FBN Holdings

ONE GROUP
MULTIPLE SOLUTIONS

Twelve months ended December 2014

Investors & Analysts Presentation

DISCLAIMER

This presentation is based on FBN Holdings Plc's ('FBNH' or the 'Group' or 'HoldCo') audited IFRS results for the twelve months ended 31 December, 2014. The Group's financial statements have been prepared using the accounts of the subsidiaries and businesses within FBN Holdings. When we use the term "FirstBank" or "Bank", we refer only to the commercial banking business in Nigeria. See additional definitions at the bottom of this page.

FBN Holdings has obtained some information from sources it believes to be credible. Although FBN Holdings has taken all reasonable care to ensure that all information herein is accurate and correct, FBN Holdings 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 FBN Holdings.

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

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

FBN Holdings Plc is structured under four business groups, namely: Commercial Banking, Investment Banking and Asset Management, Insurance, and Other Financial Services:

- The Commercial Banking business is composed of First Bank of Nigeria Limited, FBNBank (UK) Limited, FBNBank DRC, FBNBank Ghana, FBNBank Guinea, FBNBank The Gambia, FBNBank Sierra Leone, ICB Senegal, First Pension Custodian Nigeria Limited and FBN Mortgages Limited. First Bank of Nigeria Limited is the lead entity of the Commercial Banking group;
- Investment Banking and Asset Management business consists of FBN Capital Limited, FBN Capital Asset Management Limited, FBN Trustees, FBN Funds and FBN Securities Limited. FBN Capital Limited is the lead entity of the Investment Banking and Asset Management business group;
- The Insurance business houses FBN Insurance Limited and FBN Insurance Brokers Limited;
- Other Financial Services, including FBN Microfinance Bank Limited which serves our small non-bank customers and Kakawa Discount House Limited

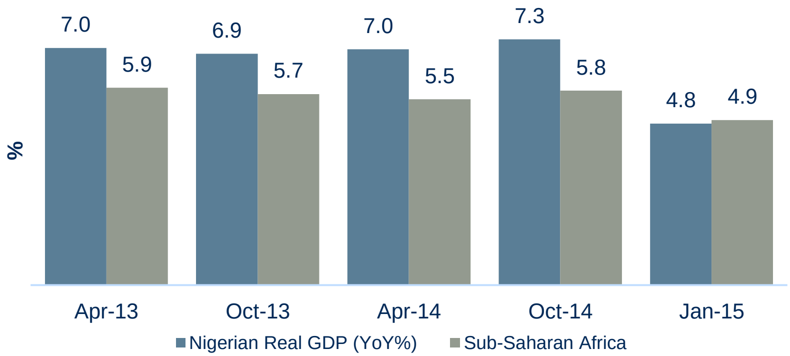
Outline

FBN Holdings

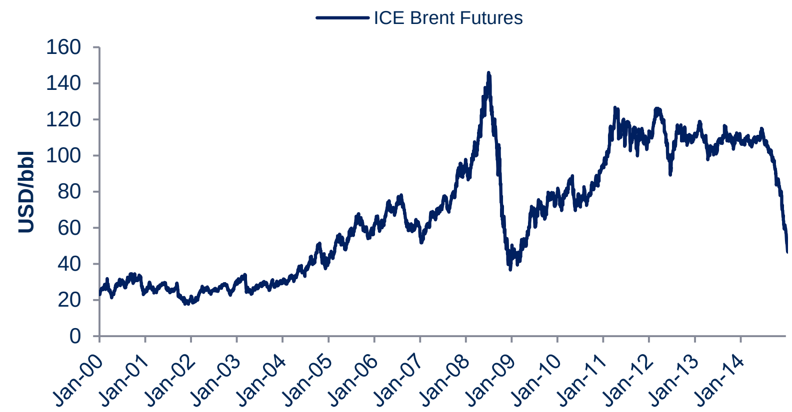
Overview & Operating Environment

Volatile macroeconomic environment

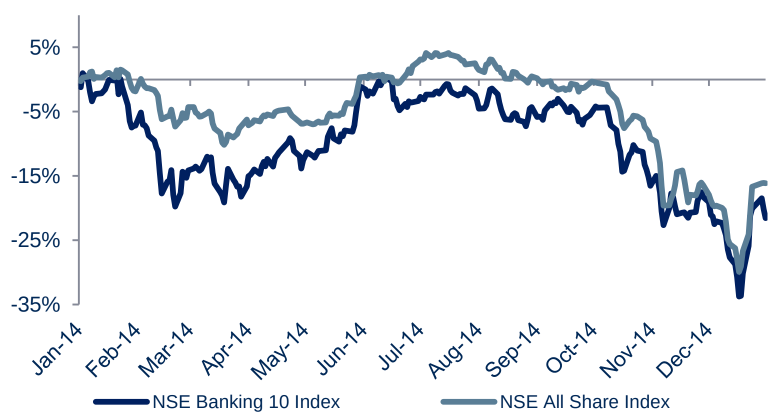
2015 GDP expectations revised downwards



Lower oil prices



Volatility in the capital markets



- 2015 GDP forecast for Nigeria revised downwards by the IMF to 4.8% due to the magnitude of the oil price shocks
- Significant oil price decline impacting government revenues with 20.6% decline in external reserves to $34.5bn (FY 2014) as the CBN attempts to defend the Naira
- Reduction in the pump price of petrol from ₦97/litre to ₦87/litre
- Double-digit inflation expected following the anticipated rise in core inflation and food inflation as a result of the exchange rate depreciation
- Successful and peaceful elections conducted removing fear premium from the investing community

Source: Bloomberg and IMF as of 30 March 2015

Challenging regulatory backdrop

- The CBN, following the Monetary Policy Committee (MPC) meeting in November, moved the midpoint of the official window of the foreign exchange (FX) market from ₦155/US$ to ₦168/US$
- Increase in cash reserve requirement (CRR) for both public and private sector to 75% and 20% respectively
- Enforcement of Treasury Single Account with 25% of qualified public sector (Federal Government) funds withdrawn monthly
- Implementation of Basel 2 requirement in October 2014; significantly important bank requirement to take effect on July 1, 2016
- Banks not meeting the Basel 2 CAR requirements are required to send recapitalisation plans by June 2015 with full recapitalisation required by June 30, 2016
- Monetary policy tightening through FX sales restrictions and closure of RDAS[1] window
- Increase in Monetary Policy Rate (MPR) to 13%; first time in 2 years

Timeline of key events

January
- MPC Increases CRR on Public sector from 50% to 75%
- Reduced capital inflows due to US Fed tapering

March
- MPC raises CRR on private sector from 12% to 15%

May
- MPC maintains status quo

June
- Godwin Emefiele resumes office and releases vision paper
- DMBs commence Bank verification number (BVN) project

September
- Re-introduction of the remote-on-us ATM cash withdrawal fees after third withdrawal

October
- Banks to commence reporting in compliance with Basel 2 Accord
- CBN establishes collateral registry regulation for MSME[2]

December
- Banks net open position reduced from 1% to 0%
- Banks mandated to effect the TSA initiative

January → February → March → April → May → June → July → August → September → October → November → December

February
- CBN Governor Mallam Lamido Sanusi is placed on suspension
- Godwin Emefiele appointed to take over in June

April
- Nigeria's rebased GDP at $510bn makes it the largest economy in Africa and 26th in the world

July
- MPC maintains status quo
- New Pension reform act signed into Law
- CBN cashless policy effective nationwide

November
- CBN limits importers of select products from accessing FX from the CBN official auction window
- Operational Live test run of the Revenue Collection under the TSA initiative
- MPC meets and implements the following:
  - Increased benchmark MPR by 100bps to 13%
  - Increased CRR on private sector funds from 15% to 20%
  - Moved the midpoint of the exchange rate at the official window to ₦168/USD from ₦155/USD

[1]Retail Dutch Auction System [2]Micro Small Medium Enterprises

Performance snapshot

Income statement

- Gross earnings of ₦480.6bn, up 21.3% year-on-year (Dec 2013: ₦396.2bn)
- Net interest income of ₦243.9bn, up 6.0% year-on-year (Dec 2013: ₦230.1bn)
- Non-interest income of ₦111.8bn, up 66.1% year-on-year (Dec 2013: ₦67.3bn)
- Operating income of ₦355.1bn, up 19.8% year-on-year (Dec 2013: ₦296.4bn)
- Impairment charge for credit losses of ₦25.9bn, up 27.7% year-on-year (Dec 2013: ₦20.3bn)
- Operating expenses of ₦236.8bn, up 27.5% year-on-year (Dec 2013: ₦185.8bn)
- Profit before tax of ₦92.9bn, up 1.7% year-on-year (Dec 2013: ₦91.3bn)
- Profit after tax of ₦82.8bn, up 17.3% year-on-year (Dec 2013: ₦70.6bn)
- A cash dividend of ₦0.10k per 50 kobo share and a scrip (bonus) issue of one (1) share for every ten (10) shares held amounting to a total distribution of ₦1.05k per share (Dec. 2013: ₦1.10k), and 11.0% dividend yield[1]

Statement of financial position

- Total assets of ₦4.3tn, up 12.2% year-on-year (Dec 2013: ₦3.9tn)
- Customer deposits of ₦3.1tn, up 4.2% year-on-year (Dec 2013: ₦2.9tn)
- Customer loans and advances (net) of ₦2.2tn, up 23.2% year-on-year (Dec 2013: ₦1.8tn)

Key ratios

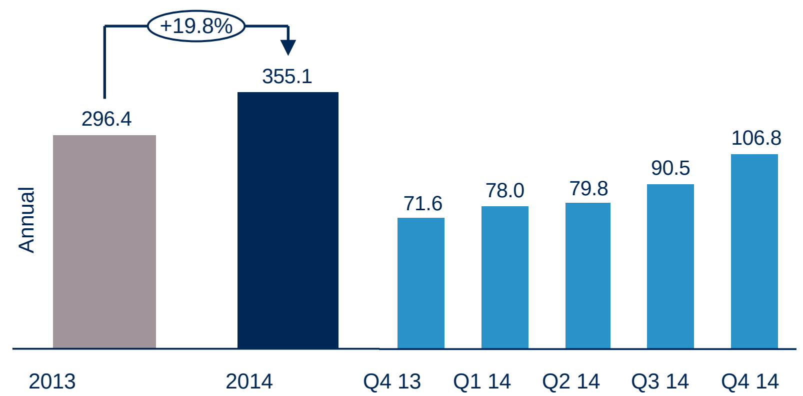
- Pre-tax return on average equity of 18.7% (Dec 2013: 20.0%)
- Post-tax return on average equity of 16.7% (Dec 2013: 15.5%)
- Net interest margin of 7.6% (Dec 2013: 8.0%)
- Cost to income ratio of 66.7% (Dec 2013: 62.7%)
- NPL ratio of 2.9% (Dec 2013: 3.0%)
- 44.0% liquidity ratio (Banking group) (Dec 2013: 44.2%)
- 16.7% Basel 2 CAR (Banking group) (Dec 2013: 13.6%); 21.5% Basel 1 CAR: (Dec 2013:17.7%)

