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Vision & Mission Statements

VISION

“To be the clear leader and Nigeria's bank of first choice”

MISSION

“To remain true to our name by providing the best financial services possible”

RC 6290

Financial Highlights

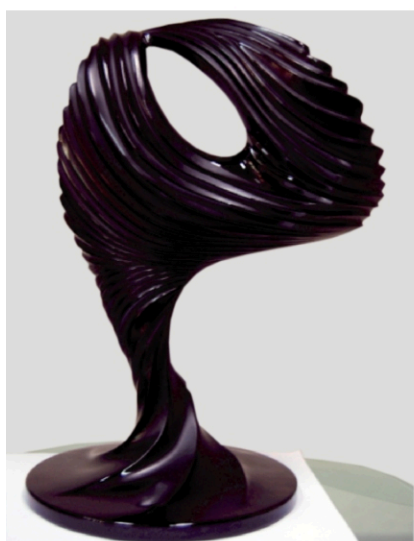
Financial Highlights

For the Year Ended 31 March 2008

	The Group		The Bank	
	2008 N'million	2007 N'million	2008 N'million	2007 N'million
Major balance sheet items:				
Total assets and contingencies	2,081,368	1,255,582	1,363,700	895,618
Total assets	1,527,542	911,427	1,165,461	762,881
Deposits	700,197	599,689	661,624	581,827
Share capital	9,945	5,238	9,945	5,238
Loans and advances	459,373	217,995	437,768	219,185
Shareholders' funds	355,634	83,627	339,847	77,351
Major profit and loss account items:				
Gross earnings	155,293	91,163	130,600	79,299
Charge for doubtful accounts	(6,105)	(2,021)	(5,819)	(2,519)
Profit before taxation	47,694	25,854	38,020	22,097
Information technology development levy	(480)	-	(380)	-
Taxation	(10,674)	(5,218)	(7,167)	(3,742)
Profit after taxation	36,540	20,636	30,473	18,355
Amortisation of goodwill	-	(1,984)	-	(1,984)
Profit attributable to ordinary shareholders	36,540	18,652	30,473	16,371
Dividend:				
- Declared	-	10,477	-	10,477
Information per 50k ordinary share:				
	N	N	N	N
Earnings (basic) :-				
- Basic	2.67	1.78	2.23	1.56
Dividend per share :-				
- Declared	-	1.00	-	1.00
Dividend cover [times]	-	1.78	-	1.56
Net assets	17.88	7.98	17.09	7.38
Total assets				
- actual	76.80	86.99	58.60	72.81
- adjusted	145.80	86.99	111.24	72.81
Stock Exchange quotation at 31 March			47.24	33.50
Ratios:				
	%	%	%	%
Cost to income	67.86	71.64	69.19	72.13
Return on assets	3.12	2.84	3.26	2.90
Return on shareholders' funds	10.27	22.30	8.97	21.16
Capital adequacy	42.30	23.35	48.23	22.73
Other information:				
Number of branches/agencies and subsidiaries	469	414	453	408
Number of staff	8,856	7,593	8,495	7,399
Number of shares in issue (million)	19,890	10,477	19,890	10,477

Awards

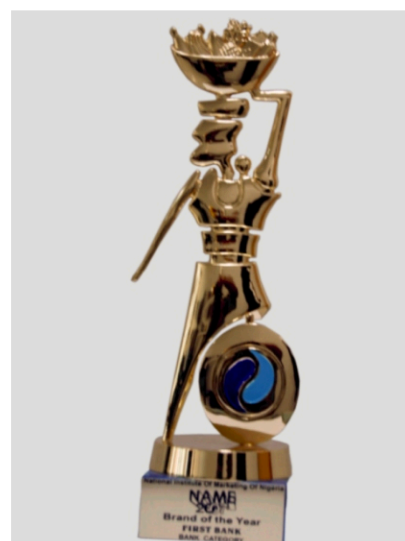
2007 Awards and Recognition



Stock Offer of the Year,
ThisDay Awards 2008



Central Bank of Nigeria's "Best SMEEIS
Support Venture Capital Company, 2007"



2007 Brand of the Year (Banking)
National Institute of
Marketing of Nigeria



Awards

2007 Awards and Recognition Contd

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

The third edition of the CEO Annual Merit Award held on December 7, 2007, 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
1	Best Teller	Amina Yamta Abubakar	Maiduguri Main
2	Best Customer Service Team (Group)	Marina Branch	Lagos
3	Best Retail Marketing Team (Group)	Awolowo Road Branch	Victoria Island
4	Best Branch	Opebi Branch	Ikeja 1, Lagos
5	Best Branch Manager	Mohammed Yusuf	Kano Fagge Takudu
6	Best Head Operations Support	Abdul-Ganiyu I. Akilo	Opebi - Lagos
7	Best Business Dev. Manager	Francis Olugbenga Shobo	BDO, Port Harcourt
8	Best Support Function Officer	Mohammed A. Azamah	Credit Analysis & Processes
9	Best Support Function Manager	Luqman Olatunde Ibidunni	Credit Risk Management
10	Best Support Function Team (Group)	Classified Asset Management	Head Office
11	Best Support Services Officer	Ifeanyi Anthony Chidolue	Application Management
12	Best Support Services Manager	Akeem B. Oladele	Corporate Planning & Group Coordination
13	Best Support Services Team (Group)	Domestic Banking Operations	Head Office, Lagos
14	Best Secretary	Mayowa E. Omotosho	Adeola Odeku, Lagos
15	Best Security Officer	Akinade B. Hamzat	Security Department
16	Best Technician	Raphael U. Michael	General Services
17	Best Accounts Officer	John Oghoro	Corporate Banking
18	Best Relationship Manager	Abiodun O. Olatunji	National Corporate
19	Best Relationship Team Leader	Lucky A. Adaghe	Fin Inst/Multilateral (Foreign)
20	Best Head Branch Operations	Olubunmi O. Dolu-Adebiyi	Ikeja Ind. Estate
21	Best Driver	Yaya Osho Alli	Ikeja Industrial Estate
22	Best Product Officer	Christiana Chika Ubendu	Western Union Product Dept
23	Best Product Manager	Taiwo K. Oladimeji-Yisa	Western Union Product Dept.
24	Best Product Team (Group)	Western Union Product	Western Union Product Dept.
25	Best Fireman	Bartholomew M. Onuoha	Security Department
26	Best Group Head	Rosemary I. David-Etim	Corporate Banking
27	Best Relationship Team (Group)	Bond Trading Unit	Corporate Banking

Gallery



A cross section of the recently upgraded and widened Lekki-Epe expressway, which is the principal road artery linking Victoria Island in Lagos with the Lekki peninsula. Constructed by Lekki Concession Company with part-financing by FirstBank through a syndicated facility.



Firm Farms Limited, Onilade, Ogun State financed by First Funds Limited on behalf of FirstBank (Fully automated).



Seawolf-Oritsetimeyin Offshore Jack-up Drilling Rig, Dubai U.A.E., owned by Seawolf Oilfield Services Limited and financed by FirstBank.



Massage and Facial Treatment Room of Medspa, a beauty enhancement firm in Victoria Island, Lagos financed by First Funds Limited on behalf of FirstBank.



This fully automated Ultra Modern Colour Coating Line for production of ovenbaked aluminium roofing sheets, located in Ota, Ogun State, is the first of its type in Africa. Owned by Kolorkote Nigeria Limited and financed by FirstBank.



The MD/CE of FirstBank, Mr. J.M. Ajekigbe (extreme right) and a director, Dr. Oba Otudeko (OFR) with winners of the 2007 edition of the Annual FirstBank Undergraduate Essay Competition



Dr. Oba Otudeko (OFR) presents the Best Group Head Award to Mrs. Rosemary David-Etim, Head, Telecoms & Aviation at the 2007 FirstBank CEO Annual Merit Award Gala Night held in Lagos



Zacchi & Krome Limited, a printing press in Illupeju, Lagos financed by First Funds limited on behalf of FirstBank.



Mr. Remi Babalola, Honourable Minister of State for Finance and Special Guest of Honour (left), presents the Best Product Team Award to the Western Union Product Team at the 2007 FirstBank CEO Annual Merit Award Gala Night held in Lagos in December 2007.



As part of measures to promote entrepreneurship, the Bank sponsors the training of its customers, who are SME business owners, on business leadership imperatives through the FirstBank/Leap Africa Business Leadership Programme. Picture shows a cross section of customers at one of the Business Leadership Programmes at the Firstbank Enugu Learning Centre.



Mimee Noodles Production Line, Ota, Ogun State (automated), owned by May & Baker (Nigeria) Plc and financed by FirstBank.



TELEPHONE BANKING



ATM



M-BANKING



SCHOOLS SOLUTIONS



CARDS SOLUTIONS



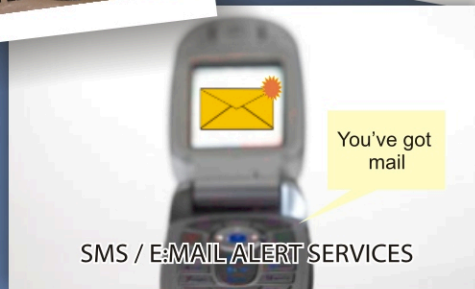
1stBank ONLINE



BANKING ON WHEELS



PAY-DIRECT



SMS / EMAIL ALERT SERVICES



Card Schemes

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

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



Banking on the go.

Visit: www.firstbanknigeria.com

FirstBank Story

The Dependably Dynamic Financial Services Supermarket

Birth of a National Icon

First Bank of Nigeria Plc (FirstBank) was founded in 1894 by Sir Alfred Jones, a shipping magnate from Liverpool, England. The Bank has provided excellent banking services since inception and hence, contributed to the economic growth and development of Nigeria for 114 years. Incorporated as a limited liability company with its head office originally in Liverpool, the Bank 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.

In response to a rapidly changing economic and business environment, the Bank has at various times restructured its operations. 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.

FirstBank is widely acknowledged as a national icon and a worthy ambassador of the Federal Republic of Nigeria in the international financial community.

Progressive Globalisation

In its early years, FirstBank 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. Subsequently, 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 in 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, FirstBank 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 full fledged bank in the UK. With a £1 billion balance sheet, FBN Bank (UK) is the largest of all Nigerian banks in that country. FBN Bank (UK) "has exploited the UK base further than any other bank," according to The Banker magazine. In 2007, FBN Bank (UK) obtained authorization to set up its Paris office to serve as a marketing base to service francophone West Africa. FirstBank also has a representative office in South Africa and is making progress to establish offices in Asia. The Bank's intent is to maximize global opportunities for its customers across the world, and facilitate international business alliances in alignment with the country's established and evolving trade and other strategic relationships.

Branch Network

Since its incorporation, FirstBank has recorded very impressive growth and currently occupies a prominent 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 453 branches as at end of March 2008, the Bank has one of the largest branch networks in Nigeria.

Structural Changes

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 increased to 39 in March 2008.

In response to the dynamics of the operating environment, therefore, it was a natural progression that the Bank in 2001 began the process of

FirstBank Story

FirstBank Story Contd

transforming its corporate identity to reflect its rejuvenated focus. The new corporate identity which currently subsists was launched in 2004, introducing substantial changes to the entire look and feel of the brand.

The FirstBank Brand

At FirstBank, we recognise the immutable merits of maintaining a “brand-first” mindset and culture, as a critical component of our strategic business development process. We strive to constantly rejuvenate the brand through a mix of internal acculturation and global marketing communication initiatives.

The current corporate identity is typified by the brand essence and its pillars and values. The essence of the FirstBank brand is “Dependably Dynamic”, which explains the positive dynamic tension between the conservative and the innovative. This is the crux 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

In the course of its eventful history, the Bank has achieved many record-breaking feats. Besides being the first bank to be established in West Africa, it was the first to be involved in mergers and acquisition from which it evolved in 1894. This trend of historical accomplishments has been sustained over the years, and in 2006 FirstBank voluntarily acquired its merchant banking subsidiary, FBN (Merchant Bankers) Limited and another bank, MBC International Bank Plc, as a strategic business imperative, following the Central Bank of Nigeria (CBN) inspired consolidation of the banking industry.

Our Bank remains a leader in financing long-term development of the economy. This was demonstrated much earlier in 1947 when the first long-term loan was advanced to the then colonial government. The Bank has over time continued to provide long-term financing to institutions across all sectors of the economy, including financial services, agriculture, manufacturing, energy, telecommunications, aviation, tourism, and general commerce.

In order to improve ease of service delivery bankwide, we upgraded our core banking application, Finacle, and also introduced the innovative Finnone credit administration software, being the first bank in Africa to pioneer this service. Specifically, the deployment of the Finnone software is to provide technology support for our aggressive retail banking strategy, considering the need for enhanced efficiency in credit organization and general risk management. Also, a number of card-based products have been developed for the convenience of customers and ease of operations. Increasingly, our customers are having the choice of conducting their transactions without physical interface with our locations.

In 2007, the Bank's N100 billion hybrid offer marked a turning point in the history of offers in the Nigerian capital market, putting the depth of the market to test. Other banks have since followed suit. The public offer component of the hybrid offer, fondly called “The Big One”, was subscribed by 752.7%. Also, in 2007, the Bank established a global custody business, therefore emerging as the first Nigerian owned bank to offer such services.

In 2008, the Bank became the first Nigerian Bank and indeed the first quoted company in the country to hit the N1 trillion market capitalization.

A Plethora of Awards

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 other awards the Bank has won in the last one year (some back to back for many years), that is, from April 2007 to March 2008.

April 2007 - March 2008

1. Stock Offer of the Year in ThisDay Awards 2008.
2. Banking Achievement Award for Africa by Emerging Markets magazine at the 2007 World Bank/IMF Meetings, Washington DC.
3. Best Bank - Nigeria in the Global Finance World's Best Banks Awards, 2007.
4. Best Trade Finance Bank in Nigeria in the Global

FirstBank Story

FirstBank Story

5. Finance World's Best Banks Awards, 2007.
6. Best Foreign Exchange Bank in Nigeria in the Global Finance World's Best Banks Awards, 2007.
7. Bank of the Year in the Lagos Enterprise Awards 2007.
8. Most Active Stock Award in the Market Excellence Category, 2006 in The Pearl Awards Project, 2007.
9. Brand of the Year (Banking) in the National Institute of Marketing of Nigeria (NIMN) 2007 Award for Marketing Excellence.
10. The African Farmers Support Bank of the Year Award in the Africa International Poultry and Aquaculture Summit (AIPAS) 2007.
11. Outstanding Contribution Award as Platinum Sponsor of the 13th Nigerian Economic Summit, 2007 organized by The Nigerian Economic Summit Group (NESG).

The Financial Supermarket

As the FirstBank group forges ahead in its second century of uninterrupted seamless financial services, we remain committed to the Bank's vision "to be the clear leader and Nigeria's bank of first choice", and its mission "to remain true to our name by providing the best financial services possible". These affirmations, anchored on two strategic imperatives of growth and modernization, are at the heart of all our strategic business initiatives. Our goals are quite evident in the Bank's activities as we endeavour to sustain our leadership position and significance in the Nigerian and global financial services industry.

The Bank has progressively and systematically established diverse operations in the Nigerian financial services industry, with widespread service outlets, enabling its emergence as a foremost financial services provider. Subsidiaries of the Bank are making enormous contributions to the growth and development of the national economy, to the delight of all stakeholders, in capital market operations, insurance brokerage, bureau de change operations, SME funds management, pension funds management, registrarship, trusteeship, as well as mortgages.

FirstBank provides a very comprehensive and easily accessible range of retail banking products, offered under the U-First suite of consumer products, powered by a robust credit administration system, and the e-first suite of electronic products, developed for the convenience of customers and ease of operations.

With the Bank's global reach through its operations in the United Kingdom, France, South Africa, and soon within Asia, the intent is to maximize global opportunities for our teeming customers across the world.

Corporate Profile

Corporate Profile

Responsive Evolution

From its pioneering beginning in 1894, First Bank of Nigeria Plc has sustained its position as one of the leading, diversified financial services institutions in Africa. As the national, continental and global operating environments evolved over the decades, the Bank has kept pace, responding satisfactorily to the increasingly dynamic needs of its customers, investors, regulatory authorities, host communities, employees and sundry stakeholders. Through a sustained creative strategy, with a trans-generational sustenance flavour, the Bank has continuously boosted its legendary massive, discerning and delighted customer-base, which cuts across all divides in terms of size, structure and sectoral affiliations.

FirstBank's offerings to the market include a constantly rejuvenated responsive service delivery system, dispensed from a rapidly expanding network of business offices tailor-made to extensively satisfy the common and varying needs of the localities in focus, at both individual and corporate levels. Besides, an equally extensive network of alternative delivery channels provides for customers an ease of transactions that combines choice, convenience, and mass customisation. Drawing from its experience that spans over one century, the Bank has continued to reinvigorate relationships with established customers and develop bonds with new ones, consolidating alliances with key sectors that have been strategic to the well-being and growth of the Nigerian economy and beyond.

Delightful Returns and Formidable Standing

The successful consolidation of the financial services industry, which is yet ongoing, has expectedly boosted FirstBank's performance indices, as accompanying challenges have yielded an upbeat response to market dynamics. The Bank remains one of the most profitable financial groups in Nigeria, with group gross earnings and pre-tax profit of N155 billion and N48 billion respectively in the financial year ended March 31, 2008, an impressive northward movement from N91.16 billion and N25.85 billion in the previous year.

The Bank's formidable standing was reinforced as it

made history on Monday February 11, 2008, when at the close of business on the floor of The Nigerian Stock Exchange, its market capitalization closed at N1,039,254,191,332.50k, thus making it the first Nigerian financial institution, and indeed, the first quoted company in Nigeria to achieve the feat of hitting the trillion naira mark. Its market capitalization represents close to 10% of The Nigerian Stock Exchange capitalization.

FirstBank's widespread ownership cuts across over one million shareholders. Its issued and paid up share capital had increased to 19.89 billion units upon completion of its Hybrid Offer which sought to raise N100 billion from the existing and new subscribers. The Hybrid Offer, popularly called "The Big Offer", which was subscribed in excess of 750%, was lauded as the biggest and most successful in the history of public offers in Nigeria.

Expansive Reach

Underpinning this success is the Bank's strategy, with its accent on two critical imperatives of modernisation and growth. With 453 business locations, the Bank has one of the largest domestic sales networks 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, as well as the innovative FOREX ATM, a self-service bureau de change product, essentially for converting foreign currency to naira, the first of its kind in the Nigerian financial services industry, launched in March 2008. The Bank is one of the industry leaders in terms of value and volume of ATM transactions in the country.

FirstBank has eight (8) local subsidiaries (with another one in formation having been approved in principle by the Central Bank of Nigeria) and a full-fledged bank in the United Kingdom, as well as a representative office in South Africa, with further application to set up in Asia under processing. The Bank's growth strategy is hinged on continued network expansion, product development, mergers and acquisitions, and growth of its international footprint. In furtherance of this strategy, and in line with the imperatives of industry

Corporate Profile

Corporate Profile Contd

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.

Nation Building and Operating Model

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 and powered by the robust Finnone credit administration software, pioneered in Africa by FirstBank, 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 made up of all 453 branches, acting as points of sale of all the Bank's products/services to customers in selected target markets and facilitating the Bank's ability

to effectively dominate the market. This extensive branch network is supervised by an equally robust network of 39 Business Development Offices (BDOs), designed to coordinate defined groups of branches for optimum service delivery, and relationship management.

Encouraging Accolades

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

In further evidence of the Bank's strength, two foremost international risk-rating agencies Standard and Poor's and Fitch have, once again, rated the Bank highly. Standard and Poor's 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 assigned the Bank "B+" (long-term) and "B" (short-term), with stable outlook, which translates into a notch below what the agency assigned the country, while it also affirmed the Bank's "A+" and "F1" (nga) national long-term and short-term ratings for the past six (6) years respectively.

Global Credit Rating Company Limited, a Securities and Exchange Commission (SEC) licensed rating agency has also assigned the Bank national long-term and short-term ratings of "AA" and "A1+" respectively, with positive outlook; while Agosto & Co, a national credit rating agency, upgraded its long-term outlook on the Bank from an "A" rating in the 2001/2002 financial year, "Aa" in the last five years to "Aa+", noting that "The rating of First Bank of Nigeria Plc reflects its dominant industry position, good profitability, robust liquidity, strong capitalization and good asset quality. The rating also takes into account improvements in the Bank's risk management framework".

These ratings are a manifestation of the strength of FirstBank's domestic franchise and systemic importance in the industry in particular and the economy in general. The international ratings are particularly significant as they indicate the alignment of the Bank's

Corporate Profile

Corporate Profile Contd

practices with world-class standards, expected to facilitate seamless integration into the international financial markets. S&P notes that FirstBank's "position as one of Nigeria's leading financial services providers is supported by its large distribution network and growing number of financial services related subsidiaries." The high credit and operational risks associated with operating in Nigeria "are partially mitigated by FirstBank's sound risk governance, which is progressing toward international best practice", the rating agency emphasized.

The stable outlook, according to S&P, reflects the opinion that FirstBank will maintain a leading position in the Nigerian banking industry, widening its franchise and carving a strong position in retail banking.

