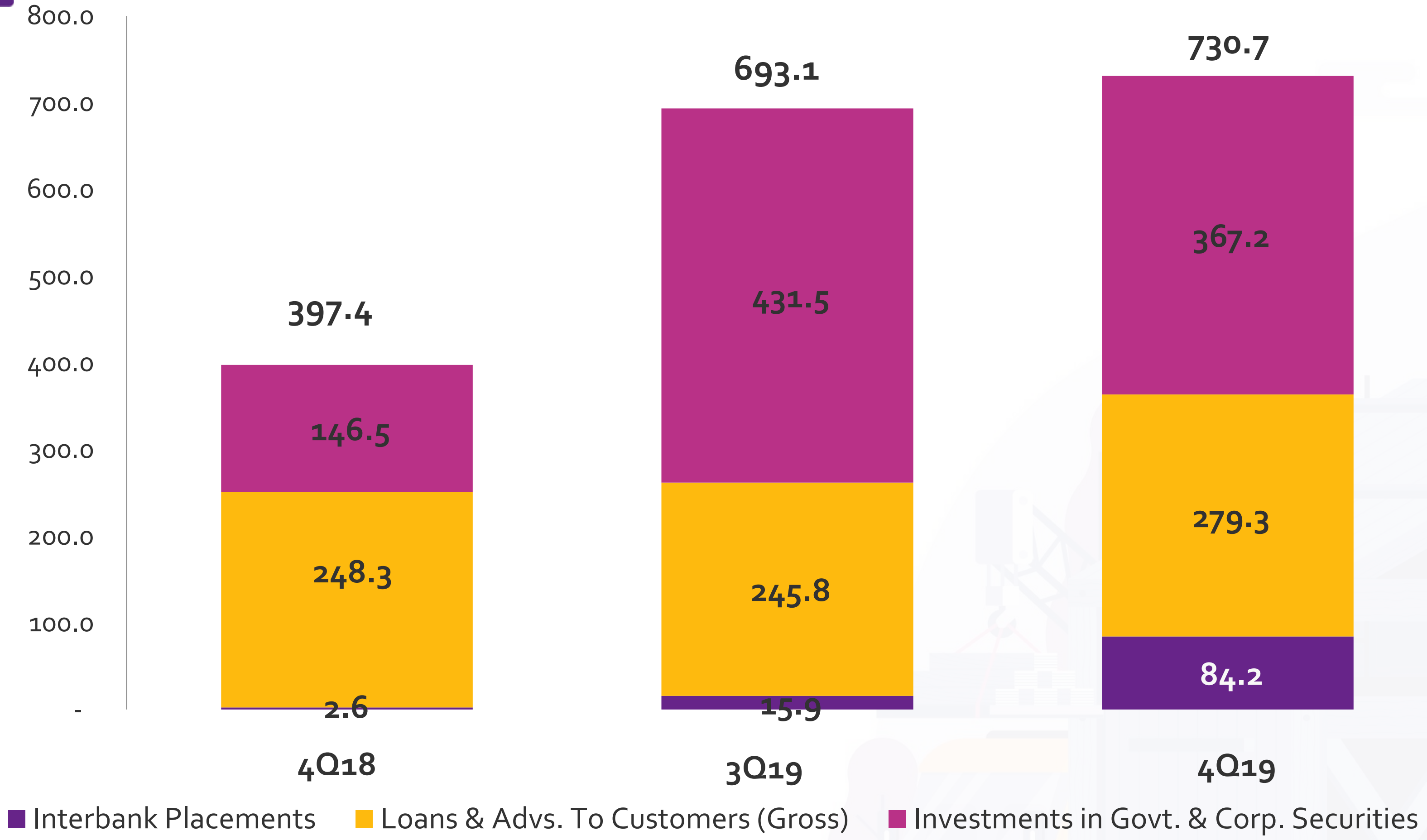
Non-Interest Income Analysis: 1Q19 - 4Q19 & FY18 vs. FY19



N'm	%Δ QoQ	%Δ YoY
Non Interest Income	**-48.4%**	**-19.2%**
Net Fees & Commissions	7.5%	-5.6%
Trading Income	56.6%	13.5%
FX Revaluation Gain	880.2%	-62.4%
Dividend Income	-88.8%	9.0%
Others	-215.3%	-54.6%

- Net fees and commissions grew 8% QoQ, as we recorded increased usage on our mobile and alternate channels. However, it declined by 6% YoY;
- Trading income grew 57% QoQ and 14% YoY due to high trading activities in government-backed securities;
- Revaluation gains grew 880% QoQ. However, it declined 62% YoY primarily due to non-recurrence of exceptional gains from FX income on convergence of rates in prior year;
- Decline in Other Income 215% QoQ due to reclassification of litigation-related reversal in 4Q19 to Operating Expenses in contrast to recognition in Other Income in 3Q19. It also declined 55% YoY due to fair value gain from financial instruments.

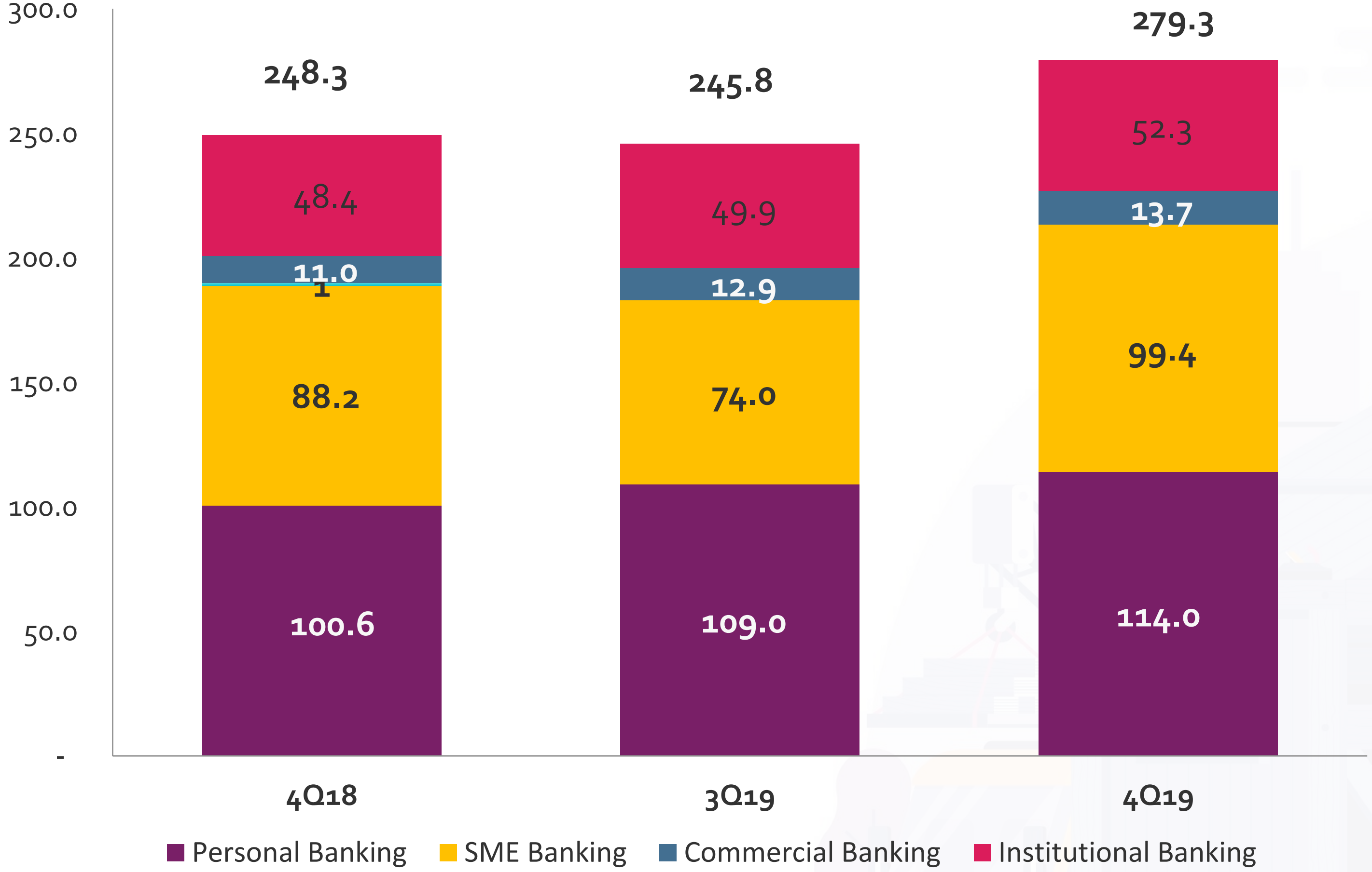
Interest Income & Earning Assets: 4Q18 vs. 3Q19 vs. 4Q19



N'bn	% Δ QoQ	% Δ YoY
Interbank placements	431.2%	3193.8%
Loans and advances to customers (gross)	13.7%	12.5%
Investments in government & corporate securities	-14.9%	150.7%
Total Earning Assets	**5.4%**	**83.9%**

- Total earning assets increased by 5% QoQ and 84% YoY;
- Interbank placements grew 431% QoQ and 3194% YoY;
- Gross loans and advances grew 14% QoQ and 12% YoY. The gross loan book of N279.3bn represents 38% of total earning assets.