[1] *Using the April 02, 2015 share price of ₦9.54*

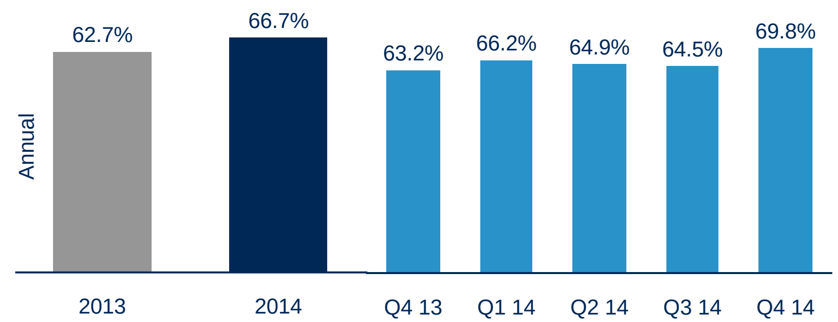
Improving business momentum

OVERVIEW | FINANCIAL REVIEW | BUSINESS GROUPS | OUTLOOK | APPENDIX

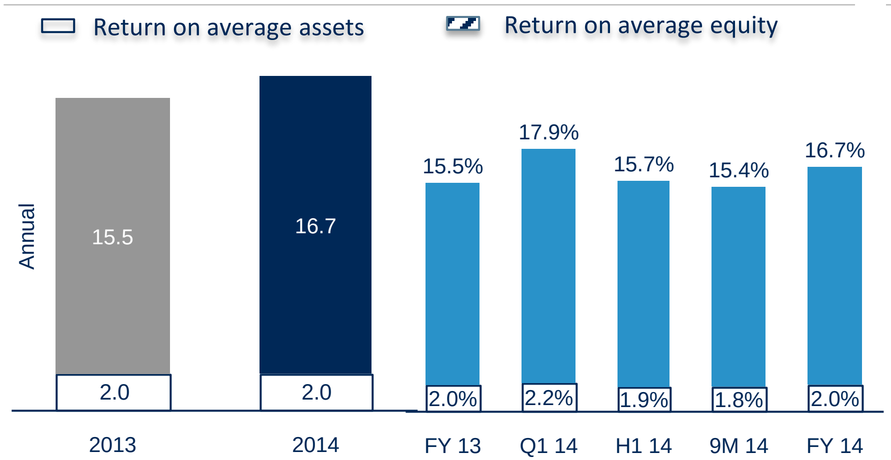
Operating income (₦bn)



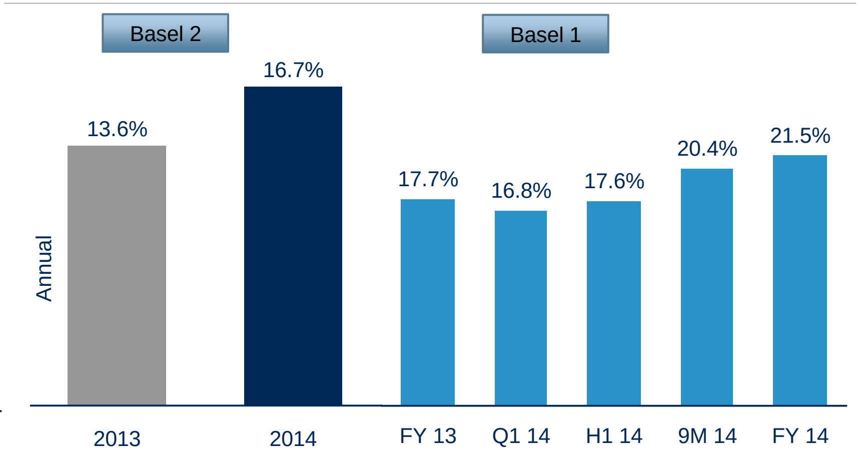
Cost-to-income ratio



Post-tax return[1] on average assets and equity



Capital adequacy ratio
(Commercial banking group)



[1]Return on average assets computed as net profit divided by the average opening and closing balances of total assets; return on average equity computed as net profit divided by the average opening and closing balances attributable to its equity holders

Key themes impacting our business

Capital Requirements

Commencement of Basel 2

No immediate plans by FBN Holdings to raise Tier 1 capital within the next 12 months given:

- low market liquidity
- depressed valuation levels
- significant dilution risk for existing shareholders

Capital position is being enhanced through

- increased profit retention
- interim capitalisation of profits
- more efficient balance sheet management
- more conservative loan growth

Oil Price Decline

Rigorous stress test on credit facility structures for upstream customers to protect against oil price shocks

Hedge contracts in place to provide secondary protection

Likely extension of loan tenors to align with reduced crude oil receipts

Continuous performance monitoring of upstream transactions and proactive remediation strategies in place

Exposures in downstream sub-sector mainly short term/self-liquidating trade transactions to major players with wide distribution outlets and strong operating cashflows

Oil companies slowing down on capital expenditure, reducing opex and increasing production to improve cashflows

Currency Devaluation

Foreign currency (FCY) loans backed by FCY cashflows providing natural hedge

Forward contract in place for significant exposures to moderate foreign currency risk

Exposures to manufacturing and general commerce sector mainly to top end players with capacity to absorb incremental operating costs arising from currency devaluation or pass through to customers

Targeted slow down in exposure to the oil & gas sector

Naira devaluation impacted CAR and loan growth

Efficiency

Rationalising unprofitable branches and minimal branch expansion

Restructuring the procurement processes and streamlining operations as well as cutting back on costs

Centralising processes across the Group to reduce transaction costs and processing cycles;

Realigning and rationalising the workforce in order to enhance overall manpower efficiency and productivity

Further penetration of the retail segment and optimally utilising low-cost funding as well as using branches as sales and service centres to optimise retail infrastructure

Optimising IT solutions in head office middle and back offices to improve efficiency and effectiveness, but ultimately to reduce the Full-Time Equivalent (FTE) deployed to those sections of the Bank

Leveraging transaction banking to increase share of wallet thereby optimising revenue

Outlook remains cautiously optimistic; Group operates in attractive markets and segments

1 Revenue generation

- Portfolio rebalancing to reallocate assets to higher yielding segments
- Enhance and maximise the revenue generating opportunities of treasury activities from favourable monetary backdrop
- Acquisition of Kakawa Discount House Limited as an in-road to securing a merchant banking license; Enhance product sales and revenue
- Significantly increase non-bank subsidiaries' contribution to the Group through synergy extraction and promotion of cross sell
- Enhance revenue generation by optimally leveraging the retail banking opportunities from the Bank's infrastructure
- Continue to grow our Naira credit card scheme for stable interest and fee income while also increasing visibility and revenue generation capabilities of our international cards and service touch points
- Continue to leverage Firstmonie in the provision of seamless, safe and secure financial services to the under banked and unbanked population in Nigeria
- Leverage the credit card business and replicate the Nigeria e-banking success in the DRC, Ghana and the other commercial banking subsidiaries to extract increased value
- Deepening transaction banking services to improve collections

2 Cost strategy - efficiency

- Cost synergies through key corporate centre consolidation
- Growing low-cost deposits
- Reorganising the procurement process for greater focus and monitoring
- Optimising IT solutions in head office middle and back offices to improve efficiency and effectiveness
- Implementing the robust learning framework to enhance workforce productivity

3 Capital plan

- Capital management strategy – increased retention
- Decrease term loans to short tern self-liquidating trade transactions
- Asset/RWA[1]-light business model attempting to serve more customers through alternative channels as opposed to brick and mortar

4 Portfolio strategy

- Focusing on having tighter risk acceptance criteria and more proactive document administration, collateral management, credit monitoring and collection support
- Portfolio tracking for prompt identification of early warning signs of deterioration in the portfolio that will trigger appropriate remedial action
- Increased senior management involvement in the recovery process
- Deeper focus on sectors with strong and sustainable business cases

FBN Holdings remains an attractive and compelling investment proposition (*PE ratio 2.9X, PB ratio 0.6X)
An Exposure draft of the revised investment guidelines have been made public to the market and PFAs. This will imminently pave the way for PFAs to invest in ordinary shares of holding companies listed on a Stock Exchange registered under the Investments and Securities Act

[1]RWA – Risk Weighted Asset

FBNHoldings

Financial Review

FY 2014: Overview of income statement

₦bn	FY 13	FY 14	y-o-y
Gross Earnings	396.2	480.6	21.3%
Net Interest Income	230.1	243.9	6.0%
Non Interest Revenue	67.3	111.8	66.1%
Operating Income[1]	296.4	355.1	19.8%
Operating Expenses	185.8	236.8	27.5%
Pre-Provision Operating Profit[2]	110.6	118.2	6.9%
Credit Impairments	20.3	25.9	27.7%
Profit Before Tax	91.3	92.9	1.7%
Income Tax	20.7	10.0	-51.5%
Profit After Tax	70.6	82.8	17.3%

Key Metrics	FY 13	FY 14
Net Interest Margin[3]	8.0%	7.6%
Non Int. Rev/Operating Income	22.7%	31.5%
PPoP/Credit Impairments	5.4x	4.6x
Cost to Income[4]	62.7%	66.7%
Cost of Risk	1.2%	1.3%
ROaE[5]	15.5%	16.7%
ROaA[6]	2.0%	2.0%

- 21.3% y-o-y growth in gross earnings to ₦480.6bn (FY 2013 ₦396.2bn); largely attributable to growth in interest income from loans and advances to customers (+14.2%), banks (+10.3%) and strong NIR growth (+66.1%)
- Strong NIR growth of 66.1% to ₦111.8bn (FY 2013: ₦67.3bn) as a result of enhanced treasury activities, increased trade business as well as revaluation gains that saw foreign exchange income grow to ₦44.9bn (FY 2013: ₦6.9bn). NIR growth stripped of FX income is 10.4%
- Growth in fee and commission income to ₦66.9bn (+12.8%) attributable to fees from bonds and guarantees (+85.8%), electronic banking fees (+49.9%), letters of credit commission (+21.3%) and remittance fees (+50.1%)
- 13.2% decline in commission on turnover (COT) to ₦15.3bn reflects the 33.3% decline in COT on current account balances to ₦2/mille
- Operating income grew by 19.8% y-o-y to ₦355.1bn driven by an increase in non-interest revenue (66.1%)
- Interest expense rose 27.0% y-o-y to ₦118.7bn due to growth in term deposits (+46.4%) and the increase in the savings account rate from 3.6% to 3.9%; 24% of the deposit book is in savings account
- Cost of risk marginally up y-o-y to 1.3% (FY 2013: 1.2%) underscored by effective and robust risk management structures
- 27.5% y-o-y increase in operating expenses to ₦236.8bn (FY 2013: ₦185.8bn) driven primarily by staff cost +21.3% to ₦79.8bn and regulatory cost (+21.0%) to ₦30.2bn
- Upward pressure on cost-to-income ratio to 66.7% given the regulatory-induced pressure on top and bottom line; ₦560bn in sterilised CBN deposits with estimated ₦64bn loss in income
- Effective tax rate improved to 10.8% (FY 2013: 22.7%); primarily driven by an increase in the tax exempt income and utilisation of available capital allowances
- EPS[7] of ₦2.55 (FY 2013: ₦2.16)

