



**Best Investment Bank
in Nigeria, 2007**

First City Monument Bank Plc. Achieving Rapid Growth Through Differentiation

**Ladi Balogun
MD/CEO, FCMB**

Outline

- Key Macro and Industry Developments
- FCMB Highlights
 - Strategy
 - Basis of Competition
 - Update on Strategic Initiatives
- 3rd Quarter 2008 Financial Performance
 - FCMB vs. INDUSTRY
 - 3RD Quarter Performance
- Income Drivers & Projections for FYE April 2008



The Sub Saharan Region is clearly better placed to withstand external shocks from a worsening global environment

(International Monetary Fund Publication: Regional Economic Outlook for Sub Saharan Africa)

- Positive and strong economic fundamentals, favorable to the banking industry
 - Rising Interest Rate regime; the MPR increased to 10% on April 01, 2008
 - Anticipated appreciation of the currency to N112/\$ by December 2008
 - Foreign Reserves at US\$59 billion covering 38 months of imports
- CBN has directed that all banks streamline financial year ends to December 31st
 - Heightens competition in the industry
 - Favors the more **dynamic** and **differentiated** banks like FCMB
 - FCMB Annual reports; FYE April 2008 and FYE December 2008
 - FCMB intends to propose dividends for the two year ends

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Focus on “value opportunities” with high growth and margins

- Investment Banking (including Brokerage and Asset Management)
- Consumer Banking
- Transaction Banking – Trade and Cash Management

Strategic Objective: Top quartile of revenue share in all 3 segments and leading Investment Bank

Size of the Opportunity & Basis of Competition

Consumer Bank

- Low Banking penetration; 16 million bank accounts compared with a 45 million mobile telephone subscriber base
- FCMB Consumer Bank is differentiated by
 - ✓ Global Partnerships
 - ✓ Wealth Management offerings, cross selling with CSL Stock brokers
 - ✓ Robust Consumer Lending Platform
 - ✓ Efficient Distribution Network (over 140 branches, complemented by alternative Distribution channels)
- Post significant investments, bank will achieve breakeven in Q1 of the new financial year and business will then experience geometric growth

Size of the Opportunity & Basis of Competition

Investment Bank

- Market Capitalization of the Nigerian Stock Exchange has grown by 373.6% from January 2006
- FCMB Investment Bank competes on the basis of:
 - ✓ People
 - ✓ Local and International distribution
 - ✓ Strong Corporate relationships with investment led product offerings
 - ✓ Significant balance sheet.
- The deal pipeline is the largest in the last 5 years (over N100 billion).

Size of the Opportunity & Basis of Competition

Transaction Banking (Trade and Cash Management)

- Monthly Import bill of US\$1.5 billion as at April 01, 2008
- Banking Deposit Liabilities of N6 trillion (2007); approx. 100% growth over 2006 figure
- FCMB Transaction Banking competes on the basis of:
 - ✓ Product Innovation
 - ✓ Technology Platform
 - ✓ People
- Investing over N700 million to deploy a world class technology platform to be launched in October 2008

Well Capitalized Bank:

- Over US\$1billion in Tier-1 capital (with 2007 Public Offer contributing over N94 BILLION)
- Impressive international shareholder base (demonstrates international investor confidence in the Bank)

Leading Investment banking and Brokerage businesses in Nigeria:

- Consistent award winner (2007 Euromoney Award for Best Investment Bank in Nigeria)
- 33% market share of foreign portfolio investment flows to Nigeria (CSL Stockbrokers Ltd)
- Top-3 ranking in the league tables for equity raising, 50% share of State Government bond issues
- Leading arranger for convertible debt and hybrid capital issues

Execution effectiveness:

- Experienced and Dynamic management team with proven execution capabilities
- Reinforced by our global partnerships

Leading the industry in asset quality:

- 3% non-performing loans (relative to industry average of 7.3%)
- Enhanced by an independent risk management function reporting directly to the board

Diversified Income streams:

- Highest fee income percentage of Operating Income in local banking industry – 56%
- Reduced vulnerability to net interest margin compression

Update on Strategic Initiatives

STRATEGIC INVESTMENTS

All 3 investments significantly strengthen our Wealth/Asset management offerings and provide further diversification of our income streams

CSL Stockbrokers and City Securities Limited (Registrars)

- 100% acquisition and Board approvals received
- Enhance synergies with FCMB Capital Markets
- Contribute at least N2 billion to Group Net Income in 2008 and positively impact share price by N1.80 kobo

Top 7 PFA

- Received regulatory approval to acquire 25% shareholding
- Enhances access to a N600 billion assets industry.

