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# Financial

## Financial Highlights

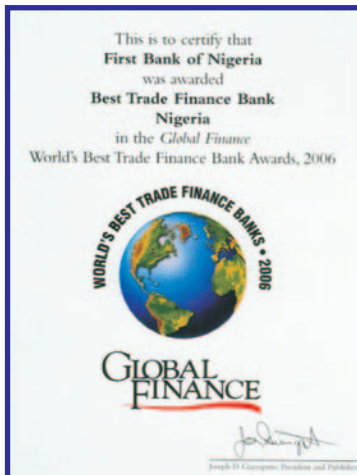
for the year ended March 31, 2007

	The Group		The Bank	
	2007	2006	2007	2006
	N'm	N'm	N'm	N'm
		Restated		Restated
<b>Major balance sheet items:</b>				
Total assets and contingencies	1,083,534	732,785	895,618	620,791
Total assets	884,604	616,824	762,881	540,129
Deposits	598,177	448,915	581,827	390,846
Share capital	5,238	2,619	5,238	2,619
Loans and advances	217,454	177,303	219,185	175,657
Shareholders' funds	83,383	64,277	77,351	60,980
<b>Major profit and loss account items:</b>				
Gross earnings	90,323	67,440	79,299	61,243
Charge for doubtful accounts	(2,006)	(3,985)	(2,519)	(3,617)
Profit on ordinary activities before taxation	25,558	18,130	22,097	16,128
Exceptional item	-	3,703	-	3,703
Profit before taxation	25,558	21,833	22,097	19,831
Taxation	(5,191)	(4,450)	(3,742)	(3,778)
Profit after taxation	20,367	17,383	18,355	16,053
Amortisation of goodwill	(1,984)	(1,984)	(1,984)	(1,984)
Profit attributable to ordinary shareholders	18,383	15,399	16,371	14,069
Dividend	-	5,238	-	5,238
<b>Information per 50k ordinary share:</b>				
	N	N	N	N
<b>Earnings (basic):-</b>				
- actual	1.75	2.94	1.56	2.69
- adjusted	1.75	1.47	1.56	1.34
<b>Dividend:-</b>				
- actual	1.00	1.00	-	1.00
- adjusted	-	1.00	-	0.50
Dividend cover (times)	1.00	2.94	-	2.69
Net assets	7.96	12.27	7.38	11.64
Total assets				
- actual	84.43	117.76	72.81	103.12
- adjusted	84.43	58.87	72.81	51.55
Stock Exchange quotation	33.50	37.0	33.50	37.00
<b>Ratios:</b>	%	%	%	%
Cost to income	71.70	73.12	72.13	73.67
Return on shareholders' funds	22.05	23.96	21.16	23.07
Capital adequacy	23.35	19.69	22.73	18.43
Number of branches/agencies and subsidiaries	414	399	408	394
Number of staff	7,593	7,132	7,399	7,053
Number of shares in issue (million)	10,477	5,238	10,477	5,238



# Awards

## 2006 Awards and Recognition



## 2006 Awards and Recognition contd

### Chief Executive Officer (CEO) Annual Merit Award (CAMA)

The second edition of the CEO's Annual Merit Award held on December 8, 2006, indicating that the annual ceremony has emerged as a pivot for instituting and entrenching a culture of innovation, excellence, productivity and pragmatism in the Bank.

The table below shows the award recipients during the well attended event.

Award	Name of Recipient	Office
Best Teller	Uchenna N. Onwudiwe	Enugu Branch
Best Customer Service Team	Nimo Branch	Anambra
Best Retail Marketing Team	Oke-Arin Branch	Lagos
Best Branch	Abuja Main	Abuja
Best Branch Manager	Nmadu A. Mohammed	Okene Branch
Best Head Operations Support	Grace I. Okafor	Emene Industrial Branch
Best Business Dev. Manager	Dauda Lawal	Abuja
Best Support Function Officer	Martins Nkwocha	DOMOPS
Best Support Function Manager	Obafemi O. Aderogba	Service Quality Management
Best Support Function Team	Compliance Department	Lagos
Best Support Service Manager	Kayode O. Oladipo	Network & Comms,
Best Support Service Team	Foreign Operations	Lagos
Best Secretary	Patience A. Asemota	Benin Mission Rd Branch, Edo
Best Security Officer	Douglas Ojumah	General Services
Best Technician	Taiwo S. Ayoola	General Services
Best Accounts Officer	Ifeanyichukwu Oinde	Corporate Banking
Best Relationship Manager	Daniel Ugwuoke	Treasury
Best Relationship Team Leader	Kehinde Lawanson	Corporate Banking
Best Head Operations Support	Akindolie A. Abiodun	Ogba Branch, Lagos
Best Head Branch Operations	Olubunmi O. Dolu-Adebiyi	Ogba Branch, Lagos
Best Driver	Rotimi E. Akinbayode	MD's Office
Best Fireman	Enoch O. Ibitoye	General Services
Best Product Manager	Feyikemi R. Adebayo	Western Union
Best Product Team	Consumer Finance	Lagos

# Business Or Pleasure?



## FirstCard®



**FirstBank**  
Established 1894

...truly the first

[www.firstbanknigeria.com](http://www.firstbanknigeria.com)

# Gallery

## Gallery



Obajana Cement Plant Kogi State is the largest in Africa and third largest in the world. Owned by the Dangote Group and partly financed by FirstBank.



The FirstBank Branch at the Tinapa Business Resort, Calabar Cross River State



Terytex Industries limited, a textile manufacturing company financed by First Funds Limited on behalf of FirstBank.



Planet One Entertainment Limited, a multi purpose entertainment complex financed by First Funds Limited on behalf of FirstBank.



His Excellency, Richard Gozney, British High Commissioner to Nigeria, presenting an award to Mr. Dauda Lawal at the CAMA Award Night, December 2006



## Card Schemes

First Cash / **DebitCard**  
First Card / **MasterCard**  
GloFirst CashCard  
V-Pay Debitcard  
ValuCard

## Payments

Direct Credits (Vendor/ Suppliers )  
Salary Administration  
Domestic Transfer  
Auto Cheque Writing

## Collections

Point Of Sales (POS) Terminals  
Pay-Direct  
Global collection Payment Solutions  
Internet/WebPay  
Schools Solutions

## Channels

Automated Teller Machine (A.T.M.)  
Internet Banking  
Telephone Banking  
Mobile Banking  
Banking-on-wheels  
Email Alert / Sms

**FirstBank**  
... truly the first



## FirstBank Story

The Evolution of a Financial Services Supermarket

Founded by Sir Alfred Jones, a shipping magnate, in 1894, First Bank of Nigeria Plc (FirstBank) has provided excellent banking services and hence, contributed to the economic advancement and development of Nigeria for over 113 years. Incorporated as a limited liability company with its head office originally in Liverpool, FirstBank commenced business on a modest scale in the premises of Elder Dempster and Company Limited in Lagos under the name, Bank of British West Africa (BBWA) with paid-up capital of £12,000. This was after absorbing its predecessor, the African Banking Corporation, which was established in 1892. In 1912, the Bank also acquired its first competitor, the Bank of Nigeria (previously called Anglo-African Bank) which was established in 1899 by the Royal Niger Company.

### A Truly International Bank.

In its early years, the Bank worked closely with the colonial governments of British West Africa by performing the traditional functions of a central bank, including the issue and distribution of specie in the West African sub-region. Consequently, the Bank recorded impressive growth, opening its first branch office in Accra, Ghana in 1896, and a second branch in Freetown, Sierra Leone, two years later (1898). These marked the beginning of the Bank's international banking operations.

By 1963, the Bank had 114 branches in West Africa. 59 of these were in Nigeria, 41 in Ghana, 11 in Sierra Leone, 1 in The Gambia and 2 in Cameroon.

In 2002, the Bank established a wholly owned banking subsidiary in the United Kingdom, FBN Bank (UK) Limited, regulated by the Financial Services Authority (FSA). In this respect, the Bank is the first Nigerian bank to own a banking subsidiary in the UK. It also has a representative office in South Africa.

### Wide Branch Network

Since its incorporation, FirstBank has recorded very impressive growth and currently occupies a pre-eminent position in the Nigerian banking industry. The

Bank opened its second branch in Nigeria in Calabar, in 1900 and twelve years later, extended its services to Northern Nigeria by opening its Zaria branch. The Kano branch was opened in 1928. Currently with 408 branches, the Bank has one of the largest network of sales outlets in Nigeria.

### Structural Changes in the Bank

In response to a rapidly changing economic and business environment, the Bank has at various times restructured its operation. For example, in 1957 the Bank changed its name from Bank of British West Africa (BBWA) to Bank of West Africa (BWA). In 1966, following its merger with Standard Bank, UK, the Bank adopted the name Standard Bank of West Africa Limited and in 1969 it 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 its operational efficiency, this structure was reconfigured into fourteen Area Offices in 2003. On April 1, 2006, this was again restructured into 25 Business Development Offices to deepen customer relationship management in the different target market segments. Furthermore, the Business Development Offices were increased to 29 in October 2006.

In response to the dynamics of the operating environment, therefore, it was a natural progression that the Bank in 2001 began the process of transforming its corporate identity to reflect its rejuvenated focus. The new corporate identity was launched on April 27, 2004.

### The FirstBank Brand

The corporate identity is typified by the brand essence and its pillars. The essence of the FirstBank brand is "Dependably Dynamic" and it explains the dynamic harmony between the conservative and the innovative

## FirstBank Story contd

which lies at the heart of our service offering in an increasingly competitive environment. The brand essence is supported by four brand pillars, namely: Leadership, Enterprise, Service Excellence and Safety/Security.

### A Record of Firsts and a Plethora of Awards

The Bank has recorded many firsts in its distinguished history. Apart from being the first bank to be established in West Africa, it was the first to be involved in mergers and acquisition (1894, 1912, 1966 and 2005). This history of positive accomplishments was reinforced when it recently acquired its merchant banking subsidiary, FBN (Merchant Bankers) Limited and another bank, MBC International Bank Plc, following the Central Bank of Nigeria (CBN) inspired consolidation of the banking industry.

The Bank has continued to be a leader in financing long-term development of the economy. This was demonstrated in 1947 when the first long-term loan was advanced to the then colonial government. During the year ended March 2007, the Bank established a global custody business, therefore emerging as the first Nigerian owned bank to offer such services.

FirstBank was listed on the Nigerian Stock Exchange (NSE) in March 1971 and has subsequently won the NSE's Annual President's Merit Award for the best financial report in the banking industry twelve times. Highlighted below are some of the awards the Bank has won in the last three years (i.e. from April 2004 to March 2007):

#### April 2004 - March 2005

1. E-Governance Champion Award - Federal Government of Nigeria.
2. Best Bank in Nigeria Award - Euromoney Awards for Excellence, 2004.
3. Nigeria's Best Foreign Exchange Bank - Global Finance, 2004.

4. Best Bank Award - Global Finance, 2004.
5. Best presentation, quality and depth of annual report and accounts in banking/investment sector - Nigerian Stock Exchange (FirstBank has won this award 12 times)
6. The Most Admired Financial Institution in Nigeria - Alder Brand Report, 2003.
7. Seventh Largest Bank in Africa - Banker's Magazine Ratings Report, 2006.
8. Productivity Award for Africa as the Most Productive Agent of Western Union Money Transfer
9. Award for Sectoral Leadership (Banking) - Pearl Awards, 2004
10. Most Active Stock - Pearl Awards, 2004
11. Highest Rating in Corporate Governance - JIC Governance Plus

#### April 2005 - March 2006

1. Best Bank in Nigeria - Global Finance, 2005
2. Best Trade Finance Bank in Nigeria - Global Finance, 2005
3. Best Foreign Exchange Bank in Nigeria - Global Finance, 2005
4. Joint Winner of The Nigerian Stock Exchange's 28th Annual President's Merit Award for the 2004 Financial Year Banking & Investment Sector.
5. The Nigerian Stock Exchange Merit Award Certificate of Merit in the Banking & Investment Sector for the best presentation, quality and depth of the Bank's Annual Report and Accounts for the year 2004.

## FirstBank Story contd

6. Certificate of Excellence as Winner of the 2004 Market Excellence (Most Active Stock) Award by The Pearl Awards for Performance, Earnings and Return Leadership on the Nigerian Stock Market.
7. Western Union - Best Agent Infrastructure Award 2005.

### April 2006 - March 2007

1. Best Bank in Nigeria - Global Finance, 2006.
2. Best Trade Finance Bank in Nigeria - Global Finance, 2006.
3. Best Foreign Exchange Bank in Nigeria - Global Finance, 2006.
4. Brand of the Year Award 2006 (Banking) presented by the National Institute of Marketing Nigeria (NIMN) at its 2006 Award for Marketing Excellence.
5. The Overall Best Bank in Real and Export Sectors Financing - Bankers' Committee, 2006.
6. Best Bank in Export Sector Financing - Bankers' Committee, 2006.
7. Best Bank in Real Sector Financing - Bankers' Committee, 2006.
8. Most Active Stock Award in the Market Excellence Category, 2005 (Pearl Awards).
9. Sectoral Leadership Award (Banking) of the Nigerian Stock Market, 2005 (Pearl Awards).
10. Euromoney African Industrial Deal of the Year Award (for participating in the US\$205 million project financing for UNICEM).

### The Financial Supermarket

On the strength of its diverse operations in the Nigerian financial services industry and the spread of service outlets, the Bank has emerged as a major financial services supermarket in the nation's financial services industry. FirstBank has in its stable, the most easily accessible and comprehensive range of retail banking products, encapsulated in the U-First suite of consumer products and e-first suite of electronic products. In addition to these, the Bank, through the activities of its subsidiaries, is into capital market operations, insurance brokerage, bureau de change operations, SME funds management, pension funds management, registrarship, trusteeship, mortgage, etc.

The Bank's vision, which drives all its strategic initiatives is **"to be the clear leader and Nigeria's bank of first choice"** while the mission is **"to remain true to our name by providing the best financial services possible"**.

The vision and mission are anchored on two strategic imperatives of Growth and Modernization which are evident in the Bank's activities as it forges ahead to sustain its leadership position in the Nigerian financial service industry.



## Corporate Profile

First Bank of Nigeria Plc, remains one of Africa's most diversified financial services solution provider. Since its establishment in 1894, the Bank has consistently met growing market demands for financial services, through a process of continuous re-invention. Its current customer-centred architecture combines service delivery through the traditional branch outlet and emphasis on person-to-person contact, with the ease of the automated delivery channel, to create a customer-service experience that is strong on choice, convenience, and mass customisation. In the over one century since its establishment, the Bank has continued to build relationships with its customers and alliances with key sectors of the economy that have been strategic to the well-being and growth of the Nigerian economy.

Consequently, it has remained the most profitable banking franchise in Nigeria with group profit after tax of ₦20.4 billion in the financial year ended March 31, 2007. Underpinning this success is the Bank's strategy, with its focus on the two critical imperatives of modernisation and growth.

With 408 business locations as at March 31, 2007, the Bank has one of the largest domestic sales network in Nigeria, all on-line real time. As a market leader in the financial services sector, FirstBank pioneered initiatives in international money transfer, MasterCard, Interswitch and the ATM consortium. It is the industry leader in terms of value and volume of ATM transactions in the country.

The Bank has nine (9) local subsidiaries and a full-fledged subsidiary in the United Kingdom, as well as a representative office in South Africa. FirstBank's growth strategy is hinged on continued network expansion, product development, mergers and acquisition and growth of its international footprint. In furtherance of this strategy, and in line with the imperatives of industry consolidation, the Bank in the 2005/2006 financial year, acquired its investment banking subsidiary, FBN (Merchant Bankers) Limited

and another bank - MBC International Bank Plc. Furthermore, the Bank is currently exploring alliances with key prospects in the industry with a view to creating the largest bank in West Africa and one of the largest on the continent.

In the last decade, by playing key roles in the Federal Government's privatisation and commercialisation scheme, FirstBank has led the financing of private investment in infrastructure development in the Nigerian economy.

A key element of the Bank's strategy is its continued focus on retail banking/consumer financing, gradually shifting towards a high yield diversified portfolio by aggressively targeting the relatively underbanked consumer market. The market opportunity is evident in the fact that consumer spending, which is a major driver of domestic demand in developed economies, still constitutes a relatively lower percentage of GDP in Nigeria. To this end, the Bank provides both businesses and consumers with a broad range of financial products and services with which they can affordably finance asset acquisition. Marketed under the U-First brand name, this suite of flexible products and services offers prospective customers financial solutions to help them achieve their "higher quality of life goals".

The business of the Bank is operated along two main market segments/Strategic Business Units (SBUs): Corporate Banking, and Regional Directorates (Lagos & West, North and South). These are defined within broad limits to facilitate and give direction to marketing activities within the Bank.

Of particular note is the fact that the Regional Directorates whose purview encompass retail and commercial banking, leverage the Bank's domestic sales network of all 408 branches, acting as points of sale for all the Bank's products/services to customers in selected target markets and facilitating the Bank's ability to effectively dominate the market.

FirstBank got listed on the Nigerian Stock Exchange (NSE) in March 1971 and has won the NSE's Annual

## Corporate Profile contd

President's Merit Award for the best financial report in the banking industry, twelve times.

In further evidence of the Bank's strength, Standard and Poor's, an international rating agency, assigned the Bank a long term rating of "BB -" and "B" short term rating with stable outlook. This is the same rating assigned the country by the same agency. Fitch, another international rating agency assigned the Bank "B+" (long-term) and "B" (short-term) and stable outlook, which translates into a notch below what the agency assigned the country. The agency also affirmed the Bank's "A+" and "F1" (nga) national long-term and short-term ratings respectively for the past five (5) years. Global Credit Rating Company Limited, a Securities and Exchange Commission (SEC) licensed rating agency also assigned the Bank national long-term and short-term ratings of "AA" and "A+" respectively. Both agencies accorded the Bank the highest rating in the national short-term category, while Augusto & Co (a national credit rating agency) upgraded its long-term outlook on the Bank from an "A" rating in the 2001/2002 financial year to "Aa" in the last four years.

These ratings are a manifestation of the strength of the Bank's domestic franchise and systemic importance in the industry in particular and the economy in general. The international ratings by Standard and Poor's and Fitch are particularly significant as they indicate the alignment of the Bank's practices with world-class standards, expected to facilitate seamless integration into the international financial markets.

FirstBank was equally rated number one among Nigerian banks in Corporate Governance practice in 2003 and 2005 by Johnston Irving Consulting, in collaboration with ICRA Pty Limited (an associate of Moody's Investors, USA). In addition, the Bank was awarded the "Best Bank in Nigeria", "Best Trade Finance Bank in Nigeria", and "Best Foreign Exchange Bank in Nigeria" for three (3) consecutive years 2004, 2005, and 2006 by the US-based Global Finance magazine, to mention a few of the awards won by the Bank.

In line with the Bank's vision **"to be the clear leader and Nigeria's bank of first choice"**, its mission **"to remain true to our name by providing the best financial services possible"** and its brand essence, **"dependably dynamic"**, the Bank has continued to transform itself as it forges ahead in its second century of providing qualitative banking services to the nation and maintaining leadership in a consolidated and more dynamic industry.

## Directors and Advisers

### Directors

Mutallab, Umaru Abdul, CON  
Ajekigbe, Jacobs M.  
Aboh, John O.  
Adesola, Harriet-Ann O.  
Afonja, Ajibola A.  
Alkali, Aliyu A, mni  
Babalola, Aderemi W.  
Duba, Garba  
Hassan-Odukale, Oye, MFR  
Ibrahim, Muhammadu, OFR  
Mahmoud, Abdullahi  
Otti, Alex C  
Otudeko, Oba A., OFR  
Oyelola, Oladele  
Sanusi, Sanusi Lamido  
Udo-Aka, Udo, MON

Chairman  
Managing Director/Chief Executive

Appointed August 23, 2006

Retired August 21, 2006

### Company Secretary

Borodo, Tijjani Mohammed

### Registered Office

Samuel Asabia House  
35, Marina  
Lagos

### Auditors

**Akintola Williams Deloitte.**  
[Chartered Accountants]  
235 Ikorodu Road,  
Lagos

### PKF Pannell Kerr Forster

[Chartered Accountants]  
Tapa House  
3/5 Imam Dauda Street,  
Off Eric Moore Road,  
Surulere-Lagos.

.

### Registrars

First Registrars Nigeria Limited  
Plot 2, Abebe Village Road  
Iganmu, Lagos

## Principal Officers

Names	Designation
<b>Executive Directors</b>	
Jacobs M. Ajekigbe	Managing Director & Chief Executive
John O. Aboh	ED, Banking Operations & Services
Harriet-Ann O. Adesola	ED, Corporate Banking
Aderemi W. Babalola	ED, Lagos & West Directorate
Alex C. Otti	ED, South Directorate
Oladele Oyelola	ED, North Directorate
Sanusi L. Sanusi	ED, Risk & Management Control
<b>Deputy General Managers</b>	
Mojisola T. Aderinto	Head, Financial Control
Afamefuna C. Azubike	Head, Classified Assets Management
Olufemi N. Bakre	Group Head, Multilaterals/ Financial Institutions
Timothy O. Bolade	Chief Compliance Officer
Tijjani M. Borodo	Company Secretary
Mofoluke B. Dosumu	Head, Service Quality Management
Aka C. Ezeobebe	Business Development Manager, Lagos Apapa
Akinwumi G. Fanimokun	Group Head, Public Sector 1, Abuja
Subusola I. Giwa-Amu	Business Development Manager, Lagos Mainland
Adamu B. Ibrahim	Business Development Manager, Kaduna
Eugene U. Iyamah	Group Head, Multinationals
Festus O. Kukoyi	Head, Legal Services
Ibrahim A. Kwargana	Head, Foreign Operations
Kehinde A. Lawanson	Group Head, National Corporates
Takim C. Ndifon	Business Development Manager, Onitsha 1
Ademola O. Ogundero	Business Development Manager, Lagos (Ikeja II)
Bernadine A. Okeke	Head, Human Capital Management
Kayode A. Olatunbosun	Business Development Manager, Lagos Island/Marina
Taiwo I. Oti	Head, Information Technology
Francis O. Shobo	Business Development Manager, Port-Harcourt
Adebisi O. Soluade	Chief Internal Auditor

## Principal Officers contd

Names	Designation
<b>Assistant General Managers</b>	
Adetokunbo M. Abiru	Business Development Manager, Lagos (Ikeja I)
Emmanuel M. Abolo	Head, Operational Risk Management
Omotayo E. Abraham	Head, Data Center
Abdu Abubakar	Head, General Services
George A. Adepegba	Business Development Manager, Benin
Claudius O. Akindipe	Deputy Chief Internal Auditor
Iyabode O. Akinsinde	Credit Analysis & Processing
Effiong P. Akpan	Head, Govt. Revenue Collection
Hafiz O. Bakare	Head, Corporate Planning & Group Coordination
Waziri M. Bintube	General Manager, South Africa Rep. Office
Costakis E. Caiafas	Business Development Manager, Calabar
Dahiru Chadi	Head, Credit Analysis & Processing
Obiora I. Dibiaezue	Head, Public Sector Group II
Augustine E. Egere	Business Development Manager, Owerri
Solomon O. Ekeopara	Business Development Manager, Ibadan
Chukwuka F. Emuwa	Head, Cards & Channels
John A. Enadeghe	Business Development Manager, Lokoja
Franklin E. Erebor	Group Head, Energy
Naomi H. Esalomi	Head, Domestic Banking Operations
Ikechukwu C. Ezeokana	Business Development Manager, Onitsha II
Yaqeen A. Habeeb	Head, Public Sector Group III
Nkiruka Harris-Eze	Business Development Manager, Aba
Alwan A. Hassan	Business Development Manager, Kano
Gimba H. Ibrahim	Business Development Manager, Jos
Vincent Igwenagu	Business Development Manager, Warri
Emmanuel A. Njoku	Head, Process Quality & Metrics
Stella N. Ofong-Ekpe	Credit Analysis & Processing
Akpoghene O. Okoro	Head, Application Management
Folasade S. Omoniye	Head, Network & Communications Management
Bernard B. Poyi	Head, Agric Finance Coordination/Support
Lawal B. Rafindadi	Business Development Manager, Sokoto
Michael M. Shenjobi	Head, Treasury
Babajide T. Shodeinde	Branch Manager, Moloney
Iquo O. Udo	Business Development Manager, Uyo

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 38th Annual General Meeting of members of FIRST BANK OF NIGERIA PLC will be held at the Congress Hall, Transcorp Hilton, No 1, Aguiyi Ironsi Street, Maitama, Abuja on Thursday, August 30, 2007 at 11.00 a.m. to transact the following:

### Ordinary Business

1. To receive the audited accounts for the year ended 31st March, 2007 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 authorize the Directors to fix the remuneration of the Joint Auditors;
6. To elect members of the Audit Committee.

### Special Business

To consider and if thought fit, pass the following as a Special Resolution:

7. "That pursuant to Article 47 of the Articles of Association of the Company, the Directors having so recommended, it is desirable to capitalize the sum of ₦873.112 million 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, August 17, 2007, on condition that the same be not paid in cash but applied in paying up in full at par 1,746,223,130 of the unissued ordinary shares of 50 kobo 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 six 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 2006/2007 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 for 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 3rd September, 2007 to members whose names appear in the Register of members at the close of business on Friday, August 17, 2007.

## Notice of Annual General Meeting contd

### Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed from Monday 20th to Friday 24th August, 2007 (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 5th day of July, 2007





# Directors

## Board of Directors



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



Jacobs M. Ajekigbe  
Managing Director/Chief Executive



Abdullahi Mahmoud



Aderemi W. Babalola



Alex C. Otti



Ajibola A. Afonja



Oba A. Otudeko (OFR)



Garba Duba



Harriet-Ann O. Adesola



## Board of Directors Contd



John O. Aboh



Aliyu A. Alkali mni



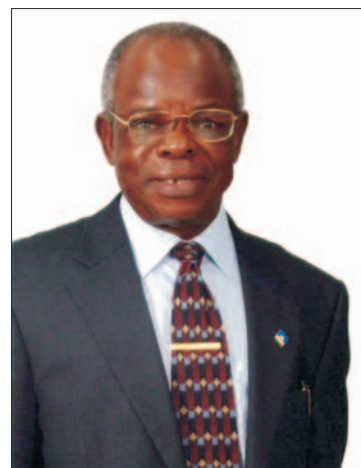
Oladele Oyelola



Oye Hassan-Odukale (MFR)



Sanusi L. Sanusi



Udo Udo-Aka (MON)

## Chairman's Statement



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

Fellow Shareholders, Invited Guests, Distinguished Ladies and Gentlemen, I have great pleasure in welcoming you to this 38th Annual General Meeting (AGM) of our Bank. I am equally honoured to present to you a review of our Bank's operating environment in the financial year ended March 31, 2007 as well as our prognosis for the 2007/2008 financial year.

Ahead of my review, I would like to express my appreciation to all stakeholders for their enthusiastic response to the Bank's ₦100 billion hybrid offer, which was significantly oversubscribed. In response to this explicit endorsement of the Bank's overall policy direction, I wish to reaffirm the Bank's long-term commitment to build shareholders' value, including through strong profitability in the 2007/2008 financial year. Assured of your confidence in a positive long-term outlook for our Bank, I solemnly crave your indulgence to review the domestic and international operating environment in which your Bank operated in 2006.

I am equally honoured to present to you a review of our Bank's operating environment in the financial year ended March 31, 2007 as well as our prognosis for the 2007/2008 financial year.

### 1.0 Operating Environment

#### 1.1. The Global Economy

Record high oil prices, worsening security conditions in Iraq and the Israel-Hezbollah war of July 2006 were some of the major events that affected the global economy in 2006.

Downside risks notwithstanding, the global economy grew by 5.4% in 2006, up from 4.9% in 2005 amid rising oil prices in the first half of the year, which peaked at US\$75 a barrel in August, and a softening of growth in some economies. Global growth reflected the strengthening of emerging markets and developing economies, which grew by over 6% on average, more than twice as fast as high-income countries, which recorded 3.1% growth in 2006.

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A weakening housing market and a downturn in the manufacturing sector in the United States; and unanticipated second quarter decline in final domestic demand in Japan were the major causes of the global slowdown in the review period.

Emerging markets in Asia continued to lead economic growth in the developing world, posting average growth of 8.9%. With 10.7% growth, China played a significant role in the overall growth of developing countries, followed by India where real GDP grew by 9.2%. China alone contributed about 0.5 percentage points to global growth.

With GDP growth of 3.3% as against 3.2% in 2005, the US economy moderated in 2006. Consumer confidence plummeted amid high energy prices, while investment in residential property spending fell sharply as the housing market softened. The economy slowed as a result, with most of the lag restricted to the housing sector. However, corporate profits, non-residential investment, and consumption were robust while inflation and unemployment remained mild.

After several years of weakness, growth in Europe exceeded expectations in 2006. GDP grew by 2.6% as against 1.4% in 2005. Private consumption and investment spending displaced exports as the main drivers of the recovery. In Japan, the acceleration in output which began in 2005 continued, with GDP growing by 2.2% compared with 1.9% in 2005. Japanese growth was largely driven by a surge in investment spending, and healthy partner growth in China leading to an 11% surge in exports.

Developing economies grew by 7% in 2006; the fourth consecutive year that growth rate in the region would exceed 5%. Strong growth in the euro area and continued growth in Japan, combined with low real interest rates and narrow interest rate spreads between developed and developing economies' securities, contributed to this robust growth. The expansion was particularly strong in China and India. The performance of the least-developed countries, especially the oil-producers and mineral exporters, was remarkably strong.

Despite strong global growth in 2006, there was no significant reduction in the unemployment rate across most regions. Employment growth, particularly in the developing countries, was insignificant, despite the exceptionally strong output performance experienced in the review period.

A summary of events on major continents will throw more light on global developments in 2006.

**For the second consecutive year, export growth exceeded import growth, adding 0.93 percentage point to GDP growth as against the 0.68 percentage point contributed in 2005.**

### 1.1.1. The United States of America

Economic expansion in the United States continued for the fifth consecutive year in 2006 with GDP growth of 3.3% compared with 3.2% in 2005. Growth was essentially driven by personal consumption expenditures, and exports of equipment and software. The current account deficit increased by US\$65.1 billion to US\$856.7 billion while total exports grew by 12.7% over the 2005 figure to close at US\$1.4 trillion. Exports accounted for 11.1% of US GDP, the highest ever in dollar terms. On the other hand, imports increased by 10.5% to US\$2.2 trillion resulting in a goods and services deficit of US\$765.3 billion.

For the second consecutive year, export growth exceeded import growth, adding 0.93 percentage point to GDP growth as against the 0.68 percentage point contributed in 2005. The growth in exports was largely due to the rapid increase in the export of non-automotive capital goods and industrial

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supplies/materials. The commercial real estate market accelerated sharply, growing by 9.1% after a 1.1% increase in 2005. This acceleration contributed 0.26 percentage point to real GDP growth after contributing 0.03 percentage point in 2005. Residential fixed investment slowed, decreasing by 4.2% after an increase of 8.6% in 2005. This drop which was primarily due to a downturn in single-family housing, reduced real GDP growth in 2006 by 0.26 percentage point.

At 3.2%, Inflation decelerated compared with 3.4% recorded in 2005. A weakened labour market reflected the fall in overall job growth as the residential housing boom gradually unwound. Average home prices grew by 5.9%, the lowest since 1999, down from 12.5% in 2005 and 11.2% in 2004. Job growth stood at 14.5% in 2006 slower than in 2004, the year with the highest job growth in United States business cycle. The job recovery continued with the economy adding a monthly average of 149,000 new jobs down from 165,000 in 2005 and 175,000 in 2004. The unemployment rate dropped to 4.6% and payroll job growth averaged 187,000 per month.

### 1.1.2. Europe

GDP growth in the euro area was a six-year high of 2.6%, up from 1.4% in 2005. The recovery was largely driven by the positive contribution to growth from Germany's external sector and modest increases in domestic demand in both Italy and France. Private consumption increased notably in virtually all the states in the euro area; with improved labour market conditions, higher wages, and huge private investment also contributing to growth in the region.

Increased pass-through of higher oil prices on the international market kept consumer price inflation at 2.2% in the euro area, same as in 2005. However, core inflation remained steady at 1.5%, suggesting limited second level effects of higher energy prices. Labour market conditions improved considerably in the review period. For the euro area, employment growth accelerated by 2.5%, representing about 2 million new

jobs, while unemployment rate reached 7.5% in December 2006, the lowest level in more than a decade.

A deficit of 8.2 billion euro was recorded in the euro area, compared to a surplus of 16.2 billion euro in 2005. Monetary conditions in the euro area remained restrictive as The European Central Bank (ECB) increased refinancing rate in six steps by 1.5 percentage points to 3.5% as at end-December 2006.

Regional growth continued to impress. After several years of stagnation, Germany recorded 2.7% GDP growth in 2006, spurred by the recovery in private consumption, coupled with a further brightening of the labour market. The Spanish economy's long upswing continued in 2006 as GDP rose to 3.9% from 3.5% recorded in 2005 with inflation standing at 3.6%, about 0.2 percentage point higher than the 2005 figure.

France recorded 2.0% GDP growth in 2006 compared with 1.2% in 2005, while Italy's GDP growth of 1.9% is the highest since 2000. Increased external demand, particularly driven by German orders contributed immensely to GDP growth.

The UK economy expanded at a robust pace in 2006 with a GDP growth of 2.7% as against 1.9% recorded in 2005. Consumption grew steadily, although below its historical average, while business investment firmed up. Trade volumes were buoyant during the first half of the year before losing steam towards year-end. Largely driven by a strong increase in transport costs, inflation stood at 2.3% in the review period.

### 1.1.3. Asia

Economic activity in Asia strengthened in 2006, standing at 7.9%, up from 6.9% in 2005. China, India, and Japan together contributed 62% of the region's GDP and 44% of its imports. Asian growth was supported by commodity exports and foreign investment in mining, which helped offset rising oil import bills and a shrinking textile sector. Continued growth in the United States and the recovery in the economies of the euro area further contributed to the region's impressive economic performance.



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China's economy grew by 10.7%, the fastest since the mid-1990s despite deliberate policies to moderate its pace. Driven by industrial production and a booming service sector, the Indian economy recorded growth of 9.2% in 2006. Final domestic demand accounted for two-thirds of GDP growth as sales of consumer durables accelerated by 18.3% compared with 10.3% in 2005. The rising earnings of information technology (IT) workers and the availability of cheap credit supported consumption growth during the year.

Japan's emergence from its decade-long economic slump continued in 2006, recording 2.2% GDP growth, up from 1.9% in 2005. Buoyant business investment and consumer spending were the main factors underlying Japan's resurgence. For the first time in three years, interest rates rose noticeably because of the Bank of Japan's policy of "quantitative easing".

South-east and South-west Asia experienced balanced, though slower, growth in 2006. Bangladesh led the pack with growth of 6.7%, driven by personal home remittances and thriving garment exports. Pakistan recorded 6.2% growth in 2006, down from 8% in 2005 as a result of high international oil prices and a slowdown in the agricultural sector caused by poor weather.

South-East Asia grew by 5.4% owing to buoyant electronics and commodities exports. Malaysia, the Philippines, Singapore, and Thailand all benefited from the current upswing in the global electronics cycle. Indonesia, Malaysia, and Vietnam recorded high export values across a range of natural resource and agricultural products.

As a result of the rise in global oil price, inflation in the region averaged 3.7%, prompting monetary tightening in most parts of the region.

### 1.1.4. Africa

African economic growth slowed down slightly in 2006 with GDP growth of 5.5% as against 5.6% in 2005. Improvement in macroeconomic management and consolidation of fiscal balances were key drivers of

growth in the review period. Increases in international prices of key export commodities, especially crude oil, also contributed to growth in the review period.

Across sub-regions, aggregate economic performance exhibited substantial variations. East Africa led sub-regional growth performance for the third consecutive year with real GDP growth of 6% down from 6.5% in 2005. One-half of the twelve countries of the sub-region showed improved growth over that of 2005. Ethiopia (10.6%), Tanzania (5.9%), the Democratic Republic of Congo (5.1%), Kenya (6%), and Uganda (5.4%) were the top performers.

