



FirstBank Group Results 6 Months Ended June 2011

Presentation to Analysts and Investors





Cautionary Note Regarding Forward Looking Statements



This presentation is based on the financial results of FirstBank's unaudited results for the period ended June 30, 2011, consistent with Nigerian GAAP. FirstBank of Nigeria Plc (FirstBank or the Group or the Bank) has obtained some information from sources it believes to be credible. Although FirstBank has taken all reasonable care to ensure that all information herein is accurate and correct, FirstBank 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 FirstBank.

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+, %expects+, %intend+, %estimate+, %project+, %target+, %risks+, %goals+ 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 Bank'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.

FirstBank 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 of these risks or factors, reference should be made to the Bank's continuous disclosure materials filed from time to time with the Nigerian banking regulatory authorities. The Bank disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Outline

Highlights & Operating Environment

- ❑ Speaker: Group Managing Director Bisi Onasanya (Slides 4 . 8)

Financial Review

- ❑ Speaker: Chief Financial Officer Bayo Adelabu (Slides 9 . 18)
- ❑ Speaker: Chief Risk Officer Remi Odunlami (Slides 19 . 22)

Risk Management & Corporate Governance

- ❑ Speaker: Chief Risk Officer Remi Odunlami (Slides 23 . 25)

Strategy & Transformation

- ❑ Speaker: Group Managing Director Bisi Onasanya (Slides 26 . 36)

Summary & Outlook

- ❑ Speaker: Group Managing Director Bisi Onasanya (Slide 37)



Headlines for H1 2011 - Road Map

Highlights

Operating Environment

Highlights

Sustained Improvement in Deposit Mix

Accelerating Earnings and Margin Expansion

Significantly Improved Asset Quality

Comfortable Capital and Liquidity Levels

Financial Review

Macro Considerations

Rising Interest Rate Environment

Rising Oil Prices

Declining Inflation Rate

Stable Exchange Rates

Risk Mgt & Corporate Governance

Group Strategic Thrust

Restructuring for Growth

Sequencing Growth Systematically

Business Line Expansion

International Expansion

Strategy & Transformation

Bank Strategic Thrust

Growth and efficiency

Enablers

Service Excellence

Performance Management

Talent Management

Summary & Outlook



We continue the aggressive transformation of the Bank as we strive towards our vision of clear industry leadership



FirstBank
Since 1894

Highlights

Operating
Environment

Financial
Review

Risk Mgt &
Corporate
Governance

Strategy &
Transformation

Summary &
Outlook

We aspire to be FIRST to our key stakeholders...

Aspirations

Shareholders

#1

in total shareholder returns, growth, profitability, capital efficiency

Customers

#1

in service levels, value to customers, brand equity

Employees

#1

in desirability to work for

Regulators

#1

in compliance and sound corporate governance

Public

#1

in national development and impact on society

...and have articulated four key goals for 2013

Defend

Defend our leadership position with respect to balance sheet (total assets, deposits etc)

Extend

Extend our performance to attain a leading position in terms of profitability, capital efficiency and service/operational efficiency

Lead

Attain market leadership position in each strategic business unit and extend franchise into the most promising Sub-Saharan African markets

Balance

Balance short-term performance with long-term health, delivering strong near-term earnings while making requisite investments for the future



What FirstBank Delivered in H1 2011

Highlights

Operating Environment

Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

Summary & Outlook

Stronger & liquid balance Sheet

- " Capital Adequacy Ratio: 17.3% (Jun 10: 18%)
- " Tier 1 capital ratio: 14.9% (Jun 10: 16.3%)
- " Gross loan to deposit ratio: 67.0% (Jun 10: 79.9%)
- " Liquidity ratio: 38.3% (Jun 10: 63.5%)
- " NPL ratio: 3.8% (Jun 10: 5.7%)

Business volumes

- " YoY growth in deposit of 34.6% to ₦1.9tn; 32.3% ytd
- " Lending up 12.7% yoy to ₦1.2tn; 7.2% ytd
- " No of business locations: 630; ATMs: 1,293
- " Number of cards in issue: Over 1 million
- " 695,644 new customer accounts opened in H1 bringing total active accounts to 5,577,322

Earnings

- " Gross earnings at ₦139.7bn, up 14.2% yoy
- " Contribution from subsidiaries to gross earnings: 10.3%
- " Non-interest income contribution of 23.4% (Jun 10: 23.0%)

Profitability

- " Profit before tax: ₦35.7bn (Jun 10: ₦31.7bn)
- " Contribution from subsidiaries to profit before tax: 13%
- " Cost to income ratio: 58.6% (Jun 10: 64.1%)
- " After tax ROAE: 19.8% (Jun 10: 15.5%)
- " After tax ROAA: 2.4% (Jun 10: 2.4%)
- " Annualised basic EPS: ₦1.91 (Jun 10: ₦1.75)
- " Net interest margin: 8.2% (Jun 10: 5.7%)



Strong growth maintained in domestic economy as well as emerging markets as a whole



FirstBank
Since 1894

Highlights

Operating Environment

Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

Summary & Outlook

Global Economy

- ❑ Growth in most emerging and developing economies continues to be strong, while weak growth is prevalent in many advanced economies
- ❑ Apprehension over the global economy amid concerns over Europe and the United states; downside risks in both regions could affect capital flows to emerging and developing markets
- ❑ Annualised global economic expansion of 4.3% in the first quarter of 2011, with forecasts for 2011. 12 largely unchanged

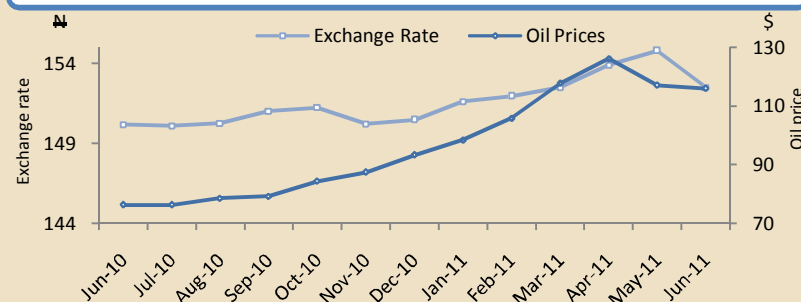
The Nigerian Economy

- ❑ Provisional data from the statistics office puts economic growth at 7.43% in 1Q11, (1Q10: 7.36%); driven largely by the non-oil sector
- ❑ GDP growth of 6.9% expected for 2011, growing to 6.6% in 2012
- ❑ Headline YoY inflation growth rate of 10.2% in June 2011 down from 12.4% in May 2011;
- ❑ The Central Bank of Nigeria (CBN) on 1st of July 2011 lifted the one-year holding period of government securities currently in place for foreign investors

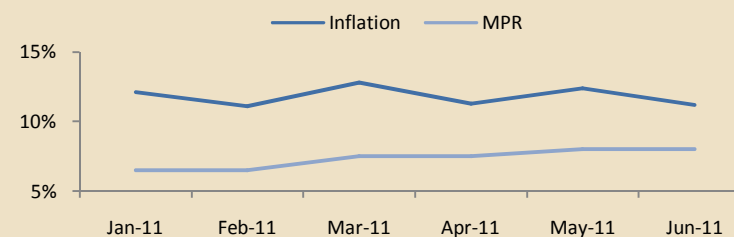
Banking Industry

- ❑ Pick up in M&A activities as the 30th September 2011 recapitalisation deadline for intervened banks approaches
- ❑ Rising interbank rates on the back of increases to the MPR and cash reserve ratio(CRR) by the MPC. MPR increased to 8.0% while the CRR increased by 2% to 4%
- ❑ CBN guarantee on all interbank transactions, foreign credit lines and pension funds placed with Nigerian Banks to be lifted on the 30th of September 2011. Further extension till December 31, 2011 given to the three rescued banks that have reached advanced stages in their recapitalisation process namely; FinBank Plc, Intercontinental Bank Plc and Union Bank Plc

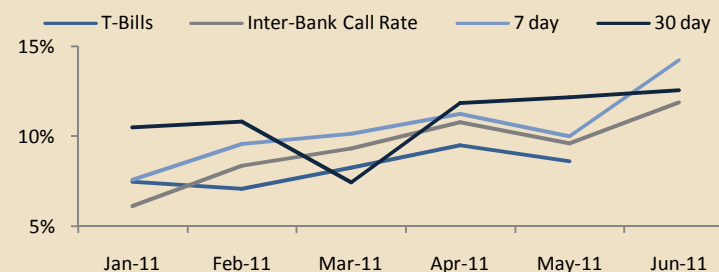
Oil prices and exchange rate



Inflation



Interbank rates



Source: CBN



The Nigerian banking landscape is evolving at a rapid pace, in an era that will be remembered for dramatic regulatory and structural reform



FirstBank
Since 1894

Highlights

Operating Environment

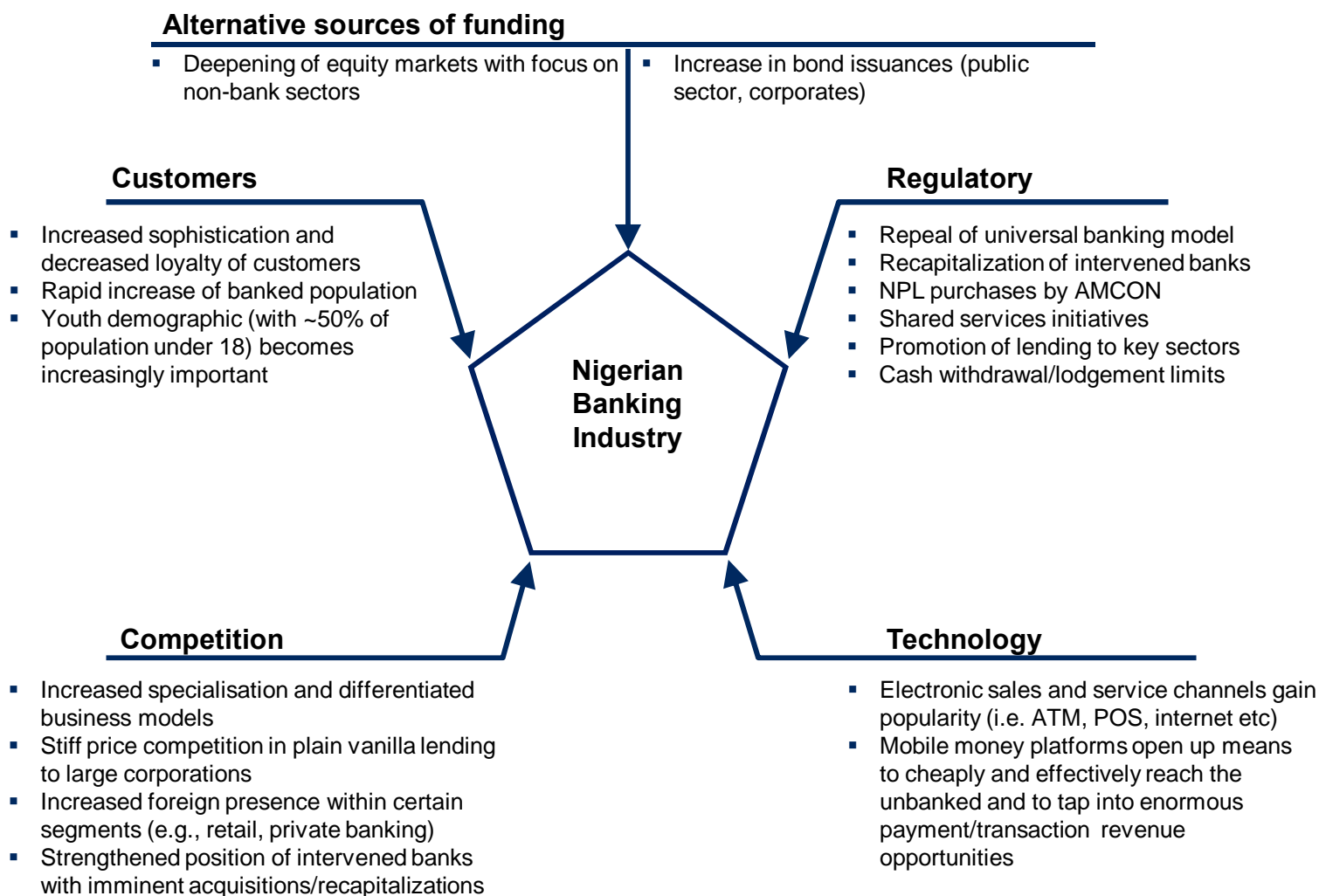
Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

Summary & Outlook

Key drivers of change





Evolution of group profit after tax (Np)

