



FY 2022 & Q1 2023 Results Presentation

05 June 2023

Defining Frontiers



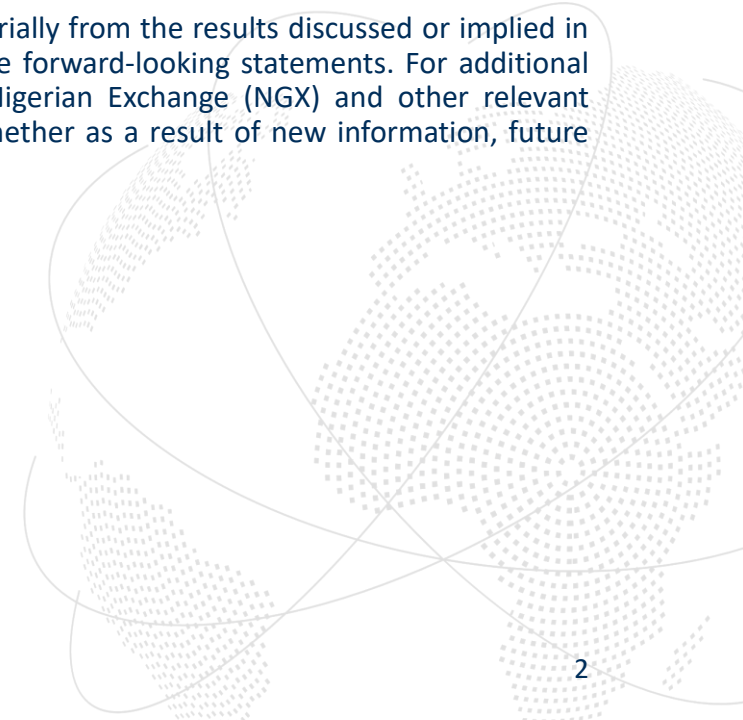
Disclaimer

This presentation is based on FBN Holdings Plc's ('FBNH' or 'FBNHoldings' or the 'Group') audited financial statements for the year ended 31, December 2022 and unaudited financial statements for the period ended 31, March 2023. The Group's Financial statements represent FBN Holdings Plc and its subsidiaries.

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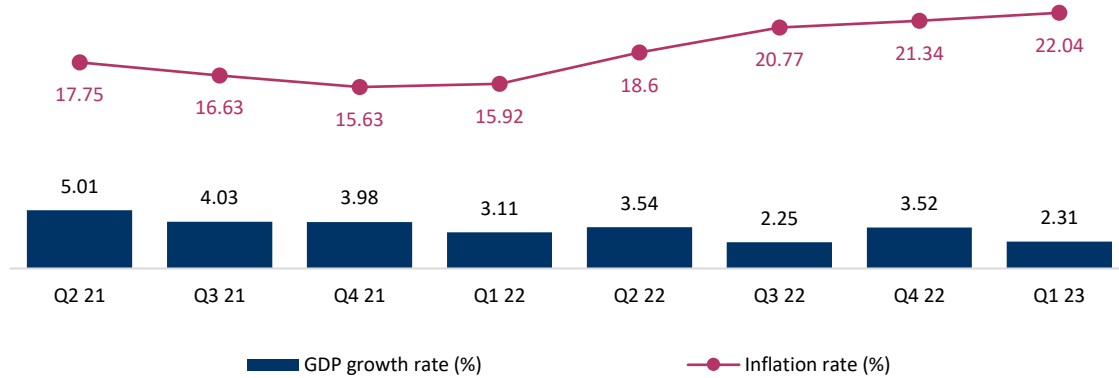
Key Highlights

Defining Frontiers

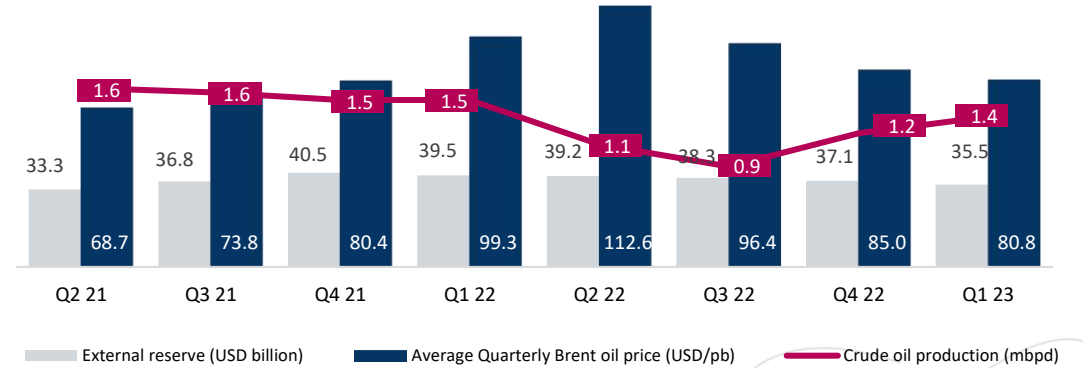


A challenging operating environment

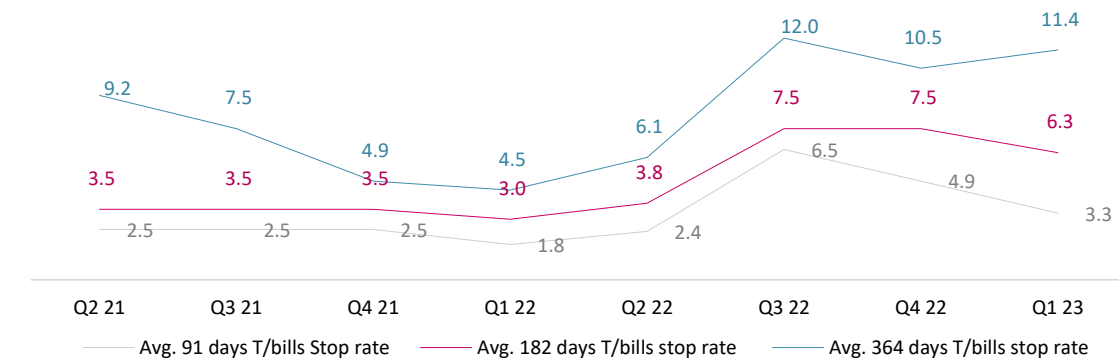
High inflationary environment tapered growth momentum



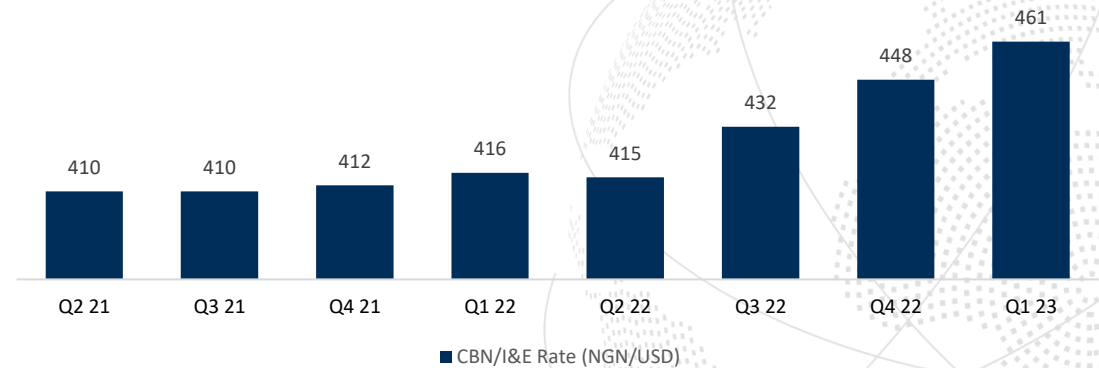
Decline in revenue despite an increase in crude production



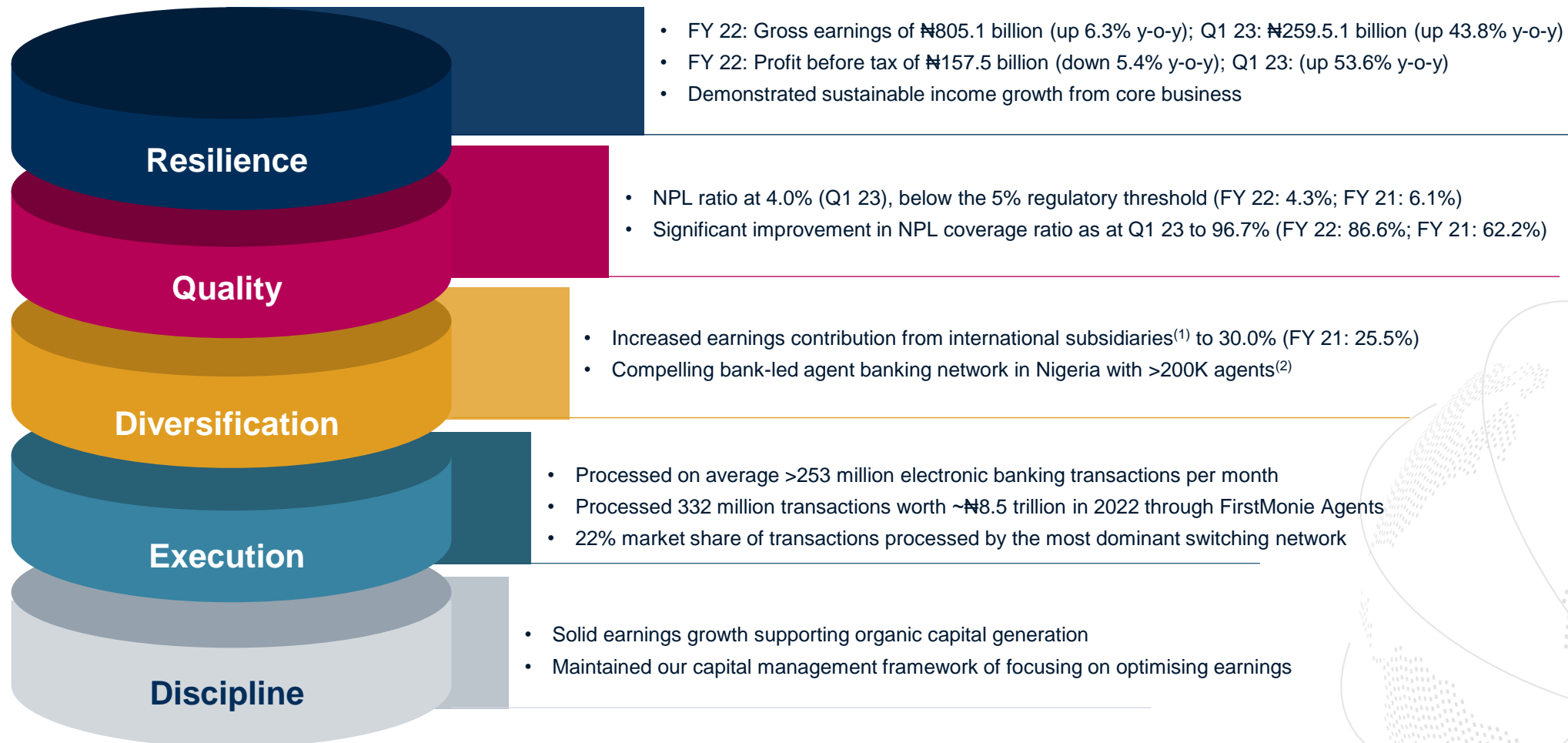
Progressive rise in rates notably on the longest dated security below



