First Bank Group Results
6 Months Ended June 2010

Presentation to Analysts and Investors

FirstBank
Established 1894

www.firstbanknigeria.com/investorrelations

Cautionary Note Regarding Forward Looking Statements

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Outline

1	FirstBank Overview
2	Operating Environment
3	Strategy and Transformation
4	Financial Review
5	Summary & Outlook
6	Appendix

FirstBank is Nigeria’s leading bank across multiple dimensions

Financial

- #1 bank by total assets ($15.2bn or 12.5% market share)
- # 1 bank by total loans and advances ($7.4bn or 14.8% market share)
- # 1 bank by total deposits ($9.6bn or 12.5% market share)
- Solid liquidity and capital positions (18.0% CAR) with shareholder’s equity of $2.07bn

Network

- Extensive network with 635 branches and outlets
- International locations in London, Paris, Johannesburg, and Beijing
- Over 1,500 ATMs

Relationships

- Large customer base, with over 5 million customers
- Partner to the Nigerian government and regarded as a national icon
- Important lender to the Nigerian economy across multiple sectors

Reputation

- Unparalleled reputation for leadership, financial strength, and stability
- Consistently ranked as #1 most trusted bank in independent consumer surveys
- Oldest existing financial institution in Nigeria (established 1894) with record of surviving and even thriving through banking and national crises

Corporate Governance

- Boasts of a strong corporate governance structure
- Underpinned by strong institutional processes, systems, and controls
- History of seamless leadership successions

Group Financial Highlights: H1 2010

Profit & Loss

Gross Earnings: 6.7% decline from June 2009 (N131.1 billion) to **₦122.3 billion**

Net Interest Income: 7.1% decline from June 2009 (N61.9 billion) to **N57.5 billion**

Operating Income: 7% decline from June 2009 (N91.9 billion) to **N85.6 billion**

Operating Expenses: 14.6% increase from June 2009 (N47.9 billion) to **N54.9 billion**

Profit Before Tax: 637.4% increase from June 2009 (N4.3 billion) to **N21.7 billion**

Provision for Credit Losses: **N0.95 billion** net recovery (June 2009: N39.8 billion provision)

Balance Sheet

Net Loans and Advances: 0.5% increase from Dec 2009 (N1.08 trillion) to **₦1.09 trillion**

Total Provisions: 27.7% decline from Dec 2009 (N63.1 billion) to **N45.6 billion**

Total Assets: 4.1% increase from Dec 2009 (N2.17 trillion) to **N2.26 trillion**

Deposit Liabilities: 6.5% increase from Dec 2009 (N1.3 trillion) to **N1.4 trillion**

Net Assets: 0.4% decline from Dec 2009 (N309.6 billion) to **N308.4 billion**

Net Assets per Share: N10.63 (Dec 2009: N12.45)

Key Ratios

Net interest margin 5.8% (H1 2009: 6.7%)

Pre provisioning Cost to income* 64.1% (H1 2009: 61.8%)

Post provisioning Cost to Income* 63.0% (H1 2009: 96.5%)

Credit loss charge -0.1% (Dec 2009: 3.5%)

After tax return on equity 16.4% (H1 2009: 1.40%)

After tax return on assets 2.24% (H1 2009: 0.21%)

Key Ratios

NPL/total loans 5.8% (Dec 2009: 8.2%)

NPL Coverage 70% (Dec 2009: 67.1%)

Loan to deposit ratio 79.2% (Dec 2009: 85.2%)

Liquidity ratio 40.4% (Dec 2009: 34.2%)

Capital adequacy 18.0% (Statutory minimum 10%)

Tier 1 Capital adequacy ratio 16.4%

***cost to income ratio – operating expenses/operating income**

Outline

The operating environment has shown some resilience

Economy

- Strong growth in GDP driven mainly by the non-oil sector, telecoms sector recording the highest growth;
- 7.23% growth in real GDP in Q1 2010 (Q1 2009: 4.50%);
- GDP growth for 2010 projected at 7.74% by the Central Bank of Nigeria (CBN);
- Relatively stable oil prices ($70 - $78/barrel range), with substantial increase in oil production;
- Downward trend in inflation rates;
- Relative stability in exchange and interest rates, MPR stable at 6%;
- Foreign reserves down to $37.4b in June 2010 from $40.7b March 2010;
- Relative political stability;
- Growth, although marginal, in credit to private sector ;
- Expected increase in spending due to 2011 presidential elections;
- Gradual rebound in the stock market; and
- Increase of 20.7% and 24.9% in the Nigerian All-Share index and market capitalisation of equity respectively in H1 2010.

Banking Industry

- Declining interest rates as a result of excess liquidity in the system;
- The Asset Management Company (AMCON) has been signed into law by the President of Nigeria;
- AMCON would be a permanent structure (part of CBN regulatory infrastructure) with a life span of 10 years;
- The CBN in a bid to unlock the credit market has approved the investment of N500 billion debenture stock through the Bank of Industry:
  - N300 billion for power projects; and
  - N200 billion for re-financing/re-structuring of banks existing loan portfolios to SMEs/Manufacturing sector
- CBN has extended guarantees for all inter-bank transactions, foreign credit lines and pension funds placements with banks up till June 30, 2011;
- Revised prudential guidelines released with effect from 1st July 2010;
- Bid results for CBN managed banks to be released in September 2010; and
- New guidelines issued on liquidity criteria for banks’ investment in state government bonds is expected to encourage growth in the bond market.

Agenda

While starting from a position of strength, we recognize current and potential challenges and have set a bold TRANSFORMATION agenda to address these

Strong assets & opportunities….

- Largest and strongest balance sheet of any SSA bank (ex-SA)
- Extensive distribution network (635 branches/outlets)
- Deep institutional, retail, and government relationships and client base of over 5 million
- Consistently rated the most trusted Nigerian financial services brand in independent surveys
- Visionary, experienced leadership
- Operating in Africa's most promising financial services marketplace

Some challenges…

- Translating scale into profits
- Overcoming legacy service delivery issues
- Managing credit quality in the present macroeconomic climate
- Increased competition from foreign entrants

FirstBank is aggressively <u>TRANSFORMING</u> to meet present and future challenges

Our primary focus in the near term will be the growth and transformation of the Bank while creating future growth options for the Group

FirstBank Group – Priorities by growth horizon

2010

Consolidate in Nigeria…

- Drive **organic and inorganic expansion**
- Continue aggressive **bank transformation**
- Structure for **growth in inv. banking and insurance**
- Rep office expansion; initial **SSA explorations**

2011 - 2012

Diversify group and transform bank…

- **Drive bank transformation** to completion
- **Build scale** in inv. banking and insurance and **leverage group synergies**
- Commence **SSA regional expansion** in earnest

2013 - 2014

Build scale internationally…

- **Significant SSA expansion and growth** in banking with selective international forays in non-bank financial services
- Focus on **driving economies of scale and scope** across international network and portfolio of businesses

We are restructuring at a group level to enhance portfolio optimization, coordination and reduce risks and duplications across our businesses

