

FY 2023 & Q1 2024 Results Presentation

May 2024



DISCLAIMER

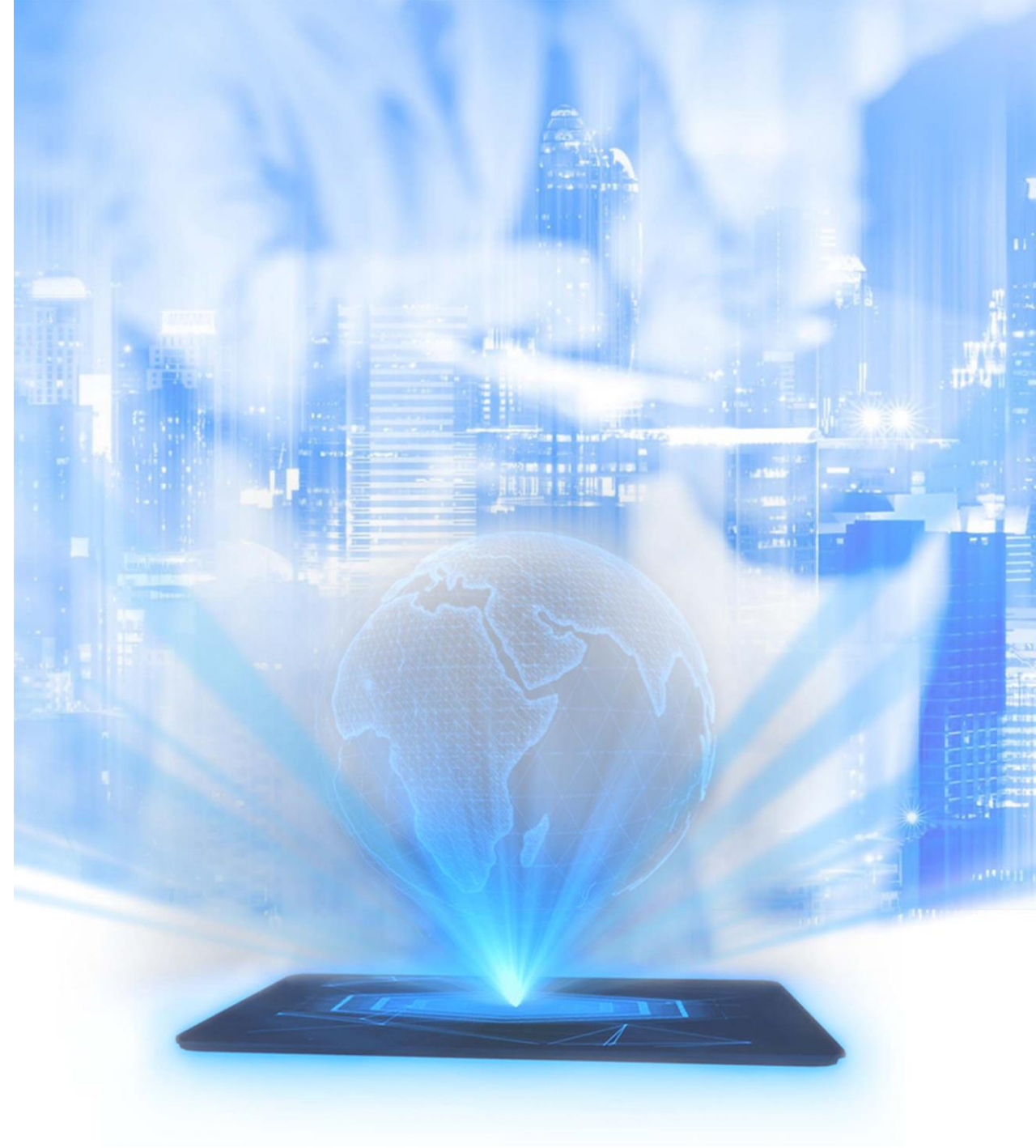
This presentation is based on FBN Holdings Plc's ('FBNH' or 'FBNHoldings' or the 'Group') audited financial statements for the year ended December 31, 2023, and unaudited financial statements for the period ended March 31, 2024. The Group's Financial statements represent FBN Holdings Plc and its subsidiaries.

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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 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.

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Key Highlights



Financial and operational highlights

Gross earnings + PBT up

95.7% and 127.3% y-o-y respectively underpinned by strong business fundamentals

Improvement in cost-to-

income ratio (down to 49.1% from 61.7%) demonstrates the successful implementation of our cost containment strategies

NPL ratio <5% despite Naira devaluation and challenging macroeconomic environment

Plans remain to raise

capital through a public share offering or private share sale in Nigeria or abroad

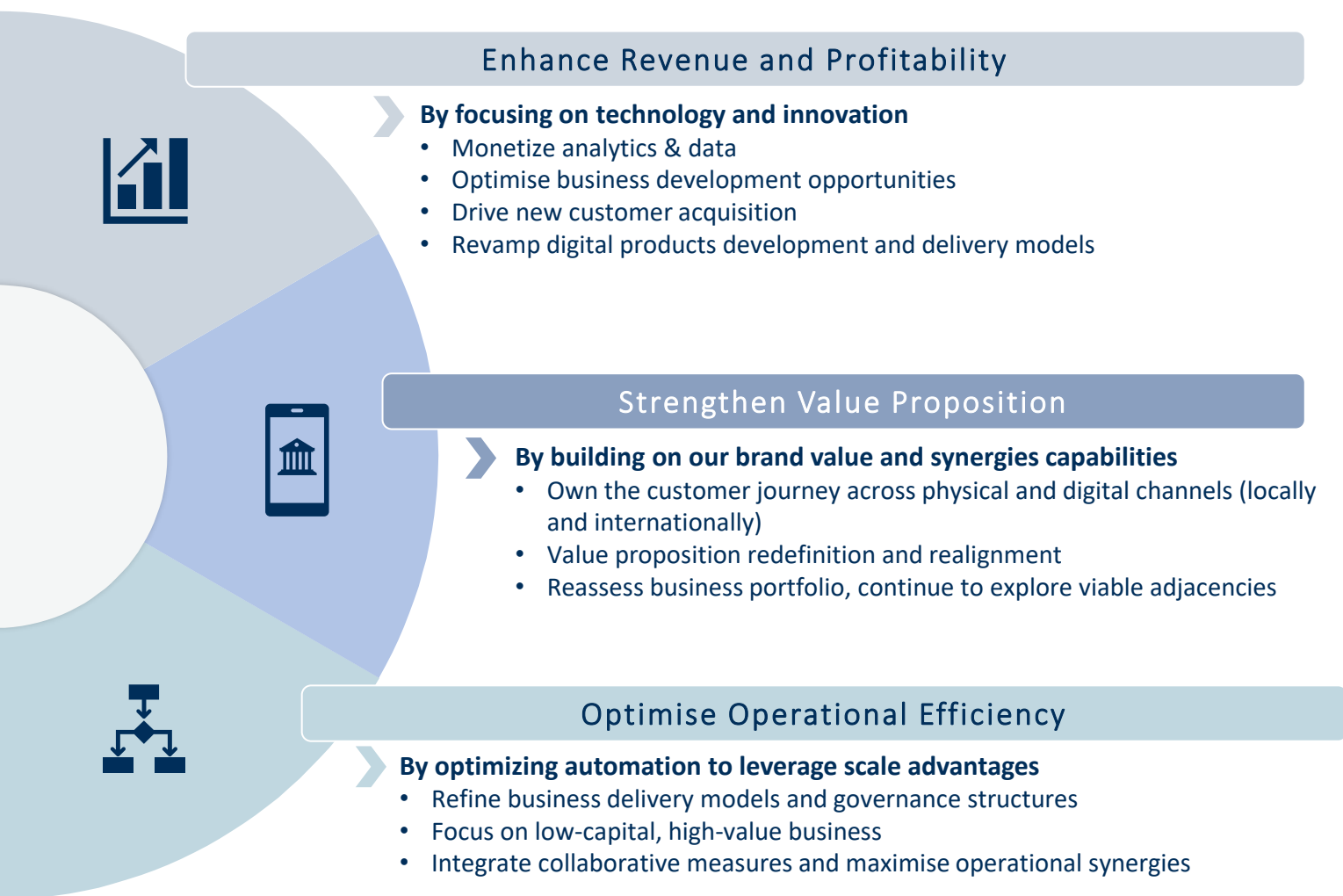
Mr Olusegun Alebiosu

appointed as acting Chief Executive Officer of FirstBank following the retirement of Managing Director / CEO Dr. Adesola Adeduntan

Mr Ebenezer Olufowose,

non-executive director, appointed as the new Chairman of the Board of Directors of First Bank of Nigeria as Mr Tunde Hassan-Odukale retires after 12 years

Largely on track to meet our strategic priorities and 2024 financial targets



2024 financial targets

ROE > 20%

Q1 24: 45.5%
FY 23: 22.6%

CIR < 58%

Q1 24: 43.1%
FY 23: 49.1%

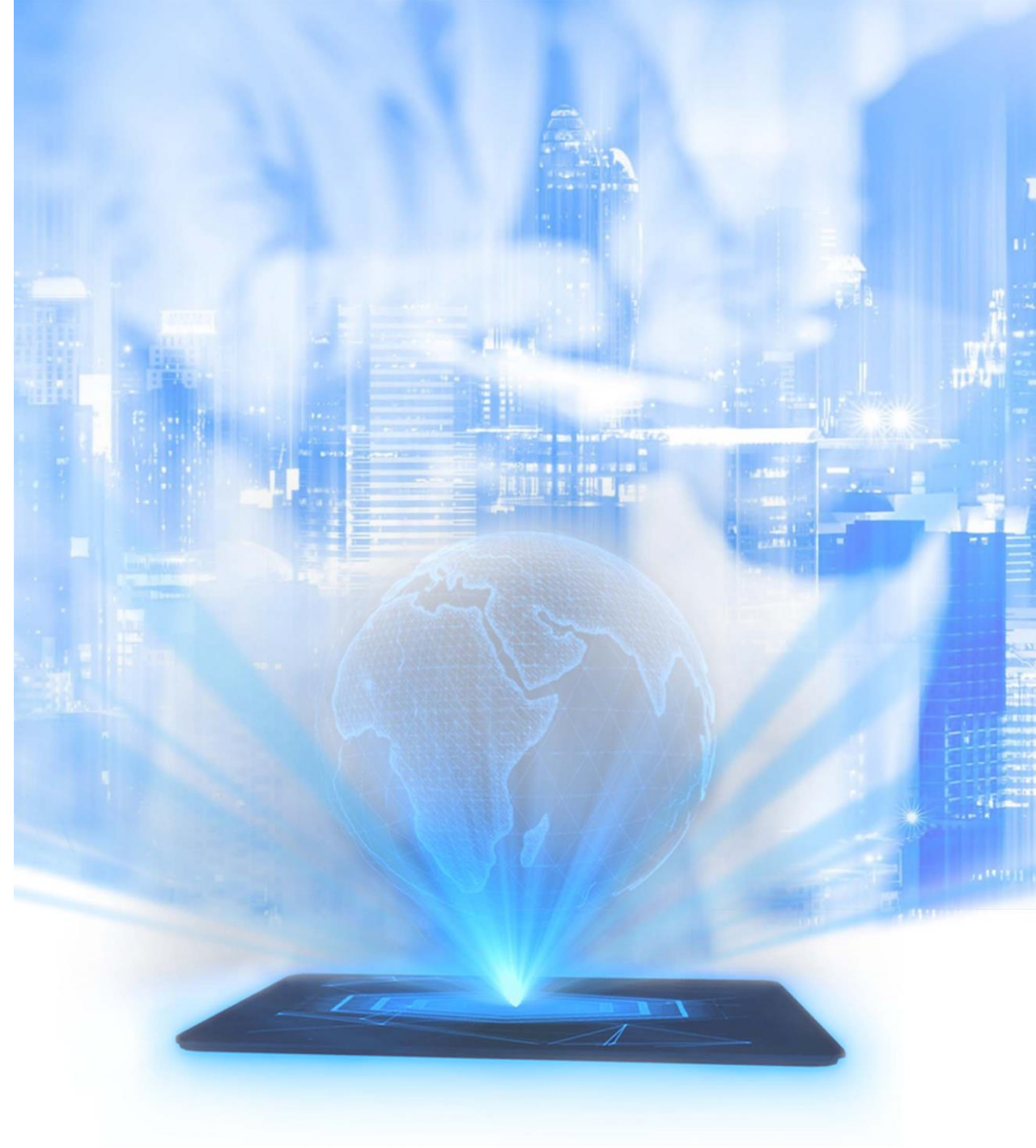
CoR < 2%

Q1 24: 2.2%
FY 23: 3.3%

NPL < 5%

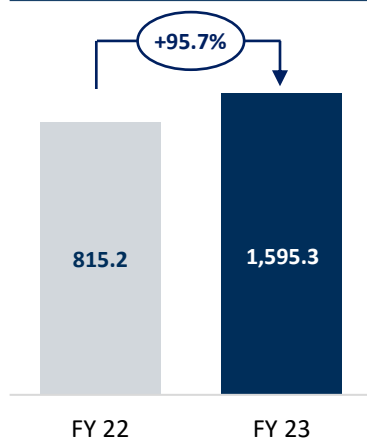
Q1 24: 4.0%
FY 23: 4.7%

Financial Review

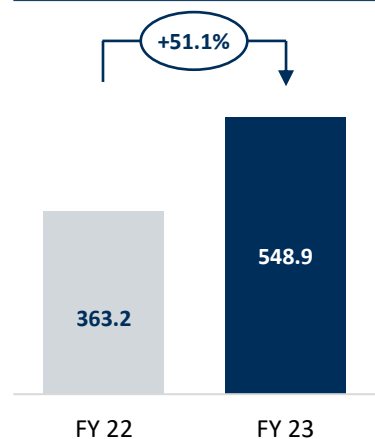


FY 2023: Solid performance driven by growth across core banking activities and increased transaction volume