Steady increase in exchange rate



Reinforced foundations underpin growth trajectory



⁽¹⁾ International subsidiaries of FirstBank

⁽²⁾ As at March 2023

Structural improvements deliver strengthened Group with significant upside potential

Improved governance and risk management

- Improved governance focus
- High-quality Board provides oversight and strategic direction
- Strong Management delivering on strategic priorities

Solid earnings accretive business

- Optimising core revenue base
- Maintained focus on Opex control
- Diversified revenue sources in focus
- Validated business model, delivering results



Distinctive competitive advantages

- Strong franchise and brand recognition
- Systemic relevance
- Loyal customer base
- Differentiated transactional processing
- Distinctive e-business and Agency capabilities
- Unmatched local and foreign “market access”
- Experienced management team

Building a fortress balance sheet

- Revamped risk management resulting in significantly improving asset quality
- Excellent liquidity with proven low-cost funding mobilisation advantage
- Improving capital absorbing capacity

2023 Strategic Priorities



Enhance Revenue and Profitability

By activating next-gen capabilities to jumpstart the next digital financial services growth phase and broaden non-funded revenue base

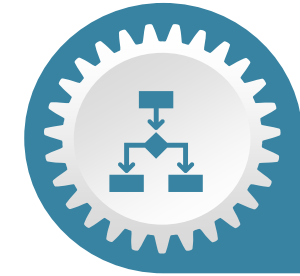
- Monetize Analytics & Data
- Optimise business development opportunities
- Drive new customer acquisition
- Revamp digital products development and delivery models



Strengthen Value Proposition

By leveraging the strength of our unique business group to enhance customer experience

- Own the customer journey across physical and digital channels (locally and internationally)
- Value proposition redefinition and realignment
- Reassess business portfolio, continue to explore viable adjacencies



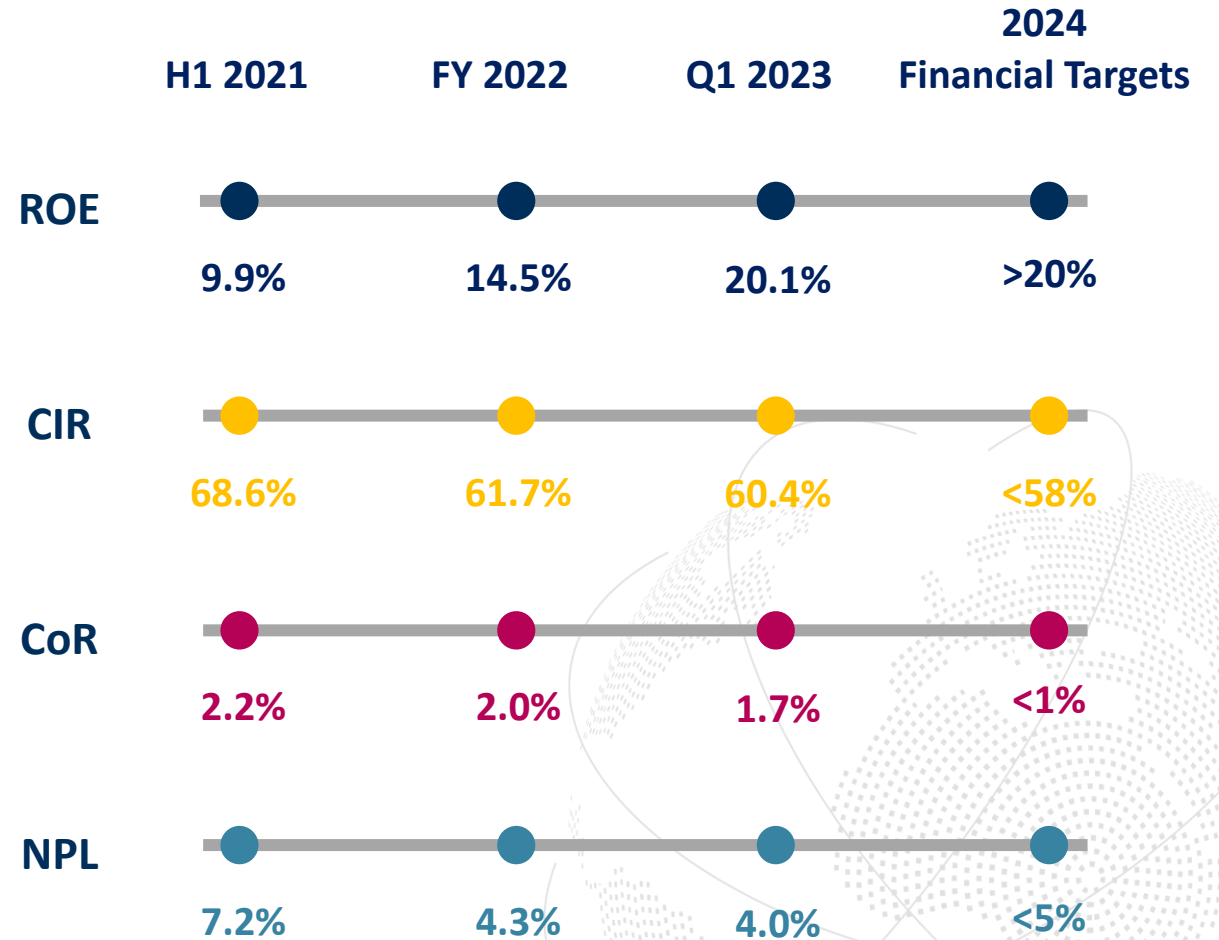
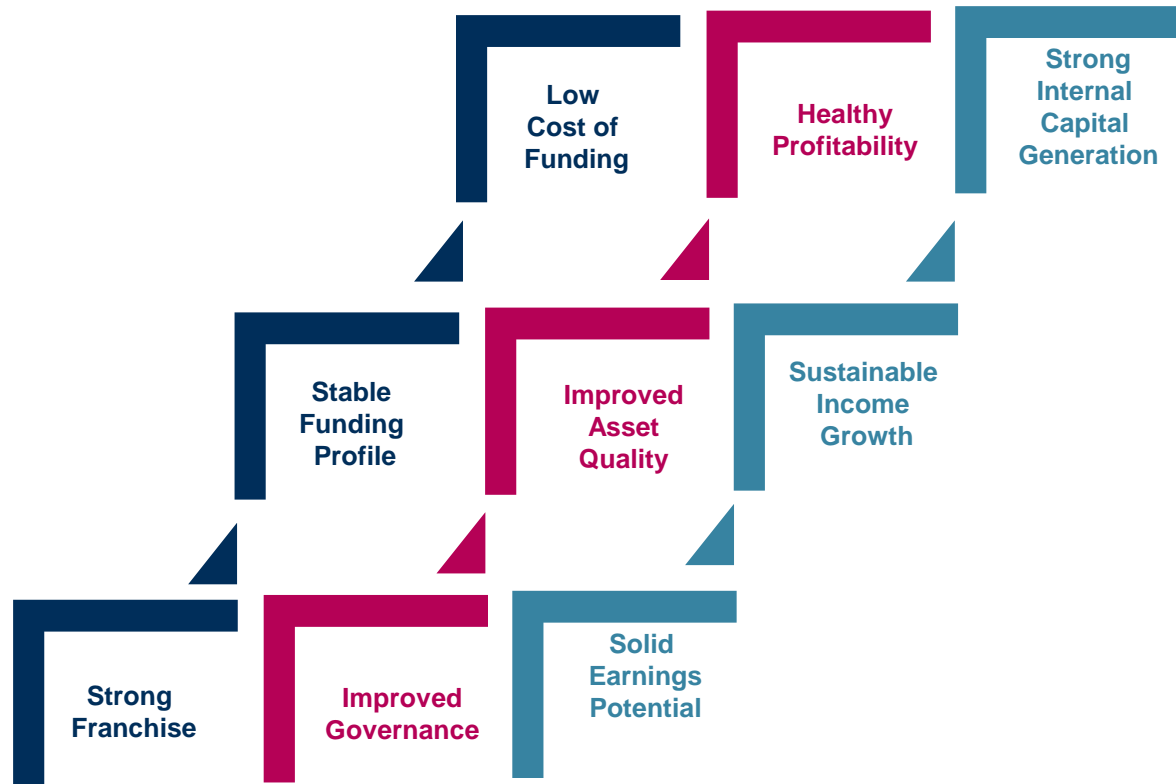
Optimise Operational Efficiency

By eliminating operational duplications, promoting process automation and leveraging Group scale

- Refine business delivery models and governance structures
- Focus on low-capital, high-value business
- Transition into a platform business
- Integrate collaborative measures and maximise operational synergies

Enabled by: Technology Architecture | Governance | Disciplined Risk Management

Franchise strength, solid funding base, improving operational excellence and disciplined capital management underpin strong investment case





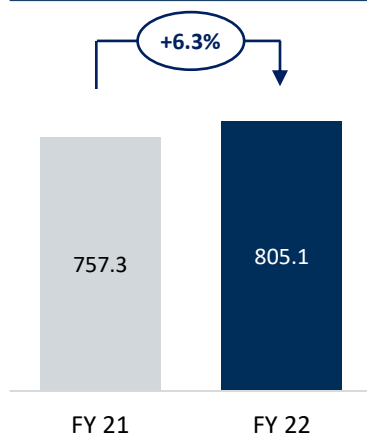
Financial Review

Defining Frontiers

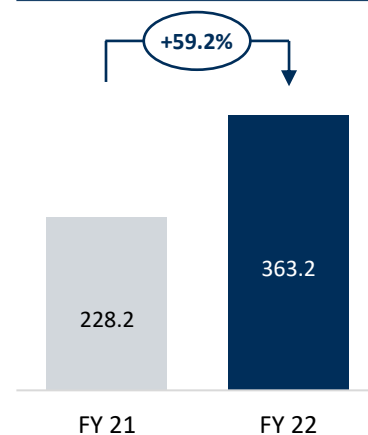


FY 22: Delivered strong financial performance in a challenging operational and regulatory environment