FirstBank Group operating structure

Operational division and legal standalone entity

Operational division but not legal standalone

Group Holdco

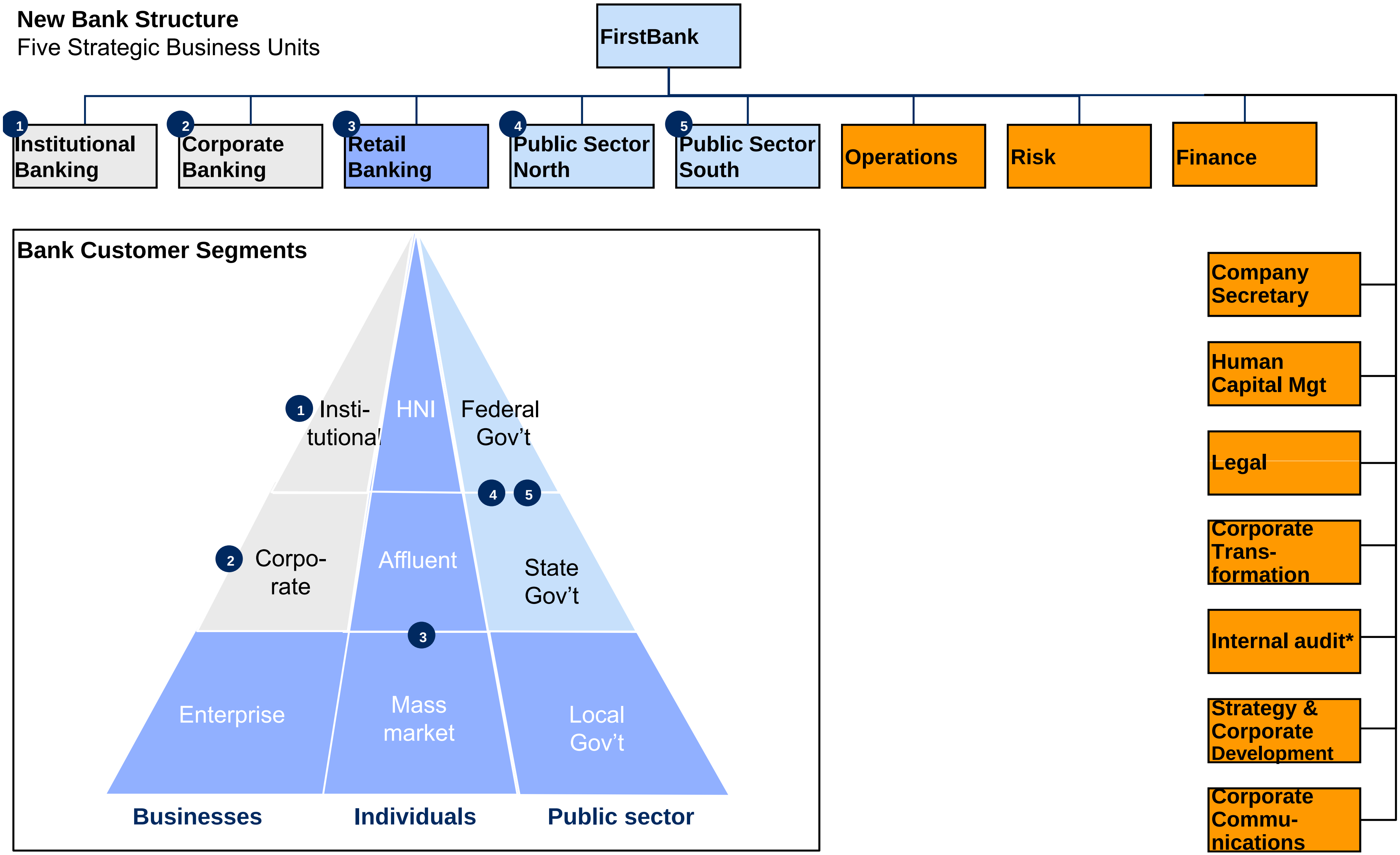
FirstBank Group

- Corporate Centre
- Shared Services

Group Management Committee

	FirstBank	FBN Bank International	Insurance	Investment Banking and Asset Management	Emerging Ventures
Business Groups	FirstBank	FBN Bank International	Insurance	Investment Banking and Asset Management	Emerging Ventures
Business Units	▪ Institutional Banking ▪ Corporate Banking ▪ Retail Banking — Affluent/High Net worth (HNI) — Mass market — Enterprise — Local government ▪ Public sector — Federal government — State government	▪ FBN Bank UK* - London - Paris • New countries… e.g., - Kenya - Ghana etc	▪ General life/non-life underwriting ▪ Insurance Brokerage	▪ Financial advisory ▪ Capital markets ▪ Asset management ▪ Principal investment and private equity ▪ Securities services ▪ Global custodianship ▪ Research	▪ *Houses standalone subsidiaries* ▪ *Incubation and development of new businesses*
Mapping to present entities	▪ FirstBank of Nigeria ▪ FBN Bureau de Change (BdC) ▪ Foreign rep offices	▪ FBN Bank UK	▪ FBN Insurance Brokers	▪ FBN Capital ▪ First Trustees ▪ First Funds ▪ FBN Securities	▪ First Pension Custodian First Registrars ▪ FBN Mortgages ▪ FBN Microfinance Bank

We are reorganizing the bank in order to drive deeper segment specialization and ensure competitiveness/consistency across all geographies



*Reports to Board of Directors via Board Audit and Risk Assessment Committee

The Bank's ongoing transformation initiatives are organized along four strategic themes

Be the clear leader and Nigeria's bank of First choice

1 GROWTH	2 SERVICE EXCELLENCE	3 PERFORMANCE MANAGEMENT	4 TALENT
Attain full benefits of scale and scope by accelerating growth and diversification of assets, revenue and profits	Drive unparalleled service levels by developing world class institutional processes, systems & capabilities	Deliver unmatched results by creating a performance culture with clear individual accountability at all levels	Become a hub for the best industry talent; cultivate a highly-motivated, capable, and entrepreneurial workforce

Recent progress against strategic initiatives

	Key Initiatives	Recent Progress
1 Growth	• Restructuring for growth • Business line expansion • International expansion • Revenue enhancement initiatives *Attain full benefits of scale and scope by accelerating growth & diversification of assets, revenue and profits*	• Bank SBU operating plans, staffing plan and detailed migration path mapped out for movement from geographic to segment-based SBUs in bank in 4th Qtr • Bank operations reporting centralized with highly skilled regional/area operations managers recruited internally/externally & trained; implementation ongoing • Insurance JV implementation ongoing with Sanlam (top team selection, go-to-market model etc); launch 2H10 • I-banking/asset mgt-related subsidiaries reporting centralized; operational unification plans underway • Bank revenue enhancement initiatives ongoing (new pricing framework designed, risk asset creation drive) • International expansion framework approved by Board; China rep office formally launch/business underway
2 Service Excellence	• Channel Migration/Optimization • Branch customer experience transformation • End-to-end process re-design • Touch point re-engineering *Drive unparalleled service levels by developing world class institutional processes, systems & capabilities*	• Concluded centralized processing centre pilot successfully and detailed rollout plan completed • Implementation of ATM diagnostic effort now in progress (regionalized ATM support structure within IT; routine/centralized monitoring etc) • Construction of model branch/'end-to-end' design centre in progress in Lagos • Ongoing vendor selection for revamp of internet Banking platform • Implemented contact centre services expansion including cheque confirmation • Several credit process/risk mgt initiatives ongoing

Recent progress against strategic initiatives

3 Performance Management

Key Initiatives

- Realignment of metrics and targets to new bank structure
- Back office scorecard design / SLAs (Ops, HCM, Risk etc)
- Scorecard automation / enhancement of management information systems

Deliver unmatched results by creating a performance culture with clear individual accountability at all levels

Recent Progress

- Detailed project underway to:
  - Redesign market-facing scorecards to support the new Bank structure and strategy
  - Define scorecards for back-office functions
  - Refine the consequence management and enterprise performance mgt framework to reflect global best practices and internal innovations
- Deployed HP Service Manager to measure internal SLA performance for Operations and IT
- Deployed Oracle Business Analytics (OBIEE) to deliver dashboards to the desktops of managers

4 Talent

Key Initiatives

- Staff capability building initiatives in key areas
- Recruitment and talent value proposition initiatives
- Culture change programme
- Career management initiatives

Become a hub for the best industry talent; cultivate a highly-motivated, capable, and entrepreneurial workforce

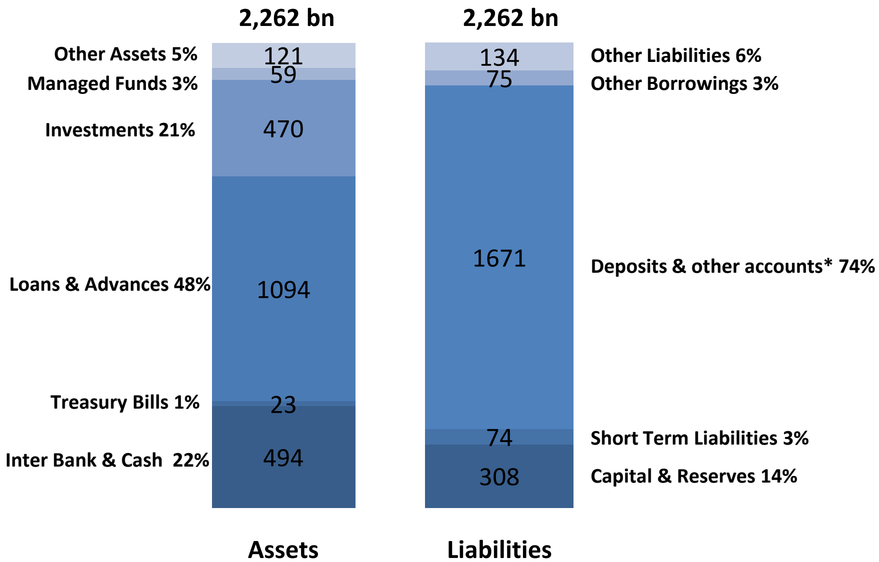
Recent Progress

- Concluded comprehensive training needs analysis in targeted areas (e.g., service levels/quality)
- Commenced significant credit analysis training programme for RMs/credit officers and customer service training for frontline branch staff
- Concluded selection process for service provider to institute competency based recruitment framework
- Continued success in fostering performance driven environment including recent financial/non-financial rewards for high performers and performance counseling or exits for underperforming staff
- Leadership team additions (Corp. Comm., Proj. Impl.)

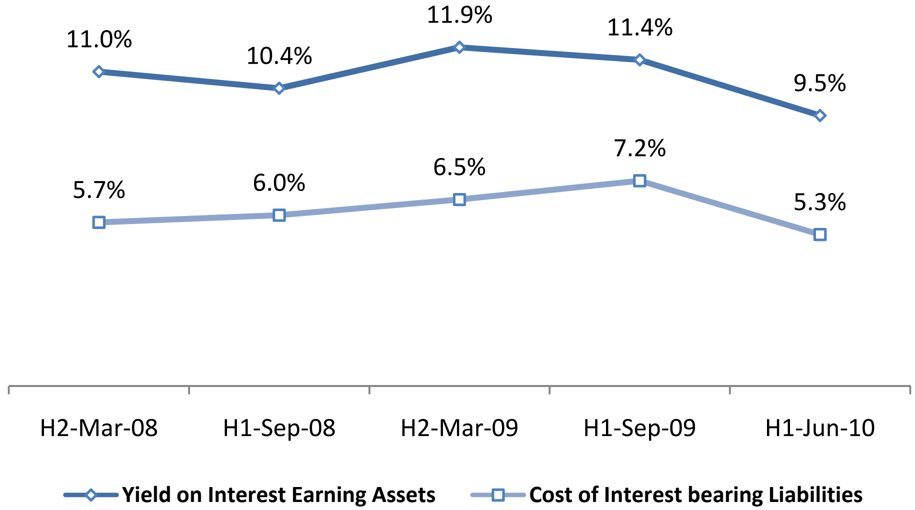
Agenda

Strong and liquid balance sheet predominantly funded by sustainable low cost deposits