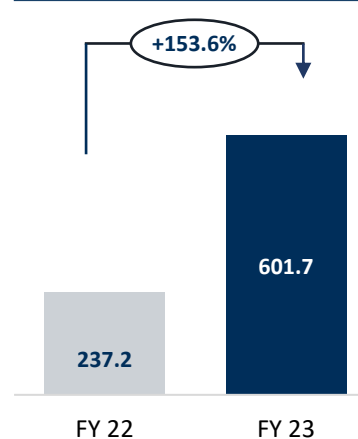
Gross Earnings ₦'billion



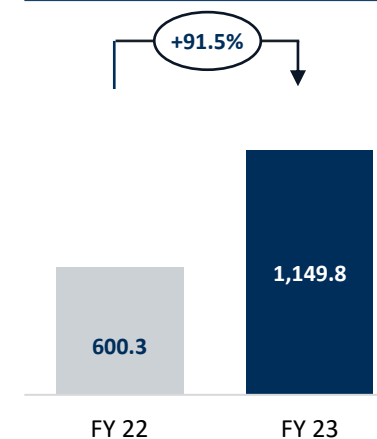
Net-Interest Income ₦'billion



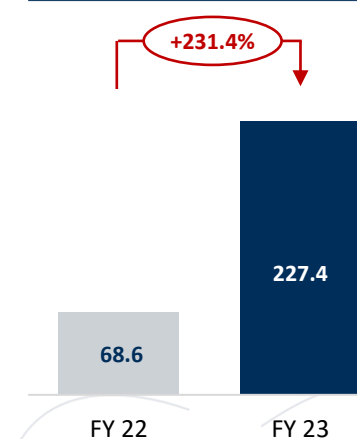
Non-Interest Income ₦'billion



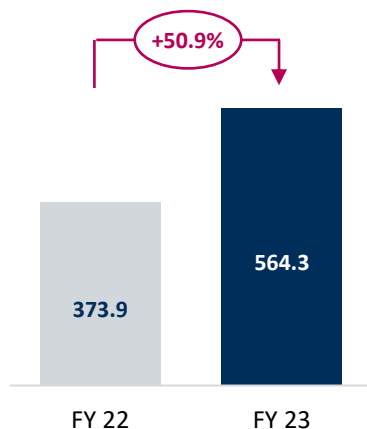
Operating Income ₦'billion



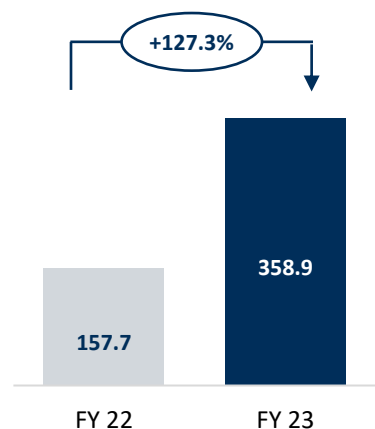
Impairment Charge ₦'billion



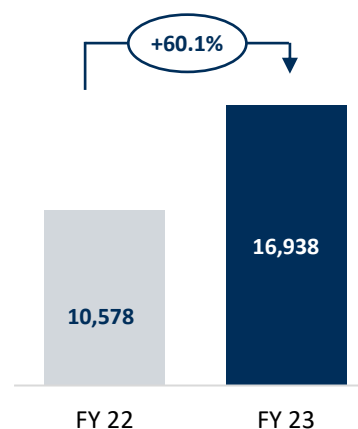
Operating Expense ₦'billion



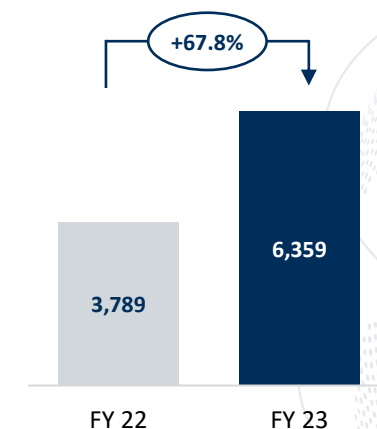
Profit Before Tax ₦'billion



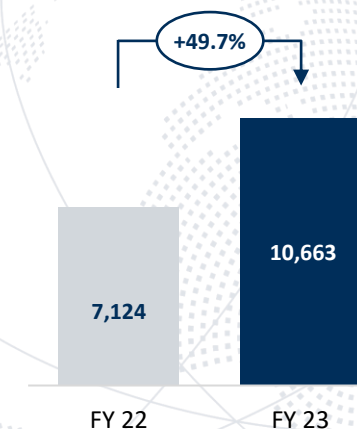
Total Assets ₦'billion



Loans and Advances ₦'billion

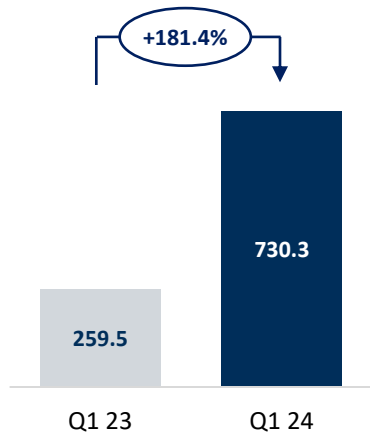


Customer Deposit ₦'billion

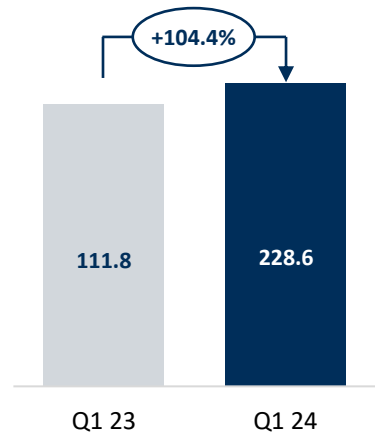


Q1 2024: Sustained positive performance through the first quarter of 2024

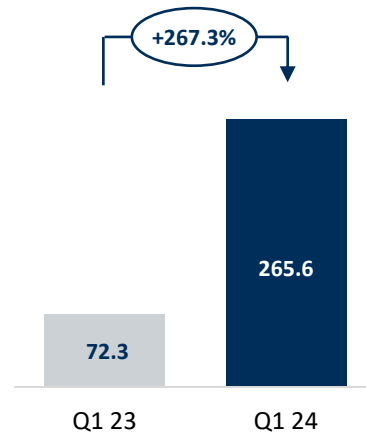
Gross Earnings ₦'billion



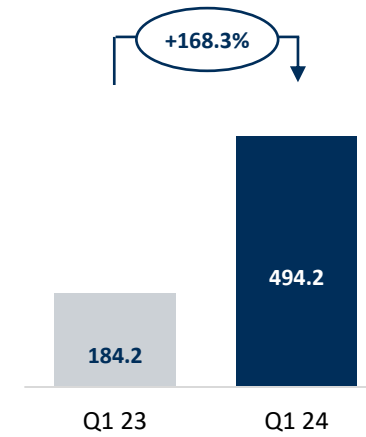
Net-Interest Income ₦'billion



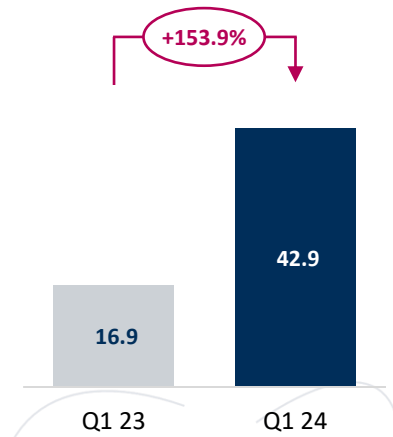
Non-Interest Income ₦'billion



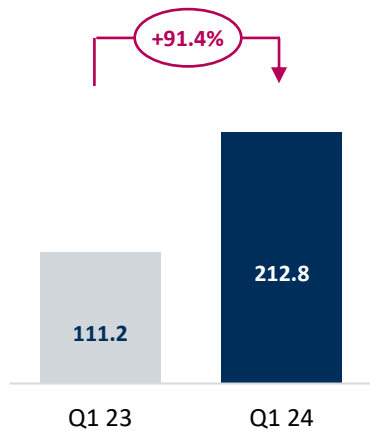
Operating Income ₦'billion



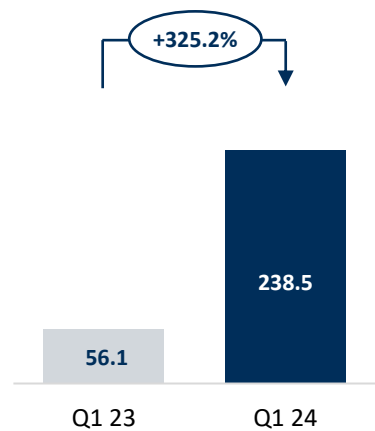
Impairment Charge ₦'billion



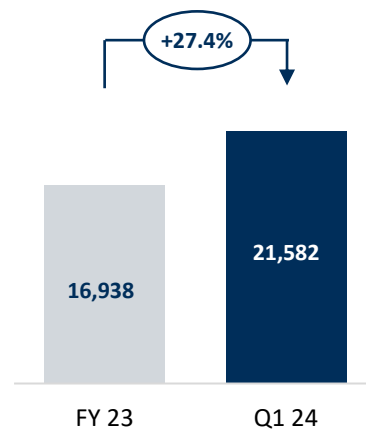
Operating Expense ₦'billion



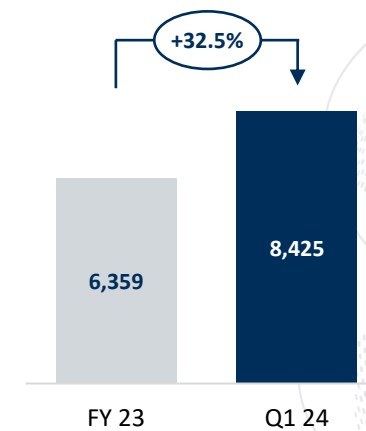
Profit Before Tax ₦'billion



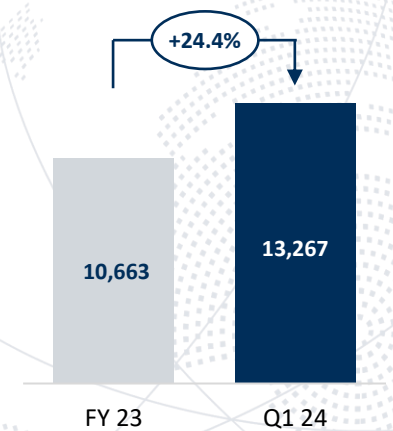
Total Assets ₦'billion



Loans and Advances ₦'billion

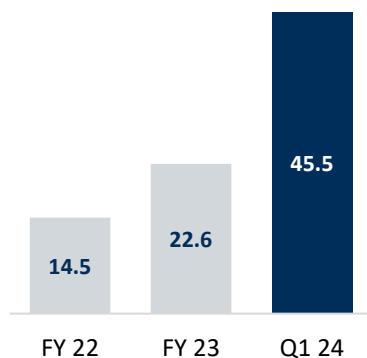


Customer Deposit ₦'billion

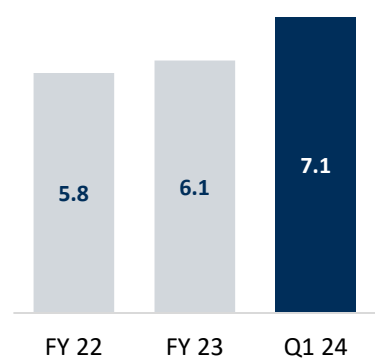


Improving fundamentals as we navigate a disrupted operating environment

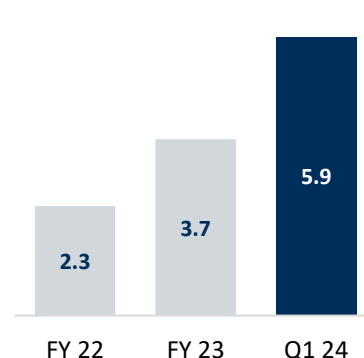
Post Tax ROaE (%)