**China's economy grew by 10.7%, the fastest since the mid-1990s despite deliberate policies to moderate its pace. Driven by industrial production and a booming service sector.**

Growth in North Africa remained strong, improving slightly from 5.3% to 5.4%. This performance depended largely on the strong performance of the oil sector in Algeria, Egypt, and Sudan. Morocco, the only non-oil producer in the sub-region, experienced considerable increase in real GDP growth from 1.7% to 7.3% in 2006 due to strong agricultural output. Despite weak textiles export, GDP growth in Tunisia grew from 4% in 2005 to 5.3% in 2006. Altogether, the sub-region exhibited strong performance in the service sector, especially in Mauritania, Morocco, and Tunisia.

Central Africa was the worse performing sub-region in 2006, with growth declining from 4.6% in 2005 to 3.1% in 2006. Growth in Southern Africa picked up from 5.8% in 2005 to 6.9% in 2006 owing mainly to

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higher growth in Angola, Mozambique, South Africa, and Zambia. At 15.3%, Angola was the fastest-growing economy in Africa in 2006 largely due to higher oil revenues. Growth in South Africa responded to higher domestic demand and exports as well as better performance in the tourism sector.

Growth in West Africa improved from 4.8% to 5.5% in 2006. Higher growth was registered in Burkina Faso (7.5%), Cape Verde (6.8%), Liberia (8%), Mali (6%), and Niger (4.5%). High GDP growth rates were also recorded in Senegal (6.1%), Sierra Leone (7.3%), Nigeria (5.6%), and Gambia (5.0%). Two countries that experienced declines in growth rates were Côte d'Ivoire (from 1.6% to 1%) and Guinea Bissau (4.3% to 2.3%). As in 2005, Zimbabwe and Seychelles exhibited the weakest performances in 2006. Continuing instability in Zimbabwe and weak performance in tourism and exports in Seychelles contributed to weakening results.

The average fiscal position on the continent improved from a deficit of 1% of GDP in 2005 to a surplus of 0.6% in 2006 while the number of countries with fiscal surpluses increased from 12 to 17. Improvement in fiscal position was driven mainly by the sizeable fiscal surpluses recorded by oil producers. Nevertheless, fiscal imbalances remain a critical problem in a large number of countries on the continent.

Driven by high oil prices, effects of weather shocks on agricultural production, and high domestic demand, inflation increased slightly to 9.5% from 8.4% in 2006. About 22 countries experienced inflation above 10% in 2006 compared to 17 in 2005.

Meanwhile, despite improvements in economic performance, African economies still face fundamental challenges that need to be addressed in order to meet the Millennium Development Goals in 2015.

### 1.2. Nigeria

#### 1.2.1. The Domestic Political Environment

After eight years of democratic rule, in the April 2007 general elections, the country finally confronted the

jinx of the first constitutional transfer of power from one civilian administration to another since independence in 1960.

The uncertainties, which dominated the political landscape in the run up to the April elections lifted considerably at the end of the elections. Barring the odd challenges to results at the tribunals, the outlook for the economy remains positive, as the new administration locks in the reform initiatives pioneered by its predecessor, while implementing further liberalisation of the economy.

Risks to the country's business outlook - in terms of ease of consumer spending, and the security of business investment - heightened in the review period as a result of restiveness in the Niger Delta. The hostage taking of foreign workers in the oil industry and the serial destruction of oil pipelines took a toll on growth while impacting international perception of the country. Outbreaks of the deadly bird flu virus (H5N1) across some parts of the country posed as much threat to the poultry industry as it did to the nation's health sector. On the upside, the country successfully conducted a national census that put its population at 140 million as against 89 million in 1991, representing an annual growth rate of 3.2%. The anti-graft crusade of the government yielded positive results as the Financial Action Task Force (FATF) expunged Nigeria's name from the list of non-cooperating countries and territories in the global fight against money laundering, financial and economic crimes and financing of terrorists.

#### 1.2.2. The Domestic Economic Environment

The fiscal policy thrust in 2006 was to maintain government spending at sustainable levels, shift the focus of spending from "needs" to "availability" and maintain macroeconomic stability. The maintenance of single digit inflation, achievement of price and exchange rate stability, curtailment of bank-lending rate at 17%, and achievement of a real GDP growth rate of 7.0% were all additional targets of government activity in the year under review.

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A plan-to-performance appraisal of the economy indicates a balanced result with strong positive biases. In the review period, GDP moderated, recording growth of 5.6% as at end-December 2006, as against 6.5% in 2005. Growth was largely driven by the non-oil sector, which grew by 8.9%, an improvement over the 8.6% recorded in 2005.

Inflation expectations were well anchored, with the headline and food (year-on-year) inflation at 8.5% and 3.9% respectively as at end-December, 2006 compared with the 17.9% and 11.6% recorded in the corresponding period of 2005. Better management of fiscal and monetary measures, stability in the prices of petroleum products in the local market, the relative decrease in the prices of food items and the favourable exchange rates of the naira against other major currencies, contributed to the attainment of single digit inflation figure in the review period.

Labour market conditions also improved over the review period. The unemployment rate for persons between the age brackets of 15 to 64 years stood at 5.3% in December 2006, an improvement over the 11.9% recorded in 2005. Youth unemployment - for persons between the age brackets of 15 to 24 years - was 14%.

Owing to favourable oil price in the international market, and government's adherence to its oil-price based fiscal rule, aggregate external reserves rose appreciably by 48.3% from US\$28.3 billion in December 2005 to US\$41.96 billion as at end-December 2006. The strong external reserves position improved the CBN's ability to meet the supply needs of the Wholesale Dutch Auction System (WDAS) in the review period. At the current level, the reserves can finance about 22.4 months of imports, well above the convergence criteria required by the West African Monetary Zone (WAMZ).

The volatility usually associated with the naira exchange rate was generally contained in 2006 as the CBN kept the official exchange rate around a pre-determined band of plus or minus 3%.

The naira appreciated by 1.6% at the official market from US\$129 in December 2005 to US\$127 as at end-March 2006, while at the parallel market, it appreciated by 10.2% from ₦142/US\$1 to ₦127.5/US\$1 as at March 11, 2007. The introduction of the WDAS in February 2006 helped stabilise the exchange rate and eliminate the arbitrage opportunity between the official window and the inter-bank rate. In addition, the liberalisation of the foreign exchange market, introduction of bureaux de change into the wholesale Dutch Auction Market, which hitherto admitted only banks, the rise in external reserves and the direct sales of forex to BDCs are other factors, which led to the improvement in the foreign exchange market.

**The first phase of the consolidation exercise aimed at strengthening the insurance industry was successfully concluded on February 28, 2007**

An accommodative monetary policy in 2006 saw broad money (M<sub>2</sub>) grow by 28.23% over the end-December 2005 level, compared with the target of 27.8% for 2006. The growth in monetary aggregates was influenced mainly by growth in banks' credit to the private sector. Following the adoption of a standing facility and a new policy rate - Monetary Policy Rate - the traditional volatility in the inter-bank rate moderated and stayed within the CBN's lending and deposit standing facility rates.

The first phase of the consolidation exercise aimed at strengthening the insurance industry was successfully concluded on February 28, 2007. The exercise, which witnessed 20 mergers/acquisitions, resulted in the emergence of 43 non-life and 26 life insurance

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companies respectively, while two re-insurance companies met the new capitalisation requirements. With the federal government's directive requiring all insurance policies for oil and gas operations to be issued by registered Nigerian insurers, it is hoped that the underwriting capacity of the Nigerian insurance industry would significantly receive a boost. In a related development, the capital base for airline operators in the country was reviewed upward to restore sanity to the country's airspace. Accordingly, the capital base for airlines on domestic, regional and international routes increased from ₦20 million, ₦500 million and ₦1 billion to ₦500 million, ₦1 billion and ₦2 billion respectively.

Concerned to increase the efficiency of public administration, improve the provision of commercial services across the economy, and ensure private sector driven growth, government continued with its privatisation programme, and intensified reforms to the structure and management of the civil service in 2006. Consequently, about ₦87 billion was realised from the privatisation of 30 state-owned enterprises in 2006 compared with ₦43 billion and ₦90 billion realised in 2005 and 2004 respectively. To improve the quality of the civil service, a new pay structure was introduced last year, about 60,000 workers were laid off, and "ghost-workers" eliminated from the payrolls of several ministries, departments, and agencies, in a reorganisation which reduced overhead costs by the equivalent of 0.5% of non-oil GDP.

The capital market witnessed unprecedented growth in 2006. Against the marginal increase of 1.01% growth recorded in 2005, the NSE All-Share index grew by 38%, the highest in two decades, closing at 33,189.30 on December 29, 2006. ₦468.48 billion shares were traded, surpassing the 2005 figure by 76.4%. The consolidation of banks and the tremendous financial results posted by companies largely accounted for the boost. FirstBank was the overall most capitalised stock with market capitalisation of ₦310.68 billion as at end-December 2006, increasing by 28% to ₦398 billion as at end-March 2007.

The nation's telecommunication industry passed another milestone with teledensity, evidenced by number of lines in the country rising above thirty million as at December 2006. At a growth rate of 31.98%, the industry was the fastest growing sector in the Nigerian economy. Nigerian teledensity rose from 0.4% in 2001 to 25% as at December 2006, equivalent to a telephone line for 25 out of every 100 Nigerians. Meanwhile, the deregulation of the downstream sector of the oil & gas industry continued in 2006 with the increase in pump price from ₦62 per litre to ₦65 per litre. The attendant upward pressure exerted on domestic prices was curtailed by the ₦150 billion petroleum subsidy fund. In the upstream sector, the country failed to meet its production target of 2.5 million barrels per day (mbpd) due to restiveness in the Niger Delta as well as an OPEC-driven production cut. Consequently, production averaged 2.3 mbpd in the review period. Aside from the brief scarcity observed during the yuletide, supply of fuel was regular all through 2006.

However, despite improvements in economic indices, there were still significant socio-economic challenges. Inadequate infrastructure, especially frequent power outages, which saw power generation drop by over 60%, epileptic water supply, poor roads, and insecurity of lives and properties continued to be major downside risks in the review period. While power supply was below the minimum requirements of the economy in 2006, it became almost unavailable in the first quarter of 2007. Manufacturing sector capacity utilization fell to about 22.7%, representing 22 points and 30.7 points lower than 47% and 53.4% recorded in 2004 and 2005 respectively. According to the Manufacturers Association of Nigeria (MAN), 30% of the country's manufacturing companies are moribund, and only 10% are currently operating, with the remainder ailing. The real sector of the economy had again to contend with the burdens of multiple taxation, weak capital base, delay in clearing of goods at the ports and ineffective public utilities.



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### 1.3. The Banking Industry

Two years after the CBN's inauguration of the historic 13-point reform agenda, the Nigerian banking industry performed fairly well, recording some milestones in 2006. Capitalisation was good with adequate support for business risk. Profitability also improved, reinforced by reasonable assets quality.

The industry balance sheet grew by 36% to ₦5.7 trillion from ₦4.2 trillion in 2005 while shareholders' funds rose by 48% to ₦736 billion as at December 2006 from ₦497 billion in 2005. Local currency deposits grew by 43% from ₦2.1 trillion to ₦3 trillion with demand deposit accounting for 69% of this. The ratio of non-performing loans to total loans improved from 16% in 2005 to 10% while non performing credit improved from ₦203 billion to ₦157 billion. Driven by growth in lending and investing activities, net earnings grew by 9% to ₦379 billion from ₦345 billion while industry gross earnings was equivalent to 3% of GDP in the review period.

The industry's revenue profile also increased to ₦201 billion from ₦186 billion, while profitability improved by 20.7% from ₦81.5 billion to ₦106 billion. Number of bank branches increased from 3,120 to 3,460 largely due to mergers and acquisitions. Indeed, many banks' foray into neighbouring countries and selected financial centres in emerging markets became an industry constant. In result, nine Nigerian banks were listed among the top 1000 banks in the world compared with 2003 when none made the ranking.

Given the importance of public confidence in the industry, the CBN announced a code of corporate governance for banks in Nigeria post-consolidation, which took effect in April 2006. Amongst others, the code forbids persons indicted for fraud or financial malfeasance of any kind from sitting on the board of any bank. Furthermore, it enjoins full disclosure by banks of every board member's financial records to relevant security agencies. In addition, in line with the risk-focused philosophy of the regulatory authority, the single obligor limit was reviewed downwards to 20% from 35%, effective September 01, 2006.

As part of its commitment to implementing innovative information and communication technology (ICT) solutions, an array of ICT infrastructure was deployed by the CBN to enhance its operations. The Electronic Financial Analysis and Surveillance System (eFASS), introduced on October 03, 2006 helps the apex bank monitoring personnel achieve a lot more in less time than was hitherto possible. Core banking functions also received priority attention with the deployment of Temonos T24 Core Banking Software, while the Real Time Gross Settlement (RTGS) system proved truly invaluable for interbank settlement. In addition, the Enterprise Resource Planning (Oracle ERP) and Enterprise Management and Security (EMS) solutions amongst others, were introduced.

**Given the importance of public confidence in the industry, the CBN announced a code of corporate governance for banks in Nigeria post-consolidation, which took effect in April 2006**

The introduction of a new framework for monetary policy implementation using the short term interest rate as an operating target continued the CBN's reform of the monetary policy management process aimed at achieving effective liquidity management. The Monetary Policy Rate (MPR), which replaced the Minimum Rediscount Rate (MRR) effective December 11, 2006, serves as an indicative rate for transactions in the interbank money market as well as other deposit money banks' interest rates.

In search of efficiencies in the cash management process, durability of bank notes, reduction in minting cost, and promoting the use of coins, new currency notes and coins were introduced on February 28, 2007. The new coins comprise the 50k, ₦1.00 and ₦2.00

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denominations, while the notes include the ₦5, ₦10, ₦20, and ₦50 denominations. It is hoped that the redesigned notes, which are smaller, weigh less, and bear advanced security features will reduce counterfeiting among other positive effects.

As part of its capacity acquisition programme designed to assist local banks acquire requisite skills and technology necessary for their transformation into significant players in the global financial markets, the CBN appointed 14 external fund/asset managers to manage part of the country's foreign reserves in partnership with Nigerian banks. US\$7 billion was awarded to each of the 14 global fund/asset managers.

In summary, the banking sector recorded key milestones in 2006, dominating the financial services sector, and accounting for over 50% of non central bank assets. Aside being the most capitalised sector on the exchange, it also recorded the highest volume of transactions in the review period. However, the industry was confronted with challenges, including intense competition, increasing spate of fraud and robbery, high cost of doing business due to weak infrastructure, and a dearth of qualified personnel to support the industry's rapid expansion.

### 2.0 Operating Results

Irrespective of the challenging operating environment, our bank posted yet another remarkable performance in the 2006/2007 financial year. The Group's gross earnings rose by ₦22.9 billion to ₦90.3 billion, representing an increase of 34% on the ₦67.44 billion posted in the 2005/06 financial year. At the high end of market expectations was Profit Before Tax of ₦25.6 billion a 17.4% increase on the ₦21.8 billion recorded in the 2005/2006 financial year.

The Bank's gross earning rose by 30% to ₦79.30 billion from ₦61.24 billion in 2006. As a result of the above performance, the Board is proposing a dividend payment of ₦1.00 per share (representing total dividend payment of ₦10.50 billion to Shareholders. Coming on the back of the 1 for 1 bonus offered last year, a bonus issue of one (1) for every six (6) ordinary shares held is further recommended.

The dividend and bonus issue reflect the Board's long stated policy of exceeding shareholder's expectations and confidence that the current momentum can be maintained.

### 3.0 Board Changes

#### 3.1 Appointments & Retirement

Alhaji Aliyu A. Alkali, mni was appointed as a director on August 23, 2006 while Alhaji Muhammadu Ibrahim, OFR retired from the Board on August 21, 2006.

#### 3.2 Retirement by Rotation

In accordance with the company's Article of Association, Mr. Jacobs M. Ajekigbe, Mr. Oba A. Otudeko, OFR, Dr. Udo Udo-Aka, MON, Mr. Oye Hassan-Odukale, MFR, and Prince Ajibola Afonja retire by rotation and being eligible; offer themselves for re-election.

### 4.0 Outlook for 2007/2008

#### 4.1 The Global Economy

After four consecutive years of solid growth, the world economy is expected to decelerate in 2007, mainly due to the expected slowdown in the United States, as the deflation in the housing market begins to affect expectations. Growth in Europe and Japan is expected to continue in 2007, but may not be strong enough to take up the slack as the US slows down. The developing countries' outlook remains strongly positive. Sustained high growth in China, India and a few other major emerging economies has driven cross-country trade and investment flows within emerging markets, permitting a much higher degree of endogenous growth. However, a large number of developing countries remain highly vulnerable to the vicissitudes of commodity prices and the volatility of international financial markets. Amongst downside risks that could affect global growth are the disorderly resolution of the housing market bubbles in a number of advanced countries, uncertainties in oil prices, and mounting global imbalances.

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### 4.2. The United States of America

GDP growth in the United States is forecast to decelerate in 2007 as the unraveling of excesses in the housing market, and the manufacturing sector's continued struggle with profit begins to restrain private consumption growth. Businesses are better placed to withstand this slow down over the medium term, but they are also likely to restrain spending during business cycle. Real GDP growth is forecast to average 2.2% in 2007.

Inflation is expected to fall in early 2007, owing to the slowing economy, but should pick up with the recovery in demand in the second half of the year, averaging 2.4%. With monetary policy being tightened in both the euro zone and Japan, interest rate differentials between the US, Europe and Japan will shrink, resulting in further downward pressure on the dollar against both the euro and the yen. By year end, the dollar should regain some strength against the euro but not the yen. The current-account deficit as a share of GDP will improve to 5.6% in 2007, even as the external payments position remains poor relative to most other OECD economies.

### 4.3. Europe

GDP in Europe is projected to remain robust in 2007, although at a somewhat slower pace than the numbers attained in 2006. The euro area may record 2.4% growth with the European Union recording 2.6% growth, reflecting a marginally higher carry-over from 2006. Domestic demand is expected to remain the main contributor to GDP growth in both the euro area and the EU.

Private consumption will be supported by improved real disposable income, and favourable labour market developments. Investment volumes in the manufacturing sector are expected to rise at their fastest pace since 2001, although with sizeable differences across the largest member states.

Inflation is expected to ease in 2007 averaging 1.8% in the euro area and 2.0% in the European Union. The anticipated easing of oil prices and the rather moderate impact of VAT increases in Germany will play a key role in moderating inflation in the short term. Because of the strong cyclical upswing, labour markets are expected to continue to improve more strongly in 2007. The outlook for public finances is also bright as budgetary results in several member states, particularly in Germany, proved good. Higher growth should also support public finance adjustment in 2007.

**The anticipated easing of oil prices and the rather moderate impact of VAT increases in Germany will play a key role in moderating inflation in the short term.**

In the first quarter of 2007, financing conditions remained favourable. In particular, credit growth continued to rise at a brisk pace. Despite policy interest rates having moved up, the cost of external financing remained broadly stable as corporate bond spreads narrowed further and a rise in stock prices lowered the cost of equity financing. Although policy interest rates are assumed to rise further in the near term, financing conditions are expected to remain broadly benign.

However, the issue of global imbalances remains a downside risk to the outlook. In addition, the yen, which currently trades below its long-term equilibrium rate, is a risk to the outlook as it tends to erode the competitiveness of euro-area exports and carries the risk of abrupt exchange rate adjustments. Finally, oil prices may remain volatile in 2007, amid continued risks of geopolitical tensions.

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### 4.4. Asia

Economic growth will remain strong in Asia in 2007. Growth is projected to decelerate marginally to 7% from the 7.3% recorded in 2006 reflecting sizable upgrades for both China and India. While export growth for the region is projected to moderate in line with the expected slowdown in the United States, overall growth is expected to remain strong, in part reflecting continued solid prospects in the electronics sector.

In China and India, rapid investment growth is expected to slow modestly in response to policy tightening, but domestic demand should remain healthy. The region's current account surplus is expected to remain broadly unchanged at about 3.5% of GDP. In emerging Asia, excluding China, surpluses are projected to decline by 0.75% of GDP, reflecting a higher oil import bill and, in some cases, the impact of currency appreciation. China's surplus is projected to remain large, at about 7.5% of GDP.

Inflation in the region is expected to remain around 2.5% in 2007. Prospects for capital flows to emerging Asia also remain good. Investors do not appear to have altered their positive view of regional fundamentals, which will facilitate continuation of strong FDI and portfolio flows.

Japan, the world's second largest economy, will enjoy another year of growth. Consumer prices will rise by 1.3%, thereby curbing the deflationary trend in place over the last decade. The economy is still in recovery and should therefore record GDP growth of 2.3% in 2007.

Economic activities in China will be at its highest, preparatory to the 2008 Beijing Olympic Games. The government of China will press ahead with its urgent economic challenge: rebalancing the economy for sustainable growth. This means cooling areas where over-investment is creating surpluses, shifting growth towards the country's less well-off and raising domestic consumption. China is projected to record GDP growth of 8.9% and inflation of 2.3% in 2007.

Economic boom in India will continue. The liberalisation achieved so far will assist businesses prosper, but may be limited by over-regulation. India is projected to record 7.5% GDP growth in 2007 with inflation moderating to 4.9%.

Altogether, the key risk elements for the region include a more rapid than expected slowdown in the United States. Despite increased intra-Asian linkages, growth in the United States remains critical to Asia's prospects. A sharp correction in the housing market in the US, would have a significant impact on Asia's exports and, indirectly, on domestic demand. Moreover, higher oil prices could affect both growth and inflation. With supply still tight and geopolitical risks high, significant spikes in oil prices from current levels cannot be ruled out.

### 4.5. Africa

For Africa, growth is projected to accelerate to 5.9% in 2007, due to rising petroleum output in the oil-producing countries. Growth in oil-exporting countries is forecast to increase sharply between 5.6% and 10.1%, as new oil fields come on stream in countries like Angola and Equatorial Guinea. Growth is projected to more than double to 15% in Angola, and to rise to over 9% in Equatorial Guinea. In Nigeria, growth would depend largely on the situation in the Niger delta as well as the degree of identification of the incumbent administration with its predecessor's policies. Growth is projected at 5.7% in 2007.

The economies of oil-importing countries are projected to grow at a rate of 4.6%, led by the Democratic Republic of Congo, Mozambique, and Tanzania, all growing by at least 7%. Growth in South Africa on the other hand is expected to be 4%.

Inflation is projected to decline to about 6% for the region as a whole, excluding Zimbabwe. If current policies are maintained, inflation in Zimbabwe may accelerate beyond 4,000%. Among oil-exporting countries, inflation should fall significantly, particularly in Nigeria and Angola, which are applying tighter monetary and fiscal policies. Average inflation in South



## Chairman's Statement contd

Africa is projected at almost 5.7%, about the same level recorded in 2006.

Meanwhile, the overall positive outlook will need to be supported by economic policies designed to preserve recent stabilisation gains. As countries scale up expenditures in pursuit of the Millennium Development Goals, their fiscal policies will need to take into account absorptive constraints. Therefore, central banks should be concerned to contain the inflationary pressures caused by higher oil prices although this will depend on the prudent management of political and economic risks. On the downside are uncertainties about security concerns in Côte d'Ivoire, Niger Delta restiveness in Nigeria, and instability in Chad.

### 4.6. The Domestic Economy (Nigeria)

Economic prospects for Nigeria in 2007 are strongly positive. Overall GDP is projected to moderate to 5.7% owing to production shortfall as a result of restiveness in the Niger Delta. However, if production in the Niger Delta is fully restored, growth could reach about 7.5% by end-December 2007.

Total debt obligation, which currently stands at over ₦1.6 trillion may worsen given government's plans to finance a large-scale railway investment with a non-concessionary loan and the offers received from emerging creditors to finance projects with commercial debt.

Lending rates will remain a key issue in the industry with the introduction of the Monetary Policy Rate (MPR). Government's resolve to ensure low cost of funds for the real sector may precipitate further reduction of the MPR from the current 10% to a lower rate and boost the real sector. However, irrespective of the levels the regulatory authorities fix, real lending rates in 2007 would be determined by the level of inflation, expected level of risk and competition in risk asset creation.

The progress already made by the government's economic team in strengthening the federal budget

position may be sustained in 2007 with continuity at the centre, and we expect an aggressive intervention by the CBN to manage money supply aggregates. Monetary policy commitment to fighting inflation, maintaining exchange rate stability, currency restructuring and the strengthening of the banking industry should strengthen.

**Economic prospects for Nigeria in 2007 are strongly positive. Overall GDP is projected to moderate to 5.7% owing to production shortfall as a result of restiveness in the Niger Delta.**

The oil & gas sector will continue to be the driver of economic growth providing between 70-80% of federally collected revenue. The price of a barrel of oil may hover between US\$60 and US\$65 but is not expected to fall below the US\$40 per barrel on which the 2007 budget is predicated. Overall, the sector may perform better in 2007 if the Niger Delta insurgencies are curtailed, and the growing global consumption persists. In all, limited spare capacity in the oil sector is likely to persist while prices will continue to be susceptible to geopolitical events. The non-oil sector of the economy should show strong growth because of ongoing favourable tax, tariff reforms, and improved food production resulting from government's initiatives.

With rising oil prices, gross external reserves may rise further, exceeding the US\$60 billion target in 2007. With increase in reserves, the government would be able to boost spending notably on infrastructure while continuing to save part of the windfall.

## Chairman's Statement contd

With election-related spending still working its way through the system, and pressure to maintain low interest rates, inflation is likely to rebound in 2007. This may, however stabilise in the third quarter of the year culminating in an annual average of 9%. Inflation drivers will include expansionary fiscal policy because of election-related spending, and low interest rate regime designed to encourage investment and consumption.

The naira should stabilise in 2007 on account of high oil prices and the weakness of the US dollar against major international currencies. The CBN should have little difficulty keeping the naira within its 3% trading band. Continuing increase in external reserves, together with the ongoing implementation of the CBN's intervention band, should ensure that anticipated naira stability is maintained throughout the forecast period. We project an average annual official exchange rate of ₦126/US\$1 in 2007.

### 4.7. The Bank

The previous year was an excellent year for the Bank and the current year looks even more promising. The country having transited from one government to the other, it is expected that the operating environment will be stable and favourable. With its recent capital raising activity, there is abundant opportunity for growth both for the Bank and the Group in general. The proven strengths of our focused strategy, together with our business model and the efforts of our talented, motivated and dedicated management and staff, will enable the Bank deliver unparalleled value to our shareholders in 2007. The Board is confident and looks forward to continued superior performance through 2007 and beyond, even as the competitive environment becomes more challenging.

### 5.0 Appreciation

I thank our stakeholders for their unflinching confidence in the Bank and assure that we will strive to keep the Bank on the growth trajectory. I acknowledge the support and guidance extended through the year by all the regulatory authorities, the CBN, NDIC, NSE,

SEC etc. I also appreciate the cooperation extended by our customers and esteemed shareholders. Last but not the least, the progress achieved by the Bank would not have been possible but for the zeal and commitment displayed by our employees and the vibrant executive management team and non-executive directors whose contributions I sincerely acknowledge and appreciate.

Distinguished ladies and gentlemen, I thank you most sincerely for your kind attention.



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

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## Managing Director's Review



**Jacobs Moyo Ajekigbe**  
Managing Director/Chief Executive

I am pleased to welcome you to the 38th Annual General Meeting (AGM) of our Bank and to present to you the financial statements for the year ended March 31, 2007.

Distinguished Shareholders, Ladies and Gentlemen, on behalf of the Board of Directors, I am pleased to welcome you to the 38th Annual General Meeting (AGM) of our Bank and to present to you the financial statements for the year ended March 31, 2007.

The banking industry witnessed significant changes in the past 12 months as a result of industry consolidation. The operating parameters changed as the monetary policy environment shed a great deal of its traditional volatility. Consequently, both the direction and intensity of the competitive landscape tested the resilience of our people, while challenging our experience and ability to manage and sustain our leadership position. Essentially, we responded by increasing the choices available to our customers, in terms of broadening and deepening the mix of available products/services; and improving

customers' ease of access to our product offerings in terms of the variety of delivery mechanisms, the closeness of our channels to the markets, and the responsiveness of these channels to local needs.

We predicated this focus on enhanced customer choice, convenience, and product delivery on the optimisation of our operational activities, including improvements in our customer relationship management processes. These imperatives, which also enhanced our cost efficiency were integral to the consolidation of our leadership position in the industry. Evidently, in re-defining the frontiers of a business at an advanced stage of re-integration into the global market, the search for "excellence" does not just mean being "better than the best", its achievement requires a root-and-branch re-evaluation of everything that we do and say.



## Managing Director's Review contd

In the review period, we implemented a new operating model for the Bank's business, harnessing, in the process, its huge reservoir of talents and resources in support of the branches as the focus of our strategy execution. In part, our new operating model derives from the recognition of the fact that if we must raise the industry's service bar that much higher, then we must offer mass customisation opportunities along our entire product range, and across our customers' ever more diverse value chains. In the main, though, our new organisation structure enables us to simplify and abridge the time-to-market of our decision-making processes. In addition, we have strengthened our operational effectiveness in different regions within the country by increasing the number of our business development offices (BDOs) from 14 as at end-March 2006 to 29.

The re-integration of the domestic economy with the global economy, including the subsequent liberalisation of the capital accounts, the continued strengthening of oil prices in the global market, and reforms of various sectors of the economy have provided welcome relief to the financial services industry, especially by increasing banks' opportunity for leveraging major international finance institutions and accessing foreign currency funding. True to our name, we took advantage of positive developments in the external environment by issuing the first subordinated debt qualifying as Tier II capital in Africa during the review period.

Locally, the Bank floated the biggest offer in the history of the Nigerian capital market with a total value of ₦100 billion. The enthusiastic response to this offer, by both local and international investors, and the eventual oversubscription confirmed the appropriateness of our responses to the changes in our operating environment. At the conclusion of the statutory verification of the offer proceeds, the Bank's new capital base will position us to deliver on the promises of the strategic initiatives, which we have implemented to date, while building the support base

for the medium- to long-term interventions required to guarantee sustainable returns to our stakeholders.

In order to broaden and deepen trade finance opportunities for our customers, the Bank obtained a US\$25 million facility from Export Development Canada, €50 million from the European Investment Bank, and secured an increase in trade finance lines available to it from various foreign institutions.

As a result of the liberalisation of the foreign exchange market in the period under review, the Bank obtained the Central Bank of Nigeria's (CBN) final approval to set up a Bureau De Change, whose product suite is offered under the brand name "First Exchange".

**Locally, the Bank floated the biggest offer in the history of the Nigerian capital market with a total value of ₦100 billion.**

In addition, along with a number of other financial services institutions, our Bank was appointed as a primary dealer, authorised to trade in government bonds. Consequently, FirstBank is currently a major player in the evolving bond market. These developments are a logical extension of our commitment to increasing the financial services options available to customers at our business locations. Along with the Bank's suite of 15 consumer banking products, marketed under the brand name "U-First", which were introduced over a year ago, our new business development activities presage the Bank's transition to a high-yield, diversified portfolio model, which aggressively targets the un-banked and under-banked consumer market. It is noteworthy that our "U-First" suite of products remained the flagship

## Managing Director's Review contd

of our branch banking asset creation activity in the review period. Supported by the re-engineering/automation of our credit processes, our multi-business customer interface model is consistent with our commitment to building Nigeria's most integrated, full spectrum, one-stop, financial services supermarket.

Consistent with the need to take advantage of the burgeoning global opportunities and the development of the domestic financial market, we consider it strategic to provide non-pension and general custody services that would manage the inflow of foreign direct investment (FDI) arising from the ongoing economic reforms in the country. Pursuant to this, the Bank commenced its global custodianship business during the financial year ended March 2007 and has since recorded remarkable success along this business line, by winning a number of major clients.

Strengthened by the robustness of our strategic thrust, and the more than a quarter century of providing financial services in the world's leading financial centre, the United Kingdom, we subscribed to international ratings for the first time in our corporate history. The Bank was thus rated by Fitch Rating Agency and Standard and Poor's, two of the leading rating agencies in the world in the review period. While Fitch assigned the Bank, a long-term rating of B+, a notch below Nigeria's sovereign rating, Standard and Poor's assigned the Bank a long term rating of BB-, at par with the sovereign rating. These ratings confirm that FirstBank remains a national icon after over a century of operations even with significant changes in the operating environment and the competitive landscape.

### 2.0 Industry Review

The activities which dominated the financial services industry in 2006 included the continuing post-consolidation efforts by some of the 25 banks to integrate the respective service delivery platforms of their component entities; increasing emphasis on retail banking by opening more customer touch-points (bank branches, ATM kiosks, bureaux de change outlets); implementation by the CBN of a risk-focused,

rule-based, zero tolerance regulatory framework, especially in the areas of data/information rendition; commencement of the activities of the Pension Fund Administrators (PFAs) and Custodians (PFCs); and recapitalisation of insurance firms.

I comment on key industry issues below:

#### 2.1. Interest Rates

In order to effectively manage the economy's liquidity position, the CBN introduced a new framework for monetary policy implementation using a short-term interest rate to be determined and operated by the apex bank as its "operating target". The "Operating Target" rate, otherwise called the Monetary Policy Rate (MPR), effectively replaced the Minimum Rediscount Rate (MRR) as at December 11, 2006. The MPR is to serve as an indicative rate for transactions in the inter bank money market as well as other Deposit Money Banks' interest rates. The ultimate goal of the new framework is to manage inflation by achieving a stable value of the naira.

The new interest rate regime was set at 10% with a spread of 600 basis points around it, i.e. 300 basis points above (i.e. 13% for the Standing Lending Facility rate – the rate at which the CBN lends to banks) and 300 basis points below (i.e. 7% for the Standing Deposit Facility rate – the rate at which banks place with the CBN). These rates have since been reviewed.

With the implementation of MPR, discount rate on Treasury bills was within the 7% range, with substantial moderation in the volatility of inter-bank rates. Inter-bank rates were also lower compared with the ranges in which they operated in the preceding year. The average 7-day Nigerian Inter-Bank Offer Rate (NIBOR) in 2006 was 7.26% against 10.66% in 2005, while average 90-day NIBOR was 12.48% as against 13.42% in 2005. The lowest level reached by 7-day NIBOR was 1.53% in 2006 as against 2.00% in the preceding year. 90-day NIBOR recorded its lowest level of 5.75% in 2006 as against 7.71% in 2005, while the highest figure recorded for 90-day NIBOR in the review period was 17.96% as against 22.17% recorded in 2005.

## Managing Director's Review contd

### 2.2. Inflation

Since adoption by the CBN of a medium-term framework for the conduct of monetary policy, inflation pressures in the economy have softened, with the end-period year-on-year rate for 2006 at 8.5%, compared with 11.6% recorded for the corresponding period of 2005. The deceleration of the consumer price index continued in the first quarter of 2007, with the year-on-year inflation figures as at end-March 2007 dropping to 5.2%, compared with the 12.0% recorded in March 2006. Inflation rate is expected to remain in single digits over the current cycle. However, a loosening of monetary conditions remains a key risk in the near-term.

### 2.3. New Currency Notes & Coins

The CBN commenced a restructuring of the nation's currency in the review period. In its bid for efficient cash management, durability of bank notes, reduction in minting cost, as well as promoting the use of coins, new currency notes and coins were introduced on February 28, 2007.

### 2.4. Consolidation/Integration

The 25 banks that emerged post-consolidation spent most part of the review period integrating their operations, with some raising further capital. Driven by the need to rapidly grow their businesses, most banks sought scale economies, profitable niches, and cost efficiency. This new thrust gave a fillip to the efficiency of the payment-system, while furthering the adoption and use of alternative products/services delivery channels. With the new banks a lot bigger than their predecessors, the review period was characterised by growth in the national footprints of most operators, and the deployment of the technologies necessary to support the increase in geographic diversification. A couple of planned mergers/acquisitions were made public in the review period, as well as public offers/rights issues at the capital market. A major downside to the operating environment is the prevalence of a "me too" approach to product

development which hinders innovation, and the much needed investment by the industry in research and development.

