



Investor & Analyst Presentation
FCMB PLC Acquisition of FinBank PLC

21 September 2011

Disclaimer

This document contains certain forward-looking statements, including statements regarding or related to events and business trends that may affect our future operating results, financial position and cash flows.

These statements are based on our assumptions and projections and are subject to risks and uncertainties, as they involve judgments with respect to, among other things, future economic, and industry/ market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. You can identify these forward looking statements by the use of the words "strategy," "plan," "goal," "target," "estimate," "project," "intend," "believe," "will" and "expect" and similar expressions. You can also identify these forward-looking statements by the fact that they do not relate strictly to historical or current facts.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Outline


▶ Transaction Overview

▶ Deal Rationale

▶ Timeline

▶ Conclusion

FCMB Plc – an established bank in Nigeria

Subsidiaries	<ul style="list-style-type: none"> ▶ FCMB Capital Markets Ltd. ▶ Credit Direct Ltd. ▶ CSL Stockbrokers Ltd. ▶ FCMB (UK) Ltd. ▶ City Securities (Registrars) Ltd. 	Network	<ul style="list-style-type: none"> ▶ 139 branches & cash centres ▶ 10 in-plants ▶ 150 ATMs ▶ Call centre ▶ Mobile banking ▶ Internet banking
Associate Company	<ul style="list-style-type: none"> ▶ Legacy Pension Managers Ltd. (PFA) – 25% ownership 	Geographic Presence	<ul style="list-style-type: none"> ▶ Nigeria ▶ United Kingdom (Fully Licensed) ▶ South Africa (Rep. Office)
Listing	<ul style="list-style-type: none"> ▶ Ord. shares listed on the NSE ▶ Unlisted GDRs in the United Kingdom 	Staff Strength	<ul style="list-style-type: none"> ▶ 1,819 FTEs (as at Sep 2011)
Stock Symbols	<ul style="list-style-type: none"> ▶ NSE FCMB ▶ GDR CUSIP 319636205 ▶ GDR ISIN US319636205 	Financial Highlights	<ul style="list-style-type: none"> ▶ Total Assets & Contingents: N709.4bn (as of H1 2011) ▶ PAT: N5.3bn (for 6M H1 2011) ▶ Market Cap: N71.3bn (as of 20 September 2011)
Auditors			
Accounting	<ul style="list-style-type: none"> ▶ Local GAAP ▶ IFRS – Financial Year 2011 		
Credit Rating	<ul style="list-style-type: none"> ▶ B+ (S&P – July 2010) 		

Source: Company data

FinBank Plc – national distribution network and innovative mobile payment solution

FCMB

Background

- ▶ Result of merger of First Atlantic Bank, Inland Bank (Nigeria), IMB Int'l Bank and NUB Int'l Bank in 2005
- ▶ Listed on NSE in 2006
- ▶ Renamed to FinBank / public offer of c.N100bn in 2008
- ▶ Present in Abuja and 36 states of Nigeria
- ▶ Focused on providing consumer, commercial and institutional banking services
- ▶ Renowned for mobile FlashMeCash payment solution

Subsidiaries

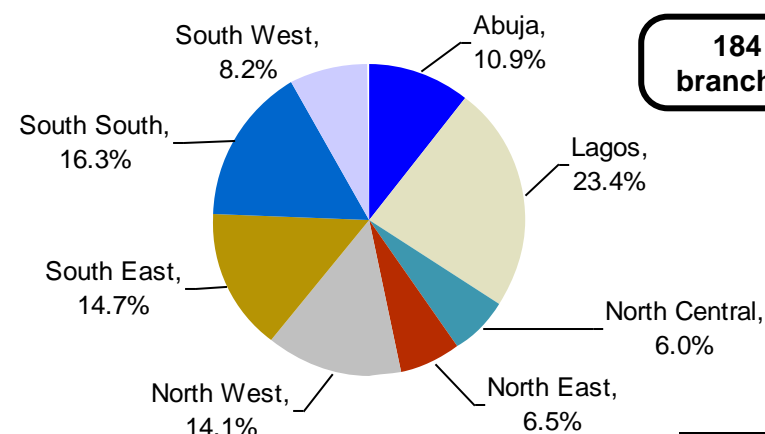
Companies	Stake (%)
Arab Gambian Islamic Bank	70
FinBank Homes Limited	60
FinBank Insurance Company Limited	97
FinBank Capital Limited	100
FinBank Insurance Brokers Limited	100
FinBank Registrars Limited	100
FinBank Securities and Assets Management Limited	100
Transcend Technologies Limited (in liquidation)	100

