FBNHoldings

ONE GROUP
MULTIPLE SOLUTIONS

Three months ended March 2015

Investors & Analysts Presentation

DISCLAIMER

This presentation is based on FBN Holdings Plc's ('FBNH' or the 'Group' or 'HoldCo') unaudited IFRS results for the three months ended 31 March, 2015. 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.

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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 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.

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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

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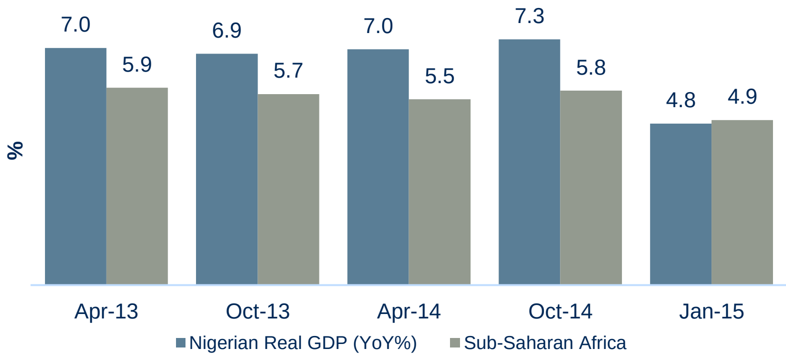
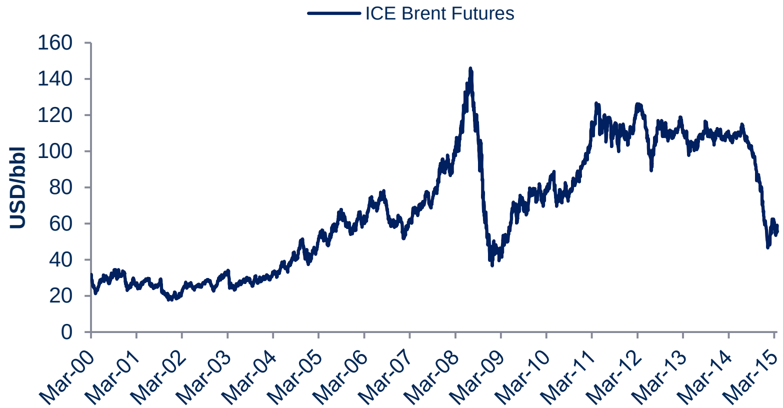
Overview & Operating Environment

Volatile macroeconomic environment

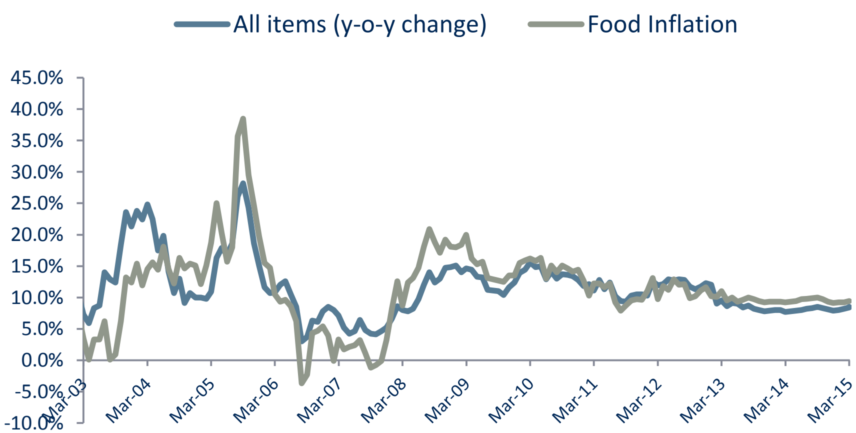
2015 GDP expectations revised downwards



Lower oil prices



Inflation



- 2015 GDP forecast for Nigeria revised downwards by the IMF to 4.8% due to the magnitude of the oil price shocks
- Reduction in the pump price of petrol from ₦97/litre to ₦87/litre
- Inflation rose marginally in March 2015 to 8.5% y-o-y from 8.4% in the previous month with food inflation remaining constant at 9.4%
- Successful and peaceful elections conducted improving the investing community’s confidence
- Monetary policy tightening through FX sales restrictions and closure of RDAS[1] window
- Downward review of the limit on the use of naira denominated cards for overseas transactions; tight monetary policy stance to avoid dollarisation of the economy
- The additional capital charge of 1% to be maintained by Systemically Important Banks (SIBs) is now scheduled to take effect from July 1, 2016

[1] RDAS- Retail Dutch Auction System
Source: Bloomberg and IMF as of 30 March 2015; CBN

Performance snapshot

Income statement

- Gross earnings of ₦126.8bn, up 23.5% y-o-y (Q1 2014 ₦102.6bn)
- Net interest income of ₦59.6bn, up 1.3% y-o-y (Q1 2014: ₦58.8bn)
- Non-interest income of ₦29.3bn, up 51.2% y-o-y (Q1 2014: ₦19.3bn)
- Operating income[1] of ₦88.8bn, up 13.9% y-o-y (Q1 2014: ₦78.0bn)
- Impairment charge for credit losses of ₦4.1bn, up 138.4% y-o-y (Q1 2014: ₦1.7bn)
- Operating expenses[2] of ₦57.8bn, up 11.9% y-o-y (Q1 2014: ₦51.6bn)
- Profit before tax of ₦26.9bn, up 8.7% y-o-y (Q1 2014: ₦24.8bn)
- Profit after tax of ₦22.6bn, up 4.9% y-o-y (Q1 2014: ₦21.6bn)

Statement of financial position

- Total assets of ₦4.5tn, up 3.9% y-t-d (FY 2014: ₦4.3tn)
- Customer deposits of ₦3.2tn, up 5.1% y-t-d (FY 2014: ₦3.1tn)
- Customer loans and advances (net) of ₦2.1tn, down 2.6% y-t-d (FY 2014: ₦2.2tn)

Key ratios

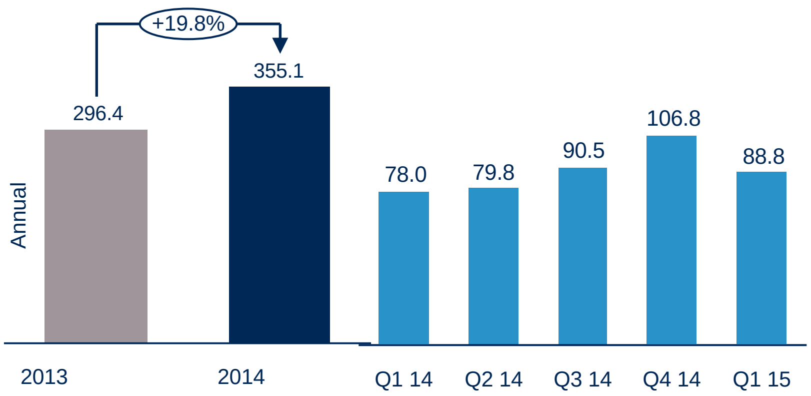
- Pre-tax return on average equity[3] of 20.2% (Q1 2014: 20.6%)
- Post-tax return on average equity[4] of 17.0% (Q1 2014: 17.9%)
- Net interest margin[5] of 6.9% (Q1 2014: 7.7%)
- Cost to income ratio[6] of 65.1% (Q1 2014: 66.2%)
- NPL ratio of 3.9% (Q1 2014: 3.6%)
- 42.5% liquidity ratio (Banking group) (Q1 2014: 36.8%)
- 19.1% Basel 2 CAR (Banking group) (Dec 2014: 16.7%)

[1] Operating income defined as net interest income plus non-interest income less share of profits from associates [2] Operating expense for Q1 2014 & Q1 2015 includes insurance claims [3] Pre-tax return on average equity computed as annualised profit before tax attributable to shareholders divided by the average opening and closing balances attributable to equity holders [4] Post-tax return on average equity computed as annualised profit after tax attributable to shareholders divided by the average opening and closing balances attributable to equity holders [5] Net interest margin computed as annualised net interest income divided by the average opening and closing balances in interest earning assets [6] Cost to income ratio computed as operating expenses divided by operating income

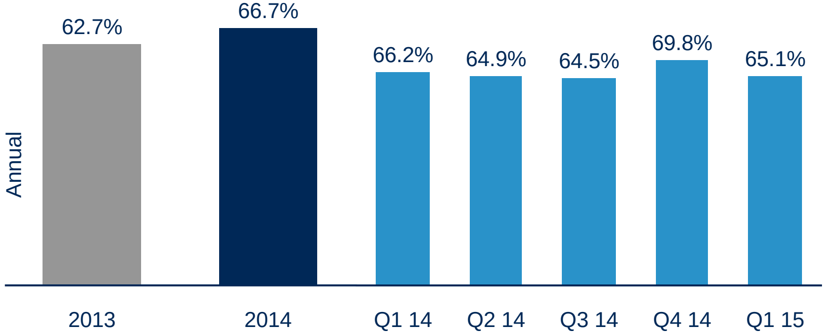
Improving business momentum

OVERVIEW | FINANCIAL REVIEW | BUSINESS GROUPS | OUTLOOK | APPENDIX

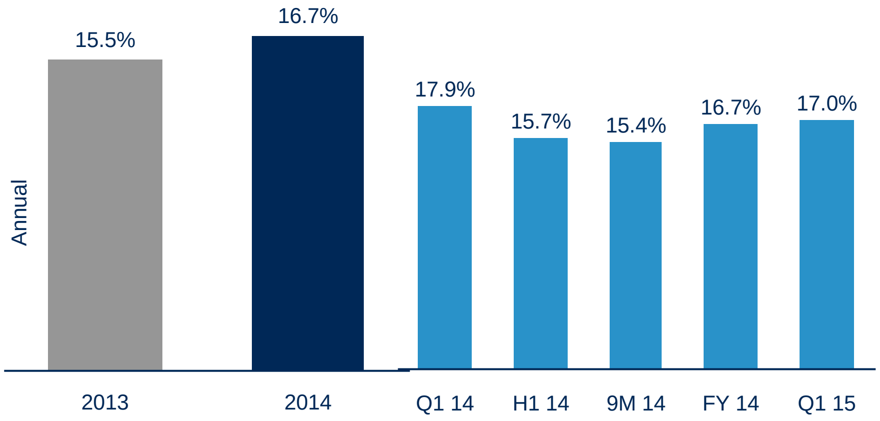
Operating income (₦bn)