Highlights

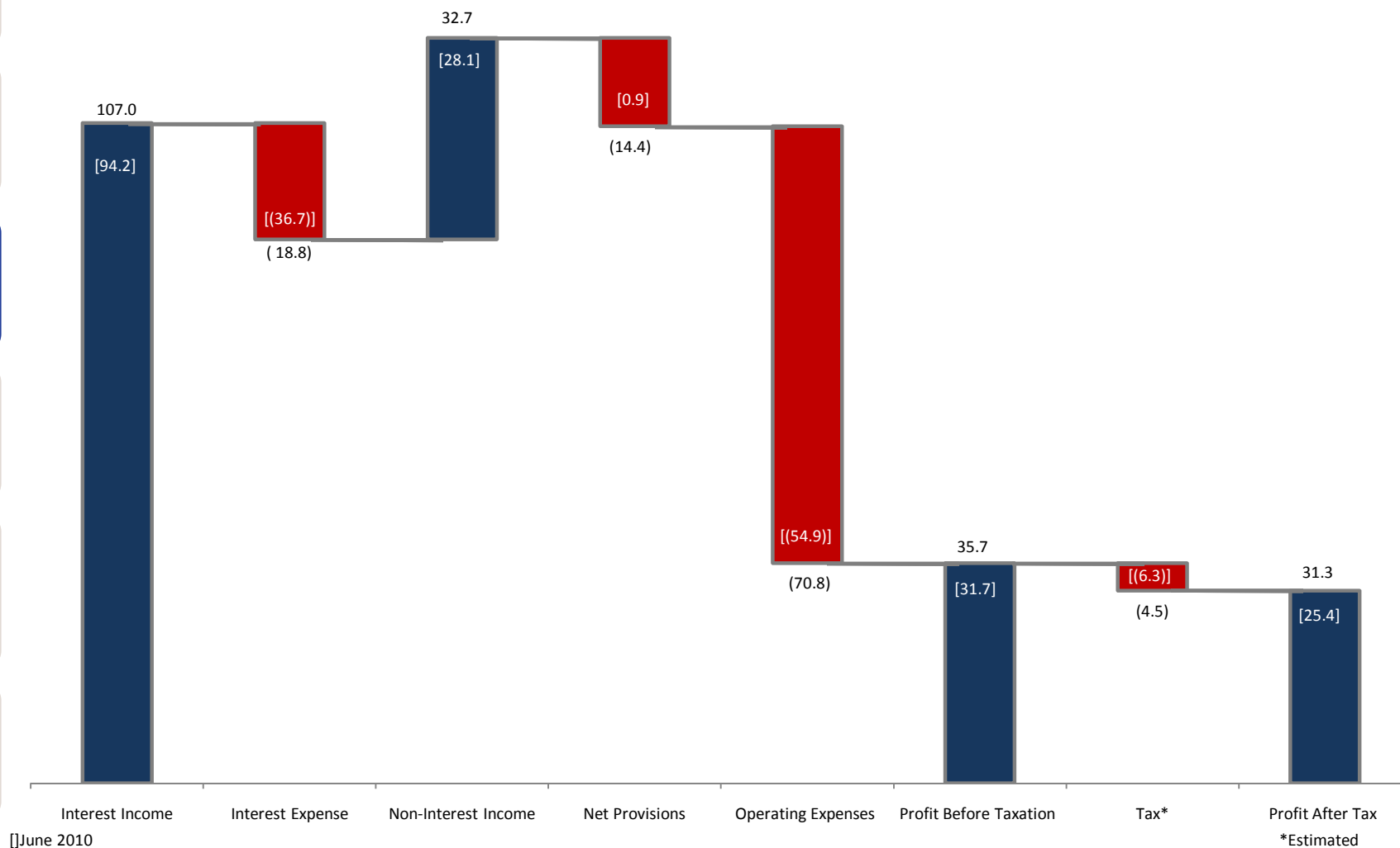
Operating
Environment

Financial
Review

Risk Mgt &
Corporate
Governance

Strategy &
Transformation

Summary &
Outlook





Gross earnings benefiting from improving yield environment as well as growth in non-interest income on the back of increasing activity

Highlights

Operating Environment

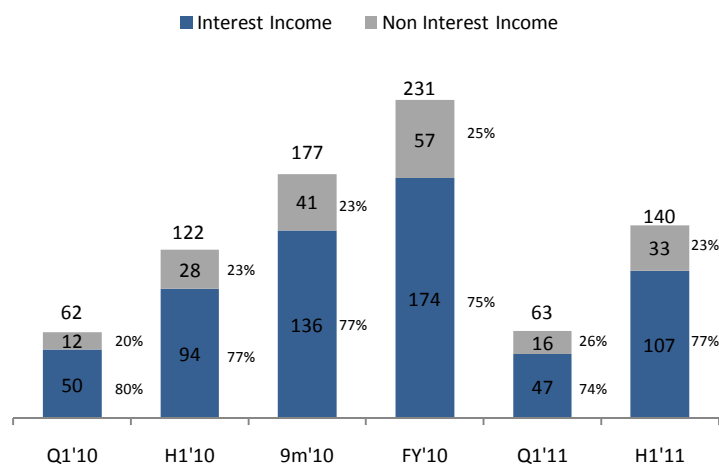
Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

Summary & Outlook

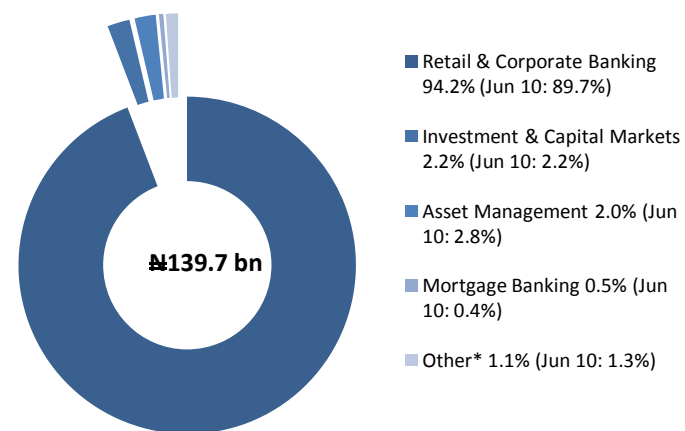
Gross earnings N'bn



Comments

- ~ Sustained improvements in revenue generation, driven by both interest and non-interest income growth
- ~ Gross earnings also benefiting from repricing of risk assets, increase in the volume of earning assets as well as higher interest rate environment
- ~ Strong growth in non interest income; benefiting from rising credit related fees, COT and financial advisory fees
- ~ Improvements in service quality, increased account activity as well as focus on shorter tenured loans; thus positively impacting non interest income
- ~ Drive to scale up retail current accounts in order to enhance fees and commission income further

Group Gross earnings split by business lines



* Includes insurance brokerage, private equity and venture capital, and bureau de change business functions



Our continued focus on reducing our funding costs, coupled with rising yields across various asset classes, drove margin expansion

Highlights

Operating Environment

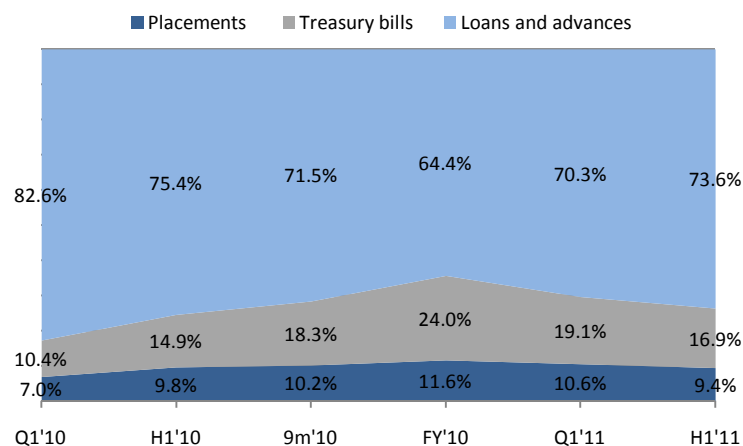
Financial Review

Risk Mgt & Corporate Governance

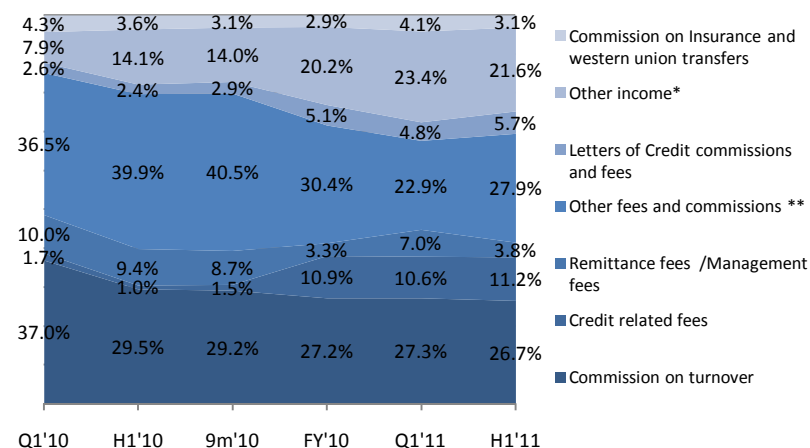
Strategy & Transformation

Summary & Outlook

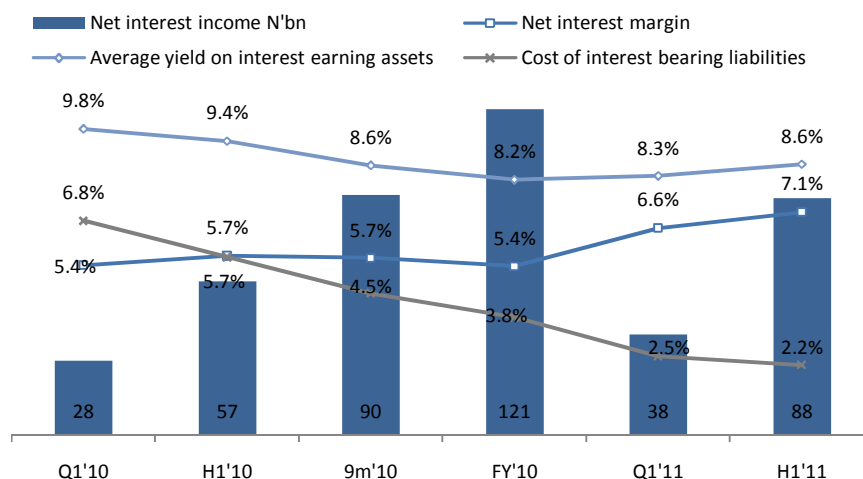
Interest income mix



Non-interest revenue mix



Asset yield and cost of liabilities



Comments

- Within the Bank, in line with our strategy for driving growth in non interest income by structuring our loans differently, increasing the velocity of the loan book, and increasing our cross sell ratio amongst other initiatives, we:
 - Increased credit related fees by 122% yoy
 - Increased letter of credit commissions and fees by 175% yoy
- At the subsidiary level, we have seen rising incomes from the investment banking and asset management business
- We remain focused on building each of our subsidiary businesses to leadership positions in their respective niches
- We are still focusing on various strategies to minimize our cost of funds

**Investment income and recoveries

*Exchange gains/ foreign exchange income, Gain on disposal of investment property, Financial advisory fees, Loss/(Profit) on disposal of property and equipment



We have seen operating income grow at a faster rate than normalised expenses

Highlights

Operating Environment

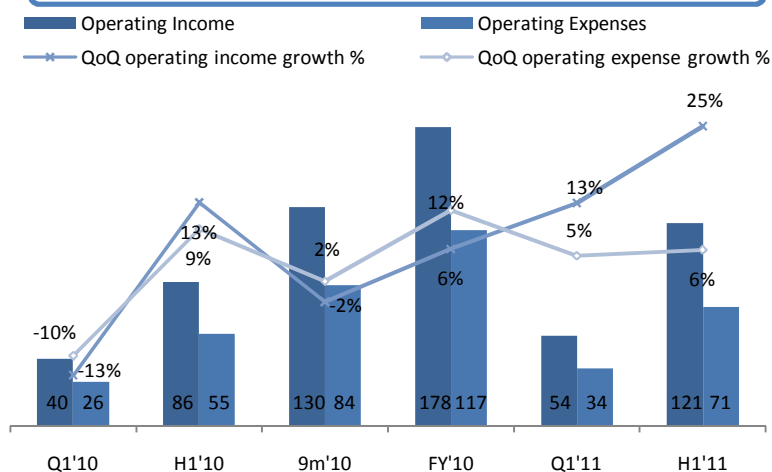
Financial Review

Risk Mgt & Corporate Governance

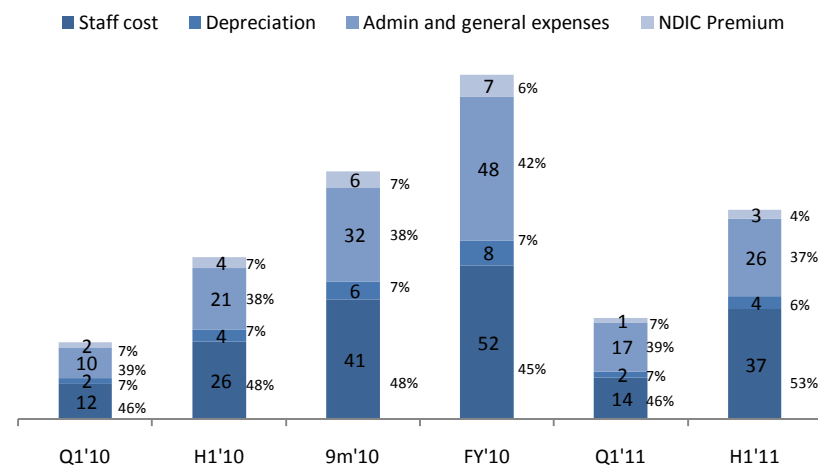
Strategy & Transformation

Summary & Outlook

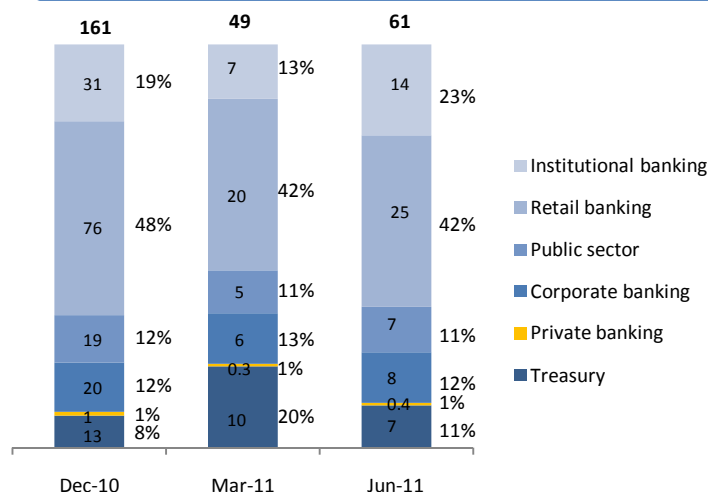
Operating income and expenditure



Operating expense breakdown (N'bn)



