



Leadership



First Bank of Nigeria Plc.
Annual Report & Accounts **2005**



**Capitalise on our fresh
and innovative ways
of serving you**

To carry on our proud heritage of
banking excellence, you'll find at today's
FirstBank, a seasoned team of savvy
professionals.
Their goal is to boldly chart new ways
into the future.

Nothing beats being first.

FirstBank
...truly the first

Ivy league performance

A new generation of professionals
serving a new generation of customers .

Contents

Financial Highlights	2
Awards & Social Events	3
FirstBank's Brand	6
FirstBank's Story	7
Directors and Advisers	8
Notice of AGM	10
Board of Directors	12
Chairman's Statement	14
Managing Director's Report	26
Corporate Governance	35
Subsidiaries & Associates	40
Report of the Directors	44
Report of the Joint Auditors	49
Report of the Audit Committee	50
Accounting Policies	51
Executive Directors	54
Balance Sheet	56
Profit and Loss Account	57
Statement of Cash Flows	58
Notes to the Accounts	59
Group Statement of Value Added	79
Bank Statement of Value Added	80
Group Five Year Financial Summary	81
Bank Five Year Financial Summary	82
Graphs	83
Deputy General Managers	84
Branch Network	86
Area Offices	97
Non-Executive Directors	98
Corporate Profile	100
Corporate Social Responsibility	102

Financial Highlights

Balance Sheet as at 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
Major balance sheet items				
Total assets	470,839	384,211	377,496	312,490
Deposits, etc.	332,196	255,491	265,378	207,181
Share capital	1,976	1,751	1,976	1,751
Loans and advances	123,739	83,500	114,673	78,040
Shareholders' funds	48,726	41,605	44,672	38,621
Major profit and loss account items				
Gross earnings	57,255	51,318	49,475	45,121
Charge for doubtful accounts	(2,431)	(2,955)	(1,828)	(1,755)
Profit before tax	16,808	14,853	15,145	14,106
Profit after taxation	13,234	11,483	12,184	11,096
Profit attributable to ordinary shareholders	13,050	11,618	12,184	11,096
Dividend	6,325	5,429	6,325	5,429
Information per 50k ordinary share (actual)				
	N	N	N	N
Earnings per share				
- actual	3.35	3.99	3.08	3.81
- adjusted	3.35	2.90	3.08	2.81
Dividend per share				
- actual	1.60	1.55	1.60	1.55
- adjusted	1.60	1.37	1.60	1.37
Dividend cover (times)	2.09	2.14	1.93	2.46
Net assets	12.33	12.08	11.30	11.03
Total assets				
- actual	119.10	109.69	95.49	89.21
- adjusted	119.10	97.19	95.49	79.05
Stock Exchange quotation	23.58	28.10	23.58	28.10
Ratios				
	%	%	%	%
Cost to income	70.64	71.06	69.39	68.74
Return on shareholders' funds	26.78	27.92	27.27	28.73
Capital adequacy	19.40	21.54	18.95	20.68
Operational metrics				
Number of branches/agencies	370	362	365	358
Number of staff	6,988	7,188	6,698	6,906
Number of shares in issue (million)	3,953.26	3,502.74	3,953.26	3,502.74

2004 Awards & Recognition



eGovernment Champion Award- Federal Government of Nigeria



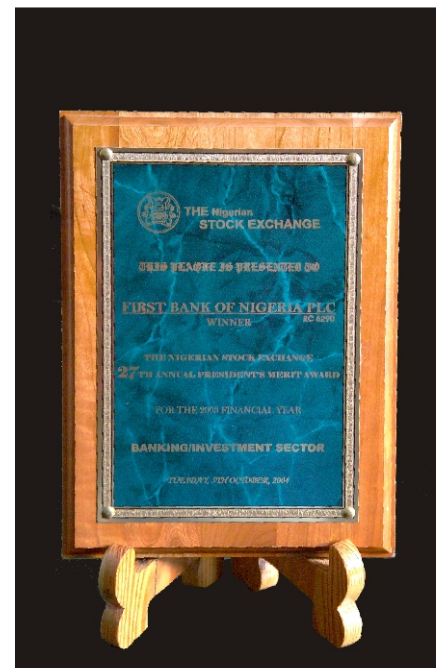
Excellence Award 2004 - Euromoney



Nigeria's Best Foreign Exchange Bank 2004 - Global Finance



Best Bank Award 2004 - Global Finance



Best presentation, quality and depth of annual report and accounts in banking/ investment sector - Nigerian Stock Exchange (FirstBank has won this award 11 times)



Merit Award for Humanitarian Support - Spinal Cord Injuries Association of Nigeria (SCI-N)

2004 Awards & Recognition cont'd

- The Most Admired Financial Institution in Nigeria - Alder Brand Report 2003
- Seventh Largest Bank in Africa - Banker's Magazine Ratings Report
- Productivity Award for Africa as the Most Productive Agent - Western Union Money Transfer
- Award for Sectoral Leadership (Banking) - Pearl Awards 2004
- Most Active Stock (Market) Excellence - Pearl Awards 2004
- Highest Rating in Corporate Governance - JIC Governance Plus.

Gallery



From right to left Mr. J.M Ajekigbe (MD/CE FirstBank), Prof. Pat Utomi (CVL Chairman), Mr. Tope Sadiq (Vmobile sponsorship specialist) and Dr. Evans E. Woherem (ED, Info Tech & Resources, FirstBank) are seen cleaning the Ijeh Community under the auspices of the Centre for Value Leadership (CVL).



Mrs. Christy Okoye, ED (Risk & Management Control), FirstBank presenting a trophy to Ibrahim Ocheje, winner of the 2005 Lagos Open Championship award.



The MD/CEO of FirstBank, Mr. J.M. Ajekigbe (middle) with winners of the 2004 First Bank Annual Secondary School Quiz Competition.



FirstBank recently organised an Investor's Forum to enlighten stakeholders on the strategic initiatives of the Bank in light of the on-going consolidation in the banking industry. FirstBank MD/CE, Mr. Ajekigbe (standing) addresses the audience.



FirstBank recently conducted a three-week induction programme for the 850 newly-recruited graduate trainees. Picture shows a cross section of the graduate trainees in group photograph with Mr. Ajekigbe (MD/CE) and other staff of the bank.



Mr. John Foppe, the American born physically challenged motivational speaker, was in Nigeria between the 26th and 29th of October, 2004 at the instance of FirstBank Mr. Foppe (above) autographs a copy of his inspirational work, "What's Your Excuse", for the Chairman of FirstBank, Dr. Umaru A. Mutallab while others watch.

The FirstBank Brand

FirstBank has epitomised the face and heart of banking in Nigeria for the past 112 years and is represented in three (3) countries.

In an increasingly competitive and dynamic environment, branding becomes more than a logo and a jingle. Therefore, following a comprehensive survey in 2001, the Bank embarked on a self renewal and regeneration exercise with a view to shedding some negative characteristics associated with age and making the oldest bank in Nigeria look younger, nimble and more attractive to all strata of the banking public. This exercise peaked with the launch of a new corporate identity on April 27, 2004.

The new identity, which has made significant impact in the market, is a monolithic brand. This implies that our Bank has aligned its massive brand architecture and positioned it to support one brand. Consequently, the Bank and its subsidiaries now use the same corporate identity. A dominant feature of the new logo is the retention of the elephant.

The elephant is a passionate, painstaking and massive animal, depicting the values, characteristics and size of the Bank. It possess a very long memory and chooses its friends, partners and allies very carefully and thereafter, maintains an enduring relationship with them. The elephant supports its friends and partners and is dependable at all times and in all situations. This informs the essence of the new brand, **Dependably Dynamic**.

The new identity is based on four pillars namely: leadership, enterprise, safety and security, and service excellence. The key strategy is driven by passion to deliver exceedingly high value service across the group to three key stakeholders (customers, staff and shareholders). The group has embarked on a project to integrate, align and focus our products, services and channel offerings. The moulding and reshaping of the entire work force to reflect the tenets of our new identity and world standard are ongoing. Results of these human resource efforts would be visible by the end of the current financial year.

The Bank, in spite of its very long history and heritage, is also at the forefront of changes and transformations taking place in the Nigerian banking industry. It has massively deployed cutting edge technology in 250 branches nationwide, making it the bank with the largest on line, real time branch

network in the country. Its network of Automated Teller Machines (ATM) cash points is the largest in the country. Patronage of our ATM Services and that of other card products is growing at very fast rates.

Alder Consulting in its current brand rating of corporate organisations in Nigeria rated our Bank the best brand in the Banking sector. We shall leave no stone unturned to maintain this legacy built over 112 years.

The FirstBank Story

First Bank of Nigeria Plc for over a century has distinguished itself as a leading financial institution and a major contributor to the economic advancement and development of Nigeria.

The Bank was incorporated as a limited liability company on March 31, 1894, with Head Office in Liverpool by Sir Alfred Jones, a shipping magnate. It started business in the office of Elder Dempster & Company in Lagos under the corporate name of the Bank for British West Africa (BBWA) with a paid-up capital of 12,000 pounds sterling, after absorbing its predecessor, the African Banking Corporation, which was established earlier in 1892. In its early years of operations, the Bank recorded an impressive growth and worked closely with the Colonial Government in performing the traditional functions of a Central Bank, such as issue of specie in the West African sub-region.

To justify its West African coverage, a branch was opened in Accra, Ghana in 1896 and another in Freetown, Sierra Leone in 1898. These marked the genesis of the Bank's international banking operations. The second branch of the Bank in Nigeria was in the old Calabar in 1900 and two years later, services were extended to Northern Nigeria.

To reposition and take advantage of opportunities in the changing environment, the Bank had at various times embarked on restructuring initiatives. In 1957, it changed its name from Bank of British West Africa to Bank of West Africa. In 1969, the Bank was incorporated locally as the Standard Bank of Nigeria Limited in line with the Companies Decree of 1968. Changes in the name of the Bank also occurred in 1979 and 1991, to First Bank of Nigeria Limited and First Bank of Nigeria Plc, respectively. In 1985, the Bank introduced a decentralised structure with five regional administrations.

To further enhance the Bank's operational efficiency, this was reconfigured into sixteen Area Offices in 2003. In view of the foregoing, it was therefore, a natural progression when in 2001, the Bank began the process of transforming its corporate identity to reflect its rejuvenated focus. The transformation process which began in earnest in 2001 gained momentum in 2003 and was launched on Tuesday, April 27, 2004 with the introduction of a new corporate identity.

FirstBank got listed on the Nigerian Stock Exchange (NSE) in March 1971 and has won the NSE President's Merit Award eleven times for the best financial report in the banking sector.

In line with the Bank's mission statement "remain true to our name by providing the best financial services possible" and its brand essence, "dependably dynamic", the Bank will consistently transform itself as it forges ahead in its second century of qualitative banking to the nation.

Directors and Advisers

DIRECTORS	Mutallab, Umaru Abdul, CON	- Chairman
	Ajekigbe, Jacobs Moyo	- Managing Director/Chief Executive
	Aboh, John Oche	
	Bakare, Bashiru A.	
	Duba, Garba	
	Hassan-Odukale, Oyekanmi, MFR	
	Ibrahim, Muhammadu, OFR	
	Kyari, Abba	
	Mahmoud, Abdullahi	
	Okoye, Christy N. (Mrs.)	
	Otudeko, Ayoola Oba, OFR	
	Udo-Aka, Udo, MON	
	Wanka, Ado Yakubu	
	Woherem, Evans Ejike	
	Yahaya, Umar	- Retired with effect from August 20, 2004

COMPANY SECRETARY Borodo, Tijjani Mohammed

REGISTERED OFFICE
 Samuel Asabia House
 35 Marina
 Lagos
URL <http://www.firstbanknigeria.com>
E-mail control@firstbanknigeria.com
suggestions@firstbanknigeria.com
Tel +234 (01) 2665900-19, 2668826

JOINT AUDITORS
 Akintola Williams Deloitte
 [Chartered Accountants]
 PKF Pannell Kerr Forster
 [Chartered Accountants]

REGISTRAR
 First Registrars Nigeria Limited
 Plot 2, Abebe Village Road
 Iganmu
 Lagos
Tel 7743309, 5456146

FBN BANK (UK) LTD.
 28 Salisbury House
 London EC2M7DT
 Finsbury Circus
Tel 44 - 02079204920

FIRST BANK OF NIGERIA SOUTH AFRICA REPRESENTATIVE OFFICE
 10th Floor, The Forum at Sandton Square Building
 2, Maude Street, P.O. Box 784796 Sandton 2146
 Johannesburg- South Africa
Tel +2711-7849922-7849925

Principal Officers

S/N	Grade	Name	Position
1	Executive Directors	Jacobs M. Ajekigbe	Managing Director/Chief Executive
2		John O. Aboh	Corporate & Investment Banking
3		Bashiru A. Bakare	Transaction Banking (Up Country)
4		Christy N. Okoye (Mrs)	Risk & Management Control
5		Ado Y. Wanka	Transaction Banking (Lagos & West)
6		Evans E. Woherem	Information Technology & Resources
1	Deputy Gen. Managers	Aderemi W. Babalola	Head, Corporate Planning & Group Coordination
2		Timothy O. Bolade	Head, Credit Risk Management
3		Tijjani M. Borodo	Company Secretary
4		Aka C. Ezeobele	Regional Coordinator (Up-Country I)
5		Akin G. Fanimokun	Project Manager, New Banking Application Implem. Project
6		Jamo L. Haruna	Regional Coordinator (Up-Country II)
7		Eugene U. Iyamah	Group Head, Conglomerates & Multinational
8		Kehinde A. Lawanson	Group Head, (Lagos I) Commercial Banking
9		Ademola O. Ogundero	Group Head, (Lagos II & West) Commercial Banking
10		Taiwo J. Okeowo	Group Head, Corporate Finance
11		Kayode A. Olatunbosun	Regional Coordinator (Lagos)
12		Stephen O. Onasanya	Head, Finance & Performance Mgt.
13		Taiwo I. Otiti	Head, Support Services
14		Alex C. Otti	Group Head, Energy Upstream Services
15		Oladele O. Oyelola	Chief Internal Auditor
1	Asst Gen. Managers	Toyin A. Abayomi-Banjo	Head, Corporate Affairs
2		Emmanuel M. Abolo	Project Manager, Basel II Project
3		George A. Adepegba	Relationship Team Leader, Conglomerates & Multinational
4		Mojisola T. Aderinto (Mrs.)	Head, Domestic Banking Operations
5		Francis A. Adewuyi	Head, Credit Risk Administration
6		Oladiran A. Akingba	Relationship Team Leader (V.I. & Ikoyi) Commercial Banking
7		Adedamola I. Atta	Group Head, Energy Downstream
8		Charles Augoye	Area Manager, Ibadan
9		Afam A. Azubike	Head, Classified Assets (North, Central & West)
10		Costakis E. Caiafas	Chief Compliance Officer
11		Obiora I. Dibiaezue	Relationship Team Leader, Commercial Banking (Marina)
12		Mofoluke B. Dosunmu (Mrs.)	Head, Foreign Operations
13		Augustine E. Egere	Area Manager, Port Harcourt
14		Peter S. Egwurube	Area Manager, Abuja
15		Solomon O. Ekeopara	Branch Manager, Apapa
16		John A. Enadeghe	Regional Coordinator (West)
17		Franklin E. Erebor	Relationship Team Leader, Multinational
18		Naomi O. Esalomi (Mrs.)	Head, Performance Measurement, Ins & Taxation
19		Ikechukwu L. Ezeokana	Head, Budget & Account (Finance & Perf Mgt.)
20		Subusola I. Giwa-Amu (Mrs.)	Head, Client Services
21		Nkiruka Harris-Eze (Mrs.)	Group Head, Commercial Banking (East)
22		Alwan A. Hassan	Area Manager, Kano
23		Adamu B. Ibrahim	Group Head, Commercial Banking (North)
24		Gimba H. Ibrahim	Group Head, Public Sector Federal
25		Festus O. Kukoyi	Head, Legal Services
26		Bernadine A. Okeke (Mrs.)	Head, Training & Development
27		Olufunlola O. Ologunde (Mrs.)	Head, Human Capital Management
28		Folasade S. Omoniye (Mrs.)	Head, Network & Communications Mgt.
29		Bernard B. Poyi	Head, Agric Finance Coordination/support
30		Lawal B. Rafindadi	Group Head, Commercial Banking (Central)
31		Mohammed K. Santuraki	Group Head, National Corporate & Fin. Institutions
32		Adebisi O. Soluade (Mrs.)	Head, Treasury & Funds Management

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 36th Annual General Meeting of members of FIRST BANK OF NIGERIA PLC will be held at the Congress Hall, Nicon Hilton, Abuja on Wednesday, August 24, 2005 at 11.00 a.m. to transact the following:

Ordinary Business

1. To receive the audited accounts for the year ended 31st March, 2005 together with the reports of the Directors, Auditors and Audit Committee thereon;
2. To declare a dividend;
3. To elect Directors;
4. To approve the remuneration of Directors;
5. To authorise the Directors to fix the remuneration of the Joint Auditors;
6. To elect members of the Audit Committee.

Special Business

7. To consider and if thought fit, pass the following resolution as an ordinary resolution: "That pursuant to Article 47 of the Articles of Association of the Company, the Directors having so recommended, it is desirable to capitalise the sum of ~~N494~~494,158,125 from the balance of General Reserve and accordingly that such sum be set free for distribution amongst the members on the Register of Members at the close of business on Friday, 12th August, 2005 on condition that same be not paid in cash but applied in paying up in full at par 988,316,250 of the unissued ordinary shares of 50kobo each to be allotted distributed and credited as fully paid-up to and amongst such members in the proportion of one new ordinary share for every four ordinary shares held by them on that day, and such new shares shall rank for all purposes pari passu with the existing issued ordinary shares of the Company, the shares so distributed being treated for all purposes as capital and not as income and these new shares shall not qualify for payment of dividend in respect of the 2004/2005 accounts, and the Directors shall give effect to this resolution on receipt of the necessary permission from the authorities."

Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not also be a member. A proxy form is at the end of the financial statements. All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at the registered office of the Company or the Office of the Registrar, Plot 2, Abebe Village Road, Iganmu, Lagos not later than 48 hours before the time of holding the meeting.

Dividend Warrants

If the dividend recommended by the Directors is approved by members at the Annual General Meeting, the dividend warrants will be posted on 29th August, 2005 to members whose names appear in the Register of members at the close of business on 12th August, 2005.

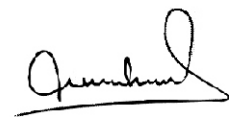
Notice of Annual General Meeting cont'd

Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed from 12th to 19th August, 2005 (both dates inclusive) for the purpose of payment of dividend.

Note

Any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Secretary of the Company at least 21 days before the Annual General Meeting.



BY ORDER OF THE BOARD

Tijjani M. Borodo
Company Secretary
35 Marina, Lagos

Dated this 20th day of June, 2005

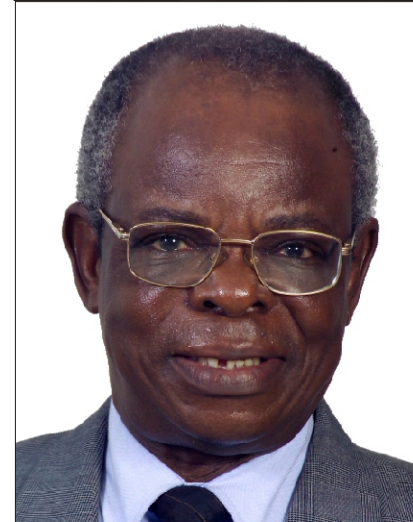
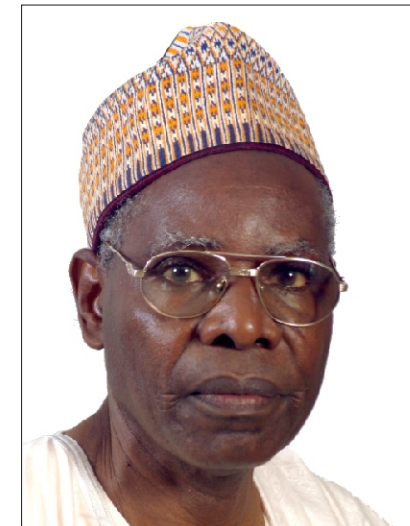


Board of Directors



From left to right in alphabetical order;
Umaru Abdul Mutallab (CON) Chairman, Jacobs M. Ajekigbe Managing Director, Abba Kyari, Abdullahi Mahmoud,
Ado Y. Wanka, Ayoola Oba Otudeko (OFR), Bashiru A. Bakare, Christy N. Okoye, Evans E. Woherem

Board of Directors cont'd



From left to right in alphabetical order;

Garba Duba, John O. Aboh, Muhammadu Ibrahim (OFR), Oyekanmi Hassan-Odukale (MFR), Udo Udo-Aka (MON)

Chairman's Statement



Alhaji (Dr.) Umaru Abdul Mutallab (CON) Chairman

Fellow shareholders, invited guests, distinguished ladies and gentlemen. It is with immense pleasure that I welcome you to the 36th Annual General Meeting (AGM) of our Bank. I am equally pleased to present to you, a review of the environment in which our Bank operated in the financial year ended March 31, 2005. The operating result for the period is provided within a broader context including an outlook for the 2005/2006 financial year.

Despite the highly competitive operating environment, the Bank posted yet another strong performance in the 2004/05 financial year

FirstBank's long history has been marked by a succession of milestones, which began with our being the first bank in Nigeria and has continued to define us as Nigeria's most successful bank to date. An essential element of this highly successful record is that we have always proactively taken on the challenges posed by our operating environment. In addition, the several turning points, which characterise the annals of the nation's financial services industry, have taught us to recognise the need for change, to understand change dynamics in a developing economy, and to adapt to the ensuing environmental and regulatory pressures. Therefore, whenever history and fate converge to shape new turning points in the nation's financial services industry, FirstBank always emerges stronger.

Chairman's Statement cont'd

The 2004/2005 financial year opened new vistas for the Nigerian banking industry. Amongst the major challenges were the spike in global crude oil prices, which traded at prices last quoted in the mid-1970s and the weakening of the US dollar against major international currencies. The economic and humanitarian prospects of the global economy were further marred by the after-shocks of the under-sea quake, which hit South-East Asia on December 25, 2004. In addition, the Central Bank of Nigeria (CBN) announced a 1,150% increase in the minimum capitalisation of banks operating in the country to ₦25 billion. These events had significant impact on the economy, banking customers, the competitive landscape, and business strategy. With the effects of the increase in oil prices more than offsetting the effects of the weakening dollar, the economy suffered increases in costs of import, which fed into domestic prices of refined petroleum products; labour unrest and its attendant loss of man-hours.

The banking reform embarked upon by the CBN confronts the industry with perhaps its greatest challenges and opportunities. At present, it has triggered a major shake up in the industry, exacerbating concerns over continued consumer confidence. In the event, the first three months following the pronouncement witnessed a very rapid constriction of the interbank market. Significantly, almost two years ago, we designed our strategic plan fully conscious of the need to grow our domestic footprint in the industry, as a prelude to and as a corollary of our increased engagement at the sub-regional and international levels. We thus eliminated, well in advance, the element of surprise contained in the current reform initiative.

On this note, I want to give you my sincere assurances that post-consolidation, our Bank would retain its leadership position, while customers, employees, and shareholders will benefit enormously from the dividends of the reforms.

With your permission, I will like to present the review of the international and domestic environment in which our Bank operated as well as highlights of the performance for the financial year ended 31st March 2005.

1. Operating Environment

1.1 The Global Economy

A number of economic and political developments shaped the global economy in 2004. Major developments on the political front include the war against terrorism led by the United States of America; the handover of sovereignty by the US-led coalition in Iraq to an interim government on June 28, 2004; the United States' elections of November 02, 2004 (won by the incumbent, George Bush); and improvements in the outlook for peace in the Middle East following the death of Yasser Arafat, as well as the emergence of a new Palestinian leadership.

Nigeria's economy is forecast to grow by 7.4% in 2005

Of increasing concern to the global outlook, however, was the threat of proliferation of nuclear weapons from both Iran and North Korea; the continued insurgency in Iraq despite the elections of January 05, 2005; the escalation of hostilities and deterioration of humanitarian conditions in the Darfur region of Sudan; and the Asian Tsunami of December 26, 2004, which claimed about 300,000 people with damaged property worth billions of dollars.

In spite of these developments, the scorecard for 2004 was generally positive with the global economic recovery, which started in the second half of 2003 strengthening and expanding by an estimated 5.1% from the 4% recorded in the preceding year, reflecting a return to more sustainable growth. Oil prices remained high and volatile, on the back of continued strong demand from China and the USA, uncertainties about the Organisation of the Petroleum Exporting Countries (OPEC) production plans, and falling non-OPEC supply.

Chairman's Statement cont'd

For African economies, 2004 was an exceptional year. GDP growth leapt to 5.1%, compared to 4.1% in 2003

Meanwhile, the global economic rebound continues to manifest growing divergences across regions. In the United States, strong business and household consumption drove stronger than expected growth, while activities were buoyant in China despite tightening policy measures. Africa and a number of emerging markets notably China, Russia, and India recorded remarkable growths of 9.0%, 7.3%, and 6.4% respectively. In contrast, growth in Japan and Europe was marginal, reflecting faltering export and weak domestic demand.

1.1.1 The United States of America

On the back of sustained consumer spending, the United States economy grew by 4.4% in 2004 as against 3% in 2003. However, rising household debt-to-income ratios, and household savings, which dropped to a record low of less than 1%, remain key concerns. Business investment also grew solidly, supported by buoyant corporate profitability, even as businesses struggled to cope with higher oil prices, weak employment growth, and mounting debt in the household sector.

Expansionary policy of the US government triggered fiscal deficit, which widened to over US\$600 billion, equivalent to 5.7% of GDP in 2004. This record surpassed the previous all time high, set in 2003 by nearly one-quarter. Americans' appetite for imported goods also helped drive the current account deficit to proportions never attained by any industrial country. The market's concern about the medium-term sustainability of the current account deficit has been the main factor driving the weakening of the U.S. dollar. Although financing of the deficit was not a fundamental problem, it may have negative impact on living standards in the U.S. in the near to medium-term.

Inflationary pressures in the USA remained subdued, rising slightly to 2.6% from 2.4% in 2003, while the cost-push effect of high oil prices was generally contained due to the Federal Reserve's constructive monetary policy, favourable labour market conditions, and the persisting economic slack. Labour productivity in the United States, a critical input into living standards assessments increased by 4.1% in 2004, capping a remarkable three-year period in which worker efficiency climbed at the fastest pace in half a century. However, lower workforce participation has been the main downside of increased efficiency as companies avoided hiring new workers.

At 5.5%, employment growth was considered slow, but showed some level of improvement when compared to the 4.3% recorded in 2003. On the other hand, employment grew marginally by 2.2 million workers, the first annual gain after three years of job losses as the country struggled to cope with the 2001 recession. This job loss recovery rate reflected the ability of US companies to extract more output from a smaller workforce.

Business investment, boosted by improving corporate profits, low interest rates and a recovery in equity prices was strong. Overall, despite the big budget deficit, the United State's underlying economic fundamentals were robust in 2004 and helped to drive growth worldwide.

1.1.2 Europe

With the exception of the United Kingdom and Ireland, economic activities in the Euro area were sluggish in 2004. GDP grew by 2% largely due to subdued consumer spending. Final domestic demand was restrained due to high and volatile oil prices as well as structural weaknesses, while the appreciation of the Euro weakened export growth. However, modest production increase was recorded in the intermediate, energy and capital goods sectors.

Economic activities contracted in Germany, Italy, and the Netherlands while growth accelerated in France, Spain, and the United Kingdom, which recorded a GDP growth of 3.1%, driven by high domestic demand. Euro area inflation hovered between 1.4% and 2% because of oil price increases and

Chairman's Statement cont'd

upward review in administered prices and indirect taxes. Still, price pressures such as unit labour costs and wages were well contained. Fiscal deficits in the region were estimated at 2.7% of GDP, with Germany, France, and Greece all exceeding 3% of GDP.