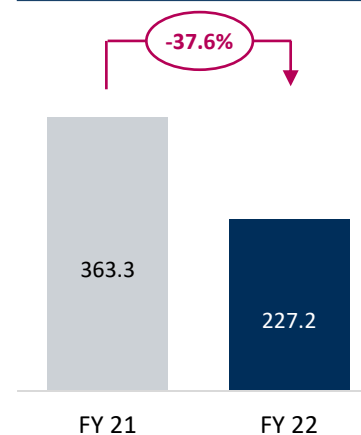
Gross Earnings ₦'billion



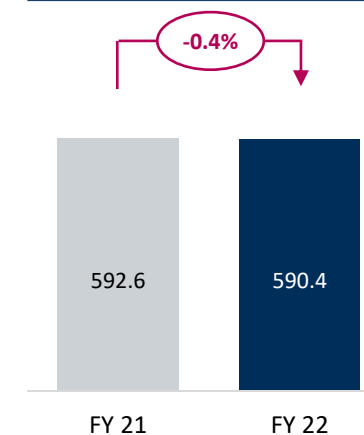
Net-Interest Income ₦'billion



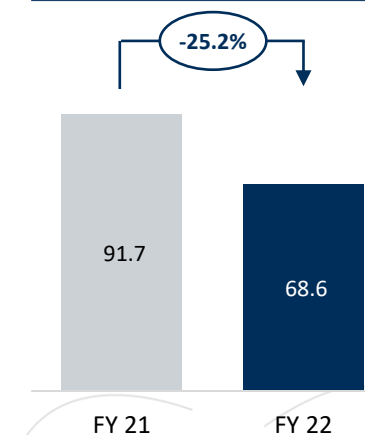
Non-Interest Income ₦'billion



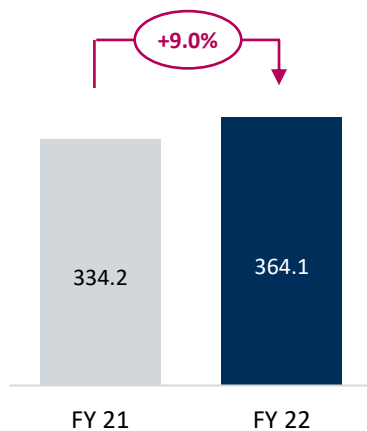
Operating Income ₦'billion



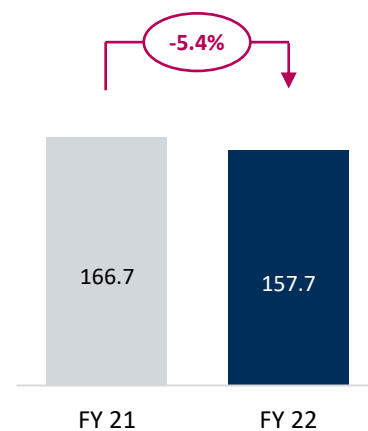
Impairment Charge ₦'billion



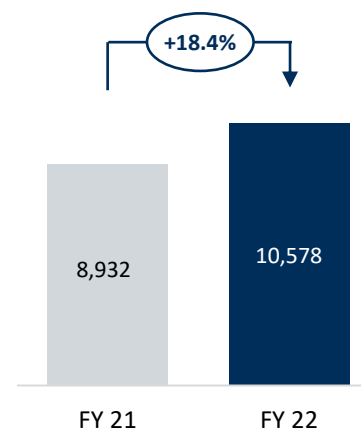
Operating Expense ₦'billion



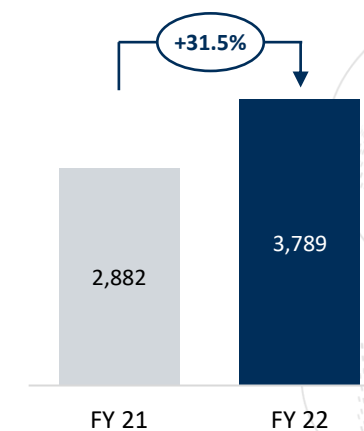
Profit Before Tax ₦'billion



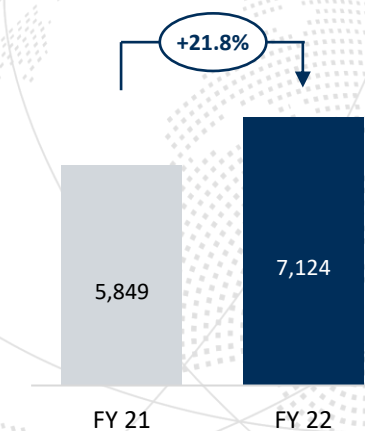
Total Assets ₦'billion



Loans and Advances ₦'billion

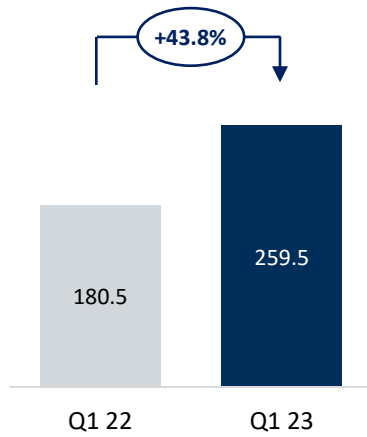


Customer Deposit ₦'billion

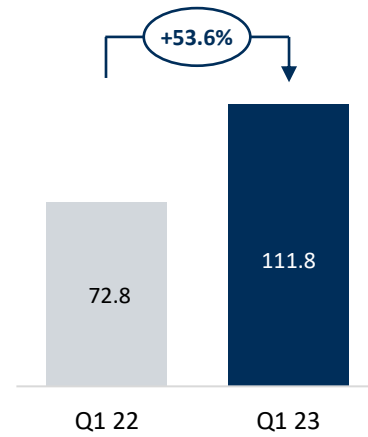


Q1 2023: Sustained improvement in performance

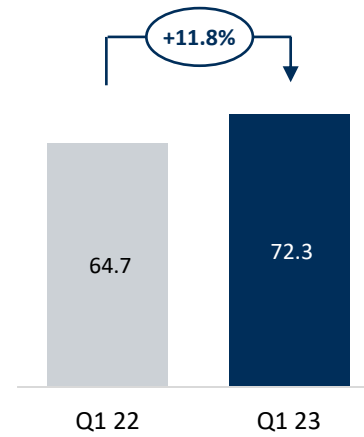
Gross Earnings ₦'billion



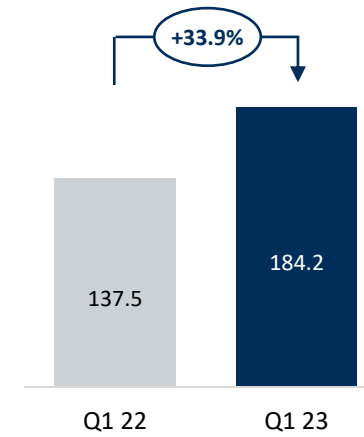
Net-Interest Income ₦'billion



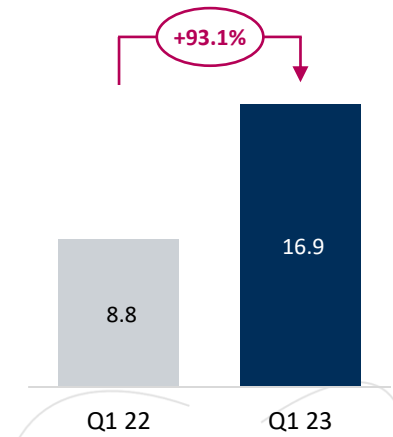
Non-Interest Income ₦'billion



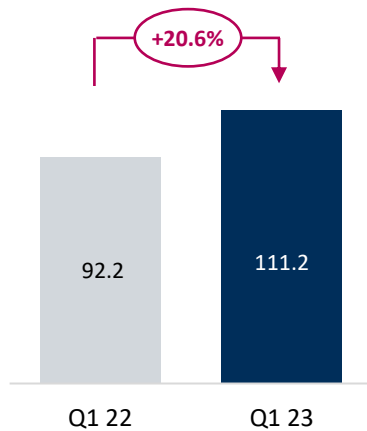
Operating Income ₦'billion



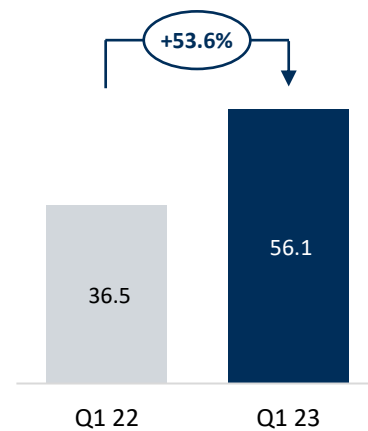
Impairment Charge ₦'billion



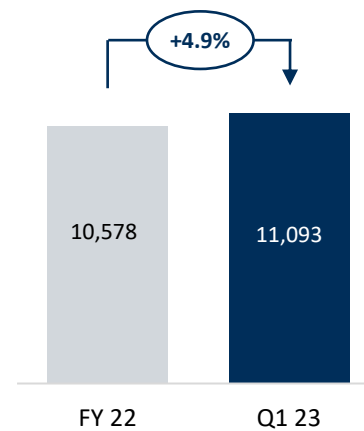
Operating Expense ₦'billion



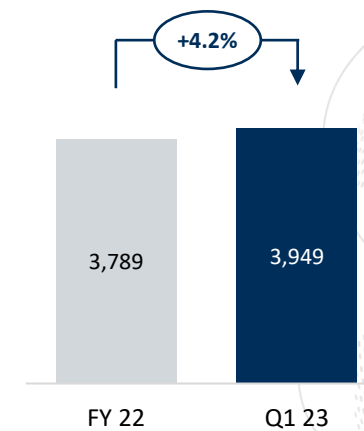
Profit Before Tax ₦'billion



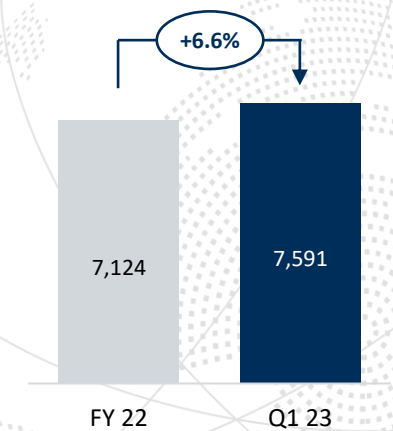
Total Assets ₦'billion



Loans and Advances ₦'billion

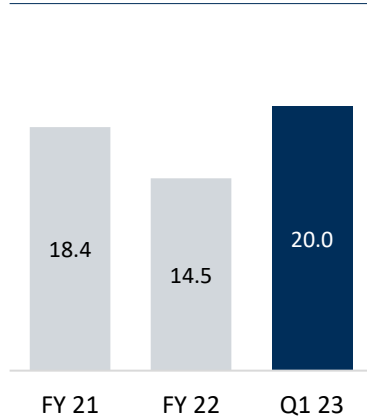


Customer Deposit ₦'billion

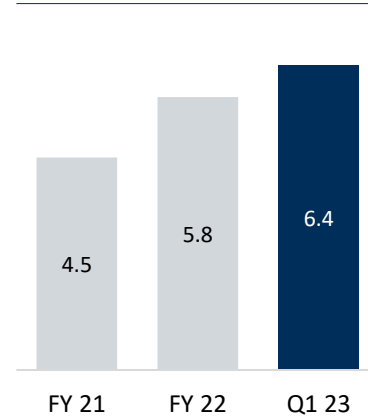


Strengthened Group with significant upside potential

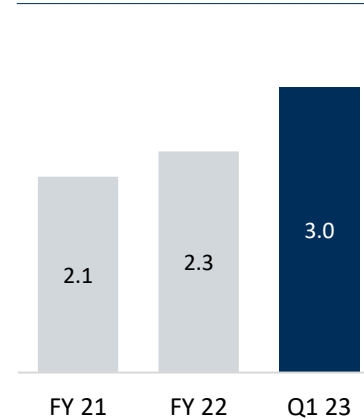
Post Tax ROaE (%)



