

**First Bank Group Results
9 Months ended 31 December 2009 &
Quarter ended 31 March 2010**

Presentation to Analysts and Investors

April 30, 2010



Cautionary Note Regarding Forward Looking Statements



This presentation is based on the financial results of FirstBank's audited results for the period ended December 31 2009 and unaudited results for the period ended March 21, 2010, consistent with Nigerian GAAP. FirstBank of Nigeria Plc ("FirstBank" 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.

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Agenda



1	FirstBank Overview
2	Financial Review
3	Asset Quality and Risk Management
4	Strategy and Transformation Overview
5	Summary
6	Appendix

FirstBank is Nigeria's largest financial services institution offering an array of banking and related non-bank services



Lines of Business

Commercial Banking

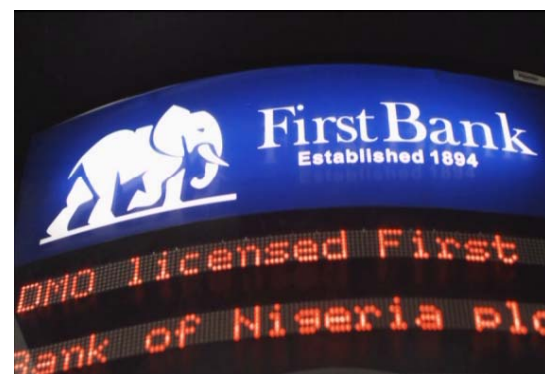
- Corporate and Institutional Banking
- Retail Banking
- Public Sector Banking

Other Financial Services Subsidiaries

- Investment Banking , Asset Management (*FBN Capital/FBN Securities*)
- Venture Capital/Private Equity (*First Funds*)
- Trust Services (*First Trustees*)
- Pension Fund Custody (*First Pension Custodians*)
- Mortgages/Real Estate (*FBN Mortgages*)
- Insurance Brokerage (*FBN Insurance Brokers*)
- Registrar Services (*First Registrars*)
- Bureau de Change (*FBN Bureau de Change*)
- Microfinance (*FBN Microfinance*)

International Subsidiaries and Rep Offices

- FBN Bank UK
 - London
 - Paris
- Foreign Rep Offices
 - Beijing
 - Johannesburg



FirstBank is Nigeria's leading bank across multiple dimensions



Financial

- #1 bank by total assets (\$15.3bn or 14% market share)
- # 1 bank by total loans and advances (\$8.4bn)
- # 1 bank by total deposits (\$9.4bn)
- Solid liquidity and capital positions (17.7% CAR) with shareholder's equity of \$2.1bn

Network

- Extensive network with 610 branches and outlets
- International locations in London, Paris, Johannesburg, and Beijing
- Over 1300 ATMs

Relationships

- Large customer base, with over 5 million customers
- High retail investor confidence and interest (2007 equity offer massively oversubscribed)
- Partner to government and regarded as a national icon

Reputation

- Unparalleled reputation for leadership, 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

- Leader in corporate governance
- Underpinned by strong institutional processes, systems, and controls
- History of seamless leadership successions



Group Financial Highlights: 9 Months to December 2009 & Q1 2010



		Dec 2009	Dec 09/08 Change	Q1 2010	Q1 '10/Q1 '09 Change
Group Performance	▪ Gross earnings	¥196.4 bn	+28.80%	¥62.4 bn	-10.65%
	▪ Net revenue	¥130.5 bn	+15.27%	¥40.1 bn	-23.61%
	▪ Profit before taxes	¥11.6 bn	-72.6%	¥15.4 bn	N/M
Capital and balance sheet		Dec 2009		Q1 2010	
	▪ Capital adequacy ratio	15.80%		17.67%	
	▪ Tier 1 ratio	13.88%		14.58%	
Liquidity and funding	▪ Leverage ratio	7.02x		7.40x	
Key Performance Indicators	▪ Total loans to deposit ratio	81.3%		89.7%	
	▪ Liquidity ratio	53.0%		45.6%	
Key Performance Indicators	▪ Provision for credit & other losses	¥40.6 bn		- ¥1.5 bn	
	▪ NPL	8.2%		6.9%	
	▪ ROE	1.4%		15.9%	
	▪ ROAA	0.2%		2.4%	

December 2009 & Q1 2010 Group Results



Key Financials, N'm	9 Mths 31-Dec-08	12 Mths 31-Mar-09	9 Mths 31-Dec-09	9 Mths Dec '09 vs Dec '08	Qtr to Mar 2009	Qtr to Dec 2009	Qtr to Mar 2010	Mar 2010 vs Mar 2009	Mar 2010 vs Dec 2009
Balance Sheet									
Total Advances and Loans to Customers	927,691	752,166	1,089,287	17%	752,166	1,089,287	1,261,291	68%	16%
Total Assets	1,801,526	2,009,914	2,172,346	21%	2,009,914	2,172,346	2,292,019	14%	6%
Deposits and Current Accounts	1,110,311	1,194,455	1,339,142	21%	1,194,455	1,339,142	1,406,802	18%	5%
Shareholders' Funds	330,728	337,405	309,558	-6%	337,405	309,558	309,558	-8%	0%
Profit and Loss Account									
Gross Earnings	152,491	217,630	196,408	29%	69,839	68,891	62,339	-11%	-10%
Profit Before Taxation and Exceptional Items	42,405	53,799	11,585	-73%	(9,846)	9,508	15,420	N/M	62%
Exceptional Item	-	(26,113)	-		-	-	-		
Profit After Taxation	33,924	12,569	3,189	-91%	(12,800)	7,606	12,336	N/M	62%

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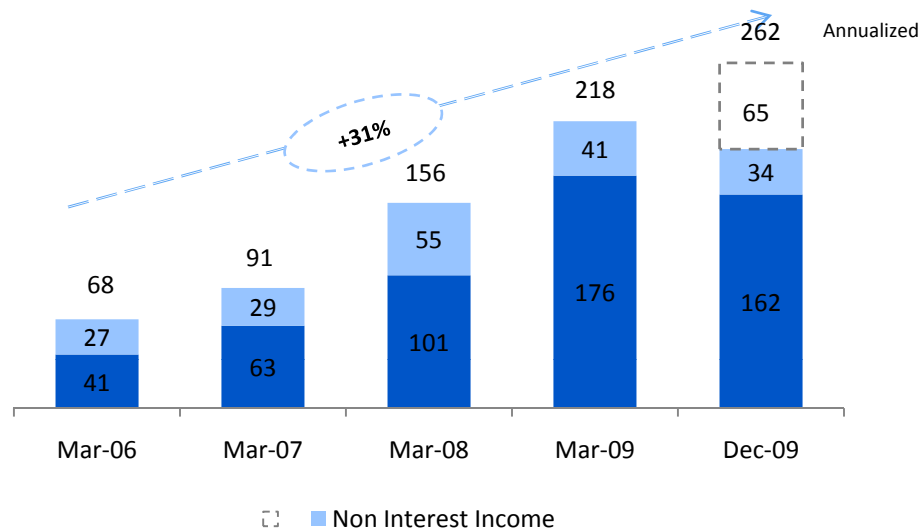
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Appendix

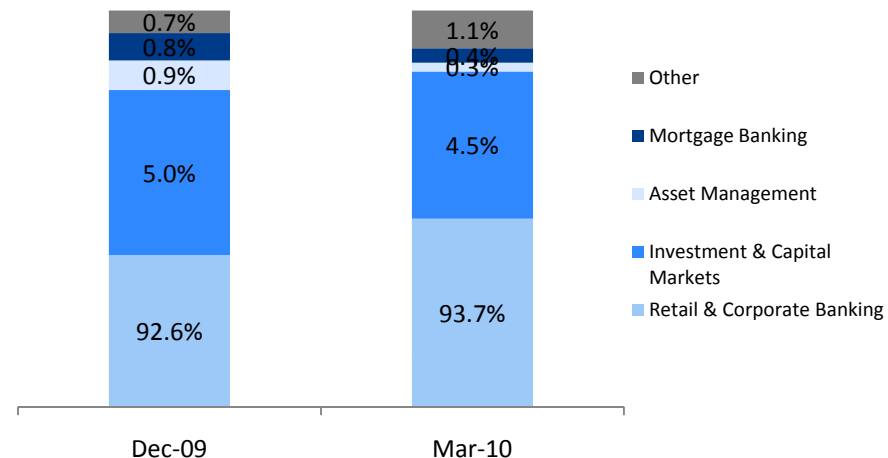
Gross earnings continues to grow at a healthy pace



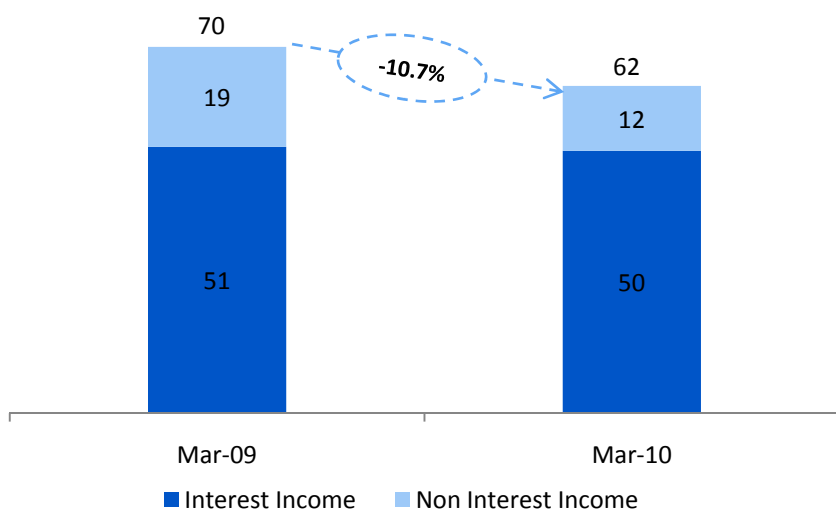
Gross Earnings \$'bn



Gross Earnings Mix by Business Lines



Gross Earnings \$'bn



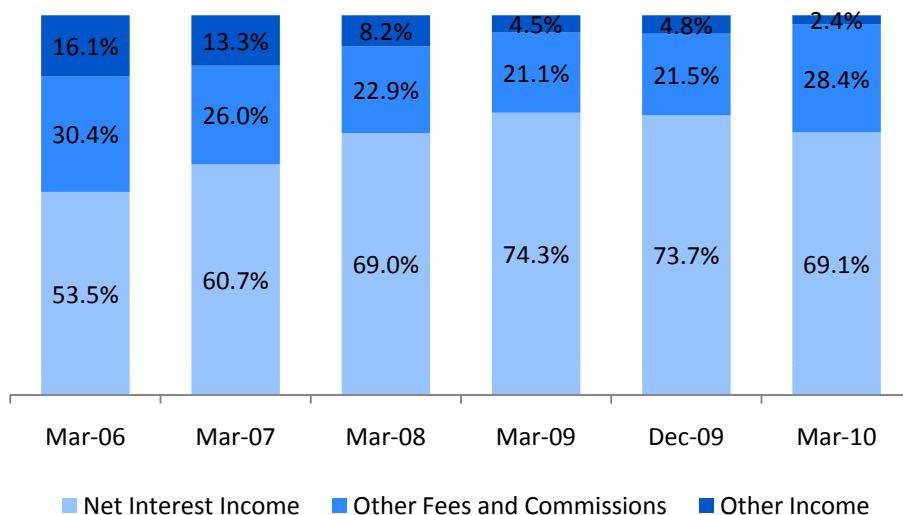
Comments

- Long term Steady growth in gross earnings, benefiting from growth in average earning assets
- Q1 gross earnings negatively impacted by declining yields
- Strong deposit growth – focused on cheaper demand and savings deposits
- Stable funding to exploit market opportunities
- Diversified group of businesses
- **We expect significant improvement in the contribution of non interest income in coming periods as the recovery in the capital markets and economy continues**

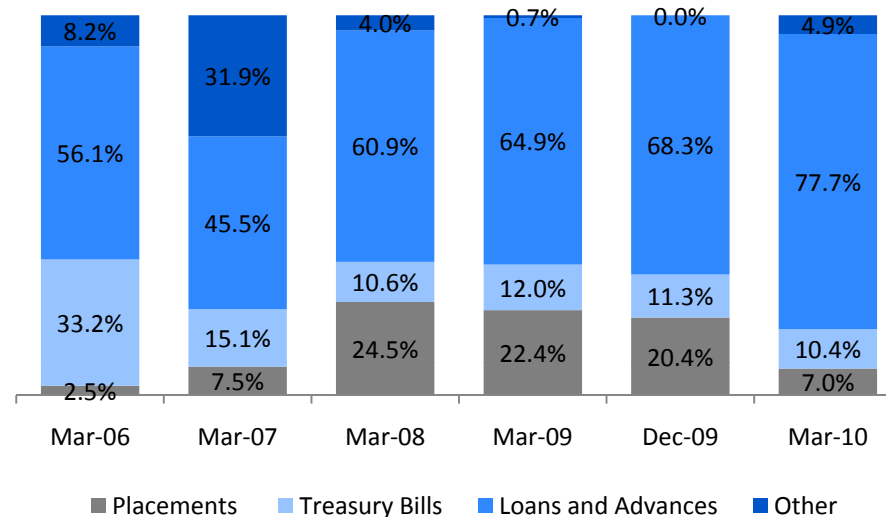
... driven by interest from loans & advances, as well as income from other earning assets



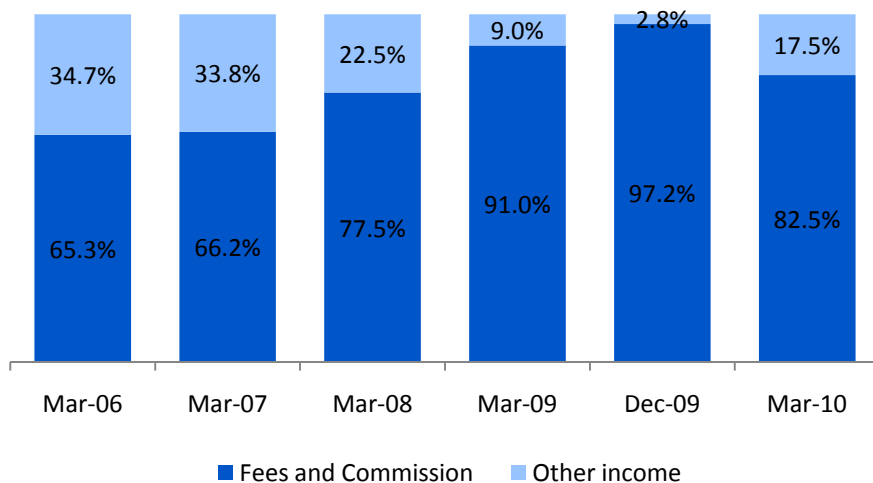
Net Revenue Split



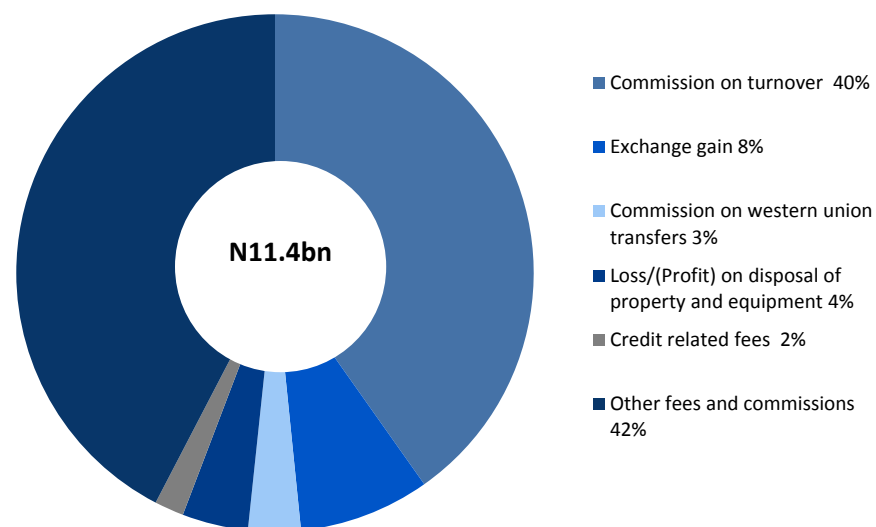
Interest Income Split



Non Interest Income Split



Breakdown of Fees and Commissions March '10



Other income includes foreign exchange income, recoveries, trusteeship income and income from investments

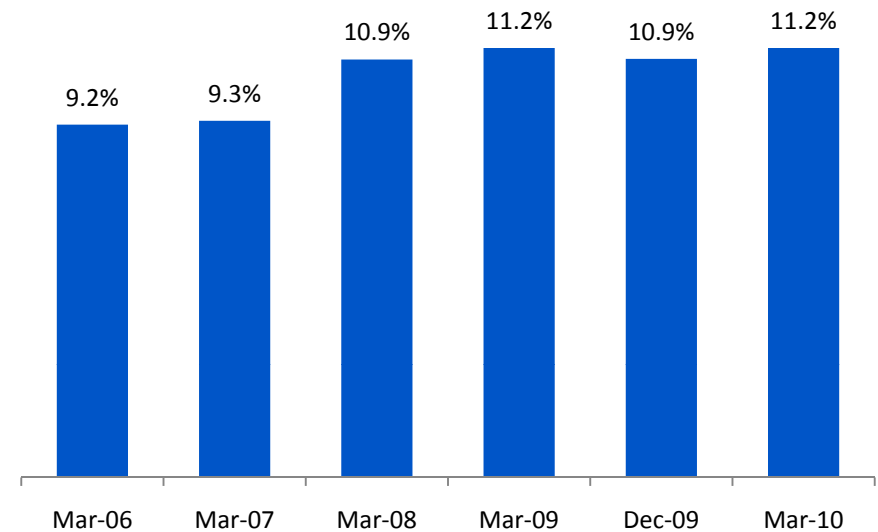
Improving deposit mix in the face of recent pressure from rising cost of funds



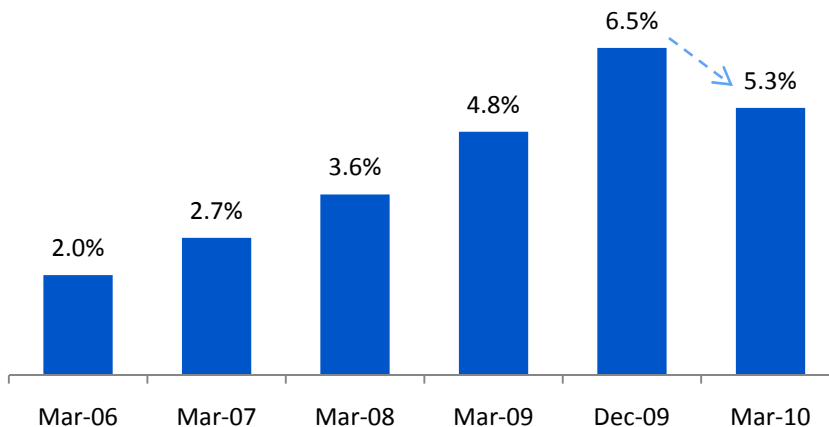
Comments

- Improving yield on earning assets
- Recent decline in net interest margin driven by high funding costs
- Benefiting from reduction in cost of interest bearing liabilities:
 - Improving deposit mix
 - Excess liquidity driving down interest rates
- Continued focus on improving pricing efficiencies to protect margins
- Further decline expected in cost of funds