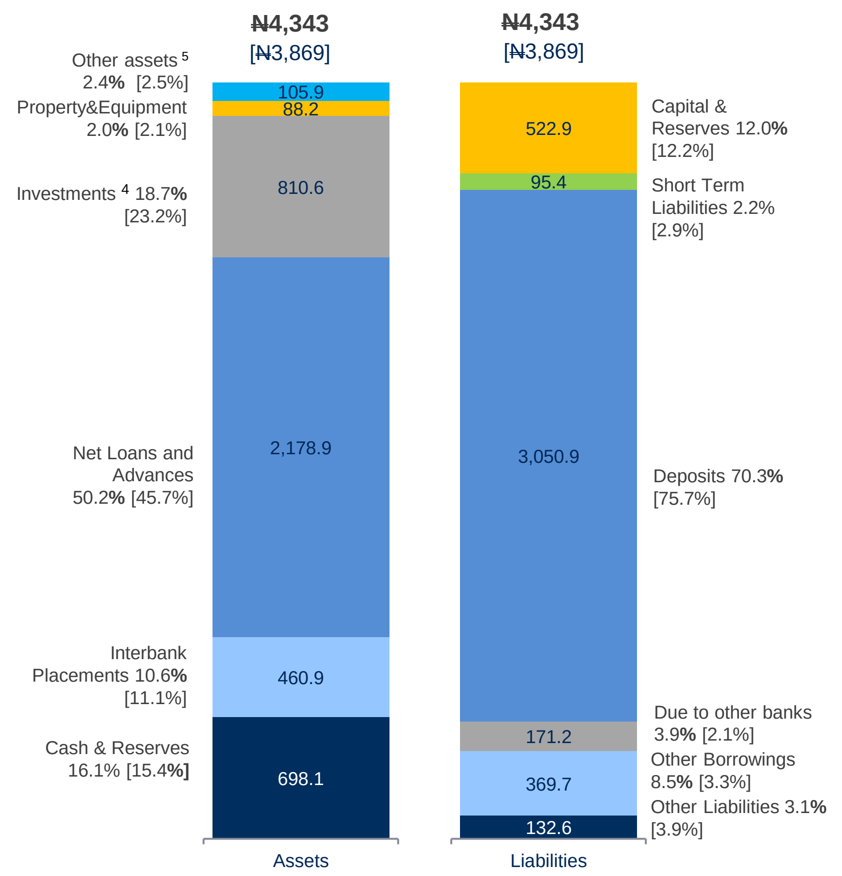
[1]operating income is defined as gross earnings less interest expense, fee and commission expense, insurance claims and share of profit/loss from associates; [2]pre-provision operating profit computed as operating profit plus impairment charge [3]net interest margin annualised and defined as net interest income (annualised) divided by average earning assets [4]cost-to-income ratio computed as operating expenses divided by operating income; [5]return on average equity computed as profit after tax (annualised) divided by the average opening and closing balances attributable to its equity holders [6]return on average assets computed as profit after tax (annualised) divided by the average opening and closing balances of total assets; [7] EPS computed as profit after tax divided by the number of outstanding shares

FY 2014: Overview statement of financial position

₦bn	FY 13	FY 14	y-t-d
Total Assets	3,869.0	4,342.7	12.2%
Investment Securities	826.3	735.3	-11.0%
Interbank Placements	430.6	460.9	7.0%
Cash and Balances with Central Bank	594.2	698.1	17.5%
Net Loans & Advances	1,769.1	2,178.9	23.2%
Customer Deposits	2,929.1	3,050.9	4.2%
Total Equity	471.8	522.9	10.8%
Tier 1 Capital[1]	347.7	389.7	12.1%
Tier 2 Capital[1]	61.5	132.1	114.8%
Risk Weighted Assets	3,009.9	3,126.4	3.9%

Key Ratios	FY 13	FY 14
CAR (Basel 2)	13.6%	16.7%
Tier 1 (Basel 2)	11.6%	12.5%
Loans to Deposits[2]	61.9%	72.8%
NPL	3.0%	2.9%
NPL Coverage[3]	97.7%	137.9%

Structure - December 2014 (₦bn)

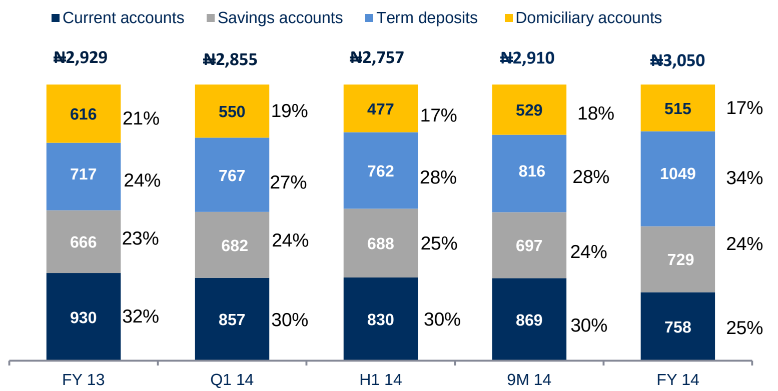


[ ]FY 2013

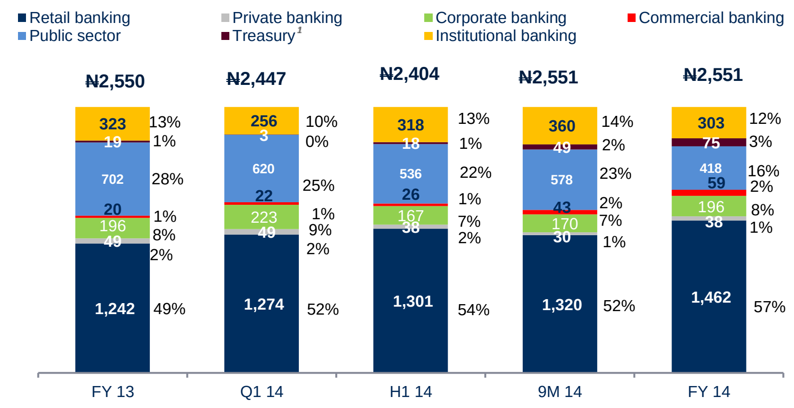
[1] Tier 1 & Tier 2 capital for commercial banking group under Basel 2, Tier 2 capital comprises foreign exchange revaluation reserves, hybrid capital instrument and minority interest for the commercial banking group; [2] Loans to deposits ratio computed as gross loans divided by total customer deposits; [3] Includes statutory credit reserves. Excluding statutory credit reserves, NPL coverage would be 65.8% for FY 2014 (FY 2013: 83.0%); NPL coverage computed as loan loss provisions + statutory credit reserves divided by non-performing loans; [4] Investments include Government securities, listed and unlisted equities, assets pledged as collateral, investments in associates, subsidiaries and properties; [5] Other assets also includes inventory, intangible assets, deferred tax and assets held for sale

Healthy low-cost deposits provide stable funding

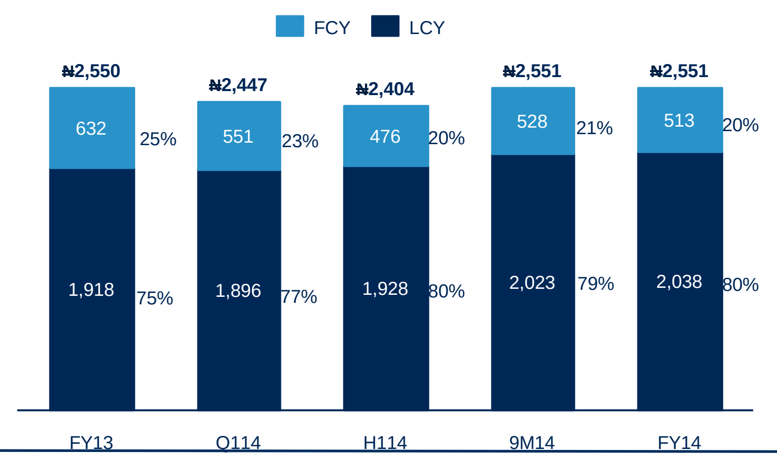
Deposits by type ₦bn



Deposits by SBU ₦bn
(FirstBank - Nigeria only)



Deposits by currency
(FirstBank of Nigeria Only)