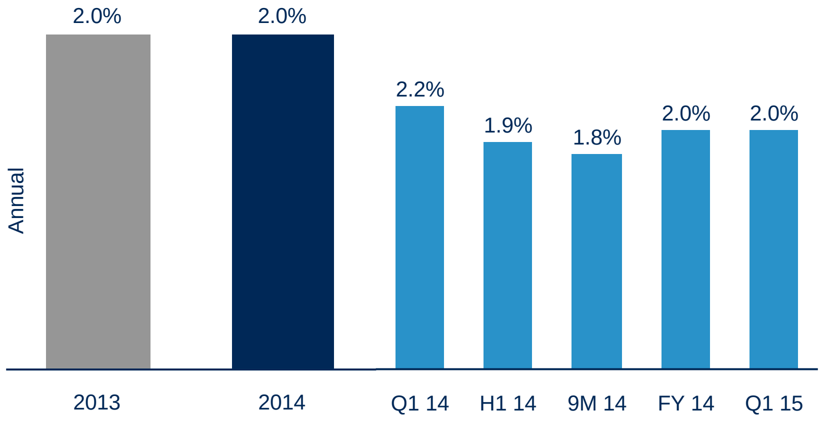
Cost-to-income ratio



Post-tax return[1] on average equity



Post-tax return[1] on average assets



[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

OVERVIEW | FINANCIAL REVIEW | BUSINESS GROUPS | OUTLOOK | APPENDIX

Capital Requirements

Commencement of Basel 2

No immediate plans by FBN Holdings to raise Tier 1 capital in the short term 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

Sensitised 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

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

Slow down on the creation of FCY assets to reduce the impact of naira devaluation on CAR

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 the 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

- Tightened risk acceptance criteria and more efficient document administration, collateral management, credit monitoring and collection support
- Enhanced 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 5.0X, PB ratio 0.6X)
An Exposure draft of the revised investment guidelines has 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

FBN Holdings

Financial Review

Q1 2015: Overview of income statement

₦bn	Q1 14	Q1 15	y-o-y
Gross Earnings	102.6	126.8	23.5%
Net Interest Income	58.8	59.6	1.3%
Non Interest Revenue	19.3	29.3	51.2%
Operating Income[1]	78.0	88.8	13.9%
Operating Expenses	51.6	57.8	11.9%
Pre-Provision Operating Profit[2]	26.3	31.0	17.8%
Credit Impairments	1.7	4.1	138.4%
Profit Before Tax	24.8	26.9	8.7%
Income Tax	3.2	4.3	34.6%
Profit After Tax	21.6	22.6	4.9%

Key Metrics	Q1 14	Q1 15
Net Interest Margin[3]	7.7%	6.9%
Non Int. Rev/Operating Income	24.6%	32.3%
PPoP/Credit Impairments	0.5x	0.7x
Cost to Income[4]	66.2%	65.1%
Cost of Risk	0.4%	0.7%
ROaE[5]	17.9%	17.0%
ROaA[6]	2.2%	2.0%

- 23.5% y-o-y growth in gross earnings to ₦126.8bn (Q1 2014: ₦102.6bn); largely attributable to growth in interest income from loans and advances to customers (+16.9%), banks (+47.1%) and investment securities (12.3%)
- Strong NIR growth of 51.2% to ₦29.3bn (Q1 2014: ₦19.3bn) as a result of enhanced treasury activities, increased electronic banking activities, increased trade business as well as foreign exchange income growth to ₦9.7bn (Q1 2014: ₦4.2bn). NIR growth stripped of FX income is 29.3%
- Decline in fee and commission income to ₦15.0bn (-7.8%) attributable to reduction in commission on turnover (COT) to ₦2.8bn (Q1 2014: ₦4.0bn) reflecting the 100% decline in COT fees on current account balances to ₦1/mille from ₦2/mille
- Electronic banking fees was the major contributor (23.3%) to fee and commission income demonstrating a strong y-o-y growth of 82.8% to ₦3.5bn (Q1 2014: ₦1.9bn)
- Operating income grew 13.9% y-o-y to ₦88.8bn driven by the increase in non-interest revenue (51.2%)
- Interest expense rose 57.4% y-o-y to ₦35.7bn mainly due to the 45.9% increase in deposit costs to ₦30.4bn (Q1 2014: ₦20.8bn)
- 11.9% y-o-y increase in operating expenses to ₦57.8bn (Q1 2014: ₦51.6bn) as a result of increased staff (+9.7%) and regulatory costs (+3.6%)
- Cost-to-income ratio declined to 65.1% benefitting from faster growth in operating income relative to expenses
- Cost of risk increased 0.7% y-o-y (Q1 2014: 0.4%) driven by the increased impairments taken for the period as a result of the impact of macroeconomic conditions on some small to medium sized exposures
- Profit before tax increased 8.7% y-o-y to ₦26.9bn, translating into a pre-tax return on equity of 20.2% and a post tax return on equity of 17.0%
- EPS[7] of ₦2.74 (Q1 2014: ₦2.62)

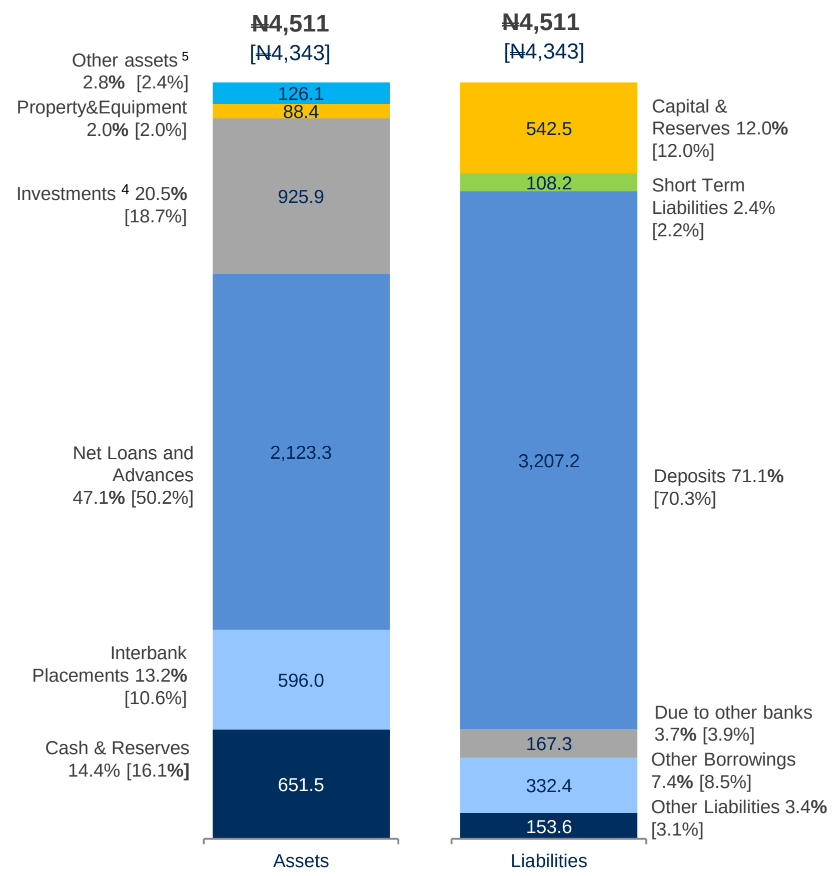
[1] Operating income is defined as gross earnings less interest expense, fee and commission expense, insurance claims and share of profit/loss from associates; [2] Pre-provision operating profit computed as operating profit plus impairment charge [3] Net interest margin defined as net interest income (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 attributable to owners divided by the number of outstanding shares

Q1 2015: Overview statement of financial position

₦bn	FY 14	Q1 15	y-t-d
Total Assets	4,342.7	4,511.4	3.9%
Investment Securities	735.3	852.3	15.9%
Interbank Placements	460.9	596.0	29.3%
Cash and Balances with Central Bank	698.1	651.5	-6.7%
Net Loans & Advances	2,178.9	2,123.3	-2.6%
Customer Deposits	3,050.9	3,207.2	5.1%
Total Equity	522.9	542.5	3.7%
Tier 1 Capital[1]	389.7	411.8	5.7%
Tier 2 Capital[1]	132.1	139.4	5.5%
Risk Weighted Assets	3,126.4	2,885.2	-7.7%

Key Ratios	FY 14	Q1 15
CAR (Basel 2)	16.7%	19.1%
Tier 1 (Basel 2)	12.5%	14.3%
Loans to Deposits[2]	72.8%	67.7%
NPL	2.9%	3.9%
NPL Coverage[3]	137.9%	111.6%

Structure – March 2015 (₦bn)