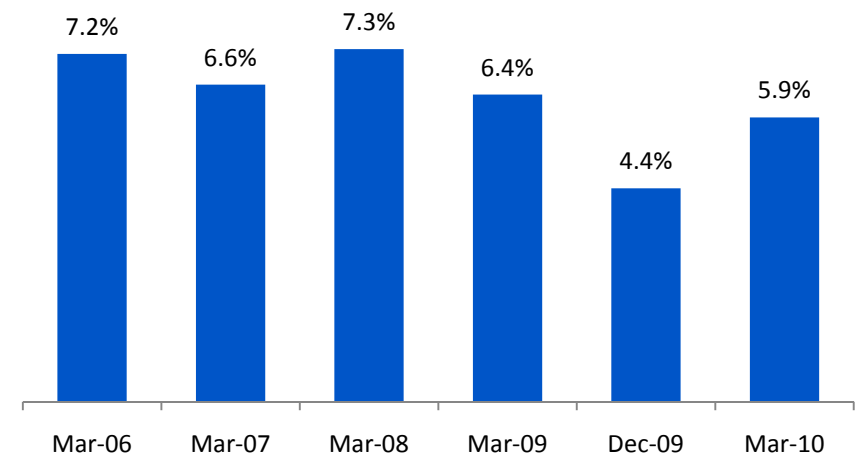
Yield on Interest Earning Assets



Cost of Interest Bearing Liabilities



Net Interest Margin

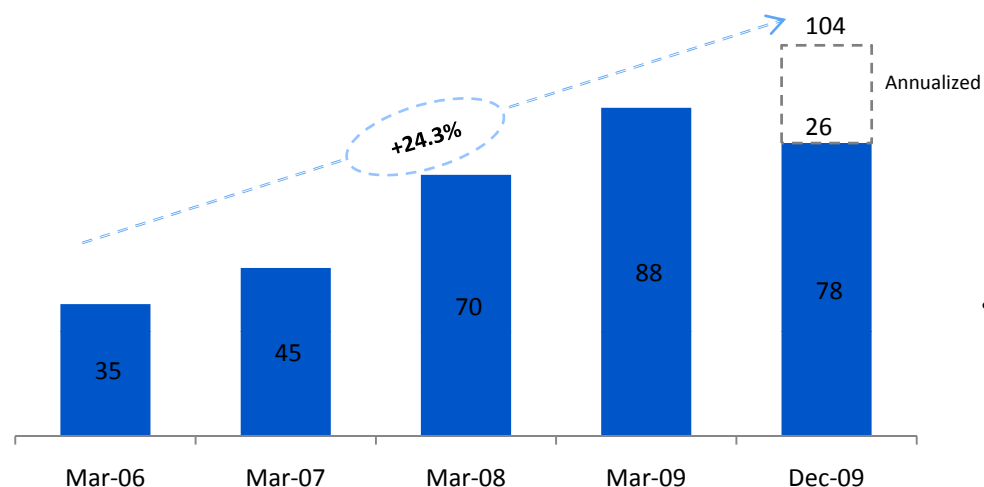


Operating expenses growing in line with gross earnings, with further cost efficiencies expected over time



Operating Expense

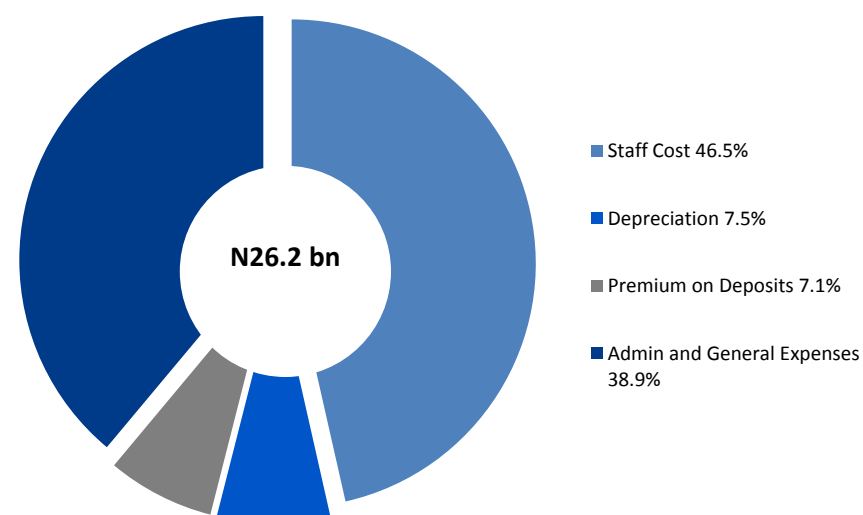
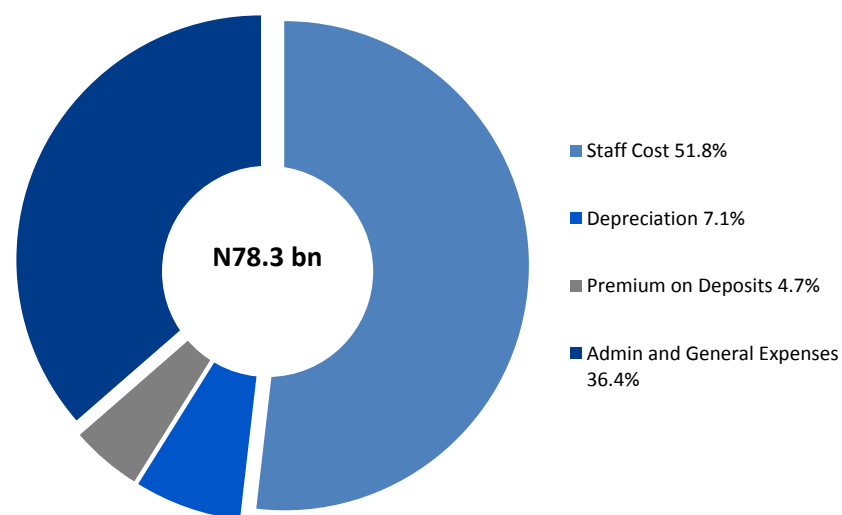
Comments



- Operating expenses continued to be impacted by
 - High maintenance costs for decaying national infrastructure
 - Controlled growth in staff costs
 - Rising inflation impacting administrative and general expenses
 - Cost of workforce restructuring
 - Quick wins coming through from earlier cost optimisation initiatives
- Significant focus on controlling costs through:
 - Centralised processing/shared services
 - Fleet management
 - Manning structure realignment

9 months to December '09

3 months to March '10

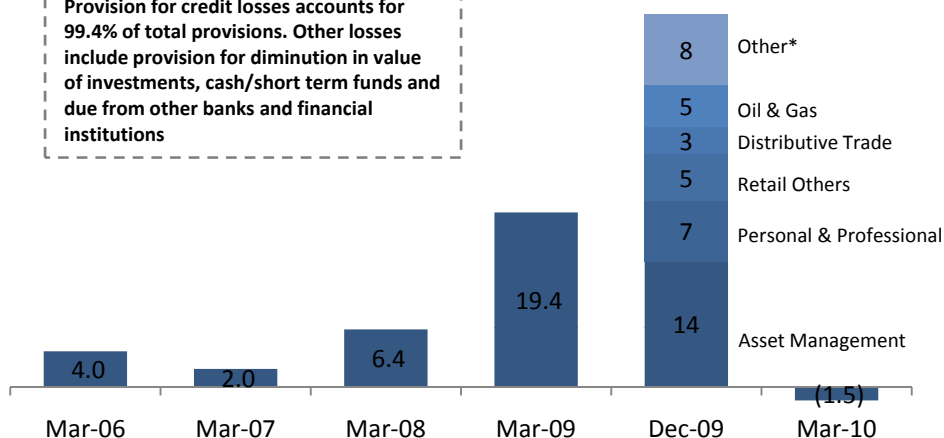


Steep increase in loan loss provision driven by deterioration in asset quality following the economic slowdown and downturn in equity markets...



Provision for Credit & Other Losses ₦'bn

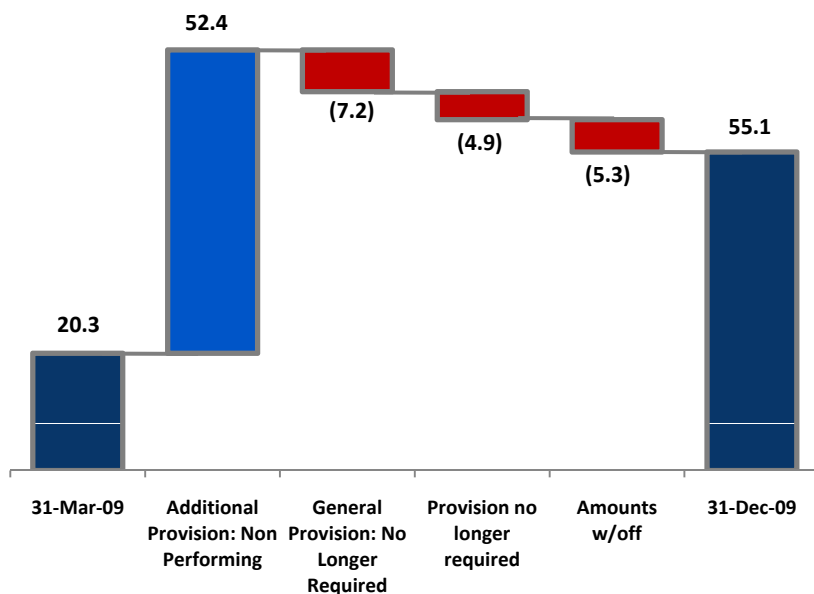
Provision for credit losses accounts for 99.4% of total provisions. Other losses include provision for diminution in value of investments, cash/short term funds and due from other banks and financial institutions



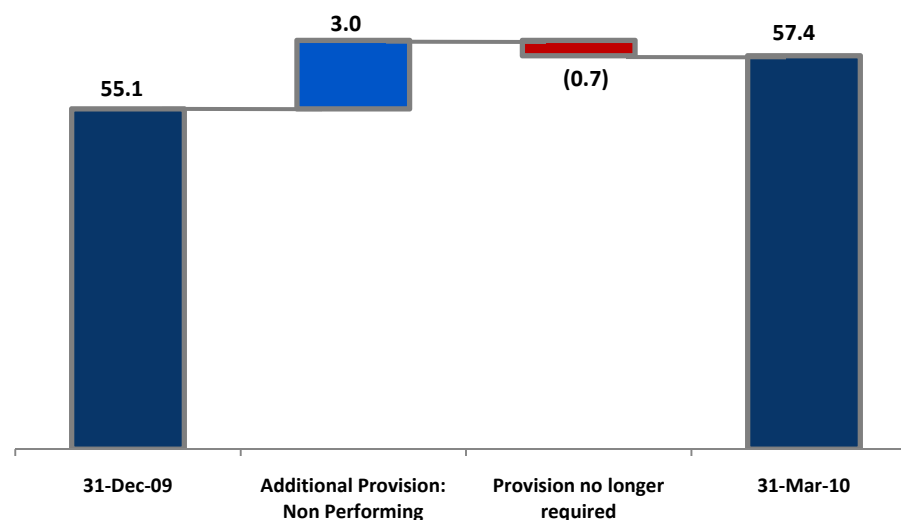
Comment

- Net write backs in the first quarter of 2010
- Within the Bank, write backs were credit related, as accounts reverted to performing status
- Subsidiaries reported investment related writebacks of ₦3.8 bn
- Increased focus on recoveries, with remedial strategy being to recover past due obligations on non-performing accounts, restructure performing exposures against realistic cashflows, and pursue gradual work-out

Movement (December'09) ₦'bn



Movement (March '10) ₦'bn



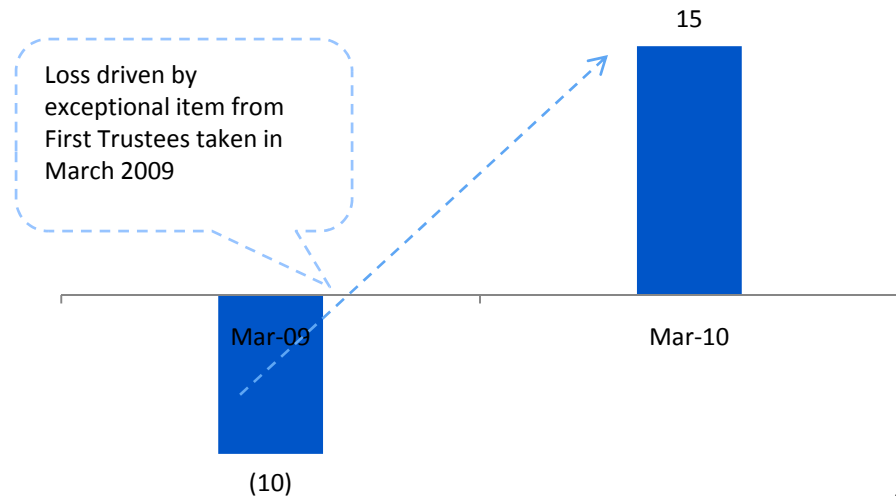
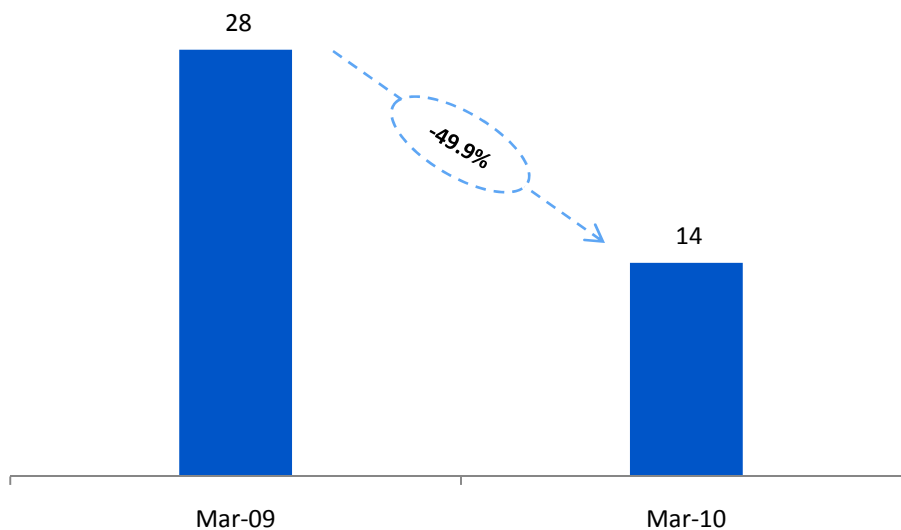
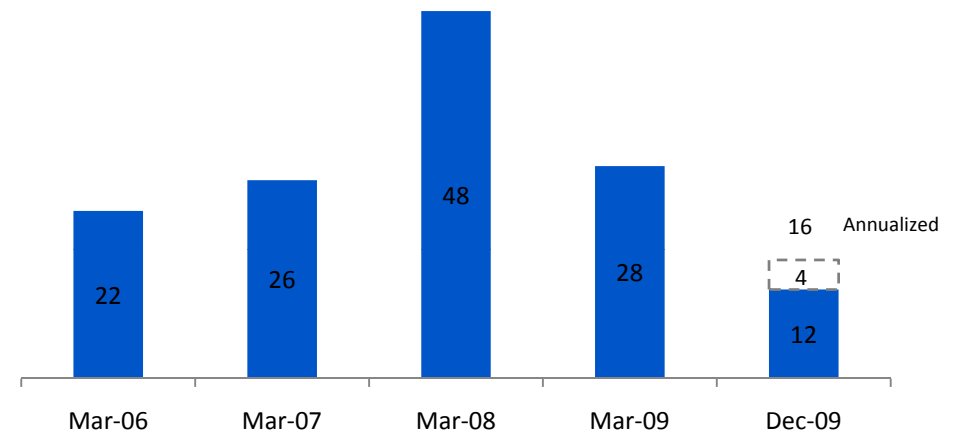
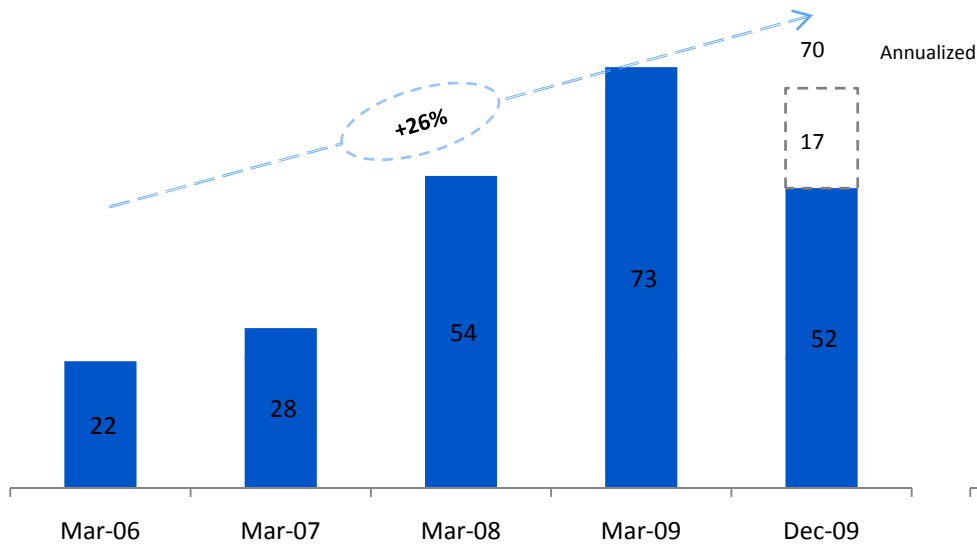
*Other include manufacturing, commercial, construction, utility, education, owner occupier and agric

... with significant negative impact on pre-tax profits



Before provisions and exceptional items \$'bn

After provisions and exceptional items \$'bn



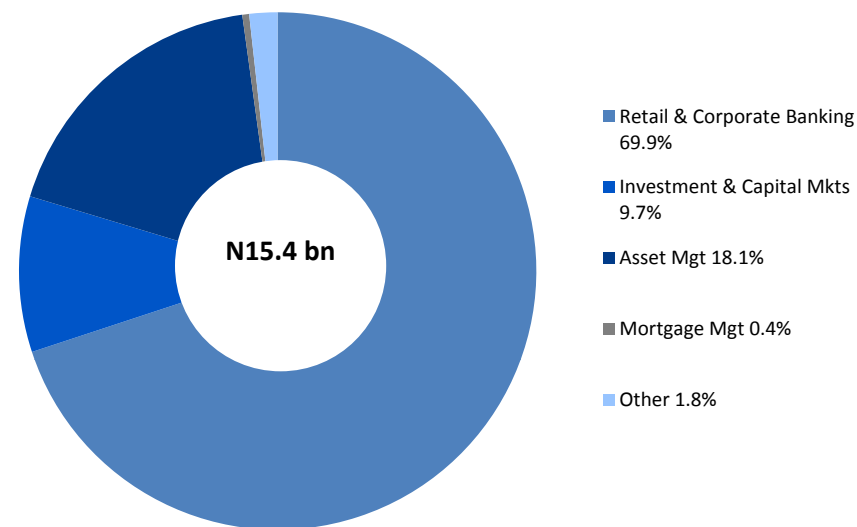
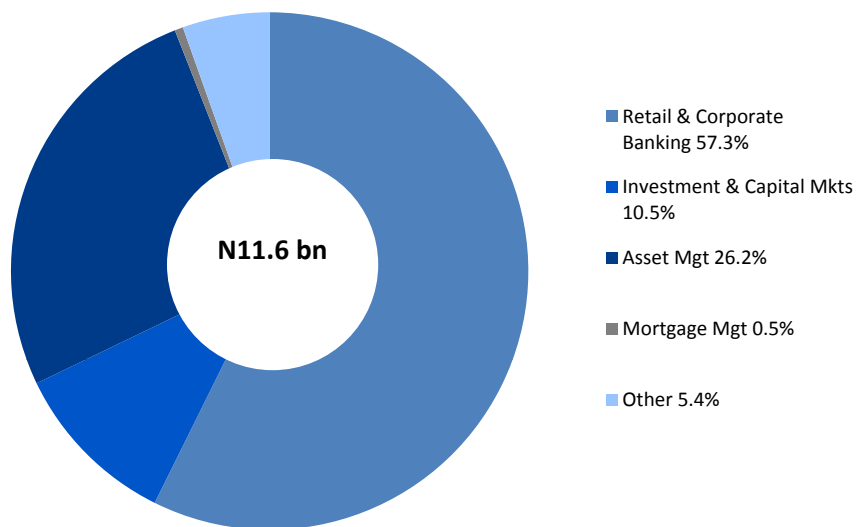
Significant improvement in contribution of retail and corporate bank to group profits