The number of bank branches grew in the review period, with capital adequacy ratio averaging 21.64%, compared to 15.18% in June 2004. The industry ratio of non-performing credit to total credits dropped to 9.5% compared to 19.8% in June 2004. Twenty (20) out of the 25 Nigerian banks made it into the list of top 100 banks in Africa, 17 made it into the top 40; and 4 into the top 10, while 17 were in the list of top 1000 banks in the world by end-2006.

**The number of bank branches grew in the review period, with capital adequacy ratio averaging 21.64%, compared to 15.18% in June 2004.**

The industry scorecard in the review period include increase in total assets from ₦4.2 trillion in June 2004 (just before the announcement of the banking reforms) to ₦5.7 trillion as at the last quarter of 2006. Banks' capital and reserves rose to ₦957 billion as against ₦327 billion in June 2004, representing an increase of 192%.

Competition among industry operators and the decline in inflation rate helped to push lending rates down.

### 2.5. Bond Market

The Debt Management Office (DMO) granted licences to 15 Primary Dealers and Market Makers (PDMMs) in Federal Government Bonds, as part of its efforts to create and develop a vibrant and liquid bond market in the country. Operators, comprising ten banks and five discount houses, are expected to deepen/broaden the market by providing additional liquidity and improving market access. Based on the reforms to the sector, the

## Managing Director's Review contd

secondary segment of the Federal Government (FG) bond market experienced a resurgence in activity during the year under review, while new FG bond issues were highly subscribed by both domestic and foreign investors.

Available data on FG bonds transaction during the year indicate that ₦402.65 billion worth of bonds was issued; ₦775.59 billion was subscribed, representing 192.62% over-subscription, while ₦444.72 billion was allotted. The highest coupon rate was 16.00% while the lowest rate was 10.98%.

### 2.6. Insurance Sector

The cut-off date for re-capitalising insurance businesses in the country expired on February 28 2007. The new capital requirements as announced by the National Insurance Commission (NAICOM) in 2005 are as follows:

- Life Insurance Business: ₦2 billion (from ₦150 million)
- Non - Life Insurance Business: ₦3 billion (from ₦200 million)
- Reinsurance Business: ₦10 billion (from ₦350 million).

On expiration of the deadline, NAICOM licensed 43 companies in the property and casualty category, 26 in the life category, and 2 in the reinsurance category.

Reform in this sector was informed by the low capacity of insurance operatives, resulting in annual losses to foreign insurers of about ₦70 billion in premium income alone. Losses to capital flight in the oil and gas sector of the economy due to the inability of domestic insurance companies to underwrite businesses in the sector were a further reason for the reform. We expect that the Federal Government's local content policy in the energy sector will enable the local insurance industry to progressively underwrite oil & gas businesses in Nigeria, and as a result, grow its share of the market from 45% in 2007 to 70% by 2010. While the reforms should drive growth and development of

the local insurance industry and help build local capacity, especially in the oil and gas, aviation, and marine sectors, adequate, and progressive capitalisation and consolidation of the insurance industry is necessary if domestic insurers are to acquire the capacity to underwrite high profile risks across the economy.

### 2.7. Foreign Exchange Market

During the year ended March 2007, the Central Bank of Nigeria (CBN) adopted new measures in its foreign exchange management designed to enhance market efficiency and effectiveness. It restructured the special intervention platform introduced in 2005 by setting up the Wholesale Dutch Auction System (wDAS) which further liberalised the foreign exchange market by increasing the supply of foreign exchange to all users. Eventually narrowing the arbitrage window between the parallel and official markets, the new platform reduced demand pressure in the parallel market by eliminating access restrictions to the official market. This policy moderation allowed bureaux de change (BDCs) to act as brokers within the inter-bank market framework. BDCs have thus since been able to buy foreign exchange from the official market, as well as effect transfer of foreign exchange through their domiciliary accounts with commercial banks. Commercial banks, Travelex, and other authorised dealers can now also import and supply foreign exchange to the market subject to statutory guidelines.

The CBN increased its options for managing the liquidity surfeit in the banking industry by introducing cash swaps, allowing it to sell foreign exchange to designated banks to be repurchased in future.

The cumulative effect of all these measures, coupled with Nigeria's favourable foreign reserves position, strengthened the exchange position of the naira relative to major traded currencies. Additionally, these measures also forced a convergence of exchange rates between the parallel and official markets with the premium between rates in both markets narrowing to an average of 4% as against 10% before the new trading architecture came into effect.



## Managing Director's Review contd

Specifically, the naira appreciated against the US dollar by 1.55% in the official market to close the year at ₦127.00/US\$1 from ₦129.00/US\$1 in the preceding year. In the inter-bank market, it appreciated by 1.57% to close the year at ₦128.45/US\$1 from ₦130.50/US\$1 in the preceding year. It appreciated by 6.28% in the parallel market to close the year at ₦129.80/US\$1 from ₦138.50/US\$1.

Analysis of the wDAS performance shows that US\$8.63 billion was offered for sale in 2006 representing a decrease of 27.72% from the US\$11.94 billion offered for sale in the preceding year. US\$9.61 billion was sold representing an 11.81% decrease from the US\$10.89 billion sold in 2005.

The amount of foreign exchange sold in 2006 was 11.35% higher than the amount offered. This was consistent with the CBN's commitment to meet all genuine demands for foreign exchange. Market conditions were boosted by the activities of oil companies, which sold foreign exchange directly to authorised dealers. These transactions strengthened the supply end of the foreign exchange market, thereby contributing to the appreciation in the value of the naira.

Foreign exchange inflow and outflow through the CBN in the first quarter of 2007 stood at US\$8.15 billion and US\$7.02 billion respectively, resulting in a net inflow of US\$1.13 billion. Available data on aggregate foreign exchange flows through the economy per quarter indicated that total inflow declined by 7.5% to US\$13.48 billion, compared with the decline of 2.0% and 4.3% in the preceding quarter and corresponding period of 2006, respectively. There was also a sharp rise (194.2%) in outflow in the first quarter of 2007 over the level in the corresponding period of 2006 as a result of the second tranche of repayments to the Paris Club of Creditors. Oil sector receipt accounted for about 57% of total inflow into the economy between January and December 2006.

### 2.8. Capital Market

#### 2.8.1. Primary Market

In 2006, the Nigerian Stock Exchange (NSE) approved 62 applications, valued at ₦1.41 trillion, for both new issues and mergers & acquisitions, as against 52 applications valued at ₦730.54 billion in 2005. Non-bank institutions accounted for 48% of the new issues, valued at ₦678.54 billion, approved in 2006, while the banking sector accounted for 41% valued at ₦577 billion. Federal Government Bonds issue accounted for ₦155 billion or 11% of the amount approved during the year. Twelve additional securities were listed during the year.

**The amount of foreign exchange sold in 2006 was 11.35% higher than the amount offered. This was consistent with the CBN's commitment to meet all genuine demands for foreign exchange.**

#### 2.8.2. Secondary Market

During the period under review, the Nigerian Stock Exchange recorded its best performance in the last three years. The All-Share Index ended the year with a return of 37.80% in naira terms and 39.35% in US dollar terms. The market's performance was attributable to a number of factors, including, amongst others, the conclusion of the banking industry's recapitalisation exercise.

Market capitalisation increased by 67.51% to close the year at ₦4.23 trillion as against the appreciation of 31.03% in the preceding year.

The banking sub-sector accounted for about 53.05% of total market capitalisation at the end of the year.



## Managing Director's Review contd

### 2.8.3. Mutual Funds

As at December 29, 2006, there were fourteen (14) unit trusts/mutual funds schemes with memorandum listing on the floor of The Nigerian Stock Exchange (NSE), compared to the ten funds in 2005. The activities of these fund managers had far-reaching impact on the Nigerian banking industry. Areas of competitive advantage for banks include historical and legacy advantages, especially for the old generation banks; first mover initiative and rapid response to emerging opportunities; and futuristic planning, visioning and positioning as opportunities unfold.

### 3.0 The Bank

#### 3.1. Financial Performance

The consolidation exercise has radically altered the industry's operating environment. In the review year, interest rates continued to moderate under supply-side pressure from increased competition, and in response to demand-side pressures, as reforms to the monetary policy environment and public expenditure management framework began to take effect.

In the face of these developments, the Bank and all our subsidiaries recorded impressive results, which impacted positively on the performance of the Group.

The Group's total balance sheet size plus contingent liabilities grew by ₦351 billion (48%) from ₦732.8 billion in the 2005/2006 financial year to ₦1.08 trillion over the review period. In part, this was due to increases in deposit liabilities and debt stock. With all its income lines reporting significant increases over the corresponding figures for the preceding year, gross earnings increased to ₦90.32 billion from ₦67.44 billion recorded in the preceding year. On the back of appropriate mix of business lines, profit before tax and exceptional items rose by 41.4% from ₦18.13 billion in 2006 to ₦25.56 billion during the review year. Accordingly, profit after tax also rose by 17.2% from ₦17.38 billion in 2006 to ₦20.37 billion in 2007. Interest income on performing loans and advances,

and income from both local and foreign placements all recorded appreciable increases.

As at end-March 2007, the Group's shareholders' funds rose by 29.7%, standing at ₦83.38 billion compared to ₦64.28 billion in the previous year.

The Bank's total balance sheet size plus contingent liabilities grew by ₦274.8 billion representing 44.3% from ₦620.8 billion in the 2005/2006 financial year to close at ₦895.6 billion as at March 31, 2007. Gross earnings similarly rose by ₦18.1 billion or 30% from ₦61.2 billion recorded in the preceding year to ₦79.3 billion.

Thus, profit before tax (and before exceptional items) rose by ₦6 billion (37.3%) from ₦16.1 billion in 2005/2006 financial year to ₦22.1 billion during the year. It is worthy of note that, during the year, significant amount was expended by the Bank to upgrade and modernise its business outlets in line with the modernisation imperative of our corporate strategy.

As at end-March 2007, the Bank's shareholders' funds rose by 27%, standing at ₦77.4 billion compared to ₦60.9 billion in the previous year. More than ever before, the changes in our operating environment require us to remain true to our vision, by rapidly increasing our market share.

#### 3.2. Appropriations

As provided by law, the sum of ₦2.75 billion was transferred to statutory reserve, while ₦918 million representing 5% of profit after tax was set aside for small and medium scale industry reserve. The sum of ₦10.50 billion representing 57.10% of profit after tax is being proposed as dividend to shareholders. This amounts to a dividend payout of ₦1.00k for each 50 kobo share held.

In line with our commitment to improving shareholders' value, we are proposing a bonus issue of one for every six ordinary shares held, while the balance of ₦4.21 billion has been transferred to general reserve.

## Managing Director's Review contd

### 3.3. Material Issues Regarding Employees and Other Stakeholders

The Bank enjoyed tremendous support from all stakeholders during the twelve months ended March 2007. Particularly, our shareholders remained supportive, regularly availing us of their vast pool of experience. The dynamics of board, management, and staff interaction remained harmonious in the review period, anchored, as it were, on the execution by management of a performance-related compensation package, as well as institutionalisation of a proactive employee communication programme. Consequently, the risks to the outlook for the Bank's human capital management responsibility are skewed in favour of the upside. The absence of underlying vulnerabilities has removed worries, which could have adverse effect on the continuity of the Bank's business going forward.

We remain focussed on executing constant and sustainable improvements to the welfare of our employees. To this end, we have continued to implement a policy and institutional support base committed to enhancing the health, capacity, and performance of our valued employees. In the review period, our learning and recreational facilities across the nation were upgraded, while we continued with the maintenance of a standard staff clinic in the Head Office. In search of additional value, we continued to review our "retainership" agreements with several strategically placed hospitals entrusted with providing health services to our workforce across the country.

### 3.4. Material Credit Risk Events

As the economy stabilises, and opens up to global trade, certain aspects of the provision of banking services, including credit risk concentration and business continuity planning, increasingly dominate the risk managers' attention. Mindful of the unfavourable impact of loan losses, we have worked hard to moderate the crystallisation of such credit risk events. We have long emphasised the need for appropriate internal controls, and have taken a continuous improvement approach to our risk management and measurement processes.

Accordingly, in the review period, we embarked on the automation of our credit processes and strengthened our system for monitoring the status of individual credits and off-balance sheet exposures to obligors. Key indicators of credit condition are specified and monitored to identify and report potentially delinquent credits.

Our collective efforts in this direction, together with the on-going improvements in the credit environment, our rigorous credit risk management processes as well as clean-ups of previously impaired loans have resulted in lower provisions for credit losses and in the considerable improvement of our loan book in the period under review. This is evidenced by the reduction in the proportion of non-performing loans to total loans & advances from 9.05% in the previous year to 2.99% in the review year ended March 2007.

**Our ₦100 billion hybrid offer - the combined rights and public offer - which opened in the review period, was equally successful**

On the strength of these initiatives and the results therefrom, I am able to report the absence of material credit risk-related worries to the Bank's business outlook. Additionally, on the upside, we are persuaded that the growing confidence in the local economy will substantially douse any such concerns in the long-term.

### 3.5. Capital Raising Activity

FirstBank remained true to its brand promise when we issued the first subordinated debt qualifying as Tier II capital in Africa, within the review period. In the process, we also re-educated foreign investors on opportunities in the emerging Nigerian economy. As a result, FirstBank is in a position to work this

## Managing Director's Review contd

capital/liquidity, valued at US\$175 million, during succeeding financial years, while at the same time benefitting from the enhancement to its capital adequacy in the 2006/2007 financial year.

Our ₦100 billion hybrid offer - the combined rights and public offer - which opened in the review period, was equally successful. Indeed, evidencing the market's continued confidence in the strategic direction of the Bank, it was heavily oversubscribed although the proceeds are still subject to statutory verification. We appreciate the market's endorsement of the correctness of our long-term vision, and are committed to enhancing shareholder value.

### 3.6. The Compliance Function

The post-corporate governance environment is defined by the legal and regulatory framework that arose in response to the corporate failures and scandals with which the millennium opened. In large part, this is described by the evolving internal control processes and the degree of responsiveness of each institution to the demands of its local environment. It is quite clearly not just about having the best set of standard operating procedures, or complying with the relevant statutes and rules.

At FirstBank, upholding the principles of good corporate governance underscores our philosophy, which has seen us maintain the leading position in the market and command respect amongst our peers.

In our move to encourage greater transparency and accountability, our Compliance Department initiated programmes aimed at sensitising staff on key money laundering issues. These included consistent publication of procedure manual and the inculcation of the roles and responsibilities of the Board, Management, and Staff on compliance and money laundering in all training programmes organised by the Bank

In 2006/2007, we operated within the confines of the Code of Corporate Governance for Banks in Nigeria

and indeed within global best practices. In keeping with the provisions of the Code, KPMG Professional Services conducted a board and directors' review/appraisal covering all aspects of the board's structure and composition, responsibilities, processes and relationships, as well as individual members' competencies and respective roles in the board's performance.

The consultants reported that the board's mix is in line with the guidelines required by the CBN's Code, and the various aspects of its operations, including the individual members' competencies are compliant with the Code's provisions in all material respects.

### 3.7. Small & Medium Enterprise Equity Investment Scheme (SMEEIS)

As has been our practice since the inception of this scheme, our small and medium enterprises funding activities were channelled through two vehicles: our private equity subsidiary, First Funds Limited; and SME Managers. By the end of the last financial year, First Funds Limited had ₦6.099 billion under management, while SME Managers had ₦590 million under management, equal to a total disbursement of ₦6.689 billion from the Bank.

Distinguished shareholders, growth along this facet of our activity derives from the Bank's overall progress along its strategic path. Assured of the latter, we are committed to increasing disbursements under the scheme. As an evidence of our resolve, our Bank had at year-end accumulated ₦7.92 billion as reserves for the scheme, the largest such amount in the industry.

### 3.8. Branch Network & Customer Service Initiative

To further consolidate our dominance in the local market and position our brand as a beacon of leadership in the financial services industry, with the opening of 14 new business locations across the country, we continued with our branch expansion initiative. This brings the number of business locations on our network

## Managing Director's Review contd

to 408, one of the widest local footprints in the country.

A central attribute of the re-emergence of the branch as a growth engine, is the important role it plays in the customer acquisition/retention process. Our deliverable in this regard is to keep the cost of this process low, while forcefully driving market penetration. Our challenge is to seamlessly blend the cutting-edge technologies, which currently allow arms length service delivery with traditional branch banking. We have continuously focussed on building customer loyalty as the bridge to reaching out to mass retail customers.

Along with the possibilities offered by our ability to mass-customise our service/product offering, we are also concerned to increase the choice available to our customers, and their ease of access to our business locations.

### 3.9. Information Technology

Customer convenience remains the central thrust of our information technology applications implementation. But with the advent of newer more flexible applications, channel management concerns have moved to the fore. With customers becoming increasingly clear about what kind of service they require, and where they would want these services dispensed, service processes and delivery are centred on multiplying the choices before our customers. As a result, we are ceaselessly upgrading, up-scaling, and re-engineering our IT infrastructure with these goals in mind.

In furtherance of this process, we continued deploying ATMs across our branches nationwide to ease cash transactions and heighten customer experience: As at end-March 2007, the Bank had deployed 390 ATMs, leading the industry with a market share of 20.43% of total ATM transactions in Nigeria. To realise the Bank's strategy of continued service improvement, 300 additional units of automated teller machines (ATMs) approved by the Board of Directors are in the process of being deployed.

Other major IT projects initiated in the review period, and which are at different stages of implementation, include credit process automation, activation of the bank asset and liability management (BALM) software, automation of reconciliation, anti-money laundering (AML) reporting, and the acquisition of Finacle treasury module.

As at end-March 2007, all the Bank's business locations were on-line real-time, which further enabled us offer unparalleled customer interface.

**Staff acquisition, retention, and advancement policies remain firmly anchored on a continuing commitment to improving our "community's welfare"**

### 3.10. Manpower Development

As a lead investor in the country's human resource endowment – both in terms of meeting our own resource needs, and as part of a sustained capacity building initiative for the domestic economy – the new face of the industry presented a couple of new challenges in the last financial year. A competent, flexible workforce, deployable on a "need to use" basis across customer touch-points, demands a clear focus on execution at the tactical level that often appears in conflict with the longer-term horizon of our plans. That we have been able to conveniently meet this challenge is a testament to the robustness of our designated strategic path, the resilience of our structures, and most important, the utility of our legacy of investing in our people.



## Managing Director's Review contd

As usual, we were faithful to this legacy in the last financial year, as we sought a dynamic balance between the need to rejuvenate our workforce through injecting fresh hands at the entry level, and recruiting leading industry experts across our entire value chain. During the review period, the Bank recruited an additional 1,114 employees, comprising 715 executive trainees and 399 experienced hires. The Bank had total staff strength of 7,399 as at March 31, 2007. Of these, 12% were junior staff, 84% were senior staff and 4% were management staff.

Staff acquisition, retention, and advancement policies remain firmly anchored on a commitment to continuously improve our "community's welfare". At the heart of this policy is the concern to better our staff as drivers, both of higher levels of productivity, and of inclusiveness at every local level, where we maintain a business presence. In furtherance of these objectives, during the review period, the Bank's training and development function continued to be structured around the three components of job specific training, knowledge-based training, and self development. A total of 5,291 personnel participated in the various training modules, including both local and off-shore training, during the year ended March 2007, representing an increase of 31.9% over the figure for the corresponding period in 2006. In addition, the second Chief Executive Annual Merit Award (CAMA) held during the review period. Specifically, the Bank instituted the CAMA the previous year to reward excellence and performance.

### 3.11. Agricultural Business & SME Operations

With well over two-thirds of the populace engaged in agriculture and agro-allied work, and with agriculture contributing slightly under half of the gross domestic product (GDP), this sector is a potential growth driver for the economy. Recent data on the economy shows evidence of positive returns to the economy through strategic intervention in the agricultural sector, including indications that the non-oil sector has accounted for the bulk of economic growth in the last two years.

A recent major initiative aimed at accelerating growth in the agricultural sector was the Federal Government of Nigeria's decision to set up the Presidential Committee for the Financing of Agriculture (PCFA). This committee superintended the inauguration of the "Agricultural

Credit Support Scheme" (ACSS) which obliges banks and other development finance institutions to inject ₦50 billion in financing agricultural activities in the 2006 farming season.

Based on this project, by end-March 2007, we had received and processed applications for facilities worth ₦7.078 billion. Of this, ₦4.822 billion was approved, while ₦2.517 billion was disbursed. Consequently, the Bank's agricultural financing portfolio attained an all-time peak with a total approved limit of ₦8.37 billion during the year. Despite the long held perception of high industry risk in the agricultural sector of the economy, and the adverse impact of avian influenza in the 2006 financial year, 95% of total credit to the sector was performing. The size of the sector's contribution to GDP, its capacity for creating employment, especially in the rural areas, and its low loan loss/delinquency rates indicate agriculture and its allied activities as a major growth area of the economy.

### 3.12. Recognition & Awards

FirstBank's most consistent award throughout its long history is the market's unalloyed patronage of our services and products. A major consequence of this is the succession of formal recognition and awards, which the Bank earned in the review period. The most noteworthy of these awards celebrate the Bank's dominance of its various market segments, and include the USA based Global Finance magazine awards for Best Bank in Nigeria, 2006, Best Trade Finance Bank in Nigeria, 2006, and Best Foreign Exchange Bank in Nigeria, 2006; the Bankers' Committee awards for Best Bank in Export Sector Financing, 2006, and Best Bank in Real Sector Financing for 2006; and the Euromoney award for the African Industrial Deal of the Year Award (for participating in the US\$205 million project financing for UNICEM).

While defining the parameters of the Bank's continued profitable presence in the market, these awards prescribe a minimum service quality level. This unwritten service level agreement with our major stakeholders shall form the backdrop of our visioning and work over the next planning cycle.

## 4.0 Outlook For The 2008 Financial Year

The economic prospects for Nigeria remain good in the



## Managing Director's Review contd

short-to-medium term. Notwithstanding a couple of risks to the downside, the successful outcome of the 2007 general elections and the relatively smooth transition and hand-over of power to a new government have further improved the country's rating in the comity of nations. To this end, therefore, we expect increased foreign direct investment flows into the Nigerian economy, and continued liberalisation to propel a moderate growth rate of 6.5% in 2007 and 8% in 2008.

Interest rate stability, especially in the inter-bank market will result from the implementation of the New Monetary Policy Framework (the MPR). However, worries remain over the medium-term implementation of the MPR.

Ongoing reforms in the power sector may help lower the domestic cost of business, further exercising a moderating influence on the movement of domestic prices while lending rate to the real sector may go down.

Along with increased development of consumer products to take care of the retail segment of the market, intensive competition will remain the dominant feature of the banking industry. Recourse by banks to the primary market for additional funds might unfavourably alter return on investment ratios. Nonetheless, possibilities abound in the industry for banks to grow their outstanding shares and still post impressive results to justify investors' stake in the businesses.

Premised on its inherently competitive nature, and its long-term view of the industry's prospects, FirstBank's future is bright. We have implemented structures and solutions that would enhance our strategic growth options in an increasingly challenging business environment. We would continue to leverage our strengths and build competencies in profitable ventures both organically and inorganically, including deepening our technology deployment, in recognition of the fact that this is fast becoming the soul of our business. The recent capital raising exercise will be central to driving these growth objectives.

### 5.0 Conclusion

FirstBank remains well positioned even at this crucial turning point in the annals of the nation's financial services industry. Globalisation, radical improvements in

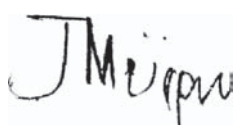
the management of the domestic economy, the new industry structure, and changes in the market outlook all contain within them in almost equal measure, opportunities and threats. To a considerable degree, we have built our strategic plans around the evolving scenarios. To the same extent, we have invested in the strategic business processes, needed to serve both the traditional needs of the market, and the emergent needs. We have invested in processes that help us sustain our ability to change and improve; and have regularly updated our understanding of our customer base, and the peculiarities of the different niches in this base.

**We at FirstBank have defined tomorrow's task today; and are currently implementing solutions thereto. Our promise is to remain true to our name by providing the best financial services possible.**

Challenges remain nonetheless. Just as cross-selling will be material to growing the revenue base that tomorrow's business will depend on, the biggest challenge will be how to integrate diverse systems into one efficient machine, conscious of the demands of its several components and able therefore to drive referrals according to need, without losing the capacity of each component to respond to local needs in real time. We at FirstBank have defined tomorrow's task today; and are currently implementing solutions thereto.

Our promise is to remain true to our name by providing the best financial services possible.

Thank you.



**J. M. Ajekigbe**  
Managing Director/Chief Executive

## Corporate Governance

### 1.0 Introduction

Since companies' corporate governance issues moved to the centre of popular discourse in the wake of the governance failures, which ushered in the new millennium, the nature of the ensuing debate has changed significantly. In part, a large measure of the worries that have been expressed around post-corporate governance issues in the country have arisen in the light of the fundamental restructuring of the country's economy. Reforms to the economy may have tilted the balance of operating risks to the upside; but at the same time, these changes to the structure and management of the economy have increased local businesses' vulnerabilities to regulatory and legislative risks. Organisations' reputations and the integrity of their brand promises are the two biggest corporate values at risk going forward.

At FirstBank, our internal discussions around these themes have focussed on the changes to the Bank's governance structure necessary to align it with the increasingly dynamic character of the country's financial markets, and the growing integration with global financial capital. This challenge is as much about how we can best protect minority shareholders as part of a larger process of legislative and regulatory reform, as it is about newer and higher disclosure levels that increase the Bank's local responsiveness across its large domestic footprint. It is equally about reconciling our reporting frameworks with the ongoing attempts to implement International Financial Reporting Standards around much of the world.

We have no doubt that the emergent governance dynamics will place renewed stress on increasing the scope of audit and other internal control and risk management activities within the Bank, while increasing both the depth and scale of public scrutiny of business practices. In anticipation of these changes, FirstBank has consistently focused on shareholders' rights, their role(s) in the management of the Bank, appropriate disclosure and transparency levels, as well as how to strengthen the board of directors in the exercise of its oversight responsibility.

We present in detail below, a statement of how we went about this responsibility in the last financial year.

### 2.0 Shareholding

With over 380, 000 shareholders, FirstBank is a public quoted company with a highly diversified ownership structure. The only shareholding in the ordinary shares of the Bank in excess of 5% of the issued shares is the 5.6% held by our pension managers, First Dependants Nigeria Ltd.

This wide pool of shareholders avails the Bank support from its highly diversified shareholders, often leveraging their vast experiences for guidance and service on the Board, and Board committees.

### 3.0 Governance Structure

#### 3.1. The Board

FirstBank's Board comprises a non-executive Chairman, and seven other directors, none of whom exercises any executive powers. These are complemented by seven executive directors, none of whom represents any particular shareholder interest nor holds any special business interest with the Bank. In total, the Bank has a 15-member board with 8 non-executive and 7 executive directors.

##### 3.1.1. The Roles of the Board

The Board is responsible to shareholders for creating and delivering sustainable shareholder value through its oversight of the Bank's business. In this respect, the roles of the Chairman and the Managing Director/Chief Executive are different and separate. The main responsibility of the Chairman is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. Non-executive directors, based on the breadth and depth of their knowledge and experience, are able to consider, challenge, monitor, and approve strategies and policies recommended by the MD/CE.

## Corporate Governance contd

In line with best practices, ongoing reforms to the Bank's corporate governance framework reach beyond the Board's obligation to provide strategic guidance to the Bank, and to effectively monitor management, to stress the need for local responsiveness by the Board. The key challenge in this regard is ensuring the Board's accountability to the Bank and its shareholders.

As representative of shareholders, the Board has delegated the responsibility for the day-to-day management of the Bank to the MD/CE, who is supported in this task by the Executive Committee, which he chairs.

Specifically, the roles of FirstBank's Board of Directors are:

- Determining the Bank's objectives and strategies as well as plans to achieve them;
- Determining the terms of reference and procedures of the Board Committees. The Board also reviews and approves the reports of such committees where appropriate;
- Maximising shareholder values through the setting of objectives, goals and strategic direction for management;
- 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, such that performance is measured against budget and plans;
- Approving, amongst others, acquisition, mergers, business combination, equity investments and new strategic alliances by the Bank and its subsidiaries;
- Ensuring that an effective risk management process exists and is maintained;

- Ensuring balanced and understandable reporting to shareholders; and
- Having ultimate responsibility for systems of financial, operational and internal control and regulatory compliance. It also ensures that statutory reporting of these is adequate.

### 3.2. Standing Committees

The Board carries out the above responsibilities through eight (8) standing committees whose terms of reference it reviews regularly. All committees have clearly defined terms of reference, which set out their roles, responsibilities, functions, scope of authority and procedures for reporting to the Board. The composition of the Board and the eight standing committees is shown in the table below while the roles and responsibilities of the committees are discussed thereafter.

## Corporate Governance contd

S/N	Committee	Members
1.	Board of Directors	Alhaji (Dr) U. A. Mutallab, CON (Chairman) Mr. Jacobs M. Ajekigbe (MD/CE) Executive Directors (6) Non-Executive Directors (7)
2.	Executive Committee (General)	Managing Director/Chief Executive (Chairman) Executive Directors (6)
3.	Executive Committee (Credit)	Managing Director/Chief Executive (Chairman) Executive Directors (6)
4.	Board Credit Committee	Prince Ajibola A. Afonja (Chairman) Managing Director/Chief Executive Executive Directors (6) Lt. Gen Garba Duba (Rtd) Mr. Oye Hassan-Odukale, MFR Mallam Abdullahi Mahmoud Mr. Oba A. Otudeko, OFR
5.	Board Tenders Committee	Dr. Udo Udo-Aka, MON (Chairman) Managing Director/Chief Executive ED (Banking Operations & Services) ED (Risk & Management Control) Lt. Gen Garba Duba (Rtd) Mallam Abdullahi Mahmoud
6.	Board Establishment Disciplinary & Promotion Committee	Mr. Oba A. Otudeko, OFR (Chairman) Managing Director/Chief Executive ED (Banking Operations & Services) ED (Lagos & West) Prince Ajibola A. Afonja Dr. Udo Udo-Aka, MON
7.	Audit Committee	ED (Banking Operations & Services) Mr. Oye Hassan-Odukale, MFR Lt. Gen. Garba Duba (Rtd) 3 representatives of shareholders elected annually at the Bank's AGM
8.	Board Audit & Risk Assessment Committee	Mallam Abdullahi Mahmoud (Chairman) ED (Banking Operations & Services) ED (North) ED (Risk & Management Control) Ex-Officio Mr. Oye Hassan-Odukale, MFR Dr. Udo Udo-Aka, MON
9.	Board Nomination & Remuneration Committee	Mr. Oba A. Otudeko, OFR (Acting Chairman) Managing Director/Chief Executive Lt. Gen Garba Duba (Rtd) Prince Ajibola A. Afonja

## Corporate Governance contd

### 3.2.1. Executive Committee (EXCO General)

The Committee meets fortnightly to deliberate and take policy decisions on the effective and efficient management of the Bank. It also serves as a filter for issues to be discussed at the Board. EXCO's primary responsibility is to ensure the implementation of strategies approved by the Board, provide leadership to the management team and ensure efficient deployment and management of the Bank's resources. Its Chairman is responsible for the day to day running of the Bank.

### 3.2.2. Executive Committee, Credit (EXCO Credit)

This committee considers loan applications above certain limits, which have received the concurrence of the Risk & Management Control Directorate. The committee also considers loan request above certain limits, which need to be referred to the Board, as well as changes in the Bank's credit policy.

### 3.2.3. Board Credit Committee

The committee considers loan applications above certain limits and which have been approved by EXCO Credit.

### 3.2.4. Board Tenders Committee

The Board Tenders Committee considers all capital projects above the approval limit of the Executive Committee (General) and makes recommendations for the consideration of the Board.

### 3.2.5. Board Establishment, Disciplinary & Promotions Committee

This committee considers staff matters in respect of senior officers on Principal Manager grade and above.

### 3.2.6. Audit Committee

Established in compliance with section 359 (6) of the Companies and Allied Matters Act, 1990, the

committee has oversight responsibility for the Bank's accounts.

### 3.2.7. Board Audit & Risk Assessment Committee

The Committee has oversight responsibility for the internal audit and control, risk assessment and compliance activities of the Bank. The Chief Internal Auditor and Chief Compliance Officer have access to this committee and make quarterly presentations for the consideration of its members.

### 3.2.8. Board Nomination & Remuneration Committee

This committee considers and periodically reviews the composition of the Board and recommends the appropriate mix, in terms of personal qualities, expertise, ability to exercise independent judgment and diversity required to discharge the Board's duties. It also determines and executes processes for board appointments, removal of non-performing members of the board, and recommends appropriate remuneration for directors.



#### 4.0 Board Meetings

The table below shows the frequency of meetings of the Board of Directors, board committees, and members' attendance at these meetings, during the year under review.

Directors	Board	Board Tenders Committee	Board Establishment, Disciplinary & Promotions Committee	Board Audit & Risk Assessment Committee	Board Nomination & Remuneration Committee	Audit Committee
Number of meetings	9	6	4	4	3	6
Alhaji U. A. Mutallab, CON	9	N/A	N/A	N/A	N/A	N/A
Mr. Jacobs M. Ajekigbe	9	5	4	N/A	3	N/A
Mr. John O. Aboh	9	6	4	3	N/A	5
Mrs. Bola Adesola	9	N/A	N/A	N/A	N/A	N/A
Prince Ajibola A. Afonja	9	N/A	4	N/A	3	N/A
Alhaji Aliyu A. Alkali, mni	7	N/A	N/A	N/A	N/A	N/A
Mr. Remi Babalola	9	N/A	4	N/A	N/A	N/A
Lt. Gen Garba Duba (Rtd.)	9	5	N/A	N/A	2	2
Mr. Oye Hassan-Odukale MFR	8	N/A	N/A	3	N/A	3
Mallam Abdullahi Mahmoud	9	6	N/A	4	N/A	N/A
Mr. Alex Otti	9	N/A	N/A	N/A	N/A	N/A
Mr. Oba Otudeko, OFR	9	N/A	4	N/A	3	N/A
Mr. Oladele Oyelola	9	N/A	N/A	2	N/A	N/A
Mr. Lamido Sanusi	8	4	N/A	3	N/A	N/A
Dr. Udo Udo-Aka, MON	9	6	3	2	N/A	N/A

## Corporate Governance contd

Without prejudice to the above, committee meetings may be convened whenever the need arises. Meetings of the Audit Committee, which is statutory and called only to consider audit reports are not scheduled as others.