In addition to its long-standing structural challenges, the region is still confronted with the problem of high unemployment figures, while aggregate factor productivity growth in the area could not match the acceleration witnessed in the United States in recent times. Although there have been progress in advancing structural reforms, including labour market reform in Germany and France as well as raising the effective retirement age in Italy, the desired objectives of raising productivity and increasing employment was not attained in 2004. The situation was worsened by the rejection of the European Commission's proposal to liberalise trade-in-services.

Also of concern was Turkey's application to join the European Union. The admission or otherwise of Turkey into the European Union would have far reaching implications beyond the region itself, as America would see a rejection of Turkey as a big setback in the war on terrorism. In addition, though the amendments to the Stability and Growth Pact (SGP), which provided governments with significant additional fiscal policy flexibility, had been agreed upon, the EU's inability to strengthen enforcement mechanisms may not guarantee the amendment's effectiveness. France and Germany have consistently breached the deficit limit for three consecutive years.

1.1.3 Asia

Asia recorded GDP growth of 7.8% in 2004, the highest since the Asian crisis. Growth was driven by high demand from the United States and an upturn in global information and

communication technologies (ICT) product markets. While the impetus from powerful growth in China continued to increase, a better-than-anticipated recovery in Japan added new strength to the region's growth and engendered a rapid expansion in intra regional trade.

With the exception of China, which blazed the trail with growth of 9.5%, growth in most countries in the region slowed considerably. Imports in a growing number of Asian economies outpaced exports, suggesting an increasing contribution to the recovery in the rest of the world. However, improvements in labour markets were relatively weak. Inflation remained subdued in the region and the small number of economies that experienced deflation in the past either reversed it or improved upon the situation. The surge in the prices of commodities and policy interventions in foreign exchange markets increased inflationary pressures in some Asian economies.

In addition, the depreciation of the United States dollar, along with more flexible exchange-rate regimes, allowed most Asian countries to ease monetary policy, as interest rates were generally low in the region. Meanwhile, investor confidence continues to improve, as reflected by the rebound in asset prices and the narrowing of sovereign debt spreads. For the first time in decades, the region registered a current-account surplus. All these contributed to the 7.8% growth achieved in 2004 as against 7.4% in 2003.

However, major worries to this outlook include the tension between the objectives of maintaining inflation and nominal exchange rate stability; vulnerability to commodity price volatility; tightening of monetary policy in the United States; potential difficulties in servicing external debts and political tension in some countries in the region.

1.1.4 Africa

For African economies, 2004 was an exceptional year. GDP growth leapt to 5.1%, compared to 4.1% in 2003, on the back of the rebound in the global economy, favourable commodity prices, and relative improvement in macroeconomic management across the continent.

Oil prices remained high and volatile, on the back of continued strong demand from China

Chairman's Statement cont'd

GDP is well above the annual average of 3.4% achieved in the last five years.

Per capita GDP growth reached 2.3% compared to 1.8% in 2003. It is gratifying to note that this is the highest GDP growth recorded in the continent since 1996 and is well above the annual average of 3.4% achieved in the last five years. In addition, the increased adoption of democratic values, which ushered in transparency, higher inflows of foreign funds and competition, which mitigated the negative effect of volatility on economic growth, assisted in improving the growth potentials of countries in the region.

As usual, economic growth in the review period exhibited considerable variation across countries. About 20 African countries achieved GDP growth rate of above 5% while 17 others recorded a growth rate of between 3% and 5%. Only two countries witnessed negative growth rate compared to six in 2003.

Analysis of the growth trend showed that oil prices, which were high, conferred substantial revenue and foreign exchange advantage on oil exporting countries. Average GDP growth in oil exporting countries rose to 5.1%, compared to 4.3% the previous year. Surprisingly, oil-importing countries equally performed well although there were indications that higher oil prices exerted substantial downward pressure on growth. On the other hand, Africa's leading reforming countries witnessed substantially higher growth rate. Some of these are Burkina Faso, Botswana, Ghana, Mali, Mozambique, Tanzania, Uganda, Tunisia, Morocco, and South Africa.

In terms of sub-regional patterns, there were significant variations in economic performance. Driven by post-conflict dividends and robust oil prices, central African countries recorded an average growth of 4.7%. Southern African countries appreciated modestly by 4.7% compared to 2.7% in 2003. The West African sub-region grew by an average of 4%, which compares adversely with the 7% recorded the previous year.

The fairly impressive growth notwithstanding, Africa was plagued by a plethora of preventable problems. War and violence were commonplace. Although conflict generally declined during the year, the cases of Sudan, Cote d'Ivoire, etc remained red spots requiring urgent attention. It was also evident that democratic values made significant progress in Africa during the period under review on the back of the African Union's policy of non-indifference, which helped stem potential crises in Togo, and Sao Tome and Principe.

However, the excellent growth figure presented above did little to uplift the pervasive poverty, high external debt overhang, and diseases that plague the continent. Malaria, HIV/AIDS, illiteracy, conflicts, and corruption remain endemic and require urgent attention. Although African leaders at the Ouagadougou meeting in 2004 affirmed that reducing poverty and achieving the Millennium Development Goal (MDG) would be their central focus, the objective of reducing the number of the poor by half in 2015 is unattainable without concerted foreign development assistance.

I am heartened by the progress made on the NEPAD initiative. UK Prime Minister Tony Blair's Commission for Africa launched by the United Kingdom and which carries high prospects of being supported by other members of the G-8 will most likely increase flows of development assistance to Africa and help to fast-track the growth of African economies.

1.2 Nigeria

1.2.1 The Domestic Political Environment

The review period marked the second year of the second term of the democratic dispensation. Government demonstrated clearly its determination to sustain and improve the democratic structures. In spite of government's efforts, however, democratic structures were confronted by a variety of stress tests. Social and political crises were rife while a number of the legal fallouts of the 2003 general elections were yet to be disposed off by the electoral tribunals. Political crisis in Anambra State constituted a major challenge to the party system, funding of elections and electoral processes.

Chairman's Statement cont'd

Youth restiveness and ethnic crises continued nationwide, especially in the Niger Delta and other hotbeds in the North. Notable among the latter is the inter-communal clash that led to the imposition of a six-month state of emergency in Plateau State. Labour/government relations in 2004 were frosty. Labour union agitation, especially over increases in the price of refined petroleum products resulted in considerable loss of man-hours and generally increased the cost of doing business. Analysts have estimated the total man-hours lost to labour unrest at about 30 days in 2004.

Government continued to receive plaudits for its effort at confronting corruption in high places. High profile episodes of this crusade impacted positively on the country's risk rating. Conscientious efforts by the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices Commission (ICPC) and the Budget Monitoring and Price Implementation Unit of the Presidency to increase domestic capacity and accountability are quite commendable. However, a lot needs to be done if the monster of corruption is to be effectively controlled and reduced to an acceptable minimum.

The challenges of insecurity, poor state of infrastructure such as road networks, power and water supply, poverty, unemployment, etc. remained endemic.

1.2.2 The Domestic Economic Environment

The macro-economic policies of the government in 2004 were essentially directed at achieving sustainable economic growth and containing inflation within the single digit range, while minimising exchange rate volatility. I am enthused by the reform proposals rolled out by the federal government during the review period. The launch of the National Economic

Empowerment and Development Strategy (NEEDS) marked government's desire to implement economic reforms in all sectors of the economy. NEEDS, if diligently implemented is a pro-poor policy, which should achieve the desired reduction in current levels of poverty through its investment - employment-poverty linkage approach. NEEDS, together with its state equivalent (SEEDS) and LEEDS for local governments would have a high multiplier effect on the economy and in particular for the poor and low-income group.

Strenuous efforts were also made to obtain debt relief from creditors by a new team of technocrats, who are optimistic of obtaining a write-off of large portions of the country's debt stock of US\$34 billion. To achieve this objective, government has made frantic efforts to impose discipline on the public expenditure management framework, including the unprecedented act of saving excess crude oil revenue. Nigeria also worked closely with the International Monetary Fund (IMF), which has commended its efforts. Three major reasons have being adduced for the debt write-off: per capita oil revenue per day is 50 cents; much of the debt is "odious", having been contracted under unelected administrations; and there is now a fair chance that the proceeds of the relief would be sensibly invested, simultaneously boosting the on-going reformation.

Furthermore, in the review period, government went further down the path of improved economic management by proposing a fiscal responsibility act, currently under consideration by the National Assembly. The act would standardise accounting practices in government and institute independent audits for the three tiers of government with a view to improving governance processes.

Despite government's best efforts, the economy remains in dire need of restructuring. The oil sector continues to account for over 76.5% of Federal Government revenue, more than 95% of export earnings, and 10.6% of GDP. Agriculture is still the main occupation of majority of Nigerians but accounts for about 40% of GDP, with gross capital formation already low at around 6.3% occurring almost exclusively in the oil sector.

The oil sector continues to account for over 76.5% of Federal Government revenue

Chairman's Statement cont'd

Capacity utilisation improved slightly to 52% in 2004 as against 47% in 2003

However, the incessant hikes in the price of petroleum products led to resurgence in inflation, drop in consumer purchasing power, and a drop in corporate profits amongst others. The high petroleum prices were in response to the high price of crude oil in the international market resulting in higher domestic landing cost of petroleum products.

The 2004 performance was greatly influenced by developments in the oil and gas sectors. The economy grew by 3.5% in 2004 as against 10.2% (measured in 1990 basic prices) recorded in 2003. Capacity utilisation improved slightly to 52% in 2004 as against 47% in 2003 largely due to the ban on importation of goods that could otherwise be manufactured locally and the strong campaign by the National Agency for Food and Drug Administration and Control (NAFDAC) against illegal importation of banned and fake products.

Inadequate infrastructure, especially frequent power outages, epileptic water supply, and insecurity continue to be major concerns for the industrial sector. While power supply has long been erratic, it became increasingly unreliable in 2004 and almost unavailable in the first quarter of 2005. The need to run backup generators, and run-down motorways contributed to the abysmal contribution of this sector to GDP in the review period.

The nation's teledensity and telecommunication industry received a boost in 2004 as over four million new lines were added to the network while investment worth about US\$3 billion (local and foreign) was injected. This brought the total number of telephone lines (mobile & fixed wireless) in the country to about nine million, up by 225% from the 2.77 million lines in 2003. Also, teledensity grew from 2.31 to 7.5 with mobile phones accounting for more than seven million of the total available telephone lines.

On a positive note, for the first time in almost two decades, the monetary policy target was met. In the twelve months to end-December 2004, narrow money (M1) and broad money (M2) rose by 9.1% and 15.2%, respectively compared with the 2004 targets of 13.4% and 16%. According to the National Bureau of Statistics estimates, the 12 months moving average inflation figure stood at 15% at end December 2004 as against 13.8% in 2003.

Owing to the depreciation of the dollar in the international market, the Naira for the first time in seven years recorded a positive growth against the dollar in the review period. The value of the Naira appreciated against the dollar by 3.03% to close the year at US\$132.85 in the official market as against ₦137/US\$ in 2003. Demand pressure in the foreign exchange market was curtailed during the year largely due to the enhanced external reserves position, which recorded an unprecedented rise of 126% to close at US\$16.95 billion at end-December 2004 from US\$7.5 billion the corresponding period, largely due to higher oil prices in the international market.

Nigeria's external debt obligations now stands at US\$34 billion with an expected annual debt service of US\$2.1 billion, after rescheduling agreements, to the biggest creditor, the Paris Club. By implication, payment of such a large amount would mean that little or no capital expenditure for health, education and infrastructure, could be financed and hence, growth would be jeopardised. Since Nigeria's campaign for debt relief/cancellation since 1999 seem unsuccessful, the National Assembly considered the implications of outright suspension of debt payments.

The capital market witnessed modest growth in 2004. Mid-year, the NSE All-Share index attained an all-time high of 30,703.46 points while market capitalisation achieved a high of ₦2.19 trillion, thus bringing growth in the NSE All-Share Index as at June 18, 2004 to 52.5%. However, From July 1 to December 31, 2004 the market recorded a negative performance of 13.2% in its value to close the year at 18.46%, while market capitalisation closed at ₦37.5 trillion and the allshare index closed at 23,844.45 points, representing a growth of 18.5% compared to 20,122 points recorded in 2003.

Chairman's Statement cont'd

In spite of the relatively poor performance of the Nigerian stock market, it outperformed most of the major world stock market indices in 2004.

1.3 The Banking Industry

One of the notable banking developments during the year was the appointment of a new Governor of the Central Bank of Nigeria (CBN), Professor Charles Soludo, following the retirement of the erstwhile Governor, Chief (Dr.) Joseph Sanusi. On the resumption of the new governor, the minimum paid-up capital of banks was raised from ₦2 billion to ₦25 billion with a view to strengthening the banking industry. The upward review forms part of the major elements of the reforms by the CBN in the first phase of the banking sector reforms. Banks are expected to fully comply by December 31, 2005.

As a result of the significant dependence of banks on government deposits, accounting for over 20% of total deposit liabilities of deposit money banks, the CBN, in the review period commenced phased withdrawal of ₦74.5 billion government fund from banks. This created panic and distrust in the system, as some relatively small banks, which had depended on the funds, were reported to have defaulted on their financial obligations.

In order to align interest rate movements with market fundamentals, the CBN reviewed the MRR downward by 200 basis points to 13% in the first quarter of 2005, while the spread between banks' deposit and lending rates remained wide. Remarkably, the spread between the weighted average deposit and maximum lending rates closed 2004 at 10.63%, while the margin between the average savings deposit and maximum lending rates stood at 16.07%, as against 12.4%

Profit after tax was ₦12.2 billion, compared with ₦11.1 billion for the previous year, an increase of 9.91%

and 18.20% respectively at end-December 2003. While maximum lending rate was pegged at MRR+4%, the Cash Reserve Requirement was reduced from 12.5% to 9.5%. Also, the daily Open Market Operations (OMO) was introduced to effectively control the level of liquidity in the system, while the 182 day-Treasury bills was introduced to restructure the CBN's debt portfolio.

In addition, as opposed to the traditional practice of anchoring the MRR on the 12-month moving average rate of inflation, the Minimum Rediscount Rate (MRR) is to be determined by the year-on-year inflation rate. This is to ensure that the MRR serves more as a true anchor on which other rates in the money market is predicated. Going forward, review of the MRR is to be on a quarterly basis.

2. Operating Results

Despite the highly competitive operating environment, your bank posted yet another strong performance in the 2004/05 financial year, thereby fulfilling its key commitments to our shareholders. The performance compared favourably with industry average, with gross earnings of ₦49.5 billion, which represents an increase of 9.76% on the ₦45.1 billion posted in the prior financial year. Also Profit Before Tax at ₦15.15 billion, a 7.37% increase on the ₦14.11 billion recorded in the 2003/04 financial year, was the highest in the industry.

Profit After tax was ₦12.2 billion, compared with ₦11.1 billion for the previous year, an increase of 9.91%. As a result, the Board is proposing a Dividend Payment of N1.60k to shareholders, representing 5 kobo increase on the previous year's. Also, a bonus issue of one (1) for every four (4) ordinary shares held is recommended. This increased return to our shareholders represents a 52.3% dividend payout ratio for the year, which is in line with the Board's long stated policy of exceeding shareholders' expectations.

Importantly, this marks the tenth year in a row that dividends have been consistently paid and your Board is confident that these increases would further propel the Bank for future improvement.

Chairman's Statement cont'd

The outlook for the global economy in 2005 will be largely dependent on the fortunes of the United States and China.

3. Board Changes

3.1 Appointments

There was no appointment to the Board of Directors in the last financial year.

3.2 Retirement

I wish to formally announce the retirement of our longest serving executive director, Alhaji Umar Yahaya who retired from the Board of Directors effective August 20, 2004. On behalf of the Board and my humble self, I thank him sincerely for his diligence, hard work, and commitment to the Bank during his years in service. While wishing him a blissful retirement, we hope to count on his experience and look forward to his continued support even in retirement.

3.3 Retirement by Rotation

In accordance with the Company's Article of Association, Alhaji M. Ibrahim OFR, Brigadier General Abba Kyari (Rtd.), Mr. B.A. Bakare and Mrs. Christy N. Okoye retire by rotation, and being eligible, offer themselves for re-election.

4. Outlook For 2005/2006

4.1 The Global Economy

The outlook for the global economy in 2005 will be largely dependent on the fortunes of the United States and China. According to the IMF, global economic growth is projected to moderate to 4.3% in 2005, 0.8% point slower than in 2004. However, projected growth may be undermined by slower growth in the United States and China. Also, high oil prices may hurt nearly all countries, especially those with currencies pegged to the U.S. dollar. Other vulnerabilities that may affect the short-term outlook are the deepening global imbalance

from the high external trade deficit of the US, structural weaknesses in key industrialised nations and the high fiscal deficits in highly industrialised nations, except Canada.

4.2 The United States of America

On the strength of first quarter indices, which indicate generally robust business growth and strong consumer confidence, the outlook for 2005 is encouraging. GDP growth is projected to average 3.6%. Business investment, which finished 2004 on a high note, promises to remain strong, buoyed by favourable financing rates, sound corporate balance sheets, and rising business confidence.

Consumer spending should lead the way, though at a more tempered pace than in 2004. The unemployment rate is expected to taper, gradually falling to 5% or thereabout by the end of 2005. Inflation should decelerate slightly from 2.7% in 2004 to 2.3% in 2005 while employee compensation costs will accelerate moderately, as the slack in the economy is picked up. US economic policy should become more restrictive during the forecast period as the Federal Reserve may boost its target fed funds rate to 4% by the end of 2005. Consequently, the housing boom may bottom out in the face of higher interest rates and government spending should moderate. With expenditure on the wars on terrorism over the years expected to rise, fiscal prudence is likely to become the major focus for the US government in the medium-term with an envisaged reduction in non-defense discretionary spending to its lowest share of GDP in over 40 years. Consequently, with renewed commitment of the Bush administration to halve the fiscal deficit by 2009, the federal budget deficit should at least stabilise and perhaps decline over the next ten years.

4.3 Europe

Economic indicators in the first quarter of 2005 were mixed. While industrial production and retail sales in the Euro area firmed, business and consumer confidence were generally weak. Consequently, GDP is projected to grow by 1.6 % over the next twelve months. Besides, after a sharp improvement in industrial confidence in December 2004, there have been signs of relapse lately, reflecting wavering views about future business conditions. The gradual rebound will continue to rely on an expansion of exports and investment spending.

Chairman's Statement cont'd

Japan is expected to grow by over 2% in 2005.

Consumption is expected to pick up, but not to such an extent as to play a major role in generating growth.

As external demand increases, further acceleration is expected. Stronger growth in South-Eastern Europe may be supported by high rates of investment associated with ongoing privatisation and the upgrading of production facilities. Recovery in investment is also expected in Central Europe, especially in Poland, where financial conditions in the corporate sector are fast improving. Monetary policy has been eased in a number of EU countries over the past year, partly in response to currency appreciations, but room for further monetary expansion seems to be limited as inflationary pressures are building. As most economies in the region have large budget deficits, fiscal policies will continue to focus on consolidation. The region's downside risks include the possibility of weakening business confidence in EU, which may, however, be mitigated if it causes some EU firms to relocate production out of the region as a cost-cutting measure.

A major policy challenge for each of these economies is to work out a comprehensive post-enlargement strategy that minimises any adverse impact from the application of EU rules and regulations, entailing, for example, the need to phase out production subsidies and abolish preferential tax treatment for foreign investors. Overall, the continent may achieve a 1.8% GDP growth.

4.4 Asia

Japan is expected to grow by over 2% in 2005. The hoped-for resurgence would be driven mainly by exports, particularly from other Asian economies. The nascent external demand-led recovery has gradually fed through to the domestic sector, with an increasing number of companies showing positive domestic earnings. Business capital spending is growing at a brisk pace as corporate profits grow strongly, and latest surveys show that improvement in corporate investment conditions is broadly based. For economic growth to become more self-sustained, the strength of the business sector needs

to be transferred to the household sector through increases in wages and employment. Meanwhile, elimination of deflation requires action to be taken with regard to a number of structural problems, such as the decreasing but still large volume of non-performing loans in the banking sector, the fragile financial positions of both the public and the private sectors, and the need for corporate restructuring.

4.5 Africa

GDP growth in Africa is expected to accelerate in 2005 as many countries achieve increases in agricultural and industrial output. Anticipated peace, higher consumer spending, favourable weather conditions, increased investment, including more foreign direct investment (FDI), and expanded, though cautious, government expenditure in a growing number of countries are expected to support rising domestic demand. Meanwhile, a more auspicious external environment, including higher prices of commodities and increased demand for Africa's exports are expected to improve the prospects of a large number of countries in the region.

However, the current boom in oil and non-oil commodity exports, as well as exports of manufactured goods to the European Union (EU) and the United States under improved market access conditions, would begin to taper off in 2005. The short-term outlook for Africa is favourable in the absence of any major supply-side shocks to domestic output such as adverse weather conditions that would disrupt agricultural output or, for fuel-importing countries, a prolongation of the surge in the price of oil. Overall, acceleration in growth is expected in Africa in 2005. With improved domestic policies and good governance coupled with a more favourable international economic environment, growth is expected to improve further in 2005. Nevertheless, the improvement may be far short of the quantum leap necessary to extricate the continent from its "poverty trap".

Apart from such downside risks as the crises in Darfur and Côte d'Ivoire, peace has returned to many more countries. Democracy and human rights are strengthening in Africa and the economy is booming in many countries.

Chairman's Statement cont'd

The Bank has performed well in almost all parameters, despite the tough operating environment

The link between democracy and development has been demonstrated and the outlook for 2005 is mostly positive on the strength of this widespread recognition. Overall, with the peace initiatives anchored by the Presidents of Africa's richest and most populous nations respectively, Thabo Mbeki and his Excellency, Olusegun Obasanjo, Africa should attain a 6% - 7% growth in 2005.

4.6 Domestic Economy

Nigeria's economy is forecast to grow by 7.4% in 2005, a rate of growth clearly above the convergence criteria required by the West African Monetary Zone (WAMZ). However, the growth would be primarily driven by the energy sector, and may not necessarily cascade to the entire economy. Besides, other areas of concern in the outlook are the attainment of a single digit inflation rate in the face of rising oil prices, and ability to achieve 7.4% GDP growth rate.

On a positive note however, the set targets could be achieved and surpassed if the various economic reforms of the government are implemented. Government could consolidate its 2004 achievement by stimulating non-oil sector growth, pursuing fiscal stability, reducing the inflation rate, with enough funding capability, further working towards exchange rate stability, and ensuring the implementation of a tight monetary policy.

In addition, with government's commitment to save the oil windfall, its resolve to operate within an aggregate expenditure ceiling of ₦1.62 trillion, resulting in a deficit of ₦314 billion, the expected high prices of crude oil in the international market which currently hovers between US\$45 and US\$50, coupled with the renewed anti-corruption crusade, ample economic growth and development should be achieved.

Interest rates may remain relatively low if Government's efforts at ensuring a revamp of the real sector are anything to go by. Hence, some level of relative stability should be expected. Given the resolve of the three tiers of government to share part of the oil windfall on a quarterly basis, with the attendant liquidity surge, monetary policy for the year might be very tight with the possibility of withdrawals of public sector funds from the financial system. There may be a possible realignment of Government securities from the 91-days and 182-days treasury bills to 365-days treasury bills, as this would enable government stretch out its liabilities.

4.7 The Bank

The Bank has performed well in almost all parameters, despite the tough operating environment where intense competition held sway. Irrespective of the challenges posed by consolidation, we are confident of the Bank's future prospects across any range of metrics. The Bank will take the fullest advantage of its branch network as well as the opportunities provided by the recent banking reforms to the benefit of all stakeholders. We will continue to evaluate acquisition opportunities as they arise, but we will only execute transactions, which justify and satisfy our long-term strategic objectives as well as meet the stringent criteria we impose. Most importantly, we will continue to remain vigilant on all risk and asset quality issues.

We shall evolve new benchmarks centred on brand building to ensure that the trust and confidence of our customers are retained. Through focused customer orientation, improved service delivery, enhanced branch network and further investment in state-of-the-art technology; we shall create stronger brand equity for the Bank.

With renewed transparency in our dealings and the adoption of best practices of corporate governance, we shall attract new relationships by enhancing customers' trust and confidence, thereby creating additional value for stakeholders. With our strong balance sheet, we shall continue to make strategic investments to enhance our multifaceted offering to customers and no peak shall be difficult for us to attain.

Chairman's Statement cont'd

Through investment in state-of-the-art technology, we shall create stronger brand equity for the Bank.

Despite the near-term challenges, our Bank should deliver growth again in fiscal 2005. The legacy of the Bank and the soundness of our strategies should enable the Bank to grow revenues in excess of industry average. I am very pleased with our achievements and look forward to better performance in the 2005/2006 financial year.

5. Appreciation

Gentlemen, it is time to find words to express my gratitude. As usual, I had the good fortune of receiving valuable guidance and sound advice in abundant measure from very competent and learned colleagues on the Board of the Bank. Their vision and wisdom have been instrumental in shaping the destiny, and elevating the position of your Bank as one with strong fundamentals. I am grateful to the shareholders of the Bank, for their valuable support over the years. Your abiding trust and encouragement would motivate our team to take your Bank to greater heights of excellence in the days to come.

On behalf of the Bank and myself, I profusely thank all our customers and well-wishers for their patronage, support, and encouragement at all times. The Bank has immensely benefited from the contributions made by its auditors, legal advisors, and correspondents and I am grateful to all of them. The caring and committed employees of your Bank also deserve unreserved appreciation for their teamwork and contributions to the Bank's heartening performance.

I am also grateful to the regulatory authorities amongst which are the NDIC, NSE, SEC, correspondent banks, fellow bankers, and the state governments for their unalloyed support during the year. I am greatly beholden to the Federal Government of

Nigeria and the CBN for their valuable support and guidance in the review period and solicit their continued support in the years to come.

Thank you distinguished ladies and gentlemen for your kind attention.



Alhaji (Dr.) Umaru Abdul Mutallab (CON)
Chairman

Managing Director's Review



Jacobs Moyo Ajekigbe Managing Director

1. Introduction

Distinguished shareholders, ladies and gentlemen. It is my privilege and honour to welcome you to the 36th Annual General Meeting (AGM) of our Bank and to present to you the financial statements for the year ended March 31, 2005. I am pleased to report that the FirstBank Group continued its long-term growth trend by completing another year successfully despite challenges from the operating environment.

The out-gone year was characterised by a number of developments, all of which challenged our ability to respond to change in a very proactive and pragmatic manner. Our main focus in this respect was to ensure that revenue opportunities are transacted at acceptable levels of risk in the face of increased market volatility and competition. The core second

I am pleased to report that the FirstBank Group completed another year successfully

priority was the containment of costs and maintenance of margins in an environment in which infrastructural facilities are unreliable and interest rates continue a southward trend.

Indeed, the main task before the Bank in the financial year under review was the pursuit of continued good performance and improvement in our core businesses, while substantially reducing credit losses. In spite of the downsides to the industry outlook, we were able to take some bold steps which positioned us firmly as the pre-eminent provider of financial services in Nigeria.

The fact that the business environment remains susceptible to changes is not in itself new. Indeed over the years, this aspect of our life as an organisation has strengthened our capacity for continuous and never-ending improvement, and frequent adaptation without losing our identity and core values. We reinforced this process of continuous renewal in the review period with the unveiling of our new brand. Fashioned in response to the changing business environment and the changing needs of our customers, the objective of the brand

Managing Director's Review cont'd

transformation project is to confer a younger, modern, attractive, and nimble look and feel on the Bank. The new aesthetics also complements a greatly improved customer service model driven by a passion to continue to outperform competition.