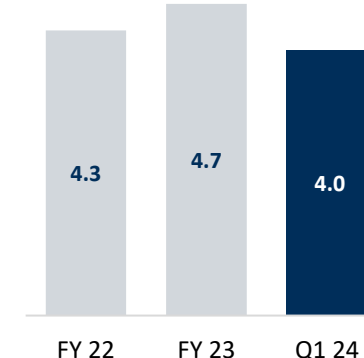
Net Interest Margin (%)



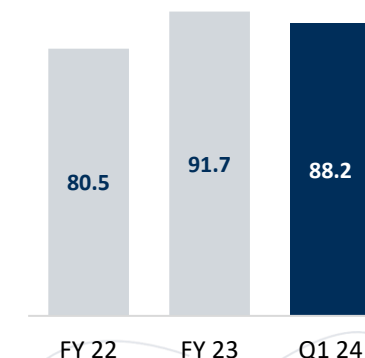
Cost of Funds (%)



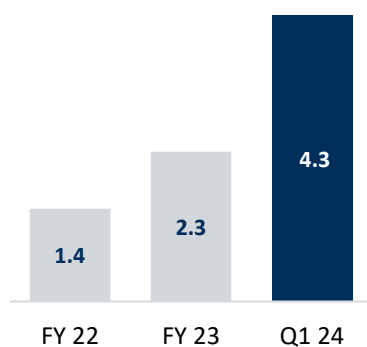
NPL Ratio %



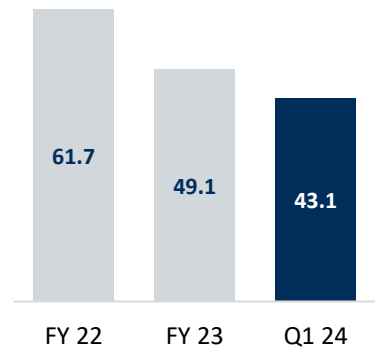
NPL Coverage (%)



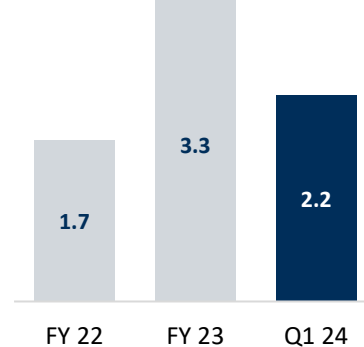
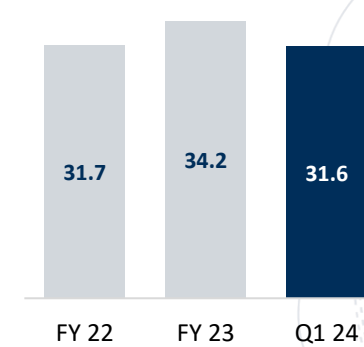
Post Tax ROaA (%)



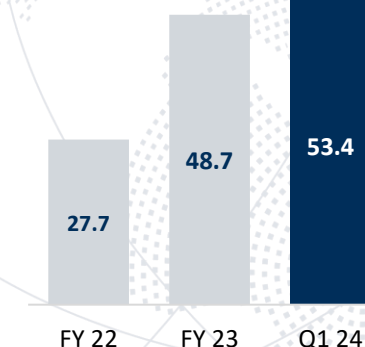
Cost to Income (%)



Cost of Risk (%)

Liquidity Ratio⁽¹⁾ (%)

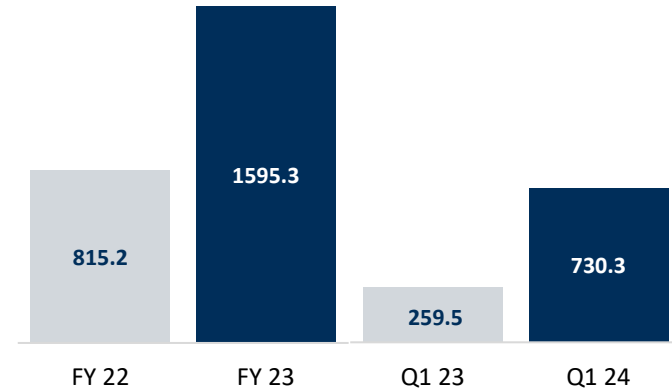
Book Value/Share(₦)



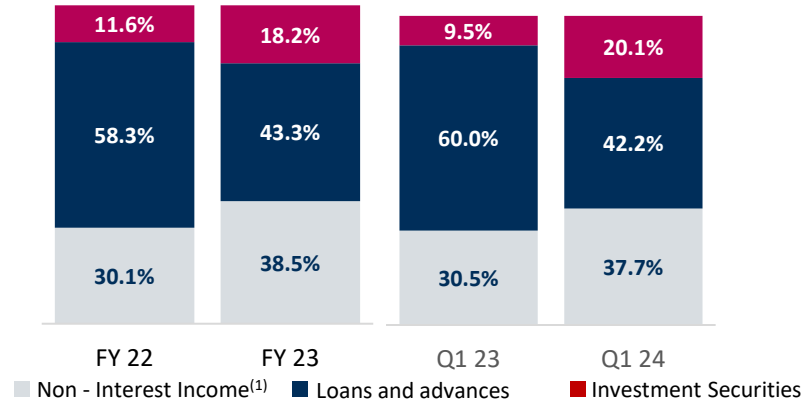
⁽¹⁾Liquidity Ratio for FirstBank (Nigeria)

Revenue growth underpinned by improved transaction-led offering and the rate environment

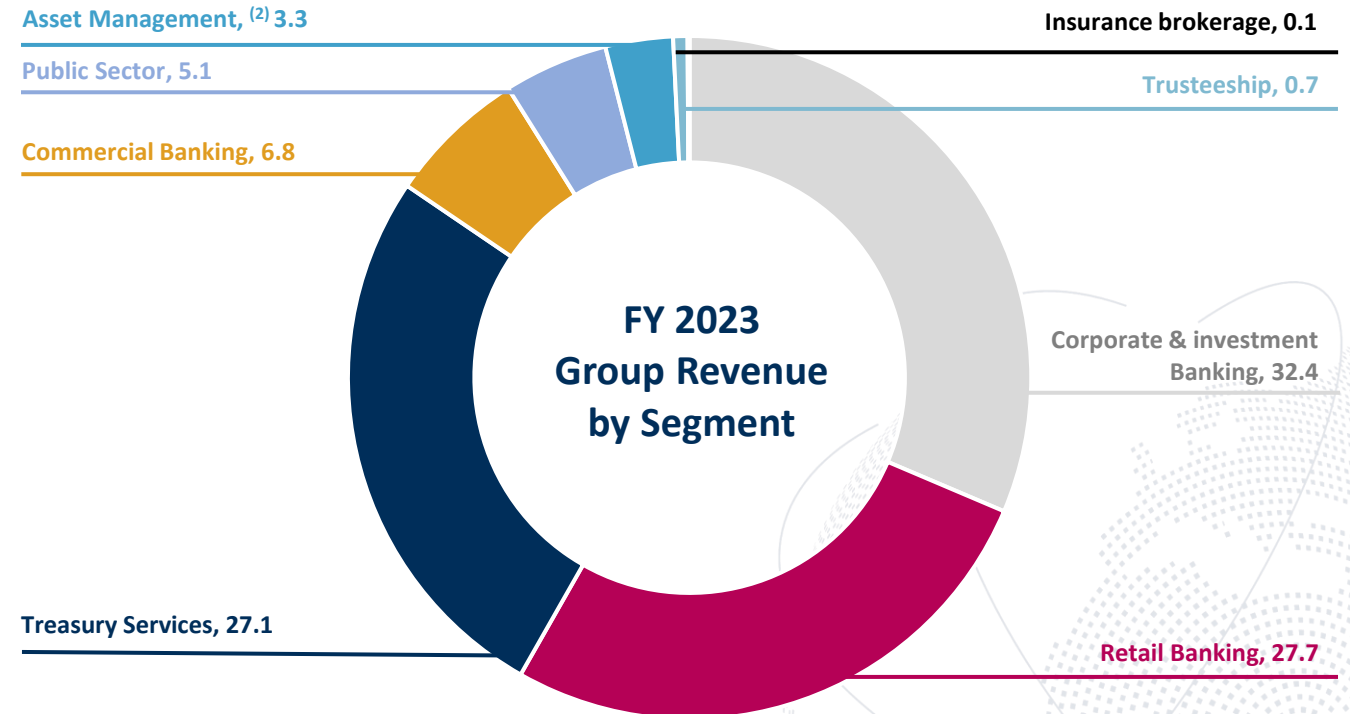
Gross Earnings ₹'billion



Gross Earnings Mix



Group Revenue by Segment %



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

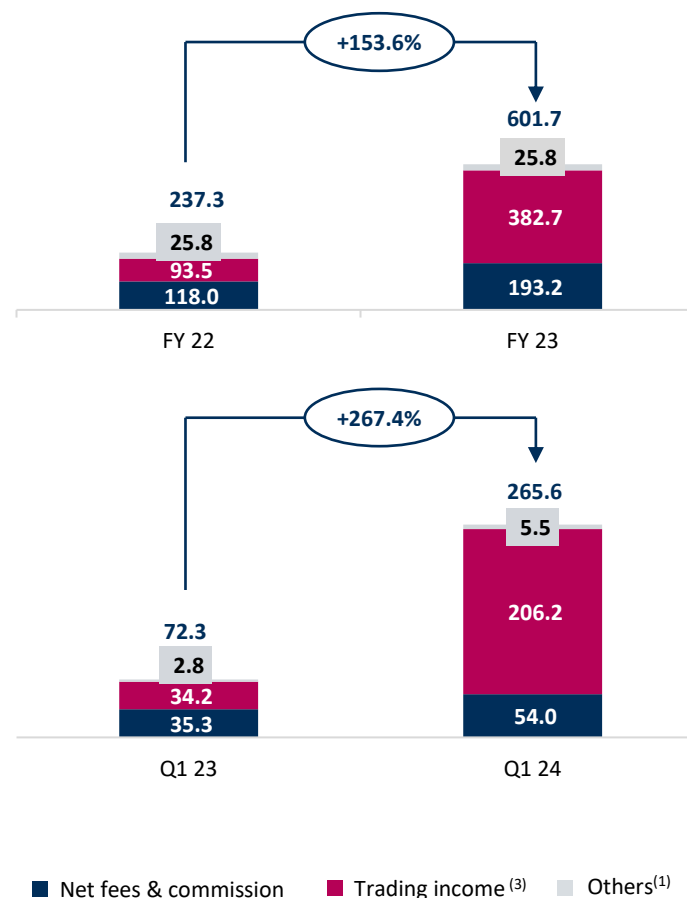
⁽²⁾ Asset management includes equity & brokerage

