

# FORGING AHEAD



## Investor & Analyst Presentation

For the full year ended 31 December 2019 & first quarter ended 31 March 2020

# DISCLAIMER

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This presentation is based on FBN Holdings Plc's ('FBNH' or 'FBNHoldings' or the 'Group') audited financial statements for the twelve months ended 31 December 2019 and the unaudited accounts for the three months ended 31 March 2020. The Group's Financial statements represent FBN Holdings Plc and its subsidiaries.

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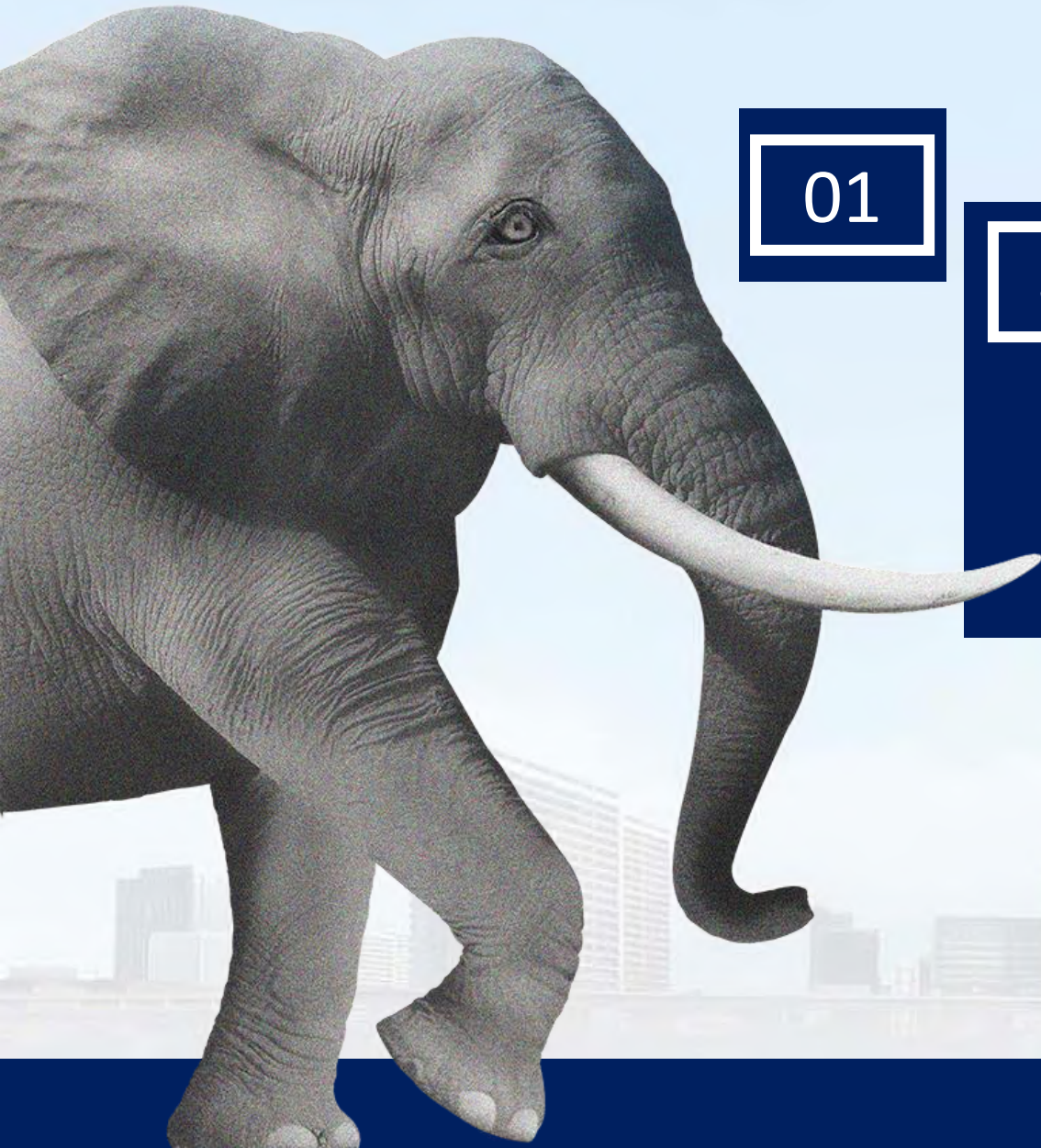
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# 2017 – 2019 SPP Overview



## Regulatory and macro developments over the course of the last three years

### 2017

- ✓ Fragile recovery from an economic recession
- ✓ The economy grew 0.8% in 2017
- ✓ Deposit Money Banks (DMBs) agreed to contribute 5% of their PAT to fund export related projects
- ✓ The CBN revised bank charges effective May 1, 2017
- ✓ PFAs allowed to invest in equity of financial holding companies
- ✓ CBN guided to commence the parallel run of IAS 39 and IFRS 9 by 1 Oct 2017

### 2018

- ✓ CBN issued revised guidelines to commercial banks on internal capital adequacy and dividend pay-out policy
- ✓ CBN issued guidelines on Real Sector Support Fund (RSSF) aimed at channeling funds to manufacturing and agriculture
- ✓ The economy grew 1.9% in 2018
- ✓ Revised guidelines for computing AMCON levy
- ✓ NAICOM suspends implementation of Tier-based Minimum Solvency Capital policy

### 2019

- ✓ CBN unveils 2019-2024 strategic focus and hints on banking sector recapitalisation
- ✓ CBN advises minimum LDR at 65% to encourage banks to lend to the real sector
- ✓ A number of targeted intervention funds created by the CBN
- ✓ CBN restricted domestic investors from participating in Open Market Operations (OMO)
- ✓ NAICOM increased minimum paid-up capital for insurance / re-insurance companies

## 2017 – 2019 Business plan achievements: Repositioned the Group for enhanced shareholder value



### Enhanced Revenue Generation Capabilities

- ✓ Ramped up revenue from digital channels, accounting for **30.2%** of non-interest income
- ✓ Consistent growth in the Agent banking network; now **53,000** FirstMonie Agents in 772 local government areas (99.7% coverage)
- ✓ Industry leader with 30% market share of transactions processed by the most dominant switching company; ~22% market share of interbank transfers on the NIBSS<sup>1</sup> platform



### Improved Asset Quality & Revamped Risk Culture

- ✓ Delivered single digit NPL in 2019
- ✓ Vintage NPL ratio below **1%**
- ✓ Cost of risk at **2.5%**
- ✓ Successfully overhauled risk management architecture and new credit culture across the Group



### Strengthened Balance Sheet & Improved Operational Efficiency

- ✓ Instituted cost optimisation initiatives aimed at improving operational efficiencies and enhancing revenue accretive capabilities
- ✓ Strong liquidity position demonstrated by the prepayment of a cumulative \$750 million subordinated notes within 12 months
- ✓ Efficient balance sheet as legacy NPL issues are resolved

<sup>1</sup> Nigeria Inter-Bank Settlement System

# Robust top-line performance while optimising balance sheet in a challenging operating environment

▲ Growth, y-o-y

## Income Statement Snapshot

## Statement of Financial Position

### Gross Earnings

¥627.0 billion

FY18: ¥587.4 billion

▲ 6.7%

### Operating Income

¥449.3 billion

FY18: ¥417.3 billion

▲ 7.7%

### Total Assets

¥6,203.5 billion

FY18: ¥5,568.9 billion

▲ 11.4%

### Net Interest Income

¥290.2 billion

FY18: ¥285.3 billion

▲ 1.7%

### Operating Expenses

¥314.7 billion

FY18: ¥266.0 billion

▲ 18.3%

### Loans & Advances (net)

¥1,852.4 billion

FY18: ¥1,670.5 billion

▲ 10.9%

### Impairment Charges

¥51.1 billion

FY18: ¥87.5 billion

▼ -41.5%

### Profit Before Tax

¥83.6 billion

FY18: ¥63.9 billion

▲ 30.9%

### Total Equity

¥661.1 billion

FY18: ¥528.9 billion

▲ 25.0%

### Non-Interest Income

¥159.2 billion

FY18: ¥132.0 billion

▲ 20.6%

### Profit After Tax

¥73.7 billion

FY18: ¥58.3 billion

▲ 26.6%


### Customer Deposits

¥4,019.8 billion

FY18: ¥3,486.7 billion

▲ 15.3%

## Strong performance in Q1 confirms the successful turnaround of our business

 Growth, y-o-y

### Income Statement Snapshot

### Statement of Financial Position

#### Gross Earnings

¥159.7 billion

 14.5%

Q1 19: ¥139.4 billion

#### Operating Income

¥110.0 billion

 12.2%

Q1 19: ¥98.0 billion

#### Total Assets


¥7,023.4 billion

 13.2%

FY19: ¥6,203.5 billion

#### Net Interest Income

¥60.3 billion

 15.9%

Q1 19: ¥71.7 billion

#### Operating Expenses

¥71.6 billion

 7.9%

Q1 19: ¥66.4 billion

#### Loans & Advances (net)

¥2,051.3 billion

 10.7%

FY19: ¥1,852.4 billion

#### Impairment Charges

¥9.7 billion

 -29.9%

Q1 19: ¥13.8 billion

#### Profit Before Tax

¥28.7 billion

 61.5%

Q1 19: ¥17.8 billion

#### Total Equity

¥680.3 billion

 2.9%

FY19: ¥661.1 billion

#### Non-Interest Income

¥49.7 billion

 88.9%

Q1 19: ¥26.3 billion

#### Profit After Tax

¥25.7 billion

 62.7%

Q1 19: ¥15.8 billion

#### Customer Deposits

¥4,290.1 billion

 6.7%

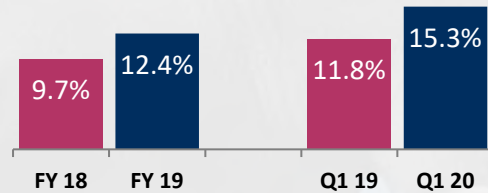
FY19: ¥4,019.8 billion



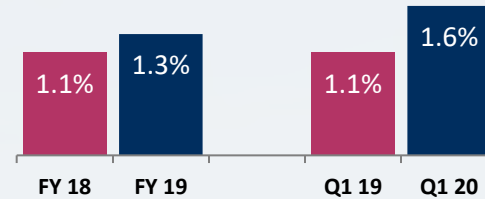
# Improvements in performance; leveraging our strengths and investing for enhanced value creation over the longer-term