FirstBank was equally rated number one among Nigerian banks and the top 100 firms featured in an industry and global ratings survey, the 2007 JIC Governanceplus Basic Corporate Governance Rating, conducted by JIC Governanceplus Ratings, a foremost Nigeria-based corporate governance processes and ratings firm, affiliated with GovernanceMetrics International Inc., USA, European Corporate Governance Institute and Deminor Ratings of Brussels. Between 2003 and 2005, JIC Governanceplus Ratings had, then in collaboration with ICRA Pty Limited (an associate of Moody's Investors, USA), also rated the Bank highest in corporate governance amongst Nigerian banks. These reports are indicative of the Bank's high standards in all ramifications with regard to corporate governance best practices.

Back to back winner of both local and international awards, FirstBank was the winner of the EmergingMarkets Banking Achievement Award for Africa at the World Bank/IMF 2007 meetings, Washington DC, USA; winner of "Best Bank in Nigeria", "Best Trade Finance Bank in Nigeria", and "Best Foreign Exchange Bank in Nigeria" for four (4) consecutive years - 2004, 2005, 2006 and 2007 awarded by the US-based *Global Finance magazine*, to mention a few of the awards won by the Bank.

Dynamic Philosophy

FirstBank's operational philosophy is anchored on its 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"**, following which the Bank has continued to transform itself as it forges ahead in its second century of providing qualitative banking services to the nation and the world at large, maintaining leadership in a consolidated and more dynamic industry.

Directors and Advisers

Directors and Advisers (RC 6290)

DIRECTORS:

Mutallab, Umaru Abdul, CON	-	Chairman
Ajekigbe, Jacobs Moyo	-	Managing Director/Chief Executive
Aboh, John Oche		
Adesola, Harriet-Ann Omobolanle		
Afonja, Ajibola Alarape		
Alkali, Aliyu Adamu, mni		
Babalola, Aderemi Waheed	-	Resigned August 28, 2007
Duba, Garba		
Hassan-Odukale, Oye, MFR		
Lawanson, Kehinde A.	-	Appointed August 29, 2007
Mahmoud, Abdullahi		
Otti, Alex C.		
Otudeko, Oba A., OFR		
Oyelola, Oladele		
Sanusi, Sanusi Lamido		
Udo-Aka, Udo, MON		

COMPANY SECRETARY:

Borodo, Tijjani Mohammed

REGISTERED OFFICE:

Samuel Asabia House
35 Marina
Lagos.

AUDITORS:

Akintola Williams Deloitte.
(Chartered Accountants)
235 Ikorodu Road, Ilupeju
Lagos.

PKF Pannell Kerr Forster
(Chartered Accountants)
Toloye House
362 Ikorodu Road/1A Okupe Estate
Maryland
Lagos.

REGISTRARS:

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

Principal Officers

Principal Officers

NAMES	DESIGNATION
EXECUTIVE DIRECTOR	
Jacobs M. Ajekigbe	Managing Director/Chief Executive
John O. Aboh	ED, Banking Operations & Services
Harriet-Ann O. Adesola	ED, Corporate Banking
Kehinde A. Lawanson	ED, Lagos & West Directorate
Alex C. Otti	ED, South Directorate
Oladele Oyelola	ED, North Directorate
Sanusi L. Sanusi	ED, Risk & Management Control
DEPUTY GENERAL MANAGERS	
Mojisola T. Aderinto	Head, Financial Control
Afamefunu 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, Treasury
Naomi H. Esalomi	Head, Domestic Banking Operations
Aka C. Ezeobele	Business Development Manager, Apapa II
Akinwumi G. Fanimokun	Business Development Manager, Lagos Mainland I
Subusola I. Giwa-Amu	Business Development Manager, Lagos Mainland II
Alwan A. Hassan	Business Development Manager, Kano
Festus O. Kukoyi	Head, Legal Services
Ibrahim A. Kwargana	Head, Foreign Operations
Columbus T. Ndifon	Business Development Manager, Awka
Bernadine A. Okeke	Business Development Manager, VI/Ikoyi II
Kayode A. Olatunbosun	Business Development Manager, Lagos Island/Marina
Taiwo I. Otit	Head, Information Technology
Francis O. Shobo	Business Development Manager, Port Harcourt
Adebisi O. Soluade	Chief Internal Auditor
ASSISTANT GENERAL MANAGERS	
Adetokunbo M. Abiru	Business Development Manager, Ikeja I
Omotayo E. Abraham	Head, Data Centre

Principal Officers

Principal Officers Contd

NAMES	DESIGNATION
Abdu Abubakar	Head, General Services
Feyikemi R. Adebayo	Head, Western Union Products
George A. Adepegba	Business Development Manager, Benin
Cladius O. Akindipe	Deputy Chief Internal Auditor
Ademola M. Adewale	Head, Internal Control & Reconciliation
Hafiz O. Bakare	Head, Corporate Planning & Group Coordination
Waziri M. Bintube	GM, South Africa Rep Office
Costakis E. Caiafas	Business Development Manager, Calabar
Dahiru Chadi	Head, Credit Analysis & Processing
Rosemary I. David-Etim	Group Head, Aviation & Telecoms
Obiora I. Dibiaezue	Business Development Manager, Makurdi
Augustine E. Egere	South Directorate
Samuel A. Egube	Branch Manager, PH (Rumumasi)
Chukwuka F. Emuwa	Head, Cards & Channels
John A. Enadeghe	Business Development Manager, Lokoja
Ikechukwu L. Ezeokana	Business Development Manager, Onitsha
Yaqeen A. Habeeb	Head Public Sector III
Nkiruka Harris-Eze	Business Development Manager, Aba
Gimba H. Ibrahim	Business Development Manager, Kaduna
Vincent Igwenagu	Business Development Manager, Warri
Ayodele O. Jaiyesimi	Head, Human Capital Management
Richard T. Ogunmodede	Head, Business Performance Monitoring
Queenette N. Okehie	Head, Public Sector IV
Kanu Okereke	Head, Information Systems Audit
Nwanneka C. Okolo	Business Development Manager, Enugu
Akpoghene O. Okoro	Head, Application Management
Ivie E. Okpanachi	Business Development Manager, V/I & Ikoyi I
Omolade O. Olawore	Head, Credit Risk Management
Folashade S. Omoniyi	Head, Network & Communications
Lawal B. Rafindadi	Business Development Manager, Sokoto
Babajide T. Shodeinde	Lagos & West Directorate
Iquo O. Udo	Business Development Manager, Uyo
Uduak N. Udoh	Head, Corporate Audit & Compliance

Notice of General Meeting

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 39th 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 21, 2008 at 11.00 a.m. to transact the following:

Ordinary Business:

1. To receive the audited accounts for the year ended 31st March, 2008 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 Special Resolutions:

7. "That the authorized share capital of the Company be and is hereby increased from N10,000,000,000 to N15,000,000,000 by the addition thereto of the sum of N5,000,000,000 divided into 10,000,000,000 Ordinary Shares of 50 kobo each ranking in all respects pari-passu with the existing shares of the Company."
8. "That the Memorandum of Association of the Company be and is hereby amended by deleting the words 'The authorized share capital of the Company is N10,000,000,000 divided into 20,000,000,000 ordinary shares of 50 kobo each' and substituting therefore the following words "The authorized share capital of the company is N15,000,000,000 divided into 30,000,000,000 ordinary shares of 50 kobo each."
9. "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 N2.486 billion 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 08, 2008, on condition that the same be not paid in cash but applied in paying up in full at par 4,972,508,092 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 four ordinary shares held by them on that day, and such new shares shall rank for all purposes pari passu with the existing issued ordinary shares of the company, the shares so distributed being treated for all purposes as capital and not as income and these new shares shall not qualify for payment of dividend in respect of the 2007/2008 accounts, and the Directors shall give effect to this resolution on receipt of the necessary permission from the authorities."
10. "That the Articles of Association of the Company be and are hereby amended as follows:
 - (a) By deleting Article 76 and substituting for the said Article, the following:
"Unless and until otherwise provided by the Company in general meeting, the Directors shall not be less than seven (7) and not more than twenty (20)."
 - (b) By deleting Article 86 and substituting for the said Article, the following: "The quorum

Notice of General Meeting

Notice of Annual General Meeting Contd

necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be more than half of the present Directors."

11. "That the Company's Directors who have indicated their interest to purchase some of Bank's non-cash assets be and are hereby permitted to do so in accordance with the provision of S 284 (1) (a) & (b) of the Companies & Allied Matters Act, 1990."

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 needs 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 25th August, 2008 to members whose names appear in the Register of members at the close of business on Friday, August 08, 2008.

Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed from 11th to 15th August, 2008 (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

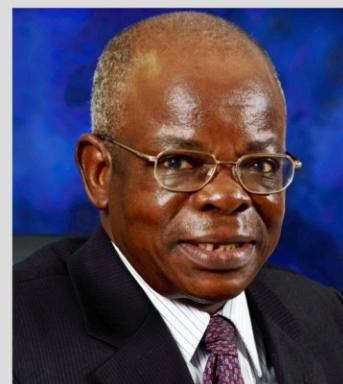
Dated this 25th day of June, 2008



Board of Directors



Oba A. Otudeko (OFR)



Udo Udo-Aka (MON)



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



Jacobs M. Ajekigbe
Managing Director/Chief Executive



Garba Duba



Oye Hassan-Odukale (MFR)

Board of Directors Contd



Aliyu A. Alkali mni



Abdullahi Mahmoud



Ajibola A. Afonja



John O. Aboh



Harriet-Ann O. Adesola



Kehinde Lawanson



Alex C. Otti



Oladele Oyelola



Sanusi L. Sanusi

Directors' Profile

Umaru Abdul Mutallab (CON)

Chairman

Dr. Mutallab is a Fellow of both the Association of Chartered and Certified Accountants (FCCA) and the Institute of Chartered Accountants of Nigeria (FCA). A versatile professional and businessman, he was a Federal Minister, and Executive Chairman & Managing Director of United Bank for Africa (UBA) and presently the Chairman of First Bank of Nigeria Plc.



Jacobs M. Ajekigbe

Managing Director/Chief Executive FCIB, F. IoD

He holds a B.Sc. degree in Agricultural Economics from the University of Ibadan (1975), a Certificate in Investment Planning and Appraisal from the University of Bradford, UK (1981) as well as an MBA degree in Finance from the University of Lagos (1990). He is a fellow of the institute of Directors and the Chartered Institute of Bankers, Nigeria.

He joined First Bank of Nigeria Plc as a graduate trainee in 1977 and rose through the ranks to become the Managing Director/Chief Executive Officer of the Bank in 2002. His banking experience cuts across Agricultural Finance, Branch Banking Operations, Corporate Banking, Retail and Consumer Banking. Between 1993 and 2000, he served at the London Branch of FirstBank, first as Deputy Manager and later as Branch Manager. He was appointed Executive Director in December 2000, and became Managing Director/Chief Executive Officer on April 22, 2002.

Mr. Ajekigbe is the Chairman, Kakawa Discount House Limited. He also sits on the Board of FBN Bank (UK) Limited and First Pension Custodian Limited. He is a member of the Governing Council of the Institute of Directors, Nigeria and of the Governing Council of Chartered Institute of Bankers of Nigeria.



Dr. Oba A. Otudeko (OFR)

Dr. Otudeko is a Fellow of the Chartered Institute of Bankers, United Kingdom, Institute of Chartered & Certified Accountants with honours, U.K, Institute of Chartered Accountants of Nigeria, and Institute of Chartered Secretaries with honours, U. K. A seasoned banker and administrator, Dr. Otudeko served in various Bankers' Committees. He is the Chairman of Honeywell Group Limited, a conglomerate with interest in Oil and Gas, Flour Milling, Real Estate, Engineering, Food and Hospitality. He is also the Chairman of Nigerian South African Chamber of Commerce and President, The Nigerian Stock Exchange as well as Chancellor, Ogun State University. He is a Non-Executive Director of the Bank.



Dr. Udo Udo-Aka (MON)

Dr. Udo-Aka obtained a B.Sc degree (Finance and Banking) in 1966 and MBA (International Business) 1966, both at the University of Oregon, USA, and later bagged a Ph.D degree in Business Administration from the University of Nebraska, Lincoln, USA in 1970. A reputable corporate chieftain, he was Associate Professor and Professor in different educational bodies both in the country and abroad. He is a Fellow of International Education, Leadership Development Programme, California, USA, Nigerian Marketing Association and Institute of Personnel Management of Nigeria, and has authored several books. He is a Non-Executive Director of the Bank.



Lt. Gen. Garba Duba (Rtd)

Lt.-Gen. Duba joined the Nigerian Army in 1962 and held various responsible positions including ADC to Military Governor, Northern Region; Military Governor, Sokoto State (1986) and Commandant, Nigerian Defence Academy (1992). He is a Farmer, Businessman and Chairman, NNDC. He is a Non-Executive Director of the Bank.



Directors' Profile

Contd

Oyekanmi Hassan-Odukale (MFR)

Mr. Hassan-Odukale attended University of Houston, Texas, USA and holds both Bachelor's and Master's degrees in Business Administration (Finance). He is a board member of various companies like Prestige Assurance Plc, Adswitch Plc, Globe Reinsurance Company Limited and Pensure PFA Limited. He is the incumbent Managing Director, Leadway Assurance Company Limited. He is a Non-Executive Director of the Bank.



Aliyu Alkali (mni)

Alhaji Alkali, mni, was appointed a Non-Executive Director of the Bank on August 23, 2006. He holds a Master in Business Administration (MBA) from Bayero University, Kano, (1991) Postgraduate Diploma in Public Administration from the Administrative Staff College of Nigeria (ASCON), Badagry (1990), and HND in Business Studies from Kaduna Polytechnic (1970), among other academic qualifications. He has also attended various professional courses in management, marketing and banking both in Nigeria and abroad and is a Fellow of the Institute of Purchasing & Marketing Administration (IPMA), Institute of Corporate Administration (FCAI) and Institute of Management Consultants (IMC), as well as a Member of Nigerian Institute of Management (MNIM).

He is currently the Managing Director/CEO of New Nigeria Development Company (NNDC).



Abdullahi Mahmoud

Alhaji Mahmoud has professional Banking and Accountancy qualifications. He is a Banking and Management enthusiast with almost twenty-five (25) years of considerable experience in both domestic and international banking activities. He has held various responsible positions in different banks, insurance and reputable companies in the country among which are General Manager, United Bank for Africa Plc and Managing Director, African International Bank Limited. He is a Non-Executive Director of the Bank.



Prince Ajibola Afonja

Prince Ajibola A. Afonja is a Fellow of The Association of Chartered and Certified Accountants (FCCA). He has worked in various capacities such as Audit Trainee Akintola Williams & Co (Jan -Aug) 1966, John Mowlem & Co Ltd (the 5th largest Construction Group in Europe (1971-74), Director/General Manager, International Glass Fibre Industries Ltd, Ibadan (1974-79), and Chairman/CEO, Intergrated Dimensional System Limited, Oyo. His Federal appointments include Secretary of Labour & Productivity (Interim National Government) in 1993 and member, Judicial Commission of Inquiry on NITEL and MTEL. He is a Non-Executive Director of the Bank.



John Aboh

Executive Director, Banking Operations and Services

He holds a B.Sc. degree in Finance from University of Nigeria, Nsukka (1980) and MBA in Finance and Accounts from University of Jos (1985). He has attended various professional courses locally and internationally and is an alumnus of Harvard Business School, Boston (AMP 164). A seasoned Banker, Mr. Aboh began his Banking Career in First Bank of Nigeria Plc (1981). He worked in Nigeria Merchant Bank as Credit Analyst before joining Nigeria International Bank Limited and United Bank for Africa Plc, where he rose to the positions of Assistant General Manager and Deputy General Manager & Chief Inspector respectively. Mr. Aboh has extensive experience in banking and has over the years acquired special skills in International Trade Operations, Structured Trade Finance, Project Implementation and Regulatory Interface. He is now Executive Director (Banking Operations & Services) at FirstBank and also sits on the Board of FBN Bank (UK) Limited and FBN Insurance Brokers Limited.



Directors' Profile

Bola Adesola

Executive Director, Corporate Banking

A seasoned financial services expert, Bola was until her latest appointment the Managing Director/Chief Executive of Kakawa Discount House Limited, a company she successfully repositioned from an essentially mono-product profile into a multi product enterprise. Most recently, she anchored the expansion of Kakawa's asset management initiative through the establishment of Kakawa Asset Management Limited.



An innovative, energetic and visionary leader, Bola comes on the Board of FirstBank with over 17 quality years of banking experience and exposure both local and internationally. She spent nine years in CitiBank Nigeria (Nigeria International Bank, a member of Citigroup). She was also part of the start-up team for CitiBank, Tanzania, Dar es Salaam where she served as pioneer Treasurer. Called to the Nigerian Bar in 1985, Bola holds a law degree from the University of Buckingham, UK (1984) and has attended numerous industry-related and personal development courses in Nigeria and overseas. She is an Alumnus of Harvard Business School.

A honorary member of the Chartered Institute of Bankers, Nigeria, Bola has served in various capacities in the development of the Nigerian Money Market, the Interbank Settlement Systems and the Discount House sub-sector. She is currently a member Governing Council, Development Policy Council, Ibadan; Member, Nigeria Economic Summit Group, amongst others. She is now Executive Director (Corporate Banking) at FirstBank.

Kehinde Lawanson

Executive Director, Lagos & West

Kehinde Lawanson, Executive Director, Lagos & West, was until his appointment to the Board, Deputy General Manager and Group Head, National Corporates in the Bank's Corporate Banking Directorate. His portfolio included overseeing the Bank's retail/commercial banking activities in the Lagos & West region of the country, coordinating consumer banking product delivery as well as development of alternative delivery channels. Recently, he managed the Publicity and Marketing sub-committee on the Bank's N100 billion rights issue and public offer.



Lawanson holds a Bachelor of Science degree in Estate Management (1981) from the University of Nigeria, Nsukka and a Master of Business Administration (MBA) in Finance from the University of Lagos. A chartered surveyor, he has a rich working experience in banking, spanning over 17 years, with exposure in investment and commercial banking.

He started his banking career in International Merchant Bank (IMB) from where he was seconded to the defunct Intercity Bank Plc as Assistant General Manager (AGM). Thereafter, he held several executive positions in various banks before joining the erstwhile Gateway Bank as General Manager in 2001. He was elevated Executive Director and later moved over to FirstBank in May 2004 as Deputy General Manager (DGM) in the erstwhile Commercial Banking SBU of the Bank.

A thoroughbred professional, Lawanson has attended various courses and programmes in top rated business schools including Stanford University, University of Manchester, INSEAD and Lagos Business Schools. He is an alumnus of the United Nations University, Amman, Jordan and the World Bank Institute Washington.

He is married with children.

Alex Otti

Executive Director, South

Alex graduated from University of Port Harcourt with a first class honors in Economics (1988). He subsequently received an MBA (Marketing) in 1994 from University of Lagos. He started his banking career with Nigeria International Bank Limited, a subsidiary of CitiBank where he worked in Operations department. He subsequently moved on to Nigerian Intercontinental Merchant Bank. At Intercontinental, he was at various times in the Treasury and Financial Services department and Corporate Banking.



Directors' Profile

contd

In 1996, he moved to United Bank for Africa Plc where he was overseeing Corporate Banking Sector, South based in Port Harcourt. His major responsibility was the development of the Oil and Gas business for the Bank. In May 2001, he joined FirstBank as an Assistant General Manager with responsibility for Energy Group. In April 2004, he was promoted to Deputy General Manager. He has attended several local and offshore courses. He had gone through the Executive Development Programme of the Columbia Business School, New York and also trained in the prestigious Stanford Business School. He spends his leisure playing squash.

Oladele Oyelola

Executive Director, North

He holds a B.Sc. degree in Accounting from the University of Lagos (1982) and Msc. in Finance from Ahmadu Bello University, Zaria (1985). Until this appointment, Ola was the Chief Internal Auditor of FirstBank, having previously worked in Corporate Banking, as well as Risk & Management Control. He brings passion, focused vision, a delivery mind set, integrity and versatility to bear on his job. Ola has extensive experience in the area of Banking and Business Consulting with strong skills in Relationship Building, Corporate Strategy, Business



Development and Risk Management and Controls spanning over two decades. He started his career with Arthur Anderson (now Accenture) where he acquired varied experience in Control Systems, Corporate Restructuring, Assurance, Performance Improvement Programs and Strategy. His banking career started at International Merchant Bank (IMB) where he worked in the Corporate Banking Division.

He joined Diamond Bank as a pioneer staff and worked for almost ten years in various capacities as the Head of Corporate Banking, Regional Manager, Branch Coordinator and General Manager. During this period, he was constantly involved with Strategy Formulation and Execution, Business Development, Corporate Renewal and Risk Management. A fellow of the institute of Chartered Accountants of Nigeria, member of Chartered Institute of Taxation and an honorary member of Chartered Institute of Bankers. He is an Alumnus of Executive Education of several World-Class Business Schools including Stanford Business School, USA,(2004) Wharton Business School,(2005) INSEAD France,(1998) IMD, Lausanne, Switzerland (1996), and Lagos Business School (1993), where he was a member and class President of the Pioneer Senior Management Program (SMP - 1). He is now an Executive Director (North) at FirstBank.

Lamido Sanusi

Executive Director, Risk and Management Control

Lamido was General Manager at the United Bank for Africa Plc, where he anchored the transformation of the previous Credit Risk Management Division into an Enterprise-Risk Management sector and spearheaded UBA's Basel 2 focus by establishing the framework, policies, processes and systems necessary for compliance with the guidelines of the New Capital Accord.



