

9M 2023 Results Presentation

30 10 2023

Defining Frontiers



Disclaimer

This presentation is based on FBN Holdings Plc's ('FBNH' or 'FBNHoldings' or the 'Group') unaudited financial statements for the period ended 30 September 2023. The Group's Financial statements represent FBN Holdings Plc and its subsidiaries.

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 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, performances 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, reference should be made to the Group's continuous disclosure materials filed from time to time with the Nigerian Exchange (NGX) 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.

Key Highlights

Defining Frontiers

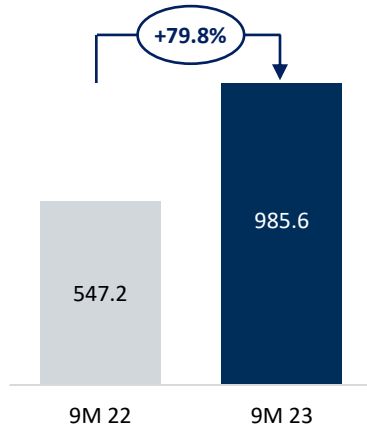


9M 2023 key highlights

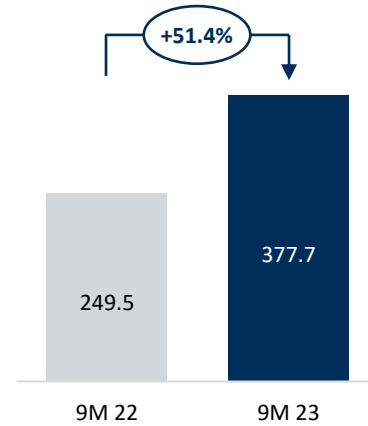
- 1/ Profitability**
Gross earnings up ~80% y-o-y on the back of strong net income and growth across all our businesses
- 2/ Efficiency**
Rigorous cost management approach translates into a contained opex growth despite the inflationary backdrop and significant currency movement
- 3/ Asset Quality**
NPL ratio of 4.6% on the back of revamped risk management practices and ongoing focus on high-quality loan origination
- 4/ Capital**
Earnings growth underpin organic capital accretion with imminent T1 issuance to further support & propel Group performance
- 5/ Fortress Balance Sheet**
Significantly de-risked balance sheet with proven low-cost funding mobilisation advantage including ample NPL coverage and capital buffers

Strong financial performance amidst a challenging economic environment

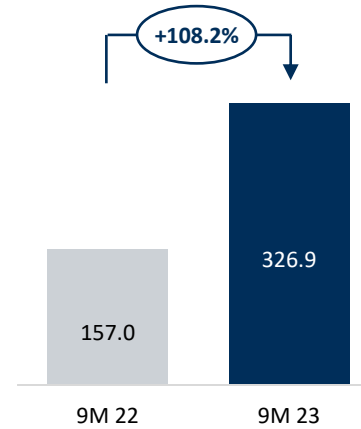
Gross Earnings ₦billion



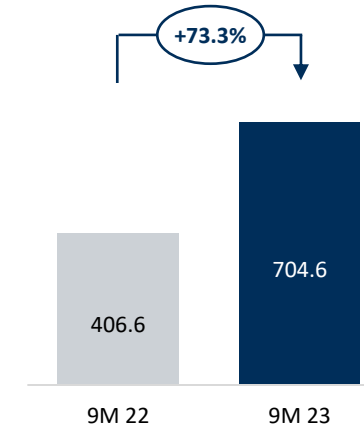
Net-Interest Income ₦billion



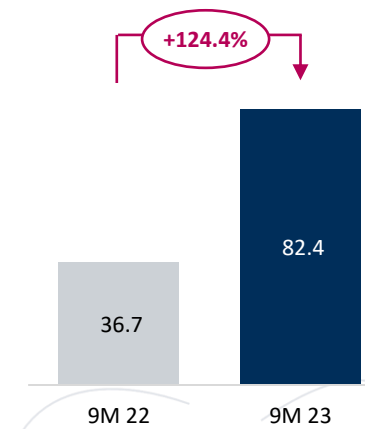
Non-Interest Income ₦billion



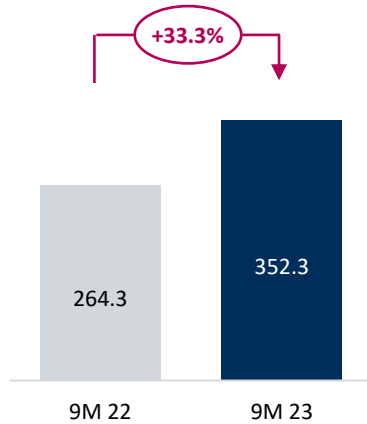
Operating Income ₦billion



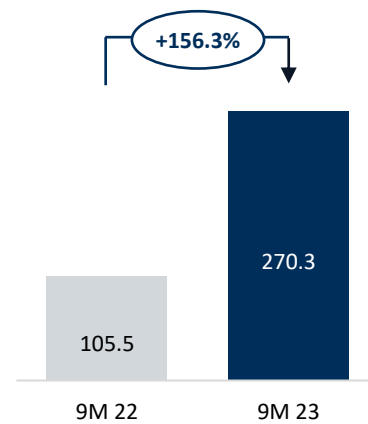
Impairment Charge ₦billion



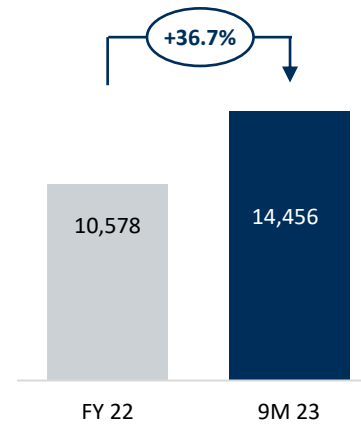
Operating Expense ₦billion



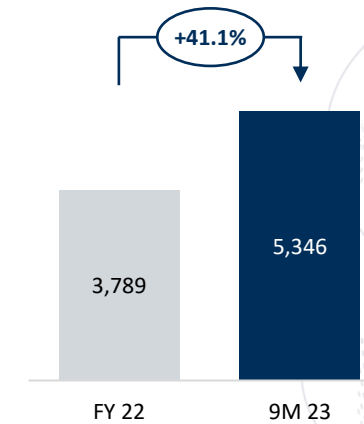
Profit Before Tax ₦billion



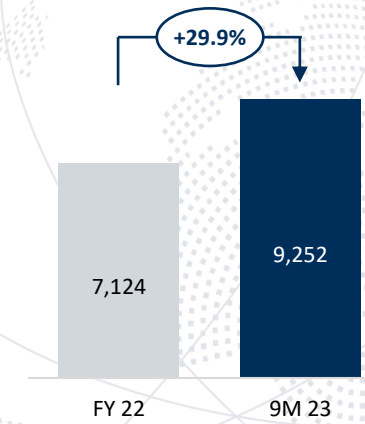
Total Assets ₦billion



Loans and Advances ₦billion

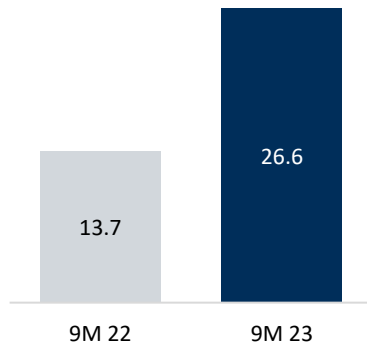


Customer Deposit ₦billion

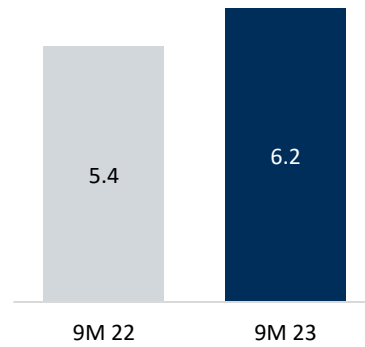


Sustainable shareholder value creation and strengthening business resilience

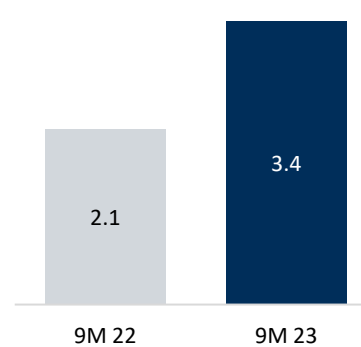
Post Tax ROaE (%)