Gross Loan Distribution by Segment 4Q18 vs. 3Q19 vs. 4Q19

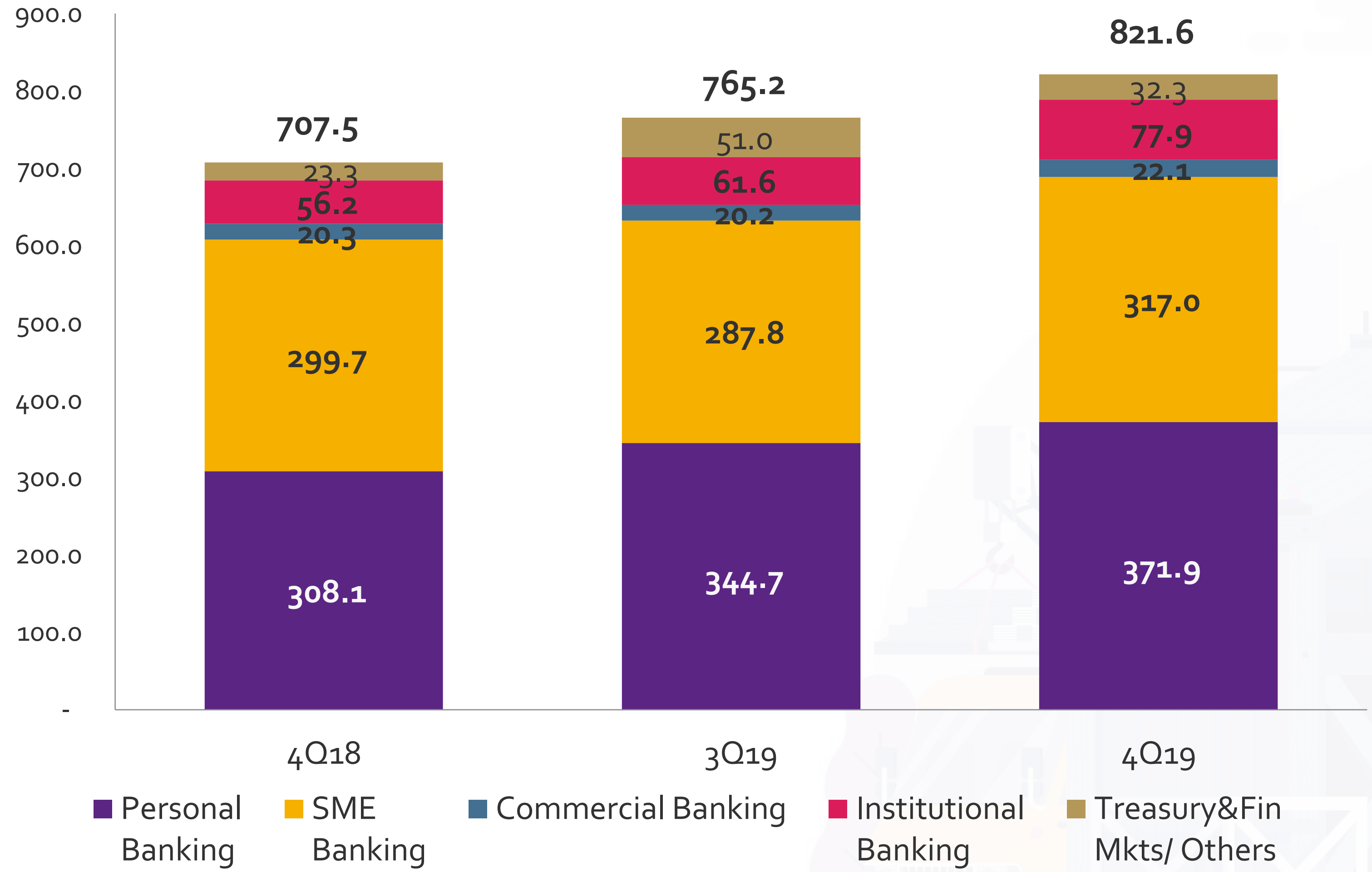


Segment	% Δ QoQ	% Δ YoY
Personal Banking	4.5%	13.3%
SME Banking	34.3%	12.7%
Commercial Banking	6.2%	23.9%
Institutional Banking	4.8%	7.9%
Total	**13.7%**	**12.5%**

- YoY and QoQ growth across all business segments was in line with plan to grow the loan book with focus on Agriculture, Personal banking and SME.
- Upward trend in personal banking loans with the implementation of our retail digital initiatives.
- 34.3% QoQ growth in SME was as a result of our strategic drive for SME loans.
- Quality loan growth is expected to continue across all segments in this current year.

FCMB

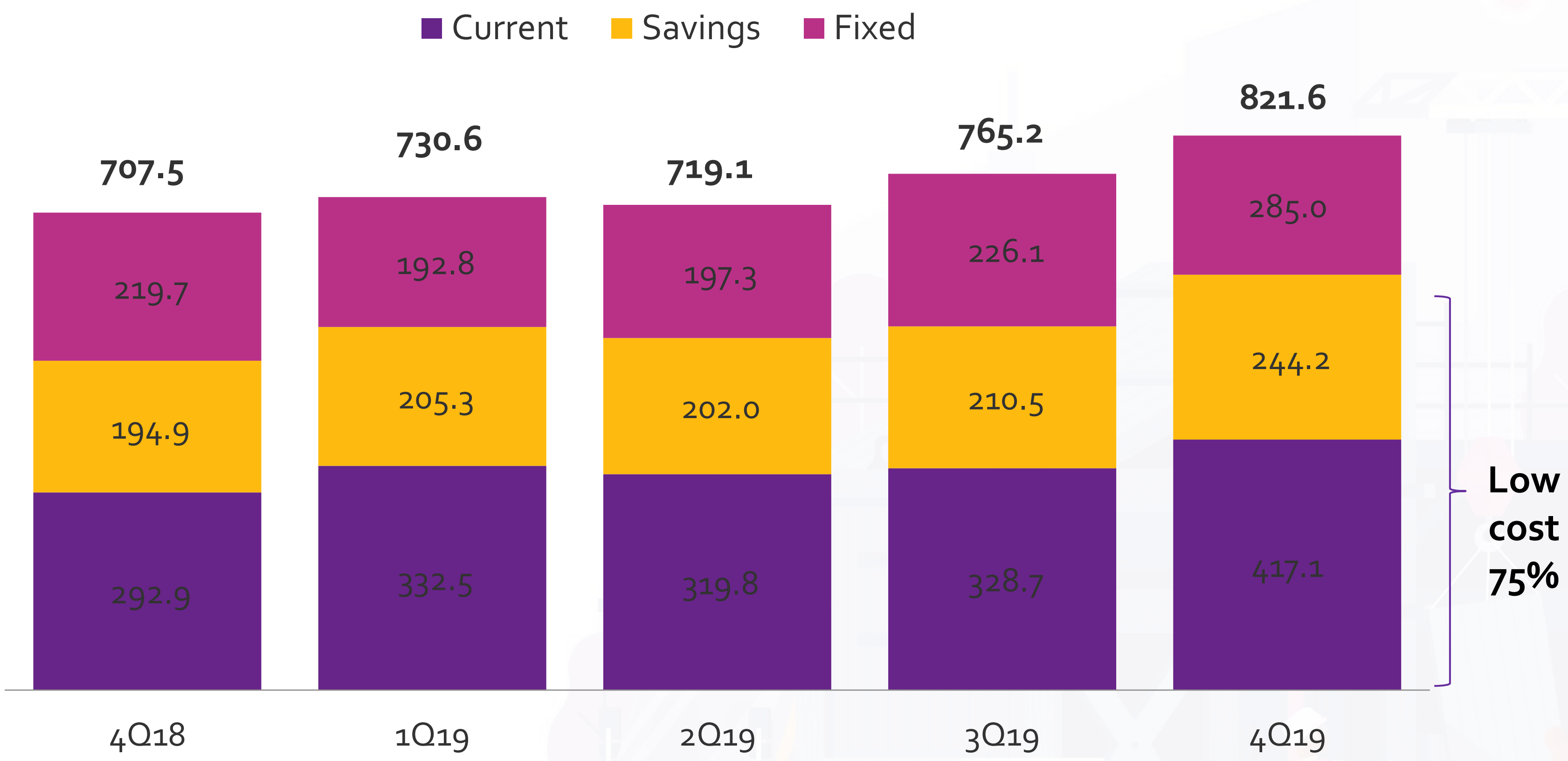
Deposit Distribution by Segment 4Q18 vs. 3Q19 vs. 4Q19