He graduated with a Bachelor of Science degree in Economics from Ahmadu Bello University (ABU), Zaria in 1981 and obtained a Masters of Science degree from the same university. He started his career in academics, teaching undergraduate Economics at ABU (1983-1985). He then proceeded to a banking career, first with ICON Limited (Merchant Bankers), where in a period of about seven years he gained wide experience in Issuing House activities, Financial Advisory Services, Privatisation, Debt-Conversion and Credit and Marketing. He joined United Bank for Africa Plc as a Principal Manager and rose to the position of Deputy General Manager (January 2002) and General Manager (March 2005).

Chairman's Statement

Chairman's Statement



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

Fellow Shareholders, Invited Guests, Distinguished Ladies and Gentlemen,

You are welcome to this historic 39th Annual General Meeting (AGM) of your Bank, First Bank of Nigeria Plc. The AGM is historic because of the auspicious developments which occurred in the operating environment in the year under review. As you are no doubt aware, the review period marked the end of the second and final term of the civilian administration, which first took office in May 1999, and the transition from that government to another civilian one, a major landmark in the annals of the country.

I recall committing at the 38th Annual General Meeting (AGM) to investors in the Bank's 2007 hybrid offer that the Bank was going to return value to them commensurate with their investments and in excess of their expectations. The overall performance of the Bank, which would be unfolded shortly, vindicates my pledge, with the Bank again raising the industry's achievement bar by posting yet another set of remarkable results in the 2007/2008 financial

Chairman's Statement

Chairman's Statement Contd

"The five-year old global expansion moderated in 2007 with world output growth softening to 4.9%, from 5.0% in 2006"

year.

As we are wont to, I crave your indulgence to highlight significant developments on the international and domestic scenes, which impacted the operating climate of your bank during the financial year under review.

1.0 OPERATING ENVIRONMENT

1.1. The Global Economy

The five-year old global expansion moderated in 2007 with world output growth softening to 4.9%, from 5.0% in 2006. In large part, the slowdown reflected contagion from dislocations in global financial markets and the associated turbulence in the mortgage markets in the US. Rising home foreclosures and falling home prices caused U.S. financial markets to drop steeply with major banks writing off billions of dollars relating to mortgage-backed securities. The disruptions reverberated around the world resulting in banks cutting back on lending and raising credit standards, thereby tightening credit markets. In Europe for instance, several banks had to re-value complex securities connected to U.S. Mortgages.

The market exchange rate of the US currency remained a key concern in the review period, with the dollar losing 38% of its value against the euro between 2002 and 2007. The dollar also depreciated by 30% and 39% against the British Pounds Sterling and the Canadian dollar respectively over the same period. However, on a trade-weighted basis, the dollar fell by only 24% during this period. Pressures on the dollar have come from the current low interest rates in the US (compared to Europe), and re-balancing by many central banks of their foreign currency portfolios away from the dollar. Consequently, the U.S. economy lost the title of "world's

biggest" to the euro zone as the combined GDP of the 15 euro-zone countries overtook that of the United States.

The price of oil in the international markets attained a 20-year high of US\$105 per barrel largely due to strong demand in emerging economies, particularly China and India, which have accounted for as much as four-fifth of the total increase in global oil consumption in the past five years. To consolidate their growth, economies like China and India are currently forging deeper relationships with energy providers across Africa and elsewhere.

Although generally curtailed in the advanced economies, inflation rose in many emerging markets and developing countries, reflecting higher energy, food, and commodity prices, including oil, as well as rapid money supply growth and the declining value of the dollar.

In the United States and the Euro area, inflation was generally stable, remaining below 2% throughout 2007, against a background of moderate wage increases and the dampening effect of euro appreciation, while in Japan, movement in the consumer price index was basically flat. However, in some emerging markets and developing countries, headline inflation rose markedly reflecting strong domestic demand growth, currency depreciation and the greater weight of energy, and particularly food in their consumption baskets.

The downsides to their overall performance notwithstanding, emerging markets and developing countries weathered the strong financial headwinds providing the basis for strong global growth in 2007. Continuing economic reforms supported improvements in emerging markets' growth from 7.8% in 2006 to 7.9% in 2007. Altogether, emerging economies contributed half of the growth in global output, measured at market exchange rates, equivalent to over three times the United States of America's output, with China and India, for the first time, accounting for the largest country-level contributions to world growth.

Chairman's Statement

Chairman's Statement

In the United States, GDP grew by 2.2% as against 3.0% in the preceding year largely due to the imploding housing market, which fell by 5% in the twelve months to December 2007. The difficulties in the mortgage market aggravated the decline in residential investment, while higher energy prices, sluggish job growth, and weaker house prices dampened consumption spending which in turn hurt companies' profits and investment. Although the weak dollar continued to boost export, but at only 12% of GDP, this effect was too small to compensate for a weakening of consumer spending, which accounted for 70% of GDP.

In the euro area, GDP moderated to 2.6% from 2.8% in 2006, reflecting the lagged effect of the euro appreciation, trade spillovers from the United States, and more difficult financing conditions. After a few years of moderately healthy economic growth in Japan, GDP moderated to 2.1% in 2007, down from 2.4% in the preceding year. Consumer spending and investment slowed, leaving exports as the primary driver of the economy. Exports to China, Europe, and the US were strong, especially as the yen remained relatively weak in the past three years although it began to rise against the US dollar in the first quarter of 2008.

Developing countries and transition economies continued their exceptionally strong economic performance in 2007. In the developing countries, growth remained firm at 7.9%, after an equally strong 7.4% in 2006, underpinned by continued strength in East and South Asia. If China and India are excluded, output in low- and middle-income countries slipped by 0.2 percentage points to 5.7% in 2007. Meanwhile, China and India grew by 11.4% and 9.2% respectively compared to the 11.1% and 9.7% recorded in the preceding year.

As a result of rising commodity prices, strong external demand for oil and non-oil minerals, improved economic policies and good weather conditions for agriculture, Africa recorded 6.2% GDP growth in 2007, up from 5.9% in 2006. The continuation of sound macroeconomic policies in most developing countries further enhanced

business confidence leading to a general pickup in private investment.

Despite a softening in equity prices, world stock markets generally had a good year, with Asia again having the best performers. Wall Street registered only meagre advances, and even those gains were at risk as markets turned in December 2007.

1.1.1. The United States of America

In 2007, the US economy grew at its weakest pace in 5 years with GDP growth of 2.2% as against 2.9% in 2006, the slowest since 2002. The major contributors to the declining economic growth were personal consumption spending, investment in equipment and software, exports and federal government expenditure. The effects were partially offset by a decline in private inventory investment and higher imports.

Rising oil prices helped dampen consumption, while also boosting 12-month headline inflation. Excluding food and energy, core inflation remained relatively low at an annualised rate of 2% in 2007, the top end of the Federal Reserve's implicit comfort zone. However, net exports grew by 8.1% in response to sustained depreciation of the dollar as well as the sluggishness of the U.S. economy relative to those of its trading partners. As a result, the current account deficit declined to less than 5% of GDP in the review period, not strong enough to address the uncertainty about the prospects for the orderly resolution of global current account imbalances. The U.S. dollar depreciated by about 25% in real effective terms since early 2002, the largest dollar depreciation since the end of the Second World War.

The US economy continued to under-perform in the first

"The downsides to their overall performance notwithstanding, emerging markets and developing countries weathered the strong financial headwinds providing the basis for strong global growth in 2007"

Chairman's Statement

Chairman's Statement Contd

quarter of 2008 as falling house prices and tightening credit availability took a toll on consumption and residential investment, with noticeable knock-on effects on business investment. At the same time, the housing weakness fed through to labour markets. With non-farm payrolls falling, real consumption remained flat for the better part of the first quarter of 2008 while weakening consumer and corporate sentiment suggest that downward pressure on domestic spending and incomes will intensify in the remaining quarters.

Industrial production increased marginally by 1.7% compared with the growth of 3.5% in the preceding year. The unemployment rate fell to 4.5% in April 2008 compared with 4.7% in the corresponding period of 2007, although April data showed a mild up-tick to 4.6% as against the end-December 2007 figure.

Given incipient inflationary pressures, the Federal Reserve held overnight rates steady at 5.25% in the wake of the August 2007 financial turbulence compared with the low of 1.0% reached in mid-2004. On August 17, however, the Fed lowered the discount rate the rate charged on direct Federal Reserve loans to banks thereby providing the necessary liquidity to banks that sought it.

With the markets pricing in no predictable further rate increases in the short-term, there remains a possibility that inflationary pressures could increase as a result of a decline of spare capacity in the American economy and higher energy prices. Still, a marked increase in inflationary pressures may place significant upward pressure on interest rates.

For the sixth consecutive quarter to April 2008, private residential investment contracted, while the inventory of unsold homes remained high. With the overhang, and rising defaults and foreclosures among subprime mortgage-holders continuing to depress the housing market, price of houses headed southward in the review period.

Confronting subprime mortgage anxieties, many US consumers lost confidence as the December consumer

“Rising oil prices helped dampen consumption, while also boosting 12-month headline inflation. Excluding food and energy, core inflation remained relatively low at an annualised rate of 2% in 2007, the top end of the Federal Reserve's implicit comfort zone”

confidence reading dipped to its lowest in two years. Private consumption expenditure grew by 2.9% slowing down from 3.3% in 2006. Consumers also faced stronger headwinds from falling home prices, rising interest burdens, and slowing employment opportunities. Recent weaknesses in equity markets associated with disruptions to the subprime market contributed to consumer woes.

On the upside, the strong rebound in government consumption, which improved from 1.4% in 2006 to 2% in 2007, reflected underlying strength in corporate spending and resilient business activity. Industrial production improved, although at a moderate pace of 0.5 percentage point, and robust export of goods and services, boosted by weak dollar, provided a cushion against slowing consumer spending.

For the first time in six years, the contribution of net exports to growth was positive at 0.5% compared to -0.1% in 2006 and 0.02% in 2005. Between January and December 2007, the seasonally adjusted deficit reached \$352.7 billion, down by \$29.5 billion from the same period in 2006. Tax receipts continued to rise, reducing the projected fiscal deficit for 2007 to 3.1% of GDP from 3.3% in 2006.

1.1.2. Europe

Economic activity in Western Europe intensified in 2007, with economic growth in the euro area reaching 2.6%, the highest since 2000. Germany with GDP growth of 2.5% was the principal locomotive, fuelled by robust export growth and strong investment. Growth in France and Italy strengthened at 1.9% and 1.5% respectively, with a pick-up in employment growth across both

Chairman's Statement

Chairman's Statement

“Unemployment rate in the euro area as a whole fell from around 10% in 2005 to 5.2% in 2007, the lowest in fifteen years”

economies. Similarly, growth in the United Kingdom stood at a strong 3.1% despite the turbulence in the banking sector. UK growth was driven largely by robust domestic demand, buoyant investment, healthy corporate balance sheets, and strong export performance.

However, there were signs of strains towards the end of 2007 as GDP slowed to 1.5% in the euro area and 2.5% in the United Kingdom on an annualised basis. Consumer and business sentiments deteriorated in response to financial sector dislocation and the impact of rising oil prices on real disposable income. Euro appreciation and a weaker export market also truncated growth expectations.

The troughs notwithstanding, retail trade, in volume terms, grew by 2.6% and industrial production rose by 3.7%. There was significant improvement in labour market conditions across the region. Poland and Germany had the best labour relations in the review period as the average number of working days lost to strikes per 1000 employee stood at 1.6 and 3.5 days respectively. Unemployment rate in the euro area as a whole fell from around 10% in 2005 to 5.2% in 2007, the lowest in fifteen years. For Western Europe as a whole, economic growth was 2.3% in 2007 while smaller European countries including Austria, the Netherlands, Sweden and Switzerland, grew well above projections in the review period.

The generally positive performances notwithstanding, inflationary pressures were of concern in the review period. Headline (year-on-year) inflation in the euro area rose to 3.5% in March 2008, considerably exceeding the European Central Bank's inflation

threshold of 2%. The surge was largely due to energy and food prices, which rose sharply since mid-2007. Meanwhile, core inflation remained stable in the review period, just under 2% against a background of moderate wage increases and the dampening effect of euro appreciation.

1.1.3. Asia

Asian economies remained resilient to global slowdown in 2007 with GDP growth of 9.7% up marginally from 9.6% in 2006. Again, China led the pace with 11.4% growth, the highest in 13 years, followed by India which recorded 9.2% as against 11.1% and 9.7% respectively in 2006. Growth in the region was driven by strong investment growth and net export.

Growth moderated in Singapore from 7.9% in 2006 to 7.5% in 2007 largely due to decrease in consumption and investment. The Philippines achieved 6.3% growth compared to 5.4% in 2006, largely driven by strong remittance inflows which boosted both consumption and government spending. GDP growth in Korea moderated to 4.8% from 5.0% in 2006 as the industrial sector rebounded while in Indonesia, where lower interest rates boosted domestic demand, growth rate of 6.2% was recorded in 2007 as against 5.5% in 2006. In Thailand, political uncertainties continued to undermine confidence and domestic demand as growth rate slowed to 4.0%, down from 5.0% in 2006.

In Japan, real GDP growth was 1.9%, down from 2.2% in 2006. Exports hit a record high of 7.52 trillion yen while base interest rate remained unchanged at 0.5% for the better part of the review period largely due to the expectation that core inflation might increase beyond 0.5%. Unemployment rate remained relatively low at 3.8% by end 2007, projected to reach 4.0% in June 2008, but still the lowest in over eight years. Overall, inflation remained low averaging 3.5% in most countries in the region.

1.1.4. Africa

Sub-Saharan Africa experienced its highest growth in two decades with output increasing by 6.2% in 2007. Factors supporting growth performance were solid

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economic performance in oil exporting countries, rising domestic investment and productivity, solid global demand for commodities, better macroeconomic policies, greater flows of capital into the continent, as well as positive impact of debt relief.

Furthermore, armed conflicts and political instability occurred less frequently on the continent. Consequently, foreign direct investment increased noticeably while income volatility fell to a 30-year low. Accordingly, real per capita income improved continent-wide, although weak states continue to lag reforming economies. Despite double-digit food price inflation in some countries in 2007, on the average, inflation was mild. In addition, financial flows from emerging market investors increased, especially from China and India, which are stepping up bilateral aid in the form of project assistance and export credits.

The continuation of sound macroeconomic policies in most of the countries on the continent has increased business confidence leading to a general increase in private investment. The favourable environment and irresistibly high returns due to investment have made some Sub-Saharan Africa countries increasingly attractive as destinations for private capital inflows, which attained record levels in 2007. However, the bulk of these inflows is still concentrated on a few countries and targeted almost exclusively at extractive industries, particularly the petroleum sector.

Angola recorded the region's strongest growth of 21.1% in 2007 as a result of sharp increases in oil and diamond production. Output figures were equally significant in the continent's four largest economies (South Africa, Algeria, Nigeria, and Egypt), which together account for

half of the continent's GDP and nearly a third of its population. This group of countries averaged 5.4% growth with South Africa recording 5.1% as against 5.4% in 2006. The moderation in South Africa's growth rate was a reaction to tighter monetary policy aimed at containing rising inflation driven by food and oil prices. Algeria recorded 4.6% growth compared with 2.0% in 2006, while in Nigeria, growth of 6.2% was recorded largely due to robust non-oil sector performance, which offset the drag from a decline in oil production in the Niger Delta. This represents an improvement over 2006 growth in Nigeria which stood at 6.0%. Strong growth of 6.5% was equally recorded in Egypt, softening from 6.8% in 2006.

Real GDP growth in North Africa remained high with the exception of Morocco, which recorded 2.2% growth as against 8.0% in 2006. Algeria and Tunisia recorded 4.2% and 6.3% growth respectively as against 2.0% and 5.5% in 2006. Economic growth in East Africa averaged 5.3% in 2007 with Ethiopia (11.4%), Sudan (10.5%), and Tanzania (7.3%), emerging as the fastest growing countries in the sub-region.

In the remaining African countries, economic growth rates were even higher at an average of 6%. Net oil exporters enjoyed high growth, averaging 5.9%, while net oil importers recorded average growth of 5.2%.

However, economic activity continued to decline in Zimbabwe with growth contracting from -5.4% in 2006 to -6.1% in 2007.

Nonetheless, the continent still needs to accelerate and sustain growth at 7 to 8% annually to achieve the Millennium Development Goal (MDG) of halving the proportion of people living in extreme poverty by 2015.

1.2. Nigeria

1.2.1. The Domestic Political Environment

The political environment, which came under pressure in the first and second quarters of 2007 improved after the handover of power on May 29, 2007, marking a milestone for Nigeria. For the first time in the history of the country, power was seamlessly passed from one civilian leader to another, further confirming the stability of the

"Sub-Saharan Africa experienced its highest growth in two decades with output increasing by 6.2% in 2007"

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nascent civilian democracy in the country. A major negative to the political outlook was the four months delay in the implementation of the 2008 budget presented to the National Assembly since November 2007. Although eventually signed into law on April 16, 2008, execution of the budget had been held up by the disagreement between the executive and legislature over total appropriation for the year, thereby slowing economic activities and business spending plans.

The judiciary continued to play a major role in deepening and broadening the political space with landmark judgements in respect of the 2007 elections. Together with strengthened processes at the executive and legislative spheres, an increasingly independent judiciary portends well for the growth of the new democratic structures/processes.

Downside concerns to the outlook were however, manifest in the Niger Delta region. Restiveness in the region was further heightened by militias kidnapping both Nigerian and foreign nationals for ransom.

The re-emergence of fuel scarcity as pump station prices moved from N60 to N70 per litre, and the growing recourse to strike action by labour unions in the country resulted in considerable loss of man-hours while adding to the domestic cost of doing business in the review period. Despite renewed hope for rapid infrastructure development, anchored on the proposed declaration of a state of emergency in the energy sector, steady power supply remained a challenge. This situation continued to restrain industrial development, exacerbate an already tenuous security situation, impede poverty reduction efforts, and reduce the economy's resource conversion capacity. However, it is hoped that the situation will improve over time as planned measures are implemented.

A number of policy measures aimed at locking-in the reform initiatives of the immediate past government had to be reviewed, compelling the new government to revisit and in some cases, reverse some of its predecessor's decisions, including the sales of refineries, award of contracts for the construction of power plants,

"For the first time in the history of the country, power was seamlessly passed from one civilian leader to another, further confirming the stability of the nascent civilian democracy in the country"

increase in the pump price of petrol, and the outright cancellation of the increase in VAT.

On another note, the Fiscal Responsibility Bill, which seeks to institutionalise prudent fiscal management in all tiers of government, was eventually signed into law having been on the legislative agenda since 2005.

Overall, 2007 was a successful year for Nigeria's nascent democracy. With the peaceful handing over of power from one civilian government to another, the prognosis on the political front is a further strengthening of processes and rules, and continuous increase in accountability within the polity.

1.2.2 The Domestic Economic Environment

The incumbent administration's macroeconomic policy thrust in the year in review continued along the path outlined by its predecessor's key strategy documents - the National Economic Empowerment and Development Strategy (NEEDS), Financial System Strategy (FSS 2020), and the Millennium Development Goals (MDGs). A rare indication of continuation in government's strategic policy direction, the details of government's 7-point agenda emphasise the need to improve electricity supply, reduce food insecurity through boosting the agricultural sector, dis-incentivise corrupt practices, reduce fiscal deficit especially through entrenching the gains from successive reforms to the public expenditure management framework, and reform land ownership legislation/practices.

On the back of these, the economy strengthened in 2007, recording growth of 6.2% from 6.0% in 2006. Non-oil sector growth remained strong at 9.6%, the result of good harvest, thriving wholesale and retail trade, and a

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boom in residential housing construction.

Despite the build up of liquidity as portions of the revenue over-performance from high global oil prices seeped into the domestic economy, inflation was well contained in the review period. The year-on-year inflation figure stood at 6.6% in December 2007 with the 12-month moving average at 5.4% against 8.5% and 6% respectively in the same period of last year. Achievement of the single digit inflation figure was largely due to favourable weather conditions, effective management of financial sector liquidity, stable prices of petroleum products in the local market, as well as favourable exchange rate of the naira vis-à-vis the dollar. Nonetheless, the year-end inflation result is higher than the 5% stipulated as convergence criteria for the West African Monetary Zone. In addition, by end-February 2008, year-on-year inflation had risen to 8.0%, under renewed pressure from upward movement in food prices, although it slowed slightly to 7.8% as at end-March 2008.

External reserves grew by 21.34% to US\$51.33 billion in December 2007, from the US\$42.3 billion recorded in the corresponding period of 2006. The unprecedented increase in external reserves was largely due to sustained increase in oil prices, which averaged US\$92/b in 2007 and by March 2008, the OPEC's Reference Basket price had reached US\$102.39/b indicating that the revenue over-performance witnessed at the federal level will continue in fiscal 2008. At US\$59.70 billion, gross official reserves as at March 31, 2008, could support 38 months of the country's current foreign exchange disbursements.

By end-September 2007, the country's total external debt inventory stood at US\$3.397 billion down marginally from the US\$3.54 billion recorded at the end of fiscal 2006. Figures from the Debt Management Office indicate that US\$2.85 billion, representing 83.96% of the outstanding sum is owed to multilateral institutions, US\$156 million (4.61%) is owed to non-Paris Bilaterals, while US\$388.4 million (11.43%) is owed to non-Paris Commercials. On the other hand, total outstanding domestic debt stood at N2.15 trillion

as at September 2007 up from N1.80 trillion in December 2006.