Operating income breakdown by SBU N'bn (bank only)



Comments

- Customer focused approach driving better granularity and innovative approach to growing our income streams
- Focus on increasing cross sell ratio across our client base, as well as driving growth in transactional banking
- Rise in operating costs attributable mainly to one off increases in staff costs to bring remuneration in line with industry as part of a holistic talent management strategy
- Adjusting for the one-off increase in staff costs, as well as the N3 bn AMCON resolution fund charge our controllable costs grew 5%
- Branch rebranding was completed in 20 branches over Q1 with additional 55 branches in 12 locations up for rebranding by end of Q3
- We have started seeing positive impacts of various cost reduction strategies



Driving sustained and long lasting efficiency gains remain a priority for us as we continue to expand our various businesses

Highlights

Operating Environment

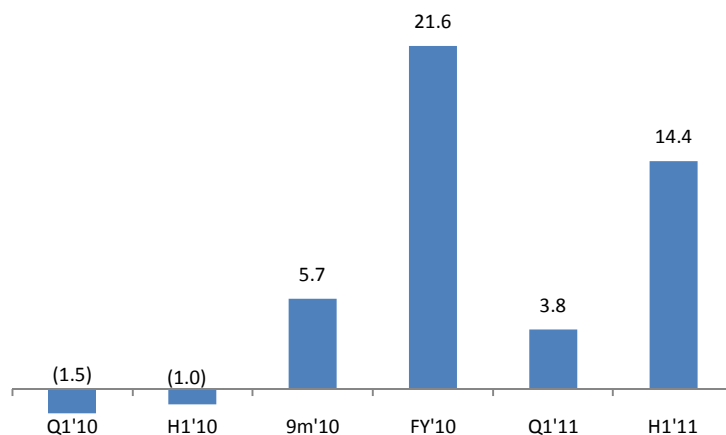
Financial Review

Risk Mgt & Corporate Governance

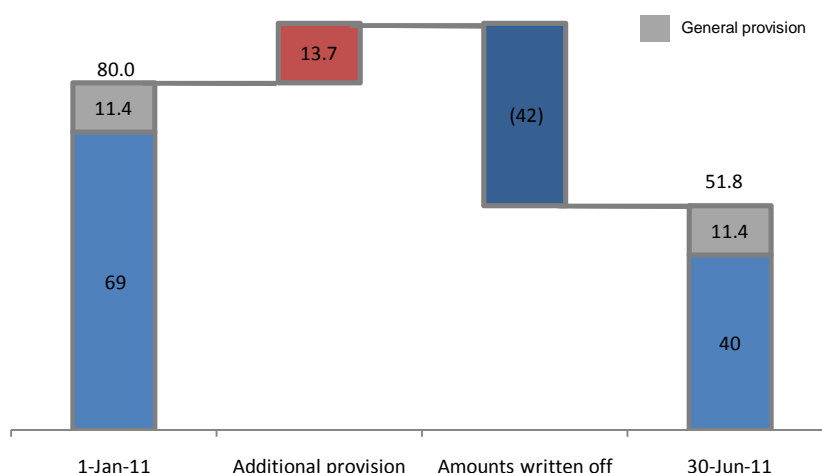
Strategy & Transformation

Summary & Outlook

Provision for credit and other losses (N'bn)

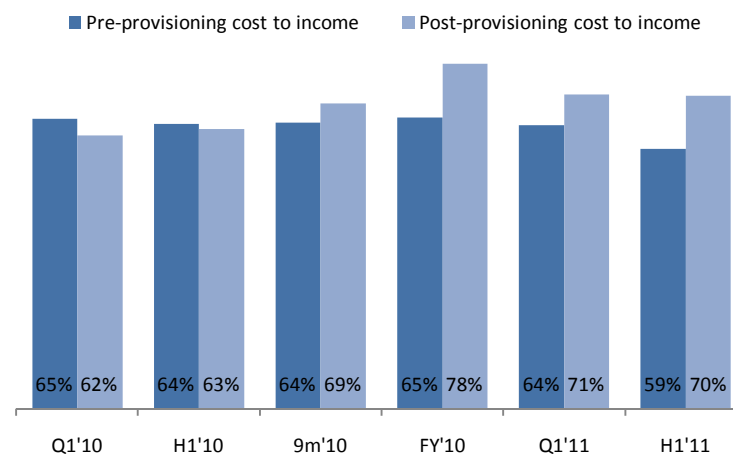


Group movement in loan loss provision* (N'bn)



*Includes interest in suspense and provision against leases

Cost efficiency (%)



Comments

- " We are optimising our costs by focusing on various initiatives such as:
 - Migrating mass retail customers to alternative delivery channels thereby reducing branch operational costs
 - Enhancing controllable cost discipline
 - Changing the mix of our branch architecture in favour of smaller quick service points, as part of our hub and spoke branch strategy, thus reducing acquisition and maintenance costs considerably
 - Expanding our automated solutions across a larger proportion of the branch network
- " We are optimising staff productivity by ensuring appropriate mapping, and mix of front to back office/core to non-core staff



Improving profitability as benefits of various strategic initiatives begin to converge



FirstBank
Since 1894

Highlights

Operating Environment

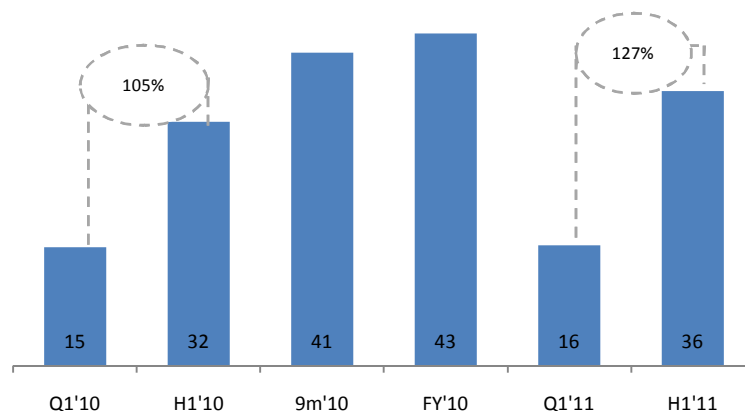
Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

Summary & Outlook

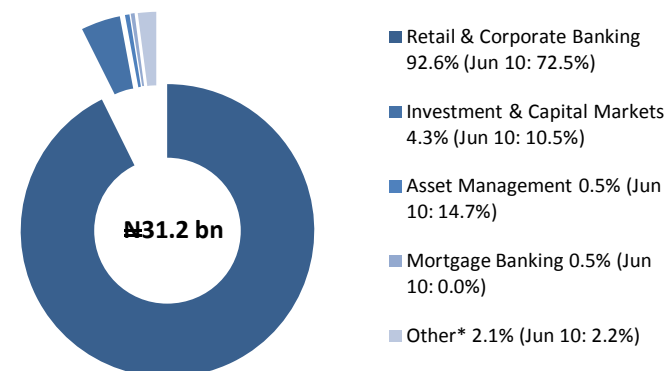
Profit before tax (N'bn)



Comments

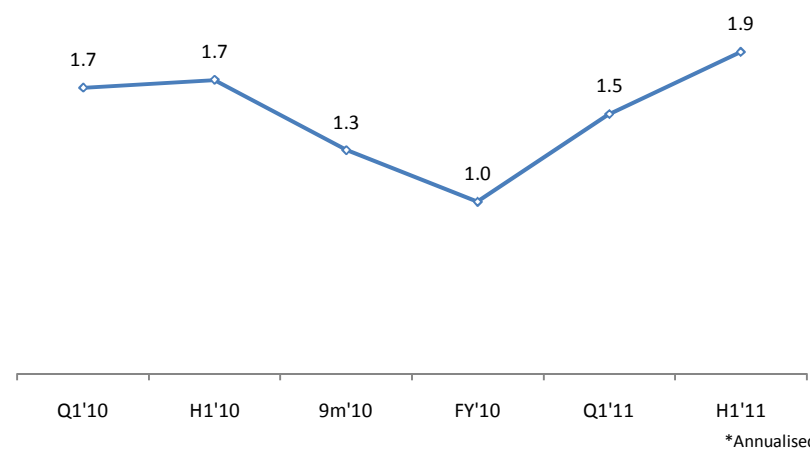
- ~ We have continued to enhance the efficiency of our balance sheet, resulting in expanding net interest margins
- ~ Changing mix of loans driving improvements in non interest income
- ~ Significant improvement in earnings per share

Group H1 PBT split by business lines



* Includes insurance brokerage, private equity and venture capital, and bureau de change business functions

Earnings per share* N





Improving profitability matrices, attractive fundamentals and an increasingly supportive environment, position FirstBank as an investment of choice

Highlights

Operating Environment

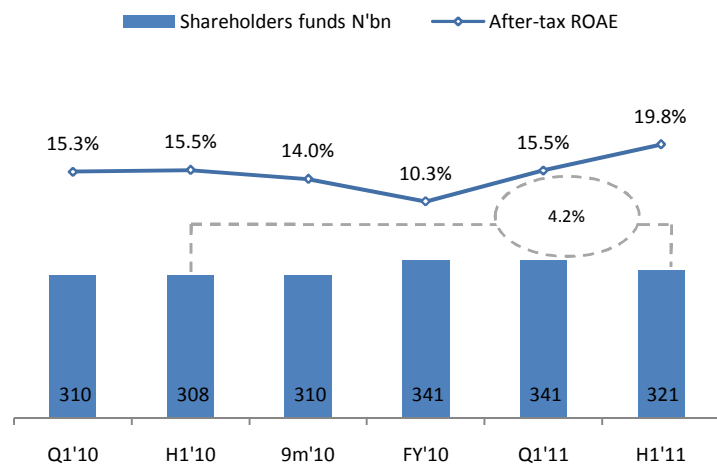
Financial Review

Risk Mgt & Corporate Governance

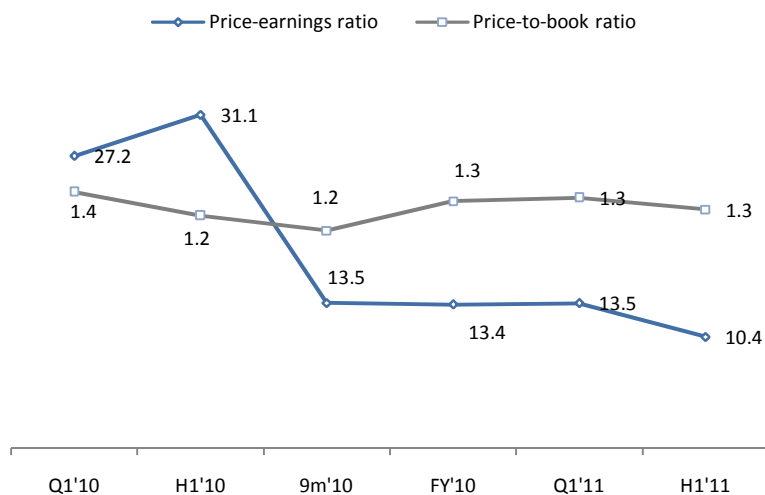
Strategy & Transformation

Summary & Outlook

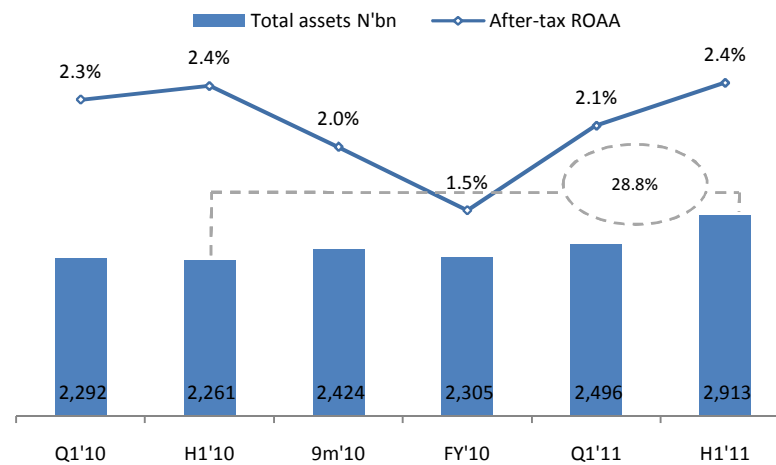
Return on average equity



Per share matrices



Return on average assets



Comments

~ QoQ decline in shareholders funds (SHF) driven by payment of 2010 dividends; in addition, current SHF does not yet reflect unaudited profits for H1 2011



The quality of our funding base has continued to improve; benefiting from our strong franchise, innovative products and well executed market penetration initiatives