Segment	% Δ QoQ	% Δ YoY
Personal Banking	8%	21%
SME Banking	10%	6%
Commercial Banking	10%	9%
Institutional Banking	26%	39%
Treasury & Financial Markets	-36%	40%

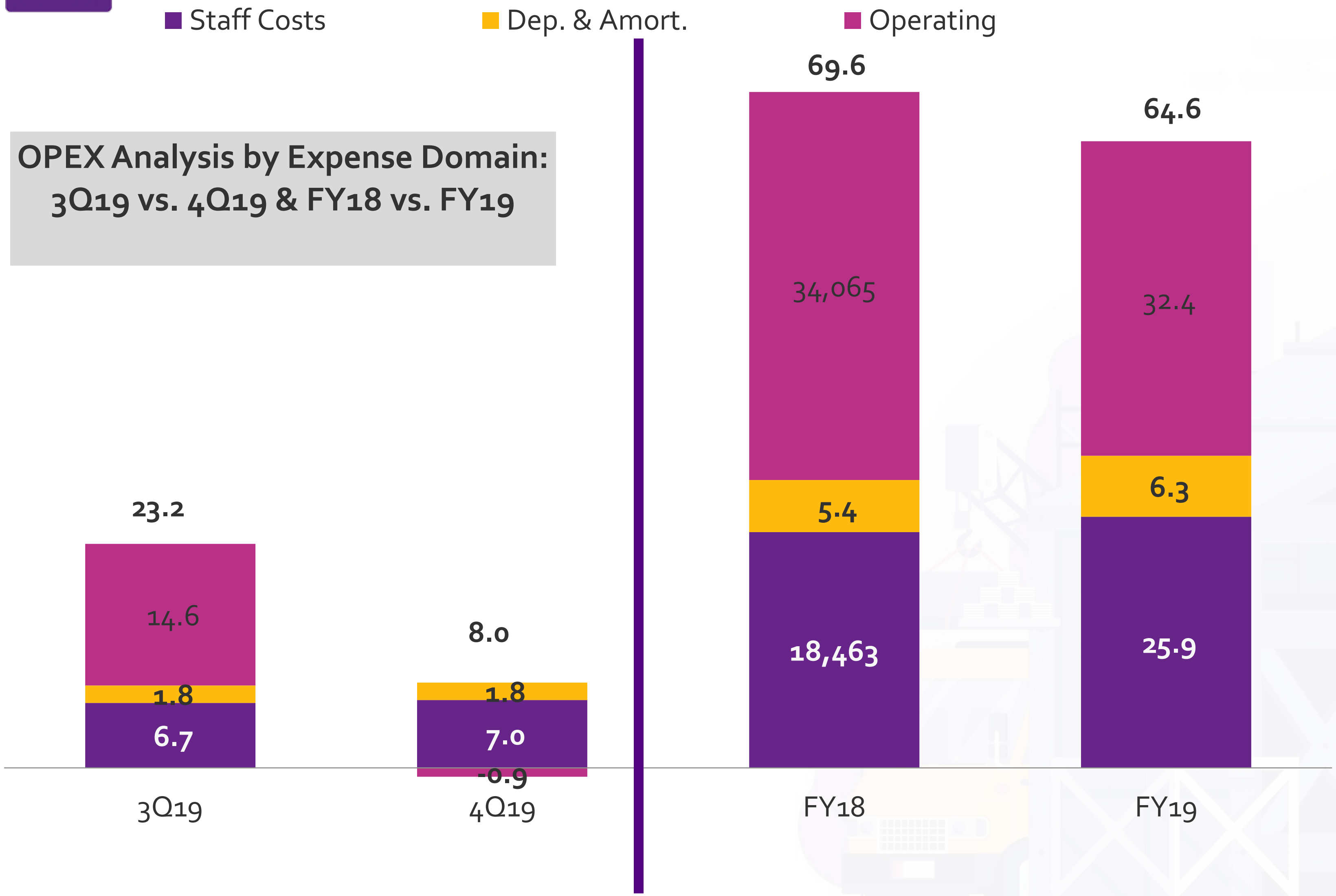
Retail (Personal and SME Banking) deposits now constitutes about 84% of total deposits and grew 9% QoQ and 13% YoY.

Deposit Distribution by Type: 4Q18 – 4Q19



- Total deposits rose 7% QoQ and 16% YoY, driven by CASA deposits, as a result of our continued focus on retail banking;
- Low-cost deposits now account for 75% of our total deposits, a 5% QoQ rise from 70% and 6% YoY rise from 69%.

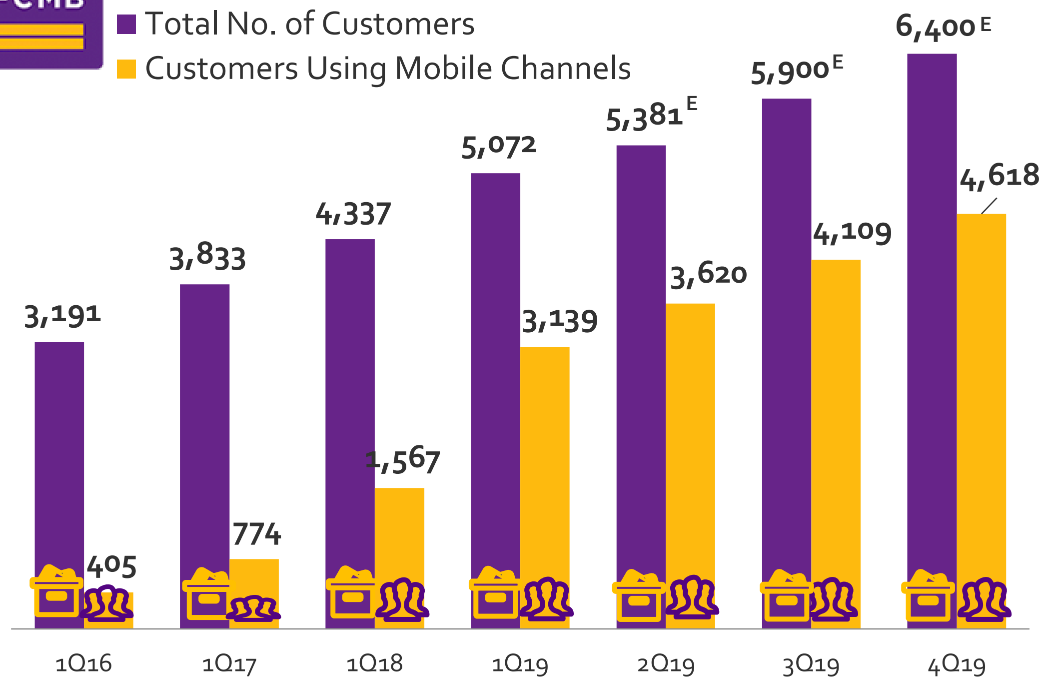
OPEX Analysis by Expense Domain: 3Q19 vs. 4Q19 & FY18 vs. FY19