### Support Committees

Five (5) standing committees provide strategic backing for the long-term professional management of the Bank. Some of the standing committees act as filtration on core issues for the Executive Committee and the Board of Directors. The committees and their composition are listed below:

#### Assets and Liabilities Management Committee

Managing Director/Chief Executive  
All Executive Directors  
Head, Corporate Planning & Group Coordination  
Head, Financial Control  
Head, Treasury  
Head, Budget & Performance Management  
Head, Market & Liquidity Risk

#### Information Technology Steering Committee

MD/CE	Chairman
All Executive Directors	Members
Head, Information Technology	Member
Chief Compliance Officer	Member
Head, Public Sector Abuja	Member
Business Development Manager, Apapa	Member
Head, Financial Control	Member
Chief Internal Auditor	Member
Head, Foreign Operations	Member
Head, Human Capital Management	Member
Head, Consumer Banking Products	Member
Head, Service Quality Management	Member
Head, Treasury	Member
Head, Domestic Operations	Member
Business Development Manager, Kano	Member
Group, Head Energy	Member
Head, Network & Communications Management	Member
Head, Cards & Channels	Member
Head, Applications Management	Member
Head, General Services	Member
Head, Data Centre	Member
Head, Western Union	Member
Business Development Manager, Port Harcourt	Member
Head, Budget & Performance Management	Member
Head, EDP Internal Audit	Member
Head, Applications Development	Member

## Corporate Governance contd

### Brand Transformation Project Steering Committee

ED, Lagos & West	Chairman
Head, Corporate Planning & Group Coordination	Member
Head, Brand Management	Member
Head, Financial Control	Member
Head, Image Management	Member
Head, Human Capital Management	Member
Head, General Services	Member
Branch Manager, Oke Arin	Member
Head, Service Quality Management	Member

### Finance & Operations Committee

Head, Corporate Planning & Group Coordination	Chairman
Representative of Corporate Banking SBU	Member
Head, Credit Risk Management	Member
Head, Consumer Banking Products	Member
Head, Domestic Operations	Member
Representatives of Regional Directorates	Members
Chief Internal Auditor	Member
Head, Treasury	Member
Head, Foreign Operations	Member
Head, Financial Control	Member
Chief Compliance Officer	Member

### Group Management Steering Committee

Managing Director/Chief Executive	Chairman
All Executive Directors	Members
Head, Corporate Planning & Group Coordination	Member
Head Financial Control	Member
Head, Budget & Performance Management	Member
Managing Directors of all the Subsidiaries	Members
Company Secretary	Member

### Shareholder Participation and Activism

The management of the Bank is constantly alert to its responsibility to shareholders and their right to full disclosure on developments in the Bank. It has, therefore, put in place structures for full disclosure and interaction with all stakeholders. It meticulously sent the mandatory financial statements to the Nigerian Stock Exchange on quarterly, half yearly and yearly basis. In addition, an extra-ordinary general meeting was held during the financial year. Furthermore, it maintains an interactive **website: [www.firstbanknigeria.com](http://www.firstbanknigeria.com)**, for access by all stakeholders and the public.

In furtherance of our observance of the CBN's Code of Corporate Governance for Banks, we engaged an external consultant, KPMG Professional Services to conduct an appraisal of the Board of Directors. The report is stated in the next section.



## **REPORT OF THE EXTERNAL CONSULTANT ON THE BOARD APPRAISAL**

We conducted the appraisal of the board of First Bank of Nigeria Plc (“the Bank”) for the year ended 31 March, 2007 in accordance with the standards set by the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks in Nigeria Post Consolidation (“the CBN Code”). Corporate governance is the system by which business corporations are directed and controlled to enhance performance and long term shareholder value.

The board’s mix, size and composition is in line with the guidelines required by the CBN Code. The number of non-executive directors exceeds that of the executive directors. The board members appear to possess the requisite business experience and are knowledgeable about financial matters. The roles of the chairman of the board and the managing director of the Bank are clearly defined and separated and the board chairman is not a chairman/member of any board committee. There is an on-going training and education program for all directors of the Bank.

During the year under review, the board and board committee meetings were held regularly on at least a quarterly basis. In each of these meetings, adequate quorum was formed and advance notice, agenda and board papers were sent to the board members prior to the meetings. The board is involved in formulating the overall corporate strategy for the Bank and organizes annual retreat to review and approve changes to the Bank’s strategy.

Based upon the appraisal of the board of directors, we proffered recommendations for improvement in the following areas: directors’ allowance, management succession plan, ‘whistle blowing’ procedures and disclosures in the audited financial statements.

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Lagos, Nigeria





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## Corporate Social Responsibility

The re-definition of the concept of social responsibility continued apace, in line with the growing recognition by more organisations of this concept's almost universal relevance to all aspects of their operations. Our culture at FirstBank demands critical engagement with all stakeholders, including host societies, shareholders, employees, regulators, and government. Consistent with the respective terms of this engagement, we define our social responsibilities to include voluntary actions executed outside of statutory requirements, and intended to positively impact various stakeholders.

By implication, therefore, the emphasis of the Bank's corporate social responsibility profile has significantly shifted from the traditional contribution to the various locales in which we operate to a multi-themed, multi-directional interaction with its stakeholders, managed to the mutual benefit of the parties involved. Over the years, the Bank has excelled in the discharge of its obligations within the traditional understanding of corporate social responsibility. However, rapid and ongoing changes in the Bank's socio-cultural context justified renewed focus on the integrity of our product development process, the robustness of our service delivery channels, appropriateness of our conduct across the different facets of our operations, and the nature of philanthropic activity that we support. Meeting the above social responsibility objectives involves wider constructive engagements with society. Based on this, in the review period, our core activities in the area of corporate social responsibility centred on education, health and welfare, arts & culture, sports, entrepreneurial development and community development.

### Education

The need for continuous engagement in meaningful interventions in the education sector to augment government's effort in maximising educational development for the public good cannot be overemphasised. Therefore, promoting education and improving the standard of education in Nigeria remain

major areas of our Bank's social responsibility. This commitment is manifest in our investment in education nationwide. The total value of the FirstBank Endowment Fund is ₦380 million in 15 professorial chairs in Nigerian universities. The value of the lowest endowment stands at ₦15.2 million, while the highest is ₦64.6 million.

The endowment fund programme had been previously reinforced with the provision of 6 Peugeot 406 cars worth ₦20.4 million, as utility vehicles to the professorial chairs at the Federal University of Technology, Akure (Computer Science), Bayero University, Kano (Paediatrics), Abubakar Tafawa Balewa University, Bauchi (Chemical Engineering), University of Agriculture, Makurdi (Agronomy), Uthman Dan Fodio University, Sokoto (Veterinary Medicine), and University of Maiduguri (Water Resources Engineering).

The strategic programmes to reinforce universities' endowment funds received a further boost with the procurement and installation of equipment at the cost of ₦22.4 million for the FirstBank Information Communication Technology Park at Ahmadu Bello University, Zaria, and ₦10.3 million for the multipurpose auditorium built at the Faculty of Agriculture, University of Ibadan, respectively. Besides, the Bank donated computers worth over ₦3 million to Ahmadu Bello University.

Also, as part of the strategic projects to boost the endowment funds, the construction of a ₦50 million Faculty of Dentistry block is ongoing at the University of Nigeria, Nsukka. Essentially, these programmes are packaged as a re-invigoration of the endowment scheme already running in these institutions.

To ameliorate transportation challenges facing Nigerian students, the Bank donated a 30-seat Toyota Coaster Bus valued at ₦7.3 million to Nnamdi Azikiwe University Awka and a 16-seat Toyota Hiace Bus valued at ₦3.7 million to the University of Jos.

In its effort to promote intellectual discourse among students, the Bank also continued with the organisation of the FirstBank Annual Undergraduate Essay

## Corporate Social Responsibility contd

Competition for students in all polytechnics and universities in Nigeria and FirstBank Annual Secondary School Quiz Competition, open to all secondary schools nationwide. Notably, two past winners of the Essay Competition were employed by the Bank in the period under review, in redemption of the Bank's usual offer of automatic employment to the top three winners of the competition.

As part of the Bank's programme to promote youth development, we have sustained the annual recruitment exercise through which an average of 650 fresh graduates are employed by the Bank in each exercise.

In aid of the continued quest for solutions to the challenge of educational development, the Bank provided ₦1 million in support of the 55th Annual Meeting of the West African Examination Council (WAEC) hosted by WAEC Nigeria in Abuja, and also supported the first National Youth Summit organised by Youth & Gender Network in Lagos to chart a proper course for Nigerian youths.

### Health & Welfare

During the review period, our Bank supported numerous causes to promote public healthcare and welfare. Most of these interventions were provided through collaborations with relevant professional bodies, NGOs and other corporate institutions. The "Arrive Alive Safety Initiative" in collaboration with Chevron-Texaco Nigeria Plc received a partnership support of ₦13 million. 60 Tricycles worth over ₦1.6 million were donated to Mobility Aid and Appliances Research and Development Centre (MAARDEC) for free distribution to indigent physically challenged Nigerians. The Bank assisted Miss Laretta Ugochi Ekeh, afflicted by Oropharyngeal soft tissue tumour, with ₦1 million to undergo reconstructive surgery abroad.

The Bank also sponsored various conferences and seminars that sought to improve the health and well-being of the people. Beneficiaries of this category of

sponsorships include the International Conference on Corporate Social Responsibility, organised by the Nigeria Network of the UN Global Compact, and the Nigerian Mothers Summit, which received support to the tune of ₦5 million each; International Policing Advisory Council (IPAC) Meeting hosted by the Nigerian Police; National Women Conference 2006; Breast Cancer Conference 2006; National Association of the Blind's fund raising dinner for construction of the association's national secretariat; workshop on Workplace Fire Safety Management; World AIDS Day Programme organised by the West African NGO Network (WANGONET); Permanent Vocational Centre of Millennium Hope Programme, Kaduna; and a workshop on Women Empowerment & HIV/AIDS organised by the Nigerian Association of the Blind, among other such gestures in the sector.

### Arts & Culture

Our Bank increased the level of its investment in promoting the arts and cultural heritage of Nigeria. ₦15 million was committed to sponsoring the Creative Academii Reality TV Show, executed in collaboration with the Cross River State Government. This first of its kind show focused on harnessing young talents in the artistic genres of photography, music, dance, and drama.

In December 2006, the Bank, in its usual collaboration with Western Union Money Transfer, sponsored the Benin Kingdom's Igue Festival. The Obi of Onitsha's 8th Ofala Festival was also supported by the Bank. Besides, the Bank contributed to environmental enhancement as we spent an additional ₦4 million on the Costain Roundabout beautification project.

### Sports

Our Bank continued to support sporting programmes nationwide in the review period. ₦5 million each was donated to the Gateway Games 2006 organised by the Ogun State Government, the Georgian Cup at the 2006 Kaduna International Polo Tournament, the Presidential Fund Raising/Recognition Dinner for Sport



## Corporate Social Responsibility contd

Development in support of Team Nigeria and as official bankers to the West African Polytechnic Games (WAPOGA) hosted by the Yaba College of Technology, Lagos respectively.

The Bank also sponsored the Special Olympic World Summer with ₦2.3 million, the Dala Hard Court Lawn Tennis Championship with ₦1.3 million, and the 45th Lagos Amateur Open Golf Championship with ₦2.7 million.

### Entrepreneurial and Economic Development

In keeping with our commitment to support the objectives of the National Economic Empowerment Development Strategy (NEEDS) and the States Economic Empowerment Development Strategy (SEEDS) programmes, the promotion of entrepreneurial and economic development received significant attention from the Bank. This support cut across regulatory agencies and governments, private sector industrial and professional bodies, trade associations, and NGOs.

The Bank donated ₦10 million each to the construction of the conference hall of the Nigerian Employers Consultative Association's (NECA) new national secretariat and the Institute of Directors' (IoD), Nigeria House Project. Sponsorships worth ₦10 million were also provided for the 12th Nigerian Economic Summit.

In its support for regulatory and law enforcement agencies, our Bank participated in a number of strategic initiatives. These include the International Conference on Financial Systems Strategy (FSS) 2020 (under the auspices of the Central Bank of Nigeria), ₦20 million; Gala Dinner for The Nigerian Stock Exchange Conference of Chief Executive Officers and Directors of Quoted Companies, ₦10 million; Anti-Money Laundering Compliance Stakeholders Summit organised by Datapro Limited in conjunction with EFCC and NFIU, ₦5 million; Bond summit organised by the Securities & Exchange Commission, ₦1 million; Nigerian Communication Commission's (NCC) participation at the Digital World African Conference,

₦5 million; The Nigerian Police for hosting of the International Policing Advisory Council (IPAC) Meeting, ₦5.2 million; and a contribution of ₦7.5 million to the Professional Recruitment Fund of the Federal Capital Territory Administration.

Some Chambers of Commerce also received ample support from the Bank through its sponsorship of the 30th Anniversary Annual Lecture, and Presidential Dinner respectively of the Nigerian-British Chamber of Commerce and the Franco-Nigeria Chamber of Commerce and Industry's business lunch.

Small and Medium Enterprises (SMEs) entrepreneurs were supported by the Bank through the sponsorship of a subsidised Business Leadership Workshop for Entrepreneurs organised with LEAP Africa, designed primarily as a "change management" campaign. It is expected that the insights gained from the series of workshops will challenge participants to make critical positive changes in the management of their organisations.

The Bank also sponsored the Nigerian Association of Small & Medium Enterprises (NASME) 2007 SME Awards for Excellence; 2007 Fellowship Investiture of The Chartered Institute of Bankers of Nigeria; Lagos Business School's 1st National Micro-Finance Stakeholder Conference; International Poultry Summit 2007 hosted by the Nigerian Poultry Association; 8th NASME International Conference, Exhibition & Awards Night; and Stakeholders Workshop on Consumer Credit Policy.

Other sponsorships of trade associations, private sector initiatives and NGOs include sponsorship of the 1st Nigerian Leadership Initiative Award Dinner; the 2nd Annual Anti-Money Laundering Seminar by Travelex; Gold sponsorship of the 2006 Annual Bankers Conference; Platinum sponsorship of Lagos Bankers Nite; Gala Night of the Association of Women Bankers; Women in Management and Business' (WIMBIZ) Annual Conference 2006; Financial Correspondents Association of Nigeria 2006 Workshop; Institute of Directors (IoD) Nigeria 2006 Annual Dinner & Dance;



## Corporate Social Responsibility contd

Presidential Committee on Agricultural Finance; 2006 French Week; International Renewable Energy Conference, Abuja; Lagos Millennium Group on the Environment's (LIMGE) 2-Day Participatory Strategic Workshop; Seminar on the Menace of Motorcycle Riders in Metropolitan Lagos organised by The Nigeria Police; and 2006 University of Lagos Alumni Dinner.

The Report of Directors lists additional donations and sponsorships made during the review period.

### Conclusion

In conclusion, we quote Gordon Brown, the British Prime Minister, who posits that "corporate social responsibility goes far beyond the old philanthropy of the past donating money to good causes at the end of the financial year and is instead an all year round responsibility that companies accept for the environment around them, for the best working practices, for their engagement in their local communities and for their recognition that brand names depend not only on quality, price and uniqueness but on how, cumulatively, they interact with companies' workforce, community and environment..." We will continue to impact meaningfully on the generality of our stakeholders in all possible ramifications. In pursuit of this goal, our Bank is in the process of establishing a foundation to be known as FirstBank Foundation that will focus on corporate social responsibility, with an even more structured approach to our various initiatives.

# Gallery

## Corporate Social Responsibility contd



A ₦50 million auditorium for the Faculty of Agriculture, University of Ibadan, built by First Bank as part of its Endowment Programme in Federal Universities.



Isuzu Patrol Van donated to the Lion Building Police Station, Lagos by FirstBank.



A 30 Seater Coaster bus donated to Tusy Children's School, Lekki (a special education centre) by FirstBank.



West Africa Polytechnic Games (WAPOGA Games) sponsored by FirstBank (Official Bankers) held in March, 2007 at Yaba College of Technology, Lagos.



One of the 60 tricycles donated by FirstBank to the Mobility Aids and Appliance Research and Development Centre (MAARDEC) for physically challenged people.

## Subsidiaries & Associates

FirstBank and its growing list of subsidiaries, make up one of the country's most integrated one-stop financial supermarkets. Its dominance of the Nigerian financial services industry has devolved round a myriad of competences that have seen the parent company (FirstBank) create one of the strongest commercial banking franchises in the country. The subsidiaries, on the other hand, are distinguishing themselves in the major financial segments of mortgage banking, capital market operations, funds management, insurance brokerage, trusteeship, registrarship, pension custodianship, etc. Specifically, the Bank has nine (9) subsidiaries, an associate company, and four affiliates.

### FBN Bank (UK) Ltd

FBN Bank (UK) Ltd ('FBNUK') is a wholly owned subsidiary of First Bank of Nigeria Plc, and a UK registered bank authorised by the Financial Services Authority to accept deposits and undertake banking business. It was incorporated in November 2002, when it absorbed the business of the erstwhile London Branch of First Bank of Nigeria Plc, which commenced business in the early eighties.

Initially established to service the London banking requirements of Nigerian companies and FirstBank, it has, since it commenced operations, developed into a much broader business and is now serving as the gateway to Europe and beyond for African companies and high net-worth individuals.

Unique amongst London banks, last year, FBNUK raised a 12 month syndicated loan of US\$42 million in the London market. This was the second successful market fundraising by the Bank. Services to corporate customers include the normal range of multi currency bank accounts plus a full trade finance suite of products. FBNUK also provides correspondent banking services to numerous African banks. These services range from simple payment, deposits, and foreign exchange requirements to advising and confirming of letters of credit.

Our customers can withdraw cash from our counter or at ATM machines in the UK and all customers can view their bank accounts and recent transactions anywhere in the world through the internet banking portal. Personal customers are also able to make low value payments across the internet.



**Peter Hinson**  
FBN Bank (UK) Ltd.

## Subsidiaries contd

### First Trustees Nigeria Ltd

First Trustees Nigeria Limited was incorporated as a wholly owned subsidiary of First Bank of Nigeria Plc in August 1979 to carry on a wide range of financial services and provide its customers wealth management solutions, which include trusteeship, portfolio and asset management services, investment & financial advisory services, management of endowment funds & trust assets, syndication, share warehousing and equity management services.

In the company's drive to create wealth, a variety of products have been designed to meet specific clients' needs. These include Children's Education Trust (CET) with a clientele base in excess of 200 across the nation and overseas, and Smart Personal Investment Initiative (SPRINT).

In the first quarter of 2007, First Living Trust (FILIT) was launched to address problems encountered by persons in sharing of inheritance. An equity portfolio management product named "GAIN" was also launched to satisfy clients' appetite for high return and moderate risk investment. First Trustees has offices in Abuja and Port Harcourt in addition to its head office in Lagos.



**Nana Dawodu**  
First Trustees Nigeria Ltd

### First Registrars Nigeria Ltd

First Registrars Nigeria Limited (FRNL) offers seamless registrar services to its stakeholders. Its corporate philosophy is based on a very simple principle "give the client value for his money"

In line with the above, it is constantly working towards upgrading and improving every aspect of its business activities with a view to remaining the registrar of first choice in Nigeria. Whether in architectural design, environmental ambience, or service delivery, its watchword is "continuous improvement". Hence, the company recently acquired new register administration software (E-stock), which further enhances its information technology capabilities.

During the year, the company added three liaison offices (Kano, Port Harcourt, and Enugu) to the existing one in Abuja. These are strategic locations across the country, which it hopes will bring it even nearer to its stakeholders that are spread all over the nation.

FRNL strives to be big enough to undertake the largest project possible, yet nimble enough to maintain total loyalty, intimacy and team spirit amongst management, staff and customers. This has contributed greatly to its success in managing a shareholder base of over 1.8 million shareholders, which is just a fraction of the installed capability of its state-of-the-art technology.



**Bayo Olugbemi**  
First Registrars Nigeria Ltd



## Subsidiaries contd

### FBN Insurance Brokers Ltd

FBN Insurance Brokers Limited, a fully owned subsidiary of First Bank of Nigeria Plc is one of the leading insurance brokerage companies in the country, providing a wide range of insurance services to clients in the general insurance and life assurance markets throughout Nigeria. FBN Insurance Brokers combine expert broking knowledge with capabilities for risk assessment, analysis, structuring and overall servicing that has resulted in increased insurance portfolios since it commenced business in July 1, 2000.

The firm also provides risk management, underwriting management and claims management in agriculture insurance services, energy & power - oil & gas insurance, fire insurance and special perils, burglary/housebreaking, fidelity guaranty, combined WCA (Insurance Act)/group personal accident, motor vehicle insurance, bank commercial and guarantee bonds, engineering & construction insurance, general third party liability insurance, public building insurance (Insurance Act 2004. S. 64 & S65.), and marine/aviation insurance - Hull & Cargo etc. It also provides customised solutions and services including risk assessment services, insurance portfolio management services, and on site services.

In the review year, FBN Insurance Brokers Limited fully automated its operations, implementing the most advanced insurance brokerage software in the industry. It also partners with and leverages the international expertise of HSBC Insurance Brokers Limited and Benfield Corporate Risks Limited to place capacity risks in the international market.



**Valentine Ojumah**  
FBN Insurance Brokers Ltd

### First Funds Ltd

Within its first four years of operation, First Funds Limited (FFL) has carved a niche for itself as a most credible option in financing small and medium enterprises in Nigeria. Having disbursed over N3.3 billion to 50 projects spread across 17 states of the federation, during the review period, the company won a number of awards and recognitions for its support to SMEs. Manufacturers Association of Nigeria (MAN), Success Digest Enterprises Awards (publishers of Success Digest), and Nigerian Association of Small and Medium Enterprises (NASME) successively honoured the company with, "The Most SME Friendly Bank Award".

FFL's core business is the provision of medium and long-term funds for SMEs. Entrepreneurs and enterprises that qualify for funding under the SMEEIS are provided with equity finance or venture capital funds or a combination of both. Beneficiaries of FFL's funding cut across diverse sectors of the economy, including Agro-allied, food processing and beverages, manufacturing, hospitality, health, and the service sector.



**Kayode Ayeni**  
First Funds Ltd

## Subsidiaries contd

Planet One, a giant in the Lagos hospitality and entertainment business; Total Health Trust Limited, a leading Health Maintenance Organization; Firm Farms Limited, a large poultry servicing the huge Nigerian market; and Digital Media, a high-tech compact disc manufacturing company are some of the projects funded by FFL. With the various projects supported by FFL, the venture capital company's investments will impact positively on the economy through job creation, improved health of citizens, infrastructure development and improved productivity of Nigerians.

### FBN Mortgages Ltd

FBN Mortgages focuses on delivering unparalleled mortgage banking services and products that reflect the dominance of its parent bank in the industry. The company's core offerings include banking services, home ownership mortgage account (HOMA), home bridging mortgage finance, project finance, national housing fund loan account, NHF bridging finance, easy rent account, and consumer finance.

In the review period, the company completed 12 units of 4 bedroom semi-detached houses with one room stewards' quarters each, known as FBN Mortgage Court within Carlton Gate Estate, Lekki, Lagos; 6 units of 5 bedroom semi-detached houses with one room stewards' quarters and laundry each at Lekki Phase one, Lagos; acquired 12 units of 3 bedroom flats at LSDPC Estate, Oko-Oba, Lagos; and is almost completing 16 units of 3 bedroom serviced apartments on Ademola Street, Ikoyi, Lagos by the waterfront. Additionally, on behalf of two estate developers, the company, accessed development loans totalling about ₦170 million from the Federal Mortgage Bank of Nigeria for the completion of two estates in Lagos and Abuja respectively.

The company also opened two branches (Abuja and Port Harcourt) as part of its vision of helping Nigerians actualise their dreams of owning houses.



**Mohammed K. Santuraki**  
FBN Mortgages Ltd

## Subsidiaries contd

### First Pension Custodian Nigeria Ltd

First Pension Custodian Nigeria Limited is a wholly owned subsidiary of First Bank of Nigeria Plc with fully paid capital of N2 billion. The company was incorporated on August 16, 2005 and granted operating licence by the National Pension Commission on December 8, 2005. Services offered by the company include pension contribution collection; pension payments to pensioners nationwide; cash management; settlement; safe custody of pension assets; portfolio valuation; disbursement of benefits; corporate action; and compliance monitoring assistance.

During the year under review, the company signed a landmark agreement with Shell Development Nigeria Limited as a closed pension fund administrator (CPFA) for custody of Shell employees' pension funds. These pension funds valued at N85 billion were taken over by First Pension Custodian between October and December 2006.

With Assets in Custody in excess of N140 billion as at end-March 2007, during the review period, First Pension Custodian also served as custodian to Exxon Mobil Nigeria Upstream Pension Trust (Defined Benefit Scheme) with assets in excess of N20 billion.

Unarguably, First Pension Custodian Limited is currently the largest Pension Fund Custodian (PFC) in the Nigerian Market. The company is presently aggressively pursuing a clearly articulated "Market Dominance Strategy".



**Stephen O. Onasanya**  
First Pension Custodian Nigeria Ltd

### FBN Capital Ltd

FBN Capital Limited, the investment subsidiary of FirstBank, is a derivative of the combination of the investment banking capabilities of former FBN (Merchant Bankers) LIMITED; MBC International Bank and erstwhile Corporate Finance Group of First Bank of Nigeria Plc. It is duly registered by the Securities and Exchange Commission (SEC) to carry on business as an Issuing House, Investment Adviser and Portfolio Manager.

FBN Capital provides the highest quality financial advisory services in mergers, business acquisitions, capital raising, asset/investment management and brokerage to middle and upper spectra of the economy.

It is a wholly-owned subsidiary of First Bank of Nigeria Plc and is positioned for market leadership in deal origination, execution and distribution. It leverages First Bank of Nigeria Plc to deliver strong underwriting capabilities and other solution-based, premium investment banking services.



**Bayo Adeleke**  
FBN Capital Ltd

## Subsidiaries contd

Within the last year, it consummated significant deals involving the packaging of a mutual fund, financial/privatization advisory, acting as issuing house for capital raising by companies in key sectors of the economy, as well as facilitating structured finance for landmark projects.

### FBN Bureau De Change Ltd

As part of the ongoing financial sector reforms in Nigeria and the need to ensure a sound and effective exchange rate policy in macroeconomic management, the Central Bank of Nigeria (CBN) liberalized the distribution of cash foreign currencies. The primary intent was to increase access of foreign exchange to small end-users and also develop the local foreign exchange operators Bureau de Change (BDCs).

Consequently, FirstBank identified the Bureau de Change business as being complementary to its existing business, and immediately commenced the operation of Bureau De Change (BDC) windows in its branches as part of the Bank's financial products. This was a transitional arrangement pending the approval of FBN Bureau de Change Limited. However, since the recent establishment of FBN Bureau de Change Limited, the subsidiary company operates nationwide leveraging FirstBank's strong brand equity and expansive network.

FBN Bureau de Change Limited offers a wide range of products/services under the product brand name "first exchange" which covers personal and business travel allowances, sale and purchase of foreign currencies, remittance of school fees abroad, payment of medical fees abroad, payment of life insurance premium and utility bills abroad, as well as, mortgage payment.

The subsidiary company has over 230 outlets spread over FirstBank branches.

### Associates and Affiliates

The Bank has an associate company (Kakawa Discount House) and five (5) affiliate companies as at March 31, 2007. The affiliate companies are: Consolidated Discount House, ValuCard, Banque International du Benin, Afrexim Bank and Nigerian Interbank Settlement System. Most of the companies are performing remarkably well and making expected contribution to the Bank's bottomline. Efforts at re-focussing Banque International du Benin is on course.



**Folorunsho O. Omosa**  
FBN Bureau De Change Ltd

## Report of Directors

For the year ended March 31, 2007

The Directors have pleasure in submitting to the members their report and audited financial statements of the Group for the year ended March 31, 2007.

1. Results	N'm	N'm
The Group profit attributable to ordinary shareholders for the year		18,383
Less: Appropriations:		
Transfer to statutory reserve	2,753	
Reserve for small scale industries	<u>918</u>	<u>(3,671)</u>
Retained profit transferred to general reserve		<u>14,712</u>

### 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) Limited, First Registrars Nigeria Limited, First Trustees Nigeria Limited, FBN Capital Limited and carry on the business of commercial banking, registrars, trusteeship and capital market respectively.

### 4. Business Review and Future Development

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 9 on pages 94 and 95. 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

- The names of the current directors are detailed on page 13.
- Alhaji Aliyu A. Alkali, mni was appointed as a Director on August 23, 2006. Alhaji Muhammadu Ibrahim, OFR retired from the Board on August 21, 2006. In accordance with the Company's Articles of Association, the following Directors, Mr Jacobs Ajekigbe, Mr Oba A. Otudeko, OFR, Dr. Udo Udo-Aka, MON, Mr Oye Hassan-Odukale, MFR and Prince Ajibola Afonja will retire by rotation and being eligible; offer themselves for re-election.



# Report of Directors contd

For the year ended March 31, 2007

## 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, CAP C20 LFN 2004 and Banks and Other Financial Institutions Act, CAP B3 LFN 2004. 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 ₦873.11 million be set aside out of general reserve to be capitalized by issuing one (1) ordinary share of 50 kobo to shareholders as bonus for every six (6) 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 March 31, 2007 are as follows:

## Report of Directors contd

		Ordinary shares of 50k each March 31	
		2007	2006
Mutallab, Umaru Abdul	(Direct)	9,568,630	4,784,315
	(Indirect)	168,714,870	84,357,435
Ajekigbe, Jacobs Moyo		5,963,340	2,981,670
Aboh, John Oche		4,561,146	1,820,396
Adesola, Harriet-Ann Omobolanle		2,732,830	686,600
Afonja, Ajibola Alarape		103,750	-
Babalola, Aderemi Waheed		627,860	228,419
Duba, Garba		7,376,598	3,688,299
Hassan-Odukale, Oye	(Direct)	140,002	70,001
	(Indirect)	25,117,008	13,501,918
Alkali, Aliyu Adamu		179,246	-
Mahmoud, Abdullahi		527,520	243,617
Otti, Alex C		578,802	49,366
Otudeko, Ayoola Oba	(Direct)	1,714,038	857,019
	(Indirect)	256,362,006	128,181,003
Oyelola, Oladele		861,012	71,352
Sanusi, Sanusi Lamido		626,632	313,316
Udo-Aka, Udo	(Direct)	3,095,282	1,547,641
	(Indirect)	<u>344,056</u>	<u>32,845</u>

None of the Directors has notified the Bank for the purposes of Section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004 of any discloseable interests in contracts in which the Bank was involved as at March 31, 2007.

### 10. Analysis of Shareholdings

- 1 The shares of the Bank at March 31, 2007 were fully owned by Nigerian citizens and associations.
- 2 As at March 31, 2007, only First Dependents 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 March 31, 2007 is as follows:

## Report of Directors contd

Range of holdings	No. of Shareholders	No. of Shares Holdings	%
1 - 1,000	77,122	35,908,120	0.34
1,001 - 5,000	151,580	394,815,763	3.77
5,001 - 10,000	55,197	399,706,724	3.81
10,001 - 50,000	71,433	1,490,859,080	14.23
50,001 - 100,000	10,523	733,816,933	7.00
100,001 - 500,000	8,151	1,618,234,844	15.45
500,001 - 1,000,000	965	666,911,976	6.37
1,000,001 - 5,000,000	699	1,403,522,127	13.40
5,000,001 - 10,000,000	74	496,286,081	4.74
10,000,001 - 50,000,000	63	1,357,994,496	12.96
50,000,001 - 100,000,000	10	617,626,816	5.89
100,000,001 - 999,999,999	7	1,261,655,816	12.04
<b>Grand Total</b>	<b>375,824</b>	<b>10,477,338,776</b>	<b>100.00</b>

### 11. Donations & Sponsorship

Donations made during the year amounted to ₦304.808m. The recipients were:

	₦'000
International Conference on Financial System Strategy (FSS) 2020 organized by Central Bank of Nigeria	20,000
Institute of Directors Nigeria House Project	10,000
University of Ibadan Auditorium	10,211
Gateway Games 2006	5,000
Professional Recruitments Fund Federal Capital Territory Admin	7,500
Sponsorship of Arrive Alive Safety Initiative Project Chevron-Texaco Nig Plc	13,000
Ahmadu Bello University, Zaria ICT Park Project	25,586
Condolence Support for the families of the victims of Nigeria Airforce Dornier 228-212 air crash	10,000
Creative Academy Reality TV Show	15,000
Kano State Economic Summit	3,500
Sponsorship of the 12th Nigerian Economic Summit	10,000
<b>Sub total</b>	<b>129,797</b>

## Report of Directors contd

	N'000
<b>Balance brought forward</b>	<b>129,797</b>
Sponsorship of the Oyo State Economic Summit	5,000
Sponsorship of the Special Olympic World Summer Games	2,378
Nigerian Mothers Summit	5,000
Sponsorship of the Georgian Cup at the 2006 Kaduna International Polo Tournament	6,000
Sponsorship of the 2006 Lagos Open Golf Championship	2,757
Sponsorship of 1st Nigerian Leadership Initiative Award	5,000
Chartered Institute of Stock Brokers 10th Annual Stockbrokers' Conference 2006	2,000
Sponsorship of the NEPAD Business Group Nigeria's 2nd International Business Conference	4,000
Nnamdi Azikwe University Awka	7,325
Donation towards Construction of Conference Hall of Nigerian Employers Consultative Assembly (NECA) New National Secretariat	10,000
University of Jos	3,700
The Nigerian Police Donation of Pick-Up Van for Security Patrol	2,877
Tusy International School Lekki, Lagos	7,300
West African Polytechnic Games Hosted by Yaba College of Technology, Yaba-Lagos	5,000
Nigerian Association of Small and Medium Enterprises 2007 SME Awards for Excellence	5,500
The Chartered Institute of Bankers of Nigeria	3,000
International Conference on Corporate Social Responsibility	5,000
Nigerian-British Chamber of Commerce	5,000
Pan-African Organization for Women Recognition	3,000
Stakeholders workshop on consumer credit policy	2,000
Nigerian Communication Commission (NCC) - Digital World African Conference	5,000
Sponsorship of International Policing Advisory Council (IPAC) Meeting	5,200
Anti-Money Laundering Compliance Stakeholders' Summit	5,000
Others	67,974
<b>Total</b>	<b>304,808</b>

# Report of Directors contd

For the year ended March 31, 2007

## 12. Employment And Employees

### 1 Employment of physically challenged persons

It is the policy of the Bank that there should be no discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop. As at March 31, 2007, twelve (12) physically challenged 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 March 31, 2007 which have not been adequately provided for or disclosed.

## 14. Audit Committee

Pursuant to Section 359(3) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the Bank has in place an Audit Committee comprising three shareholders and three directors as follows:



## Report of Directors contd

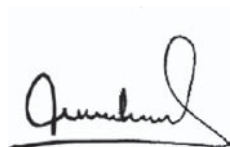
Alhaji Bashir A. Mohammed	-	Chairman/Shareholder
Mr. John O. Aboh	-	Executive Director
Mr. Chinwendu N. Achara	-	Shareholder
Chief Timothy A. Adesiyen	-	Shareholder
Lt. Gen. Garba Duba (Rtd)	-	Non-Executive Director
Mr. Oye Hassan-Odukale , MFR	-	Non-Executive Director

The functions of the Audit Committee are as laid down in Section 359(6) of the Companies and Allied Matters Act, C20 LFN 2004.

### 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, C20 LFN 2004.

A resolution will be proposed at the Annual General Meeting to authorize the directors to determine their remuneration.



**BY ORDER OF THE BOARD**

Tijjani M. Borodo  
Company Secretary  
35 Marina, Lagos  
Nigeria.

# Report of The Independent Joint Auditors

## To The Members of First Bank of Nigeria Plc

### Report on the Financial Statements

We have audited the accompanying financial statements of First Bank of Nigeria Plc as at March 31, 2007, set out on pages 76 to 114, which have been prepared on the basis of significant accounting policies on pages 76 to 80 and explanatory notes on pages 85 to 110

### Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20 LFN 2004, Statements issued by the Nigerian Accounting Standard Board and the Banks and Other Financial Institutions Act, CAP B3 LFN 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the Group and the Bank have kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act CAP C20 LFN 2004 and the Banks and Other Financial Institutions Act CAP B3 LFN 2004. The financial statements give a true and fair view of the financial position of First Bank of Nigeria Plc as at March 31, 2007, and of its financial performance and its cash flows for the year then ended in accordance with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board, relevant circulars issued by the Central Bank of Nigeria and relevant International Financial Reporting Standards.

# Report of The Independent Joint Auditors contd

## To The Members of First Bank of Nigeria Plc

### Report on Compliance with Banking Regulations

We confirm that our examination of loans and advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria.

Related party transactions and balances are disclosed in Note 41 to the financial statements in accordance with the Central Bank of Nigeria Circular BSD/1/2004.

### Contraventions

No contravention of the Bank and Other Financial Institutions Act CAP B3 LFN 2004 was brought to our attention during the audit of the financial statements for the year ended March 31, 2007.