## Key Income Statement Ratios (%)

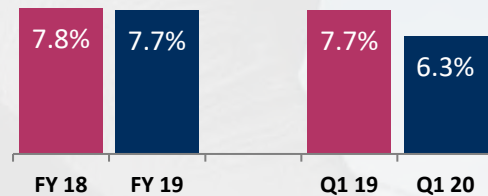
Post Tax ROaE



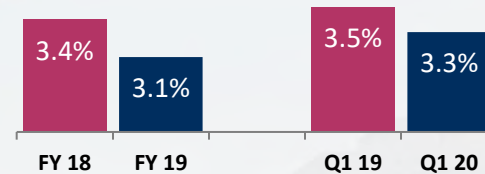
Post Tax ROaA



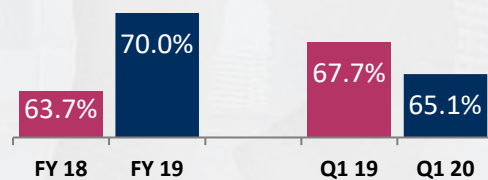
Net Interest Margin



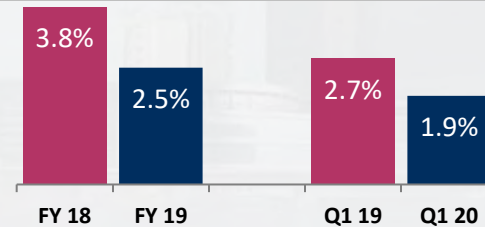
Cost of Funds



Cost to Income

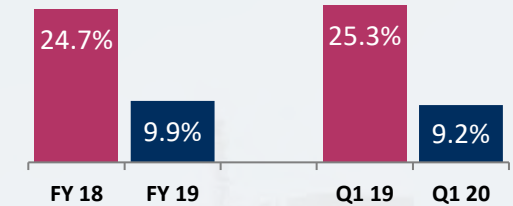


Cost of Risk

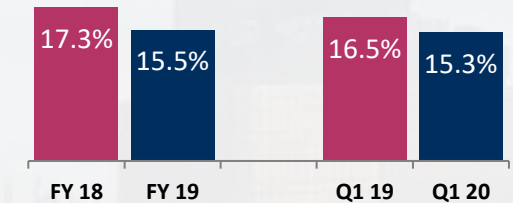


## Key Balance Sheet Ratios (%)

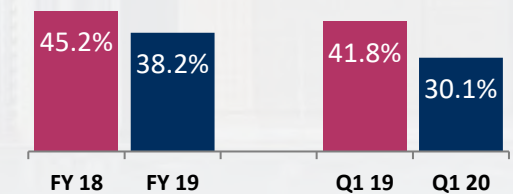
Non-Performing Loans



Capital Adequacy Ratio<sup>(1)</sup>



Liquidity Ratio<sup>(2)</sup>



<sup>1</sup> CAR is for FirstBank (Nigeria); CAR for the Merchant Banking business is 17.1% FY 2020 (17.1% FY 2019, 13.5% Q1 2019 and 12.2% FY 2018)

<sup>2</sup> Liquidity Ratio for First Bank of Nigeria excludes over ₦1trillion restricted deposit with Central Bank of Nigeria

## COVID-19: Our response

### Community Support

- ✓ Provided an educational intervention scheme for 1 million children affected by the pandemic
- ✓ Member of the COVID-19 coalition that provides support for the government in expanding health facilities for testing, isolation and treatment

### Customers Support

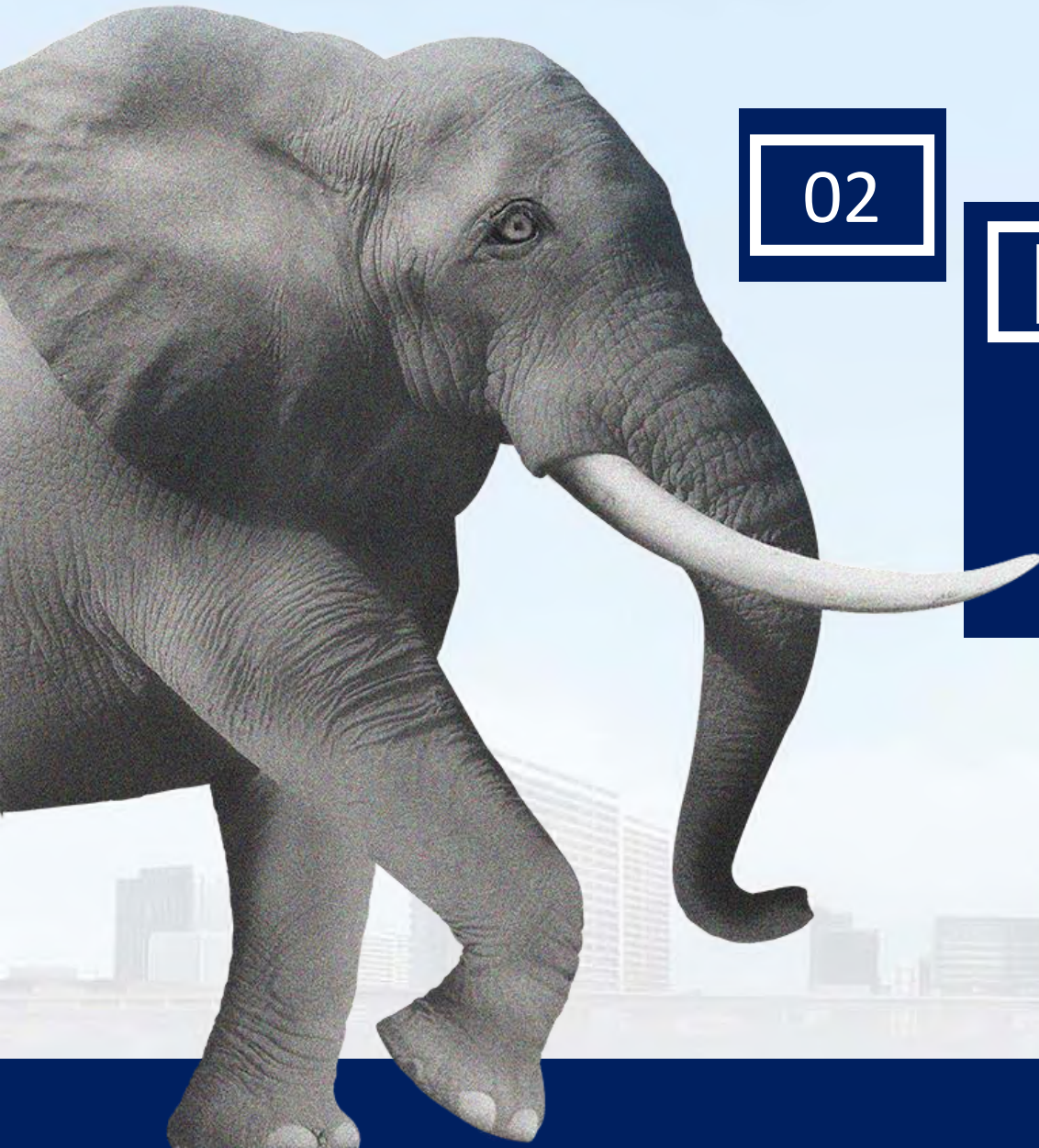
- ✓ Implemented CBN forbearances to restructure exposures to businesses most affected by the COVID-19 pandemic
- ✓ Our businesses continue to provide services to customers with minimal disruption in a safe environment
- ✓ Our digital and agent banking channels are supported to ensure seamless transactions

### Business Focus and Employee Protection

- ✓ A robust Business Continuity Plan activated to ensure minimal disruptions to operations
- ✓ Risk Management assessment of vendors and service providers conducted to ensure smooth service
- ✓ Remote working mode initiative activated for employees without impacting the quality of service to our customers
- ✓ Distinctive network in digital and Agent banking positions the Group as the most reliable distribution channel for government and NGO COVID-19 support programs with 53,000 agents including a good number of branches that remain in operation

### Investor Engagement

- ✓ Sustained engagement with investors leveraging technology
- ✓ Held the 8<sup>th</sup> Annual General Meeting as scheduled with attendance by proxy



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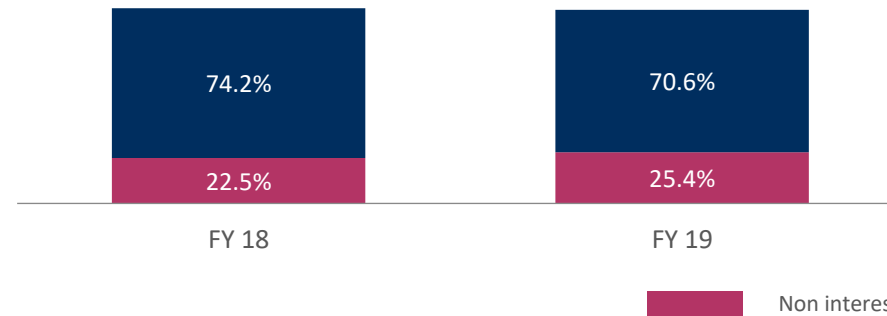
# FY 2019 & Q1 2020 Performance



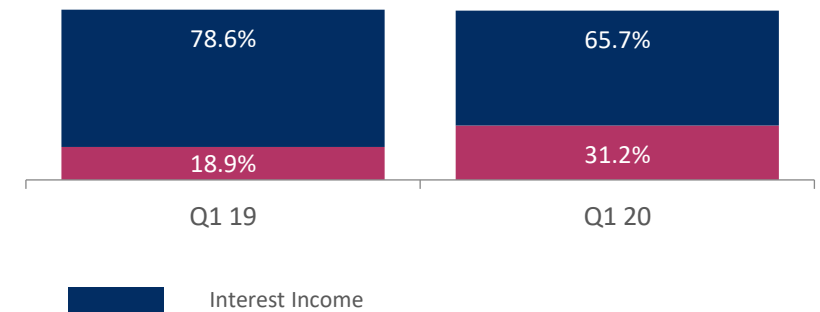
## Consistent upward trajectory in non-interest income supports total revenue growth

- 2019 Gross earnings up 6.7% y-o-y, on the back of growth in non-interest income, as we successfully move towards a transaction banking-led model and increase our digital banking capabilities
- Non interest income contribution to gross earnings improved to 31.2% in Q1 2020 from 18.9% in the prior period
- Excluding total foreign exchange income in 2019, non-interest income contributed 34.0% to net revenue from 25.8% in prior year
- Due to the low-yield environment and the increased competition for quality assets, interest income growth remained muted, despite the 10.9% increase in our 2019 net loan book

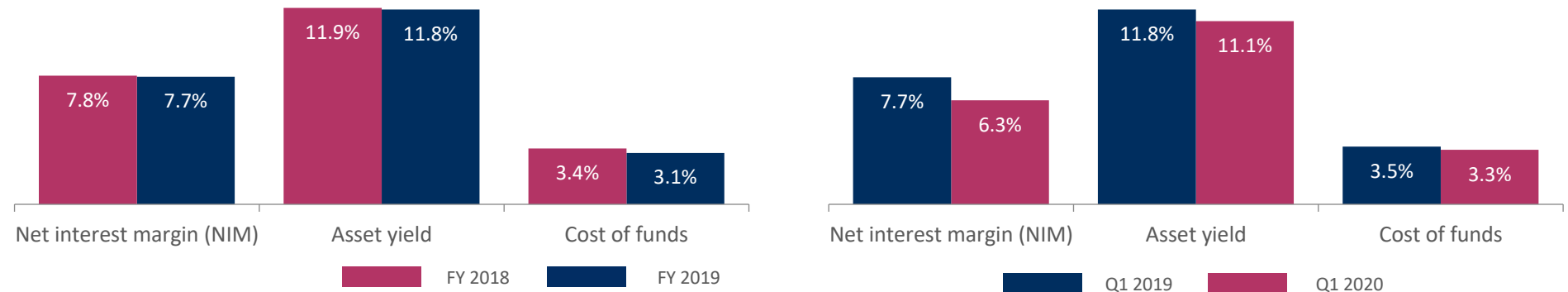
GROSS EARNINGS BREAKDOWN  
(FY 2018: ₦587.4bn; FY 2019: ₦627.0bn)



GROSS EARNINGS BREAKDOWN  
(Q1 2019: ₦139.4bn; Q1 2020: ₦159.7bn; )