*Interest income includes investment securities and loans & advances

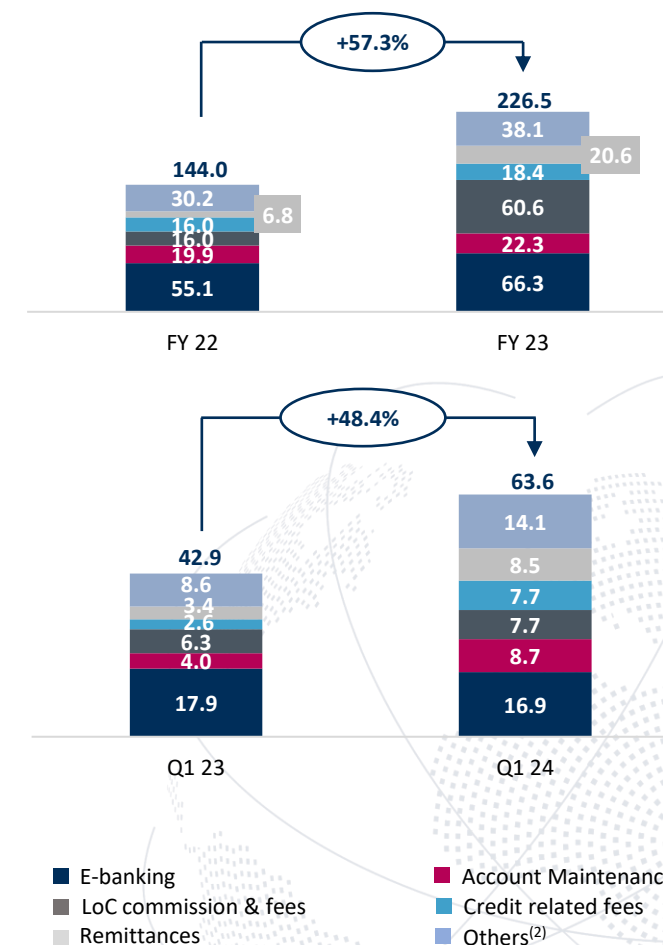
Robust non-interest income revenues on improved trade and commission fees and positive effects from the currency devaluation

- Non-interest income up by 153.6% y-o-y on the back of an increase in trading & mark-to-market gains, and fees and commission income
- Excluding trading & mark to market gains, FY 23 non-interest income grew 52.4% - underscoring the strength of our core banking and related offerings
- Q1 24 non-interest income up 267.4% y-o-y supported by a 48.4% y-o-y increase in fees & commission income (FY 23: +57.3%)
- Net fees and commission continues to drive transaction-based income, supported by larger transaction volumes, optimisation of digital products and delivery models

Non-interest Income Breakdown Net (₹'bn)



Fees & Commission Breakdown Gross (₹'bn)

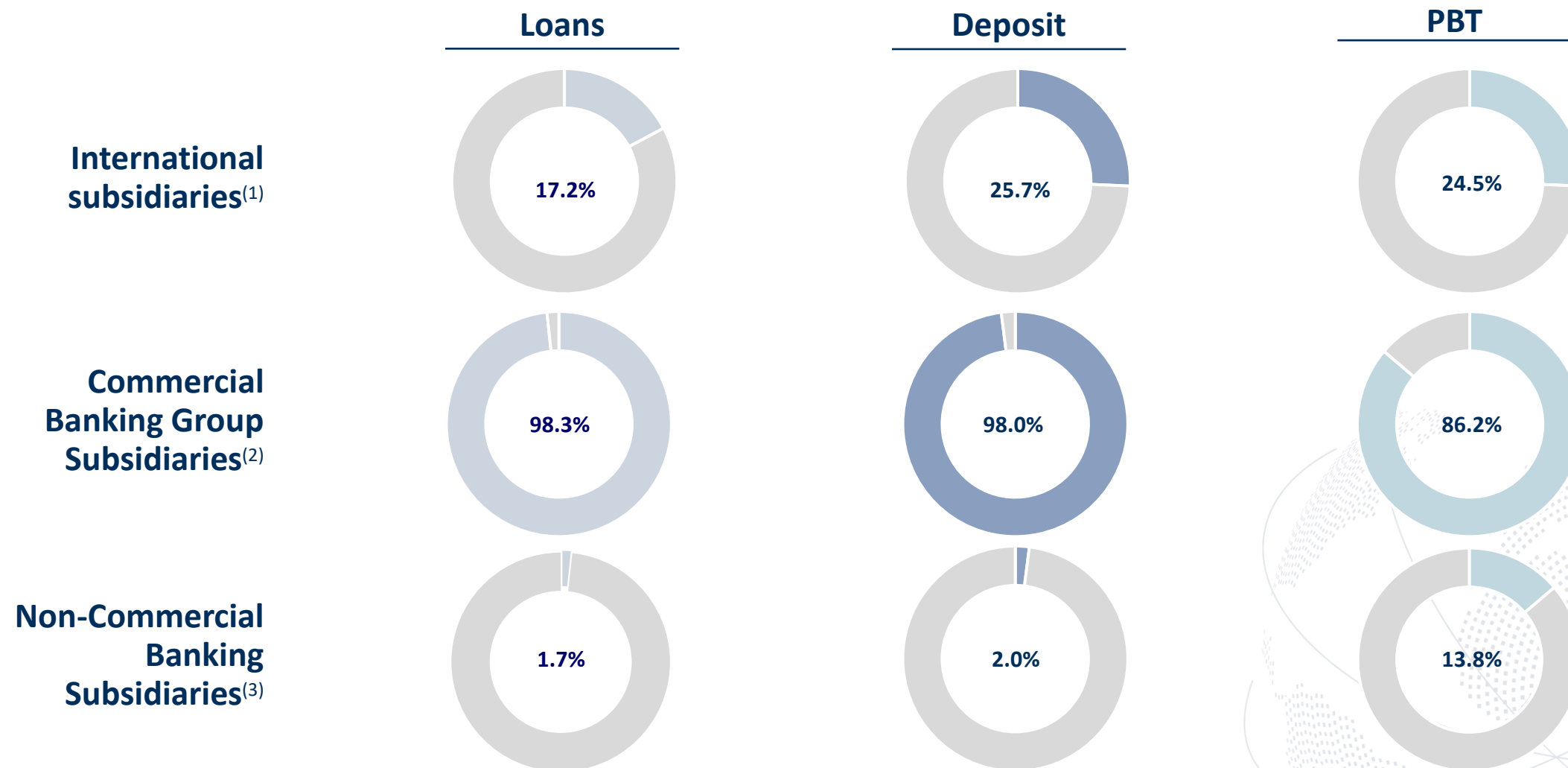


⁽¹⁾Others include dividend income, other operating income and share of profits from associates

⁽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⁾ Trading income includes mark-to-market gains

Diversified earnings profile – 40.5% from outside FirstBank Nigeria



⁽¹⁾ International Subsidiaries includes African Subsidiaries and First Bank UK

⁽²⁾ Commercial Banking Group Subsidiaries include the International Subsidiaries, First Pension Custodian and First Dependent & First Nominee

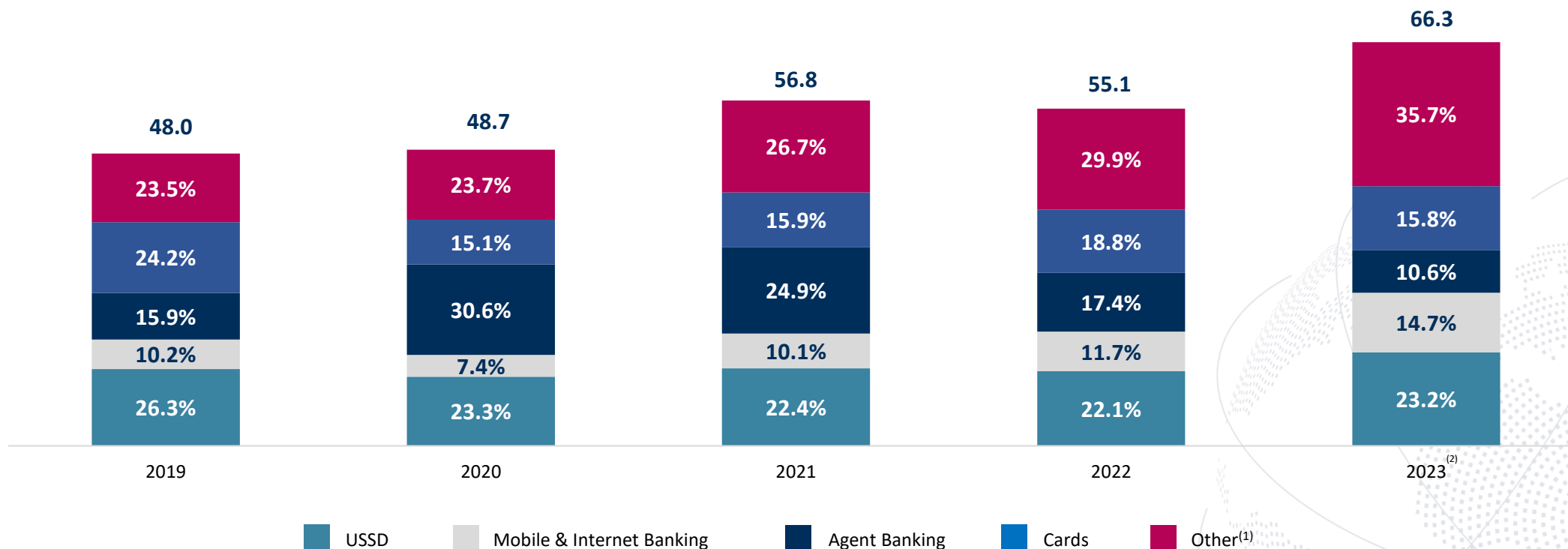
⁽³⁾ The non-commercial Banking Subsidiaries are FBN Quest Merchant Bank, FBNQuest Capital, FBN Trustees and FBN Insurance

*Businesses have been analyzed using gross figures.

Enhancing digital adoption to strengthen non-interest income and increase capital light earnings

