



FCMB

FY 2011 Results: Profit Warning Highlights

March 2012



- FY 2011 Provisions
- Updates on the FinBank Transaction
- Outlook for 2012

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FY 2011 Profit Warning: Major Drivers

FCMB has issued a profit warning for the financial year ended 2011...

Background

The Bank has taken advantage of its large capital cushion and loan sales to further sanitize its balance sheet following observed deterioration in restructured loans and legacy investments. Consequently the bank has made additional net provisions and write-offs between Q3 2011 and Q4 2011.

Major Drivers

The drivers of the provisions were as follows:

- Impairments to equity underwritings (N4.9 billion, N4.0 billion of which relates to FinBank Plc preference shares);**
- Losses recorded on the sale of systemically significant and other loans to AMCON, primarily in the oil trading sector (N11.6 billion, N7 billion of which relates to Zenon); and**
- Other loan losses and write-offs (N13.0 billion, N6 billion of which relates to a government related loan).**

Sectoral Distribution of Total Net Charges

Sector	Total Net Charge (N'million)	%
Oil & Gas	11,502	39%
Government	6,381	22%
Commerce	3,153	11%
FI	1,624	6%
Construction	1,332	5%
Real Estate	543	2%
Telecommunications	191	1%
Education	22	0%
Individuals	16	0%
Underwriting impairment charge	4,737	16%
Total	29,501	100%

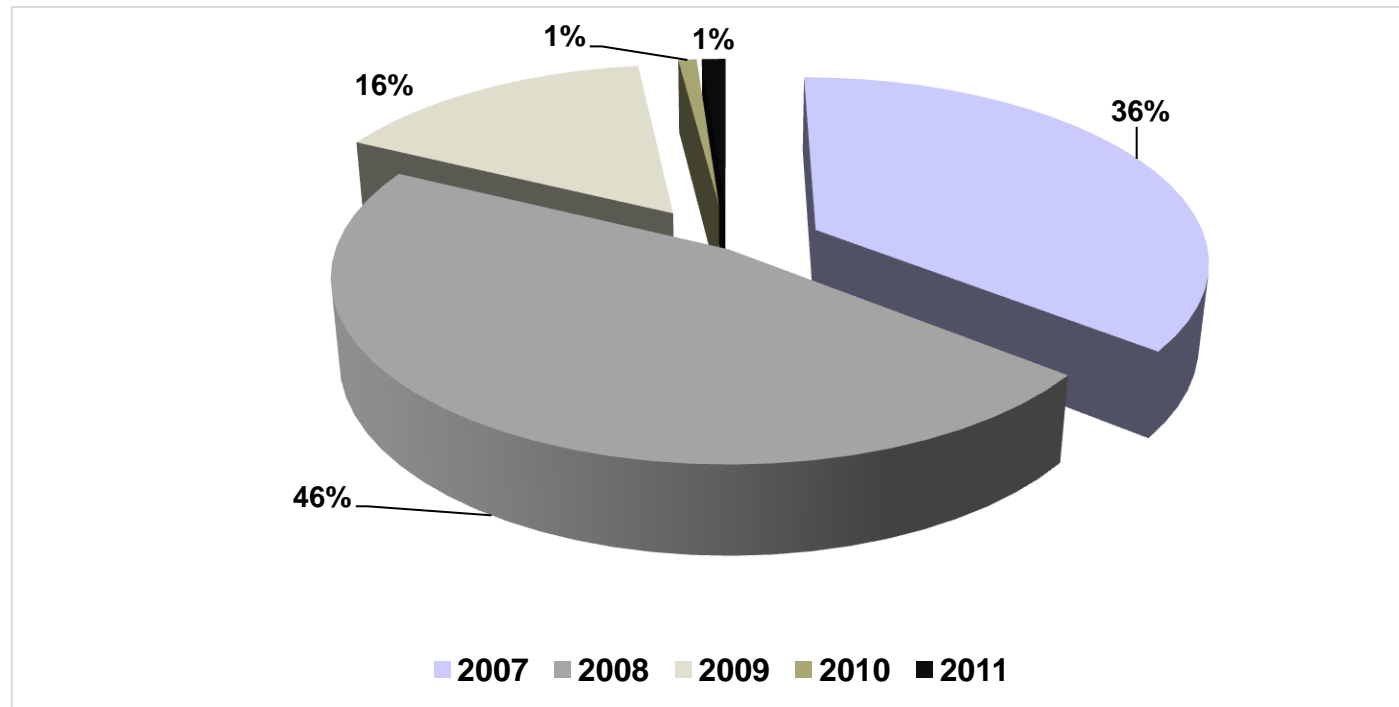
Source: Company data

The Bank proactively took a charge on government exposure and also suffered a major charge from the oil & gas sector