NET INTEREST MARGIN DRIVERS

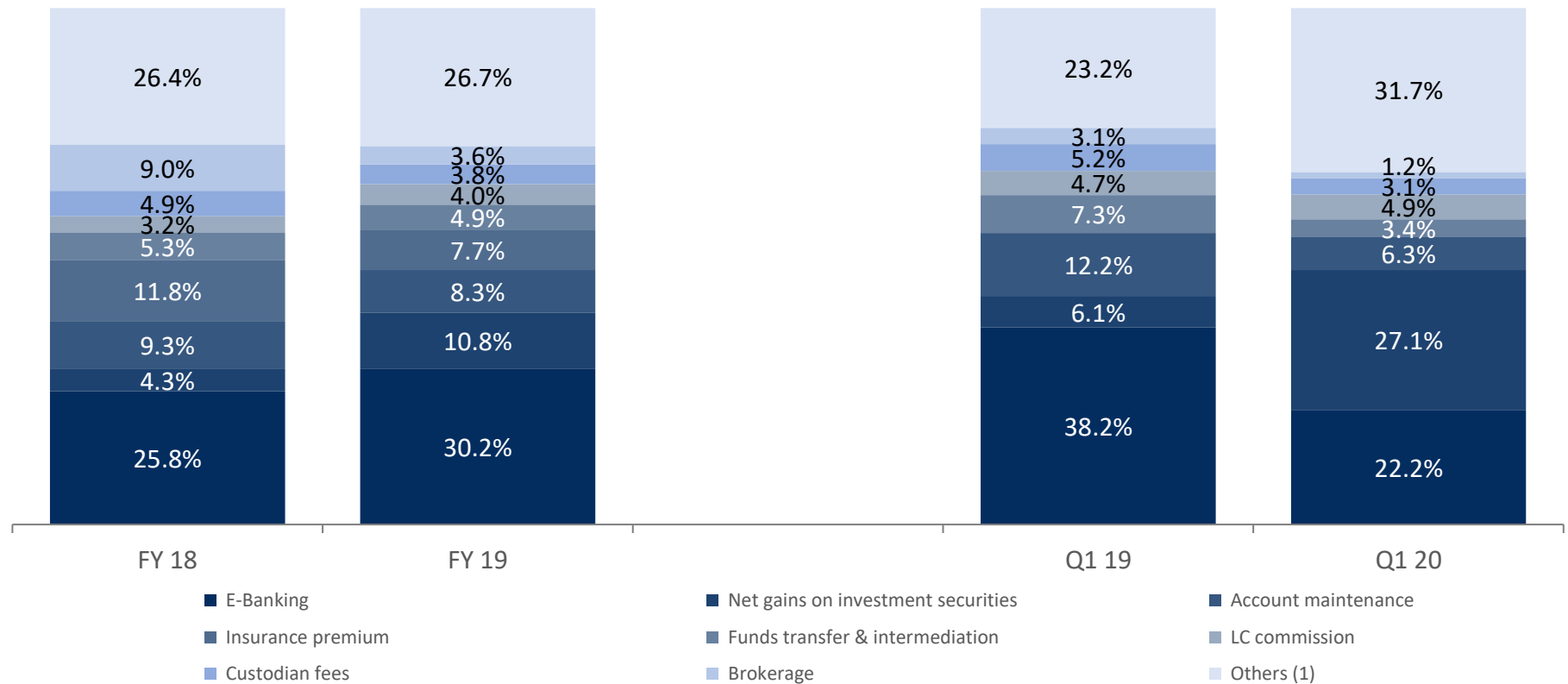


<sup>1</sup> Non interest income includes fee and commission expense

## Resilient and consistent non interest income growth

- Non interest income sustained strong growth; grew 20.6% y-o-y as at FY 2019 and 89% in Q1 2020
- E-Banking and net gains on investment securities remain the major drivers of non interest income accounting for 49.3% in Q1 2020 compared with 44.3% in Q1 2019

NON-INTEREST INCOME BREAKDOWN (NET)  
 (FY 2018: ₦132.0bn; FY 2019: ₦159.2bn; Q1 2019: ₦26.3bn; Q1 2020: ₦49.7bn)

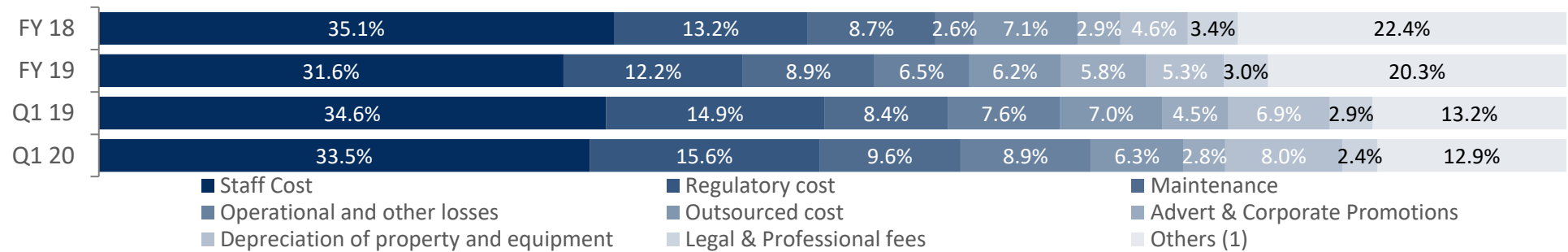


<sup>1</sup>Others include Net gains/(losses) from financial instruments at fair value through profit or loss, financial advisory fees, commission on bonds and guarantees, F&C expense, remittance fees, fund management fees, money transfer commission, trust fee income and other fees & commission income

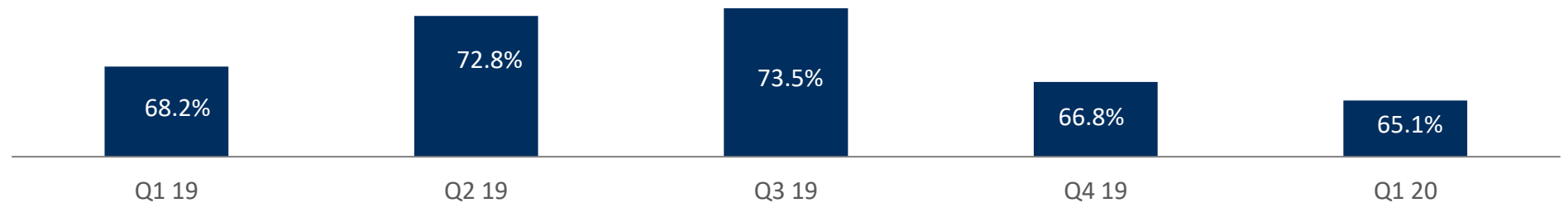
- Notable investments made in security and e-business solutions (revenue accretive), enterprise architecture (business stability and growth supportive), productivity capabilities (efficiency benefits) etc. resulting in increased maintenance and depreciation costs
- Operational and other losses increased largely due to a one-time operational losses in respect of settlement for assets sold a decade ago
- Advert and corporate promotion expenses were up due to exceptional expenses (globally) for the Bank's 125th anniversary to enhance the brand equity and marketing the digital business from which accretive revenue benefits are emerging
- Staff cost is driven by the workforce optimisation exercise towards enhancing overall employee productivity

## OpEx elevated due to strategic investments and one-time charges aimed at improving operational efficiencies and revenue capabilities

MAIN OPEX DRIVERS  
(FY 2018: ₹266.0bn; FY 2019: ₹314.7bn)



QUARTERLY COST TO INCOME RATIO



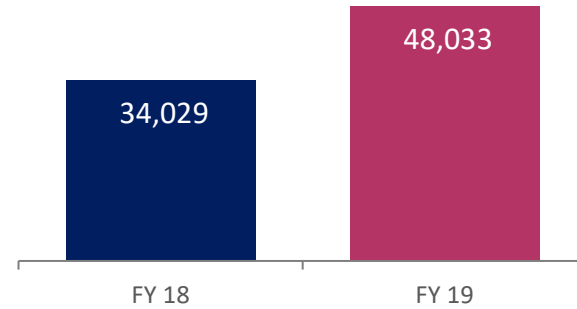
<sup>1</sup>Others include: Donations & Subscriptions, Stationery & Printing, Passages & Travels, Fines & Penalties, Net insurance Claims, Other Operating Expenses



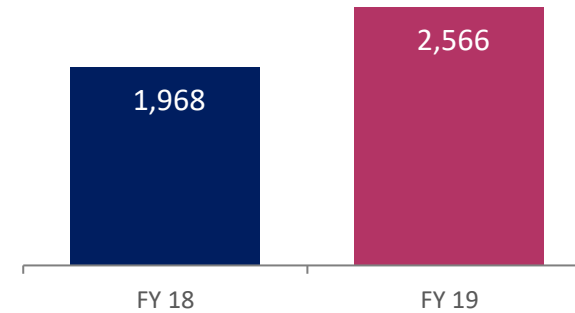
## Undisputed leader in digital solutions with continuous growth and demonstrated track record of monetising same

- Successfully monetised digital banking with electronic channels contributing 30.2% (FY 2018: 25.8%) of non-interest income in FY 2019
- Sustained market leader in USSD (\*894#), growing transaction volume 37.9%, y-o-y. Transaction value across this platform is in excess of ₦2.5trillion
- Transaction volume across mobile banking channel grew y-o-y by 31%, while value of transactions increased by 50.3% y-o-y in 2019
- >85% of customers executed transactions via digital channels

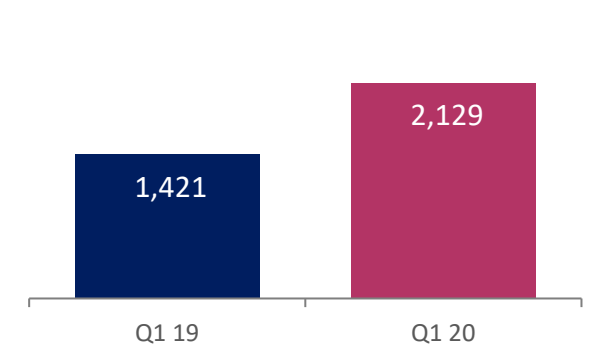
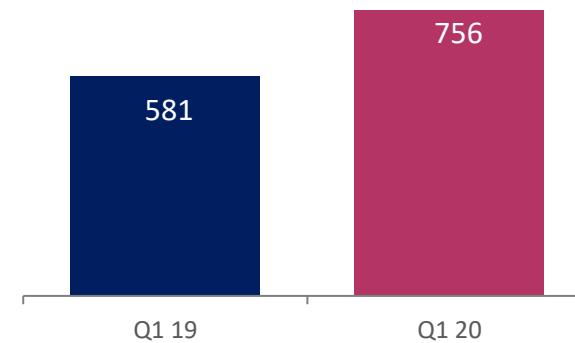
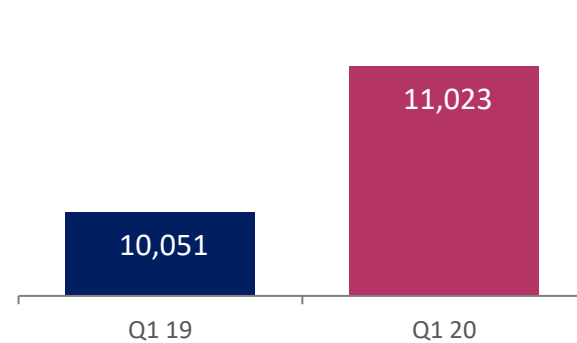
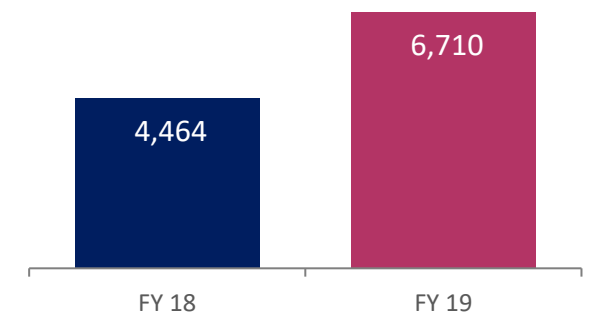
GROWING REVENUE FROM DIGITAL BANKING CHANNELS (₦' MILLION)



USSD BANKING SCHEME TRANSACTION VALUE (₦' BILLION)