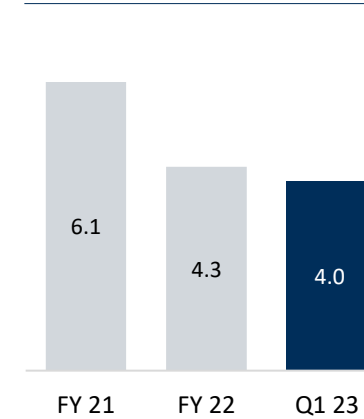
Net Interest Margin (%)



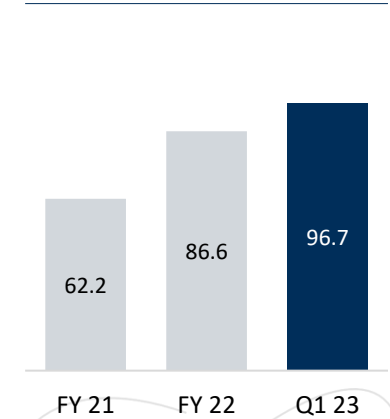
Cost of Funds (%)



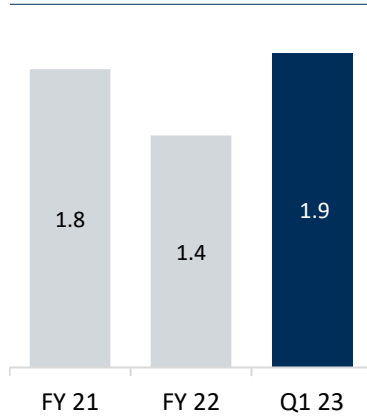
NPL Ratio %



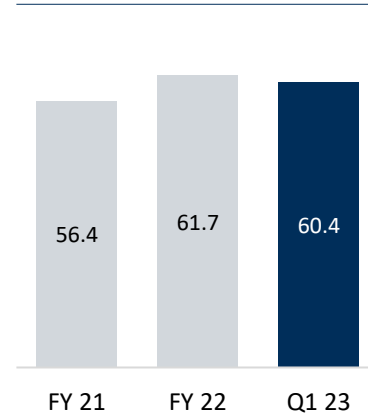
NPL Coverage (%)



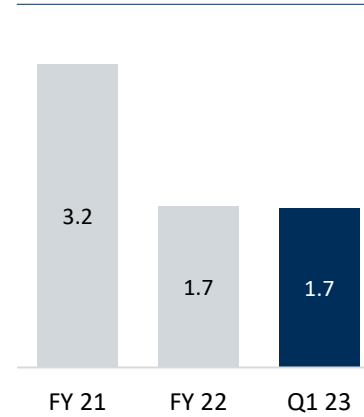
Post Tax ROaA (%)



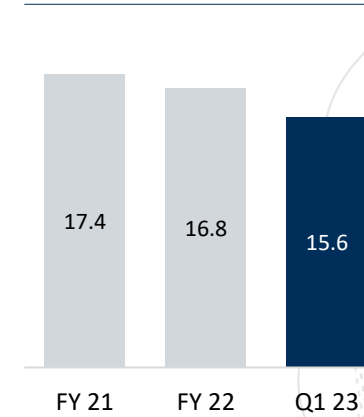
Cost to Income (%)



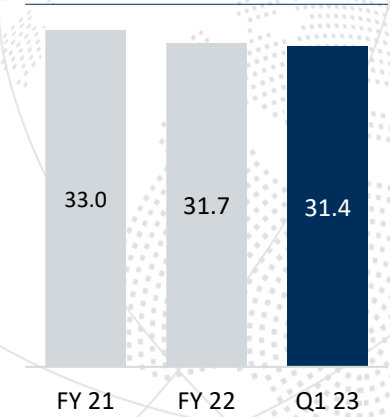
Cost of Risk (%)



Capital Adequacy Ratio⁽¹⁾ (%)



Liquidity Ratio⁽²⁾ (%)

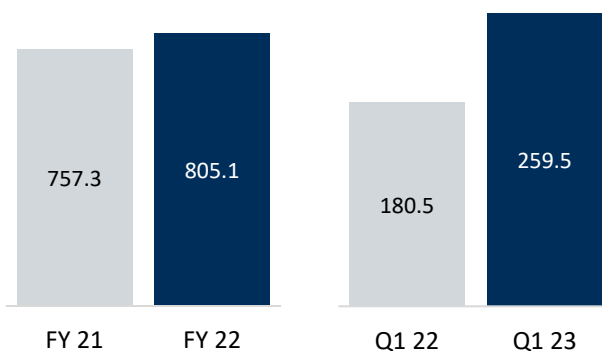


⁽¹⁾CAR is for FirstBank (Nigeria). Including Q1 2023 Profit, CAR will be 16.5%
 CAR for the Merchant Banking business is 16.3% for FY 2022 and 17.4% as at Q1 2023

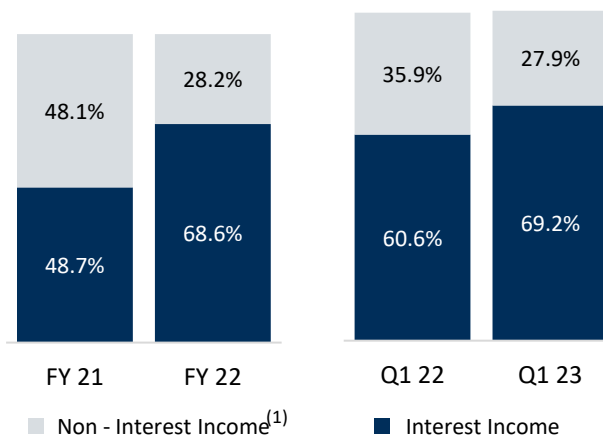
⁽²⁾Liquidity Ratio for FirstBank (Nigeria)

Revenue growth driven by increase in interest income; supported by margin optimisation

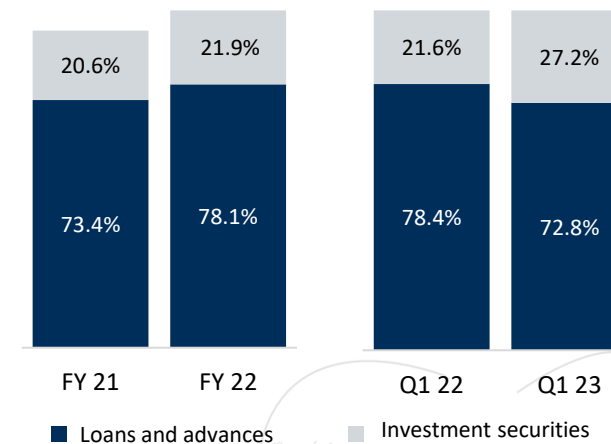
Gross Earnings ₹ billion



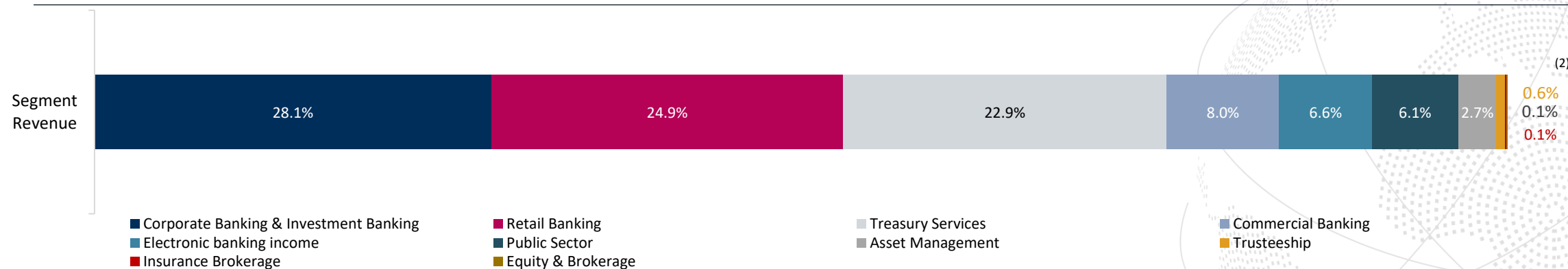
Gross Earnings Mix



Interest Income Mix



Group Revenue by Segment



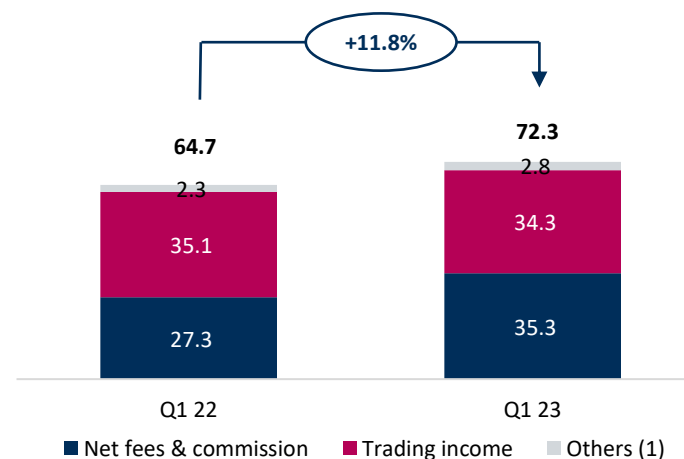
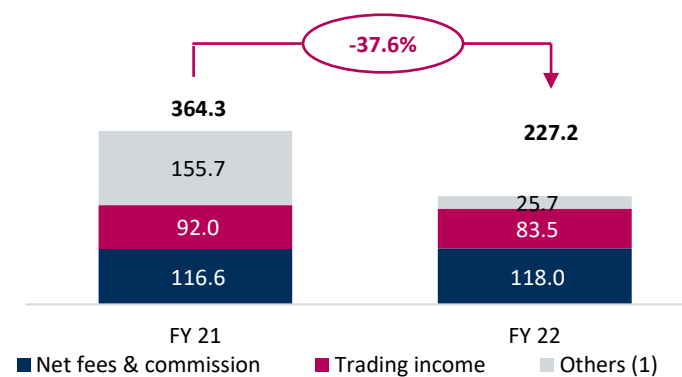
⁽¹⁾Non-interest income includes fees and commission expense