December '09 PBT Split

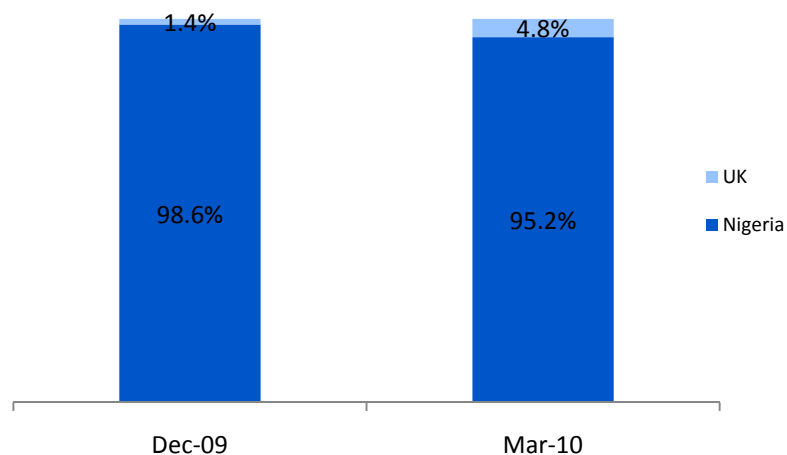
By Business lines

March '10 PBT Split



PBT Split by Geography

FBN UK

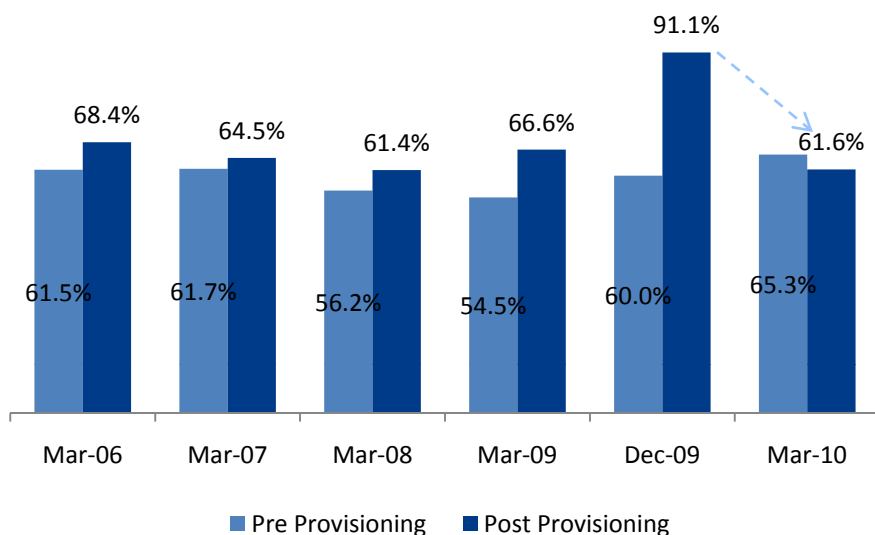


- Global trade volumes remain slightly soft
- Interest rates remain low and there continues to be a slight shortage of quality assets, as a result, liquidity remains high
- Progress being made on loans that were provisioned in 2009 and some write backs are expected in Q2
- FBN UK voted the 'Best Trade Bank in West Africa' by GTR magazine
- Debit cards have now been launched and Wealth Management business soon to be launched

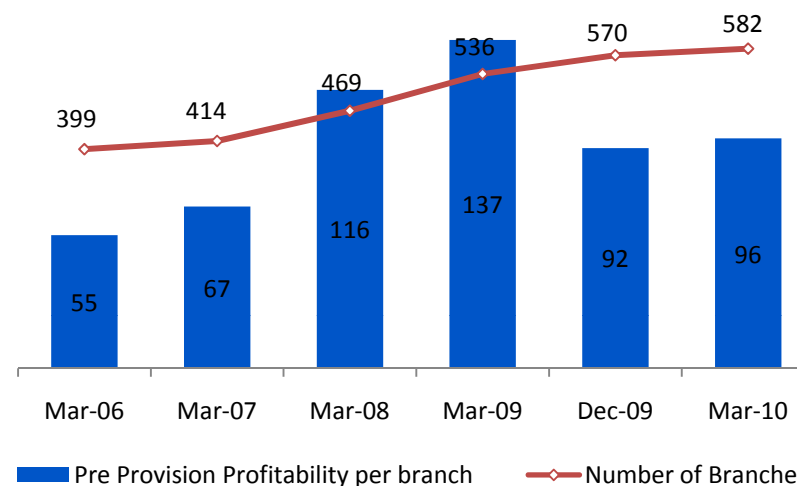
Rebounding profitability matrices, driven by lower levels of provisioning as well as focus on controlling costs



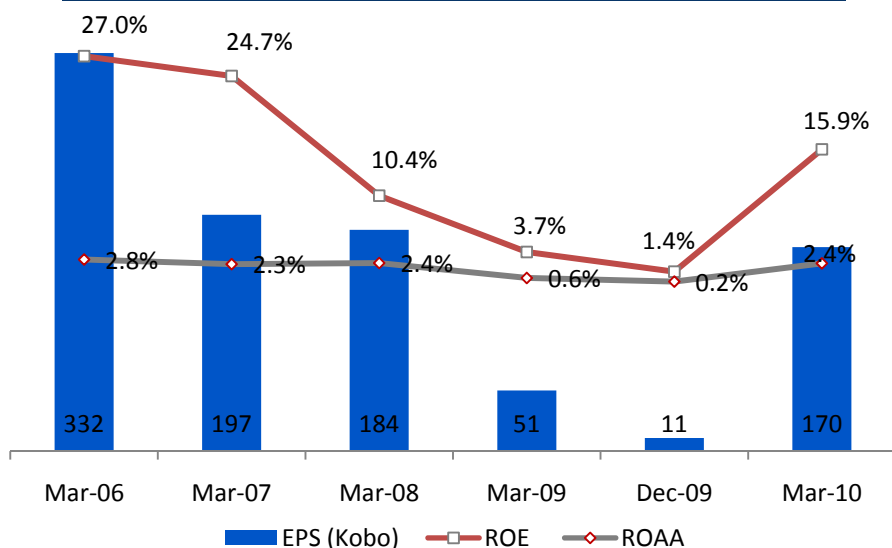
Cost/Income Ratio



Branch Productivity (A'bn)



ROE, ROAA & EPS



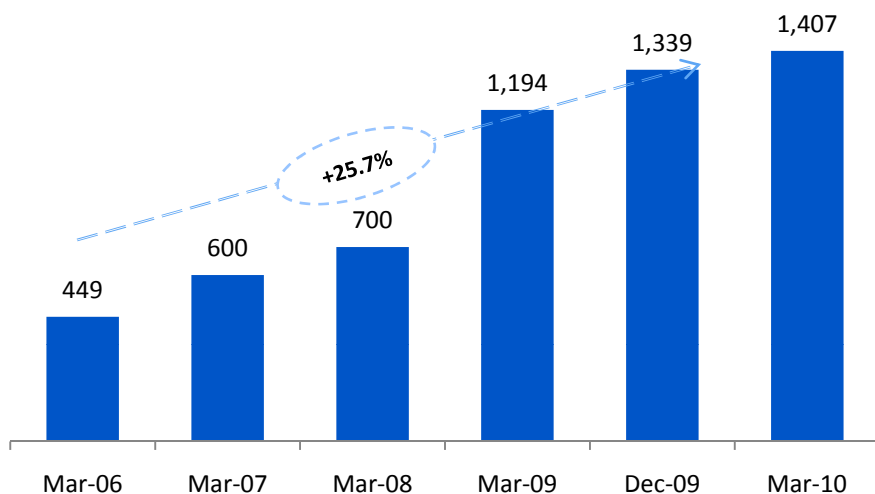
Comments

- Over 30% reduction in post provision cost-to- income ratio
- Increasing returns on asset and equity
- Key initiatives are ongoing to ensure major improvement in income side of cost-to-income equation
- Sustained improvement in profitability expected
- Improving profitability per branch network; benefits expected from manning structure realignment and branch optimisation

Well diversified deposit base providing stable funding; concerted efforts to reduce mix of expensive term deposits bearing fruits

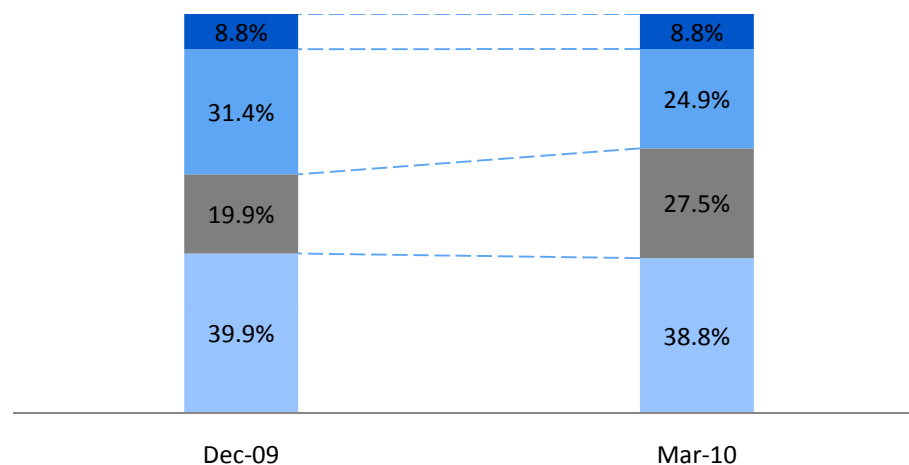


Deposits ₹'bn

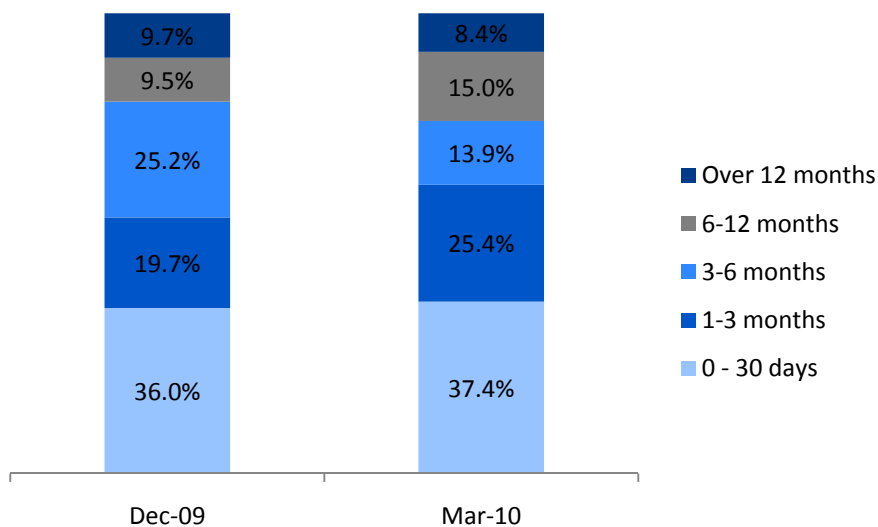


Deposits Mix

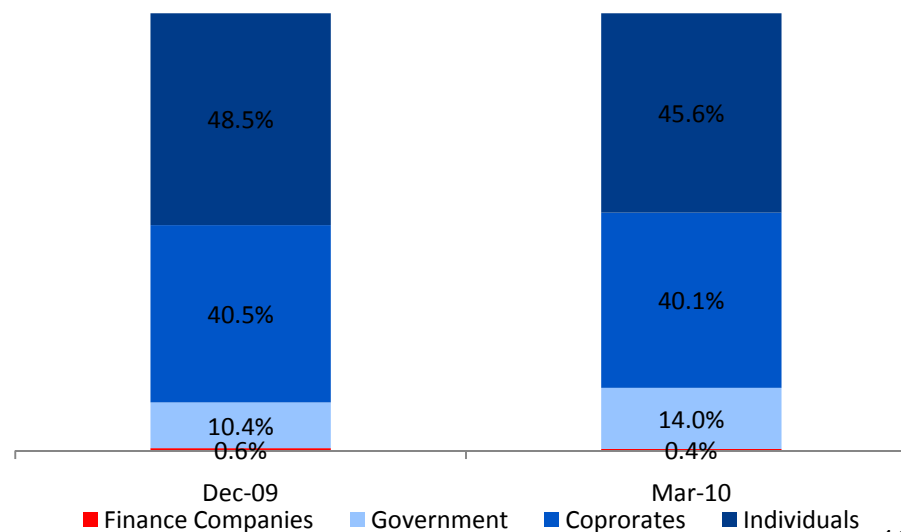
Current deposits Savings deposits Term deposits Domiciliary deposit



By Maturity



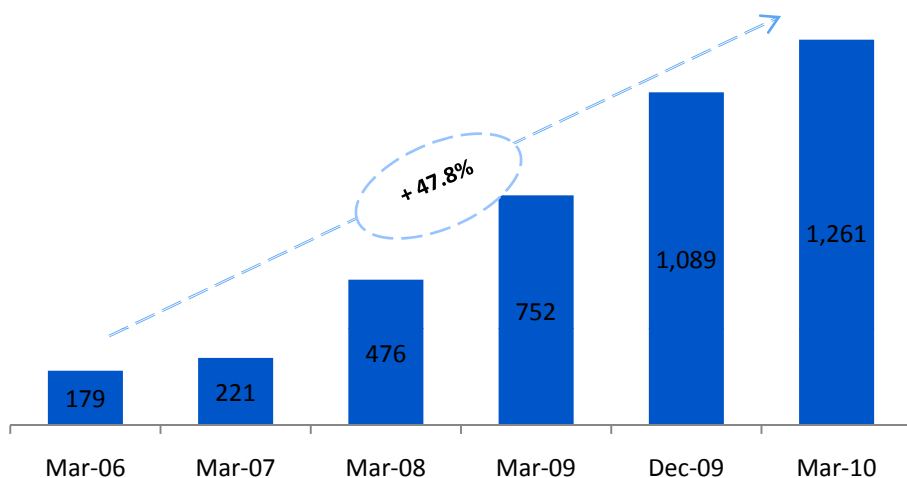
By Customer Segmentation



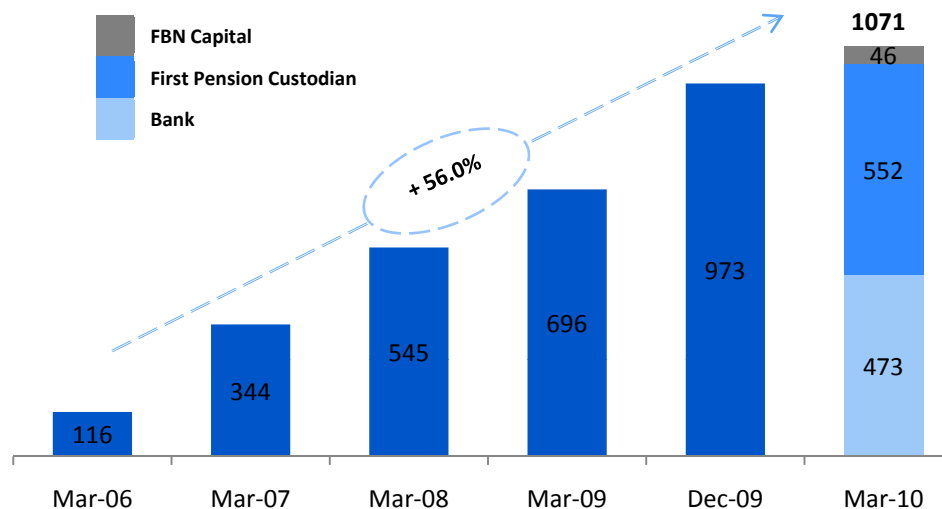
Steady growth in loan book



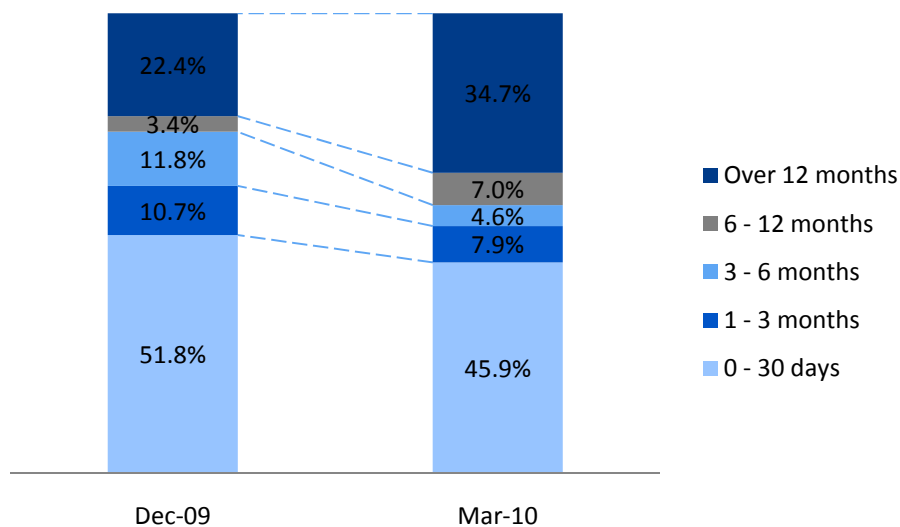
Loans & Advances N'bn



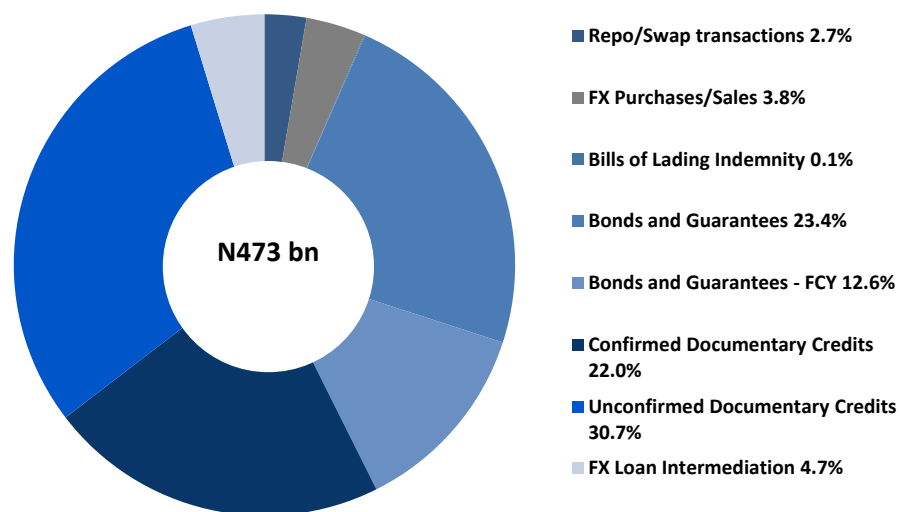
Off balance Sheet Engagements* N'bn



By Maturity



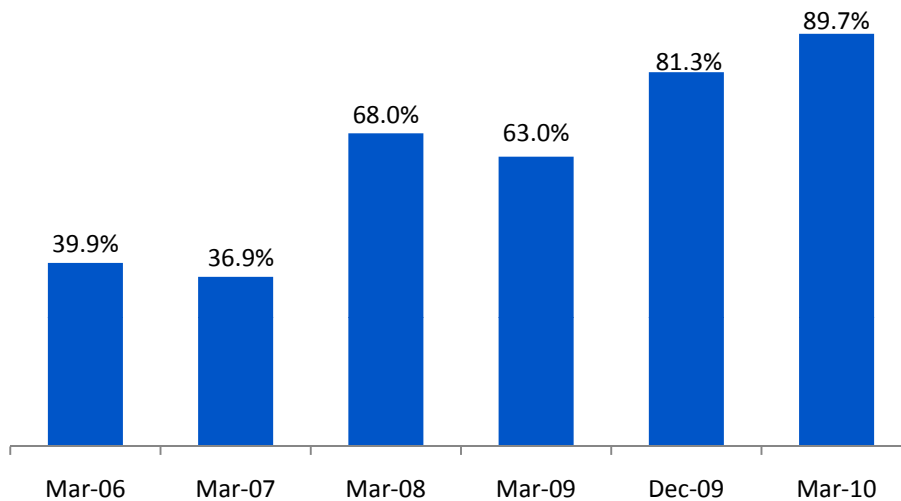
Composition of off balance sheet engagements 'March 10 (Bank Only)