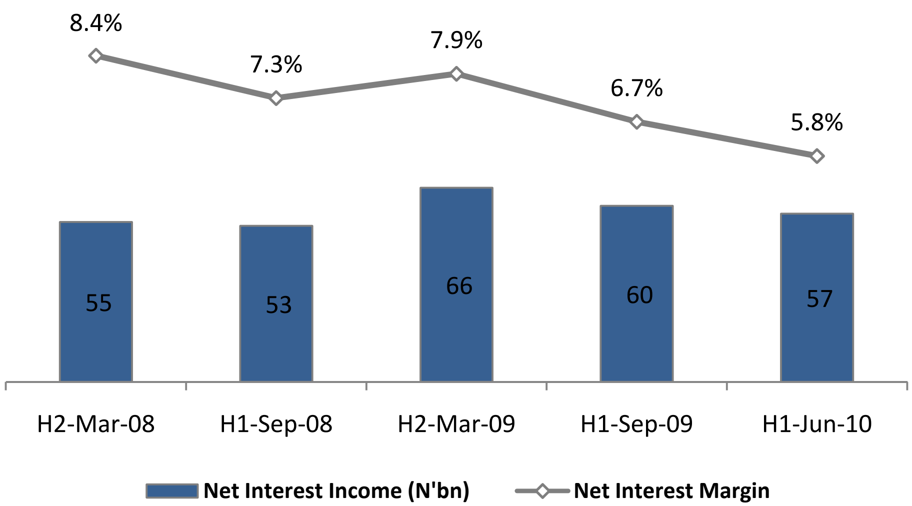
Funding (June 2010)



Yield



Net Interest Margin



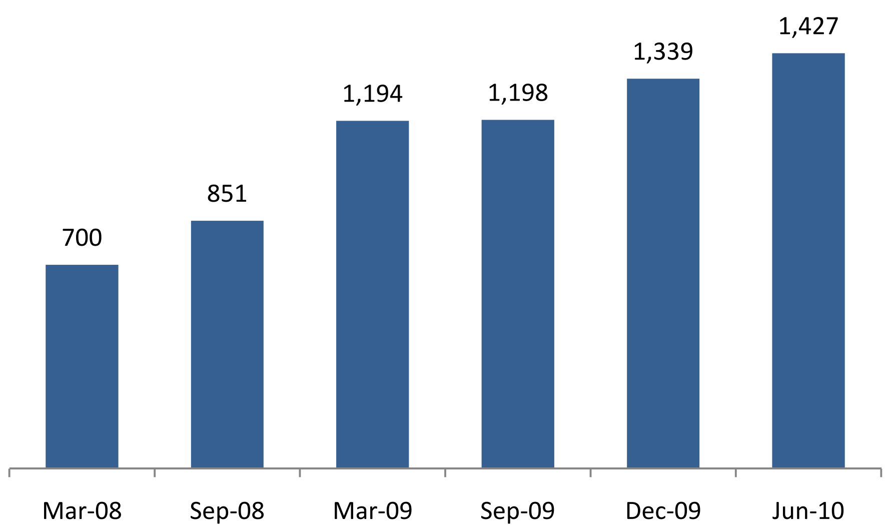
Comment

- Very liquid balance sheet
- Strong liquidity ratio of 40.4%, significantly above the 25% regulatory requirement
- Stable funding base through large proportion of core deposits, to exploit market opportunities. Balance sheet 63% funded by customer deposits
- Lower costs of funds and declining yields on interest earning assets in line with currently low interest rate environment
- Net interest margin remained stable Q/Q (Q1: 5.9%) despite continued downward pressure on yields

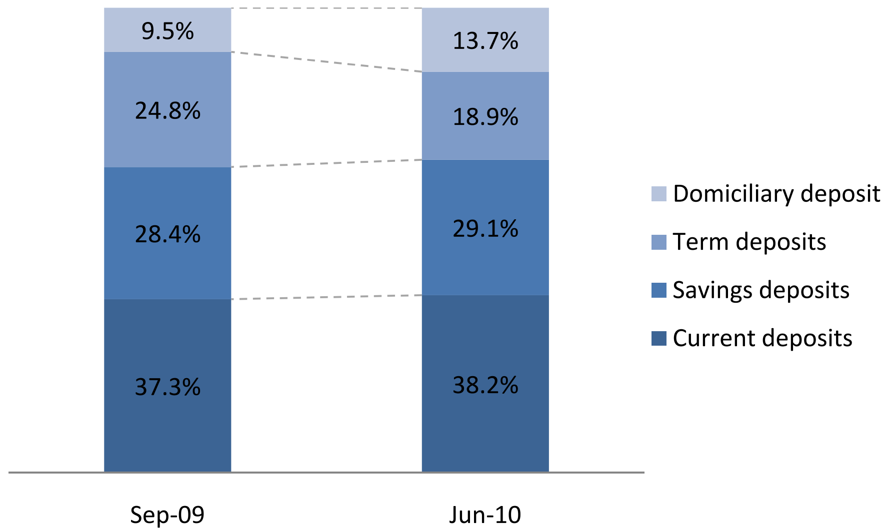
*Includes deposits due to other banks

Improving mix as deposit growth continues, evidencing customer confidence

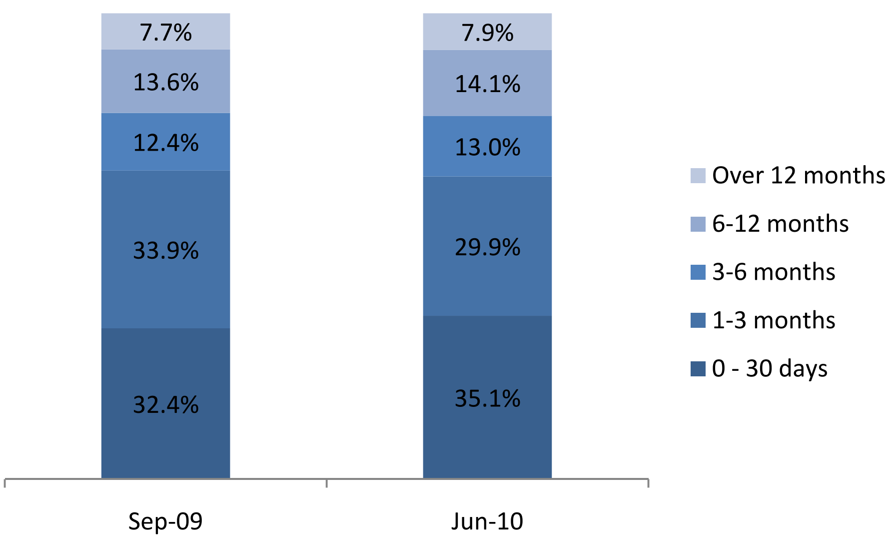
Deposits (N'bn)