⁽²⁾Note: Data labels correspond to respective legend

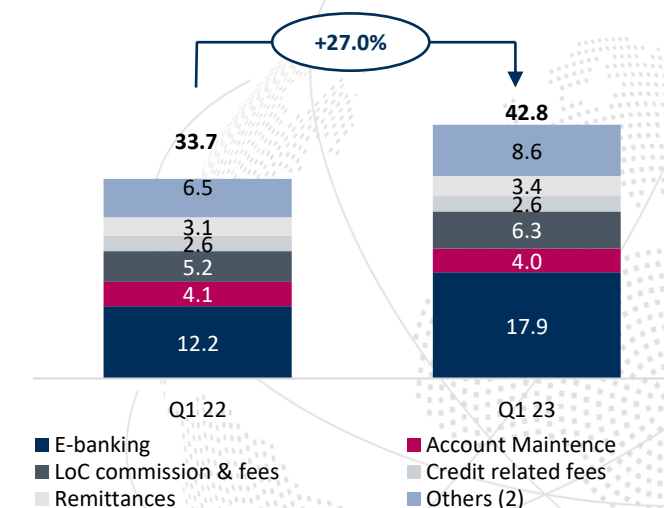
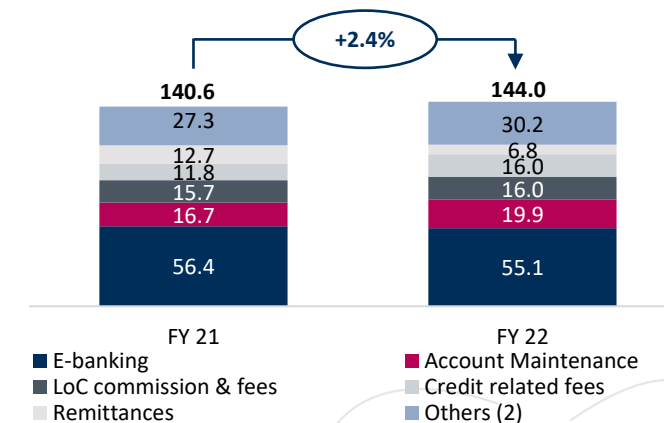
Robust non-interest income revenues on the back of increased transaction volume

- Fees & commission recorded a +27.2% increase y-o-y in Q1 23 (FY 22: +2.4%)
- FY 22 non-interest income fell by 37.6% y-o-y to ₦227.2 billion due to lower trading and a decline in other income [2021 benefited from high recoveries]
- Q1 23 non-interest income rose by 11.8% y-o-y to ₦72.3 billion as a result of higher net fees & commission as well as slight increase in other income
- Increasing penetration of digital and transaction banking offerings support non-interest income, notably in Q1
- FirstMonie Agent network continues market expansion with more than >200k⁽³⁾ agents (FY 21: 152.7k)

Non-interest Income Breakdown Net (₦'bn)



Fees & Commission Breakdown Gross (₦'bn)



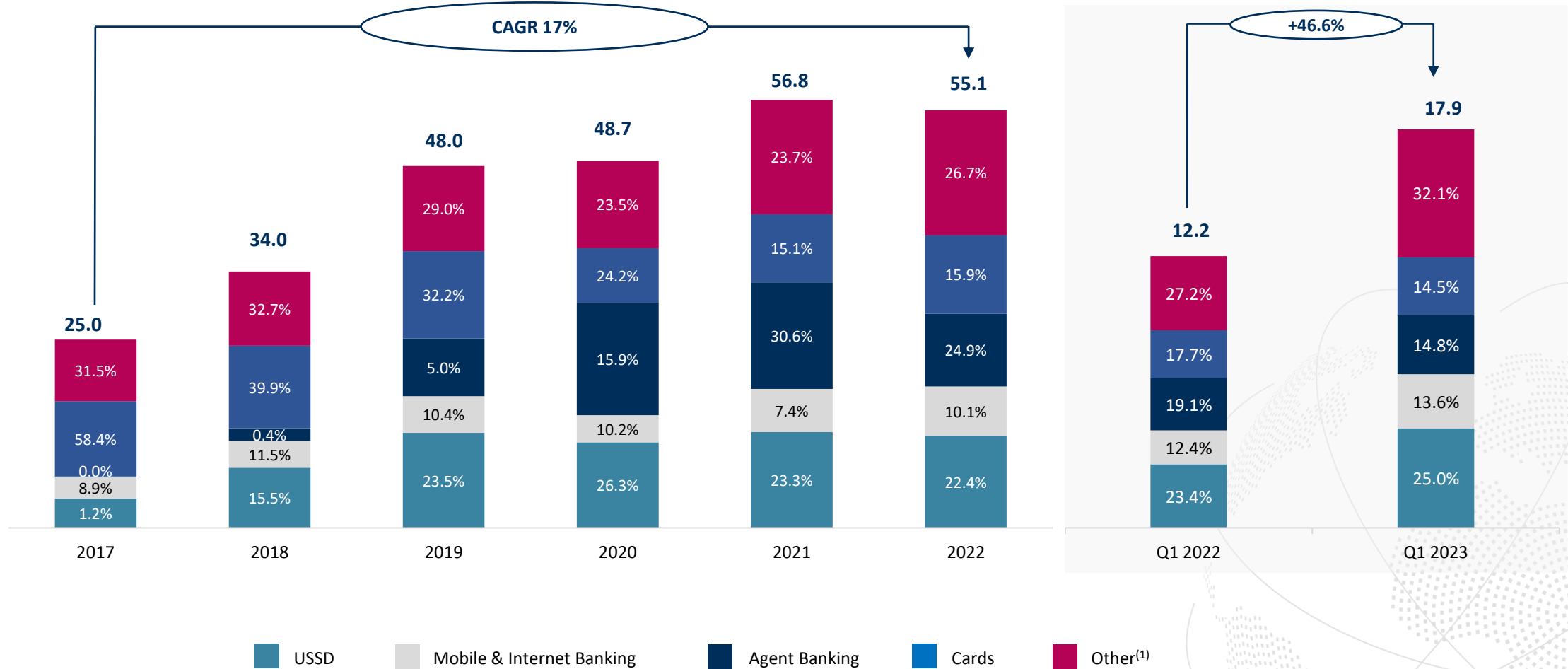
⁽¹⁾Others include dividend income and other operating income

⁽²⁾Others include commission on bonds and guarantees, custodian fees, financial advisory fees, fund management fees, brokerage and Intermediations, other fees and commissions, trust fee income

⁽³⁾ As at 31 March 2023

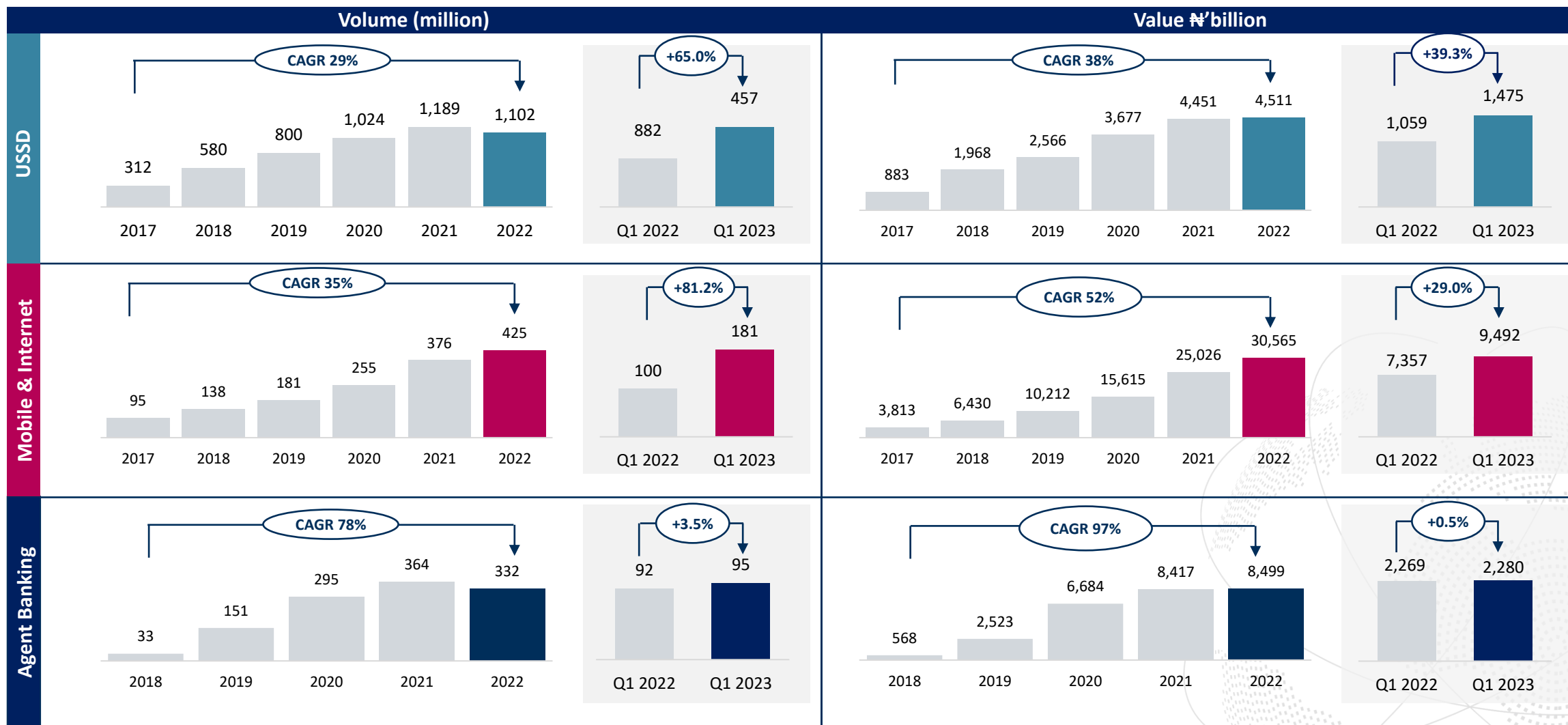
E-business remains key to non-interest income and supports earnings from non-capital consuming sources