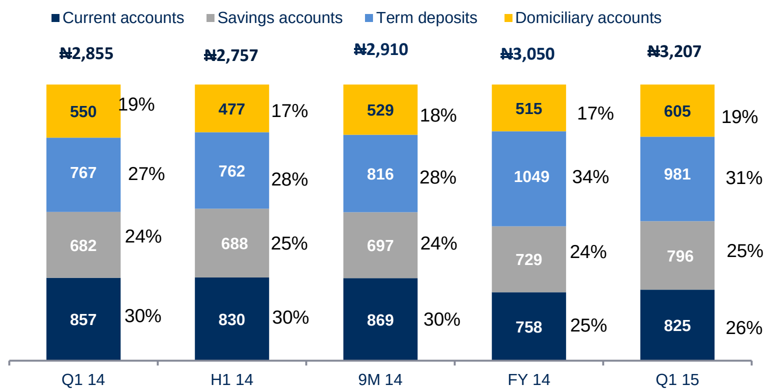


[ ]FY 2014

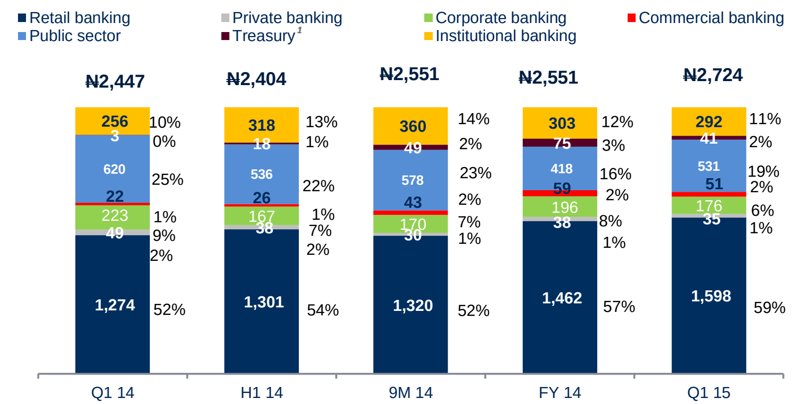
[1] Tier 1 & Tier 2 capital for commercial banking group under Basel 2, Tier 2 capital comprises foreign exchange revaluation reserves, hybrid capital instrument and minority interest for the commercial banking group; [2] Loans to deposits ratio computed as gross loans divided by total customer deposits; [3] Includes statutory credit reserves. Excluding statutory credit reserves, NPL coverage would be 55.8% for Q1 2015 (Q1 2014: 72.4%); 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

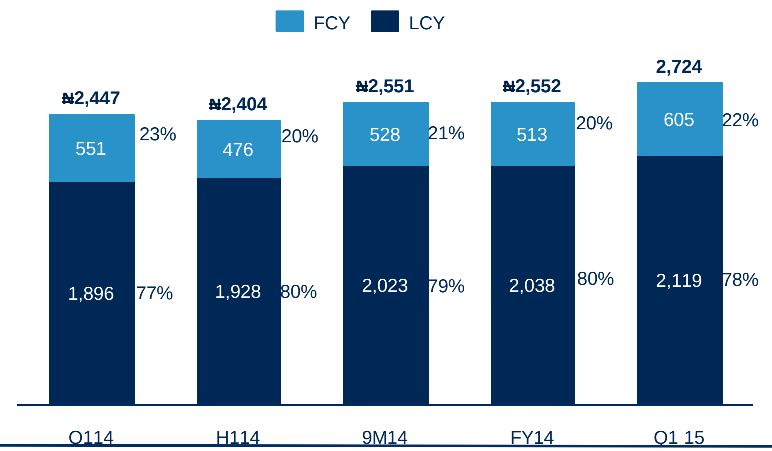


Deposits by SBU ₦bn (FirstBank - Nigeria only)



Deposits by currency

(FirstBank of Nigeria Only)

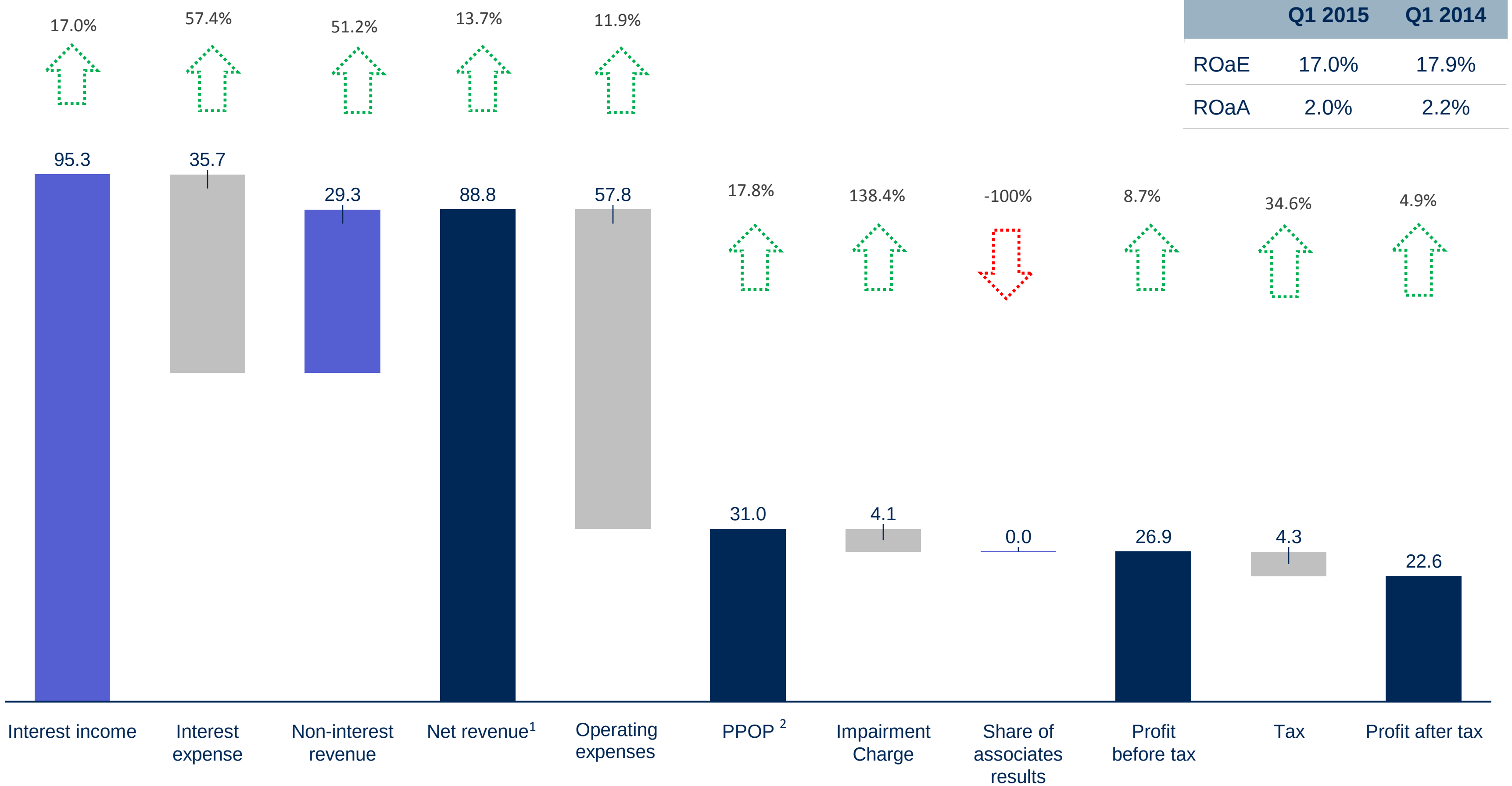


- Customer deposits increased 5.1% y-t-d across the Group
- CASA constitutes 69.4% of deposits up from 66% at the year end; retail business unit (+9.3% y-t-d), contributes 59% (FY 2014: 57%) to total deposits for FirstBank, providing a healthy and stable funding base
- Term deposits declined 6.5% y-t-d as we focus on growing low-cost deposits and ensuring access to cheap and sustainable deposits to support the business
- Public sector deposits represent 19.0% of customer deposits (FY 2014: 16.6%) within FirstBank
- 20.5% (or ₦560.1bn) of customer deposits within FirstBank are impacted by CRR as at Q1 2015. CRR represents 17.5% of FBNHoldings' total customer deposits
- Within the Nigerian business, the composition of foreign currency deposits to total deposits is 22.2% (FY 2014: 20.1%); representing 18.9% of total deposits across the Group
- Value chain of key multinationals and large corporates will be harnessed through transaction banking to continue to grow the deposit base

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

Evolution of Q1 2015 profit after tax (₦bn)

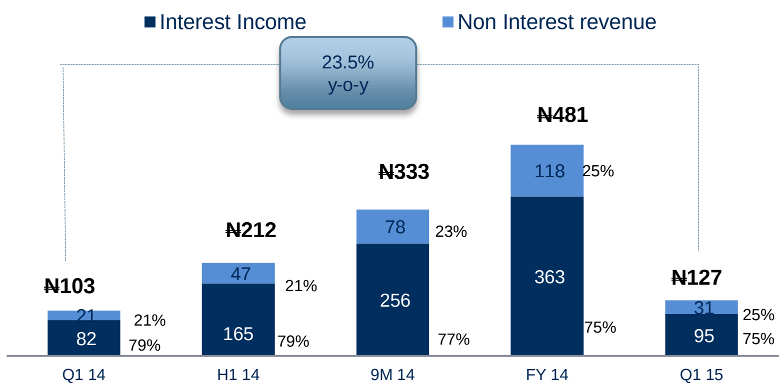
	Q1 2015	Q1 2014
ROaE	17.0%	17.9%
ROaA	2.0%	2.2%