Launching the “FCMB Pan African Hedge Fund”

- In partnership with a leading International Hedge Fund

Update on Strategic Initiatives

Consumer Bank

- Launched several products; many-the 1st of its kind in Nigeria; Salary Plus Scheme, All-in-One, Home Equity Release Products
- In the final stages of securing, additional long term facilities from the International Finance Corporation to support the mortgage lending;
 - reinforces FCMB's leadership in this sector especially as it occurs in the midst of the global credit squeeze.

Launched Custody Business

- Increasing interest from Foreign institutional investors in the Nigerian market
- Value Proposition;
 - local custodian with reputation and capacity- FCMB-CSL SYNERGY.
 - Financial supermarket for brokerage and custody, One Service window, Dedicated Relationship Managers for Brokerage and Custody, Excellent Research

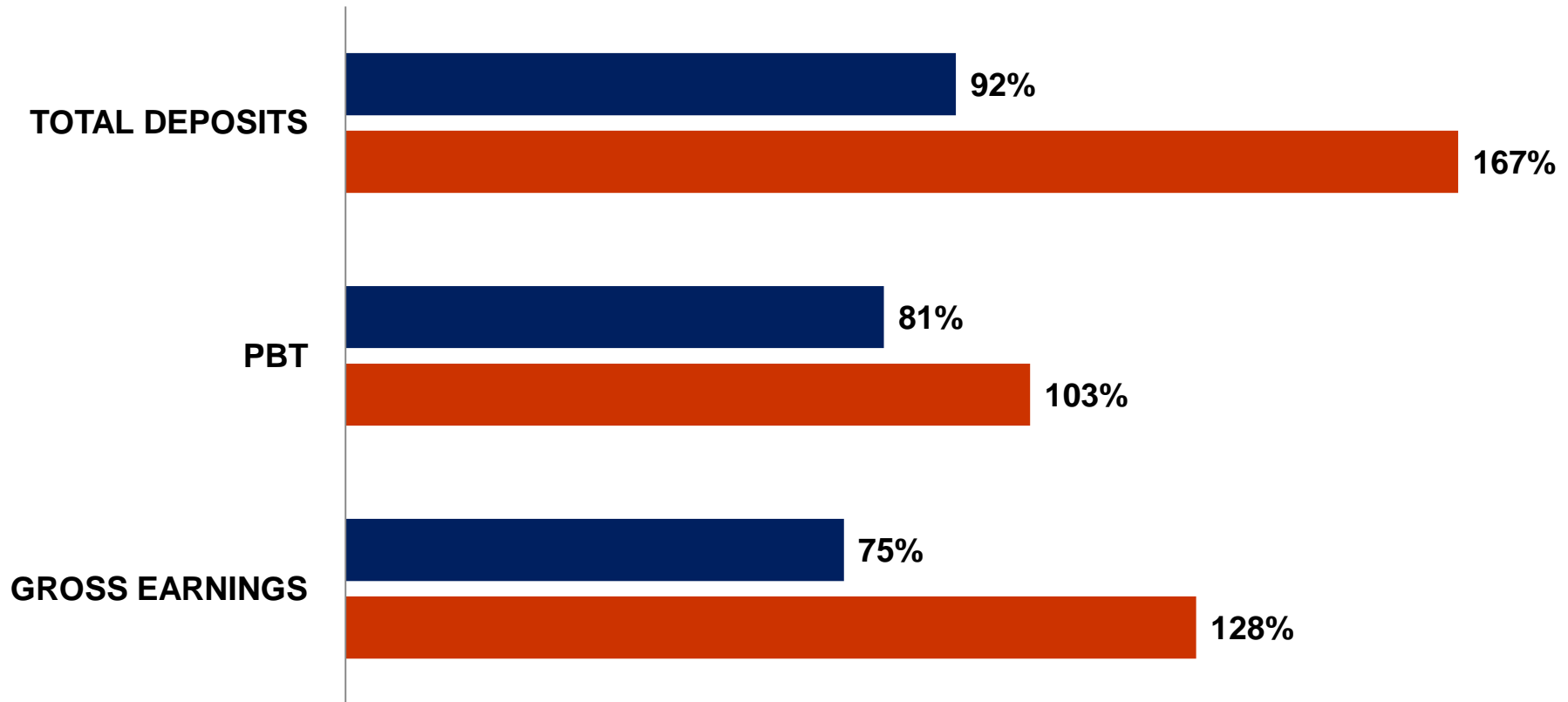
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FCMB vs. INDUSTRY (2006/07)