*SKintola William Deloitte*



Chartered Accountants  
Lagos, Nigeria  
July 5, 2007

*PKF Pannell Kerr Forster*



Chartered Accountants  
Lagos, Nigeria  
July 5, 2007

## Report of The Audit Committee

In compliance with section 359(6) of the Companies and Allied Matters Act 1990, we have reviewed the Audit Report for the year ended March 31, 2007 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 July 10, 2007



**Alhaji Bashir A. Mohammed**  
Chairman, Audit Committee

### Members of The Committee

- Alhaji Bashir A. Mohammed
- Mr. John O. Aboh
- Mr. Chinwendu N. Achara
- Chief Timothy A. Adesiyun
- Lt. Gen. Garba Duba (Rtd)
- Mr. Oye Hassan-Odukale , MFR



## Accounting Policies

For the year ended March 31, 2007

The following are the significant accounting policies adopted by the Group 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

#### [i] Subsidiaries

The group financial statements incorporate the financial statements of the Bank and four of its wholly owned subsidiaries, FBN Bank (UK) Limited, FBN Capital Limited, First Trustees Nigeria Limited and First Registrars Nigeria Limited, all made up to March 31, 2007. The other subsidiaries whose results are considered immaterial have not been consolidated.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

#### [ii] Investments in Associated Company

Investments in associated company are carried on the balance sheet at cost. Profit and losses are eliminated to the extent of the Group's interest in the associated company.

#### [iii] Foreign Operations

The assets and liabilities of foreign entities are converted to Naira at the ruling exchange rates at the reporting date except for share capital and pre-acquisition reserve, which are translated at their historical rates. Income and expenses are translated to Naira using average rates.

### 3. Goodwill on Consolidation

Goodwill represents the excess of the purchase consideration over the fair value of the Group's share of the separable net assets of the legacy banks acquired. Goodwill arising on consolidation of legacy banks is accounted for in line with the provision of Schedule 2 Section 65 of Companies and Allied Matters Act CAP C20 LFN 2004.

### 4. Cash and Short-Term Funds

Cash and short-term funds comprise cash balances on hand, cash deposited with the Central Bank of Nigeria, cash deposited with other banks and financial institutions (local and foreign) other than the Central Bank of Nigeria. The Balance is stated less provision for doubtful balances.

# Accounting Policies contd

For the year ended March 31, 2007

## 5. Bills Discounted

Holdings in bills discounted (treasury bills) are stated at face value as it is the Bank's policy to hold these to maturity. Diminution in value of investments is noted in the financial statements.

## 6. Trading Securities

Trading securities comprise of government bonds and other securities.

- i Trading securities held for fixed redemption date are stated at cost.
- ii Dealing securities are stated at the lower of cost and market value.
- iii Premiums and discounts arising on purchase are amortized on the yield to redemption.

## 7. Investments

Investments are classified as short or long term investments. Investments intended to be held for over a period exceeding one year, which are either held to maturity or available for sale in response to needs for liquidity or changes in interest rates, exchange rates or equity prices are classified as long term investments. Debt and equity securities held for a period not exceeding one year are classified as short-term investments.

- i Quoted investments other than dated securities are stated at the lower of cost and market value.
- ii Unquoted investments are stated at cost less provision for doubtful investments.
- iii Dated securities are stated at cost.
- iv Investments in subsidiaries are stated at cost.

## 8. 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 as follows:

Interest and/or principal outstanding for:	Classification	Provision
More than 90 days but less than 180 days	Sub-standard	10%
180 days but less than 360 days	Doubtful	50%
360 days and over	Lost	100%

A general provision of 1% is made on all performing balances in line with the Prudential Guidelines of the Central Bank of Nigeria.

## Accounting Policies contd

For the year ended March 31, 2007

### 9. 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.

### 10. Advances Under Finance Lease

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

### 11. Fixed Assets

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

### 12. 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%

### 13. Foreign currencies

Transactions in foreign currencies are translated to 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.

### 14. Taxation

Income tax is provided on taxable profit at the current statutory rate.

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.

## Accounting Policies contd

For the year ended March 31, 2007

### 15. Borrowings

Borrowings are recorded at the proceeds received, plus direct issue costs. The capitalized direct issuing costs are amortized over the tenor of the underlying instrument.

### 16. Dividend

Proposed dividend for the year is recognized as a liability only when declared and approved by shareholders at the Annual General Meeting.

### 17. Retirement Benefits

Arrangements for retirement benefits for members of staff are based on the provisions of the Nigeria Pension Reform Act 2004, which is contributory. The matching contributions of 8.5% and 16.5% for staff and bank respectively are based on current salaries and eligible allowances and are charged to profit and loss account. Membership of the scheme is open to members upon confirmation of employment with the Bank.

Also, the Bank maintains the defined benefit plan scheme based on 16.5% and 8.5% contributions on current salaries and eligible emoluments by the bank and staff respectively for employees who are not covered under the Nigeria Pensions Act 2004.

### 18. Off Balance Sheet Engagements

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.

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 which is recognized as and when transactions are executed.

### 19. Income Recognition

#### i Interest Income and Interest Expense

Interest is accrued on daily balances on all assets and liabilities to which interest is applicable.

#### ii 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.



## Accounting Policies contd

For the year ended March 31, 2007

iii      **Investment Income**

This is recognized on an accrual basis and credited to the profit and loss account.

iv      **Lease Finance Income**

This is recognized on a basis that provides a constant yield on the outstanding principal over the lease term.

v      **Dividend Income**

This is recognized on actual basis and credited to the profit and loss account.

20.      **Provision**

Provision is recognized when the company has a present obligation whether legal or constructive as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in accordance with the Statement of Accounting Standard (SAS) 23.

# Directors

## Executive Directors



**Jacobs M. Ajekigbe**  
Managing Director/Chief Executive



**John O. Aboh**  
Banking Operations & Services



**Harriet-Ann O. Adesola**  
Corporate Banking



**Aderemi W. Babalola**  
Lagos & West Directorate



**Alex C. Otti**  
South Directorate



**Oladele Oyelola**  
North Directorate



**Sanusi L. Sanusi**  
Risk & Management Control

# Balance

## Balance Sheet

As at March 31, 2007

		The Group		The Bank	
	Notes	2007 N'm	2006 N'm * Restated	2007 N'm	2006 N'm * Restated
<b>Assets</b>					
Cash and short-term funds	2	61,822	50,992	60,881	49,444
Due from banks and other financial institutions	3	257,412	169,580	137,864	94,029
Bills discounted		159,832	108,316	159,832	108,316
Trading securities	4	75,847	-	71,477	-
Investments	5	59,038	60,875	64,048	63,729
Loans and advances	6	217,454	177,303	219,185	175,657
Advances under finance lease	7	3,043	1,701	3,043	1,701
Other assets	8	32,860	31,851	29,701	31,317
Fixed assets	9	17,296	14,222	16,850	13,952
Goodwill	10	-	1,984	-	1,984
<b>Total Assets</b>		<b>884,604</b>	<b>616,824</b>	<b>762,881</b>	<b>540,129</b>
<b>Liabilities</b>					
Deposit and current accounts	11	598,177	448,915	581,827	390,846
Due to other banks	12	85,015	323	14,448	323
Tax payable	13	7,372	5,142	5,710	4,148
Deferred taxation	14	2,672	2,746	2,671	2,751
Dividend payable	15	-	5,238	-	5,238
Other liabilities	16	85,884	90,183	58,773	75,843
Long-term borrowing	17	22,101	-	22,101	-
		<b>801,221</b>	<b>552,547</b>	<b>685,530</b>	<b>479,149</b>
<b>Capital And Reserves</b>					
Share capital	18	5,238	2,619	5,238	2,619
Share premium	19	15,858	15,858	15,858	15,858
Statutory reserve	20	13,452	10,699	13,452	10,699
Exchange difference reserve	21	4,066	3,343	2,836	2,836
General reserve	22	33,601	19,762	28,799	16,972
Bonus issue reserve	23	873	2,619	873	2,619
Reserve for small/medium scale industries	24	7,916	6,998	7,916	6,998
Core capital		81,004	61,898	74,972	58,601
Fixed assets revaluation reserve		2,379	2,379	2,379	2,379
Shareholders' funds		83,383	64,277	77,351	60,980
<b>Total Liabilities</b>		<b>884,604</b>	<b>616,824</b>	<b>762,881</b>	<b>540,129</b>
Contingent liabilities and other obligations on behalf of customers and customers' liability thereof	36	198,930	115,961	132,737	80,662

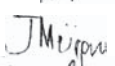
The financial statements on pages 76 to 114 were approved on 5th July, 2007 by the Board of Directors and signed on its behalf by:

Umaru Abdul Mutallab, CON



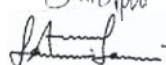
Chairman

Jacobs Moyo Ajekigbe



Managing Director

Sanusi Lamido Sanusi



Executive Director

The accounting policies on pages 76 to 80 and the notes on pages 85 to 110 form part of these financial statements.

\* See note 39

# Profit & Loss

## Profit & Loss Account

For the year ended March 31, 2007

		The Group		The Bank	
	Notes	2007 N'm	2006 N'm * Restated	2007 N'm	2006 N'm * Restated
Gross earnings		90,323	67,440	79,299	61,243
Interest earnings	25	58,431	40,743	51,245	37,218
Interest expense	26	(18,193)	(10,040)	(13,237)	(7,750)
Net interest income		40,238	30,703	38,008	29,468
Commissions and other income	27	31,892	26,697	28,054	24,025
Overheads	28	72,130	57,400	66,062	53,493
Provision for bad and doubtful accounts	29	(44,566)	(35,285)	(41,446)	(33,748)
		(2,006)	(3,985)	(2,519)	(3,617)
Profit on ordinary activities		25,558	18,130	22,097	16,128
Exceptional item	31	-	3,703	-	3,703
Profit before taxation after exceptional item	13	25,558	21,833	22,097	19,831
Current taxation	14	(5,266)	(3,720)	(3,822)	(3,038)
Deferred taxation		75	(730)	80	(740)
Profit after taxation		20,367	17,383	18,355	16,053
Amortisation of goodwill	10	(1,984)	(1,984)	(1,984)	(1,984)
<b>Profit attributable to ordinary shareholders</b>		<b>18,383</b>	<b>15,399</b>	<b>16,371</b>	<b>14,069</b>
<b>Dealt with as follows</b>					
Statutory reserve	20	2,753	2,408	2,753	2,408
Reserve for small scale industries	24	918	1,605	918	1,605
Dividend		-	5,238	-	5,238
General reserve	22	14,712	6,148	12,700	4,818
		<b>18,383</b>	<b>15,399</b>	<b>16,371</b>	<b>14,069</b>
<b>Earning per share (basic)</b>					
- Actual	30	1.75	2.94	1.56	2.69
- Adjusted	30	1.75	1.47	1.56	1.34

The accounting policies on pages 76 to 80 and the notes on pages 85 to 110 form part of these financial statements.

# Statement

## Statement of Cash Flows

For the year ended March 31, 2007

	Notes	The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
<b>Cash flows from operating activities</b>					
Interest earnings	25	58,431	40,743	51,245	37,218
Commission and other income		27,467	24,813	21,760	22,055
Lease income		436	411	436	411
Dividend received from associated company		214	-	192	86
Recoveries on loans previously written off		3,685	1,436	3,685	1,436
Interest expenses		(18,193)	(10,040)	(13,237)	(7,750)
Cash payment to employees and suppliers		(41,074)	(32,036)	(38,146)	(30,621)
Income tax paid	13	(3,119)	(3,436)	(2,260)	(2,989)
Operating profit before changes in operating assets and liabilities		27,847	21,891	23,675	19,846
<b>Changes in operating assets/liabilities</b>					
Loans and advances		(42,674)	(59,999)	(46,414)	(64,435)
Advances under finance lease		(1,356)	(422)	(1,356)	(772)
Other assets		(1,308)	12,435	1,359	(177)
Deposit and current accounts		149,262	117,042	190,981	125,791
Other liabilities		(4,466)	14,517	(17,261)	20,686
Exchange difference reserve		723	(614)	-	-
<b>Net cash from operating activities</b>	32	<b>128,028</b>	<b>104,850</b>	<b>150,984</b>	<b>100,939</b>
<b>Cash flows from investing activities</b>					
Net proceeds from sale of investments		-	6,563	-	6,563
Redemption of dated securities		11,938	434	11,938	434
Purchase of fixed assets	9	(6,616)	(3,908)	(6,266)	(3,830)
Proceeds on sale of fixed assets		79	103	74	100
Dividend received from subsidiaries		81	37	1,973	37
Purchase of investments		(84,886)	(41,203)	(82,903)	(41,203)
Bills discounted		(51,516)	(2,692)	(51,516)	(8,181)
<b>Net cash used in investing activities</b>		<b>(130,921)</b>	<b>(40,666)</b>	<b>(126,700)</b>	<b>(46,080)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		-	643	-	643
Dividend paid to shareholders	15	(5,238)	(6,325)	(5,238)	(6,325)
Inflow from long term borrowing	17	22,101	-	22,101	-
<b>Net cash used in financing activities</b>		<b>16,863</b>	<b>(5,682)</b>	<b>16,863</b>	<b>(5,682)</b>
Net increase in cash and cash equivalents		13,970	58,502	41,147	49,177
Opening cash and cash equivalents		220,249	161,747	143,150	93,973
<b>Closing cash and cash equivalents</b>	33	<b>234,219</b>	<b>220,249</b>	<b>184,297</b>	<b>143,150</b>



## Notes to the Financial Statements

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
1	<b>Legal form</b>				
	The Bank, which commenced operations in Nigeria in 1894 as 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.				
2	<b>Cash and short-term funds</b>				
	Cash	15,421	12,085	14,805	10,537
	<b>Balances with Central Bank of Nigeria</b>				
	Cash reserve requirement	13,118	16,307	13,118	16,307
	Current account	32,869	22,273	32,544	22,273
	Other account	414	327	414	327
		<u>61,822</u>	<u>50,992</u>	<u>60,881</u>	<u>49,444</u>
3	<b>Due from banks and other financial institutions</b>				
	In Nigeria	49,411	39,658	33,540	33,736
	Outside Nigeria (note 3.2)	<u>209,441</u>	<u>131,133</u>	<u>105,603</u>	<u>61,381</u>
		258,852	170,791	139,143	95,117
	Provision for doubtful accounts (note 3.1)	<u>(1,440)</u>	<u>(1,211)</u>	<u>(1,279)</u>	<u>(1,088)</u>
		<u>257,412</u>	<u>169,580</u>	<u>137,864</u>	<u>94,029</u>
3.1	<b>Provision for doubtful accounts</b>				
	At April 1	1,211	120	1,088	105
	Transfers arising from consolidation	20	-	-	-
	Reclassification from other assets	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>
		1,273	120	1,088	105
	Addition during the year	306	1,091	327	983
	Written back during the year	<u>(139)</u>	<u>-</u>	<u>(136)</u>	<u>-</u>
		167	1,091	191	983
	<b>Per profit and loss account (note 29) at March 31</b>	<u>1,440</u>	<u>1,211</u>	<u>1,279</u>	<u>1,088</u>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
3.2	Amount held on behalf of customers included in balances with other banks outside Nigeria are:				
	Deposit with FBN Bank (UK) Limited Vostro accounts	- 19,641	- 28,531	23,576 19,641	17,492 28,531
		<b>19,641</b>	<b>28,531</b>	<b>43,217</b>	<b>46,023</b>
4	<b>Trading Securities</b>				
4.1	Bond series				
	3rd FGN Bond Series 1 (15%)	800	-	800	-
	3rd FGN Bond Series 5 (14.5%)	500	-	500	-
	3rd FGN Bond Series 11 (12.5%)	840	-	840	-
	3rd FGN Bond Series 12 (12%)	2,200	-	2,200	-
	3rd FGN Bond Series 13 (12.99%)	100	-	100	-
	3rd FGN Bond Series 15 (10.98%)	600	-	600	-
	3rd FGN Bond Series 16 (11.99%)	500	-	500	-
	4th FGN Bond Series 1 (10.75%)	3,887	-	3,887	-
	4th FGN Bond Series 2 (9.5%)	9,583	-	9,583	-
	4th FGN Bond Series 3 (14.5%)	250	-	250	-
	FGN Contractor Bond (13.5%)	38,467	-	38,467	-
	FGN Pension Bond (12.5%)	13,750	-	13,750	-
		<b>71,477</b>	-	<b>71,477</b>	-
4.2	Dealing securities	4,420	-	-	-
	Provision for diminution in value (note 4.3)	(50)	-	-	-
		<b>4,370</b>	-	-	-
4.3	<b>Provision for diminution in value</b>				
	Transfers arising on consolidation	20	-	-	-
	Additions during the year (note 29) at March 31	30	-	-	-
		<b>50</b>	-	-	-
		<b>75,847</b>	-	<b>71,477</b>	-

# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
5	<b>Investments</b>				
5.1	Dated securities (Quoted)				
	<b>Maturing within 1 year</b>				
	- Federal Government Bonds	18,000	27,819	18,000	27,819
	Market value N18billion (2006 - N28billion)				
	- State Governments Bonds	1,416	623	1,200	416
	- Others	21	41	21	41
	<b>Maturing between 1 and 5 years</b>				
	- Federal Government Bonds	15,500	16,181	15,500	16,181
	Market value N15.5billion (2006 - N16billion)				
	- State Governments Bonds	-	1,200	-	1,200
	- Others	4,040	4,040	4,040	4,040
	<b>Maturing after 5 years</b>				
	- Federal Governments Bonds	7,500	-	7,500	-
	Market value N7.5billion				
		46,477	49,904	46,261	49,697
	Provision	-	(808)	-	(808)
		<b>46,477</b>	<b>49,096</b>	<b>46,261</b>	<b>48,889</b>
5.2	<b>Equities</b>				
a.	<b>(Quoted)</b>				
	Sundries [market value - N4.231billion]	563	1,626	34	34
	Provision	(37)	(256)	(4)	(25)
		526	1,370	30	9
b.	<b>(Unquoted)</b>				
	Vee Networks Limited	2,908	2,908	2,908	2,908
	Banque Internationale Du Benin, Cotonou	98	98	98	98
	Onwuka Hi-Tech Industry	5	5	5	5
	African Export-Import Bank, Cairo	10	10	10	10
	Consolidated Discounts Ltd	15	15	15	15
	ValuCard Nigeria Limited	186	186	186	186
	Nigeria Interbank Settlement System	52	34	52	34
	ATM Consortium Limited	59	59	59	59
		3,333	3,315	3,333	3,315
	Provision	(288)	(288)	(288)	(288)
		<b>3,045</b>	<b>3,027</b>	<b>3,045</b>	<b>3,027</b>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
5.3	<b>Associated company [Unquoted equity]</b>				
	Kakawa Discount House Limited	<u>74</u>	<u>74</u>	<u>74</u>	<u>74</u>
5.4	<b>Subsidiaries: [Unquoted equities]</b>				
	FBN Bank (UK) Limited	-	-	4,389	4,389
	FBN Capital	-	1,300	1,300	1,300
	First Pension Custodian Nigeria Limited	2,000	2,000	2,000	2,000
	First Trustees Nigeria Limited	-	-	23	23
	FBN Mortgages Limited	100	100	100	100
	FBN Insurance Brokers Nigeria Limited	15	15	15	15
	First Registrars Nigeria Limited	-	-	10	10
	First Funds Limited	<u>50</u>	<u>45</u>	<u>50</u>	<u>45</u>
		<u>2,165</u>	<u>3,460</u>	<u>7,887</u>	<u>7,882</u>
5.5	<b>Others</b>				
	<b>SMEEIS Investments</b>				
	<b>Through:</b>				
	SME Managers Limited	590	590	590	590
	Chase Executive Partners Limited	30	30	30	30
	Interswitch Limited	32	32	32	32
	First Funds Limited	<u>6,099</u>	<u>3,196</u>	<u>6,099</u>	<u>3,196</u>
		<u>6,751</u>	<u>3,848</u>	<u>6,751</u>	<u>3,848</u>
		<u>59,038</u>	<u>60,875</u>	<u>64,048</u>	<u>63,729</u>
5.6	The issuers of the industrial securities (quoted and unquoted) are as follows:				
	<b>Dated securities [Quoted]</b>				
	<b>Maturing within 1 year</b>				
	19% PZ Industries Floating	1	1	1	1
	Rate Debenture Stock 1997/2004	20	40	20	40
	Neimeth Int'l Debenture Stock 2004/2008	18,000	27,819	18,000	27,819
	Federal Government of Nigeria Bond	1,416	623	1,200	416
	State Government Bonds	<u>19,437</u>	<u>28,483</u>	<u>19,221</u>	<u>28,276</u>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

	The Group		The Bank	
	2007 N'm	2006 N'm	2007 N'm	2006 N'm
<b>Maturing between 1 &amp; 5 years</b>				
Neimeth Int'l Debenture Stock 2004/2008				
Floating Rate secured Cum Convertible				
Redeemable Mortgage Debenture stock	40	40	40	40
Tinapa Business Resort Limited	4,000	4,000	4,000	4,000
Federal Government of Nigeria Bond	15,500	16,181	15,500	16,181
State Government Bonds	-	1,200	-	1,200
<b>Maturing after 5 years</b>				
Federal Government Bonds	7,500	-	7,500	-
	27,040	21,421	27,040	21,421
Provisions	-	(808)	-	(808)
	27,040	20,613	27,040	20,613
	<b>46,477</b>	<b>49,096</b>	<b>46,261</b>	<b>48,889</b>

5.7 In the opinion of the Directors, the market value of the unquoted investments is not lower than cost.

5.8 Except for FBN Bank (UK) Limited, which was incorporated in the United Kingdom, all other subsidiaries were incorporated in Nigeria.

## 6 Loans and advances

### 6.1 Summary

Secured against real estate	37,750	33,548	36,326	33,548
Otherwise secured	181,102	154,026	180,488	153,889
Unsecured	5,680	4,098	9,374	2,567
Gross loans	224,532	191,672	226,188	190,004
Provision for doubtful accounts				
- General	(2,177)	(1,743)	(2,196)	(1,727)
- Specific	(4,266)	(9,100)	(4,194)	(8,782)
- Interest in suspense	(635)	(3,526)	(613)	(3,838)
Net loans	<b>217,454</b>	<b>177,303</b>	<b>219,185</b>	<b>175,657</b>



# Notes to the Financial Statements contd

For the year ended March 31, 2007

## 6.2 Analysis of loans and advances by quality

		2007		2006	
The Group		Gross Loans	Provision	Gross Loans	Provision
		N'm	N'm	N'm	N'm
6.2.1	<b>Non-performing</b>				
-	Sub-standard	382	38	2,414	241
-	Doubtful	2,938	1,469	5,093	2,547
-	Lost	2,758	2,758	3,448	3,448
-	Interest in suspense	635	635	6,390	6,390
	Performing	6,713	4,900	17,345	12,626
		217,819	2,178	174,327	1,743
	<b>Gross loans</b>	<b>224,532</b>	<b>7,078</b>	<b>191,672</b>	<b>14,369</b>

## 6.2.2 The Bank

<b>Non-performing</b>					
-	Sub-standard	382	38	2,414	241
-	Doubtful	2,938	1,469	5,093	2,547
-	Lost	2,687	2,687	5,994	5,994
-	Interest in suspense	613	613	3,838	3,838
	Performing	6,620	4,807	17,339	12,620
		219,568	2,196	172,665	1,727
	<b>Gross loans</b>	<b>226,188</b>	<b>7,003</b>	<b>190,004</b>	<b>14,347</b>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

	The Group		The Bank	
	2007 N'm	2006 N'm	2007 N'm	2006 N'm
<b>6.3 Provision for doubtful accounts</b>				
<b>General</b>				
At April 1	1,743	1,242	1,727	1,128
Transfers arising on consolidation	4	-	-	-
Charge for the year (note 29)	430	501	469	599
At March 31	2,177	1,743	2,196	1,727
<b>Specific</b>				
At April 1	9,100	30,313	8,782	27,340
Transfers arising on consolidation	78	-	-	-
Written off in the year	(7,005)	(24,988)	(7,005)	(24,988)
	2,173	5,325	1,777	2,352
<b>Arising on acquisition of</b>				
- FBN (Merchant Bankers) Limited	-	(645)	-	2,105
- MBC International Bank Limited	-	2,229	-	2,229
	2,173	6,909	1,777	6,686
Provision during the year	3,008	6,073	3,332	5,969
Recovered during the year	(915)	(3,882)	(915)	(3,873)
Charge for the year (note 29)	2,093	2,191	2,417	2,096
At March 31	4,266	9,100	4,194	8,782
<b>Interest</b>				
At April 1	3,526	6,390	3,838	4,370
Transfers arising on consolidation	24	-	-	-
Recovered during the year	(88)	(67)	(88)	(67)
	3,462	6,323	3,750	4,303
<b>Arising on acquisition of</b>				
-FBN (Merchant Bankers) Limited	-	(27)	-	2,305
-MBC International Bank Limited	-	120	-	120
Additions during the year	767	14,966	455	14,966
Written off during the year	(3,594)	(17,856)	(3,592)	(17,856)
At March 31	635	3,526	613	3,838
<b>Total at March 31</b>	<b>7,078</b>	<b>14,369</b>	<b>7,003</b>	<b>14,347</b>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
6.4	<b>Maturity profile of loans and advances</b>				
	On call	65,744	42,730	65,426	42,593
	Over 1 month but within 3 months	37,842	50,351	35,368	50,351
	Over 3 months but within 6 months	16,976	21,274	16,255	21,274
	Over 6 months but within 12	54,217	46,044	64,024	45,880
	Over 1 year but within 3 years	32,375	18,999	29,161	18,565
	Over 3 years but within 5 years	7,837	12,274	7,837	11,341
	Over 5 years	9,541	-	8,117	-
		<b>224,532</b>	<b>191,672</b>	<b>226,188</b>	<b>190,004</b>
6.5	<b>Analysis of loans and advances by nature</b>				
	Overdrafts	60,343	146,352	65,138	80,136
	Term loans	95,005	1,367	90,367	65,915
	Commercial papers	64,855	40,406	66,354	40,406
	Others	4,329	3,547	4,329	3,547
		<b>224,532</b>	<b>191,672</b>	<b>226,188</b>	<b>190,004</b>
6.6	<b>Insider-related credits</b>				
	Aggregate amount of insider related credits outstanding at year-end classified by performance:				
	Performing	8,327	13,541	8,327	13,541
	Non - performing (note 41)	48	40	48	40
		<b>8,375</b>	<b>13,581</b>	<b>8,375</b>	<b>13,581</b>
	The details of the non-performing accounts as shown above are analysed in note 41 to this financial statements in line with Central Bank of Nigeria Circular BSD/1/2004.				
7	<b>Advances under finance lease</b>				
	Gross investment	4,295	1,718	4,295	1,718
	Unearned Income	(1,221)	-	(1,221)	-
	Net investment [all performing]	3,074	1,718	3,074	1,718
	Provision for performing accounts (note 29)	(31)	(17)	(31)	(17)
		<b>3,043</b>	<b>1,701</b>	<b>3,043</b>	<b>1,701</b>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

	The Group		The Bank	
	2007 N'm	2006 N'm	2007 N'm	2006 N'm
<b>7.1 Provision for performing accounts</b>				
<b>General</b>				
At April 1	17	9	17	9
Charge for the year (note 29)	14	8	14	8
At March 31	<b>31</b>	<b>17</b>	<b>31</b>	<b>17</b>
<b>7.2 The investment in finance leases by maturity is</b>				
Over 3 months but within 6 months	129	-	129	-
Over 6 months but within 12 months	478	422	478	422
Over 12 months	2,467	1,296	2,467	1,296
	<b>3,074</b>	<b>1,718</b>	<b>3,074</b>	<b>1,718</b>
<b>7.3 Analysis of advances under finance lease by quality</b>				
Performing	<b>3,074</b>	<b>1,718</b>	<b>3,074</b>	<b>1,718</b>
<b>8 Other assets</b>				
<b>Impersonal accounts</b>				
Interbranch balances	56	8,178	91	8,679
Clearing	3,483	11,492	3,483	11,491
Prepayments	11,302	5,359	10,799	5,204
Others	10,306	4,601	8,876	4,145
Accrued income	4,256	1,628	3,715	1,260
Accounts receivable	5,270	2,142	4,465	2,009
	34,673	33,400	31,429	32,788
Provision for doubtful accounts (Note 8.1)	(1,813)	(1,549)	(1,728)	(1,471)
	<b>32,860</b>	<b>31,851</b>	<b>29,701</b>	<b>31,317</b>
<b>8.1 Provision for doubtful accounts</b>				
At April 1	1,549	2,119	1,471	1,986
Transfers arising on consolidation	7	-	-	-
Reclassified to due to banks and other financial institutions balance	(42)	-	-	-
Arising during the year (note 29)	299	32	257	-
Written off during the year	-	(602)	-	(515)
<b>At March 31</b>	<b>1,813</b>	<b>1,549</b>	<b>1,728</b>	<b>1,471</b>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

	Freehold Land and Buildings N'm	Leasehold Buildings N'm	Vehicles, Equipment & Others N'm	Total N'm
9 <b>Fixed assets</b>				
9.1 <b>The Group</b>				
a. Summary				
<b>Cost/valuation</b>				
At April 1	8,039	890	20,574	29,503
Exchange difference	11	-	28	39
Additions	1,756	331	4,529	6,616
Disposals	-	-	(417)	(417)
At March 31	9,806	1,221	24,715	35,742
<b>Depreciation</b>				
At April 1	1,121	187	13,973	15,281
Exchange difference	4	-	16	20
Charge for the year	159	22	3,311	3,492
Eliminated on disposals	-	-	(348)	(348)
At March 31	1,284	209	16,952	18,445
<b>Net book value</b>				
At March 31, 2007	<b>8,522</b>	<b>1,012</b>	<b>7,762</b>	<b>17,296</b>
At March 31, 2006	<b>6,918</b>	<b>703</b>	<b>6,601</b>	<b>14,222</b>
b. <b>Land and buildings comprise</b>				<b>Cost/ Valuation N'm</b>
Freehold				8,123
Under construction				1,683
Leasehold				9,806
				1,221
				<b>11,027</b>



# Notes to the Financial Statements contd

For the year ended March 31, 2007

	Freehold Land and Buildings N'm	Leasehold Buildings N'm	Vehicles, Equipment & Others N'm	Total N'm
<b>9 Fixed assets</b>				
<b>9.2 The Bank</b>				
a. Summary				
<b>Cost/valuation</b>				
At April 1	7,526	1,109	19,706	28,341
Exchange difference	-	-	(3)	(3)
Additions	1,952	112	4,202	6,266
Disposals	-	-	(400)	(400)
At March 31	9,478	1,221	23,505	34,204
<b>Depreciation</b>				
At April 1	988	192	13,209	14,389
Exchange difference	-	-	(1)	(1)
Charge for the year	148	22	3,130	3,300
Eliminated on disposals	-	-	(334)	(334)
At March 31	1,136	214	16,004	17,354
<b>Net book value</b>				
At March 31, 2007	<b>8,342</b>	<b>1,007</b>	<b>7,501</b>	<b>16,850</b>
At March 31, 2006	<b>6,538</b>	<b>917</b>	<b>6,497</b>	<b>13,952</b>
				<b>Cost/ Valuation N'm</b>
b. <b>Land and buildings comprise</b>				
Freehold				7,795
Under construction				1,683
				9,478
Leasehold				1,221
				<b>10,699</b>

## Notes to the Financial Statements contd

For the year ended March 31, 2007

- 9.3 Certain land and buildings (own premises only) with a net book value of ₦187.7 million were professionally valued at ₦1,183.7 million on December 31, 1990 by Messrs Jide Taiwo & Co. and Diya Fatimilehin & Co., Estate surveyors and valuers on the basis of open market value between a willing seller and buyer. The sum of ₦448.152 million was then recognised as revaluation reserve in the account.

During the year ended December 31, 1995, selected land and buildings (own premises only) including those revalued at December 31, 1990, were professionally revalued at ₦5,056.4 million by Messrs Jide Taiwo & Co. and Diya Fatimilehin & Co., Estate surveyors and valuers on the basis of open market value between a willing seller and buyer. In compliance with the Central Bank of Nigeria's guidelines on recognition of revaluation reserve on own premises, the sum of ₦1,931.150 million was incorporated in the account. This represents the revaluation surplus of ₦4,291.4 million discounted by 55%.

Revaluation of land and buildings is carried out at the discretion of the directors and it is considered as and when necessary.

	The Group		The Bank	
	2007 N'm	2006 Restated N'm	2007 N'm	2006 Restated N'm
10 Goodwill				
At April 1	1,984	-	1,984	-
Goodwill arising on consolidation [Restated]	-	3,968	-	3,968
Amortisation during the year	(1,984)	(1,984)	(1,984)	(1,984)
<b>At 31 March</b>	<b>-</b>	<b>1,984</b>	<b>-</b>	<b>1,984</b>

The merger with FBN (Merchant Bankers) Limited and MBC International Bank Plc with effect from January 1, 2006 resulted into a goodwill of ₦3.968 billion. In line with the Central Bank of Nigeria guideline on the issue, the amount was written off against the share premium arising from the same transaction. However, the Nigerian Accounting Standards Board (NASB) advised that the goodwill should be charged into profit and loss account. Following this development, upon consultation with NASB the board decided to charge the amount over two years in equal proportion in 2006 and 2007.

# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
11	<b>Deposit and current accounts</b>				
11.1	Summary				
	<b>In Nigeria</b>				
	Demand	291,565	195,274	291,565	195,274
	Savings	154,645	128,236	154,645	128,236
	Time	140,046	67,336	135,617	67,336
		<u>586,256</u>	<u>390,846</u>	<u>581,827</u>	<u>390,846</u>
	<b>Outside Nigeria</b>				
	Demand	5,581	5,220	-	-
	Time	6,340	52,849	-	-
		<u>598,177</u>	<u>448,915</u>	<u>581,827</u>	<u>390,846</u>
11.2	The deposit liabilities maturity profile is as follows:				
	On demand	278,874	328,730	273,293	323,510
	Under 3 months	98,115	86,327	91,795	33,478
	3 - 6 months	84,214	21,307	78,265	21,307
	6 - 12 months	86,146	10,161	87,646	10,161
	Over 12 months	50,828	2,390	50,828	2,390
		<u>598,177</u>	<u>448,915</u>	<u>581,827</u>	<u>390,846</u>
12	<b>Due to other banks</b>				
	In Nigeria	33,800	313	1,819	313
	Outside Nigeria	51,215	10	12,629	10
		<u>85,015</u>	<u>323</u>	<u>14,448</u>	<u>323</u>
13	<b>Tax payable</b>				
13.1	Per profit and loss account				
	Income tax:				
	Based on profit of the year	4,969	3,449	3,550	2,787
	Education tax	328	271	272	251
	Prior year under-provision	(31)	-	-	-
		<u>5,266</u>	<u>3,720</u>	<u>3,822</u>	<u>3,038</u>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
13.2	<b>Per balance sheet</b>				
	Income tax:				
	At April 1	5,142	4,758	4,148	3,954
	Based on profit of the year	5,266	3,720	3,822	3,038
	Arising on consolidation/ acquisition	83	100	-	145
		<u>10,491</u>	<u>8,578</u>	<u>7,970</u>	<u>7,137</u>
	Payments during the year	(3,119)	(3,436)	(2,260)	(2,989)
	<b>At March 31</b>	<u><b>7,372</b></u>	<u><b>5,142</b></u>	<u><b>5,710</b></u>	<u><b>4,148</b></u>
The charge for taxation in these accounts is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended and the Education Tax Act, CAP E4 LFN 2004.					
14	<b>Deferred taxation</b>				
	At April 1	2,746	2,089	2,751	2,010
	Arising on consolidation	1	1	-	1
	Elimination on acquisition	-	(74)	-	-
	Arising during the year	(75)	730	(80)	740
	<b>At March 31</b>	<u><b>2,672</b></u>	<u><b>2,746</b></u>	<u><b>2,671</b></u>	<u><b>2,751</b></u>
15	<b>Dividend</b>				
15.1	Proposed for the year per profit and loss account and balance sheet	<u>-</u>	<u><b>5,238</b></u>	<u>-</u>	<u><b>5,238</b></u>

In respect of the current year, the Directors proposed that a dividend of 100 kobo per ordinary share will be paid to shareholders. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Dividend to shareholders is now accounted for on the date of declaration as they do not meet criteria of present obligation in Statement of Accounting Standard 23. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose names appear in the Register of Members at closure date. The gross dividend to be paid is N10.50 billion.