Highlights

Operating Environment

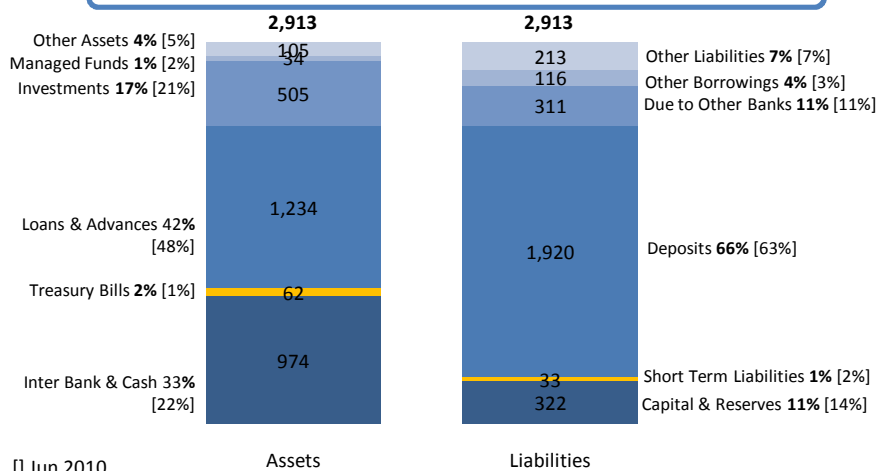
Financial Review

Risk Mgt & Corporate Governance

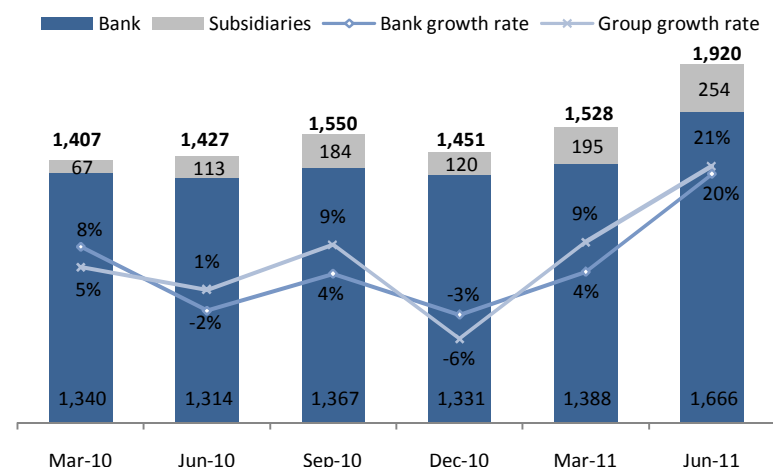
Strategy & Transformation

Summary & Outlook

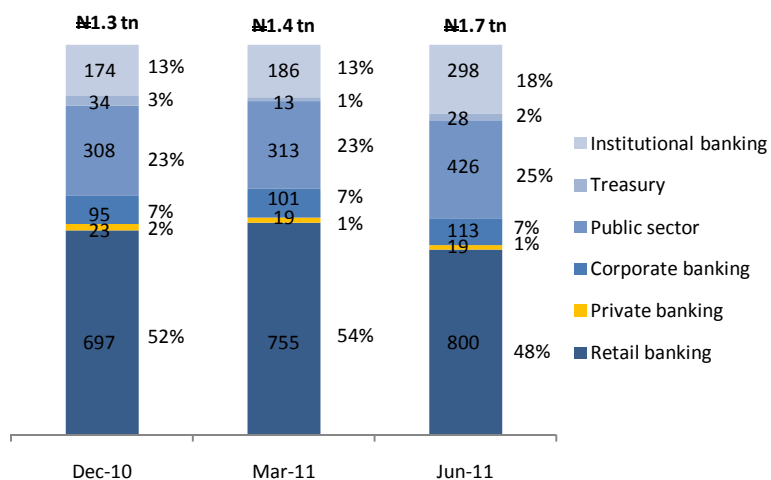
Balance sheet structure as at June 11 (N'bn)



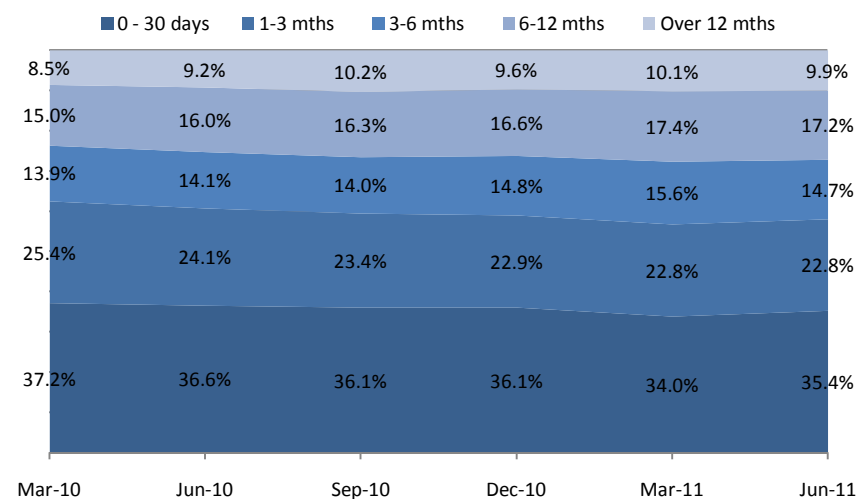
Deposits (N'bn)



Deposits by SBU (bank only) (N'bn)



Deposits by maturity (bank only)





By focusing on branch efficiency, customer service and product awareness, we grew our deposits quite strongly- especially in the low cost segments

Highlights

Operating Environment

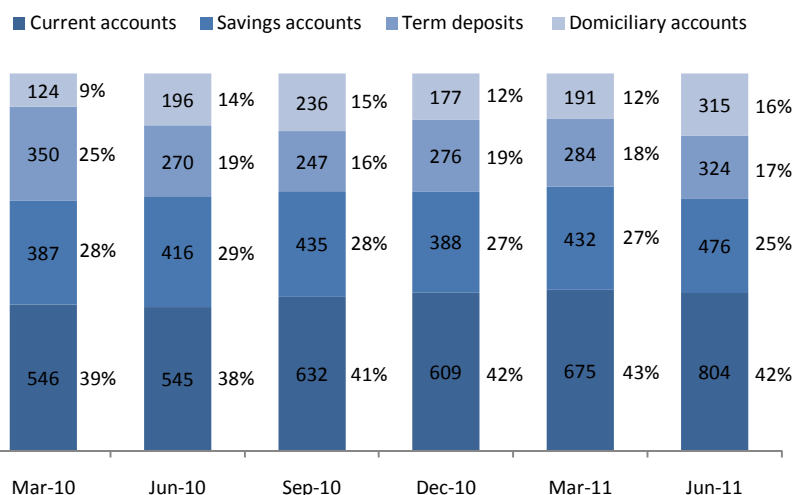
Financial Review

Risk Mgt & Corporate Governance

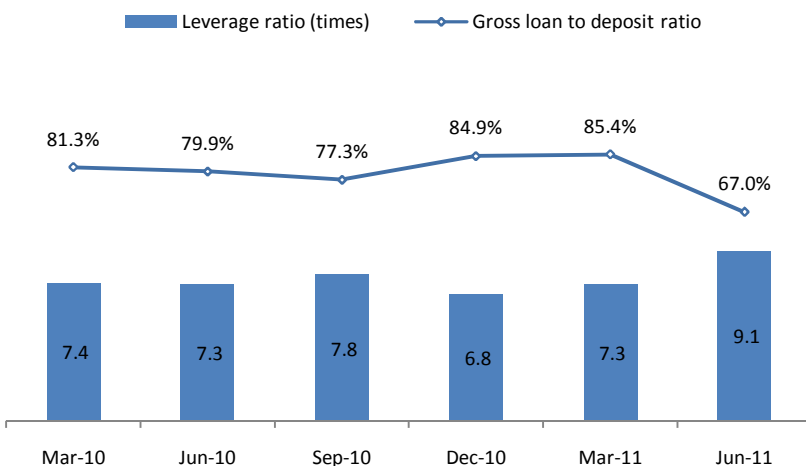
Strategy & Transformation

Summary & Outlook

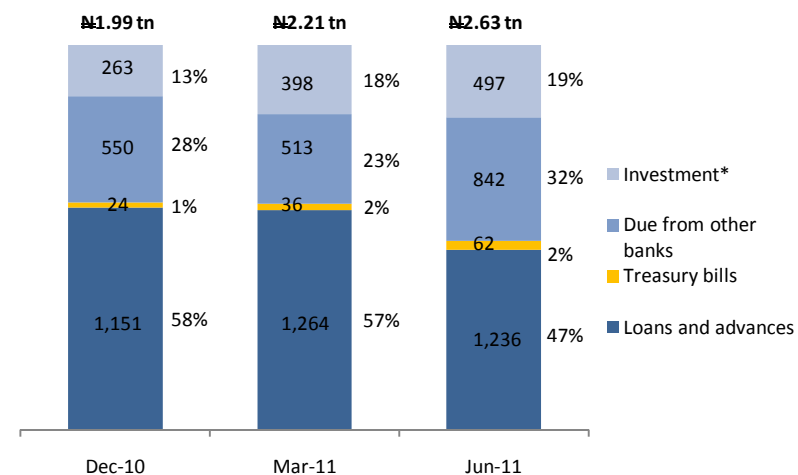
Deposit mix by type (N'bn)



Balance sheet efficiency



Earning assets (N'bn)



*Investment in bonds, securities, subsidiaries/associates

Comments

- " Improving deposit mix, with cost of funds/interest expense declining despite rising interest rates and increasing volume of deposits
- " Low cost deposits now account for 83% of deposits, compared to 80% at the beginning of the year
- " Our strong franchise, combined with our customer centric approach is driving faster than average growth in deposits
- " Innovative product development, as well as mobile payment initiatives will play a pivotal role in redefining financial market boundaries and customer experience
- " Plans to expand branch footprint via quick service points, will drive further growth in retail deposits
- " Leveraging our balance sheet via cheap retail deposits provides significant scope to grow loans to customers



We have continued to maintain very comfortable levels of capital and liquidity

Highlights

Operating Environment

Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

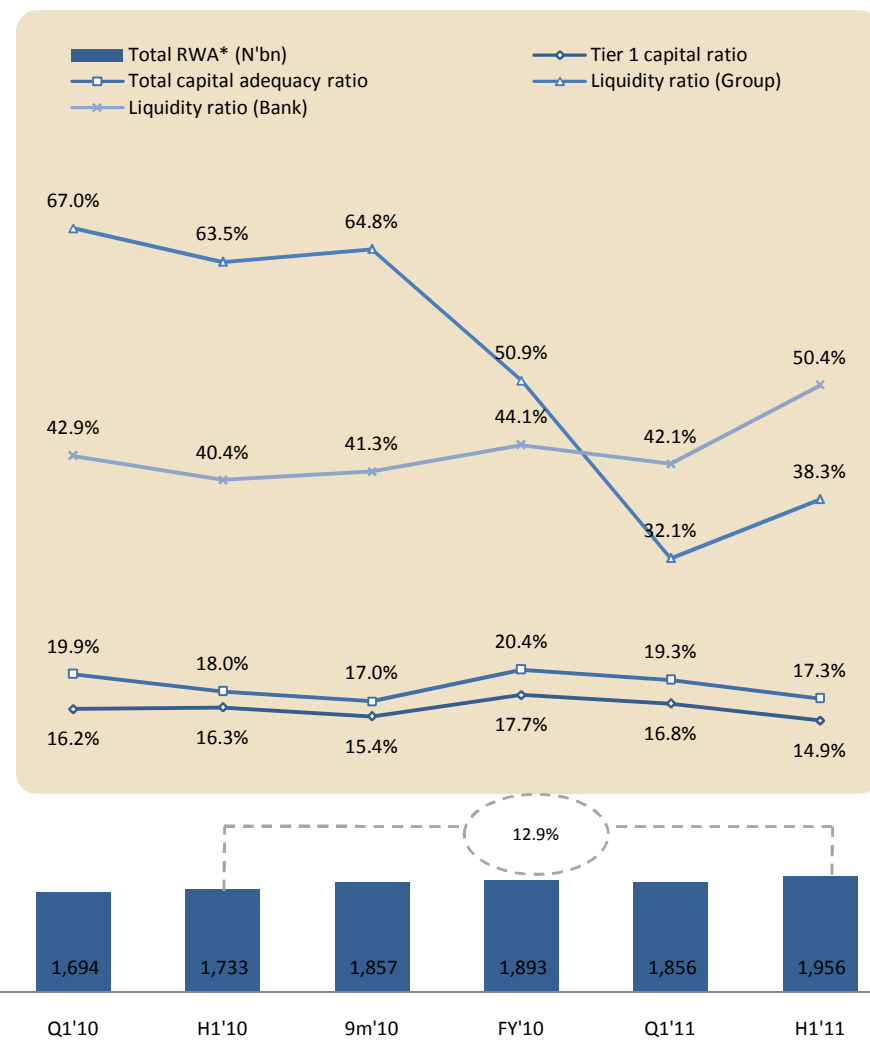
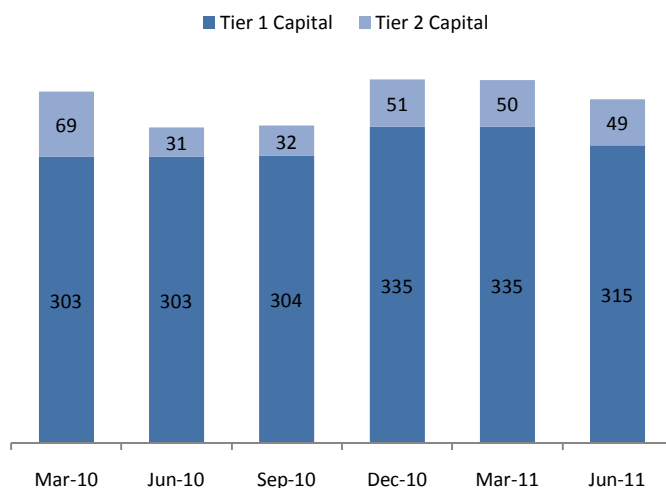
Summary & Outlook