Financial Highlight

Key Financial Metrics as of H1 2011 (N'bn) ⁽¹⁾

Total Assets	192.4 / 298.0 ⁽²⁾
Deposits	175.4
Loans	31.9
Shareholders' Funds	(107.3)
Number of Customers	551,500 ⁽³⁾
Full Time Employees (FTEs)	2,106 ⁽⁴⁾
Branches	184
ATMs	149

Branch Distribution



Source: Company data

(1) All in N'bn except No. of customers, FTEs, branches & ATMs; (2) Total assets pre AMCON FAA injection / Total Assets post AMCON FAA injection and CBN loan repayment; (3) As of 2009 YE; (4) As of May 2011, excluding 3,272 outsourced staff

FCMB

Key Highlights – full merger by Dec 2012

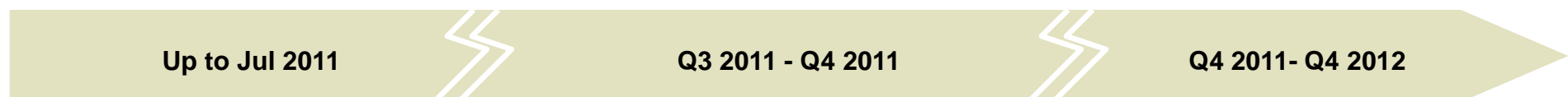


- ▶ TIA executed laying out terms and conditions for:
 - Re-capitalisation of FinBank
 - Combination of FCMB and FinBank

- ▶ AMCON to inject N155.6bn Fin. Accommodation to restore FinBank’s NAV to zero
- ▶ FCMB acquires 100% of FinBank (through FCMB Investments Ltd. (FIL)) via Scheme of Arrangement (SoA)
- ▶ FinBank recapitalised on a "see through" to FCMB’s capital, until merger

- ▶ Post merger Integration (PMI) planning
- ▶ Restructuring and repositioning of FinBank, especially in retail segment
- ▶ Merger of FCMB and FinBank

Indicative Timeline



■ Completed
 ■ In Progress
 Yet to Commence

Deal Structure – consideration of N6bn (cash/FCMB shares)

- 1 FinBank capital structure re-organised via Scheme of Arrangement
- 2 AMCON plugs FinBank's NAV to zero (with a N155.6bn injection)
- 3 FCMB acquires 100% of FinBank via FIL, paying consideration of N6bn in:
 - Cash and/or
 - FCMB shares (fractional shares will be settled in cash)
- 4 Consideration split between FinBank shareholders and AMCON:



- 5 Capital Guarantee
 - FCMB sets aside capital of c.N16bn to ensure FinBank’s CAR is sufficient on a “see through” basis until the merger
- 6 De-list FinBank
- 7 Merger of FinBank with FCMB (6-12 months post acquisition)

Source: FinBank Scheme Document

(1) Existing Shares are the 16.7bn fully paid ordinary shares existing in the share capital of FinBank less Shares in the Box of 798.8m units