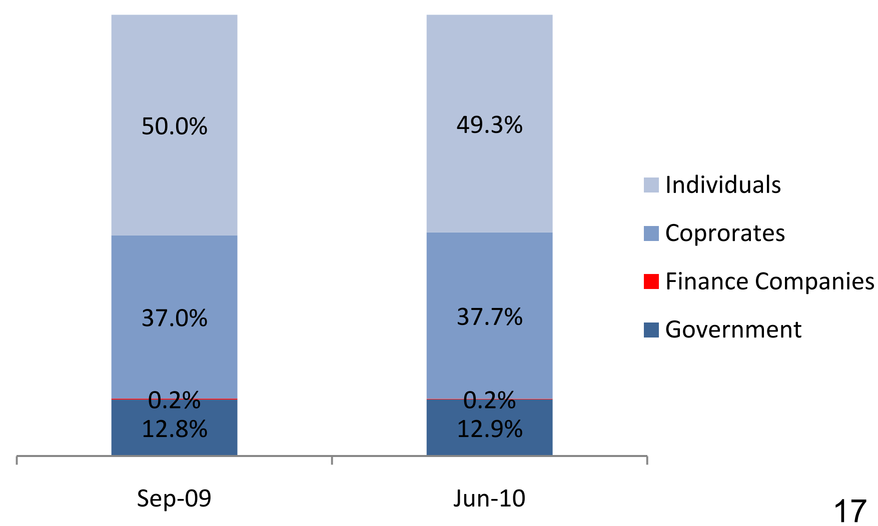
Deposits Mix



Deposits by Maturity

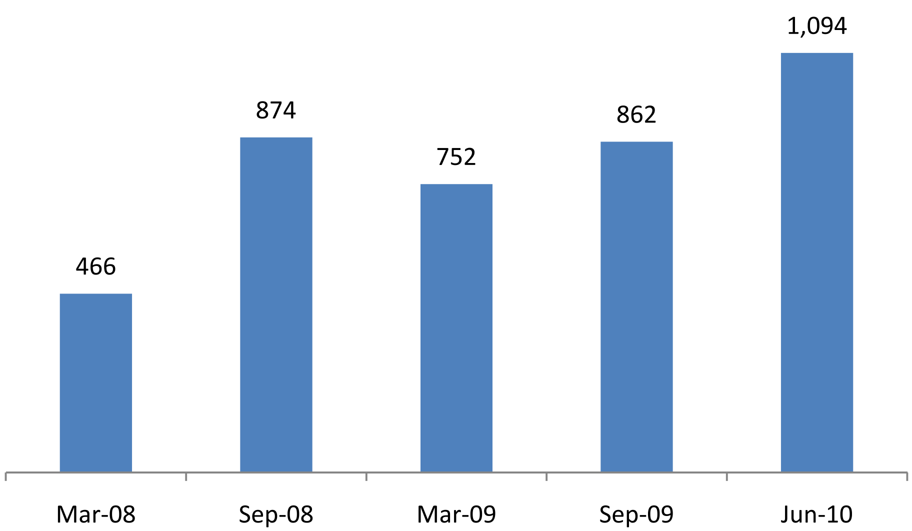


Deposits by Customer Segmentation

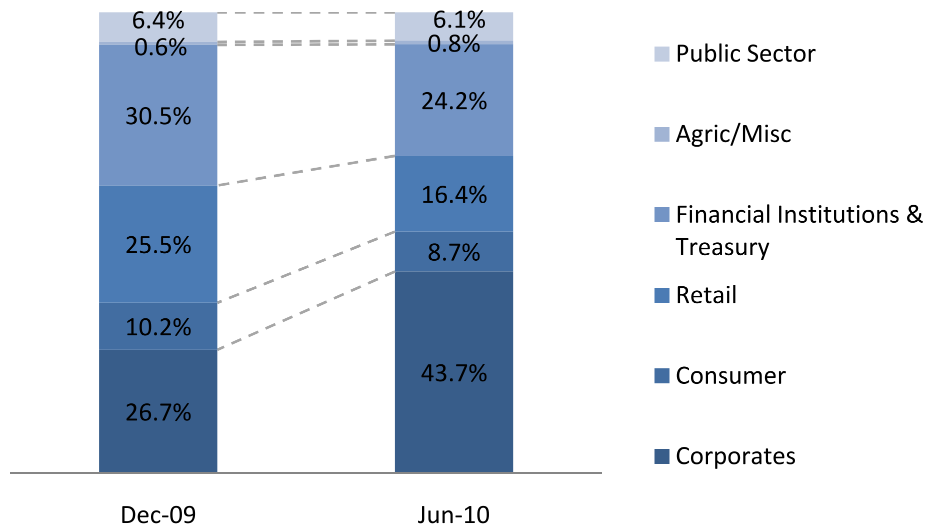


We have continued to grow our loan book whilst maintaining diversified sector exposures

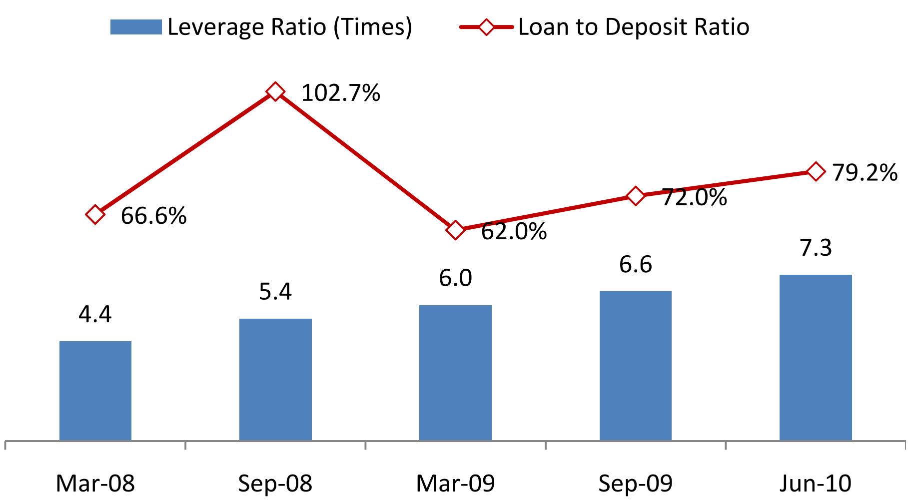
Loans & Advances N'bn



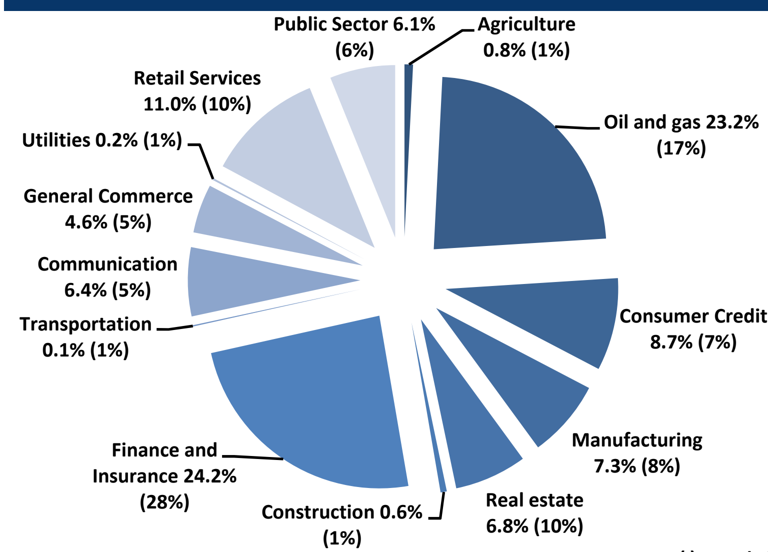
Business Lines (Bank Only)



Efficiency

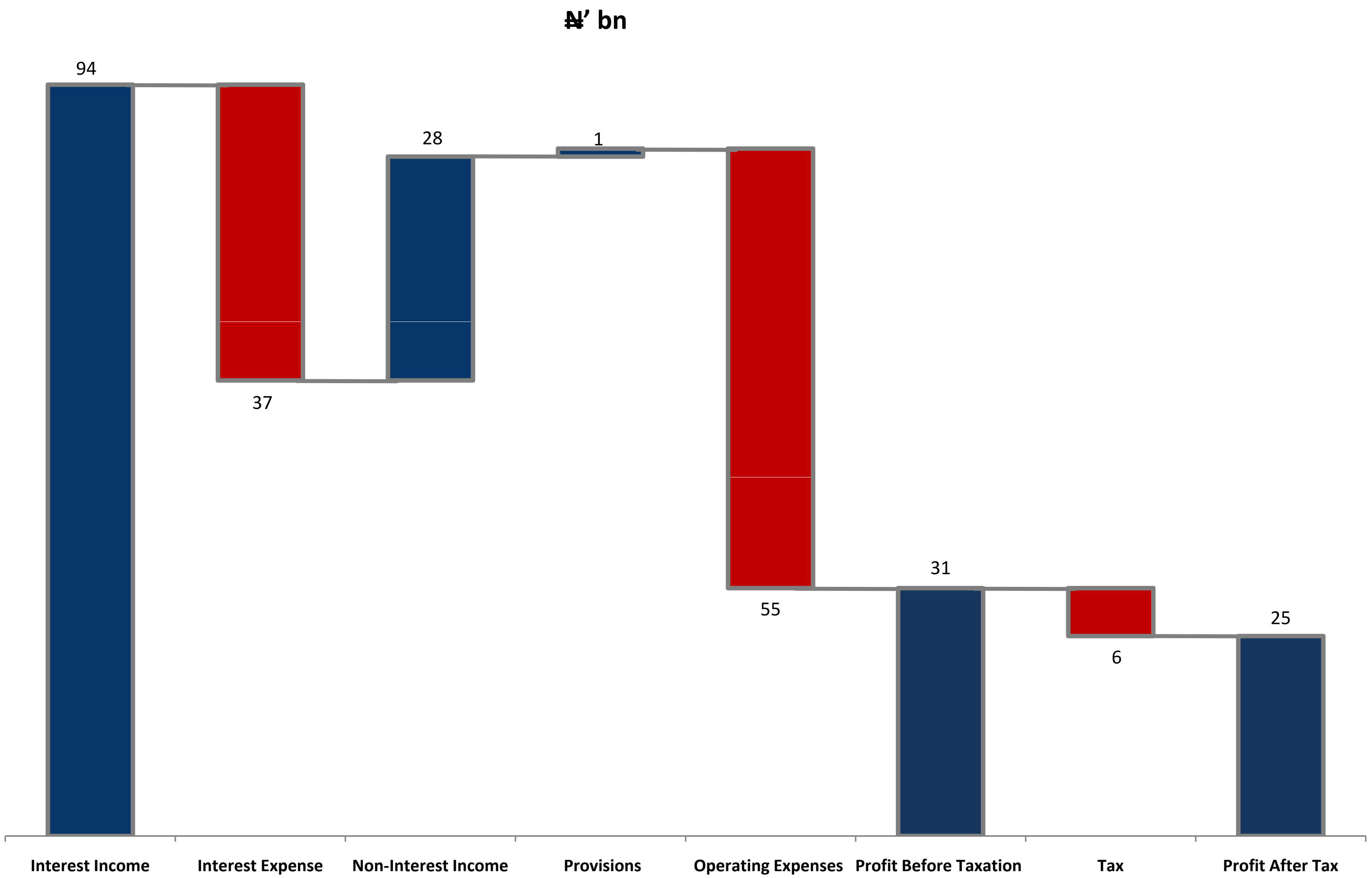


Gross Sector Exposure 'June 10 (Bank Only)