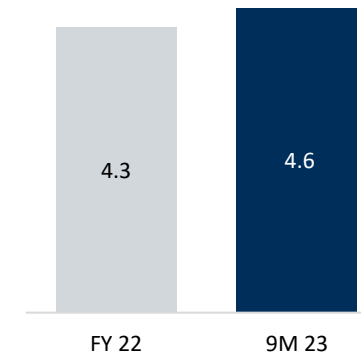
Net Interest Margin (%)



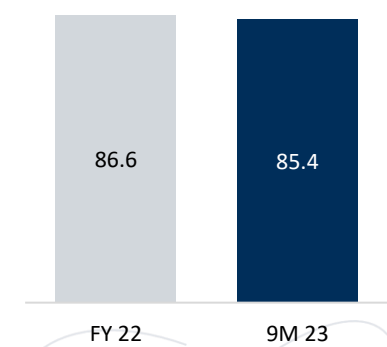
Cost of Funds (%)



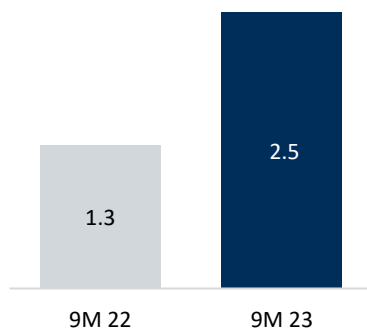
NPL Ratio (%)



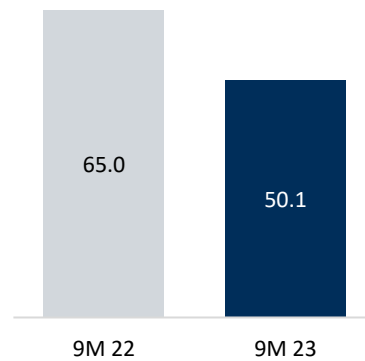
NPL Coverage (%)



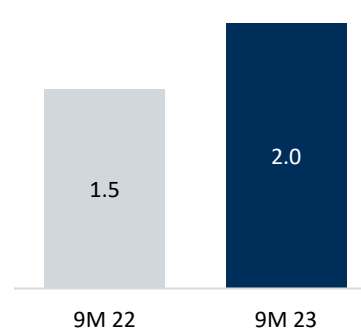
Post Tax ROaA (%)



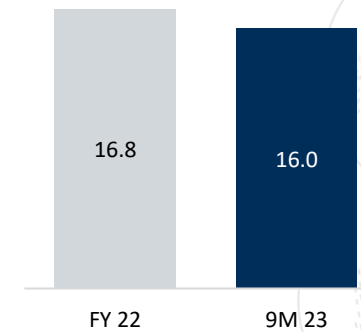
Cost to Income (%)



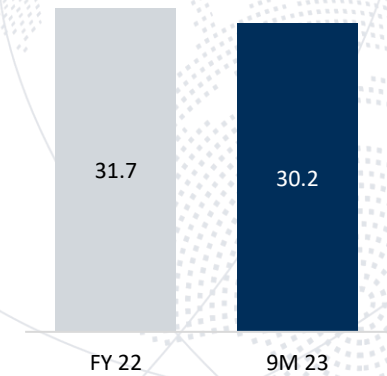
Cost of Risk (%)



Capital Adequacy Ratio⁽¹⁾ (%)



Liquidity Ratio (%)



Delivering on our strategic priorities



Enhance Revenue and Profitability
Technological advancement and innovation focus

₦986 bn **₦270 bn**

Gross Earnings

Profit Before Tax



Strengthen Value Proposition
Utilise brand strength and customer-centric approach

> 482 mn

Internet and mobile banking transactions

~19%

Market share of transactions processed by Nigerian banks on the industry interbank settlement platform



Optimise Operational Efficiency
Enhance automation and utilise scale benefits

50.0%

CIR

A unique investment case supported by strong brand recognition, diversified revenues base and rigorous risk management and governance practices

Diversified Portfolio/ Earnings

- Diversified portfolio of businesses, to mitigate risks and enhance resilient revenue streams
- Validated business model, delivering results
- Continuous focus on further optimising the portfolio



Customer-centric Approach

- Committed to delivering exceptional customer experiences
- Unique solutions and tailored services
- Distinctive e-business and Agency capabilities

Strong Brand

- Strong franchise and brand recognition
- Systemic relevance
- Loyal customer base

Technology and Innovation

- Recognises the importance of technology and innovation
- Solid digital capabilities/differentiated transactional processing capacity
- Invests in digital transformation and innovative solutions

Strong Governance and Risk Management

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

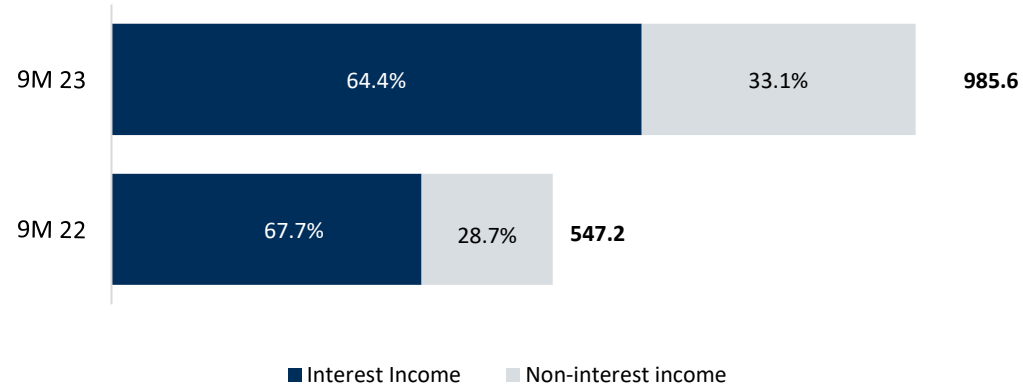
Financial Review

Defining Frontiers

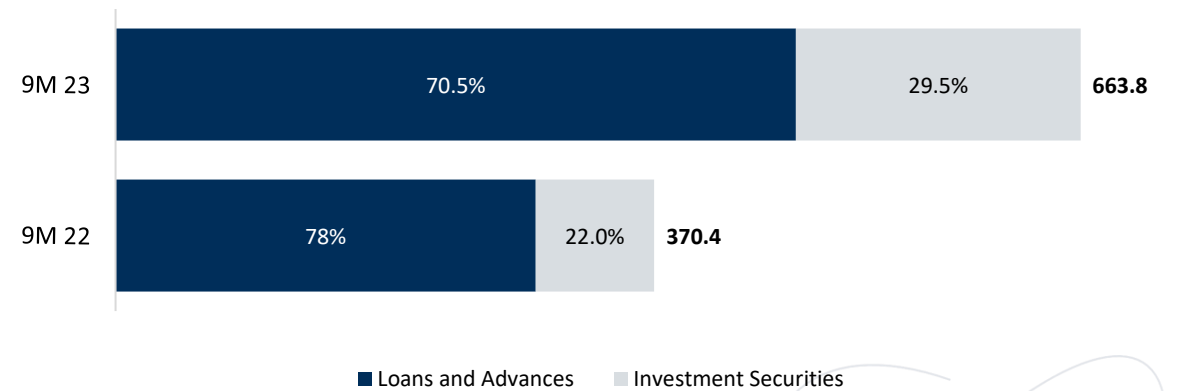


Strong revenue growth driven by effective management of interest rate dynamics

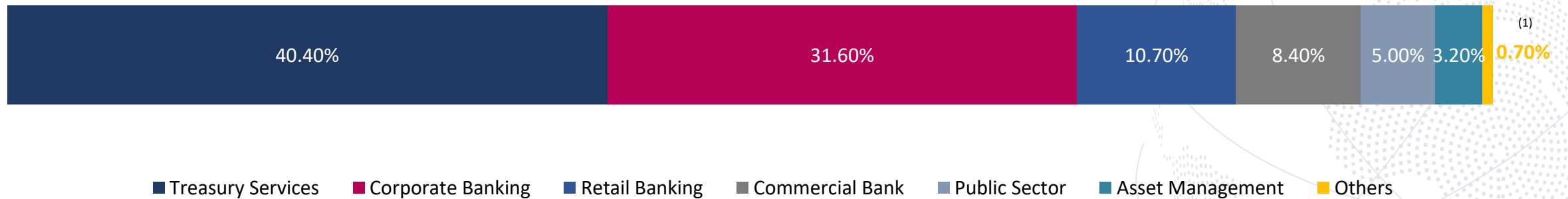
Gross Earnings (₹ billion) & Mix (%)