FCMB

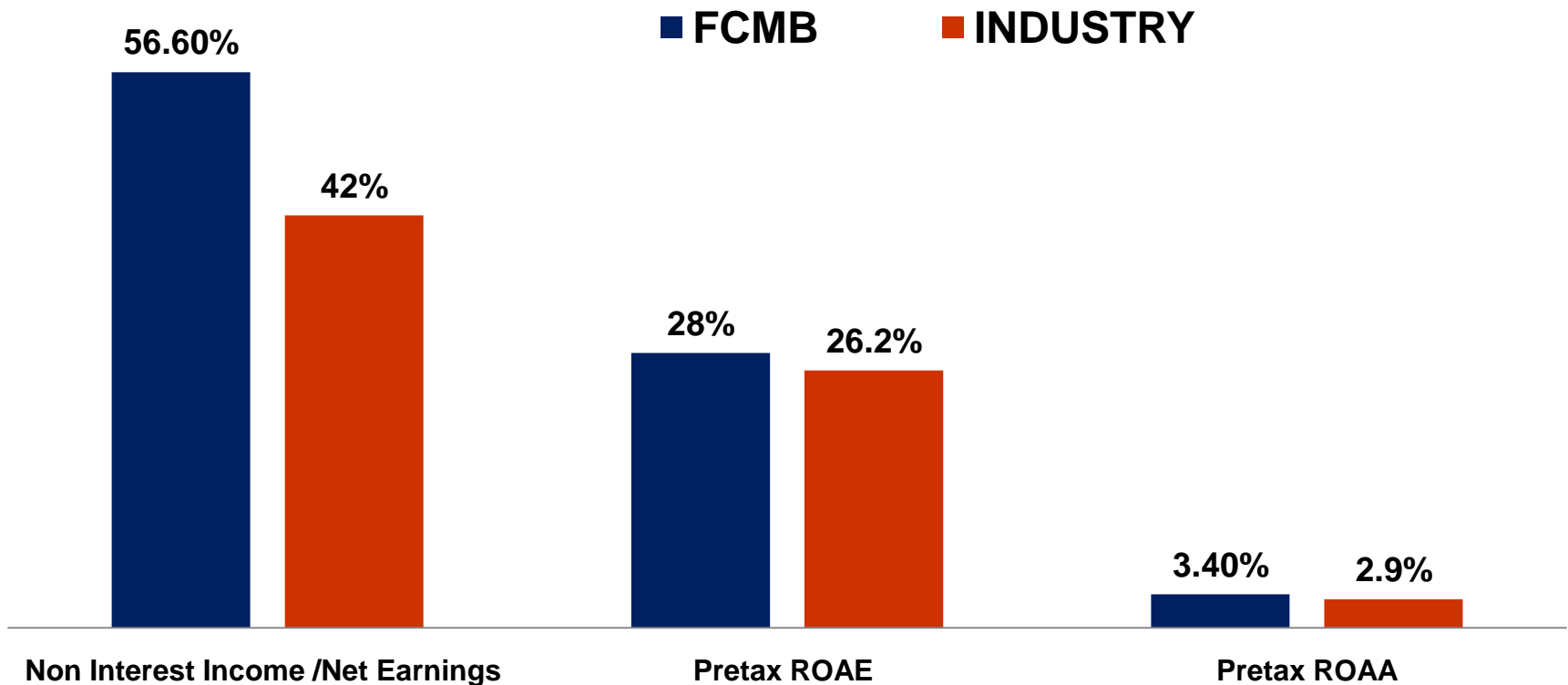
■ INDUSTRY ■ FCMB



Outstripping the Industry on key growth indicators

FCMB vs. INDUSTRY (2007)

