

RICH HERITAGE BRIGHT FUTURE



Nine months ended 30 September 2016

Investors & Analysts Presentation



DISCLAIMER

This presentation is based on FBN Holdings Plc's ('FBNH' or 'FBNHoldings' or the 'Group') unaudited IFRS results for the nine months ended 30 September, 2016. The Group's financial statements have been prepared using the accounts of the subsidiaries and businesses within FBNHoldings.

FBNHoldings has obtained some information from sources it believes to be credible. Although FBNHoldings has taken all reasonable care to ensure that all information herein is accurate and correct, FBNHoldings makes no representation or warranty, express or implied, as to the accuracy, correctness or completeness of the information. In addition, some of the information in this presentation may be condensed or incomplete, and this presentation may not contain all material information in respect of FBNHoldings.

This presentation contains forward-looking statements which reflect management's expectations regarding the Group's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "estimate", "project", "target", "risk", "goal" and similar terms and phrases have been used to identify the forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to the Group's management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally.

FBNHoldings cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain risks or factors, reference should be made to the Group's continuous disclosure materials filed from time to time with the Nigerian Stock Exchange and other relevant regulatory authorities. The Group disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Outline



9M 2016 Key Highlights	Pg 5 - 9
Outlook	Pg 11
Appendix	Pg 13 - 23



FBN Holdings

9M 2016 Key Highlights

Challenging macroeconomic environment persists

9M 2016 KEY HIGHLIGHTS

OUTLOOK

APPENDIX

OPERATING ENVIRONMENT

- Nigerian economy officially in **recession**
- Rise in **inflation** to 17.9% in 9M 2016 (9M 2015: 9.4%) essentially from higher prices for energy, reflected in transportation and food prices
- **External reserves** declined from \$29.13bn in December 2015 to \$24.59bn in September 2016 due to low oil revenue and unabating foreign exchange demand
- **Average oil output** down to 1.6m barrels/day (9M 2015: 1.8m bpd) as a result of the increased militant activities in the Niger Delta region

CURRENCY AND DEVALUATION

- Liberalisation of the **foreign exchange market** by the Central Bank of Nigeria (CBN) improve supply of foreign currency somewhat, albeit the pressure on Naira persisted
- The spread between the interbank market and the parallel market widens
- FirstBank was approved as the only banking institution to sell proceeds of International Money Transfer services to Bureaux De Change (BDCs)

MPC MEETING

- All **macroeconomic indicators** were retained at the last MPC meeting in September 2016:
 - MPR: 14%
 - CRR: 22.5%
 - Liquidity ratio: 30%
 - Asymmetric window at +200 and -500 basis points

Our underlying business remains fundamentally strong while dealing with portfolio challenges

9M 2016 KEY HIGHLIGHTS

OUTLOOK

APPENDIX

INCOME STATEMENT

Gross earnings

9M16: ¥417.4bn
9M15: ¥390.0bn

Net interest income

9M16: ¥202.9bn
9M15: ¥192.9bn

Operating income

9M16: ¥333.9bn
9M15: ¥276.6bn

Profit before taxes

9M16: ¥57.5bn
9M15: ¥59.6bn

Impairment charge for credit losses ¹

9M16: ¥114.7bn
9M15: ¥46.6bn

Non-interest income

9M16: ¥131.0bn
9M15: ¥83.7bn

Operating expenses

9M16: ¥161.8bn
9M15: ¥170.4bn

Profit after tax

9M16: ¥42.5bn
9M15: ¥50.2bn

STATEMENT OF FINANCIAL POSITION

Total assets

9M16: ¥5,065.9bn
FY15: ¥4,166.2bn

Loans & advances (net)

9M16: ¥2,210.9bn
FY15: ¥1,817.3bn

Customer deposits

9M16: ¥3,296.2bn
FY15: ¥2,970.9bn

Total Equity

9M16: ¥624.6bn
FY15: ¥575.6bn

¹ FY 2015: ¥119.3bn

....as we sustained our commitment to improving our performance

9M 2016 KEY HIGHLIGHTS

OUTLOOK

APPENDIX

KEY RATIOS

Cost to income ratio

9M16: 48.4%
9M15: 61.6%

Liquidity ratio¹

9M16: 54.3%
9M15: 50.0%

Cost of funds

9M16: 2.7%
9M15: 4.0%

Post-tax ROAE

9M16: 9.4%
9M15: 12.2%

CAR² (Basel 2)

9M16: 15.4%
9M15: 16.0%

Gross loans to deposits

9M16: 75.1%
9M15: 65.8%

Net interest margin

9M16: 7.5%
9M15: 7.7%

Post-tax ROAA

9M16: 1.2%
9M15: 1.5%

NPL ratio

9M16: 24.9%
9M15: 4.8%

Cost of risk

9M16: 6.9%
9M15: 3.0%

NPL coverage

9M16: 43.6%
9M15: 116.5%

Earnings yield

9M16: 10.2%
9M15: 12.0%

¹ For FirstBank (Nigeria) ² CAR For FirstBank (Nigeria), excludes 9M profits; FBN Merchant Bank's CAR for 9M2016: 28.9%; ³ Business locations includes 615 local branches, 64 QSPs, 67 agencies/cash centres for FirstBank (Nigeria) and 117 (local and international) subsidiary locations

9M 2016 KEY HIGHLIGHTS

OUTLOOK

APPENDIX

- Strengthened governance across the Group and recruited competent personnel in strategic functions at FirstBank and its subsidiaries towards placing the Bank to its leadership position: The appointments are:
 - ✓ Patrick Iyamabo – Chief Financial Officer
 - ✓ Olusegun Alebiosu – Chief Risk Officer
 - ✓ Paul Cardoen – MD, FBNBank UK
- Commenced the implementation of the Enterprise Resource Planning (ERP) and Enterprise Risk Management (ERM) application to bolster the risk management and control environment
- Consistently processed over 100mn electronic banking transactions monthly on the digital banking platform on the back of the accelerated digital banking migration
- CBN approves FirstBank as the only bank to sell foreign currency directly to BDCs as we retain our No. 1 position across all the approved Money Transfer Operators (MTOs) in Nigeria
- FBN Capital won the 2016 Best Africa Investment Bank award by Africa Investor
- Fastest growing Life underwriting business in Nigeria

Commercial Banking

Gross Earnings		
9M15	9M16	Δ 6.9%
[₦355.3bn]	[₦379.9bn]	
Profit Before Tax		
9M15	9M16	Δ -16.3%
[₦53.4bn]	[₦44.7bn]	

Merchant Banking & Asset Management

Gross Earnings		
9M15	9M16	Δ 1.6%
[₦27.2bn]	[₦27.7bn]	
Profit Before Tax		
9M15	9M16	Δ 52.4%
[₦8.3bn]	[₦12.7bn]	