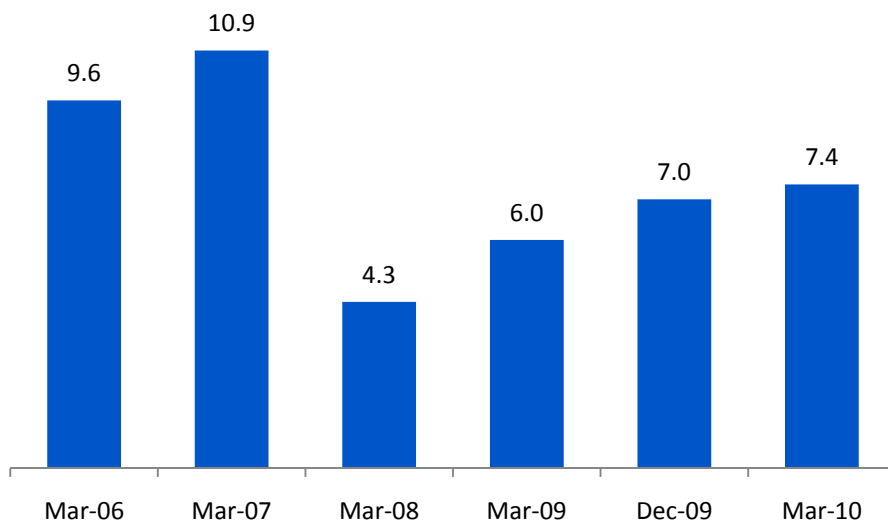
..... Leading to more efficient balance sheet utilization, whilst maintaining liquidity



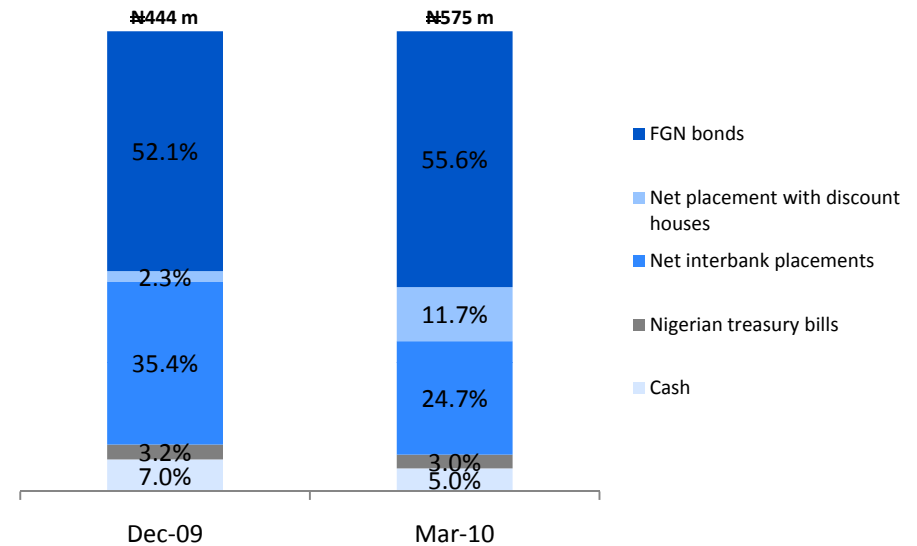
Loan to Deposit Ratio



Leverage Ratio (Times)



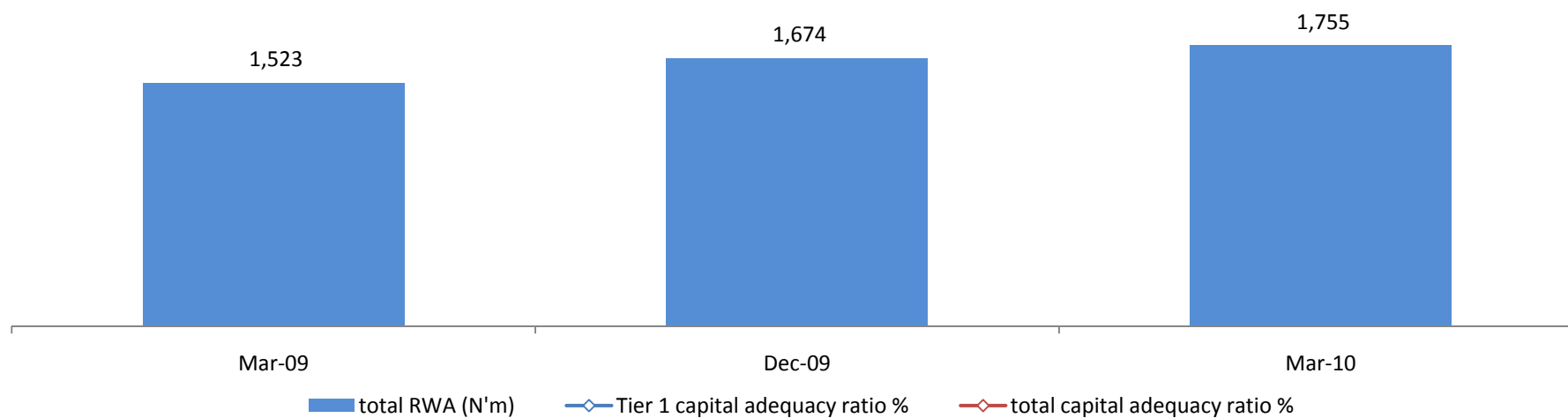
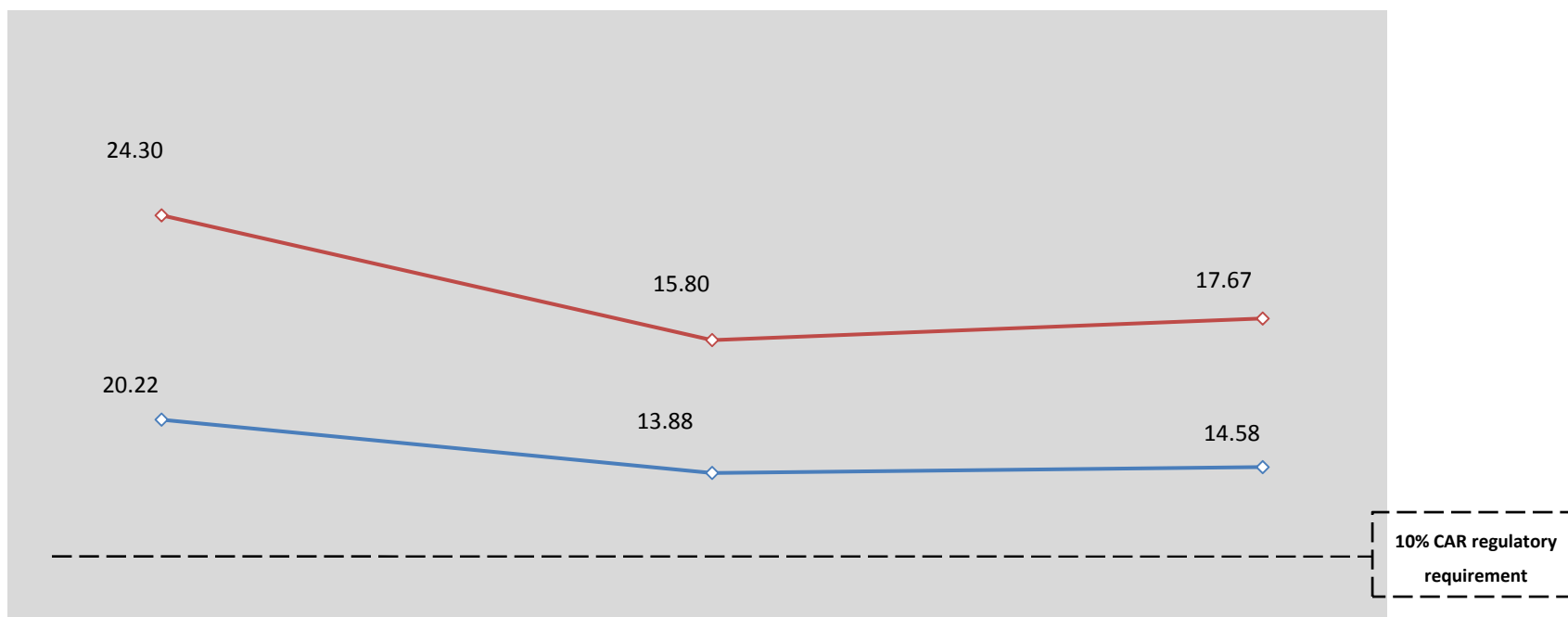
Composition of Liquid Assets



Comments

- Liquidity ratio of 45.6%, well in excess of 25% regulatory requirement.
- Net placer of funds in Interbank Market
- Group treasury function improving efficiency of our balance sheet
- Improving capital adequacy ratio, with strong tier 1 capital ratio of 14.58% as at March 2010

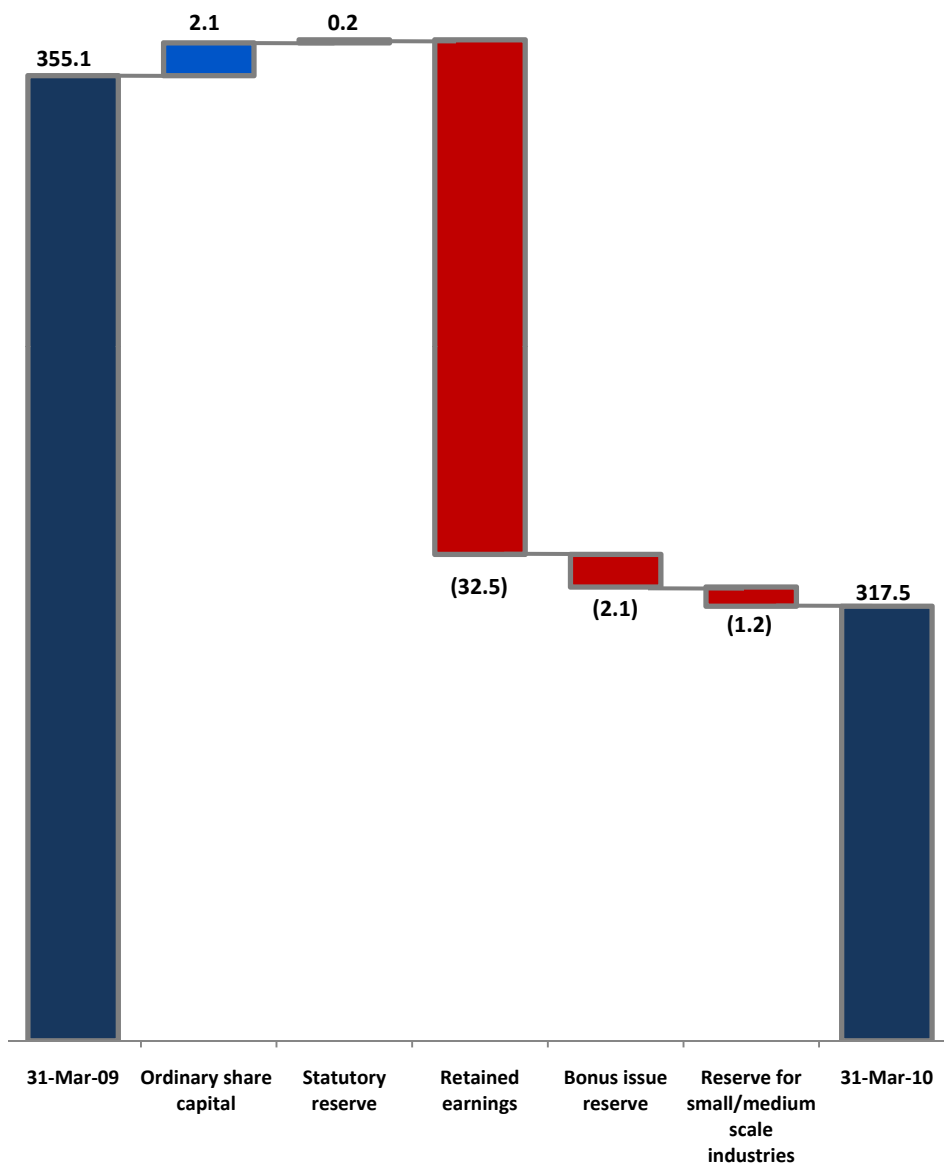
We have successfully navigated turbulence within the banking sector and our capital ratios remain strong



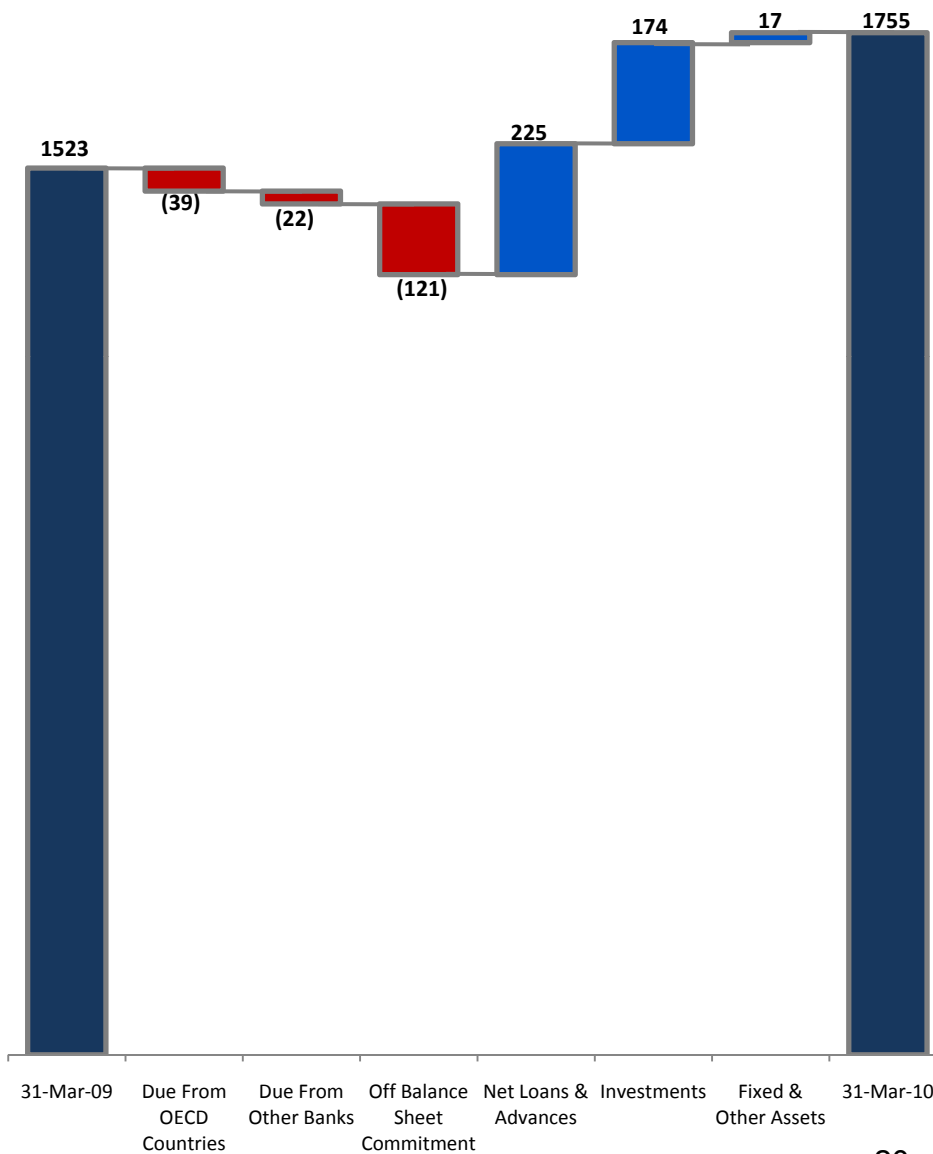
Development of Tier 1 Capital and Risk-Weighted Assets