Electronic Banking Revenue ₹ billion



⁽¹⁾ Others include ATM, POS, SMS & Web

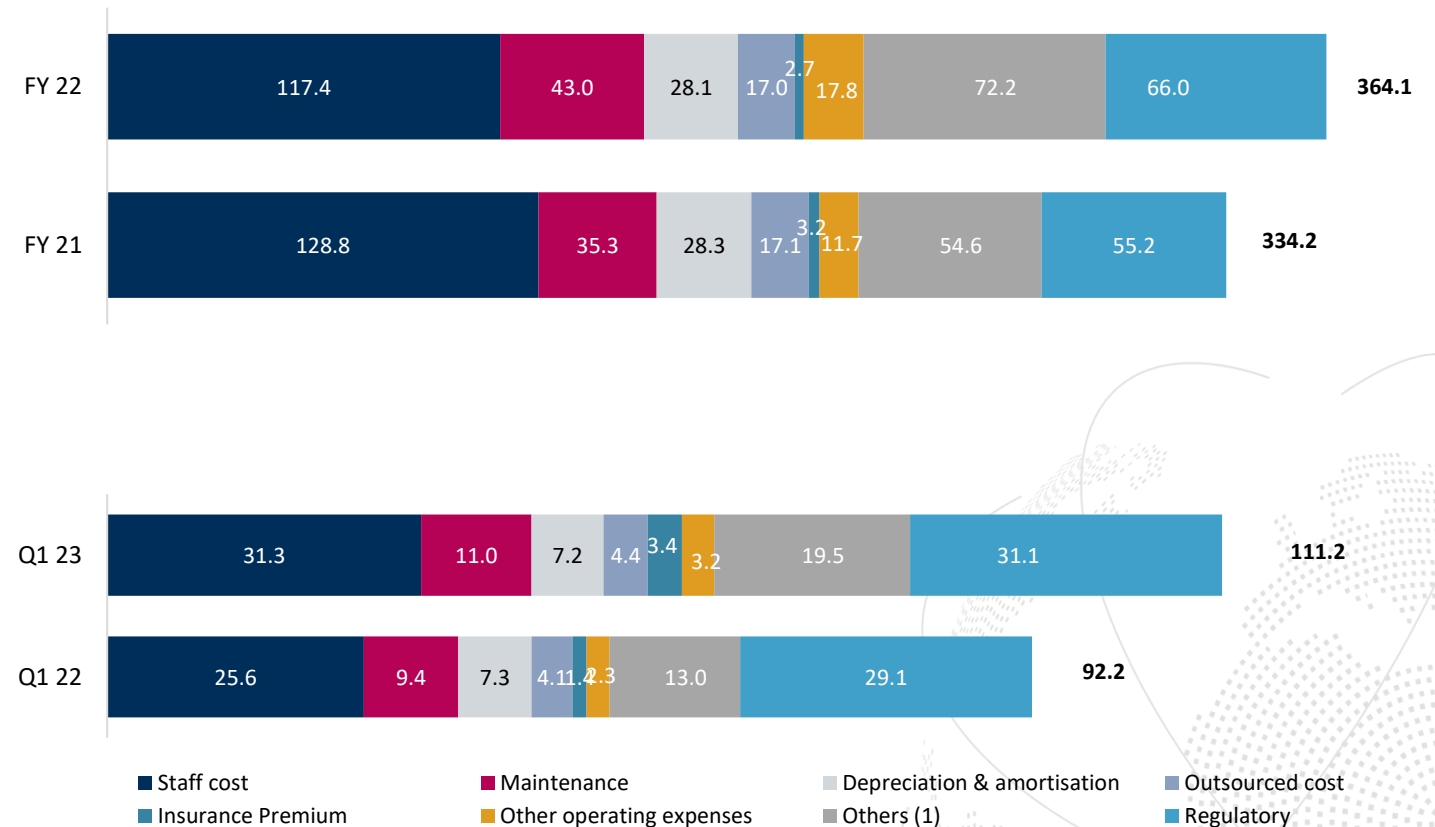
Customer-centric innovations underpin growth



Cost management remains a key priority; elevated Opex due to high inflation & regulatory requirements

- FY 22 Opex +9.0% y-o-y and Q1 23 +20.6% y-o-y on account of the high inflationary environment
- CIR further improved to 60.4% in Q1 23 (FY 22: 61.7%; Q1 22: 67.1%) as operating income grew faster than Opex
- Increase in regulatory costs reflect business growth

OPEX Drivers (₹billion)

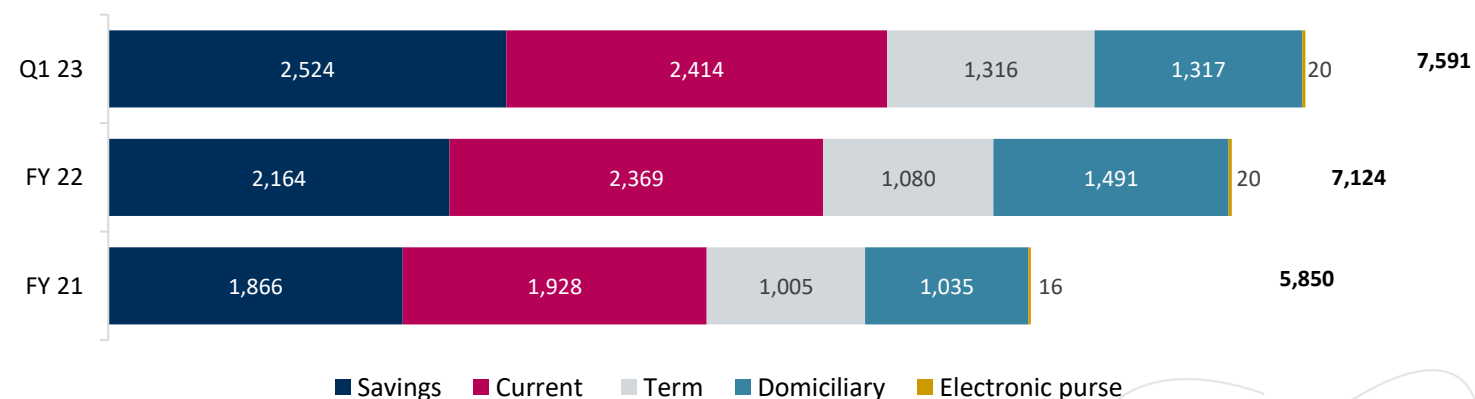


⁽¹⁾ Amortisation and Impairment, directors' remuneration, cash handling charges, communication, lights and power, legal & professional fees, donations & Subscriptions, insurance premium, rent and rates, stationery & printing, passages and travels & other operating expenses

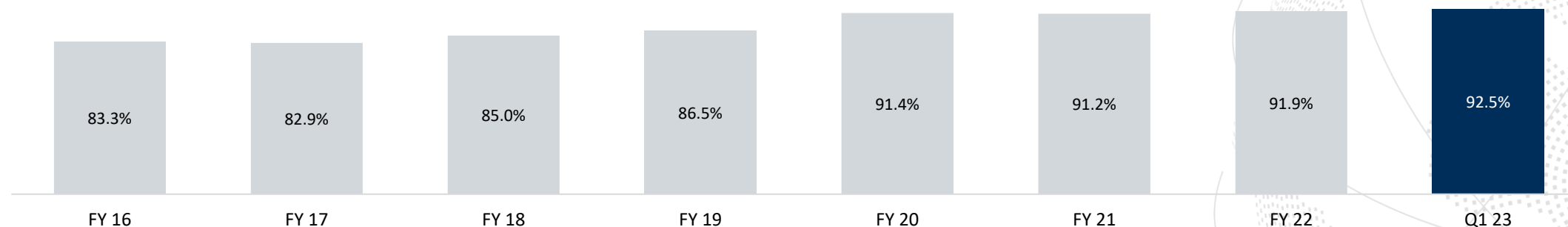
Customer deposits continue to trend upward; reinforcing our robust funding base

- FY 22 customer deposits increased by 21.8% to ₦7.1 trillion (FY 21: ₦5.9 trillion)
- Q1 23 customer deposits rose by 6.6% to ₦7.6 trillion (FY 22: ₦7.1 trillion)
- Low - cost deposits at FirstBank Nigeria continue upward trajectory accounting at 92.5% of total deposits as at Q1 23 (FY 22: 91.9%; FY 21: 91.2%)
- Rich retail franchise provide stable core deposit base

Customer Deposits Mix (₦'billion)



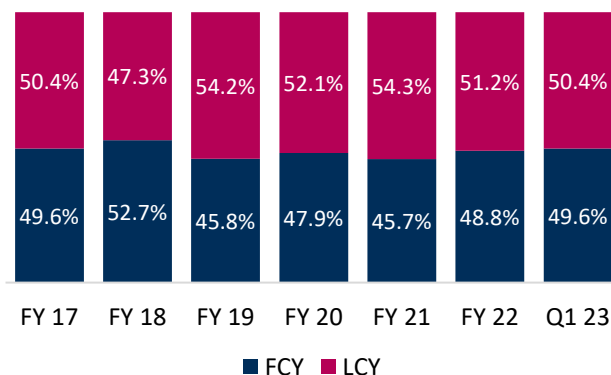
FirstBank Nigeria low-cost deposits ⁽¹⁾



⁽¹⁾ Deposits from customers less Term deposits

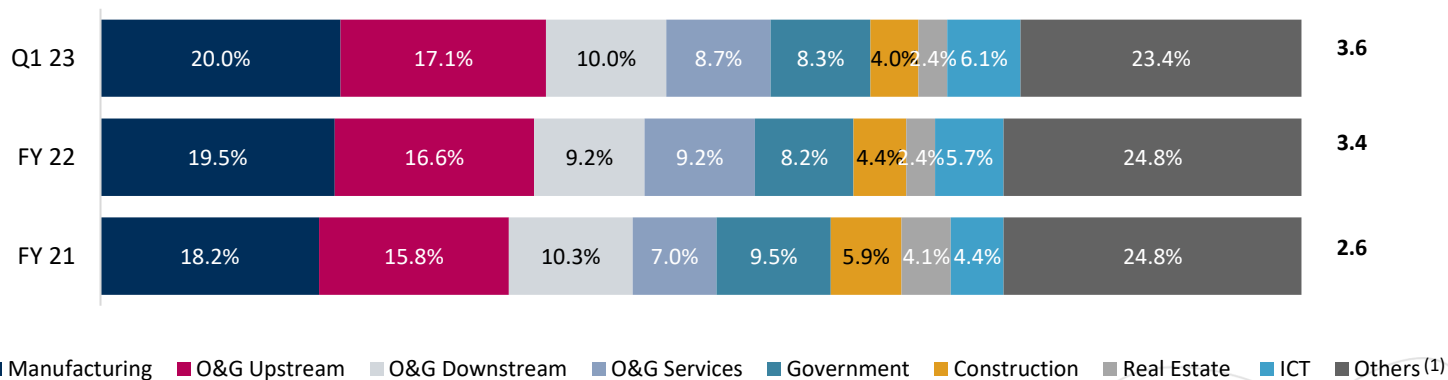
Revamped risk management strengthens the high-quality loan portfolio

FirstBank Nigeria Loan Currency Mix

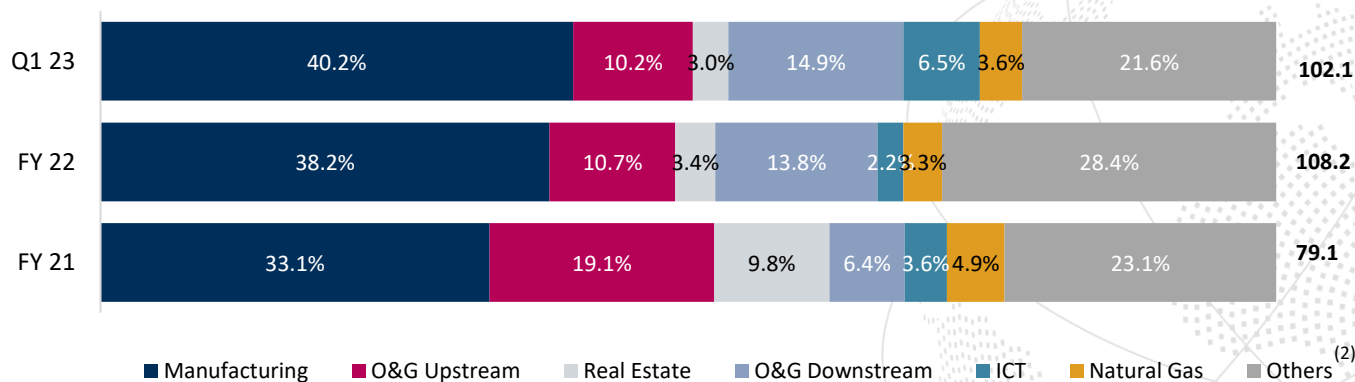


- The Group’s net customer loans increased by 31.5% as at FY 22 to ₦3.8 trillion (FY 21: ₦2.9 trillion)
- Loan growth driven by manufacturing, telecoms, oil & gas and general commerce sectors
- Quality of the portfolio secured in a devaluation event given no cross-currency exposures
- Minimal impairment impact of ₦5.9 billion on account of Ghana Government exposures