Interest Income Mix



Group Revenue by Segment

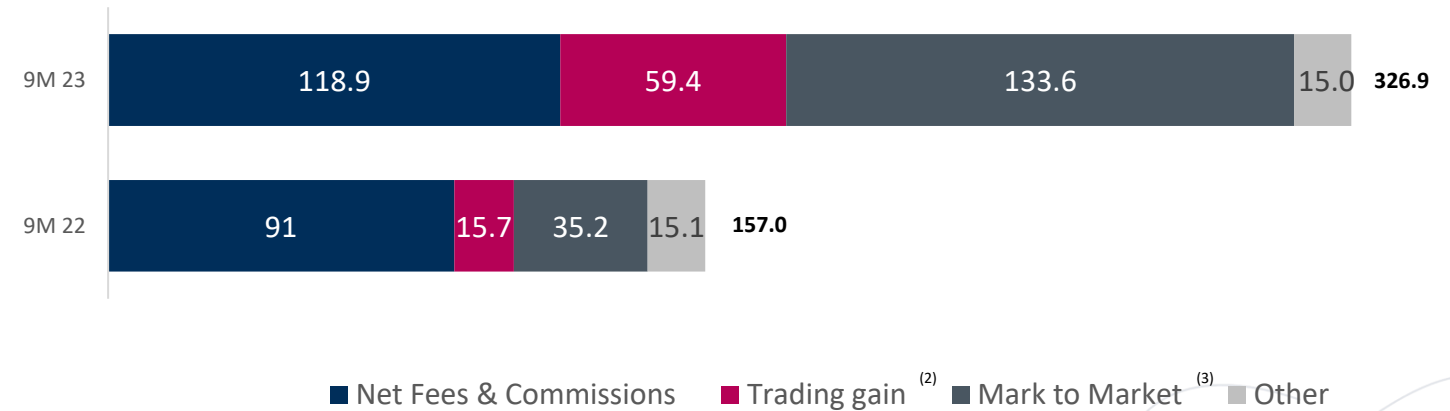


⁽¹⁾ Others include Insurance Brokerage and Trusteeship

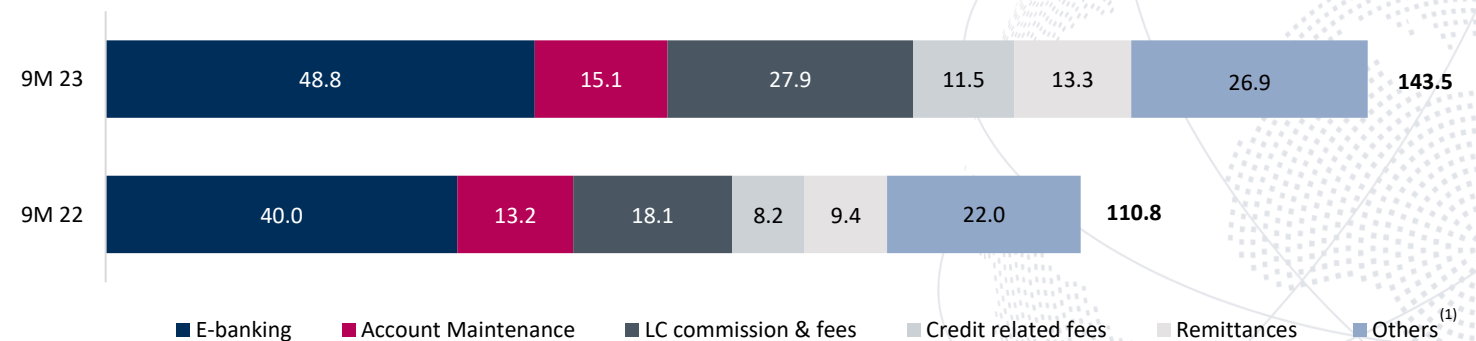
Robust non-interest income revenues on improved trade and commission fees and positive effects from the currency devaluation

- Fees & commission recorded a +29.4% increase y-o-y in 9M 23 (9M 22: +6.8%)
- Non-interest income grew by 108.2% y-o-y to ₦326.9 billion due to a higher trading income and net fees and commission
- The Group has witnessed strong non-interest income growth over the last 5 years
- Despite immediate competition in the e-business space, we see further growth headroom as we are uniquely positioned to capture value within the financial Inclusion offerings
- FirstMonie Agent network continues market expansion with more than >221k⁽⁴⁾ agents (FY 22: 196.6k)

Non-interest Income Breakdown Net (₦'bn)



Fees & Commission Breakdown Gross (₦'bn)



⁽¹⁾ 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

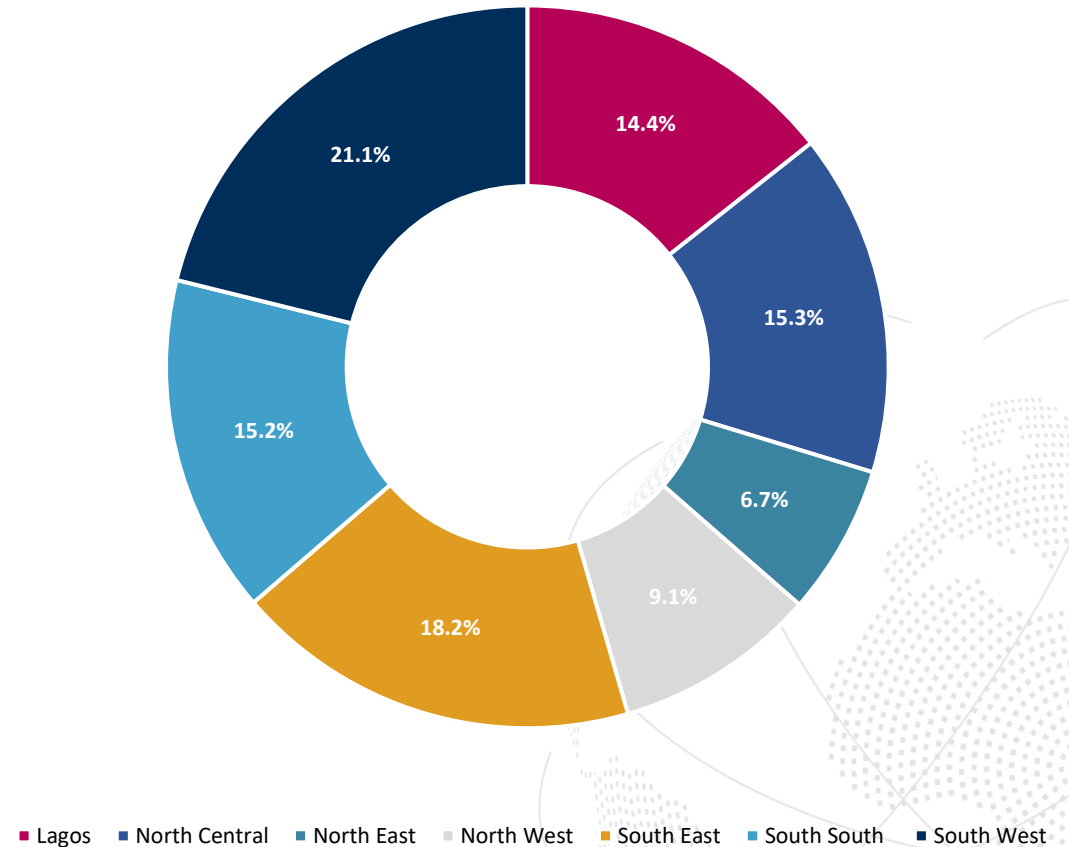
⁽²⁾ Trading gain include Foreign exchange trading income, Gains on sale of investment securities, Trading losses on debt securities