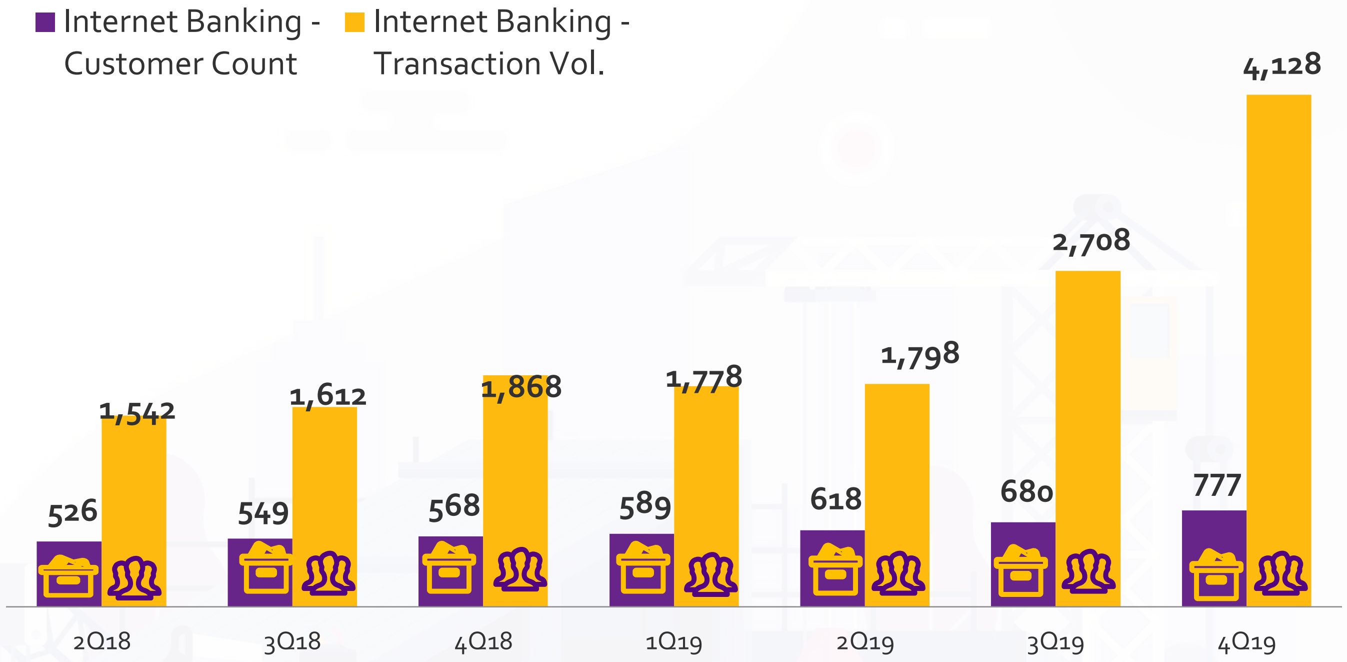
Segment	% Δ QoQ	% Δ YoY
Staff Costs	5.4%	6.6%
Depreciation & Amortisation	-1.4%	17.1%
Operating	-105.8%	-18.8%
Total	**-65.5%**	**-7.2%**

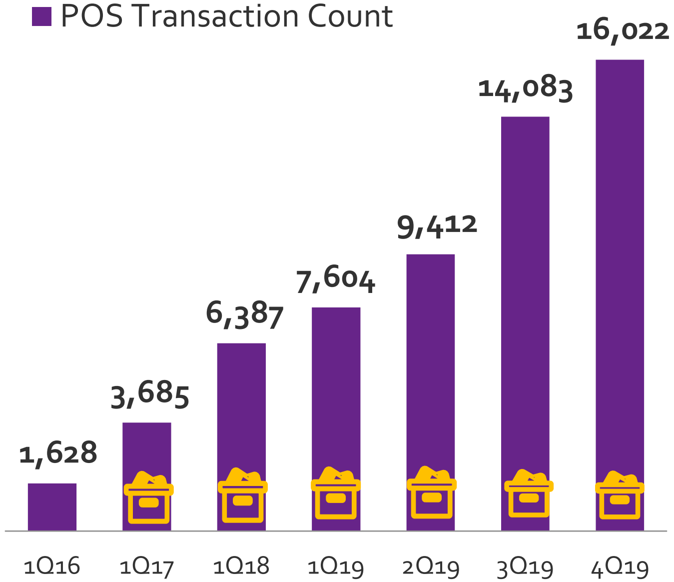
Operating expenses declined 65.5% QoQ and 7.2% YoY due to reclassification of litigation-related reversal from Non-Interest Income to Operating Expenses in 4Q19 in contrast to recognition as Non-Interest Income in 3Q19.

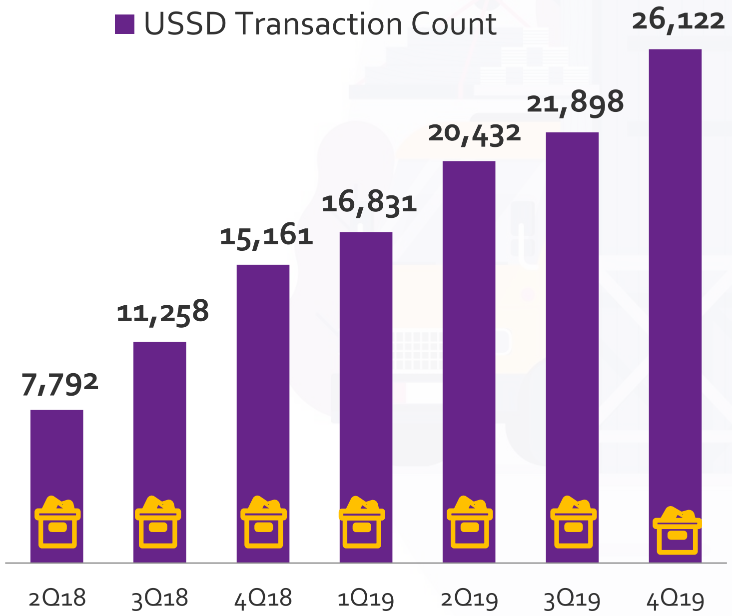
Digital Financial Services: We continue to successfully expand our digital offering across all channels

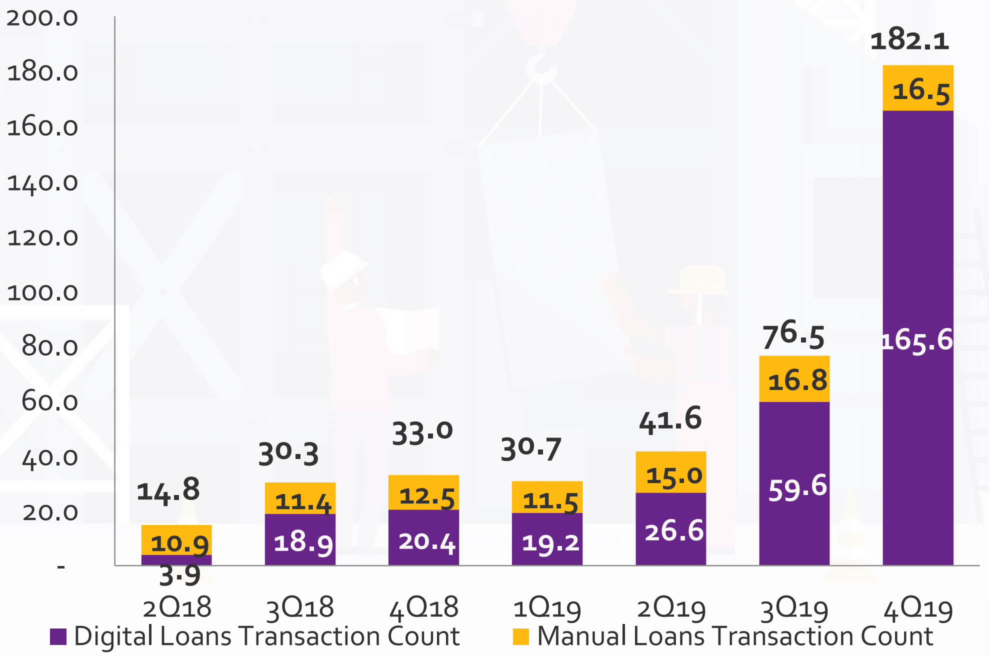


E Includes Easy Account Customers









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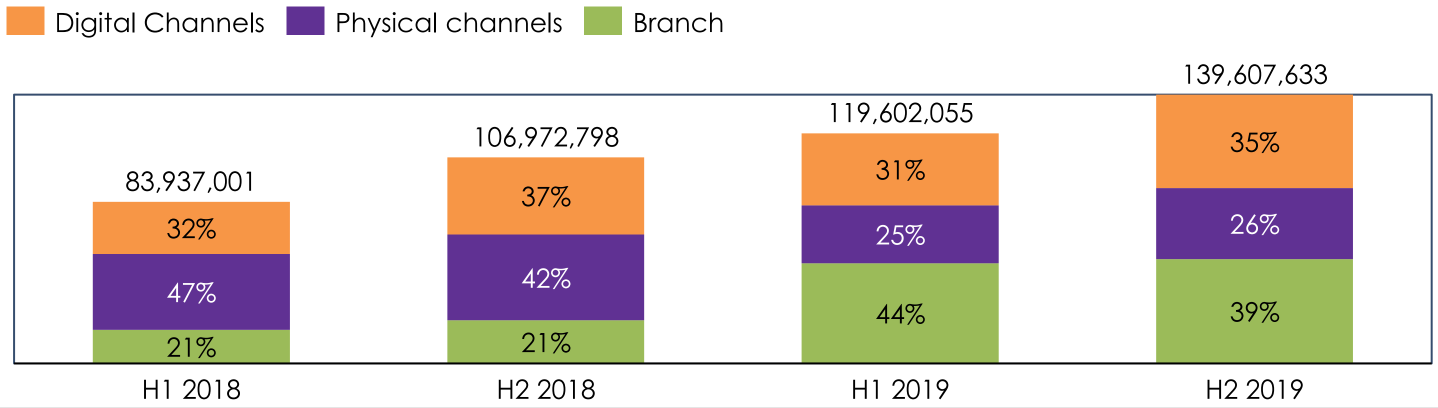
Digital Personal Banking Trends