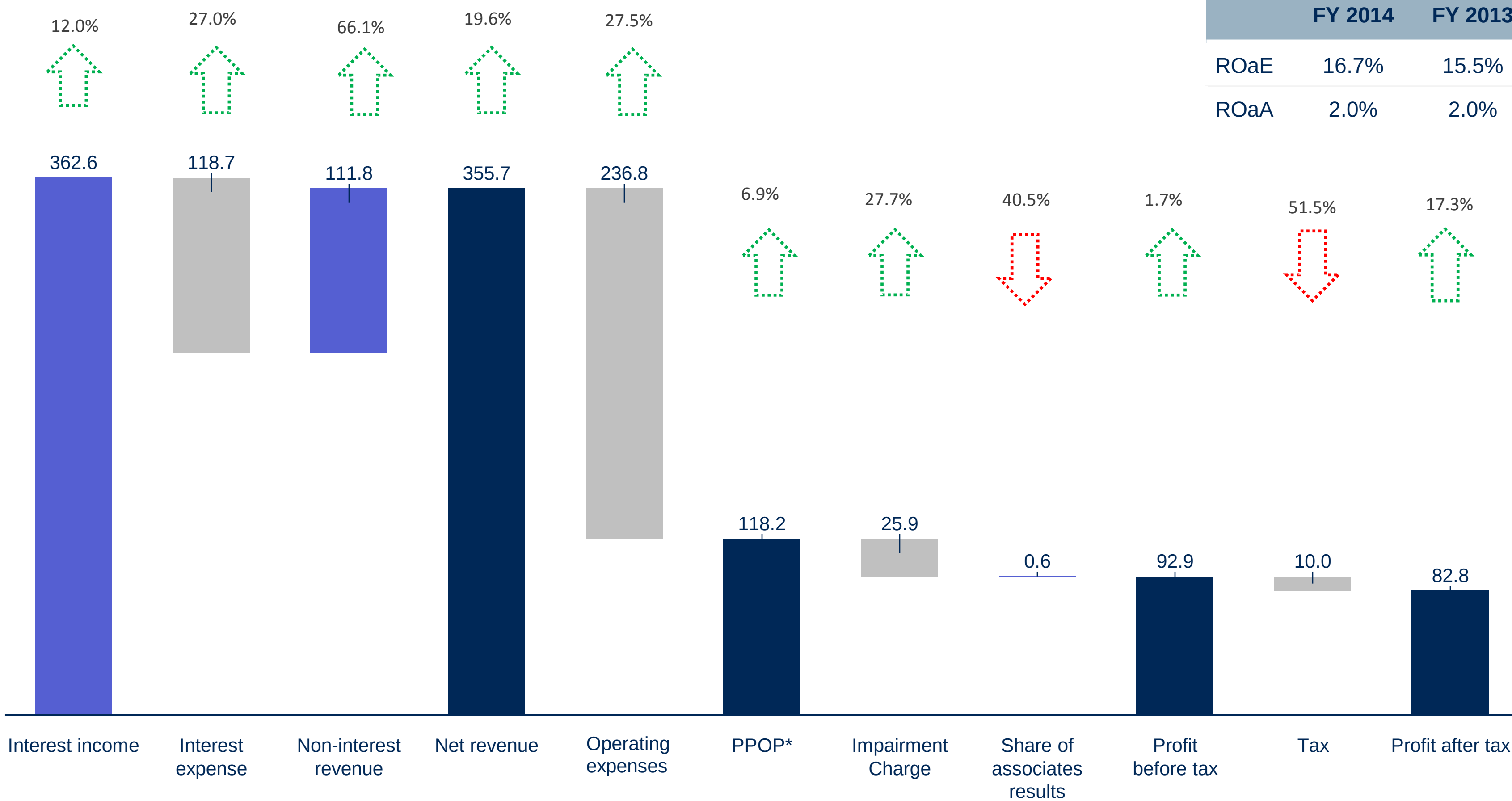


- Customer deposits increased 4.2% y-o-y across the Group
- CASA constitutes 66% of deposits; retail deposits, (+17.7 y-o-y), contribute 57% (FY 2013: 49%) to total deposits for FirstBank, providing a healthy and stable funding base
- Term deposits increased 46.3% y-o-y with the need to shore up the deposit base following the significant increase in CRR
- Public sector deposits (down 67.9% y-o-y) now represent 16.6% of customer deposits (FY 2013: 27.5%) within FirstBank; reflecting our deliberate attempt to manage down these funds due to associated reserve costs and further diversify our deposit base
- 22.1% (or ₦560.0bn) of customer deposits within FirstBank are impacted by CRR as at FY 2014 with Private sector CRR constituting 72% of sterilised deposits. CRR represents 18.5% of total customer deposits across the Group
- Within the Nigerian business, the composition of foreign currency deposits to total deposits is 20.1% (FY 2013: 24.8%); representing 16.9% of total deposits across the Group
- Well-matched FCY funding ₦1.3tn vs FCY lending ₦1.2tn
- Value chain of key multinationals and large corporates will be harnessed through transaction banking to grow the deposit base

[1] *Treasury is not a strategic business unit but contributes to the percentage of deposits*

Evolution of FY 2014 profit after tax (₦bn)

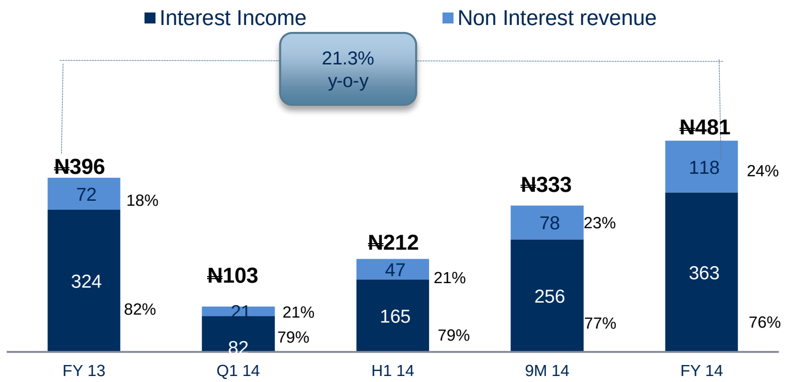
	FY 2014	FY 2013
ROaE	16.7%	15.5%
ROaA	2.0%	2.0%



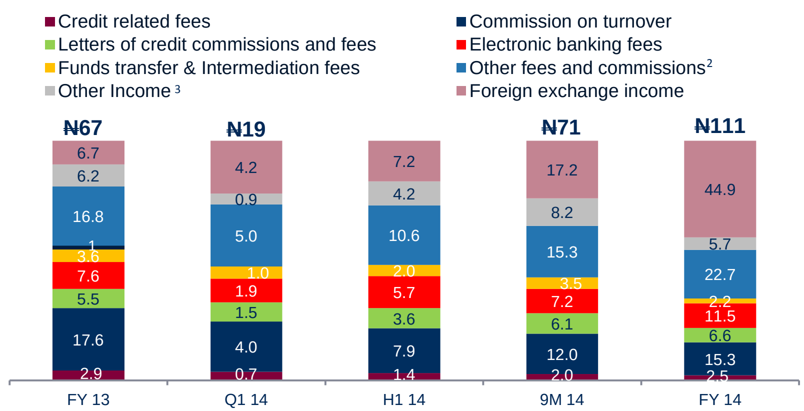
PPOP- pre-provision operating profit; computed as profit before tax –share of associate results+ credit impairments

Sustainable growth in revenue generation

Gross earnings (₦bn)



Breakdown of non-interest revenue[1] (₦bn)



- Gross earnings increased by 21.3%; benefitting from the 12.0% growth in interest income – income on loans and advances to customers (+14.2%) and income on loans and advances to banks (10.3%) as well as the growth in foreign exchange (FX) income
- NIR growth of 66.1%; fee and commission (F&C) income, representing 60.1% of NIR, increased by 12.8% y-o-y to ₦66.9bn (FY 2013: ₦59.4bn)
- The increase in F&C income was driven by bonds and guarantees (+85.8%), electronic banking fees (+49.9%), letters of credit commission (+21.3%) and remittance fees (+50.1%)
- Other fees and commission, which includes account remittance fees (+50.1%), brokerage & intermediation (+21.6%) and maintenance fees (+5.2%), contributed 25% of NIR
- Electronic banking fees grew 49.9% y-o-y to close at ₦11.5bn supported by the growing number of cards (+14.5%, 7.4mn), ATMs (+6.6%, 2,597) and the various alternative channels. FirstBank has 39% market share of verve debit cards
- Inspite of 13.2% y-o-y decline in COT income at ₦15.3bn, attributable to the 33.3% reduction in COT rate, COT (₦2/mille) represents 22.8% of F&C income and 13.7% of NIR
- Focus remains on aggressively driving transaction & value chain banking, growing revenues from electronic banking, increasing contribution from the non-banking subsidiaries, driving synergies as well as leveraging cross selling opportunities
- Revising the Bank's operating model in line with the evolving business environment to ensure strategic realignment and optimal use of available resources
- Focus in coming periods on enhancing cross-sell initiatives and driving improved performance and returns from other subsidiaries to provide diversified and sustainable revenues

[1]Non Interest Income (or non-interest revenue) calculated net of fee and commission expense also includes other fees and commission which includes commission on performance bond, bankers instruments issued , e-business fees, account maintenance ,structured & project finance fees; 2Other fees and commission include remittance fees and commission on bonds and guarantees 3Other income include insurance premiums, net (losses)/gains on investment securities, share of profit/loss from associates and dividend income

NIMs under pressure following increased reserve requirements

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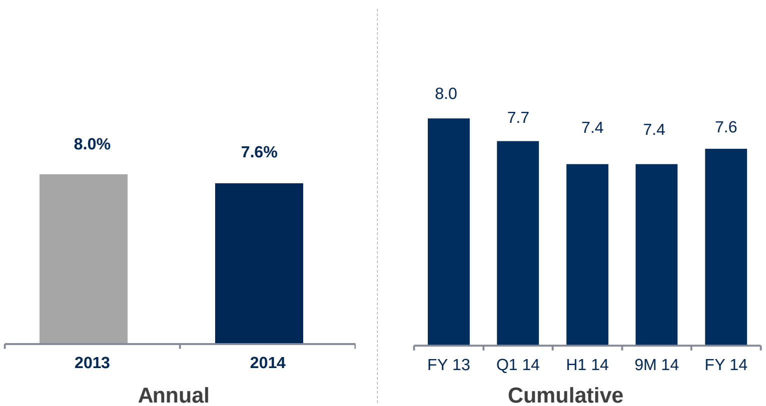
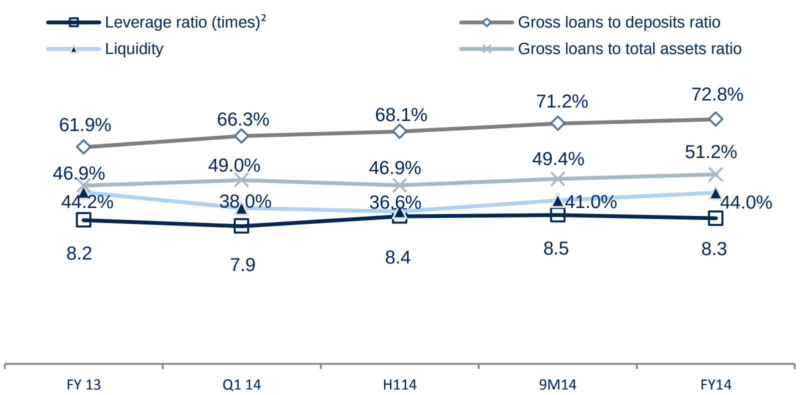
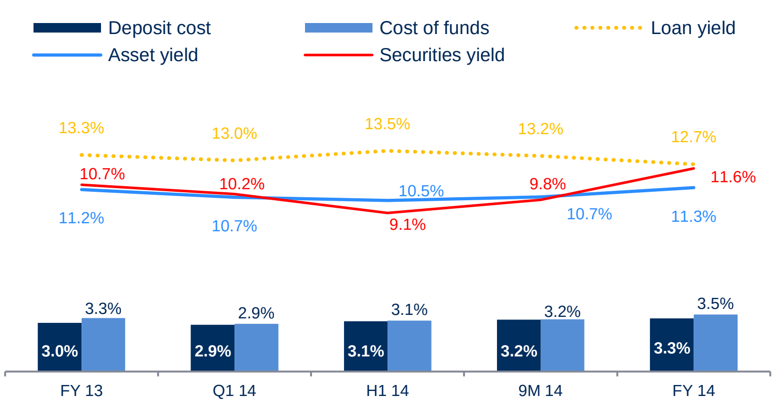
Net interest margin (NIM)[1]



Balance sheet efficiency



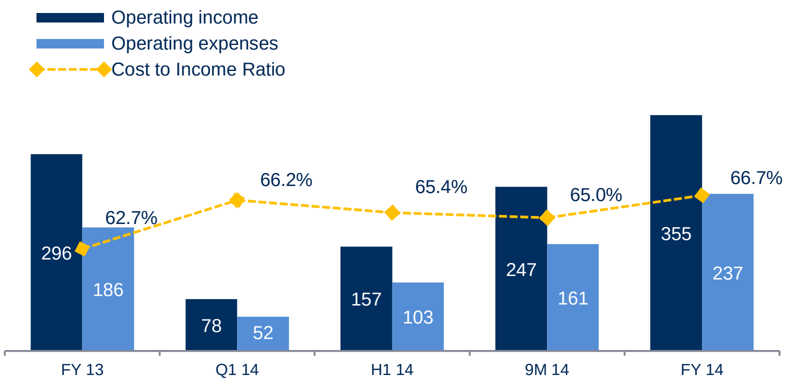
Yields and Cost of funds[2]