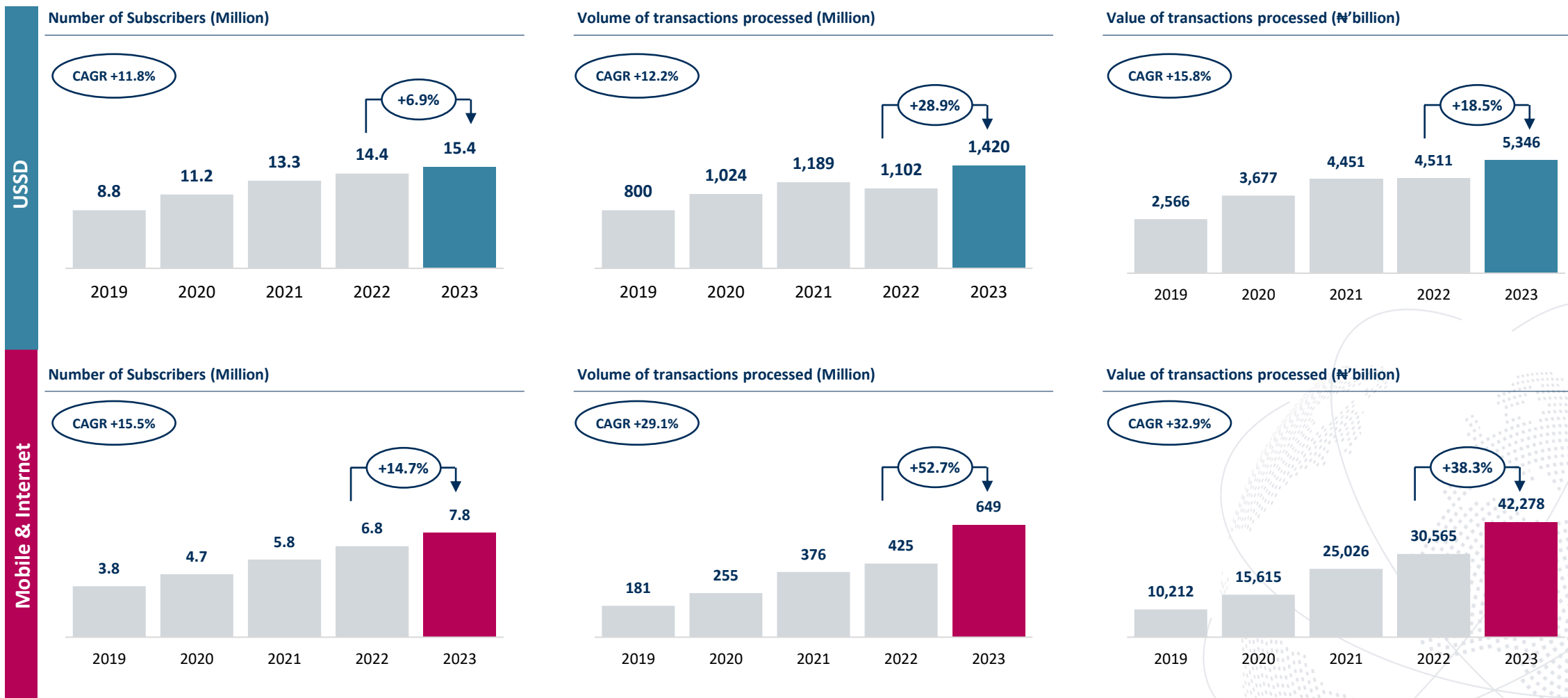
Electronic Banking Revenue ₦billion

CAGR +6.7%



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

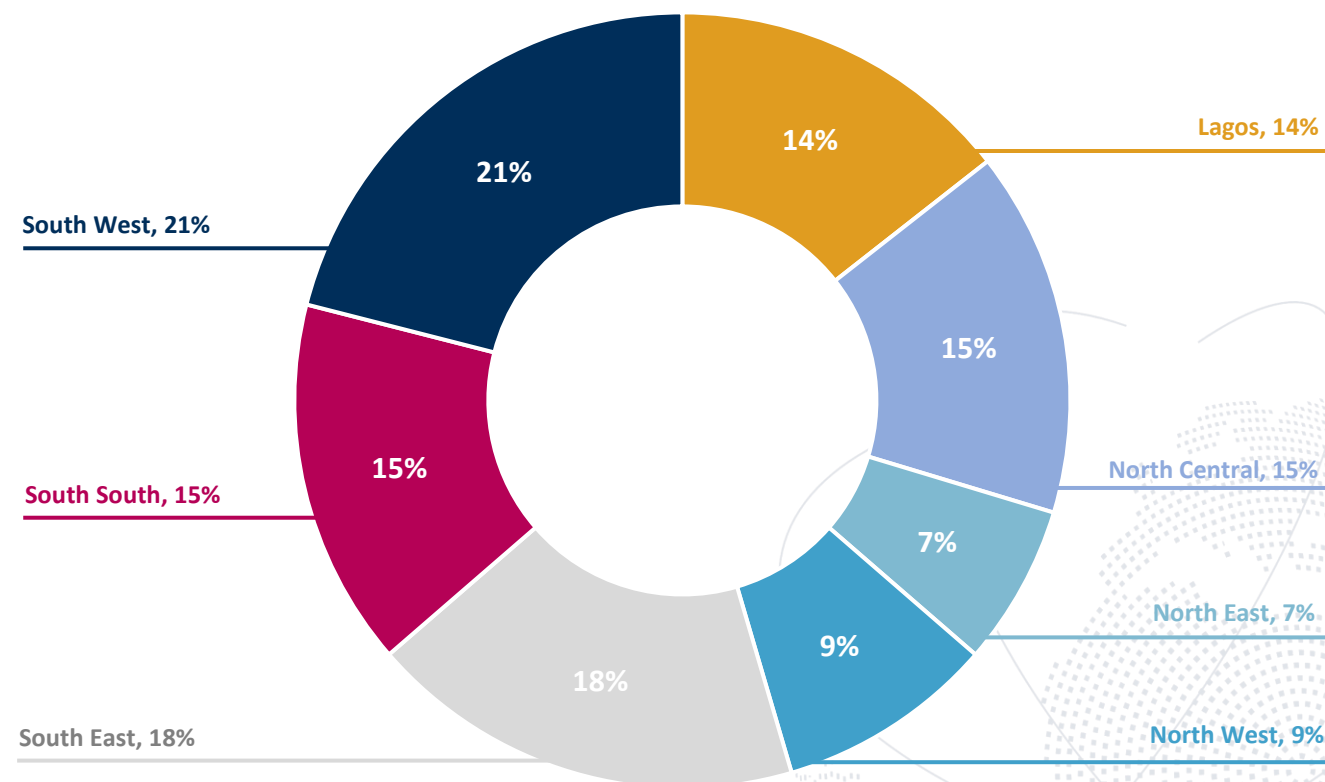
Scaling up revenue growth through innovative digital solutions



Extending financial inclusion drive through Agency banking (FirstMonie)

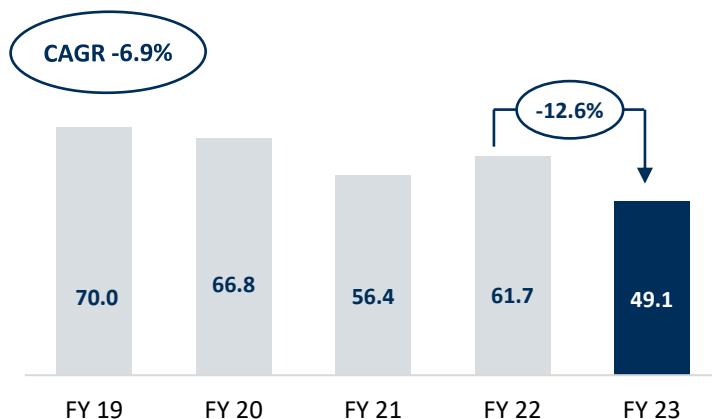
- FirstMonie is FirstBank's agent banking business, targeted at driving financial inclusion and gender empowerment
- Market penetration: unbanked/underbanked
 - Adequate coverage in all the geopolitical zones.
 - Sustained presence in all states and 772 (of 774 local) Local Government Areas in the country (December '23)
 - More than 246,000 agents (April '24)
- Empowering women: ~24% of FirstMonie agents are female
- Transforming lives: approx. ₦14 billion paid to agents as commission in FY'23
 - 500,000 jobs created by FirstMonie.
- Financial powerhouse – approx. ₦23 billion processed daily (from ~800 thousand transactions) in FY'23
- Value accretive
 - Reduced cost of onboarding customers
 - Seamless access to market, customer, and product insights

Geographic Dispersion of FirstMonie Agents as at FY 2023



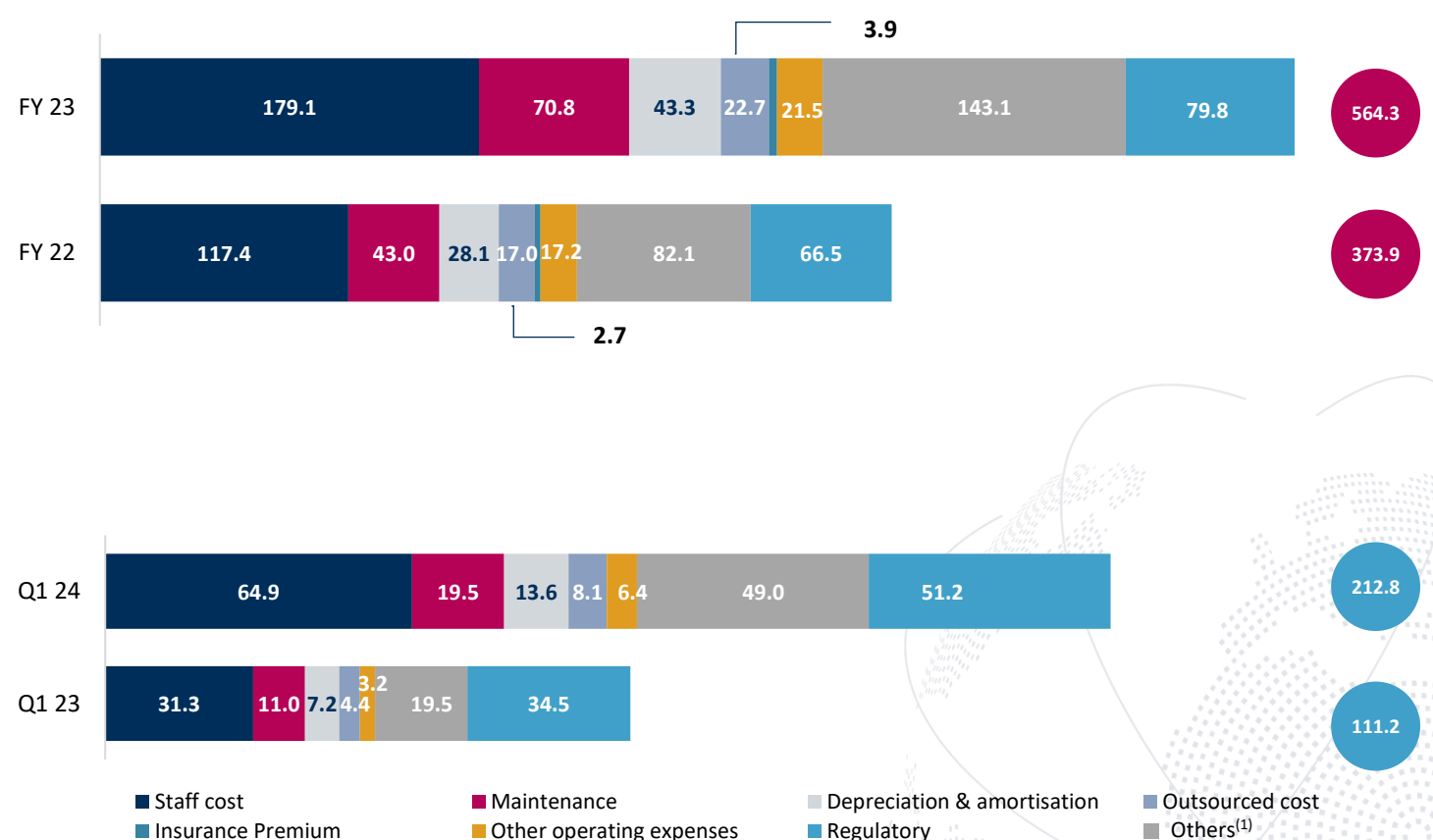
Elevated Opex resulting from high inflation, currency devaluation and increased regulatory costs; stronger income growth improve CIR

Improvement in CIR between FY 2019 & 2023



- FY 23 Opex +50.9% to ₦564.3 billion due to the rising inflationary environment.
- Increase in regulatory fees reflective of overall business growth.
- Strong income and controlled costs initiatives impacts positively on CIR, decreasing at a compound annual rate of -6.9% over the last five years.