The branding initiative however transcends the changes in the look and feel of the Bank's physical attributes such as the logo and aesthetics of our business locations. The core concept of our brand "dependably dynamic" captures the spirit of the Bank's personality. It is in this sense, a distillate of our experiences, present reality, and future projections. Its realisation rests on four pillars that will ensure the Bank's continuity and progress. These are leadership; safety and security; enterprise; and service excellence.

Our concept of leadership emphasises the status and financial strength of your bank within the industry. Safety and security depicts the Bank's concern for the inviolability of depositors' funds, the security of investors' funds, and the protection of employees' jobs. Enterprise represents our focus on flexibility, creativity, initiative, and tenacity of purpose, while service excellence emphasises our relentless commitment to process efficiency, focused performance, and accessibility.

2. Industry Review

The 12-months to end-March 2005 witnessed an unprecedented number of changes in the industry. The major event in the financial services industry in 2004 was the banking sector reforms announced by the Central Bank of Nigeria (CBN) on July 6, 2004. The reform, aimed at broadening and deepening the financial system, has as its high point, the raising of banks' minimum capital from ₦2 billion to ₦25 billion, with full compliance by the end of December 2005. Expectedly, this spurred a flurry of activities by banks to meet the December 2005 deadline. Most of the more visible initiatives undertaken by industry players were geared towards mergers/acquisitions and raising of funds from the capital market. So far, banks have raised about ₦210.5 billion, through public offers and private placements, in order to meet the consolidation requirement. The outlines of the post consolidation structure of the industry became clearer by the first quarter of 2005 as 15 groups involving 47 banks were granted pre-merger consent, while one group obtained CBN approval-in-principle. Developments in the

period since then indicate that by the end of the consolidation exercise, Nigeria would most likely have not more than 25 strong and reliable banks.

With the Bank's capital base as at 31 March 2004 at N38.6 billion, and our strategic intent of becoming the "Clear Leader" in Nigeria's financial services industry, the ongoing industry reform initiative presents a great opportunity for our bank to accelerate the execution of our strategic intent. Our near-term response has focused on acquiring strategic banks to further strengthen our leadership of the market. We do believe that post-consolidation, our advantage of size and scale will play a significant role in the industry.

The central goal of the industry reform initiative is to build upon the achievement of the financial services sector, especially in the last 10 years. The proposed reforms to be executed in two phases, also aim at restoring confidence in the banking system, and strengthening it to play competitive roles in the African and global markets. One important outcome of the consolidation exercise was the huge increase in investment in the capital market as banks shopped for funds to meet the new capital requirement.

On the downside, the consolidation and shakeout phases of the reforms hold out huge disruptive potentials for the industry. Whereas, in the medium to long-term its impact on the industry is expected to be salutary, the near-term impact on the interbank market has amplified existing vulnerabilities. Net placers of funds in this market, of which FirstBank is notable, have had to make necessary adjustments in response to the problems posed by weak banks in the market. The downward slide in lending rates which started in November 2002, continued in 2004, with an official rate ceiling of 19% (MRR+4). The situation has, however been complicated by a further reduction in the Minimum Rediscount Rate (MRR) from 15% to 13% early in 2005.

Another significant change in the banking sector was the implementation of the new settlement system which saw the appointment of the following banks as settlement banks: First Bank, Union Bank, UBA, Zenith, Standard Trust Bank, Wema, and GTB. The reform, which took effect in April 2004, is designed to unburden the CBN of its previous responsibility for

Managing Director's Review cont'd

the daily control of the settlement system, and make this function to be market driven, with the settlement banks at its core. The on-going reform of the industry may however necessitate a restructuring of the new settlement system.

The Central Bank's efforts at broadening and deepening the financial services industry continued in the period under review with the transition to a risk-focused, rule-based regulatory framework. The apex body also automated reporting requirements, and adopted a number of monetary policy measures to check the problem of excess liquidity in the banking system. These measures include the phased withdrawal of public sector deposits from the industry and upward revision of cash reserve requirements from 9.5% to 10%. Although the computed excess liquidity in the banking system as at the end of the review period was ₦80 billion, the withdrawal of public sector deposits put further pressure on rates.

The operating guidelines for discount houses were revised during the period, with the minimum capital base increased from ₦500 million to ₦1 billion. The review, like the on-going banking consolidation, is expected to further strengthen the financial services industry and deepen the money market.

The sum of ~~₦4.3~~ **₦6.3 billion** representing **52.3%** of profit after tax is being proposed as dividend to shareholders

The CBN committee on implementation of Basle II (a regulatory capital framework which aims at building a solid foundation for prudent capital regulation, supervision, and market discipline, as well as further enhancing risk management and financial stability) progressed to sensitise the industry on the needs and benefits of the framework. Essentially the aims of the Basle II Accord are to promote the soundness and stability of the global banking and financial system; to enhance competitive equality; and to provide a more widely applicable approach to the capital assessment process. Basle II's three basic pillars define capital requirements for credit, market, and operations risks; specify the structure of reporting by banks to regulators; and outline requirements for disclosure to markets.

I am glad to report that we have responded to the imperative of the Accord by instituting a project team to prepare the Bank for

the adoption of the new capital regulatory framework well before the take-off date tentatively fixed for 2008.

The Pension Reform Act, enacted in June 2004 capped the sequence of reforms for the period under review. By replacing the defined benefits scheme with a defined contribution framework, the Act simultaneously tackles the legacy of unfunded public pensions, while creating institutions for the mobilisation and management of domestic savings. The Act specifically provides for contributory pension by employees and employers, under which the former is expected to contribute a minimum of 7.5% of his/her monthly income with the employer contributing an equal percentage. It is gladdening to note that our Bank has been granted approval by the CBN to establish a pension funds custodian company to fully reap the benefits provided by this new arrangement. The development specifically would promote savings as over ₦200 billion accumulated pension funds are on ground, while government's unfunded pension obligation is estimated at over ₦2 trillion

Generally, the operating environment in the 12 months to end-March 2005 was tasking and our response has been to focus on growth and profitability. Consolidation would however stretch industry profitability in the short-term, as banks struggle to optimise returns on the new and enhanced capital base. Ahead of this, we have begun creating new business lines and adopting more aggressive business models and processes to position us ahead of competition. We have, in fact, changed our operating model in order to empower our front-office personnel to deliver our products and services more efficiently.

3. The Bank

3.1 Financial Performance

Despite the difficult business environment under which the bank operated during the review period, our balance sheet closed at ₦379 billion, representing an increase of 21.3% on the ₦312.49 billion achieved in the previous year. Our performance was enhanced by increases in deposits and other liabilities, which grew by 28% over the previous year's figure, but the benefits of these were not fully realised due to the near-collapse of the interbank market in which we are a major lender. Gross earnings increased to ₦49.5 billion from ₦45.12 billion recorded in the preceding year, as a result of growth in both interest and non-interest income. Interest income grew marginally by 8% to close

Managing Director's Review cont'd

Profit before tax rose by 7.37% from ₦14.11 billion in 2003/2004 to ₦15.15 billion during the year.

at ₦32.27 billion while non-interest income rose by 12.9% to close at ₦17.23 billion. Overhead for the year closed at ₦26.5 billion representing an increase of 6.4% when compared with the ₦24.9 billion recorded in the previous year. The increase was largely accounted for by staff related costs, expenses related to rollout of our new banking applications, Finacle, to more branches and infrastructure related expenses such as light and power as we relied mainly on stand-by generators for our Head Office building and branches during the period. NDIC premium increased by 22.5%, to ₦1.6 billion while depreciation on fixed assets grew by ₦577 million or 35% over prior year's figure as a result of additional investments in fixed assets to cope with the demands of our operation and our strategy of growth and modernisation. Overall, the increase in overheads was generally below inflation rate which stood at 16.3% as at the end of the review period.

Accordingly, profit before tax rose by 7.37% from ₦14.11 billion in 2003/2004 to ₦15.15 billion during the year. Prudent management boosted our performance, with Profit after tax also increasing by 9.9% to ₦12.2 from the ₦11.1 billion recorded in the previous year.

3.2. Appropriations

In adherence to the provisions of the law, ₦1.83 billion has been transferred to statutory reserve, while ₦1.5 billion representing 10% of profit before tax has been set aside for Small and Medium Enterprises Equity Investment Scheme reserve. The sum of ₦6.3 billion representing 52.3% of profit after tax is being proposed as dividend to shareholders. This amounts to a dividend payout of ₦1.60k for each 50 kobo share held and an increase of 16.5% over the amount paid out in the last financial year. The humongous dividend proposed (₦6.3 billion) is the largest absolute dividend in the financial services industry so far.

Furthermore, we are proposing a bonus issue of one for every four ordinary shares held in line with our commitment to improving shareholders' value. Consequently, the sum of ₦494 million has been set aside as bonus issue reserve while the balance of ₦2.02 billion has been transferred to general reserve.

3.3 Material Issues Regarding Employees and Other Stakeholders

On the strength of our operations during the review period, we do not have any material human capital management concerns, which could unfavourably affect the continuity of the Bank's business in the nearest future. Our executive management team is made up of individuals with diverse qualifications, experience, knowledge, attitude, and skills. The composition of the team is designed to guarantee that the Bank is not faced with "key man risk". We are confident of our ability to retain this mix of competencies to effectively achieve our vision and mission.

We have continued to invest in the health of our valued employees and the building of our human resource capacity. We do maintain a standard Staff Clinic at the Head Office, and have retainership agreements with several strategically placed hospitals to provide health services to our workforce all over the country. During the review year, the Bank sponsored members of staff with special medical cases for treatment abroad.

In order to meet the training needs of our staff, we continued to run our learning centres in Lagos and four other locations across the country. A good number of our staff benefited from external courses and seminars provided by first class institutions both in Nigeria and abroad.

3.4 Material Credit Risk Events

The collapse of the interbank market during the review period was particularly troubling. Nevertheless, our proactive credit risk management helped mitigate our exposure to troubled obligors in the market. Thus, in spite of the rapid changes likely to occur in the industry in the near-term, there are no material (credit risk-related) worries to the Bank's business outlook going forward. The economy will remain a key concern in the future but the reform agenda of the present administration should moderate these in the long-term.

3.5 Compliance Function

Our Compliance function was further strengthened during the review period with the:

- Approval by the Board of a revised and more robust money laundering policy and procedure manual;

Managing Director's Review cont'd

Information technology is increasingly becoming an indispensable utility in the services and manufacturing sectors

- Training of our staff bank-wide by officials of National Law and Drug Enforcement Agency (NDLEA)
- Continuous circulation of topical compliance issues to all staff through newsletters and the Bank's intranet; and
- Inculcation in all training programmes organised by the Bank of the role and responsibility of the Board, Management, and Staff on compliance and money laundering.

3.6 Small & Medium Enterprises Equity Investment Scheme (SMEEIS)

Through First Funds Limited, your bank's private equity company, we redoubled our support for the Small and Medium Enterprises sector. To this end, of the ₦2.723 billion we have put in the scheme so far, First Funds Limited, has ₦1.896 billion under management, while SME Managers have ₦360 million. Distinguished shareholders, our Bank has at year-end accumulated ₦5.383 billion as reserves for the scheme. We are poised to increase disbursements under the scheme as we go forward.

3.7 Branch Network & Customer Service Initiative

Our branch network expansion programme suffered a set-back during the review period as the regulatory authorities slowed down on approval of new branches in view of the on-going consolidation programme. As a result, we were able to open only seven new branches bringing the total number of our branches to 365. We remain committed to our goal of being the lead service provider in the nation's financial services industry.

We have repackaged some of our product offerings like the First Saving Plus and Automated Telegraphic Transfer, and have implemented several service standards in pilot branches as the

beginning of the development of a revised Service Charter for the Bank. Our Client Service Management Unit has impacted positively on service delivery, and is working tirelessly to discover new and better ways of meeting and surpassing customers' expectations.

In the review period, a new cheque management centre was established in Benin City to improve the delivery time of chequebooks to our customers in Delta, Edo, Bayelsa, Ondo, and Ekiti states. This is in conjunction with the automation of the cheque request process. We expect that our customers will reap the benefits of improved service in all areas of interaction with the Bank over the next six months.

3.8 Information Technology

Information technology is increasingly becoming an indispensable utility, supporting and driving processes in the services and manufacturing sectors alike. Our processes are evidently beyond this stage. The next level is to leverage IT at the cutting edge of our processes, by delivering mass customised products/services, and improving the efficiency of our resource conversion process. Unlike other utilities, though, IT still offers stupendous opportunities for managing the product life cycle for value; and for fast tracking the time-to-market of our new product delivery process.

In addition, with 250 on-line real-time branches, we are offering unparalleled customer interface with the Bank. The Bank's Internet banking has continued to gain acceptance. In the review period, we deployed more ATMs and issued more debit cards with a view to decongest our banking halls and facilitate prompt cash withdrawals. More importantly, our transaction volume grew at an average of 30% per month and the value of cash withdrawal at the ATMs increased in like manner. These have been greatly facilitated by our collaboration with other banks through InterSwitch to encourage increased use of cards in banking transactions. The collaboration ensures that FBN cardholders can visit the ATMS of any bank connected to InterSwitch to carry out their transactions and vice versa.

We also acted as settlement bank for all ATM Consortium (ATMC) transactions and supported ATMC with Cash in transit services in 23 of the 30 locations within the Lagos area. Hence, activity on the Quickcash logo, which provides 24-hour service to cardholders of member banks, has been stimulated. In order

Managing Director's Review cont'd

to support the availability of cash in good quality for our ATMs and customers, we have developed cash sorting centres in eleven locations across the country.

activity on the Quickcash logo, which provides 24-hour service to cardholders of member banks, has been stimulated. In order to support the availability of cash in good quality for our ATMs and customers, we have developed cash sorting centres in eleven locations across the country.

The Bank deployed more MasterCard on-line terminals to merchants and key branches, and converted most of the existing merchants from manual transaction processing to electronic processing. We also successfully launched the first Point of Sales (PoS) terminal that accepts local debit cards from FirstBank and other banks on the interSwitch network. This was a landmark achievement, which was widely reported, in the news media. Today, our Bank is the number one bank in the ValueCard consortium on merchant acquired transactions.

Other electronic products developed in the last one year include Electronic Payment System Solution (currently being used by the Federal Inland Revenue Service, NEPA and Lagos Water Corporation) and Telephone Banking. These are aimed at improving service delivery to our esteemed customers.

3.9 Manpower Development

In the review period, we continued with our recruitment policy of maintaining a skill mix, which is intended to rejuvenate our workforce through a combination of entry level and executive recruitment. To this end, we recruited 850 Executive Trainees nationwide to ensure continuous supply of personnel for our business. This initiative has also served to reduce unemployment level in the country and enhanced our corporate/social responsibility. These new crop of young FirstBankers completed an intensive induction programme in April 2005.

To further strengthen our workforce we also recruited various professionals with broad industry knowledge and hands-on

experience to enable us take advantage of emerging opportunities in big-ticket transactions and deal structuring during the year. The resources expended in this regards have started to manifest positively in enhanced deal flows and flawless execution. Overall, the Bank had total staff strength of 6,698 as at March 31, 2005. Of these, 18% were officers, 79% were senior staff and 3% were in the management cadre. We continued to devote appreciable resources to staff training and development, both through local and foreign facilitation.

Convinced that our role as one of the leading employers of labour outside the public sector behoves on us a moral obligation for post-employment re-integration of our personnel into the larger society, we have paid as much attention to the welfare of our pensioners as we have to our staff. We shall continue to motivate our people to achieve higher levels of productivity and engage men and women with the requisite skill and experience.

3.10 Financing the Economy

As a result of a number of the initiatives enunciated above, our Bank consolidated on its reputation as industry leader in loan syndication by closing a landmark ₦20.0 billion (twenty billion naira) medium term loan for West African Portland Cement Plc (WAPCO), by acting as Lead Arranger and Agent Bank. The Bank won the mandate to act as the underwriter and co-adviser for the ₦10.00 billion (ten billion Naira) Rights Issue by WAPCO. We also acted as a Lead Arranger in a ₦60.0 billion (sixty billion Naira) syndicated loan facility for Dangote Industries Limited, Nigeria's largest indigenous conglomerate. This is the biggest of such transaction by any bank in Nigeria.

3.11 Agric Business & SME Operations

In giving impetus to government's drive towards self-sufficiency in food production, employment generation and diversification of the economy, the Bank approved the sum of ₦1 billion for disbursement to farmers nationwide under a new initiative called Agricultural Development Trust Fund Credit (ADTFC). Already, the sum of ₦486 million has been assigned to some states under the scheme while Memorandum of Understanding for its implementation is being executed with more states of the federation.

The Bank approved the sum of ₦1 billion for disbursement to farmers nationwide under a new initiative

Managing Director's Review cont'd

We are grateful to the Almighty God for blessing our efforts in the last financial year

disbursement to farmers nationwide under a new initiative called Agricultural Development Trust Fund Credit (ADTFC). Already, the sum of ₦486 million has been assigned to some states under the scheme while Memorandum of Understanding for its implementation is being executed with more states of the federation.

Besides the special programme, the Bank maintained its direct financing operations to both small and large scale farmers by way of its numerous agricultural finance products.

3.12 Recognition & Awards

During the review period, reputable institutions both at home and abroad duly recognized our consistent superior performance. The Bank received the prestigious Euromoney Award in London as the Best Bank in Nigeria, and the reputable US-based Global Finance Magazine equally awarded the Bank the Best Emerging Market Bank as well as the Best Foreign Exchange Bank in Nigeria.

Equally, the Influential UK-based Banker Magazine rated the Bank the largest bank in Nigeria and seventh in Africa in terms of tier-one capital. The Bank as well received the Nigerian Stock Exchange and Pearl Awards in the review period. Furthermore, our Bank received the highest rating of the JIC Governance Plus. Our Bank also emerged as the best brand in the banking industry in the 2004 Alder Consulting brand rating exercise.

4. Outlook

The out-gone year was very challenging and it has positioned the Bank to seek newer opportunities for growth. Although our Bank has substantial capacity for organic growth and significant investment opportunities in our core businesses, the consolidation exercise has opened for us fresh opportunities to further expand our business focus.

The general rebound in the global economy, the increasing democratisation in the African continent, and the growing business confidence in Nigeria engendered by the successful

transition from one democratic government to another, would offer First Bank an opportunity to consolidate on its leading position in the Nigerian financial services industry and make appreciable inroad into the international market.

The future, no doubt, is competitive. We have, therefore, put in place structures that would enable us seek new strategic growth opportunities in our increasingly volatile operating environment. Indeed, we will continue to leverage our strength as the most profitable and largest Nigerian bank in terms of branch network and shareholders funds to provide our customers with excellent financial services.

In the years ahead, technology would continue to drive our business. We will target getting more than 90% of our branches on-line. Currently we have achieved more than 68% of this, making First Bank the largest on-line bank in Nigeria. We particularly hope to leverage technology to improve our customer service delivery and further enhance the value chain. We are very optimistic that the new financial year will usher in an ing banking public in the local market. We are poised more than ever before to reinvigorate our customer service premise of being the bank of first choice. economic environment that would brighten our income expectations. The on-going consolidation programme and the contraction in the number of banks would task us to innovatively use our strength of size to an advantage as well as challenge us to improve on our risk asset quality. There would also be the challenge to re-engineer our work processes and to create new products to meet the demands and expectations of the growing banking public in the local market. We are poised more than ever before to reinvigorate our customer service premise of being the bank of first choice.

On the international scene, the correctness of our "progressive internationalisation" strategy is validated daily by the operations of our subsidiary in the UK, FBN Bank (UK) Limited, and our representative office in South Africa.

Overall, we believe 2005/2006 will be a year of immense opportunities for our Bank in particular and the national economy in general. The economic reformations taking place in the country through the National Economic Empowerment and Development Strategy (NEEDS) will position the national economy for optimal performance if properly handled. We at

Managing Director's Review cont'd

First Bank, therefore, see 2005 as a year of transition to greater performance of the national economy and of the local business operators.

Conclusion

Finally, we are grateful to the Almighty God for blessing our efforts in the last financial year. Permit me to thank my colleagues for their relentless commitment to the success of our Bank. I wish to also use this occasion to thank one of us, Alhaji Umar Yahaya, who until lately was a member of the executive management. We wish him well in his future endeavours.

Distinguished Ladies and Gentlemen, I thank you for your kind attention.



J.M. Ajekigbe
Managing Director/Chief Executive



National icon. International player

Today's FirstBank

New Drive ■ New Identity

Today's FirstBank is committed to international expansion. FBN (UK) at 28 Finsbury Circus, London EC2M 7DT, London and our South Africa representative office at 10th Floor, The Forum at Sandton Square Building, 2, Maude Street, P.O.Box 784796, Sandton 2146, Johannesburg, South Africa Tel: +2711 7849922, 7849925

Fax: +2711 7849806 are just the beginning. So, wherever you see our new logo, be sure of one thing. It is the symbol of a bank that is firmly focused on opening gateways of opportunity for you.

FirstBank

...truly the first



Corporate Governance

FirstBank is committed to best corporate governance practices. We recognize that high corporate governance standards are a sine qua non for effective management and control of business. The transparency, which these bring to bear on our operations, is essential for optimising the value and interests of the various stakeholders of our Bank. It is, also a major determinant of public and customer confidence in any institution and, our goal is that FirstBank is the industry barometer in the area of good corporate governance.

In furtherance of this commitment to high ethical conduct, we institutionalise a process of regularly reviewing our processes and practices to align them with the legislative and best practice changes in the global corporate governance environment.

Our efforts in this regard have been strengthened by key initiatives in the domestic regulatory environment. The launch in November 2003 by the Security and Exchange Commission (SEC) of the “Code of Corporate Governance” (The Code) provided a useful backdrop for evaluating our efforts thus far. We have taken additional decisions to enhance further our corporate governance practices far in excess of the expectations of The Code.

In keeping with the broad picture and specific requirements of The Code, the Board has always taken its responsibilities for the cultural, ethical, legislative and institutional norms, which govern our operations very seriously. Consequently, the Bank's top-end is organised in such a way that directors are able to maintain a close watch on activities of the Bank. To facilitate and ensure process transparency, the Board established two additional committees during the year; the Board Nomination and Remuneration Committee and Board Audit & Risk Assessment Committee. Altogether, the Board has set up seven (7) Board Committees to assist its oversight of **“the affairs of the company in a lawful and efficient manner in such a way as to ensure that the company is constantly improving its value creation as much as possible”**. The Board and the various committees meet regularly, and there is full and frank dialogue between committee members and management on all major issues.

In addition, the Board has in place a performance evaluation process to ensure that directors' contribution to the goals and

strategic objectives of the Bank are systematically measured based on pre-agreed and post-evaluated criteria. In this regard, the Nomination and Remuneration Committee is charged with the responsibility for ensuring that the Board's performance is evaluated on an annual basis.

Board Composition

The Board has ultimate responsibility for the overall functioning of the Bank and hence, provides strategic direction for our Bank. Our Board is stable, effective and independent. The fifteen (15) man - Board comprises a mix of seven (7) Executive and eight (8) Non-Executive Directors. The directors are experienced stakeholders with diverse professional backgrounds in banking, economics, accounting, management, agriculture, law, information technology, etc. The board, over the years, has exhibited significant diversity in terms of depth and breadth of experience, knowledge, attitude and skills. The Bank is specially honoured to have a versatile Board with deep understanding of its responsibilities to shareholders, regulatory authorities and government.

The composition of the Board of Directors changed in the course of the year with the retirement of Alhaji Umar Yahaya from the executive management after 6 years of meritorious service to the Bank. The Board, therefore, is now composed of 14 members, eight (8) in non-executive capacity and six (6) in executive capacity. A Non-Executive Director (Alhaji Umaru Mutallab) chairs the Board.

The Roles of the Board

The responsibilities of the Board include the following:

- Determining the Bank's objectives and strategies as well as plans to achieve these;
- Determining the terms of reference and procedures of Board Committees. The Board also reviews and approves the reports of such committees where appropriate;
- Maximising shareholder value through the setting of objectives, goals and strategic direction for management;

Corporate Governance cont'd

- Considering and approving annual budgets, monitoring financial performance and ensuring that the Bank is a going concern;
- Ensuring that an adequate budgetary and planning process exists, that performance is measured against budgets and plans;
- Approving, among others, acquisitions, mergers, equity investments and new strategic alliances by the Bank or its subsidiaries;
- Ensuring balanced and understandable reporting to stakeholders;
- Ensuring that an effective risk management process exists and is maintained; and
- Having ultimate responsibility for systems of financial, operational and internal controls, and regulatory compliance. It also ensures that reporting of these are adequate.

The Board carries out the above responsibilities through a number of standing committees whose terms of reference it reviews regularly. All committees have clearly defined terms of reference setting out their roles and functions, terms, responsibilities, scope of authority and procedures for reporting to the Board.

Currently, the following are the standing committees of the Bank:

1. Executive Committee (General)

The Executive Committee (General) (also known as EXCO) comprises all the Executive Directors (7 in number) of the Bank and is usually chaired by the Managing Director/Chief Executive. With the resignation of Alhaji Umar Yahaya, the EXCO General currently consists of 6 members. The committee meets fortnightly to deliberate and take policy decisions on the effective and efficient running of the Bank. It also serves as a filter for issues to be discussed at the Board. The Executive committee (General) met 37 times during the financial year under review.

EXCO's primary responsibility is to ensure the implementation of the strategies approved by the Board, provide leadership to the management team and ensure efficient deployment and management of the Bank's assets. The Chairman of EXCO is responsible for achieving the overall performance targets and the day - to - day running of the Bank.

2. Executive Committee (Credit)

Membership of EXCO-Credit Committee is same as in (1) above. The Committee meets weekly to consider loan applications above certain limits, which have been approved by the Credit Risk Management Department. The committee also considers request for loan applications that must be referred to the Board for consideration as well as changes in the Bank's credit policy.

3. Board Credit

The Board Credit Committee considers loan applications above certain levels that are referred to it by EXCO Credit Committee. The committee is made up of all Executive Directors and five (5) Non-Executive Directors. Specifically, the Non-Executive Directors are Garba Duba, Oyekanmi Hassan-Odukale, Abba Kyari, Abdullahi Mahmoud and Ayoola Oba Otudeko. The Managing Director/Chief Executive of the Bank is the Chairman of the Committee.

4. Board Tenders Committee

The Board Tenders Committee considers all capital projects that are above the approval limit of the Executive Committee and make appropriate recommendations for the Board's consideration. The committee comprises of 6 Directors, which include 3 Executive and 3 Non-Executive Directors. A Non-Executive Director, Abdullahi Mahmoud chairs the committee. The other Non-Executive Directors are: G. Duba and Udo Udo-Aka while the other members are the Managing Director/Chief Executive and Executive Directors in charge of Information Technology & Resources and Risk & Management Control.

Corporate Governance cont'd

5. Board Establishment and Disciplinary Committee

The Board Establishment and Disciplinary Committee considers staff matters for senior management staff of the Bank. It comprises 6 members and is chaired by Mr. Ayoola O. Otudeko. Other members of the committee are; Garba Duba, Abba Kyari and Udo Udo-Aka (Non-Executive Directors) while the Managing Director/Chief Executive and the Executive Director (Transactional Banking - Up Country) are the Executive Directors in the committee.

6. Board Audit & Risk Assessment Committee

This committee comprises 5 members (2 Executive and 3 Non-Executive Directors). Members of this committee must have finance and accounts related backgrounds. The committee's functions/responsibilities include oversight of:

- a. Internal Audit and Control
- b. Risk Assessment and Compliance
- c. Quarterly Report for presentation to the Board Audit & Risk Assessment Committee by Chief Internal Auditor and Chief Compliance Officer.

7. Audit Committee

In compliance with section 359 (6) of the Companies and Allied Matters Act 1990, the Bank established Audit Committee. The committee comprises three representatives of shareholders (elected annually at the AGM), two Non-Executive Directors and one Executive Director. Otunba M.O. Olowu chaired the committee during the year under review while the other members were Mr. Sola Ephraim-Oluwanuga, Alhaji Hamzat Suleiman and Mr. Hassan O. Odukale. Others are Mr. Bashiru Ayoola Bakare and Alhaji Mahammadu Ibrahim.