## 15.2 Change of accounting policy

Previously, proposed dividend declared after the balance sheet date were presented in the financial statement as current liabilities. Following the adoption of SAS 23 (see note 15), the current year's proposed dividend will only be recognised when approved and declared by the shareholders at the Annual General Meeting. Had the change in accounting for dividend not been made, dividend would have been appropriated in the current year and retained earnings transferred to reserves would have been lower by N10.50billion.

# Notes to the Financial Statements contd

For the year ended March 31, 2007

	The Group		The Bank	
	2007 N'm	2006 N'm	2007 N'm	2006 N'm
<b>16 Other liabilities</b>				
Payable and transfers	33,605	16,027	14,313	15,778
Provisions and accruals	2,430	3,787	1,760	3,185
Provision for frauds and losses	1,816	1,464	1,816	1,464
Unearned discounts	5,615	82	5,348	48
Provision for off balance sheet engagements	17	17	17	17
Retirement benefits obligation (note 16.1)	229	5	189	55,351
Others (note 16.2)	42,172	68,801	35,330	-
	<b>85,884</b>	<b>90,183</b>	<b>58,773</b>	<b>75,843</b>
<b>16.1 Retirement benefits obligation</b>				
At April 1	5	-	-	-
Transfers arising on consolidation	10	-	-	-
Charge during the year	1,602	1,507	1,559	1,472
Payment to PFA's/Trustees	(1,384)	(1,502)	(1,370)	(1,472)
Repayment to Staff	(4)	-	-	-
At March 31	<b>229</b>	<b>5</b>	<b>189</b>	<b>-</b>
<b>16.2 Others comprise</b>				
Vostro balances	19,641	28,531	19,641	28,531
Uncleared effects	1,480	10,255	1,480	10,255
Impersonal items	21,051	30,015	14,209	16,565
	<b>42,172</b>	<b>68,801</b>	<b>35,330</b>	<b>55,351</b>
<b>17 Long-term borrowing</b>				
Long term borrowings comprise:				
Due to FBN Capital Finance Company, Cayman Island	22,101	-	22,101	-

The amount of N22.1 billion (USD 175 million) represents dollar notes issued by FBN Capital Finance Company, Cayman Island on March 30, 2007 for a period of 10 years. Interest on the notes is payable at 9.75% per annum.



# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
18	<b>Share capital</b>				
18.1	Authorised: 20,000,000,000 (2006 - 6,000,000,000)ordinary shares of 50k each	<u>10,000</u>	<u>3,000</u>	<u>10,000</u>	<u>3,000</u>
18.2	<b>Allotted, called up and fully paid</b>				
	Ordinary shares of 50k each:				
	At April 1	2,619	1,976	2,619	1,976
	<b>Arising during the year</b>				
-	Rights issue on shares	-	22	-	22
-	Bonus issues:				
-	Transfer from bonus issue reserve (note 23)	2,619	494	2,619	494
-	Arising on shares	-	9	-	9
-	Arising on acquisition of FBN (MB) Limited	-	34	-	34
	<b>New issues arising on consolidation of</b>				
-	FBN (Merchant Bankers) Limited	-	20	-	20
-	MBC International Bank Limited	-	64	-	64
	<b>At March 31</b>	<u>5,238</u>	<u>2,619</u>	<u>5,238</u>	<u>2,619</u>

At the Annual General Meeting of the Bank held on August 24, 2006, members approved an increase in the authorised share capital from 6billion to 20billion ordinary share of 50 kobo each ranking in all respects pari-passu with the existing shares of the company.

19	<b>Share premium</b>				
	At April 1	15,858	Restated 10,076	15,858	Restated 9,784
	Arising during the year	-	-	-	-
	Arising from the rights issue	-	770	-	770
	Arising on acquisition	-	2,743	-	2,743
	Adjustment on subsidiaries	-	(292)	-	-
		15,858	13,297	15,858	13,297
	Adjustments (note 39):				
	Bonus to shareholders as part of the scheme of merger	-	34	-	34
	Post acquisition profit in FBN MB	-	(1,441)	-	(1,441)
	Goodwill	-	3,968	-	3,968
	<b>At March 31</b>	<u>15,858</u>	<u>15,858</u>	<u>15,858</u>	<u>15,858</u>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

	The Group		The Bank	
	2007 N'm	2006 Restated N'm	2007 N'm	2006 Restated N'm
<b>20 Statutory reserve</b>				
At April 1	10,699	8,950	10,699	8,291
Adjustment for statutory reserve in respect of FBN (Merchant Bankers) Limited	-	(659)	-	-
Appropriation from the profit and loss account	2,753	2,408	2,753	2,408
<b>At March 31</b>	<b>13,452</b>	<b>10,699</b>	<b>13,452</b>	<b>10,699</b>
The appropriation for the year represents 15% of profit after tax of the Bank in accordance with Section 16 of the Banks and Other Financial Institutions Act, CAP B3 LFN 2004.				
<b>21 Exchange difference reserve</b>				
At April 1	3,343	3,957	2,836	2,836
Movement during the year	723	(614)	-	-
<b>At March 31</b>	<b>4,066</b>	<b>3,343</b>	<b>2,836</b>	<b>2,836</b>
Exchange difference reserve is an account, into which gain/loss arising on translation of foreign currency into Naira, of the Head Office investment in London Branch are credited into.				
<b>22 General reserve</b>				
At April 1 as previously stated	19,762	15,358	16,972	13,519
Reserve for bonus issue (note 18)	(873)	(2,619)	(873)	(2,619)
<b>Prior year adjustment in respect of</b>				
- Bonus issue	-	(9)	-	(9)
- Dividend thereon	-	(144)	-	(144)
Adjustment for reserve of subsidiary	-	(379)	-	-
Transfer of dividend brought forward	5,238	-	5,238	-
Dividend paid	(5,238)	-	(5,238)	-
Bonus to shareholders as part of the scheme of merger (Note 39)	-	(34)	-	(34)
Post acquisition profit in FBN (MB) (Note 39)	-	1,441	-	1,441
Retained profit for the year	14,712	6,148	12,700	4,818
<b>At March 31</b>	<b>33,601</b>	<b>19,762</b>	<b>28,799</b>	<b>16,972</b>

- 22.1 In accordance with SAS 23, proposed dividends no longer qualify to be recognised in the financial statements as they do not constitute present obligations of the Company since they are usually proposed and declared after balance sheet date. Therefore, proposed dividend for 2007 has been shown as note 15 to the financial statements and the paid dividend with the corresponding liability has been transferred to general reserve (note 22).

# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 Restated N'm	2007 N'm	2006 Restated N'm
23	<b>Bonus issue reserve</b>				
	At April 1	2,619	494	2,619	494
	Transfer from the general reserve	873	2,619	873	2,619
	Utilised for bonus issue (note 18)	(2,619)	(494)	(2,619)	(494)
	<b>At March 31</b>	<b>873</b>	<b>2,619</b>	<b>873</b>	<b>2,619</b>

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
24	<b>Reserve for small / medium scale industries</b>				
	At April 1	6,998	5,536	6,998	5,393
	Transfer from profit and loss account	918	1,605	918	1,605
	Adjustment for SMEEIS in respect of FBN (Merchant Bankers) Limited		31		
	Elimination on acquisition of FBN (MB) Ltd	-	(174)	-	-
	<b>At March 31</b>	<b>7,916</b>	<b>6,998</b>	<b>7,916</b>	<b>6,998</b>

This is computed at 5% (2006-10%) of profit after tax in accordance with Central Bank of Nigeria Guideline. As at March 31, 2007, the Group has invested the sum of ₦6.099billion (March 31, 2006 - ₦3.196 billion) in SMEEIS through First Funds Limited (see note 5.5).

25	<b>Interest earnings</b>				
	<b>Bank sources</b>				
	- Placement with local banks	1,373	1,018	1,373	1,018
	- Treasury bills	18,916	13,536	18,916	13,536
	- Interest on Federal and State Govt Bonds	9,438	3,352	9,438	3,352
		29,727	17,906	29,727	17,906
	<b>Non-Bank source</b>				
	- Interest on loans and advances	28,704	22,837	21,518	19,312
		<b>58,431</b>	<b>40,743</b>	<b>51,245</b>	<b>37,218</b>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
26	<b>Interest expenses</b>				
	<b>Non-Bank sources</b>	6,240	3,076	1,657	786
-	Demand	7,397	4,149	7,024	4,149
-	Time deposits	3,419	2,749	3,419	2,749
-	Savings	1,137	66	1,137	66
-	Domiciliary				
		<b>18,193</b>	<b>10,040</b>	<b>13,237</b>	<b>7,750</b>
27	<b>Commissions and other income</b>				
	Commissions and charges	22,587	17,445	18,076	16,339
	Foreign exchange income	2,289	1,202	1,619	1,026
	Dividend	295	87	2,165	129
	Investment income	443	4,412	443	3,370
	Lease income	436	411	436	411
	Profit on sale of fixed assets	9	-	8	-
	Recoveries on loans previously written off	3,685	1,436	3,685	1,436
	Commissions on Western Union transactions	1,485	1,314	1,485	1,314
	Exchange gain	137	-	137	-
	Sundry income	526	390	-	-
		<b>31,892</b>	<b>26,697</b>	<b>28,054</b>	<b>24,025</b>
28	<b>Overheads</b>				
28.1	<b>Operating expenses</b>				
	Charges and expenses	37,466	29,750	34,538	28,335
	Depreciation on fixed assets (note 9)	3,492	3,217	3,300	3,094
	Premium on insurance of deposit liabilities	3,356	2,286	3,356	2,286
	Stamp duty	252	-	252	-
	Loss on disposal of fixed assets	-	32	-	33
		<b>44,566</b>	<b>35,285</b>	<b>41,446</b>	<b>33,748</b>
28.2	<b>Charges and expenses</b>				
	<b>This is stated after charging /(crediting)</b>				
	Directors' emoluments	516	135	145	106
	Depreciation of fixed assets (note 9)	3,492	3,217	3,300	3,094
	Profit on sale of fixed assets	(9)	-	(8)	-
	Bank's contribution to retirement benefits	1,602	1,507	1,559	1,472
	Exchange gain	(137)	-	(137)	-
	<b>Auditors' remuneration</b>				
-	Nigeria operations	50	41	36	36
-	UK operations	21	20	-	-

# Notes to the Financial Statements contd

For the year ended March 31, 2007

	The Group		The Bank	
	2007 N'm	2006 N'm	2007 N'm	2006 N'm
29 <b>Provision for bad and doubtful accounts</b>				
<b>Loans and advances</b>				
- General (note 6.3)	430	501	469	599
- Specific (note 6.3)	2,093	2,191	2,417	2,096
Other assets (note 8.1)	299	32	257	-
Due from banks and other financial institutions (note 3.1)	167	1,091	191	983
Trading securities	30	-	-	-
Investments (note 5)	(1,027)	162	(829)	(69)
Advances under finance lease (note 7.1)	14	8	14	8
	<b>2,006</b>	<b>3,985</b>	<b>2,519</b>	<b>3,617</b>
30 <b>Earnings per share (Basic)</b>				
Earnings per share is calculated on the profit after taxation and the number of ordinary shares issued and paid up at March 31 of every year.				
31 <b>Exceptional item</b>				
This represents profit derived on part disposal of shares in Vee Networks Nigeria Limited (Celtel).				
32 <b>Reconciliation of net cash provided by operating activities</b>				
Profit after tax	18,383	15,399	16,371	14,069
<b>Adjustments to reconcile profit after tax to net cash provided by operating activities</b>				
Depreciation of fixed assets	3,492	3,217	3,300	3,094
Provision for bad and doubtful accounts	2,006	3,985	2,519	3,617
Provision for deferred taxes	(75)	730	(80)	740
Amortization of goodwill	1,984	1,984	1,984	1,984
Decrease in taxes payable	2,147	284	1,562	49
Exceptional income	-	(3,703)	-	(3,703)
(Profit)/loss on disposal of fixed assets	(9)	32	(8)	33
Dividend received from subsidiaries	(81)	(37)	(1,973)	(37)
Changes in assets and liabilities				
Increase in loans and advances	(42,674)	(59,999)	(46,414)	(64,435)
Increase in other assets	(1,308)	12,435	1,359	(772)
Increase in advances under finance lease	(1,356)	(422)	(1,356)	(177)
Increase in deposit and other current accounts	149,262	117,042	190,981	125,791
Increase / (decrease) in other liabilities	(4,466)	14,517	(17,261)	20,686
Exchange difference reserve	723	(614)	-	-
<b>Net cash flow from operating activities before changes in operating assets</b>	<b>128,028</b>	<b>104,850</b>	<b>150,984</b>	<b>100,939</b>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
33	<b>Cash and cash equivalents</b>				
	Cash and short-term funds	61,822	50,992	60,881	49,444
	Due from other banks and financial institutions	257,412	169,580	137,864	94,029
	Due to other banks	(85,015)	(323)	(14,448)	(323)
		<u>234,219</u>	<u>220,249</u>	<u>184,297</u>	<u>143,150</u>
34	<b>Chairman's and Directors' emoluments</b>				
34.1	Emoluments				
	Fees				
	Chairman			3.43	0.40
	Other Directors			12.45	1.90
				<u>15.88</u>	<u>2.30</u>
	Emoluments as Executives			129.57	103.50
				<u>145.45</u>	<u>105.80</u>
	Highest paid Director			<u>19.50</u>	<u>15.11</u>
34.2	The fees attributable to directors of the parent company serving on the boards of the subsidiaries amounting to <del>N</del> 438,750 (March 31, 2006: <del>N</del> 600,400) have been paid over and included in the income of the parent company.				
34.3	The number of Directors excluding the Chairman, whose emoluments were within the following ranges were:				
				2007 Number	2006 Number
	N1,400,001 - N1,900,000			-	7
	N1,900,001 and above			15	7



# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank	
		2007 N'm	2006 N'm	2007 N'm	2006 N'm
33	<b>Cash and cash equivalents</b>				
	Cash and short-term funds	61,822	50,992	60,881	49,44
	Due from other banks and financial institutions	257,412	169,580	137,864	94,029
	Due to other banks	(85,015)	(323)	(14,448)	(323)
		<u>234,219</u>	<u>220,249</u>	<u>184,297</u>	<u>143,150</u>
34	<b>Chairman's and Directors' emoluments</b>				
34.1	Emoluments				
	Fees				
	Chairman			3.43	0.40
	Other Directors			12.45	1.90
				<u>15.88</u>	<u>2.30</u>
	Emoluments as Executives			129.57	103.50
				<u>145.45</u>	<u>105.80</u>
	Highest paid Director			<u>19.50</u>	<u>15.11</u>
34.2	The fees attributable to directors of the parent company serving on the boards of the subsidiaries amounting to <del>N</del> 438,750 (March 31, 2006: <del>N</del> 600,400) have been paid over and included in the income of the parent company.				
34.3	The number of Directors excluding the Chairman, whose emoluments were within the following ranges were:				
				2007 Number	2006 Number
	N1,400,001 - N1,900,000			-	7
	N1,900,001 and above			15	7

# Notes to the Financial Statements contd

For the year ended March 31, 2007

		The Group		The Bank		
		2007 Number	2006 Number	2007 Number	2006 Number	
35	Employees					
35.1	Employees remunerated at higher rates					
The number of employees excluding directors in receipt of emoluments excluding allowances and pension contributions within the following ranges were:						
	₦					
	₦					
60,001	-	70,000	101	117	101	117
70,001	-	80,000	51	24	51	24
80,001	-	90,000	148	150	148	150
90,001	-	100,000	72	152	72	152
100,001	-	110,000	147	129	147	129
110,001	-	120,000	135	229	135	229
120,001	-	130,000	21	57	21	57
130,001	-	140,000	1,487	1,010	1,487	1,010
140,001	-	150,000	167	299	167	299
150,001	-	200,000	1,146	1,093	1,146	1,093
200,001	-	300,000	2,953	2,939	2,953	2,939
300,001	-	400,000	475	477	475	476
400,001	-	500,000	166	-	125	-
500,001	-	700,000	331	456	232	378
Over	-	1,000,000	193	-	139	-
			<u>7,593</u>	<u>7,132</u>	<u>7,399</u>	<u>7,053</u>
35.2	The average number of persons employed in the year were as follows:					
Managerial		315	277	270	266	
Senior staff		6,371	5,877	6,249	5,836	
Junior staff		907	978	880	951	
			<u>7,593</u>	<u>7,132</u>	<u>7,399</u>	<u>7,053</u>

# Notes to the Financial Statements contd

For the year ended March 31, 2007

## 40 Segmental information - Geographic segment

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	
	2007 N'm	2006 N'm	2007 N'm	2006 N'm	2007 N'm	2006 N'm
Interest received	51,950	37,218	6,481	3,525	58,431	40,743
Interest payable	(13,610)	(7,751)	(4,583)	(2,289)	(18,193)	(10,040)
<b>Net interest Income</b>	<b>38,340</b>	<b>29,467</b>	<b>1,898</b>	<b>1,236</b>	<b>40,238</b>	<b>30,703</b>
Fees and commissions received net	21,528	16,746	1,059	699	22,587	17,445
Income from foreign exchange transactions	2,006	1,026	283	176	2,289	1,202
Income from Western Union transactions	1,485	-	-	-	1,485	-
Other operating income	5,487	8,025	44	25	5,531	8,050
Exceptional item	-	3,703	-	-	-	3,703
<b>Non-interest income</b>	<b>30,506</b>	<b>29,500</b>	<b>1,386</b>	<b>900</b>	<b>31,892</b>	<b>30,400</b>
<b>Net revenue</b>	<b>68,846</b>	<b>58,967</b>	<b>3,284</b>	<b>2,136</b>	<b>72,130</b>	<b>61,103</b>
Operating expenses	39,826	31,220	1,248	848	41,074	32,068
Depreciation	3,415	3,158	77	59	3,492	3,217
<b>Total Costs</b>	<b>43,241</b>	<b>34,378</b>	<b>1,325</b>	<b>907</b>	<b>44,566</b>	<b>35,285</b>
<b>Operating profit before provision for loan losses</b>	<b>25,605</b>	<b>24,589</b>	<b>1,959</b>	<b>1,229</b>	<b>27,564</b>	<b>25,818</b>
Provision for loan losses	1,959	3,930	47	55	2,006	3,985
<b>Profit before taxation</b>	<b>23,646</b>	<b>20,659</b>	<b>1,912</b>	<b>1,174</b>	<b>25,558</b>	<b>21,833</b>
Total assets employed	761,058	520,383	123,546	96,441	884,604	616,824
Depreciation on fixed assets	3,415	3,158	77	59	3,492	3,217
Net interest margin (%)	74%	79%	29%	35%	69%	75%

# Notes to the Financial Statements contd

For the year ended March 31, 2007

	0 - 30 Days N'm	1 - 3 Months N'm	3 - 6 Months N'm	6 - 12 Months N'm	Over 1 year N'm	2006 N'm
<b>Maturities of Assets and Liabilities</b>						
<b>Assets</b>						
Cash and other short term funds	198,745	-	-	-	-	198,745
Bills discounted	-	159,832	-	-	-	159,832
Trading securities	71,477	-	-	-	-	71,477
Investments	-	-	-	64,048	-	64,048
Loans and advances	-	-	-	219,185	-	219,185
Advances under finance lease	-	-	128	473	2,442	3,043
Other assets	3,483	26,218	-	-	-	29,701
Fixed assets	-	-	-	-	16,850	16,850
<b>Total assets</b>	<b>273,705</b>	<b>186,050</b>	<b>128</b>	<b>283,706</b>	<b>19,292</b>	<b>762,881</b>
<b>Liabilities</b>						
Deposits	273,293	91,795	78,265	87,646	65,276	596,275
Other liabilities	35,647	23,126	-	-	-	58,773
Taxation	-	-	-	5,710	2,671	8,381
Long term borrowing	-	-	-	-	22,101	22,101
Capital & reserves	-	-	-	-	77,351	77,351
<b>Total Liabilities</b>	<b>308,940</b>	<b>114,921</b>	<b>78,265</b>	<b>93,356</b>	<b>167,399</b>	<b>762,881</b>
Net liquidity gap as at March 31, 2007	(35,235)	71,129	(78,137)	190,350	(148,107)	-
Assets as at March 31, 2006						538,145
Liabilities as at March 31, 2006						538,145
Net liquidity gap as at March 31, 2006						-

## Notes to the Financial Statements cont'd

### For the year ended March 31, 2007

41 Details of non-performing insider-related credits as at March 31, 2007.

S/No.	Name of Borrower	Account Number	Relationship To Reporting Institution	Date Granted	Expiry Date	Rate of Interest	Cumulative		Total Provision N''000	Payment Made N''000	Outstanding Credit		Perfect Security		Remarks
							Principal N''000	Interest N''000			Performing N''000	Non-Performing N''000	Nature	Value N''000	
1	Tropical Petroleum (Alh Abba Kyari)	3292050002588	Ex - director	1996	31/10/97	19	144	7,995	7,995	NIL	NIL	8,139			CBN approval to write off the balance is awaited. Security already released after pay off of principal sum.
2	Abdulsalam T. Ogueyi	2306150002325	Ex-staff	31/8/'02	31/8/'12	9	15,673	47	NIL	4,500	NIL	14,097	L/M	10,200	Being perfected
3	Alli-Balogun	2440020000955	Ex-staff	28/10/02	31/1/'12	9	6,156	3,019	NIL	3,161	NIL	6,014	L/M	8,100	L/M being arranged 8.1m
4	S. A. Olubodun	2446040000426	Ex-staff	29/9/98	30/6/10	9	6,745	NIL	NIL	NIL	NIL	6,745	L/M	10,300	Perfected
5	Hacket Nig. Ltd) Prof Belo-Osagie (Deceased)	5112010008655	Ex - director	30/11/05	31/12/06	19	2,850			NIL		8,952			P/Guarantee
6	L.I. Okafor (Deceased)	1916140000019	Ex-staff	25/6/04	30/6/14	9	5	659		NIL		3,157	L/M	5	Perfected
7	Austin E. Ekuma	1406110000055	Ex-staff	28/3/03	28/3/08		1,509			NIL		1,019	L/M	2	Perfected
												<u><u>48,123</u></u>			

# Value Added

## Group Statement of Value Added

For the year ended March 31, 2007

	2007 N'm	%	2006 N'm	%
<b>Gross earnings</b>				
- Ordinary activities	90,323		67,440	
- Interest expense	(18,193)		(10,040)	
	<u>72,130</u>		<u>57,400</u>	
Exceptional item	-		3,703	
Administrative and other expenses - Local	(19,038)		(14,677)	
Administrative and other expenses - Foreign	(2,128)		(59)	
Doubtful debts provision	(2,006)		(3,985)	
	<u>48,958</u>	<u>100</u>	<u>42,382</u>	<u>100</u>
<b>Value Added</b>				
Distributed as follows				
<b>In payment to employees</b>				
- Salaries, allowances and pension	19,908	41	15,348	36
<b>In payment to Government</b>				
- Income tax	5,266	11	3,720	9
- Deferred taxation	(75)	-	730	2
<b>In payment to shareholders</b>				
- Dividend	-	-	5,238	12
	<u>25,099</u>	<u>51</u>	<u>25,036</u>	<u>59</u>
<b>Retained for future replacement of assets and Expansion of business</b>				
- Depreciation - Local	3,415	7	3,158	7
- Depreciation - Foreign assets	77	-	59	-
- Amortization of goodwill	1,984	4	1,984	5
- Profit re-invested in the business	18,383	38	12,145	29
	<u>23,859</u>	<u>49</u>	<u>17,346</u>	<u>41</u>
	<u>48,958</u>	<u>100</u>	<u>42,382</u>	<u>100</u>

Value added represents the additional wealth which the company 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 March 31, 2007

	2007 N'm	%	2006 N'm	%
<b>Gross earnings</b>				
- Ordinary activities	79,299		61,243	
- Interest expense	(13,237)		(7,750)	
	<u>66,062</u>		<u>53,493</u>	
Exceptional item	-		3,703	
Administrative and other expenses - Local	(19,685)		(15,975)	
Doubtful debts provision	(2,519)		(3,617)	
	<u>43,858</u>	<u>100</u>	<u>37,604</u>	<u>100</u>
Distributed as follows				
<b>In payment to employees</b>				
- Salaries, allowances and pension	18,461	42	14,679	39
<b>In payment to Government</b>				
- Income tax	3,822	9	3,038	8
- Deferred taxation	(80)	-	740	2
<b>In payment to shareholders</b>				
- Dividend	-	-	5,238	14
	<u>22,203</u>	<u>51</u>	<u>23,695</u>	<u>63</u>
<b>Retained for future replacement of assets and expansion of business</b>				
- Depreciation	3,300	8	3,094	8
- Amortization of goodwill	1,984	4	1,984	5
- Profit re-invested in the business	16,371	37	8,831	24
	<u>21,655</u>	<u>49</u>	<u>13,909</u>	<u>37</u>
	<u>43,858</u>	<u>100</u>	<u>37,604</u>	<u>100</u>

Value added represents the additional wealth which the company 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.

# Summary

## Group Five-Year financial Summary

For the year ended March 31, 2007

	2007 N'm	2006 N'm	2005 N'm	2004 N'm	2003 N'm
<b>Assets</b>					
Cash and short-term funds	61,822	50,992	32,881	24,098	21,445
Due from other banks and financial institutions	257,412	169,580	129,256	124,591	185,291
Bills discounted	159,832	108,316	105,624	98,848	106,242
Trading securities	75,847	-	-	-	-
Investments	59,038	60,875	21,651	17,458	2,952
Loans and advances	217,454	177,303	123,739	83,500	60,439
Advances under finance lease	3,043	1,701	1,283	-	-
Other assets	32,860	31,851	43,716	24,307	22,193
Equipment on lease	-	-	-	1,316	1,434
Fixed assets	17,296	14,222	12,689	10,093	9,087
Goodwill	-	1,984	-	-	-
<b>Total Assets</b>	<b>884,604</b>	<b>616,824</b>	<b>470,839</b>	<b>384,211</b>	<b>409,083</b>
<b>Liabilities</b>					
Deposit and current accounts	598,177	448,915	332,196	255,491	269,584
Due to other banks	85,015	323	-	-	-
Tax payable	7,372	5,142	4,758	4,700	3,599
Deferred taxation	2,672	2,746	2,089	1,625	1,241
Dividend	-	5,238	6,325	5,429	3,811
Other liabilities	85,884	90,183	75,666	74,655	102,968
Long term borrowing	22,101	-	-	-	-
	801,221	552,547	421,034	341,900	381,203
<b>Shareholders' Funds</b>	<b>83,383</b>	<b>64,277</b>	<b>48,726</b>	<b>41,605</b>	<b>27,006</b>
<b>Minority Interests</b>	<b>-</b>	<b>-</b>	<b>1,079</b>	<b>706</b>	<b>874</b>
<b>Total Liabilities</b>	<b>884,604</b>	<b>616,824</b>	<b>470,839</b>	<b>384,211</b>	<b>409,083</b>
Gross earnings	90,323	67,440	57,255	51,318	50,597
Profit on ordinary activities before taxation	25,558	21,833	16,808	14,853	14,420
Exceptional Item	-	3,703	-	-	-
Profit on ordinary activities after taxation and exceptional item	20,367	21,833	16,808	14,853	14,420
Profit after taxation	20,367	17,383	13,234	11,483	11,010
Amortisation of goodwill	1,984	1,984	-	-	-
Profit attributable to ordinary shareholders'	18,383	15,399	13,234	11,483	11,010
Dividend	-	5,238	6,325	5,429	3,811
Return on shareholders' funds	22%	24%	27%	28%	40%
Earnings per share (basic)					
- actual	175k	294k	335k	399k	430k
- adjusted	175k	147k	126k	110k	105k
Dividend per share					
- actual	-	100k	160k	155k	150k
Dividend cover (times)	-	2.94	2.09	2.12	2.87

### Note

Earnings and Dividend per share is based on profit attributable to shareholders and number of ordinary shares of 50k each in issue at March 31 each year.

# Bank Five-Year financial Summary

For the year ended March 31, 2007

	2007 N'm	2006 N'm	2005 N'm	2004 N'm	2003 N'm
<b>Assets</b>					
Cash and short-term funds	60,881	49,444	30,220	22,509	19,724
Due from other banks and financial institutions	137,864	94,029	64,143	80,369	116,547
Bills discounted	159,832	108,316	100,135	92,922	94,226
Trading securities	71,477	-	-	-	-
Investments	64,048	63,729	24,655	16,825	7,343
Loans and advances	219,185	175,657	114,673	78,040	56,046
Advances under finance lease	3,043	1,701	937	-	-
Other assets	29,701	31,317	30,625	11,596	17,428
Equipment on lease	-	-	-	665	644
Fixed assets	16,850	13,952	12,108	9,564	8,620
Goodwill	-	1,984	-	-	-
<b>Total Assets</b>	<b>762,881</b>	<b>540,129</b>	<b>377,496</b>	<b>312,490</b>	<b>320,578</b>
<b>Liabilities</b>					
Deposit and current accounts	581,827	390,846	264,988	206,643	191,088
Due to other banks	14,448	323	390	538	2,867
Tax payable	5,710	4,148	3,954	4,022	3,123
Deferred taxation	2,671	2,751	2,010	1,533	1,165
Dividend	-	5,238	6,325	5,429	3,811
Other liabilities	58,773	75,843	55,157	55,704	93,484
Long term borrowing	22,101	-	-	-	-
	685,530	479,149	332,824	273,869	295,538
<b>Shareholders' Funds</b>	<b>77,351</b>	<b>60,980</b>	<b>44,672</b>	<b>38,621</b>	<b>25,040</b>
	<b>762,881</b>	<b>540,129</b>	<b>377,496</b>	<b>312,490</b>	<b>320,578</b>
<b>Gross earnings</b>					
Profit on ordinary activities	79,299	61,243	49,475	45,121	45,055
before taxation	22,097	16,128	15,145	14,106	13,393
Exceptional item	-	3,703	-	-	-
Profit on ordinary activities after taxation and exceptional item	18,355	16,053	12,184	11,096	10,323
Profit after taxation	18,355	16,053	12,184	11,096	10,323
Amortisation of goodwill	1,984	1,984	-	-	-
Profit attributable to ordinary shareholders'	16,371	14,069	12,184	11,096	10,323
Dividend	-	5,238	6,325	5,429	3,811
Return on shareholders' funds	21%	24%	27%	28%	41%
Earnings per share (basic)					
- actual	156k	269k	308k	381k	406k
- adjusted	156k	134k	116k	106k	99k
Dividend per share					
- actual	-	100k	160k	155k	150k
Dividend cover (times)	-	2.69	1.93	1.00	2.71

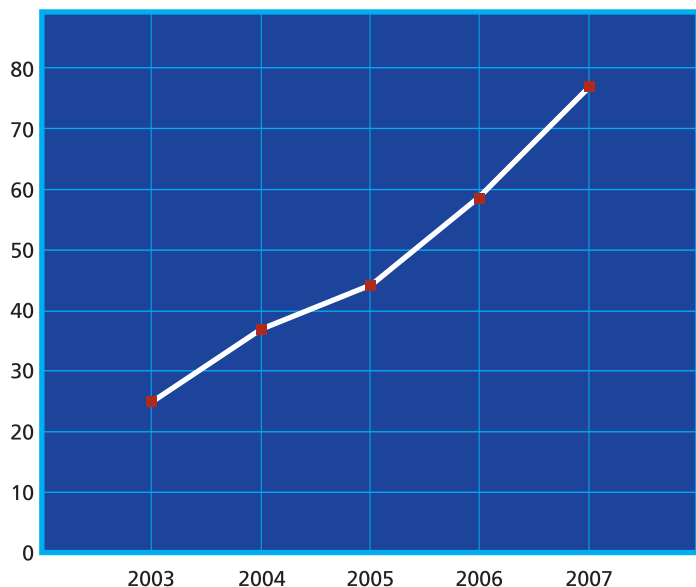
## Note

Earnings and Dividend per share is based on profit attributable to shareholders and number of ordinary shares of 50k each in issue at March 31 each year.