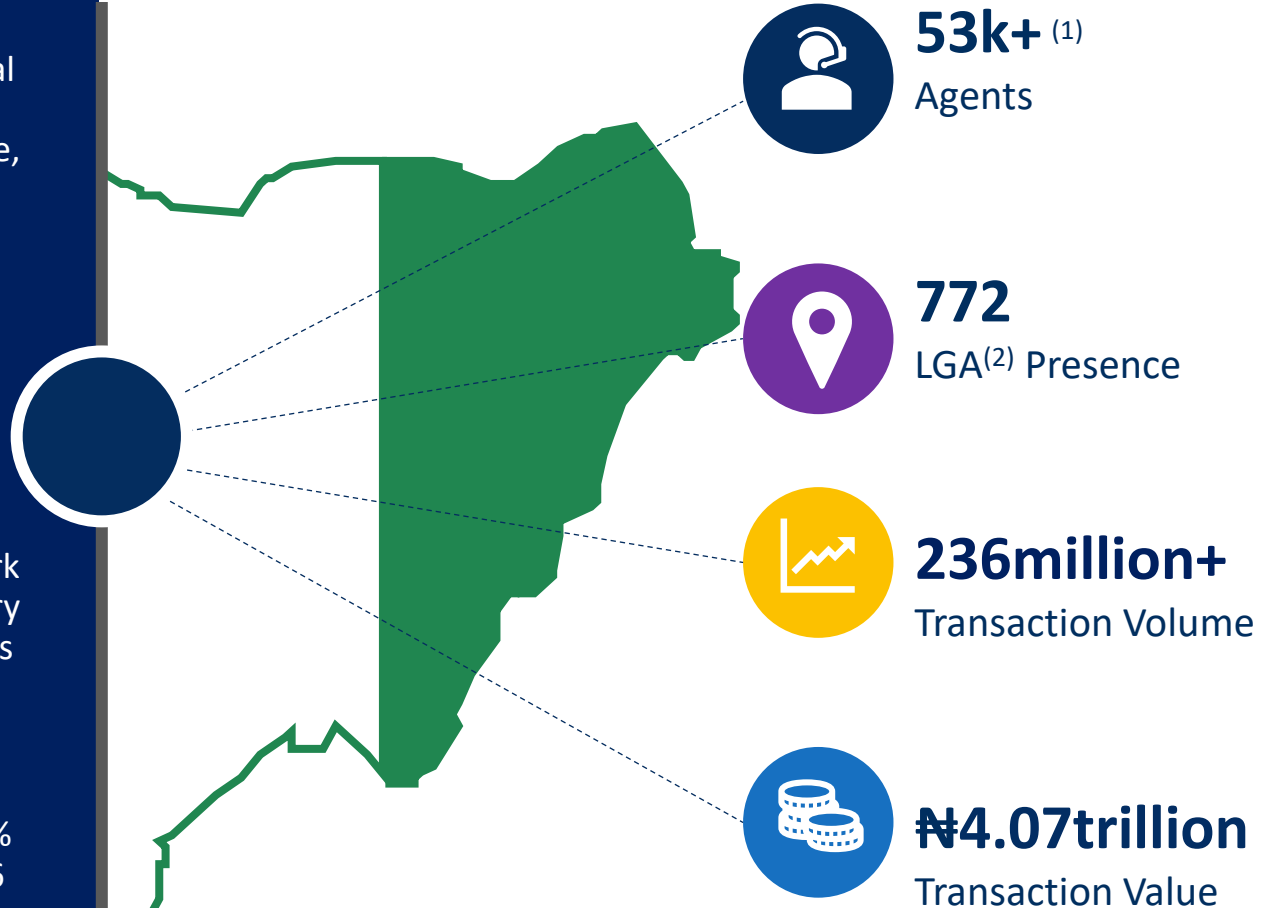


MOBILE BANKING SCHEME TRANSACTION VALUE (₦' BILLION)

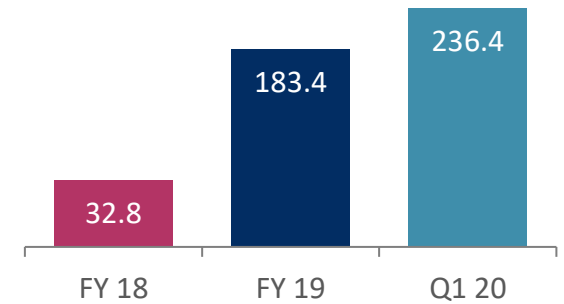


## Our Agent Banking strength/reach is unparalleled in the industry leading to increasing customers' adoptions of our digital banking offerings

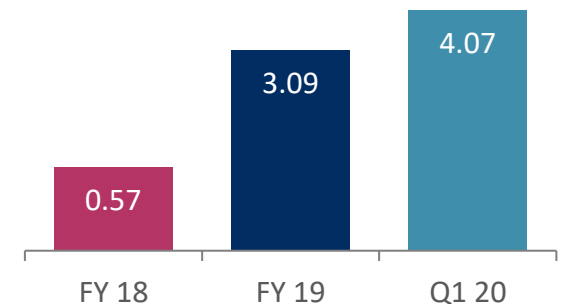
- >12 million active customers on our digital platforms (2018: 9.8million) - FirstMobile, USSD, Internet Banking and Agent banking channels
- More transactions executed through the FirstMonie Agent banking platform than over ATMs
- Fastest growing network of Agents in the industry with over 53,000 agents
- Of the 774 local government areas, FirstMonie Agents are present in 772 (c. 99.7% coverage) across the 36 states of the country



AGENTS TRANSACTION VOLUME ('Million)<sup>3</sup>



AGENTS TRANSACTION VALUE (₦' TRILLION)<sup>3</sup>



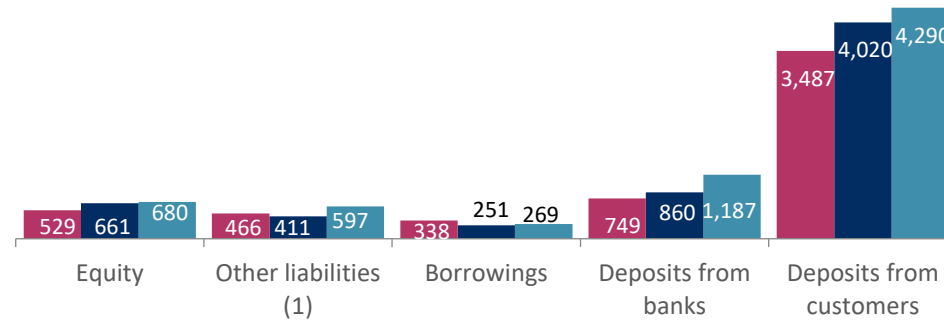
<sup>(1)</sup>As at Q1 2020

<sup>(2)</sup> LGA = Local Government Area <sup>(3)</sup> From Inception to date

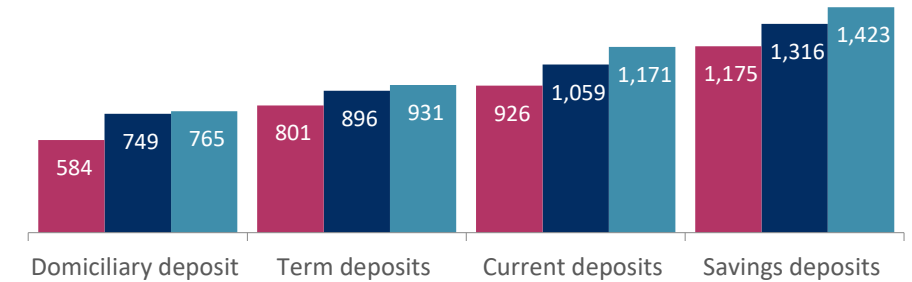
## Strong retail franchise provides the platform for a diversified and stable funding base

- Strong funding base; customer deposits up 15.3% y-o-y in 2019
- Low-cost deposits at FirstBank represent 86% of total deposits as at Dec 2019 (Dec 2018: 85.0%)
- Retail franchise remains the key driver of deposit growth, with savings deposits in excess of ₦1.4 trillion
- Sustained growth in 2019 FCY deposits closing at 28.3% y-o-y signify improving FCY liquidity

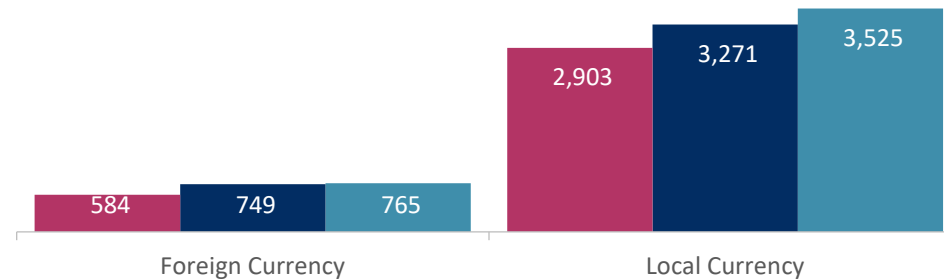
FUNDING BY TYPE | FBNHOLDINGS  
(FY 2018: ₦5.6tr; FY 2019: ₦6.2tr; Q1 2020: ₦7.0tr)



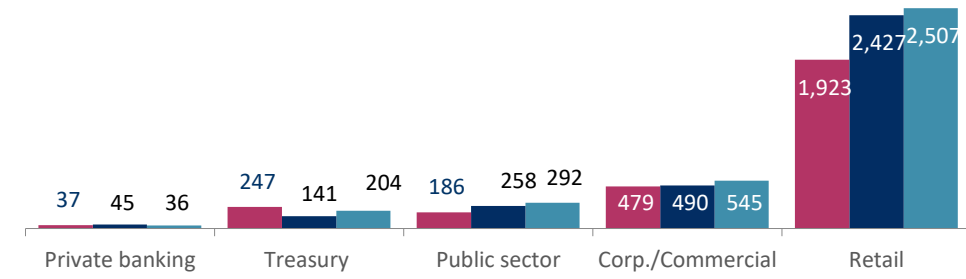
DEPOSITS BY TYPE | FBNHOLDINGS  
(FY 2018: ₦3.5tr; FY 2019: ₦4.0tr; Q1 2020: ₦4.3tr)



DEPOSITS BY CURRENCY | FBNHOLDINGS  
(FY 2018: ₦3.5tr; FY 2019: ₦4.0tr; Q1 2020: ₦4.3tr)



DEPOSITS BY SBU TREND | FIRSTBANK (NIGERIA)  
(FY 2018: ₦2.9tr; FY 2019: ₦3.4tr; Q1 2020: ₦3.6tr)



FY 2018 FY 2019 Q1 2020

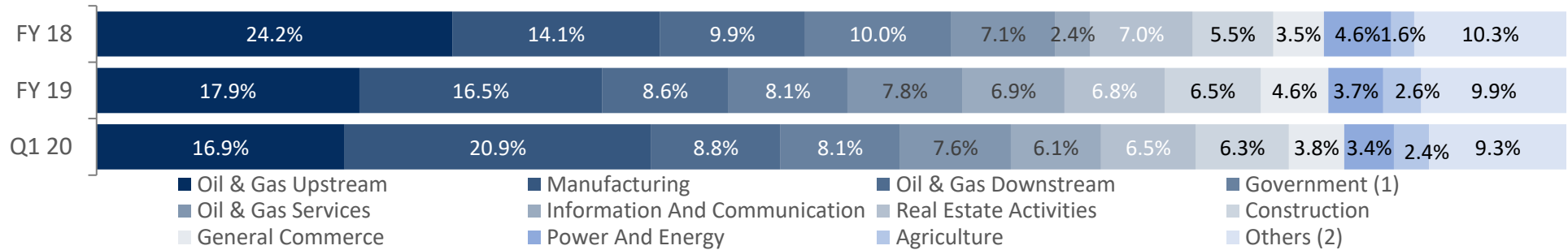
<sup>(1)</sup> Other liabilities include financial investment liabilities