⁽³⁾ Mark to Market include Foreign exchange revaluation loss and Fair value gain from financial instrument through profit or loss
⁽⁴⁾ As at 30 September 2023

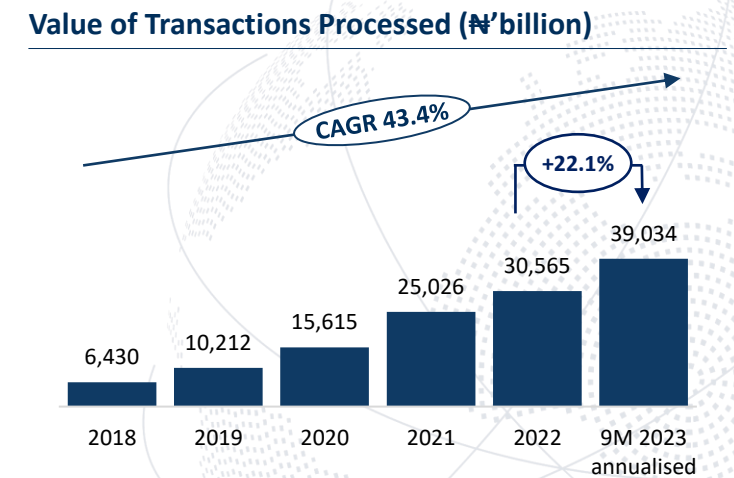
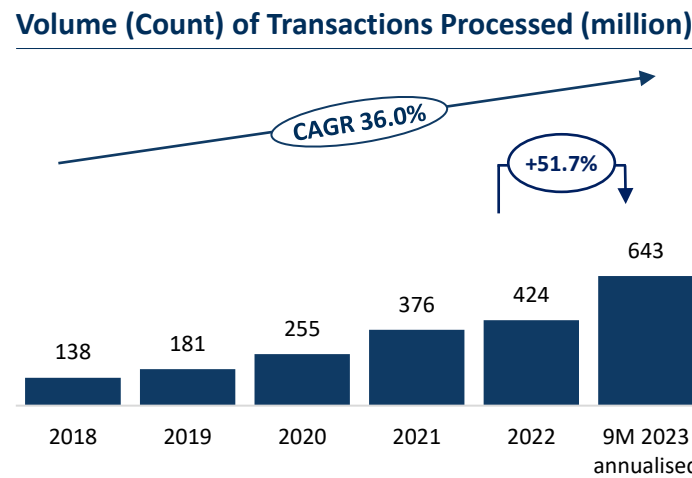
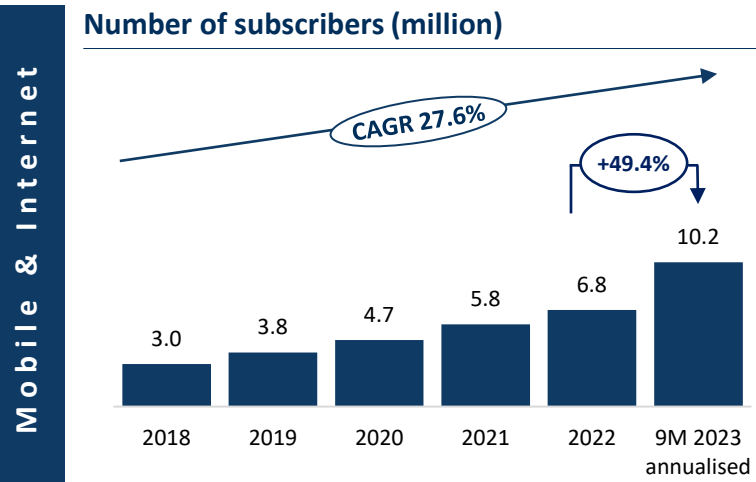
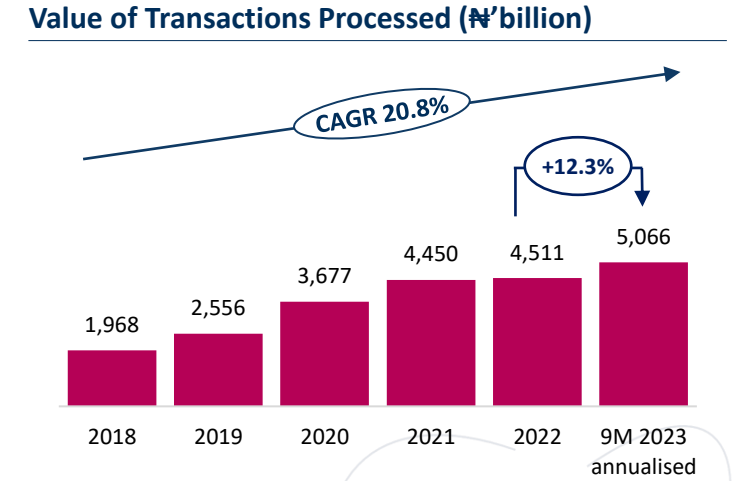
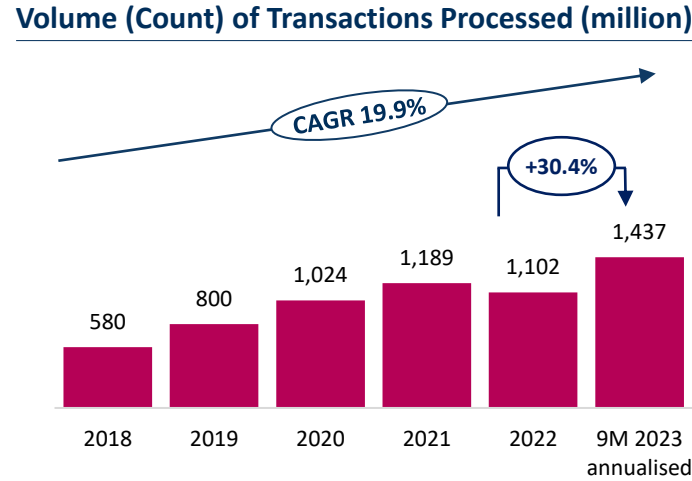
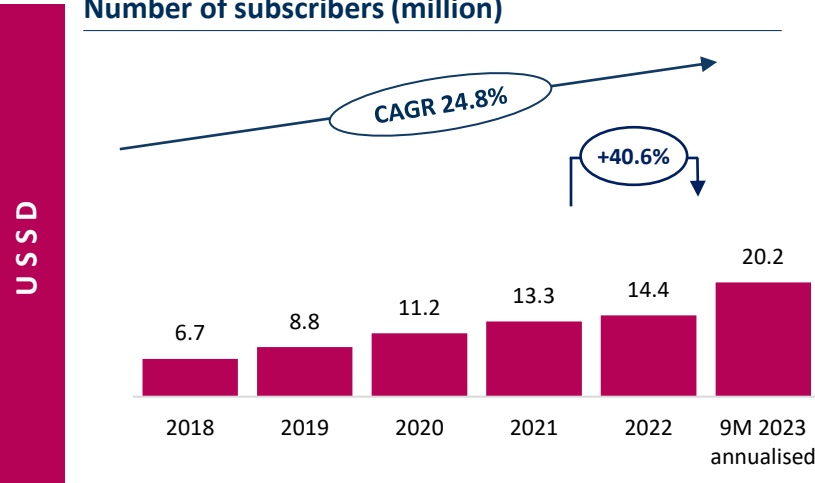
Banker to the bottom of the pyramid (FirstMonie)