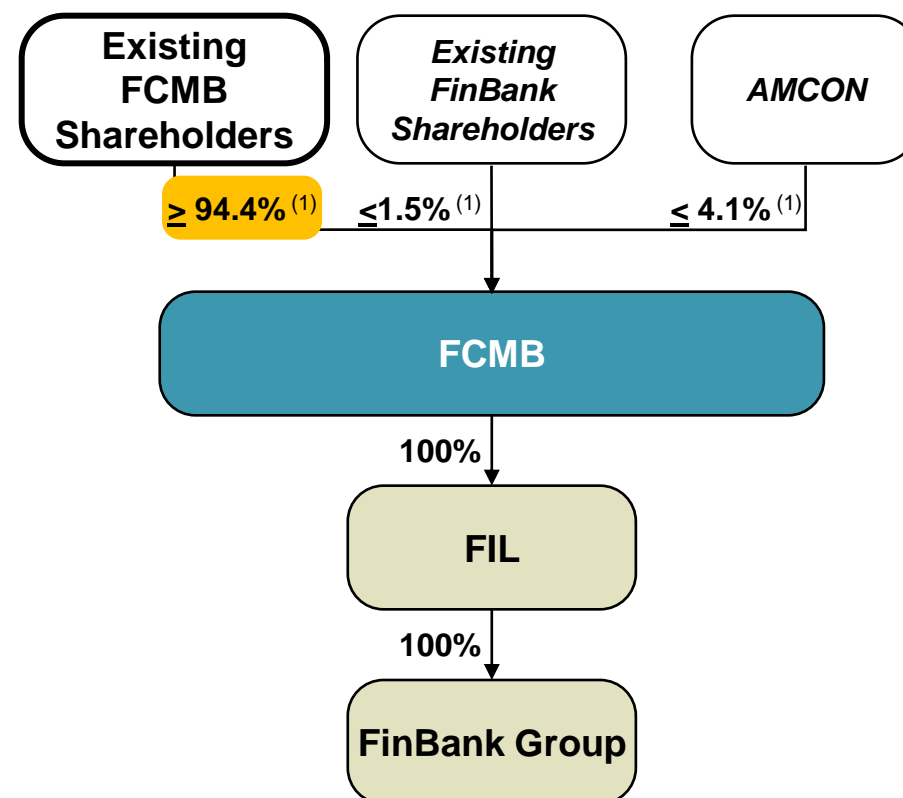
(2) Scheme Shares are the 4.3bn ordinary shares constituting the entirety of FinBank’s unissued share capital

Shareholding – limited dilution

FCMB's Capital Structure – Pre & Post Deal (30 Jun 2011)

Description	Pre-Deal	Post-Deal ⁽¹⁾
Ordinary Shares (N'm)	8,136	8,623
Share Premium (N'm)	108,369	113,882
Reserves (N'm)	16,715	10,715
Total (N'm)	133,220	133,220

Resulting Shareholding



■ Listed ■ Private

Source: Company data

(1) Assumes both AMCON and Existing Shareholders elect to receive 100% of their respective consideration in FCMB shares

Subsidiaries – platform for future growth and immediate value accretion on disposal

- ▶ Decisions in respect FinBank’s subsidiaries will be driven by strategic considerations and need to meet requirement of FCMB’s approved Compliance Plan

Classification	Tentative Action Step	Affected Subsidiary
Not viable	Spin-off / Liquidate	<ul style="list-style-type: none"> ▶ Transcend Technologies Ltd. ▶ FinBank Homes Ltd.
Viable but not strategic ⁽¹⁾	Spin-off	<ul style="list-style-type: none"> ▶ Arab Gambia Islamic Bank ▶ FinBank Insurance Company Ltd. ▶ FinBank Insurance Brokers Ltd.
Viable, strategic and “permissible” ⁽²⁾	Absorb as bank subsidiary or merge with comparable FCMB subsidiary	<ul style="list-style-type: none"> ▶ FinBank Securities and Asset Mgmt. Ltd. ⁽³⁾ ▶ FinBank Capital. Ltd. ⁽³⁾
Viable, strategic but “non permissible” ⁽¹⁾	Spin-off / Liquidate	<ul style="list-style-type: none"> ▶ FinBank Registrars Ltd.

(1) Represents opportunity to generate capital as they could be sold at premium to book

(2) Permissible – allowed by the CBN as a subsidiary of a bank or a holding company