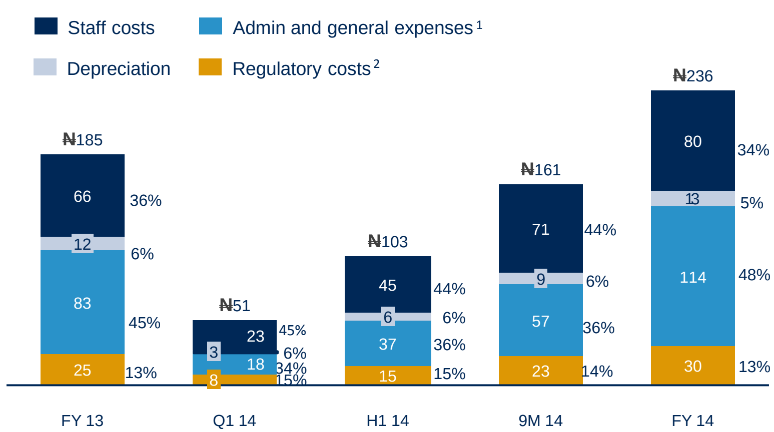
- Cost of funds rose to 3.5% at year end, due to the increase in term deposits as well as the impact of a 30 bpts hike in the savings deposits rate from a higher MPR; Interest on savings deposits now at 3.9% from 3.6%. Savings constitute 24% of total deposit
- Decline in loan yields driven by the increase in FCY loans (FY 2014: 45.7% vs FY 2013: 33.3%)
- Increase in securities yield driven by tight monetary policy despite 10.3% y-o-y decline in investment securities which was due to matured bonds and increased reserves funded from liquidated bonds
- Net long liquidity position led to benefits from the tightness in the interbank market
- The increase in cost of funds was faster than the marginal growth in overall asset yields, thus leading to decline in NIMs y-o-y
- Pressure on NIMs as treasury bills were discounted to fund rising CRR; significant increase (+72.5%) in reserved deposits to ₦560.1bn (FY 2013: ₦324.7bn)
- FY 2014 NIMs at 7.6% in line with 7.0% - 8.0% FY 2014 guidance (FY 2013: 8.0%)

[1] Interest earning assets in computing NIM include loans to banks, loans to customers, financial assets and interest earning investment securities; [2] average balances have been used to compute yield.

Operating income and expenses (₦bn)



Operating expense breakdown (₦bn)

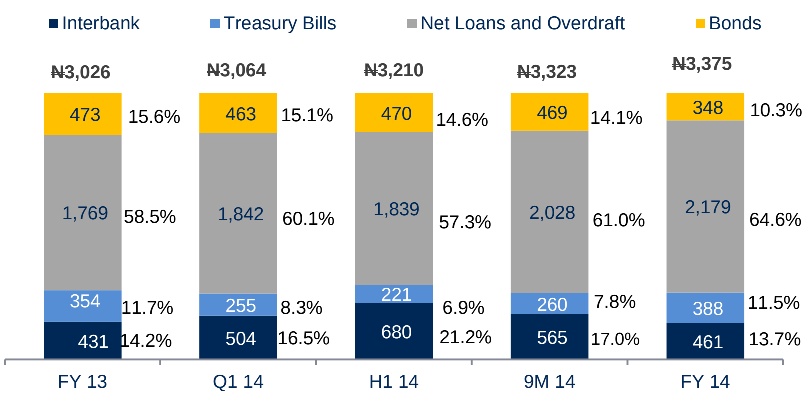


- Increased regulatory costs, AMCON (+23.7%) and NDIC (17.7%), general admin expenses (+100%) and staff costs(+21.3%) resulted in a 27.5% increase in operating expenses to ₦236.8bn in FY 2014
- Headcount across the Group increased by 6.5% resulting mainly from the integration of the West African Subsidiaries, acquisitions during the year (Oasis, ICB Senegal & Kakawa) and new recruitments; global headcount is now 10,464 (FY 2013: 9,823) with 88% operating from Nigeria
- General admin expenses include rent and rates (+62.1%), legal and professional fees (+32.3%), communication, light & power (+102.5%)
- Deliberate cost reduction efforts led to the 12.3% y-o-y drop in maintenance costs
- Efficiency ratios impacted by:
  - An estimated ₦64bn revenue loss as a result of the impact of various regulatory pronouncements
  - Regulatory-induced pressure on the top and bottom line resulted in a higher cost to income ratio of 66.7% (FY 2013: 62.7%)
- Reviewing the Commercial Bank's operating model in line with the evolving business environment to ensure strategic realignment and optimal use of available resources
- Executing an appropriate staffing structure and work force alignment and implemented an enhanced cost control culture
- Optimising procurement and operational spend as well as further tightening the expenditure approval process
- Deploying IT solutions in head office middle and back offices to improve efficiency and effectiveness, but ultimately to reduce the Full-Time Equivalent (FTE) deployed to those sections of the Bank

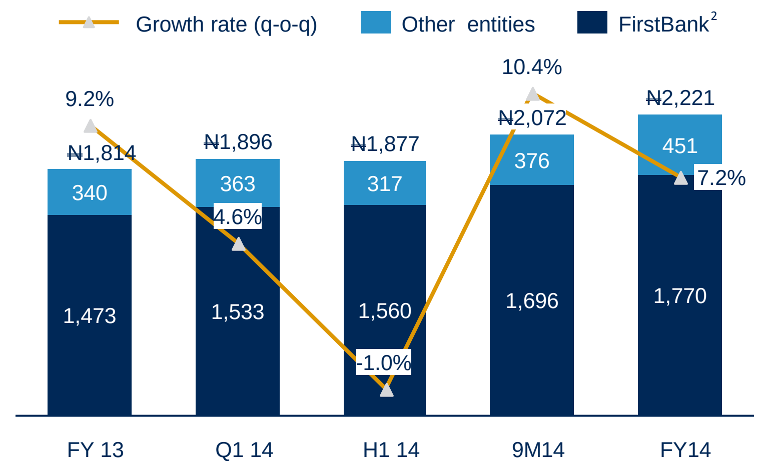
[1]Admin and general expenses include maintenance, advert & corporate promotion, legal and other professional fees, stationery and other operating expense; [2] regulatory costs is made up by NDIC premium and AMCON resolution cost

More efficient balance sheet

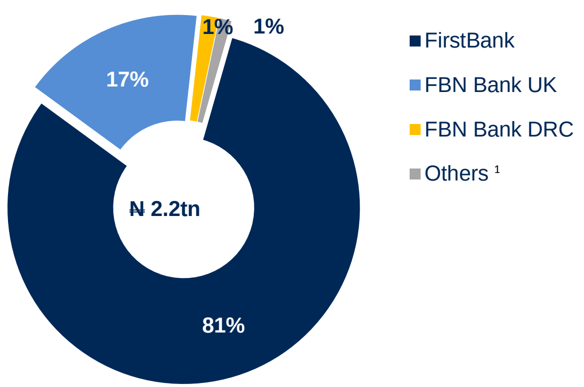
Interest earning assets mix (₦bn)



FBN Holdings gross loans (₦bn)



FBN Holdings gross loan book by business entities

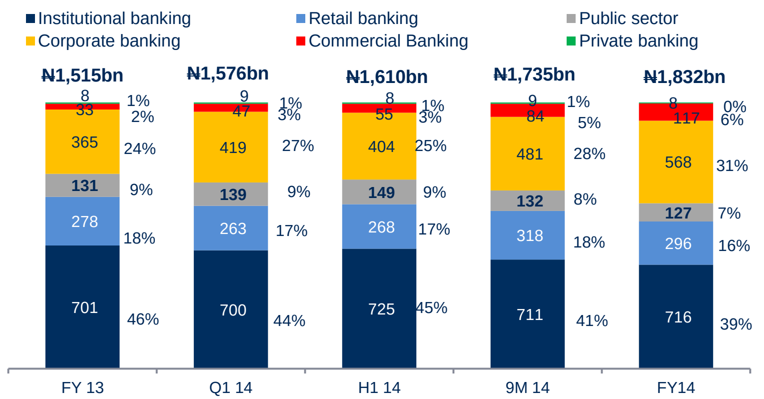


- FBN Holdings gross loan growth of 22.5% in FY 2014; adjusting for impact of 8.4% currency devaluation in Q4 2014, real loan book growth was 17.8%
- FirstBank (Nigeria only) is the major driver for the loan book growth contributing 82.5%. Sectors driving this growth are oil & gas (upstream & downstream), construction, manufacturing, power and general commerce
- Interest earning assets increased 11.5% y-o-y; due to growth in treasury bills (+9.6%) as well as loans (+22.5%)
- Loan growth in the coming year is not expected to exceed 5% from manufacturing, general commerce and the retail sectors

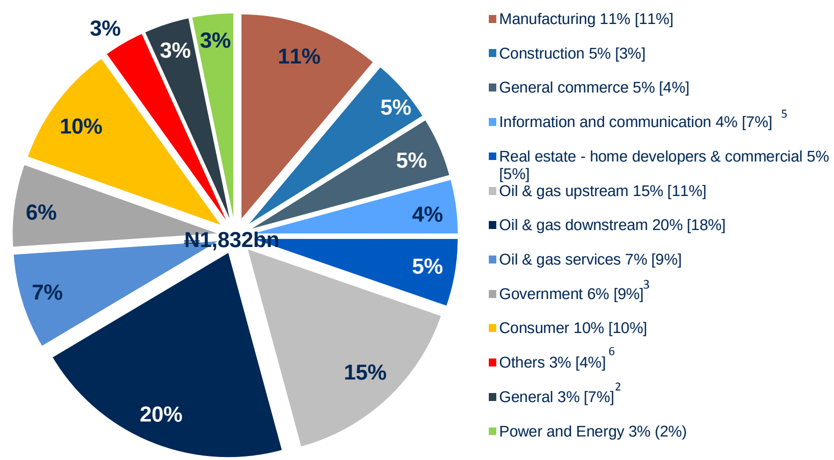
[1]Others include FBN Microfinance, FBN Mortgages, FBNBank Ghana, FBNBank Guinea, FBNBank The Gambia, FBNBank Sierra Leone, ICB Senegal, First Pension Custodian Limited, FBN Securities, First Funds, First trustees, FBN Capital and FBN Insurance brokers [2]FirstBank's gross loans include intercompany adjustments

FirstBank - Nigeria only (Loan book breakdown)

Breakdown of gross loans by SBU[7]

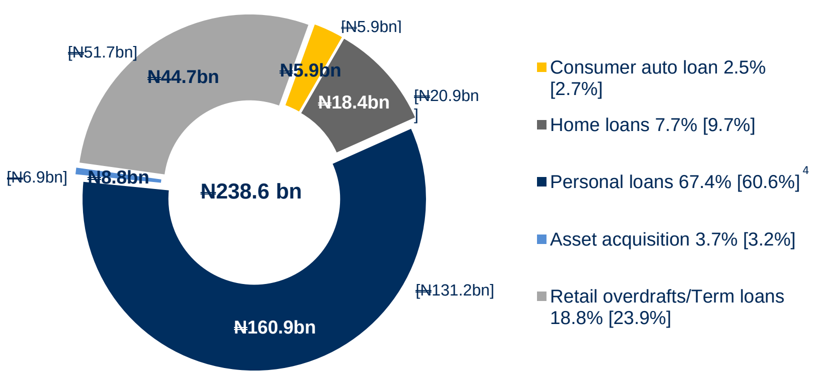


Gross Loans - Breakdown by Sectors



[₦ 1,515bn] FY 2013

Core consumer / Retail product portfolio[1]