- FirstMonie is FirstBank's agent banking business, targeted at driving financial inclusion and gender empowerment
- Taking banking to the unbanked / underbanked
 - Present in all states and 772 (of 774 local) Local Government Areas in the country (September '23)
 - More than 221,000 agents (September '23)
- Empowering women: ~25% of FirstMonie agents are female
- Transforming lives: ₦22 billion paid to agents as commission in 2022
- Financial powerhouse – approx. ₦21 billion processed daily (from ~1 million transactions) in 1H 23
- Value accretive
 - Reduced cost of onboarding customers
 - Access to market, customer and product insights
- FirstBank has successfully cracked agent banking

Geographic Dispersion of FirstMonie Agents as at September 2023



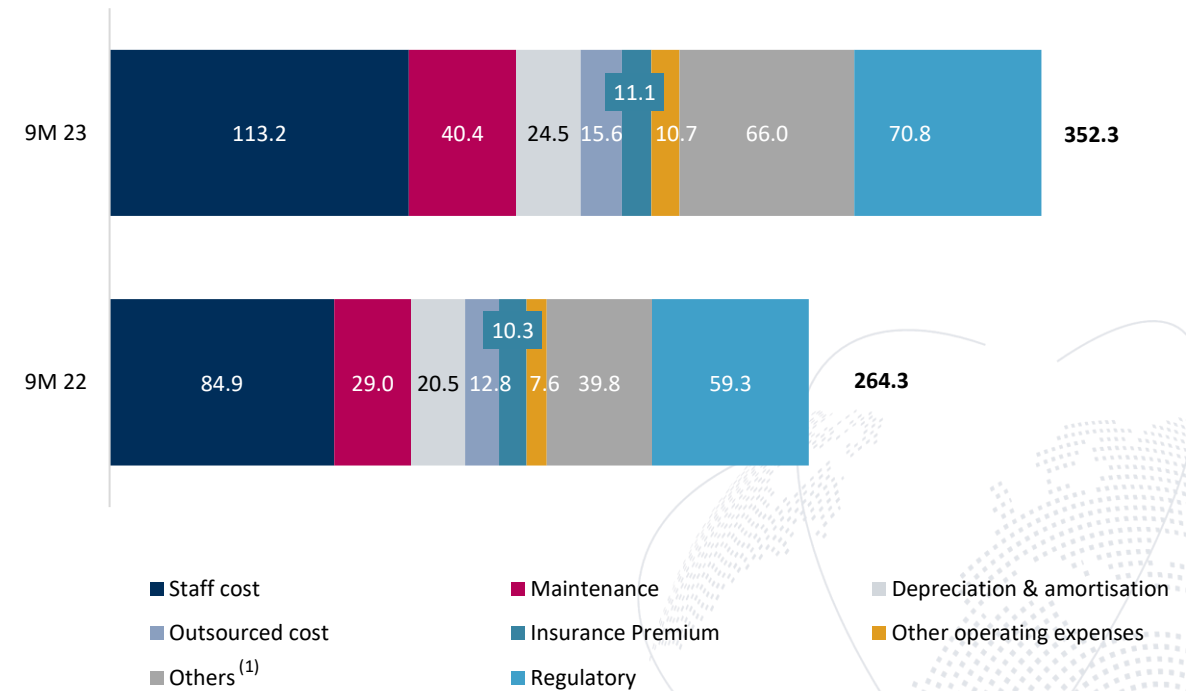
Accelerating financial inclusion using USSD; Monetising “anywhere banking” (mobile & internet) using smart devices: Further revenue growth projected for FY 23



Cost base reflects high inflationary environment

- 9M 23 opex +33.3% y-o-y mostly driven by higher staff, regulatory and maintenance costs
- CIR further improved to 50.0% in 9M 23 (9M 22: 65.0%) as operating income grew faster than opex
- Rigorous cost management approach translates into a contained opex growth despite the inflationary backdrop and significant currency movement

OPEX Drivers (₹'billion)

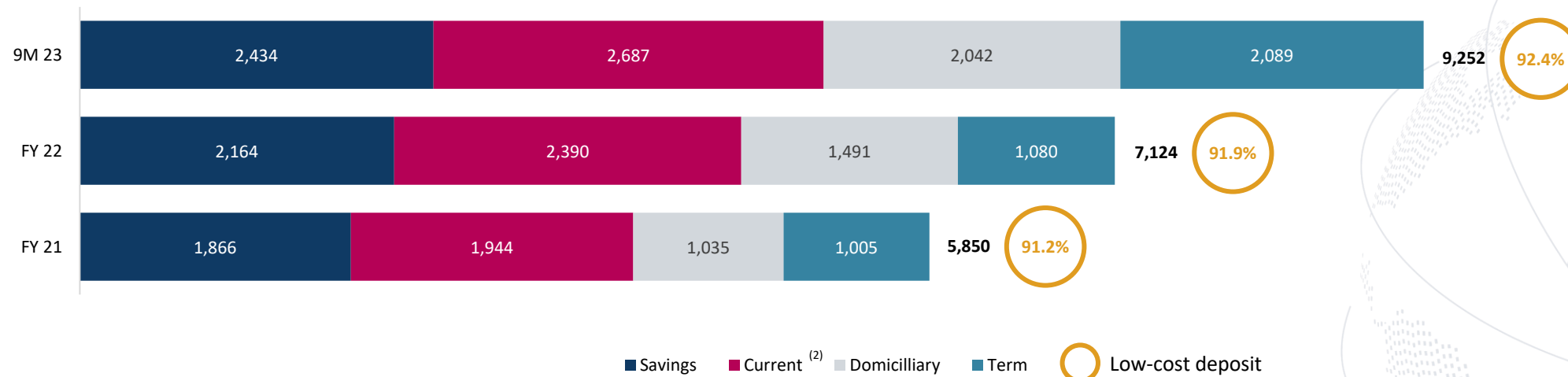


⁽¹⁾ Amortisation and impairment, directors' remuneration, cash handling charges, communication, lights and power, legal & professional fees, donations & subscriptions, insurance premium, rent and rates, stationery & printing, passages and travels & other operating expenses

Solid and increased deposit base driven by the strong franchise

- 9M 23 customer deposits increased by 29.9% to ₦9.3 trillion (FY 22: ₦7.1 trillion)
- Excellent deposits (low-cost) mobilisation at optimum price support NIM improvement
- Low-cost deposits at FirstBank Nigeria remain strong accounting for 92.4% of total deposits as at 9M 23 (FY 22: 91.9%)
- Rich retail franchise provide stable core deposit base