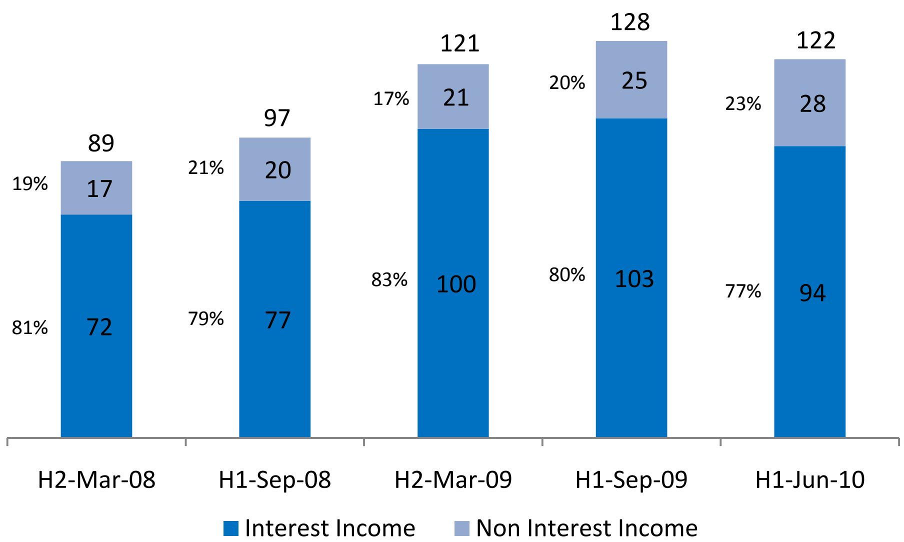
( ) March 2010

Evolution of H1 2010 group profit after tax

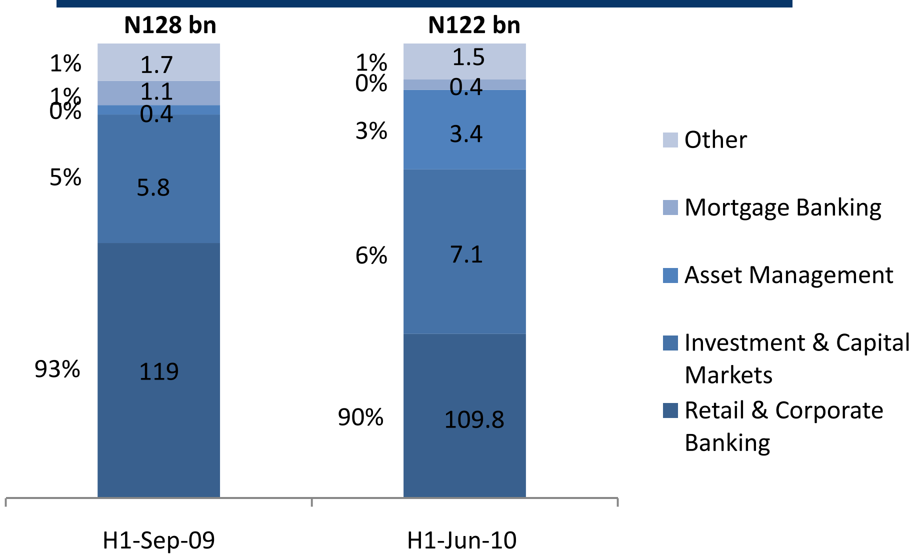


Despite currently low interest rate environment, gross earnings maintained an encouraging growth trend

Gross Earnings ₦'bn



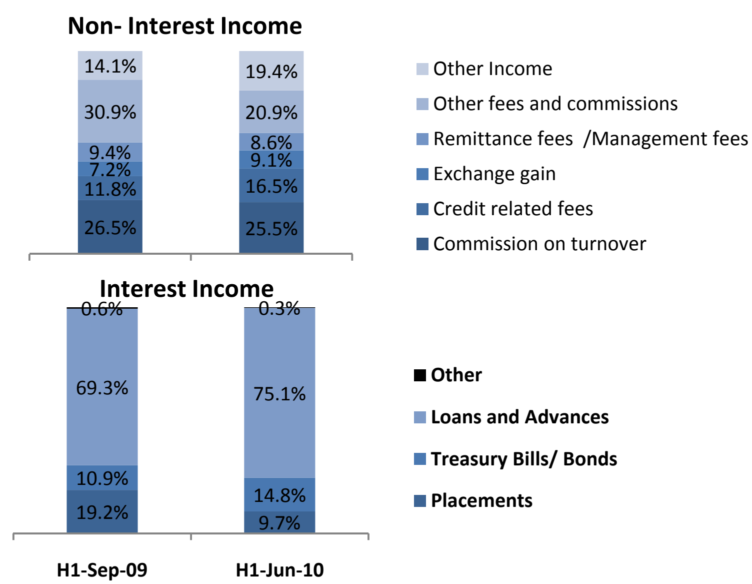
Gross Earnings by Business Lines



Comments

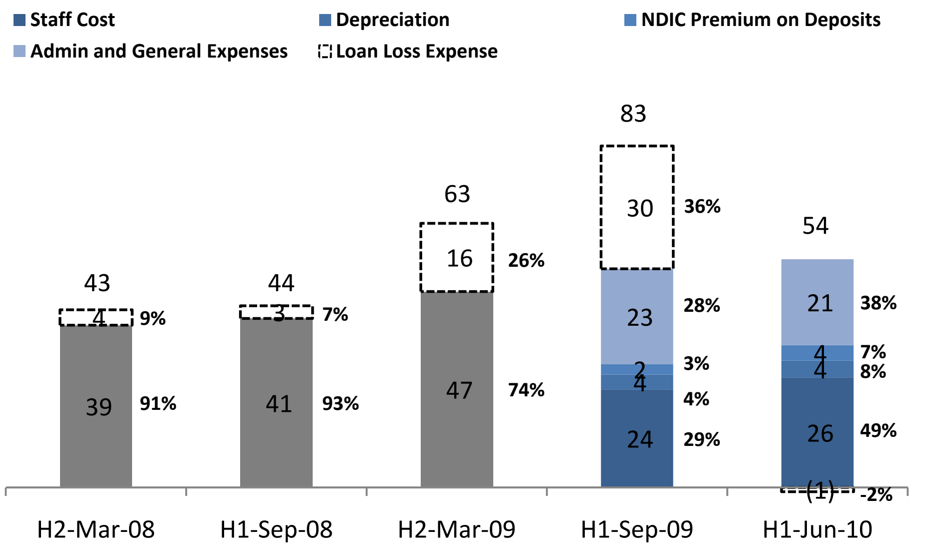
- Interest income negatively impacted by declining yields
- Increasing contribution to gross earnings from non-interest income, with heightened focus on driving transactional volumes
- Expected increase in lending over second half to support gross earnings growth
- Focus also on driving higher contribution of non-bank entities to group performance (supported by anticipated positive impact of AMCON)

Breakdown of interest & non interest income

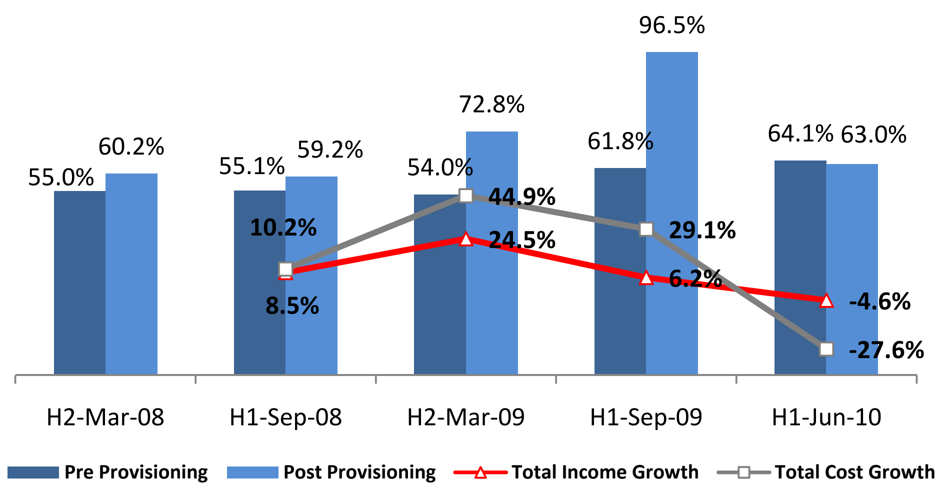


Strategic investments in branch and IT infrastructure as well as staff, sustain operating expenses

Operating Expense Breakdown



Cost/Income Ratio*



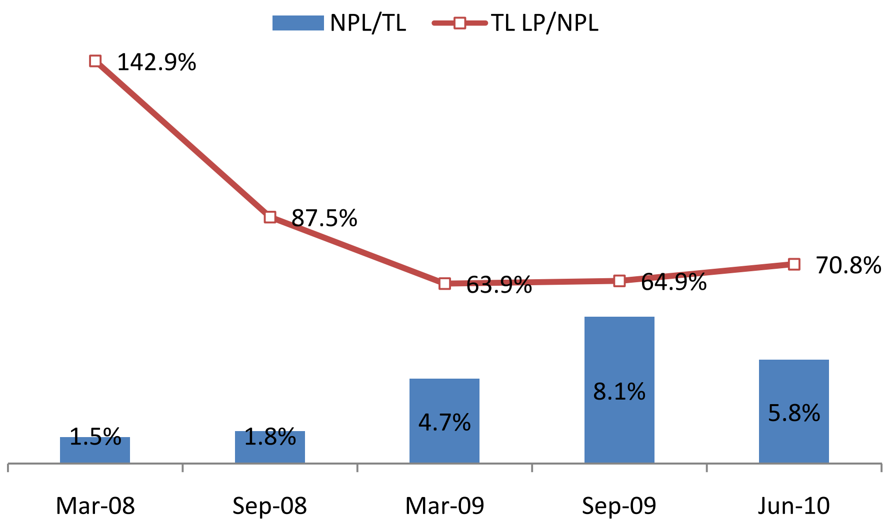
*cost to income ratio – operating expenses/operating income

Comment

- Cost/income ratio negatively impacted by decline in gross earnings coupled with rising costs
- Upward trend in costs driven by sharp increases in depreciation and maintenance (IT and branch network)
- Ongoing staff rationalisation plans
- Decline in admin and general expenses reflect early wins from ongoing cost optimisation schemes
- Total net write back of N0.95 billion made up of:
  - Net write back of provisions on investments and other assets of N4.7 bn no longer required
  - Credit related write back of N1.1 bn
  - Loan loss expense of N4.9 bn
- Key initiatives are ongoing to ensure major improvement in income side of cost to income ratio
- Cost efficiencies anticipated from strategic investments