(3) Proposed actions subject to change

Outline

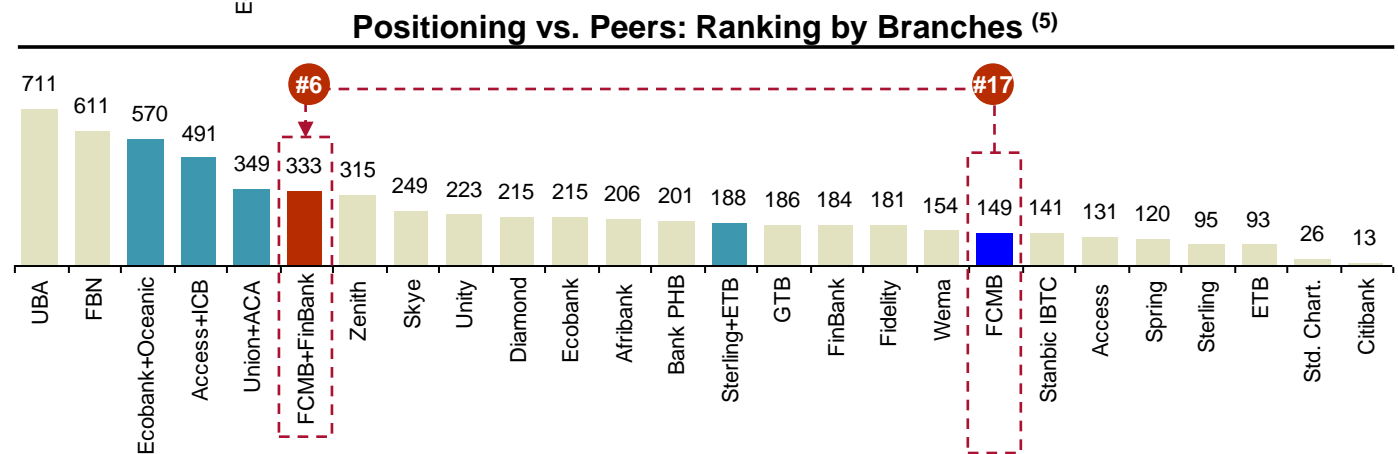
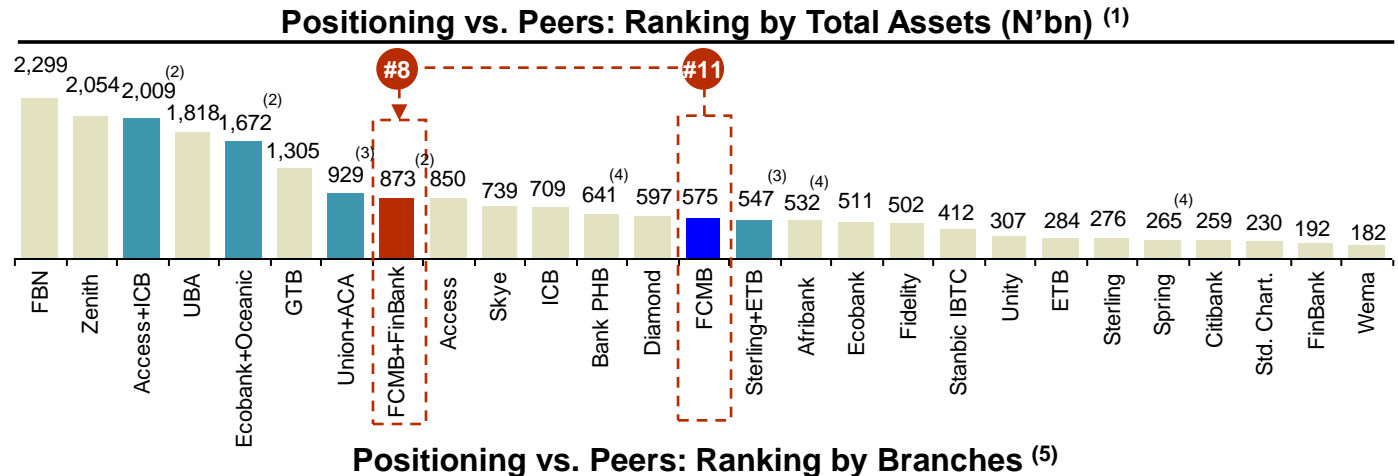
- ▶ Transaction Overview
- ▶ Deal Rationale
- ▶ Timeline
- ▶ Conclusion

Paced, but significant growth and scale...

A combination with FinBank improves proforma entity market position...

...making the combined bank the 8th largest by total assets...