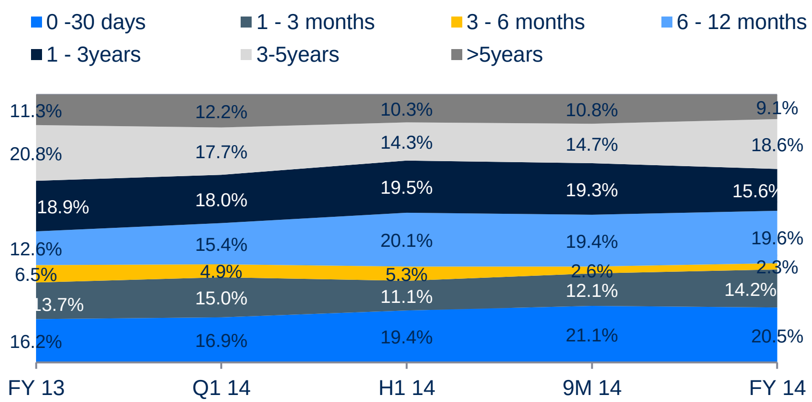
[₦216.6bn] FY 2013

- FirstBank's gross loan book closed at ₦1.8tn (+20.9% y-o-y); real growth rate, after currency devaluation is 16.3%; 45.7% (FY 2013: 33.3%) of the loan book is in foreign currency (FCY); with exposure in line with peers
- Impressive growth in the commercial banking SBU (+254.5% y-o-y), representing 6% of the loan book, with increasing contribution and yield to the loan book
- Deepened coverage and growth of our retail business to ensure strategic realignment and optimal use of retail infrastructure
- In 2014, 1.2% (₦21.8bn) of FirstBank's gross loans were restructured mainly to realign business cashflows with loan repayments; the short to medium term target of the oil & gas sector is 30% (FY 2014: 40%)
- Possibility of tenor elongation by ~1-2 years, for some upstream transactions due to the net impact of the declining oil price on operating cash flows

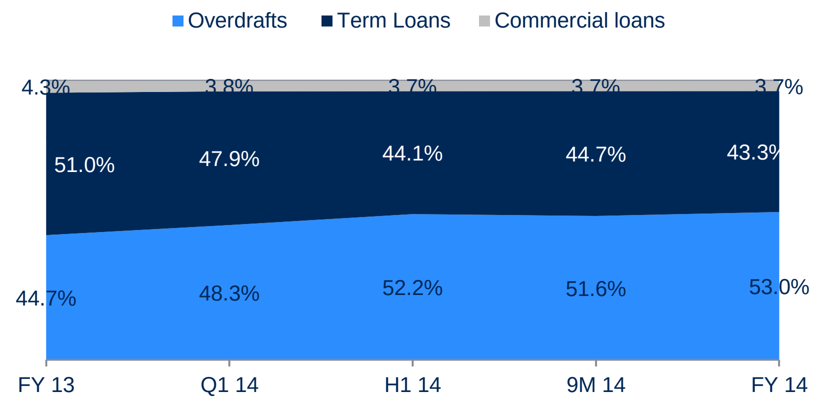
*[1] Represents loans in our retail portfolio < ₦ 50mn ; [2] General includes personal &professional, hotel& leisure, logistics and religious bodies; [3] Government loans are loans to the public sector (federal and state); [4] Personal loans are loans backed by salaries; [5] Telecoms comprise 93% of the loans in Information and communication sector; [6] Others includes finance and Insurance, capital market, residential mortgage; [7]**SBUs:- Corporate banking;** private organisations with annual revenue > ₦5bn but < ₦10bn and midsize and large corporate clients with annual revenue in > ₦5bn but with a key man risk. **Commercial Banking** comprising clients with annual turnover of ₦500mn and ₦5bn. **Institutional banking**; multinationals and corporate clients with revenue > ₦10bn. **Private banking**; High net worth individuals and families. **Public sector banking;** Federal and state governments. **Retail banking**; mass retail, affluent with annual income < ₦50mn as well as small business and Local governments with annual turnover < ₦500mn*

Improving contribution from shorter tenored loans to drive increased income

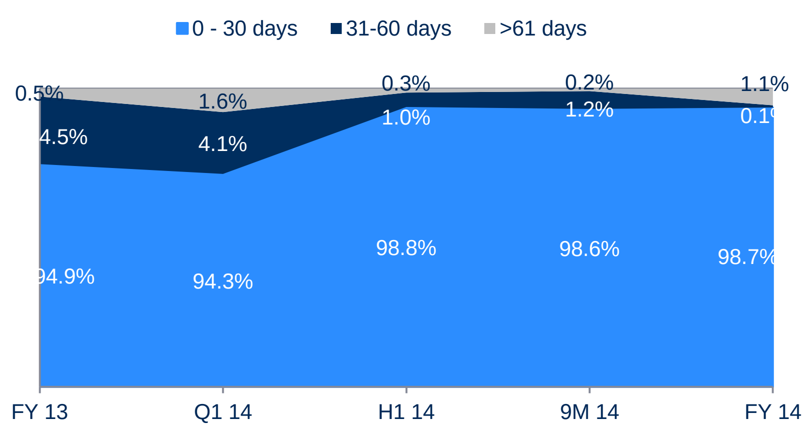
Loans and advances by maturity
(FirstBank - Nigeria only)



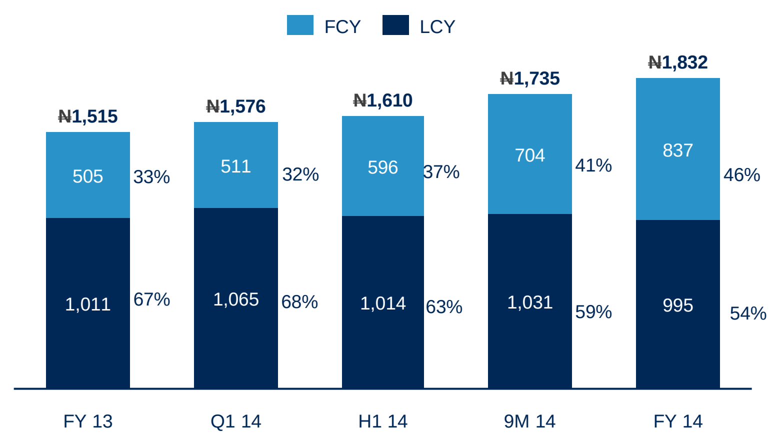
Loans and advances by type
(FirstBank - Nigeria only)



Ageing analysis of performing loan book
(FirstBank - Nigeria only)

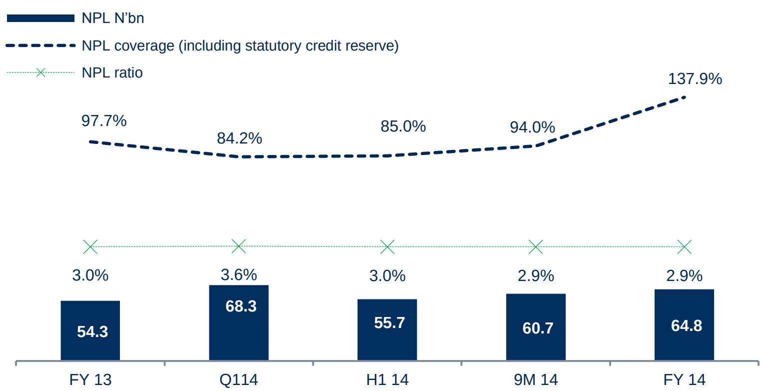


Loan book split by currency
(FirstBank - Nigeria only)

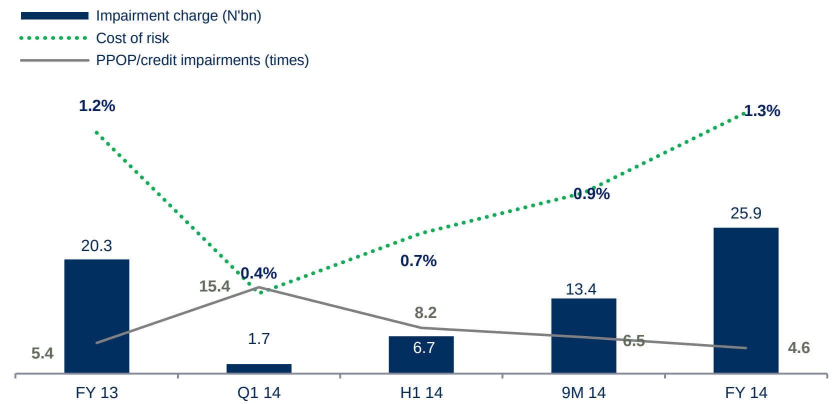


Robust and effective credit risk management system and framework

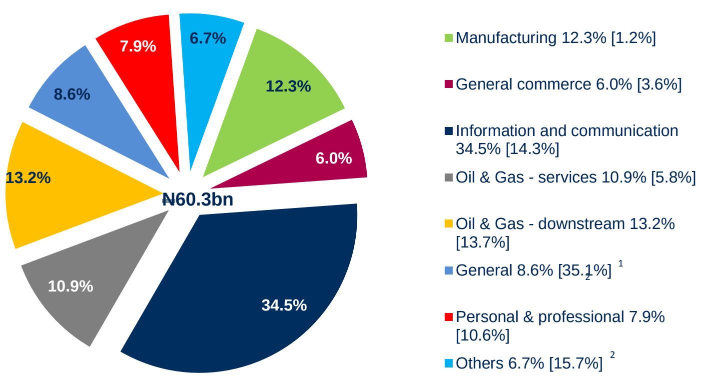
Asset quality (FBN Holdings)



Evolution of credit impairments (FBN Holdings)



NPLs sector exposure (FirstBank - Nigeria only)



[₦46.9bn] FY 2013

- Cost of risk inched slightly upwards to 1.3% (FY 2013: 1.2%) due to recognition of impairment in some mid-sized accounts in telecoms, general commerce, oil & gas services
- NPLs adequately covered with coverage ratio of 137.9%
- NPL ratio improved to 2.9% (FY 2013: 3.0%); focus remains on defining risk appetite as well as proactively managing and driving efficiency within our portfolio
- Manufacturing sector exposures are mainly to top-end players with larger capacity to absorb incremental operating costs arising from currency devaluation
- Tightening risk acceptance criteria (RAC) in the oil & gas sector and focused on self liquidating transactions for oil and gas downstream

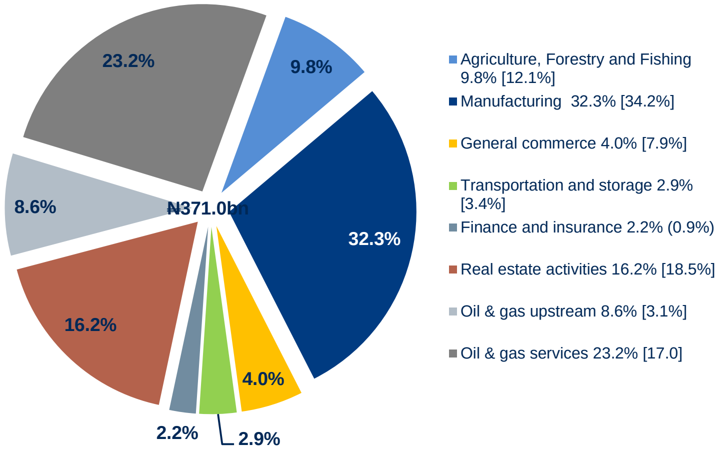
[1] *General includes: hotels& leisure, logistics, religious bodies;* [2]*Others include Finance, Transportation, Construction, Agriculture and Real estate activities*