Departing from its previous commitment to maintaining the naira within a narrow band, the CBN allowed the domestic currency to appreciate in response to pressure from the continued inflow of foreign investments, and the weakness of the US dollar. The naira appreciated by 8.03% at the official market from US\$127 as at end-March 2007 to US\$116.8 as at end March 2008, while at the parallel market, it gained 7.55% to close at N117.9/US\$1 from N127.5/US\$1.

As in the immediate past, reforms to the conduct of monetary policy dominated the CBN's agenda in the year under review, with the apex bank indicating its intention to adopt an inflation targeting monetary policy framework with effect from January 2009. Along with the CBN's authorisation for private financial institutions to manage part of the country's foreign reserves, further reforms to the budgeting process were aimed at ensuring full current account convertibility over the medium-term.

In the telecommunication sector, the country reached a milestone with the launch of a super-hybrid geo-stationary satellite system, "NIGCOMSAT 1", in August 2007. The first of its kind in Africa, the satellite will offer broadband internet services to the African continent. Still, abundant growth opportunities in this sector remain, and in the most part, especially in the rural areas, resolving the problem of increased teledensity is an integral part of government's rural development drive. It is noteworthy in this regard that despite the quantum leap from less than 500,000 active telephone lines before 1999 to about 36 million active lines in 2007,

"By end-September 2007, the country's total external debt inventory stood at US\$3.397 billion down marginally from the US\$3.54 billion recorded at the end of fiscal 2006"

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the country still suffers an acute shortage of telecom services, as teledensity is still below the desired levels.

Inadequate infrastructure, notably electricity supply remains a major challenge to growth. Power generation stagnated at an all-time low of 2,800 megawatts in fiscal 2007 as against the 10,000 megawatts estimated as required to power the economy. Consequently, not much impact has been made on reducing the domestic cost of doing business. With individual and corporate entities having to provide their own infrastructure, income per head remained low while major labour market constraints persisted.

Capital market activity surged in 2007, the result largely of the peaceful handover of government between two civilian governments, which bolstered investor confidence in the economy's long-term outlook. Closing the year at 57,990.22 points, the All Share Index gained 74.7% over the previous twelve-month's figure, while market capitalisation appreciated by 140.83% to close at N10.18 trillion (about US\$84.16 billion). It is heart-warming to note that your bank's N100 billion hybrid offer was a landmark success in the review period, with 1.2 million applications leading to over 750% subscription. Besides, The Nigerian Stock Exchange (NSE) became more IT-driven during the year, with the commissioning of the ultra modern automated trading floor in November 2007 enabling on-line real-time trading.

1.3. The Banking Industry

Riding on the back of the financial services reform, the Nigerian banking industry performed creditably in 2007, dominating the financial services sector amidst intense competition, from a rapidly diversifying industry. The industry, which currently controls over 90% of the financial savings in the formal sector of the economy, and 60% of the market capitalisation of the NSE earned the equivalent of 4% of the nation's GDP in the year in review.

In what may yet be the prelude to the second phase of consolidation in the industry, several Nigerian banks

“Riding on the back of the financial services reform, the Nigerian banking industry performed creditably in 2007, dominating the financial services sector amidst intense competition, from a rapidly diversifying industry”

increased their access to both local and international debt and equity markets in 2007. Poised to finance big-ticket transactions in such areas as oil and gas, telecommunications, real estate, infrastructure development and the relatively untapped retail market, industry operators raised equity through public offers, rights issues, private placements, and global depository receipts. To adequately explore emerging international trade-related business opportunities, a number of the top banks extended their possibility frontiers by establishing offshore subsidiaries.

Working with the Nigeria Deposit Insurance Corporation (NDIC) to ensure seamless supervision of banks as well as eliminate double leverage in the computation of capital adequacy of multi-subsidiary financial institutions, the CBN developed a draft framework for the consolidated supervision of banks. Effective December 2009, all banks operating in the country are expected to harmonise their financial year-end to 31st December.

In October 2007, the CBN required all banks to have a minimum of two independent directors on their board; and the harmonisation of job titles in the industry to ensure simplicity and even comparison across board. These decisions are consistent with the apex bank's resolve to raise local corporate governance observances to global standards.

Overall, total assets and contingents of the industry grew by 85% to N10.5 trillion with liquid assets and loans accounting for 27% and 26% respectively. For the first time in 15 years, the industry's ratio of non-performing loans to total loans (at 7.3%) was in single digit as against 10% in 2006. This achievement is largely due to

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strong loan growth and loan write off in addition to reduction in the level of absolute non-performing loans arising from improved risk management systems. Driven by growth in lending and investing activities, net earnings grew by 72% to N654 billion while the industry's cost-to-income ratio improved slightly to 63%. Overall, profitability of the industry increased by 23%.

1.4 Operating Results

The very competitive operating environment notwithstanding, the FirstBank Group recorded yet another impressive performance in the 2007/2008 financial year. The group's total assets rose by 67.6% to close at N1.53 trillion from N911.43 billion in 2006/2007 financial year while gross earnings increased by 70.4% to close at N155.29 billion from N91.16 billion in 2007. Profit Before Tax (PBT) rose significantly from N25.85 billion in 2007 to N47.69 billion in the review period, representing an increase of 84.5%, while profit after tax (PAT) rose from N20.64 billion in 2007 to N36.54 billion in 2008, representing an increase of 77.1%.

The Bank's gross earnings increased by 64.7% to close at N130.60 billion from N79.30 billion in 2007. Based on this performance, dividend per share proposed increased from N1.00 in 2007 to N1.20 in the current year (representing total dividend payment of N23.87 billion, while a bonus of one (1) for every four (4) ordinary shares held is recommended for your approval.

2.0 BOARD CHANGES

2.1. Appointments & Retirement

Mr. Kehinde Lawanson was appointed an Executive Director on August 29, 2007 following the vacancy created by the resignation of Mr. Aderemi Babalola from the Board of Directors, to assume the position of Honourable Minister of Finance (State) of the Federal Republic of Nigeria. On behalf of my colleagues on the board and the entire staff, I wish to express my sincere gratitude and appreciation for the contributions made by Mr. Babalola to FirstBank in the years that he was with the Bank. We truly value his past and present contributions to the success of the Bank and consider, with pride, his appointment as a

testimony to the quality of the Bank's human resource.

Further to this, and as an indication of the regulatory authorities' confidence in the quality of our human resource, one of our Executive Directors, Mr. John Aboh, was seconded to Wema Bank Nigeria Plc as Acting Managing Director/Chief Executive at the instance of the Central Bank of Nigeria.

2.2. Retirement By Rotation

In accordance with the company's Articles of Association, the following directors, Mrs. Bola Adesola, Mr. Alex C. Otti, Mr. Oladele Oyelola, Mr. Lamido Sanusi and Mallam Abdullahi Mahmoud retire by rotation and being eligible, offer themselves for re-election.

3.0 OUTLOOK FOR 2008/2009

3.1. The Global Economy

After several years of robust growth, the world economy is currently challenged to sustain its brisk pace. Output growth for 2008 is projected at 3.7%, after growing by 5.0% in 2006 and 4.9% in 2007.

Tightening financial markets, the bursting of the asset price bubble in the United States of America, the decline of the United States dollar vis-à-vis other major currencies, the persistence of large global imbalances, and high food and oil prices will pose by far the biggest threats to the sustainability of global economic growth in 2008.

3.2. The United States of America

As the major driver of global economic activity, GDP growth in the United States is projected to fall for the fourth year in a row, notwithstanding a slight improvement by 0.5% in 2008, after having notched up declining increases of 3.1%, 2.9%, and 2.2% in 2005, 2006, and 2007. Reduction in consumer spending,

"The very competitive operating environment notwithstanding, the FirstBank Group recorded yet another impressive performance in the 2007/2008 financial year"

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"Based on this performance, dividend per share proposed increased from N1.00 in 2007 to N1.20 in the current year (representing total dividend payment of N23.87 billion, while a bonus of one (1) for every four (4) ordinary shares held is recommended for your approval"

which for a while has driven US output, would be the main cause of the drop in output growth, as the markets respond to the unwinding of excesses in the housing market, and the manufacturing sector's continued struggle with profit.

In spite of loose fiscal and monetary conditions, as the authorities struggle to firm up the economy's cushions, tighter loan covenants, and standards in the mortgage markets, especially in the non-prime market, are likely to exacerbate the housing downturn. A rise in the number of foreclosures and subsequent write-offs by lending institutions is further threats to the proper working of the financial system. The possibility of a full-blown recession in the United States would depend on the degree and character of the response of consumer demand to the impending credit shortfall; and when and how falling house prices bottom out.

The current-account imbalances, which narrowed noticeably in 2007 as the dollar weakened against the currencies of its major trading partners, are expected to narrow further in 2008. As a result of the chronic current-account deficits, which the US government has run over the past decade, the US' net external liability position in 2007 was US\$3 trillion, about 25% of GDP. The accompanying growth in the fiscal deficit means that the risk of a disorderly adjustment remains as the indebtedness of the United States continues to deepen.

The large United States current-account deficit and the markets' uncertainty over its sustainability have been among the major factors underlying the dollar's loss of about 35% of its value against other major currencies since 2002. Although the depreciating dollar

strengthens a reordering of the balance between exports and imports to the advantage of the US' terms of trade, the risk of a dollar hard landing threatens a disorderly unwinding of global current account imbalances and much greater instability in the global financial system, with strong adverse effects on global economic growth. A steep fall of the dollar would immediately depress United States demand for goods from the rest of the world. In addition, since many developing countries hold large amounts of their foreign reserves in dollar-denominated assets, a sharp depreciation of the dollar would entail substantial financial losses for these countries.

On the whole, most analysts expect that the US might head towards recession in early 2009 if it is able to avoid this fate in the last quarter of 2008.

3.3. Europe

The rebound in euro area economies in the review period showed up in the positive performance of key economic indicators, with output growing at 2.6% in 2007, well above potential. However, forward-looking indicators point to a likely slow down in 2008 with output projected to grow at a miserly rate high oil and food prices, and rising risk are the key culprits to this outlook.

As in the US, domestic demand in the euro area is likely to be further pressured by tightening credit conditions and rising risk spreads. Effort by financial institutions in the area to write-off delinquent credits, and recapitalise their operations may ease lending conditions briefly; but strong headwinds from financial services firms' exposure to the US sub-prime mortgage market will continue to threaten an unravelling of the markets. On the upside, changes in domestic fundamentals, including reforms to labour and product markets could improve the resilience of these economies.

Factoring in additional impacts from the US slowdown, including the trade-restricting effect of the rising euro, growth in the euro area is expected to fall to 1.4% in 2008 from 2.6% in 2007. Output in the United Kingdom is forecast to drop to 1.6% as the effect of the monetary tightening process begun in 2007, takes its toll. The UK

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economy should hold steady into 2009 as the considerable monetary policy easing started to address the financial turbulence, kicks in.

Inflation pressures will remain a major source of concern in 2008. Headline inflation in the euro area is projected to rise to 2.8% in 2008, from 2.1% in 2007, considerably exceeding the European Central Bank's (ECB) inflation threshold of 2%. In the United Kingdom, inflation is expected to trend upwards from 2.3% in 2007 to 2.5% in 2008 largely due to anticipated increases in energy and food prices.

Given the anticipated slowdown in the region, bigger structural deficits in Germany and Italy, and a declining surplus in Spain, fiscal deficit in the euro area is expected to widen by 0.5% of GDP in 2008 as against the fall by almost 1 percentage point to 0.6% of GDP in 2007. Germany, France, Italy, and Spain are expected to achieve growth rates of 1.4%, 1.4%, 0.3% and 1.8% respectively in 2008.

Risks in the region are broadly balanced, the most prominent being the likelihood of a lengthened period of strain in the European financial sector. The continuing revelation of losses to European banks from the US housing market downturn may further erode confidence and prompt renewed tightening of credit standards. Consequently, lending for business and the housing sector may come under renewed stress.

Furthermore, the appreciation of the euro, a deeper US recession, increased oil price volatility, and banks' exposure to losses in emerging Europe should the region run into difficulties, are other downside risks confronting the region. On the upside, domestic demand

could turn out to be more resilient, supported by a moderation in food and energy prices.

3.4. Asia

Growth in Asia is expected to decelerate, but remain relatively strong at about 7.5% in 2008 as against 9.1% recorded in 2007. The anticipated decline for Asia's export as domestic demand in the US responds to a stronger dollar will have negative impact on growth in 2008. Nonetheless, the bulk of the region's growth slowdown would come from the expected moderation of economic activities in China, which currently accounts for over 40% of Asia's GDP.

Growth in Japan is expected to moderate to 1.4% in 2008 down from 2.1% in 2007 as domestic final demand moderates further, and export growth weakens. The Japanese economy is also expected to suffer the ill effects as activity in the residential construction sector drops off. New housing starts in August 2007 fell 43.3% from a year earlier, following a 23.4% year-on-year slide in July. This diminished activity level reflects a tightening of construction standards in June, in the light of revelations that a number of houses were constructed using false data.

Chinese output is expected to moderate to 9.3% from 11.4% although both consumption and business investment are expected to remain robust. Consumer spending is expected to contribute half of real GDP growth in 2008, with gross private domestic investment and net exports playing secondary roles. Exports are expected to rise by 13.3% in 2008, significantly slower than the 23.9% growth recorded in 2007 while investment growth is forecast to rise by 15.1%, as against 15.0% in 2007. Private consumption growth is expected to remain steady, rising 10.8%, compared with 10.9% in 2007. India would tread the same growth trajectory, with output expected to reach 7.9% from the 9.2% recorded in 2007.

Growth in the newly industrialised economies of Asia (Korea, Taiwan, Singapore, and Hong Kong) is expected to slow by about 1.5 percentage points to 4% as against 5.6% in 2008. Among the 5-ASEAN economies, namely Indonesia,

"The rebound in euro area economies in the review period showed up in the positive performance of key economic indicators, with output growing at 2.6% in 2007, well above potential"

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Thailand, The Philippines, Malaysia and Vietnam, growth is projected to soften by 0.5 percentage point to 5.8% in 2008 down from 6.3% in 2007, with activity strengthening in Thailand as domestic demand recovers from recent sluggishness.

Inflation trended upward in the region as a whole in 2007, with prices in China showing the steepest increase. Strong consumer spending along with rising food and energy prices contributed to a build-up of inflationary pressures in a number of countries in the first quarter of 2008. In China, inflation rose to 8.6% in the first quarter of 2008, reflecting rising food prices. In India on the other hand, the consumer price index came under pressure from rising commodity prices. Inflation pressures were also noticeable in Indonesia, Thailand, and The Philippines in the review period. However, as in previous years, deflationary pressures were strong in Japan. Overall, consumer prices for the region may reach 2.7% in 2008.

Risks to the regional outlook remain finely balanced. Given the region's highly developed trade links with the global economy, a sharper-than-anticipated slowdown in its developed world trading partners could be expected to have a pronounced adverse impact on its growth prospects, dampening investment, as well as export growth.

On the flipside, domestic demand could be stronger than currently forecast in the face of tightening monetary conditions and a weaker external environment. In particular, the projected easing of growth in China may not be as pronounced if consumption continues to firm up and policy measures aimed at slowing investment growth fail to have the intended effect.

3.5. Africa

Overall growth in Africa is projected to rise from 6.2% in 2007 to 6.3% in 2008. The improved economic performance reflects largely the coming on-stream of new production facilities in oil-exporting countries, such as Angola and Nigeria.

“Growth in Asia is expected to decelerate, but remain relatively strong at about 7.5% in 2008 as against 9.1% recorded in 2007. The anticipated decline for Asia's export as domestic demand in the US responds to a stronger dollar will have negative impact on growth in 2008”

Growth in the oil exporting countries is expected to accelerate to 10%; while in the oil importing countries, growth is projected to taper off at 5%. With the exception of Zimbabwe which is expected to continue facing hyperinflation, inflation in the region is expected to remain below 8%, assuming current macroeconomic policies hold firm.

The increasing awareness in the region has significantly increased growth potentials. Confirming the growing interest of international investors in the region, Ghana's US\$750 million bond in the international market was more than four times oversubscribed in September 2007 while the US\$1 billion bond issued by Gabon in December 2007 was equally oversubscribed. South Africa, with a well-developed financial structure, received the bulk of the foreign funds inflow, while other countries, which have demonstrated increased policy credibility, have also been experiencing rising capital inflows.

Despite sound fundamentals, the region faces some risks. Inflationary pressures arising mainly from oil prices may disrupt growth forecasts. Should oil prices rise above US\$100 per barrel in the remaining months of 2008, growth projection may be reduced by 0.5% in the region, depending on countries' production structure and energy intensity. Other risk elements are the possibility of a weaker global output, which would weaken demand for African commodity exports and tighten financial constraints, as well as risks from domestic political developments in individual countries.

In several countries, especially oil exporters, the challenge therefore, would be how to maintain macroeconomic stability in the face of strong foreign

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exchange inflows. Countries should cast spending and saving decisions in a medium-term framework that takes into account long-term fiscal sustainability. A strengthened public financial management system and institutional reforms in budgeting and project implementation would help ensure that expenditures are growth-promoting and poverty-reducing.

On the other hand, the behaviour of other non-oil commodity prices may equally affect growth outcome. Should the ongoing turbulence in global financial markets lead to a reversal of portfolio flows, growth potentials in the region may be negatively affected and downgraded by 0.3 percentage point.

The region also faces some internal risks. Conflicts persist in the Darfur region of Sudan while the situation in the Democratic Republic of Congo remains volatile. Post-election violence in Kenya and Zimbabwe are likely to reduce growth forecast in the countries as well as other neighbouring countries, through interruptions to transit routes. The unrest in Chad also has implications for neighbouring countries.

3.6. The Domestic Economy (Nigeria)

The challenges on the political front notwithstanding, the outlook for our dear country is brighter today than at any other point in the last nine years, considering the successful transition from one civilian government to another and the attendant confidence it has elicited from both local and foreign investors. The profile of the current ministerial team and elected representatives is such as should successfully steer the country to the political and economic height it deserves given its abundant natural resource endowment.

Other positive factors include the fact that the president has signaled his commitment to restructure some vital sectors of the economy such as agriculture, telecommunication, aviation, and the oil & gas sectors. However, progress may be slow considering the rear-guard action of vested interests, and weak state of the civil service.

Ongoing reforms to the power sector and a renewed interest in the value-for-spending dynamics of the sector may boost the real sector of the economy, with a pick-up in activity expected to show up by the 3rd quarter of the year. In addition, major improvement should be expected in the state of infrastructure given government's efforts to engage the private sector in the provision of facilities and the ongoing unbundling initiatives in the power and energy sectors.

Foreign exchange outflow from the economy is expected to be low in 2008 due to low external debt commitment and favourable external reserves position, which stood at \$51.1 billion in December 2007. The increasing preference for naira-denominated assets over foreign ones will lead to appreciation of the naira vis-à-vis other traded currencies. Downside risks to this projection include the likely appreciation of the dollar combined with moderating oil prices in the international market.

On the monetary front, with the planned adoption of an inflation targeting monetary policy, the CBN may continue with its restrictive monetary policy to reduce liquidity arising particularly from statutory allocations, maturing bills and private inflows. This, the CBN may achieve, by increasing the amount of government securities on offer.

Given favourable macroeconomic environment, continued strong growth in the non-oil sector, stable polity, and rise in oil production as a result of continued rise in offshore production, GDP is expected to rebound to 7.5% in 2008. A major challenge to this projection is the continued unrest in the Niger Delta region, which may restrict oil production. In the event that production in the region is fully restored, the growth target of 10%

"Growth in the oil exporting countries is expected to accelerate to 10%; while in the oil importing countries, growth is projected to taper off at 5%. With the exception of Zimbabwe which is expected to continue facing hyperinflation, inflation in the region is expected to remain below 8%, assuming current macroeconomic policies hold firm"

Chairman's Statement

Chairman's Statement

"The challenges on the political front notwithstanding, the outlook for our dear country is brighter today than at any other point in the last nine years, considering the successful transition from one civilian government to another and the attendant confidence it has elicited from both local and foreign investors"

could be achieved in 2008.

In addition, growth in the non-oil sector should remain robust owing to expected good performance in agriculture, telecommunications, wholesale/retail trade, and construction. However, a threat to growth in the non-oil sector is the weak state of infrastructure, particularly electricity supply in the country.

Inflation is expected to moderate further or remain flat in 2008 given the continued improvement in monetary policy. Nonetheless, higher oil prices, further rise in government spending, particularly at state level and continued high level of liquidity in the economy may present significant challenge to the task of keeping inflation under check. On a positive note, favourable weather conditions should limit food price inflation while the stable naira will keep import prices under control.

Customarily, the country runs a trade surplus, which is partly offset by a deficit on the invisible account. This trend is expected to continue in 2008, reflecting large inflows of private transfers from Nigerians in the diaspora. However, trade surplus in 2008 is expected to be larger than that of 2007 given the increase in oil prices, which averaged US\$92 per barrel in 2007 and has risen above the US\$100 per barrel mark in 2008. As a result, the current account surplus might remain substantial at about 9.8% of GDP in 2008.