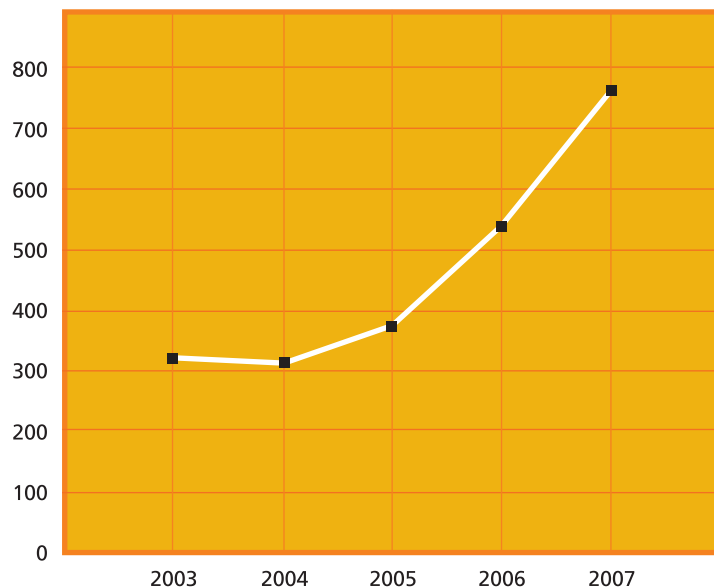
# Graphs

## Graphs

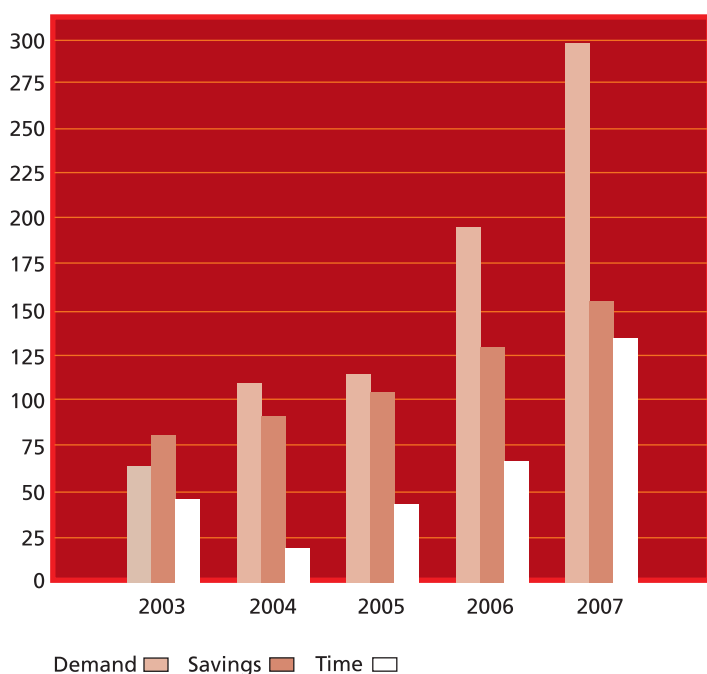
Shareholders' Funds (N'bn)



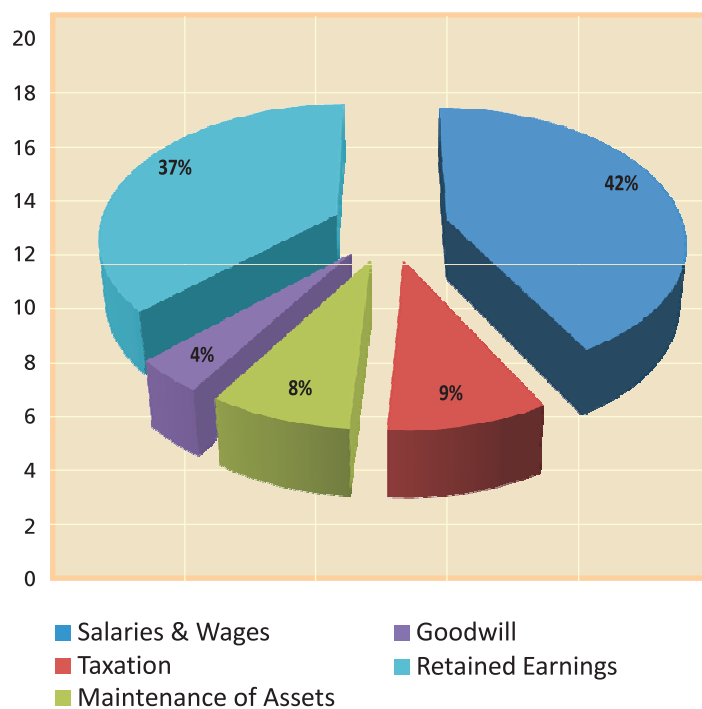
Total Assets (N'bn)



Deposit Mix (N'bn)



Statement of Value Added (N'bn)



# Managers

## Deputy General Managers



**Mojisola T. Aderinto**  
Head, Financial Control



**Afam C. Azubike**  
Head, Classified Assets Management



**Olufemi N. Bakre**  
Head, Multilaterals/Fin. Institutions



**Timothy O. Bolade**  
Chief Compliance Officer



**Tijani M. Borodo**  
Company Secretary



**Mofoluke B. Dosumu**  
Head, Service Quality Management



**Aka C. Ezeobele**  
Bus. Dev. Manager, Apapa



**Akinwumi G. Fanimokun**  
Group Head, Public Sector-Corp., Abuja



**Subusola I. Giwa-Amu**  
Bus. Dev. Manager, Lagos Mainland



**Adamu B. Ibrahim**  
Bus. Dev. Manager, Kaduna



**Eugene U. Iyamah**  
Group Head, Multinationals



**Festus O. Kukoyi**  
Head, Legal Services



## Deputy General Managers contd



**Ibrahim A. Kwargana**  
Head, Foreign Operations



**Kehinde A. Lawanson**  
Group Head, National Corporates



**Columbus T. Ndifon**  
Bus. Dev. Manager, Onitsha



**Ademola O. Ogundero**  
Bus. Dev. Manager, Lagos (Ikeja II)



**Bernadine A. Okeke**  
Head, Human Capital Management



**Kayode A. Olatunbosun**  
Bus. Dev. Manager, Lagos Island



**Taiwo I. Otiti**  
Head, Information Technology



**Francis O. Shobo**  
Bus. Dev. Manager, Port-Harcourt



**Adebisi O. Soluade**  
Chief Internal Auditor



## Branch Network

### Abia State

1. **Aba (Alaoji Layout) Branch**  
544 P/Harcourt Rd,  
Alaoji Layout
2. **Aba (Ariara) Branch**  
117 Faulks Road,  
P.M.B. 7315, Aba  
Tel.: 082-224692, 225508
3. **Aba (Factory Road) Branch**  
Factory Road,  
P.M.B. 7521, Aba  
Tel.: 082-220327, 227590
4. **Aba (Main) Branch**  
2 Asa Road,  
P.M.B. 7103 Aba  
Tel.: 082-227120, 220866  
223870, 227130  
Fax: 082- 227212
5. **Aba (Ogbor Hill) Branch**  
161, Ikot Ekpene Rd.,  
Ogbor Hill, Abia State  
Tel 082- 226127,  
082-227810
6. **Aba (Town) Branch**  
122 Ehi Road,  
P.M.B. 7128, Aba  
Tel.: 082-220325, 220285
7. **Amaokwe Item Branch**  
C/O Bende L.G.A.,  
P.M.B. 1 Item
8. **Aba Asa Road Market Branch**  
94 Asa Road, Aba, Abia State  
Tel: 082-232799, 232794,  
232792

9. **Nkwoagu Isouchi Branch**  
P.M.B 1020, Ngodo,  
Isouchi, Okigwe L.G.A.
10. **Umuahia Branch**  
1 Mayne Road,  
P.M.B. 7017, Umuahia,  
Tel.: 088-222986, 220465  
220319
11. **Umuahia Market Branch**  
No. 1 Okwulehie Avenue,  
P.M.B 7301, Umuahia  
088-224000, 223332,  
223335

### Adamawa State

12. **Dumne Agency**  
C/O Yola Main Branch

13. **Fufore Branch**  
C/O P.M.B. 2050, Yola
14. **Ganye Branch**  
P.O. Box 55, Ganye  
Tel.: 025-90187
15. **Garkida Branch**  
Near Police Station,  
P.O. Box 100  
Garkida
16. **Gulak Agency**  
C/O Michika Branch,  
P.M.B. 1001, Michika
17. **Hong Branch**  
P.M.B. 1002, Hong
18. **Mayoine Agency**  
C/O Mayo Belwa Branch  
P.O. Box 06, Mayo  
Belwa
19. **Mayo Belwa Branch**  
P.O. Box 06, Mayo-Belwa
20. **Michika Branch**  
P.M.B. 1001, Michika
21. **Yola (Main) Branch**  
9, Bank Road,  
P.M.B. 2050, Jimeta  
Tel.: 075-624382,  
626582, 626073,  
Fax: 075-625198
22. **Yola (Market) Branch**  
109, Mubi Road,  
P.M.B. 2282 Jimeta  
Tel.: 075-624370

### Akwa Ibom State

23. **Efa Branch**  
Near Efa Junction,  
P.M.B. 1053, Etinan  
GSM 08034273337  
08027591186
24. **Eket Branch**  
No. 1 Ekpene Ukpa Road  
Eket, Akwa Ibom State  
Tel: 085-701273 &  
701124
25. **Essene Branch**  
Ikot Abasi L.G.A,  
P.M.B.1012, Ikot Abasi
26. **Etinan Branch**  
83 Uyo Road,  
P.M.B.1042 Etinan  
Tel.: 085-341123,  
341052

27. **Ikot Abasi Branch**  
1 Ikot Obong Road,  
P.M.B. 1021, Ikot Abasi  
Tel.: 085-801124
28. **Ikot Ekpene Branch**  
2 Old Stadium Road,  
P.M.B.34, Ikot Ekpene.  
Tel.: 085-400202, 400723,  
200088
29. **Oron Branch**  
105 Oron Road,  
P.M.B. 1040, Oron
30. **Ukam Branch**  
Mkpat Enie L.G.A.  
P.M.B.5001, Ukam
31. **Utu Etim Ekpo Branch**  
P.M.B. 1029,  
Utu Etim Ekpo L.G.A.  
Tel.: 08029724036,  
084 - 552404
32. **Uyo Branch**  
1 Oron Road,  
P.M.B. 1001 Uyo,  
Tel.: 085-200531, 200082  
Fax: 085-200594
33. **Uyo Abak Road Branch**  
Plot 4, Federal Housing  
Estate, Olusegun Obasanjo  
Way, Uyo, Akwa Ibom  
State.  
Tel.: 085-201561,  
201552,201527

### Anambra State

34. **Abba Branch**  
P.M.B.2008, Abagana,  
Njikoka L.G.A  
Tel.: 046-571106
35. **Awka Branch**  
No 6, Azikiwe Avenue,  
P.M.B. 5034, Awka  
Tel.: 048-550015  
Fax: 048-552247
36. **Ekwulobia Branch**  
2 Catholic Mission Road,  
Ekwulobia - Aguata L.G.A.  
Tel.: 046-911449, 463410
37. **Nimo Branch**  
Njikoka L.G.A  
P.M.B.1001, Nimo  
Tel.: 046-581185
38. **Nkpor Branch**  
40, New Market Road,  
Nkpor-P.M.B. 1626,  
Nkpor
39. **Nkwele Ezunaka Branch**  
OgidiEzunaka Road,  
P.O. Box 85, Oyi L.G.A.  
Tel: 046-210221
40. **Nnewi Branch**  
13A Onitsha Road,  
P.M.B.5015, Nnewi  
Tel.: 046-460086, 461125,  
461877 Fax: 461004
41. **Nnewi Cash Centre**  
Nkwo Market,  
C/O Nnewi Branch
42. **Ogbunike Branch**  
P.M.B. 7, Ogbunike  
Tel.: 046-6115599
43. **Onitsha (B/Head) Branch**  
1 Nkrumah/P.H. Road,  
P.M.B. 1603, Onitsha  
Tel.: 046-410731, 413285,  
Fax: 046-410212
44. **Onitsha (Iweka) Branch**  
40 Iweka Road, P.M.B. 1750,  
Onitsha. Tel.: 046-210113
45. **Onitsha (Nwobodo Ave.) Branch.** 6 Nwobodo Avenue,  
P.M.B.1524, Onitsha  
Tel.: 046-217420, 210212
46. **Onitsha (Main) Branch**  
19 New Market Road,  
P.M.B. 1519, Onitsha  
Tel.: 046- 210244, 211062,  
210245-8. Fax: 046-215088
47. **Onitsha, Uga Street Cash Centre.** No 59 Uga Street,  
C/o Bridge Head Branch  
Onitsha
48. **Otuocha Branch**  
Otuocha L.G.A  
P.O. Box 82, Otuocha
49. **Onitsha Ogbaru Mkt Branch**  
Off No. 233B Obodo-Ukwu  
Rd, Ogbaru Main Mkt, (Near  
Bournvita House) Okpoko,  
Ogbaru. PMB 1834, Onitsha.  
Tel.: 046-300775  
Fax: 046-215334,
50. **Onitsha Owerri Rd. Branch**  
68, Onitsha Owerri Rd.  
Anambra State. PMB 1832  
Onitsha.  
Tel.: 046/270786-7

## Branch Network contd

51. **Onitsha Upper New Mkt Rd Branch**, 88A, Upper New Market, Onitsha  
Tel: 046-412325, 413981, 410415, Fax: 413271

52. **Ugwuagba-Obosi Mkt Br.**  
15, Pope John Paul Avenue, Ugwuagba-Obosi, Onitsha. Tel: 046-270795

### Bauchi State

53. **Bauchi Branch**  
Nassarawa Road G.R.A. P.M.B. 53, Bauchi, Tel.: 077-542024, 543680 Fax: 077- 543680

54. **Burra Branch**  
Ningi L.G.A. P.M.B. 53, Bauchi

55. **Darazo Branch**  
Maiduguri Road, P.O. Box 2, Darazo L.G.A.

56. **Gamawa Branch**  
Barkin Kasuwa, P.O. Box 4, Gamawa

57. **Itas Agency**  
C/O Yana Branch, P.M.B. 6, Yana

58. **Katagum Agency**  
C/O Gamawa Branch, P.O. Box 4, Gamawa

59. **Toro Branch**  
Near L.G. Secretariat, P.M.B. 3, Toro

60. **Tafawa Balewa Branch**  
Bununu Road, P.M.B. 1, Tafawa Balewa

61. **Yana Branch**  
Kano Road, P.M.B. 6, Yana

### Bayelsa State

62. **Odi Branch**  
Yenegoa L.G.A. C/O P.M.B. 5007, P/H (Main) Tel.:08032551276

63. **Yenegoa Branch**  
Amarata Road Fax: 089-490391, 490392

### Benue State

64. **Katsina Ala Branch**  
Market Road, C/O Postal Agency, Katsina Ala. Tel.: 044 90299, 90080, 90269

65. **Makurdi Branch**  
New Bridge Road, P. M. B. 2076, Makurdi Tel. 044-532156, 533542, 532296, 543131 Fax. 044-532798

66. **Makurdi Modern Market Branch**  
Main Admin Building, Makurdi Modern Market, Makurdi Tel: 044-534567, 534679, 534678

67. **Otukpo Branch**  
Federal Road, C/O P. M. B. 2076, Makurdi, Tel.: 044-60165. Fax: 044-60229.

68. **Vandeikya Branch**  
P. M. B. 5, Vandeikya

69. **Naka Branch**  
C/O Makurdi Branch, P. M. B. 2076, Makurdi

### Borno State

70. **Danboa Branch**  
Maiduguri/Biu Road P. O. Box 1005, Maiduguri

71. **Konduga Agency**  
C/O Maiduguri (Main) Branch, P.M.B. 1005, Maiduguri Tel.: 076-232417, 231055. Fax: 076-342396

72. **Kwajafa Cash Centre**  
Main Street P.O. Box 1005, Maiduguri.

73. **Maiduguri Branch**  
Sir K. Ibrahim Road, P. O. Box 1005, Maiduguri. Tel.: 076-232417, 231055, 235322, 235319, 342017 Fax: 076-342396

74. **Maiduguri (Monday Market) Branch**  
C/O Maiduguri Branch, P O Box 1005, Maiduguri Tel.: 076-232382

75. **Ngandu Agency**  
C/O Damaturu Branch, P. O. Box 1009, Damaturu Tel.: 076-522980 Fax: 076-522545

76. **UbaKumagum Branch**  
MubiYola P.O. Box 1005

### Cross River State

77. **Calabar (Main) Branch**  
Calabar Road, P M B 1020, Calabar Tel.: 087-232049, 233300, 230276, 232622, 233562, 234400, 233864 Fax: 087- 230403

78. **Calabar Free Trade Zone Branch**  
FTZ Calabar P.M.B. 3001 Calabar Tel.: 087-210045-6, 210667 Fax: 087-210046

79. **Calabar II Branch**  
126, Ndidem Usang Iso Road, Calabar, Cross River State. Tel: 087-239660-2, 239661

80. **Ekor Branch**  
Ekor, Yakurr L.G.A. P. O. Box 90, Ekor

81. **Ikom Branch**  
19 Okim Osabor Street, P.M.B. 1030, Ikom Tel.: 045670577

82. **Obubra Branch**  
C/O Calabar Branch, P.M.B. 1025, Obubra, Tel.: 087560035

83. **Tinapa Branch**  
Tinapa Business Resort, Calabar Tel: 048-880091 08037137058, 08051123437

### Delta State

84. **Agbarho Branch**  
142 Old Ughelli Road, P.M.B. 50, Agbarho

85. **Agbor Branch**  
Old Lagos/Asaba Road, Tel.: 05625440, 25323 255703, 256836

86. **Asaba Branch**  
Nnebisi Road, P.M.B.1004, Asaba Tel.: 056-280210, 282092, 281196, Fax: 056-281195, 282043

87. **Asaba II Branch**  
Asaba. 52, Illah Road, Asaba Tel:046-666616, 056/282736, 056/282739,056/282962 046/666616

88. **Effurun Branch**  
4 Warri/Sapele Road, P.M.B. 8, Effurun Tel.: 053-252801, 250676

89. **Effurun PTI Branch**  
122, PTI Road, Effurun, Delta State Tel: 08028718312

90. **Ekpan Branch**  
60, NNPC Housing Estate Rd., Ekpan, Delta State. Tel: 053-253011, 320435, 320484

91. **Evwreni Branch**  
Uvwreni Quarters, Evwreni C/O P.M.B.30, Ughelli

92. **OgwashiUku Branch**  
2 Old Mission Road, P.M.B.1055, OgwashiUku

93. **Sapele (Boyo Road) Branch**  
2A Boyo Road, P.M.B. 4062, Sapele Tel.: 054-341681, 341541

94. **Sapele (Main) Branch**  
Chichester Road, P.M.B. 4004, Sapele Tel.: 054342094, 342111 Fax: 341534

95. **Ughelli Branch**  
40 Market Road, P.M.B. 30, Ughelli Tel.: 054-600008, 600328

96. **Warri Branch**  
41 Warri/Sapele Road P.M.B.1020, Warri Tel.: 053-253011, 252905 Fax: 053-253042

## Branch Network contd

97. **Warri Airport Road Junction Branch**,  
124, Sapele/Effurun Road,  
Warri  
Tel:053-254063, 250063

98. **Warri (Shell-Ogunnu) Branch**  
Shell Complex, Warri  
Tel.:053-256333, 256416,  
Fax: 256415

### Ebonyi State

99. **Afikpo Branch**  
18 Eke Market,  
P.M.B. 1005, Afikpo  
Tel. 088-521636

100. **Abakaliki Branch**  
4 Sudan United close,  
Off Ogoja Road ,  
P.M.B. 105, Abakaliki.  
Tel: 043- 21153, 21810,  
20760 Fax: 043-21573

101. **Ezzamgbo Branch**  
Ohaukwu L.G.A.  
P.M.B. 219, Abakaliki

### Edo State

102. **Agbede Branch**  
60 Unity Road,  
C/O Agbede Post Office

103. **Benin, Akpakpava Road Branch**  
No. 67, Akpakpava Road,  
Benin City  
Tel.: 052-256397

104. **Benin (King's Square) Branch**  
P.M.B. 1026, Benin City,  
Tel.: 052-251080, 256184

105. **Benin (Mission Road) Branch**  
65 Mission Road,  
P.M.B. 1138, Benin City.  
Tel.: 052-258067, 253752,  
253916  
Fax: 258067

106. **Benin (NNPC) Agency**  
C/O Benin (King's Square)  
Branch  
P.M.B 1026, Benin City

107. **Benin (Oregbeni) Branch**  
10 Benin/Agbor Road,  
P.M.B. 1002, Benin  
City,  
Tel.: 052-254708  
Fax: 052-253975

108. **Sakponba Branch**  
No 43, Sakponba Rd  
Benin City.P.M.B.1133  
Benin City  
Tel./Fax: 052/450777

109. **Benin M.M.Way Branch**  
No. 169 M.M.Way,  
Benin City.  
Tel.: 052-259739

110. **Benin Upper Sakponba Branch**  
No. 43 Upper  
Sakponba Rd, PMB  
1106, Benin City  
Tel-052/256987,  
052/251661

111. **Benin Uselu Branch**  
24, Uselu Lagos Rd.  
PMB 1027, Benin, Edo  
State

112. **Benin Sapele Rd Branch**  
No. 155 Sapele Rd,  
Benin City

113. **New Benin Market Branch**  
No.30 New Lagos Rd,  
Benin City

114. **Ambrose Alli University Cash Centre**  
Ekpoma

115. **Ekpoma Branch.**  
Market Road, Eguare,  
P.O. Box 7, Ekpoma  
Tel.: 053-98394, 98439  
256812

116. **SabongidaOra Branch**  
64, Obe Street,  
P.M.B. 102,  
SabongidaOra  
Tel.: 057-54093

117. **Benin Siluko Branch**  
No. 128, Siluko Rd,  
PMB 1053,  
Benin City, Edo State  
Tel.: 052 256965,  
600899-900,  
Fax: 254416

118. **Benin,Ugbowo Branch**  
189, Ugbowo Road,  
Benin City  
Tel.: 052-600301,  
052- 600305

119. **Uromi Branch**  
No.9 Ubiaja Road,  
Uromi

### Ekiti State

120. **Ado Ekiti Branch**  
10 Ajilosun Street,  
P.M.B. 5365, Ado Ekiti  
Tel.: 030-256561,  
240725, 240561

121. **Efon-Alaye Branch**  
Erekesan Market,  
P.M.B 37, Efon-Alaye

122. **Emure-Ekiti Branch**  
2 Oke Emure Street,  
P O Box 613 Emure-Ekiti

123. **Erinjiyan Ekiti Branch**  
Iwaro Street,  
P. M. B. 5006, Aramoko-  
Ekiti

124. **Ifaki-Ekiti Branch**  
25 Temidire Street,  
Ikole Road,  
P.M.B. 21, Ifaki-Ekiti

125. **Ikere-Ekiti Branch**  
113 Ado Road, Idemo,  
P.M.B. 7275, Ikere-Ekiti  
Tel.: 030-610545.

126. **Ikole-Ekiti Branch**  
Oba Adeleye Road,  
P.M.B. 5009, Ikole-Ekiti  
Tel.: 030-440611

127. **Ilasa-Ekiti Branch**  
White House,  
Oke-Odo Street,  
P.M.B. 5020,  
Ilasa-Ekiti

128. **Okemesi-Ekiti Branch**  
Odo-Ese Street,  
P. M. B. 01, Okemesi-  
Ekiti

### Enugu State

129. **Emene Ind. Estate Branch**  
1 Bank Road,  
P.O. Box 8 Enugu  
Tel.: 042-559275

130. **Enugu (Ogui Road) Branch**  
95, Ogui Road, Enugu  
Tel: 042-252464,  
254071, 255058

131. **Enugu (Uwani) Branch**  
26 Zik Avenue,  
P.M.B. 1237, Enugu.  
Tel.: 042-257382

132. **Enugu (Main) Branch**  
21 Okpara Avenue,  
P.M.B. 1008, Enugu,  
Tel.: 042-253583, 258784  
Fax: 042-254755

133. **Enugu (New Haven) Agency**  
C/O P.M.B. 1008, Enugu

134. **Ikem Branch**  
C/O Postal Agency  
Via Nsukka  
P.M.B. 1008, Enugu

135. **Inyi Branch**  
P.O. Box 183, Inyi

136. **Nsukka Branch**  
116 Enugu Road,  
Nsukka.  
Tel.: 042-771743

137. **9th Mile Corner Branch**  
47A Old Onitsha Rd.  
9th Mile Corner, Ngwo

138. **Obollo Afor Cash Centre**  
No. 1 Orba Road,  
Obollo Afor,  
Udenu Local Govt. Area  
Enugu

139. **Orba Branch**  
Orba Udenu L.G.A.  
P.M B 2079 Nsukka  
Tel.: 042-770488

140. **Ovoko Branch**  
Ovoko Via Nsukka,  
P.M.B. 2083, Igbo-Eze,  
Tel.: 042-771738

## Branch Network contd

### Federal Capital Territory (Abuja)

141. **Abaji Branch**  
C/O P.O. Box 45, Abuja
  142. **Abuja Banex Plaza Branch**  
Banex Plaza, Plot 760  
Aminu Kano Crescent,  
Wuse II Abuja  
Tel.: 09-4619600, 4619608
  143. **Abuja (Garki) Branch**  
Abuja Festival Road,  
Area 3, Garki,  
P.O. Box 45, Abuja  
Tel.: 09-2341070-3  
Fax: 09-2341071
  144. **Abuja Jos Street Branch**  
Plot 451, Jos Street, Area 3,  
Garki  
Tel.: 09-2344724, 2343889
  145. **Abuja Main Branch**  
Plot 777, M. Buhari Way,  
Central Business Area,  
Abuja.  
Tel.: 09-2346819,  
2346820
  146. **Abuja (Nnamdi Azikiwe  
Int. Airport) Branch**  
Local Wing, Abuja Airport  
Abuja.  
Tel.: 09-8100121,  
8100120
  147. **Abuja (National  
Assembly Complex)  
Branch**  
White House(Basement  
Room HB26) 3 Arms Zone  
Tel.: 09-2347881,2347848
  148. **Abuja,Gwagwalada  
Branch**  
No. 5, Park Road,  
Off Abuja/Abaji Road,  
Gwagwalada, FCT, Abuja  
Tel.: 09-8820015
  149. **Abuja, Karu Branch**  
Abuja-Keffi Road,  
Mararaba, Karu LGA,  
FCT, Abuja  
Tel.: 09-6703827
  150. **Abuja Shipper's  
Plaza Branch**  
Plot 438 Michael  
Okpara Way, Zone 5,  
Abuja  
Tel.: 09 5241440,  
5241442, 69710750,  
Fax: 5241441
  151. **Abuja,Wuse Branch**  
Russel Centre  
Block 2097, Herbert  
Marcaulay Way, Zone  
5, FCT, Abuja.  
Tel.: 09-5240144-148  
Fax: 09-5240147
  152. **Abuja, Zuba Branch**  
Motor Spare Parts  
Market, Zuba, FCT,  
Abuja  
Tel.: 09-5242318
  153. **Abuja Bolingo Hotels  
& Towers Complex  
FCT, Branch**  
Abuja Independence  
Avenue, Area 10,  
Garki Abuja.  
Tel.: 09 2344571,  
6710795
- ### Gombe State
154. **Gombe Branch**  
Biu Road,  
P.M.B. 1, Gombe.  
Tel.: 072-222133,  
222134, 222135,  
223214, 223318
  155. **Kaltungo Branch**  
GombeYola Road,  
P.O. Box 40, Kaltungo
- ### Imo State
156. **Akatta Branch**  
Orlu L.G.A.  
P.M.B. 6, Akatta  
Tel.: 083-305431
  157. **Amaraku Branch**  
P.M.B. 1, Amaraku
  158. **Okigwe Branch**  
184 Owerri Road,  
Okigwe.  
Tel.: 042-420166,  
420470, 420109
  159. **Okigwe Lokpanta  
Cash Centre**  
Lokpanta Village  
Tel.: 08051023757,  
0802374582
  160. **Okwelle Branch**  
P.M.B. 57, Okwelle  
Okigwe
  161. **Owerri (Main)  
Branch**  
11/12 Assumpta  
Avenue, P.M.B. 1060,  
Owerri,  
Tel.: 083-230900,  
232772  
Fax: 083-231586
  162. **Owerri (Douglas  
Road) Branch**  
79 Douglas Rd.,  
Owerri  
Tel.: 083-230900
  163. **Umuowa Branch**  
C/O Owerri Branch,  
P.M.B. 175, Orlu  
Tel.: 083-520665
  164. **Urualla Branch**  
C/O Ideato North L.G.A.  
P.M.B. 2, Urualla,  
Owerri
- ### Jigawa State
165. **Hadejia Branch**  
14 Kano Road,  
P.O. Box 83, Hadejia  
Tel.: 078-20614, 20856
  166. **Dutse Branch**  
Damaturu Road,  
C/O P.M.B. 3005, Kano  
Tel.: 064-721380,  
721512  
Fax: 069-721380
- ### Kaduna State
167. **Kaduna (Bank Road)  
Branch**  
14 Bank Road,  
P.M.B. 2065, Kaduna.  
Tel.: 062-245454,  
243332
  168. **Kaduna Central  
Market Branch**  
Broadcasting Road,  
Abubakar Gumi Market,  
Kaduna  
Tel.: 08033117654
  169. **Kaduna Kawo Branch**  
Tel.: 062-317594,  
237594  
Fax: 318354
  170. **Kaduna (Main) Branch**  
Yakubu Gowon Way,  
P.M.B. 2065, Kaduna  
Tel.: 062-246155, 243858  
Fax: 062-243955, 246854,  
249464
  171. **Kaduna South Branch**  
Kachia Road,  
P.M.B. 2084, Kaduna  
Tel.: 062-231021, 232880.
  172. **Kaduna, Tudun Wada  
Branch**  
No. DB 39, Nnamdi  
Azikiwe Way, Kaduna  
Tel: 062-415849,  
415851- 3
  173. **Kafanchan Branch**  
2 Funtua Road,  
P.M.B. 1019, Kafanchan  
Tel.: 061-20141, 20145  
Fax: 061- 20145
  174. **Samaru Branch**  
Sokoto Road  
P.M.B. 02, Samaru, Zaria  
Tel. 069-550983, 551612  
554884  
Fax: 550092,  
551160,550692.
  175. **Saminaka Branch**  
Ahmadu Bello Way,  
Near Lere Local Govt.  
Authority Secretariat,  
Lere L.G.A.  
Kaduna State
  176. **Zaria Branch**  
1 Crescent Road,  
P. M. B. 1006, Zaria  
Tel.: 069-330660, 332425;  
333458 Fax: 330660
- ### Kano State
177. **Mallam Aminu Kano Int'l  
Airport Branch**  
C/O P.M.B. 3005, Kano  
Tel.: 064-633255
  178. **Kano Bello Road Branch**  
16/17, Bello Road, Kano  
Tel.: 064-648959 or  
649626



## Branch Network contd

179. **Kano (Bompai) Branch**  
Dantata Road,  
P.M.B. 3284, Kano,  
Tel.: 064-633480  
Fax: 064-646743

180. **Kano Dawanau Branch**  
Kano.  
Dawanau Grains Market,  
Kano.  
Tel: 064-316708/9

181. **Kano (Fagge Ta Kudu) Branch**  
15 Fagge Road,  
P.M.B. 3077, Kano  
Tel.: 064-631545,  
645961,645871  
Fax: 064-640738

182. **Kano (Main) Branch**  
10 Lagos Street,  
P.M.B. 3005, Kano  
Tel.: 064-633280, 632706,  
637839, 630574,636573,  
630070  
Fax: 064-644565

183. **Kano (Zoo Road) Branch**  
ABI House  
C/O P.M.B. 3166, Kano  
Tel.: 064-661905  
Fax: 666766

184. **Kano (Bagauda Lake) Agency**  
Bagauda Lake Hotel,  
C/O Kano (Main) Branch,  
P.M.B. 3005, Kano  
Tel.: 064-633280, 630573  
Fax: 064-644565

185. **Kano Club Road Branch**  
595 Club Road,  
P.M.B. 3005, Kano  
Tel.: 064-635027, 630709  
630648,  
Fax: 649266

186. **Muhammadu Abubakar Rimi Market Branch**  
C/O Kano (Main) Branch,  
P.M.B. 3005, Kano  
Tel.: 064-644507

### Katsina State

187. **Funtua Branch**  
Sokoto/Gusau Road,  
P.M.B. 6013, Funtua  
Tel.: 064-770348,  
333830  
Fax. 064-770019

188. **Katsina Branch**  
3 Ibrahim Babangida  
Way, P.M.B. 2032,  
Katsina  
Tel.: 065-430863,  
431588  
Fax: 065-431588

189. **Malumfashi Branch**  
Funtua Road,  
P.M.B. 1011,  
Malumfashi  
Tel.: 065-80058,  
80169

### Kebbi State

190. **Birnin Kebbi Branch**  
40 Muritala  
Mohammed Way,  
C/O P.M.B. 3005,  
Kano  
Tel.: 068-321911,  
320662 Fax: 321664

191. **Kamba Branch**  
Secretariat Road,  
C/O P.M.B. 2116,  
Sokoto

192. **Maiyama Branch**  
Maiyama Town,  
C/O P.M.B. 2116,  
Sokoto

193. **Zuru Branch**  
Kontagora Town Road,  
P.M.B. 1003, Zuru,  
Tel.: 067-650205  
Fax: 670709

### Kogi State

194. **Abejukolo Branch**  
Ankpa Road,  
P.M.B. 1000, Abejukolo

195. **Ajaokuta Branch**  
P.M.B. 1007, Okene  
Tel.: 031-400581

196. **Akpanya Branch**  
Agbedo Akpanya,  
P.M.B. 1011, Idah

197. **Ajaokuta Steel Mill Complex Cash Centre**  
Ajaokuta Steel  
Complex Ground Floor  
P.M.B 1007, Ajaokuta  
Tel.: 058-400540 ext  
3429, 400481,  
Fax: 400581

198. **Ankpa Branch**  
16,Tafawa Balewa Road,  
PMB 1011, Ankpa

199. **Ayangba Branch, Idah**  
Road, P.M.B. 1002,  
Dekina-Ayangba

200. **Egbe Branch**  
Federal Road,  
P.M.B. 205, Egbe

201. **Isanlu-Yagba Branch**  
P.M.B. 1005,  
Isanlu-Oyi

202. **Itobe Branch**  
Bank Road,  
P.M.B. 1001, Idah

203. **Iyamoye Branch**  
Aro Quarters,  
Along Iyamoye Omuo,  
P.M.B. 1002, Iyamoye

204. **Lokoja Branch**  
411 Murtala Moh'd Rd,  
P.M.B. 1100, Lokoja  
Tel.: 058-220402,  
220767

205. **Mopa Branch**  
P.M.B. 2002, Mopa

206. **Obajana Branch**  
Obajana Cement Factory

207. **Ogori Branch**  
P.M.B. 1073, Ogori

208. **Oguma Branch**  
Oguma Road,  
P.M.B. 1004, Oguma

209. **Okene Branch**  
1 Ado Ibrahim  
Street/Hospital Road,  
P.M.B. 1044, Okene  
Tel.: 058-5000364

### Kwara State

210. **Ilorin Branch**  
Obbo Road, Off Wahab  
Folawiyo Road,  
P.M.B. 1354, Ilorin  
Tel.: 031-221500,  
222011  
Fax: 031-220128

211. **Ilorin Surulere Branch**  
159 Abdulazeez Atta  
Road, Baboko Surulere,  
Ilorin  
Tel: 08023015731

212. **Kosubosu Branch**  
P.M.B. 244, Bassa

### Lagos State

213. **Abattoir Cash Centre**  
Lagos State Govt. Abattoir,  
Oko-Oba, Agege,  
Lagos State

214. **Abibu Adetoro Branch**  
51 Abibu Adetoro St,  
Off Ajose Adeogun St,  
P.M.B. 80137,  
Victoria Island, Lagos  
Tel.: 01-2622310  
Fax: 01-2622319

215. **Abibu-Oki Branch**  
A.G. Leventis Building,  
42/43 Marina,  
P.M.B. 12554, Lagos  
Tel.: 01-2660511,  
2660950  
Fax: 01-2660302

216. **Adeola Odeku Str. Branch**  
15B Adeola Odeku Street,  
Box 71918, Victoria Island,  
Lagos,  
Lagos State  
Tel.: 01-2626325,  
2617947, 2626324-5

217. **Adetokunbo Ademola Branch**  
8, Adetokunbo Ademola  
Str, V/I, Lagos  
Tel: 01-2704812-4

218. **Agege Branch**  
254, Agege Motor Rd,  
Oko-Oba, Agege,  
Lagos  
Tel.: 01-4926129,  
4924389

219. **Agege Cash Centre**  
27, Abeokuta, Motor Rd.,  
P.O. Box 65, Agege

220. **Agidingbi Branch**  
6, Asabi Cole Road,  
Off Lateef Jakande Way,  
Agidingbi, Ikeja

221. **Aliko Cement Terminal Cash Centre,**  
Aliko Dangote Cement  
Depot,  
Abule Oshun, Via Satellite  
Town