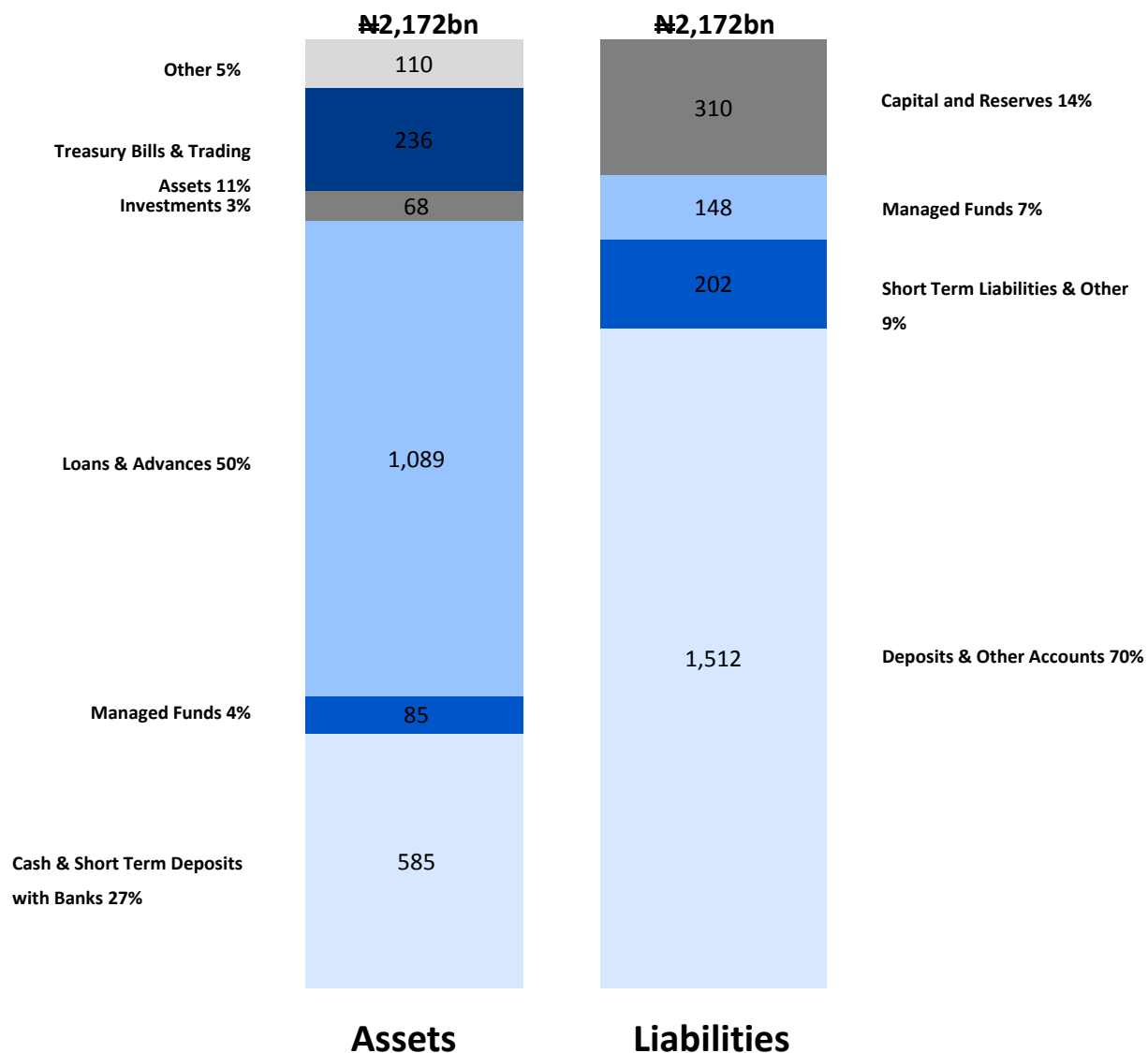
Tier 1 Capital ₹'bn



Risk-Weighted Assets ₹'bn



Current Funding Situation – Asset and Liabilities as at December 2009



Comments

Some of our foreign loans and lines of credit are:

- \$175 million 10 year facility from Subordinated Debt Capital for general balance sheet management and growth
- European Investment Bank
 - Euro 35 million 5 year loan
 - Euro 15 million 8 year loan
 - Euro 55 million 10 year senior loan
- \$100 million US Eximbank facility to support US exporters
- \$350 million Standard Chartered Bank facility for strategic funding

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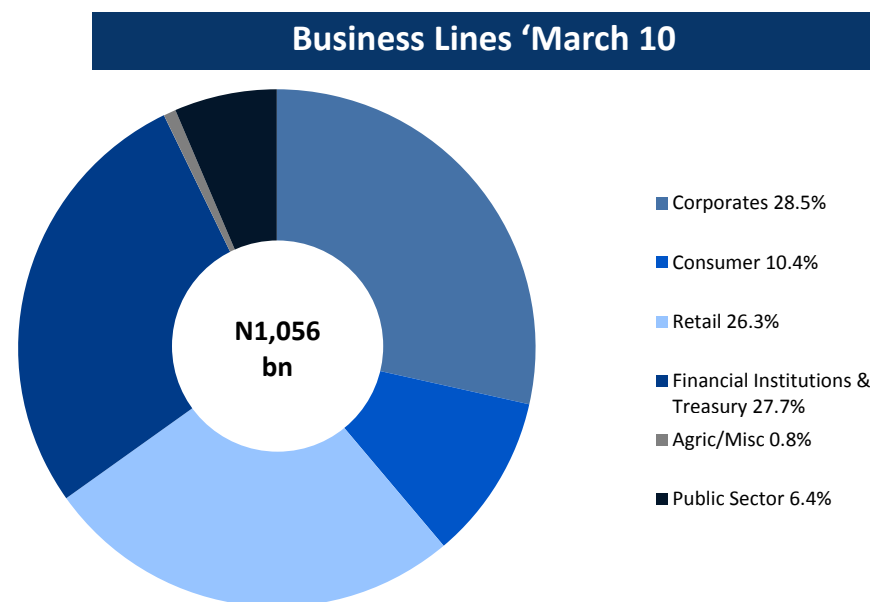
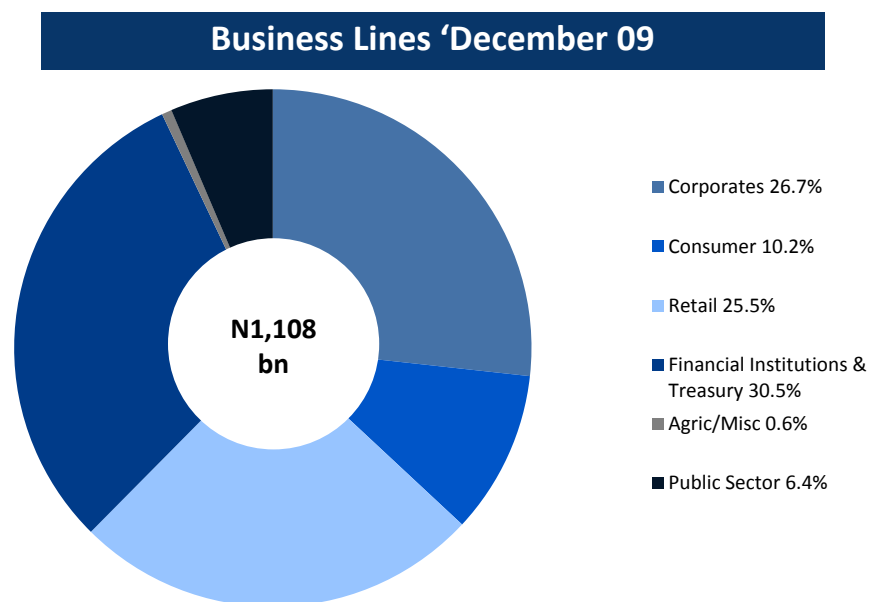
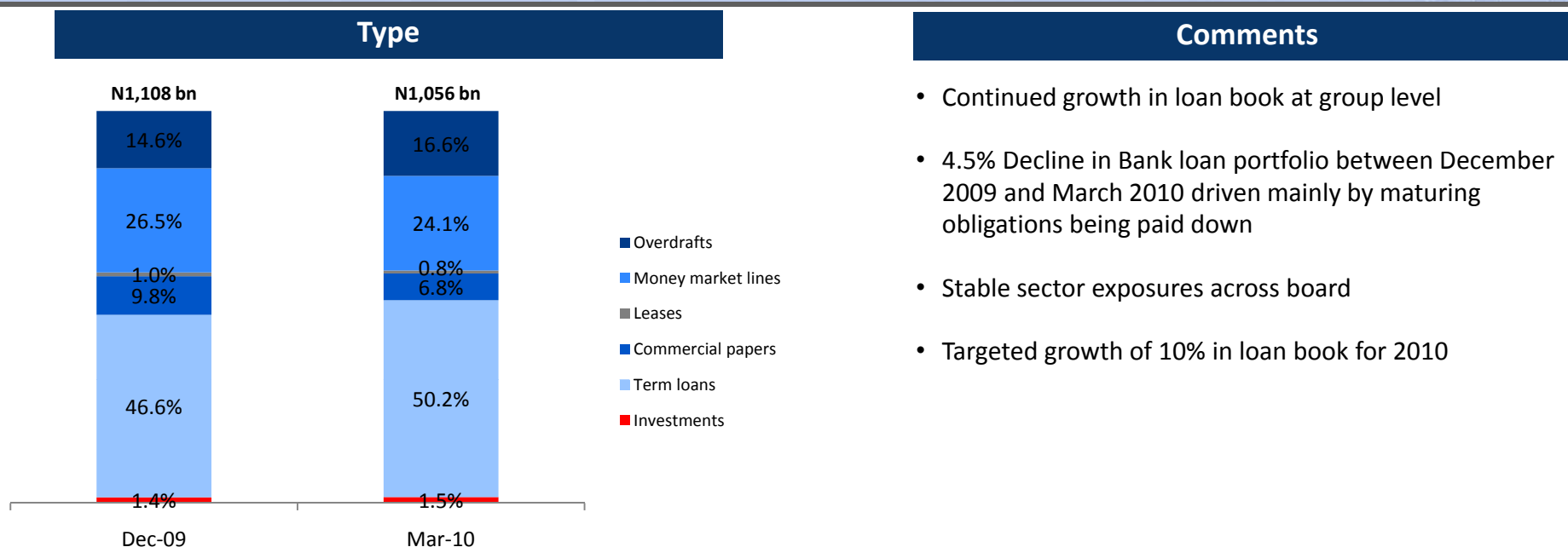
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Summary

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Appendix

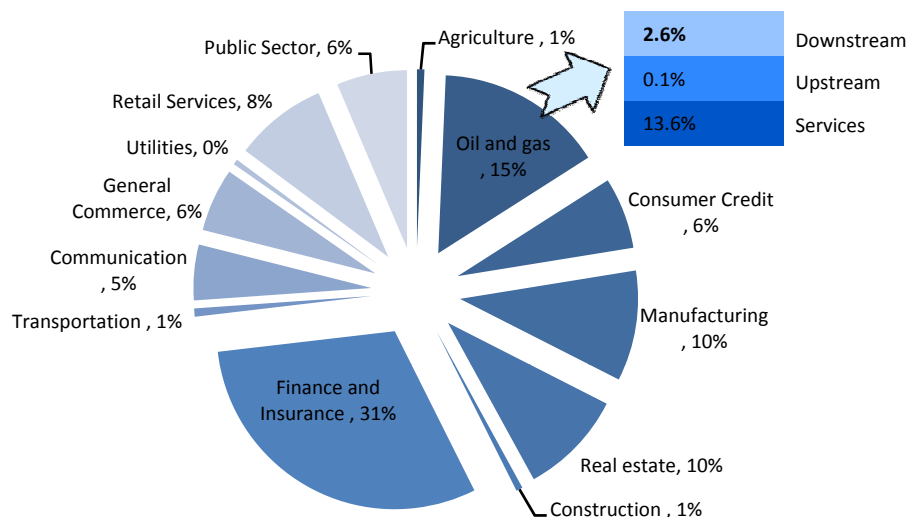
Our loan portfolio cuts across a diverse customer base, with no significant concentration risk.....



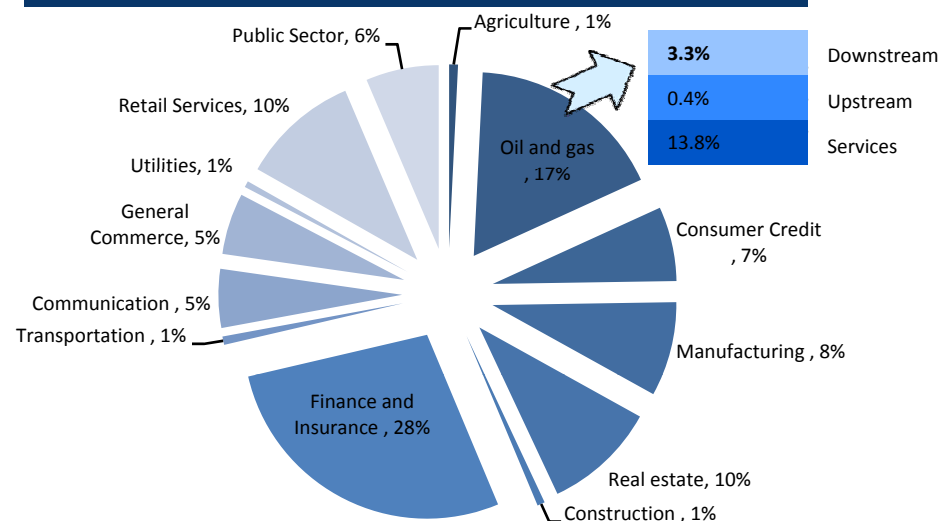
.....and remains well diversified across different sectors of the economy



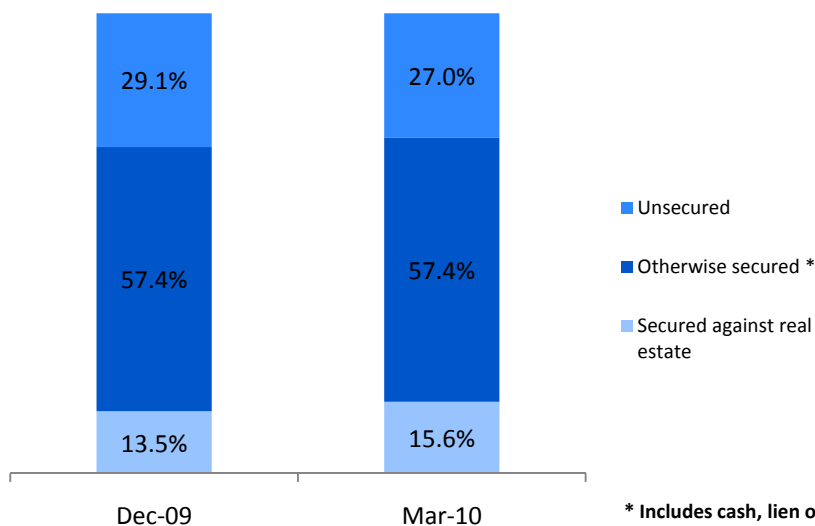
Gross Sector Exposure 'December 09



Gross Sector Exposure 'March 10



Collateral



* Includes cash, lien on marketable securities, Guarantees, receivable of investment grade banks/ corporate lien on fast moving inventory in bonded warehouse, deposits e.t.c.

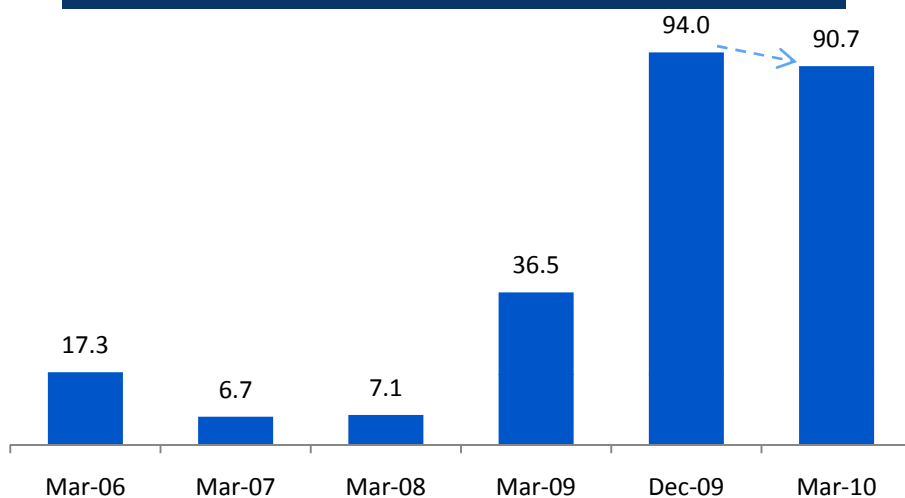
Comments

- Reduced exposure to finance and insurance sectors from December 2009 to March 2010
- Exposure to share backed loans down to 4.61% from 5.7% as at March 2009
- Margin loans represent 1.33% of total loans , down from 2.7% in March 2009

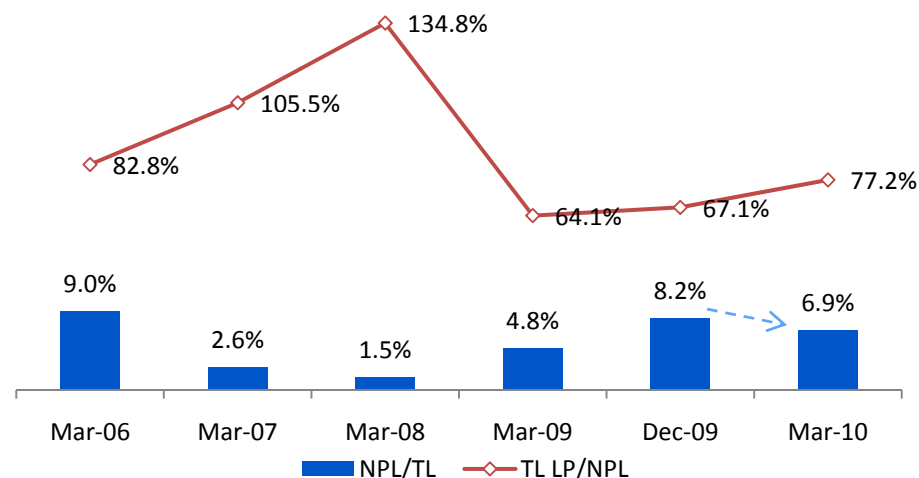
We have taken significant provisions against our non performing loan portfolio, with overall improvement in quality of assets



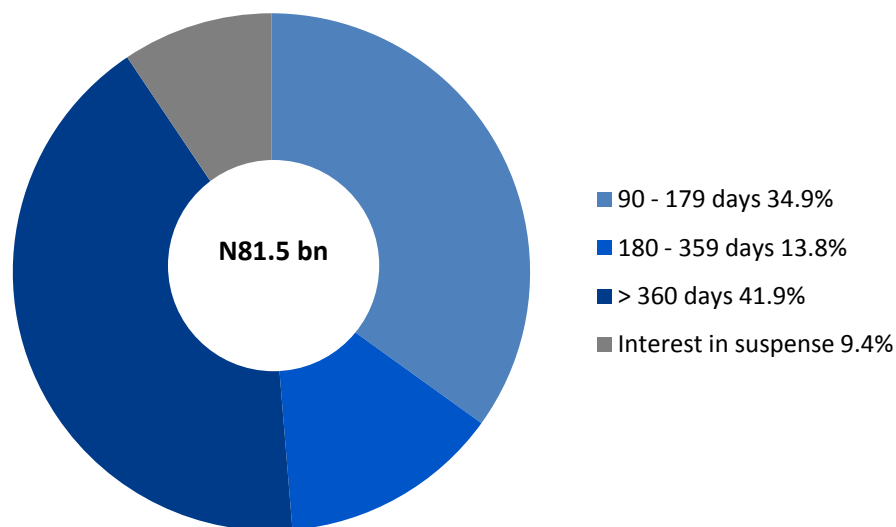
NPL Portfolio N'bn



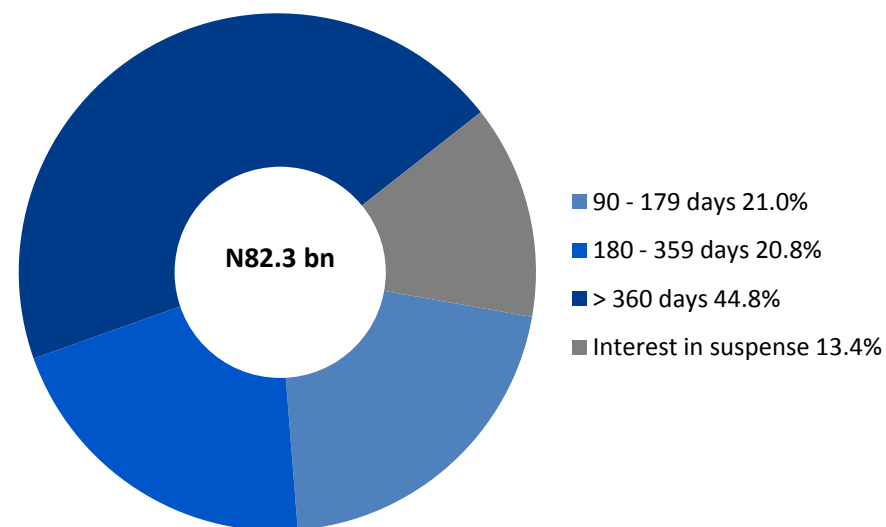
NPL & Coverage Ratios



Time Past Due 'December 09 (Bank Only)