Personal Banking Transactions 2018 to 2019

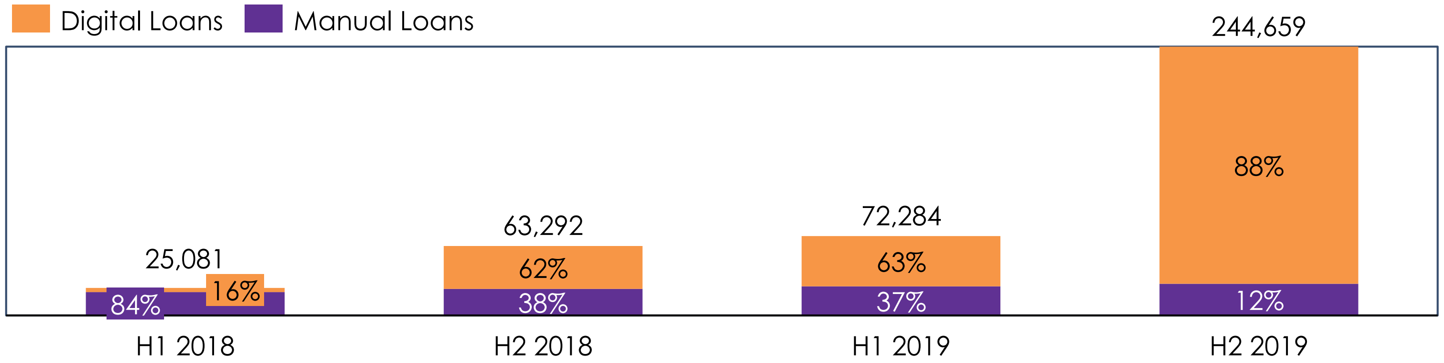
Digital Channels include Mobile, Internet banking and *329#
Physical Channels includes ATM,POS
Transactions in Branches include Over the Counter & Electronic transfers



Digital Channels include Mobile, Internet banking and *329#
Physical Channels includes ATM,POS
Transactions in Branches include Over the Counter & Electronic transfers

Personal Banking loans 2018 to 2019

- Digital loans is 98% of total loans disbursed in **88% H2 2019** compared to **63% H1 2019**
- Loan disbursed through digital channels is on the upward trend



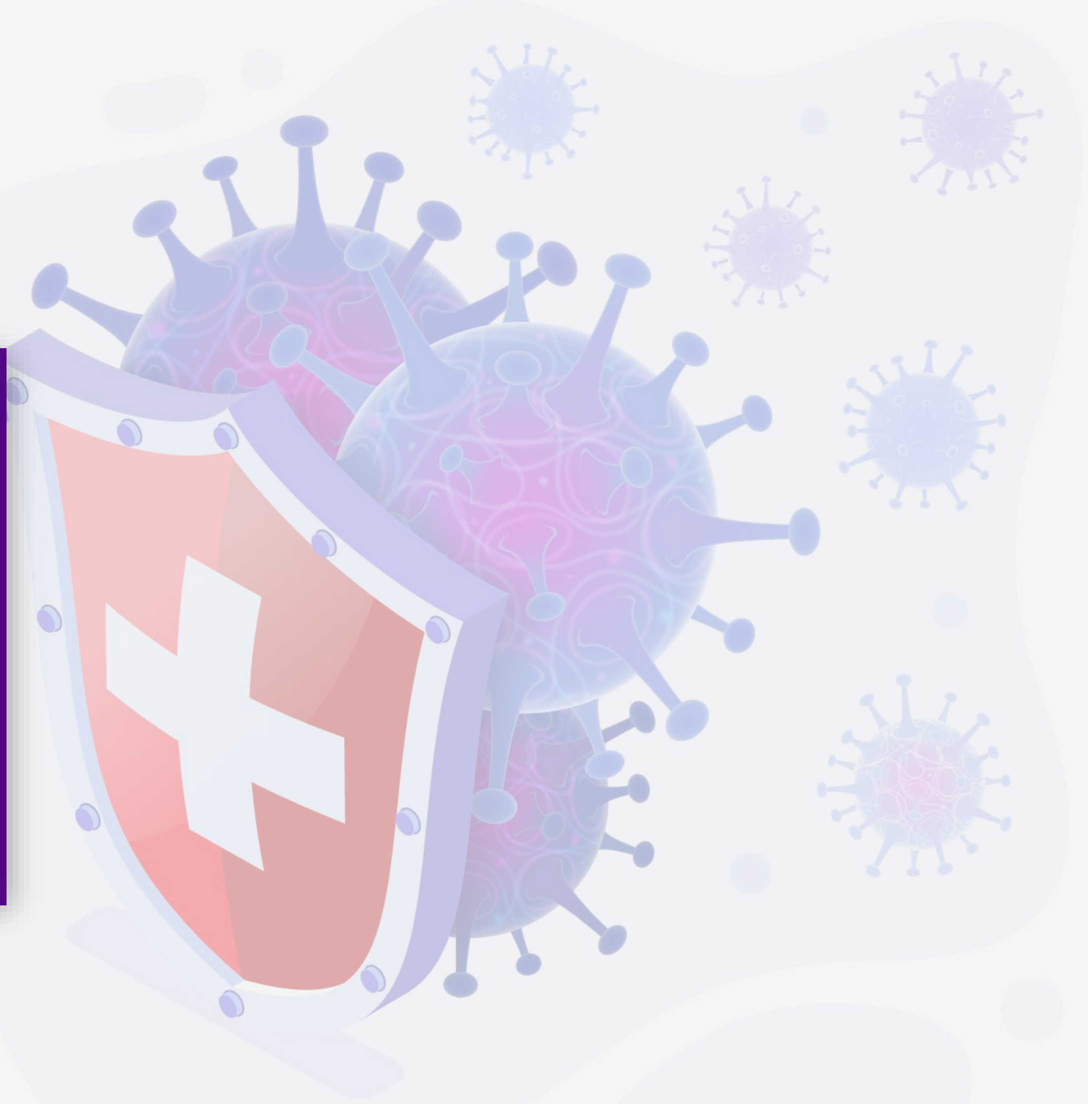
Digital loans includes loans disbursed on *329#, RIB, (Micro loans, Slip free & Salary top up loans)

Manual loans are those disbursed in Branches

COVID-19
CORONA VIRUS

Risk Management Review: Commercial & Retail Banking

Mrs. Toyin Olaiya
Chief Risk Officer: FCMB Ltd



Risk Management Review: Analysis of Gross Loans by Sector (Dec. 2018 to Dec. 2019) – *N'm*

Industry Sector	Dec' 18	Mar' 19	Jun' 19	Sep' 19	Dec' 19	% DISTR.
AGRICULTURE	40,328	35,748	31,966	37,022	51,352	6.8%
COMMERCE	54,180	32,880	32,781	35,644	46,637	6.2%
CONSTRUCTION	1,653	1,602	1,651	1,229	1,215	0.2%
EDUCATION	5,033	4,657	1,643	1,664	1,856	0.2%
FINANCE & INSURANCE	54,774	50,438	50,184	52,413	52,934	7.0%
GENERAL – OTHERS	11,205	10,205	11,090	10,322	10,266	1.4%
GOVERNMENT	2,409	4,245	6,043	5,980	19,125	2.5%
INDIVIDUAL - BANK	81,708	79,932	80,759	84,825	87,849	11.6%
INDIVIDUAL - CDL	17,167	18,468	20,020	22,461	23,959	3.2%
INDIVIDUAL - MICROFINANCE	1,707	1,546	2,019	1,903	2,245	0.3%
INFORMATION & COMMUNICATIONS	16,243	19,968	22,885	23,322	26,538	3.5%
MANUFACTURING	49,890	53,474	57,985	62,570	76,381	10.1%
OIL&GAS-DOWNSTREAM	68,528	57,102	57,393	50,459	48,411	6.4%
OIL&GAS-UPSTREAM	115,344	112,368	115,043	116,317	129,184	17.1%
OIL&GAS SERVICES	39,896	42,879	42,846	37,811	39,282	5.2%
POWER & ENERGY	50,013	52,885	50,691	51,174	49,228	6.5%
PROFESSIONAL SERVICES	224	47	58	53	729	0.1%
REAL ESTATE	65,500	72,263	71,652	71,661	80,722	10.7%
TRANSPORTATION & LOGISTICS	5,232	5,624	5,643	5,700	6,256	0.8%
TOTAL	**681,034**	**656,332**	**662,352**	**672,531**	**754,171**	**100.0%**

Growth in Agriculture, Manufacturing and Individual as focus sectors contributed 70% of the 10.7% YoY growth and 40% of the 12.1% QoQ growth in loan book.