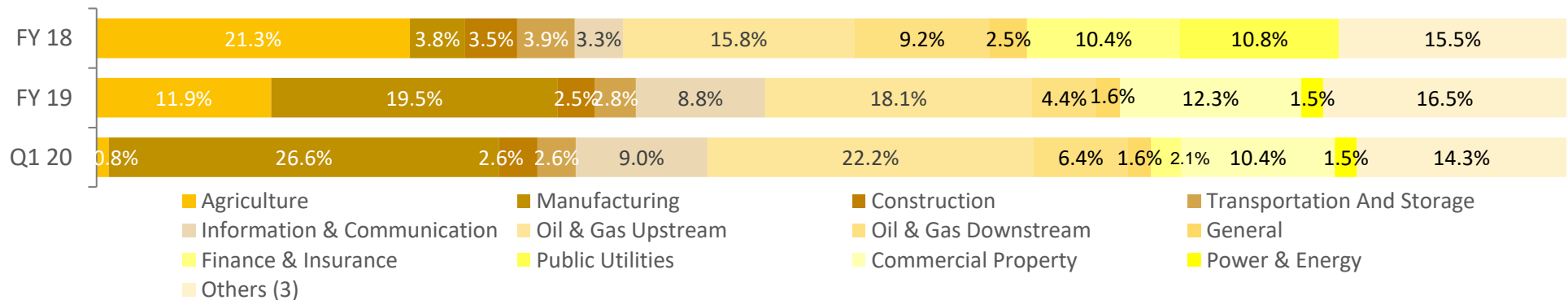
## Diversified portfolio provides a resilient revenue base

- Focus on quality risk asset creation to maintain a healthy balance sheet
- 2019 net loans to customers increased by 10.9%
- Portfolio rebalancing evidenced by a steady reduction in exposure to the Oil & Gas sector
- Manufacturing, trade, retail/consumer and Agric & Agro-allied sectors including telecommunication remain key sectors to grow loans

FIRSTBANK (NIGERIA) GROSS LOANS BY SECTOR  
(FY 2018: ₦1,728.9bn; FY 2019: ₦1,619bn; Q1 2020: ₦1,808bn)



FBNQUEST MERCHANT BANK GROSS LOANS BY SECTOR  
(FY 2018: ₦37.5bn; FY 2019: ₦48.3bn; Q1 2020: ₦48.6bn)

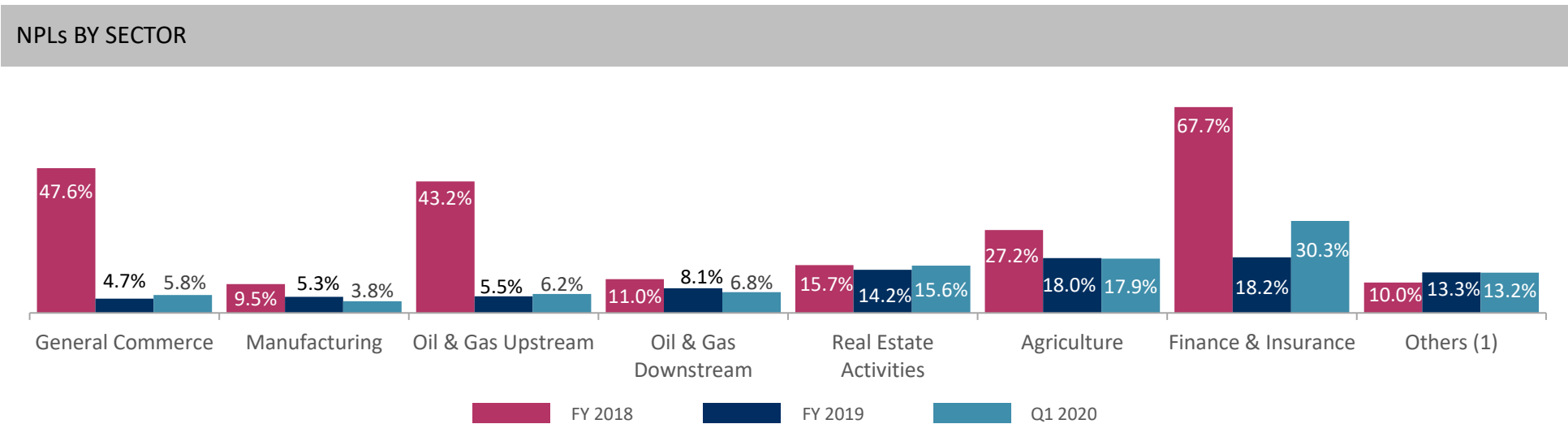
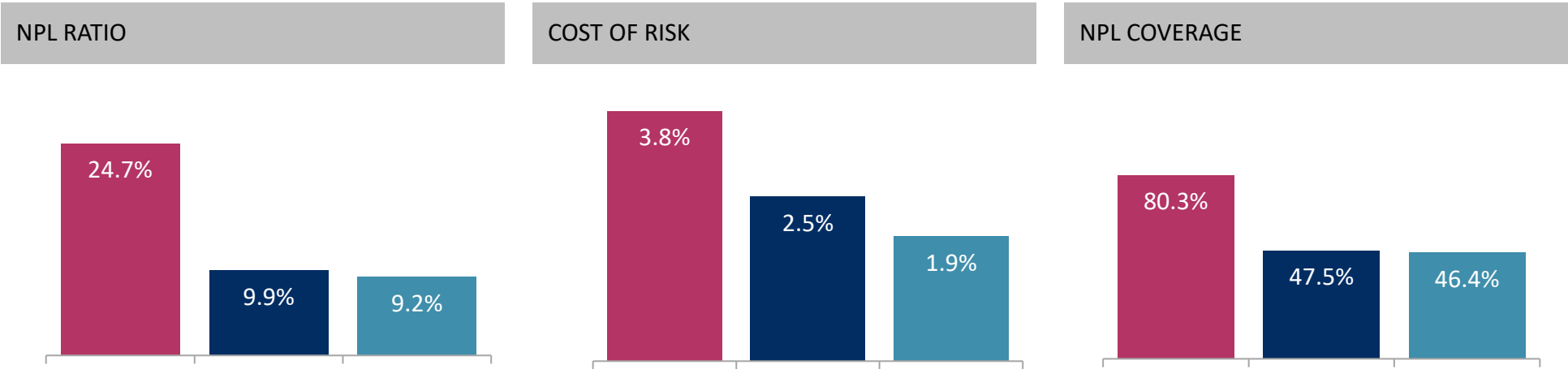


<sup>1</sup>Government loans are loans to the public sector (federal and state)  
<sup>2</sup>Others include finance and insurance, capital market, public utilities, personal & professional, administrative & support services, human health & social work

<sup>3</sup>Others include Oil & Gas services and general commerce

## Significant improvement in asset quality

- Risk portfolio clean-up accomplished; focus is on further improving current metrics
- Significant reduction in NPL ratio to single digit, 9.9% and 9.2% in FY 2019 and Q1 2020 respectively
- Vintage NPL ratio remains <1%
- Actively pursuing recoveries on loans written-off

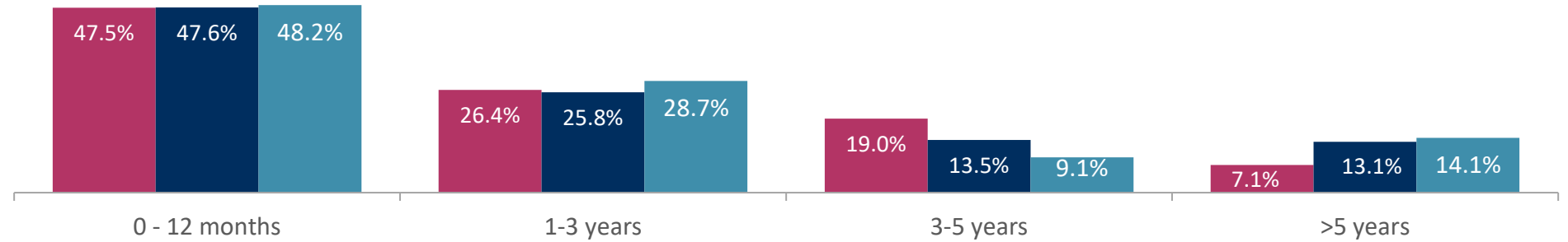


1 Others include: Oil & Gas Servicing, Finance, Transportation, Construction, Education, Public Utilities, Capital Market

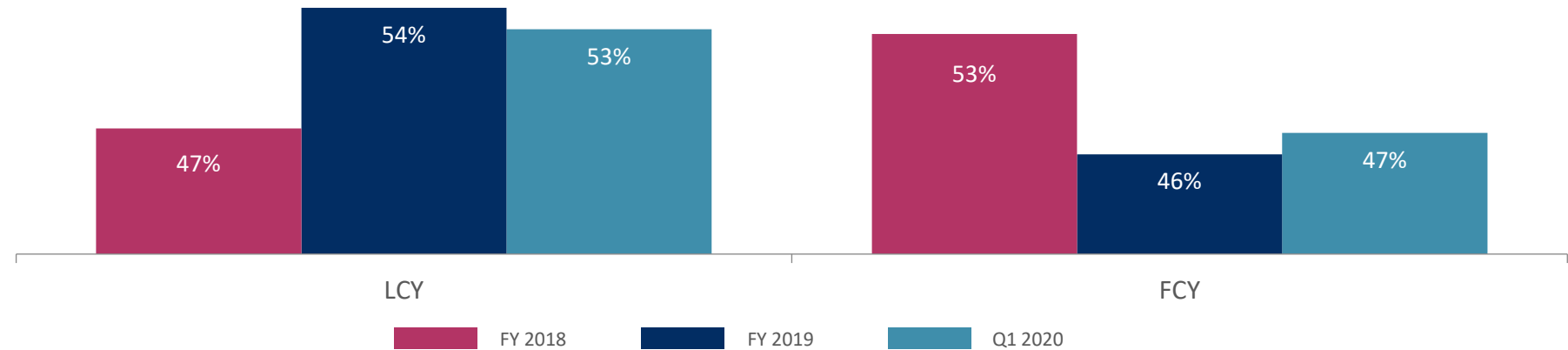
## Rebalanced portfolio aimed at minimising vulnerability

- Retooled risk management practice provides greater security and reduces risk
- Increased loans in LCY relative to FCY compared to the previous year

LOANS AND ADVANCES BY MATURITY | FIRSTBANK (NIGERIA)  
(FY 2018: ₦1,728.9bn; FY 2019: ₦1,619bn; Q1 2020: ₦1,808bn)



LOANS AND ADVANCES BY CURRENCY | FIRSTBANK (NIGERIA)  
(FY 2018: ₦1,728.9bn; FY 2019: ₦1,619bn; Q1 2020: ₦1,808bn)

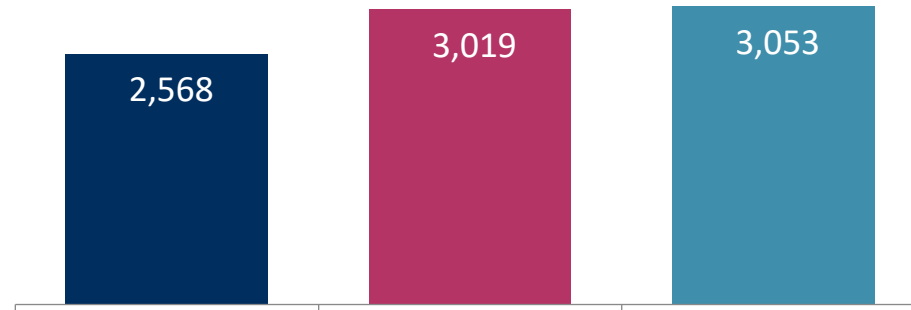




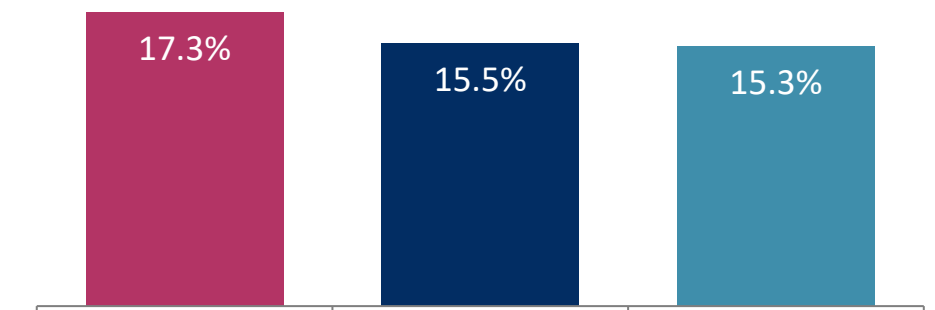
## Capital Adequacy Ratios remain above regulatory thresholds