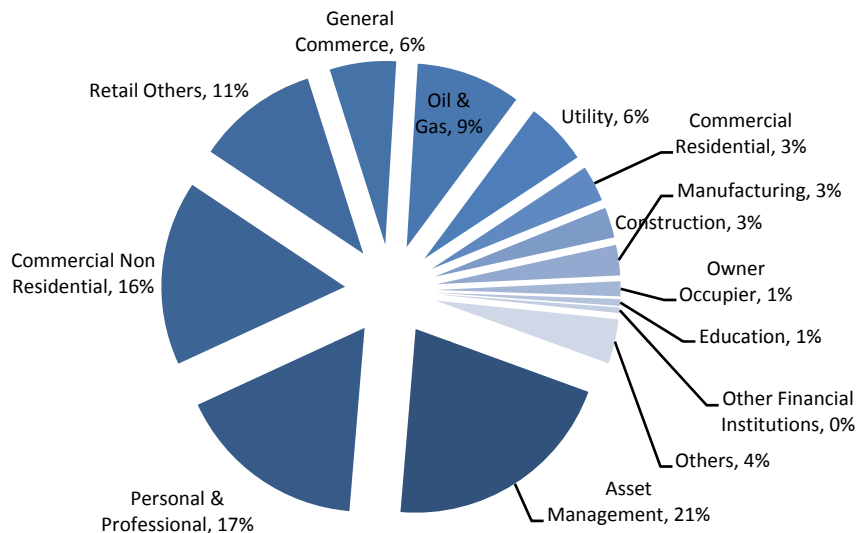
Time Past Due 'March 10 (Bank Only)



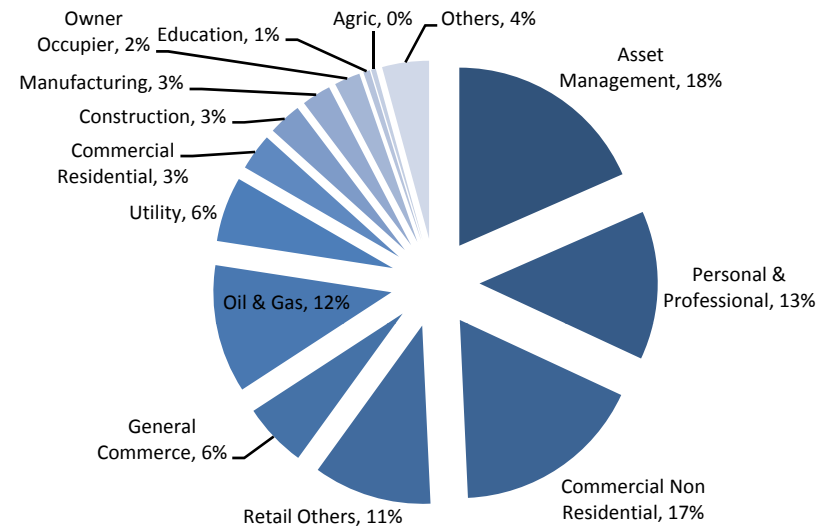
Major sectors represented in the NPL driven largely by systemic issues but we are beginning to see reversals



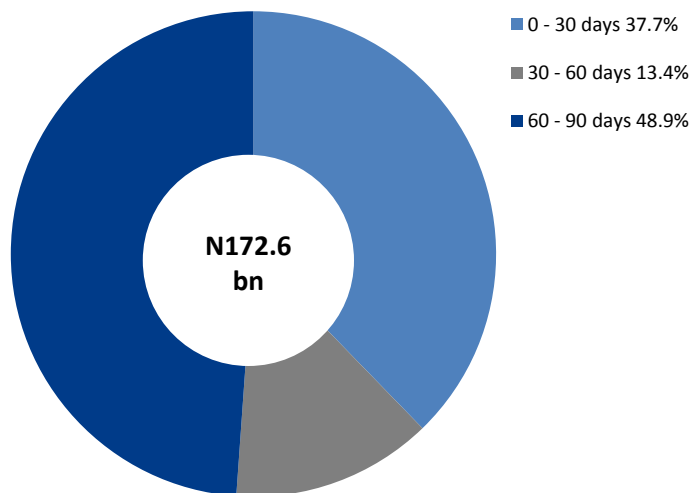
Sector Exposure 'December 09



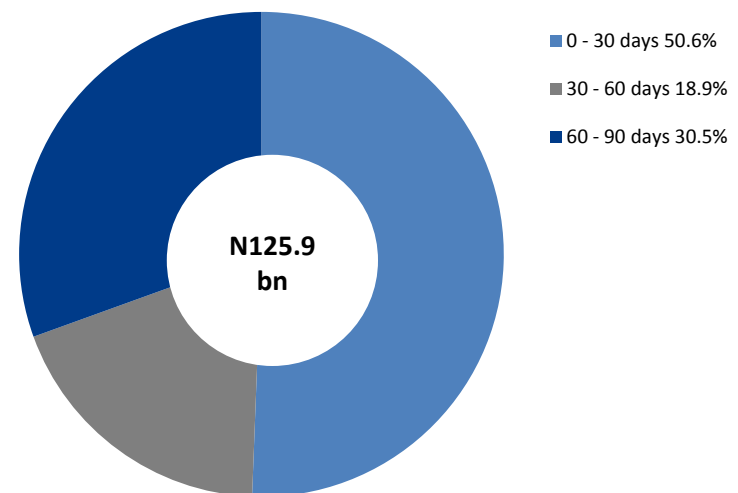
Sector Exposure 'March 10



Performing but past due loans 'December 09



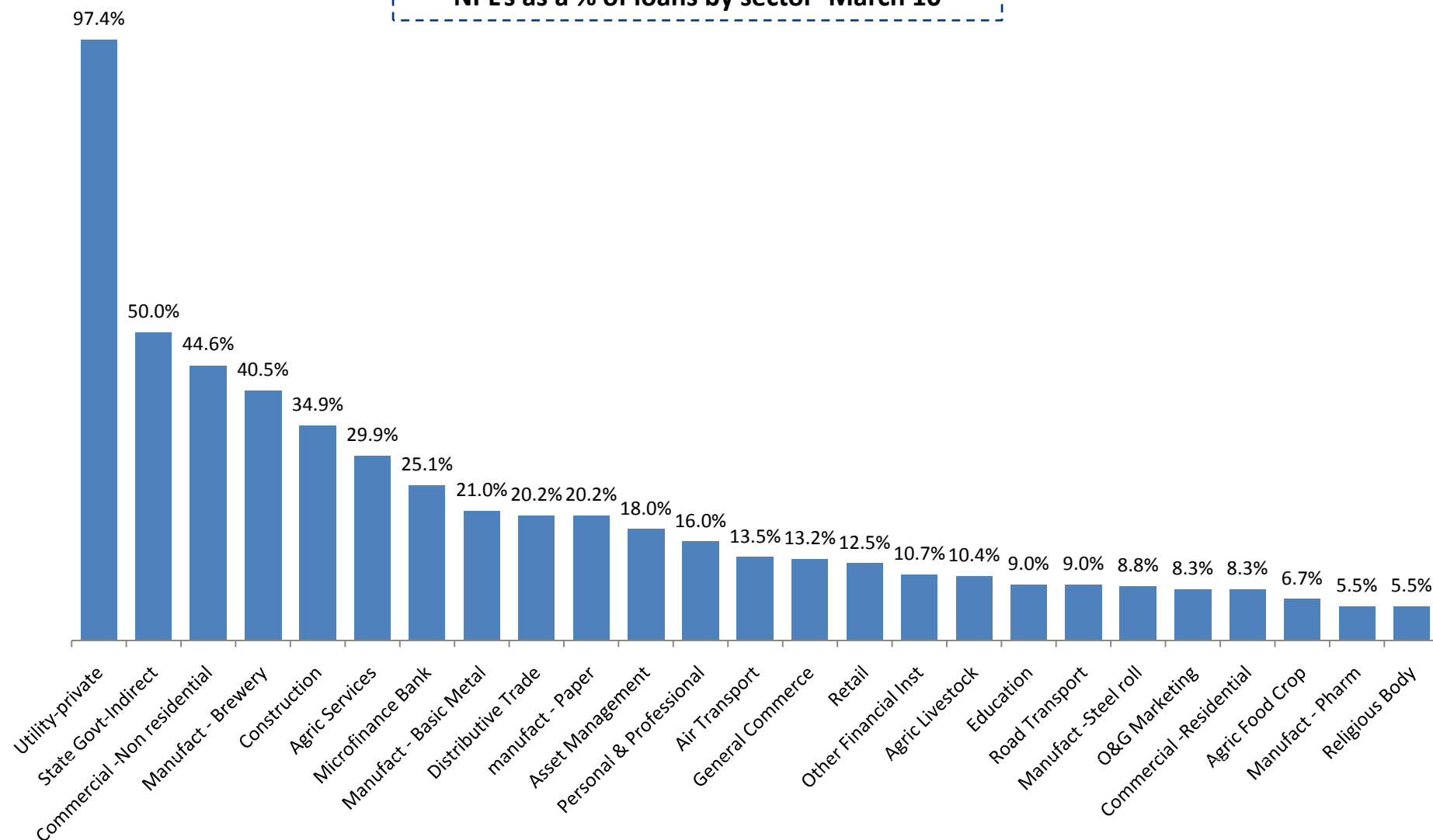
Performing but past due loans 'March 10



Various sectors continue to exhibit vulnerabilities to ongoing stresses within the economy , but we expect improving performance as the economic backdrop picks up



NPL's as a % of loans by sector 'March 10



Increasingly reduced exposure to share-backed loans, with portfolio benefitting from improved performance of the equity market



		Mar – 09	Dec – 09	Mar – 10
1	Facility Against Shares (FAS) ¹	₹58.2b	₹53.05b	₹48.72b
2	Collateral value FAS ¹	₹46.4b	₹49.18b	₹51.06b
3	Portfolio Coverage of FAS ¹	79.7%	92.72%	104.81%
4	FAS/Total Loans	5.7%	4.79%	4.61%
5	Non-Performing FAS ¹ Loans	₹16.2b	₹30.07b	₹23.13b
6	Non-Performing FAS ¹ Loans (%)	33.84%	56.70%	47.48%
7	Provisions held against FAS ¹	₹12.6b	₹23.51b	₹19.16
8	FAS NPL Coverage	77.78%	78.18%	82.84%
9	% FAS ¹ backed by shares in private placement	27.59%	35.02%	35.28%
10	Margin Loan Exposure	₹16.4b	₹11.79b	₹13.85b
11	Percentage of margin loans to total LAD	2.7%	1.17%	1.33%
12	Collateral value of total margin loans	₹6.59b	₹6.93b	₹8.92b
13	Collateral value of non-performing margin loans	₹7.5b	₹4.96b	₹8.84b
14	% of loan book renegotiated/restructured*	2.2%	2.79%	5.88%

- 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

¹FAS – Includes margin loans and other loans secured by shares

*Largely margin loan accounts

Figures may not add up due to rounding



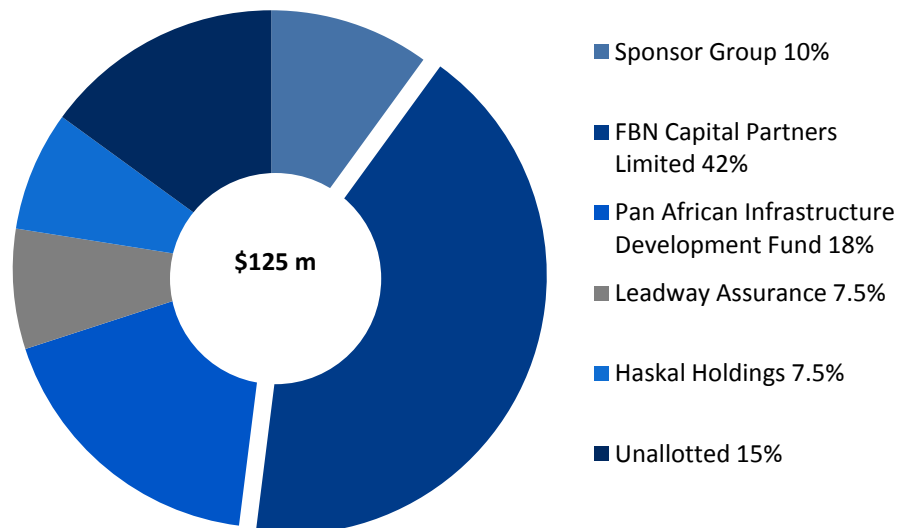
Introduction

- Established on 17 April 2007 as a special purpose Vehicle, with the primary objective of achieving premier Nigerian status in the ownership and operation of major high value oilfield assets.
- In July 2007, FirstBank availed SeaWolf a \$260 million bridge facility
- Due to the global economic meltdown and declining oil prices FirstBank was constrained to convert its bridge facility into a medium term loan

FBN Exposure

- ~~N~~87.9bn – Direct exposure
- 9 year medium-term loan
- Percentage of loan book – 8.15%