We have made significant improvements in our non performing loan portfolio

NPL & Coverage Ratios



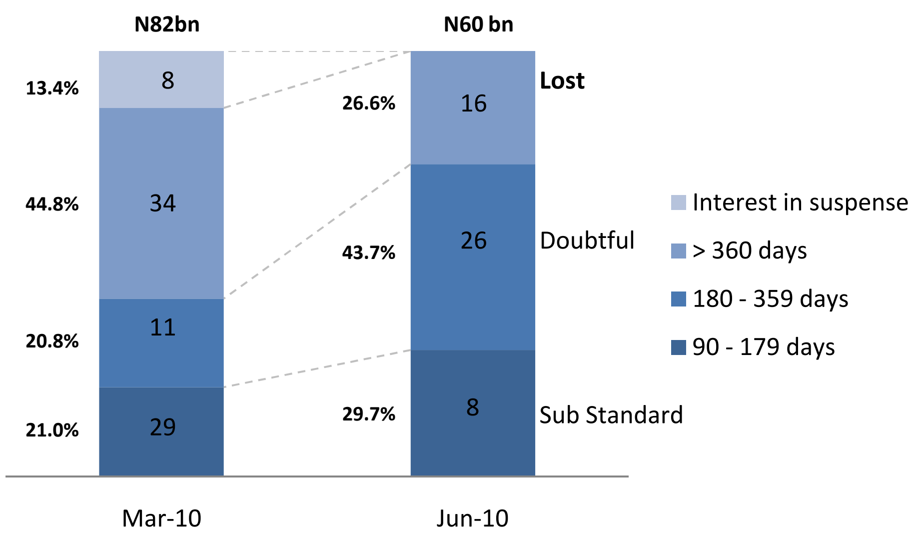
Comments

- Reduction in group non performing loans from N94 billion in December 2009 to N65 billion in H1
  - Decline in NPL's due to write off of N28 billion on fully provisioned accounts

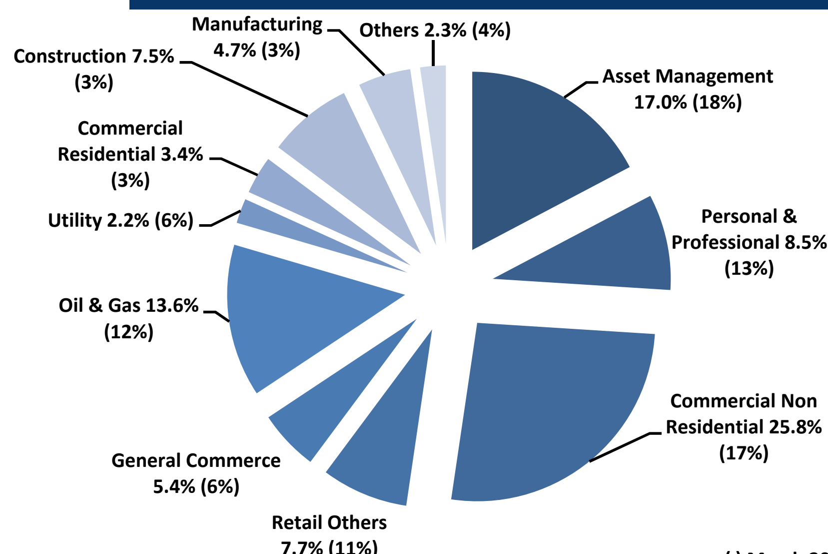
Going Forward:

- Early recognition of impaired assets for remedial action and/or classification
- Focus on improving results from remedial management team to restructure NPL's
- Enhanced monitoring mechanisms and risk management processes across the bank
- Recovery efforts to be focused especially on large accounts with option of restructuring

Time Past Due 'June 10 (Bank Only)



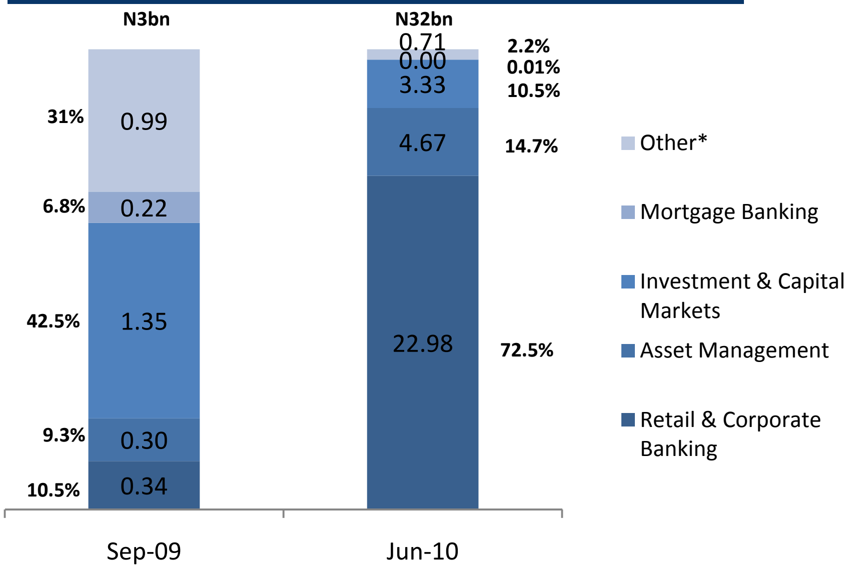
Sector Exposure 'June 10 (Bank Only)