FBNBank UK – Continued improvement in performance

Selected financial summary[1]

₦'bn	FY 13	FY 14	y-o-y
Gross Earnings	25,069.7	26,990.4	7.7%
Interest Income	22,036.7	23,726.3	7.7%
Interest Expense	15,106.1	16,039.8	6.2%
Net Interest Income	14,128.7	16,121.0	14.1%
Profit Before Tax	8,493.9	9,173.6	8.0%
Total Assets	607,229.7	659,631.5	8.6%
Customer Deposits	335,086.2	413,877.9	23.5%
Shareholders' Funds	59,234.8	62,795.6	6.0%
Loans and Advances	329,787.3	371,038.4	12.5%
Cost to Income	50.5%	52.7%	
Gross Loans to Deposits	98.4%	89.6%	
Cost of Risk	0.8%	0.9%	
Net Interest Margin	2.5%	2.7%	
ROaA	1.2%	1.2%	
ROaE	12.1%	12.5%	
NPL ratio	0.0%	0.1%	

Loan book by sector



[₦329.8bn] FY 2013

- Gross earnings rose y-o-y by 7.7% in FY 2014 supported by general business expansion, improved asset mix and enhanced yield
- 6.2% increase in interest expense on the back of a 23.5% increase in customer deposits particularly term deposits (+49.5%) and savings deposits (+17.4%)
- Operating expenses increased by 17.8% to ₦10.2bn (2013: ₦8.7bn) as operational infrastructure and resources were expanded to support business growth
- Enhanced asset yield coupled with the reduced cost of funds (FY 2014: 1.5% vs FY 2013: 1.6%), following the Bank's strategic focus on low cost funds, resulted in an increase in the net interest margin to 2.7%
- Oil & Gas (upstream constitutes 8.6% of the loan book while services makes up 23.2%), Real estate activities (which is strictly residential mortgages) and Manufacturing are the major sectors making up 80.3% of the loan book
- PBT increased by 8% y-o-y to ₦9.2bn (FY 2013: ₦8.5bn), with resultant ROE improvement to 12.5%

Update on the Mining Loan

- Completion of the sale of the Sierra Leone mine, new owners on board
- No impairment charge taken
- Asset is performing

Strategy & Outlook

- Consolidate on past balance sheet and profitability performance
- Continuous strategic positioning, optimising opportunities and with emphasis on mitigating risks
- Proactive response to ongoing regulatory requirements
- Provide quality services to both new and existing customers
- Target customers with business interests all over the globe and maintain a diversified funding base
- Unrelenting towards identifying and executing viable business opportunities

[1] *Average exchange rate on income statement: £1/ N271.9; Closing exchange rate for Balance sheet items : £1/ ₦290.8*

Performance Review - Business Groups

Commercial Banking

Investment Banking & Asset Management

Kakawa Discount House Limited

Insurance

Microfinance

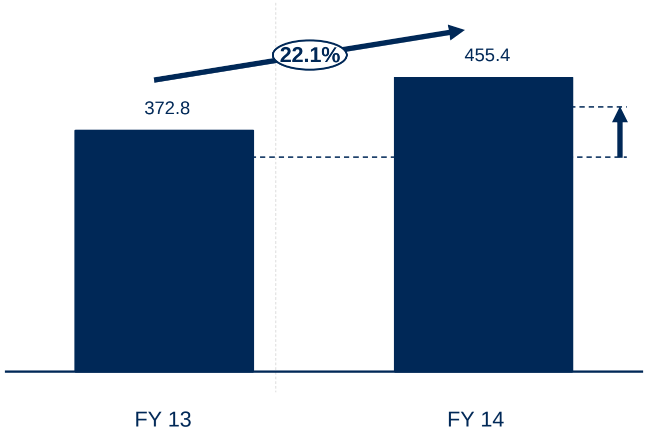
NOTE: The pre-consolidation numbers of each of the business groups have been considered in discussing the performance of each business.

Commercial Banking – Focused on optimising assets, driving long-term growth and profitability

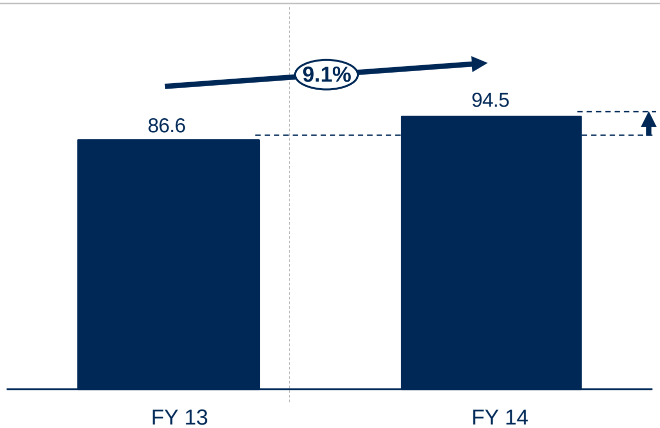
Twelve months 2014:

- The commercial banking group contributes 93% to FBNH's gross revenues
- Gross earnings amounted to ₦455.4bn, up 22.1% y-o-y driven by Interest income on loan growth (+12.2) and fees & commission (+81%)
- Fees and commission increased 9.9% y-o-y to ₦58.5bn mainly attributable to the increase in LC commission (+21.3%), funds transfer (+50.1%) and commission on bonds and guarantees (+85.7%)
- Operating income growth was moderated by 27.0% increase in interest expense stemming from growth in term (+35.7%) and savings deposits (+9.6%) as well as interest on subordinated Eurobond debt
- Operating expenses also rose by 26.4% due to the increase in AMCON and NDIC resolution costs, staff related costs, adverts, branding and corporate promotion expenses
- Achieved ISO22301 recertification on business continuity management (BCM) in its commitment to meeting the expectation of our diverse stakeholder base through excellent service delivery
- Maintained leadership position in domestic and International card issuance, electronic transaction processing and ATM deployment
- Impressive growth witnessed in the internet banking usage and mobile platforms reflecting the cashless policy effect
- Leveraging digital channels (Mobile and Internet) to create compelling offerings aimed at acquiring, developing and retaining customers; increased number of debit cards to 7.4mn and 39% market share (FY 2013: 6.5mn and 31% respectively) with an 87% activity rate. Extensive distribution platform – 835 business locations; 8,439 POS; 2,597 ATMs (2437 in FY 2013); 9.7mn active accounts across the Bank
- Launched an exclusive partnership with PayPal geared towards accelerating the adoption of eCommerce in Nigeria
- To further support our financial inclusion initiative, an additional $1.23mn was received from the Bill and Melinda Gates Foundation (BMGF) having met the grant target to qualify for the second payment

Gross earnings – (₦bn)



Profit before tax – (₦bn)



IBAM* – Diversifying revenue streams and deepening customer relationships

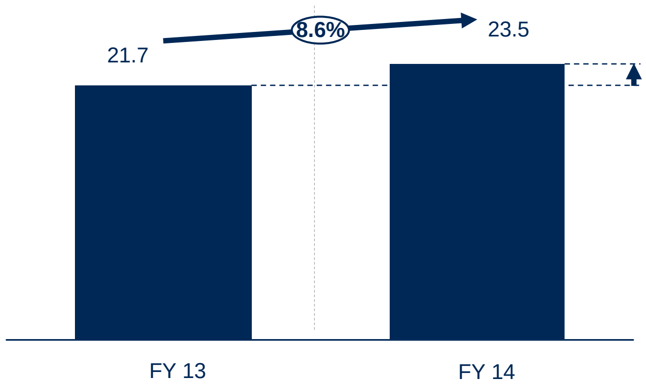
Twelve months 2014:

- We continue to diversify and grow revenue and PBT
- The largest contribution has come from the IB business, particularly Structured Finance, and the Trustee & Agency business which both performed strongly
- Strengthening of the distribution platform and the introduction of additional products has driven a strong rebound in the Asset Management business
- The Markets & Alternative Investments businesses faced a more challenging environment with increased uncertainties, a poor performing equity market and waning interest/exit of foreign investors
- We made progress in collaborating with other members of the group; our IB and Asset Management businesses worked closely with the corporate and retail banking businesses generating additional synergies for the group
- Notable awards received during the year include; Best Investment Bank in Nigeria [Global Finance] and Best Asset Manager in Nigeria [EMEA Finance]

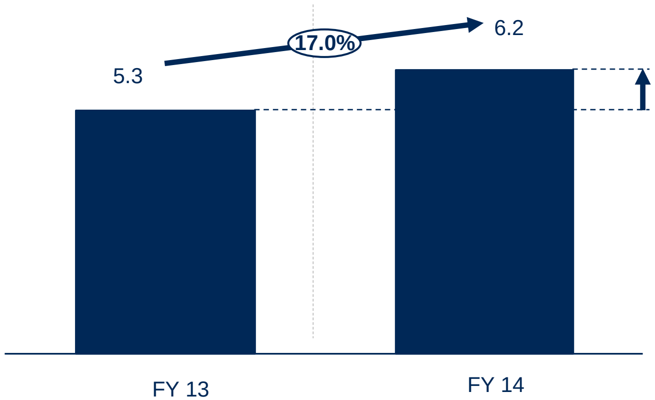
Outlook for 2015:

- Continued macro headwinds of low oil prices and pressure on the currency suggest a tough year ahead, however we are cautiously optimistic that there will be a rebound in activities by H2 2015
- We are transitioning towards merchant banking and this will expand our product offering particularly around corporate banking and fixed income activities, supported by a more diversified funding base
- We expect the Structured Finance & the Trust and agency businesses to remain strong contributors. In addition, we expect a resurgence from the primary capital markets and advisory businesses
- We will also focus on extracting synergies across the IBAM businesses and the entire group, cost minimisation and enhancing operational efficiency

Gross earnings – (₦bn)



Profit before tax – (₦bn)



**IBAM – Investment Banking and Asset Management*

Kakawa Discount House Limited

FY 2014:

- FBN Holdings acquired a 100% stake of Kakawa Discount House Limited (KDHL) in the fourth quarter of 2014
- This acquisition is motivated by the proposed conversion of KDHL into a Merchant Bank and the desire to expand the Group's product platform
- KDHL is a primary dealer and market maker (PDMM) in fixed-income securities and an active player in the Nigerian interbank and money market. It also provides wealth management and corporate finance services to a large clientele of high-net-worth individuals, institutional and corporate customers
- KDHL brings on board a strong fixed income origination and distribution franchise which can be further leveraged through FBN Holdings' existing infrastructure
- In three months, Kakawa contributed ₦4.2bn (0.9%) and ₦503mn (0.5%) to the group's gross earnings and PBT respectively in FY 2014