8. Board Nomination and Remuneration Committee

The committee is chaired by Alhaji Umaru Matallab (Chairman of the Board), the Managing Director/Chief Executive and 3 Non-Executive Directors. Amongst others, the committee

reviews the composition of the Board and recommends the appropriate skill mix, personal qualities, expertise, ability to exercise independent judgment and diversity required to discharge the Board's duties.

In addition, the committee establishes and implements processes for appointment to the Board, removal of non-performing directors and recommends appropriate remuneration for directors.

Frequency of Meetings

All committees (with the exception of the Board Nomination and Remuneration Committee, which meets as and when required) meet once every quarter. Exceptions to this rule are the Executive Committee (General), which meets forth nightly, Executive Committee (credit), which meets weekly and the Board Credit Committee, which meets monthly. Notwithstanding the above, meetings of all committees may be convened whenever the need arises.

The frequency of meetings during the period April 1, 2004 to March 31, 2005 is as follows:

Committee	No. of Meetings
Board	8
Exco General	37
Board Establishment	6
Board tenders	6
Audit	3

Support Committees

A number of the preceding committees evidence the Bank's commitment to an open and transparent governance structure/process. Meanwhile, there are standing committees, which provide backing for the long-term professional management of the business of the Bank. The following are the standing committees of the Bank.

Corporate Governance cont'd

I. Assets and Liabilities Committee

Managing Director/Chief Executive	Chairman
All Executive Directors	Member
Head, Corporate Planning & Group Coordination	Member
Head, Finance and Performance Mgt.	Member
Head, Treasury & Funds Mgt.	Member
Head, Foreign Operations	Member
Head, Credit Risk Management	Member
Head, Consumer Finance	Member
Group Head, Conglomerates & Multinational	Member
Group Head, Commercial Banking	Member
Branch Manager, Marina	Member
Chief Compliance Officer	Member
Chief Internal Auditor	Member

ii. Information Technology Steering Committee

Managing Director/Chief Executive	Chairman
All Executive Directors	Member
Head, Corporate Planning & Group Coordination	Member
Head, Finance and Performance Management	Member
Head, Treasury & Funds Management	Member
Representative of Foreign/Domestic Operations	Member
Representative of Risk & Mgt. Control	Member
Representative of Retail & Consumer Banking SBU	Member
Representative of Corporate & Investment Banking SBU	Member
Representative of Commercial Banking SBU	Member
Branch Manager (Abuja Main)	Member
Chief Internal Auditor	Member
Chief Compliance Officer	Member
Head, New Banking Application Implementation Project	Member
Head, Process, Quality & Metrics	Member
Head, Support Services	Member
Head, Business Systems Development	Member

iii. Brand Transformation Project Steering Committee

Executive Director, IT & Resources	Project Sponsor
Executive Director, Transaction Banking (Up country)	Member
Head, Corporate Planning & Group Coordination	Member
Head, Classified Assets Management	Member

Corporate Governance cont'd

Group Head, (Commercial Banking Lagos II & West)	Member
Head, Finance & Performance Management	Member
Head, Corporate Affairs	Member
Head, Client Services	Member
Head, Human Capital Management	Member
Head, General Services	Member
Branch Manager, Oke-Arin	Member

iv. Finance and Operations Committee

Head, Corporate Planning and Group Coordination	Chairman
Group Head, Corporate Banking SBU	Member
Group Head, Commercial Banking SBU	Member
Head, Credit Risk Management	Member
Head, Consumer Finance	Member
Head, Domestic Operations	Member
Regional Coordinators	Members
Chief Internal Auditor	Member
Head, Treasury & Funds Management	Member
Head, Foreign Operations	Member
Head, Finance & Performance Management	Member
Chief Compliance Officer	Member

iv. Group Management Steering Committee

Managing Director/Chief Executive	Chairman
All Executive Directors of FirstBank	Member
Head, Corporate Planning & Group Coordination	Member
Head, Finance & Performance Management	Member
Managing Directors of all the subsidiaries	Member
Company Secretary	Secretary

3.5 Shareholder Participation and Activism

FirstBank is conscious of shareholders' rights to full disclosure of information on developments in the Bank. It therefore, during the year made conscientious efforts to inform all shareholders of major developments as they occurred. In addition to the mandatory statements sent through the Nigerian Stock Exchange on a quarterly, half yearly and yearly basis through financials, our Bank, during the year made extra efforts at increasing process transparency through organising stakeholders' forum and press releases. It also maintains an interactive **website: www.firstbanknigeria.com**, for access by stakeholders and the public. All these are efforts to share with the public, the broad direction and strategies of the Bank as well as to afford them opportunities of making inputs to the running of the organisation.

Subsidiaries and Associates

The Bank, with its associates and subsidiaries has an overwhelming presence in the financial market of the economy. Apart from traditional banking operations, the group covers other aspects of the financial sector like investment banking, registrarship, insurance, trusteeship, mortgages, etc. The towering status of the Bank and its subsidiaries and associates make it the undisputed leader in the Nigerian financial services industry.

Subsidiaries

First Registrars Nigeria Limited

In the year under review, First Registrars Nigeria Limited (FRNL) embarked on a business transformation programme designed to give it competitive advantage as well as position it for future challenges. This programme involves strategy redefinition, organisational and information technology effectiveness and service excellence.

There was a monumental boost in clientele largely as a result of concerted marketing efforts and improved service delivery. Specifically, FRNL successfully handled a total of 9 offers well ahead of the statutory time limit.

Preparatory to expected increase in its activities, the company procured a “data content capture & conversion solution”. The software can seamlessly and accurately scan, capture, process and convert large volumes of paper information (about 50,000 forms per day) into electronic form.

Given the societal and commercial inclination for electronic communication and by extension the corporate preference of regulatory authorities for e-dividends, e-bonus, e-IPOs and e-messages, the Company introduced the “First e-Share Notifier” during the review period. First e-Notifier is a new product designed on SMS platform to disseminate critical information to shareholders via mobile phones as text messages.

The facility is capable of delivering the following information:

- Annual General Meeting/Extra-Ordinary General Meeting
- Dividend Payments
- Script (Bonus) Issues
- Public/Rights Offerings
- Verification of Share Certificates; and
- Caution Notices



Bayo Olugbemi
MD/CEO, First Registrars
Nigeria Ltd.

Subsidiaries and Associates cont'd

FBN Bank (UK) Limited

FBN Bank (UK) Limited, a wholly owned subsidiary of FirstBank is a full service UK bank regulated by the Financial Service Authority in London. Its offices are located at 28 Finsbury Circus, London.

Primarily, FBN Bank (UK) Limited, is a corporate bank. Its main focus is trade transactions, especially between Nigeria and the UK. Services offered to customers include multi currency current and interest bearing accounts, financing of trade transactions and secured lending.

The Bank also offers banking services to 'high networth' individuals and provides personal banking service to its customers. In addition to traditional banking, it offers ATM cards and investment mortgages for purchase of UK property.



Peter Hinson
MD/CEO, FBN Bank (UK)Ltd.

FBN (Merchant Bankers) Limited

FBNMB recorded a resounding success in the 2004/2005 financial year by executing high-profile capital market mandates and winning several financial advisory deals. Notably, FBNMB advised the Bureau for Public Enterprises (BPE) on the privatisation of Eleme Petrochemicals Company Limited and also, handled a number of highly successful initial public offers. Its foreign exchange transactions as well as volume of liabilities grew in spite of the decline in interest rates.

In addition, it transformed the operations of its subsidiary, Premium Securities Limited, thereby leading to drastic improvements in efficiency, cost management and profitability.



Bayo Adeleke
MD/CEO, FBN (Merchant Bankers) Ltd.

First Trustees Nigeria Limited

As a pension fund manager, First Trustees Nigeria Limited geared its efforts towards enlightening both its existing and prospective clients on the requirements of the new pension law. In addition, the company introduced equity portfolio management service to serve clients with bias for equity investments. As part of its expansion initiative, a branch was opened in Port Harcourt to serve customers within the south-south and southeast regions of the country.



Nsikak Ekure
MD/CEO, First Trustees Nigeria Ltd.

Subsidiaries and Associates cont'd

FBN Insurance Brokers Limited

Established in 2000, FBN Insurance Brokers Limited is a fully owned subsidiary of First Bank of Nigeria Plc. The company was licensed to transact all classes of insurance brokerage business. The company's strengths are in expert handling of all classes of insurance business in strict accordance with Insurance Act 2003, undertaking periodic and comprehensive risk survey, ascertaining cover adequacy, advising customers on risk improvement and maintaining professional indemnity insurance cover which is far in excess of ₦10 million per claim.

The company has experienced phenomenal growth over the years. With an authorised share capital of ₦5 million in 2000, the company's share capital rose to ₦30 million of which ₦20 million is fully paid. In line with its mission statement "To be a highly professionalised Insurance Brokers and provide optimum returns to shareholders" the company has consistently contributed positively to the Group's overall performance.



O.O Akinyemi
MD/CEO, FBN Insurance
Brokers Ltd.

First Funds Limited

First Funds Limited (FFL) a venture capital company, which manages SMIEIS funds of FirstBank and FBN (Merchant Bankers') commenced operations in 2003. The company recognises Small and Medium Enterprises (SMEs) as the engine room of industrialisation and is, therefore, committed to providing long-term risk capital to Nigerian SMEs by assisting in positioning them for growth into future multinationals.

In addition, the company also has a stand-alone financial advisory unit, which provides financial advisory services to SMEs and for viable projects that are larger than SMEs. The FirstBank Group has made SMIEIS investments in diverse sectors of the economy amounting to well over ₦2 billion as at March 31, 2005. First Funds directly invested over ₦1.7 billion of this sum.



Kayode Ayeni
MD/CEO, FirstFunds Ltd.

FBN Mortgages Limited

The company commenced business in 2004 with a vision to empower majority of the 120 million Nigerians to own their homes by writing beneficial mortgages for its clientele, partnering with land owners to develop houses, advising homebuyers of optimum combination of finances that result in cheap financing options for home ownership and encouraging prospects to contribute to the 'National Housing Trust Fund' (NHTF).

The company has developed a number of attractive products including Liability Accounts, Home Ownership Mortgage Account (HOMA), Home Bridging Mortgage Finance, Project Financing, National Housing Trust Fund Loan Account, and NHTF Bridging Finance.



Tijani Abdulsalam-Ogueyi
MD/CEO, FBN Mortgages Ltd.

Subsidiaries and Associates cont'd

Associates & Affiliates

The Bank has an associate company (Kakawa Discount House) and four (4) affiliate companies as at March 31, 2005. The affiliate are: Banque Internationale du Benin, ValuCard, Afrexim Bank and Nigerian Interbank Settlement System. Most of the companies are performing remarkably well and making expected contribution to the Bank's bottomline. Banque Internationale du Benin is being recapitalised and repositioned to ensure improved performance.

Report of Directors

For the year ended 31 March, 2005

The Directors have pleasure in submitting to the members their report and audited financial statements of the Group for the year ended 31 March 2005.

1.	Results	N 'm	N 'm
	The profit for the year after taxation and minority interest		13,050
	Less: Appropriations:		
	Transfer to statutory reserve	1,887	
	Reserve for Small Scale Industries	1,558	
	Proposed dividend	<u>6,325</u>	
			(9,770)
	Retained profit transferred to general reserve		<u><u>3,280</u></u>

The proposed dividend of 160 kobo (2004 155 kobo) per ordinary share is subject to withholding tax.

2. Legal Form

The Bank, which commenced operations in Nigeria in 1894 as a branch of Bank of British West Africa Limited, was incorporated as a private limited liability company in Nigeria in 1969 and was converted to a public company in 1970. The Bank's shares are quoted on the Nigerian Stock Exchange.

3. Principal Activities

The Bank engages in the business of commercial banking whilst its major subsidiaries, FBN Bank (UK) Ltd, FBN (Merchant Bankers) Limited, First Registrars Nigeria Limited and First Trustees Nigeria Limited carry on the business of commercial banking, merchant banking, registrars and trusteeship respectively.

4. Business Review and Future Development

During the year, the Bank carried out banking activities in accordance with its memorandum and articles of association.

A comprehensive review of the business for the year and the prospects for the ensuing year is contained in the Managing Director's report.

5. Fixed Assets

Movements in fixed assets during the year are shown in note 8 on pages 67 to 68. In the opinion of the Directors, the market value of the Bank's properties is not less than the value shown in the accounts.

6. Directors

- 1 The names of the current directors are detailed on page 8.
- 2 In accordance with the Bank's articles of association, Alhaji M. Ibrahim, OFR, Alhaji Abba Kyari, Mr. B. A. Bakare and Mrs. Christy N. Okoye retire by rotation, and being eligible, offer themselves for re-election.
- 3 Since the last Annual General Meeting, Alhaji Umar Yahaya retired from the services of the Bank with effect from 20 August 2004.

Report of Directors Contd

For the year ended 31 March, 2005

7. Directors' Responsibilities

The directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Bank at the end of each financial year and of the profit or loss for that year and comply with the provisions of the Companies and Allied Matters Act, 1990 and Banks and Other Financial Institutions Act, 1991. In doing so they ensure that:

- adequate internal control procedures are instituted to safeguard the assets, prevent and detect frauds and other irregularities;
- proper accounting records are maintained;
- applicable accounting standards are adhered to;
- suitable accounting policies are adopted and consistently applied;
- judgements and estimates made are reasonable and prudent; and the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Bank will continue in business.

8. Bonus Issue Reserve

The directors recommend that the sum of ₦494 million be set aside out of general reserve to be capitalised by issuing one ordinary bonus share of 50 kobo to existing shareholders for every four ordinary shares previously held.

9. Directors' Interests

The interests of the directors in the issued share capital of the Bank as recorded in the register of directors' shareholdings at 31 March, 2005 are as follows:

		Ordinary Shares of 50K each ← 31 March →	
		2005	2004
Mutallab, Umaru A.	(Direct)	3,775,731	1,875,808
	(Indirect)	67,485,948	63,237,722
Ajekigbe, Jacobs Moyo		1,964,470	1,523,974
Aboh, John Oche		1,693,377	1,505,224
Bakare, Bashiru A.		312,599	277,866
Duba, Garba		2,904,942	1,102,392
Hassan - Odukale, Oyekanmi	(Direct)	11,250	10,000
	(Indirect)	596,229	529,982
Ibrahim, Muhammadu		887,152	766,489
Kyari, Abba		31,699	28,177
Mahmoud, Abdullahi		192,260	170,898
Okoye, Christy N. (Mrs.)		741,621	790,755
Otudeko, Ayoola Oba	(Direct)	514,496	511,519
	(Indirect)	102,544,803	91,150,936
Udo-Aka, Udo	(Direct)	1,233,268	907,350
	(Indirect)	26,276	23,356
Wanka, Ado Yakubu		2,109,375	1,675,000
Woherem, Evans Ejike		941,851	317,201
Yahaya, Umar		2,409,431	1,935,382

None of the Directors has notified the Bank for the purposes of Section 277 of the Companies and Allied Matters Act, 1990 of any discloseable interests in contracts in which the Bank was involved as at 31 March, 2005.

Report of Directors Contd

For the year ended 31 March, 2005

10. Analysis of shareholdings

- 1 The shares of the Bank at 31 March 2005 were fully owned by Nigerian citizens and associations.
- 2 As at 31 March 2005, only First Dependants Nigeria Limited, the Managers of the Staff Pension Fund held up to 5% of the issued share capital of the Bank.
- 3 The range of shareholding as at 31 March 2005 is as follows:

Range of holdings		No. of Shareholders	No. of Shareholdings	%
1 -	99	4,789	250,099	0.01
100	199	9,675	1,383,565	0.03
200	499	23,476	6,696,008	0.17
500-	999	55,470	40,858,254	1.03
1,000-	1,999	56,706	83,074,482	2.10
2,000-	4,999	64,440	211,822,143	5.36
5,000-	9,999	31,936	225,680,712	5.71
10,000-	49,999	30,177	615,810,476	15.58
50,000-	99,999	3,698	252,436,282	6.39
100,000	999,999	3,240	793,480,204	20.07
1,000,000-	4,999,999	244	489,448,817	12.38
5,000,000-	9,999,999	32	239,956,235	6.07
10,000,000-	99,999,999	30	992,367,720	25.10
Total		283,913	3,953,264,997	100.00

11. Donations

Donations made during the year amounted to ₦67.931m. The recipients were:

	₦'000
African Farm Management Association	250
Institute of Directors	791
International Federation of Women Lawyers - Regional Congress	500
MUSON Centre Charity Concert	400
National Committee on Review of Banking Laws	2,500
National Eye Centre, Kaduna	500
National Women conference	3,780
NEPA Golf Tournament	500
NEPAD Business Group Nigeria 2005	500
Nigerian Accounting Standards Board	410
Nigerian Economic Summit Group	6,500
Nigerian Gas Association	500
Balance carried forward	17,131

Report of Directors Contd

For the year ended 31 March, 2005

	N'000
Brought Forward	17,131
Nigeria Institute of Leadership	215
Nigeria Red Cross	300
Nigeria Police Force (Crime Watch)	15,000
Nigerian Television Authority	200
Public Policy Research Centre	200
Tsunami Disaster Relief Fund	15,000
University of Nigeria, Nsukka	5,000
Others	<u>14,885</u>
	<u>67,931</u>

12. Employment and Employees

1 Employment of disabled persons

It is the policy of the Bank that there should be no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop. As at 31 March, 2005, nine (9) disabled persons were in the employment of the Bank.

2 Health, safety at work and welfare of employees

Health and safety regulations are in force within the Bank's premises and employees are aware of existing regulations. The Bank provides subsidy to all levels of employees for medical, transportation, housing, etc.

3 Employees' involvement and training

The Bank is committed to keeping employees informed as much as possible regarding the Bank's performance and progress and seeking their views whenever practicable on matters which particularly affect them as employees.

Management, professional and technical expertise are the Bank's major assets and investment in their further development continues.

The Bank's expanding skill-base has been extended by a range of training provided to its employees whose opportunities for career development within the Bank have thus been enhanced.

Training is carried out at various levels through both in-house and external courses.

13. Post Balance Sheet Events

There are no post balance sheet events that could have had a material effect on the state of affairs of the Bank as at 31 March, 2005.

Report of Directors Contd

For the year ended 31 March, 2005

14. Audit Committee

Pursuant to Section 359(3) of the Companies and Allied Matters Act, 1990, the Bank has in place an Audit Committee comprising three shareholders and three directors as follows:

Otunba Michael Olatunde Olowu (Chairman)
Mr. Oyekanmi Hassan-Odukale, MFR
Alhaji Muhammadu Ibrahim, OFR
Alhaji Bashiru Ayoola Bakare
Mr. Ikechukwu Ukatu
Alhaji Bashir Mohammed

The functions of the Audit Committee are as laid down in Section 359(6) of the Companies and Allied Matters Act, 1990.

15. Auditors

Messrs. Akintola Williams Deloitte and PKF Pannell Kerr Forster having indicated their willingness to continue in office, will do so in accordance with Section 357(2) of Companies and Allied Matters Act, 1990.

A resolution will be proposed at the Annual General Meeting to authorise the directors to determine the remuneration of the joint external auditors.

BY ORDER OF THE BOARD



TIJJANI M. BORODO
Secretary
LAGOS, NIGERIA

Report of The Joint Auditors

To the Members of FirstBank of Nigeria Plc.

We have audited the financial statements of First Bank of Nigeria Plc as at 31 March 2005 set out on pages 56 to 83 which have been prepared on the basis of the accounting policies on pages 51 to 53.

Respective responsibilities of Directors and Auditors

In accordance with the Companies and Allied Matters Act 1990, the Bank's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with the international standards on auditing issued by the International Federation of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and assessed whether the Bank's accounting records have been properly kept. We have obtained all the information and explanations we required for the purpose of our audit and have received adequate returns from branches not visited by us. The assets of the bank have been properly valued and adequate provision made for diminution in value thereof.

In accordance with circular BSD/1/2004 issued by the Central Bank of Nigeria, details of insider-related credits are as disclosed in note 32.

Contraventions

During the year ended 31 March, 2005, the Bank contravened certain sections of the Banks and Other Financial Institutions Act, 1991. The particulars thereof and penalties paid thereon are set out in note 30.

Opinion

In our opinion, the Bank has kept proper accounting records and the financial statements are in agreement with the records. The financial statements drawn up in conformity with the generally accepted accounting standards in Nigeria, give a true and fair view of the state of affairs of the Bank and of the group at 31 March 2005 and of the profit and cash flows for the year ended on that date, and have been properly prepared in accordance with the Companies and Allied Matters Act 1990, the Banks and Other Financial Institutions Act, 1991 and relevant circulars issued by the Central Bank of Nigeria.



Akinfola Williams Olatunji

Chartered Accountants
Lagos, Nigeria
20 June 2005



PK Fajemilakin

Chartered Accountants
Lagos, Nigeria
20 June 2005

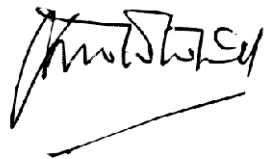
Report of the Audit Committee

For the year ended 31 March, 2005

In compliance with section 359 (6) of the Companies and Allied Act 1990, we have reviewed the Audit Report for the year ended 31st March, 2005 and hereby state as follows:-

1. The scope and planning of the audit were adequate in our opinion;
2. The accounting and reporting policies of the Company conformed with statutory requirements and agreed ethical practices;
3. The internal control was being constantly and effectively monitored; and
4. The external auditors' management report received satisfactory response from Management.

Dated June 30, 2005



Otunba M.O. Olowu
Chairman, Audit Committee

Members of the Committee

Otunba Michael Olatunde Olowu (Chairman)
Mr. Oyekanmi Hassan-Odukale, MFR
Alhaji Muhammadu Ibrahim, OFR
Alhaji Bashiru Ayoola Bakare
Mr. Ikechukwu Ukatu
Alhaji Bashir Mohammed

Accounting Policies

For the year ended 31 March, 2005

The following are the significant accounting policies adopted by the Bank in the preparation of its financial statements:

1. **Basis of accounting**

The accounts are prepared under the historical cost convention modified to include the revaluation of certain land and buildings (own premises only).

2. **Basis of consolidation**

The group financial statements include the financial statements of the Bank and four of its subsidiaries, FBN Bank (UK) Limited, FBN (Merchant Bankers) Limited, First Trustees Nigeria Limited and First Registrars Nigeria Limited. The other subsidiaries whose results are immaterial have not been consolidated. All the financial statements are made up to 31 March.

3. **Investments**

- 1 Quoted investments other than dated securities are stated at the lower of cost and market value.
- 2 Unquoted investments are stated at cost less provision for doubtful investments.
- 3 Dated securities are stated at cost.

4. **Bad and doubtful accounts**

Loans and advances are stated after the deduction of provisions against debts considered doubtful of recovery. Loans are classified as to performing and non-performing; and are considered non-performing when principal and or interest repayment obligations are in arrears for over three months. Specific provisions are made on non-performing accounts and a general provision of 1% is made on all performing balances in line with the Prudential Guidelines of the Central Bank of Nigeria.

5. **Interest**

Interest on advances is accrued to profit until such a time as reasonable doubt exists about its collectibility. Interest accruing on non-performing accounts is not taken to the credit of profit and loss account until the debt is recovered.

6. **Advances under finance lease**

Advances to customers under finance leases are stated net of unearned income. Lease finance is recognised in a manner, which provides a constant yield on the outstanding net investment over the lease period.

7. **Equipment on lease**

Equipment on lease to customers is stated at cost less accumulated depreciation. Depreciation is provided on an appropriate basis to write-off the related asset cost over the period of the lease, and is included in operating expenses.

Rental income from equipment on lease is credited to lease income on a consistent basis over the lease term.

Accounting Policies Contd

To the Members of FirstBank of Nigeria Plc.

8. Fixed assets

Fixed assets are stated at cost or valuation less accumulated depreciation.

9. Depreciation

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight line basis at the following annual rates:

Freehold buildings	- 2% from date of use
Leasehold buildings	- 2% for leases of 50 years and above over expected life in case of leases under 50 years
Motor vehicles	- 25%
Computer equipment	- 33.33%
Other fixed assets	- 20%
Equipment on lease	- equally over the period of the lease.

10. Foreign currencies

Transactions in foreign currencies are recorded in Naira at the rate of exchange ruling at the date of the transactions.

Foreign currency balances are converted to Naira at the rate of exchange ruling at the balance sheet date and the resultant profit/loss on conversion is taken to profit and loss account in respect of Bank - owned funds and the rest charged/credited to third parties.

The Bank's equity investment in FBN Bank (UK) Limited is stated at transaction cost.

11. Deferred taxation

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the differences between the net book value of qualifying fixed assets and their corresponding tax written down value.

12. Retirement benefits

Arrangements for retirement benefits (on a defined contribution basis) for members of staff are based on the provisions of the staff pension scheme, which is contributory. The matching contributions of 5% and 10% for staff and bank respectively are based on current salaries and designated allowances and are charged to profit and loss account. Membership of the scheme is automatic upon resumption of duties with the Bank.

13. Contingent liabilities

Transactions that are not currently recognized as assets or liabilities in the balance sheet but which nonetheless give rise to credit risks, contingencies and commitments are reported off balance sheet. Such transactions include letters of credit, bonds, guarantees, indemnities, acceptances, trade related contingencies such as documentary credit, etc.

Accounting Policies Contd

For the year ended 31 March, 2005

Outstanding and unexpired commitments at year end in respect of these transactions are shown by way of note to the financial statements.

Income on off balance sheet engagements is in form of commission. Commission is recognized as and when transactions are executed.

14. Income recognition

(a) Interest income and interest expense

Interest is accrued on daily balances on all assets and liabilities to which interest is applicable. Interest accruing on bad and doubtful accounts is not taken to income until the debt is recovered.

(b) Fees, commissions and other income

Fees and commissions, where material, are amortized over the life of the related service. Otherwise fees, commissions and other income are recognized as earned upon completion of the related service.

(c) Investment income

Recognised on an accrual basis and credited to the profit and loss account.

Executive Directors



From top to bottom

Jacobs M. Ajekigbe
Managing Director/CE

Christy N. Okoye
Risk & Management Control



From top to bottom

John O. Aboh
Corporate & Investment Banking

Ado Y. Wanka
Transaction Banking (Lagos & West)



From top to bottom

Bashiru A. Bakare
Transaction Banking (Upcountry)

Evans E. Woherem
Information Technology &
Resources



World Class Financial Supermarket

Today's FirstBank

New Drive ■ New Identity

Today's FirstBank has a wide range of financial products and services: Corporate and Retail Banking, Mortgage Banking, Registrarship, Private Equity Financing, Trusteeship and Insurance Brokerage.

Whatever financial service you're shopping for, you'll find it all under one roof.

So, wherever you see our new logo, be sure of one thing. It is the symbol of a bank that provides truly diversified services.