The stock market is expected to repeat another strong performance in 2008 in the light of stability in the macroeconomic environment and the attendant renewed confidence and awareness in the capital market. The initial slow down is expected to be

temporary.

Overall, a sharp rise in oil production, stable macroeconomic and political environment are likely to boost growth to about 7.5% in 2008.

4.0 APPRECIATION

Let me seize this opportunity to thank members of the Board for their immense contributions, members of staff and the top management team for their excellent co-operation in achieving our corporate objectives in the review period, our valued customers for their unflinching loyalty and continued patronage and our esteemed shareholders for the confidence that they have reposed in us, as demonstrated in the 2007 hybrid offer.

I have no doubt that the enthusiasm of the board, management, and staff, and their commitment and determination, coupled with support from the regulatory authorities, will ensure that the success enjoyed in 2007 is sustained, and indeed enhanced in the 2008 financial period.

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 M. Ajekigbe
Managing Director/Chief Executive

1.0 Introduction

Distinguished Shareholders, Ladies and Gentlemen, It is my pleasure once again to welcome you, on behalf of the Board of Directors, to the 39th Annual General Meeting (AGM) of our Bank, and to present the financial statements for the year ended March 31, 2008.

As has been the case in the last four years, customers' exercise of their right to choose, together with a renewed emphasis on service quality remained the dominant drivers of business in the review period. Customers' choice and the convenience with which they are served have meant for us at FirstBank a renewed focus on the branch as our point of first and enduring contact with the market. On the other hand, the increasingly diverse needs of the market for financial services have also validated our strategy of business diversification. The rapidly expanding economy further translates into a demand for additional investment in new business lines, which will ensure that we stay ahead of the expectations of the market with regards to product offering and service quality.

At the beginning of our 2003/08 strategic Plan period, we were in no doubt that we had to expand our branch network, modernise our existing branches, recapitalise our subsidiaries, while making investments in new business lines, in order to maintain our leadership position in the industry. To do all of these successfully, and within a timeframe consistent with competition dynamics, we had recourse to raising additional capital from you, our Esteemed Shareholders.

In this regard, I note with pleasure that our "Big One" hybrid offer set an unprecedented landmark with a subscription of over 750%, widening the ownership base from less than 400,000 to over 1.3 million shareholders. The Bank's epoch-making achievement was again reinforced as it made history on Monday February 11, 2008, when at the close of business on the floor of The Nigerian Stock Exchange, its market capitalisation closed at about N1.04 trillion, thus making it the first Nigerian financial institution, and indeed, the first quoted company in Nigeria to achieve the feat of hitting the trillion naira mark. Its market capitalisation represents close to 10% of The Nigerian Stock Exchange capitalisation.

Managing Director's Review

Managing Director's Review Contd

As a result of the successful offer, FirstBank is uniquely positioned to redefine the operating parameters of the industry. We are also mindful of the fact that the windows of opportunity that have opened as the Nigerian economy reintegrates with the global financial markets is one key area for applying new funds. Growth in the external sector has paralleled the opening of new trading relationships between the domestic economy and the world, along with the intensification of traditional trade linkages. The industry has responded to this through a "follow the cash" strategy that has resulted in a remarkable growth in the cross-border footprints of domestic financial institutions. Whereas we had pioneered this process with our progressive internationalisation strategy and the opening, a quarter of a century ago, of our then London branch operations, we took this process even further in the review period. The FirstBank group secured a passport into mainland Europe, when our London subsidiary FBN Bank (UK), opened its Paris branch.

Still, the bigger challenge to which the industry has had to direct its growing balance sheet size has arisen from government's efforts to re-industrialise the economy. As part of this effort, the huge infrastructure gap with which the economy has had to grapple will have to be bridged somehow. Government's commitment to funding part of this infrastructure gap through concessions to the private sector implies that banks confront the likelihood of an upsurge in demand for funding. Because of the short-term nature of most of the funds currently available to the industry by way of deposits, most operators are addressing their needs for foreign credit lines, trade finance, syndication and project finance, training and foreign exchange transactions through signing memoranda of understanding with foreign financial institutions.

In the review period, we obtained a US\$63 million credit facility from the Brazilian Development Bank (BNDES); and signed memoranda of understanding with Guangdong Xinguang International Group on the proposed US\$500 million Ogun State Free Trade Zone, and a US\$50 million facility with China Construction Bank (CCB), all aimed at strengthening our external sector advantage. The other dimension of the larger economy's

integration with global trade has been the interest generated amongst both retail and institutional foreign investors by the relatively high returns obtainable from this economy. Accordingly, we strengthened our global custody operations in the review period so that as the Bank intermediates the flow of funds between the economy and foreign financing, we are also in a unique position to provide trusted and credible means for third parties to keep their funds.

Our subsidiaries, in various business lines, have also contributed to earnings, validating our strategic vision of providing a one-stop financial service station to our valued clients. As our customer base broadens, with changes in the nature of their businesses, this one-stop promise must increasingly include straight-through processing that optimises our customers' value chains. We are responding to this through strengthening of our group governance framework.

Understandably, intensity of competition in the industry would continue to translate into dwindling margins in traditional markets. We are responding to this through a transition in our market focus and deepening of product/service offerings to significantly enhance fee-based earnings.

Again, the extent to which current economic reform (especially the financial services industry's specific responses to the myriad reform initiatives) yields the requisite results would depend on the direction, and degree of domestic final demand. A central task in the collective effort to boost domestic demand is the mainstreaming of the informal sectors of the economy. In this direction, a strong correlation has been established between national economic growth and programmes that support the economic activities of the poor in our society. On the surface, this correlation is a

"Our subsidiaries, in various business lines, have also contributed to earnings, validating our strategic vision of providing a one-stop financial service station to our valued clients"

Managing Director's Review

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function of how well programmes aimed at alleviating poverty are implemented. Ultimately, the key to success are the institutions for mobilising savings from the poor, and the ease with which loans go back to the poor from such institutions.

To accelerate this process, the Central Bank of Nigeria (CBN) had in December 2005 enunciated a "Microfinance Policy, Regulatory, and Supervisory Framework for Nigeria", in which it listed the requirements for setting up microfinance institutions. In keeping with these guidelines, I am proud to inform you that in the review period, the Bank obtained an approval-in-principle (AiP) from the CBN for our proposed microfinance business, and we are currently finalising the documentation necessary for the final licence. We are assured of the success of our involvement in this sector, by the strength of our brand and the fact that 65% of the country's economically active population is currently excluded from access to financial services.

In the review period, as befits a financial service institution engaged in a wide range of businesses, with increasing local and international presence, we continued to be rated by both domestic and international rating agencies. For the second time, Fitch Ratings, one of the world's leading credit rating agencies, gave the Bank an international Long Term Issuer Default Rating of a B+, and Short Term Issuer Default Rating of a B. Fitch also considered the Bank's long-term outlook stable. Standard & Poors' on the other hand, gave the Bank a long-term foreign currency rating of BB- (same as the country's sovereign rating), and a short-term rating of B.

In addition to these two rating agencies, Global Credit Rating (GCR), also gave the Bank an AA long-term rating, while its short-term rating was A1+. Agosto & Co, a national rating agency, rated the Bank Aa+, an improvement over the Bank's rating in the last five years.

2.0 Industry Review

The reform of the country's banking sector has been one of the big success stories over the past four years. In part, the restructuring of the financial services sector has been a necessary correlate of successful reforms to other parts of the economy. The reforms have created a financial services infrastructure consistent with the needs of a

"The Bank obtained an approval-in-principle (AiP) from the CBN for our proposed microfinance business"

fast-growing economy, especially one with growing international trade linkages.

The unwritten sub-narrative to the acclaimed success of the industry reform have been an intensity of competition previously unheard of in this economy, and quite probably unrivalled anywhere else. Accordingly, over the last two years, banks' branch network grew by 36.4% to close 2007 at 4,579 branches, while total number of depositors, which stood at 24.25 million as at year-end 2007 represented a growth of 37.31% over the same period. The industry also witnessed a corresponding explosion in non-traditional delivery channels with IT-based services increasingly complementing branch banking.

By far the more challenging dimension of the new competition-driven industry has been the growth in its shareholder base, with banks now accounting for about 65% of the total market capitalisation of the Nigerian Stock Exchange (NSE). However, with banks' average post-tax profit rising by 122.14% from N4.45 billion in 2006 to N9.88 billion in 2007, initial worries over the industry's ability to meet investors' return expectations appear to have been exaggerated.

Recognising the need to further improve banks' ability to lend and facilitate economic growth, the regulatory authorities during the review period embarked on a number of policy initiatives.

These issues are discussed below:

2.1. Monetary Policy Management

The CBN's decision, announced during the review period, that effective January 01, 2009, it would predicate monetary policy on an inflation-targeting framework, was the dominant monetary policy management theme.

Managing Director's Review

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“Banks now account for about 65% of the total market capitalisation of the Nigerian Stock Exchange (NSE)”

The major effect of this initiative reflected in the Monetary Policy Rate (MPR), which was 8% as at June 2007 (although introduced in December 2006 at 10% per annum). Given that an inflation targeting regime seeks to anchor inflation expectations by deploying monetary policy tools towards achieving a pre-defined inflation target, the CBN's concerns with rising inflation, saw the MPR trend upwards from 8% per annum in June 2007, to 9% per annum in October 2007, and by a further 50 basis points (bps) to 9.5% per annum in December 2007. By April 2008, the CBN continued its restrictive monetary policy stance aimed at containing inflation within single digits when it again raised the MPR by 50 bps from the 9.5% reached in December last year to 10.0%.

In addition, as part of the transition to a market based monetary policy management regime, with “open market operations” as the main tool for managing liquidity, the CBN completely eliminated the interest rate corridor on its standing facilities both lending and deposit which became operational along with the Monetary Policy Rate. The apex bank also stopped payment of interest on overnight deposits.

Post-capitalisation, monetary policy challenge has been that of maintaining monetary and financial stability. Largely, the CBN is addressing this through its redesign of its monetary policy management framework, including its intended adoption of an inflation targeting-based monetary policy framework, effective January 2009.

However, in the medium-term, the challenge for monetary policy and of preserving financial stability will only intensify. Continuing upward pressure on domestic prices might compel an increase in the CBN's base

lending rate, especially within the context of the implementation of an inflation targeting monetary policy regime.

2.2. Inflation

Pressures on domestic price movement moderated during the review period, although first quarter 2008 figures indicate a rise in inflation. Strengthening of monetary policy management framework and more counter-cyclical fiscal policy were the key drivers of domestic prices in the calendar year ended

2007.

Estimates for the first quarter of 2008, however, indicate the possibility of inflation breaching the single digit ceiling, as spending by consumers, who increasingly prefer naira assets to foreign currency-denominated assets, and a global rise in grain prices fuelled a resurgence in inflation levels. On a year-on-year basis, fourth quarter 2007 inflation rate stood at 6.6% compared with the 4.1% recorded at the end of the preceding quarter. By end-February 2008, however, year-on-year inflation had risen to 8.0% under pressure from increases in food prices across the world, although it moderated slightly to 7.8% as at end-March 2008.

2.3. Payments/Clearing System

With banks aggressively promoting their alternate service delivery channels, electronic payment systems accounted for an increasing proportion of financial transactions in the country. While this development challenged the industry to review its liquidity management arrangements, the decision by the CBN, as it continued reforms to the payment system, to reduce the clearing cycle for upcountry payment instruments, and the harmonisation of the two clearing cycles to 3 working days, represented by far the biggest opportunity/threat to banks' treasury operations.

In part, the CBN's decision to equalise the clearing period for cheque-based transactions in the country was the result of a perceptible increase in the use of cheques for large volume financial transactions during the review period. Obviously, stronger enforcement of the Dud Cheque Act would make cheques more acceptable as a means of payment.

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2.4. Consolidation/Integration

Prognosis to the effect that the next phase of the industry consolidation process would be driven by banks' assessment of how best they can or should respond to the changed industry environment was borne out by the recent conclusion of the Stanbic/IBTC merger. At the same time, a number of banks continued cherry-picking the assets of failed banks under the purchase and assumption model of bank liquidation.

We strongly believe that opportunities exist under these two models for the Bank to pursue its inorganic growth strategy, and are currently considering different lines of action in this regard.

2.5. Regulatory Reforms

In continuation of its financial sector reform strategy, the CBN, during the year under review, directed that all banks operating in the country adopt December 31 as their common year-end. However, as rates came under pressure from the activities of banks seeking to bolster their balance sheets, the CBN agreed a one-year moratorium on effective date. Accordingly, effective December 31, 2009, this harmonisation of end dates for the financial year will give a clearer picture of the relative performance of industry players, thus allowing better comparative analysis of banks. Time spread between dividend payments may be lost, with the likelihood of annual general meetings and payment of dividends at about the same time by all the banks.

The apex bank also defined parameters for foreign banks willing to establish presence in Nigeria, indicating, amongst other requirements, that the aggregate investment of such institutions must not exceed 10% of the Nigerian bank's equity.

“Effective December 31, 2009, this harmonisation of end dates for the financial year will give a clearer picture of the relative performance of industry players”

2.6. Foreign Exchange Market

On the back of improved activities in the inter-bank foreign exchange market, further efforts made at liberalising the foreign exchange market under the Wholesale Dutch Auction System (WDAS) during the year under review, and effective liquidity management by the monetary authorities, the weighted average effective exchange rate of the naira appreciated by 6.0% at the WDAS against the US dollar to reach N121.00 per dollar in December 2007 from N127.02 per dollar in the corresponding period of 2006. In the bureau de change segment of the market, the naira traded at an average of N123.79 per dollar in the quarter ended December 2007 compared with N129.99 a dollar in the corresponding quarter of 2006. The premium between the official and the bureau de change rates which stood at N2.97 as at end-December 2006 narrowed to N2.79, as at end-December 2007. By first quarter 2008, though, this premium had widened slightly to N2.87, with N116.73 exchanging for US\$1 at the official market; and N119.60 exchanging for US\$1 at the bureau de change segment of the market.

The depreciation of the dollar on international exchanges, which in turn contributed to the upward pressure on global food and energy prices also had an impact on the appreciation of the naira. The rapid fall in the real effective exchange rate of the U.S. dollar on the international markets since mid-2007 reflected foreign investors' concerns over the liquidity of and the returns on U.S. bonds and equities, as the financial turmoil took its toll on the markets' perception of U.S. growth prospects.

In the twelve months ended December 2007, the CBN sold US\$16.14 billion to end users through authorised dealers, with US\$945.00 million being exchanged under swap transaction during the same period.

Gross official reserves, driven by rising oil prices, closed end-December, 2007 at US\$51.33 billion as against US\$47.93 billion and US\$42.30 billion in the preceding quarter and corresponding period in 2006, respectively. At US\$59.70 billion, gross official reserves as at March 31, 2008, could support 38 months of the country's current foreign exchange disbursements.

2.7. Capital Market

The stock market indices trended up in 2007 with

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the All Share Index (ASI) rising by 74.7% to close the year at 57,990.22, and the market capitalisation of listed securities growing by 140.8% to close December 2007 at N10.2 trillion. The market's outstanding performance was due to price gains recorded by blue chip companies, portfolio review by investors, and new listings during the year. By end-March 2008 however, the ASI had risen to 63,147.04, with market capitalisation at N12.15 trillion.

In the year ended December 2007, 18.5 billion ordinary shares were registered as supplementary listings from ten (10) issues, while the ordinary shares of three companies were admitted to the daily official list during the year, bringing the number of listed companies and securities to 210 and 313, respectively. With the new issues market remaining active during the review period, the Exchange approved two (2) public offers, two (2) right issues, one (1) private placement, six (6) supplementary offers and one debt to equity conversion.

Similarly, issuance of the 4th Federal Government of Nigeria (FGN) bond continued during the year, as twenty-one Federal Government Bonds valued at N714.0 billion were admitted to the Daily Official List with coupon rates of between 7.00% and 9.85%. Two 5-year Federal Government of Nigeria Contractors' bonds 2011, and 2012 issued to settle debt owed to local contractors at a fixed coupon rate of 13.5 per cent valued at N4.1 billion, and N11.7 billion respectively were admitted on the floor of the Exchange.

In the review period, the market continued to benefit from the inflow of portfolio investments both directly and through global depository receipts (GDRs), further increasing market liquidity. This growing international interest in Nigerian companies, especially banks, makes it imperative for industry operators to strengthen their investor relations activities. In the opposite direction, it is noteworthy, indicative as it were of the full reintegration of the economy into the global financial market place, that some Nigerian banks were listed on international stock exchanges during the period in review.

Reforms to the financial services sector continued during the review period, with the

Federal Government's authorisation of new minimum capital base for all capital market operators in the country. Designed to strengthen and reposition the market in line with expectations of its new roles in an increasingly integrated world marketplace, the changes to the architecture of the market in the review period also included a 40% reduction in all capital market fees for both primary and secondary market transactions, 80% compulsory underwriting for public offers, and a code of conduct for shareholders' associations active in the country.

2.8. Microfinance

In order to reinforce government's many poverty-alleviation initiatives, including the provision of small and micro credit to needy entrepreneurs, the Bankers' Committee set up a N50.0 billion Micro Credit Fund (MCF) in the review period. Projected to rise to N100.00 billion by 2010, the Fund essentially commenced operations with the outstanding un-invested balance of the SMEIS funds as at December 31, 2007.

The Micro Credit Fund would be made available to all state governments, with viable microfinance proposals, in so far as qualifying state governments would have demonstrated prior commitments to the working of the fund, by dedicating a counterpart fund equal to the amount of the loan being sought. Thus, this fund will provide a large but cheap source of finance to viable microfinance proposals through a multi-modal approach involving banks, state governments, Microfinance Banks (MFBs) and Non Governmental Organisations-Micro Finance Institutions (NGO-MFIs).

With 746 microfinance banks already licensed as at end-March 2008, this is self-evidently a rapidly growing section of the financial services industry.

"In the review period, the market continued to benefit from the inflow of portfolio investments both directly and through global depository receipts (GDRs)"

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3.0 The Bank

3.1. Financial Performance

The Bank continued to operate within a fiercely competitive environment in the year ended March 2008. A tightening of monetary policy beginning in the third quarter of fiscal 2007 had clear adverse impact on the industry's fortunes. This was however ameliorated by the rapid growth in the industry's credit to the private sector. The raising of additional capital through the much-acclaimed hybrid offer, rapid expansion of our business locations, a clear focus on harnessing opportunities in the burgeoning retail end of the market, leveraging our "U-First" suite of products, and the exceptional performance of our subsidiaries, were our main responses to this challenging environment.

Against this backdrop, propelled by our strong brand, the FirstBank Group posted strong financial results during the review period. The Group's total balance sheet plus contingent liabilities increased by 65.8% from N1.26 trillion in the 2006/2007 financial year to N2.08 trillion in 2007/2008. The substantial growth in balance sheet size is due in part to the robust performance of the subsidiaries, and the Bank's earning assets. During the review period, the Group's shareholder's funds grew by 325.3% to close at N355.63 billion compared with N83.63 billion in the previous year. On the back of strong growth across its operations, the FirstBank Group's gross earnings increased by 70.4% to N155.29 billion in 2007/2008 financial year compared to the N91.16 billion recorded in the preceding year. Based on significant operating efficiencies, group profit before tax rose by 84.5% from N25.85 billion in 2007 to N47.69 billion in the review period. Consequently, profit after tax also increased by 77.1% from N20.64 billion in 2007 to N36.54 billion in 2008.

The Bank's total balance sheet plus contingent liabilities grew by 52.3% from N895.62 billion in the 2006/2007 financial year to close at N1.36 trillion in the review period. Gross earnings also showed a similar trend, increasing by 64.7% from N79.30 billion in 2007 to close at N130.60 billion in the review period. Profit before tax grew by 72.1% from N22.10 billion in 2007 to N38.02 billion in 2008. The Bank opened 45 new branches in the review period.

"Propelled by our strong brand, the FirstBank Group posted strong financial results during the review period"

3.2. Appropriations

Consonant with legal/statutory provisions, N4.57 billion was transferred to the statutory reserve, while N1.52 billion equivalent to 5% of profit after tax was set aside for the small and medium scale industries reserve. In addition, N23.87 billion representing 78.3% of profit after tax is being proposed as dividend to shareholders. This represents dividend payout of N1.20 for every 50 kobo share held.

In keeping with our traditional commitment to regularly return value to our esteemed shareholders, we are proposing a bonus issue of 1 for every 4 ordinary shares held.

3.3 Material Credit And Other Risk Events

In the last 2 years, the Bank embarked on a process of revamping its entire credit risk management system in line with best practice to address current credit risk management challenges in an increasingly competitive market and effectively position for the envisioned aggressive capture of the corporate, retail and consumer markets.

Consequently, we instituted a Credit Transformation Project aimed at developing and implementing a new Target Credit Operating Model covering process, organisation, and technology. A critical aspect of the new Credit Operating Model is the development of a Process Model spanning the entire Credit and Lending Value Chain i.e. Origination, Servicing, Collection/Recovery and Portfolio Management. This was backed up by enabling technology using the FinnOne credit risk management software to automate the processes thus improving overall process efficiency and resulting in significant benefits for the bank.

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More specifically during the year ended March 2008, the Bank implemented the FinnOne - Finance Against Securities (FAS) Solution for the automation of origination and portfolio management of facilities secured by securities or shares.