OPEX Drivers (₦'billion)

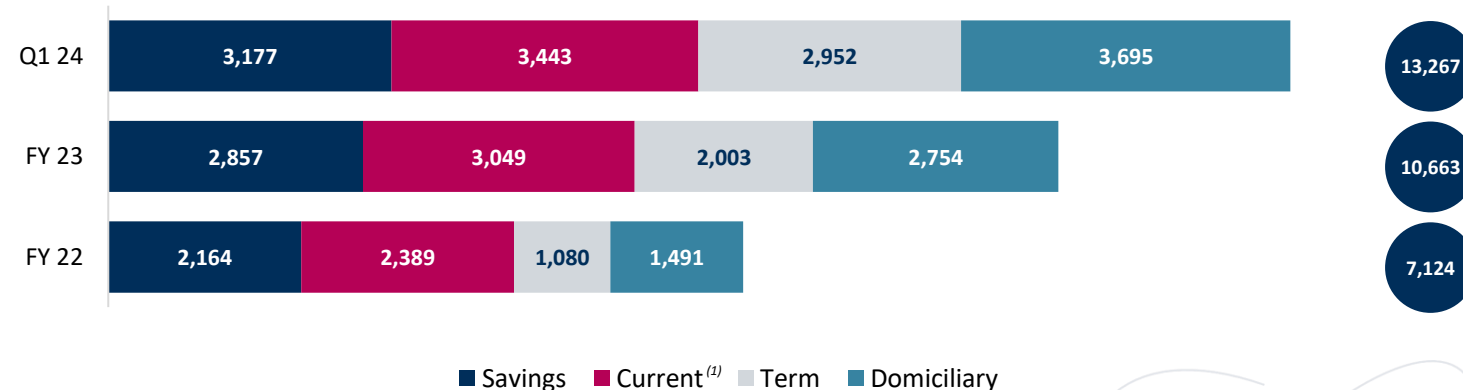


⁽¹⁾ Amortisation and Impairment, directors' remuneration, cash handling charges, communication, lights and power, legal & professional fees, donations & Subscriptions, insurance premium, rent and rates, stationery & printing, passages and travels

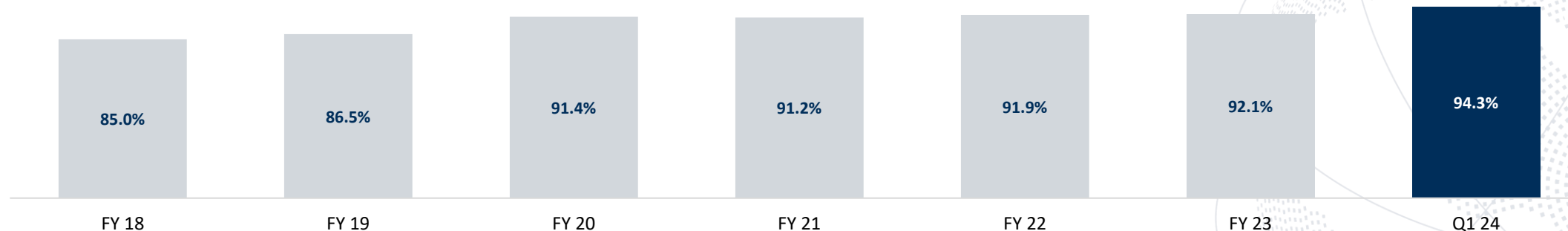
Low-cost deposit base increases

- FY 23 customer deposits increased by 49.7% to ₦10.7 trillion (FY 22: ₦7.1 trillion)
- Q1 24 customer deposits rose by 24.4% to ₦13.3 trillion (FY 23: ₦10.7 trillion)
- Improved low-cost deposit further fortifies margins, making up 94.3% of total deposits as at Q1 24 (FY 23: 92.1%; FY 22: 91.9%)
- Strong franchise provides solid liquidity support

Customer Deposits Mix (₦'billion)



FirstBank Nigeria low-cost deposits ⁽²⁾

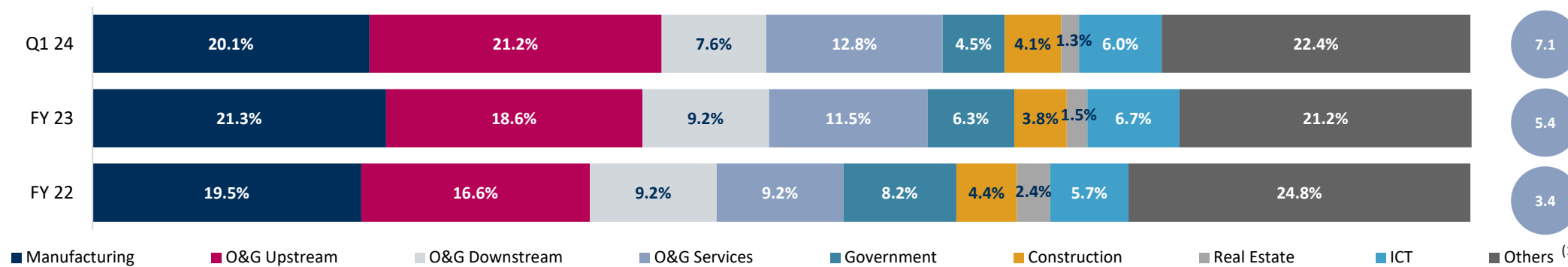


⁽¹⁾ Includes electronic purse

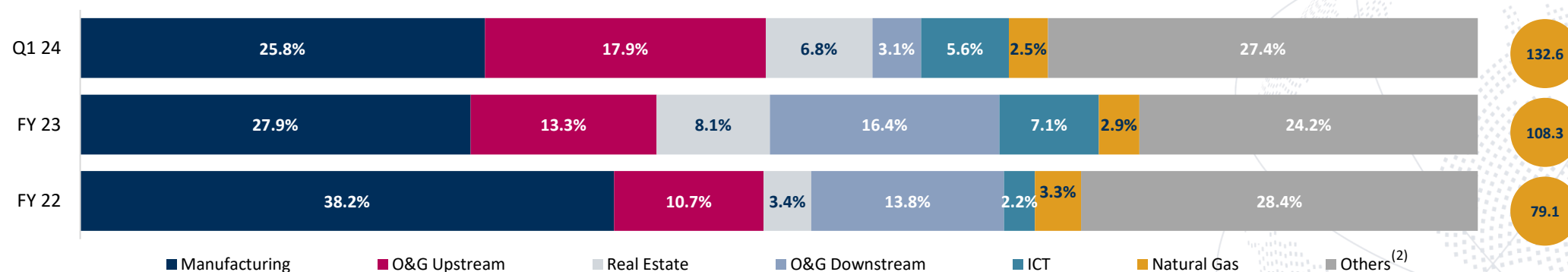
⁽²⁾ Deposits from customers less Term deposits

Strengthened risk management architecture & practices support resilient quality loan books

FirstBank Nigeria Gross Loan per Sector (₦'trillion)



FBNQuest Merchant Bank Gross Loan per Sector (₦'billion)

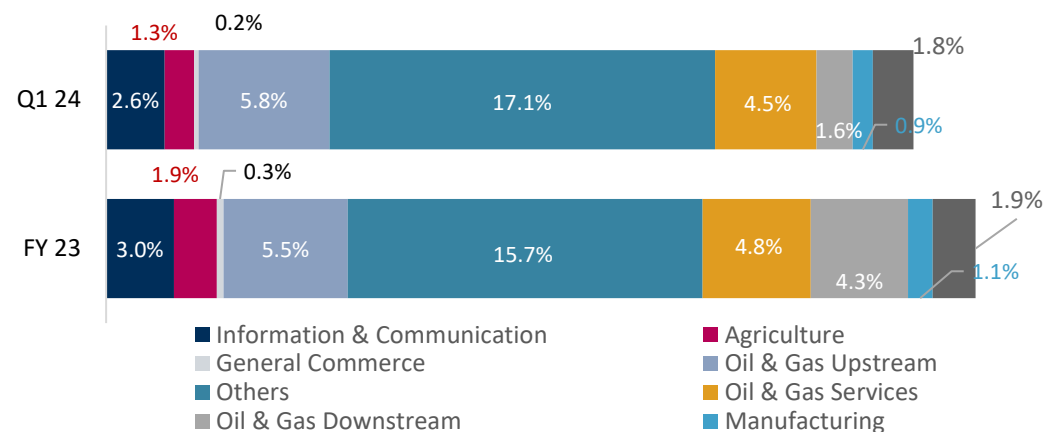


⁽¹⁾Personal & Professional, Power & Energy, General, General commerce, Public utilities, Agriculture, Transportation, Finance & Insurance, Education, Human health & Arts, Admin & Support Services

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

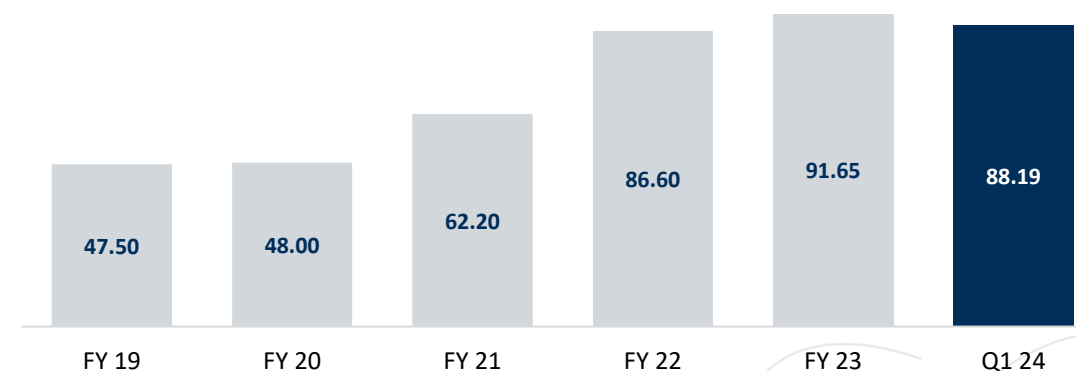
Sustained improvement in asset quality despite a volatile operating environment

FirstBank Nigeria NPL per Sector

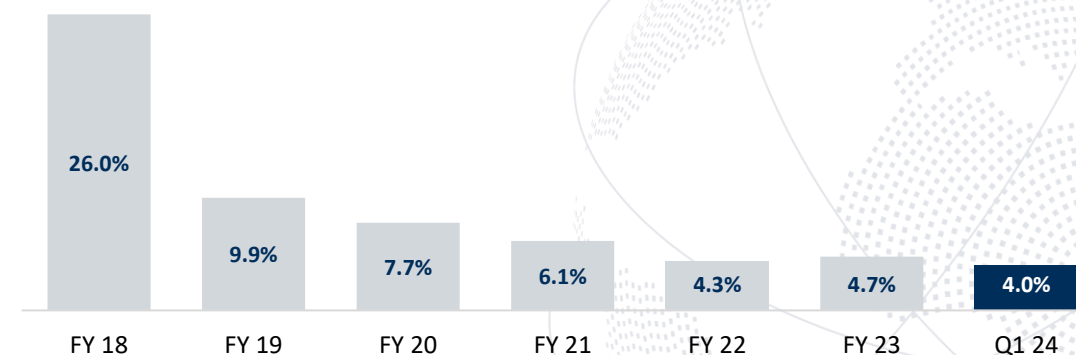


- Well-structured risk management architecture and proactive monitoring of our portfolio continues to positively impact on asset quality.
- NPL coverage ratio sustained at 88.19% in Q1 2024 (FY 23: 91.65%; FY 22: 86.6%)
- Impairment charge increased due to revaluation in keeping with our strategy of maintaining an adequate coverage ratio.
- Aggressive curtailment of NPL ratio over the past five years following improvements in risk assets quality.