Insurance

Gross Earnings		
9M15	9M16	Δ 46.7%
[₦6.3bn]	[₦9.3bn]	
Profit Before Tax		
9M15	9M16	Δ 103.3%
[₦1.0bn]	[₦2.0bn]	

*The post-consolidation numbers of each of the business groups have been considered in computing their performance

Revamping the risk management - update

9M 2016 KEY HIGHLIGHTS

OUTLOOK

APPENDIX

- 1) Completed a diagnostic review of the entire credit process
- 2) Strengthened governance across approval authorities with increased Board oversight
- 3) Changed the key personnel involved with credit origination and oversight
- 4) Hired a new Chief Risk Officer
- 5) Aggressive remediation and recovery efforts
- 6) Commenced implementation of a robust ERP/ERM¹ to strengthen controls and processes

¹ Enterprise Resource Planning / Enterprise Risk Management



Outlook

On track towards FY 2016 financial guidance

9M 2016 KEY HIGHLIGHTS

OUTLOOK

APPENDIX



Key measures	FY2015 (actual)	9M2016 (actual)	FY2016 (guidance)
Deposit growth	-2.6%	10.9%	10% - 12%
Net loan growth	-16.6%	21.6%	25%
Net interest margin	8.1%	7.5%	7.5% - 8%
Cost to income ratio	61.4%	48.4%	49% - 50%
Cost of funds	3.7%	2.7%	3% - 4%
Cost of risk	5.7%	6.9%	6% - 7%
NPL ratio	18.1%	24.9%	≤25%
ROaA	0.4%	1.2%	1.0% - 1.2%
ROaE	2.7%	9.4%	9% - 10%



Appendix

Strong earnings capacity reflect the strength in the underlying business as cost efficiencies improve

9M 2016 KEY HIGHLIGHTS

OUTLOOK

APPENDIX

Income statement

Nbn	FY 14	FY 15	y-o-y	9M 15	9M 16	y-o-y
Gross earnings	481.8	505.2	4.9%	390.0	417.4	7.0%
Net interest income	243.9	265.0	8.7%	192.9	202.9	5.2%
Non-interest income	113.0	99.4	-12.0%	83.7	131.0	56.5%
Operating income ¹	356.2	364.4	2.3%	276.6	333.9	20.7%
Operating expenses	236.8	223.6	-5.6%	170.4	161.8	-5.1%
Pre-provision operating profit ¹	119.4	140.8	18.0%	106.2	172.2	62.1%
Impairment charge	25.9	119.3	360.0%	46.6	114.7	146.0%
Profit before tax	94.1	21.5	-77.1%	59.6	57.5	-3.5%
Income tax	10.0	6.4	-36.6%	9.3	14.9	59.8%
Profit after tax	84.0	15.1	-82.0%	50.2	42.5	-15.3%

Statement of financial position

Nbn	FY 14	FY 15	y-o-y	9M 15	9M 16	y-t-d
Total assets	4,343.7	4,166.2	-4.1%	4,303.4	5,065.9	14.7%
Investment securities (interest earning)	735.3	970.2	32.0%	936.2	1,221.2	39.5%
Interbank placements	460.9	385.8	-16.3%	433.1	652.0	52.1%
Cash and balances with Central Bank	698.1	715.9	2.5%	750.2	656.6	-9.8%
Net loans & advances	2,179.0	1,817.3	-16.6%	1,908.7	2,210.1	5.9%
Customer deposits	3,050.9	2,970.9	-2.6%	2,999.6	3,296.2	5.4%
Total equity	524.1	578.8	10.4%	575.6	624.6	11.2%

Key ratios	FY 14	FY 15	9M 15	9M 16
Net interest margin ¹	7.6%	8.1%	7.7%	7.5%
Cost to income ¹	66.5%	61.4%	61.6%	48.4%
Cost of funds	3.4%	3.7%	4.0%	2.7%
NPL	2.9%	18.1%	4.8%	24.9%
NPL coverage ¹	137.9%	40.2%	116.5%	43.6%
Cost of risk	1.3%	5.7%	3.0%	6.9%
ROaE ¹	16.9%	2.7%	12.2%	9.4%
ROaA ¹	2.0%	0.4%	1.5%	1.2%
CAR ² – FirstBank (Nigeria) - Basel 2	16.7%	17.1%	16.0%	15.4%
Tier 1 CAR – FirstBank (Nigeria) - Basel 2	12.3%	13.3%	12.8%	12.0%
CAR – FirstBank (Nigeria) & its Subsidiaries	16.7%	18.0%	19.0%	15.9%
CAR – FBN Merchant Bank - Basel 2	22.5%	23.0%	18.7%	28.9%
Gross loans to deposits ¹	72.8%	65.9%	65.8%	75.1%