Comments

- “ Capital base remains strong, and more than adequate to support growth of our business
- “ Focus on organic generation of capital, while exploring avenues to further enhance capital

Evolution of capital and liquidity ratios

Components of capital



*Risk weighted assets



We have increased the proportion of higher yielding assets in our loan book



FirstBank
Since 1894

Highlights

Operating Environment

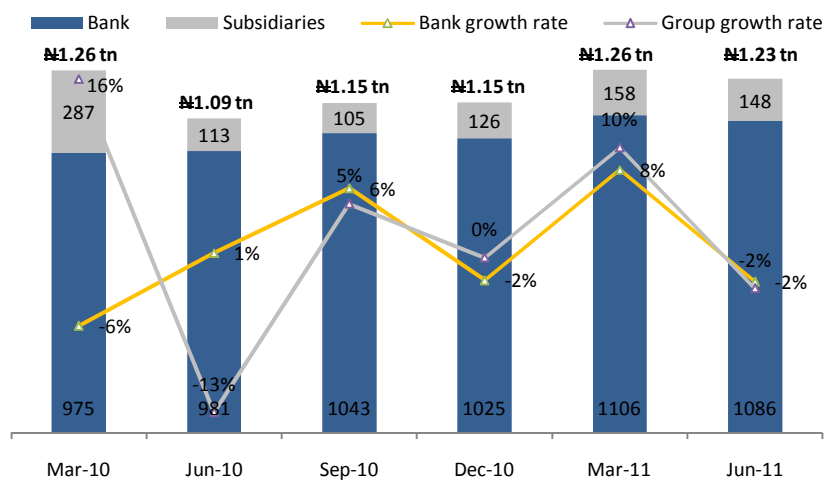
Financial Review

Risk Mgt & Corporate Governance

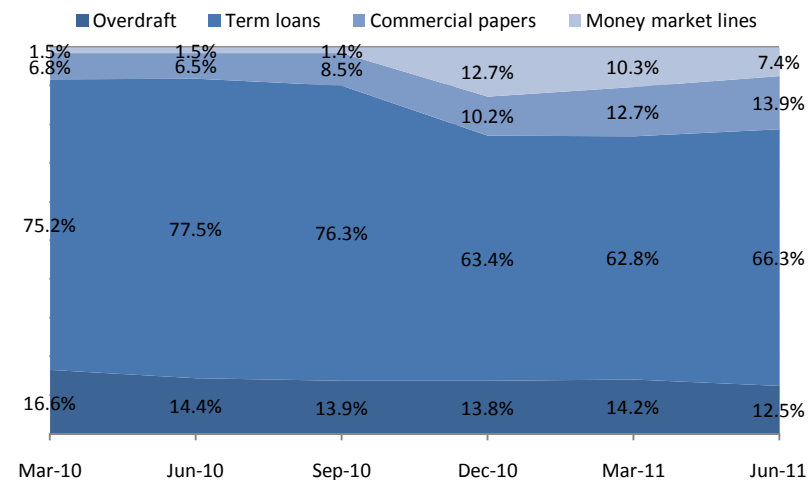
Strategy & Transformation

Summary & Outlook

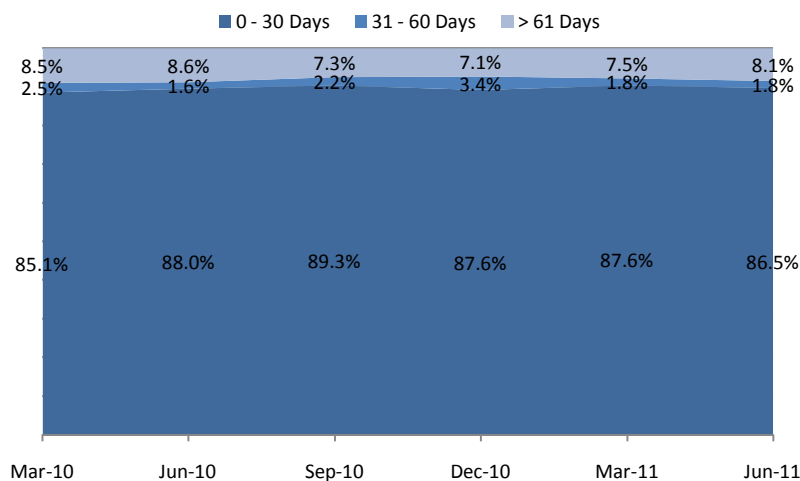
Net loans and advances - group (A'bn)



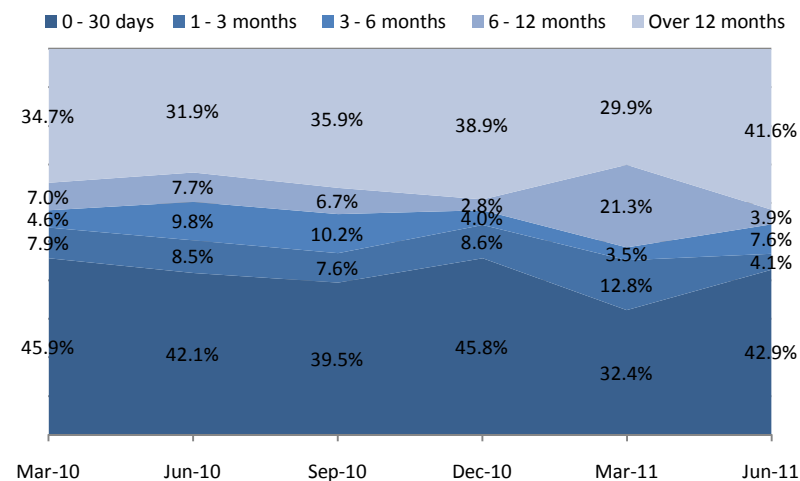
Loans and advances by type



Ageing analysis of performing loan book (bank only)



Loans and advances by maturity





Our loan book remains well diversified across business segments and sectors

Highlights

Operating Environment

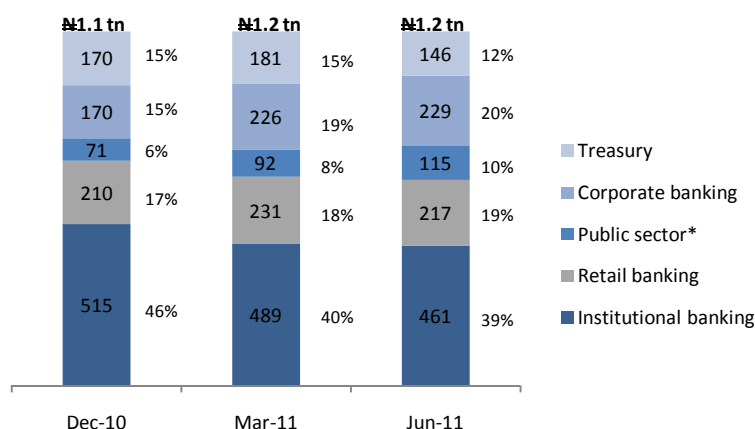
Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

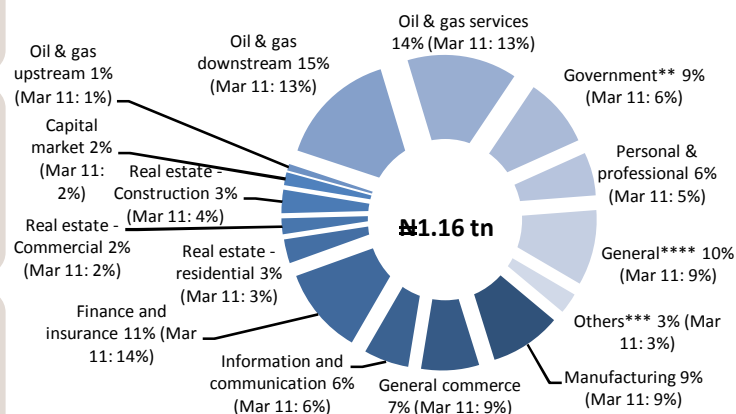
Summary & Outlook

Breakdown by SBU N'bn (Gross) (Bank only)



*Public sector exposures: federal and state governments

Gross loans and advances (sector exposure) Mar 2011 (Bank only)



**Government exposures: federal, state and local governments

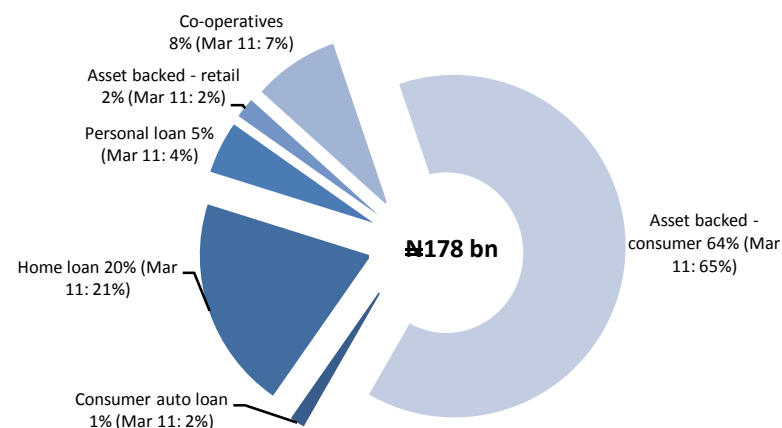
***Others include: agriculture, construction, power & energy and transportation

****General includes: hotels & leisure, logistics, retail others and religious bodies

Comments

- 13% y/y growth in net loan portfolio, 2% decline QoQ and 7% growth ytd
- QoQ reduction in loans due to pay down on facilities, N32 bn AMCON sale and write off of N22 bn non performing loans with full provisions as at Dec 31, 2010
- Modifying loan mix to higher yielding types
- Foreign loans represent 23% of total loan portfolio while top 20 non bank customers account for 37% of the Bank's loan book
- We are increasing our involvement with small and medium scale enterprises
- Seawolf remains our largest exposure, we are working on reducing concentration to within regulatory limits as guided by CBN

Core consumer/retail product portfolio¹



¹Core consumer/retail portfolio represents retail loan exposures < N50m



We have seen significant improvement in our asset quality matrices

Highlights

Operating Environment

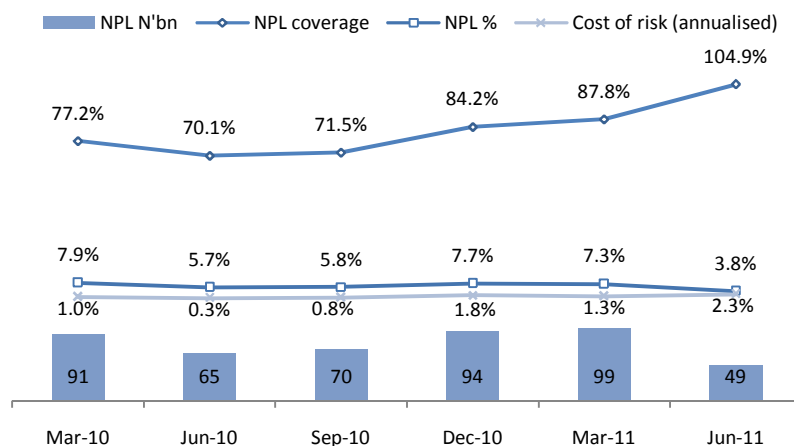
Financial Review

Risk Mgt & Corporate Governance

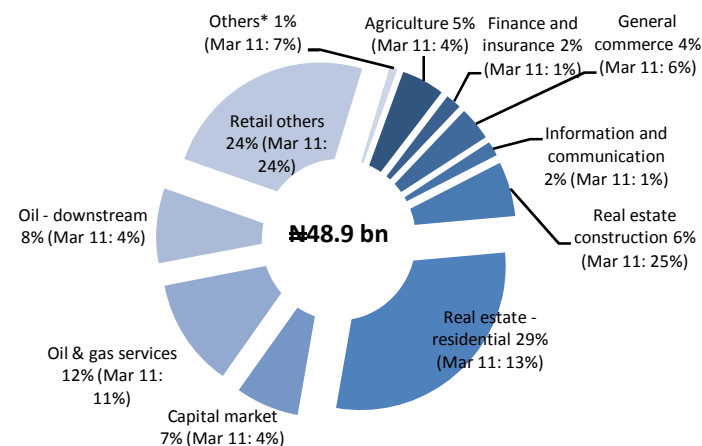
Strategy & Transformation

Summary & Outlook

Asset quality ratios

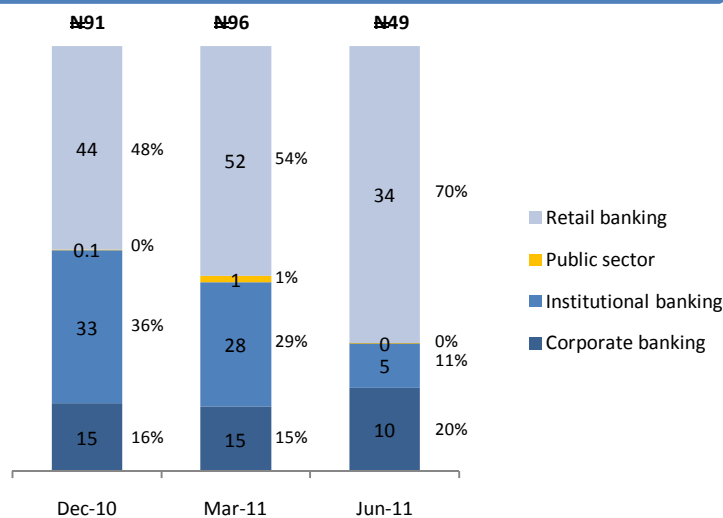


NPL Sector exposure Jun 11 (bank only)