Age Analysis of Top Provision Charges

99% of the assets sold and written off in 2011 were as a result of restructured loans or underwritings initiated prior to 2009

Top Provision Charges - By Loan Approval Date



Source: Company data

Major Risk Management Strengthening Actions Since 2009

Actions

- Large exposures to commodity trading are now done under a structured framework with independent collateral management and price hedges
- Adequately resourcing the risk management function including strengthening the role of the Chief Risk Officer
- Emphasis for future growth on portfolio diversification/ increased contribution of retail loans
- The tenors of all loans to government are now strictly tied to political term of office

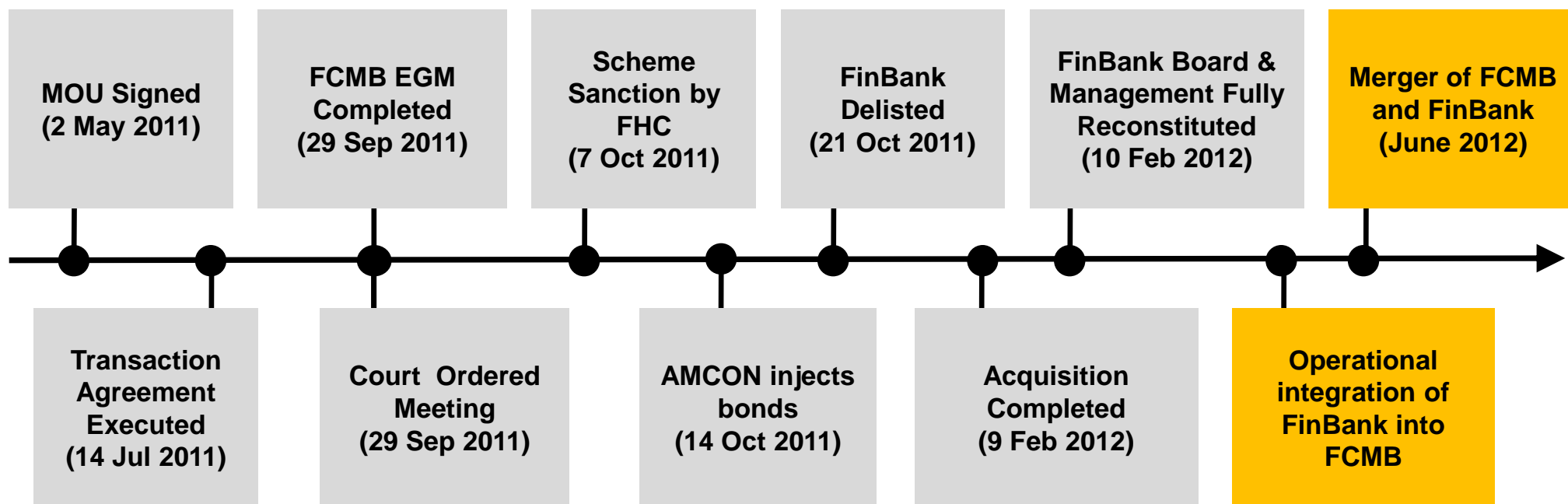
Results

- N46.3 billion of loans have been sold to AMCON
- Legacy loans and weaknesses associated capital market and oil & gas transactions have been resolved
- NPL is currently at 2.75 %
- Coverage ratio is about 128%
- Less than 1% of all loans booked since January 2010 are non-performing

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Acquisition of FinBank Plc Complete, Full Merger Planned for Q2 2012