- Substantial resolution of the non-performing loans positions the Group for accelerated growth in profitability
- Strong earnings generation capacity provides a solid platform for capital accretion
- Sufficient capital to support the business noting current operating environment
- Net long position of the balance sheet provides a secured position for capital accretion in the event of a potential devaluation

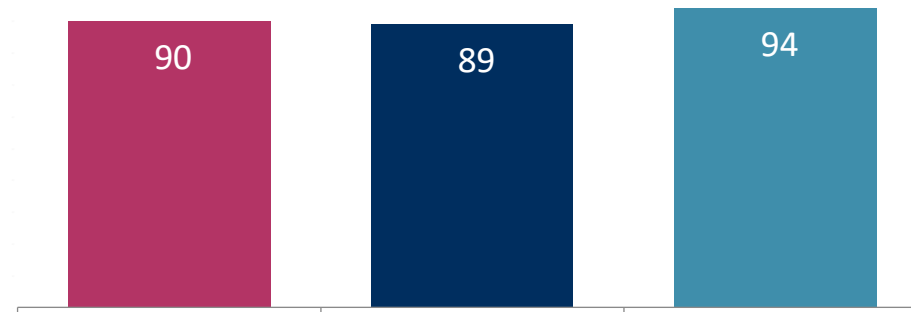
TOTAL RWA (₦'bn) | FIRSTBANK (NIGERIA)



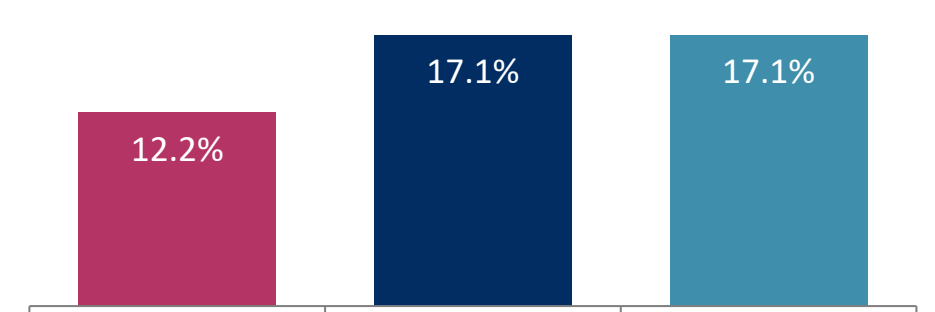
CAR | FIRSTBANK (NIGERIA)



TOTAL RWA (₦'bn) | FBNQUEST MERCHANT BANK



CAR | FBNQUEST MERCHANT BANK



■ FY 2018    
 ■ FY 2019    
 ■ Q1 2020

## Strengthening the business model to recapture market leadership

- Addressed legacy asset quality issues to provide platform for growth
- Enhanced risk framework and imbedded increased accountability
- Enhanced revenue generation capabilities throughout the Group
- Improved revenue diversification with particular focus on digital banking and agent network
- Augmented client experience through technological enhancements and leveraging of synergies
- Accelerated digitalisation across the Group
- Strengthened and optimised balance sheet