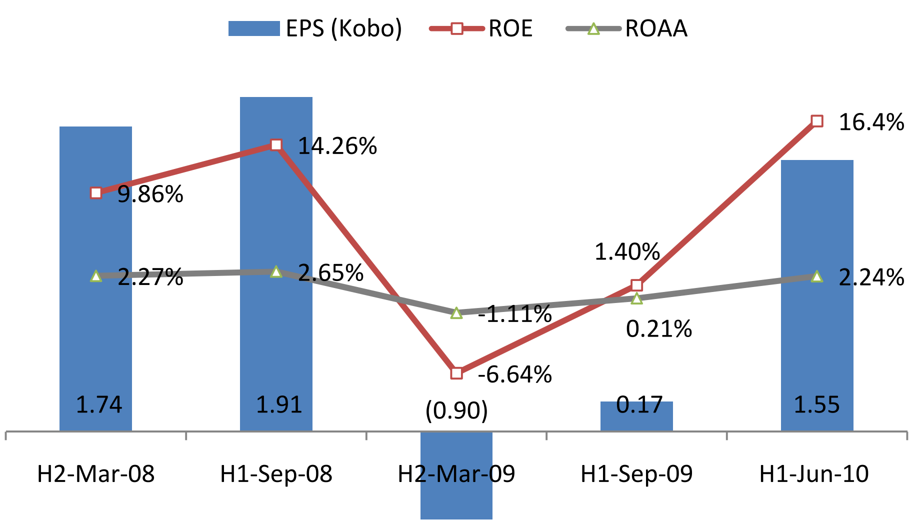
( ) March 2010

We have sustained an improving trend in our profitability matrices

PBT Split by business lines



ROE, ROAA & EPS

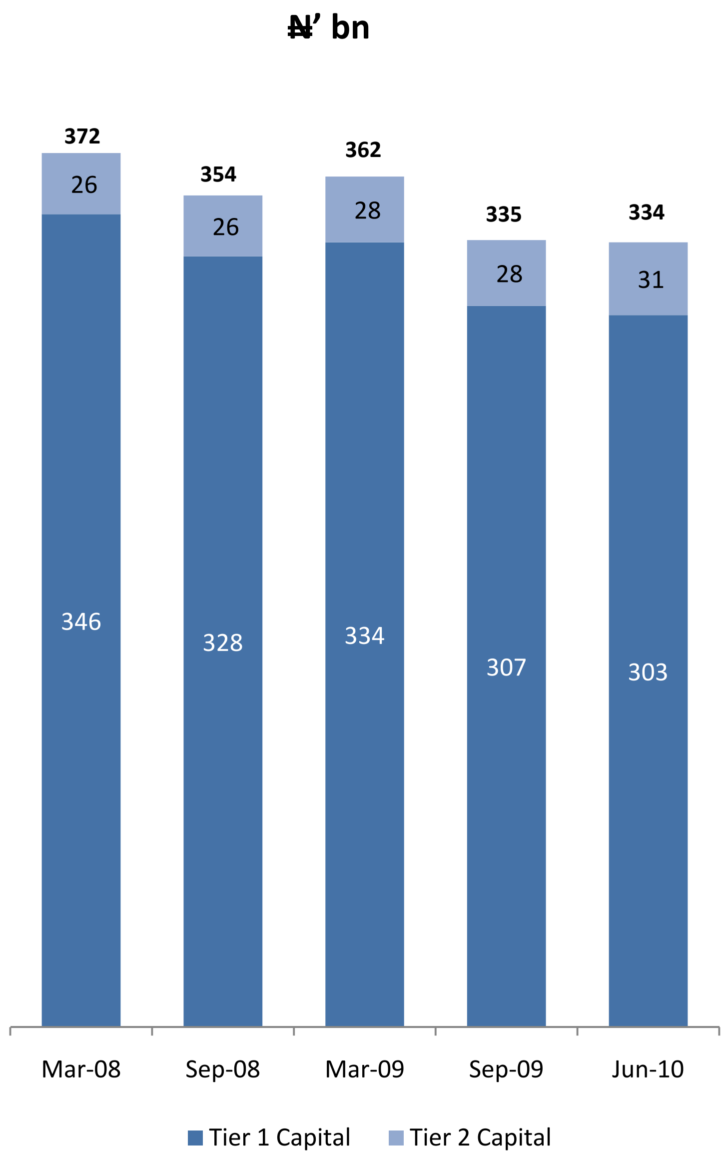


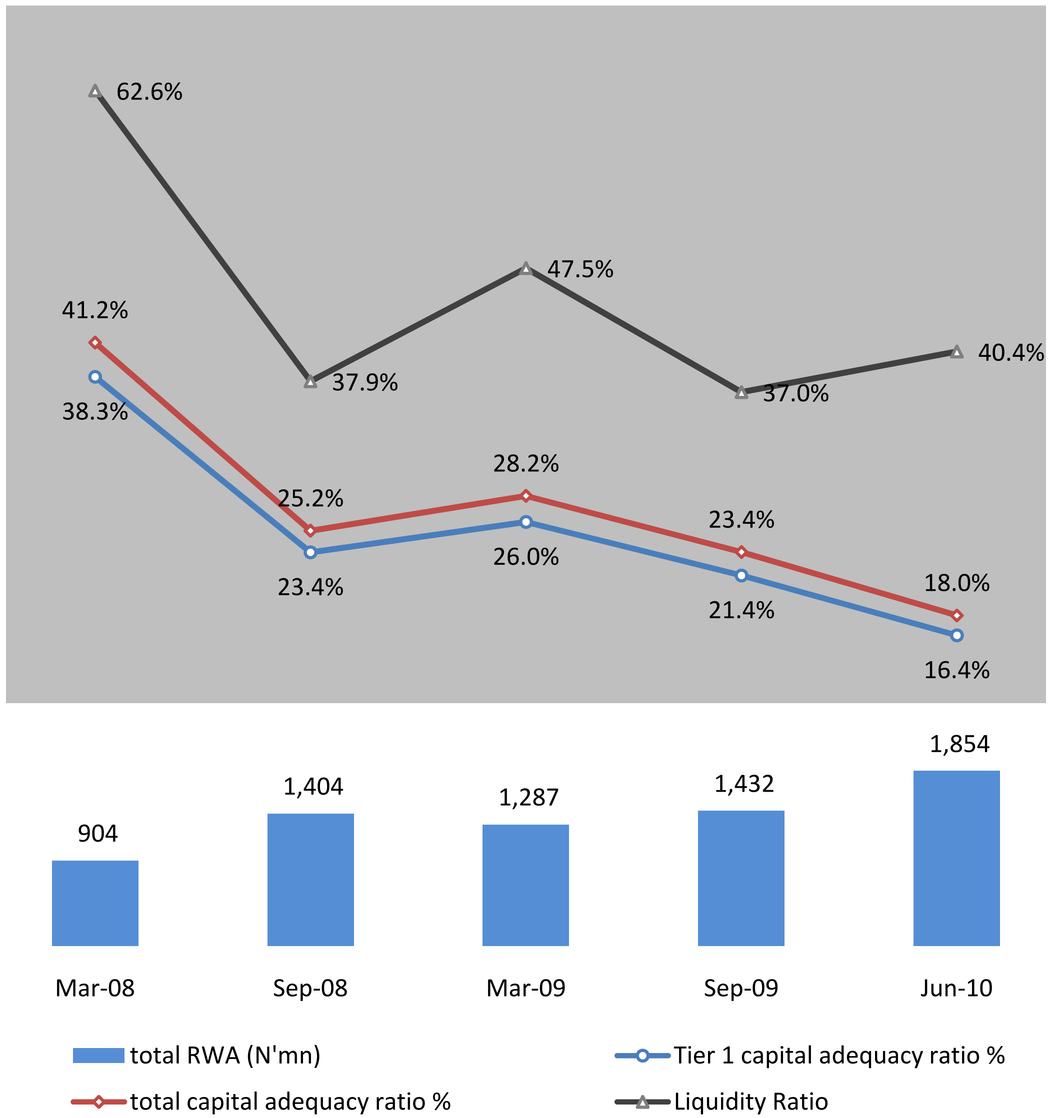
Comments

- Within retail and corporate banking, the new operating structure is expected to drive income growth and improve share of customers' wallet
- The investment banking and asset management division should benefit from the new group operating structure. Launch of AMCON and a pick up in activities in the capital markets is expected to drive improved performances in these divisions
- Mortgage banking subsidiary is focused on asset portfolio growth, as well as marketing and cost minimisation strategies which should see profitability pick up in the second half of the year
- Growing branch network expected to continue to accelerate long-term deposit collection
- At least 10% loan growth expected to year end
- Significantly reduced credit impairment charges, driven by stricter credit risk management framework
- Continued benefits expected from cost optimisation initiatives
- Continued focus on recoveries, as well as working on restructuring options on selected accounts should positively impact on income and asset quality respectively

*** Insurance, Pension Custodians, Bureau de Change & First Funds**

Our capital ratios remain well above regulatory requirements





Agenda

We expect the macro economic backdrop to positively contribute to our performance

Operating Environment

- 7.7% growth in GDP projected for 2010;
- Resilient performance in the non-oil sector;
- Acceleration in lending activity over second half driven by opportunities created by the economic recovery;
- CBN interventions to support and direct credit formation;
- CBN inter bank guarantee extended till June 2011;
- Improved regulatory environment enabling financing opportunities in the real economy, infrastructure and personal mortgages;
- Improved corporate governance;
- Stable exchange rate and oil prices, increasing oil production;
- Declining inflation rate;
- Improved liquidity due to expected spending on 2011 elections;
- Establishment of AMCON should ease tightened credit conditions; and
- Government focus on developing infrastructure - NGN300bn power and aviation fund established to assist in development of both sectors

FirstBank

Recovery in revenues on the back of:

- New operating structure to drive increased contribution from investment banking, asset management and insurance
- Enhanced customer focus within the bank's 5 new strategic units as from September 2010
- Inorganic growth opportunities to be pursued only if value enhancing to shareholders
- Improving asset quality

Declining cost base driven by:

- Securing sustainable lower cost of funding via cheap deposit collections
- Strategic investments in operations to yield cost efficiencies

Risks :

- Continuing rejuvenation of the portfolio, focusing on trade finance and structured self liquidating facilities
- Continuing review of target market and risk acceptance criteria
- More focused management arising from new organisation structure

In conclusion, we believe that FirstBank is well-poised to deliver solid earnings growth and to extend its market leadership over time

- FirstBank is the leading Nigerian bank and largest bank in Sub-Saharan Africa (SSA) outside of South Africa
- 2009 was a difficult year for the Nigerian banking industry as a whole but despite tough market conditions, the bank was able to continue on a healthy growth trajectory
- We believe that the worst of the asset quality issues are behind us but continue to proactively monitor and manage the loan portfolio
- 1st and 2nd quarter 2010 figures are promising and we believe are indicative of the trajectory of the bank's future performance
- With an array of formidable tangible and intangible assets, we believe that FirstBank is well poised to become a leading financial institution across SSA over time
- To meet challenges and potential threats in our home market and elsewhere head-on, we have embarked upon a major transformation journey led by a progressive leadership team
- We believe that by focusing on the bank transformation and local growth in the near-term and extending our franchise into key geographies and adjacent business lines over the medium/long term, we are well poised to deliver solid earnings while extending our market leadership

Agenda

Contact

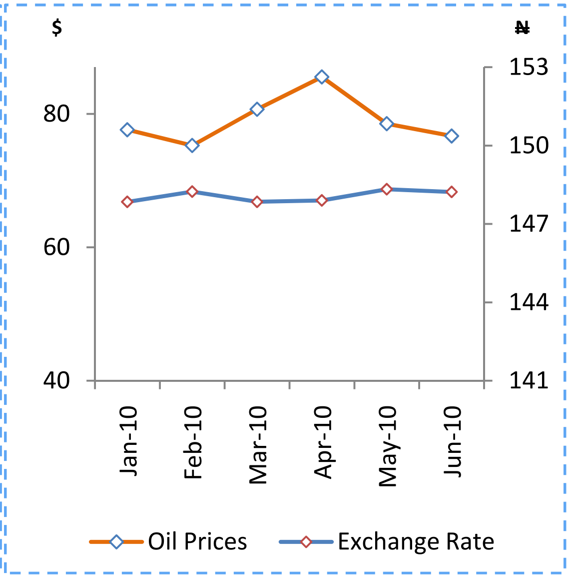
Yemisi Lanre-Phillips

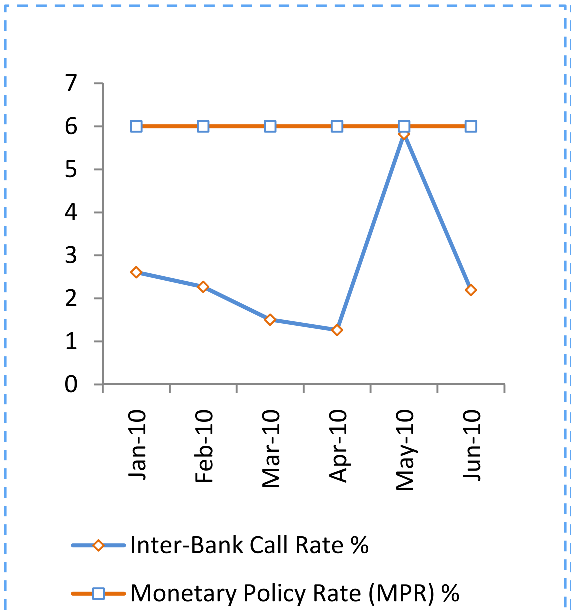
Investor Relations Officer

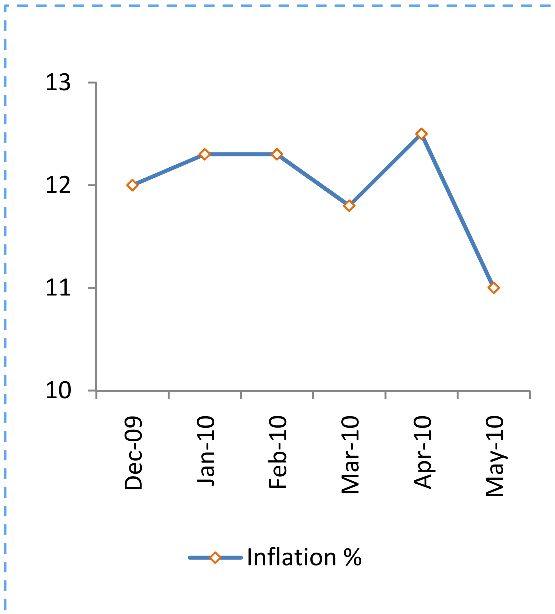
Oluyemisi.Lanre-Phillips@firstbanknigeria.com