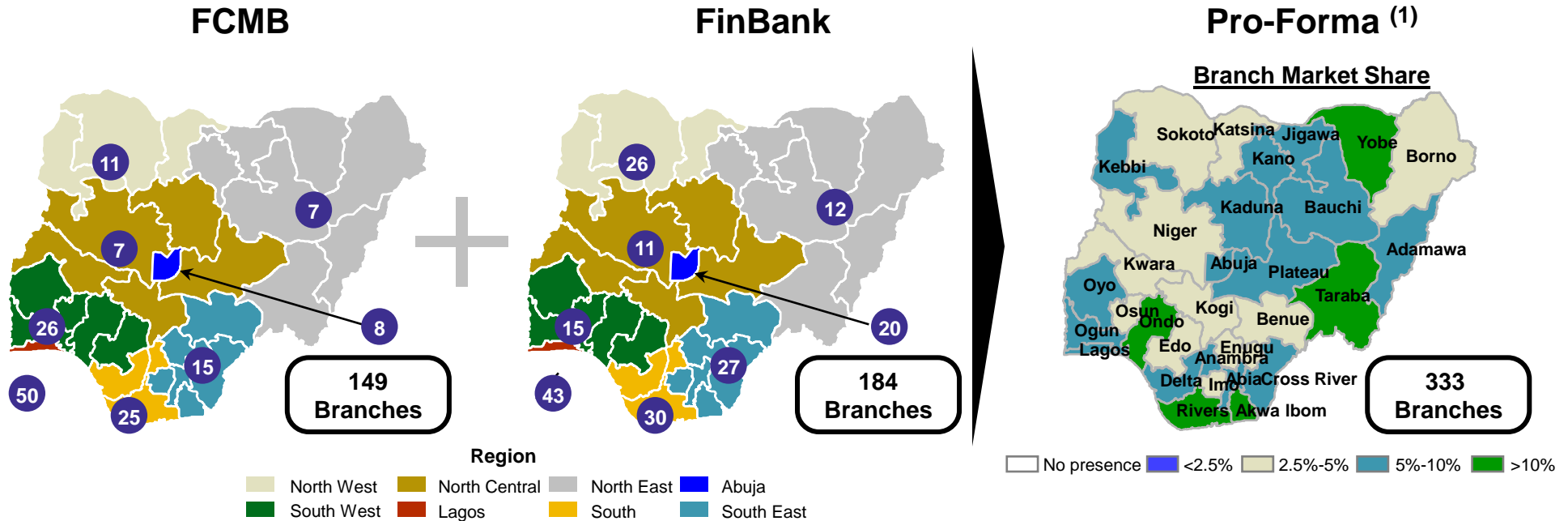
... and the 6th ⁽⁵⁾ largest by branch network



Source: Company data, Central Bank of Nigeria ("CBN"), broker research

(1) Access, AfriBank, Diamond, Ecobank, FCMB, Fidelity, FBN, FinBank, GTB, Oceanic, Skye, Stanbic IBTC and Sterling are as of H1 2011 (Bank numbers); Zenith, UBA and ICB are as of H1 2011 (Group numbers); Citibank, Std. Chart., and Wema are as of 2010 YE (All banks' numbers, except Wema which is Group); ETB is as of H1 2010 (Bank only); Excludes Union and Oceanic standalone
 (2) Adjusted for AMCON FAA injection and CBN loan repayment as follows: Access+ICB=N550bn and N100bn, Ecobank+Oceanic=N290bn and N100bn, and FCMB+FinBank=N156bn and N50bn respectively; (3) Adjusted for negative NAV plug and CBN loan repayment as follows: Sterling+ETB=N27bn and N40bn, Union+ACA= N136bn and N120bn respectively (4) Adjusted for recapitalisation and CBN loan repayment as follows: AfriBank=N285bn and N50bn, Spring Bank=N110bn and N40bn and Bank PHB=N283bn and N70bn respectively
 (5) Branch numbers as of 2010YE (FCMB and FinBank are as of H1 2011), excluding ICB, Oceanic and Union standalone, does not account for potential branch rationalisation

Enhanced national distribution and presence in commercial locations



- ▶ Expanded presence in South East, Abuja and Northern Nigeria

Branch Increase in Major Commercial Cities

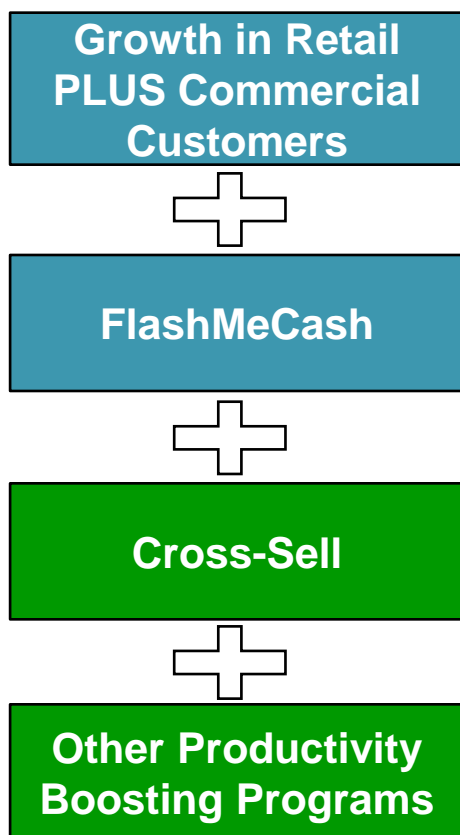
Location	FCMB	FinBank	Pro-forma	% Increase
Aba	2	5	7	250%
Abuja	6	20	26	c.330%
Ibadan	5	6	11	c.120%
Kano	2	6	8	300%
Kaduna	2	6	8	300%
Lagos	46	43	89	c.90%
Onitsha	3	4	7	c.130%
Port Harcourt	8	13	21	c.160%