People



Processes



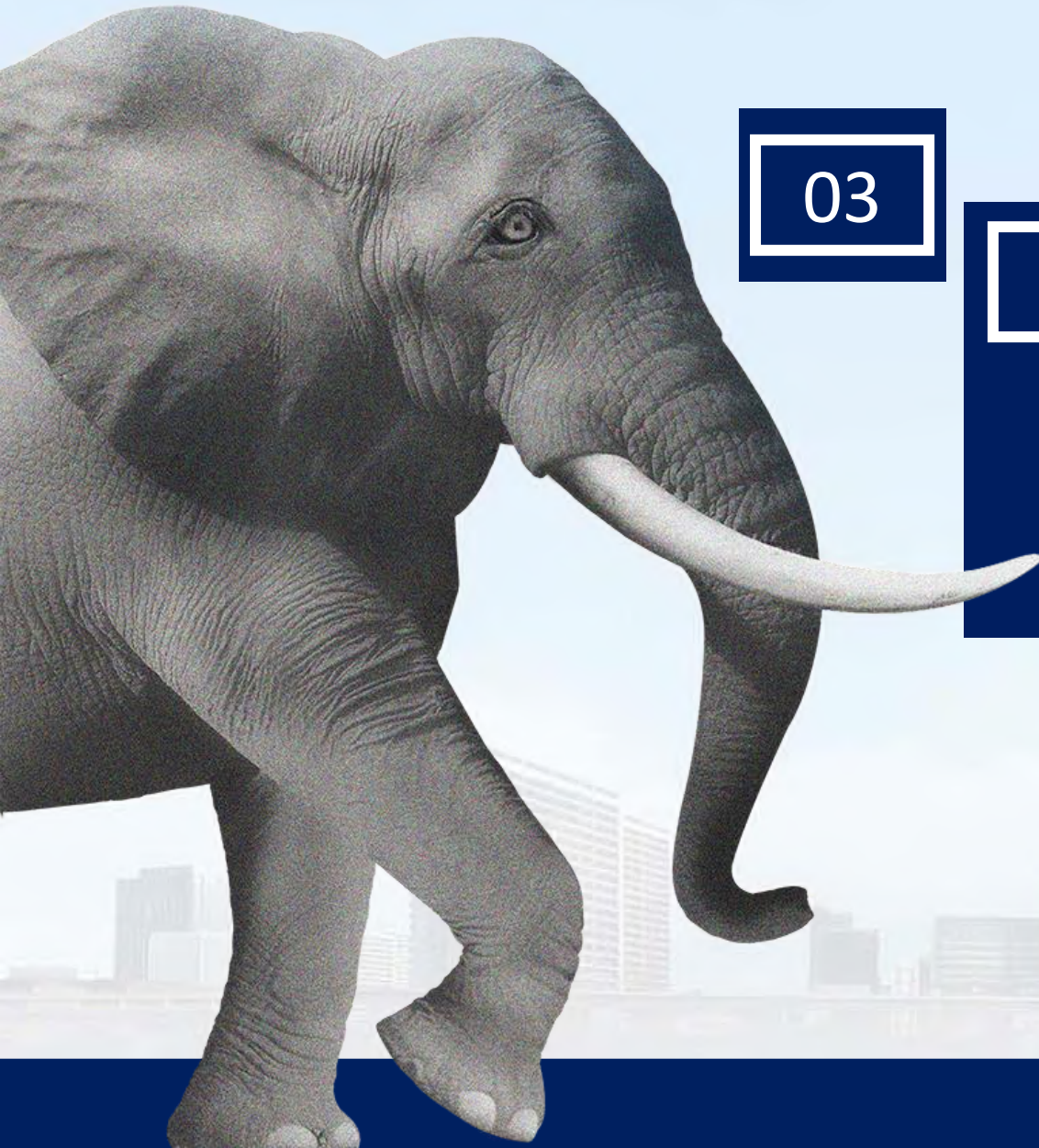
Innovation



Synergy



Technology



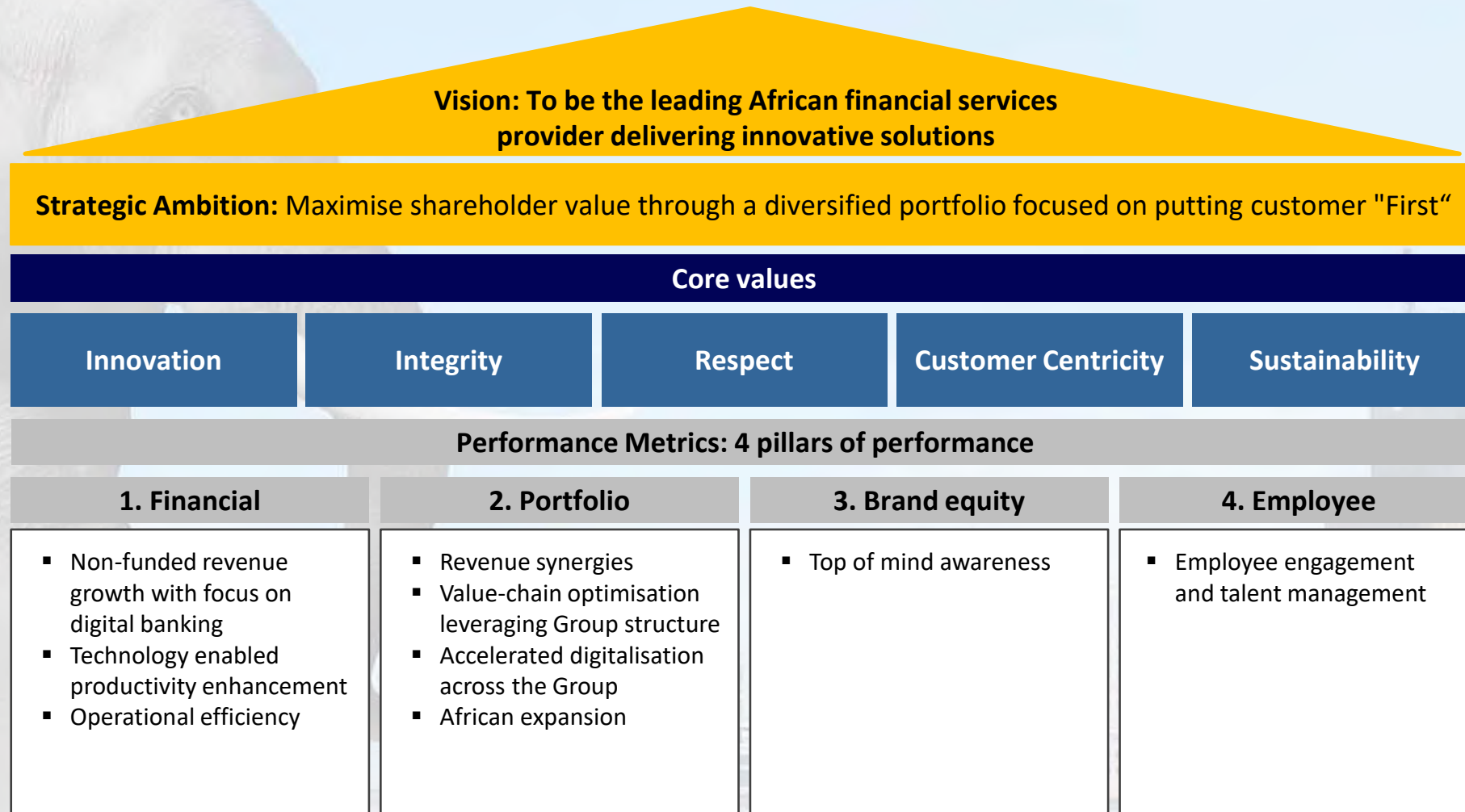
03

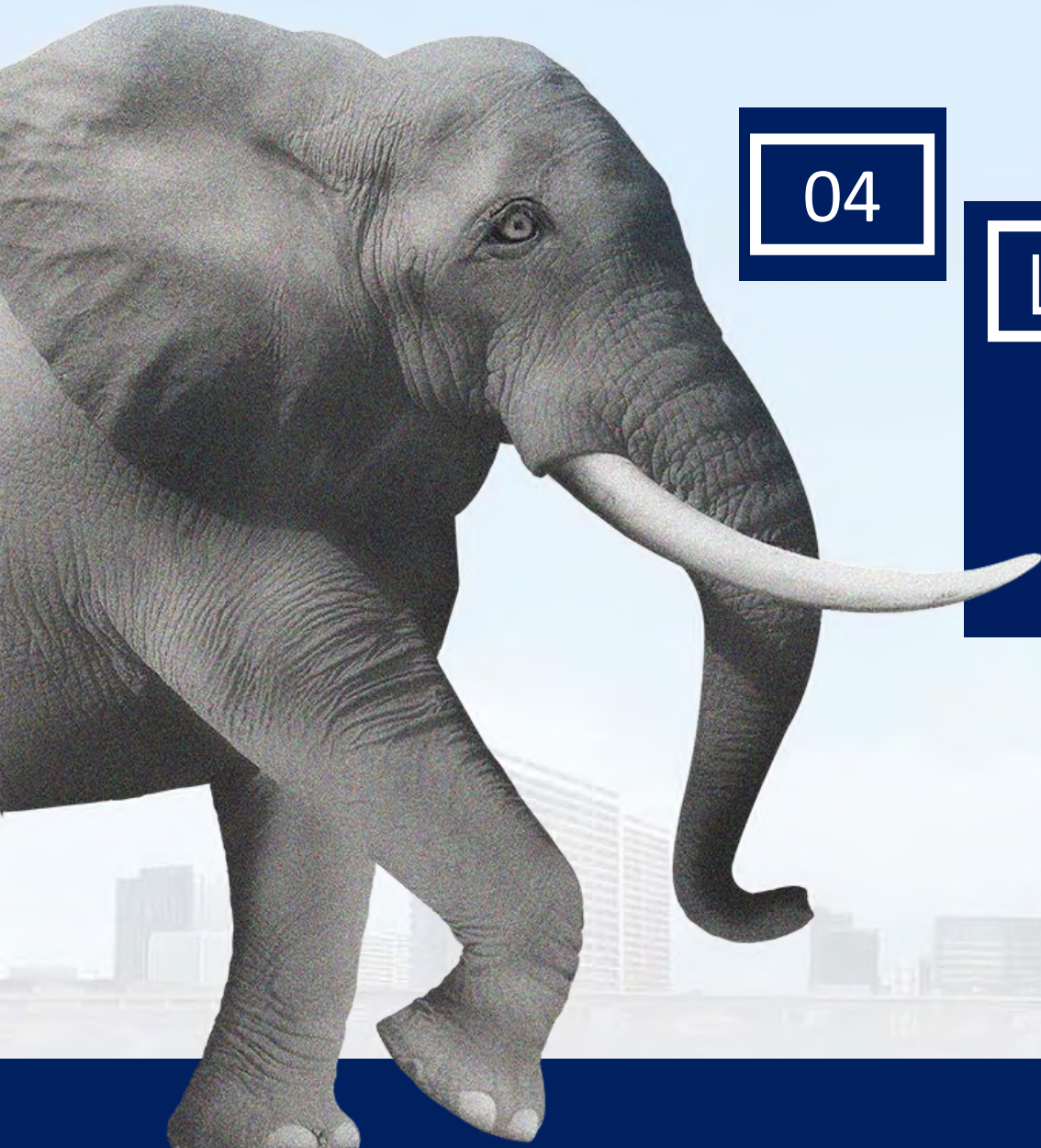


# Outlook



Over the next three years the focus will be on accelerating profitability across our business groups





04



# Appendix



## COMMERCIAL BANKING GROUP

### Positioned for sustainable profitable growth

- Higher top-line revenues with significantly lower impairment charges translated to a strong 83.1% y-o-y growth in pre-tax profits
- Delivered on the single digit NPL ratio; risk assets portfolio now significantly stronger
- Strategic investments pushed operating expenses; however activated cost containment measures and earnings growth kept cost to income ratio at 69.3%
- Focus is on innovation, digital and technologies to drive revenue growth and maximise operational efficiency

#### KEY FINANCIAL HIGHLIGHTS

##### Income statement

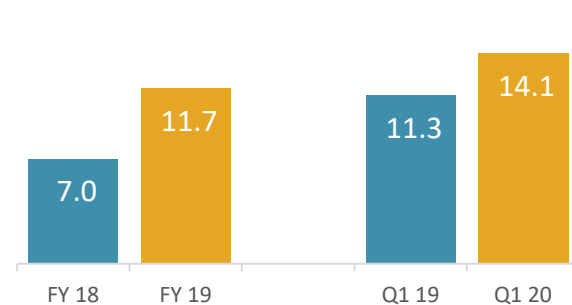
₹bn	FY 18	FY 19	y-o-y	Q1 19	Q1 20	y-o-y
Gross earnings	516.2	553.6	7.2%	130.5	151.0	15.6%
Operating income	365.1	395.9	8.4%	92.9	103.7	11.6%
Impairment charge	92.4	50.8	-45.0%	13.4	9.8	-27.0%
Operating expense	234.1	274.4	17.2%	63.0	68.3	8.4%
Profit before tax	38.6	70.8	83.1%	16.6	25.6	54.8%
Profit after tax	38.8	62.7	61.3%	13.6	21.0	54.4%

##### Statement of Financial Position

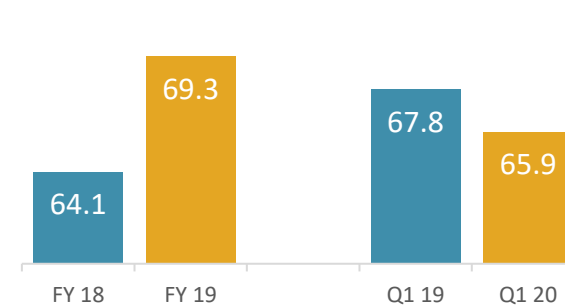
₹bn	FY 18	FY 19	y-o-y	Q1 20	y-t-d
Loans and advances	1,694.9	1,866.0	10.1%	2,064.5	10.6%
Deposits from customers	3,392.6	3,911.9	15.3%	4,179.3	6.8%
Shareholders fund	476.5	591.0	24.0%	606.2	2.6%
Total assets	5,303.3	5,869.2	10.7%	6,672.0	13.7%

#### KEY PERFORMANCE RATIO

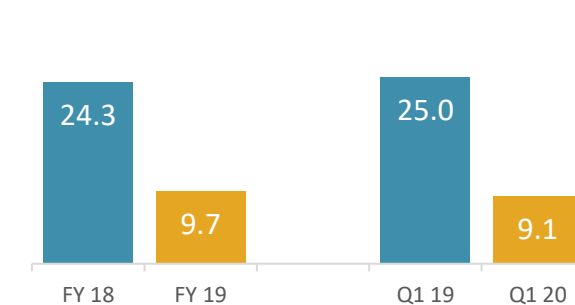
##### Return on Average Equity [%]



##### Cost to Income [%]



##### Non-Performing Loan Ratio [%]





## MERCHANT BANKING AND ASSET MANAGEMENT GROUP

Positive performance amidst macro-economic headwinds driven primarily by fixed income trading, asset management, trustees and structured products businesses

### KEY FINANCIAL HIGHLIGHTS

#### Income statement

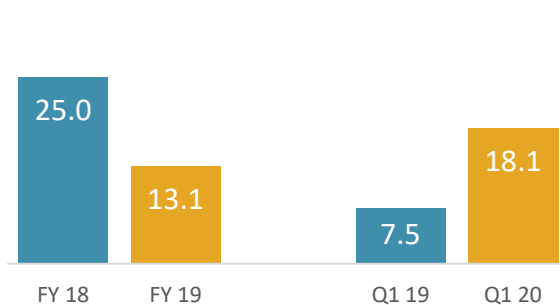
¥mn	FY 18	FY 19	y-o-y	Q1 19	Q1 20	y-o-y
Gross earnings	45,259	35,907	-20.7%	8,257	8,241	-0.2%
Operating income	28,655	19,636	-31.5%	4,196	5,595	33.3%
Impairment charge <sup>(1)</sup>	-1,099	272	124.8%	569	79	-83.1%
Operating expense	13,410	12,295	8.3%	2,614	2,515	-3.8%
Profit before tax	16,367	7,155	-56.3%	1,112	3,167	183.8%
Profit after tax	11,548	6,018	-47.9%	824	2,241	172.0%

#### Statement of Financial Position

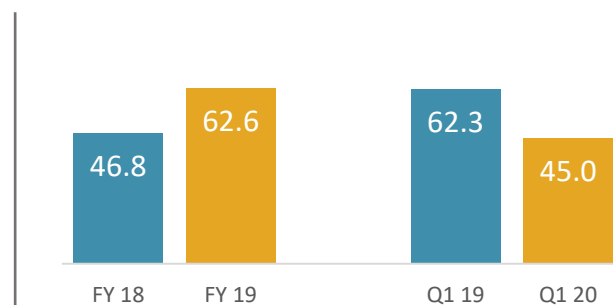
¥mn	FY 18	FY 19	y-o-y	Q1 20	y-t-d
Loans and advances	35,557	46,479	30.7%	47,107	18.2%
Deposits from customers	127,260	135,495	6.5%	148,590	26.8%
Shareholders fund	44,022	47,977	9.0%	50,550	12.9%
Total assets	218,570	248,578	13.7%	254,985	8.9%

### KEY PERFORMANCE RATIO

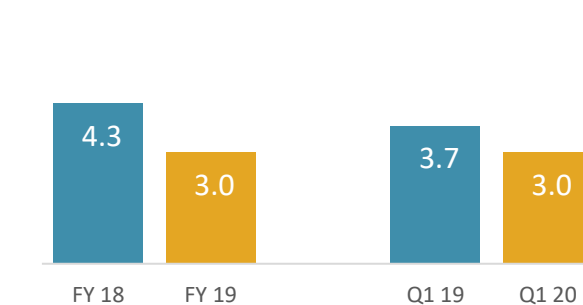
#### Return on Average Equity [%]



#### Cost to Income [%]



#### Non-Performing Loan Ratio <sup>2</sup> [%]



- On a normalised basis, 2019 Operating Income & PBT was 2.3% and 4.1% higher than 2018, which included exceptional income from portfolio exits
- The 2019 performance was driven by growth in revenues combined with effective execution of our cost optimisation strategies, yielding y-o-y savings on operational expenses in excess of N1billion
- We continue to focus on enhancing the quality of and diversifying earnings by growing the annuity businesses – our investment management businesses (AuM increased by 22% to close at ¥319 billion), and our FICT<sup>3</sup> and CCB<sup>4</sup> businesses
- We have managed risk effectively, leading to a reduction in non-performing assets, and a drop in the NPL ratio to 3.0%

<sup>1</sup>Represent a write-back in FY 2018

<sup>2</sup>Non-performing loans applies to the Merchant Banking Business only

<sup>3</sup> Fixed Income & Currency Trading <sup>4</sup>Coverage & Corporate Banking





## INSURANCE GROUP

Positioned for the next phase business growth with a robust balance sheet and enhanced digital capabilities

- Increase in operating income above opex led to a 29.1% growth y-o-y on pre-tax profits
- The business recorded impressive y-o-y growths in Gross premium written (GPW) in retail life (+52.4%), group life (+132.0%), annuity (+8.7%) and other general insurance business (+57.8%)
- Marked increase in balance sheet components reveal business growth potentials for the Insurance franchise of the Group

### KEY FINANCIAL HIGHLIGHTS

#### Income statement

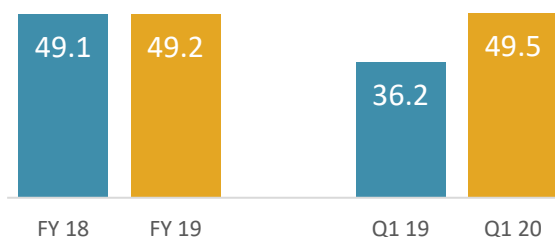
€mn	FY 18	FY 19	y-o-y	Q1 19	Q1 20	y-o-y
Gross premium written	30,611	44,942	46.8%	13,860	15,540	12.1%
Operating income <sup>1</sup>	17,079	22,876	33.9%	5,523	7,510	36.0%
Operating expense	10,153	14,074	38.6%	3,912	4,360	11.5%
Profit before tax	6,788	8,762	29.1%	1,611	3,098	92.3%
Profit after tax	5,960	8,159	36.9%	1,316	2,609	98.3%