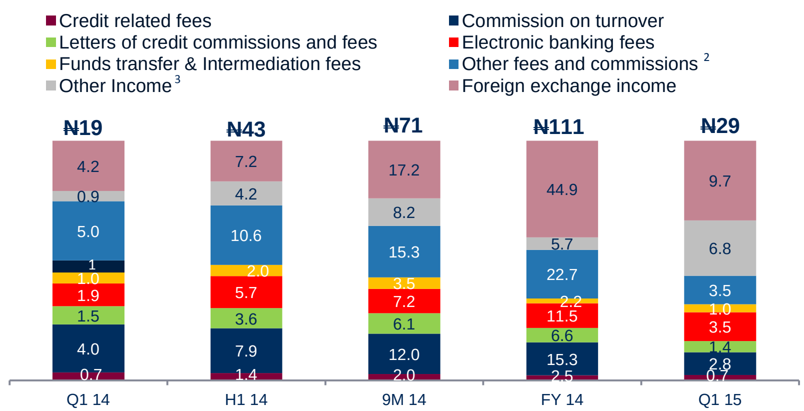
[1] Net revenue computed as operating income plus share of associate results [2] PPOP- pre-provision operating profit; computed as profit before tax –share of associate results+ credit impairment charge

Sustainable growth in revenue generation

Gross earnings (₦bn)



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

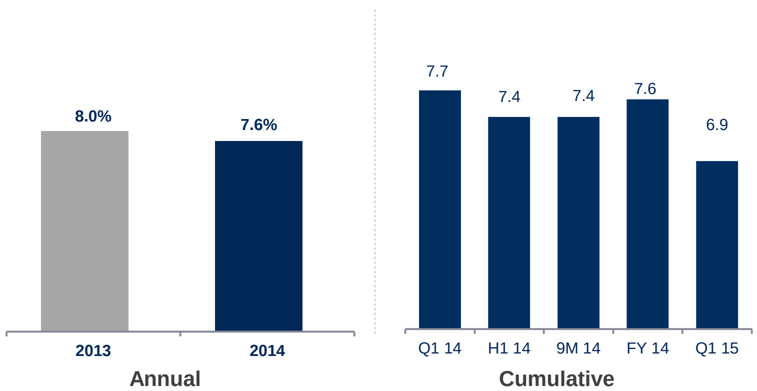


- Gross earnings increased by 23.5%; benefitting from the 17.0% growth in interest income – income on loans and advances to customers (+16.9%) and income on loans and advances to banks (47.1%) as well as the growth in investment securities (+12.3%)
- NIR growth of 51.2%; fee and commission (F&C) income, representing 51.3% of NIR, decreased by 7.8% y-o-y to ₦15.0bn (Q1 2014: ₦16.3bn)
- The decline in F&C income was driven mainly by the reduction in COT charges in line with the regulation reducing COT charges from ₦2/mille to ₦1/mille
- Electronic banking fees grew 82.8% y-o-y to close at ₦3.5bn supported by the growing number of cards (+17.3%, 7.5mn), ATMs (+5.5%, 2,605) and the various alternative channels. FirstBank has 40% market share of verve debit cards
- Electronic banking fees was the largest contributor to fee and commission income at 23.3% (Q1 2014: 11.7%)
- The second largest contributor to fee and commission income was COT contributing 18.4% (Q1 2014: 24.8%) inspite of 31.5% y-o-y decline in COT income to ₦2.8bn (Q1 2014: ₦4.0bn); COT (at ₦1/mille) represents 4.9% of F&C income and 3.1% of NIR
- Reviewing the Bank's operating model in line with the evolving business environment to ensure strategic realignment and optimal use of available resources
- Enhancing cross-sell initiatives and driving improved performance and returns from other subsidiaries to provide diversified and sustainable revenues

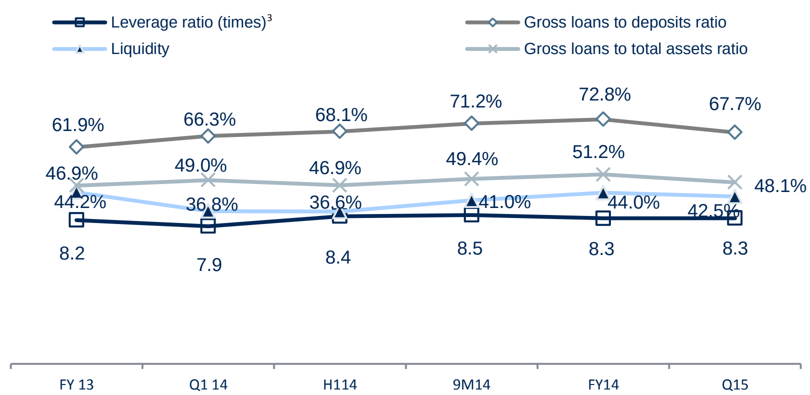
[1]Non Interest Income (or non-interest revenue) calculated net of fee and commission expense also includes other fees and commission which includes commission on performance bond, bankers instruments issued, e-business fees, account maintenance ,structured & project finance fees; [2] Other fees and commission include remittance fees and commission on bonds and guarantees [3] Other 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

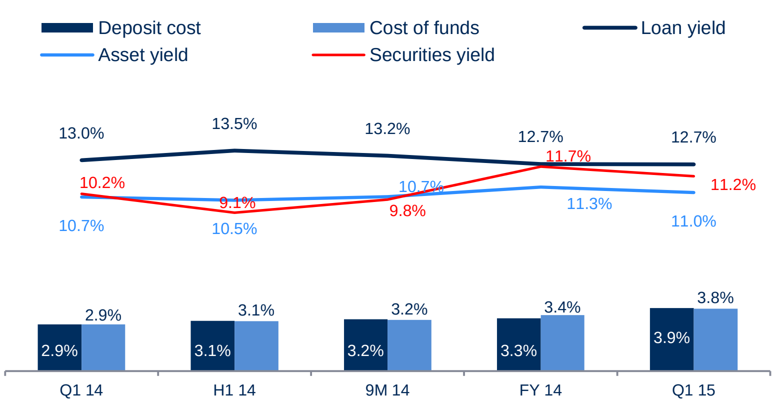
Net interest margin (NIM)[1]



Balance sheet efficiency



Yields and Cost of funds[2]

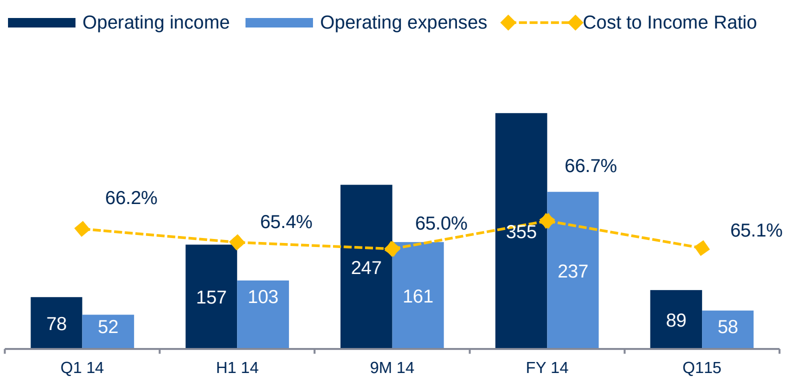


- Cost of funds rose to 3.8% at Q1 2015 due to the increase in the interest expense on deposits (+45.9%). Interest on savings deposits is now at 3.9% from previously 3.6% rate due to a higher MPR. Savings constitute 25% of total deposits
- We are maintaining optimal liquidity to harness erratic opportunities arising from uncertainties in the Nigerian economy
- Transaction banking initiatives will result in increased liquidity and cheaper funding improving cost of funds
- NIM guidance remains 7%-7.5%, though pressured on the funding side given the high interest rate environment
- Ensuring assets are optimised and appropriately priced as we reallocate assets and investments to the shorter end of the yield curve to optimise benefits from the high interest rate environment

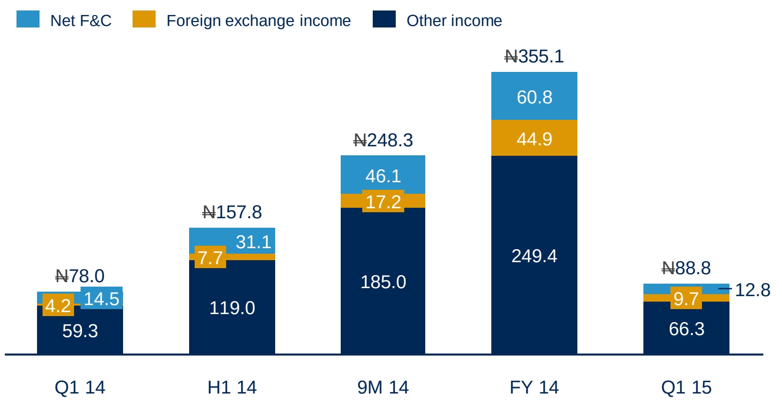
[1] Interest earning assets in computing NIM include loans to banks, loans to customers, financial assets and interest earning investment securities; [2] Average balances have been used to compute yield. [3] Leverage ratio computed as total assets divided by total shareholders' funds

Reduced cost growth

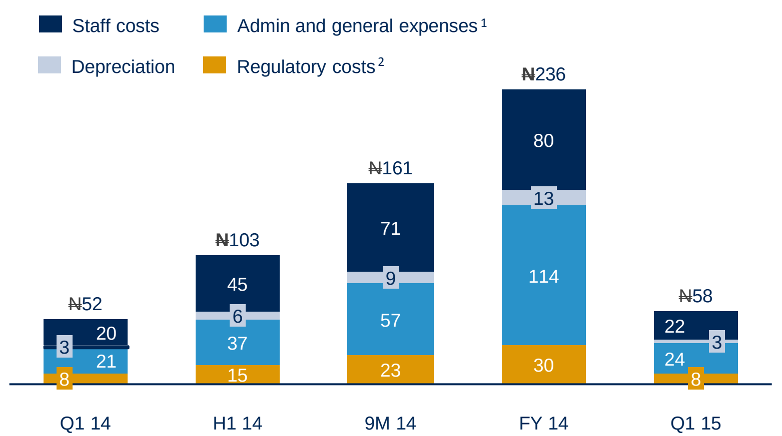
Operating income and expenses (₦bn)