FinnOne FAS is a comprehensive solution that establishes credit lines for individuals and corporates against the pledging of financial securities like shares, mutual funds, bonds, etc., effectively managing the volatility of such securities as part of an automated risk management system.

Overall, there was an improvement in the Bank's asset quality as non-performing loans to total loans reduced from 2.99% last year to 1.35% in the review period.

In the light of the foregoing, I can report that the Bank did not face in the review period any material credit risk event and is not expected to be confronted by any, over the medium term.

In addition, the Bank's operational risk management framework is broadly focussed on the seven general loss events categories stipulated by the Basel Committee on Banking Supervision. Effectively, it is structured to minimise erosion of earnings or capital as a result of avoidable losses from frauds, system failure and other operational inefficiencies and disruptions. For the year under review, the threshold of maximum tolerable operational losses was set at 0.5% of gross earnings.

In line with evolving practice in this regard, during the review period, the Bank built up a loss event database guaranteed to enrich risk identification, assessment, and measurement. Accordingly, over the same period, an Oprisk Manager software was acquired by the Bank to manage internal loss data collection and carry out self assessment of our Business Development Offices. This software had been used to capture operational loss data for three years at the first instance, with branches and other departments of the Bank being trained on capturing Oprisk losses and near misses using the software. The Bank also conducted a Control Risk Self Assessment (CRSA) to review the risks in some business units and support functions during the year.

"The Group's shareholder's funds grew by 325.3% to close at N355.63 billion compared with N83.63 billion in the previous year. On the back of strong growth across its operations, the FirstBank Group's gross earnings increased by 70.4% to N155.29 billion in 2007/2008 financial year compared to the N91.16 billion recorded in the preceding year"

3.4. Branch Network & Customer Service Initiative

The Bank's business locations stood at 453 as at end-March 2008, with 45 branches completed and opened within the period. With competition imperatives, and the market's buyer values clearly indicating that business locations will be material to winning the battle for larger portions of the customers' wallet, the subtle shift in focus to branches which became discernible a couple of years back, has blossomed into an all out contest for real estate locations closest to customers.

Because our branches have long been the fulcrum of our strategy execution, and following our commitment to optimising their deployment over the next planning horizon, our branch network/customer service strategy has also included, in addition to the newly opened outlets, the re-branding/renovation of existing branches along with the relocation/repositioning of a few others to take profitable advantages of changes in the demographics and overall business potential of their location.

3.5. Information Technology

FirstBank operates an Information Technology architecture that is customer-centred, combining service delivery through the traditional branch outlet, with the ease of alternative delivery channels, to create a customer-service experience that is strong on choice, convenience, and mass customisation. Our e-Business suite offers customers multiple choices of products/services to satisfy their numerous needs.

In line with the objectives of enhancing customers' convenience, 531 ATMs were deployed in the year ended March 2008, representing 36.15% growth compared with the 390 ATMs deployed the previous year. In the year under review, the Bank also raised the service

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experience bar for electronic channels by deploying a foreign exchange ATM that provides automated Bureau De Change services.

In pursuit of a proactive stance on security threats associated with the implementation of an information technology backbone, the Bank and its subsidiaries now operate an Information Security Framework. The framework sets out a clearly defined policy statement, describes the security organisation and compliance measures necessary to mitigate the risk of compromise to the confidentiality, integrity and availability of information. During the year under review, the Bank conducted Risk Assessment of the Information Security assets to ensure that these assets are kept in a safe environment. Vulnerability tests, penetration tests, and regular reviews to identify breaches of policies and threat to the e-banking environment were also carried out in the reporting period.

It would seem that information governance is the next buzzword. But this aptly describes our concern with the fact that information is increasingly becoming one of the most vital assets of organisations such as ours, whose key function is to deliver tailor-made financial services based on a thorough grasp of our customers' complete requirement for these services. Our concern includes outlining the mechanisms required by the Bank to manage the information in its possession. We are concerned that the proper management of this and allied information must be dealt with at the bank-wide level, and applied to working practice of staff if it is to be of any use.

3.6. Manpower Development

FirstBank's strong belief in the value of its human resource endowment is evident in the fact of our remaining one of the single largest employers of labour outside the public sector, in the size of our training and development budget, and in the fact of our being a net contributor of experienced hires to the country's financial services industry. Accordingly, the Bank recruited 1,230 Executive Trainees, and 570 experienced hires in the review period. As at end-March 2008, therefore, the Bank's staff strength stood at 8,495.

This commitment, however, goes beyond the training/developmental needs of our staff. It

embraces an abiding concern for the rapid development of the country's social capital, in a fashion consistent with the needs that our economy's growing international stature imposes on us. Nonetheless, we remained committed to regularly upgrading the skills and competences of our workforce. During the review period, 6,263 staff underwent training locally, while 62 staff attended overseas courses and development programmes.

During the review period, we enhanced our induction programme to enable new hires quickly acquaint themselves with our institutional memory/culture, including the goals towards which we are driven as a business, while injecting the requisite dynamism into experienced hires.

In recognition of the huge pressure brought to bear on the industry's talent pool by the growing economy and its large appetite for human resources, we undertook, in the review period, initiatives guaranteed to retain our talent pool, especially through a comprehensive review of our emoluments/compensation scheme.

Underpinning all of these, the Bank's concern about encouraging productivity and performance saw the design of an integrated performance management system that will provide seamless incorporation of the Balanced Scorecard.

We have taken these steps because of our belief that the quality of our people will be the differentiating factor as the industry becomes more competitive, more customer-centric, with more diversified product/service mix.

3.7. Compliance

Our commitment to a strong culture of compliance remains the industry's point of reference. Consequently,

"The Bank built up a loss event database guaranteed to enrich risk identification, assessment, and measurement"

Managing Director's Review

Managing Director's Review Contd

during the year under review the Bank deployed a high-tech suspicious transaction reporting software, "Mantas One", developed in the USA, to automate suspicious transaction reporting. The Bank also acquired and deployed Smartscreens software developed by local vendors to facilitate currency transaction reporting in the global XML specification as required by the Nigeria Financial Intelligence Unit (NFIU). The deployment of these applications enables the Bank to promptly and efficiently report all reportable transactions to the regulators.

In compliance with the CBN's code of Corporate Governance the Bank was appraised by both the CBN and KPMG Professional Services, during the review period, and their reports indicate a consistent level of compliance with the code.

Aware that the compliance responsibility is more likely to come under severe pressure at times like this, we have undertaken to reinforce our governance architecture with the creation of the Chief Financial Officer (CFO) position at an Executive Director (and Board membership) level subject to approval by our shareholders. This decision is in keeping with both the extent and pace of reforms in the industry, Nigeria's growing international profile, and the Bank's increasing interface with the international financial community.

The CFO's role is therefore expected to transcend just ensuring the financial health of our business; it will include ensuring good governance, disclosure, and transparency.

3.8. Small & Medium Enterprises Equity Investment Scheme (SMEEIS)

As evidenced by the authorities' sundry microfinance initiatives, thriving small and medium enterprises (SMEs) sectors, and a mainstreamed informal sector, are

essential components of the next stage of the economy's growth. The Bank identifies SME utility in the several roles this sub-sector of the economy plays, primarily as parts of the supply/distribution chains of big business. In other capacities, they also drive net capital formation, through business spending and as employers of labour, they also account for consumer spending.

Because of this, the Bank remains committed to the SMEEIS Scheme, and in keeping with our practice since the inception of this scheme, our small and medium enterprises funding activities were channelled through two vehicles. In the year ended March 2008, First Funds Limited, the FirstBank Group's arrowhead for SMEEIS activities, had N6.099 billion under management under this scheme, while SME Managers had N1.018 billion of the Bank's funds under management, bringing our total SMEEIS exposure to N7.117 billion.

Underscoring the Bank's commitment to this scheme, we undertook a review of the mandates of our subsidiaries during the financial year, resulting in the refocusing of a number of business lines. Accordingly, the private equity business of the Group is now located in our investment-banking subsidiary, FBN Capital, while the mandate of First Funds Limited has been expanded to include venture capital activities. We are assured that by this restructuring, First Funds Limited will be better able to explore latent market opportunities in the SMEEIS and related sub-sectors.

3.9. Agriculture Business

The threat posed to political and economic security as food prices rise in the global markets once again underscore the importance of food security, and by extension, the agricultural sector of our economy.

Food prices rose on the international commodity exchanges by 39% in the review period, as markets responded to demand growth in emerging economies coupled with the growing re-designation of acreage formerly dedicated to cultivating food crop, for expanded biofuel production.

Ahead of this price spike, and in clear confirmation of the Bank's belief in the indispensability of this sector to efforts at

"The Bank conducted Risk Assessment of the Information Security assets to ensure that these assets are kept in a safe environment"

Managing Director's Review

Managing Director's Review Contd

strengthening the larger domestic economy, the Bank introduced a new suite of agricultural finance products under the brand name of "Farmers First" during the review period. These products are targeted at small, medium, and large-scale agricultural production, processing and marketing businesses in the country.

In spite of impediments to the receipt of the 6% rebate on facilities granted under the Federal Government's Agricultural Credit Support Scheme, the Bank continued with the programme, as applications worth N3.867 billion were received and processed, with N3.527 billion of this approved. We have since disbursed N2.675 billion of the approvals, bringing the Bank's agric loan portfolio to an all-time peak, with a total approved limit of N11.436 billion.

In addition to the operation of the Agricultural Trust Fund Model in six states of the federation, the Bank signed a Memorandum of Understanding with the Nigerian Liquefied Natural Gas, NLNG, while negotiations are in progress on similar schemes with the Edo State government, and the Niger Delta Development Commission, NDDC. The latter is worthy of mention to the degree that it represents the Bank's modest contribution as a partner with the respective governments towards development of the Niger Delta.

Because we know that lending to the agricultural sector could be profitable, that the sector contributes close to 45% of national GDP, and that its capacity for creating employment, especially in the rural areas is immense, the Bank recently organised, with support from local and international agencies, an international summit to address supply bottlenecks in the agricultural sector.

3.10. Recognition And Awards

FirstBank has received several awards in recognition of its brand equity, dependability in providing a wide range of value-adding financial services, and impact on broad segments of the domestic economy and related sections of the international. The most consistent recognition the Bank has received since its inception is the patronage of our products and services, which has continued to impact on our financial results. It is therefore not surprising that the Bank earned greater accolades in the year under review.

"It is our belief that the quality of our people will be the differentiating factor as the industry becomes more competitive, more customer-centric, with more diversified product/service mix"

Most important of the Bank's achievements in this regard is its top ranking in the JIC Governanceplus Basic Corporate Governance Rating for 2007. Every year since 2003, JIC Governanceplus Ratings, a foremost corporate governance processes and ratings specialist in the country, has conducted a survey of the top 100 companies quoted on the Nigerian Stock Exchange. As in the last four reports, your Bank's industry and global ratings were respectively the highest amongst publicly quoted banks and particularly in 2007, amongst the top 100 companies covered by the survey.

JIC Governanceplus Ratings commenced operations in the country in 2003 in partnership with ICRA Pty Limited (an associate of Moody's Investors USA), JIC Governanceplus Ratings currently has technical affiliation with GovernanceMetrics International Inc., USA, Deminor Ratings of Brussels, and European Corporate Governance Institute.

A number of the other awards won by the bank, identify with it's stellar performance in different aspects of its operations, including ThisDay newspapers' 2008 awards for "Stock Offer of the Year"; Emerging Markets Banking Achievement Award for Africa at the World Bank/IMF 2007 meetings; Best Bank in Nigeria obtained from the Global Finance World's Best Banks Awards, 2007; Bank of the Year in the Lagos Enterprise Awards 2007; Most active Stock Award in the Market Excellence Category, 2006 in the Pearls Awards Project, 2007; Brand of the Year 2007 (Banking) in the National Institute of Marketing Nigeria (NIMN) 2007 Award for Marketing Excellence; The African Farmers Support Bank of the Year Award in AIPAS 2007; and Outstanding Contribution Award as Platinum Sponsor of the 13th Nigerian Economic Summit, 2007 organised by the Nigerian Economic Summit Group (NESG).

Managing Director's Review

Managing Director's Review Contd

"The Bank introduced a new suite of agricultural finance products under the brand name of "Farmers First" during the review period"

These awards and recognitions, while indicative of the Bank's continued dominance in the Industry, set a minimum level of excellence in the conduct of our activities going forward.

4.0 Outlook For 2009 Financial Year

Resolving the infrastructure deficit and the bottleneck it creates for the business environment will be the major challenge to the country's outlook in the near- to medium-term. Revenue over-performance, as the price of crude oil on the international markets continues to rise to record highs, ensures that the fiscal space within the government's fiscal strategy is adequate to make meaningful progress in addressing this infrastructure gap. As a result of the more efficient management of public finances, and reflecting the country's position as an oil producer, we expect the current account to be in moderate surplus in the medium term.

The key challenge for Government in the light of demands by sub-national units for an equitable distribution of government revenue will be how to manage oil savings and revenues in a fashion that is consistent with macroeconomic stability and in agreement with constitutional provisions on revenue allocation. On this basis, it would be important that government develops and deploys a medium-term economic strategy reflective of these policy challenges, especially one that takes cognisance of the special needs of the private sector.

It is within this scenario that we expect continued expansion of banks' credit to the private sector. Complimenting their growing footprints in the communications and oil and gas sectors, banks are leveraging their higher capital bases to explore

infrastructure financing. Our expectations are that retail credit will also expand over the next one year, with the industry identifying customers through existing relationships with their corporate clients. Both treasury activity in terms of capacity and product mix and the interbank foreign exchange market would present profitable business opportunities over the next one year. The treasury function of banks ought to benefit from the introduction of product ranges currently on offer in other developing markets, while FX trading should build on the nascent offering of forward positions in Naira.

Even as banks remain the major transit points for foreign funds inflow into the economy, the financial services sector would also grow cross-border presence, while increasing the number of cross-sector subsidiaries they have.

Overall, the industry will continue to grow strongly on the back of strong macroeconomic performance, offering rewards to innovation and competitive strength.

5.0 Conclusion

Over the years, our contributions to the economy as a whole, and the financial services sector in particular have endeared our brand name to all our stakeholders. We intend to dimension our future operations along this trajectory by combining the fleet-footedness that our technology endowment and workforce rejuvenation bestow on us, with dependability that is our century-long legacy. Finally, I wish to seize this opportunity to thank all our stakeholders, especially our shareholders, for their support, and to assure them that as we forge ahead in an increasingly dynamic and competitive environment, our only promise is impeccable performance.

Thank you for your attention.



J. M. Ajekigbe
Managing Director/Chief Executive

Corporate Governance

Corporate Governance

1. Introduction

The corporate governance challenge faced by companies has undergone several iterations since the raft of corporate failures, which ushered in the new millennium. The initial emphasis on compliance - the natural consequence of the profusion of statutes and codes, which were released across jurisdictions in response to these failures - has yielded to a focus on system transparency. In practice, this transition is evident, in movement away from the letter of extant regulations, towards a more engaging embrace of the "spirit" of "corporate governance". This challenge has been further accentuated as emerging economies further integrate with global financial markets. From the need to reassure investors of the safety of their investments, through the promise of fair returns on equity, all the way to securing minority investors against all forms of alienation, businesses in emerging economies are increasingly concerned with ensuring that they are run properly and that things work to ensure corporate vitality and stability.

Because at FirstBank we have constantly defined the parameters of corporate governance in the country, we have avoided the perfunctory compliance mindset that is threatening corporate governance practice globally. We are alive to the responsibility, which comes with the Bank's shares accounting for about 10% of the total market capitalisation of stocks traded on the Nigerian Stock Exchange (NSE), and the inevitable interest in the Bank locally and internationally. In the last twelve months, we have strengthened the Bank's corporate governance processes, and systems, including through synthesising the Bank's existing governance policies and practices with the latest consensus on best corporate governance practice globally. The main anchor of this process has been the need to reflect in the Bank's practices, its overarching interest in raising the bar in the conduct of the Board of Directors, and its committees in order to further serve the interests of the Bank and its teeming shareholders.

It is worth noting that the Bank was rated by JIC Governanceplus Ratings, a foremost corporate governance processes and ratings specialist in Nigeria. JIC Governanceplus Ratings commenced operations in the country in 2003 in partnership with ICRA Pty Limited (an associate of Moody's Investors USA). Currently, JIC Governanceplus Ratings has technical affiliation with

GovernanceMetrics International Inc., USA, Deminor Ratings of Brussels, and European Corporate Governance Institute.

FirstBank topped the JIC Governanceplus Basic Corporate Governance Rating for 2007. As in the last four reports, FirstBank's industry and global ratings are the highest amongst publicly quoted banks and particularly in 2007, amongst the top 100 companies covered by the survey respectively. This assessment implies that the Bank has adopted and meets all the best practices, conventions, and codes as would provide its stakeholders a superior assurance on the quality of current corporate governance structures and functioning. The rating also indicates the fact that the Bank's board and related committees meet regularly and that disclosure on related party transactions are clear and unambiguous.

2. Shareholding

FirstBank's highly diversified ownership structure was strengthened in the twelve months ended March 2008, by the hugely successful hybrid offer, which added about 1 million new shareholders to the Bank.

A measure of the bank's widespread share ownership is the fact that no individual shareholding is in excess of 5% of the issued ordinary shares of the Bank.

This "democratic" shareholding base guarantees the Bank access to a broad and rich vein of talent available for service on its board, and allied board committees.

3. Governance Structure

3.1. The Board

FirstBank's board comprises fifteen (15) members: eight (8) of whom are non-executive directors, and seven (7) executive directors.

One of the eight non-executive directors (none of whom exercises executive powers) chairs the board. In addition, none of the seven executive directors represents specific shareholder interests, nor is in any special business relationship with the Bank.

The most predictable aspect of the industry in the past couple of years has been the continuing nature of changes in the regulatory environment designed to

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strengthen the financial services industry as the Nigerian economy fully integrates with global financial markets. With the reform to the industry, Nigeria's growing international profile, and the Bank's increasing interface with the international financial community, the Board of Directors has authorised creation of the Chief Financial Officer (CFO) position at an Executive Director (and Board membership) level.

In the "best practice" context, the CFO's duties have gone beyond merely managing the financial affairs of the company; they now include corporate governance concerns. Essentially, within FirstBank's board, the CFO would play a critical role in ensuring good governance, disclosure, transparency and a well-managed business.

This position is expected to become operational after approvals by our regulators and shareholders.

3.1.1. The Roles of the Board

The board is responsible to shareholders for creating and delivering sustainable value through its general supervision of the Bank's business. In furtherance of this, the roles of "Chairman" and "Managing Director/Chief Executive (MD/CE)" in the Bank have always been different and separate. The Chairman leads and manages the board, ensuring that it operates effectively, while fully discharging its legal and regulatory obligations. Non-Executive directors, appointed in the understanding that they will serve in the best interests of the Bank and its shareholders, are able to consider, challenge, monitor, and approve strategies and policies recommended by Management.

Although informed by the country's extant corporate governance codes, FirstBank's corporate governance framework has been driven by the needs of its large shareholder base. The Board, representing shareholders, delegates 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. Compliance with relevant statutes and regulations require the Board to provide strategic guidance to the Bank, including effectively monitoring executive management.

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, including reviewing and approving the reports of such committees where appropriate;
- Maximising shareholder value through the setting of objectives, goals, and strategic direction for management;
- Considering and approving annual budgets, monitoring 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 combinations, 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
- Retaining ultimate responsibility for systems of financial, operational, and internal control and regulatory compliance, as well as ensuring that statutory reporting of these is adequate.

3.2. Standing Committees

The Board discharges its responsibilities through a number of standing committees whose charters are reviewed regularly. These charters define the purpose of the committees, their composition, and structures, frequency of meetings, responsibilities and duties, and reporting lines to the Board. In addition to the two (2) executive committees (general and credit), the Board oversees the affairs of the Bank through seven (7) standing committees as shown in the table below:

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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 Executive Directors (6)
3	Executive Committee (Credit)	Managing Director/Chief Executive 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 Dr. Oba 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 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	Alhaji Aliyu Alkali, mni Mr. Oye Hassan-Odukale, MFR Lt. Gen Garba Duba (Rtd.) Three (3) representatives of shareholders elected annually at the Bank's AGM, one of whom is the Chairman
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 Otudeko, OFR (Acting Chairman) Lt. Gen Garba Duba (Rtd.) Prince Ajibola A. Afonja

Corporate Governance

Corporate Governance Contd

The roles and responsibilities of these committees are discussed thereafter.

3.2.1. Executive Committee (EXCO General)

The Executive Committee deliberates and decides on policies for the effective and efficient management of the Bank at its fortnightly meetings. It is also a first line referral point for issues to be discussed at the Board. Consequently, EXCO's primary responsibility is to ensure 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 been reviewed and endorsed by the Risk & Management Control Directorate. It also considers loan requests above certain limits, which need to be referred to the Board, as well as agreeing changes to the Bank's credit policy.

3.2.3. Board Credit Committee

This committee considers loan applications above certain limits and which have been approved by EXCO Credit. It also serves as a catalyst for credit policy changes going from EXCO Credit to the Board for consideration/approval.

3.2.4. Board Tenders Committee

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

3.2.5. Board Establishment, Disciplinary & Promotion 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 Board Audit & Risk Assessment Committee has oversight responsibility for the internal audit and control, and risk assessment and compliance functions 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.