#### Statement of Financial Position

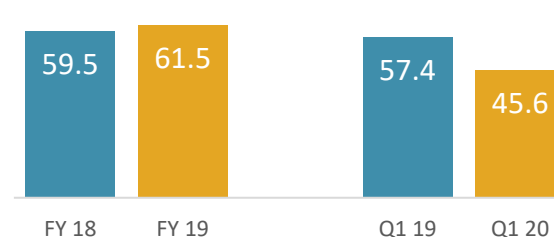
€mn	FY 18	FY 19	y-o-y	Q1 20	y-t-d
Liability on insurance & investment contract	53,958.1	88,423.8	63.9%	94,930	7.4%
Shareholders fund	13,329.7	19,835.4	48.8%	22,000	10.9%
Total assets	76,563.3	117,038.7	52.9%	125,037	6.8%

### KEY PERFORMANCE RATIO

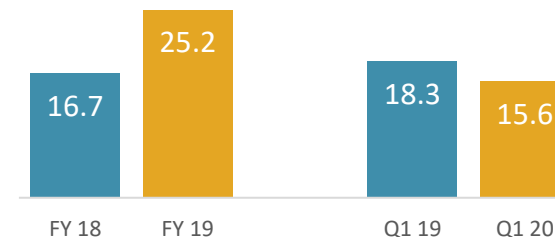
#### Return on Average Equity [%]



#### Cost to Income [%]



#### Claims Ratio<sup>(1)</sup> [%]



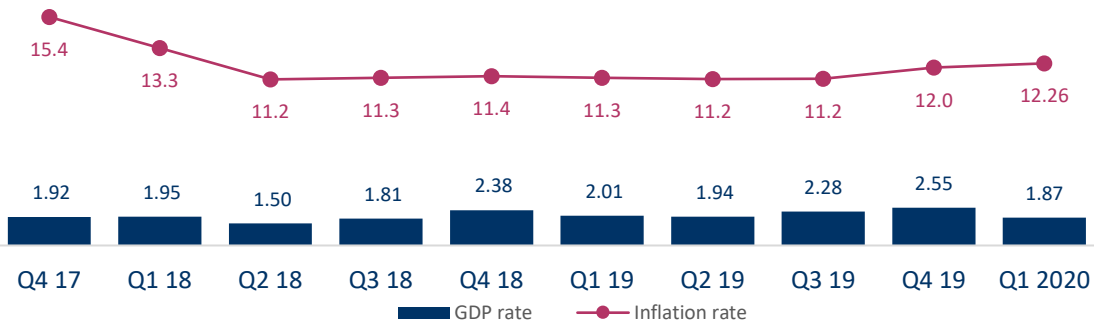
<sup>1</sup> Operating income is net of insurance claims

<sup>2</sup> Claims ratio applies to FBNGeneral and FBNLife Insurance

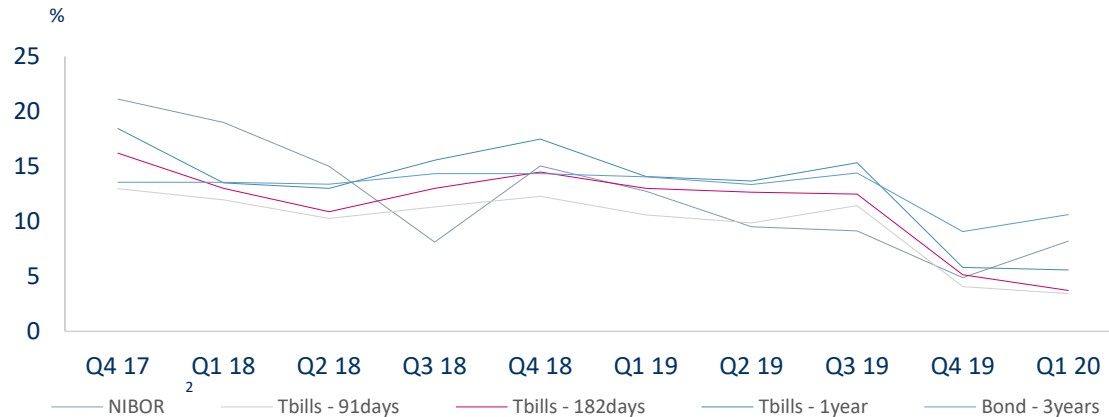


## Nigeria's operating environment remained challenging

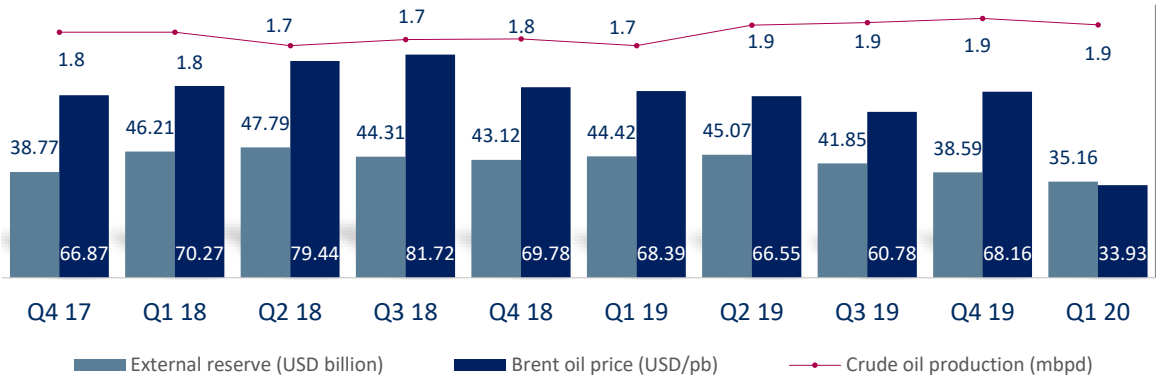
GROSS DOMESTIC PRODUCT RATE TAPERS AMIDST RISING INFLATION



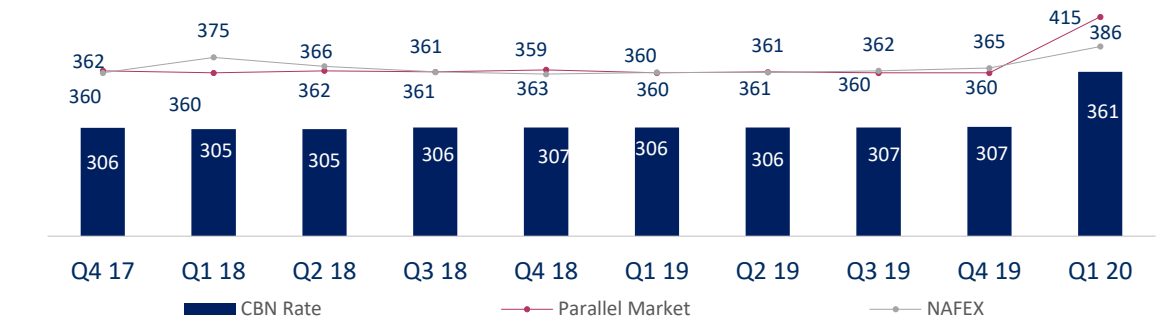
DECLINING YIELDS ON INVESTMENT SECURITIES



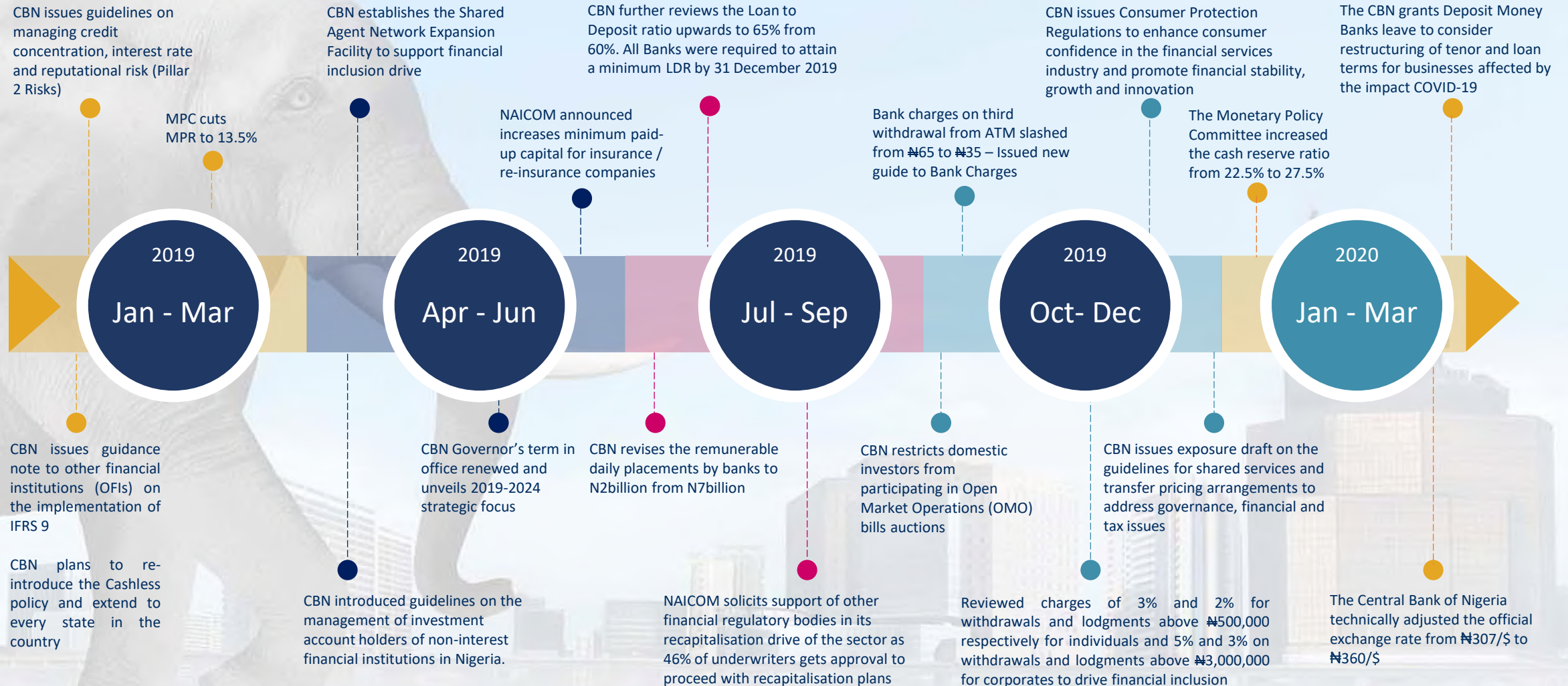
CRUDE OIL PRODUCTION CAPACITY INCREASES AS RESERVE POSITION SLOWS DOWN



STABLE EXCHANGE RATE REGIME WITH CONTINUED INTERVENTION BY CBN



## Key regulatory interventions and policies further impacted market sentiment



# Global Footprint



## Definitions

- Cost-to-income ratio computed as operating expenses divided by operating income
- Cost of risk computed as annualised credit impairment charges divided by the average opening and closing gross loans balances
- Net-interest margin computed as annualised net interest income divided by the average opening and closing balances of interest earning assets excluding financial assets at fair value through profit & loss plus unlisted debts
- 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 computed as operating profit plus impairment charge
- 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
- Loans to deposits ratio computed as gross loans divided by total customer deposits
- Leverage ratio computed as total assets divided by total shareholders' funds
- Return on average equity computed as profit after tax (annualised) divided by the average opening and closing balances attributable to its equity holders
- Return on average assets 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)



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