Adequate NPL Coverage maintained



NPL Ratio

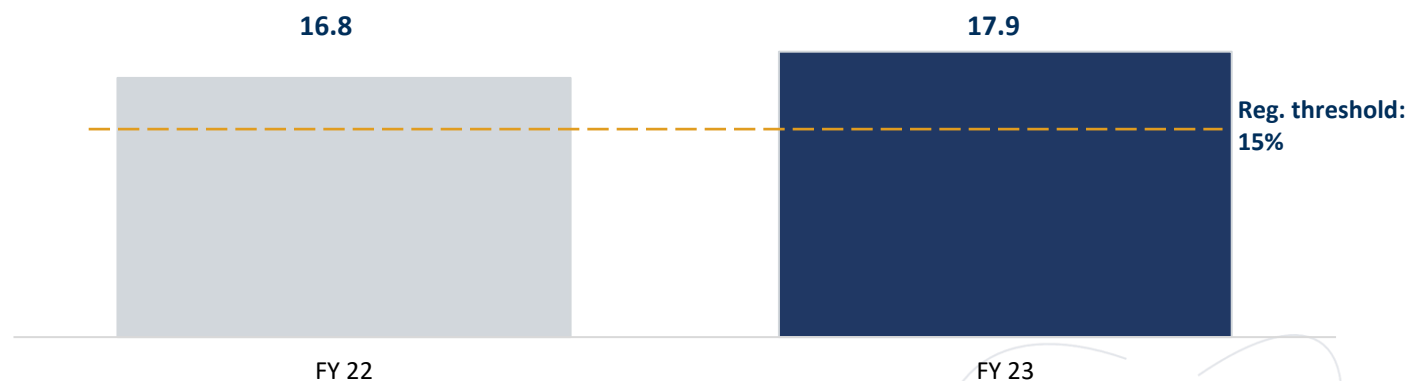


⁽¹⁾Others include personal & professional, construction, transportation, power & energy, education, ICT, Health, finance & insurance & arts

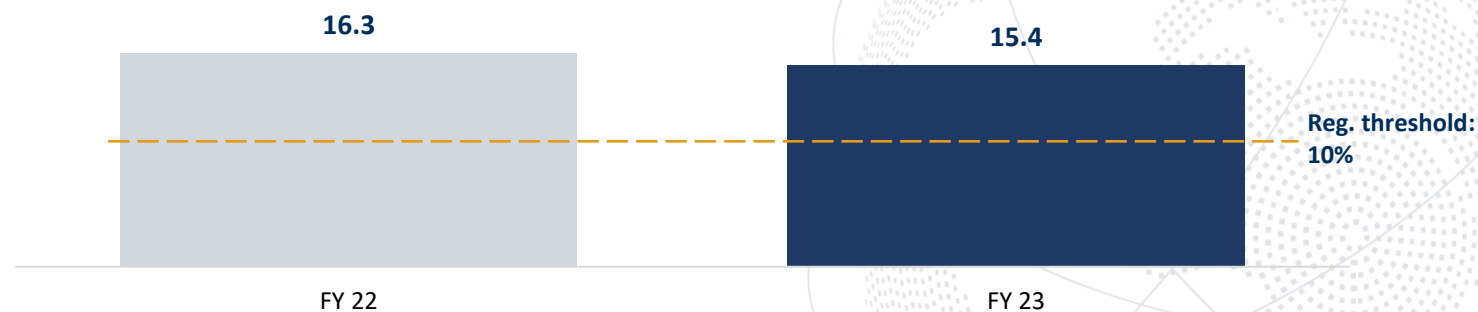
Disciplined capital management practices strengthen balance sheet; imminent capital raising exercise to further boost market positioning

- Strong earnings capacity from internal operations continue to provide a solid platform for capital accretion
- Capital position is resilient against currency movement
- The Group benefits from unmatched market access to support funding requirements
- Imminent capital raising exercise; confident of effective compliance with the new CBN requirement well before deadline

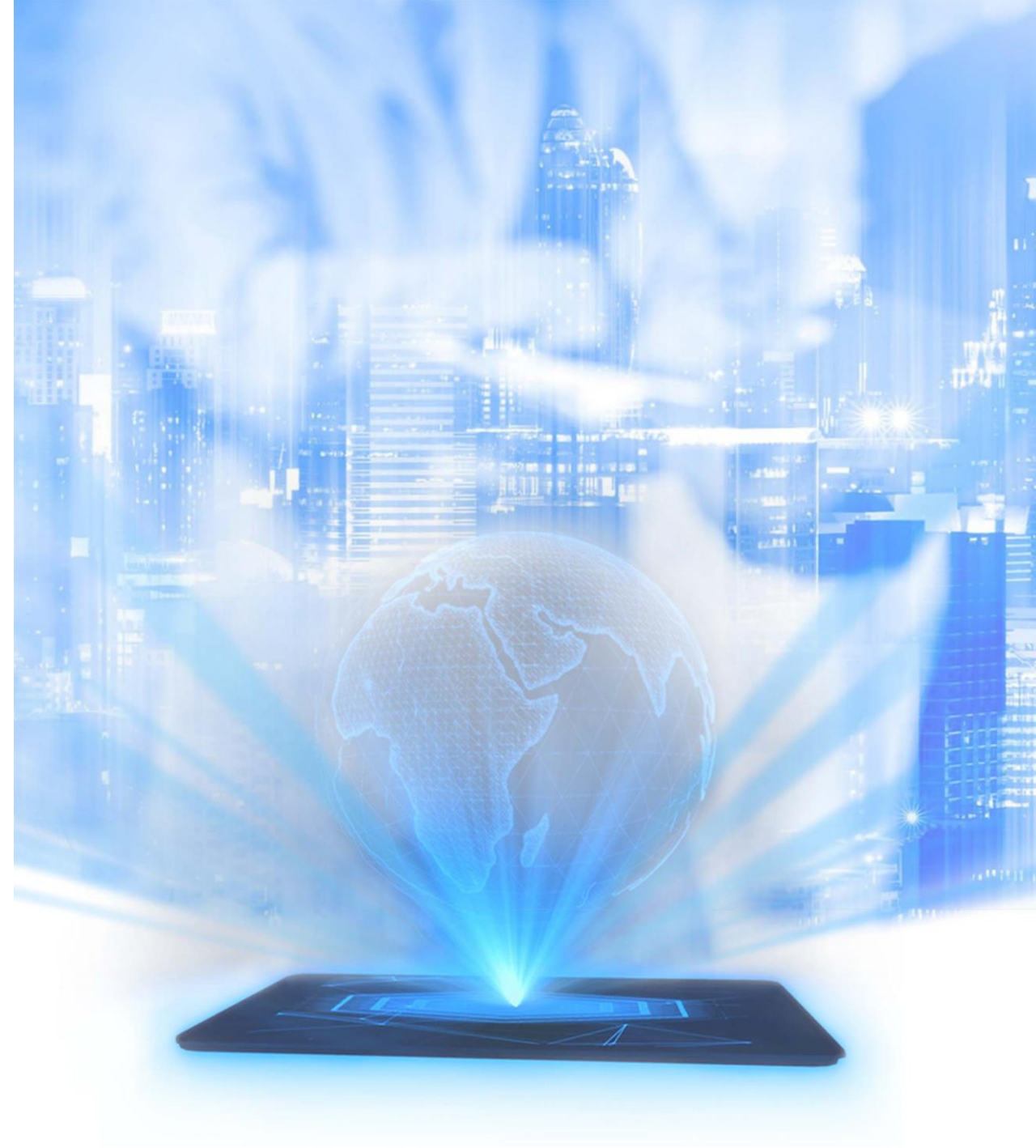
FirstBank Nigeria CAR (%)



FBNQuest Merchant Bank CAR (%)



ESG



Responsible lending, inclusivity & climate action remain key tenets of our ESG approach



Driving sustainable finance and investments



Contributing to Environmental Sustainability



Sustainable Finance Development

- Over ~~₦~~20 trillion transactions screened for ESG risks in 3 years
- \$905 million DFI funding

Diversity & Financial Inclusion

- 280 locations accessible to physically challenged people
- Over ~~₦~~13 billion paid as commission to agents
- 287 million transactions by FirstMonie agents
- 8,000 female employees impacted
- 500,000 jobs created by FirstMonie
- ~~₦~~5 billion First Gem fund single-digit interest loan
- 41% female employees
- 32% women in leadership
- 1.2 million students impacted on financial literacy



Climate Action

- 50,000 trees in 2024
- 17 locations powered by renewable energy sources
- 30 workshops on climate initiatives
- 250 employees trained

Community Development

- Over 10 million students impacted in 10 years
- ~~₦~~250 million for community investment
- Supported over 100 NGOs

Committed to corporate governance & ESG thought leadership

Memberships & Partnerships

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

Member

- Women in Successful Career (WISCAR)

Collaboration

- Collaborated with SPIN to organise a climate finance webinar that impacted over 1000 participants

Awards & Recognitions

• Digital Banker Africa:

Best Financial Inclusion Service Provider in Nigeria

• Euromoney Market Leaders:

Market leader in Nigeria (CSR)

• Euromoney Market Leaders:

Market Leader Nigeria (ESG)

• International Business Awards:

Best CSR Bank Africa Award

• Central Bank of Nigeria:

Excellence in Women Economic Empowerment

ESG Governance

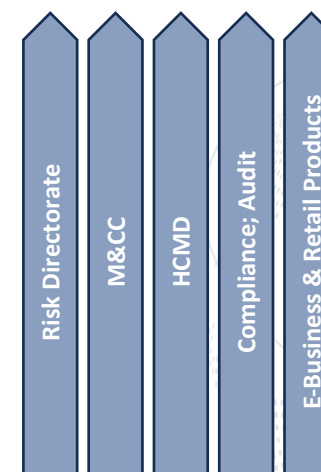
FirstBank Sustainability Governance Structure

Board Committee (BRMC)

Oversight: Signing off on strategy and agreeing stretch targets

Sustainability Committee Chaired by the Chief Risk Officer

Purpose. The purpose of the Committee is to review and implement First Bank sustainability policies and opportunities identified and make relevant recommendations to the management and Board



Committee Membership

The Committee as constituted by the management of First Bank (including Marketing & Corporate Communications; HCMD; Procurement; Risk Directorate; Agriculture unit; E-Business & Retail Products; Corporate Banking; General Services; Regulatory Affairs Unit; Compliance; Audit will oversee all matters relating to sustainability. FirstBank's Chief Risk Officer (CRO) play a significant role as the Committee chairman.



Appendix



FY'23 Commercial Banking, Merchant Banking and Asset Management Group (FBNQuest)

Commercial Banking Group

Key financial highlights & performance ratios

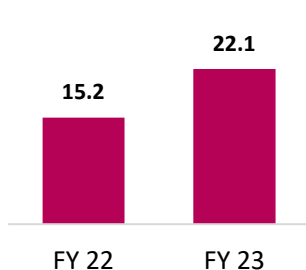
Income statement

Abillion	FY 23	FY 22	y-o-y
Gross earnings	1,493.3	758.6	96.8%
Operating income	1,082.5	555.7	94.8%
Impairment charge	(225.3)	(66.7)	237.7%
Net interest income	540.5	357.2	51.3%
Non-interest income	541.9	208.5	159.9%
Operating expense	(540.0)	(351.7)	53.5%
Profit before tax	317.2	147.3	115.4%
Profit after tax	279.1	129.6	115.4%

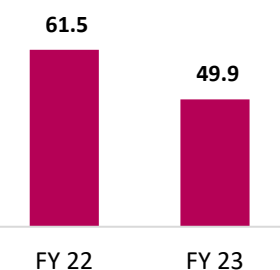
Statement of Financial Position

Abillion	FY 23	FY 22	y-o-y
Loans and advances	6,274.5	3,699.5	69.6%
Deposits from customers	10,473.3	6,895.8	51.9%
Shareholders fund	1627.6	903.6	80.1%
Total assets	16,252.4	10,089.9	61.1%

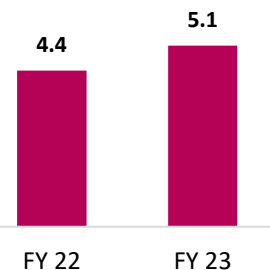
Return On Average Equity (%)



Cost To Income (%)



Non-performing Loan Ratio (%)



Merchant Banking and Asset Management Group (FBNQuest)

Key financial highlights & performance ratios

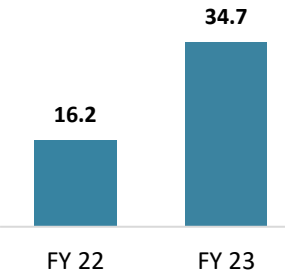
Income statement

Abillion	FY 23	FY 22	y-o-y
Gross earnings	97.6	53.1	83.8%
Operating income	62.3	30.7	102.8%
Impairment charge	(9.3)	(1.9)	386.7%
Operating expense	(18.0)	(15.1)	19.0%
Profit before tax	35.9	13.9	158.5%
Profit after tax	25.9	10.2	154.1%

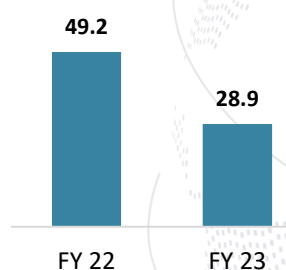
Statement of Financial Position

Abillion	FY 23	FY 22	y-o-y
Loans and advances	106.0	106.5	-0.5%
Deposits from customers	217.6	133.4	63.2%
Shareholders fund	86.1	63.3	36.0%
Total assets	674.5	495.4	36.2%

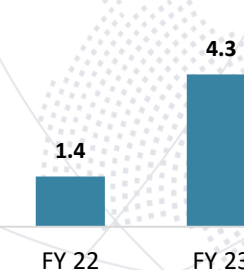
Return On Average Equity (%)