FirstBank

...truly the first



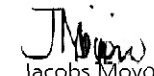
Balance Sheet

As at 31 March, 2005

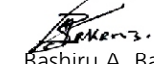
		The Group		The Bank	
	Notes	2005 N'm	2004 N'm	2005 N'm	2004 N'm
Assets					
Cash and short-term funds	1	162,137	148,689	94,363	102,878
Bills discounted	2	105,624	98,848	100,135	92,922
Investments	3	21,651	17,458	24,655	16,825
Loans and advances	4	123,739	83,500	114,673	78,040
Advances under finance lease	5	1,283	-	937	-
Other assets	6	43,716	24,307	30,625	11,596
Equipment on lease	7	-	1,316	-	665
Fixed assets	8	12,689	10,093	12,108	9,564
Total Assets		470,839	384,211	377,496	312,490
Liabilities					
Deposits and current accounts	9	332,196	255,491	265,378	207,181
Taxation	10	4,758	4,700	3,954	4,022
Deferred taxation	11	2,089	1,625	2,010	1,533
Other liabilities	12	81,991	80,084	61,482	61,133
		421,034	341,900	332,824	273,869
Capital And Reserves					
Share capital	13	1,976	1,751	1,976	1,751
Capital reserve	14	10,076	9,856	9,784	9,580
Statutory reserve	15	8,950	7,063	8,291	6,464
Exchange difference reserve	16	3,957	3,874	2,836	2,836
General reserve	17	15,358	12,485	13,519	11,513
Bonus issue reserve	18	494	219	494	219
Reserve for small/medium scale industries	19	5,536	3,978	5,393	3,879
Core capital		46,347	39,226	42,293	36,242
Fixed assets revaluation reserve		2,379	2,379	2,379	2,379
Shareholders' funds		48,726	41,605	44,672	38,621
Minority interest		1,079	706	-	-
		49,805	42,311	44,672	38,621
Total Liabilities		470,839	384,211	377,496	312,490
Contingent liabilities and other obligations on behalf of customers and customers' liability thereof	28	83,407	57,647	60,578	48,829


Umaru A. Mutallab, CON

Chairman


Jacobs Moyo Ajekigbe

Managing Director


Bashiru A. Bakare

Executive Director

The notes on pages 59 to 78 form part of these accounts.

Profit & Loss Account

As at 31 March, 2005

	Notes	The Group		The Bank	
		2005 N'm	2004 N'm	2005 N'm	2004 N'm
Gross earnings		57,255	51,318	49,475	45,121
Interest earnings	20	36,455	33,301	32,275	29,861
Interest expenses		(8,555)	(6,573)	(5,854)	(4,374)
Net interest income		27,900	26,728	26,421	25,487
Commissions and other income	21	20,800	18,017	17,200	15,260
Overheads	22	48,700	44,745	43,621	40,747
Provision for bad and doubtful accounts	23	(29,461)	(26,937)	(26,648)	(24,886)
		(2,431)	(2,955)	(1,828)	(1,755)
Profit before taxation		16,808	14,853	15,145	14,106
Current taxation	10	(3,110)	(2,982)	(2,484)	(2,642)
Deferred taxation	11	(464)	(388)	(477)	(368)
Profit after taxation		13,234	11,483	12,184	11,096
Minority interest		(184)	135	-	-
Profit attributable to ordinary shareholders		13,050	11,618	12,184	11,096
Dealt with as follows					
Statutory reserve	15	1,887	1,664	1,827	1,664
Reserve for small scale industries	19	1,558	1,411	1,514	1,411
Dividend	24	6,325	5,429	6,325	5,429
General reserve	17	3,280	3,114	2,518	2,592
		13,050	11,618	12,184	11,096
Earnings per share					
- Actual		3.35	3.99	3.08	3.81
- Adjusted		3.35	2.90	3.08	2.81

The notes on pages 59 to 78 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
Cash flows from operating activities				
Interest and commission earned	57,255	51,318	49,475	45,121
Interest expenses	(8,555)	(6,573)	(5,854)	(4,374)
Provision on doubtful accounts	(2,431)	(2,955)	(1,828)	(1,755)
Profit on sale of fixed assets	19	11	17	22
Loss on sale of equipment on lease	(41)	(3)	-	-
Cash payment to employees and suppliers	(27,737)	(24,582)	(24,755)	(22,910)
Operating profit before changes in operating assets and Liabilities	18,510	17,216	17,055	16,104
Changes in operating assets/liabilities				
Deposit and current accounts	76,705	(14,093)	58,197	7,887
Loans and advances	(40,239)	(23,061)	(36,633)	(21,994)
Other assets	(19,409)	(2,114)	(19,029)	5,832
Advances under finance lease	1,283	-	937	-
Other liabilities	1,696	(28,313)	(547)	(32,441)
Exchange difference reserve	83	1,038	-	-
Taxes paid	(3,052)	(1,876)	(2,552)	(1,743)
Net cash from operating activities	35,577	(51,203)	17,428	(26,355)
Cash flows from investing activities				
Purchase of fixed assets	(4,989)	(2,915)	(4,758)	(2,692)
Exchange difference on fixed assets opening balance	(2)	(28)	-	-
Proceeds on sale of fixed assets	29	36	23	26
Transfer to loans and advances	(979)	-	(946)	-
Purchase of equipment on lease	-	(560)	-	(297)
Purchase of investments	(4,193)	(14,506)	(7,830)	(9,482)
Bills discounted	(6,776)	7,394	(7,213)	1,304
Net cash used in investing activities	(16,910)	(10,579)	(20,724)	(11,141)
Cash flows from financing activities				
Right Issues	6	227	6	227
Share Premium from right issues	204	7,687	204	7,687
Dividend paid to shareholders	(5,429)	(3,811)	(5,429)	(3,811)
Dividend paid by subsidiary	-	(368)	-	-
Net cash from / (used in) financing activities	(5,219)	3,735	(5,219)	4,103
Net (decrease) / increase in cash and cash equivalents	13,448	(58,047)	(8,515)	(33,393)
Opening cash and cash equivalents	148,689	206,736	102,878	136,271
Closing cash and cash equivalents	162,137	148,689	94,363	102,878

Notes to the Accounts

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
1. Cash And Short-term Fund				
Cash	6,775	4,297	5,886	3,854
Balances with Central Bank of Nigeria				
Cash reserve requirement	20,694	14,966	19,601	13,898
Current account	5,412	4,835	4,758	4,757
	26,106	19,801	24,359	18,655
Balances with other banks				
In Nigeria	40,234	29,892	33,014	26,488
Outside Nigeria	89,167	94,724	31,209	53,906
	129,401	124,616	64,223	80,394
Provision for doubtful accounts (Note 23)	162,282 (145)	148,714 (25)	94,468 (105)	102,903 (25)
	162,137	148,689	94,363	102,878
Amounts held on behalf of customers included in balances with other banks outside Nigeria are:				
Deposits with FBN Bank (UK) Limited	-	-	14,196	21,426
Deposit against drawings on letters of credit	-	1,611	-	63
Vostro accounts	19,129	21,263	19,129	21,263
	19,129	22,874	33,325	42,752
2. Bills Discounted				
Treasury bills	105,624	73,267	100,135	67,341
Trade bills	-	25,839	-	25,839
	105,624	99,106	100,135	93,180
Less				
Reclassification to loans and advances (Note 4(iii))	258	-	258	-
Provision for bad and doubtful accounts.	(258)	(258)	(258)	(258)
	105,624	98,848	100,135	92,922

Notes to the Accounts cont'd

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
3. Investments				
i. Dated securities (Quoted)				
Maturing within 1 year market value N31m (2004 - N30m)				
- State Governments Bonds	10	30	10	30
- Others	21	-	21	-
Maturing between 1 and 5 years				
- State Governments Bonds	578	-	353	-
- Others	80	102	80	102
- Federal Government Bond	10,000	-	10,000	-
Maturing after 5 years				
- Federal Government Bond	-	10,000	-	10,000
- State Governments Bonds	1,667	2,107	1,667	2,020
	12,356	12,239	12,131	12,152
Less Provision (Note 23)	(1,025)	(1,025)	(1,025)	(1,025)
	11,331	11,214	11,106	11,127
ii. Equities (Quoted)				
a. Sundry including dealing securities	1,671	5,084	-	-
Less Provision	(22)	-	-	-
	1,649	5,084	-	-
b. (Unquoted)				
Vee-Networks Limited	5,768	-	5,768	-
Banque Internationale Du Benin, Cotonou	98	98	98	98
African Export-Import Bank, Cairo	10	10	10	10
ValuCard Nig. Plc	138	138	138	138
Nigeria Automated Clearing System Plc	34	34	27	27
ATM Consortium	58	-	58	-
Less: Provision	(98)	(98)	(98)	(98)
	6,008	182	6,001	175
iii. Associated Unquoted				
Kakawa Discount House Limited	74	74	57	57
	74	74	57	57

Notes to the Accounts cont'd

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
iv. Subsidiaries				
Unquoted equities				
FBN Bank (UK) Limited (Note 3(ix))	-	-	4,389	4,389
FBN (Merchant Bankers) Limited	-	-	624	264
First Trustees Nigeria Limited	-	-	23	23
FBN Mortgages Limited	100	100	100	100
FBN Insurance Brokers Limited	15	15	15	15
First Registrars Nigeria Limited	-	-	10	10
First Funds Limited	45	45	45	45
	<u>160</u>	<u>160</u>	<u>5,206</u>	<u>4,846</u>
v. Others				
SMIES Investments				
Through:				
SME Managers Limited	431	234	357	180
Interswitch Limited	32	32	32	32
First Funds Limited	1,966	478	1,896	408
	<u>2,429</u>	<u>744</u>	<u>2,285</u>	<u>620</u>
	<u>21,651</u>	<u>17,458</u>	<u>24,655</u>	<u>16,825</u>
vi. The investee companies of the industrial securities (Quoted and unquoted) are as follows:				
Dated securities				
Quoted				
Maturing within 1 year				
19% PZ Industries Floating Rate Debenture Stock 1997/2004	1	-	1	-
Neimeth Int'l Debenture Stock 2004/2008	20	-	20	-
State Government Bonds	10	30	10	30
	<u>31</u>	<u>30</u>	<u>31</u>	<u>30</u>

Notes to the Accounts cont'd

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
Maturing between 1 & 5 years:				
19% PZ Industries Floating Rate Debenture Stock 1999/2006	20	2	20	2
Neimeth Int'l Debenture Stock 2004/2008	80	100	80	100
Floating Rate secured Cum Convertible Redeemable Mortgage Debenture stock				
State Government Bonds	558	-	333	-
FGN Bond	10,000	-	10,000	-
Maturing after 5 years				
FGN Bond	-	10,000	-	10,000
State Government Bonds	1,667	2,107	1,667	2,020
	<u>12,325</u>	<u>12,209</u>	<u>12,100</u>	<u>12,122</u>
Provisions	<u>(1,025)</u>	<u>(1,025)</u>	<u>(1,025)</u>	<u>(1,025)</u>
	<u>11,300</u>	<u>11,184</u>	<u>11,075</u>	<u>11,097</u>
	<u>11,331</u>	<u>11,214</u>	<u>11,106</u>	<u>11,127</u>

- vii. Investments in industrial securities comprise quoted and unquoted debenture stocks which are stated at cost. In accordance with the Bank's accounting policy to hold such investments until the date of maturity, no provision has been made in these financial statements to cover shortfall or appreciation between the market value and cost at the balance sheet date.
- viii. In the opinion of the Directors, the market value of the unquoted investments is not lower than cost.
- ix. Except for FBN Bank (UK) Limited, which was incorporated in the United Kingdom, all other subsidiaries were incorporated in Nigeria.

Notes to the Accounts cont'd

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
4. Loans And Advances				
i. Summary				
Secured against real estate	31,159	25,525	25,429	22,195
Otherwise secured	126,603	97,593	119,054	92,016
Unsecured	3,922	3,161	3,028	2,912
Gross loans	161,684	126,279	147,511	117,123
Assets realisation and recoveries in suspense	-	(81)	-	(81)
Provision for loan losses (Note 4(iii))	161,684 (37,945)	126,198 (42,698)	147,511 (32,838)	117,042 (39,002)
	123,739	83,500	114,673	78,040

Included in the above is a sum of N2.702 billion (2004 - N2.921 billion) owed by Nigerian Federal and State Governments and their parastatals. The directors expect that the governments and their parastatals will honour their obligations. However, provisions have been made in respect thereof, in line with Central Bank of Nigeria's Prudential guidelines.

	2005		2004	
	Gross Loans N'm	Provision N'm	Gross Loans N'm	Provision N'm
ii. Analysis of loans and advances and provisions				
a. The Group				
Non-performing				
- Sub-standard	1,684	300	5,053	2,227
- Doubtful	5,103	3,616	3,752	2,102
- Lost	32,787	32,787	37,570	37,570
Performing	39,574 122,110	36,703 1,242	46,375 79,904	41,899 799
Gross loans	161,684	37,945	126,279	42,698
b. The Bank				
Non-performing				
- Sub-standard	1,661	297	4,074	2,126
- Doubtful	4,229	2,629	3,077	1,778
- Lost	28,784	28,784	34,342	34,342
Performing	34,674 112,837	31,710 1,128	41,493 75,630	38,246 756
Gross loans	147,511	32,838	117,123	39,002

Notes to the Accounts cont'd

For the year ended 31 March, 2005

		The Group		The Bank	
		2005 N'm	2004 N'm	2005 N'm	2004 N'm
iii.	Provision for doubtful debts				
	Principal				
	At 1 April	32,724	30,345	30,236	29,002
	Exchange difference on foreign denominated loans	-	(311)	-	(311)
	Reclassification from commercial paper	258	-	258	-
	Written off in the year	(3,815)	(178)	(3,765)	(83)
		29,167	29,856	26,729	28,608
	Provided during the year	6,079	6,242	5,084	4,814
	Recovered during the year	(3,691)	(3,374)	(3,345)	(3,186)
	Charge for the year (Note 23)	2,388	2,868	1,739	1,628
	At 31 March	31,555	32,724	28,468	30,236
	Made up as follows				
	Specific	30,418	31,925	27,340	29,480
	General	1,137	799	1,128	756
		31,555	32,724	28,468	30,236
	Interest				
	At 1 April	9,974	8,937	8,766	7,869
	Additions during the year	2,766	1,238	1,896	1,248
	Waivers / write back on recoveries	(5,878)	(201)	(5,849)	(351)
	Recovered during the year	(472)	-	(443)	-
	At 31 March	6,390	9,974	4,370	8,766
	Total at 31 March	37,945	42,698	32,838	39,002
iv.	Loans and advances are analysed by maturity as follows:				
	On call	32,072	26,965	26,408	25,559
	Over 1 month but within 3 months	11,733	15,317	6,387	10,912
	Over 3 months but within 6 months	33,983	8,675	32,569	7,305
	Over 6 months but within 12 months	27,239	20,979	26,949	20,699
	Over 1 year but within 3 years	45,638	43,830	45,504	42,251
	Over 3 years but within 5 years	11,019	10,513	9,694	10,397
		161,684	126,279	147,511	117,123

Notes to the Accounts cont'd

For the year ended 31 March, 2005

		The Group		The Bank	
		2005 N'm	2004 N'm	2005 N'm	2004 N'm
v.	Loans and advances are analysed by type as follows:				
	Overdrafts	51,485	39,862	50,822	38,764
	Term loans	76,138	44,986	62,630	36,928
	Commercial papers	27,168	25,838	27,168	25,838
	Others	6,893	15,593	6,891	15,593
		161,684	126,279	147,511	117,123
vi.	Insider-related credits				
	Aggregate amount of insider related credits outstanding at year-end classified by performance:				
	Performing	10,885	6,679	10,577	6,679
	Non - performing (Note 32)	498	509	498	509
		11,383	7,188	11,075	7,188
	The details of the non-performing accounts as shown above are analysed in Note 32 to these financial statements in line with Central Bank of Nigeria Circular BSD/1/2004.				
vii.	The charge for bad and doubtful accounts is made up of:				
	Specific provision	1,945	2,658	1,367	1,422
	General provision	443	210	372	206
		2,388	2,868	1,739	1,628
5.	Advances Under Finance Lease				
	Gross investment	1,618	-	1,204	-
	Unearned income	(322)	-	(258)	-
		1,296	-	946	-
	Provision for performing accounts	(13)	-	(9)	-
		1,283	-	937	-

Notes to the Accounts cont'd

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
6. Other Assets				
Impersonal accounts				
Interbranch balances	9,485	3,246	10,355	3,957
Clearing	11,428	-	11,428	-
Prepayments	4,169	4,027	3,796	3,755
Others	18,632	16,590	5,338	3,704
Accrued income	726	2,003	547	1,626
Accounts receivable	1,395	673	1,147	540
	45,835	26,539	32,611	13,582
Provisions	(2,119)	(2,232)	(1,986)	(1,986)
	43,716	24,307	30,625	11,596
7. Equipment On Lease				
Cost				
At 1 April	2,617	2,970	1,536	1,669
Additions	101	560	796	297
Disposals	(373)	(913)	-	(430)
Reclassification to loans and advances	(2,345)	-	(2,332)	-
At 31 March	-	2,617	-	1,536
Depreciation				
At 1 April,	1,301	1,536	871	1,025
Charge for the year	397	675	515	276
Eliminated on disposals	(332)	(910)	-	(430)
Reclassification to loans and advances	(1,366)	-	(1,386)	-
At 31 March	-	1,301	-	871
Net book value				
At 31 March 2005	-	1,316	-	665
At 31 March 2004	1,316	1,434	665	644

Notes to the Accounts cont'd

For the year ended 31 March, 2005

	Land and Buildings N'm	Vehicles, Equipment and Others N'm	Total N'm
8. Fixed Assets			
i. The Group			
a. Summary			
Cost/valuation			
At 1 April	6,037	13,418	19,455
Exchange difference on opening balance	3	-	3
Additions	1,016	3,973	4,989
Disposals	-	(258)	(258)
At 31 March	7,056	17,133	24,189
Depreciation			
At 1 April	882	8,480	9,362
Exchange difference on opening balance	1	-	1
Charge for the year	117	2,268	2,385
Eliminated on disposals	-	(248)	(248)
At 31 March	1,000	10,500	11,500
Net book value			
At 31 March 2005	6,056	6,633	12,689
At 31 March 2004	5,155	4,938	10,093
b. Land and buildings comprise:			
Freehold			6,402
Leasehold			128
Under construction			526
			7,056

Notes to the Accounts cont'd

For the year ended 31 March, 2005

Fixed Assets cont'd		Land and Buildings N'm	Vehicles, Equipment and Others N'm	Total N'm
ii.	The Bank			
a.	Summary			
	Cost/valuation			
	At 1 April	5,738	12,532	18,270
	Additions	1,010	3,748	4,758
	Disposals	-	(211)	(211)
	At 31 March	6,748	16,069	22,817
	Depreciation			
	At 1 April	780	7,926	8,706
	Charge for the year	99	2,109	2,208
	Eliminated on disposals	-	(205)	(205)
	At 31 March	879	9,830	10,709
	Net book value			
	At 31 March 2005	5,869	6,239	12,108
	At 31 March 2004	4,958	4,606	9,564
b.	Land and buildings comprise			Cost / Valuation N'm
	Freehold			6,094
	Leasehold			128
	Under construction			526
				6,748

Certain land and buildings (own premises only) with a net book value of N187.7 million were professionally valued at N1,183.7 million at 31 December, 1990. The sum of N448.152 million was then recognised as revaluation reserve in the accounts.

During the year ended 31 December, 1995, selected land and buildings (own premises only) including those revalued at 31 December, 1990, were professionally re-valued at N5,056.4 million. In compliance with the Central Bank of Nigeria's guidelines on recognition of revaluation reserve on own premises, the sum of N1,931.150 million was incorporated in 1995 accounts. This represents the revaluation surplus of N4,291.4 million discounted by 55%.

Notes to the Accounts cont'd

For the year ended 31 March, 2005

		The Group		The Bank	
		2005 N'm	2004 N'm	2005 N'm	2004 N'm
9. Deposits And Current Accounts					
i. Summary					
In Nigeria					
Demand		165,677	193,895	115,912	92,212
Savings		104,353	95,638	104,353	95,638
Time		58,213	31,043	44,723	18,793
		328,243	220,576	264,988	206,643
Outside Nigeria					
Demand		1,267	1,596	-	-
Time		2,296	3,240	-	-
		331,806	225,412	264,988	206,643
Due to other banks					
In Nigeria		380	528	380	528
Outside Nigeria		10	29,551	10	10
		332,196	255,491	265,378	207,181
ii. The deposit liabilities maturity profile is as follows:					
On demand		225,409	147,555	220,654	165,247
Under 3 months		66,667	21,536	7,581	8,819
3 - 6 months		31,712	32,261	29,214	30,256
6 - 12 months		6,163	53,659	5,707	2,435
Over 12 months		2,245	480	2,222	424
		332,196	255,491	265,378	207,181
10. Taxation					
i. Per profit and loss account					
Income tax:					
Based on profit for the year		2,833	2,768	2,249	2,454
Education tax		277	214	235	188
		3,110	2,982	2,484	2,642
ii. Per balance sheet					
Income tax:					
Based on profit of the year		3,110	2,982	2,484	2,642
Balance brought forward		4,700	3,594	4,022	3,123
		7,810	6,576	6,506	5,765
Payments during the year		(3,052)	(1,876)	(2,552)	(1,743)
		4,758	4,700	3,954	4,022

The charge for taxation in these accounts is based on the provisions of the Companies Income Tax Act, (LFN CAP 60) as amended and the Education Tax Act, 1993.

Notes to the Accounts cont'd

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
11. Deferred Taxation				
Charge for the year per profit and loss account	464	388	477	368
Balance brought forward	1,625	1,237	1,533	1,165
	2,089	1,625	2,010	1,533
12. Other Liabilities				
Proposed dividend (Note 24)	6,325	5,429	6,325	5,429
Payable and transfers	11,094	12,293	10,735	11,842
Provisions and accruals	2,826	5,479	2,295	5,233
Provision for frauds and losses	1,159	942	1,159	942
Unearned discounts	589	412	373	144
Others (Note 12(i))	59,998	55,529	40,595	37,543
	81,991	80,084	61,482	61,133
i. Others comprise				
Vostro balances	19,129	21,263	19,129	21,263
Uncleared effects	8,537	6,730	8,411	6,613
Deposit for shares	-	1,000	-	1,000
Sundry credit balances	19,523	16,258	1,826	249
Impersonal items	12,809	10,278	11,229	8,418
	59,998	55,529	40,595	37,543
13. Share Capital				
Authorised				
6,000,000,000 ordinary shares of 50k each			3,000	3,000
Issued and fully paid				
Ordinary shares of 50k each:				
At 1 April			1,751	1,270
Bonus issue during the year (Note 18)			219	254
Additions			6	227
At 31 March			1,976	1,751

Additions to share capital represents the value of right issues in 2004 now transferred from deposit for shares.

At the 35th Annual General Meeting of the Bank held on 19 August 2004, members approved a bonus issue of one (1) ordinary share of 50 kobo each for every eight (8) shares held by them as at 6 August 2004.

Notes to the Accounts cont'd

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
14. Capital Reserve				
At 1 April	9,586	1,893	9,580	1,893
Additions	204	7,687	204	7,687
Consolidation reserve	286	276	-	-
	10,076	9,856	9,784	9,580
15. Statutory Reserve				
At 1 April	7,063	5,399	6,464	4,800
Appropriation from the profit and loss account	1,887	1,664	1,827	1,664
At 31 March	8,950	7,063	8,291	6,464
The appropriation for the year represents 15% of profit after tax of the parent company in accordance with section 16 of the Banks and Other Financial Institutions Act, 1991.				
16. Exchange Difference Reserve				
At 1 April	3,874	2,836	2,836	2,836
Movement during the year	83	1,038	-	-
At 31 March	3,957	3,874	2,836	2,836
17. General Reserve				
At 1 April	12,485	10,132	11,513	9,140
Reserve for bonus issue (Note 18)	(494)	(219)	(494)	(219)
Utilised by subsidiaries	-	(242)	-	-
Dividend from subsidiary	-	(300)	-	-
Prior year adjustment for				
- Bonus issue	(1)	-	(1)	-
- Dividend	(17)	-	(17)	-
- Adjustment on reserve of subsidiary	105	-	-	-
Retained profit for the year	3,280	3,114	2,518	2,592
At 31 March	15,358	12,485	13,519	11,513
18. Bonus Issue Reserve				
At 1 April	219	254	219	254
Transfer from general reserve (Note 17)	494	219	494	219
Utilised	(219)	(254)	(219)	(254)
At 31 March	494	219	494	219

Notes to the Accounts cont'd

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
19. Reserve For Small/medium Scale Industries				
At 1 April	3,978	2,567	3,879	2,468
Transfer from profit and loss account	1,558	1,411	1,514	1,411
At 31 March	5,536	3,978	5,393	3,879
This is computed at 10% of profit before tax in accordance with Central Bank of Nigeria Guideline. As at 31 March 2005, the Group has invested the sum of N2.429 billion (2004 - N744 million) in SMIEIS through First Funds Limited and Other Companies (See Note 3(v)).				
20. Interest Earnings				
Interest on advances	17,080	14,292	14,393	12,235
Income from treasury bills	16,704	15,403	15,688	14,274
Interest on placements	2,671	3,606	2,194	3,352
	36,455	33,301	32,275	29,861
21. Commissions And Other Income				
Commission and bills charges	12,915	12,888	12,056	11,757
Foreign exchange	1,395	1,047	1,315	1,015
Income from investments	2,425	1,634	3,110	1,634
Lease income	582	1,054	76	481
Sundry income	3,483	1,394	643	373
	20,800	18,017	17,200	15,260
22. Overheads				
i. Summary				
Charges and expenses (Note 22(ii))	25,350	23,071	22,823	21,676
Depreciation on fixed assets	2,385	1,799	2,208	1,631
Depreciation on equipment on lease	-	675	-	276
Premium on insurance of deposit liabilities	1,726	1,392	1,617	1,303
	29,461	26,937	26,648	24,886
ii. Charges and expenses as stated above include:				
Profit on sale of fixed assets	(19)	(11)	(17)	(22)
Loss on sale of equipment on lease	-	3	-	-
Bank's contribution to retirement benefits	564	616	514	616
Auditors' remuneration				
- Nigeria operations	44	34	32	26
- London operations	19	19	-	17

Notes to the Accounts cont'd

For the year ended 31 March, 2005

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
23. Provision For Bad And Doubtful Accounts				
Loans and advances (Note 4(iii))	2,388	2,868	1,739	1,628
Other assets (Note 6)	(112)	(998)	-	(1,009)
Inter-bank placements (Note 1)	120	(40)	80	-
Bills discounted (Note 2)	-	110	-	111
Investments (Note 3)	22	1,015	-	1,025
Advances under finance lease (Note 5)	13	-	9	-
	2,431	2,955	1,828	1,755

24. Dividend

The proposed dividend of ₦1.60 kobo per 50 kobo ordinary share is subject to deduction of withholding tax at the appropriate rate.

25. Chairman's And Directors' Emoluments And Pensions

i. Emoluments:

Fees:

Chairman

Other Directors

0.40	0.40
1.60	1.60

Emoluments as Executives

2.00	2.00
75.70	82.60

Highest paid Director

77.70	84.60
15.11	15.11

ii. The fees attributable to directors of the parent company serving on the boards of the subsidiaries amounting to ₦600,400; (2004 - ₦600,400) have been paid over and included in the income of the parent company.

iii. The number of Directors excluding the Chairman, whose emoluments were within the following ranges were:

N	N	2005 Number	2004 Number
230,001	- 240,000	5	5
350,001	- 360,000	1	1
500,001	- 510,000	1	1
660,001	- 670,000	-	-
760,001	- 770,000	-	-
1,100,001	- 1,330,000	-	-
1,710,001	- 1,720,000	-	-
1,900,001	and above	7	7

Notes to the Accounts cont'd

For the year ended 31 March, 2005

26. Employees

- i. Employees remunerated at higher rates:
The number of employees in Nigeria excluding directors in receipt of emoluments excluding allowances and pension contributions within the following ranges were:

		The Group		The Bank	
		2005 Number	2004 Number	2005 Number	2004 Number
N	N				
60,001	to 70,000	9	-	-	-
70,001	to 80,000	17	292	-	270
80,001	to 90,000	14	1,154	-	1,140
90,001	to 100,000	8	1	-	-
100,001	to 110,000	17	17	-	-
110,001	to 120,000	-	1,798	-	1,798
120,001	to 130,000	8	1,433	-	1,432
130,001	to 140,000	-	3	-	-
140,001	to 150,000	12	882	-	882
150,001	to 200,000	496	924	432	883
200,001	to 300,000	824	242	785	190
300,001	to 400,000	3,912	278	3,874	217
400,001	to 500,000	626	164	626	94
500,001	to 700,000	696	-	632	-
1,000,001	to 1,500,000	236	-	236	-
1,500,001	to 2,000,000	60	-	60	-
2,000,001	to 2,500,000	32	-	32	-
	Above 2,500,000	21	-	21	-
		6,988	7,188	6,698	6,906

- ii. The average number of persons employed in the year were as follows:

Managerial	262	240	205	192
Senior staff	5,424	5,426	5,276	5,300
Junior staff	1,302	1,522	1,217	1,414

6,988 7,188 6,698 6,906

N'm N'm N'm N'm

The related staff costs amounted to

12,757 12,335 11,936 11,464

27. Staff Gratuity

Balance as at 31 March

213 213 213 213

The actuarial valuation of the Company's Staff Pension and Gratuity Scheme as at 31 March 2002 done by HR Nigeria Limited put the Company's total liability at N637,883,121. Out of this amount, N425,255,414 was unfunded. This is being provided for and funded over a period of 3 years, beginning from 2002.

