

Annual Report & Accounts 1981

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NOTICE TO SHAREHOLDERS

Consequent upon the decision of your bank to realign its accounting year with that of the Federal Government two reports were produced in the year ended 31st December, 1980. The first, entitled 1980 Report and Accounts, covered the period to 31st March, 1980 and the second, entitled 1981 Report and Accounts, the 9 month period ending 31st December, 1980. Your bank is now publishing its accounts to 31st December, 1981., also styled 1981 Report and Accounts, and shareholders should note they will therefore be in possession of two reports captioned "1981 Report and Accounts". Future reports and accounts will then correspond to each accounting year.



THE GREEN REVOLUTION—COCOA:SAMPLING THE CROP

Highlights

HIGHLIGHTS		12 months to December 1981 ₹'million	9 months to December 1980 ₹'million
Assets	Total assets	2,642	2,611
Deposits	Total deposits	2,262	2,142
Advances	Total advances	1,339	1,039
Shareholders' funds	Capital and reserves	142	99
Trading profit	Before taxation	51	31
Earnings	After taxation	28	18
	per ordinary share (adjusted)	46.5k	29.4k
Dividends	Paid and proposed	11.0	10.8
	per ordinary share (adjusted)	18.0k	17.6k
Number of staff		8,049	6,966
Number of branches		158	148

Notice of meeting

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of members of **First Bank of Nigeria Limited** will be held at the Banquet Hall, Hotel Presidential, Aba Road, Port Harcourt on Thursday 29th April, 1982 at 11.30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive and consider the accounts for the year ended 31st December, 1981 together with the Directors' and Auditors' Reports thereon.
2. To declare a final dividend.
3. To re-elect Directors.
4. To approve the remuneration of the Directors.
5. To authorise the Directors to determine the remuneration of the Auditors.

SPECIAL BUSINESS

To consider and if thought fit to pass the following resolution which will be proposed as Ordinary Resolution:-

6. That the authorised share capital of the Company be increased from ₦125 million divided into 100 million ordinary shares of ₦1 each and 25 million preference shares of ₦1 each to ₦175 million by the creation of additional 50 million ordinary shares of ₦1 each to rank *pari passu* with the existing ordinary shares of the company in all respects.

BY ORDER OF THE BOARD,

F. O. ALABI,
Company Secretary.

11TH MARCH, 1982,
37 MARINA,
LAGOS.

Directors and Advisers

DIRECTORS

Patrick Oguejiofor Nwakoby

Alhaji Bashiru Hong

Samuel Oyewole Asabia

The Rt. Hon. Lord Barber, *T.D.*

Alhaji Abdullahi Bio Gera

Abubakar Ardo Dalil

Peter Alfred Graham *O.B.E.*

John Sneddon Davidson

Michael Douglas McWilliam

David Lindsay Millar *O.B.E.*

Andrew Ichukwu Obeya

George Chukwueloka Okonkwo

Olatunde Olashore

Simon Momo Onekututu *O.O.N.*

Peter William Weller

Chairman

Vice Chairman

Managing Director & Chief Executive

(British)

(British)

(British)

(British)

(British)

(British)

JOINT AUDITORS

Peat, Marwick, Ani, Ogunde & Co.,

Egunjobi, Sulaimon & Co.,

Chartered Accountants

REGISTRARS' OFFICE

Registrars' Department,

47, Marina, Lagos.

SECRETARY

F. O. Alabi

REGISTERED OFFICE

5th Floor, Unity House,

37, Marina, Lagos.

Chairman's Report



MR. P. O. NWAKOBY
Chairman:

I have pleasure in welcoming you once again to the Annual General Meeting of your bank and to present to you our Report and Accounts for the year ended 31st December, 1981, which, in spite of difficulties in the banking industry and in the economy generally, has been a year of successful operations for your company.

OPERATIONS PERFORMANCE

During the year we achieved a working profit of ₦50.7m which, after tax, amounted to ₦28.4m. This compares with ₦31m and ₦18m respectively for the previous nine month operational period. Viewed on a pro rata basis our performance was substantially better in 1981 than in the previous year. Gross earnings increased by 66% from ₦126.6m to ₦209.6m due to substantially increased earnings from interest and foreign exchange. As you will see from the accounts the cost of resources increased by 52% from ₦36.1m to ₦54.9m nonetheless net revenue amounted to ₦154.7m which is 71% higher than in the previous year.

Your bank continues to contend with increasing administrative and staff costs and during the year these increased from ₦59.6m 1980, to ₦104m absorbing 67.2% of revenue as against 65.8% in the previous operating period, thus the percentage increase in our net profits has not been commensurate with the increase in the gross earnings noted earlier.

The gradual but steady growth of the bank has been maintained and you will notice a further strengthened Balance Sheet. Deposit growth may be regarded as disappointing and we are concerned with this aspect, which is very much out of tune with our normal growth trend. With the largest number of branches in the country your bank has the greatest potential for mobilisation of deposits and we intend that this advantage will be fully exploited to the Bank's benefit in the future and steps are being taken so that the bank can resume its past growth trend in deposits.

During the year Loans and Advances grew by 29% from ₦1039m to ₦1339m and in spite of heavy demands for banking facilities from all sectors during the year your bank managed not only to keep within the credit expansion guideline but also to remain within the CBN sectoral credit allocation and to make an appropriate contribution to the realisation of government policy objectives by sustaining performance in the areas of special emphasis by Government. The sectoral allocations to agriculture and housing were fully met. Total loans and advances to Nigerian indigenous small businessmen was 88% as against the 80% stipulated by the credit guideline.

Our holding of quoted investments however decreased from ₦393m to ₦204m, while Bills discounted also declined from ₦637m to ₦470m both being indications of the stringent liquidity environment in which your bank had to operate during the year. However, encouragingly, total shareholders' funds grew from ₦99m to ₦142m with admission of a new Preference class of shareholders during the year. The equity shareholders interest also grew by 18% from ₦99m to ₦117m while the total assets of your bank grew by just 1.2% from ₦2611m to ₦2642m.