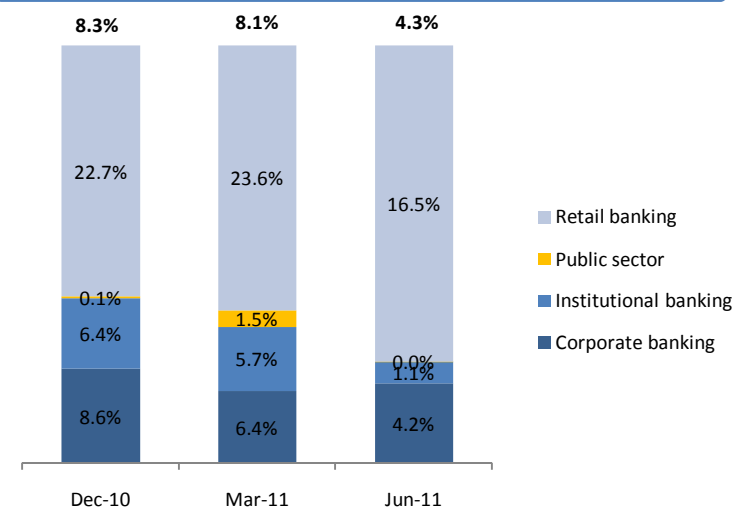


*Others include water supply, finance and insurance, power & energy, government and transportation

NPLs by SBU N'bn (bank only)



NPL ratio within each SBU (bank only)





Reduced concentration risks in our NPL portfolio

Highlights

Operating Environment

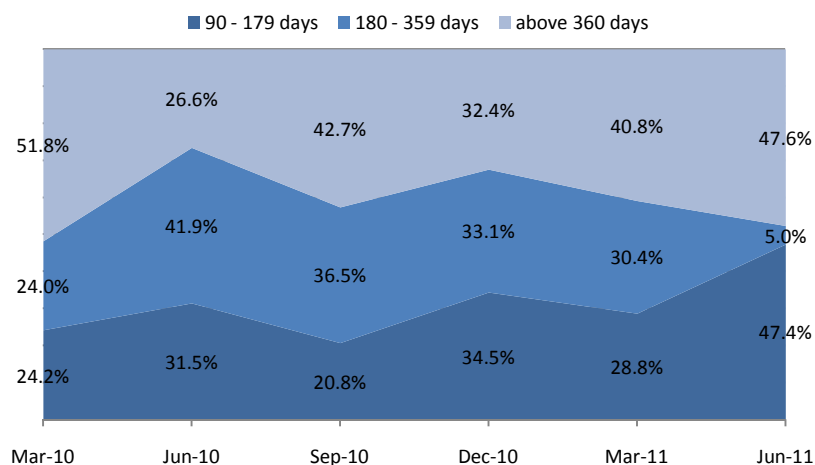
Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

Summary & Outlook

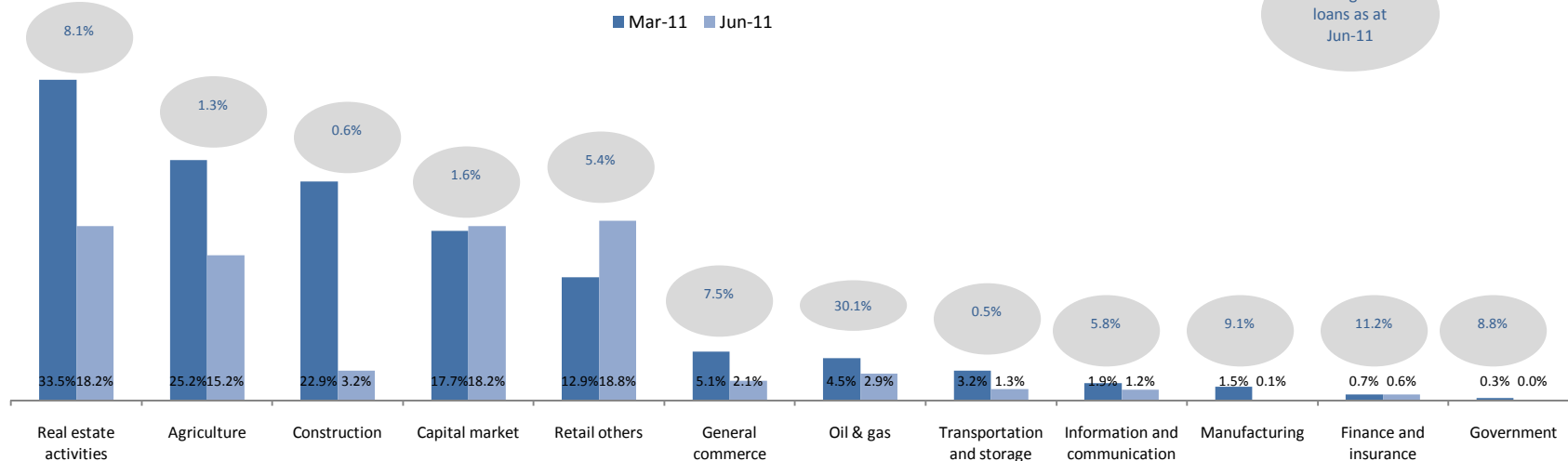
Ageing analysis of NPL portfolio (bank only)



Comments

- Reduction in non performing loans driven by sale of ₦32bn in eligible assets to AMCON as well as ₦22bn write offs in line with CBN directive
- Continued focus on recoveries, with remedial business unit within the Bank and independent recovery agents
- Focus on enhancing quality of relationship management in order to drive better account management
- ₦18bn received from AMCON on the second phase of NPL sales with write back of ₦10.4bn

Sector NPL Ratio's (bank only)

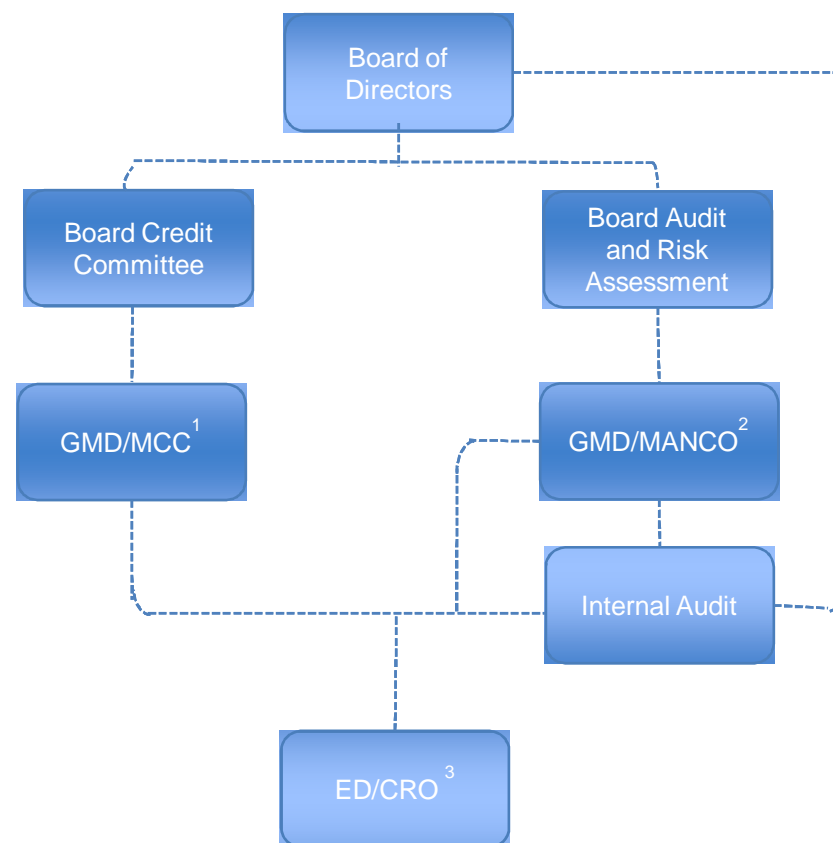




Risk management framework (1 of 2)

Highlights	Detailed framework and disclosure	<ul style="list-style-type: none"> ~ Best in class risk management practice ~ Publication of risk management disclosures, an integral part of FirstBank annual report
Operating Environment	Risk Appetite	<ul style="list-style-type: none"> ~ A conservative balance is maintained between risk and revenue considerations ~ Appetite for risk is governed by high quality assets measured by the following three key performance indicators: <ul style="list-style-type: none"> - ratio of non-performing loans to total loans - ratio of loan loss expenses to interest revenue; and - ratio of loan loss provision to gross non-performing loans
Financial Review	Asset quality	<ul style="list-style-type: none"> ~ Performing accounts are marked to market ~ Adequate provisions are made
Risk Mgt & Corporate Governance	Technology	<ul style="list-style-type: none"> ~ Statistical analysis system is being implemented
Strategy & Transformation		
Summary & Outlook		

Risk Management Framework



1 Group Managing Director/Management Credit Committee

2 Group Managing Director/Management Committee

3 Executive Director/ Chief Risk Officer



Risk Management framework (2 of 2)

Highlights	Credit risk	<ul style="list-style-type: none"> ~ Creation of loans and management of the risks inherent in the loan portfolio remained a focal point ~ A special recovery unit has been set up to revamp recovery strategy, to implement recovery initiatives that would ensure provisions taken in prior periods are reversed
Operating Environment	Market and liquidity risk	<ul style="list-style-type: none"> ~ Increased market confidence and perception of the Bank as strong and reliable ~ Healthy liquidity position has been maintained
Financial Review	Environmental and social risk	<ul style="list-style-type: none"> ~ Environmental and social risk management system policy being implemented ~ This is aimed at promoting environmental soundness and sustainable development in a socially responsible manner especially in large ticket project financing
Risk Mgt & Corporate Governance	Operational risk	<ul style="list-style-type: none"> ~ Through management focus and adequate deployment of resources the operational risk has been managed within acceptable levels ~ We continue to work at minimising operational losses by strengthening control mechanisms ~ To achieve timely prevention and detection of fraud, an internal control antifraud automated system software was recently deployed
Strategy & Transformation	Information security risk	<ul style="list-style-type: none"> ~ Obtained ISO27001 certification from British Standard Institute. ~ The certification is the world's highest accreditation for information protection and security from the international Organisation for Standardisation (ISO)
Summary & Outlook	Legal and compliance Risk	<ul style="list-style-type: none"> ~ Improvement of access to sound legal advice and the awareness of the need to identify, mitigate and manage legal risks ~ Compliance risks are being identified and mitigated through continuous improvement in technology infrastructure, process rejuvenation/revalidation and training of stakeholders to understand regulatory obligations and consequences of non-compliance.



Our corporate governance framework

Highlights

Board Members	December 2009	Current
Executive Directors	8	5
Non Executive Directors	9	11
Total	17	16

Operating Environment

Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

Summary & Outlook

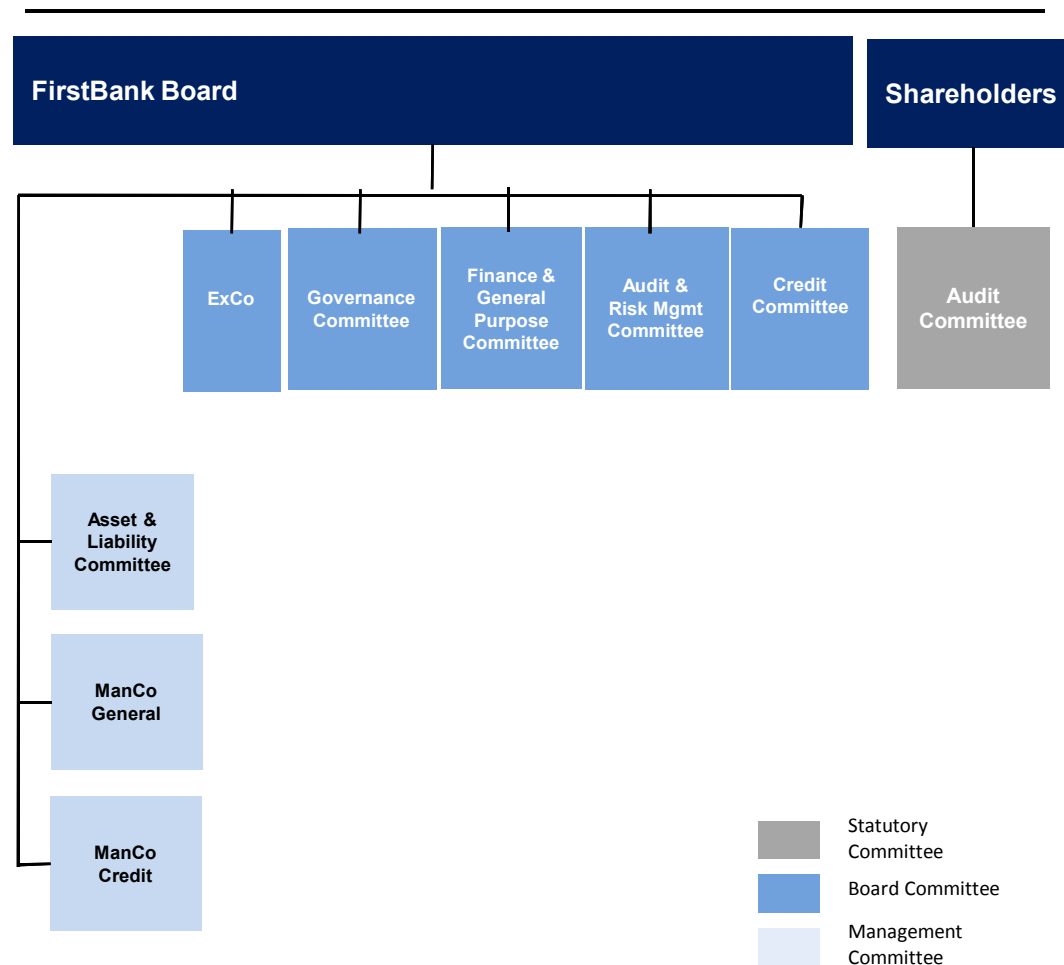
" Continued Board restructuring around the principle that the predominance of non-executive would improve objectivity and independent judgement.