Notes to the Accounts cont'd

For the year ended 31 March, 2005

28. Contingent Liabilities And Other Obligations

- i. The Bank enters into various commitments in the normal course of business which are not reflected on the balance sheet and in respect of which there are corresponding obligations by customers.

These are as follows:

	The Group		The Bank	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm
Acceptances, guarantees and indemnities	49,402	30,795	27,434	22,738
Bonds and performance guarantees	34,005	26,852	33,144	26,091
	<u>83,407</u>	<u>57,647</u>	<u>60,578</u>	<u>48,829</u>

- ii. There were contingent liabilities in respect of legal actions against the Bank for amounts totalling ₦3,424,774,363 (2004 - ₦1,781,481,153) for which no provisions have been made. The actions are being contested and the Directors are of the opinion that no significant liabilities will arise therefrom.

iii. Deferred capital gains tax

The potential capital gains tax on the surplus arising from the revaluation of land and buildings amounted to N237,930,200 (2004 - N237,930,200). This would crystallize only on sale of revalued assets at their valuation amounts.

29. Guarantees And Other Financial Commitments

- i. Capital commitments
Capital expenditure authorised by the Directors but not provided for in these accounts are as follows:

Contracted	<u>1,226</u>	<u>1,105</u>
Not contracted	<u>-</u>	<u>-</u>

- ii. The Directors are of the opinion that all known liabilities and commitments which are relevant in the assessment of the state of financial affairs of the Bank have been taken into consideration in the preparation of these accounts.

30. Contraventions Of The Banks And Other Financial Institutions Act, 1991

	No of Times Contravened	Penalty Paid N'm
Section 60(1) of Banks and Other Financial Institutions Act (BOFIA), 1991	6	3.00
Section 23(1) and 27(1)(b) of BOFIA	1	<u>0.50</u>
		<u>3.50</u>

Notes to the Accounts cont'd

For the year ended 31 March, 2005

31. Segmental Information - Geographic Segment

- i. The following table sets out profit and loss information, average loans and advances to customers, net interest margin and selected balance sheet information by geographic segment for the year ended.

	Nigeria		Foreign		Total	
	2005 N'm	2004 N'm	2005 N'm	2004 N'm	2005 N'm	2004 N'm
Interest received	32,275	29,861	1,701	1,160	33,976	31,021
Interest payable	(5,854)	(4,374)	(897)	(549)	(6,751)	(4,923)
Net interest income	26,421	25,487	804	611	27,225	26,098
Fees and commissions received net	12,056	11,757	413	185	12,469	11,942
Income from foreign exchange transactions	1,315	1,015	80	32	1,395	1,047
Other operating income	3,829	2,488	17	39	3,846	2,527
Non-interest income	17,200	15,260	510	256	17,710	15,516
Net revenue	43,621	40,747	1,314	867	44,935	41,614
Operating expenses	24,440	22,979	731	699	25,171	23,678
Depreciation	2,208	1,907	66	44	2,274	1,951
Total Costs	26,648	24,886	797	743	27,445	25,629
Operating profit before provision for loan losses	16,973	15,861	517	124	17,490	15,985
Provision for loan losses	(1,829)	(1,755)	(64)	(12)	(1,893)	(1,767)
Profit before taxation	15,144	14,106	453	112	15,597	14,218
Total assets employed	377,494	312,490	73,767	62,132	451,261	374,622
Depreciation on fixed assets						
Net interest margin (%)	82%	85%	47%	53%	75%	84%

Notes to the Accounts cont'd

For the year ended 31 March, 2005

ii.

	0-1 Months N'm	1-3 Months N'm	3-6 Months N'm	6-12 Months N'm	Over 1 Year N'm	Total N'm
Maturities Of Assets And Liabilities						
Assets						
Cash and other short term funds	81,568	12,795	-	-	-	94,363
Government securities	-	100,135	-	-	-	100,135
Investment	-	-	-	31	24,624	24,655
Loans and advances	54,846	19,870	13,392	1,640	24,925	114,673
Advances under finance lease	-	-	-	-	937	937
Other assets	11,428	19,197	-	-	-	30,625
Fixed assets	-	-	-	-	12,108	12,108
Total assets	147,842	151,997	13,392	1,671	62,594	377,496
Liabilities						
Deposits	220,654	7,581	29,214	5,707	2,222	265,378
Other liabilities	32,902	28,580	-	-	-	61,482
Taxation	-	-	-	2,961	3,003	5,964
Capital & reserves	-	-	-	-	44,672	44,672
Total Liabilities	253,556	36,161	29,214	8,668	49,897	377,496
Net liquidity gap as at 31 March 2005	(105,714)	115,836	(15,822)	(6,997)	12,697	-
Assets as at 31 March 2004						
					312,490	
Liabilities as at 31 March 2004					<u>312,490</u>	
Net liquidity gap as at 31 March 2004					<u>-</u>	

Notes to the Accounts cont'd

For the year ended 31 March, 2005

32. Details of Insider-related Credits As At 20th June, 2005

S/No	Name of Borrower	Relationship To Reporting Institution	Date	Expiry	Rate of Interest	Principal N'000	Cummulative Interest	Total Provision	Payment Made	Performing	Non-Performing	Nature	Value N'000	Date of Valuation	Remarks
1	Alhaji M. I. Atta (Oregun Cocoa Mill Ltd)	Ex-chairman	21/03/97	31/10/99	20.5	452,887		452,887	Nil		452,887	Deb	522,401		Deceased
2	S. A. Olubodun	Ex-staff	29/9/98	30/6/10	12	7,580		4,075	3,505		4,075	L/M	10,300	29/12/01	Perfected
3	E. O. Aboje	Ex-staff	06/05/98	04/06/08	12	28,191		10,451	17,740		10,451	L/M	25,891	30/09/99	Perfected
4	J. S. K. Iyankyoh	Ex-staff	14/07/01	20/3/06	12	14,220	14,677	14,220	Nil		28,897	L/M	9,600	25/6/97	Stamped for 9.6m
5	J. J. Olanrenwaju-Osi	Ex-staff	14/8/96	31/07/01	12	1,578	Nil	1,578	Nil		1,578	L/M	4,000	09/02/98	Perfected
6	Yoosuf-Salami M. A.	Ex-staff	25/5/97	25/5/03	12	Nil	572			-	572	L/M	3,500		Perfected
						504,456					498,460				

REMARKS: Except for credits relating to Alh. M.I.A. Atta (Deceased), all the other insider-related credits relate to retired staff of the bank whose individual applications for interest concessions have been favourably considered following payment of conceded amounts but are awaiting the CBN's approval to write off the residual balances.

33. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. No adjustment made resulted from changes in accounting policy during the year.

34. Approval of Financial Statements

These financial statements were approved by the Board of Directors of the Bank on 20 June, 2005.

Group Statement of Value Added

For the year ended 31 March, 2005

	The Group			
	2005 N'm	%	2004 N'm	%
Gross earnings				
- Ordinary activities	57,255		51,318	
- Interest expense	(8,555)		(6,573)	
	48,700		44,745	
Administration and other expenses	(14,503)		(11,993)	
Doubtful debts provision	(2,431)		(2,955)	
Value Added	31,766	100	29,797	100
Distributed As Follows				
In payment to employees				
Salaries, bonus, allowances	12,757	40	12,335	42
In payment to Government				
- Income taxation	3,110	10	2,982	10
- Deferred taxation	464	1	388	1
In payment to shareholders				
Dividend	6,325	20	5,429	18
	22,656	71	21,134	71
Retained for future replacement of assets and expansion of business:				
- Depreciation	2,385	8	2,474	8
- Profit re-invested in the business	6,725	21	6,189	21
	9,110	29	8,663	29
	31,766	100	29,797	100

Value added represents the additional wealth which the Group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth among employees, shareholders, government and that retained for future creation of more wealth.

Bank Statement of Value Added

For the year ended 31 March, 2005

	Bank			
	2005 N'm	%	2004 N'm	%
Gross earnings				
- Ordinary activities	49,475		45,121	
- Interest expense	(5,854)		(4,374)	
	43,621		40,747	
Administration and other expenses	(12,504)		(11,515)	
Doubtful debts provision	(1,828)		(1,755)	
Value Added	29,289	100	27,477	100
Distributed As Follows				
In payment to employees				
Salaries, bonus, allowances	11,936	41	11,464	42
In payment to Government				
- Income taxation	2,484	8	2,642	10
- Deferred taxation	477	2	368	1
In payment to shareholders				
Dividend	6,325	22	5,429	20
	21,222	73	19,903	73
Retained for future replacement of assets and expansion of business:				
- Depreciation	2,208	7	1,907	7
- Profit re-invested in the business	5,859	20	5,667	20
	8,067	27	7,574	27
	29,289	100	27,477	100

Value added represents the additional wealth which the Bank has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth among employees, shareholders, government and that retained for future creation of more wealth.

Group Five-Year Financial Summary

For the year ended 31 March, 2005

	The Group				
	2005 N'm	2004 N'm	2003 N'm	2002 N'm	2001 N'm
Assets					
Cash, bank balances and bills discounted	267,761	247,537	312,978	203,513	151,648
Investments	21,651	17,458	2,952	2,668	279
Loans and advances	123,739	83,500	60,439	66,384	50,170
Advances under finance lease	1,283	-	-	-	-
Other assets	43,716	24,307	22,193	9,156	13,187
Equipment on lease	-	1,316	1,434	676	1,092
Fixed assets	12,689	10,093	9,087	8,196	7,631
Total Assets	470,839	384,211	409,083	290,593	224,007
Liabilities					
Deposits	332,196	255,491	269,584	178,603	155,598
Current taxation	4,758	4,700	3,599	1,499	1,909
Deferred taxation	2,089	1,625	1,241	722	465
Dividend	6,325	5,429	3,811	2,642	2,114
Other liabilities	75,666	74,655	102,968	86,925	44,989
	421,034	341,900	381,203	270,391	205,075
Shareholders' Funds					
Minority Interests	48,726	41,605	27,006	19,406	18,170
	1,079	706	874	796	762
Total Liabilities	470,839	384,211	409,083	290,593	224,007
Gross earnings	57,255	51,318	50,597	46,267	32,291
Profit before taxation	16,808	14,853	14,420	6,172	6,715
Profit after taxation	13,234	11,483	11,010	4,776	5,066
Profit attributable to shareholders	13,050	11,618	10,932	4,588	4,938
Dividend	6,325	5,429	3,811	2,642	2,114
Return on shareholders' funds	27%	28%	40%	24%	27%
Earnings per share					
- actual	335k	399k	430k	226k	304k
Dividend per share					
- actual	160k	155k	150k	130k	130k
Dividend cover (times)	2.09	2.12	2.87	1.74	2.34

Note

Earnings per share is based on profit attributable to shareholders and 3,953,264,997 ordinary shares of 50k each.

Bank Five-Year Financial Summary

For the year ended 31 March, 2005

	Bank				
	2005 N'm	2004 N'm	2003 N'm	2002 N'm	2001 N'm
Assets					
Cash, bank balances and bills discounted	194,498	195,800	230,497	186,978	145,924
Investments	24,655	16,825	7,343	780	501
Loans and advances	114,673	78,040	56,046	61,918	46,111
Advances under finance lease	937	-	-	-	-
Other assets	30,625	11,596	17,428	8,664	12,855
Equipment on lease	-	665	644	190	202
Fixed assets	12,108	9,564	8,620	7,826	7,308
Total Assets	377,496	312,490	320,578	266,356	212,901
Liabilities					
Deposits	265,378	207,181	199,294	168,175	148,279
Current taxation	3,954	4,022	3,123	1,176	1,740
Deferred taxation	2,010	1,533	1,165	694	453
Dividend	6,325	5,429	3,811	2,642	2,114
Other liabilities	55,157	55,704	88,145	75,922	43,222
	332,824	273,869	295,538	248,609	195,808
Shareholders' Funds	44,672	38,621	25,040	17,747	17,093
Total Liabilities	377,496	312,490	320,578	266,356	212,901
Gross earnings	49,475	45,121	45,055	41,717	29,098
Profit before taxation	15,145	14,106	13,393	5,087	6,201
Profit after taxation	12,184	11,096	10,323	3,979	4,676
Profit attributable to shareholders	6,325	5,429	3,811	2,642	2,114
Dividend	27%	28%	41%	22%	27%
Return on shareholders' funds					
Earnings per share	308k	381k	406k	196k	288k
- actual					
Dividend per share	160k	155k	150k	130k	130k
- actual	1.93	2.04	2.71	1.51	2.21
Dividend cover (times)					

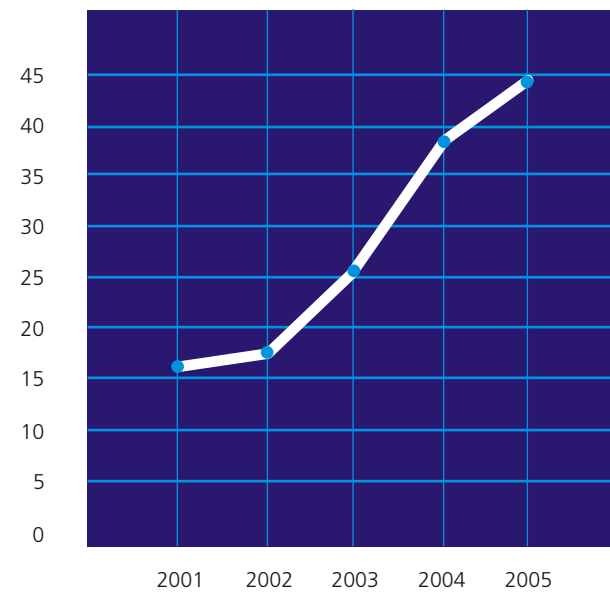
Note

Earnings per share is based on profit attributable to shareholders and 3,953,264,997 ordinary shares of 50k each.

Graphs

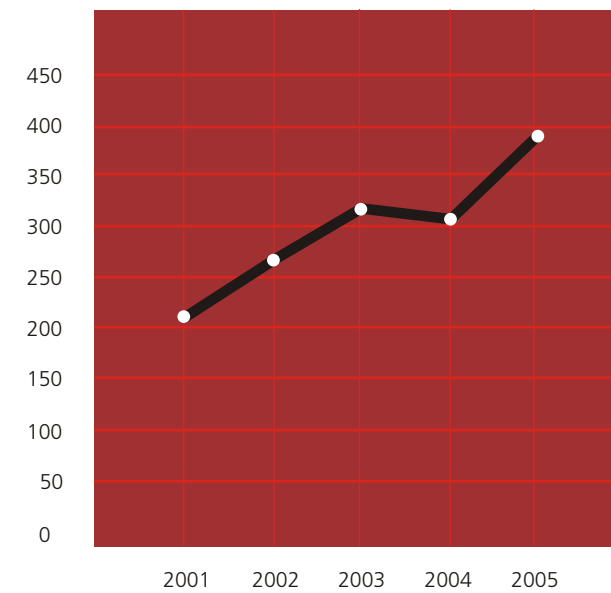
Shareholders' Fund

₦ Billions



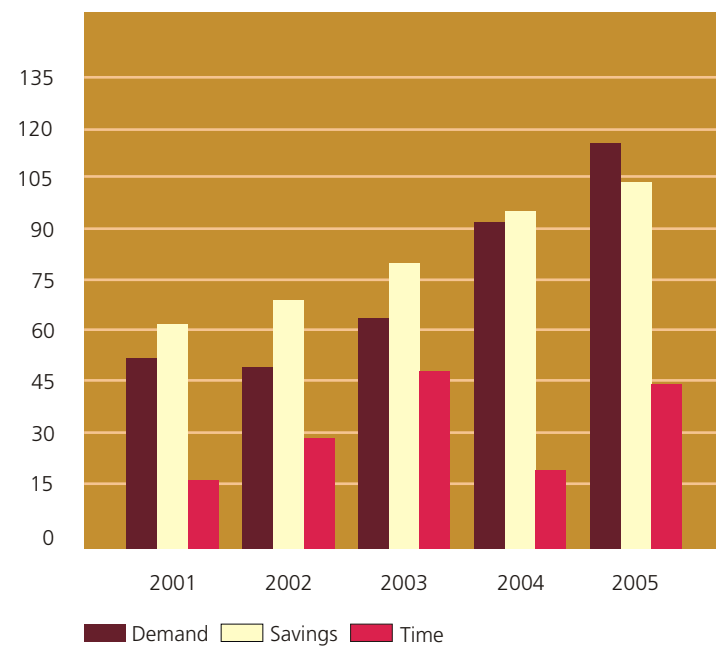
Total Assets

₦ Billions



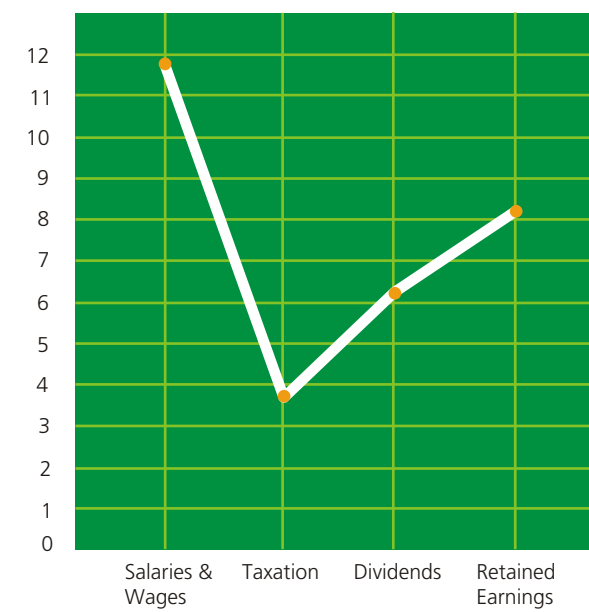
Deposit Mix

₦ Billions



Statement of Value Added

₦ Billions



Deputy General Managers



From left to right

Remi W. Babalola
Head, Corporate Planning &
Group Coordination

Timothy O. Bolade
Head, Credit Risk Management

Tijjani M. Borodo
Company Secretary



From left to right

Aka C. Ezeobele
Regional Coordinator (Up-country I)

Akinwunmi G. Fanimokun
Project Manager, New Banking
Application Implementation Project

Jamo L. Haruna
Regional Coordinator (Upcountry II)



From left to right

Eugene U. Iyamah
Group Head, Multinational &
Conglomerates (Corporate &
Investment Banking)

Lawanson A. Kehinde
Group Head, (Lagos 1)
Commercial Banking SBU

Ademola O. Ogundero
Group Head, (Lagos II & West)
Commercial Banking SBU

Deputy General Managers Cont'd



From left to right

Taiwo J. Okeowo
Group Head, Corporate Finance

Kayode A. Olatunbosun
Regional Coordinator (Lagos)

Stephen O. Onasanya
Head, Finance &
Performance Management



From left to right

Taiwo I. Otitì
Head, Support Services

Alex C. Otti
Group Head, Energy Upstream
Services (Corporate &
Investment Banking)

Oladele O. Oyelola
Chief, Internal Auditor

Branch Network

Abia State		13	Garkida Branch Near Police Station P.O. Box 100 Garkida.	26	Ikot Ekpene Branch 2 Old Stadium Road P.M.B.34, Ikot Ekpene Tel.: 085-400202, 400723 200088
1.	Aba (Alaoji Layout) Branch 544 P/Harcourt Road Alaoji Layout				
2.	Aba (Ariara) Branch 117 Faulks Road P.M.B. 7315, Aba Tel.: 082-224692, 225508	14	Gulak Agency C/O Michika Branch P.M.B. 1001, Michika	27	Oron Branch 105 Oron Road P.M.B. 1040, Oron
3.	Aba (Factory Road) Branch Factory Road P.M.B. 7521, Aba Tel.: 082-220327, 227590	15	Hong Branch P.M.B. 1002, Hong	28	Ukam Branch Mkpat Enie L.G.A. P.M.B.5001, Ukam
4.	Aba (Main) Branch 2 Asa Road P.M.B. 7103 Aba Tel.: 082-227120, 220866 223870, 227130 Fax: 082- 227212	16	Mayoine Agency C/O Mayo-Belwa Branch P.O. Box 06, Mayo-Belwa	29	Utu Etim Ekpo Branch P.M.B. 1029 Utu Etim Ekpo L.G.A.
5.	Aba (Ogbor Hill) Branch 161, Ikot Ekpene Rd., Ogbor Hill, Abia State Tel 082- 226127, 082-227810	17	Mayo Belwa Branch P.O. Box 06, Mayo-Belwa	30	Uyo Branch 1 Oron Road P.M.B. 1001 Uyo Tel.: 085-200531, 200082 Fax: 085-200594
6.	Aba (Town) Branch 122 Ehi Road P.M.B. 7128, Aba Tel.: 082-220325, 220285	18.	Michika Branch P.M.B. 1001, Michika		Anambra State
7.	Amaokwe Item Branch C/O Bende L.G.A. P.M.B. 1 Item	19	Yola (Main) Branch 9, Bank Road P.M.B. 2050, Jimeta Tel.: 075-624382, 626582 626073, Fax: 075-625198	31	Abba Branch P.M.B.2008, Abagana Njikoka L.G.A Tel.: 046-571106
8.	Nkwo-Agu Isouchi Branch P.M.B 1020, Ngodo Isouchi, Okigwe L.G.A.	20	Yola (Market) Branch 109, Mubi Road P.M.B. 2282 Jimeta Tel.: 075-624370	32.	Awka Branch No 6, Azikiwe Avenue P.M.B. 5034, Awka Tel.: 048-550015 Fax: 048-552247
9	Umuahia Branch 1 Mayne Road P.M.B. 7017, Umuahia Tel.: 088-222986, 220465 220319		Akwa Ibom State	33	Ekwulobia Branch 2 Catholic Mission Road Ekwulobia - Aguata L.G.A. Tel.: 046-911449, 463410
	Adamawa State	21	Efa Branch Near Efa Junction P.M.B. 1053, Etinan GSM 0803 4273 337 08027591186	34	Nimo Branch Njikoka L.G.A. P.M.B.1001, Nimo Tel.: 046-581185
10	Dumne Agency C/O Yola Main Yola	22.	Eket Branch No. 1 Ekpene Ukpa Road Eket Akwa Ibom State Tel: 085-701273, 701124	35.	Nkpor Branch 40, New Market Road Nkpor-P.M.B. 1626, Nkpor
11	Fufore Branch C/O P.M.B. 2050, Yola	23	Essene Branch Ikot Abasi L.G.A. P.M.B.1012, Ikot Abasi	36.	Nkwele Ezunaka Branch OgidiEzunaka Road P.O. Box 85, Oyi L.G.A. Tel: 046-210221
12	Ganye Branch P.O. Box 55, Ganye Tel.: 025-90187	24	Etinan Branch 83 Uyo Road P.M.B.1042 Etinan Tel.: 085-341123, 341052	37.	Nnewi Branch 13A Onitsha Road P.M.B.5015, Nnewi Tel.: 046-460086, 461125 461877 Fax: 461004
		25	Ikot Abasi Branch 1 Ikot Obong Road, P.M.B. 1021, Ikot Abasi Tel.: 085-801124		

Branch Network cont'd

38.	Nnewi Cash Centre Nkwo Market C/O Nnewi Branch		Bauchi State	61	Makurdi Branch New Bridge Road P. M. B. 2076, Makurdi Tel. 044-532156, 533542 532296, 543131 Fax. 044- 532798
39.	Ogbunike Branch P.M.B. 7, Ogbunike Tel.: 046-6115599	49.	Bauchi Branch Nassarawa Road G.R.A. P.M.B. 53, Bauchi Tel.: 077-542024, 543680 Fax: 077- 543680		
40.	Onitsha (B/Head) Branch 1 Nkrumah/P.H. Road P.M.B. 1603, Onitsha Tel.: 046-410731, 413285 Fax: 046-410212	50.	Burra Branch Ningi L.G.A. P.M.B. 53, Bauchi	62	Otukpo Branch Federal Road, C/O P. M. B. 2076, Makurdi Tel.: 044-60165 Fax: 044-60229
41.	Onitsha (Iweka) Branch 40 Iweka Road, P.M.B. 1750 Onitsha Tel.: 046-210113	51.	Darazo Branch Maiduguri Road P.O. Box 2, Darazo L.G.A.	63	Vandeikya Branch P. M. B. 5, Vandeikya
42.	Onitsha (Nwobodo Ave.) Branch. 6 Nwobodo Avenue P.M.B.1524, Onitsha Tel.: 046-217420, 210212	52.	Gamawa Branch Barkin Kasuwa P.O. Box 4, Gamawa	64	Naka Branch C/O Makurdi Branch P. M. B. 2076, Makurdi
43.	Onitsha (Main) Branch 19 New Market Road P.M.B. 1519, Onitsha Tel.: 046- 210244, 211062 210245-8 Fax: 046-215088	53.	Itas Agency C/O Yana Branch P.M.B. 6, Yana		Borno State
44.	Onitsha, Uga Street Cash Centre. No 59 Uga Street C/o Bridge Head Branch Onitsha	54.	Katagum Agency C/O Gamawa Branch P.O. Box 4, Gamawa	65	Danboa Branch Maiduguri/Biu Road P. O. Box 1005, Maiduguri
45.	Otuocha Branch Otuocha L.G.A P.O. Box 82, Otuocha	55	Toro Branch Near L.G. Secretariat P.M.B. 3, Toro	66.	Konduga Agency C/O Maiduguri (Main) Branch P.M.B. 1005, Maiduguri Tel.: 076-232417, 231055 Fax: 076-342396
46.	Onitsha Ogbaru Mkt Branch Off No. 233B Obodo-Ukwu Road, Ogbaru Main Mkt. (Near Bournvita House) Okpoko, Ogbaru P.M.B 1834, Onitsha Tel-046-300775 Fax: 046-215334	56.	Tafawa Balewa Branch Bununu Road P.M.B. 1, Tafawa Balewa	67	Kwajafa Cash Centre Main Street P.O. Box 1005, Maiduguri
47	Onitsha Owerri Rd. Branch 68, Onitsha Owerri Road Anambra State. P.M.B 1832 Onitsha Tel: 046-270786-7	57.	Yana Branch Kano Road P.M.B. 6, Yana	68.	Maiduguri Branch Sir K. Ibrahim Road P. O. Box 1005, Maiduguri Tel.: 076-232417, 231055 235322, 235319,342017 Fax: 076-342396
48.	Ugwuagba-Obosi Mkt Br. 15, Pope John Paul Avenue Ugwuagba-Obosi Onitsha. Tel: 046-270795		Bayelsa State	69	Maiduguri (Monday Market) Branch C/O Maiduguri Branch P O Box 1005, Maiduguri Tel.: 076-232382
		58..	Odi Branch Yenegoa L.G.A. C/O P.M.B. 5007 P/H (Main) 08032551276	70.	Ngandu Agency C/O Damaturu Branch P. O. Box 1009, Damaturu Tel.: 076-522980 Fax: 076-522545
		59.	Yenegoa Branch Amarata Road Fax: 089-490391, 490392	71	UbaKumagum Branch MubiYola P.O. Box 1005
			Benue State		
		60.	Katsina Ala Branch Market Road C/O Postal Agency Katsina Ala. Tel.: 044 90299, 90080, 90269		