DIVIDENDS

As you are aware your Directors have already, on the basis of the half year accounts, approved and paid an interim dividend of 8 kobo per share. While desirous of providing a reasonable dividend yield to shareholders the Directors are of the view that there should be an accelerated

Chairman's Report

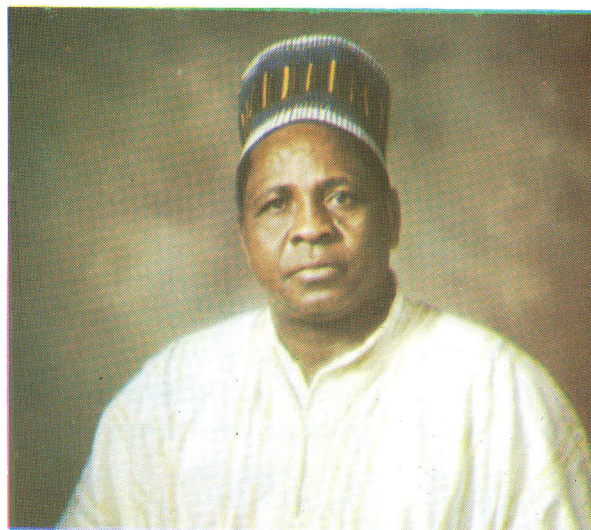
plough back of profits to encourage internal capital growth such that will allow your bank to take advantage of future opportunities for expansion within the framework of laid down capital adequacy requirements. As you will readily appreciate this will be in the long term interest of shareholders. The Directors therefore recommend a final dividend of 10 kobo per share giving an aggregate of 18 kobo per share for the year absorbing a total amount of ₦11.0m which is 38% of the after tax profits for the year.

Although the Dividend of 18 kobo per share is slightly below the 19.35k paid for last year the total amount of ₦11,004,432 paid out in dividends is higher than the amount paid out during the previous year due to our increased equity capital base resulting from the bonus issue made to shareholders in the previous year.

CAPITAL ADEQUACY

As noted in my report last year, your bank sought to raise additional capital in 1981 and an issue of ₦25,000,000 cumulative 9% preference shares which were offered to the public was fully subscribed, further demonstrating the confidence which you, our shareholders, and the public generally have in the strength — and the future — of First Bank of Nigeria Limited. Your bank was thus enabled to solve its immediate capital adequacy problems.

Encouragingly, the Central Bank of Nigeria subsequently eased the capital adequacy requirements ratio from 1:10 to 1:12, although our current tight lending position has not permitted us to take on as much new business as we would perhaps like this year. All the same the rate of expansion of your bank is such that we may at no distant date be calling upon you again to further subscribe to additional capital for your bank and it is my hope that when this is done we can, as usual, be assured of your support and demonstration of confidence. Your



ALHAJI BASHIRU Y. HONG
Vice Chairman:

management will, as earlier mentioned, continue to encourage internal growth by ensuring reasonable plough back of profits.

THE ECONOMY

1981 marked the take-off year of the 4th National Development Plan — 1981/85 for which government has planned and anticipated investment of ₦82 billion. The year started strongly with the trend of encouraging healthy economic indicators which began in 1980 continuing into 1981. However, this was not long lived as the world oil glut which started in the middle of the second quarter of 1981 demonstrated its impact on the Nigerian economy which is so heavily dependent on oil revenue. While imports continued unabated, at an average monthly rate of ₦1.2 billion, export earnings were drastically reduced, with the country's average daily production of oil falling from over 2 million barrels per day at the beginning of the year to about 0.7 million barrels per day during the third quarter of the year. The consequence of this was a balance of payments deficit of over ₦1.5 billion in 1981 as against a surplus of over ₦2.4 billion in 1980. Money supply declined in 1981 because of the high level of outflow of funds to the external sector, following the upsurge of imports and the decrease in exports.



Chairman's Report

accommodation for your bank. We regret to report two fire incidents affecting the building during the year - the first a minor one occurring in the building itself while the other, a very serious one, sadly completely gutted the Republic Building, adjacent to our premises. We have, however, been assured by experts that neither of the fires had serious effect on the building. We are advised by our Architects that some of the office floors will be ready for use by the end of 1982, while the banking floor will take a little longer to complete.

CONCLUSION

We welcome Mr. J. S. Davidson who joined your Board during the year and your bank will

benefit greatly by the wealth of experience which he brings with him. At the same time we thank Mr. H. J. Maltus, who retired during the year, for his invaluable contribution during his tenure of office.

Finally, I should thank our associates, the Standard Chartered Bank for their continuous support, and express appreciation to my Board, the Management and to all the staff of the bank who have contributed in no small measure in making the year 1981 a successful one.

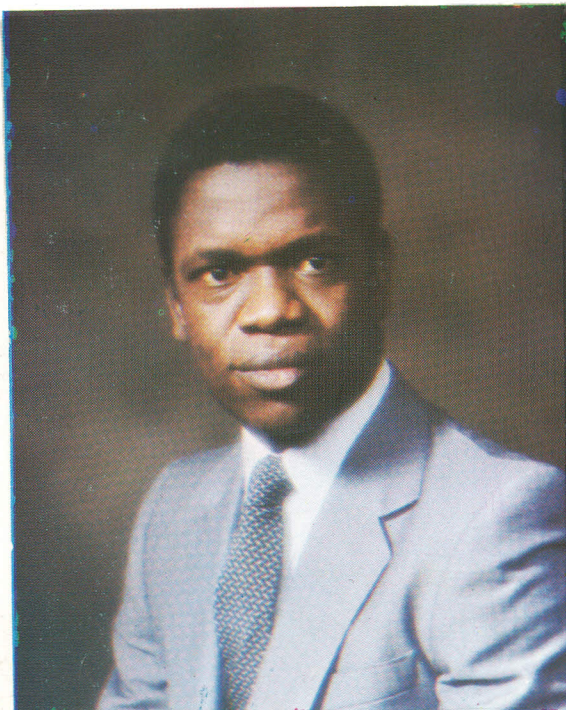


CHAIRMAN



THE GREEN REVOLUTION—RICE: THINNING THE SHOOTS

Meet Your



MR. A. A. DALIL
Executive Director (Up-country Operations)



MR. A. I. OBEYA
Executive Director (Lagos Operations)



MR. G. C. OKONKWO
Executive Director (Administration)



MR. P. W. WELLER
Executive Director (Finance)

Directors



THE RT. HON. LORD BARBER T.D.
Director



MR. S. M. ONEKUTU, O.O.N.
Director



MR. P. A. GRAHAM, O.B.E.
Director



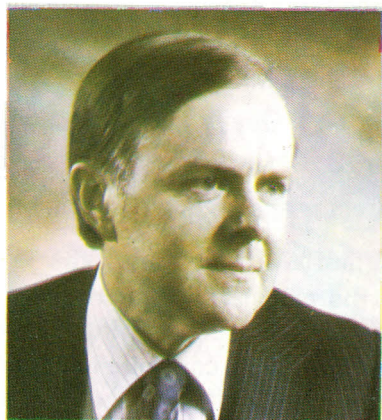
MR. O. OLASHORE
Director



MR. D. L. MILLAR, O.B.E.
Director



ALHAJI ABDULLAHI BIO GERA
Director



MR. M. D. MCWILLIAM
Director



MR. J. S. DAVIDSON
Director

Report of the Directors

The directors have pleasure in submitting to the members their report and the accounts of the company for the year ended 31st December, 1981.