Operating income breakdown (₦bn)



Operating expense breakdown (₦bn)

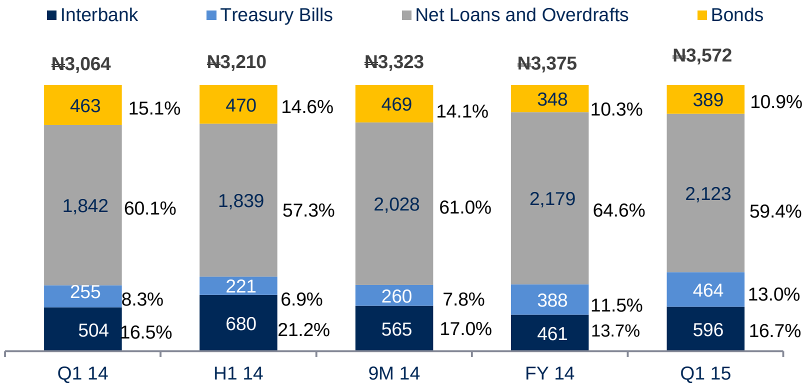


- Operating expenses (opex) increased 11.9% y-o-y to ₦57.8bn (Q1 2014: ₦51.6bn) driven primarily by staff cost +9.7% y-o-y to ₦22.4 billion and regulatory cost (+3.6% y-o-y) to ₦7.9 billion
- Deliberate cost reduction efforts, particularly the implementation of the centralised process and strategic realignment and optimal use of available resources led to the 19.3% y-o-y drop in maintenance costs
- Focus remains on executing an appropriate staffing structure and work force alignment and implementing an enhanced cost control culture to promote cost curtailment
- Furthermore, optimising procurement and operational spend as well as further tightening the expenditure approval process are measures in place to reduce operating cost
- Deploying IT solutions in head office middle and back offices will improve efficiency and effectiveness

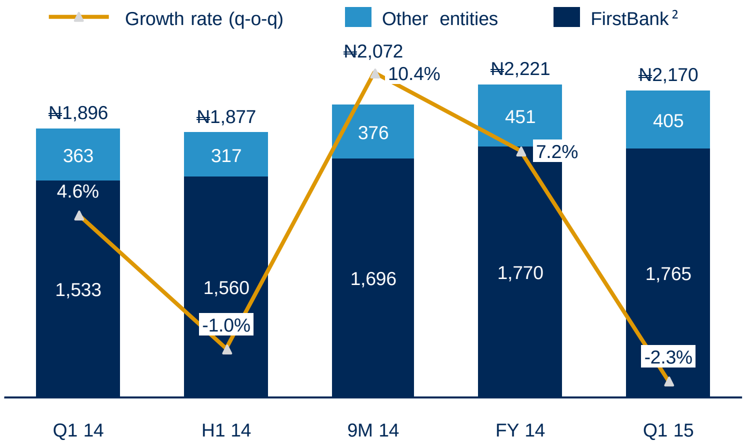
[1] Admin and general expenses include maintenance, advert & corporate promotion, legal and other professional fees, stationery and other operating expense; [2] Regulatory costs is made up by NDIC premium, AMCON resolution cost and others

More efficient balance sheet

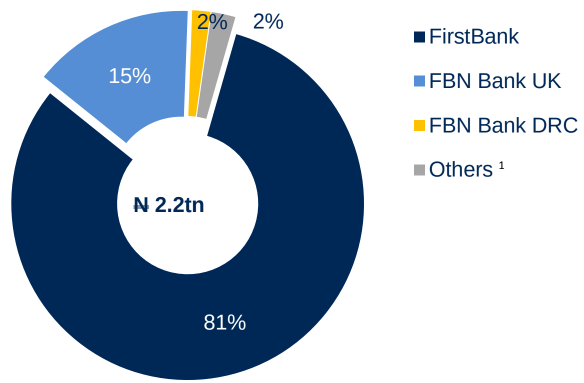
Interest earning assets mix (₦bn)



FBN Holdings gross loans (₦bn)



FBN Holdings gross loan book by business entities

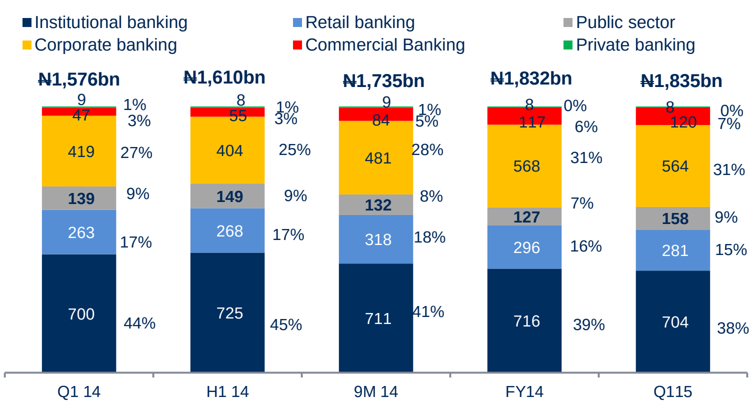


- FBN Holdings gross loans declined 2.3% y-t-d driven by a decrease in loan exposure to general[3] and manufacturing
- Drive increased efficiency through the loan book driven by rebalancing of the portfolio to higher yielding, short tenured assets, thereby optimising yields
- Loan growth in 2015 will be driven by adequate pricing, liquidity and capital adequacy requirements
- Sectors driving loan growth in coming periods will include manufacturing, general commerce and retail
- Focus is on diversifying the loan book by deepening presence on profitable sectors with sustainable business cases

[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 [3] General includes personal & professional, hotel & leisure, logistics and religious bodies

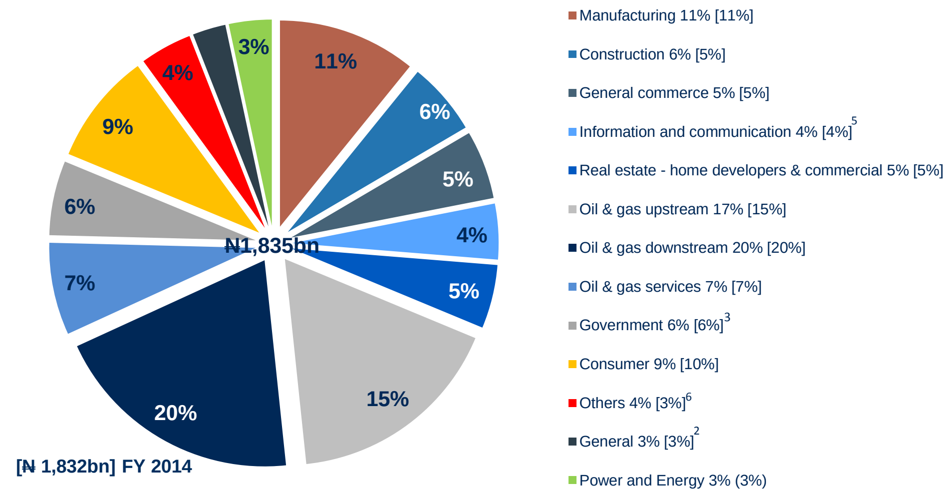
FirstBank - Nigeria only (Loan book breakdown)

Breakdown of gross loans by SBU[7] (₦bn)

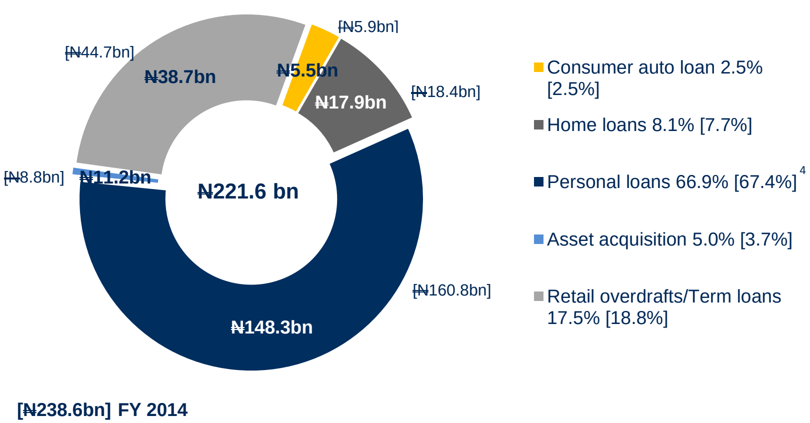


	Q1 14	H1 14	9M 14	FY14	Q115
Total	₦1,576bn	₦1,610bn	₦1,735bn	₦1,832bn	₦1,835bn
Private banking	9 (1%)	8 (1%)	9 (1%)	8 (0%)	8 (0%)
Commercial Banking	47 (3%)	55 (3%)	84 (5%)	117 (6%)	120 (7%)
Corporate banking	419 (27%)	404 (25%)	481 (28%)	568 (31%)	564 (31%)
Public sector	139 (9%)	149 (9%)	132 (8%)	127 (7%)	158 (9%)
Retail banking	263 (17%)	268 (17%)	318 (18%)	296 (16%)	281 (15%)
Institutional banking	700 (44%)	725 (45%)	711 (41%)	716 (39%)	704 (38%)

Gross Loans - Breakdown by Sectors



Core consumer / Retail product portfolio[1]