Branch Network cont'd

Cross River State		82.	Evwreni Branch Uvwreni Quarters Evwreni C/O P.M.B.30, Ughelli	93.	Benin, Akpakpava Road Branch No. 71, Akpakpava Road Benin City.Tel.: 052-256397
72.	Calabar (Main) Branch Calabar Road P M B 1020, Calabar Tel.: 087-232049, 233300 230276, 232622,233562 234400, 233864 Fax: 087- 230403	83.	OgwashiUku Branch 2 Old Mission Road P.M.B.1055, OgwashUku	94.	Benin (King's Square) Branch P.M.B. 1026, Benin City Tel.: 052-251080, 256184
73.	Calabar Free Trade Zone Branch. , FTZ Calabar P.M.B. 3001 Calabar Tel.: 087-210045-6, 210667 Fax: 087-210046	84.	Sapele (Boyo Road) Branch 2A Boyo Road P.M.B. 4062, Sapele Tel.: 054-341681, 341541	95.	Benin (Mission Road) Branch 65 Mission Road P.M.B. 1138, Benin City Tel: 052-258067, 253752 253916, Fax: 258067
74.	Ekor Ekor, Yakurr L.G.A. P. O. Box 90, Ekor	85.	Sapele (Main) Branch Chichester Road P.M.B. 4004, Sapele Tel. 054342094, 342111 Fax: 341534	96.	Benin (NNPC) Agency C/O Benin (King's Square) Branch. P.M.B 1026, Benin City
75.	Ikom Branch 19 Okim Osabor Street P.M.B. 1030, Ikom Tel.: 045670577	86.	Ughelli Branch 40 Market Road P.M.B. 30, Ughelli Tel.: 054-600008, 600328	97.	Benin (Oregbeni) Branch 10 Benin/Agbor Road P.M.B. 1002, Benin City Tel.: 052-254708 Tel/Fax. 052-253975
76.	Obubra Branch C/O Calabar Branch P.M.B. 1025, Obubra Tel.: 087560035	87.	Warri Branch 41 Warri/Sapele Road P.M.B.1020, Warri Tel.: 053-253011, 252905 Fax: 053-253042.	98.	Sakponba Branch No 43, Sakponba Rd Benin City.P.M.B.1133 Benin City. Tel/Fax: 052/450777
Delta State		88.	Warri (Shell-Ogunnu) Branch Shell Complex Warri. 053-256333, 256416 Fax: 256415	99.	Benin M.M. Way Branch No. 169 M.M.Way Benin City Tel.: 052-259739
77.	Agbarho Branch 142 Old Ughelli Road P.M.B. 50, Agbarho	Ebonyi State		100.	Benin Upper Sakponba Branch No. 43 Upper Sakponba Rd P.M.B 1106, Benin City Tel- 052/256987, 251661
78.	Agbor Branch Old Lagos/Asaba Road Tel. 05625440, 25323 255703, 256836	89.	Afikpo Branch 18 Eke Market P.M.B. 1005, Afikpo Tel. 088-521636	101.	Benin Uselu Branch 24, Uselu Lagos Rd. P.M.B 1027 Benin, Edo State
79.	Asaba Branch Nnebisi Road P.M.B.1004, Asaba Tel.: 056-280210, 282092 281196, Fax: 056-281195 282043.	90.	Abakaliki Branch 4 Sudan United close Off Ogoja Road , P.M.B.105 Abakaliki. Tel: 043-21153 21810, 20760 Fax: 043-21573	102.	Benin Sapele Rd Branch No. 155 Sapele Rd Benin City
80.	Effurun Branch 4 Warri/Sapele Road P.M.B. 8, Effurun Tel.: 053-252801, 250676	91.	Ezzamgbo Branch Ohaukwu L.G.A. P.M.B. 219, Abakaliki	103.	New Benin Market Branch No.30 New Lagos Rd Benin City
81.	Ekpan Branch 60, NNPC Housing Estate Rd. Ekpan, Delta State Tel: 053-253011, 320435 320484	92.	Edo State Agbede Branch 60 Unity Road C/O Agbede Post Office	104.	Ambrose Alli University Cash Centre, Ekpoma
				105.	Ekpoma Branch Market Road, Eguare P.O. Box 7, Ekpoma Tel. 053-98394, 98439 256812

Branch Network cont'd

106	Sabongida Ora Branch 64, Obe Street P.M.B. 102, Sabongida Ora Tel. 057-54093	118	Okemesi-Ekiti Odo-Ese Street P. M. B. 01, Okemesi-Ekiti	130	Federal Capital Territory (Abuja) Abaji Branch C/O P.O. Box 45, Abuja
107	Benin, Siluko Branch No. 128, Siluko Rd, P.M.B 105 Beninn City, Edo State Tel: 052 256965, 600899-900 Fax: 254416	119	Enugu State Emene Industrial Estate Branch 1 Bank Road P.O. Box 8 Enugu Tel.: 042-559275	131	Abuja (Garki) Branch Abuja Festival Road Area 3, Garki P.O. Box 45, Abuja Tel.: 09-2341070-3 Fax: 09-2341071
108	Benin, Ugbowo Branch 189, Ugbowo Road, Benin City Tel: 052-600301, 600305	120	Enugu (Uwani) Branch 26 Zik Avenue P.M.B. 1237, Enugu Tel.: 042-257382	132.	Abuja Main Branch Plot 777, M. Buhari Way Central Business Area Abuja Tel.: 09-2346819, 2346820
109	Uromi Branch No.9 Ubiaja Road, Uromi	121	Enugu (Main) Branch 21 Okpara Avenue P.M.B. 1008, Enugu Tel.: 042-253583, 258784 Fax: 042-254755	133.	Abuja (Nnamdi Azikiwe Int. Airport) Branch Local Wing, Abuja Airport Abuja Tel.: 09-8100121; 8100120
110	Ekiti State Ado Ekiti Branch 10 Ajilosun Street P.M.B. 5365, Ado Ekiti Tel.: 030-240725, 240561	122.	Enugu (New Haven) Agency C/O P.M.B. 1008, Enugu	134.	Abuja(NationalAssembly Complex) Branch White House (Basement Room HB26) 3 Arms Zone Tel: 09-2347881,2347848
111.	Efon-Alaye Branch Erekesan Market P.M.B 37, Efon-Alaye	123.	Ikem Branch C/O Postal Agency Via Nsukka P.M.B. 1008, Enugu	135.	Abuja, Gwagwalada Branch No. 5, Park Road, Off Abuja/Abaji Road Gwagwalada, FCT, Abuja Tel: 09-8820015
112	Emure-Ekiti Branch 2 Oke Emure Street P O Box 613 Emure-Ekiti	124.	Inyi Branch P.O. Box 183, Inyi	136	Abuja, Karu Branch Abuja-Keffi Road Mararaba, Karu LGA FCT, Abuja Tel: 09 6703827
113.	Erinjiyan Ekiti Branch Iwaro Street P. M. B. 5006, Aramoko-Ekiti	125	Nsukka Branch 116 Enugu Road Nsukka Tel.: 042-771743	137	Abuja Shipper's Plaza Branch Plot 438 Michael Okpara Way Zone 5, Abuja Tel: 09- 5241440 5241442, 69710750 Fax: 5241441
114	Ifaki-Ekiti Branch 25 Temidire Street Ikole Road P.M.B. 21, Ifaki-Ekiti	126	9th Mile Corner Branch 47A Old Onitsha Road 9th Mile Corner, Ngwo	138.	Abuja,Wuse Branch Russel Centre, Block 2097 Herbert Marcaulay Way, Zone 5, FCT, Abuja. Tel: 09- 5240144-148 Fax: 09-5240147
115	Ikere-Ekiti Branch 113 Ado Road, Idemo P.M.B. 7275, Ikere-Ekiti Tel.: 030-610545	127	Obollo Afor Obollo Afor Cash Centre No. 1 Orba Road Obollo Afor Udenu Local Govt. Area Enugu.	139.	Abuja,Zuba Branch Motor Spare Parts Market Zuba, FCT, Abuja Tel: 09-5242318
116	Ikole-Ekiti Branch Oba Adeleye Road P.M.B. 5009, Ikole-Ekiti Tel.: 030-440611	128	Orba Branch Orba Udenu L.G.A. P.M B 2079 Nsukka 042-770488		
117	Ilasa-Ekiti Branch White House Oke-Odo Street P.M.B. 5020 Ilasa-Ekiti	129	Ovoko Branch Ovoko Via Nsukka P.M.B. 2083, Igbo-Eze Tel.: 042-771738		

Branch Network cont'd

140	Bolingo Hotels & Towers Complex FCT, Branch, Abuja Independence Avenue Area 10, Garki Abuja Tel: 09 2344571, 6710795	152	Dutse Branch Damaturu Road C/O P.M.B. 3005, Kano Tel.: 064-721380, 721512 Fax: 069-721380	162.	Kano (Bompai) Branch Dantata Road P.M.B. 3284, Kano Tel.: 064-633480 Fax: 064-646743
	Gombe State		Kaduna State	163	Kano (Fagge Ta Kudu) Branch 15 Fagge Road P.M.B. 3077, Kano Tel.: 064-631545 645961,645871 Fax: 064-640738
141.	Gombe Branch Biu Road P.M.B. 1, Gombe Tel.: 027-222133, 222134 222135, 223214, 223318	153.	Kaduna (Bank Road) Branch 14 Bank Road P.M.B. 2065, Kaduna Tel.: 062-245454; 243332		
142	Kaltungo Branch GombeYola Road P.O. Box 40, Kaltungo	154.	Kaduna Kawo Branch Tel.: 062-317594, 237594 Fax: 318354	164	Kano (Main) Branch 10 Lagos Street P.M.B. 3005, Kano Tel.: 064-633280, 632706 637839, 630574,636573 630070 Fax: 064-644565
	Imo State	155	Kaduna (Main) Branch Yakubu Gowon Way P.M.B. 2065, Kaduna Tel.: 062-246155, 243858 Fax: 062-243955, 246854 249464	165	Kano (Zoo Road) Branch ABI House C/O P.M.B. 3166, Kano Tel.: 064-661905 Fax: 666766
143	Akatta Branch Orlu L.G.A. P.M.B. 6, Akatta	156.	Kaduna South Branch Kachia Road P.M.B. 2084, Kaduna Tel.: 062-231021, 232880	166	Kano (Bagauda Lake) Agency Bagauda Lake Hotel C/O Kano (Main) Branch P.M.B. 3005, Kano Tel.: 064-633280, 630573 Fax: 064-644565
144.	Amaraku Branch P.M.B. 1, Amaraku	157	Kafanchan Branch 2 Funtua Road P.M.B. 1019, Kafanchan Tel.: 061-20141, 20145 Fax: 061- 20145	167	Kano Club Road Branch 595 Club Road P.M.B. 3005, Kano Tel.: 064-635027, 630709 630648 Fax: 649266
145.	Okigwe Branch 184 Owerri Road, Okigwe 042-420166, 420470, 420109	158	Samaru Branch Sokoto Road P.M.B. 02, Samaru, Zaria Tel. 069-550983, 551612 554884; Fax 550092 551160,550692	168.	Muhammadu Abubakar Rimi Market Branch C/O Kano (Main) Branch P.M.B. 3005, Kano Tel.: 064-644507
146.	Okwelle Branch P.M.B. 57, Okwelle Okigwe	159.	Saminaka Branch Ahmadu Bello Way Near Lere Local Govt Authority Secretariat Lere L.G.A.		Katsina State
147.	Owerri (Main) Branch 11/12 Assumpta Avenue P.M.B. 1060, Owerri Tel.: 083-230900, 232772 Fax: 083-231586		Kaduna State	169	Funtua Branch Sokoto/Gusau Road P.M.B. 6013, Funtua Tel.: 064-770348, 333830 Fax: 064-770019
148.	Owerri (Douglas Road) Branch 79 Douglas Rd., Owerri Tel.: 083-230900	160	Zaria Branch 1 Crescent Road P. M. B. 1006, Zaria Tel.: 069-330660, 332425 333458. Fax: 330660		
149	Umuowa Branch C/O Owerri Branch P.M.B. 175, Orlu Tel.: 083-520665		Kano State	170.	Katsina Branch 3 Ibrahim Babangida Way P.M.B. 2032, Katsina Tel.: 065-430863, 431588 Fax: 065-431588
150.	Urualla Branch C/O Ideato North L.G.A. P.M.B. 2, Urualla, Owerri				
	Jigawa State				
151.	Hadejia Branch 14 Kano Road P.O. Box 83, Hadejia Tel. 078-20614, 20856	161.	Mallam Aminu Kano Int'l Airport Branch C/O P.M.B. 3005, Kano Tel.: 064-633255		

Branch Network cont'd

171.	Malumfashi Branch Funtua Road P.M.B. 1011, Malumfashi Tel.: 065-80058, 80169	184.	Iyamoye Branch Aro Quarters Along Iyamoye Omuo P.M.B. 1002, Iyamoye	195.	Adeola Odeku Str. Branch 15B Adeola Odeku Street Box 71918, Victoria Island Lagos, Lagos State Tel.: 01-2626325, 2617947 2626324-5
	Kebbi State	185.	Lokoja Branch 411 Murtala Moh'd Rd. P.M.B. 1100, Lokoja Tel.: 058-220402, 220767	196.	Agege Branch 254, Agege Motor Rd. Oko-Oba, Agege Lagos Tel.: 01-4926129, 4924389
172.	Birnin Kebbi Branch 40 Murtala Mohammed Way C/O P.M.B. 3005, Kano Tel.: 068- 321911, 320662 Fax: 068- 321664	186.	Mopa Branch P.M.B. 2002, Mopa	197.	Agege Cash Centre 27, Abeokuta, Motor Rd. P.O. Box 65, Agege
173.	Kamba Branch Secretariat Road C/O P.M.B. 2116, Sokoto	187.	Ogori Branch P.M.B. 1073, Ogori	198.	Agidingbi Branch 6, Asabi Cole Rd., Off Lateef Jakande Way, Agidingbi Ikeja
174.	Maiyama Branch Maiyama Town C/O P.M.B. 2116, Sokoto	188.	Oguma Branch Oguma Road P.M.B. 1004, Oguma	199.	Aliko Cement Terminal Cash Centre Aliko Dangote Cement Depot Abule Oshun Via Satellite Town
175.	Zuru Branch Kontagora Town Road P.M.B. 1003, Zuru Tel.: 067-650205 Fax: 670709	189.	Okene Branch 1 Ado Ibrahim Street/Hospital Road P.M.B. 1044, Okene Tel.: 058-5000364	200.	Ajegunle Branch 74 Malu Road P.M.B. 1180, Apapa Tel.: 01-842238, 873679
	Kogi State		kwara State	201.	Akowonjo Branch Akowonjo Rd., Akowonjo P.M.B 14767, Ikeja Tel.: 01-4705827; 4926440-2 4926440, 4923785 Fax: 4926438
176.	Abejukolo Branch Ankpa Road P.M.B. 1000, Abejukolo	190.	Ilorin Branch Obbo Rd., Off Wahab Folawiyo Rd. P.M.B. 1354, Ilorin Tel.: 031-221500, 222011 Fax: 031-220128	202.	Alaba Int'l Market Branch 29, Ojolgbede Rd. New Alaba, Lagos Fax: 01-5894467 Tel.: 01-5894468, 5894463
177.	Ajaokuta Branch P.M.B. 1007, Okene Tel.: 031-400581	191.	Kosubosu Branch P.M.B. 244, Bassa	203.	Alaba Int'l Market Cash Centre Densine Mall, Dobbil Avenue Alaba Int'l Market Alaba, Lagos
178.	Akpanya Branch Agbedo Akpanya P.M.B. 1011, Idah		Lagos State	204.	Alaba Rago Mkt. Cash Centre Alaba Rago Market, Alaba Rago Lagos-Badagry Express Way
179.	Ankpa Branch 16,Tafawa Balewa Road PMB 1011 Ankpa	192.	Abattoir Cash Centre Lagos State Govt. Abattoir Oko-Oba, Agege Lagos State		
180.	Ayangba Branch Idah Road P.M.B. 1002 Dekina-Ayangba	193.	Abibu Adetoro Branch 51 Abibu Adetoro Street Off Ajose Adeogun Street P.M.B. 80137 Victoria Island, Lagos Tel.: 01-2622310 Fax: 01-2622319		
181.	Egbe Branch Federal Road P.M.B. 205, Egbe	194.	Abibu-Oki Branch A.G. Leventis Building 42/43 Marina P.M.B. 12554, Lagos Tel.: 01-2660511, 2660950 Fax: 01-2660302		
182.	Isanlu-Yagba Branch P.M.B. 1005 Isanlu-Oyi				
183.	Itobe Branch Bank Road P.M.B. 1001, Idah				

Branch Network cont'd

205.	Alausa Branch Motorways Building Toll Gate, Alausa Lagos Tel: 01-4934184	216.	Fed. Secretariat Complex Branch. Ikoyi P.M.B. 12736, Lagos. Tel.: 01-684745, 684746 Fax: 01-688056	226.	Ikorodu Branch 88 Lagos Road P.M.B. 1005, Ikorodu Tel.: 01-780610-2, 7748382 Fax: 01-7745662
206.	Apapa Branch 1 Burma Road P.M.B. 1034 Apapa Tel.: 01-5451345, 5877116 Fax: 01-5871539	217.	Jibowu Branch 10, Alakija Street, Jibowu Yaba. Lagos. Tel: 01-7734815, 7734804	227.	Ikota Branch Ikota Int'l Market Ikota Shopping Complex Victoria Garden City P.O. Box 52717, Falomo Tel.: 01-4618099; 4618099
207.	Awolowo Road 116 Awolowo Road, Ikoyi Ikoyi-Lagos Tel: 01-2695857, 2691820 2694310 Fax: 01-2692680	218.	Iddo Market Branch 1, Taylor Road, Iddo Tel: 090401521	228.	Ilupeju Branch Ilupeju Bye-Pass P.M.B. 1173, Ikeja Tel.: 01-4961063, 4933617 4930478, 4930693
208.	Broad Street Branch 214 Broad Street, (Elephant House), P.O. Box 2334, Lagos Tel.: 01-2643566 2660620,2643734,2643735 Fax: 2664145 WUMT: 2660588	219.	Idimu Branch 205, Idimu Road, Yem-Kem Shopping Plaza, Agege Lagos State. Tel: 01-4744464, 8135603 8235607.	229.	International Trade Fair Complex Branch Wing B, Hall 2 Hexagon 9 Int'l Trade Fair Complex Badagry Express Road, Box 6238 Festac Town, Lagos Tel.: 01-4704437, 3208374 Fax: 01-3208374
209.	Coker Branch Plot 4 Block C Amuwo Odofin Ind. Layout Orile Iganmu, Lagos Tel.: 7745182	220.	Iganmu Branch Abebe Village Road P.M.B. 126734, Iganmu Tel.: 01-833322, 830311 834331	230.	Int'l Trade Fair Complex II (Balogun) Cash Centre NIICO Best Executive Plaza Opp. Atiku Hall In'tl Trade Fair Complex Mile 2-Badagry Expressway Lagos 01-7918350; 7918351
210.	Daleko Market Branch Daleko Market, Bank Road Mushin, Lagos	221.	Ijora Branch 1 Ijora Causeway P.O. Box 228 Apapa Tel.: 01-, 5871435 7738884,7738887 Fax: 01-5454772	231.	Investment House Branch 21-25 Broad Street, Lagos Tel: 01-2640469
211.	Dopemu Branch Deebo Plaza, 618 Dopemu-Akowonjo Road Dopemu Roundabout Dopemu, Lagos Tel: 01-8133309, 8133310	222.	Ikeja Airport Road Branch P.O. Box 69, Ikeja Tel.: 01-901740-4, 4977862-3 Fax: 01-901744	232.	IPMAN Cash Centre 1-15 Dockyard Road, Apapa Lagos. Tel.: 10-79247211-2
212.	Ebute Metta Branch 1 Savage Street Apapa Road P.M.B. 12014 Ebute Metta Tel.: 01-837998, 834477 7745556	223.	Ikeja Allen Avenue 58 Allen Avenue P.M.B. 21087, Ikeja Tel.: 01-4970510	233.	Isolo Branch Apapa/Oshodi Express Way Iyana Isolo P.M.B. 1034, Mushin Tel. 01-4520434, 4520087 4523662, 4520984
213.	Enu-Owa Cash Centre 62, Enu-Owa Street, Lagos	224.	Ikeja Military Cantonment Agency Ikeja Military Cantonment 9th Mechanised Brigade Maryland, Ikeja C/O Ikeja Branch P. O. Box 69, Ikeja	234.	Isolo Industrial Estate Branch Limca Way Ilasamaja, Lagos State Tel: 4520256, 7755331 5556539 Fax 4528877
214.	Epe Branch P.M.B 1022, Epe Tel.: 037-770090, 770541	225.	Ikeja Ind. Estate Branch Oba Akran Avenue P O Box 105, Ikeja Tel.: 01-4978541, 4968609 Fax: 01-4978501, 4968610		
215.	Falomo S/Centre Branch Awolowo Road, Ikoyi P.M.B 1022, Ikoyi Tel. 01-2695506, 2693029				

Branch Network cont'd

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|--|---|---|
| 235. Iyana Ipaja Branch
177 Lagos Abeokuta Express Rd.,
Iyana Ipaja, Lagos. P.O.Box 3040 Agege, Tel. 7737622 | 245. Obun-Eko Branch
126 N. Azikiwe Street
P. O. Box 2353, Lagos
Tel.: 01-2663261, 2666646
Fax: 01-2663109 | 255. Oshodi Cantonment Agency
C/O Ilupeju Branch
P.M.B. 1173, Ikeja
Lagos. |
| 236. Ketu Branch
101 Ikorodu Road
P.M.B. 21468, Ikeja
Tel.: 01-5965474-5 | 246. Ogba Branch
Plot 7, Block C
Acme Road
P.M.B. 21441, Ikeja
Tel.: 01-4920049, 4920052
7938779. | 256. Oshodi-Mile 2 Expressway Branch
Plot 104 Oshodi Mile 2 Expressway, Near Cele Bus-stop, Lagos.
Tel: 01-8112185, 8049281 |
| 237. Marina Branch
35 Marina
P.O. Box 2006, Lagos
Tel.: 01-2669683- 4, 2669697 | 247. Ojo Cantonment Agency
Ojo Military Cantonment
Ojo, Lagos-Badagry Exp. Road
C/O P.M.B. 12674, Lagos
Tel.: 01-888880. | 257. Owode Branch
Ibeshe Road
P.M.B. 231, Ikorodu
Tel.: 037-7745560
01- 4930536
Fax Line: 01-4930536 |
| 238. Matori Branch
84/88 Ladipo Street
Papa Ajao
P.M.B. 1120, Mushin
Tel.: 01-523713
Fax: 01- 4528383 | 248. Ojuwoye Cash Centre
7, Dada Iyalode Street Off Post Office Rd. Mushin Lagos
Tel. 01-7918306 | 258. Shell Agency
Shell Petroleum & Dev. Company
Freeman House
G.P.O. 2006 Marina
Tel.: 01-2601600 616
Fax: 01-2636681 |
| 239. Moloney Branch
28 Berkley Street, Lagos
P.O. Box 2099, Lagos
Tel.: 01-2635238, 2635758 | 249. Oke-Arin Market Branch
53 Offin Road, Lagos
Tel.: 01-2641516, 2641554, 2643870
Fax: 01-2643871 | 259. Shomolu Branch
Moyosore House
Onipanu, Ikorodu Road
P. O. Box 04, Shomolu
Tel.: 01-7745763 |
| 240. M.M. Int'l Airport Branch
M.M Airport Complex
P.O. Box 4508 Ikeja
Tel.:01-4979421, 8144653
4961641, 8159783, 8159783
Fax-4979422, 4961638 | 250. Oke-Odo Branch
415, Abeokuta Expressway
Ile-Epo Bus Stop, Lagos
P.O.Box 2828 Agege, Lagos
Tel: 01-4925464, 4920086
Fax: 01-4925690 | 260. Stock Exchange House Branch
Customs Street, P. O. Box 7685, Lagos
Tel.: 01-2661685, 2661696
2668195
Fax: 01-2661701 |
| 241. M.M. Way Branch
128 Murtala Moh'd Way
P.O. Box 1021, Ebute-Metta
Tel.: 01-860306 | 251. Okota Branch
3, Ago Place Way, Okota
Lagos
Tel: 01-7948712-3 | 261. Sura Cash Centre
Sura Shopping Centre, Lagos |
| 242. Navy Town, Ojo Branch
B.M.U Complex (Road 8)
Satellite Town,
C/O P.M.B 008, Festac Town
Tel.: 01-5883897, 5890225 | 252. Opebi Branch
Adebola House
40, Opebi Road
Off Allen Avenue
Ikeja-Lagos
Tel. 01-3450320-2
01-7918352-3. | 262. Surulere Branch
17 Itire Road
P. O. Box 273, Surulere
Tel. 01-5848733
831110,835515 |
| 243. Niger House Branch
1/5 Odunlami Street
P.M.B. 12883, Lagos
Tel: 01-2665781, 2664510
2664476 | 253. Oregun Ind. Estate Branch
Plot 2B Adewunmi Close
P.M.B. 21444, Ikeja
Tel.: 01-4970410, 4934875 | 263. Surulere S/Centre Branch
84 Adeniran Ogunsanya St
C/O P. O. Box 273, Surulere
Tel.: 01-5850831 |
| 244. N.1.J. House Branch
20 Adeyemo Alakija Street
Victoria Island
P.M.B. 50, Falomo
Tel.: 01-611496, 619312
Fax: 01-616484 | 254. Oshodi Branch
471 Agege Motors Road
Oshodi. Tel-7948714 5 | 264. Tin Can Island Branch
Tin Can Island Port Complex
Off Apapa/Oshodi
Express Road
P.M.B. 1019, Apapa
Tel.: 01-871307, 873096 |

Branch Network cont'd

265. **Trinity Branch, Olodi-Apapa**
No. 1, Industrial Road
By Trinity Police Station
Olodi, Apapa, Lagos
Tel: 01-8112183, 8112184

266. **Western House Branch**
8/10 Broad Street
P. O. Box 2135, Lagos
Tel.: 01-2634930, 2636499
Fax: 01-2636642

267. **Yaba Branch**
322 H. Macaulay St.
P.M.B. 1040, Yaba
Tel.: 01-861353, 862176
5455273-5
Fax: 01-5455272

Nassarawa State

268. **Lafia Branch**
Lafia/Jos Road
P.M.B. 5, Lafia
Tel. 047-20229, 221289
Fax: 047-220283, 220229
221721.

Niger State

269. **Bida Branch**
Zungeru Road
P. O. Box 48, Bida
Tel/Fax: 066-461640

270. **Kagara Branch**
P.M.B. 1, Kagara

271. **Katcha Branch**
C/O Postal Agency
Katcha

272. **Kontagora**
P.M.B. 06, Kontagora
Tel.: 067-220018, 20272

273. **Kuta Branch**
P. O. Box 5, Kuta
Tel.: 066-690444

274. **Minna Branch**
3 Bank Road
P.M.B. 62, Minna
Tel.: 066-221070, 223804
Fax: 066-221652, 222185
222968.