Customer Deposits Mix (₦ billion) & FirstBank Nigeria low-cost deposits ⁽¹⁾

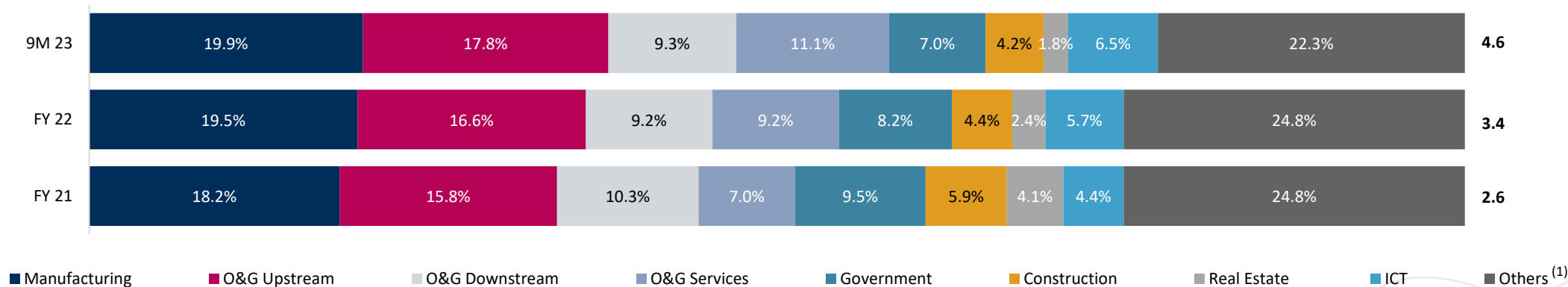


⁽¹⁾ Deposits from customers less Term deposits

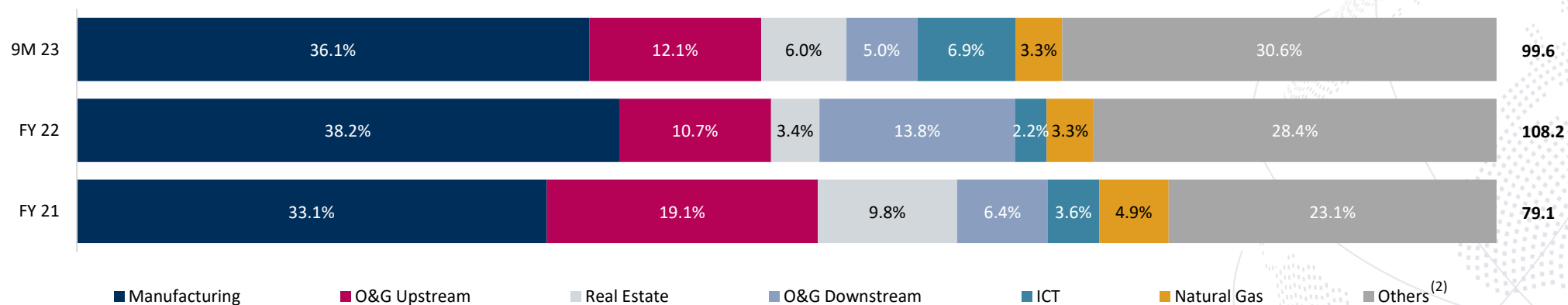
⁽²⁾ Current includes electronic purse

Diversified and balanced loan portfolio

FirstBank Nigeria Gross Loan per Sector (₦trillion)



FBNQuest Merchant Bank Gross Loan per Sector (₦billion)

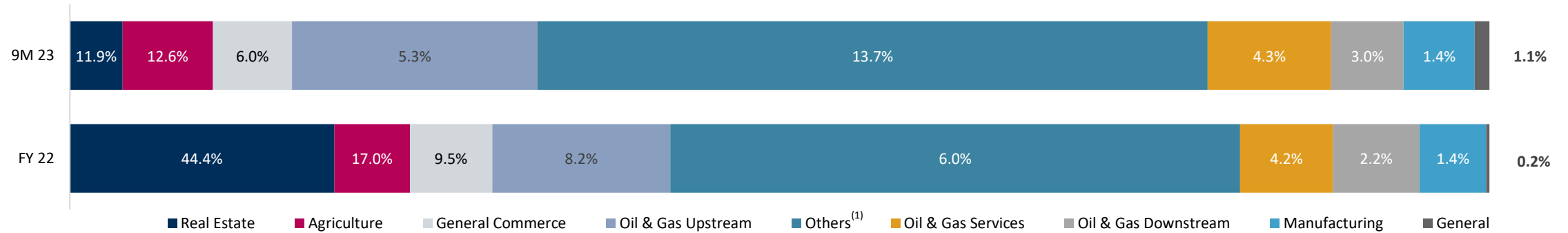


⁽¹⁾Personal & Professional, Power & Energy, General, General commerce, Public utilities, Agriculture, Transportation, Finance & Insurance, Education, Human health & Arts, Admin & Support Services

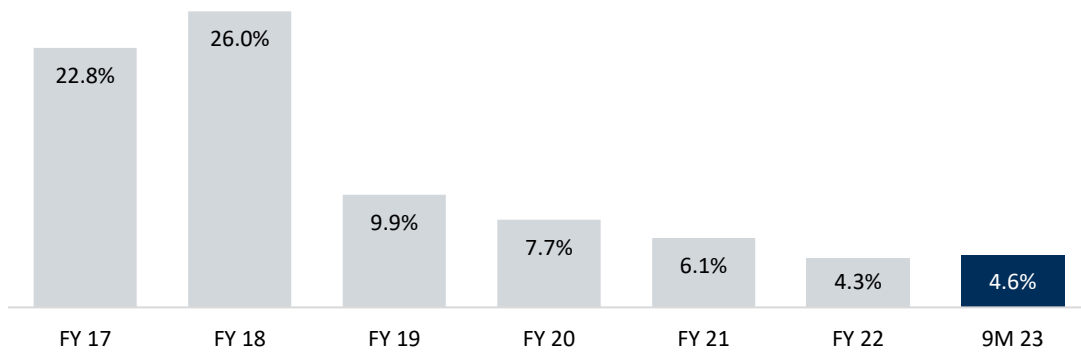
⁽²⁾Agriculture, Power & Energy, Finance & Insurance, General, General commerce, Transportation & Storage, Mining & Quarrying

Sound asset quality despite the challenging operating environment

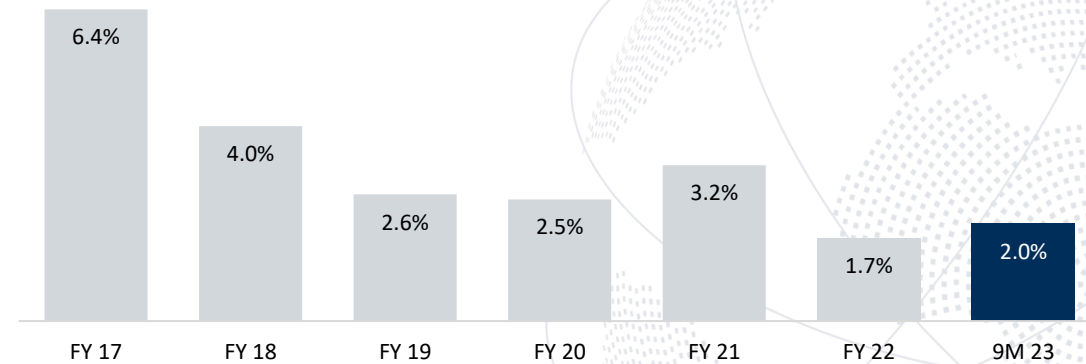
FirstBank Nigeria NPL per Sector



NPL Ratio



Cost of Risk



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

Disciplined capital management as strong earnings growth underpin organic capital accretion; New T1 issuance to further support & propel Group performance

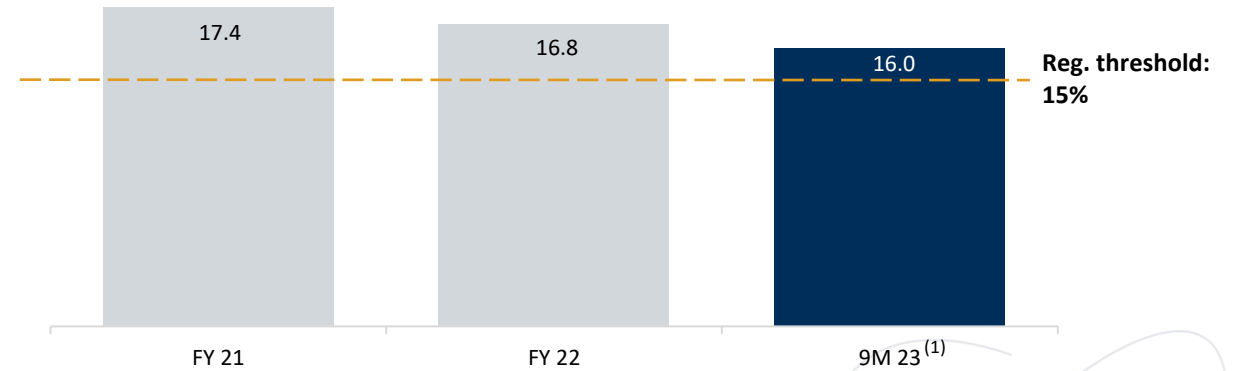
T1 Capital raise - Right Issue



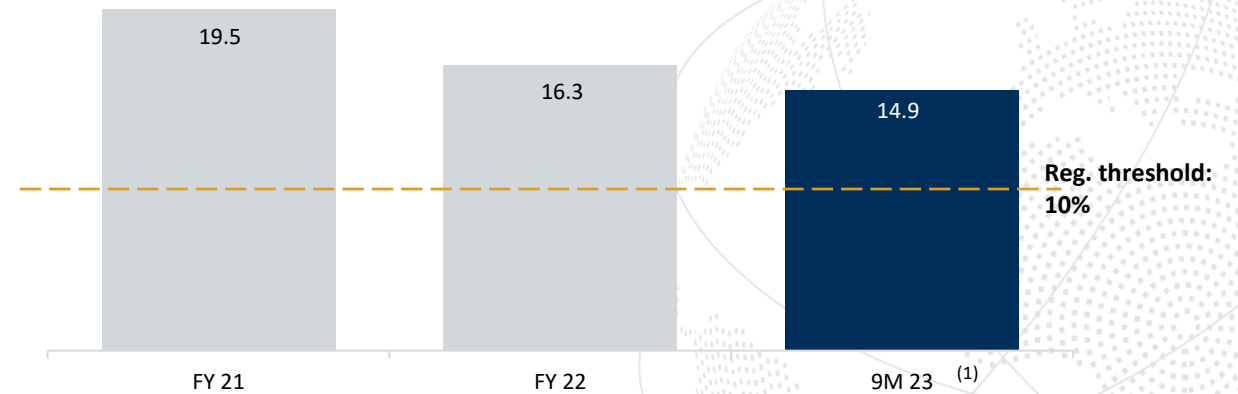
Rationale

- Support business growth
- Basel III readiness
- Ensure further business resilience towards driving increased value for shareholders