Tel: +234 1 905 2720

Improving macro economic backdrop







Overview

- 7.23% growth in real GDP in Q1 2010 (Q1 2009: 4.50%)
- GDP growth for 2010 projected at 7.74% by CBN
- Oil prices remained stable at $70 - $78 per barrel
- Foreign reserves down to $37.4b in June 2010 from $40.7b
- Expected increase in spending due to 2011 presidential elections
- Decline in inflation rate to 11% as at May 2010 from 12.5% in March 2010
  - Due to continuing underperformance of monetary aggregates, constrained demand, adequate food supply, relatively stable exchange rates
- The low inter-bank rates reflective of surplus funds within the banking system as well as slow pace of risk asset creation
- MPR stable at 6%
- Increase of 20.7% and 24.9% in the Nigerian All-Share index and market capitalisation of equity respectively in H1 2010

Positive outlook for sustained profitability supported by

Recovery in revenues on the back of

- Acceleration in lending activity over second half driven by opportunities created by the economic recovery
- Improved regulatory environment enabling financing opportunities in the real economy, infrastructure and personal mortgages
- Further revenue growth from new operating structure to drive increased contribution from investment banking, asset management and insurance
- Enhanced customer focus within the bank's 5 new strategic units as from September 2010
- Inorganic growth opportunities to be pursued only if value enhancing to shareholders

Declining cost base driven by

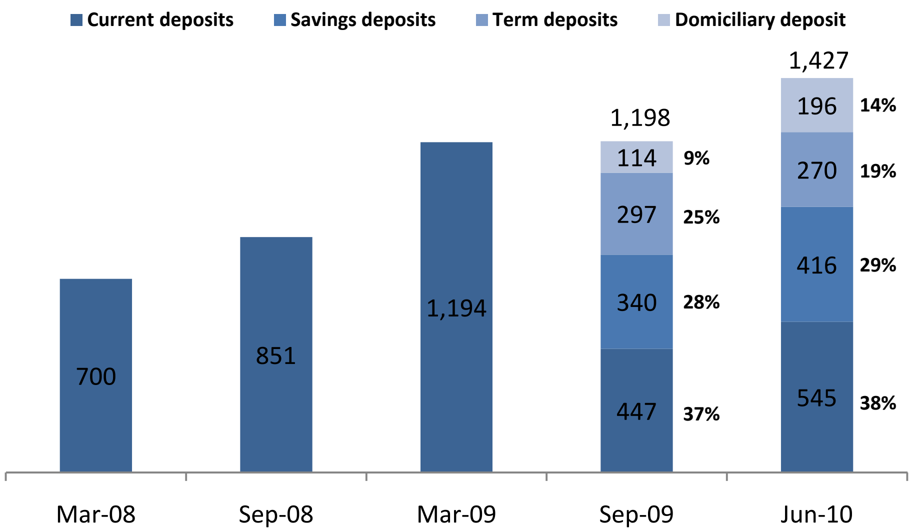
- Securing sustainable lower cost of funding via cheaper deposit collections
- Strategic investments in operations will yield cost efficiencies

Risks

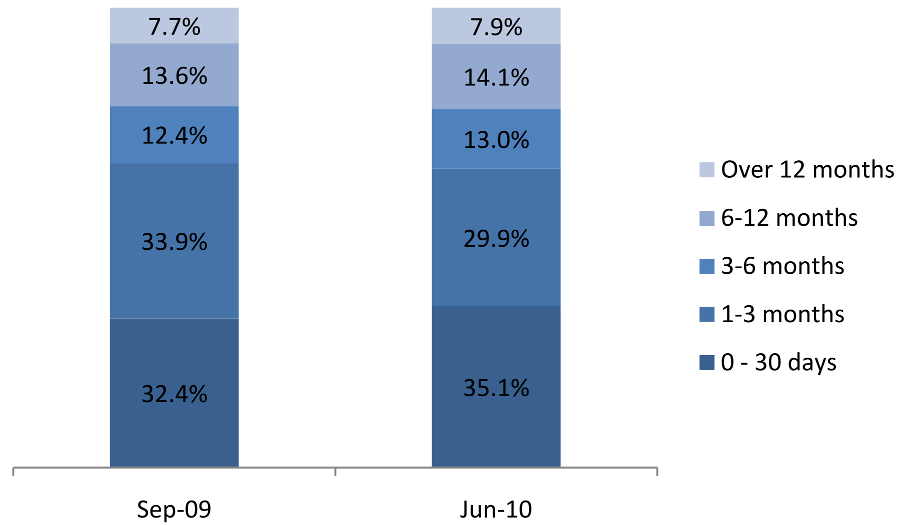
- CBN interventions to support and direct credit formation
- Continuing rejuvenation of the portfolio, focusing on trade and structured self liquidating facilities
- Continuing review of target market and risk acceptance criteria
- Focused management arising from new organisation structure

..... predominantly funded by sustainable low cost deposits

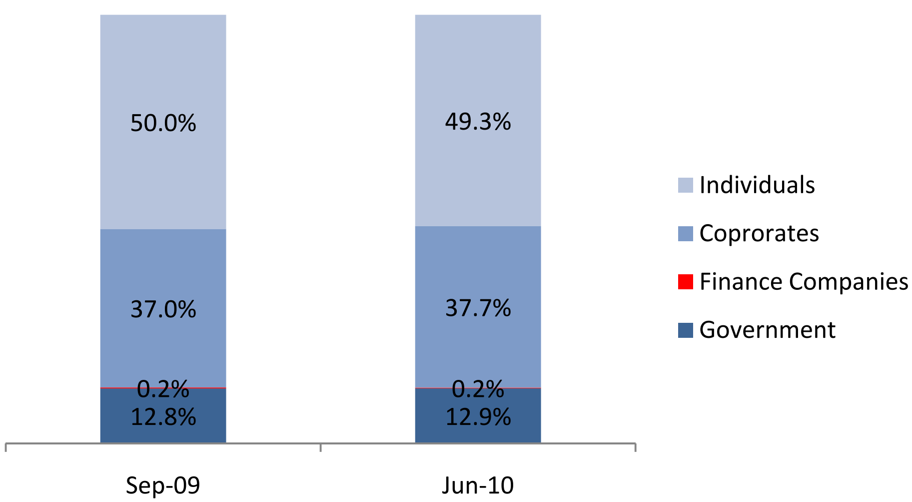
Deposits (N'bn)



Deposits by Maturity



Deposits by Customer Segmentation



Comment

- Strong liquidity ratio of 45.6%, significantly above the 25% regulatory requirement
- Stable funding base through large proportion of core deposits, to exploit market opportunities. Balance sheet 63% funded by deposits
- Improving mix as deposit growth continues, evidencing customer confidence
- Lower costs of funds and declining yields on interest earning assets in line with currently low interest rate environment
- Net interest margin remained stable Q/Q (Q1: 5.9%) despite continued downward pressure on yields

*due to other banks

Breakdown of Facilities Against Shares (FAS[1]) Portfolio

		Dec – 09	Mar – 10	Jun - 10
1	Facility Against Shares (FAS)	₦53.05b	₦48.72b	₦29.97b
2	Collateral value FAS	₦49.18b	₦51.06b	₦37.22b
3	Portfolio Coverage of FAS	92.72%	104.81%	124.20%
4	FAS/Total Loans	4.79%	4.61%	2.89%
5	Non-Performing FAS Loans	₦30.07b	₦23.13b	₦10.2b
6	Non-Performing FAS Loans (%)	56.70%	47.48%	33.29%
7	Provisions held against FAS	₦23.51b	₦19.16b	₦6.18
8	FAS NPL Coverage	78.18%	82.84%	60.59%
9	% FAS backed by shares in private placement	35.02%	35.28%	51.39%
10	Margin Loan Exposure	₦11.79b	₦13.85b	₦5.89b
11	Percentage of margin loans to total LAD	1.17%	1.33%	0.59%
12	Collateral value of total margin loans	₦6.93b	₦8.92b	₦6.63b
13	Collateral value of non-performing margin loans	₦4.96b	₦8.84b	₦6.58b
14	% of loan book renegotiated/restructured*	2.79%	5.88%	34.79%

- Provisions have been made in line with prudential guidelines
- Portfolio is marked to market only for the purpose of considering open positions. Classified accounts are based on total balance outstanding and not the value at risk. On recovery of the value at risk, the security value will be taken in to recover the entire sum outstanding

[1]FAS – Includes margin loans and other loans secured by shares
*Largely margin loan accounts

Figures may not add up due to rounding

Our capital ratios remain well above regulatory requirements