## Branch Network contd

- |  |  |   |   |
|--|--|---|---|
| 222. <b>Ajah Branch</b><br>Ajiwe, Ajah, Along Lekki-Epe Expressway, Lagos<br>08023142712   | 232. <b>Bariga Branch</b><br>10, Jagunmolu Street, Bariga<br>01-8752697,<br>08033053308  | 241. <b>Enu-Owa Cash Centre</b><br>62, Enu-Owa Street, Lagos  | 251. <b>Ikeja Airport Road Branch</b><br>P.O. Box 69, Ikeja.<br>Tel.: 01-901740-4,<br>4977862-3<br>Fax: 01-901744   |
| 223. <b>Ajah Cash Centre</b><br>Ajah Market, Eti Osa L.G.A, Lagos  | 233. <b>Broad Street Branch</b><br>214 Broad Street, (Elephant House), P.O. Box 2334, Lagos<br>Tel.: 01-2643566,<br>2660620,2643734,<br>2643735<br>Fax: 2664145<br>WUMT: 2660588 | 242. <b>Epe Branch</b><br>P.M.B 1022, Epe<br>Tel.: 037-770090,<br>770541  | 252. <b>Ikeja Allen Avenue,</b><br>58 Allen Avenue,<br>P.M.B. 21087, Ikeja<br>Tel.: 01-4970510  |
| 224. <b>Ajegunle Branch</b><br>74 Malu Road,<br>P.M.B. 1180, Apapa<br>Tel.: 01-842238, 873679  | 234. <b>Chevron-Texaco Branch</b><br>Along Chevron Drive, Chevron Complex, Lekki, Lagos.<br>Tel.: 01-4616640-2   | 243. <b>Falomo S/Centre Branch</b><br>Awolowo Road, Ikoyi,<br>P.M.B 1022, Ikoyi<br>Tel.: 01-2695506,<br>2693029                     | 253. <b>Ikeja Military Cantonment Agency</b><br>Ikeja Military Cantonment, 9th Mechanised Brigade, Maryland, Ikeja, C/O Ikeja Branch,<br>P. O. Box 69, Ikeja  |
| 225. <b>Akowonjo Branch</b><br>Akowonjo Road,<br>Akowonjo. P.O.Box 14767, Ikeja<br>Tel.: 01-4705827;<br>4926440-2, 4926440,<br>4923785<br>Fax: 4926438 | 235. <b>Coker Branch</b><br>Plot 4 Block C<br>Amuwo Odofin Ind. Layout, Orile Iganmu, Lagos<br>Tel.: 7745182   | 244. <b>Fed. Secretariat Complex Branch</b><br>Ikoyi, P.M.B. 12736, Lagos.<br>Tel.: 01-684745,<br>684746<br>Fax: 01-688056          | 254. <b>Ikeja Ind. Estate Branch</b><br>Oba Akran Avenue,<br>P. O Box 105, Ikeja<br>Tel.: 01-4978541,<br>4968609<br>Fax: 01-4978501, 4968610  |
| 226. <b>Alaba Int'l Market Branch</b><br>29, Ojolgbede Rd.<br>New Alaba, Lagos<br>Fax: 01-5894467<br>Tel.: 01-5894468,<br>5894463                      | 236. <b>Creek Road Branch</b><br>32, Creek Road,<br>Apapa, Lagos<br>Tel.:01-5876356  | 245. <b>Festac Branch</b><br>32 Road, Festac Town, Lagos<br>Tel.: 01-5895499,<br>8511130-1  | 255. <b>Ikorodu Branch</b><br>88 Lagos Road,<br>P.M.B. 1005, Ikorodu<br>Tel.: 01-780610-2,<br>7748382<br>Fax: 01-7745662  |
| 227. <b>Alaba Int'l Market Cash Centre</b><br>Densine Mall, Dobbil Avenue,<br>Alaba Int'l Market, Alaba, Lagos   | 237. <b>Daleko Market Branch</b><br>Daleko Market, Bank Road,<br>Mushin, Lagos   | 246. <b>Jibowu Branch</b><br>10, Alakija Street,<br>Jibowu, Yaba, Lagos<br>Tel.: 01-7734815,<br>7734804                             | 256. <b>Ikota Branch</b><br>Ikota Int'l Market<br>Ikota Shopping Complex<br>Victoria Garden City,<br>P.O. Box 52717, Falomo<br>Tel.: 01-4618099,<br>4618099   |
| 228. <b>Alaba Rago Mkt. Cash Centre</b><br>Alaba Rago Market,<br>Alaba Rago,<br>Lagos-Badagry Express Way  | 238. <b>Dopemu Branch</b><br>Deebo Plaza, 618,<br>Dopemu-Akowonjo Road, Dopemu Roundabout,<br>Dopemu, Lagos<br>Tel.: 01-8133309,<br>8133310                                      | 247. <b>Iddo Market Branch</b><br>1, Taylor Road, Iddo.<br>Tel: 090401521.  | 257. <b>Ilupeju Branch</b><br>Ilupeju Bye-Pass,<br>P.M.B. 1173, Ikeja<br>Tel.: 01-4961063,<br>4933617, 4930478,<br>4930693  |
| 229. <b>Alausa Branch</b><br>Motorways Building<br>Toll Gate, Alausa<br>Lagos<br>Tel.: 01-4934184  | 239. <b>Ebute Metta Branch</b><br>1 Savage Street,<br>Apapa Road,<br>P.M.B. 12014,<br>Ebute Metta.<br>Tel.: 01-837998,<br>834477; 7745556.                                       | 248. <b>Idimu Branch</b><br>205, Idimu Road,<br>Yem-Kem Shopping Plaza, Agege, Lagos State<br>Tel.: 01-4744464,<br>8135603, 8235607 | 258. <b>International Trade Fair Complex Branch</b><br>Wing B, Hall 2,<br>Hexagon 9,<br>Int'l Trade Fair Complex,<br>Badagry Express Road, Box 6238 Festac Town, Lagos<br>Tel.: 01-4704437,<br>3208374<br>Fax: 01-3208374 |
| 230. <b>Apapa Branch</b><br>1 Burma Road,<br>P.M.B. 1034 Apapa<br>Tel.: 01-5451345,<br>5877116<br>Fax: 01-5871539                                      | 240. <b>Eko Hotel Cash Centre</b><br>Eko Hotel Victoria Island, Lagos.<br>Tel.: 01-2623164,<br>7749773   | 249. <b>Iganmu Branch</b><br>Abebe Village Road,<br>P.M.B. 126734, Iganmu.<br>Tel.: 01-833322,<br>830311, 834331                    |   |
| 231. <b>Awolowo Road</b><br>116 Awolowo Road,<br>Ikoyi, Lagos.<br>Tel: 01- 4630107-9<br>2694310<br>Fax: 01-2695857                                     |  | 250. <b>Ijora Branch</b><br>1 Ijora Causeway,<br>P.O. Box 228 Apapa.<br>Tel.: 01-, 5871435,<br>7738884,7738887<br>Fax: 01-5454772   |   |



## Branch Network contd

259. **Int'l Trade Fair Complex II (Balogun) Cash Centre**,  
NIICO Best Executive Plaza,  
Opp. Atiku Hall,  
Int'l Trade Fair Complex,  
Mile 2-Badagry Expressway,  
Lagos  
Tel.:01-7918350, 7918351
260. **Investment House Branch**  
21-25 Broad Street, Lagos  
Tel: 01-2640469
261. **IPMAN Cash Centre**  
1-15 Dockyard Road,  
Apapa, Lagos  
Tel.: 10-79247211-2
262. **Isolo Branch**  
Apapa/Oshodi Express Way,  
Iyana Isolo,  
P.M.B. 1034, Mushin,  
Tel.: 01-4520434,  
4520087, 4523662,  
4520984
263. **Isolo Industrial Estate**  
Branch. Limca Way,  
Ilasamaja, Lagos State  
Tel.: 4520256, 7755331,  
5556539  
Fax: 4528877
264. **Iyana Ipaja Branch**  
177 Lagos Abeokuta  
Express Rd.,  
Iyana Ipaja, Lagos  
P.O.Box 3040 Agege,  
Tel.: 7737622
265. **Keffi Street Branch**  
4, Keffi Street, Ikoyi, Lagos  
Tel.: 01-7732429,  
2707180-9
266. **Ketu Branch**  
101 Ikorodu Road,  
P.M.B. 21468, Ikeja  
Tel.: 01-5965474-5
267. **Kofo Abayomi Branch**  
43 Kofo Abayomi  
Street, Apapa  
Tel: 01-5803717-9,  
7171050
268. **Marina Branch**  
35 Marina,  
P.O. Box 2006, Lagos  
Tel.: 01-2669683- 4,  
2669697
269. **Matori Branch**  
84/88 Ladipo Street,  
Papa Ajao,  
P.M.B. 1120, Mushin  
Tel.: 01-523713  
Fax: 01-4528383
270. **Moloney Branch**  
28 Berkley Street,  
Lagos.  
P.O. Box 2099, Lagos  
Tel.: 01-2635238,  
2635758
271. **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
272. **M.M. Way Branch**  
128 Murtala Moh'd  
Way,  
P.O. Box 1021, Ebute-  
Metta  
Tel.: 01-860306
273. **Mushin Branch**  
197 Agege Motor  
Road, Lagos.  
Tel: 8744789,  
7242483,  
08022243015
274. **Navy Town, Ojo Branch**  
B.M.U Complex  
(Road 8) Satellite  
Town,  
C/O P.M.B 008,  
Festac Town  
Tel.: 01-5883897,  
5890225
275. **Niger House Branch**  
1/5 Odunlami Street,  
P.M.B. 12883, Lagos  
Tel: 01-2665781,  
2664510, 2664476
276. **N.I.J. House Branch**  
20 Adeyemo Alakija  
Street, Victoria Island,  
P.M.B. 50, Falomo  
Tel.: 01-611496,  
619312  
Fax: 01-616484
277. **Oba Akran Road Branch**,  
46, Oba Akran Avenue,  
Ikeja  
Tel.: 01-4960303 or  
4960304
278. **Obun-Eko Branch**  
126 N. Azikiwe Street,  
P. O. Box 2353, Lagos  
Tel.: 01-2663261,  
2666646  
Fax: 01-2663109
279. **Odun Ade Cash Centre**  
Shop 1&2, First Floor,  
Block 2, Agric, Odun  
Ade, Coker  
Tel: 01-8777734
280. **Ogba Branch**  
Plot 7, Block C  
Acme Road,  
P.M.B. 21441, Ikeja  
Tel.: 01-4920049,  
4920052, 7938779
281. **Ojo Cantonment Agency**  
Ojo Military Cantonment,  
Ojo, Lagos-Badagry Exp.  
Road,  
C/O P.M.B. 12674, Lagos  
Tel.: 01-888880
282. **Ojodu-Isheri Branch**  
2, Ojodu-Isheri Road,  
Ojodu Berger, Ikeja,  
Lagos  
Tel.:01-3450371,  
4925313, 4924383.
283. **Ojuwoye Cash Centre**  
7, Dada Iyalode Str. Off  
Post Office Rd. Mushin  
Lagos  
Tel.: 01-7918306
284. **Oke-Arin Market Branch**  
53 Offin Road, Lagos  
Tel.: 01-2641516,  
2641554, 2643870  
Fax: 01-2643871
285. **Oke-Odo Branch**  
415, Abeokuta  
Expressway,  
Ile-Epo Bus Stop, Lagos  
P.O.Box 2828 Agege,  
Lagos  
Tel.: 01-4925464,  
4920086.  
Fax: 01-4925690
286. **Okota Branch**  
3, Ago Place Way, Okota,  
Lagos  
Tel: 01-7948712-3
287. **Opebi Branch**  
Adebola House,  
40, Opebi Road,  
Off Allen Avenue,  
Ikeja-Lagos.  
Tel. 01-3450320-2,  
01-7918352-3
288. **Oregun Ind. Estate Branch**  
Plot 2B Adewunmi Close,  
P.M.B. 21444, Ikeja  
Tel.: 01-4970410,  
4934875
289. **Oshodi Branch**  
471 Agege Motors Road,  
Oshodi  
Tel.: 7948714-5
290. **Oshodi Cantonment Agency**  
C/O Ilupeju Branch,  
P.M.B. 1173, Ikeja,  
Lagos.
291. **Oshodi-Mile 2 Expressway Branch**,  
Plot 104 Oshodi Mile 2  
Expressway, Near Cele  
Bus-stop, Lagos,  
Tel.: 01-8112185,  
8049281
292. **Owode Branch**  
Ibeshe Road,  
P.M.B. 231, Ikorodu  
Tel.: 037-7745560,  
01- 4930536  
Fax: 01-4930536
293. **Shell Agency**  
Shell Petroleum & Dev.  
Company,  
Freeman House,  
G.P.O. 2006 Marina.  
Tel.: 01-2601600 616  
Fax: 01-2636681
294. **Shomolu Branch**  
Moyosore House  
Onipan, Ikorodu Road,  
P. O. Box 04, Shomolu  
Tel.: 01-7745763

## Branch Network contd

295. **Stock Exchange House Branch**  
Customs Street,  
P. O. Box 7685, Lagos  
Tel.: 01-2661685,  
2661696, 2668195  
Fax: 01-2661701
296. **Sura Cash Centre**  
Sura Shopping Centre,  
Lagos.
297. **Surulere Branch**  
17 Itire Road,  
P. O. Box 273, Surulere.  
Tel. 01-5848733, 831110,  
835515
298. **Surulere S/Centre Branch**  
84 Adeniran Ogunsanya St,  
C/O P. O. Box 273,  
Surulere.  
Tel.: 01-5850831
299. **Tin Can Island Branch**  
Tin Can Island Port  
Complex,  
Off Apapa/Oshodi  
Express Road,  
P.M.B. 1019, Apapa  
Tel.: 01-871307, 873096
300. **Toyin Olowu Branch**  
14A, Olowu Street, Off  
Toyin Street, Ikeja, Lagos.  
Tel: 01-8987988, 8987993.
301. **Trinity Branch,**  
Olodi- Apapa,  
No. 1, Industrial Road, By  
Trinity Police Station, Olodi  
Apapa, Lagos.  
Tel: 01-8112183, 8112184
302. **Western House Branch**  
8/10 Broad Street,  
P. O. Box 2135, Lagos  
Tel.: 01-2634930, 2636499  
Fax: 01-2636642
303. **Yaba Branch**  
322 H. Macaulay St,  
P.M.B. 1040, Yaba  
Tel.: 01-861353,  
862176, 5455273-5  
Fax: 01-5455272
- Nasarawa State**
304. **Lafia Branch**  
Lafia/Jos Road,  
P.M.B. 5, Lafia  
Tel.: 047-20229,  
221289  
Fax: 047-220283,  
220229, 221721
- Niger State**
305. **Bida Branch**  
Zungeru Road,  
P. O. Box 48, Bida,  
Tel/Fax: 066-461640
306. **Kagara Branch**  
P.M.B. 1, Kagara
307. **Katcha Branch**  
C/O Postal Agency  
Katcha
308. **Kontagora**  
P.M.B. 06, Kontagora  
Tel.: 067-220018,  
20272
309. **Kuta Branch**  
P. O. Box 5, Kuta  
Tel.: 066-690444
310. **Minna Branch**  
3 Bank Road.  
P.M.B. 62, Minna  
Tel.: 066-221070,  
223804  
Fax: 066-221652,  
222185, 222968
311. **Rijau Branch**  
Zuru Road,  
P.M.B. 2116, Rijau  
Tel.: 067-31441
312. **Suleja Branch**  
Minna Road,  
P.M.B. 23, Suleja.  
Tel.: 09-8501513,  
8500087, 8501288  
Fax: 09-500280
313. **Suleja S/Centre Agency**  
IBB Modern Market  
P.M.B. 23, Suleja.  
Tel.: 09-8500061
- Ogun State**
314. **Abeokuta Branch**  
95 Obafemi Awolowo  
Rd, P.M.B. 2003,  
Abeokuta.  
Tel.: 039-240154,  
240952  
Fax: 039-241285
315. **Abeokuta II Branch**  
Onikolobo Road,  
Abeokuta.  
Tel: 039-976457,  
08033056581  
08033581001
316. **Agbara Ind. Estate Branch**  
Ilaro Street,  
P.M.B. 012, Agbara.  
Tel.: 01-7745552,  
712043, 712041
317. **Igbogila Branch**  
P.M.B. 2015, Abeokuta.  
Tel.: 01-7901332
318. **Ijebu-Ode Branch**  
26 Ibadan Road,  
P.M.B 2141, Ijebu-Ode.  
Tel.: 037-431378,  
434534, 433613
319. **Mosinmi Branch**  
NNPC/PPMC Complex,  
Mosinmi. C/o Sagamu  
Branch
320. **Ogbere Branch**  
Old Benin Road,  
P.M.B. 1005, Ogbere
321. **OPIC Cattle**  
Oluwanishola Cattle  
Market, OPIC Estate,  
Isheri
322. **Ota Branch**  
Lagos/Abeokuta  
Expressway,  
P.M.B. 1036, Ota.  
Tel.: 039-722457,  
722242
323. **Ota II Branch**  
241, Idiroko Road, Ota,  
Ogun State.  
Tel: 7614543, 7618854  
08037156569
324. **Shagamu Branch**  
Akarigbo Street,  
P.M.B. 2008, Sagamu  
Tel.: 037-640701  
Fax: 037-640331
- Ondo State**
325. **Akure Main Branch**  
1 Oba Adesida Road,  
P.M.B. 707, Akure  
Tel.: 034-231960-1,  
230228, 240686
326. **Akure Market Branch**  
1A Adedipe Street,  
P.M.B. 629, Akure  
Tel.: 034-242403,  
240243
327. **Araromi-Obu Branch**  
1 College Road  
P.M.B. 505 Araromi -Obu
328. **Idoani Branch**  
Owani Street,  
P.M.B. 203, Idoani.  
Tel.: 051-53024
329. **Igbokoda Branch**  
30, Broad Street,  
P.M.B. 339, Igbokoda
330. **Ikaram-Akoko Branch**  
Oyagi Quarters,  
P. O. Box 001,  
Ikaram-Akoko
331. **Ikare Branch**  
L21 Ilapa Street,  
P.M.B. 275, Ikare,  
Tel.: 050-670730, 670445
332. **Ile-Oluji Branch**  
1 Old Motor Park,  
P.M.B. 704, Ile-Oluji
333. **Oka-Akoko Branch**  
6 Ikese Quarters,  
P.M.B. 07, Oka-Akoko.
334. **Ondo Branch**  
Agbogbo-Oke Road, Yaba,  
Ondo.  
P.M.B. 550, Ondo.  
Tel.: 034-610313, 610800,  
Fax: 244838
335. **Ore Branch**  
1 Market Road,  
Sabo Quarters,  
P.O. Box 55, Ore,  
Odigbo L.G.A.
336. **Owo Branch**  
Idimisasi Street,  
P.M.B. 1012, Owo L.G.A.  
Tel.: 051-241423, 241174  
240074  
Fax: 051-241006
- Osun State**
337. **Ede Branch**  
No. 117 Station Road,  
P.M.B. 217,  
Ede, Osun State.  
Tel.: 035-360175, 360105,  
360565, 360138
338. **Erin Osun Branch**  
Council Road, Erin-Osun  
P.M.B. 5001, Erin -Osun.

## Branch Network contd

339. **Ijebu-Jesa Branch**  
A59 Oja Street,  
P.M.B. 1003, Ijebu-Jesa.
340. **Ilesa Branch**  
Ereja Street,  
P.M.B. 5016, Ilesa  
Tel.: 036-460355, 460631
341. **Ile-Ife Branch**  
27 Lagere Layout,  
P.M.B. 5534, Ile-Ife.  
Tel.: 036-233464-5  
Fax: 036-231248
342. **Inisa Branch**  
Market Square,  
P.M.B. 2007, Inisa.
343. **Ipetu-Ijesa Branch**  
Palace Square, Oke-Oja.  
P.M.B. 2003,  
Ipetu-Ijesa.
344. **Osogbo Branch**  
152 Station Road,  
P.M.B. 301, Osogbo.  
Tel.: 035-230135,  
234449
- Oyo State**
345. **Ibadan, Apata Branch**  
SW9/960, Apata  
Ganga  
PMB 5386 Ibadan.  
Tel: 02/2319937  
Fax: 02/2310237
346. **Awe Branch**  
Ife-Odan Road,  
P.M.B. 1017, Awe.  
Tel.: 038-230663
347. **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
348. **Ibadan (Agodi) Branch**  
Oyo State Secretariat,  
P.M.B. 5153, Ibadan.  
Tel.: 02-2412981,  
8102981, 8101231,  
8103924, 8102931
349. **Ibadan (Amunigun) Branch**  
Amunigun Street,  
P.M.B. 5120, Ibadan,  
Tel.: 02-2413616,  
2411653  
Fax: 2411579
350. **Ibadan (Bank Road) Branch**  
Bank Road,  
P.M.B. 5111, Ibadan.  
Tel.: 02-2413156,  
2413042  
Fax: 02-2413659
351. **Ibadan Bola Ige-Business Complex Branch** (formerly  
Gbagi Market) Branch.,  
Shop D 30, C/O Bank  
Road Branch, P.M.B.  
5111, Ibadan.
352. **Ibadan (I.I.T.A) Agency**  
P.M.B. 5111, Ibadan.  
C/O Ibadan (Main)  
Branch  
Tel: 02-2413765,  
2411521, 2412995
353. **Ibadan (Molete) Branch**  
48 Molete/Challenge  
Road, Ibadan.  
P.M.B. 086, Mapo,  
Ibadan.,  
Tel.: 02-2319784,  
2319906
354. **Ibadan (Oluyole Estate) Branch.,**  
7, Town Planning  
Way, Oluyole Industrial  
Estate  
P.M.B. 5181, Ibadan.  
Tel.: 02-2316586
355. **Ibadan (Orita Challenge) Branch.,**  
Old Lagos Road,  
P.M.B. 5125, Ibadan.  
Tel.: 02-2311047  
Fax: 02-2314462
356. **Ibadan (U.I) Branch**  
P.M.B. 128, U.I. Post  
Office.  
Tel.: 02-8103902
357. **Ibadan (Iwo Road) Branch**  
59, Iwo Road, Ibadan.  
Tel: 02-713680, 713681
358. **Ogbomoso Branch**  
Akinwale Street,  
Tackie Square,  
P.M.B. 3591,  
Ogbomoso.  
Tel.: 038-710801,  
710089,  
Fax: 721479
359. **Oko Branch**  
Osogbo Road, P.M.B.  
4008, Ejigbo.
360. **Oyo Branch**  
Asogo Street,  
P.M.B. 1002, Oyo  
Tel.: 038-230437,  
230108
361. **Saki Branch**  
Sango Road  
Ajegunle, Saki  
Tel.: 038-900015
- Plateau State**
362. **Amper Agency**  
C/O Mangu Branch,  
P. O. Box 60, Mangu.
363. **Barkin-Ladi Branch**  
Block 25 A&B,  
State Low Cost,  
P.M.B. 2007,  
Barkin-Ladi.  
Tel.: 023-92002
364. **Bassa Branch**  
P. O. Box 1377, Bassa  
073-464829
365. **Bukuru Branch**  
31 Bukuru Road,  
P.M.B. 2002, Bukuru.  
Tel.: 073-280807,  
280273
366. **Bukuru Police College Agency**  
Police College Bukuru,  
P.M.B 02, Bukuru.
367. **Jos (Gov. Sect.) Branch**  
C/O Govt. Secretariat,  
Jos.  
Tel.: 073-464706,  
073 464770,  
073 - 464796
368. **Jos (Main) Branch**  
Bank Street,  
P.M.B. 2027, Jos.  
Tel.: 073-452302, 452245,  
452546, 459654, 452733  
Fax: 073- 452961
369. **Jos (Market) Branch**  
Market Road,  
P.M.B. 467, Jos.  
Tel.: 073- 453933  
Fax: 073-457629, 451194
370. **Jos (Unijos) Branch**  
2 Bauchi Road Campus  
C/O P.M.B. 2027, Jos.  
Tel.: 073-610592, 458556
371. **Kurgwi Branch**  
C/O Lafia Branch,  
P.M.B. 5, Lafia.
372. **Mangu Branch**  
P.O. Box 60, Mangu
- Rivers State**
373. **Bonny Branch**  
2 New Road,  
Bonny.  
Tel.: 084-270123, 270153
374. **Bonny Hospital Road Branch,**  
24, Hospital Road,  
Bonny Island.  
Tel.: 084-270136, 270137
375. **Bonny NLNG Branch**  
NLNG Residential Area,  
Bonny.  
Tel: 084-232900 Ext 493
376. **Port Harcourt (Diobu) Branch**  
33 Ikwerre Road, Diobu  
P.O. Box 5007,  
Port Harcourt.  
Tel: 084-232269  
Fax: 084-232268.
377. **Port -Harcourt Garrison Branch,**  
1, Agudama Ave, D Line,  
PH.  
Tel: 084-236000,  
236001-2.
378. **Port Harcourt (Main) Branch**  
22/24 Aba Road,  
Port Harcourt.  
Tel.: 084-232407, 232644,  
231789  
Fax: 084-234277

## Branch Network contd

379. **PH Olu Obasanjo Rd, Branch,**  
346, Olu Obasanjo Rd, PH.  
Tel: 084-230251, 230253,  
230262-3,  
Fax: 238529
380. **Port Harcourt Rumuokwurusi Branch**  
315, P/H/Aba Road, (Izzi House), P.M.B. 5736,  
Port Harcourt,  
Tel.: 084-612383, 612663,  
Fax: 084- 612660
381. **Port Harcourt Rumuomasi Branch**  
Aba Road, P. O.Box 646,  
Port Harcourt.  
Tel.: 084-332031,  
Fax: 084-331491
382. **Port Harcourt (Station Road) Branch**  
11 Okrika Road, Port Harcourt  
P.M.B. 5007, Port Harcourt.  
Tel.: 084-572852, 233597,  
Fax: 233598
383. **Port Harcourt (Harbour Road) Branch**  
1, Harbour Road,  
P.M.B. 6197, Port Harcourt.  
Tel. 084-231786  
Fax: 084-232207
384. **Port Harcourt (Trans-Amadi) Branch**  
Plot 745, Trans-Amadi Ind. Estate,  
P.M.B. 5865,  
Port Harcourt.  
Tel.: 084-233780
385. **Shell (P/H) Branch**  
Shell Complex,  
Port- Harcourt.
- Sokoto State**
386. **Sokoto (Dan Fodio) Branch**  
Abdullahi Fodio Road,  
P.M.B. 2116, Sokoto.  
Tel.: 060-232130  
Fax: 060-234369
387. **Gidan Madi Agency**  
C/O Sokoto (Main) Branch,  
P.M.B. 2116, Sokoto.
388. **Illeila Branch**  
Birnin Konni Road,  
C/O Sokoto (Main) Branch,  
P.M.B. 2116, Sokoto.
389. **Sokoto (Main) Branch**  
Kano Road  
P.M.B. 2160, Sokoto,  
Tel.: 060-231251,  
231235, 232967,  
237483  
Fax: 060-231978
390. **Tambawal Opposite Health Centre,**  
P.M.B. 1082,  
Tambawal.  
Tel.: 060-550378
- Taraba State**
391. **Bambur Branch**  
C/O Yola (Main) Branch,  
P.M.B. 2050, Yola.
392. **Jalingo Branch**  
65 Barde Way,  
P.M.B. 1095, Jalingo.  
Tel/Fax: 079-222098,  
223244
393. **Karim Lamido Branch**  
P.M.B. 4, Yola.
394. **Lau Branch**  
P.M.B. 4, Lau.
395. **Mayo Ndaga Branch**  
C/O Yola (Main) Branch,  
P.M.B. 2050, Yola.
396. **Zing Branch**  
C/O Yola (Main),  
P.M.B. 2050,  
Yola.
- Yobe State**
397. **Damaturu Branch**  
Gashua Road,  
P.M.B. 1009,  
Damaturu.  
Tel.: 076-522980,  
522545  
Fax: 522543
398. **Damagun Agency**  
C/o Damaturu Branch  
Gashua Road,  
P.M.B. 1009,Damaturu.  
Tel.: 076-522980  
Fax: 076-522545
399. **Gashua Branch**  
Opposite Market,  
P.M.B. 04, Gashua.  
Tel.: 076-700563
400. **Geidam Branch**  
Commercial Area,  
P.M.B. 12, Nguru.
401. **Nguru Branch**  
Ali Kahtan Road,  
P.M.B. 12, Nguru.  
Tel.: 076-740255,  
420485
402. **Potiskum Branch**  
Ibrahim Alkali Road,  
P.M.B. 46, Potiskum.  
Tel.: 076- 420042
- Zamfara State**
403. **Anka Branch**  
Daki Takwas Road,  
P.M.B. 1003, Anka,  
Tel.: 063-36139,  
200243, 203202  
Fax: 202261
404. **Bakura Branch**  
Opposite Bakura Central Mosque, Bakura,  
Zamfara State.  
Tel.: 08045924317
405. **Gummi Branch**  
Opposite L.G.A. Secretariat,  
P.M.B. 02, Gummi.  
Tel.: 063-73163, 73168
406. **Gusau Branch**  
Canteen Area,  
P.M.B. 1019, Gusau.  
Tel.: 063-200243,  
203202  
Fax: 063-202261
407. **Kaura Namoda Branch**  
Gusau Road,  
P.M.B. 1002, K/Namoda.  
Tel.: 063-60173
408. **Shinkafi Branch**  
Isa/Gusau Road,  
P.M.B. 02, Shinkafi.

## Subsidiaries' Locations

- 1 **FBN Bank (UK) Limited**  
28, Finsbury Circus, London  
EC2M 7DT. England, UK  
Tel. 44 207 920 4920  
Fax. 44 207 920 4970
- 2 **First Funds Limited**  
27/29, Biaduo Street,  
Off Kefii Street, S/W Ikoyi, Lagos  
Tel. 01-2665211, 2665214,  
2665250
- 3 **First Trustees Nigeria Limited**  
A.G Leventis Building,  
2nd Floor, 42/43 Marina, Lagos.  
Tel. 01-4702621, 2634780,  
2647438
- 4 **FBN Mortgages Limited**  
76, Awolowo Road, Ikoyi, Lagos  
Tel. 01-4615860-2, 2694583,  
269339
- 5 **First Registrars Nig. Limited**  
Plot 2, Abebe Village, Iganmu, Lagos  
Tel. 01-7743309, 2701078-9,  
5465142
- 6 **FBN Insurance Brokers Limited**  
9/11 Macarthy Street, Onikan Lagos  
Tel. 01-2660498, 4709090,  
2631165, 4622181-5,  
Fax. 2660140
- 7 **FBN Capital Limited**  
16 Keffi Street, Ikoyi, Lagos  
Tel. 01-2707180-9

- 8 **First Pension Custodian Limited**  
124 Awolowo Road, Ikoyi, Lagos  
Tel. 01-2713220-1, 012694787,  
2692839

- 9 **FBN Bureau De Change Limited**  
Niger House Building,  
1/5 Odulami Street, Lagos  
Tel. 01-2661041

### FirstBank Associate Company

- Kakawa Discount House Limited**  
Sterling Towers  
20 Marina, 10th Floor, Lagos  
Tel. 01-2645480-5, 27022904

### FirstBank Affiliated Companies

- 1 **Banque Internationale Du Benin**  
Carrefour des Trois Banques  
03 B.P. 2098, Cotonou,  
Republic du Benin
- 2 **Valucard Nigeria Limited**  
3, Idowu Taylor Street  
Victoria Island, Lagos  
Tel. 01-2703010, 2703013-4,  
3200325
- 3 **African Export-Import Bank**  
Abuja Office - Rivers State  
Office Complex  
Plot 83, Ralph Shodeinde Street  
Opposite Federal Ministry of Finance,  
Central Business District  
Tel. 09-2340712, 2343842



## Business Development Offices

Business Development Offices	Business Development Managers	Tel No/Fax No	Office Address	States/Territories
Aba	Nkiru Harris-Eze	082-227130/221178, 220049, 220243 Fax: 082-220049, 08033276536	Aba Main Branch, 2, Factory Rd, Aba P.M.B 7152, Aba	Abia
Abuja	Dauda Lawal	09-6700264, 2346829, 2345753, 08033146790	Muhammed Buhari Way, Abuja	FCT, Nasarawa
Akure	Taiwo A. Ademowo	034-243799, 243145 Fax 034-243501, 08023016188	2nd Floor, Tisco Building, Opp Mr. Biggs Along Ado-Owo Rd Akure.	Ekiti, Ondo
Lagos Apapa	Aka C Ezeobele	01-2715119, 08022901978 Fax: 01-5876361	Creek Road Branch	Apapa & Badagry
Bauchi	Sulaiman Abdulkadir	077-540085, 361639, 543680 08045237199, 08033149001	Bauchi Branch	Gombe, Bauchi
Benin	Augustine F. Jarret	052-259130, 259494, 259546 Fax: 052-251113, 08023322222	Benin Akpakpava Branch	Edo
Calabar	Takis Etim Caiafas	087-239576 Fax : 087-239577, 08023157551	Calabar Main Branch	Cross River
Warri	Vincent Igwenagu	053-258354, 254063, 250023, 0803327712	Warri Airport Road Junction Branch	Delta
Enugu	Nwanneka Okolo	042-255649, 250040 Fax: 256456, 08033096992, 08055070761	Enugu Main 21, Okpara Avenue, PMB 11391 Enugu	Ebonyi, Enugu
Ibadan	Solomon O. Ekeopara	02-2319184, 2319186 Fax: 02-2315470, 08023227237	Challenge Round About Opposite Texaco Filling Station, Ibadan	Osun, Oyo
Lagos Ikeja I	Adeotkunbo Abiru	01-4966200, 3453615, 3451223, 08033047870	Opebi Branch	Ikeja
Jos	Gimba H Ibrahim	073-452843, 459651 Fax:073- 459235, 459651, 08023224587	Jos Bank Road, Branch Jos	Plateau
Kaduna	Adamu Ibrahim	062-242409-14, 243588, 245593, 08022902151	Kaduna Main Branch	Kaduna
Kano	Aliwan A. Hassan	064-630648/640650/630599, 08022907391, 08036370094	Kano Lagos Str Branch , Kano	Jigawa, Kano, Katsina
Lagos Island/Marina	Keyode A Olatunbosun	01-7918079, 266172, 5852152 Fax: 01-5851416, 01-2660395, 08023224578	Elephant House, Broad Street Branch	Lagos (Island)
Lagos Mainland	Subu I. Giwa-Amu	01-7745181, 5850551, Fax: 01-5835151/5831273, 08022901212	Plot 2, Abbe Village Rd, Iganmu. PMB 12778, Lagos.	Lagos Mainland
Lokoja	John Enadeghe	058-223005, 08053079252, 08022901995	Lokoja Branch	Kogi & Kwara
Maiduguri	Aliyu S. Darma	076-230818, 236455 fax 230845, 08024139717, 08045026226	Maiduguri Main Branch, Sir K Ibrahim Road, Maiduguri	Borno, Yobe
Makurdi	Abdullahi S Mohammed	044-532296 fax 044/532296 08022237009, 08056168841	Makurdi Branch	Benue
Minna	Mohammed A Ahmad	066-223281/2 fax 066-223286, 221652, 08023236172	Minna Branch	Niger
Onitsha	Columbus T Ndifon	08033013372, 046-302041 fax 046-412325	Onitsha Upper New Mkt Rd Branch	Anambra
Owerri	Augustine Egeire	083-234862, fax 083-231089 08022224633	Owerri Main Branch	Imo
Port-Harcourt	Gbenga Sobbo	084-230347, 230222/24 Fax :084-238137, 230232	22/24 Aba Rd. P/H, By Leventis B/Stop, P/H.	Rivers, Bayelsa,
Sokoto	Lawal B. Rafindadi	060-234369 ,232130, 238302, 238304, 08022907310	Abdullahi Fodio Road, Sokoto	Kebbi, Sokoto, Zamfara
Yola	Abdullahmiid Umar	062-243588, 08023224717, 08033432943	Yola Main	Adamawa, Taraba
Onitsha II	Leo Ezeokana	046-212958, 046-300133, 08023122936	Osha-Bridge Head	Anambra
Uyo	Iquo Udo	085-200082, Fax 085-200594, 08023125472	Uyo Branch	Akwa Ibom
Ikeja II	Ogundeero Oluamide	01-4966200, Fax 01-3453615,	Ikeja main Branch	Ikeja & Ogun
VIIKoyi	Okpanachi Iwe	01-8775959, 4610843, 4619056, 08023283659	Adeola Odeku Branch	VIIKoyi



# Directors

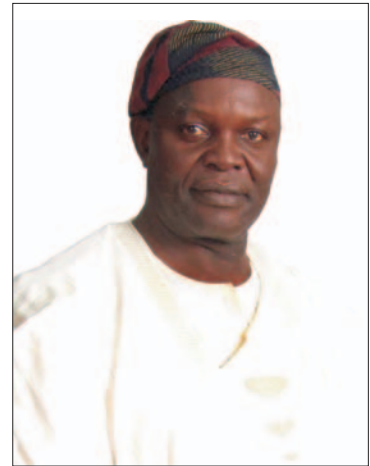
## Non-Executive Directors



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



Abdullahi Mahmoud



Ajibola A. Afonja



Oba A. Otudeko (OFR)



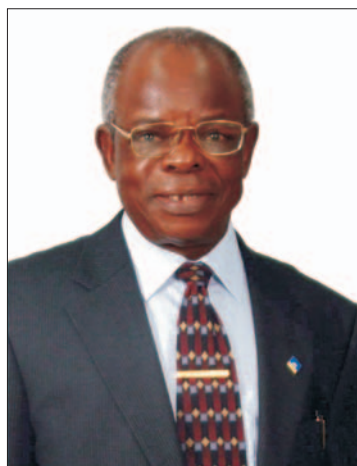
Garba Duba



Aliyu A. Alkali mni



Oyekanmi Hassan-Odukale (MFR)



Udo Udo-Aka (MON)

## Unclaimed Dividends and Certificates

The Registrar has informed us that there are some unclaimed dividends and share certificates.

If you have not received any of your past share certificates and dividends, kindly contact:

**The Registrar**

First Registrar Nigeria Limited

Plot 2, Abebe Village Road

Iganmu

Lagos

Tel. 7743309, 5456142, 8045681, 5851418 & 2701078

Fax. 2701079

## Notes