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4. 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 Credit Committee	Board Tenders Committee	Board Establishment, Disciplinary & Promotions Committee	Board Audit & Risk Assessment Committee	Board Nomination & Remuneration Committee	Audit Committee
Number of meetings	9	6	3	3	3	Nil	3
Alhaji U. A. Mutallab, CON	9	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Jacobs M. Ajekigbe	9	6	3	3	N/A	Nil	N/A
Mr. John O. Aboh	8	5	3	3	3	N/A	2*
Mrs. Bola Adesola	8	5	N/A	N/A	N/A	N/A	N/A
Prince Ajibola A. Afonja	9	6	N/A	2	N/A	Nil	N/A
Alhaji Aliyu A. Alkali, mni	6	N/A	N/A	N/A	N/A	N/A	Nil*
Mr. Kehinde Lawanson							
Appointed 29.08.07	4	3	N/A	1	N/A	N/A	N/A
Lt. Gen. Garba Duba (Rtd.)	9	5	3	N/A	N/A	Nil	3
Mr. Oye Hassan-Odukale, MFR	9	4	N/A	N/A	2	N/A	3
Mallam Abdullahi Mahmoud	9	6	3	N/A	3	N/A	N/A
Mr. Alex C. Otti	9	6	N/A	N/A	N/A	N/A	N/A
Mr. Oba Otudeko, OFR	9	4	N/A	3	N/A	Nil	N/A
Mr. Oladele Oyelola	9	5	N/A	N/A	2	N/A	N/A
Mr. Lamido Sanusi	7	5	3	N/A	3	N/A	N/A
Dr. Udo Udo-Aka, MON	7	N/A	3	2	2	N/A	N/A

*Towards the end of the financial year, Mr. John O. Aboh was replaced on the Audit Committee by Alhaji Aliyu A. Alkali (mni).

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Without prejudice to the preceding, committee meetings may be convened on a “need-to-meet” basis. Meetings of the Audit Committee, which are statutory and are convened only to consider audit reports are not scheduled as others are. Over the twelve months ended March 2008, the Board witnessed a drop in the number of meetings from the consolidation-induced highs of the past two years. With the industry recovering from the frenetic pace at which decisions/initiatives were taken in the immediate aftermath of the consolidation, we expect a more measured pace for the Board going forward, while still providing the required oversight for actualizing the Bank's lofty aspirations. Meetings will however, continue to be convened on a need-to-meet basis.

Support Committees

Four (4) standing committees provide strategic backing for the long-term professional management of the Bank. Some of the standing committees are first line decision-making bodies in a chain that reaches all the way to the Board of Directors through the Executive Committee. The committees and their membership are listed below:

Assets and Liabilities Management Committee

■ Managing Director/Chief Executive	Chairman
■ All Executive Directors	Members
■ Head, Corporate Planning & Group Coordination	Member
■ Head, Financial Control	Member
■ Head, Treasury	Member
■ Head, Business Performance Monitoring	Member
■ Head, Market & Liquidity Risk Management	Member

Information Technology Steering Committee

■ Managing Director/ Chief Executive	Chairman
■ All Executive Directors	Members
■ Head, Information Technology	Member
■ Chief Compliance Officer	Member
■ Head, Financial Control	Member
■ Head, Foreign Operations	Member
■ Head, Treasury	Member
■ Head, Human Capital Management	Member
■ Chief Internal Auditor	Member
■ Head, Public Sector Abuja	Member
■ Business Development Manager, Apapa	Member
■ Head, Domestic Operations	Member
■ Business Development Manager, Kano	Member
■ Head, Network & Communications Management	Member
■ Head, General Services	Member
■ Head, Cards & Channels Management	Member
■ Head, Data Centre	Member
■ Head, Corporate Planning & Group Coordination	Member
■ Head, Internal Control & Reconciliation	Member
■ Head, EDP Internal Audit	Member
■ Head, Western Union Product	Member
■ Branch Manager, Rumuomasi Branch, PH	Member
■ Head, Business Performance Monitoring	Member
■ Head, Applications Development	Member
■ Head, Application Management	Secretary

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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
▪ Managing Directors of all the Subsidiaries	Members
▪ Head, Corporate Planning & Group Coordination	Member
▪ Head Financial Control	Member
▪ Head, Business Performance Monitoring	Member
▪ Company Secretary	Member

Shareholder Participation and Activism

The management of the Bank is alive to its responsibility to shareholders and their right to full disclosure on material developments in the Bank and within its environment, which may impinge on investors' interests. It has, therefore, put in place structures for full disclosure and interaction with all stakeholders. It meticulously sends the mandatory financial statements to the Nigerian Stock Exchange on quarterly, half yearly and yearly bases. Furthermore, the Bank has strengthened its information and disclosure levels, including opening an investor relations page on its interactive website: www.firstbanknigeria.com. This new communication window will manage shareholders and investors' inquiries in respect of the performance of the Bank's stock, financial stability and other relevant information.

Further to the appraisal of the Board's performance, which was conducted by KPMG Professional Services for the 2006/2007 financial year, KPMG was engaged to develop a group governance framework that will govern the relationship between the Bank and other members of the group. As the subsidiaries grow in stature and play increasingly significant roles in exploring opportunities, the group is challenged to integrate all members within a defined governance framework.

In line with the provisions of sections 5.4.5, 5.4.6, and 5.4.7 of the CBN's Code of Corporate Governance for Banks, the consultants also conducted an appraisal of the Board of Directors for the year ended March 2008. Their report is reproduced in the following section.

Report of the External Consultant

Report of the External Consultant on the Board Appraisal



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 March 31, 2008 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 size 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 neither a chairman nor member of any board committee.

During the year under review, board meetings were held regularly on, at least a quarterly basis. However, certain board committee meetings were not regularly held. In each of the meetings held, an adequate forum was formed and advance notice 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 an annual retreat to review and approve changes to the Bank's strategy.

The principal recommendations arising from our appraisal of the board of directors of First Bank of Nigeria Plc, in accordance with the CBN Code, were in the following areas: appointment of independent directors, director's induction and training program, development of a formal succession plan, directors' allowance and improving the effectiveness of the board committees.

KPMG PROFESSIONAL SERVICES

Lagos, Nigeria

25 June, 2008

Risk Management Disclosure

Risk Management Disclosure

Introduction

This year, First Bank of Nigeria Plc continues to set the pace in Corporate Governance by enhancing the level of Risk Management disclosures in the published financial statement. This unprecedented level of disclosures is not at present a requirement of the Nigerian Accounting Standards Board, the Central Bank of Nigeria, Nigerian Deposit Insurance Corporation, Nigerian Stock Exchange, the Securities and Exchange Commission or any regulatory body in the country.

The Board of Directors of the Bank has taken the voluntary decision to move disclosure practices towards international standards, borrowing from the guidelines of Pillar 3 of the New Capital Accord (Basel 2). Efforts will continue at enhancing the level and quality of disclosures in subsequent years.

The environment in which the Bank operated posed new challenges for risk management. The increase in the Bank's capital base, and the increased capitalization of competitor banks, resulted in very stiff competition for assets and liabilities particularly in the wholesale segment. The resultant increase in cost of funds and lower pricing of loans led to a greater pressure on interest margins which was mitigated partially by rapid growth in risk assets. First Bank's loan growth was not higher than the industry average growth rate, but from a risk management perspective, the high rate and increased concentration remain areas being watched closely by Board and Management. Needless to say, this is true of all peer banks in the environment. Our approach has remained one of taking large exposures only in low risk transactions while growing a structured, granular and diversified retail portfolio to take advantage of higher margins. With the completion of technological transformation in credit risk management, we now have the platform to keep growing and managing our retail portfolio.

The dearth of information and limited disclosures by banking institutions remain for us sources of risk. Substantial liquidity in the system is absorbed by government securities or direct and indirect interbank exposures. However, the asset growth in the banking industry is not backed by detailed information on obligors, and perceived over-exposure to the capital market and unstructured middle market names may be sources of systemic risk if not properly managed. The strong capitalization and liquidity of banks in general gives some comfort but tighter legislation and supervision, higher disclosure standards and acceleration of risk-based supervision would be helpful.

The economy continues to grow in spite of bottlenecks in energy (including power) and infrastructure as well as political security issues and the Niger Delta crisis. As the government addresses these bottlenecks, new opportunities open up in infrastructure financing, specialized loans in the power/oil and gas sectors as well as real estate development. These are for us potential growth areas which we have already started tapping into this past year. Opportunities also exist in alternative assets such as private equity and venture capital and proper risk management is being built around members of the Group that will be responsible for the origination and management of these deals.

The general security situation has been a source of operational risk as we have seen an increase in the rate of armed robbery on banks often leading to loss of life in addition to theft and damage to property. The increased reliance on technology and deployment of ATMs, cards and card products, etc have also increased the importance of information security.

Market risk is limited due to the very simple character of many products. However, foreign exchange denominated transactions, especially when conducted in currencies other than the US Dollar, have had to be closely watched and managed given the recent turmoil hitting the US market. The Bank has no exposures to the subprime markets in the US or elsewhere. Market risk sources in the banking and trading book are clearly identified, mitigated and monitored.

In what follows, we present details of our enterprise risk management framework, as well as highlights of key areas (credit, operational, market, liquidity, legal and compliance risks). The purpose is to give a clear view of the major risks we believe are faced by the bank and the role of the Board and management in managing these risks. We have tried to strike a balance between providing useful information that enhances transparency and our responsibility to protect customer and counterparty information/data.

Nevertheless, the level of disclosures in this report is unprecedented in the Nigerian Banking industry and this is in line with the tradition we have set for ourselves as First Bank Truly the First.

Sanusi Lamido Sanusi
Executive Director, Risk and Management Control

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1.0 ENTERPRISE RISK MANAGEMENT FRAMEWORK

1.1 Risk Management Philosophy

The key elements of the Bank's risk management philosophy are the following:

- 1.1.1 The Bank considers sound risk management to be the foundation of a long lasting financial institution;
- 1.1.2 The Bank continues to adopt a holistic and integrated approach to risk management and therefore bring all risks together under one or a limited number of oversight functions;
- 1.1.3 Risk officers are empowered to perform their duties professionally and independently without undue interference;
- 1.1.4 Risk management is governed by well defined policies which are clearly communicated across the Bank;
- 1.1.5 Risk management is a shared responsibility. Therefore, the Bank aims to build a shared perspective on risks that is grounded on consensus;
- 1.1.6 The Bank's risk management governance structure is clearly defined;
- 1.1.7 There is clear segregation of duties between market facing business units and risk management/control functions;
- 1.1.8 Risk-related issues are taken into consideration in all business decisions. The Bank shall continue to strive to maintain a conservative balance

Risk Management Disclosure

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- between risk and revenue considerations;
- 1.1.9 Risks are reported openly and fully to the appropriate levels once they are identified;
- 1.1.10 Risk officers work as allies and thought partners to other stakeholders within and outside the Bank and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties;
- 1.1.11 All subsidiaries are guided by the principles enshrined in the risk management policies of the Bank.
- 1.2 Risk Culture**
- 1.2.1 The Board and Senior management consciously promote a responsible approach to risk and ensure that the long term survival and reputation of the Bank are not jeopardised while expanding the Bank's market share;
- 1.2.2 The responsibility for Risk Management in the Bank is fully vested in the Board which in turn delegates such to Senior Management;
- 1.2.3 The Bank pays adequate attention to both quantifiable and unquantifiable risks;
- 1.2.4 The Bank's Management promotes awareness of risk and risk management across the Bank; and
- 1.2.5 The Bank avoids products, markets and businesses where it cannot objectively assess and manage the associated risks.
- 1.3 Risk Appetite**
- The Bank's risk appetite is set by the Board of Directors annually, at a level that minimises erosion of earnings or capital due to avoidable losses in the banking and trading books or from frauds and operational inefficiencies.
- The Bank's appetite for risk is governed by the following:
- 1.3.1 High quality risk assets measured by the following three (3) key performance indicators:
- a) Ratio of non-performing loans to total loans;
 - b) Ratio of loan loss expenses to interest revenue; and
 - c) Ratio of loan loss provision to gross non-performing loans.
- The broad objective is to be among the best three (3) banks with respect to (a) and (b) above and maintain a ratio of not less than 100% on (c).
- 1.3.2 Diversification targets are set for the Credit Portfolio by Industry, top 10 and 20 obligors, etc. Limits are also set for aggregate large exposures. Large exposures in particular should be entities in diverse industry-groups.
- 1.3.3 Losses due to frauds and operational lapses is pegged at a maximum of a specified percentage of gross earnings and in any case be lower than the industry average.
- 1.3.4 Financial and Prudential ratios are pegged at a level more conservative than regulatory requirements and better than the average of benchmark banks. These include liquidity ratios, deposit concentration limits and open position limits.
- 1.3.5 The Bank aims at minimizing the following independent indicators of excessive appetite for risk:
- a) Exception reporting by internal control officers, auditors, regulators and external rating agencies;
 - b) Adverse publicity in local and international press;
 - c) Frequent litigations;
 - d) Payment of fines and other regulatory penalties; and
 - e) Above average level of staff and customer attrition.
- 1.3.6 The Bank does not compromise its reputation through unethical, illegal and unprofessional conduct. The Bank also maintains zero appetite for association with disreputable individuals and entities.
- 1.4 Risk Oversight**
- The Bank's Risk and Management Control Directorate ("the directorate") provides a central oversight of risk management across the Bank and its subsidiaries to ensure that the full spectrum of risks facing the Bank and the Group are properly identified, measured, monitored and controlled to minimize adverse outcomes. The directorate is, however, complemented by other departments in the management of certain important risks as illustrated below:

Risk Management Disclosure

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Risk Management Control	Corporate Planning
<ul style="list-style-type: none"> ■ Credit Risk ■ Operational Risk ■ Information Security ■ Market and Liquidity Risk ■ Legal Risk ■ Compliance Risk 	<ul style="list-style-type: none"> ■ Strategic Risk ■ Reputational Risk

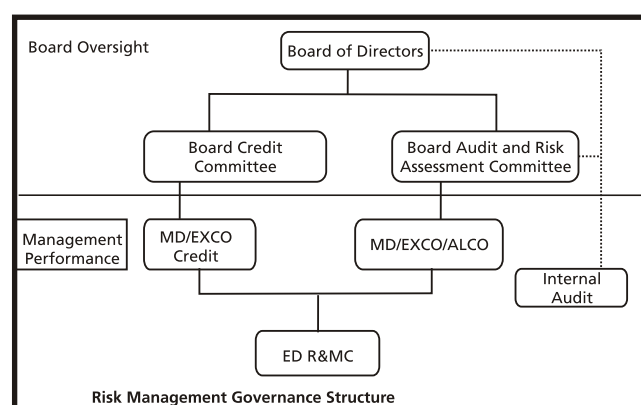
The Risk and Management Control Directorate, however co-ordinates the monitoring and reporting of all risks across the Bank. The Directorate is headed by an Executive Director, who is a member of the main board.

Internal Control Division domiciled in the Risk and Management Control Directorate performs first level and continuous independent verification/testing of control measures put in place to manage all risks across the Bank.

Without prejudice to the above, Internal Audit has the responsibility of auditing the risk management and control function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Internal Audit also tests the adequacy of Internal Controls and makes appropriate recommendations where weaknesses are identified.

1.5 Risk Management Governance Framework

First Bank's Risk Management Governance Framework is depicted in the figure below



1.6 Role of the Board of Directors

1.6.1 General

- Approve and periodically review risk strategy and policies;
- Approve the Bank's risk appetite annually and monitor the Bank's risk profile against this appetite;

- Ensure senior management takes steps necessary to monitor and control risks;
- Ensure that management maintains an appropriate system of internal control and review its effectiveness;
- Ensure risk strategy reflects the Bank's tolerance for risk;
- Review and approve changes/amendments to the risk management framework;
- Review and approve risk management procedures and control for new products and activities; and
- Periodically receive risk reports from management highlighting key risk areas, control failures and remedial action steps taken by management. This is done at least once every quarter.

1.6.2 Credit Risk

- Approve the Bank's overall risk tolerance in relation to credit risk based on the recommendation of the Executive Director Risk & Management Control;
- Ensure that the Bank's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly review of various types of credit exposure;
- Ensure that top management as well as individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function;
- Ensure that the Bank implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk;
- Ensure that detailed policies and procedures for credit risk exposure creation, management and recovery are in place; and
- Appoint Credit Officers and delegate approval authorities to individuals and committees.

1.6.3 Board Committees

The above responsibilities of the board of directors are discharged primarily by two committees of the board namely:

Board Credit Committee
Board Audit and Risk Assessment Committee

Without prejudice to the roles of these committees, the full board retains ultimate responsibility for risk management.

1.6.4 Board Audit and Risk Assessment Committee

The primary role of the Committee is to report to the Board and provide appropriate advice and recommendations on matters relevant to Risk

Risk Management Disclosure

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Management and Internal Audit. The Committee is made up of two Executive and three Non-Executive Directors, with a Non-Executive Director as Chairman. The Executive Director Risk & Management Control reports to this committee and is a non-voting member.

1.6.5 Board Credit Committee

The Board Credit Committee ensures effective management of credit risk by the Bank and subsidiaries. It is also responsible for approving the following:

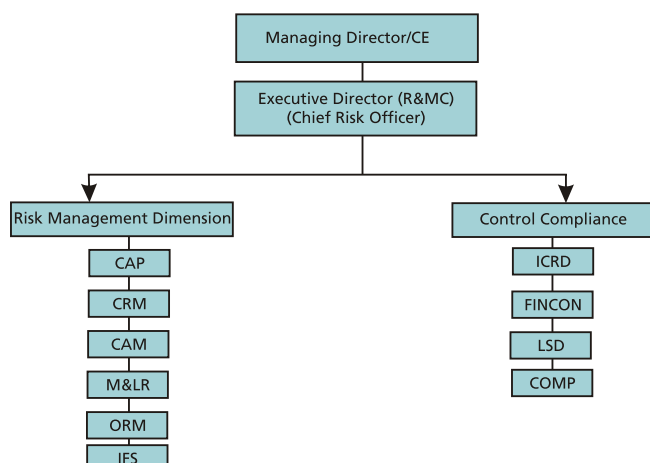
- credit risk management strategy, policies and standards.
- credit products, processes and approving authority.
- credit risk appetite and limits.
- credit requests above EXCO (Credit) level, including those going to the full board as a recommendation.

This committee is made up of the Managing Director / Chief Executive, all executive directors and five non-executive directors. The Chairman is a non-executive director.

1.6.6 Executive Committee (EXCO)

For all categories of risk, the Executive Committee is responsible for formulating policies, monitoring implementation and reviewing risk reports for presentation to the Board / Board committees as well as implementing Board decisions across the Bank.

The Risk & Management Control Operating Model is depicted in chart below:



Key:

CAP	-	Credit Analysis and Processing
CRM	-	Credit Risk Management
CAM	-	Classified Assets Management
M&LR	-	Market and Liquidity Risk Management
ORM	-	Operational Risk Management
IFS	-	Information Security Management
ICRD	-	Internal Control and Reconciliation
FINCON	-	Financial Control
LSD	-	Legal Services
COMP	-	Compliance

To be more specific, the Senior Management of the Bank is responsible for the following:

- a) Implementation of risk strategy approved by the board of directors;
- b) Developing of policies and procedures for identifying, measuring and controlling risk;
- c) Providing appropriate resources to evaluate and control risk;
- d) Reviewing risk reports on a regular and timely basis; and
- e) Providing all reports required by the Board and its committees for the effective performance of Risk Management oversight functions.

1.6.7 Executive Management Committee for Credit Risk (EXCO Credit)

It is the responsibility of this committee to:

- a) Establish and maintain an effective risk management environment in the Bank;
- b) Review proposals in respect of credit policies and standards and endorse them to the board of directors for approval;
- c) Define the Bank's risk and return preferences and target risk portfolio;
- d) Monitor on an ongoing basis, the Bank's risk quality and performance, review periodic credit portfolio reports and assess portfolio performance;
- e) Define credit approval framework and assign credit approval limits in line with the Bank's policy;
- f) Review defined credit product programs on recommendation of the Head, Credit Risk Management and endorse to the Board of Directors for approval;
- g) Review credit policy changes initiated by Management and endorse to the Board of Directors for approval;
- h) Ensure compliance with the Bank's credit policies and statutory requirements prescribed by the regulatory/supervisory authorities;

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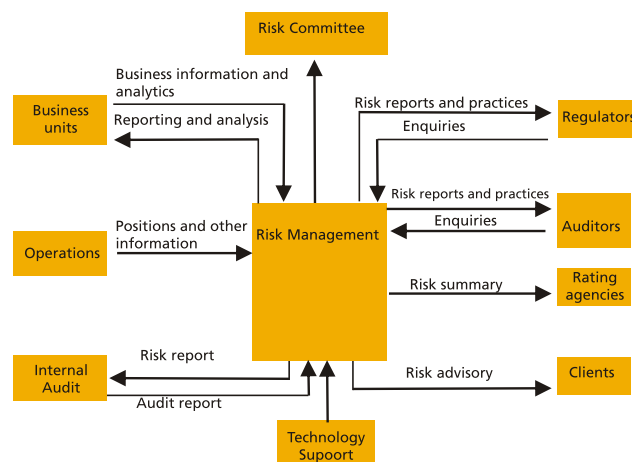
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- i) Approve credit facility requests within limits defined by First Bank's credit policy, and within the statutory requirements set by the regulatory/supervisory authorities;
- j) Review and recommend to the Board Credit Committee facilities beyond Management approval limits;
- k) Review monthly credit portfolio reports and assess portfolio performance;
- l) Request rapid portfolio reviews or sector / industry reviews from CRM where deemed appropriate; and
- m) Approve exceptions/ write-offs, waivers and discounts on non-performing credit facilities within specified limit.