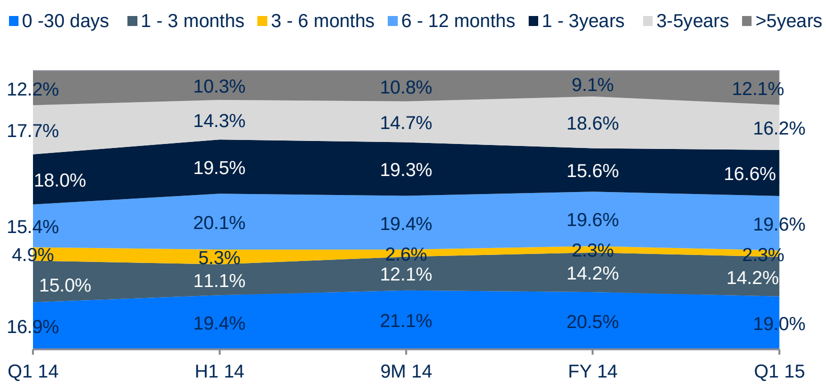


- FirstBank's gross loan book closed at ₦1.8tn (+0.1% y-t-d); 46.8% (FY 2014: 45.7%) of the loan book is in foreign currency (FCY)
- Concentration risk in the oil and gas sector is being moderated through implementation of business strategies
- Upstream oil & gas consists mainly of the indigenous companies in the market, some of which are hedged, while in the Oil & Gas downstream sector, we deal with the top tier of the market; we expect slowdown in the midstream due to margin compression
- 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
- Deepened coverage and growth of our retail business to ensure strategic realignment and optimal use of retail infrastructure

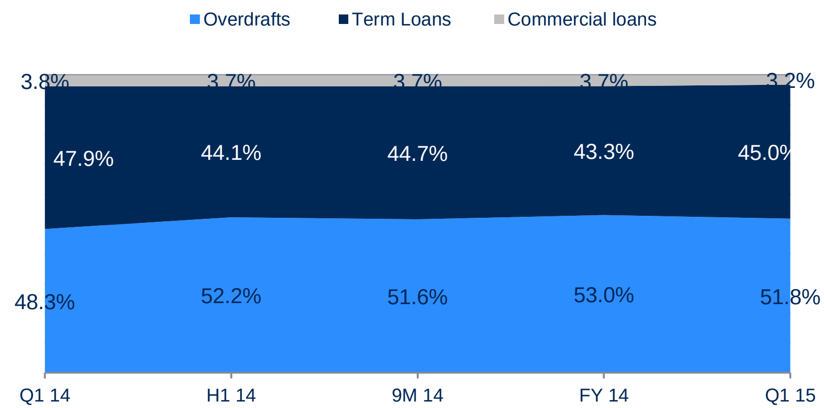
*[1] Represents loans in our retail portfolio < ₦ 50mn ; [2] General includes personal & professional, hotel & leisure, logistics and religious bodies; [3] Government loans are loans to the public sector (federal and state); [4] Personal loans are loans backed by salaries; [5] Telecoms comprise 93% of 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 tenor loans to drive increased income

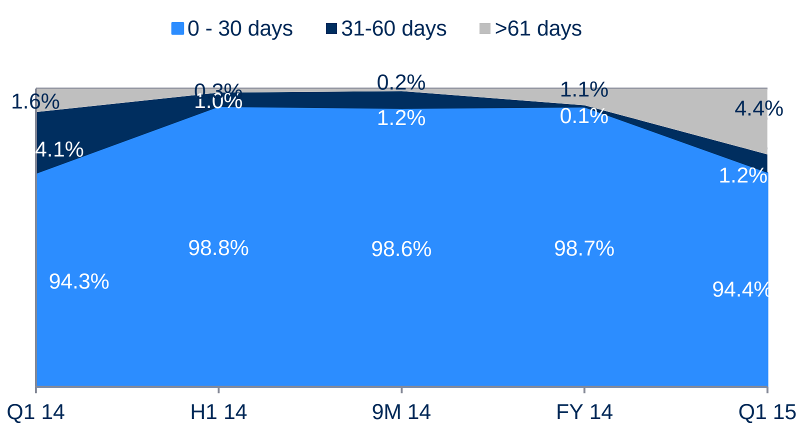
Loans and advances by maturity
(FirstBank - Nigeria only)



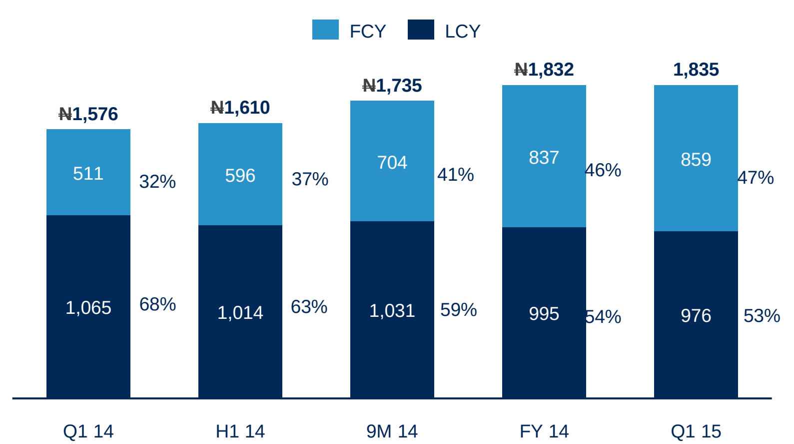
Loans and advances by type
(FirstBank - Nigeria only)



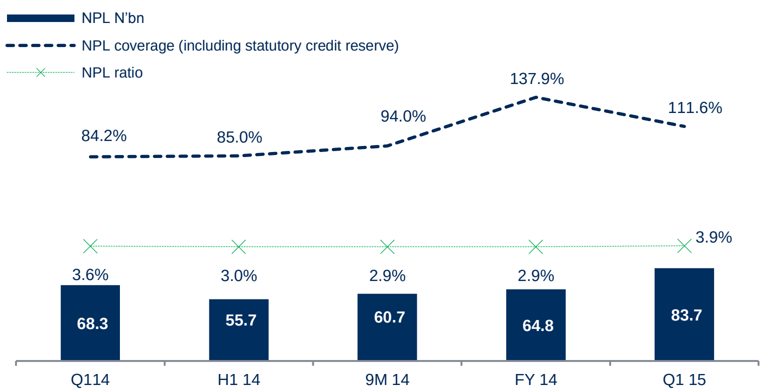
Ageing analysis of performing loan book
(FirstBank - Nigeria only)



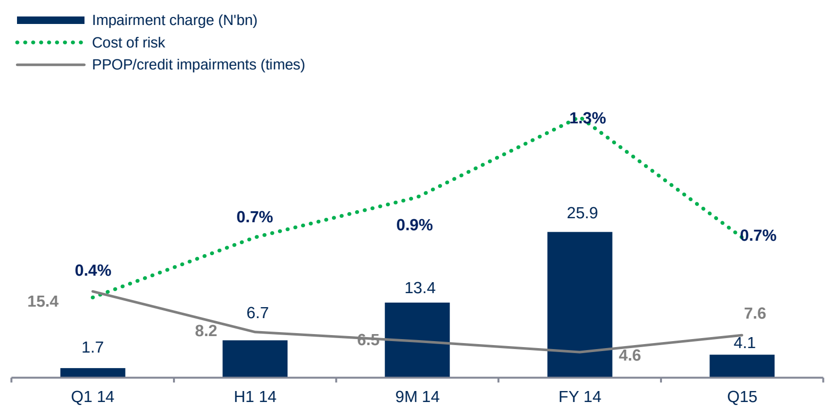
Loan book split by currency
(FirstBank - Nigeria only)



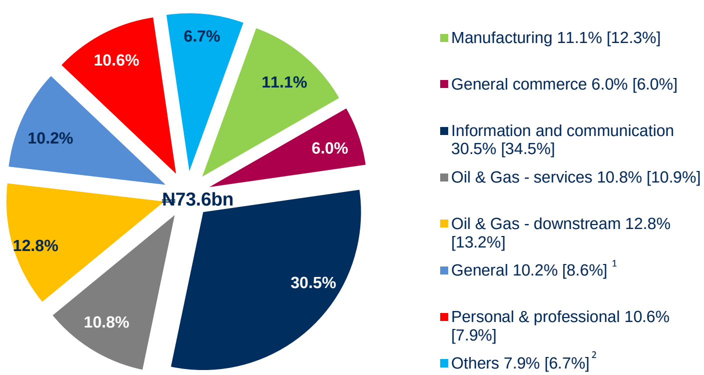
Robust and effective credit risk management system and framework



Evolution of credit impairments (FBN Holdings)



NPLs sector exposure
(FirstBank - Nigeria only)



[₦60.3bn] FY 2014

- Cost of risk inched upwards to 0.7% y-o-y (Q1 2014: 0.4%) due to recognition of impairment in some small to mid-sized accounts in telecoms, general commerce, oil services and downstream
- NPL ratio at 3.9% adequately covered with NPL coverage, inclusive of statutory credit reserve, of 111.6%
- Focus remains on proactively managing and driving efficiency within our portfolio
- NPL guidance of 3% - 5% driven by volatility in the operating environment occasioned by expected devaluation of the currency as well as reduced government revenues

[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

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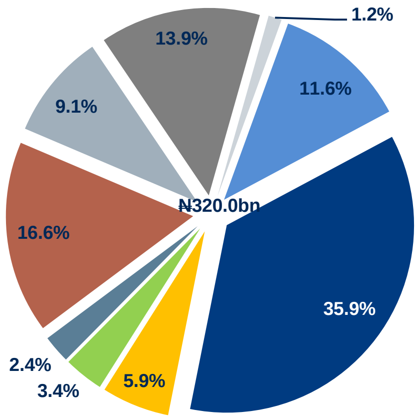
Selected financial summary[1]

₦bn	Q1 14	FY 14	Q1 15	y-o-y
Gross Earnings	6.6	29.2	7.5	13.6%
Interest Income	5.7	25.7	6.7	17.8%
Interest Expense	1.9	8.2	2.1	8.7%
Net Interest Income	3.8	17.5	4.7	22.3%
				y-t-d
Total Assets	619.5	668.0	607.3	-9.1%
Customer Deposits	394.5	419.1	371.6	-11.3%
Shareholders' Funds	62.2	63.6	64.7	1.7%
Loans and Advances	358.9	374.3	320.0	-14.5%