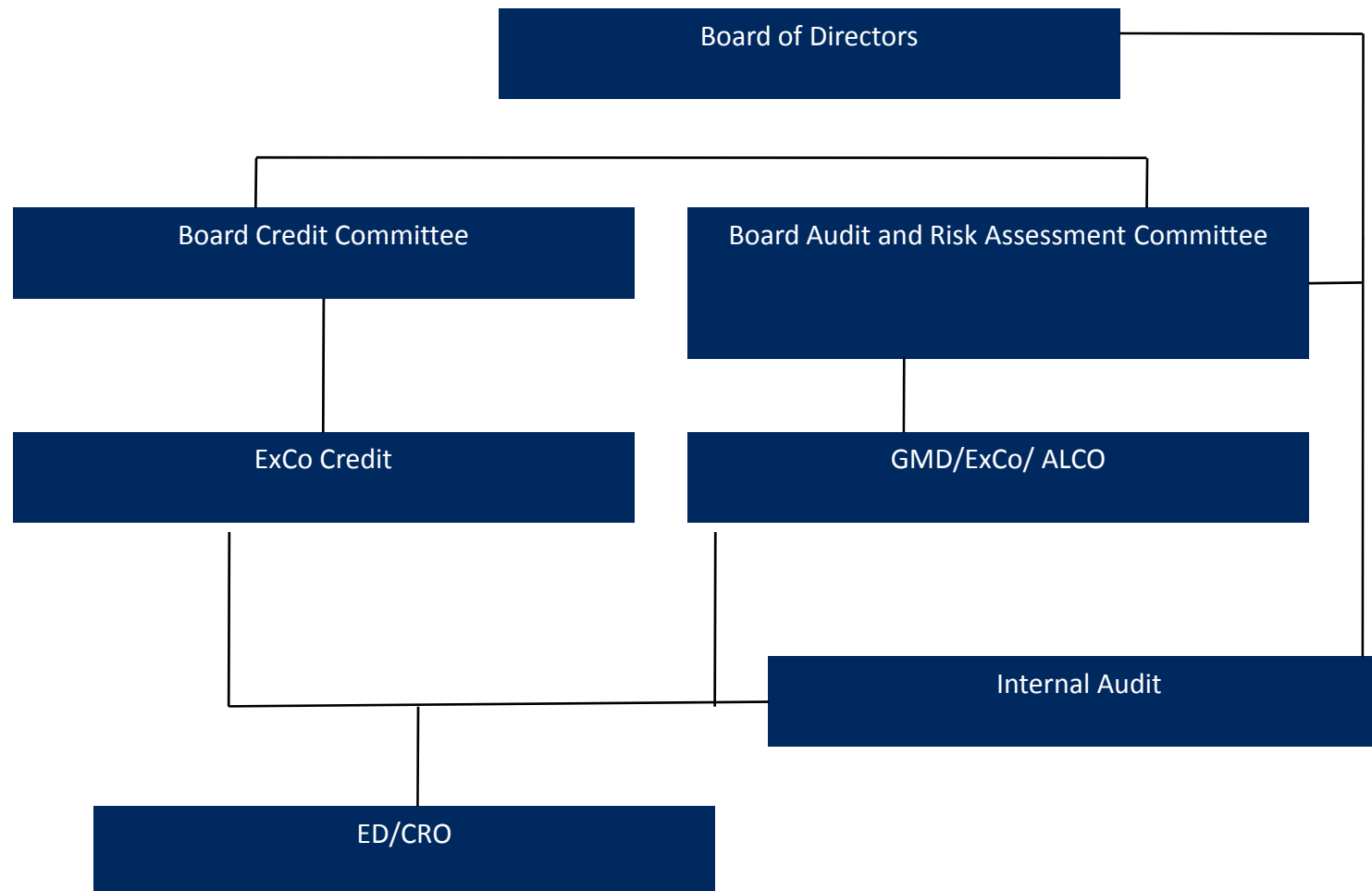
Shareholding



Risk Management Framework



Risk Management Governance Framework



Risk Management

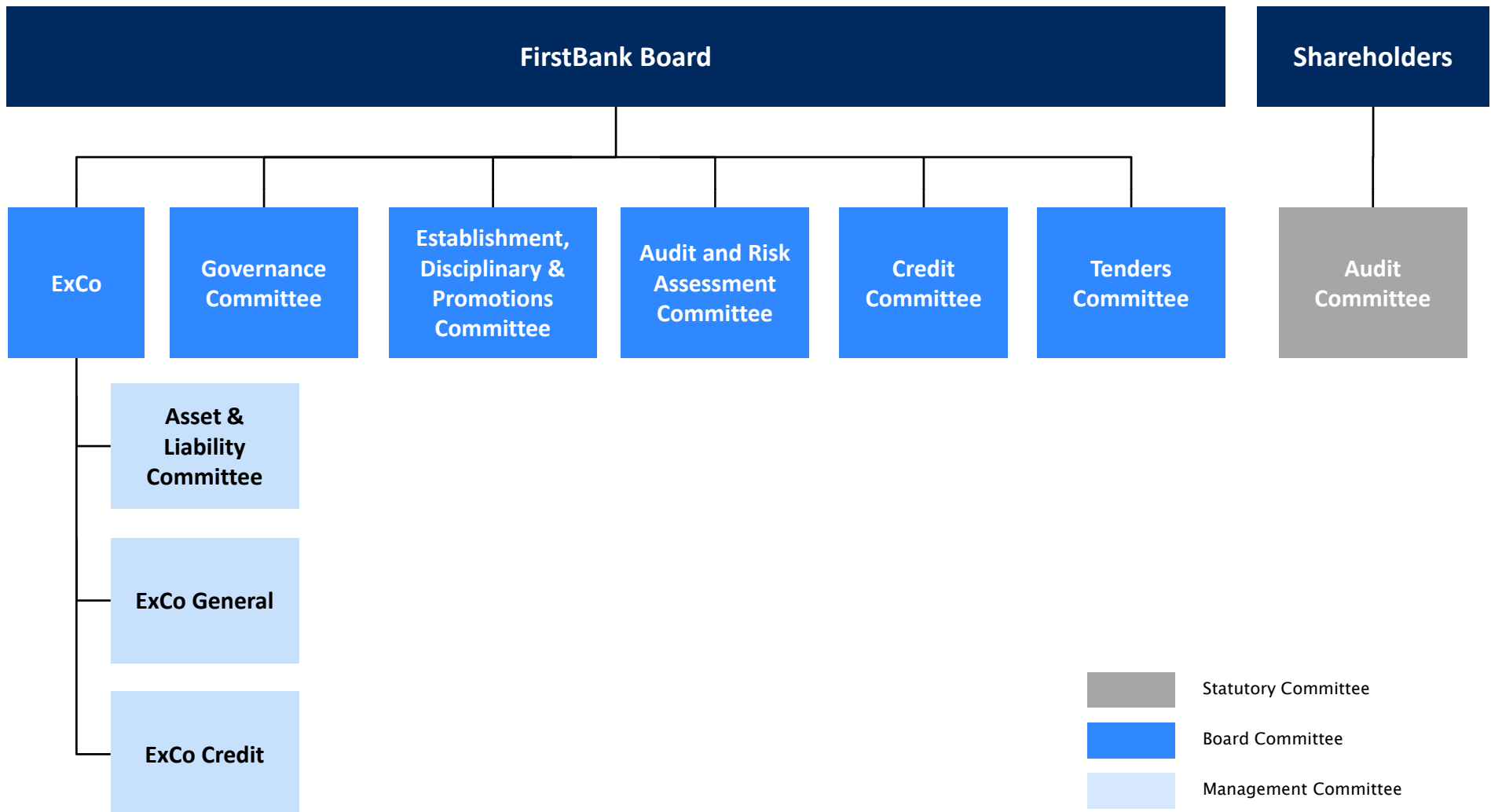


- The Bank's risk appetite is set by the Board of Directors annually, at a level that minimises erosion of earnings or capital due to avoidable losses in the banking and trading books or from frauds and operational inefficiencies
- The Bank strives to maintain a conservative balance between risk and revenue considerations
- The Bank's appetite for risk is governed by the following high-quality risk assets measured by the following three key performance indicators:
 - ratio of non-performing loans to total loans – target (among the top three banks);
 - ratio of loan loss expenses to interest revenue – target (among the top three banks)
 - ratio of loan loss provision to gross non performing loans – 2010 target (5%).
- The Risk Management Directorate coordinates the monitoring and reporting of all risks across the Bank
- Clear segregation of duties between market facing business units and risk management functions
 - Ensures separation of policy, monitoring, reporting and control functions from credit processing functions
- Group wide risk management as well as credit appraisals are also being strengthened
- Adoption of SAS risk management module to develop models and test and validate different business scenarios.
- Implementation of Basel 2 framework, which will be used to determine economic capital adequacy in line with best practices
- Creation of the specialised lending department
- Automation of portfolio reports to aid early detection of problem loans
- Enhanced training of market facing personnel to improve quality of loan pipeline

Corporate Governance



Corporate Governance Framework



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1	FirstBank Overview
2	Financial Review
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FirstBank aspires to be Sub-Saharan Africa's* leading financial services group (and is already the largest in SSA excluding South Africa)



Key Elements of FirstBank Group Aspiration

“Become Sub-Saharan Africa's* leading financial services group”

1. Be the undisputed leader in every business we choose to participate in
2. Significantly grow our franchise within and beyond our borders
3. Provide unparalleled and innovative service to our customers
4. Develop FirstBank into a hub for the best industry talent
5. Remain a bastion of ethical leadership and good corporate governance
6. Deliver superior shareholder returns

“Our paramount goal is to ensure that our institution achieves **pre-eminence in each of its businesses...** and to ensure sterling performance in **shareholder value growth**”
– Chairman

* Excluding South Africa

From

First = “The Oldest, Largest”

1894	First Bank founded as Bank of British West Africa (BBWA)
1957	BBWA rebranded Bank of West Africa (BWA)
1966	BWA becomes Standard Bank of West Africa post-merger, then Standard Bank of Nigeria ('69)
1979	Standard Bank of Nigeria becomes First Bank of Nigeria
2009	FirstBank is the largest bank in Nigeria and leader several non-bank financial services segments

To

First = “The Leader, The Best”

Shareholders	#1	in total returns to shareholders
Customers	#1	in service levels & value to customers
Employees	#1	in desirability to work for
Regulators	#1	in compliance and good governance
The Public	#1	in positive impact on society

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 (610 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 TRANSFORMING to meet present and future challenges

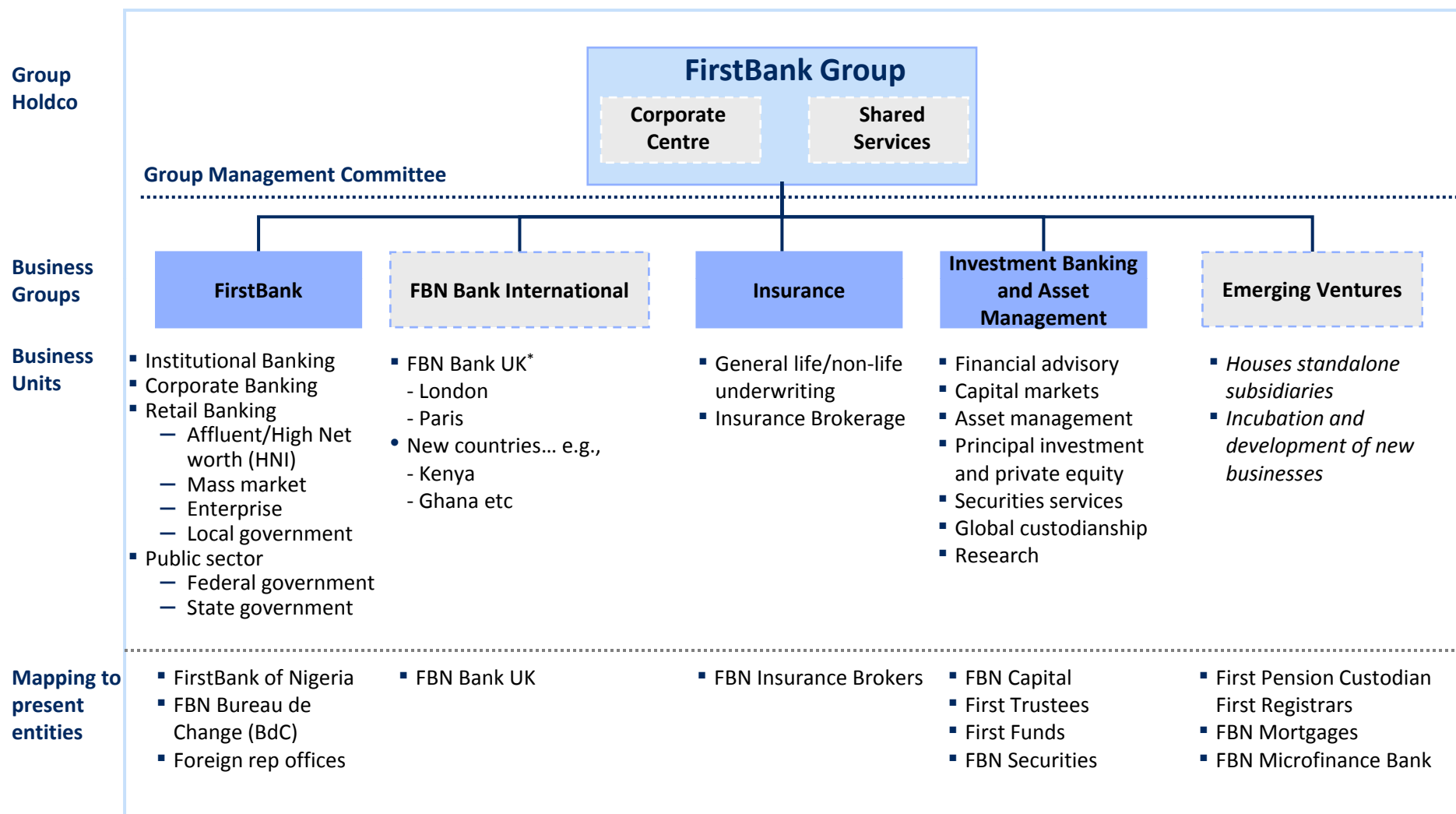
We are restructuring at a group level to enhance portfolio optimization, coordination and reduce risks and duplications across our businesses



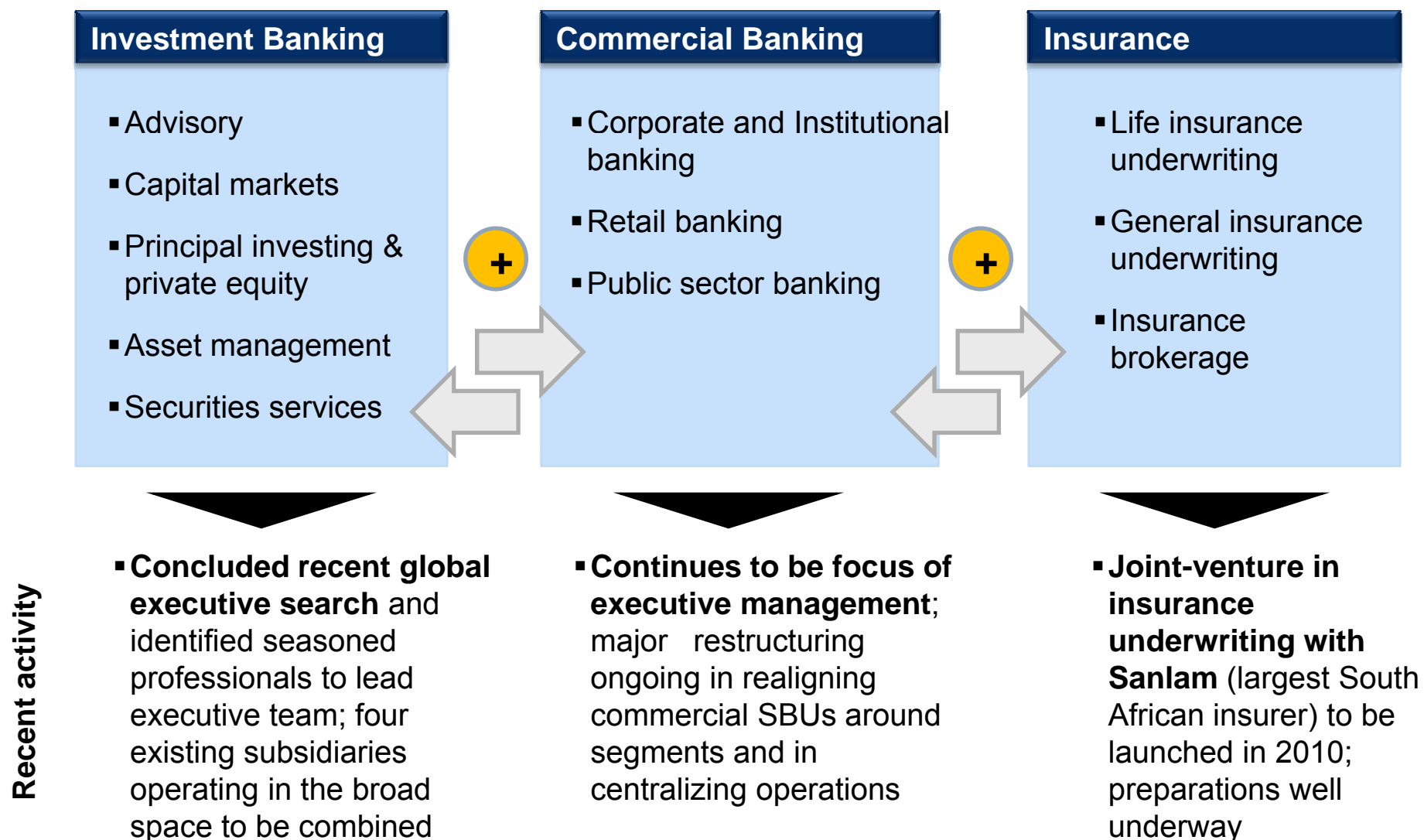
FirstBank Group operating structure

Operational division and legal standalone entity

Operational division but not legal standalone



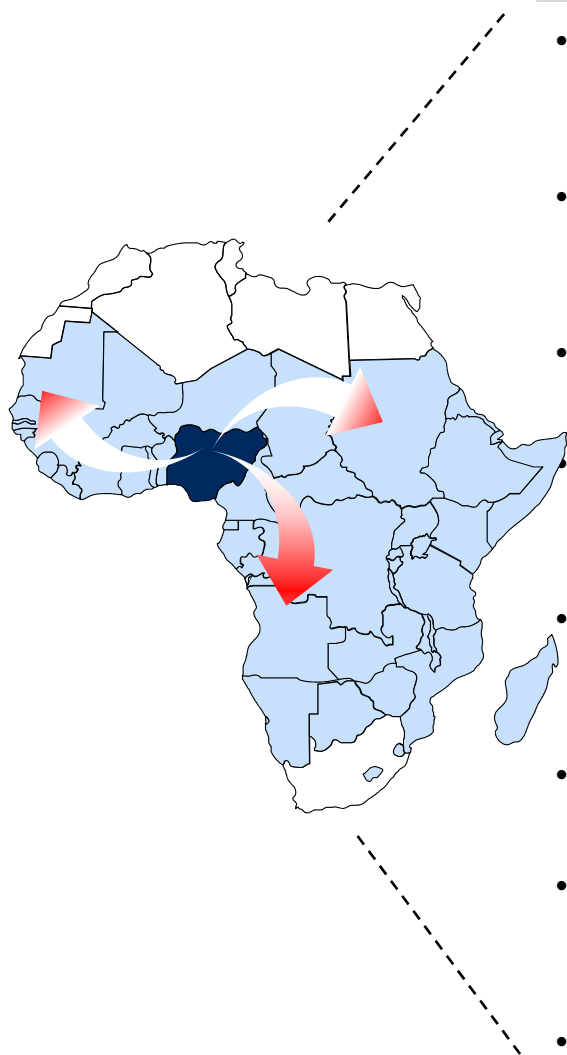
While banking remains our focus, we will refocus non-bank services around Investment Banking/Asset Mgt and Insurance; and exploit synergies across



We will pursue selective international expansion in priority SSA markets, driven by clear economic and investment rationale



Our Basic Beliefs on International Expansion



- **International expansion has certain benefits** – Creates growth options, smooths earnings, reduces country-specific risk, certain synergies/customer benefits
- **Expansion to any new country must be based on solid business case** – Economics and not ego must drive expansion; return on capital employed paramount
- **Not all countries are equal** – Profit pools and growth prospects are disproportionately concentrated in a few
- **No 'one size fits all' market entry approach** – Choice of entry mode must carefully balance competitive dynamics, regulatory posture, market characteristics etc
- **FirstBank must be viewed as a 'local' bank in any new nation** – Local equity and management participation will be encouraged and offerings adapted to each nation
- **A unified brand should be utilized** – A single international brand will be utilized across SSA, ex-Nigeria
- **Certain enablers are key** – Clear funding plan, capabilities and team in-house to support expansion, post-deployment monitoring system etc
- **International expansion is a long-term exercise** – Benefits will manifest over long-term and expansion programme will be reasonably paced

FirstBank Current International Locations



UK (*full-fledged FSA-regulated bank: FBN Bank UK*)



France (*Paris branch of FBN Bank UK*)



South Africa (*Joburg Rep Office*)



China (*Beijing rep Office*)



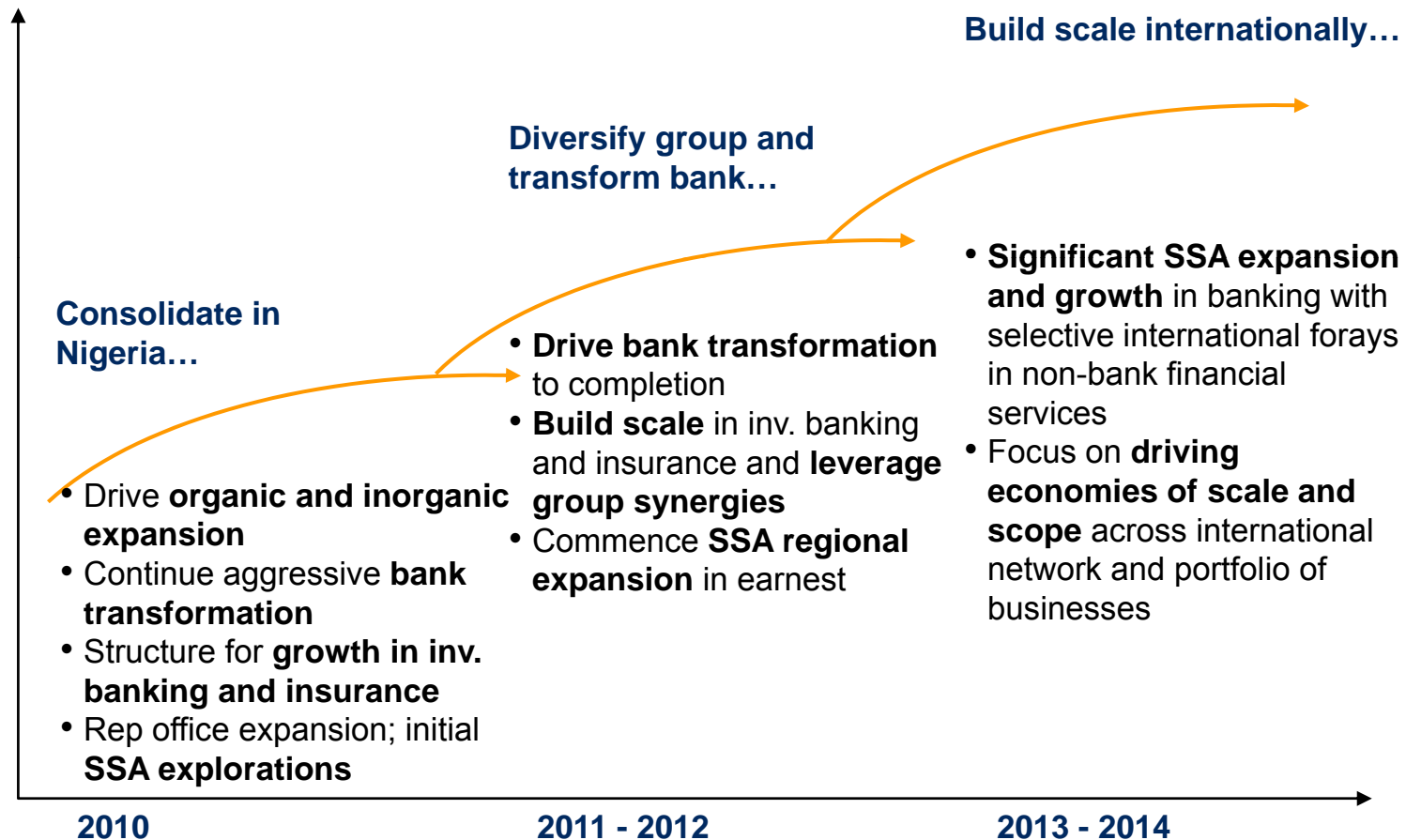
United Arab Emirates (*rep office application submitted/in process*)