FCMB



Diversified Income Streams

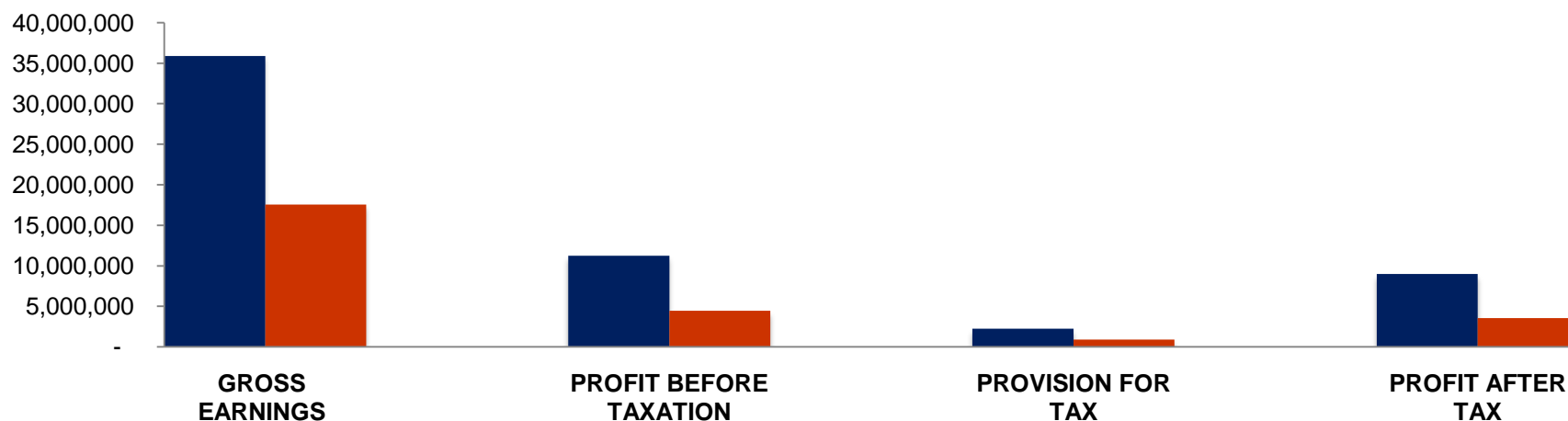
Profitability levels above industry average

Summary Income Statement

3rd Quarter ended January 31, 2008

FCMB

EARNINGS GROWTH



FIRST CITY MONUMENT BANK PLC
GROUP FINANCIAL STATEMENTS
FOR 3RD QUARTER ENDED 31ST JAN 2008

	JAN 08 YTD N'000	JAN 07 YTD N'000	GROWTH
GROSS EARNINGS	35,861,753	17,543,118	207%
PROFIT BEFORE TAXATION	11,244,333	4,431,976	154%
PROVISION FOR TAX	2,248,867	886,395	154%
PROFIT AFTER TAX	8,995,467	3,545,581	154%

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Drivers of YTD performance

- Loan Growth of 127% from January 2007
- Strong year in the Capital Markets

Drivers of Earnings in the next Financial year

- Deployment of New Capital
- Corporate Loan growth (Oil & Gas, Real Estate and Infrastructure)
- Contribution of CSL Group
- Investment banking mandates (deal pipeline is the largest in 5 year history)
- Positive Consumer Banking contribution as opposed to losses posted in prior periods (start up business)