275. **Rijau Branch**
Zuru Road
P.M.B. 2116, Rijau
Tel.: 067-31441

276. **Suleja Branch**
Minna Road
P.M.B. 23, Suleja
Tel.: 09-8501513, 8500087
8501288, Fax: 09-500280

277. **Suleja S/Centre Agency**
IBB Modern Market
P.M.B. 23, Suleja
Tel.: 09-8500061

Ogun State

278. **Abeokuta Branch**
95 Obafemi Awolowo Rd
P.M.B. 2003, Abeokuta
Tel.: 039-240154, 240952
Fax: 039-241285

279. **Agbara Ind. Estate Branch**
Ilaro St.
P.M.B. 012, Agbara
Tel.: 01-7745552, 712043
712041

280. **Igbogila Branch**
P.M.B. 2015, Abeokuta
01-7901332

281. **Ijebu-Ode Branch**
26 Ibadan Road
P.M.B 2141, Ijebu-Ode
Tel.: 037-431378, 434534
433613

282. **Mosinmi Branch**
NNPC/PPMC Complex
Mosinmi. C/o Sagamu Branch

283. **Ogbere Branch**
Old Benin Road
P.M.B. 1005, Ogbere

284. **OPIC Cattle, Oluwanishola**
Cattle Market, OPIC Estate
Isheri.

285. **Ota Branch**
Lagos/Abeokuta, Expressway
P.M.B. 1036, Ota.
Tel.: 039-722457, 722242

286. **Sagamu Branch**
Akarigbo St.
P.M.B. 2008, Sagamu
Tel.: 037-640701
Fax: 037-640331

Ondo State

287. **Akure Main Branch**
1 Oba Adesida Road
P.M.B. 707, Akure
Tel.: 034-231960-1
230228, 240686

288. **Akure Market Branch**
1A Adedipe Street
P.M.B. 629, Akure
Tel.: 034-242403, 240243

289. **Araromi-Obu Branch**
1 College Road
P.M.B. 505 Araromi -Obu

290. **Idoani Branch**
Owani Street
P.M.B. 203, Idoani
Tel.: 051-53024

291. **Igbokoda Branch**
30, Broad Street
P.M.B. 339, Igbokoda

292. **Ikaram-Akoko Branch**
Oyagi Quarters
P. O. Box 001
Ikaram-Akoko

293. **Ikare Branch**
L21 Ilapa Street
P.M.B. 275, Ikare
Tel.: 050-670730, 670445

294. **Ile-Oluji Branch**
1 Old Motor Park
P.M.B. 704, Ile-Oluji

295. **Oka-Akoko Branch**
6 Ikese Quarters
P.M.B. 07, Oka-Akoko

296. **Ondo Branch**
Agbogbo-Oke Road, Yaba
Ondo
P.M.B. 550, Ondo
Tel.: 034-610313, 610800
Fax: 244838

297. **Ore Branch**
1 Market Road
Sabo Quarters
P.O. Box 55, Ore
Odigbo L.G.A.

298. **Owo Branch**
Idimisasa Street
P.M.B. 1012, Owo L.G.A.
Tel.: 051-241423, 241174
240074 Fax: 051-241006

Branch Network cont'd

Osun State		310.	Ibadan (Agodi) Branch Oyo State Secretariat P.M.B. 5153, Ibadan Tel.: 02-2412981, 8102981 8101231, 8103924, 8102931	321.	Oko Branch Osogbo Road, P.M.B. 4008 Ejigbo
299.	Ede Branch No. 117 Station Road P.M.B. 217 Ede, Osun State Tel.: 035-360175, 360105 360565, 360138	311.	Ibadan (Amunigun) Branch Amunigun Street P.M.B. 5120, Ibadan Tel.: 02-2413616, 2411653 Fax: 2411579	322.	Oyo Branch Asogo Street, P.M.B. 1002 Oyo Tel.: 038-230437, 230108
300.	Erin Osun Branch Council Road, Erin-Osun P.M.B. 5001, Erin -Osun	312.	Ibadan (Bank Road) Branch Bank Road P.M.B. 5111, Ibadan Tel.: 02-2413156, 2413042 Fax: 02-2413659	323.	Saki Branch Sango Road Ajegunle, Saki Tel.: 038-900015
301.	Ijebu-Jesa Branch A59 Oja Street P.M.B. 1003, Ijebu-Jesa	313.	Ibadan Bola Ige-Business Complex Branch (formerly Gbagi Market) Branch Shop D 30, C/O Bank Road Branch, P.M.B. 5111, Ibadan	Plateau State	
302.	Ilesa Branch Ereja Street P.M.B. 5016, Ilesa Tel.: 036-460355, 460631	314.	Ibadan (I.I.T.A) Agency Tel: 02- 2413765, 2411521 2412995 C/O Ibadan (Main) Branch P.M.B. 5111, Ibadan	324.	Amper Agency C/O Mangu Branch P. O. Box 60, Mangu
303.	Ile-Ife Branch 27 Lagere Layout P.M.B. 5534, Ile-Ife Tel.: 036-233464-5 Fax: 036-231248	315.	Ibadan (Molete) Branch 48 Molete/Challenge Road Ibadan. P.M.B. 086, Mapo Ibadan., Tel.: 02-2319784 2319906	325.	Barkin-Ladi Branch Block 25 A&B State Low Cost P.M.B. 2007, Barkin-Ladi Tel.: 023-92002
304.	Inisa Branch Market Square P.M.B. 2007, Inisa	316.	Ibadan (Oluyole Estate) Branch., 7, Town Planning Way, Oluyole Industrial Estate P.M.B. 5181, Ibadan Tel.: 02-2316586	326.	Bassa Branch P. O. Box 1377, Bassa 073-464829
305.	Ipetu-Ijesa Branch Palace Square, Oke-Oja P.M.B. 2003 Ipetu-Ijesa	317.	Ibadan (Orita Challenge) Branch., Old Lagos Road P.M.B. 5125, Ibadan Tel.: 02- 2311047 Fax: 02-2314462	327.	Bukuru Branch 31 Bukuru Road P.M.B. 2002, Bukuru Tel.: 073-280807, 280273
306.	Osogbo Branch 152 Station Road P.M.B. 301, Osogbo Tel.: 035-230135, 234449	318.	Ibadan (U.I) Branch P.M.B. 128, U.I. Post Office Tel.: 02-8103902	328.	Bukuru Police College Agency Police College Bukuru P.M.B. 02, Bukuru
Oyo State		319.	Ibadan (Iwo Road) Branch 59, Iwo Road, Ibadan Tel: 02-713680, 713681	329.	Jos (Gov. Sect.) Branch C/O Govt. Secretariat Jos Tel. 073-464706, 073 464770 073 - 464796
307.	Ibadan, Apata Branch SW9/960, Apata Ganga PMB 5386 Ibadan. Tel: 02/2319937- Fax: 02/2310237	320.	Ogbomoso Branch Akinwale Street Tackie Square, P.M.B. 3591 Ogbomoso. Tel.: 038-710801 710089, Fax 721479	330.	Jos (Main) Branch Bank Street P.M.B. 2027, Jos Tel.: 073-452302, 452245 452546, 459654, 452733 Fax: 073- 452961
308.	Awe Branch Ife-Odan Road P.M.B. 1017, Awe Tel.: 038-230663			331.	Jos (Market) Branch Market Road P.M.B. 467, Jos Tel.: 073- 453933 Fax: 073- 457629, 451194
309.	Ibadan, Bodija Market Branch 23, Bodija Mkt., Iso Pako Rd. Opposite Police Station P.M.B. 38, U.I Post Office Ibadan-Oyo State Tel: 02/8108070				

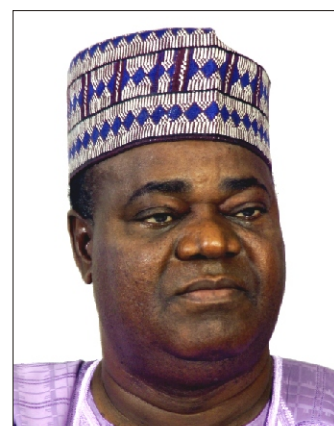
Branch Network cont'd

332.	Jos (Unijos) Branch 2 Bauchi Road Campus C/O P.M.B. 2027, Jos Tel.: 073-610592, 458556	342.	Port Harcourt (Trans-Amadi) Branch Plot 745, Trans-Amadi Ind Estate, P.M.B. 5865 Port Harcourt Tel.: 084-233780	355.	Yobe State Damaturu Branch Gashua Road P.M.B. 1009, Damaturu Tel.: 076-522980, 522545 Fax: 522543
333.	Kurgwi Branch C/O Lafia Branch P.M.B. 5, Lafia	343.	Shell (P/H) Branch Shell Complex, P. Harcourt	356.	Damagun Agency C/o Damaturu Branch Gashua Road P.M.B. 1009, Damaturu Tel.: 076-522980 Fax: 076-522545
334.	Mangu Branch P.O. Box 60, Mangu		Sokoto State		
	Rivers State	344.	Sokoto (Dan Fodio) Branch Abdullahi Fodio Road P.M.B. 2116, Sokoto Tel.: 060-232130 Fax: 060-234369	357.	Gashua Branch Opposite Market P.M.B. 04, Gashua Tel.: 076-700563
335.	Bonny Branch 2 New Road Bonny. Tel: 084-270123 270153.	345.	Gidan Madi Agency C/O Sokoto (Main) Branch P.M.B. 2116, Sokoto	358.	Geidam Branch Commercial Area P.M.B. 12, Nguru
336.	Port Harcourt (Diobu) Branch 33 Ikwerre Road, Diobu P.O. Box 5007 Port Harcourt Tel.: 084-232269 Fax: 084- 232268	346.	Illela Branch Birnin Konni Road C/O Sokoto (Main) Branch P.M.B. 2116, Sokoto	359.	Nguru Branch Ali Kahtan Road P.M.B. 12, Nguru Tel: 076-740255, 420485
337.	Port Harcourt (Main) Branch 22/24 Aba Road Port Harcourt Tel.:084-232407, 232644 231789 Fax: 084-234277	347.	Sokoto (Main) Branch Kano Road P.M.B. 2160, Sokoto Tel.: 060-231251, 231235 232967, 237483 Fax: 060-231978	360.	Potiskum Branch Ibrahim Alkali Road, P.M.B. 46, Potiskum. Tel.: 076- 420042
338.	Port Harcourt Rumuokwurusi Branch 315, P/H/Aba Road (Izzi House), P.M.B. 5736, Port Harcourt, Tel.: 084-612383, 612663, Fax: 084-612660	348.	Tambawal Opposite Health Centre P.M.B. 1082, Tambawal Tel.: 060-550378		Zamfara State
339.	Port Harcourt Rumuomasi Branch Aba Road P. O.Box 646 Port Harcourt Tel.: 084-332031 Fax: 084- 331491	349.	Bambur Branch C/O Yola (Main) Branch P.M.B. 2050, Yola	361.	Anka Branch Daki Takwas Road P.M.B. 1003, Anka Tel.: 063-36139, 200243 203202 Fax: 202261
340.	Port Harcourt (Station Road) Branch 11 Okrika Road, Port Harcourt P.M.B. 5007, Port Harcourt Tel.: 084-572852, 233597 Fax: 233598	350.	Jalingo Branch 65 Barde Way P.M.B. 1095, Jalingo Tel/Fax: 079-222098, 223244	362.	Gummi Branch Opposite L.G.A. Secretariat, P.M.B. 02, Gummi. Tel.: 063-73163, 73168
341.	Port Harcourt (Harbour Road) Branch 1, Harbour Road P.M.B. 6197, Port Harcourt Tel. 084-231786 Fax: 084- 232207	351.	Karim Lamido Branch P.M.B. 4, Yola	363.	Gusau Branch Canteen Area P.M.B. 1019, Gusau. Tel.: 063-200243, 203202 Fax: 063-202261
		352.	Lau Branch P.M.B. 4, Lau	364.	Kaura Namoda Branch Gusau Road P.M.B. 1002, K/Namoda Tel.: 063-60173
		353.	Mayo Ndaga Branch C/O Yola (Main) Branch P.M.B. 2050, Yola	365.	Shinkafi Branch Isa/Gusau Road P.M.B. 02, Shinkafi
		354.	Zing Branch C/O Yola (Main) P.M.B. 2050 Yola.		

Area Offices

S/N	Area Office	Area Manager	Tel No/Fax No	Office Address	States
1	Aba	Obiagbe I. Ubani	082-227130/221178 220049 Fax: 082-220049	2, Factory Rd, Aba P.M.B 7152, Aba	Abia, Imo
2	Lagos Mainland	Babajide T. Shodeinde	01-7745181,5850551 Fax: 01-5835151/5831273	Plot 2, Abebe Village Rd. Iganmu. P.M.B 12778, Lagos	Lagos Mainland/ Ogun
3	Benin	Augustine A. Jarret	052-259130, 259494 259546 Fax: 052-251113	No 3, Aiguobasimwin Crescent GRA B/City	Edo, Delta
4	Port-Harcourt	Augustine E. Egere	084-230347, 230222/24 Fax :084-238137, 230232	22/24 Aba Rd. P/H By Leventis B/Stop, P/H	Rivers, Cross River Bayelsa, Akwa Ibom
5	Enugu	Nwanneka Okolo	042-255649, 250040 Fax: 256456	21, Okpara Avenue P.M.B 1391 Enugu	Anambra, Ebonyi, Enugu
6	Lagos Island	Lydia N. Edet	01-7918079, 5852152 Fax: 01-5851416	Plot 2 Abebe Village Rd. Iganmu P.M.B 12778, Lagos	Lagos
7	Akure	Osundiji A. Kolawole	034-243799, 243145 Fax: 034-243501	2nd Floor, Tisco Building Opp Mr. Biggs Along Ado-Owo Rd. Akure	Ekiti, Ondo
8	Ibadan	Charles Augoye	02-2319184, 2319186 Fax: 02-2315470	Challenge Round About Opposite Texaco Filling Station Ibadan	Osun, Oyo
9	Abuja	Peter S. Egwurube	09-6700264, 2346829 2345753	Muhammed Buhari Way Abuja	Benue, FCT, Kogi, Nasarawa
10	Jos	Daniel L. Jibro	073-452843	Jos Bank Road, Jos	Adamawa, Plateau Taraba
11	Kaduna	Ahmad M. Ahmad	062-242409-14 243588, 245593	Bank Road, Kaduna	Kaduna, Kwara,Niger
12	Kano	Alwan A. Hassan	064-630648/ 640650	Lagos Street, Kano	Bauchi, Jigawa Kano, Katsina
13	Maiduguri	Aliyu S. Darna	076-342396, 230843 230845,230818,236455	Sir K. Ibrahim Road, Maiduguri	Borno, Yobe, Gombe
14	Sokoto	Adamu Bello	060-234369 ,232130 238302, 238304 08033432943	Abdulahi Fodio Road, Sokoto	Kebbi, Sokoto Zamfara

Non Executive Directors

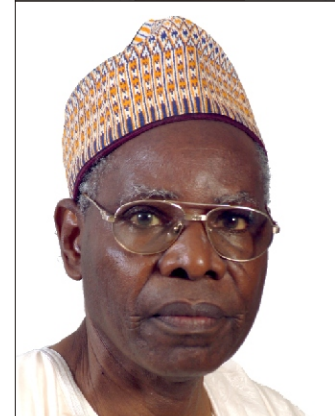
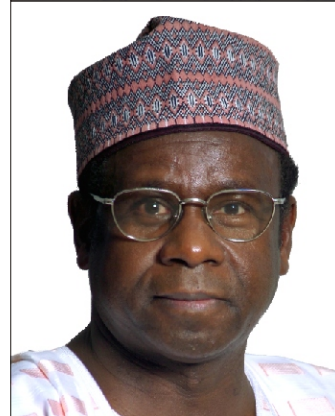


From left to right

Umaru Abdul Mutallab (CON)
Chairman

Garba Duba
Director

Abba Kyari
Director

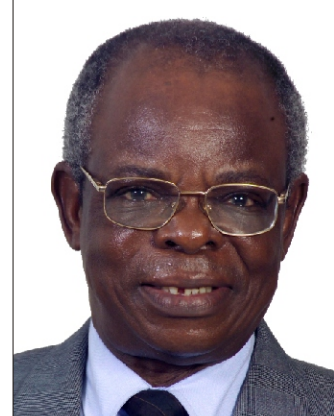


From left to right

Abdullahi Mahmoud
Director

Oyekanmi Hassan-Odukale
Director

Muhammadu Ibrahim (OFR)
Director



From left to right

Ayoola Oba Otudeko (OFR)
Director

Udo Udo-Aka (MON)
Director



National icon. International player

Today's FirstBank

New Drive ■ New Identity

Today's FirstBank is committed to international expansion. FBN (UK) at 28 Finsbury Circus, London EC2M 7DT, London and our South Africa representative office at 10th Floor, The Forum at Sandton Square Building, 2, Maude Street, P.O.Box 784796, Sandton 2146, Johannesburg, South Africa Tel: +2711 7849922, 7849925

Fax: +2711 7849806 are just the beginning. So, wherever you see our new logo, be sure of one thing. It is the symbol of a bank that is firmly focused on opening gateways of opportunity for you.

FirstBank

...truly the first



aaan0136
Prima • Commit • Unity

Corporate Profile

Re-engineered To Provide The Best Financial Services Possible

First Bank of Nigeria Plc, one of the largest financial services group in sub-Saharan Africa has focussed relentlessly on consolidating its leadership position as Nigeria's bank of first choice. Established in 1894, the Bank has distinguished itself as the first and largest provider of specialised financial services in Nigeria. It has entrenched customer-centric imperatives through a "click and mortar" strategy which combines the reliability and comfort of branch banking with the cost savings and efficiency of virtual delivery channels. Over the years, the Bank has built enduring partnerships with the local business community whose success is vital to the prosperity and growth of the Nigerian economy.

In the last five years, assets and shareholders' equity have increased steadily standing at ₦377.5 billion and ₦44.7 billion respectively, as at March 31, 2005. Gross earnings and Profit Before Tax stood at ₦49.5 billion and ₦15.15 billion respectively for the same period. As a market leader in the financial services sector, FirstBank pioneered initiatives in international money transfer, MasterCard, Interswitch, and the ATM consortium. Currently, it has the largest branch network in the industry with 365 branches spread across the country.

In response to the needs of an increasingly sophisticated market, and after careful examination of the emerging Nigerian economy within the context of increasing globalisation, the Bank opted for a comprehensive review of its strategic direction. The resulting enterprise transformation initiative, **the Century II Project**, set out clear deliverables for the Bank in the medium- to long-term, based on a clear evaluation of its legacy. Essentially, the project addressed all issues fundamental to continued improvement in the Bank's profitability, efficiency, people, processes, and systems. There were significant successes in growth and performance measures. In 2000, this project was re-launched and renamed **Century II: The New Frontier**. The renewed strategic intent was to amplify the Bank's financial strength and explore the frontiers of new business opportunities in the 21st century.

FirstBank's franchise comprises the leading financial services network in Africa's most populous nation. In its quest to provide one-stop banking solutions for its clientele, the Bank operates through Corporate, Commercial, and Transaction banking strategic business units. Over the years, the Bank has broadened its product and service offerings to include agricultural finance, bills discounting, equipment leasing and mortgage finance, all structured to provide customers with the best solutions to their banking services/financing needs. FirstBank's business mix is regularly marked to market needs/expectations accounting for its 20% wallet share of total deposits and advances in the market place.

FirstBank plays a dominant role in the Nigerian economy. In the last decade, it intensified its participation in the Federal Government's privatisation scheme and unarguably was the main driver of the exercise. Leveraging earlier experience with Econet Wireless, it was the lead Bank in the provision of a syndicated loan of US\$185 million for NITEL's acquisition of a General System of Mobile Telecommunication (GSM) licence, and a syndicated facility of US\$72m to NITEL for the expansion of the parastatal's switching facility. To demonstrate its commitment to its customers and the development of the Nigerian economy, the Bank has since broadened its loan and credit portfolios to various sectors of the economy; and in 2005, it led Nigeria's largest loan syndication of N60 billion to Dangote Group.

The need for customised solutions to customers' business problems, multi-channel distribution and cross-selling opportunities, necessitated the extension of the Bank's services into seven (7) subsidiaries making it one of the largest financial services group in sub-Saharan Africa. Our subsidiaries are into merchant banking, registrarship, trusteeship, insurance brokerage, SME financing, venture capital financing, mortgage banking, investment banking, and pension funds management.

In November 2002, the Bank achieved a major feat when it obtained authorisation from the Financial Services Authority

Corporate Profile contd

(FSA) to transform its London branch into a full-fledged subsidiary, FBN Bank (UK) Limited. This achievement makes the Bank the first Nigerian financial institution with an offshore banking subsidiary in the United Kingdom. Already, the new subsidiary, conceived to serve as a channel for trade flows between Nigeria and the UK, has become a success story. In addition, to capture the increasing trade flow between Nigeria and South Africa, the Bank, very recently obtained a licence to open a representative office in South Africa.

FirstBank is committed to building strong customer values. Therefore, to improve customer service platforms, strengthen competitive advantage and speed up its processes, the Bank regards constant IT upgrade as an imperative. Consequently, the Bank deployed the finacle® banking application software to facilitate the delivery of its products and services through numerous channels. Since the deployment of this software, the Bank, through 1st BankOnline delivery channel, has started Internet Banking services. Its online, real-time branch network is the largest in the Nigerian financial services industry.

Realising that competition is ever increasing, the Bank has unveiled a 5-year strategic plan, which puts accent on two critical objectives: modernisation and growth. Under the modernisation objective, FirstBank will be re-branded to create a more modern, youthful, nimble and technology-driven banking institution, appealing to both young and old clients.

The growth objective envisions FirstBank as a one-stop financial supermarket that has established a clear competitive advantage through its investment in alternative distribution systems and subsidiaries. Consequently, the Bank will continue to explore new business opportunities to boost its franchise. This two-dimensional strategic plan will go a long way to reinforce the Bank's clear leadership of the Nigerian financial services industry.

Undoubtedly, for a long time to come FirstBank would remain customers' delight because of its brand equity, strong balance

sheet, strong customer/shareholders' value, dedicated work force and the largest domestic branch network in the country. The future continues to be very bright for the Bank, and for prospective investors wishing to explore the vast business opportunities that abound in Nigeria, FirstBank remains the most credible financial partner.

Corporate Social Responsibility

At FirstBank, corporate social responsibility is a key commitment of management. Our activities in this regard reinforce our goal of enhancing the overall well-being of the society in which we operate. In many respects, the Bank played exemplary roles, showing that it is not just a giant in the financial sector; but a colossus in the area of good corporate citizenship.

We consciously and continually explore sponsorship opportunities to provide improved quality of life to the various communities and interest groups as well as the advancement of society. The Bank during the year donated and sponsored activities in the critical areas of education, health and welfare, arts and culture, sports and community development.

Education

Promoting education and improving the standard of education in Nigeria remain a major area of focus of our Bank. This commitment is manifest in our investment in education nationwide. The total value of the Bank's endowment is ₦415.47 million in 15 professorial chairs in Nigerian universities. The endowments are at the University of Lagos (Business Ethics), University of Nigeria, Nsukka, (Open Heart Surgery), University of Agriculture, Makurdi (Agronomy), University of Ibadan (Agriculture), Federal University of Technology, Akure (Computer Science), and University of Abuja (Mathematics). Others are Bayero University, Kano (Paediatrics), University of Benin (Computer Science), Abubakar Tafawa Balewa University, Bauchi (Chemical Engineering), University of Maiduguri (Water Resources Engineering), and Ahmadu Bello University, Zaria (Agronomy).

The value of the lowest endowments now stands at ₦13.9 million while the highest is ₦41.5 million. We are currently reviewing the endowment programme for higher impact on the sector. Aside the endowment, we are also in support of other programmes in the universities. For instance, our Bank supported the University of Nigeria, Nsukka on its Founders' Day celebration with a donation of ₦5 million for the establishment of the university's Hall of Fame.

Our social responsibility activities are not limited to tertiary institutions. To alleviate the plight of physically challenged

school children, in December 2004, the Bank presented a brand new school bus to the Wesley School II for hearing-impaired students. In our quest to promote scholarship among undergraduates of tertiary institutions, we continued with the sponsorship of the FirstBank Annual Undergraduate Essay Competition for students in all universities and polytechnics in Nigeria, and the Annual Secondary School Quiz Competition.

Notably, the top three prizewinners in the essay competition were, as in previous years, offered automatic employment with the Bank on graduation. In pursuit of the same goal, the annual secondary school quiz competition also held last year and the efforts of the best three students and their schools rewarded with both cash awards and various information technology equipment.

Health and Welfare

In the area of health, the Bank has demonstrable commitment to quality health care delivery in the country. In this wise, therefore, the Bank made significant contribution to the Kaduna Eye Centre, for Intraocular Lens (IOL) icrosurgery course organized for cataract patients. Support was also extended to other health related programmes/activities. To this end, we supported and assisted the Tsunami Disaster Relief Fund with a donation of ₦15 million and the Gombe metropolis flood disaster with the sum of ₦2 million.

Arts and Culture

FirstBank believes that arts and culture are key to overall human and economic development. Hence, it has supported and sponsored a number of activities and programmes that promote Nigerian and African arts and culture. Specifically, the Bank sponsored/co-sponsored several culture related activities such as the costume budget for the third Nigerian Information Technology & Telecom Award, the coronation of traditional rulers and other cultural ceremonies of our host communities. In addition, we paid attention to programmes that sought to combat poverty, crime prevention, and health care, and women empowerment. During the period, over ₦2.5million was spent in this regard.

Corporate Social Responsibility cont'd

Sports

The Bank is an avid supporter of sports development. To this end, therefore, it continued in its tradition of annual sponsorship of the Lagos Amateur Golf Championship, the Kaduna Polo Tournament and the Elephant Golf Championship. The Bank also participated at the French Corporate Golf Challenge.

Despite the numerous sponsorships of sporting events, we maintain sporting clubs, which have won laurels for the country. Specifically, our basketball and football teams have done very well in their respective leagues. Our long-term interest in sports development is amply demonstrated in the Georgian Cup, which the Bank donated in 1917 for the Kaduna Polo Championship. It stands to date as the oldest sports trophy in Nigeria. In addition to sports sponsorships, we maintain an ultra modern gymnasium and sport complex at Iganmu for use of staff.

Others

In addition to the above focus areas, we assisted in no small measure, the promotion/ development and growth of entrepreneurial skills of business promoters. The Bank is in the forefront of rendering advisory and technical assistance to entrepreneurs through deliberate entrepreneurial support programmes. Many farmers, traders and merchants have received encouragement beyond the supply of capital in their diverse enterprises. Our Bank collaborated with Leadership, Effectiveness, Accountability and Professionalism (LEAP) Africa in hosting a Business Leadership Programme for the Bank's SME customers in Lagos. The programme was focused on changing the mindset and empowerment of entrepreneurs.

In our commitment to the growth and development of the nation's economy, the Bank sponsored many enlightenment programmes like seminars, workshops and conferences. In the year under review, the Bank donated ₦400, 000 to the Financial Institutions Training Centre's 20th Annual Directors Seminar; ₦500, 000 to the International Federation of Women Lawyers (FIDA), and the African Regional Congress 2004.

Other donations include the ₦1.3m to the Federal Ministry of Industry's Investment Forum & Exhibition at the 15th International Conference on Small and Medium Enterprises, and the ₦1.5m to the Nigerian Economic Summit Group's Private Public Partnership Forum on Infrastructure Development. We also donated ₦1.475m to the Nigerian Stock Exchange in respect of NSE Biennial Conference for Capital Market Stakeholders.

Other donations made by the Bank during the year to various interests, sectors, groups, etc but which have high potentials for national development and growth, amounted to ₦17.88 million. The summary of all donations and sponsorships are clearly listed in the Directors' Report.

Conclusion

It is important to note that as one of the largest corporations in Nigeria, our corporate relations programmes continued to be overwhelmed with request for assistance and sponsorships. Management is also aware of the Bank's responsibility in this respect. Therefore, we will continue to provide support in a manner that ensures the most mileage for each level of intervention benefits a wide group of recipients as well as contribute towards the well-being of individuals, communities and the nation.

Notes



Today's FirstBank

New Drive ■ New Identity

At the heart of our new initiative remains one firm mission. To be the clear leader and Nigeria's bank of first choice.

So, wherever you see our new logo, be sure of one thing. It is the symbol of a bank that is firmly focused on performance.

FirstBank

...truly the first



Leadership Built on Outstanding Performance