Cost To Income (%)



Non-performing Loan Ratio (%)



Q1'24 Commercial Banking, Merchant Banking and Asset Management Group (FBNQuest)

Commercial Banking Group

Key financial highlights & performance ratios

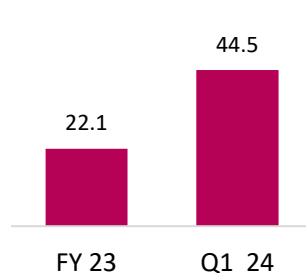
Income statement

Abillion	Q1 24	Q1 23	y-o-y
Gross earnings	682.5	245.7	177.7%
Operating income	458.9	177.8	158.1%
Impairment charge	(41.9)	(16.8)	149.8%
Net interest income	224.6	110.0	104.2%
Non-interest income	234.3	67.8	245.5%
Operating expense	(207.2)	(107.6)	92.7%
Profit before tax	209.8	53.5	292.1%
Profit after tax	188.5	48.2	291.0%

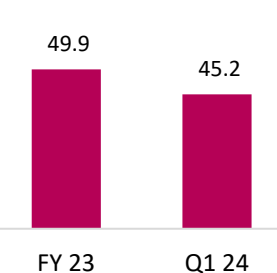
Statement of Financial Position

Abillion	Q1 24	FY 23	y-o-y
Loans and advances	8,315.9	6,274.5	32.5%
Deposits from customers	13,058.5	10,473.3	24.7%
Shareholders fund	1,760.6	1,627.6	8.2%
Total assets	20,739.5	16,252.4	27.6%

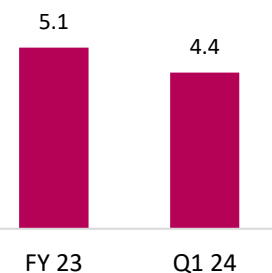
Return On Average Equity (%)



Cost To Income (%)



Non-performing Loan Ratio (%)



Merchant Banking and Asset Management Group (FBNQuest)

Key financial highlights & performance ratios

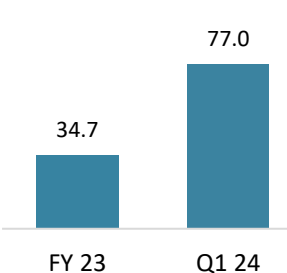
Income statement

Abillion	Q1 24	Q1 23	y-o-y
Gross earnings	45.6	13.1	248.4%
Operating income	32.9	5.3	516.4%
Impairment charge	(1.0)	(0.1)	711.7%
Operating expense	(4.3)	(3.0)	43.0%
Profit before tax	27.6	2.2	1,145.7%
Profit after tax	18.7	1.6	1,085.4%

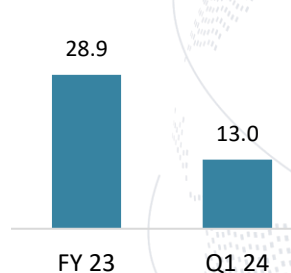
Statement of Financial Position

Abillion	Q1 24	FY 23	y-o-y
Loans and advances	130.1	106.0	22.7%
Deposits from customers	255.9	217.6	17.6%
Shareholders fund	108.5	86.1	26.1%
Total assets	823.0	674.5	22.0%

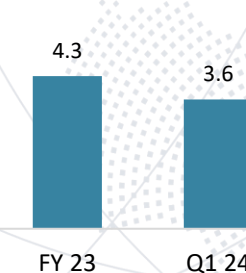
Return On Average Equity (%)



Cost To Income (%)

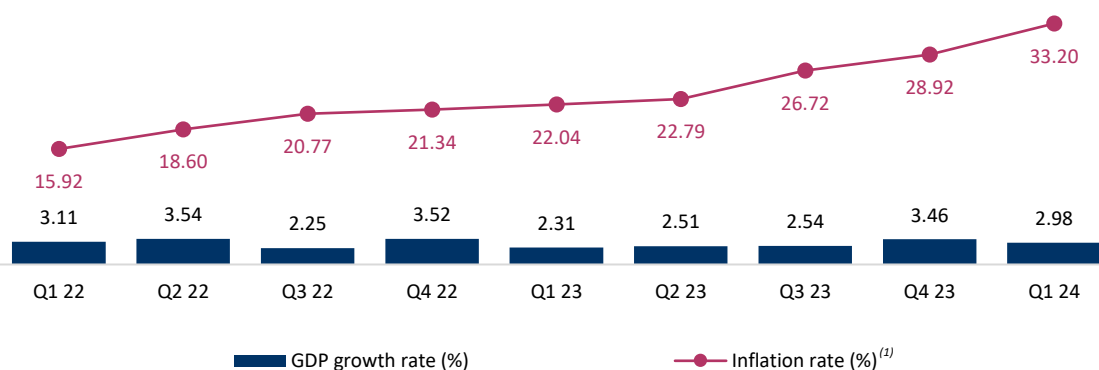


Non-performing Loan Ratio (%)

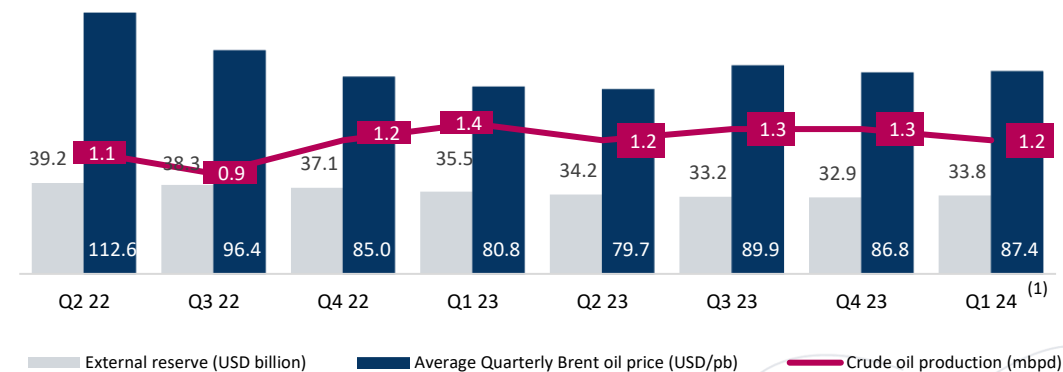


Currency devaluation and surging inflation shaped the operating environment in 2023

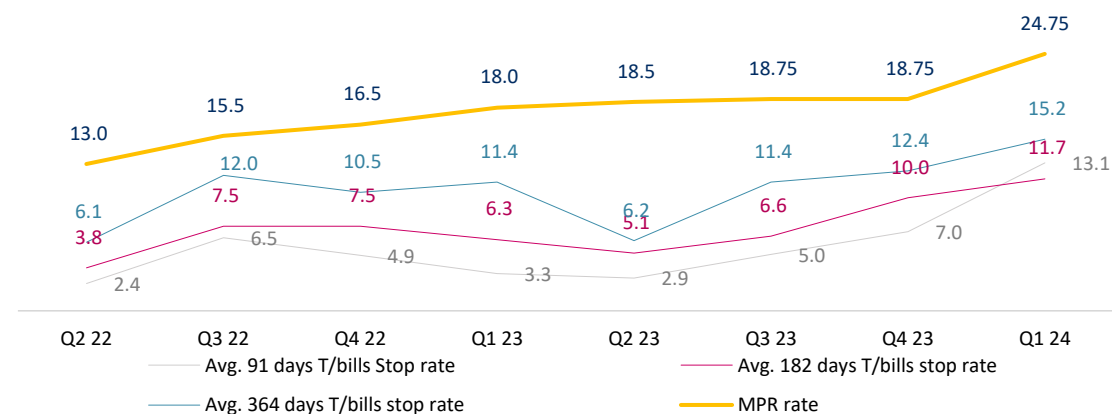
Heightened inflationary pressures



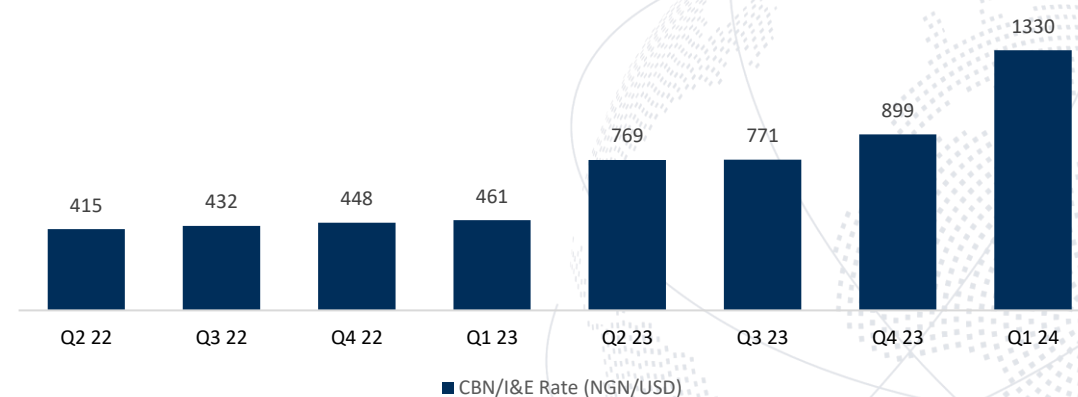
Marginal increase in oil price and external reserves in the first quarter



Rising Treasury bills and MPR rate



Sustained increase in exchange rate following floating of the naira



Key regulatory and policy interventions

- Removal of fuel subsidy.
- CBN increased MPR by 50bps to 18.5%.
- CBN abolishes segmentation in the Foreign Exchange Market. All segments are now collapsed into the Investors and Exporters (I&E) window.
- Re-introduction of the Willing Buyer, Willing Seller model at the I&E Window, enabling access to foreign exchange.
- Domiciliary account holders given unrestricted access to funds within their account.

**Q2
2023**

- CBN directed all Financial Institutions to suspend the charging of 2% and 3% processing charges on all Individual and Corporate account cash deposits.
- The CBN issued Guidelines to financial institutions under its regulatory purview in respect of their banking relationship with cryptocurrency operators in Nigeria.
- The tenure for executive and nonexecutive directors of Banks revised under corporate governance guidelines not to exceed 12 years.
- BVN and/or NIN a mandatory requirement for all bank accounts.

**Q3
2023**

- Yemi Cardoso is sworn in as the Governor of the CBN, along with 4 Deputy Governors.
- CBN announced Naira as a payout option for receipts of proceeds of International Money Transfers to provide more liquidity and create more transparency of diaspora remittances into Nigeria.
- *CBN lifts ban on 43 items previously restricted from accessing FX on the official window
- Investors planning to acquire at least 5.0% stake in any bank will be required to obtain prior approval from CBN.

**Q4
2023**

- CBN Increased the Monetary Policy Rate from 18.75% to 24.75% while also raising Cash Reserve Ratio (CRR) to 45% from 32.5%
- Daily CRR debits discontinued by CBN.
- The CBN announced an upward review to the minimum capital requirements for commercial banks with international authorization to N500 billion and national banks to N200 billion.
- CBN prohibits use of Foreign currency denominated collaterals for Naira loans except where the collateral is Eurobonds issued by the FRN or Guarantees of foreign banks.

**Q1
2024**

Non-financial highlights



8.8k

Employees



41.7

Million
Customer
Accounts*

740

FirstBank
Branches

3,117

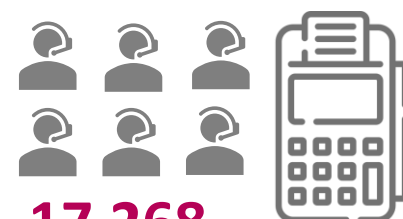
Automated
Teller Machines

*894#

Quick Banking
...so easy, so simple!

15,637,254

Subscribers

17,268
P.O.S13.18m
ATM Cards

GCR

RATINGS

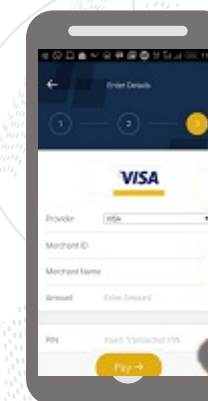
A+ Positive

FitchRatings

B- Stable

S&P Global
Ratings

B- Stable

6.6m
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

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