Source: Company data

(1) Does not account for potential branch rationalisation

Improved capacity for deposit and revenue growth in retail and commercial

Improved Ability to Grow Deposits and Transactional Income



Enhanced Capacity to Grow Risk Assets (30 Jun 2011)

Description	FCMB	FCMB + FinBank ⁽¹⁾
Loan to Deposit Ratio	83.2%	62.0%
Liquidity Ratio	44.0%	64.0%
No of Customers ⁽²⁾	587,600	1,139,100

Source: Company data

(1) Total assets as of H1 2011, FinBank's Total Assets adjusted for total AMCON injection of N155.6bn (including transaction adjustments) and the repayment of CBN loan of N50bn

(2) As of 2009 YE

■ Additional/Value-add from FinBank

■ Value-add from FCMB

Substantial increase in capital leverage, while maintaining healthy CAR

Financial Leverage (30 Jun 2011)

Description	FCMB	FCMB+ FinBank (1)
Total Assets (N'bn)	575	873.1
Total Equity (N'bn)	133.2	133.2
Financial Leverage	4.3X	6.6X

c.50% increase

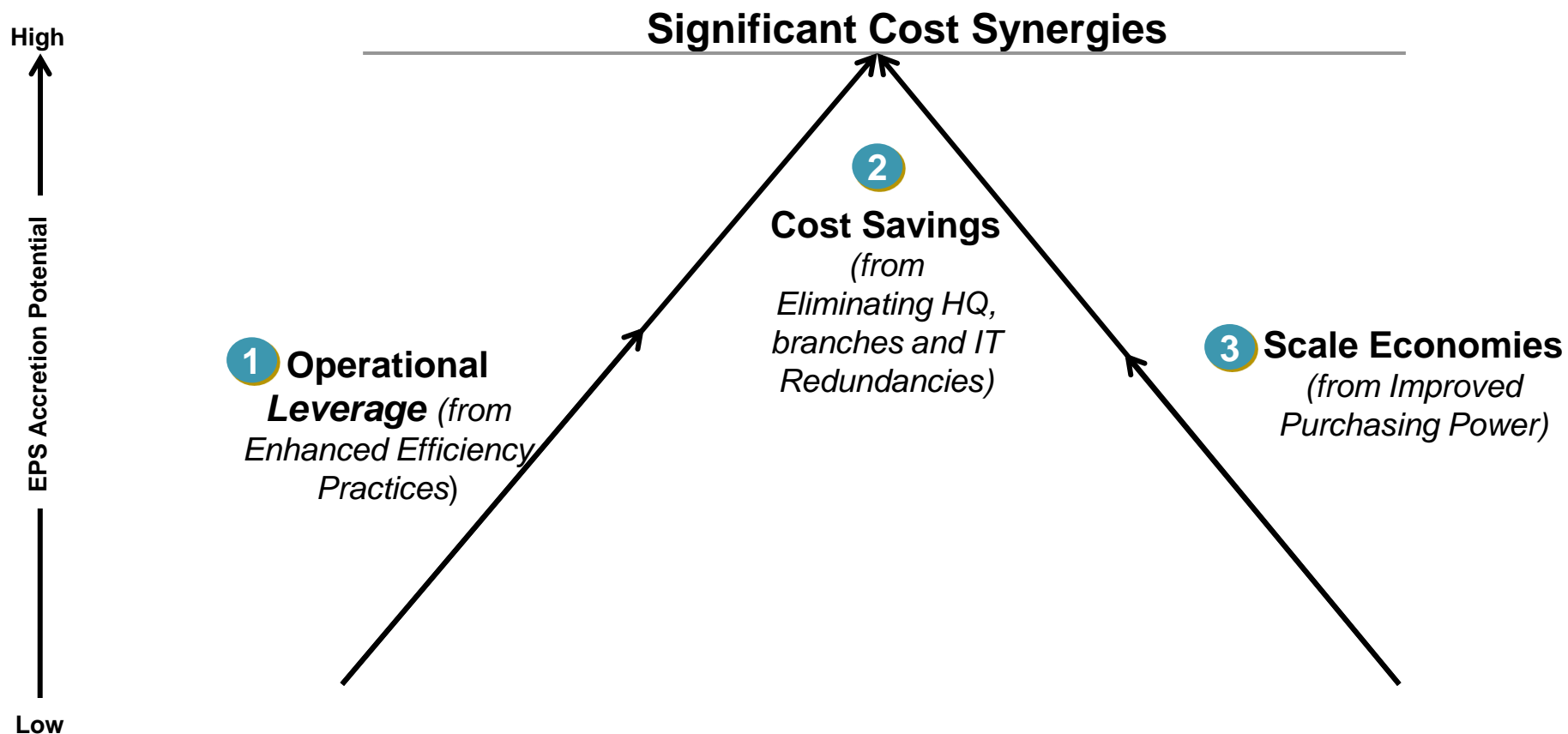
Capital Adequacy Ratio- Pre vs. Post Deal (30 Jun 2011)