¹Definition provided in the appendix; ²CAR excludes 9M profits

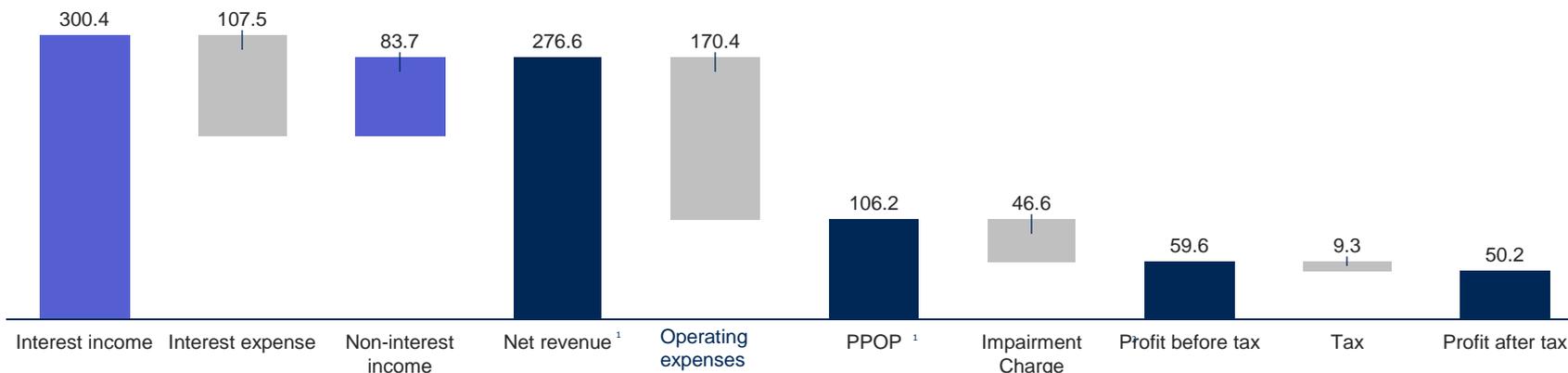
Evolution of 9M profit after tax

9M 2016 KEY HIGHLIGHTS

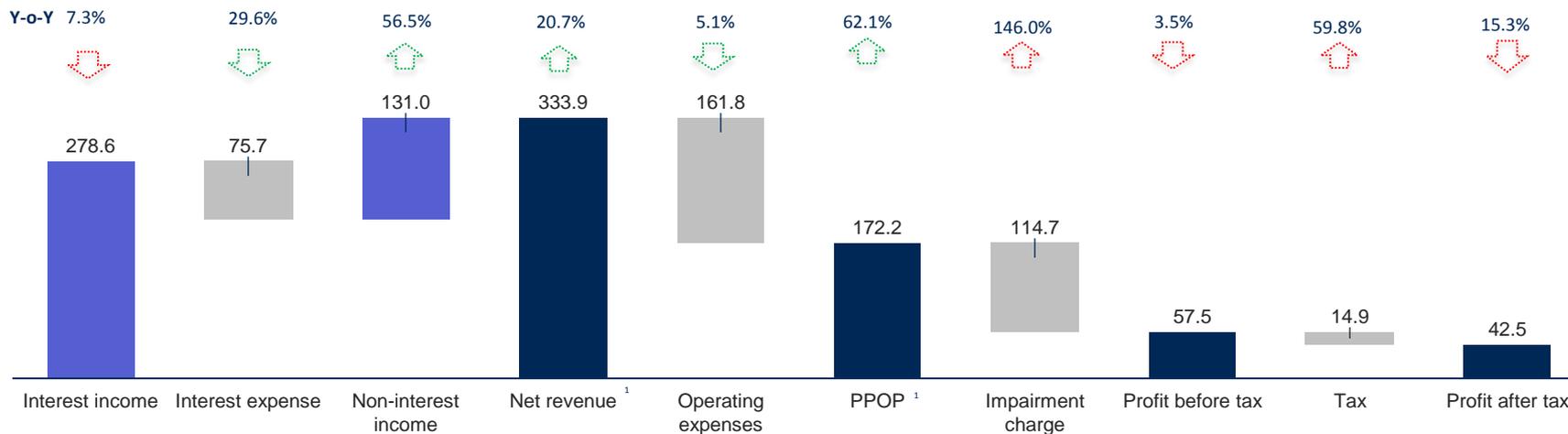
OUTLOOK

APPENDIX

9M 2015 (#bn)



9M 2016 (#bn)



¹ Definition provided in the appendix

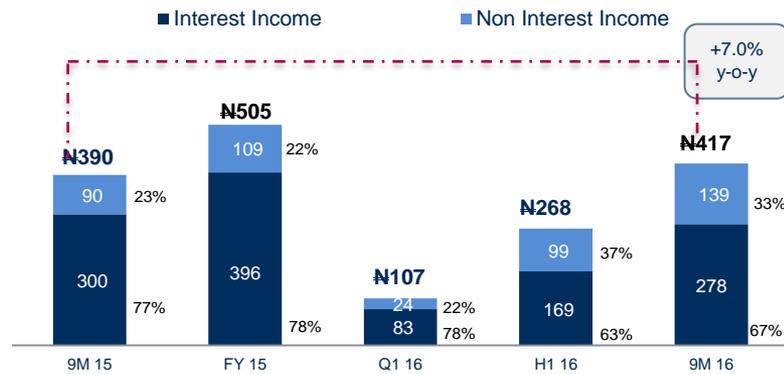
Optimising earning assets yields through increased treasury activities as we enhance our revenue generating platforms for improved performance

9M 2016 KEY HIGHLIGHTS

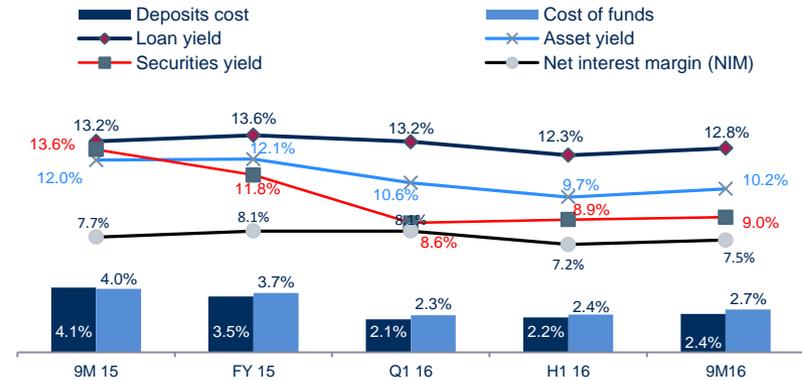
OUTLOOK

APPENDIX

Gross earnings¹ breakdown (Nbn)

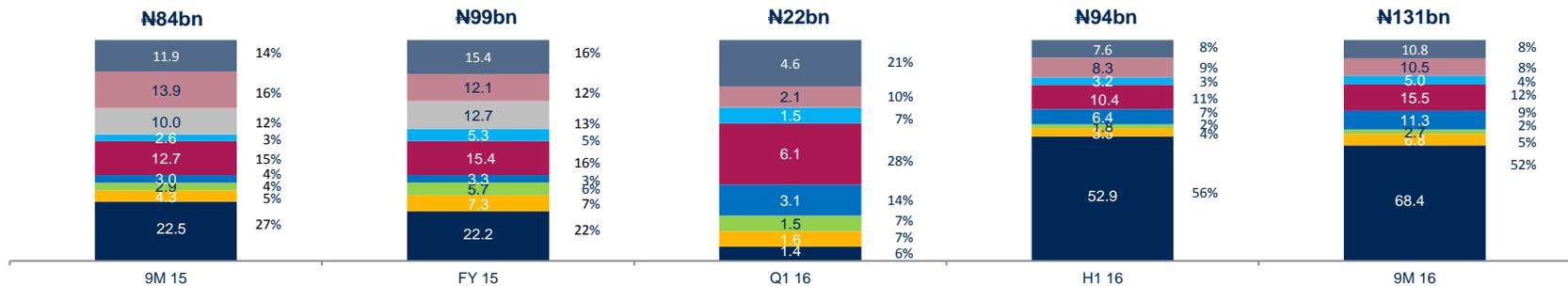


Net interest margin drivers



Non-interest income breakdown (Nbn)

Foreign exchange Insurance premium Credit related fees Account maintenance E-business Financial advisory³ Commission on turnover Other fees & commission Other income



¹Non-interest income here is gross and does not account for fee and commission expense ² Other fees and commission include commission on bonds and guarantees, fee and commission expense, remittance fees, LC commission, money transfer, custodian fees, fund management fees and brokerage & intermediation ³ Other income includes net (losses)/gains on investment securities, net (losses)/gains from financial assets at fair value, dividend income and share of profit/loss from associates