FirstBank Nigeria Gross Loan per Sector (₦ trillion)



FBNQuest Merchant Bank Gross Loan per Sector (₦ billion)

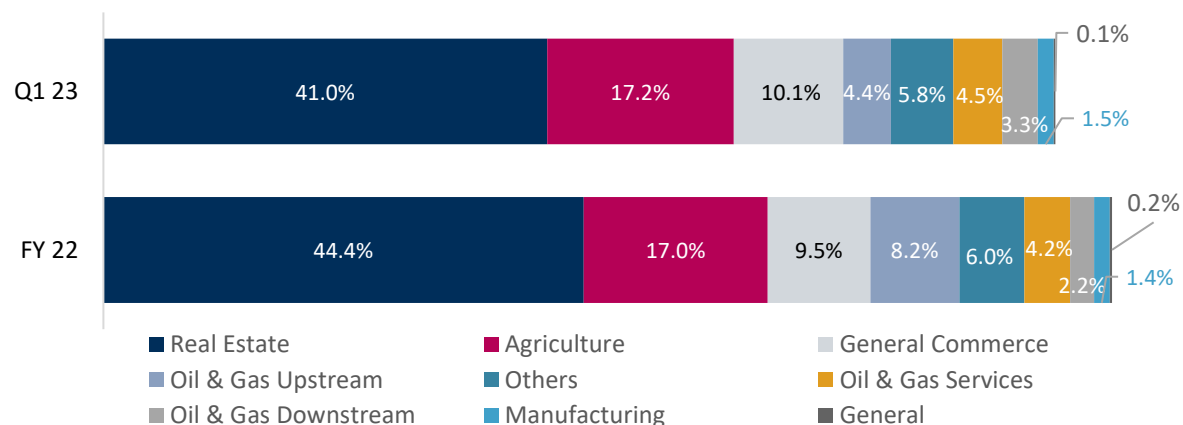


⁽¹⁾Personal & Professional, Power & Energy, General, General commerce, Public utilities, Agriculture, Transportation, Finance & Insurance, Education, Human health & Arts, Admin & Support Services

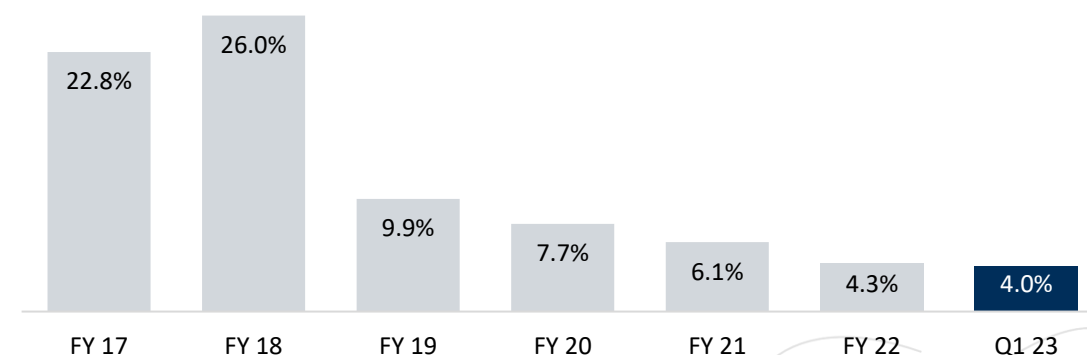
⁽²⁾Agriculture, Power & Energy, Finance & Insurance, General, General commerce, Transportation & Storage, Mining & Quarrying

Strengthened balance sheet supported by sustained asset quality improvements

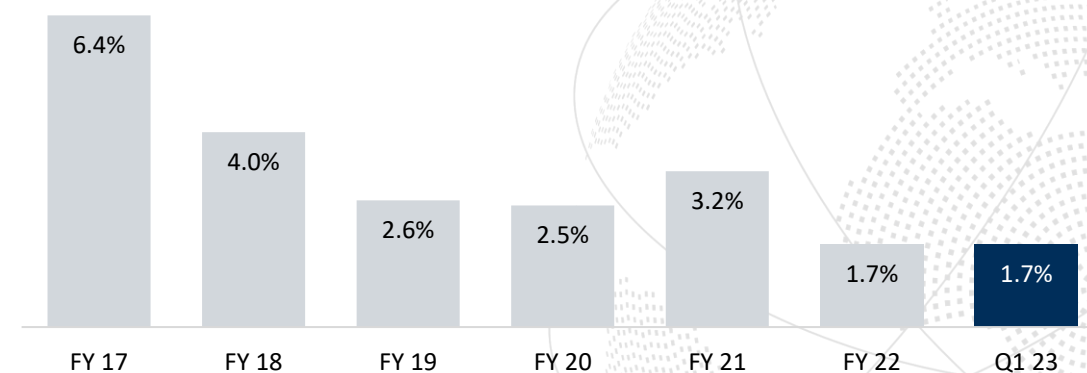
FirstBank Nigeria NPL per Sector



NPL Ratio



Cost of Risk



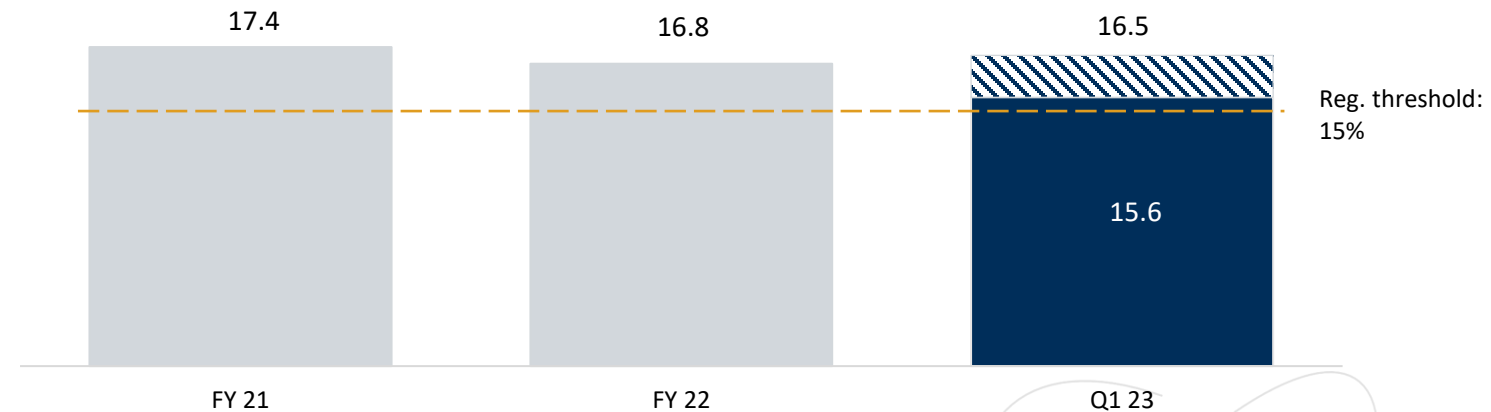
- Asset quality continues to improve with a reduction in NPL ratio to 4.0% in Q1 23 (FY 22: 4.3%; FY 21: 6.1%)
- Balance sheet further strengthened with Q1 23 coverage ratio at 96.7% (FY 22: 86.6%; FY 21: 62.2%)
- Impairment charge increased largely in line with our strategy to improve coverage ratio
- NPL in Real Estate represent 0.8% of Group gross loans
- Cost of Risk closed at 1.7% in Q1 23 (Q1 22: 1.1%)

⁽¹⁾Others include personal & professional, construction, transportation, power & energy, education, ICT, Health, finance & insurance & arts

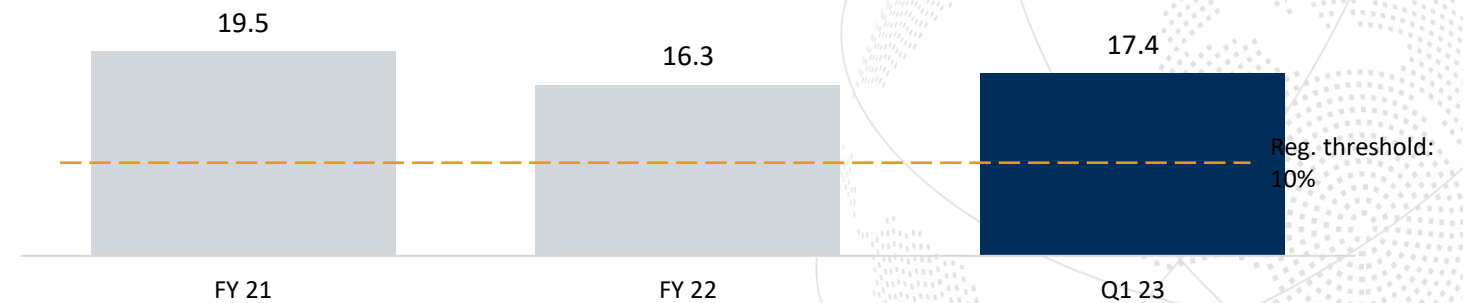
Disciplined capital management as strong earnings growth support organic capital accretion

- Q1 23 CAR1 at 16.5% including Q1 23 profit (15.6% exc. profit)
- Capital remains adequate for the business
- Organic capital generation still in play with solid earnings growth
- Capital position to remain in compliance with regulatory guidance
- Capital continue to be modulated in light of business needs, regulatory requirements and evolving macro environment

FirstBank Nigeria CAR (%)



FBNQuest Merchant Bank CAR (%)



A thought leadership and responsible lending key tenets of our ESG approach



Driving sustainable finance
and investments



Contributing to
Environmental
Sustainability



RESPONSIBLE LENDING & CLIMATE INITIATIVES

₦6.29 Trillion

Screened for ESG risks transactions

- Partnered with NGOs including the Nigeria Conservation Foundation in our efforts at tree planting to reduce CO2 emissions/ global warming
- Adopted renewable energy supply in 19 locations through solar powered energy solutions
- 54% reduction in paper consumption (from 2021 -2022)



SUSTAINABILITY GOVERNANCE & THOUGHT LEADERSHIP

64%

Independent Non- Executive Directors

Co-Chair Labour Committee

- United Nations Global Compact Local Network

Member

- > UN Women
- > Nigeria Conservation Foundation

Institutional Member

- Sustainability Professionals Institute of Nigeria

Pioneer Member

- The Nigeria Chapter of UN Unstereotype Alliance

Member

- UN African Business Leaders Coalition ABLC



Strong focus on diversity, financial inclusion and communities



Empowering
people



Supporting
our communities



DIVERSITY & INCLUSION

32%

Women in Leadership

- > 8,000 female employees impacted by First Women Network initiatives
- 40% employees are female
- Guaranteed equal compensation
- 4 months paid maternity leave for women and 2 weeks paid paternity leave for men
- Strong and diversified Employee Generation Distribution: Baby Boomers – 1%; Gen X – 37%; Millennials – 61%; Gen Z- 1%; Average employee age of 37.9 years
- 155 locations were accessible to the physically challenged