Key Transaction Milestones










Concluded

Commenced, in progress

With the completion of the acquisition, FCMB's coverage and scope of operations have increased significantly

Customers and Channels*

323	<u>Branches</u>	 +132%
350	<u>ATMs</u>	 +96%
2,055	<u>Point of Sale (POS) Terminals (active)</u>	 +6%
393,800	<u>Active card users</u>	 +78%
1,796,622	<u>Banking customers</u>	 +179%
27,521	<u>Internet banking users</u>	 +47%
287,502	<u>Mobile banking users</u>	 +3,031%

* As at January 31, 2012

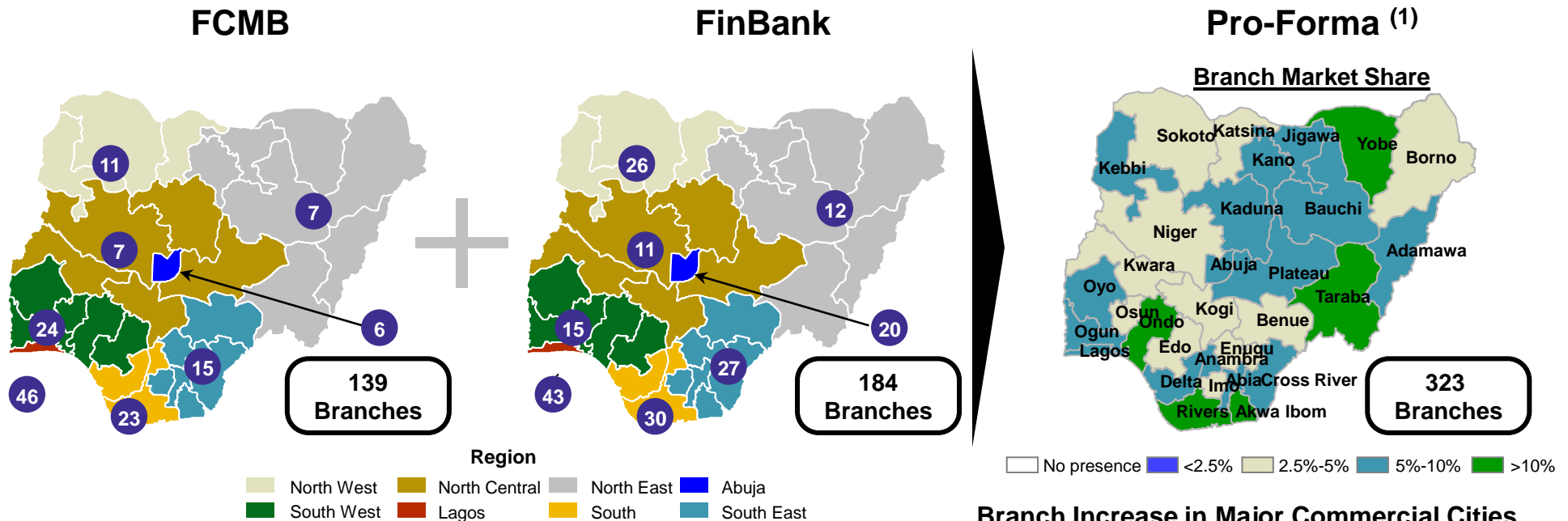
Financial leverage has increased significantly while maintaining healthy capital adequacy and liquidity

Key Financial Indices (February 2012)

Key Indicator	FCMB	FCMB+ FinBank
CAR	27%	c.25%
Excess capital (over and beyond regulatory CAR needed)	N71 b	N69 b
Financial Leverage	5.6X	7.2X
LDR	94%	66%
Liquidity Ratio	48%	84%
Total Assets (N'billion)	657.4	898.7

A major benefit of the transaction is the enhanced national distribution and expanded presence in commercial locations across the country

FCMB



► 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

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FY 2012 Outlook

Overall, the Bank's forecast for 2012 presents an attractive financial outlook...

Indicator	Proforma 2012
Gross Income (N)	141 b
Profit after tax (N)	19 b
Return on Equity	14%
Target EPS	1.10

Source: Company Forecast

10% and 25% merger related EPS accretion expected in 2012 and 2013 respectively