* SSA for purposes here excludes South Africa

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



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

Attain full benefits of scale and scope by accelerating growth and diversification of assets, revenue and profits

2 SERVICE EXCELLENCE

Drive unparalleled service levels by developing world class institutional processes, systems & capabilities

3 PERFORMANCE MANAGEMENT

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

4 TALENT

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

1

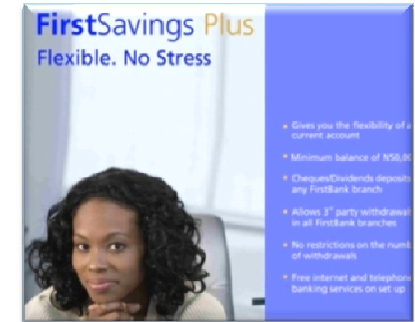
Profitable growth of the franchise is a major priority for us and we will utilize all key levers



Growth

Objective: Attain full benefits of scale and scope by accelerating growth & diversification of assets, revenue and profits

Targets: Key growth targets established around scale (market share), capital efficiency/profitability (ROE, ROA) and contribution of subsidiaries to revenue and profits



Priority Areas

- Driving profitable growth (managing for profit vs balance sheet size or volume)
- Deepening penetration in priority segments (e.g., affluent consumers, mid-corporates)
- Increasing FirstBank's appeal to the large and growing youth demographic
- Driving increased retail customer acquisition and cross-sell
- Enhancing competencies in key product growth areas (e.g., structured finance, consumer credit)
- Margin management (pricing, cost of funds)
- Exploring inorganic growth opportunities

Key Initiatives (non-exhaustive)

- Restructuring of bank with segment as primary organizing axis (geography secondary) to drive increased segment specialization
- Revenue growth initiatives (fee income and cross-sell ratio improvements, prudent lending growth, treasury yield optimization)
- Brand repositioning to lift customer consideration/acquisition in key segments
- Creating further-differentiated value propositions and sales/service models by segment
- Structured inorganic growth explorations

2

We are overhauling our fundamental 'operating system' to improve service delivery while managing costs and risk for the bank



Service/ Operational Excellence*

Objective: Drive unparalleled service levels by developing world class institutional processes, systems & capabilities

Targets: Key targets established around industry customer satisfaction ratings, cost/income ratio, risk-related metrics



Priority Areas

- Service level and customer satisfaction improvements
 - Minimizing transaction time and improving turnarounds (e.g., loans)
 - Reducing error rates & ensuring quicker complaint resolution
- Managing key costs items/expenditure
- Credit risk management framework and process enhancements

Key Initiatives (non-exhaustive)

- Launched "FirstContact" – best in class 24/7 interactive customer service centre
- Launched dedicated centralized processing centre supporting branches
- Branch transformation – holistic redesign of branch to optimize customer experience
- Branch manning optimization to align capacity with demand across branches
- Channel optimization and migration initiatives – aggressive migration of mass retail transactions to electronic channels
- Credit processing/CRM initiatives – improving credit decisions, capabilities, and processes across loan lifecycle

* Including credit analysis/processing and credit risk management

3

We are creating a performance culture with a recently-deployed performance management system at its heart



Performance Management

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



Priority Areas

- Tailoring and redefining BU and individual scorecards to align with new bank organizational structure
- Adjusting scorecard weightings to drive desired behaviors (e.g., profit vs volume)
- Cascading use of individuals scorecards throughout back-office functions
- Expanding palette of metrics tracked to capture other key data (e.g., customer perceptions by branch, alternate channel performance metrics etc)
- Enhancing underlying management information systems to improve breadth, flexibility, and accuracy of reports (e.g., product, channel, branch profitability)

Key Initiatives (non-exhaustive)

- Deployed comprehensive performance management system for market-facing units covering over 500 sales staff with dramatic positive results
- Quarterly and monthly performance dialogues held with public rewards and consequences delivered
- Extending balanced scorecard usage to back-office/support functions
- Instituted 'mystery shopping' process at branches with hidden video recorder; results publicly viewed and consequences/praise meted out
- Scorecards being redesigned for new structure with MIS being upgraded

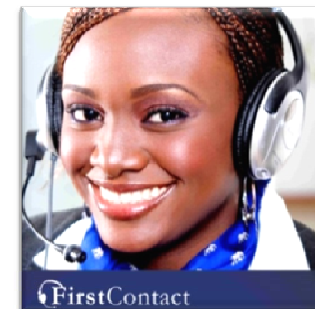
4

We are taking steps towards developing FirstBank into a hub for leading industry talent



Talent

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



Priority Areas

- Identifying and meeting critical capability gaps for present and future growth requirements
- Ensuring compensation is competitive and appropriate to strategy vis a vis market
- Improving return on training investments and upgrading in-house programs to meet tomorrow's challenges
- Enhancing appraisal systems to increasingly objectively discriminate between high/low performers
- Instituting structured approach to manpower planning

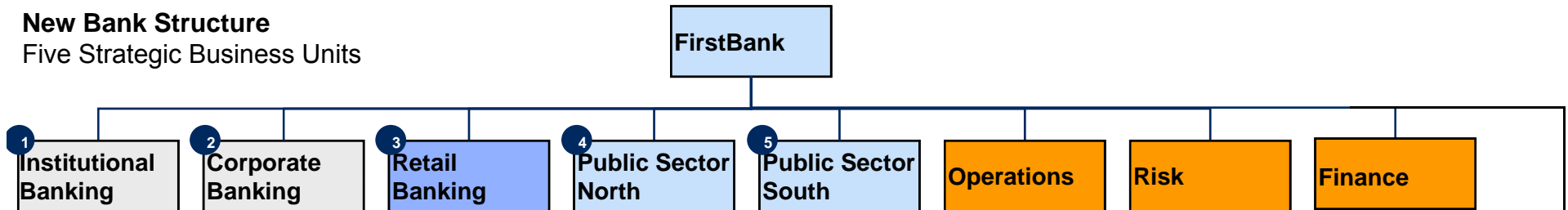
Key Initiatives (non-exhaustive)

- Staff capability building initiatives in key areas via formal in-house training (FirstAcademy) and external programmes
- Targeted senior management hires in past year to bring in specialized skills
- Recruitment innovations – competency-based recruitments, psychometric testing etc
- Individual appraisal system review and enhancements
- Workforce realignment – optimizing workforce distribution by function and formalizing profiles
- Culture change initiatives reinforce performance culture + service orientation

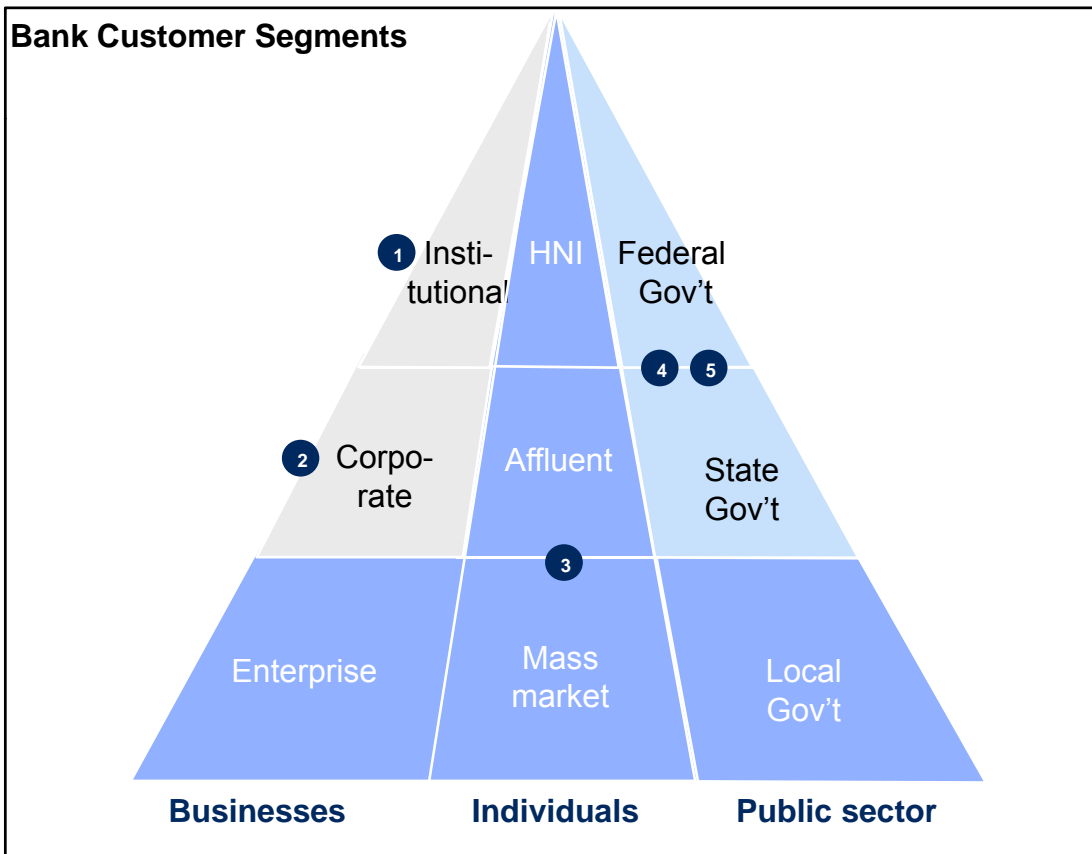
We are reorganizing the bank in order to drive deeper segment specialization and ensure competitiveness/consistency across all geographies



New Bank Structure Five Strategic Business Units



Bank Customer Segments



Company Secretary

Human Capital Mgt

Legal

Corporate Transformation

Internal audit*

Strategy & Corporate Development

Corporate Communications

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

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



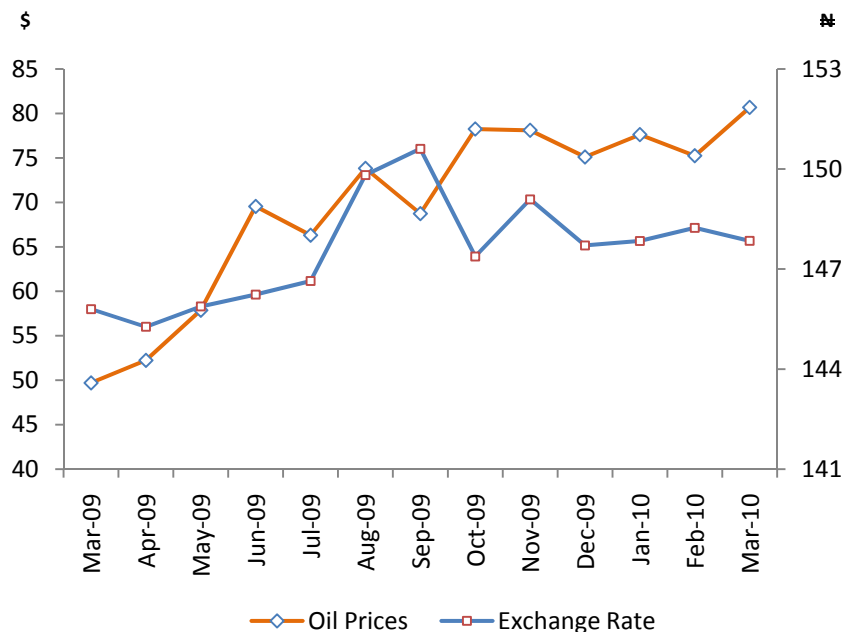
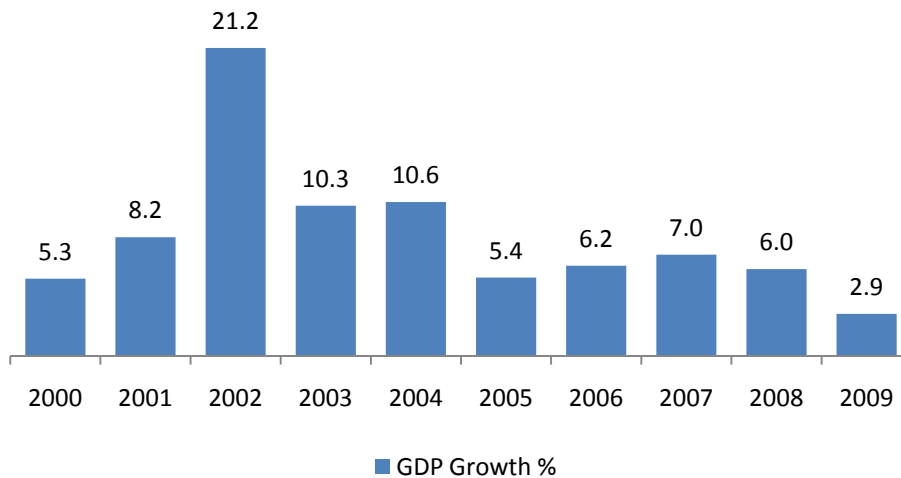
- FirstBank is the leading Nigerian bank and largest bank in Sub-Saharan Africa (SSA) outside of South Africa
- 2009 was a difficult year for the Nigerian banking industry as a whole but despite tough market conditions, the bank was able to continue on a healthy growth trajectory
- We believe that the worst of the asset quality issues are behind us but continue to proactively monitor and manage the loan portfolio
- 1st 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

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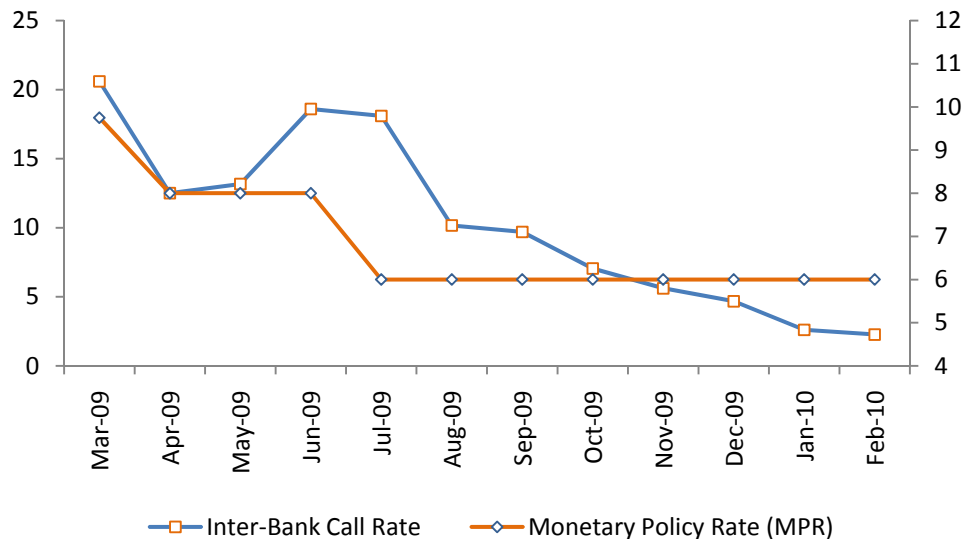
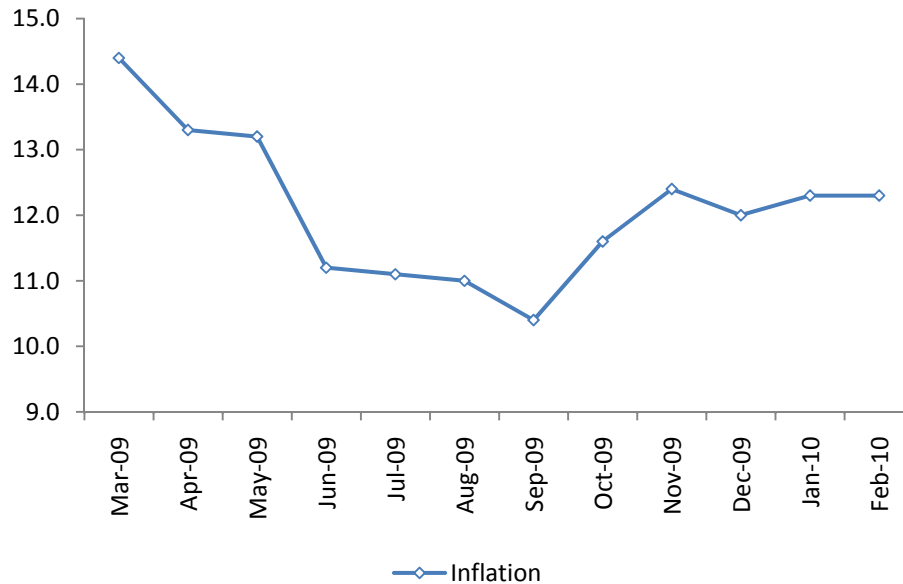
Improving macro economic indicators as oil prices rebound and exchange rates stabilise



Overview

- Vice President Goodluck Jonathan appointed Acting President due to prolonged illness and absence of President Umaru Yar'adua
- Federal Executive Council dissolved and new council sworn in by the acting president, few ministers retain position in new cabinet
- Presidential elections to hold in 2011
- Provisional data from the National Bureau of Statistics indicates that real GDP grew by 6.68% in the first quarter of 2010, driven largely by the non oil sector.
- Growth rates of 7.24%, 7.36% and 8.51% percent are projected for the remaining quarters of 2010 respectively
- Foreign exchange market remained relatively stable in the first three months of 2010 but likely to come under pressure
- Oil prices on the rise, production levels increasing due to Federal Government amnesty programme

Inflation rates on the rise while interest rates fall



Comments

- Year on year headline inflation up from 12% in Q4'09 to stabilize at 12.3% in January and February 2010
- Stability attributable to a number of factors, namely, continuing monetary contraction, delay in passage of 2010 federal budget and improvement in supply of petroleum products
- The low inter-bank rates is evidence of the surplus funds in the banking system that resulted from the huge volume of funds injected through fiscal operations.
- MPR remained stable at 6, with existing asymmetric corridor around the MPR at +1% and 5% for deposit and lending rates

Banking industry round up



- The Nigerian banking sector in 2009 was dominated by news of the CBN's audit of all the country's 24 banks.
- In August the new CBN governor announced the N400 billion (US\$2.5 billion) bailout for five Nigerian banks, also sacking and replacing top management in the affected banks
- The audit revealed extraordinarily high percentage of non performing loans
- In October the CBN injected an additional 200 billion (US\$1.3 billion) into four newly classed distressed banks
- There are a lot of rumours about possible mergers and acquisition activity within the sector. The CBN governor in an interview said four south African banks and a British bank have expressed stake in Nigeria's banks
- All banks required to have December year ends (starting Dec-09) and these accounts have to be published before end of March 2010
- A number of debt raising initiatives are on the cards in the sector. Not less than 15 banks have so far indicated interests to approach the bond market
- Nigeria highly underbanked, with the CBN stating that there are only 23 million bank accounts for a population of about 150 million
- All deposits guaranteed by the CBN until December 2010
- 10 year maximum tenure limit imposed by the CBN on bank chief executive officers
- Written approval required from the CBN for any investor who wishes to own more than 5% equity in a bank
- Excess liquidity in the sector due to stimulus being provided by the Federation Account Allocation Committee and the Excess Crude Account leading to reduced interest rates. This should improve lending in the economy as it cannot be profitable for banks to keep funds internally
- Possible new prudential guidance on NPL provisioning by the CBN – If enacted, will have the effect of reducing current provisioning levels in banks.

Speaker Photos



Bisi Onasanya

**Group Managing Director/Chief
Executive Officer**



Remi Odunlami

Chief Risk Officer



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Investor Relations Officer

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