FINANCIAL INCLUSION & COMMUNITY INVESTMENT

₦5 Billion

Fund available to empower women

- ~ ₦100 million spent on community investments
- > 1.2 million students impacted through Financial literacy
- 200,000 including 55K female FirstMonie agents empowered
- > 500k direct and indirect jobs created by FirstMonie
- ₦22 billion paid to agents in commission in 2022
- Processed about 335 million transactions worth about ₦9 trillion through FirstMonie Agents



Appendix

Defining Frontiers



Commercial Banking, Merchant Banking and Asset Management Group (FBNQuest)

Commercial Banking Group

Key financial highlights & performance ratios

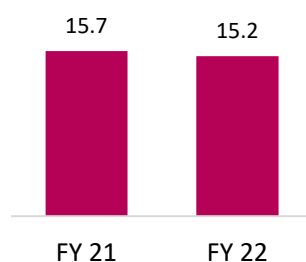
Income statement

Abillion	FY 22	FY 21	y-o-y
Gross earnings	748.8	716.8	4.4%
Operating income	555.7	567.9	-2.1%
Impairment charge	(66.7)	(123.1)	-45.8%
Net interest income	357.2	225.7	58.3%
Non-interest income	198.5	342.1	-42.0%
Operating expense	(341.9)	(313.9)	8.9%
Profit before tax	147.0	130.9	12.4%
Profit after tax	129.4	117.8	9.8%

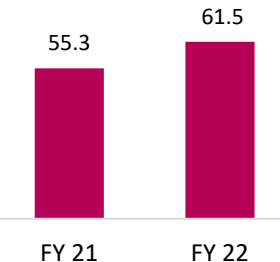
Statement of Financial Position

Abillion	FY 22	FY 21	y-o-y
Loans and advances	3,699.5	2,835.2	30.5%
Deposits from customers	6,895.8	5,634.9	22.4%
Shareholders fund	903.6	794.3	13.8%
Total assets	10,089.9	8,542.4	18.1%

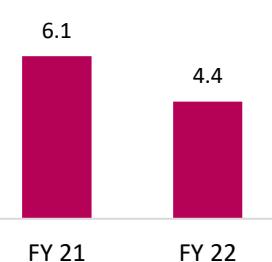
Return On Average Equity (%)



Cost To Income (%)



Non-performing Loan Ratio (%)



Merchant Banking and Asset Management Group (FBNQuest)

Key financial highlights & performance ratios

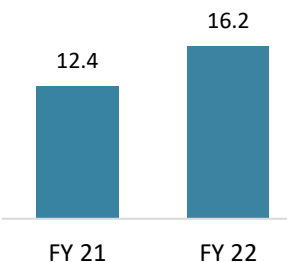
Income statement

Abillion	FY 22	FY 21	y-o-y
Gross earnings	53.1	42.5	24.3%
Operating income	30.7	26.5	16.0%
Impairment charge	(1.9)	(0.9)	101.7%
Operating expense	(15.1)	(15.5)	-2.7%
Profit before tax	13.9	9.8	42.2%
Profit after tax	10.2	7.4	37.3%

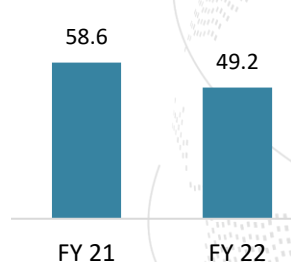
Statement of Financial Position

Abillion	FY 22	FY 21	y-o-y
Loans and advances	106.5	76.8	38.8%
Deposits from customers	133.4	119.4	11.7%
Shareholders fund	63.3	62.2	1.8%
Total assets	495.4	387.4	27.9%

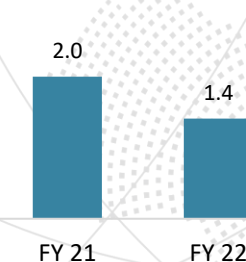
Return On Average Equity (%)



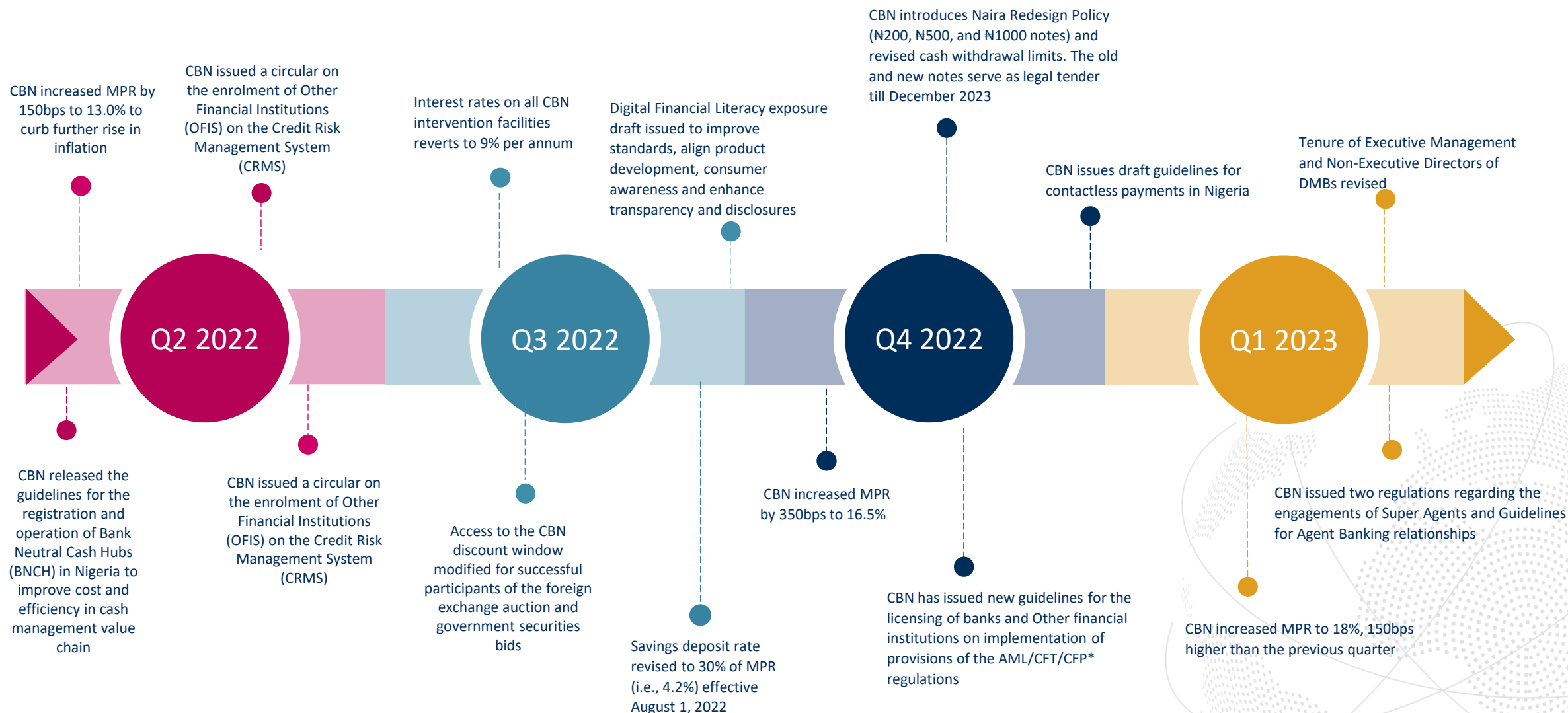
Cost To Income (%)



Non-performing Loan Ratio (%)



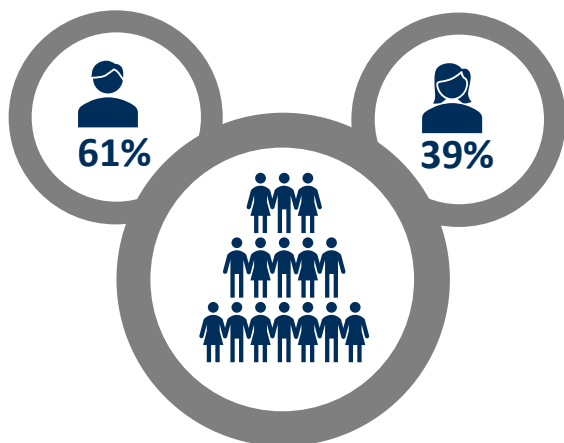
Key regulatory and policy interventions



Non-financial highlights



Employees



41.6
Million
Customer
Accounts*



3,089
Automated
Teller
Machines

***894#**
Quick Banking
...so easy, so simple!

14,716,793
Subscribers

739



FirstBank Branches



12.06m
ATM Cards



17,426
P.O.S

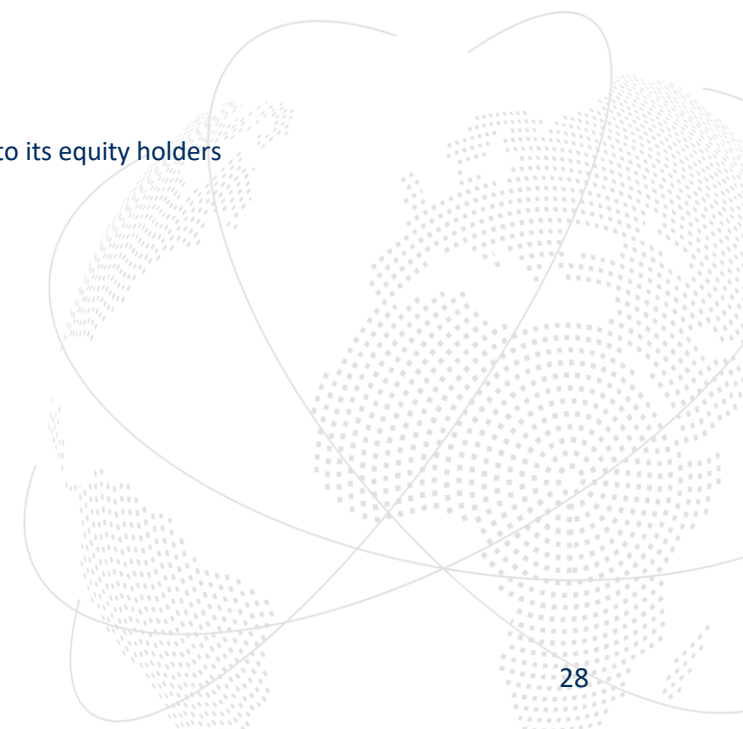


6.1m
First
Mobile
Subscribers

*Including wallets

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 associate
- 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 net asset 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



Contact details

Head, Investor Relations

Tolulope Oluwole



Tolulope.O.Oluwole@fbnholdings.com



+234 (1) 905 2720

Investor Relations Team



investor.relations@fbnholdings.com



: +234 (1) 905 1086; 1147