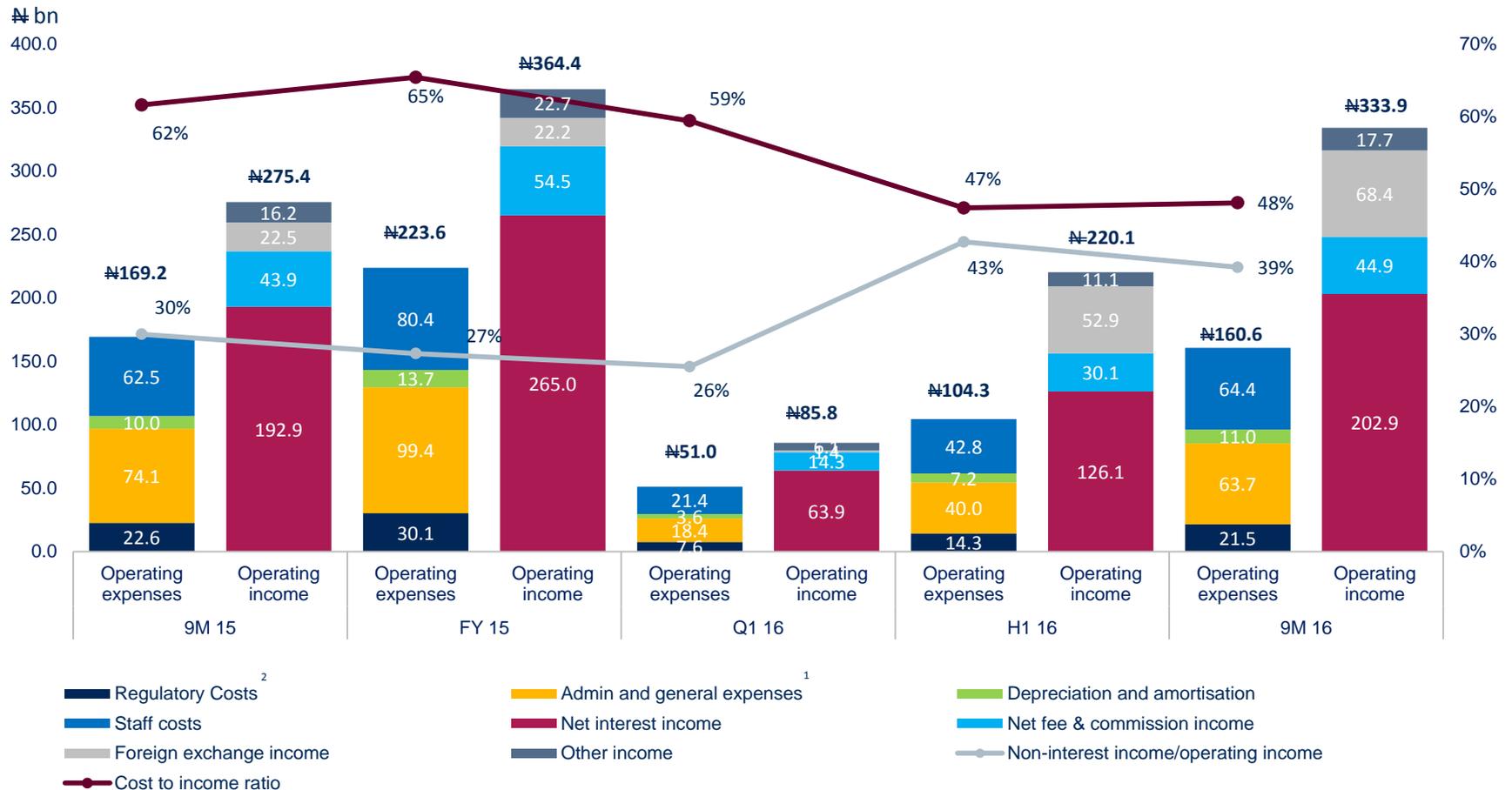
Strong revenue momentum with disciplined cost management in an inflationary environment

9M 2016 KEY HIGHLIGHTS

OUTLOOK

APPENDIX

Operating income and expenses breakdown (Nbn)



¹ Admin and general expenses include maintenance, advert & corporate promotion, legal and other professional fees, stationery and other operating expenses; ² Regulatory costs is made up by NDIC premium, AMCON resolution cost

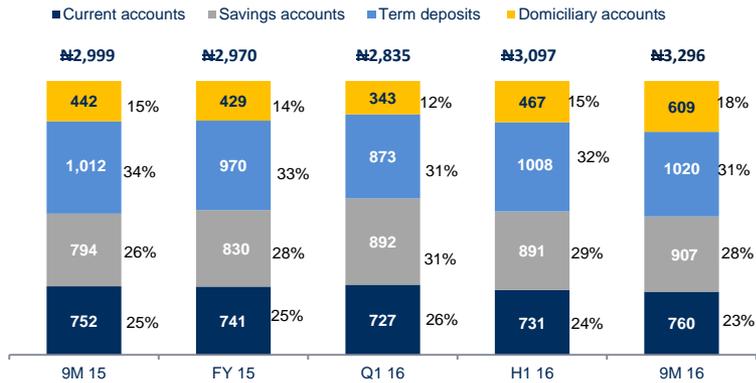
A well diversified and stable funding base demonstrating the strength of the franchise