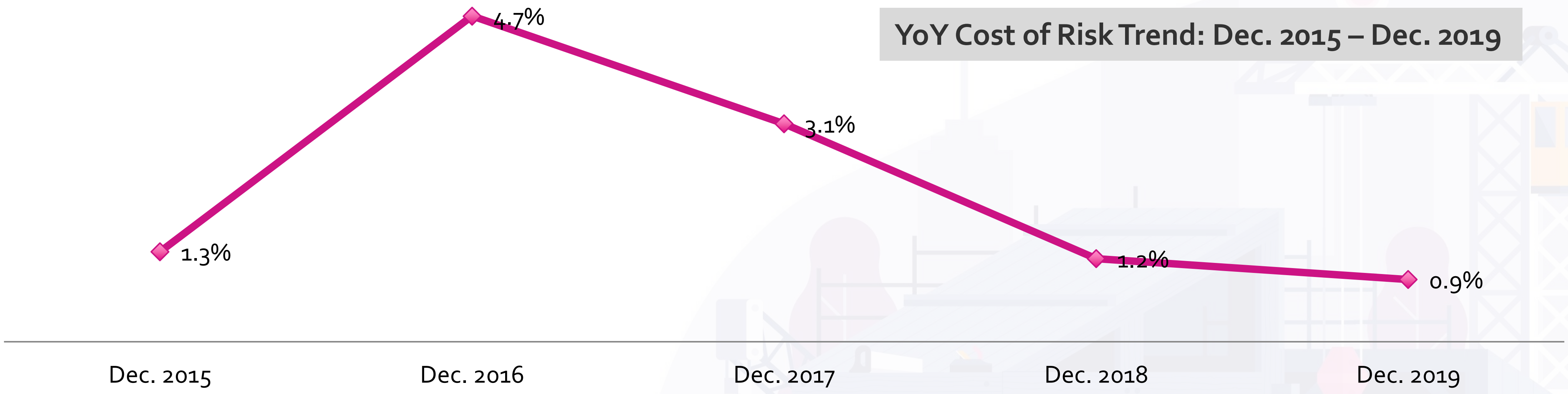
Risk Management Review: NPL Distribution by Sector (Dec. 2018 to Dec. 2019) – *N'm*

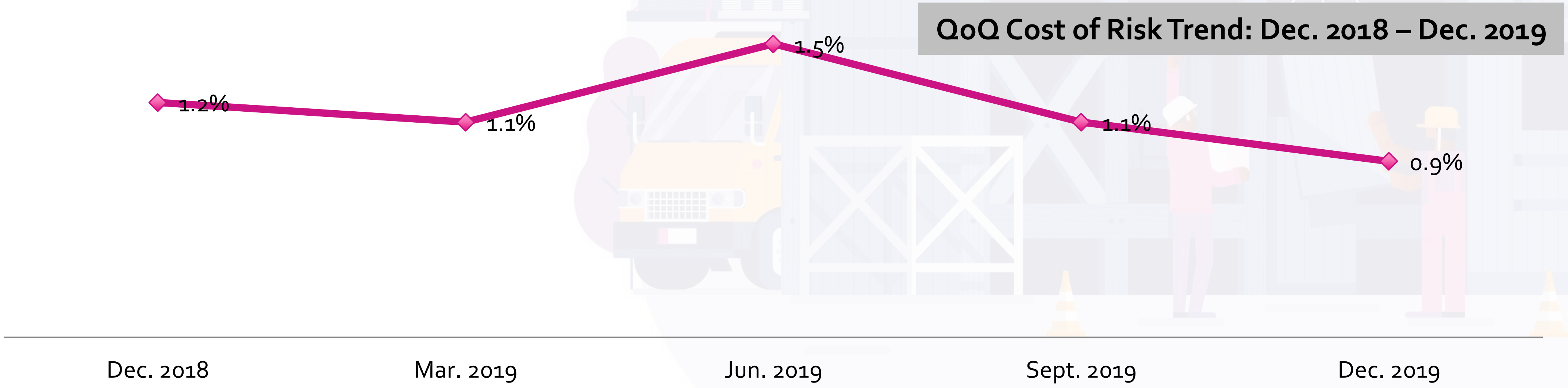
BUSINESS SEGMENT	Dec. 2018		Sept. 2019		Dec. 2019	
	NPL	NPL%	NPL	NPL%	NPL	NPL%
Agriculture	372.78	0.9%	597.89	1.6%	479.48	0.9%
Commerce	18,773.51	33.8%	2,940.70	8.3%	3,222.52	6.9%
Construction	19.38	1.2%	12.19	1.0%	10.35	0.9%
Education	110.45	2.2%	45.53	2.7%	30.25	1.6%
Finance & Insurance	0.03	0.0%	5.47	0.0%	1,203.67	2.3%
General – Others	1,035.53	9.2%	134.73	1.3%	127.98	1.2%
Government	71.50	3.0%	0.28	0.0%	1.55	0.0%
Individual - Bank	5,719.86	7.0%	5,770.13	6.8%	6,691.10	7.6%
Individual - CDL	489.08	2.9%	1,235.13	5.5%	1,448.75	6.0%
Individual - Microfinance	23.24	1.4%	50.80	2.6%	17.99	0.8%
Information & Communications	3,740.77	23.0%	4,042.01	17.3%	4,053.31	15.3%
Manufacturing	1,865.96	3.7%	1,372.77	2.2%	1,756.23	2.3%
Oil & Gas – Downstream	182.85	0.3%	276.10	0.5%	1,130.57	2.3%
Oil & Gas – Upstream	-	0.0%	993.16	0.9%	1,000.35	2.5%
Oil & Gas Services	5,921.55	14.8%	23.13	0.1%	24.61	0.0%
Power & Energy	-	0.0%	-	0.0%	-	0.0%
Professional Services	0.81	0.4%	0.16	0.3%	0.16	0.0%
Real Estate	1,075.66	1.6%	6,005.91	8.4%	6,383.23	7.9%
Transportation & Logistics	359.75	6.9%	41.27	0.7%	44.78	0.7%
Total	**39,762.73**	**5.8%**	**23,547.36**	**3.5%**	**27,626.87**	**3.7%**

QoQ growth in NPL is largely from Individual, Finance & Insurance and Oil & Gas Downstream sectors' loan book.

Risk Management Review: YoY & QoQ Cost of Risk Trend Analysis

Improved Recovery and Risk Management Practices has consistently improved cost of risk with 0.3% and 0.2% drop YoY and QoQ respectively





First City Monument Bank Limited: Impact of COVID-19 and Crude Oil Price Crash on our Business

Impact on the Loan Book, Liquidity and Capital:

In response to these events we carried out an assessment of potential impact on the bank's credit portfolio, liquidity and capital.

Scenario analysis and stress testing of the credit portfolio was conducted:

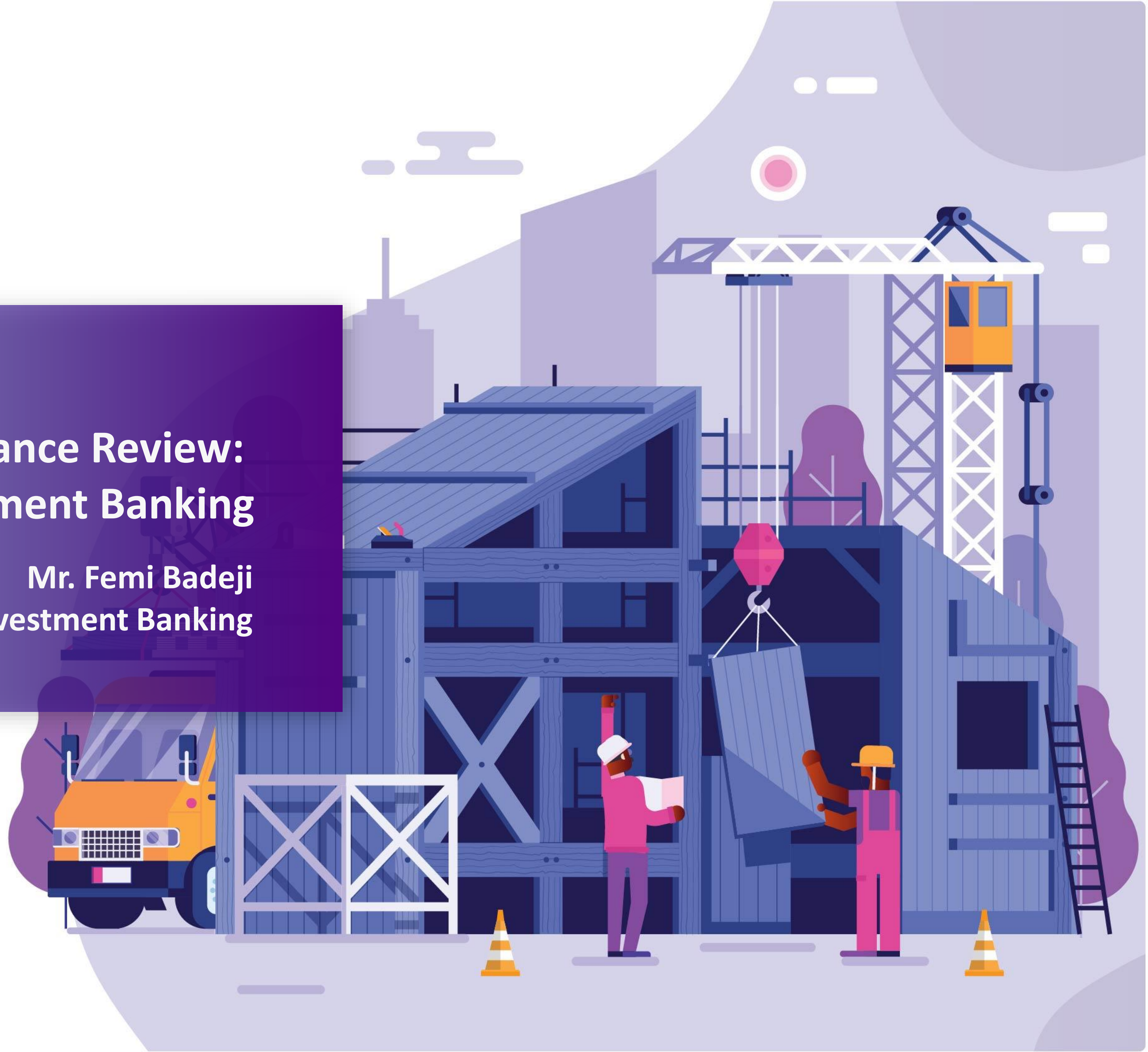
- We considered Low, Medium and Severe impacts arising from a combination of spike in exchange rate and crash in crude oil price.
- Our major assumptions: 20% / 40%/ 60% devaluation of the Naira and oil prices at $20 and $30 per barrel over a 9-12 months period.
- Portfolio segmentation was based on borrower/sector vulnerability to exchange rate risk and Crude oil price movement.
- Outcome of our stress testing inclusive of CBN COVID 19 palliative measures revealed single digit NPL ratio across the scenarios within a 9- 12 months period.
- The stressed capital adequacy ratio also remains above regulatory minimum.

Palliative measures put in place by the bank include:

1. Extension/restructuring of loans in line with recent CBN policy measures on COVID 19.
2. Continuous engagement of customers and strengthening of the bank's loan monitoring function.

Group Performance Review: Corporate & Investment Banking

Mr. Femi Badeji
Executive Director: Corporate & Investment Banking



Corporate & Investment Banking ("CIB"): *Building a Sustainable Competitive Advantage*

Rationale

- The bringing together of the Corporate Banking, Investment Banking and Stockbroking businesses as a logical unit is to capture the inherent synergies offered by those businesses working together in the service of our clients;
- CIB provides us the opportunity to bring incredible focus to our "Top 25"and "Next 25" clients;
- CIB will allow us to:
  - ❖ Leverage the Balance Sheet judiciously for clients;
  - ❖ Increase our syndication and distribution capabilities; especially on large transactions.
  - ❖ Create bespoke transactions in service of our client's objectives.

CIB's Strategic Objectives

- Maximise synergies inherent in the Corporate Bank, Investment Bank and Stockbroking businesses
- Ensure CIB is suitably positioned to provide solutions to all Corporate Banking clients
- Provide a suite of complementary services to corporates
- Grow balance sheet to support loan growth
- Deepen share of wallet of major* clients by exploiting cross-selling opportunities
- Provide innovative structured financing solutions to clients.

Corporate & Investment Banking: FY19 Results Review

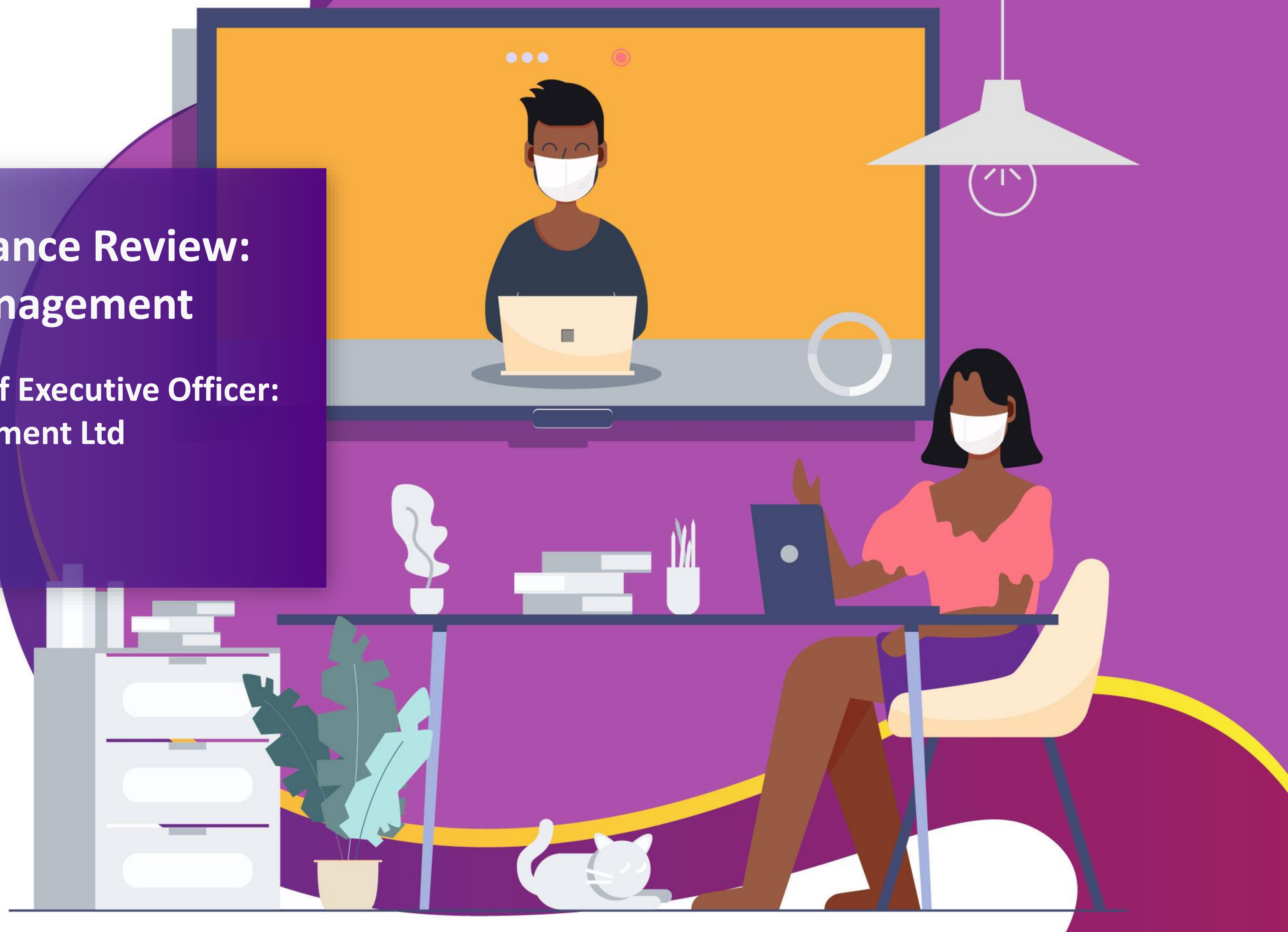
Our Corporate & Investment Banking Business comprises the Corporate Banking Division from the Bank, FCMB Capital Markets Ltd and CSL Stockbrokers Ltd

Corporate & Investment Banking (N'm)	1Q19	2Q19	3Q19	4Q19	%Δ QoQ	FY18	FY19	%Δ YoY
Gross earnings	**10,064**	**11,126**	**8,629**	**11,947**	**38%**	**43,996**	**41,766**	**-5%**
Net Interest Income	2,355	2,808	(873)	3180	-464%	11,664	7,471	-36%
Non Interest Income	**852**	**1,161**	**3,652**	**1,429**	**-61%**	**5,144**	**7,094**	**38%**
–Advisory Fees	98	160	7	28	337%	502	293	-42%
– Brokerage Commission	91	143	172	177	3%	739	582	-21%
–Net Fees & Commissions	577	676	1,100	3,496	218%	2,280	5,849	156%
– Trading Income	22	11	5	20	324%	22	57	163%
– Dividend	0	4	-	12		60	16	-74%
–Others	65	167	2,369	(2,304)	-197%	1,541	297	-81%
Operating Income	**3,208**	**3,969**	**2,779**	**4,610**	**66%**	**16,808**	**14,565**	**-13%**
Operating Expenses	(2,896)	(2,029)	160	(4,914)	3172%	(9,849)	(9,679)	-2%
Net gains/(losses) from fin. instruments at fair value	0	0	4	(4)	-200%	0	0	
Net impairment loss on financial assets	(1,482)	(1,416)	(2,734)	(3,340)	22%	(7,548)	(8,972)	19%
PBT	**(1,170)**	**524**	**208**	**(3,648)**	**-1850%**	**(589)**	**(4,086)**	**-593%**
PAT	**(1,174)**	**486**	**209**	**(3,597)**	-1819%	**(623)**	**(4,076)**	-554%
Loans	397,664	390,318	395,781	421,212	6%	405,109	421,212	4%
Deposits	105,983	106,674	102,647	125,035	22%	118,636	125,035	5%
CIR	90%	51%	6%	107%	1752%	59%	66%	13%
NPL	23,018	14,372	14,372	9,203	-36%	26,636	9,203	-65%