Activities

The company engages in the business of commercial banking in Nigeria.

Profit

	#'000	#'000
Profit for the year after taxation was		28,402
Deduct: Appropriations:-		
Transfer to:		
Statutory reserve	7,200	
General reserve	1,125	
Preference shares redemption sinking fund	<u>1,250</u>	
		9,575
		18,827
Dividends:		
Interim paid at 8k per share	4,891	
Final proposed at 10k per share	<u>6,113</u>	
		11,004
Year's profit retained		7,823
Unappropriated profit brought forward		<u>3,742</u>
Unappropriated profit carried forward		<u>11,565</u>

Dividends are subject to withholding tax.

Directors:

The following directors retire from Board for the reasons stated, and being eligible, offer themselves for re-election.

Appointed since last annual general Meeting:-

— Mr. J. S. Davidson

Retiring by rotation:

— Alhaji Bashiru Hong

— The Rt. Hon. Lord Barber

— Mr. D. L. Millar

— Mr. A. I. Obeya

— Mr. G. C. Okonkwo

Mr. H. J. Maltus has resigned as a director and he is not seeking re-election.

Auditors:

Messrs. Peat, Marwick, Cassleton Elliott & Co., one of the joint auditors, informed the company during the year of the change of their name to Peat, Marwick, Ani, Ogunde & Co., and have, together with the other joint auditors, Messrs. Egunjobi, Sulaimon & Co., indicated their willingness to continue in office. A resolution will be proposed at the annual general meeting to authorise the directors to determine their remuneration.

BY ORDER OF THE BOARD

F. O. ALABI
Secretary

Balance Sheet

BALANCE SHEET AS AT 31ST DECEMBER, 1981

			1981 #'000	1980 #'000
Assets		<i>Note</i>		
	Cash and short term funds	1	245,293	271,541
	Bills discounted	2	509,799	663,926
	Investments	3	205,029	392,976
	Loans and advances	4	1,339,420	1,039,239
	Fixed assets	5	61,909	47,584
	Other assets		<u>280,097</u>	<u>195,621</u>
Total assets			<u>2,641,547</u>	<u>2,610,887</u>
	Less:			
Liabilities				
	Deposits	6	2,262,066	2,141,980
	Taxation	7	22,881	5,317
	Dividends payable		6,113	10,754
	Other liabilities		<u>208,711</u>	<u>353,458</u>
			<u>2,499,771</u>	<u>2,511,509</u>
Net assets			<u>141,776</u>	<u>99,378</u>
	Share capital	8	86,136	55,578
	Share premium	9	—	1,158
	Statutory reserve	10	41,700	34,500
	Preference shares redemption sinking fund	11	1,250	—
	General reserve	12	1,125	4,400
	Profit and loss account	13	<u>11,565</u>	<u>3,742</u>
Shareholders' funds			<u>141,776</u>	<u>99,378</u>
	Confirmed credits and other engagements on behalf of customers and customers' liability therefor		<u>306,300</u>	<u>247,573</u>

P. O. NWAKOBY

Chairman

S. O. ASABIA

Managing Director & Chief Executive

P. W. WELLER

Director

P. H. J. SPIERS

Financial Controller

The relevant notes on pages 18 to 24 form part of this balance sheet.

Profit and Loss Account

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1981

			1981 # '000	9 months to 31st Dec. 1980 # '000
Income		<i>Note</i>		
	Gross earnings	14	209,598	126,633
	Interest paid	15	54,884	36,068
			154,714	90,565
Expenditure	Overheads	16	104,010	59,558
Trading profit before taxation			50,704	31,007
	Taxation	17	22,302	13,040
Net profit after taxation			28,402	17,967
			<u> </u>	<u> </u>
	Applied as follows:-			
Appropriations	Transfer to statutory reserve		7,200	4,500
	Transfer to preference shares redemption sinking fund		1,250	—
	Transfer to general reserve		1,125	1,130
	Dividends	18	11,004	10,754
			20,579	16,384
Retained Profit:	Year's profit retained	13	7,823	1,583
			28,402	17,967
			<u> </u>	<u> </u>

The relevant notes on pages 18 to 24 form part of this profit and loss account.

Source and Application of Funds

SOURCE OF FUNDS FROM OPERATIONS	December 1981 ₹'000	December 1980 ₹'000	March 1980 ₹'000	March 1979 ₹'000	March 1978 ₹'000
Increase/(decrease) in customers' deposits	120,086	449,622	475,165	(12,034)	154,117
Profit before taxation	50,704	31,007	39,117	40,613	34,715
Proceeds of sales of fixed assets	132	148	143	171	194
Adjustments of items not involving the movement of funds:					
Depreciation	4,131	1,934	2,307	1,859	1,457
(Profit)/loss on sale of fixed assets	(70)	11	—	(64)	(78)
	174,983	482,722	516,732	30,545	190,405
FROM OTHER SOURCES					
Proceeds of the issue of preference shares	25,000	3,474	11,366	—	—
	199,983	486,196	528,098	30,545	190,405
LESS APPLICATION OF FUNDS					
Increase in loans and advances	300,181	299,933	48,278	143,801	168,503
Taxation paid	4,737	15,785	16,901	32,849	8,627
Dividends paid	15,645	6,021	6,710	2,588	2,636
Purchase of fixed assets	18,519	10,787	11,456	9,611	4,276
Increase/(decrease) in investments	(187,947)	177,790	114,690	(2,500)	46,186
Increase/(decrease) in other assets	84,476	72,028	63,489	13,902	(4,564)
(Increase)/decrease in other liabilities	144,747	(63,737)	70,185	(158,063)	(55,597)
	380,358	518,607	331,709	42,188	170,067
	(180,375)	(32,411)	196,389	(11,643)	20,338
INCREASE/(DECREASE) IN LIQUID ASSETS					
Cash	21,395	27,009	23,253	(21,492)	17,237
Balances with other banks	(47,643)	83,145	(96,432)	43,582	18,436
Stabilisation securities	—	—	(116,571)	56,022	35,921
Bankers unit fund	—	—	—	(118,462)	98,861
Certificates of deposit	8,000	6,500	(14,750)	15,900	10,000
Bills discounted	(162,127)	(149,065)	400,889	12,807	(160,117)
	(180,375)	(32,411)	196,389	(11,643)	20,338