9M 2016 KEY HIGHLIGHTS

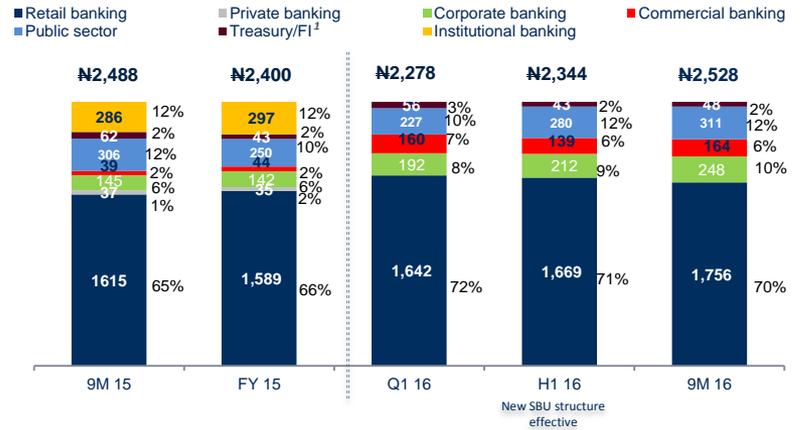
OUTLOOK

APPENDIX

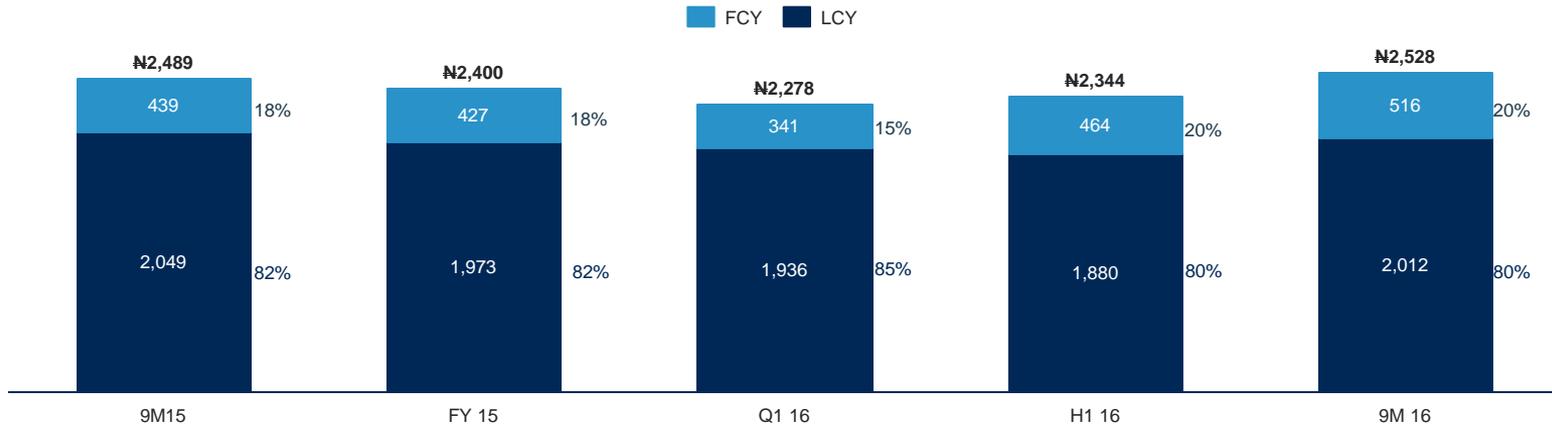
Deposits by type ₦bn



Deposits by SBU trend ₦bn FirstBank (Nigeria)



Deposits by currency ₦bn FirstBank (Nigeria)



¹ Though it contributed to the deposits, Treasury was not a strategic business unit (SBU) until the new SBU structure took effect in January 2016 with Treasury & Financial Institutions being an SBU ² SBUs:- **Corporate banking**; private organisations with annual revenue > ₦5bn but < ₦10bn and midsize and large corporate clients with annual revenue in > ₦5bn but with a key man risk. **Commercial Banking** comprising clients with annual turnover of ₦500mn and ₦5bn. **Institutional banking** (now within Corporate Banking effective January 2016); multinationals and corporate clients with revenue > ₦10bn. **Private banking** (now with retail effective January 2016); High net worth individuals and families. **Public sector**; Federal and state governments. **Retail banking**; mass retail, affluent with annual income < ₦500mn as well as small business and Local governments with annual turnover < ₦500mn

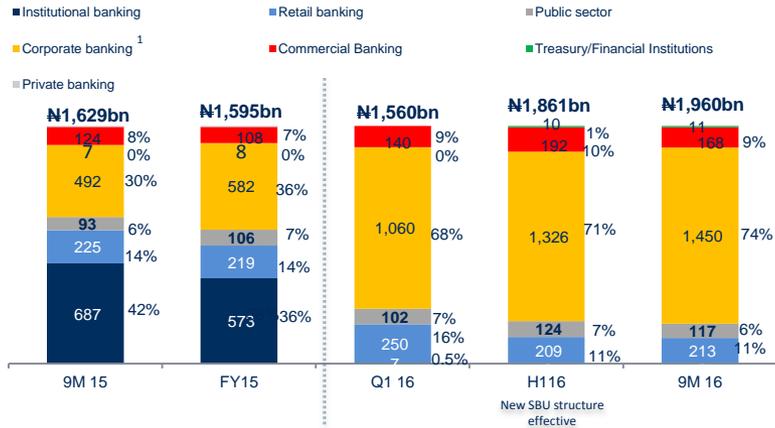
Breakdown of loans and advances

9M 2016 KEY HIGHLIGHTS

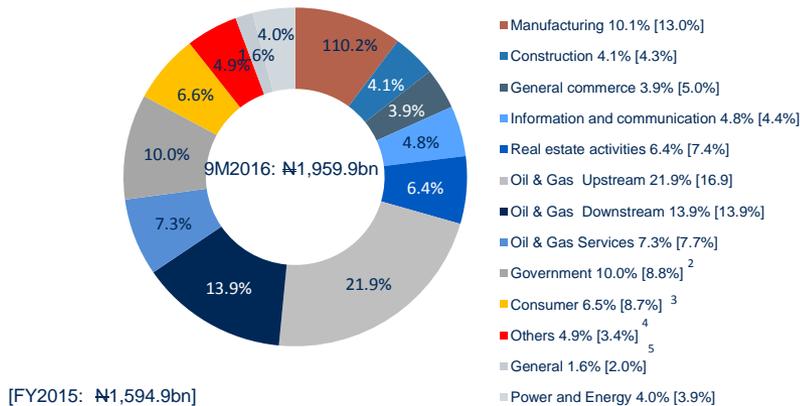
OUTLOOK

APPENDIX

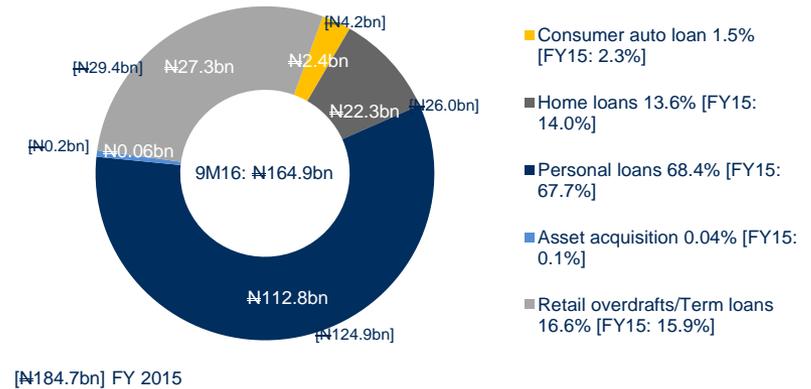
FirstBank (Nigeria) gross loans by SBU¹ (Nbn)



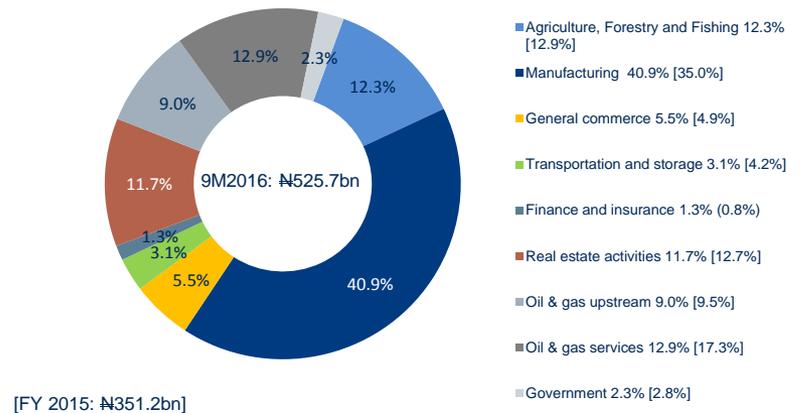
9M16 FirstBank (Nigeria) gross loans by sectors