FirstBank Nigeria CAR (%)



FBNQuest Merchant Bank CAR (%)



⁽¹⁾ Excludes capitalised profit for the period

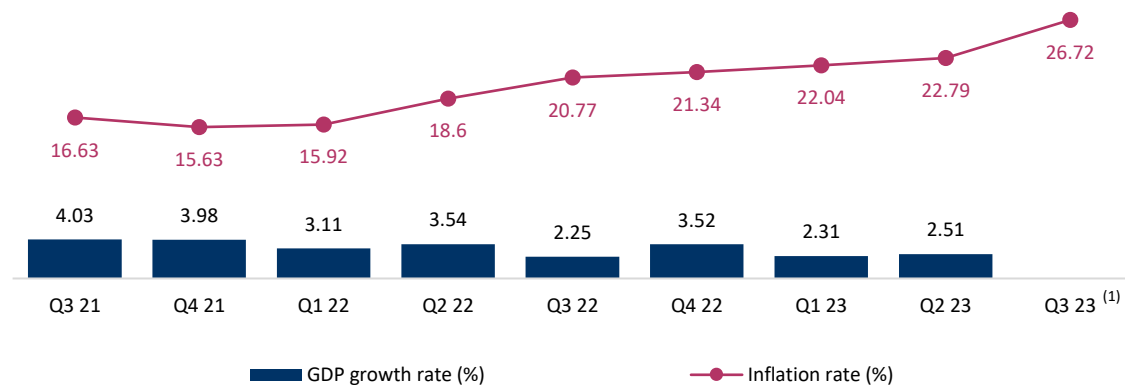
Appendix

Defining Frontiers

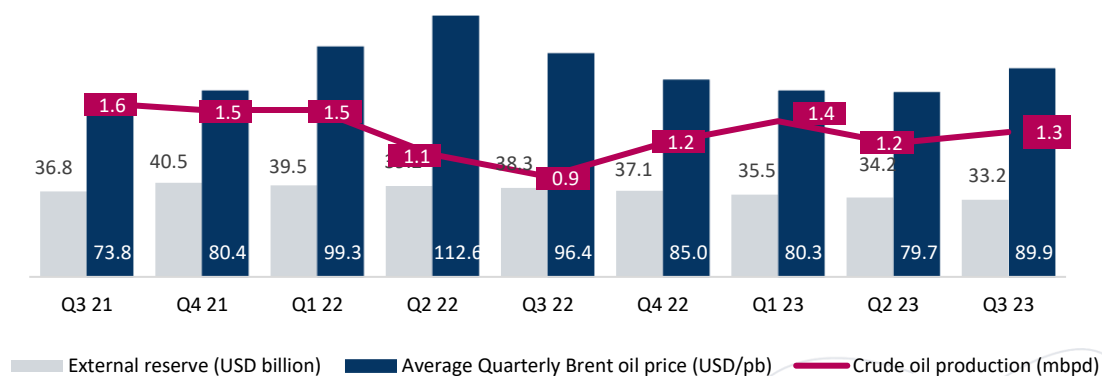


Dynamic operating environment

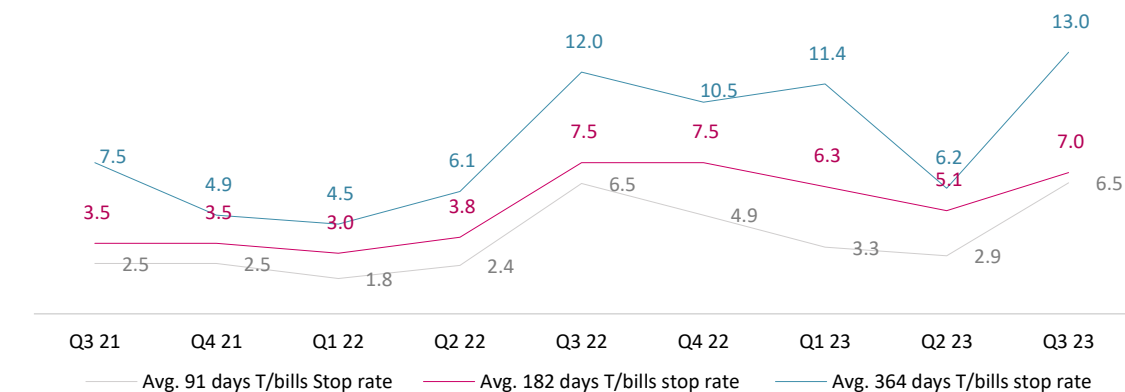
Increasing inflationary environment



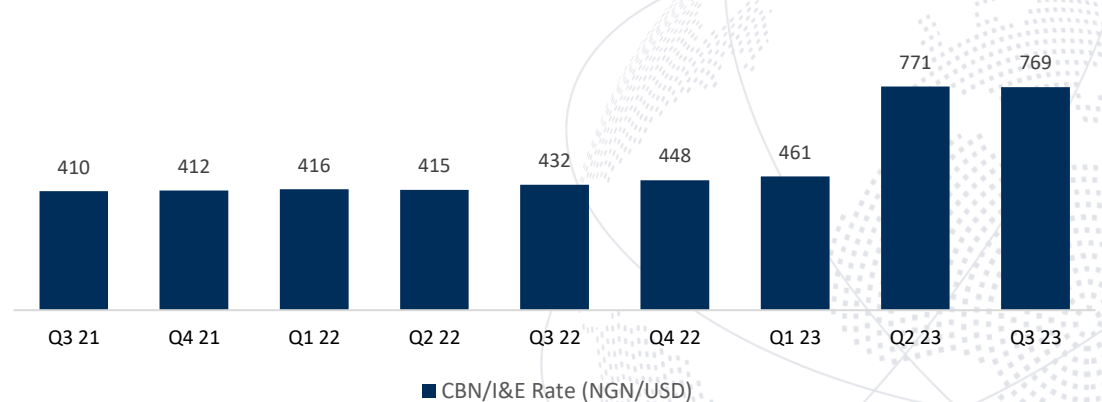
Decline in external reserve despite increased oil price and crude prod. rate