Notes on the Accounts

		1981 #'000	1980 #'000
Loans and advances	4. Secured against real estate	212,937	94,215
	Otherwise secured	955,292	818,415
	Unsecured	213,291	160,902
		<u>1,381,520</u>	<u>1,073,532</u>
	Less: Provision for doubtful accounts	<u>42,100</u>	<u>34,293</u>
		<u>1,339,420</u>	<u>1,039,239</u>

Fixed assets

5. (i)

	Land and buildings # '000	Equipment # '000	Total # '000
Cost:			
Balance at 1st January, 1981	39,355	19,648	59,003
Additions	12,366	6,153	18,519
Disposals	—	(389)	(389)
	<u>51,721</u>	<u>25,412</u>	<u>77,133</u>
Less:			
Accumulated depreciation	<u>5,261</u>	<u>9,963</u>	<u>15,224</u>
Net book value			
31st December, 1981	<u>46,460</u>	<u>15,449</u>	<u>61,909</u>
Net book value			
31st December, 1980	<u>34,984</u>	<u>12,600</u>	<u>47,584</u>

(ii) Included in the cost of land and buildings is ₦26,386,695 in respect of the freehold at 35, Marina, Lagos. This freehold is being redeveloped and, in accordance with generally accepted practice, costs of construction and demolition incurred prior to the redevelopment amounting to ₦950,489 are being carried forward. Expenditure on redevelopment to date amounts to ₦25,436,206.

(iii) Depreciation is provided on the bases set out in accounting policy 5.

Notes on the Accounts

		1981 #'000	1980 #'000
Deposits, current and other accounts	6. Demand	1,045,516	1,151,711
	Savings	476,335	385,365
	Time	529,346	474,264
		<u>2,051,197</u>	<u>2,011,340</u>
	Due to other banks:		
	In Nigeria	1,025	—
	Outside Nigeria	—	—
	Foreign transfers payable	209,844	130,640
		<u>2,262,066</u>	<u>2,141,980</u>
Taxation	7. Company taxation		
	1982 assessment (refer Note 17)	21,945	13,040
	Less: paid on account	—	8,302
		<u>21,945</u>	<u>4,738</u>
	Special levy 1982	357	—
	Prior years' balance	579	579
		<u>22,881</u>	<u>5,317</u>
Share capital	8. (i) Authorised	Ordinary shares of #1 each # '000	Preference shares of #1 each # '000
	As at 1st January, 1981	70,000	—
	Increase in year	30,000	25,000
		<u>100,000</u>	<u>25,000</u>
<p>The increase in ordinary shares made on 30th April, 1981 rank <i>pari passu</i> in all respects with the existing ordinary shares of the company.</p> <p>Preference share capital was created by an extra-ordinary general meeting of the bank held on 18th August, 1981.</p>			
	(ii) Issued and fully paid	1981 # '000	1980 # '000
	61,135,731 ordinary shares of #1 each	61,136	55,578
	25,000,000 9% cumulative redeemable preference shares	25,000	—
		<u>86,136</u>	<u>55,578</u>

Notes on the Accounts

₦25,000,000 9% preference shares of ₦1 each were issued and fully taken up during the year. The shares have rights to cumulative dividends and are redeemable by 31st December, 1991.

A bonus issue of one ordinary share of ₦1 each for every ten ordinary shares of ₦1 each previously held, was made to existing members on 30th April, 1981 thereby increasing the issued capital by ₦5,557,794. The issue was satisfied by the application of the sum of ₦1,157,874 on the share premium account and ₦4,339,920 on the general reserve account.

Share premium	9.	1981 ₦'000	1980 ₦'000
	Balance at 1st January, 1981	1,158	4,033
	Applied in issuing bonus shares (Note 8)	(1,158)	(4,033)
	Arising from the issue of shares to members of staff	—	1,158
		<u>—</u>	<u>1,158</u>
Statutory reserve	10. Balance at 1st January, 1981	34,500	30,000
	Appropriations from profit and loss account:		
	Statutory	7,100	4,492
	Additional	100	8
		<u>41,700</u>	<u>34,500</u>
Preference shares redemption sinking fund	11. Transfer from profit and loss account	<u>1,250</u>	<u>—</u>

Provision for redemption of the preference shares is to be made by ten equal instalments appropriated from the profit of the company to provide for the total fund of ₦25 million required to redeem the shares by 31st December, 1991. Amount provided in these accounts represents the proportion applicable for the half year to 31st December, 1981.

Notes on the Accounts

		1981 #'000	1980 #'000
General reserve	12. Balance at 1st January, 1981	4,400	8,500
	Appropriations from profit and loss account	1,125	1,130
	Applied in issuing bonus shares (Note 8)	(4,400)	(5,230)
		<u>1,125</u>	<u>4,400</u>
		<u>12 months</u> to 31st Dec. 1981 #'000	<u>9 months</u> to 31st Dec. 1980 #'000
Profit and loss account	13. Balance brought forward	3,742	1,583
	Year's profit retained	7,823	2,159
		<u>11,565</u>	<u>3,742</u>
Gross earnings	14. Interest on advances	106,930	56,510
	Commission and bills charges	51,189	31,512
	Foreign exchange	7,910	2,572
	Dividend from quoted investments	17,157	10,998
	Income from Treasury bills and certificate	24,356	23,809
	Interest on deposits	1,977	1,229
	Others	79	3
		<u>209,598</u>	<u>126,633</u>
Interest paid	15. Interest paid comprises:		
	Other banks in Nigeria	431	—
	Customers	54,453	36,068
		<u>54,884</u>	<u>36,068</u>
Overheads	16. (i) Charges and expenses	91,868	53,865
	Bad and doubtful debts	8,011	3,759
	Depreciation	4,131	1,934
		<u>104,010</u>	<u>59,558</u>
	(ii) Charges and expenses as stated above include the following:-		
	Auditors remuneration	80	60
	Directors emoluments:		
	Fees	59	32
	Other emoluments	306	205
	(Profit) /loss on disposal of fixed assets	<u>(70)</u>	<u>11</u>

Notes on the Accounts

Taxation

17. (i) Company taxation 1982	1981	1980
Based on profits of the year	₦'000	₦'000
Income tax	21,945	13,040
Special levy	357	—
	<u>22,302</u>	<u>13,040</u>

(ii) The charge for taxation has been computed in accordance with the existing provisions of Companies Income Tax Act, 1979 with no regard to the proposed amendments to the Act now before the National Assembly.