FirstBank (Nigeria) core consumer / retail product portfolio



9M16 FBNBank UK gross loans by sectors



¹Effective Jan 2016, the Institutional Banking & Private Banking SBUs ceased to exist while the former has been merged with Corporate Banking SBU the latter now resides within the retail banking SBU
²Government loans are loans to the public sector (federal and state); ³ Represents loans in our retail portfolio < ₦ 50mn; ⁴ Others includes finance and Insurance, capital market, residential mortgage; ⁵ General includes personal & professional, hotel & leisure, logistics and religious bodies

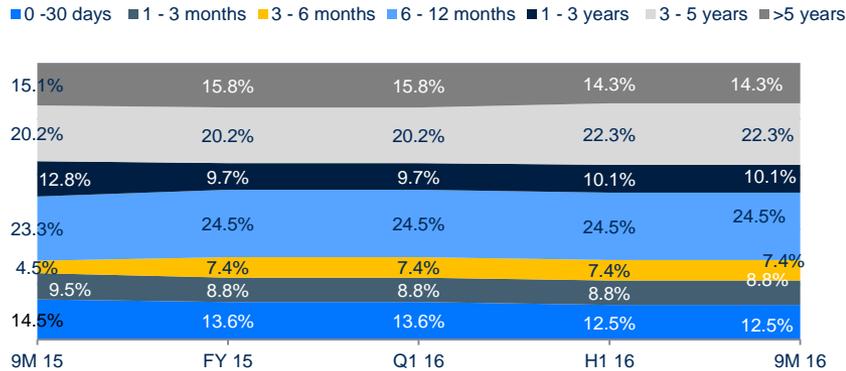
Profiling the loan book portfolio

9M 2016 KEY HIGHLIGHTS

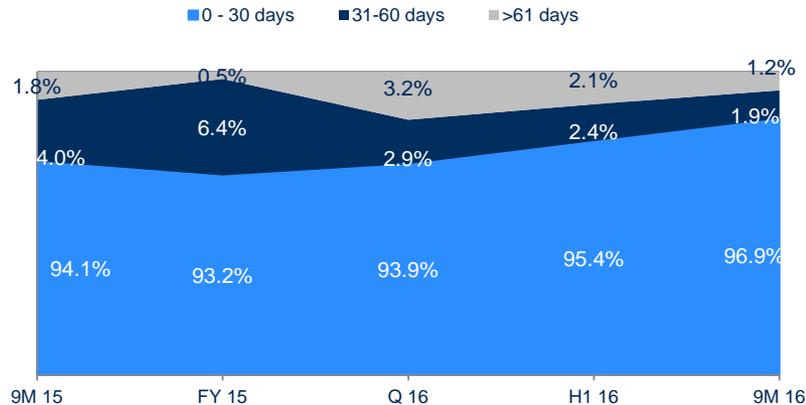
OUTLOOK

APPENDIX

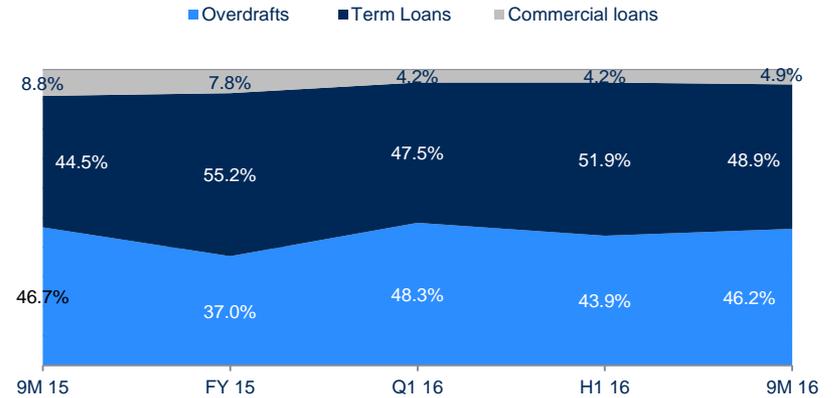
Loans and advances by maturity FirstBank (Nigeria)



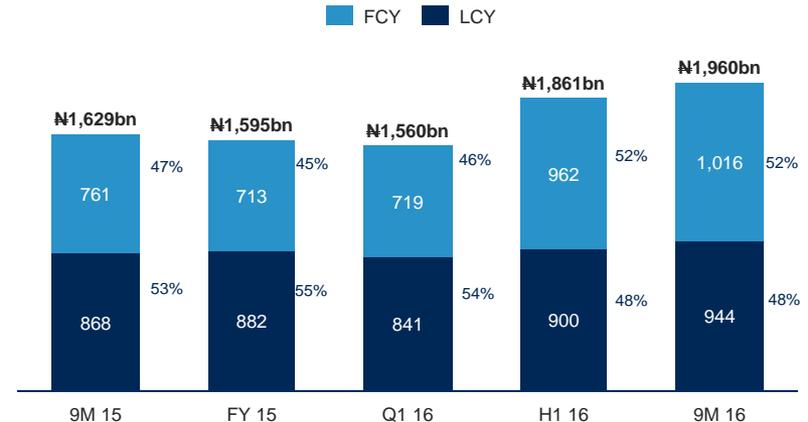
Ageing analysis of performing loans and advances FirstBank (Nigeria)



Loans and advances by type FirstBank (Nigeria)



Loans and advances by currency FirstBank (Nigeria)



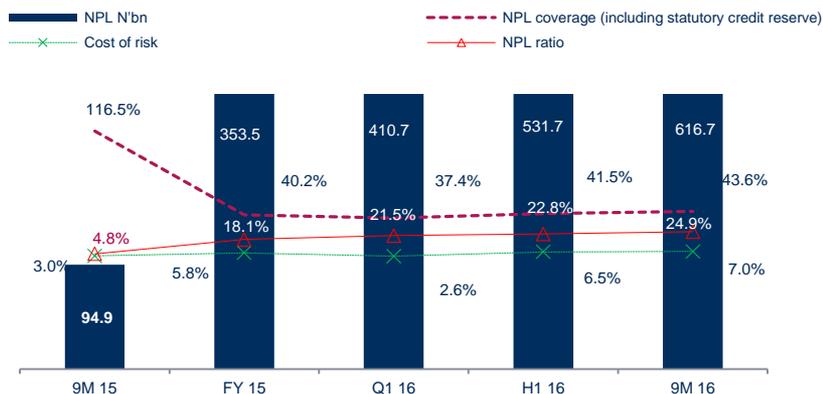
Cautious monitoring of the loan portfolio