Promising uptick in Tbill rates

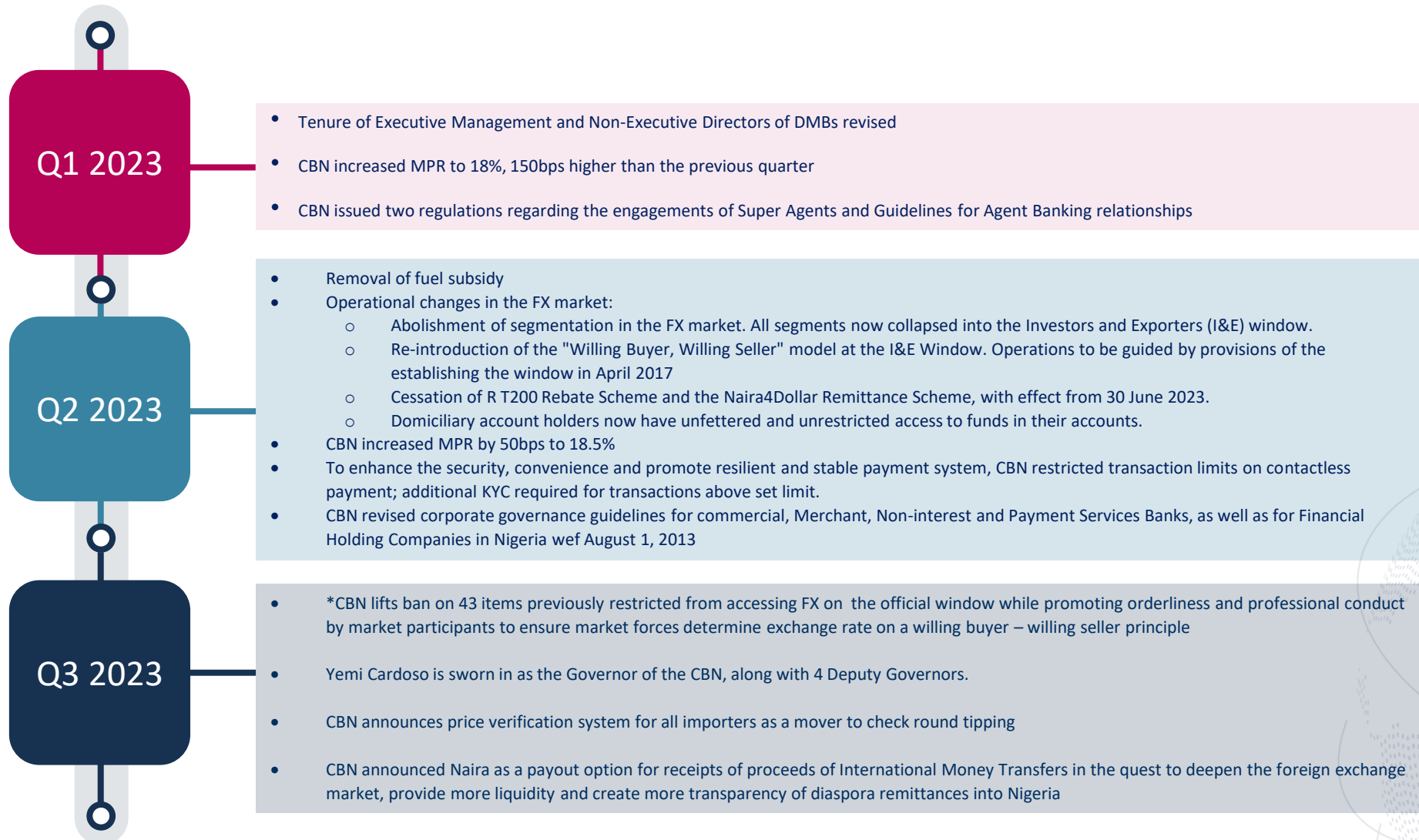


Sharp increase in exchange rate following floating of the Naira



Data source: CBN, OPEC,
1) Updated GDP data is yet to be released as at the date of this report

Key regulatory and policy interventions



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

Commercial Banking Group

Key financial highlights & performance ratios

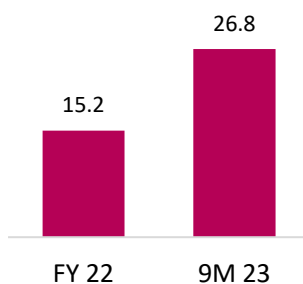
Income statement

¥billion	9M 23	9M 22	y-o-y
Gross earnings	922.2	512.9	79.8%
Operating income	664.1	387.0	71.6%
Impairment charge	-76.5	-37.6	103.6%
Net interest income	371.0	248.5	49.3%
Non-interest income	293.0	138.5	111.6%
Operating expense	-339.1	-253.0	34.0%
Profit before tax	248.5	96.4	157.9%
Profit after tax	221.1	85.7	158.2%

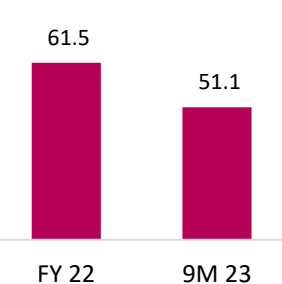
Statement of Financial Position

¥billion	9M 23	FY 22	y-t-d
Loans and advances	5,265.3	3,757.0	40.1%
Deposits from customers	8,909.4	6,895.8	29.2%
Shareholders fund	1,287.3	903.6	42.5%
Total assets	13,841.3	10,089.9	37.2%

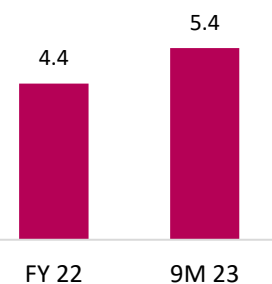
Return On Average Equity (%)



Cost To Income (%)



Non-performing Loan Ratio (%)



Merchant Banking and Asset Management Group (FBNQuest)

Key financial highlights & performance ratios

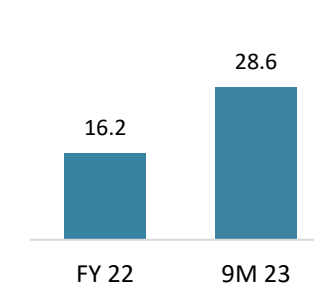
Income statement

¥billion	9M 23	9M 22	y-o-y
Gross earnings	60.6	35.9	68.7%
Operating income	37.2	20.9	77.9%
Impairment charge	-5.9	-0.8	629.8%
Operating expense	-10.6	-8.6	24.3%
Profit before tax	21.0	11.5	83.0%
Profit after tax	14.9	8.2	81.2%

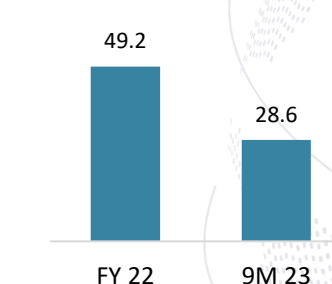
Statement of Financial Position

¥billion	9M 23	FY 22	y-t-d
Loans and advances	97.3	106.5	-8.7%
Deposits from customers	366.5	133.4	174.8%
Shareholders fund	75.5	63.3	19.2%
Total assets	609.7	495.4	23.1%

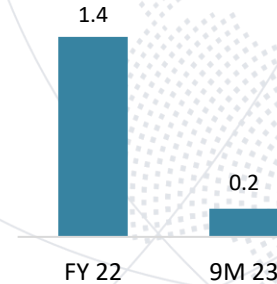
Return On Average Equity (%)



Cost To Income (%)



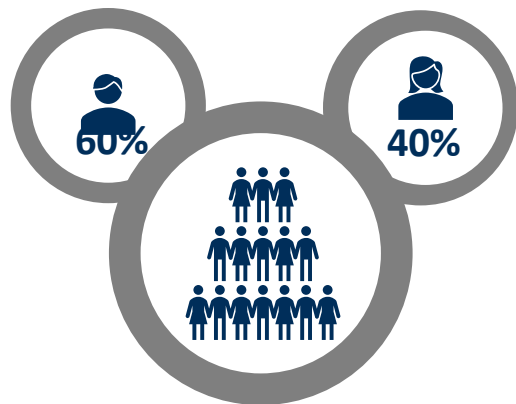
Non-performing Loan Ratio (%)



Non-financial highlights¹



Employees



41.3
Million
Customer
Accounts*



3,117
Automated
Teller
Machines

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

15,186,873
Subscribers

739



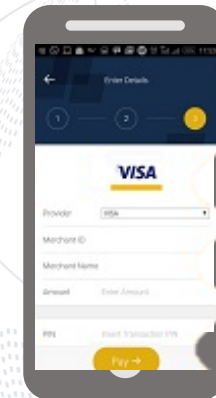
FirstBank Branches



12.7m
ATM Cards



24,295
P.O.S



6.3m
First
Mobile
Subscribers

¹ Relate to FirstBank other than employees which is FBNHoldings (Group) employees

*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