Key Ratios	Q1 14	FY 14	Q1 15
Cost to Income	39.3%	38.2%	40.2%
Gross Loans to Deposits	91.0%	89.3%	86.1%
Cost of Risk	0.0%	0.9%	0.0%
Net Interest Margin	2.6	2.8%	3.0%
ROaA	1.5%	1.2%	1.7%
ROaE	14.9	12.5%	16.7%
NPL ratio	0.0	0.1%	0.2%

Loan book by sector



[₦374.3.8bn] FY 2014

- Gross earnings rose y-o-y by 13.6% in Q1 2015 supported by general business expansion, improved asset mix and enhanced yield
- 8.7% y-o-y increase in interest expense attributable to the 23.5% y-o-y increase in interest expense on term deposits
- 61% of FBN UK's funding mix is from customer deposits while the 39% is a blend of borrowings, equity and other liabilities
- Operating expenses, stripped of impairments, increased by 18.4% y-o-y to ₦2.2bn (Q1 2014: ₦1.9bn) as operational infrastructures and resources expanded to support business and heightened regulatory requirements
- Net interest margin (NIM) increased to 3.0% (Q1 2014: 2.6%) on the back of enhanced assets yield at 4.3% (Q1 2014: 3.8%). Cost of funds remained stable at 1.5%
- Decline in total assets as a result of the termed out loans to oil & gas services
- PBT increased by 13.8% y-o-y to ₦3.3bn (Q1 2014: ₦2.8bn), with resultant ROE improvement to 16.7%

[1] *Average exchange rate on income statement and balance sheet: £1/ ₦294.5*

FBN Holdings

Performance Review - Business Groups

Commercial Banking

Investment Banking & Asset Management

Insurance

Microfinance

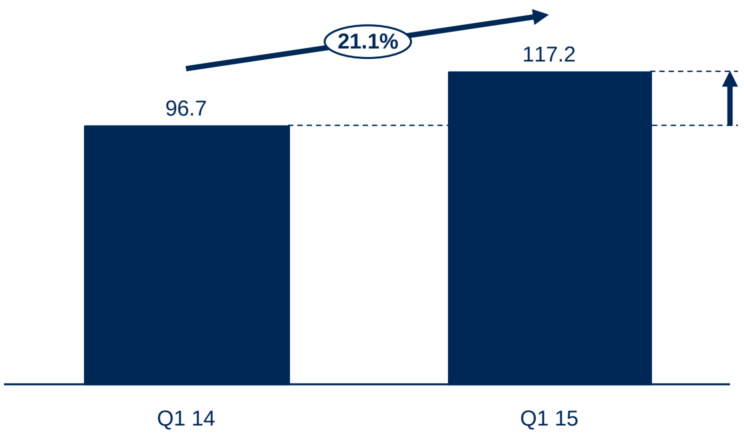
NOTE: The pre-consolidation numbers of each of the business groups have been considered in discussing the performance of each business.

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

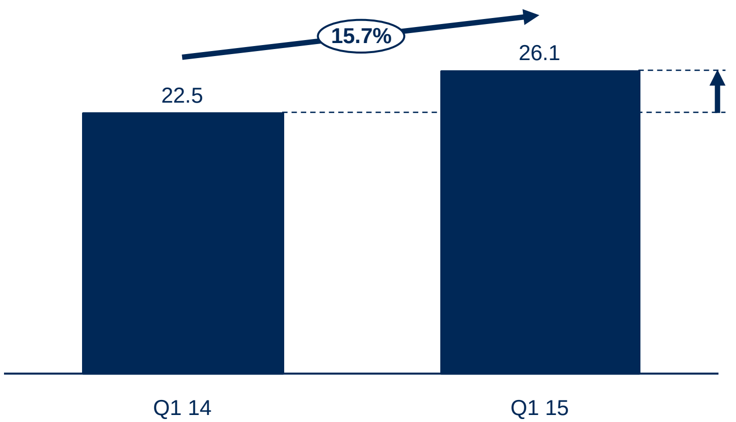
Three months 2015:

- The commercial banking group contributed 92.4% to FBNH's gross earnings in Q1 2015
- Gross earnings amounted to ₦117.2bn, up 21.1% y-o-y driven by Interest income (+15.5%) and fees & commission (+47.7%)
- Operating expenses increased, though at a slower rate, 7.3% y-o-y to ₦53.1bn (Q1 2014: ₦49.5bn) evidenced by the reduced growth in regulatory charges growth as well as the stringent cost measures in place
- Headcount for the group increased 3.0% to 9,604 (Q1 2014: 9,324) accounting for the 39% of the growth in operating expenses
- Measures in place to drive a reduced cost growth include:
  - Leveraging on technology and alternative platforms and channels
  - Expansion and centralisation of processes
  - Improving work-force productivity
  - Focus more on deepening transaction banking to increase collections to further enhance non-interest income
- We continue to drive increased revenue from alternative sources, leveraging on technology to enhance our electronic banking solutions towards improving non-interest income
- Gross revenue from electronic banking products and services increased 30% y-o-y to ₦3.75 billion (₦2.89 billion). The sustained growth in our electronic banking business underscores the importance of eBusiness as an important source of earnings diversification for the Bank
- Increased number of debit cards to 7.5mn and 40% market share (Q1 2014: 6.4mn and 34% respectively). Extensive distribution platform – 8,439 POS; 2,605 ATMs (Q1 2014: 2469); 10.1mn active accounts across the Bank
- We are extending the successful electronic banking opportunity across the international subsidiaries and harnessing cross border opportunities

Gross earnings – (₦bn)



Profit before tax – (₦bn)



IBAM* Group – Diversifying revenue streams and deepening customer relationships

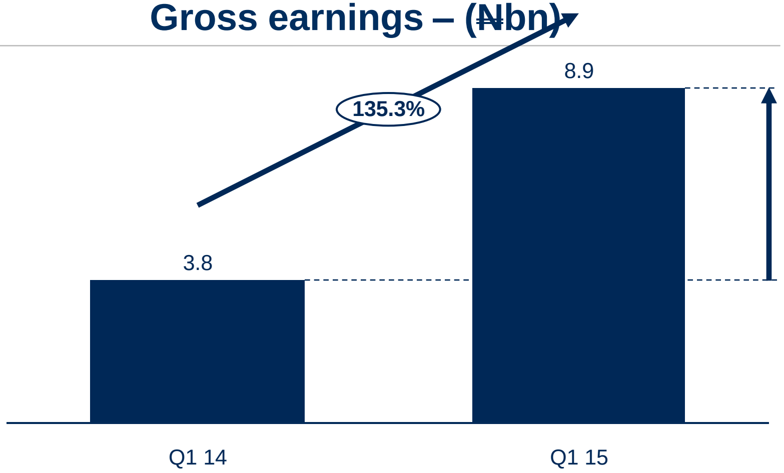
Three months 2015:

- The Investment Banking and Asset Management (IBAM) Group comprises of investment banking, securities sales & trading, trustee, asset management and private equity businesses that arrange finance, provide advisory services, trade securities, administer assets, manage funds and invest capital, for both institutional and individual clients
- Following the acquisition of a 100% equity interest in Kakawa Discount House by FBN Holdings Plc, the universe of products and services offered by the IBAM Group will expand further, along with the client base and the opportunity to deepen the relationship with existing clients
- Gross earnings accelerated 135.3% y-o-y to ₦8.9bn in Q1 2015 with a corresponding increase in profit before tax of 78.9% y-o-y to ₦2.6bn (Q1 2014: ₦1.4bn)
- The quarter's performance was driven mainly by the investment banking and trustee businesses of FBN Capital, and the fixed income sales & trading business of Kakawa Discount House

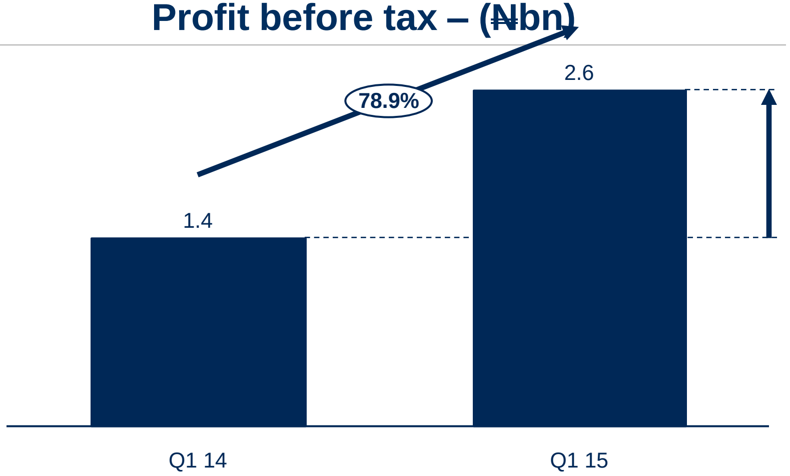
Outlook/Strategy :

- 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

Insurance Group – Inorganic growth provides expanded market access

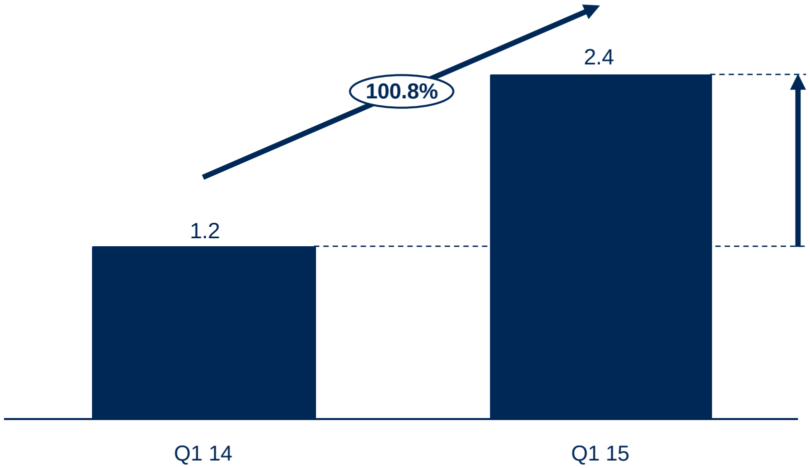
Three months 2015:

- 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 over 100% growth in gross earnings to ₦2.4bn in Q1 2015 (Q1 2014: ₦1.2bn) reflecting the impact of the expanded market access
- The life business remains the major contributor to top line figures delivering ₦2.4 billion which represented 81% of total gross premium
- 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
- The robust retail life penetration strategies and improving agency distribution model is a successful strategy being deployed to the recently acquired non-life business which is contributing modest results
- Profit before tax for the Group increased in excess of 100% y-o-y to ₦0.9bn

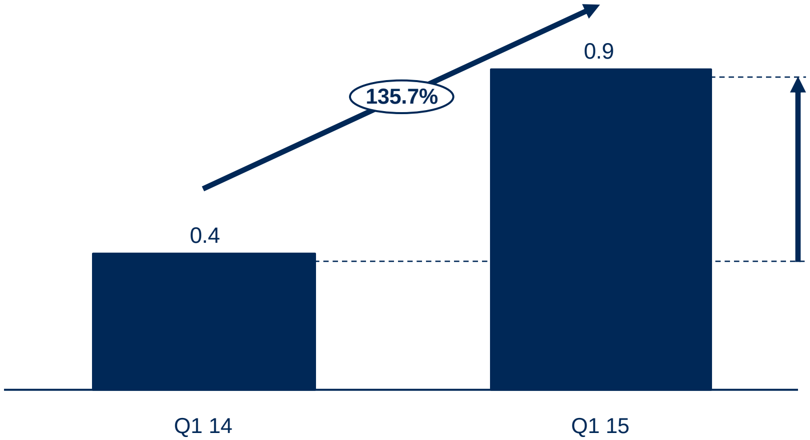
Outlook/Strategy:

- 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

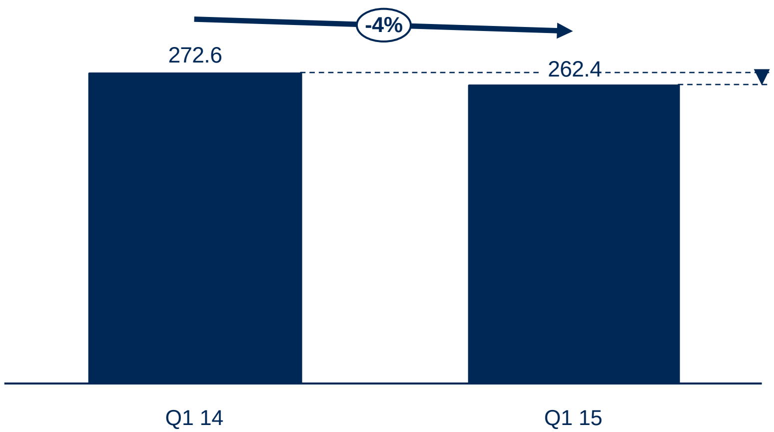
Three months 2015:

- FBN Microfinance bank provides microfinance services to the mass-market segment
- FBN Microfinance (FBNM) recorded gross earnings and PBT of ₦262.4mn and ₦69.9mn respectively (Q1 2014: ₦272.6mn and ₦199.9bn)
- The business currently has c.118,000 customers and 28 business locations across Nigeria

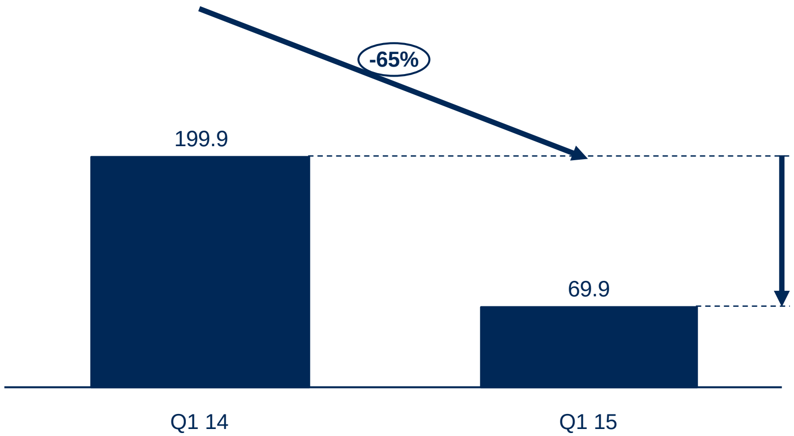
Outlook/Strategy:

- The group is divesting from this business

Gross earnings – (₦mn)



Profit before tax – (₦mn)



Outlook

Outlook – 2015 financial targets

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	FY 2014 Results	Q1 2015 Results	2015 Targets
Deposit growth	4.2%	5.1%	≤ 10%
Net loan growth	23.2%	-2.6%	~5%
Net interest margin	7.6%	6.9%	7% – 7.5%
Cost to income ratio	66.6%	65.1%	63%
Cost of risk	1.3%	0.7%	1.5%
NPL Ratio	2.9%	3.9%	3% - 5%
ROAE	16.7%	17.0%	16% - 17%
ROAA	2.0%	2.0%	1.5% - 2%
Cost of funds	3.5%	3.8%	~ 3.5%
Effective tax rate	10.8%	16.1%	18% - 20%

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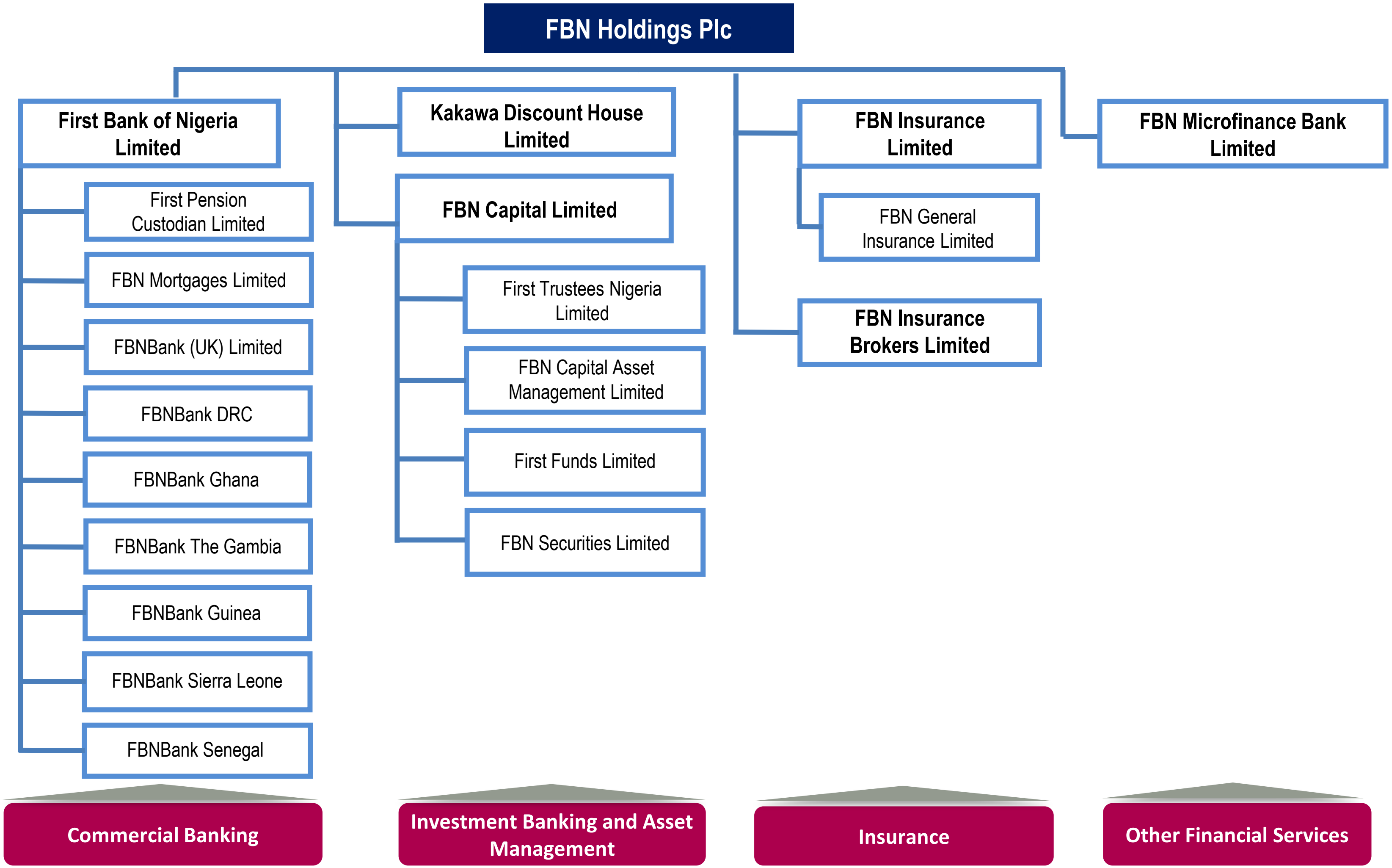
Appendix

Diversified Financial Holding Company



FBN Insurance Limited completed the acquisition of 100% equity interest in Oasis Insurance Plc

GDR Programme

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

- CUSIP: **30190K102**
- ISIN: **US30190K1025**
- 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