(iii) On the basis of these accounts, the contingent liability to deferred tax at 45% on the excess of net book value of qualifying fixed assets over their corresponding written down value for taxation purposes amounts to approximately ₦7.6 million. No provision has been made for this in these accounts.

Dividends

18. Interim paid — 8k per share (1980 — 4.8k Adjusted)	1981 ₦'000	1980 ₦'000
	4,891	2,918
Final proposed — 10k per share (1980 — 12.8k Adjusted)	6,113	7,836
	<u>11,004</u>	<u>10,754</u>

Total dividends declared for the year is within the maximum limit of 60% of after tax profit as allowed by current Government regulations on dividends. Withholding tax is deductible at the time of payment.

Capital commitments

19. Capital expenditure authorised by the directors but not provided for in these accounts are as follows:-	1981 ₦'000	1980 ₦'000
Contracted	7,491	14,882
Not contracted	<u>10,249</u>	<u>2,308</u>

Net external assets

20. The bank's net external assets amount to	<u>88</u>	<u>37</u>
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Report of the Joint Auditors

REPORT OF THE JOINT AUDITORS TO THE MEMBERS OF FIRST BANK OF NIGERIA LIMITED

We have examined the financial statements set out on page 15 to 24 and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept at head office and at each of the branches, in such a form as to explain and give a true and fair view of all transactions. We have examined the books at head office and have received proper returns, adequate for our audit, from branches not visited by us.

During the period covered by these accounts, the bank was in contravention of a certain section of the Banking Act, 1969. This has been reported to the Central Bank of Nigeria and has since been rectified.

In our opinion, the assets have been properly valued and adequate provision has been made for any losses or diminution in the value thereof. We have prepared the analysis of doubtful advances according to the 5th schedule, Banking Act, 1969.

To the best of our knowledge and belief the company complied with the guidelines of the Productivity, Prices and Incomes Board during the period covered by these accounts.

In our opinion, to the best of our information and having regard to the explanations given to us, the financial statements which have been prepared under historical cost convention are in agreement with the books of account and in conjunction with notes 1 to 20 give the information required by the 3rd Schedule, Banking Act, 1969, in the manner so required and give a true and fair view of the state of the company's financial affairs at 31st December, 1981 and of the profit and source and application of funds for the year to that day.

PEAT, MARWICK, ANI, OGUNDE & CO.,
EGUNJOBI, SULAIMON & CO.,
CHARTERED ACCOUNTANTS.

11TH MARCH, 1982

LAGOS, NIGERIA.

Allocation of Income

ALLOCATION OF INCOME

	12 months to December 1981 ₦'000		9 months to December 1980 ₦'000		12 months to March 1980 ₦'000		1979 ₦'000		1978 ₦'000	
RECEIVED		%		%		%		%		%
Net revenue after interest paid	<u>154,714</u>	<u>100</u>	<u>90,565</u>	<u>100</u>	<u>96,859</u>	<u>100</u>	<u>87,359</u>	<u>100</u>	<u>73,055</u>	<u>100</u>
SPENT AND ALLOCATED										
Wages, salaries and other staff costs	64,459	42	37,301	41	34,352	36	26,842	31	20,562	28
Materials and services	27,409	18	16,564	19	14,766	15	10,002	11	6,622	9
Bad and doubtful debts	8,011	5	3,759	4	6,317	7	8,043	9	9,699	13
Depreciation of fixed assets	<u>4,131</u>	<u>2</u>	<u>1,934</u>	<u>2</u>	<u>2,307</u>	<u>2</u>	<u>1,859</u>	<u>2</u>	<u>1,457</u>	<u>2</u>
	104,010	67	59,558	66	57,742	60	46,746	53	38,340	52
Taxation	<u>22,302</u>	<u>15</u>	<u>13,040</u>	<u>14</u>	<u>17,951</u>	<u>18</u>	<u>20,007</u>	<u>23</u>	<u>17,700</u>	<u>24</u>
	126,312	82	72,598	80	75,693	78	66,753	76	56,040	76
Re-investment in the business	<u>17,398</u>	<u>11</u>	<u>7,213</u>	<u>8</u>	<u>12,835</u>	<u>13</u>	<u>14,666</u>	<u>17</u>	<u>14,239</u>	<u>20</u>
	143,710	93	79,811	88	88,528	91	81,419	93	70,279	96
Dividends to shareholders	<u>11,004</u>	<u>7</u>	<u>10,754</u>	<u>12</u>	<u>8,331</u>	<u>9</u>	<u>5,940</u>	<u>7</u>	<u>2,776</u>	<u>4</u>
	<u>154,714</u>	<u>100</u>	<u>90,565</u>	<u>100</u>	<u>96,859</u>	<u>100</u>	<u>87,359</u>	<u>100</u>	<u>73,055</u>	<u>100</u>

Five Year Record

YEAR ENDED 31ST		December 1981 #'000	December 1980 #'000	March 1980 #'000	March 1979 #'000	March 1978 #'000
Assets	Cash, short term funds and bills discounted	755,092	935,467	967,877	771,488	783,131
	Investments	205,029	392,976	215,186	100,496	102,996
	Loans and advances	1,339,420	1,039,239	739,306	691,028	547,227
	Fixed assets	61,909	47,584	38,891	29,885	22,240
	Other assets	280,097	195,621	123,593	60,104	46,202
	Total assets	<u>2,641,547</u>	<u>2,610,887</u>	<u>2,084,853</u>	<u>1,653,001</u>	<u>1,501,796</u>
Less:						
Liabilities	Deposits	2,262,066	2,141,980	1,692,358	1,217,193	1,229,227
	Taxation	22,881	5,317	8,062	7,012	17,700
	Dividends	6,113	10,754	6,021	4,400	1,048
	Other liabilities	208,711	353,458	289,721	359,906	201,843
		<u>2,499,771</u>	<u>2,511,509</u>	<u>1,996,162</u>	<u>1,588,511</u>	<u>1,449,818</u>
Shareholders' funds		<u>141,776</u>	<u>99,378</u>	<u>88,691</u>	<u>64,490</u>	<u>51,978</u>
Gross earnings		209,598	126,633	129,445	111,203	85,687
Net profit before taxation		50,704	31,007	39,117	40,613	34,715
Net profit after taxation		28,402	17,967	21,166	20,606	17,015
Dividends to shareholders		11,004	10,754	8,331	5,940	2,776
Return on shareholders' funds		20%	18%	24%	32%	33%
Earnings per share (adjusted)		46.5k	29.4k	34.6k	33.7k	27.8k
Dividends per share (adjusted)		18.0k	17.6k	13.6k	9.7k	4.5k