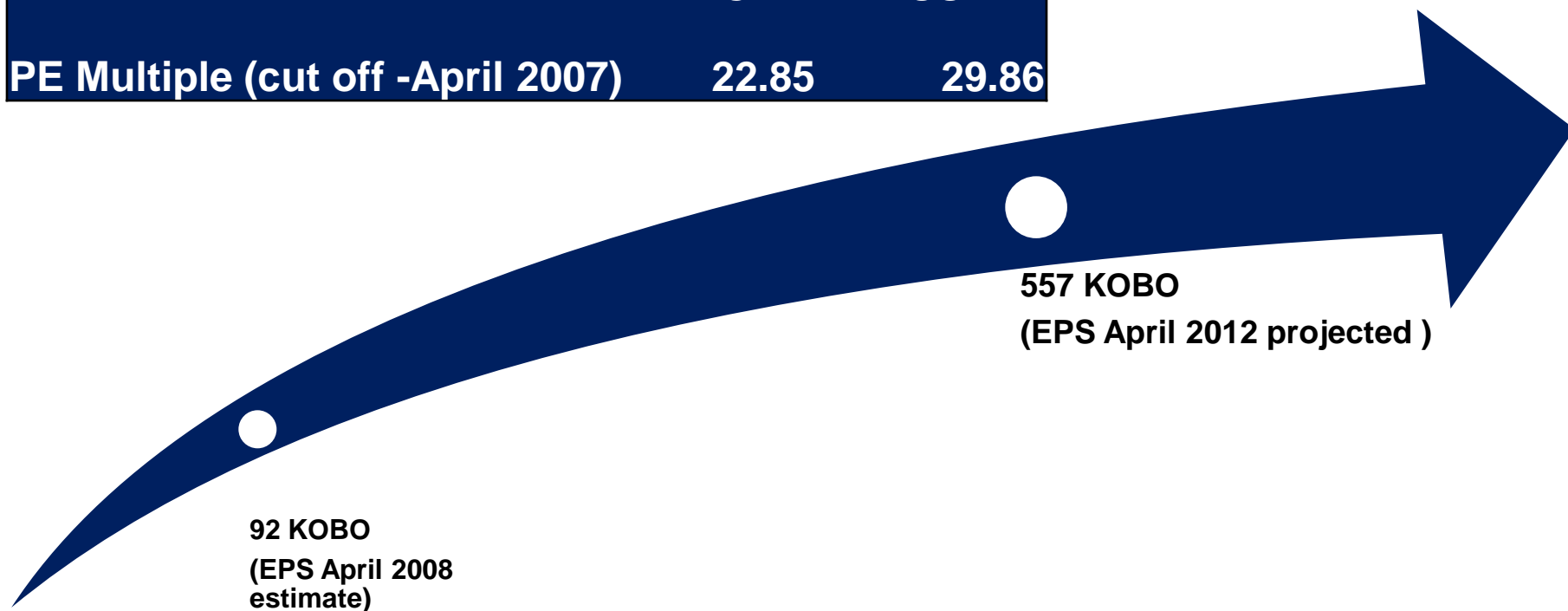
Projections FYE April 2008

FORECAST FYE	Apr-08
PAT for 3rd Quarter ending January 2008 (N'000)	8,995,467
FORECAST PAT BY APRIL 2008 (N'000)	15,063,933
NO. OF SHARES OUTSTANDING (000' UNITS)	16,332,977
FORECAST EPS (KOBO)	92
CURRENT INDUSTRY PE MULTIPLE	26
ESTIMATED SHARE PRICE (N)	24

FCMB: An Investment with Outstanding Prospects

FCMB

FCMB INDUSTRY		
PE Multiple (cut off -April 2007)	22.85	29.86



- Target PAT growth rate of approx. 61% per annum over the next 5 years
- 10% increase in No. of shares outstanding
- Target EPS growth rate of 57% per annum over the next 5 years

FCMB:

An Investment with Outstanding Prospects

FCMB

Strong Industry Prospects

Differentiated Strategy

Diversified Income Streams

Enhanced Revenues from Strategic Investments

Effective Global Partnerships (Asset Mgt. & Consumer Banking)

Outstripping the Industry on key growth indicators

Target EPS growth of >50% per annum