" Ratio of executive directors to non executive directors is 1:2. This is in line with the provision of the corporate governance code

" In addition to the independent non executive director on our board, we intend fast-tracking the appointment of a second independent director in compliance with the corporate governance code.

" The Board performs its responsibilities through standing committees whose charters are reviewed regularly

Corporate Governance Framework





We have made solid progress towards our goals across key balance sheet and income statement metrics



FirstBank
Since 1894

Highlights

FirstBank market position relative to other banks in Nigeria (bank only)

Operating
Environment

Financial
Review

Risk Mgt &
Corporate
Governance

Strategy &
Transformation

Summary &
Outlook

	Profit before Tax	Gross earnings	Total loans	Total assets	Total deposits
1H2011	2	1	1	1	1
2010	3	1	1	1	1
2009	5	1	1	1	1
2008	5	5	2	5	6
2007	4	4	5	4	3
2006	1	1	2	3	3
2005	1	1	2	2	1
2004	1	1	2	2	2

#1 position post-crisis across most metrics, with strong profit momentum

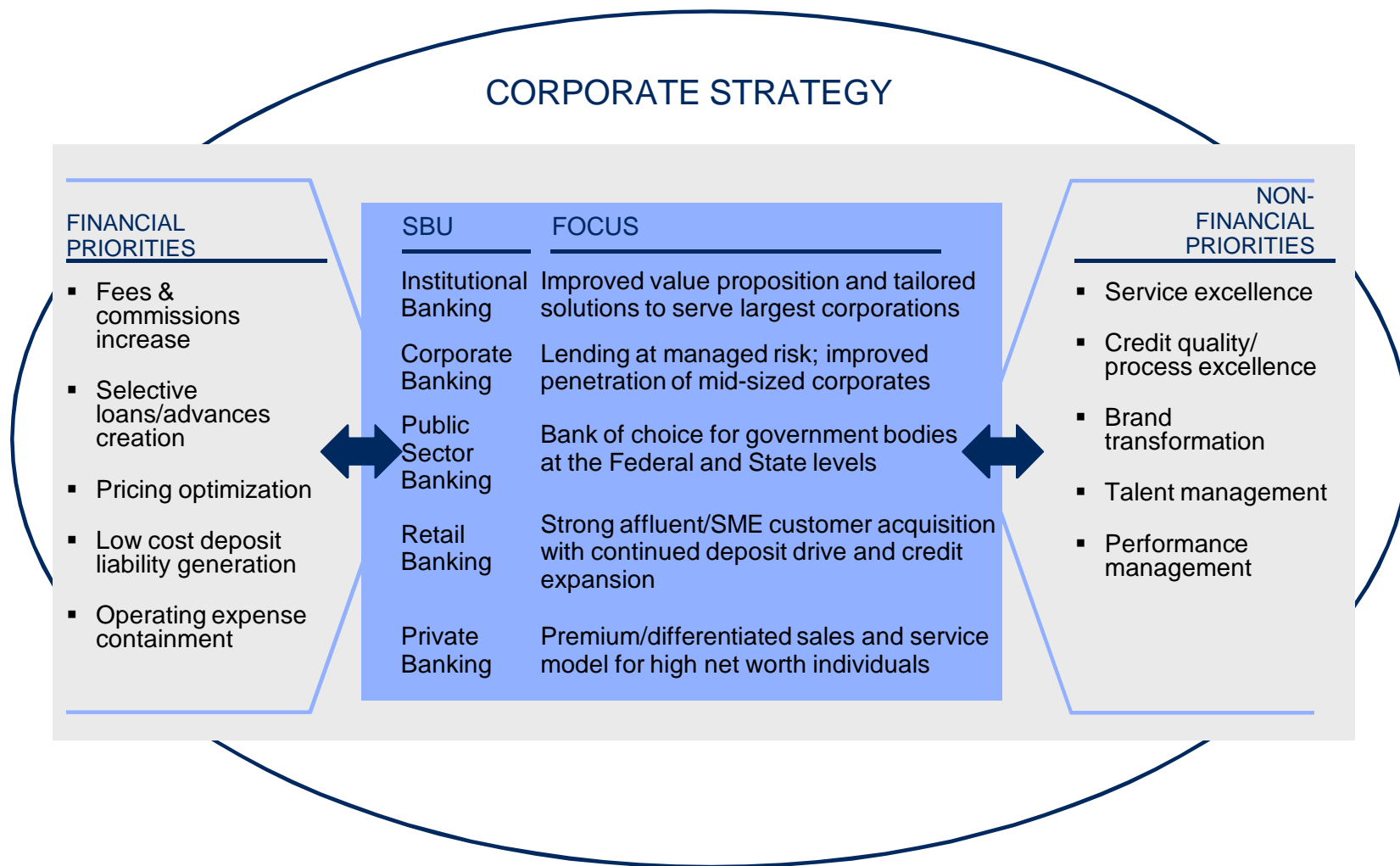


Our corporate strategy for the Bank gives equal emphasis to financial as well as non-financial priorities



FirstBank
Since 1894

Bank Strategic framework

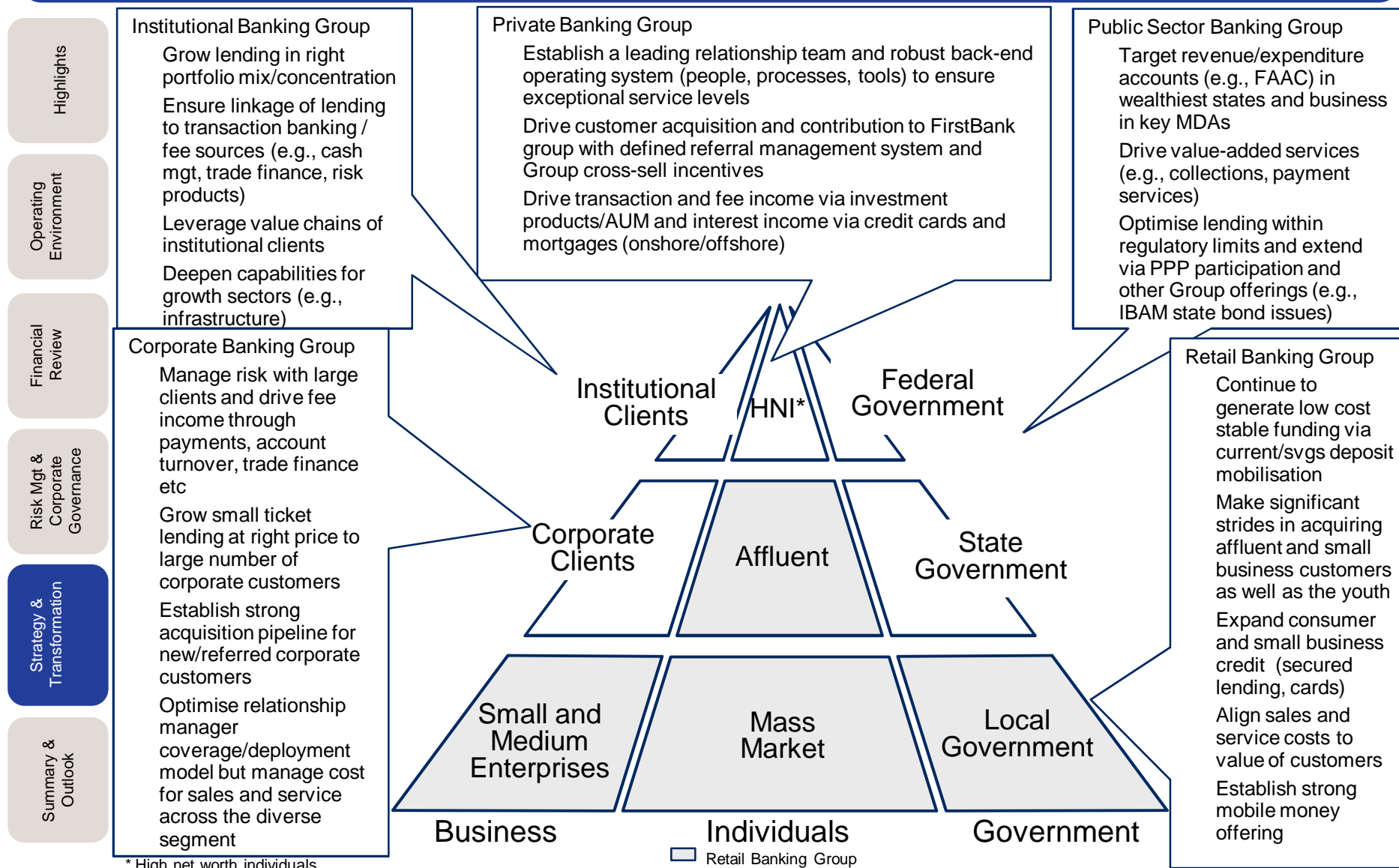




We continue to increase the level of granularity of our business model; each of the five Bank strategic business units has several key priorities that are integral to attaining our 2013 objectives



FirstBank
Since 1894





We have realised a number of achievements recently across our strategic priorities

Highlights			
Operating Environment			
Financial Review			
Risk Mgt & Corporate Governance			
Strategy & Transformation			
Summary & Outlook			
	Financial Priorities	Priorities <ol style="list-style-type: none"> 1 Fees & commissions increase: Significantly increase revenue from non-interest income sources 2 Selective LAD creation: Selectively and prudently grow loan portfolio in key sectors and shift mix towards assets with higher (risk adjusted) total yield 3 Pricing optimisation: Implement strong risk-based pricing regime and manage revenue leakages 4 Low cost deposit liability generation: Drive strong low-cost current and savings account (CASA) deposit liability generation 5 OPEX containment: Contain OPEX growth rate at level sufficiently below revenue growth rate 	Recent Progress <ul style="list-style-type: none"> Robust growth from new fees (e.g., Retail account maintenance) and increased fee-yielding businesses (e.g., IBG crude oil) Impressive half-year LAD growth of 13%; even higher when substitution of recalled loans to subsidiaries are taken into account Surgical acct-level loan re-pricing performed for IBG/CBG with general loan by product for Retail (June); continued emphasis on COT leakage with new targets by SBU Healthy Retail deposit growth (15% for 1H11) with favorable mix shift away from term and towards current/savings; best cost of fund profile of peer banks Turn-around/restructuring of loss-making branches ongoing with staff mix optimisation (contract/core, grade level) to function; channel migration yielding 60% ATM action mix
	Non-Financial Priorities	<ol style="list-style-type: none"> 6 Service excellence: Make FirstBank renowned for fast and friendly service, without sacrificing processing quality or increasing transaction costs 7 Credit quality/process excellence: Improve speed /quality of credit decisions and effectiveness of end-to-end credit process from origination to recovery 8 Brand transformation: Significantly enhance FirstBank brand perceptions and drive business results via targeted campaigns 9 Talent management: Build a superior workforce at FirstBank by attracting, developing, and retaining the best industry talent 10 Performance management: Align individual incentives with enterprise/shareholder priorities and ensure accountability for commitments 	<ul style="list-style-type: none"> 65% reduction in account-opening, customer service productivity up by 30%, 80% fewer regulatory exceptions (CPC-enabled branches) Continued bank-wide credit capability building with aggressive training for relationship managers, 70% improvement in retail loan application times enabled by CPC Prominent new campaigns launched - eg., Did you Knowq employee brand engagement Know your Brandq strong social media drive/responses Launch of new competency framework - expected to have strong bank-wide impact, major milestones in culture change initiative (e.g., town hall meetings etc) Continued development of key tools (e.g., customer profitability), launch of Oracle-based MIS portal, scorecards refined to emphasize revenue, profitability



We continued the execution of our five key initiatives to transform service delivery

Highlights

Operating Environment

Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

Summary & Outlook

Transforming Service Delivery

Issue Resolution/ Customer Experience

“ Continuously identify and resolve customer issues; monitor our customer experience, and prioritize improvements based on customer feedback

Centralised Processing & Branch Process reengineering

“ Centralise transactional processes and optimise branch processes, to drive standardisation, reduce transaction processing times, and decongest the branches.

Branch Transformation

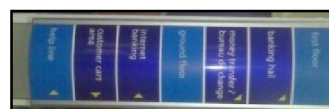
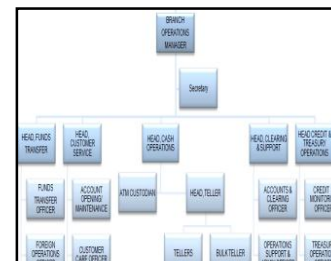
“ Improve our branch ambience, increase awareness of our products & services, and encourage customer migration to alternative channels

Manning/Front-Line Transformation

“ Optimise our manning structure , empower staff, and align our front-line staff with our service delivery mandate

Channel Optimisation & Migration

“ Optimise costs and increase customer satisfaction by ensuring alternative channels work, and migrating customers to appropriate channel (based on segment needs and requirements)





Strategic Delivery . Service Excellence

CPC & Branch Process Re-engineering: Full rollout of our centralised processing centre in progress, with benefits being realised across multiple dimensions.