Statistics

SHAREHOLDINGS

The ordinary shares of the company are held as follows:-

	1981 ₦	%	1980 ₦	%
Ministry of Finance Incorporated	27,362,999	44.8	24,875,476	44.8
The Standard Bank Limited, London	23,231,577	38.0	21,119,637	38.0
Nigerian Public	10,541,161	17.2	9,582,824	17.2
	<u>61,135,737</u>	<u>100.0</u>	<u>55,577,937</u>	<u>100.0</u>

The preference share capital of 25,000,000 shares of ₦1 each is wholly held by Nigerian Public.

At 31st December, 1981 and 11th March, 1982 no shareholder other than as noted above held more than 10% of the Issued Share Capital of the company.

DIRECTORS INTERESTS

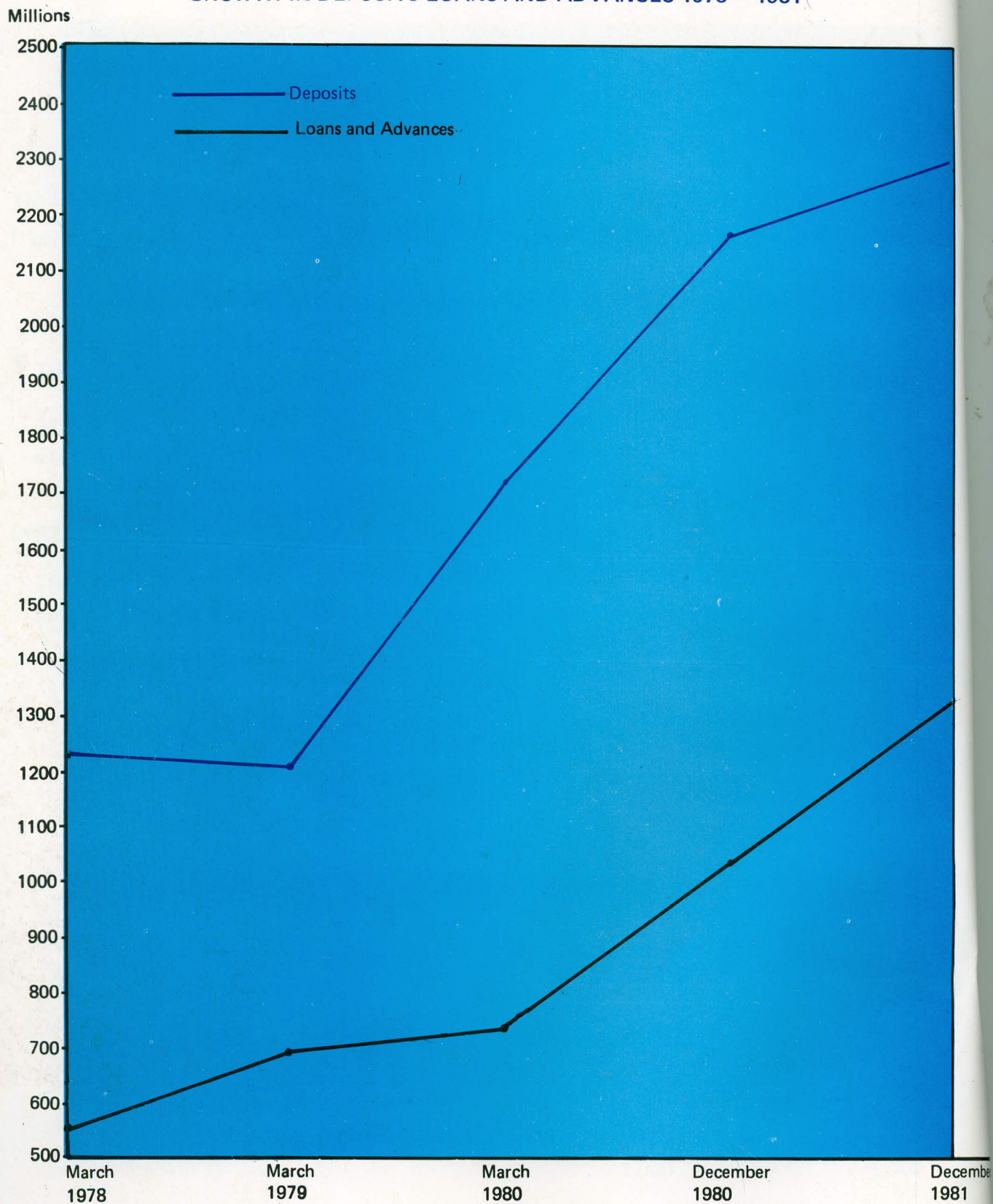
The directors' beneficial interests in the shares of the company at the dates shown below are as follows:-

1. Ordinary shares	Number of ₦1 shares	
	11th March 1982	31st December 1981
Alhaji Bashiru Yahaya Hong	146	146
Samuel Oyewole Asabia	7,603	7,603
George Chukwueloka Okonkwo	1,320	1,320
Andrew Ichukwu Obeya	3,960	3,960
Olatunde Olashore	198	198
Abubakar Ardo Dalil	795	795
2. Preference shares		
Samuel Oyewole Asabia	5,000	5,000
Olatunde Olashore	1,000	1,000