Outlook

- To secure the final merchant banking license from the CBN and commence full merchant banking operations
- Reposition the business in preparation for merchant banking business
- To leverage the synergies existing between KDHL and FBNH

Insurance Group – Inorganic growth provides expanded market access

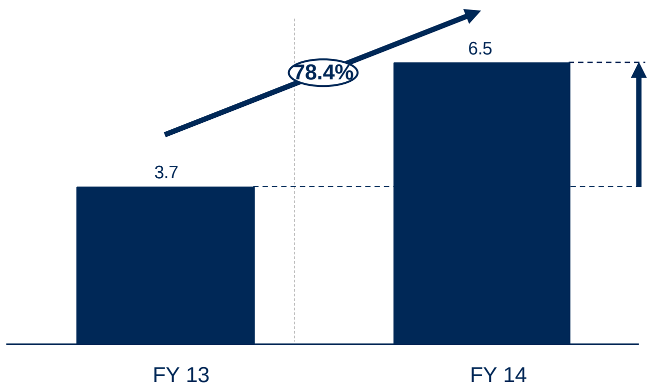
Twelve months 2014:

- The insurance business group offers insurance brokerage and composite underwriting services to customers.
- FBN Insurance Brokers (100% owned subsidiary) provides the brokerage service, the full underwriting business is provided through FBN Insurance Limited (owned by FBNH 65% and Sanlam 35%)
- Insurance Group recorded a 78.4% growth in gross earnings to ₦6.5bn in FY 2014 (FY 2013: ₦3.7bn) showing the impact of the acquisition of the Oasis business general insurance
- Over 90% of policy cases are retail. FBN Insurance retail-focused strategy is geared towards the mass market where insurance penetration is at its lowest
- Enhancing the premium-value scheme to provide easy access to inexpensive insurance plans and prompt settlement
- Operational expenses increased due to business expansion, integration of Oasis and the associated rebranding expenses
- Profit before tax for the Group increased 83.2% y-o-y to ₦1.6bn

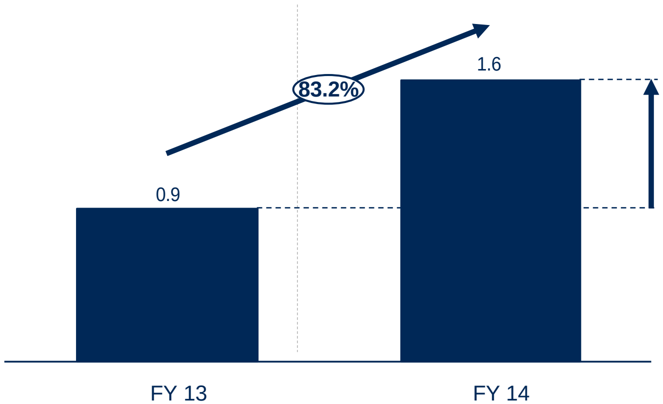
Outlook:

- Drive Bancassurance implementation in line with regulatory guidelines
  - Implementation of the Bancassurance will deepen penetration of client base and enhance the Insurance Group's income
- Regular training and development to update skills

Gross earnings – (₦bn)



Profit before tax – (₦bn)



Microfinance – Focus on quality risk assets while increasing fee-based income

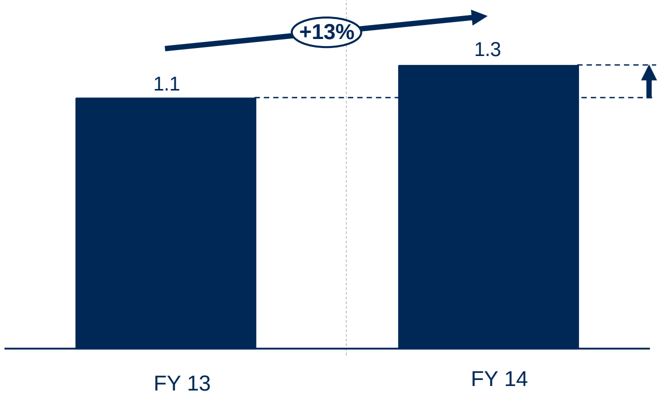
Twelve months 2014:

- FBN Microfinance (FBNM) recorded gross earnings and PBT of ₦1.3bn and ₦283.3mn respectively (FY 2013: ₦1.1bn and ₦63.8bn). Profitability was impacted by increased interest income (+17.9%)
- Net interest income up 18.5% y-o-y to ₦950.9mn as a result of growth in loans & advances to both banks (+24%) and customers (+18.5%)
- Significant negative impact from first time adoption of IFRS on 2013 PBT due to the adjustments passed to the income statement for prior years
- Loan growth recorded y-t-d was 18.0% to ₦1.7bn (FY 2013: ₦1.5bn)
- 27.0% rise in customer deposits to ₦1.3bn (FY 2013: ₦1.0bn) benefitting from an enhanced deposit mobilisation drive; 62% rise in the customer base
- Four (4) additional branches were added in the year following upgrade of the operating license from "State License" to a "National License"

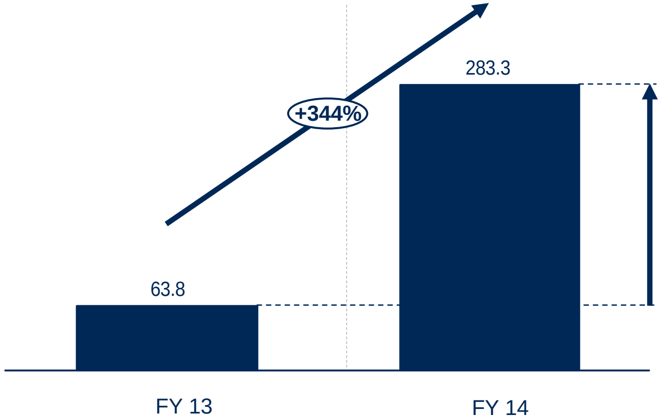
Outlook:

- The group is diverting from this business

Gross earnings – (₦bn)



Profit before tax – (₦bn)



Outlook

Outlook – 2015 financial targets

	FY 2014 Results	2015 Targets
Deposit growth	4.2%	≤ 10%
Net loan growth	23.2%	~5%
Net interest margin	7.6%	7% – 7.5%
Cost to income ratio	66.6%	63%
Cost of risk	1.3%	1.5%
NPL Ratio	2.9%	3% - 5%
ROAE	16.7%	16% - 17%
ROAA	2.0%	1.5% - 2%
Cost of funds	3.5%	~ 3.5%
Effective tax rate	10.8%	18% - 20%

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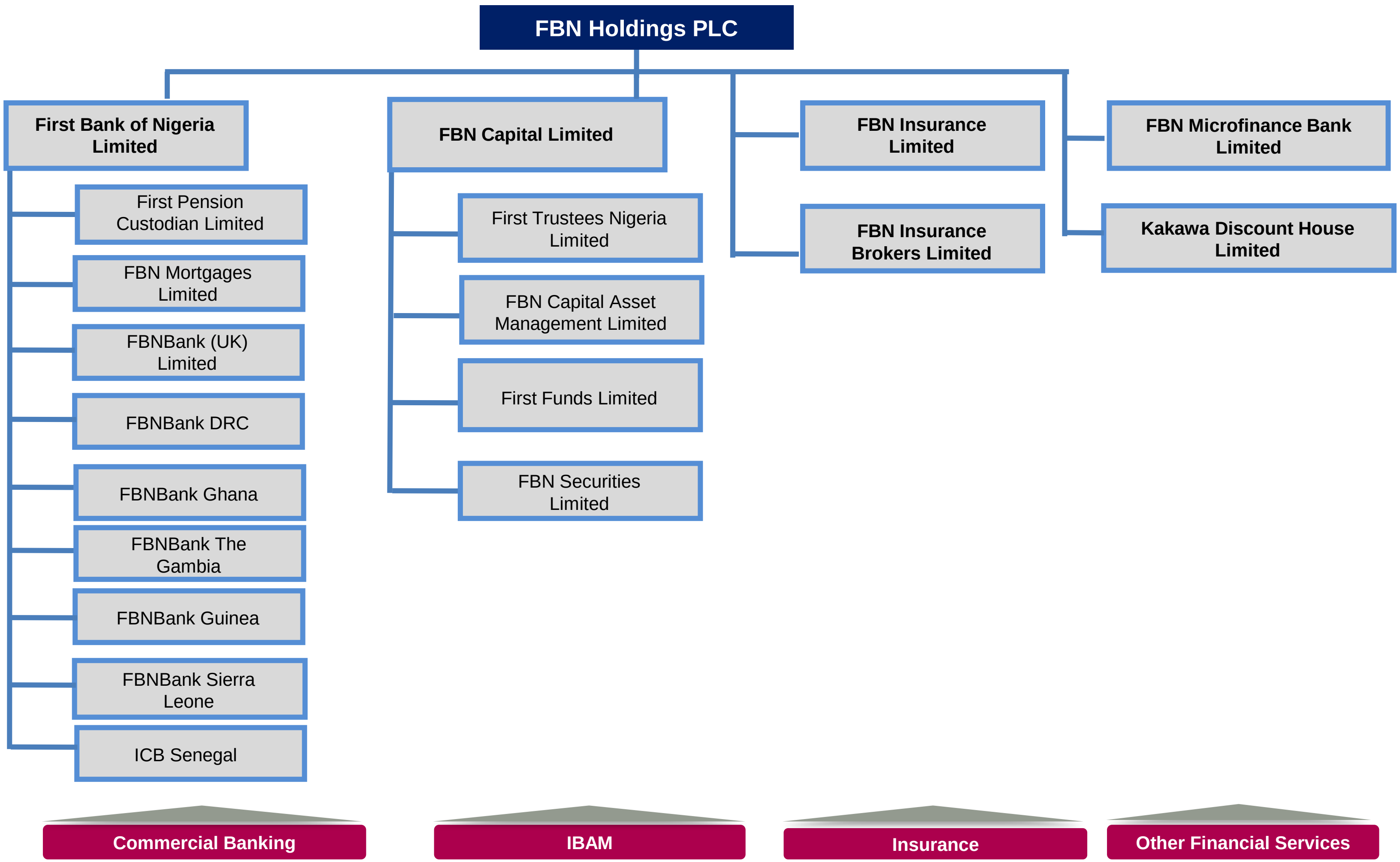
+234 (1) 9051086

Appendix

Diversified Financial Holding Company



FBN Insurance Limited acquired 100% of Oasis Insurance Plc

GDR Programme

FBN Holdings has a Sponsored Regulation S Global Depositary Receipt (RegS GDR) program

- Ticker symbol: 999112Z LI
- CUSIP: 31925X302
- ISIN: US31925X3026
- Ratio: 1 GDR : 50 Ordinary Shares
- Depositary bank: Deutsche Bank Trust Company Americas
- Depositary bank contact: Stanley Jones
- ADR broker helpline: +1 212 250 9100 (New York)
- +44 207 547 6500 (London)
- e-mail: adr@db.com
- ADR website: www.adr.db.com
- Depositary bank‘s local custodian: Standard Chartered Bank, Mauritius