FirstBank
Since 1894

Highlights

Operating Environment

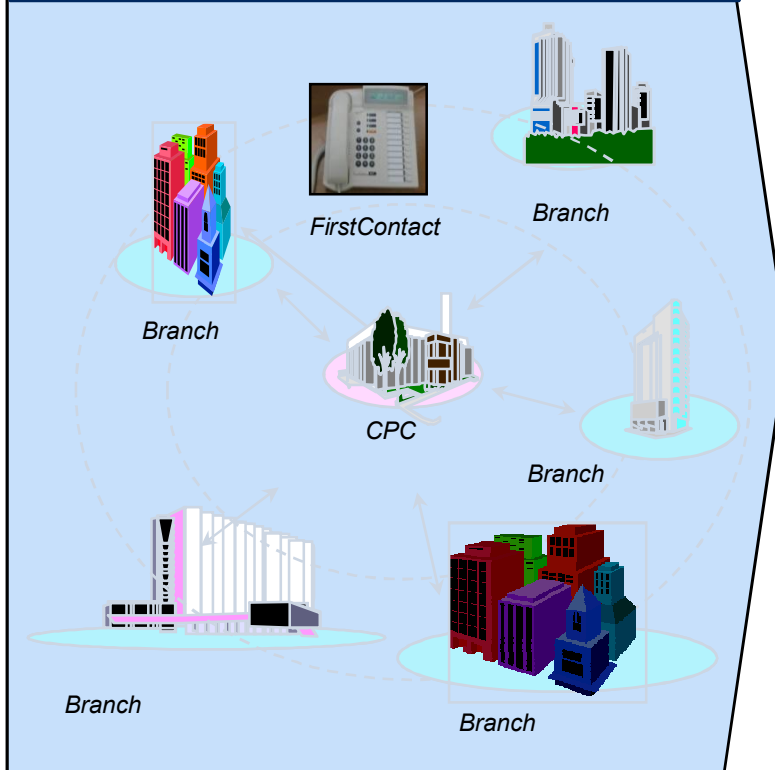
Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

Summary & Outlook

Centralised Processing Centre: Setup



- " Account Opening: 150 branches**
- " Salary processing: 415 branches**
- " Retail Loan Processing: 89 branches**

	Key Performance Measures	Example results
Growth	Faster implementation of new processes/process changes	<ul style="list-style-type: none"> " COT amendment setup implementation " Cash handling charges bankwide " Significant growth in e-product issuances and retail loan when compared with non-cpc branches " Increase in salary schedules and beneficiaries
Customer Satisfaction	<ul style="list-style-type: none"> " Improved cycle time " Reduced error rates " standardisation 	<ul style="list-style-type: none"> " ~65% reduction in account opening cycle time " ~ 70% reduction in salary processing time " ~70% reduction in retail loan processing time. " Standardised requirements across all CPC branches; and standardised for of delivery
Efficiency	" Lower fixed cost per transaction	<ul style="list-style-type: none"> " 70/30 noncore to core staffing model " Successful staff redeployment (in tandem with branch restructuring exercise)
Standardisation	" Improved compliance and controls	" 81% reduction in regulatory exceptions in CPC branches



Strategic Delivery . Service Excellence

Branch Transformation: We have so far rolled out 21 branches in Lagos. Now moving to 12 other locations bankwide with a mandate to deliver 55 branches by end of Q3



FirstBank
Since 1894

Highlights

Operating
Environment

Financial
Review

Risk Mgt &
Corporate
Governance

Strategy &
Transformation

Summary &
Outlook



Banking Hall



Customer Care

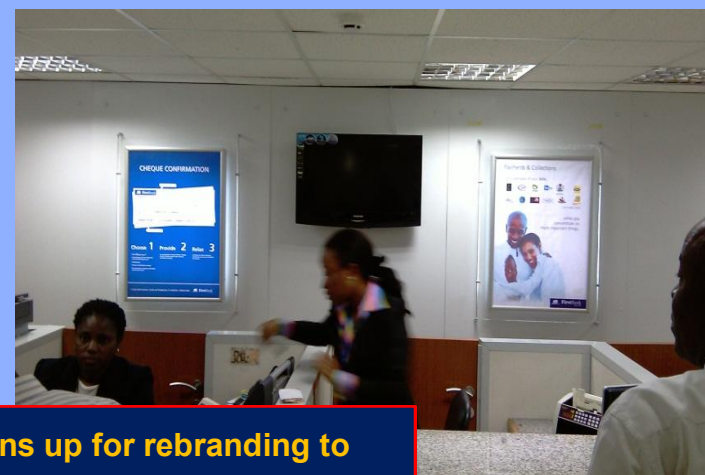
20 branches
branded
in Q1

"Apapa
"Isolo
"Festac
"Iganmu
"Niger House
"Keffi
"NIJ House
"Ikota Mkt.
"Adetokunbo
Ademola
"Chevron
"Eko Hotel
"Ikeja Ind Est
"Allen
"Alausa
"Opebi
"Yaba
"Ilupeju
"Shomolu
"Surulere S/c

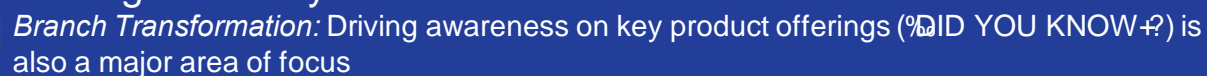
**Additional 55 branches in 12 locations up for rebranding to conclude end of Q3 -
Abuja, Kano, PH, Kaduna, Benin, Abeokuta, Ibadan, Onitsha, Enugu, Awka, Asaba, Calabar and Lagos.**



Self Service Area



Teller Area



Summary & Outlook

DID YOU KNOW...

your account can go everywhere with you?

balance enquiry

Check your account activity and balance from any ATM location at any time of the day.

bills payment

The FirstBank app and ATM network on the FirstBank app can avoid the queues and lines.

cash withdrawal

Withdraw cash from any ATM location on the FirstBank app or any time of the day.

online shopping

Pay for goods and services, make travel and flight bookings and your grocery bills with the FirstBank app.

top-up airtime

Top up your and your loved ones' airtime for your use and the loved ones' use through the FirstBank app.

Now that's convenient!

FirstBank
...truly the first

For all enquiries call **FirstContact**
011-26111111 or 011-26111111
Email: FirstContact@firstbank.co.ke
www.firstbank.co.ke | 800 420 000

2018 01 01



Strategic Delivery . Service Excellence

Channel Optimization & Migration: Continuous Improvement in ATM migration rate is top priority; driving online banking and contact centre awareness/usage also key



Current Initiatives

Highlights

ATM Optimization

Key Initiatives

- " ATM optimisation drive concluded and enablers put in place(SLAs signed; SMS alert for custodians, etc), Migration improving appreciably . 60% as at end Q2 with 70% as target.
- " 24% increase in transaction volumes by Q2 from Q1
- " 38% increase in On-Us transaction also by Q2 from Q1

Impact

- " Sustained ATM uptime of ~90%
- " Increased migration rate from ~58% at end of q1, to ~60% at end of q2 2011,

Operating Environment

Financial Review

Risk Mgt & Corporate Governance

Strategy & Transformation

Summary & Outlook

Internet Banking

Key Initiatives

- " Major revamp of internet banking system underway, with objective of increasing functionality, usability, and ease of sign-up
- " Continued push to increase awareness of internet banking features and improve sign-up turnaround time
- " Continued push to increase awareness of automated cheque confirmation enabled on internet banking

Impact

- " 7% growth in users between q1 to q2

Key Initiatives

- " Deploying full contact centre solution (Avaya Aura)
 - " With interactive voice response service options and
 - " Language options
- " Ongoing awareness of contact centre features, including VOIP phones deployed in select branches

Impact

- " 9% growth in average monthly call volume between Q1 and Q2 2011
- " 17% growth in average email volume between Q1 and Q2 2011

Contact Centre

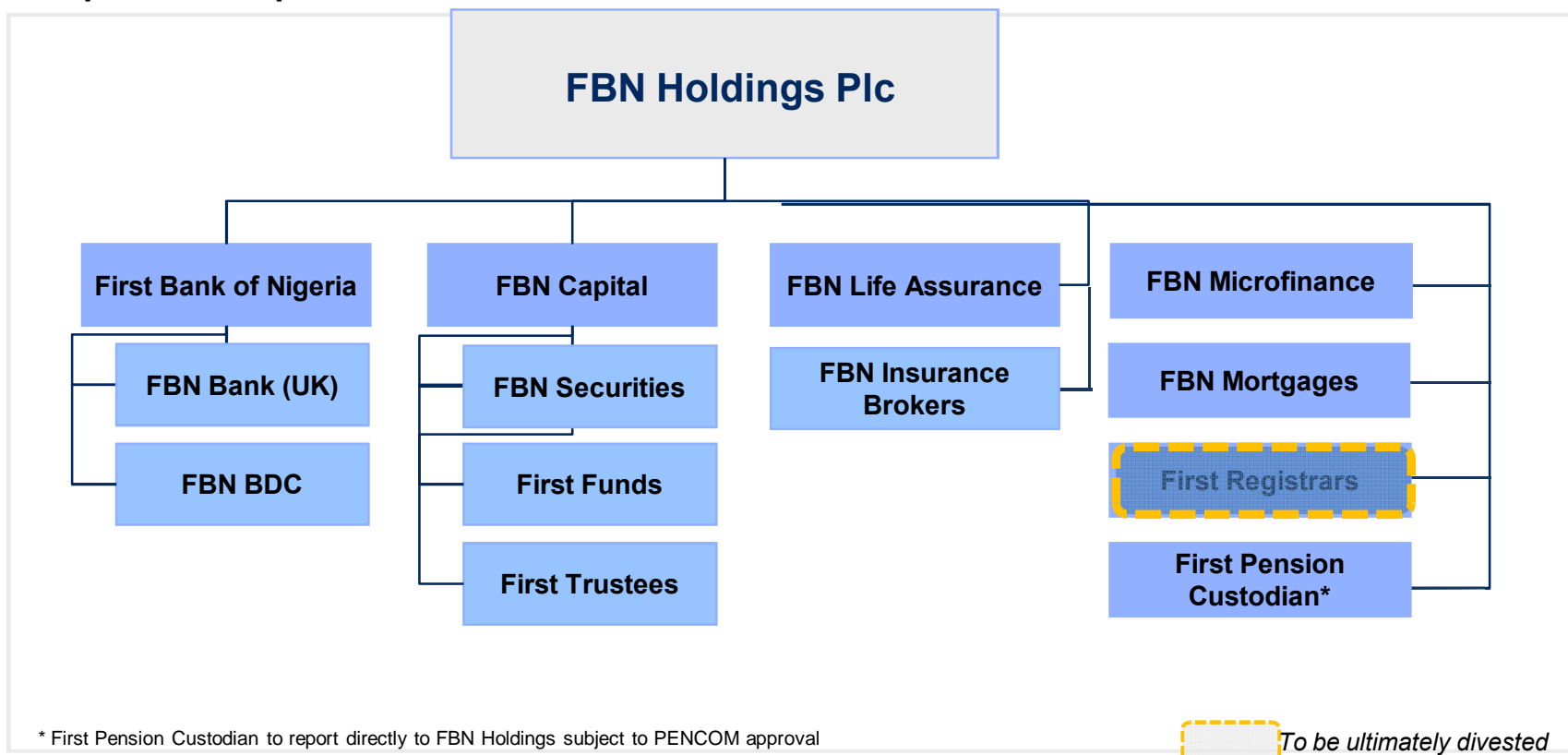


At the group level, we continue the ongoing restructuring and optimisation of our governance model, alongside an increased focus on investment banking/asset mgt and insurance



FirstBank
Since 1894

Proposed Group structure



This structure allows us to ring-fence the banking business from other non-banking subsidiaries and their associated risks, in full compliance with the CBN's directive and gives the opportunity to leverage strategic synergies across subsidiaries through arms length transactions.



Within our Investment Banking/Asset Management Business , our strategy is to improve on our ability to provide financing and investment solutions to our clients, leveraging on the Group's customer base



FirstBank
Since 1894

Highlights

- **Investment Banking:** Our investment banking strategy is centered around deepening our customer relationships and leveraging on existing relationships with the bank. This will be augmented by building capability in the infrastructure and energy sectors. We continue to improve our alliance relationships and leverage our new research capabilities to proactively identify investment banking opportunities both in the private and public sector. We also continue to finalise our relationships with First Bank IBG, CBG, & PSG sectors in realizing the group synergies.

Operating Environment

- **Asset Management and Trustees:** Our asset management strategy is centered around creating innovative products tailored to the needs of our customers. We continue to focus on taking advantage of current high interest rates as well as provide appropriate products to our clients, for example we will be launching two fixed income products in the second half of the year. In addition, we will finalize our working relationship with First Bank Private Banking group and capture synergies with First Bank Retail Banking for product distribution. We will also leverage on First Bank's relationships to acquire corporate and public trust mandates, and continue customer education for private trusts.

Financial Review

- **Markets:** Our new research team will work with institutional sales to ensure the right institutional customers are targeted. In addition, we plan to focus on operational excellence for the brokerage system. We will continue to manage our retail clients in a more cost-effective, and technology-driven manner .

Risk Mgt & Corporate Governance

- **Private Equity / Principal Investments:** We maintain our private equity strategy of partnering with medium-sized companies with scalable business models with products that have large addressable market and backed by experienced management team. We have recently increased our deal size to up to \$10million. We believe this will allow us to participate in a wider space with more experienced management teams who possess the requisite skill sets to drive and achieve growth in a challenging environment

Strategy & Transformation

Summary & Outlook



FirstBank's investment case remains compelling given attractive business fundamentals and valuations metrics