9M 2016 KEY HIGHLIGHTS

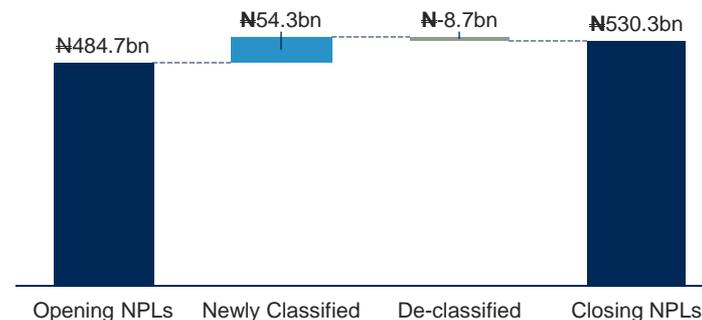
OUTLOOK

APPENDIX

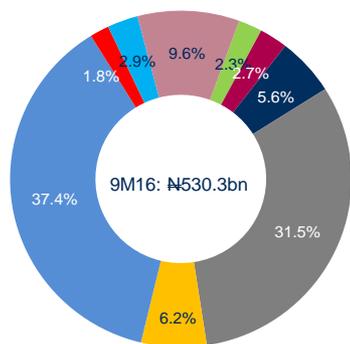
Asset quality ratios FBNHoldings



9M 16 NPL evolution FirstBank (Nigeria)



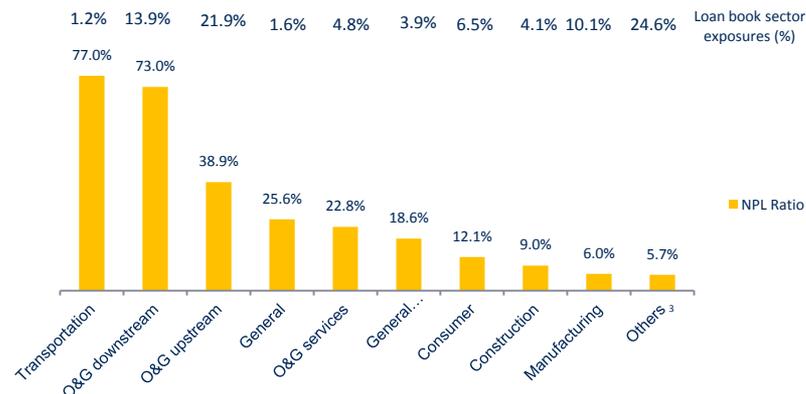
9M 16 NPL exposure by sector FirstBank (Nigeria)



[FY 2015: N338.7bn]

- Manufacturing 2.3% [3.0%]
- General commerce 2.7% [4.7%]
- Information and communication 5.6% [5.2%]
- Oil & gas - upstream 31.5% [31.7%]
- Oil & Gas - services 6.2% [2.3%]
- Oil & Gas - downstream 37.4% [38.6%]
- General 1.8% [1.6%]¹
- Consumer 2.9% [3.2%]
- Others 9.6% [9.8%]²

9M 16 NPL ratio by sector FirstBank (Nigeria)



¹ General includes: hotels & leisure, logistics, religious bodies; ² Others (NPL exposure by sector) include Finance, Transportation, Construction, Agriculture and Real estate activities; ³ Others (NPL ratio by sector) include General, Transportation & storage, Finance & Insurance, Administration, Capital market, Education, Professional & Scientific, Human health and Arts & Entertainment all contributing between 0.1 - 1.6% to the loan book exposure

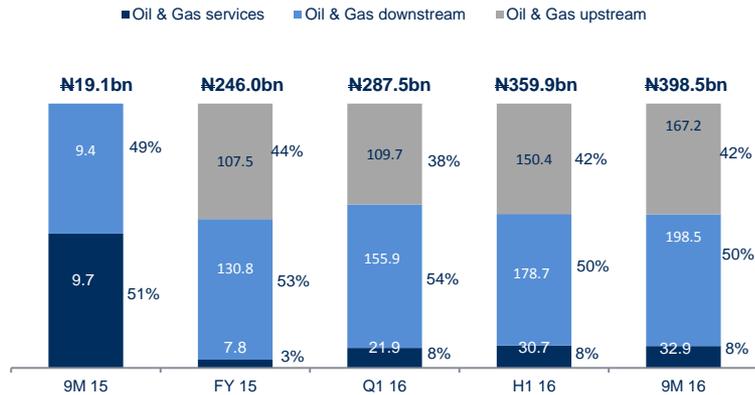
.....with a clear view of progress through sustained remediation and recovery efforts

9M 2016 KEY HIGHLIGHTS

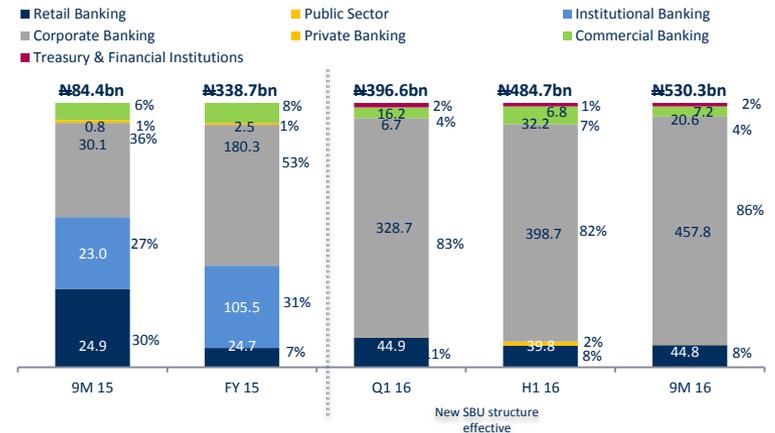
OUTLOOK

APPENDIX

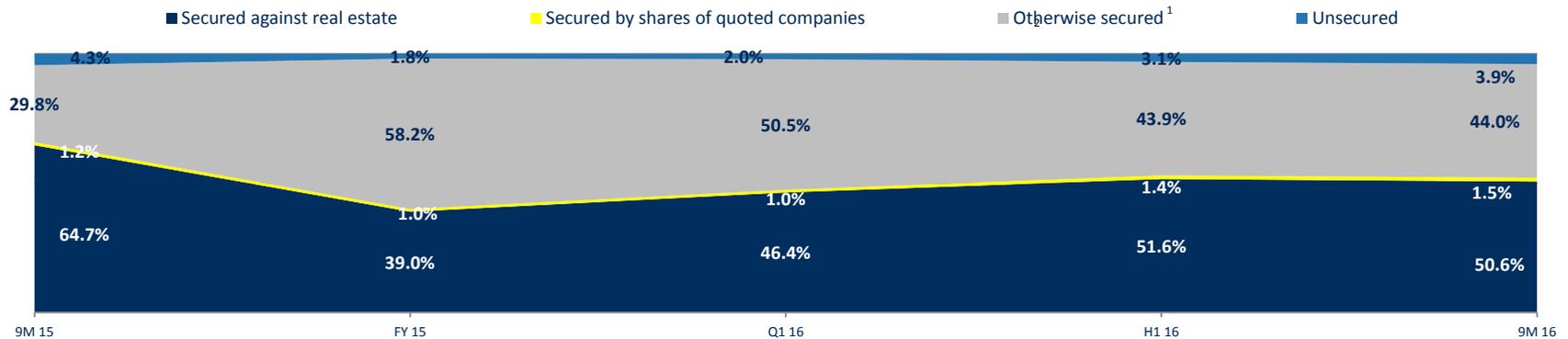
Oil & Gas NPLs
FirstBank (Nigeria)