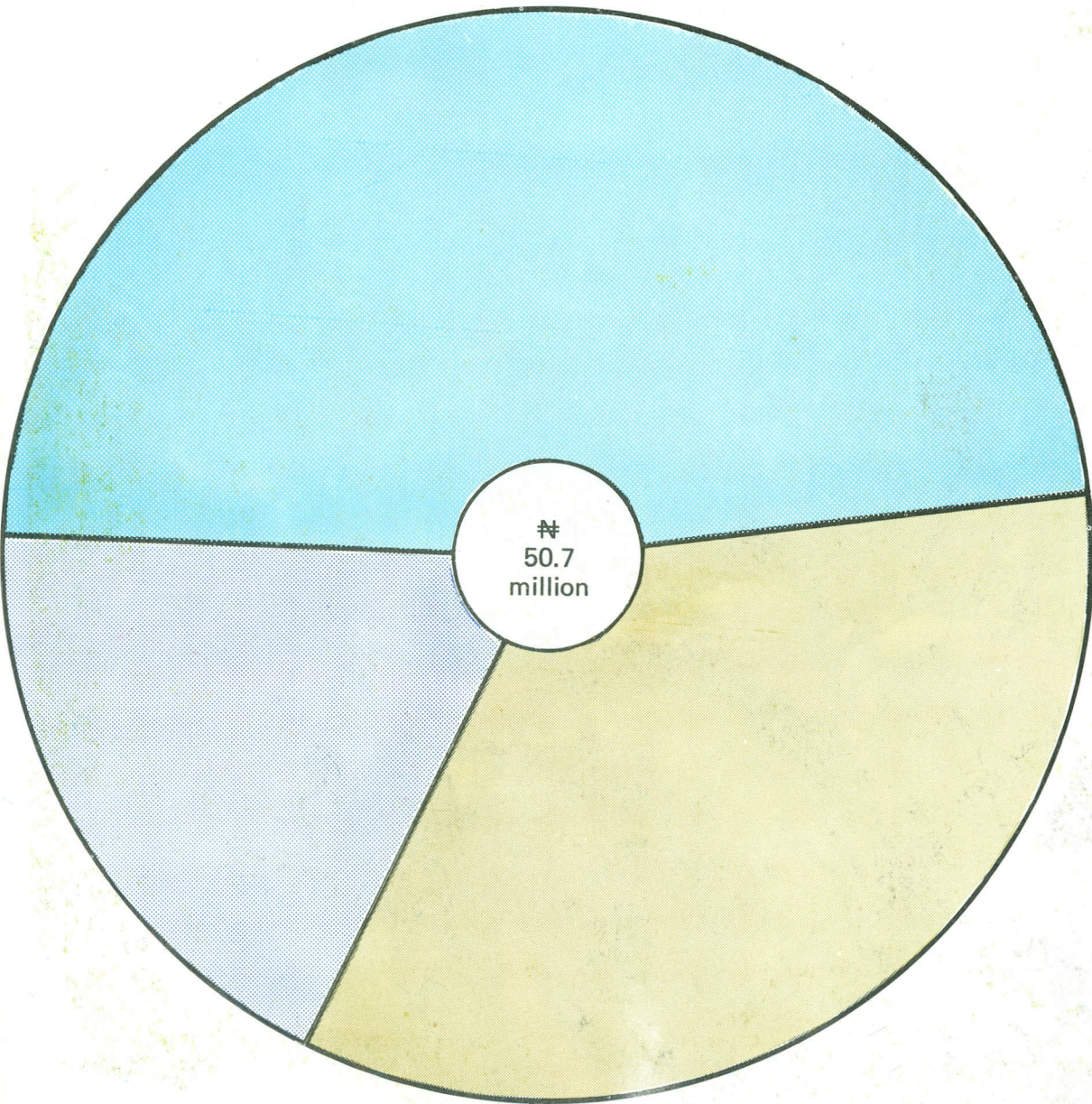
THE GREEN REVOLUTION—PALM FRUIT: A GOOD HARVEST

GROWTH IN DEPOSITS LOANS AND ADVANCES 1978 – 1981



Supplementary Information

PROFIT DISTRIBUTION 1981



DIVIDEND

₦11. million



RETAINED
PROFIT

₦17.4 million

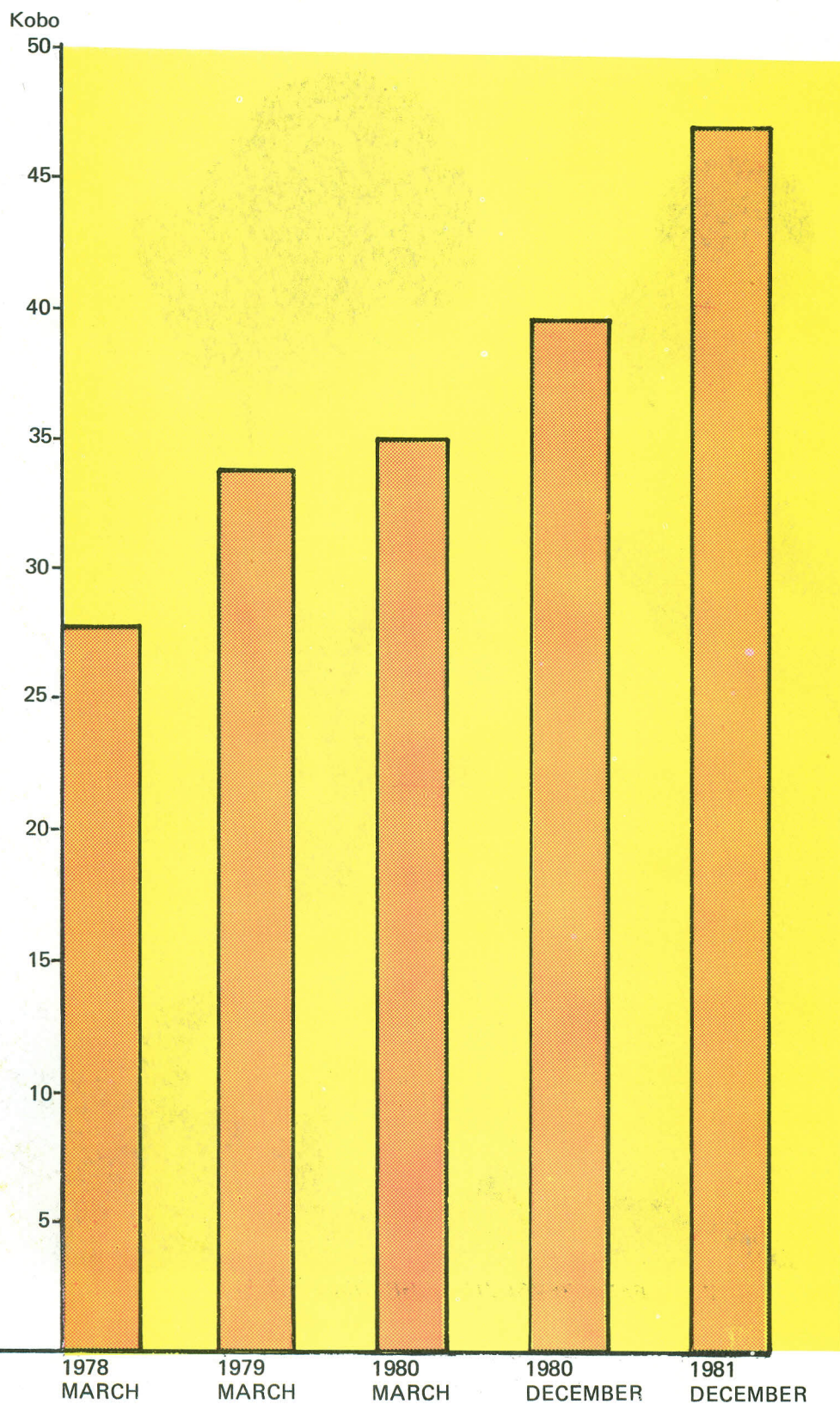


TAX

₦22.3 million

Y

ANNUALISED EARNINGS PER SHARE 1978 — 1981





THE GREEN REVOLUTION—GRADING COTTON



THE GREEN REVOLUTION—INTO THE EIGHTIES

List of Branches

BRANCHES OF:

FIRST BANK OF NIGERIA LIMITED

THROUGHOUT THE FEDERAL REPUBLIC OF NIGERIA

ANAMBRA STATE

EHA-ALUMONA

ENUGU

ENUGU (UWANI)

ENUGU (HOTEL PRESIDENTIAL)

EMENE

EZZAMGBO

IKEM

NKWELLE EZUNAKA

ONITSHA (NEW MARKET RD.)

ONITSHA (BRIGHT STREET)

ONITSHA (BRIDGEHEAD)

ONITSHA (IWEKA ROAD)

ONITSHA (WILLIAMS STREET)

OTUOCHA

BAUCHI STATE

BAUCHI

DARAZO

GOMBE

KALTUNGO

KATAGUM

TAFAWA BALEWA

TORO

YANA

List of Branches

BENDEL STATE

AGBARHO

AGBOR

BENIN

BENIN (MISSION ROAD)

EFFURUN

EKPOMA

SAPELE

SAPELE (MARKET)

UGHELLI

WARRI

BENUE STATE

ABAJUKOLO

AYANGBA

KATSINA ALA

MAKURDI

OGUMA

OTURKPO

VANDEIKYA

BORNO STATE

DAMBOA

DAMATURU

GASHUA

GEIDAM

KONDUGA

MAIDUGURI

MAIDUGURI (MONDAY MARKET)

NGAMODU

NGURU

DAMAGUN

POTISKUM

List of Branches

CROSS RIVER STATE

CALABAR

ETINAN

IKOT EKPENE

OBUBRA

ORON

UYO

GONGOLA STATE

FUFORE

GANYE

HONG

KARIM LAMIDO

LAU

MAYOINE

MICHIKA

YOLA

ZING

IMO STATE

ABA

ABA (ARIARIA MARKET)

ABA (TOWN)

OKWELLE

OWERRI

UMUAHIA



List of Branches

KADUNA STATE

FUNTUA

KADUNA (BANK ROAD)

KADUNA (HOSPITAL ROAD)

KADUNA (SOUTH)

KATSINA