Description	Pre-Deal	Post-Deal
CAR	c.31.2%	c.25%

Source: Company data

(1) Total assets as of H1 2011, FinBank's Total Assets adjusted for total AMCON injection of N155.6bn and the repayment of CBN loan of N50bn

Potential for significant cost synergies



Reduced transaction/merger risks

Clean Bank	<ul style="list-style-type: none"> ▶ FinBank’s balance sheet “de-risked” by several rounds of due diligence ⁽¹⁾, audits and “AMCON action”
Manageable scale	<ul style="list-style-type: none"> ▶ FinBank comparable in size to FCMB
Transaction structure	<ul style="list-style-type: none"> ▶ Acquisition, then Merger 6-12 months later
Lower IT merger risks	<p>FinBank and FCMB have similar</p> <ul style="list-style-type: none"> ▶ Banking application (i.e. Finacle) ▶ IT architecture (centralised)
Reduced operations merger risk	<ul style="list-style-type: none"> ▶ FinBank and FCMB employ centralized processing operations
Proven PMI team	<ul style="list-style-type: none"> ▶ Available in-house PMI capabilities from successfully executing 3 acquisitions in the past 6 years ▶ Proven industry professionals to complement PMI execution capacity ▶ Additional support from PMI advisers <ul style="list-style-type: none"> ○ Roland Berger ○ Accenture ○ McKinsey

- 1. Limited business disruptions**
- 2. Enhanced ability to achieve synergy targets and other transaction goals**
- 3. Lower cost to merge (training, etc.)**

(1) Separate due diligence reviews by Deloitte and KPMG Professional Services

Outline

- ▶ Transaction Overview
- ▶ Deal Rationale
- ▶ **Timeline**
- ▶ Conclusion

Key Transaction Timeline

Event	Date
MoU Signing	02-May-11
TIA Signing	14-Jul-11
FCMB EGM	29-Sep-11
FinBank Court Ordered Meeting/EGM/AGM	29-Sep-11
File returns of Scheme Meeting with FHC and obtain CTC thereof	30-Sep-11
Obtain Court Sanction	06-Oct-11
AMCON provides Financial Accommodation	07-Oct-11
Deliver executed transfer instrument to FIL	10-Oct-11
Registration of CTC of Court Sanction at the CAC	11-Oct-11
Final Election Date	12-Oct-11
Dispatch of share certificates/Credit CSCS accounts	26-Oct-11
NSE de-listing of FinBank	26-Oct-11
File post-Court Sanction compliance documents with SEC	31-Oct-11

Note: Indicative

Outline

- ▶ Transaction Overview
- ▶ Deal Rationale
- ▶ Timeline
- ▶ Conclusion

Conclusion – An EPS accretive acquisition

Strategic acquisition

Significant financial upsides

Limited shareholder dilution

Reduced integration risks

Accelerated synergy benefits from consummating merger by Q4 2012