NPLs by SBU Nbn
FirstBank (Nigeria)



Breakout of loans and advances by type of collateral
First Bank (Nigeria)



¹ Otherwise secured refers to credits secured through cash/ treasury bills, guarantees/receivable of investment grade banks and corporates, enforceable lien on fast moving inventory in bonded warehouses/tripartite warehousing agreement, all asset debentures, charge on asset financed, insurance policy, postdated cheques, domiciliation ² Unsecured credits represent clean lending to top tier corporates

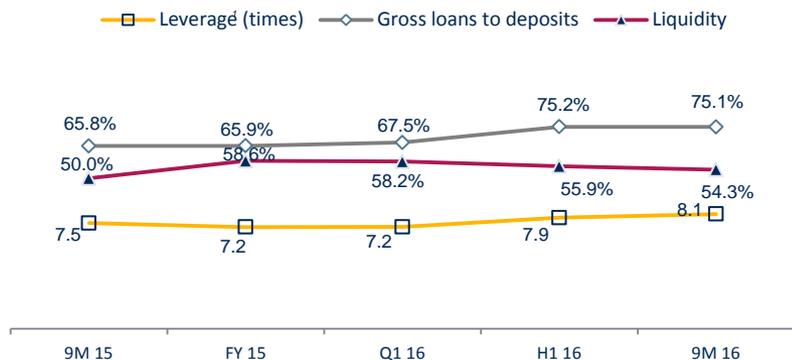
Liquidity position remains strong while improving the flexibility and efficiency of the balance sheet

9M 2016 KEY HIGHLIGHTS

OUTLOOK

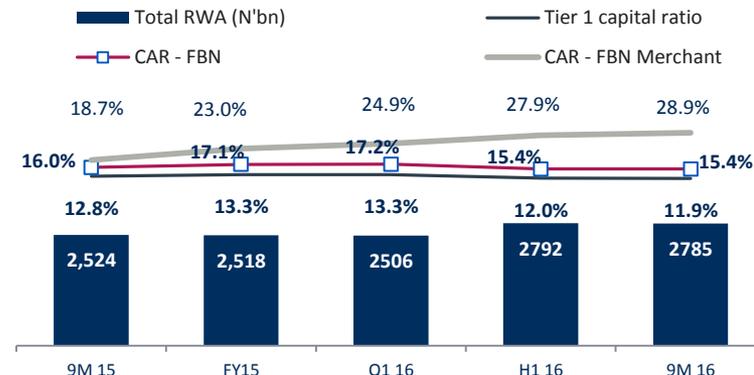
APPENDIX

Balance sheet efficiency

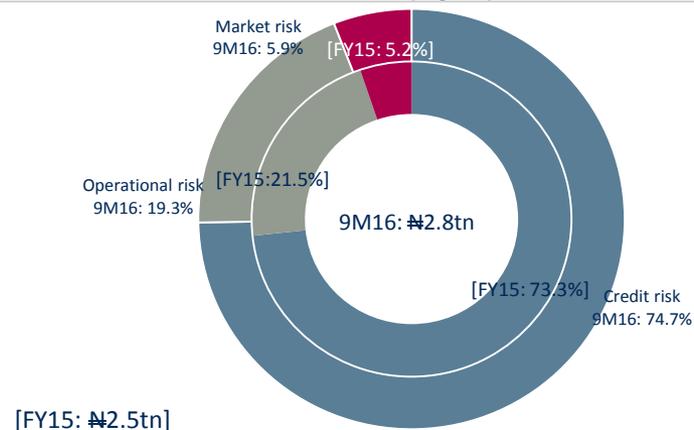


Capital ratios²

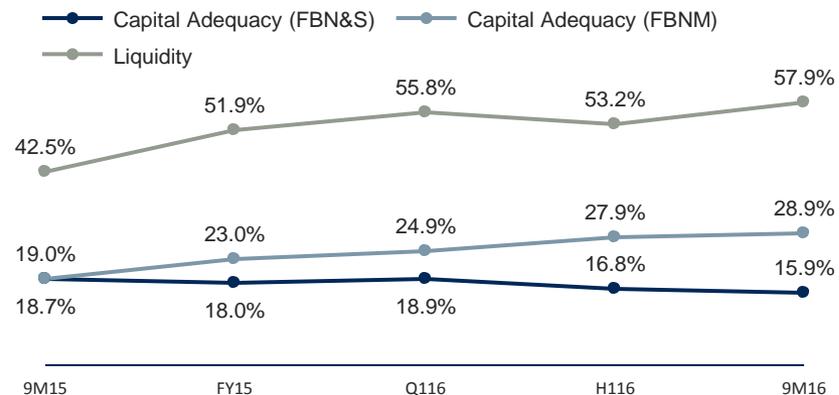
FirstBank (Nigeria) and FBN Merchant Bank



RWA components FirstBank (Nigeria)



CAR & Liquidity FirstBank (Nigeria) & its Subsidiaries³



¹ Definition provided in the appendix ²CAR excludes 9M profits (Including 9M 2016 profits, CAR is 17.1% [9M 2015: 16.0%]) ³No regulatory CAR requirement for FirstBank (Nigeria) & its subsidiaries, this has been provided for information only

- Cost-to-income ratio computed as operating expenses divided by operating income
- Leverage ratio computed as total assets divided by total shareholders' funds
- Loans to deposits ratio computed as gross loans divided by total customer deposits
- Net interest margin defined as net interest income (annualised) divided by average earning assets
- Net revenue computed as operating income plus share of profit/loss from associates
- NPL coverage computed as loan loss provisions plus statutory credit reserves divided by non-performing loans
- Operating income is defined as gross earnings less interest expense, fee and commission expense, Insurance claims and share of profit/loss from associates
- Pre-provision operating profit (PPOP) computed as operating profit plus impairment charge
- Return on average equity (ROaE) computed as profit after tax (annualised) divided by the average opening and closing balances attributable to its equity holders
- Return on average assets (ROaA) computed as profit after tax (annualised) divided by the average opening and closing balances of total assets
- Tier 2 capital comprises foreign exchange revaluation reserves, hybrid capital instrument and minority interest for the FirstBank (Nigeria)

Ag. Head, Investor Relations

Tolulope Oluwole

Email: Tolulope.O.Oluwole@fbnholdings.com

Phone: +234 (1) 9052720

Investor Relations Team

investor.relations@fbnholdings.com

Phone: +234 (1) 9051386

+234 (1) 9051086