- The division's PBT declined significantly YoY, driven by a sharp drop in net interest income due to a regulatory induced industry-wide reversal of accrued interest on petroleum marketers.
- CSLS traded value of N120bn declined by 50% from N239bn in 2018 and was ranked the fourth stockbroker in value traded due to bearish market in 2019. Also, the market share dropped from 10% to 6% in 2018. Consequently, the total revenue for the year dropped to N861m vs N1.3bn in 2018.
- Though the division has performed below revenue expectation, performance is set to improve with growth in non-interest income from our corporate customers and decline in OPEX.

Group Performance Review: Investment Management

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



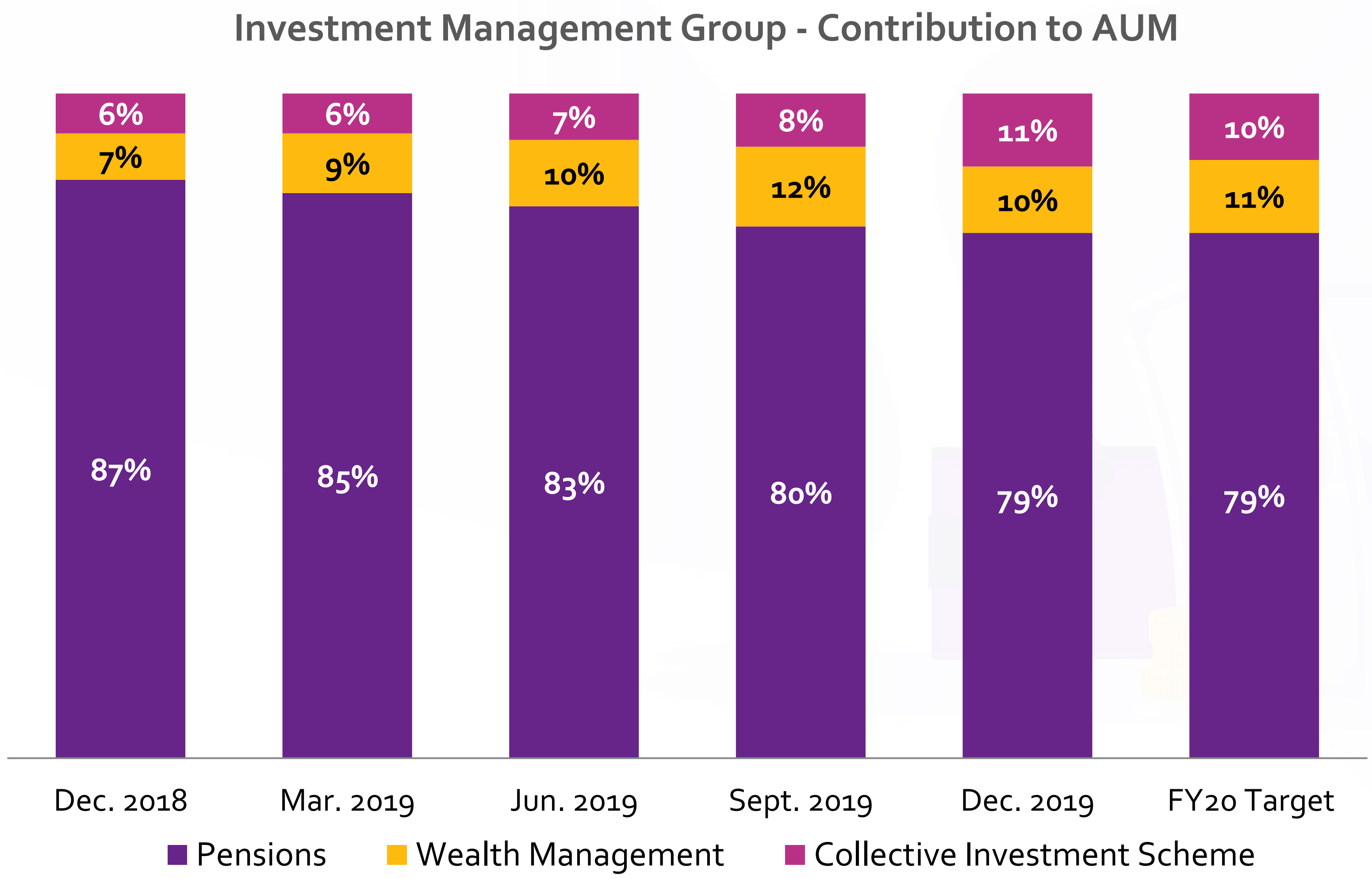
Investment Management: FY19 Results Review

Investment Management Group (N'm)	1Q19	2Q19	3Q19	4Q19	%Δ QoQ	FY18	FY19	%Δ YoY
Gross earnings	**945**	**969**	**1,068**	**1,112**	**4%**	**3,905**	**4,119**	**5%**
Net Interest Income	88	67	76	79	4%	335	324	-3%
Non Interest Income	**857**	**902**	**991**	**1,032**	**4%**	**3,570**	**3,795**	**6%**
–Advisory Fees	18	18	16	0	-100%	93	70	-25%
– Brokerage Commission	4	1	5	80	1563%	13	90	574%
–Asset Management Fees	822	865	947	752	-21%	3,376	3,385	0%
–Others	14	18	24	200	742%	88	249	183%
Operating Income	**945**	**969**	**1,068**	**1,112**	**4%**	**3,905**	**4,119**	**5%**
Operating Expenses	(599)	(615)	(616)	(559)	-9%	(2,125)	(2,407)	13%
PBT	**346**	**355**	**452**	**553**	**22%**	**1,780**	**1,712**	**-4%**
TAX	(102)	(105)	(133)	(153)	15%	(494)	(488)	-1%
PAT	**243**	**250**	**319**	**400**	**26%**	**1,286**	**1,224**	-5%
AUM	338,738	356,516	379,660	403,148	6%	314,311	403,148	28%
ROAE	24%	23%	23%		-100%	31%	26%	-14%
CIR	63%	63%	58%	50%	-13%	54%	58%	7%

- The Investment Management Group grew its AUM by 6% QoQ and by 28% YoY, to N403 billion, reflecting the impacts of better brand awareness, increased collaboration across FCMB Group and improved customer experience from the implementation of our digital strategy;
- Our Pensions business contributed 79% of AUM, down from 87% in 2018;
- The regulator-imposed fee reduction in the Pensions industry, reduced PBT by about N273 million. Therefore, the Group's PBT of N1.71 billion accounted for 9% of overall PBT in 2019.

Our Investment Management Group is divided into Pensions, Wealth Management and Collective Investment Schemes

Investment Management: FY20 Projections



- We expect the Group's full year AUM to grow by 15% YoY to N466 billion;
- Contribution to AUM from Collective Investment Schemes and Wealth Management should account for almost 22% of total AUM, by the end of the year, versus 21% at the end of 2019;
- We expect full year PBT to close at N1.9 billion, with our Pensions business contributing 74% of PBT.

Our Investment Management Group is divided into Pensions, Wealth Management and Collective Investment Schemes

Outlook

Mr. Ladi Balogun

Group Chief Executive: FCMB Group Plc

Outlook

- Short term challenges (Covid - 19 and oil price drop) will be met with increased customer focus and innovation.
- Downside pressures exist with transaction commissions, trade finance and potential rise in impairment charges.
- Opportunities exist in the following areas:
  - Loan growth: 14% projected prior to Covid-19, which remains unchanged;
  - Corporate and Investment Banking: top tier corporates looking to restructure, source working capital for Covid-19 related distributions and currency devaluation impact and borrow to backward integrate. This will create significant loan demand.
- AUM growth: >20%, driven by organic and inorganic opportunities;
- Digital lending and payments growth;
- Operating expenses moderation through revised working practices.

Priorities will be to support our customers and communities during these challenging times, whilst keeping our employees safe via remote working and customer adoption of digital financial services across our businesses.