MALLUMFASHI

SAMARU

ZARIA

KANO STATE

KANO (AIRPORT)

KANO (BAGUDA LAKE)

KANO (BOMPAI)

KANO (FAGGE TA KUDU)

KANO (MAIN)

KWARA STATE

AJAOKUTA

EGBE

ILORIN

ISANLU OYI

MOPA

OBANGEDE

List of Branches

LAGOS STATE

ABIBU-OKI
AGEGE
AJEGUNLE
APAPA
BROAD STREET
EBUTE-METTA
EPE
FALOMO (SHOPPING CENTRE)
FEDERAL SECRETARIAT
IGANMU
IJORA
IKEJA (MURTALA MUHAMMED AIRPORT)
IKEJA
IKEJA (MILITARY CANTONMENT)
IKEJA (INDUSTRIAL ESTATE)
ILUPEJU
INVESTMENT HOUSE
ISOLO
MARINA (NIGER HOUSE)
MOLONEY STREET
MURTALA MUHAMMED WAY
NIJ HOUSE (VICTORIA ISLAND)
OBUN-EKO
SURULERE (SHOPPING CENTRE)
SURULERE
WESTERN HOUSE
YABA

List of Branches

NIGER STATE

KATCHA

KAGARA

KONTAGORA

KUTA

MINNA

RIJAU

SULEJA

(FORMERLY KNOWN AS ABUJA)

SULEJA

(SHOPPING CENTRE)

OGUN STATE

ABEOKUTA

IGBOGILA

IJEBU-ODE

OGBERE

OTA

SHAGAMU

ONDO STATE

ADO-EKITI

AKURE

EFON ALAYE

EMURE EKITI

IDOANI

IFAKI

IGBOKODA

IKARE

IKERE EKITI

ILE-OLUJI

OKA-AKOKO

ONDO

ORE

OWO

OKEMESI



List of Branches

OYO STATE

IBADAN	(MAIN)
IBADAN	(AGODI)
IBADAN	(AMUNIGUN)
IBADAN	(CHALLENGE/ORITA)
IBADAN	(INST. OF TROPICAL AGRICULTURE)
IBADAN	(UNIVERSITY CAMPUS)
IJEBU-IJESHA	
ILE-IFE	
ILESHA	
INISA	
IPETU-IJESHA	
OGBOMOSHO	
OKO	
OSHOGBO	
OYO	

PLATEAU STATE

AMPER	
BARAKIN LADI	
BASSA	
BUKURU	
BUKURU	(POLICE COLLEGE)
JOS	(BANK STREET)
JOS	(GOVERNMENT SECRETARIAT)
JOS	(MARKET STREET)
LAFIA	
MANGU	



List of Branches

RIVERS STATE

PORT HARCOURT (MAIN)
PORT HARCOURT (AIRPORT)
PORT HARCOURT (DIOBU)
PORT HARCOURT (TOWN)
PORT HARCOURT (TRANS AMADI)

SOKOTO STATE

ANKA
KAURA NAMODA
GUMMI
GUSAU
SHINKAFI
SOKOTO
TAMBAWAL
ZURU