1.7 Risk and Management Control Directorate Relationship with other Units

The relationships between the Risk and Management Control Directorate and other sections of the Bank are highlighted below:

- a) Risk Management sets policies and defines limits for other units in the Bank;
- b) Risk Management performs bankwide risk monitoring and reporting;
- c) Other units provide relevant data to Risk Management for risk monitoring and reporting and identify potential risks in their line of business, while Risk Management provides a framework for managing such risks;
- d) Risk Management and market facing units collaborate in designing new products;
- e) Risk Management and Internal Audit co-ordinate activities to provide a holistic view of risks across the Bank;
- f) Risk Management makes recommendations with respect to capital allocation, pricing and reward / sanctions based on risk reports; and
- g) Information Technology support group provides relevant user support to the Risk Management function in respect of various risk management software, such as credit scoring, loss data bases, loan origination and management systems, etc.



Risk and Management Control Directorate Relationship with other Units

2.0 CREDIT RISK MANAGEMENT

2.1 Overview

Credit risk arises when an obligor fails to perform its obligations under a trading or loan contract or when its ability to perform such obligations is impaired. It does not only arise when a borrower defaults on payment of a loan or settlement but also when its repayment capability decreases (as reflected in a rating downgrade).

Credit risk arises from activities both on and off the balance sheet such as trade finance and acceptances, inter-bank transactions, foreign exchange, swaps, bonds, equities, options, commitments and guarantees, and settlement transactions.

In designing credit policies, due consideration is given to the Bank's commitment to:

- a) Create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations;
- b) Identify credit risk in each investment, loan or other activity of the Bank;
- c) Utilize appropriate, accurate and timely tools to measure credit risk;
- d) Set acceptable risk parameters;
- e) Maintain acceptable levels of credit risk for existing individual credit exposures;
- f) Maintain acceptable levels of overall credit risk for the Bank's Portfolio; and
- g) Coordinate credit risk management with the management of other risks inherent in the Bank's business activities.

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2.2 Authority and Responsibility

Final authority and responsibility for all activities that expose the Bank to credit risk rest with the Board of Directors. The Board, however, may delegate this authority to the Board Credit Committee, the Executive Committee (Credit), the Chief Risk Officer or other officers with credit risk management responsibilities.

2.3 Credit Risk Management Philosophy

The following principles guide Credit Risk Management across the Bank. The Bank shall:

- a) Deliberately manage its risk asset portfolio to ensure that the risk of excessive concentration to any industry, sector or individual customer is minimized, as well as ensure portfolio flexibility and liquidity;
- b) Ensure that exposures to any industry or customer will be determined by the regulatory guidelines, clearly defined internal policies, debt service capability and balance sheet management guidelines;
- c) Extend credit to only suitable and well identified customers and never where there is any doubt as to their ethical standards and record;
- d) Never extend credit where the source of repayment is unknown or speculative and also where the purpose/destination of funds is undisclosed;
- e) Never take a credit risk where ability of customer to meet obligations is based on the most optimistic forecast of events. Risk considerations shall have priority over business and profit considerations;
- f) Ensure that the primary source of repayment for each credit is from an identifiable cash flow from the counterparty's normal business operations or other financial arrangements. The realization of security remains a fall back option;
- g) Adopt a pricing model that reflects variation in the risk profile of various exposures to ensure that higher risks are compensated by higher returns;
- h) Ensure that products to be sold in the retail market are backed by approved product programs;
- i) Ensure that the quantum of exposure and quality and value of collateral required are determined based on the risk profile of the counterparty;
- j) Avoid all conflict of interest situations and report all insider related credits to appropriate bodies; and

- k) Ensure that there are consequences for non-compliance with the Bank's credit policies.

2.4 Responsibilities and Functions of Key Stakeholders in the Credit Process

2.4.1 Board of Directors (See 1.6.2)

2.4.2 Board Credit Committee (BCC) (See 1.6.5)

2.4.3 Executive Committee (See 1.6.6 and 1.6.7)

Credit Risk in FirstBank is managed by three departments namely;

- Credit Risk Management (CRM)
- Credit Analysis & Processing (CAP)
- Classified Assets Management (CAM)

Each department is headed by an officer of the rank of Assistant General Manager / Deputy General Manager.

Credit Risk Management (CRM) is responsible for the planning of the credit portfolio, the monitoring of loans to an obligor and on portfolio basis as well as the reporting of these to the Management and Board. It is also responsible for control and ensuring that conditions set out for obligors are met before disbursement of facilities. CRM has ownership of all rating systems / scorecards and sets and monitors the credit risk appetite for the year and reports periodically to the Management and Board.

Credit Analysis & Processing (CAP) is responsible for the appraisal of credit requests and processing through to final decision.

Classified Assets Management (CAM) is responsible for the recovery of classified loans that are 360 days past due.

The above structure ensures the separation of the policy, monitoring, reporting and control functions from the credit processing functions, thus ensuring broad credit governance.

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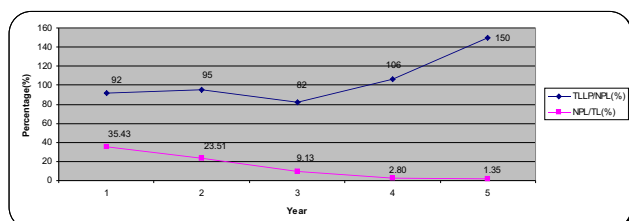
2.5 Provisioning Policy and Credit Performance (Limits)

Non-performing exposures are defined as exposures with past due obligations >90days. Loans move from performing status to substandard, doubtful and lost category, depending on number of days past due. This is explained below:

Classification	Past Due Obligation	Provision
Performing	<1day 89 days	1%
Substandard	>90days 179 days	10%
Doubtful	>180days 359 days	50%
Lost	>360days	100%

2.5.1 Asset Quality Ratios

Ratio	2004	2005	2006	2007	2008
Non-Performing Loans / Total Loans	35.43	23.51	9.13	2.8	1.35
Total Loan Loss Provisions / Non-Performing Loans	92	95	82	106	150



2.5.2(a) Portfolio Distribution by Business Lines

Business Lines	Mar. 08 (N'bn)	% of Portfolio
CORPORATES	307.25	67%
CONSUMER	58.12	13%
RETAIL BUSINESS	92.09	20%
TOTAL	457.46	100%

2.5.2(b) Portfolio Distribution by Sector

Sector/ Industry	Exposure N'mn	% of Portfolio
OIL & GAS (SERVICES)	61,438	13.4
ASSET MANAGEMENT	59,740	13.1
PETROLEUM MARKETING	55,273	12.1
MANUFACTURING	44,204	9.7
REAL ESTATE	41,318	9.0
GENERAL COMMERCE	38,452	8.4
CORE CONSUMER	37,119	8.1
SMALL & MEDIUM RETAIL	30,209	6.6
COMMERCIAL BANK	18,720	4.1
OIL & GAS (PRODUCTION)	12,954	2.8
COMMUNICATION	12,379	2.7
TRANSPORT	11,916	2.6
AGRICULTURE	6,411	1.4
OTHER FIN. INSTITUTIONS	6,179	1.4
CONSTRUCTION	5,460	1.2
LOGISTIC SERV. PROVIDERS	5,403	1.2
HOTELS & LEISURES	4,737	1.0
EDUCATION	3,086	0.7
GOVERNMENT	1,778	0.4
PUBLIC UTILITIES	687	0.2
RELIGIOUS BODIES	287	0.1
TOTAL	457,462	100

2.5.3 Top 20 Obligors Distribution by Industry / Industry Rating

INDUSTRY	INDUSTRY RATING	EXPOSURE N'mn	% of LAD
Oil Service	BBB	38,371	8.4
Asset Management	BB	32,000	7.0
Oil Marketing	A	16,609	3.6
Asset Management	BB	10,000	2.2
Oil Exploration	AA	10,000	2.2
Real Estate Commercial (Residential)	BB	6,540	1.4
Oil Marketing	A	6,482	1.4
Commercial Bank	BBB	6,124	1.3
Telecom	BBB	6,082	1.3
Commercial Bank	BBB	6,072	1.3
Manufacturing (Beverage)	BBB	5,174	1.1
Oil Service	BBB	5,162	1.1
Oil Service	BBB	5,034	1.1
Oil Marketing	A	4,682	1.0
Oil Exploration (Consumer)	A	4,427	1.0
Oil Marketing	A	4,331	0.9
Commercial Bank	BBB	4,233	0.9
Maritime	B	4,146	0.9
Oil Marketing	A	4,000	0.9
Real Estate - Commercial (Non-Residential)	BB	3,838	0.8
SUB-TOTAL		183,308	40.1
OTHERS		274,154	59.9
TOTAL		457,462	100.00

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2.5.4 Facility Against Shares (FAS)

- o The Bank's policy on FAS is to commit not more than 10% of its Total Loan Portfolio to lending against shares.
- o Exposure secured by shares stood at N32.99 billion, which represents 7.2% of Total Loan Portfolio (TLP) and within the defined limit. Total value of shares held as collateral was 214% of total exposure as at March 31, 2008.
- o There is a concentration of bank shares in the portfolio, and efforts are underway to improve diversification. However, this concentration is symptomatic of the structure of the capital market.
- o The exposure referred to in this section includes exposure secured by an unquoted stock. FirstBank exceptionally accepted the unquoted shares of a large telecommunication company as partial security for loans to investors in its private placement. Although, the stock is not listed, liquidity risk is fair in OTC trading. All such facilities also have additional margin collaterals of at least 30% in cash or quoted shares.
- o As a matter of policy, the Bank requires a collateral margin of at least 50% of exposure when lending against single scrip, and at least 30% when lending against a diversified portfolio of shares.
- o Loans against shares are monitored on a regular basis to ensure that margins are maintained. LTV is computed based on a 10day average trading price for each share.

2.6 Credit Products of the Bank

U-First Consumer Products

- o Auto Loans
- o Share Purchase Loans
- o Household Equipment Loans
- o Personal Loans against Salaries
- o One off Temporary Overdraft against Salaries
- o Revolving Temporary Overdraft against Salaries
- o Personal Home Loans
- o Home Equity Loan
- o Secured Loans & Overdrafts

U-First Retail Products

- o Revenue Loans
- o Receivables Finance
- o Secured Loans and Overdrafts
- o Asset Finance
- o LPO Finance
- o Bonds & Guarantees

Agricultural Products

- o On-lending Scheme
- o Agricultural Produce Finance
- o Multi-Channels Agricultural Finance Scheme
- o Guaranteed Fund Credit(GFC)
- o FirstBank Agricultural Credit to Schools (FACTS)
- o Industrial End-User's Outgrower Scheme
- o Cooperatives/ Linkage Banking Scheme
- o Oil & Gas Contract Finance (OGCF)
- o Inventory Finance for Key Distributors
- o Other conventional products structured to meet the requirements of the obligor and treated on an individual assessment basis.
- o Specialized lending including, Project Finance, Commercial Real Estate Finance and Infrastructure transactions.

2.7 CREDIT RISK MANAGEMENT OUTLOOK

With increasing competition and commodification of the lending business, margins are continually being placed under pressure. The Bank's long term strategy, therefore, is to ensure that target growth in loans and advances are attained without compromising asset quality. This is to be achieved by granting:

- o large ticket exposures to select prime corporate customers, and
- o small well secured exposures to a very large number of acceptable risk customers.

As a matter of credit strategy, the Bank will continue to avoid large-ticket exposures to high risk obligors. The growth in consumer and retail lending, as well as new areas such as real estate and infrastructure should serve to protect margins from erosion.

3.0 MARKET AND LIQUIDITY RISK MANAGEMENT

The Bank in its daily operations is exposed to a number of market risks. Market risk relates to the risk that movements in market risk factors, including foreign exchange rates, commodity prices, interest rates, credit spreads and equity prices will have an adverse effect on the profitability and/or net worth of the Bank, e.g. an adverse interest rate movement. Market risk function also covers the risk of market access for funding and liquidity.

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3.1 Market Risk Structure and Framework

The Bank ensures that all the market risk exposures are consistent with its business strategy and within its risk tolerance. The goals of the Bank are principally to:

- a. define the Bank's market risk appetite;
- b. ensure that the bank's overall market risk exposure is maintained at levels consistent with the available capital; and
- c. ensure that top management and individuals responsible for market risk management possess sound expertise and knowledge to accomplish the risk management function.

Regular market risk reports are presented to the Board Audit and Risk Management Committee (BARAC) and the Assets & Liabilities Management Committee (ALCO).

The Assets & Liabilities Management Committee made up of Executive Directors and other relevant Divisional Heads is responsible for the following:

- a. review of policies relating to market risk management as well as assets & liabilities management,
- b. recommend market risk policies to the Board,
- c. provide management oversight for the implementation of policies relating to liquidity, interest rate, foreign currency and equity risks,
- d. review market and liquidity risk strategy and recommend same for Board approval,
- e. monitor liquidity, asset and liability mismatch, pricing and interest rates,
- f. develop policies, procedures, tools and systems for identifying, measuring, controlling and reporting market and liquidity risks,
- g. evaluate market risk inherent in new products,
- h. ensure compliance with statutory and regulatory requirements relating to market risks,
- i. review and recommend for approval market and liquidity risks related limits i.e. position, concentration, currency, dealing gap, total portfolio and counter party limits,
- j. approve appointment of dealers, and
- k. balance sheet management.

The Board Audit and Risk Assessment Committee (BARAC) and full Board are responsible for the following:

- a. Approve market and liquidity risk management framework, policies, strategies, guidelines and philosophy.
- b. Provide Board oversight for the implementation of

- c. market and liquidity risk management policies.
- c. Approve market and liquidity risks related limits for the Bank and subsidiaries.

Implementation of the bank's market and liquidity risk management policies, procedures and systems is delegated to the Head, Market and Liquidity Risk Management Department who reports to the ED, Risk and Management Control.

FirstBank is committed to management of market risks emanating from the following activities:

- a. Money Market Activities
- b. Capital Market Activities
- c. Financial Intermediation Activities

The Bank maintains a well-articulated market risk policy, which drives the level of market and liquidity risk exposures during trading activities and determines business size and maturities that are subject to re-pricing when interest rate changes. The Bank is moving from traditional methods of market risk management (risk mitigation) to risk optimization by linking the Bank's business strategy to its day to day risk exposures.

Due to the size of the Bank's holdings in rate sensitive assets and liabilities and its volume of foreign exchange trade, major area of market risk exposures in the Bank relate to interest rate and foreign exchange risks. Some of the Bank's subsidiaries engage in limited proprietary trading in quoted equities but there is control oversight of such exposures. In addition, each subsidiary has a risk management framework and policy that is consistent with the Enterprise Risk Management manual.

3.2 Market Risk Policy and Strategy

FirstBank has put in place a clearly defined Market Risk Management Framework that provides management and the board of directors with guidance on market risk management processes. The Bank has also prescribed tolerable market and liquidity related losses vis-a-vis quantum of available capital and level of other risk exposures.

The Bank's Market risk strategy and policy is anchored on the following:

- a. Product diversification which involves trading in wide range and classes of products such as debt, equity, derivative, foreign exchange instruments, corporate securities and government securities.
- b. Risk-taking within well-defined limits with the sole

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purpose of creating and enhancing shareholder value and competitive advantage.

- c. Effective utilization of risk capital.
- d. Continuous evaluation of risk appetite and communication of same through market risk limits.
- e. Independent market and liquidity risk management function that reports directly to Executive Management.
- f. Robust market and liquidity risk management infrastructure reinforced by strong automated system for controlling, monitoring and reporting market risk, including transactions between the Bank and its subsidiaries.
- g. Deployment of variety of tools to monitor and restrict market risk exposures such as position limits, sensitivity limits and analysis, stress testing, ratio analysis and management action triggers.
- h. Adoption of Value-at- Risk (VaR) as the key risk measurement.
- i. Usage of variety of tools to measure non-tradable interest rate risk such as:
 - o interest rate gap analysis (which allows the Bank to maintain a positive or negative gap depending upon the forecast of interest rate position). For example, the rate sensitivity of an amount of assets and liabilities within a specific time interval can be hedged against changing interest rates or by speculatively increasing net interest income.,
 - o forecasting and simulating interest rate margins,
 - o calculating earnings-at-risk (EAR) using various interest rate forecasts, re-pricing risk in various portfolios and yield curve analysis.
 - o Using the Assets and Liabilities Management process to determine balance sheet interest rate sensitivity and implement market risk management practices to hedge the potential effect of interest rate changes.
- j. Setting Internal Open Position Limit lower than the CBN prescribed limit (presently 75%). The Bank has put in place approval process for exceeding the internal OPL limit. However, any trading above the CBN regulated OPL limit must be approved by the Central Bank.
- k. Enforcement of market risk operating limits and other risk management guidelines that will ensure

consistent compliance with OPL limit.

3.3 Market Risk Reporting

Various Market and Liquidity Risk Management reports are issued on daily, fortnightly, monthly and quarterly basis as shown below:

Daily Liquidity & Market Risk Report	All ALCO members
Fortnightly ALM & Market Risk Report	ALCO meeting
Monthly ALM & Market Risk Report	ED, Risk & Mgt Control
Quarterly ALM & Market Risk Report	Board of Directors

3.4 Market and Liquidity Risk Exposures

The major sources of market risk in the banking book have been identified and are being well managed. Interest rate risk in the USD175m subordinated debt was fully hedged with the aid of an interest rate swap with a top rated investment bank. The exchange rate risk associated with the EUR borrowing disbursed in dollars is being managed through an accumulator contract that will close the open position over the life of the borrowing without a loss to the Bank.

Foreign currency liabilities generally fund assets in the same currency and, where tenors differ the re-pricing and liquidity risks are generally adjudged fair.

In general, market risk management in the Bank is still in its nascent stages but as new products enter the market, there will be a need to focus on building up systems and people.

The Bank's liquidity position on the naira side is very robust. However, there is concern over the difference between the high rate of growth in risk assets and the modest growth in liabilities. The Bank's focus this year is on liability generation which will be a necessary pre-condition for significant asset growth.

3.5 Capital Adequacy and Management

FirstBank's capital management approach is driven by its strategy and organizational requirements, taking into account the regulatory and commercial environment in which it operates.

Capital Adequacy ratio of 48.23% was achieved at the end of the year. A marked increase over the 22.73% recorded for the year ended March 2007. This is in spite of a 101.62% increase in Loans and Advances during the year. The increase in this ratio is the result of the success of the Bank's Share offer and its subsequent capitalization which has effectively positioned the Bank

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for expansion. The Bank, as a policy works to maintain adequate capital cover for its trading activities. While the regulatory ratio is 10%, First Bank's internal target is 16% (minimum) with a threshold of 18%. Current position is closely monitored and reported fortnightly to the Assets & Liabilities Management Committee.

	<u>31.03.2008</u>	<u>31.03.2007</u>
Capital Adequacy ratio	48.23%	22.73%
	N'm	N'm
Capital composition:		
<u>Tier I</u>		
Paid up capital	9,945	5,238
Reserves	324,687	66,898
<u>Tier II</u>		
Long Term Debt Stock	20,379	22,101
Reserves	<u>5,215</u>	<u>5,215</u>
	<u>360,226</u>	<u>99,452</u>
Capital Utilization:		
Qualifying Risk Weighted Assets	700,099	402,869

4.0 OPERATIONAL RISK MANAGEMENT

4.1 Overview

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. This definition includes legal risk but excludes reputational risk. The Bank recognizes the significance of operational risk, which is inherent in all areas of our business. Operational risk is managed within acceptable levels through an appropriate level of management focus and resources.

4.2 Operational Risk Management Framework

FirstBank is committed to the management of operational risks. The Bank's operational risk management framework aims to:

1. Reduce losses arising from operational risk a key role of operational risk management in the Bank is to reduce losses from operational failure and in particular avoid potentially large or catastrophic risk losses.
2. Improve in performance measurement the Bank's improved understanding of its operational risk profile shall enable appropriate allocation of risk and economic capital to individual lines of business which would allow improved performance measurement and evaluation of

activities.

3. Ensure better control of operations The Bank expects that increased understanding of risk activities within various business units, the Board and senior management will lead to improvements in the control of operations and the emergence of a more proactive operational risk management culture.
4. Provide early warning signals of deterioration in the Bank's internal control system.
5. Raise awareness of operational risk in the Bank from top to bottom through the implementation of an enterprise wide operational risk approach.

4.3 Operational Risk Strategy

Failure to manage operational risk effectively often results to significant financial losses, regulatory fines or censure, reputational damage, brand erosion or even the loss of banking licence all of which directly impact shareholder value. Accordingly, First Bank operational risk strategy aims to minimize the impact of operational risk on its shareholders' value. In more specific terms, the Bank's strategy is to:

- a. reduce the likelihood of occurrence of unexpected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation in earnings; and
- b. minimise the impact of unexpected and catastrophic events including related costs through risk financing strategies that support the Bank's long term growth, cash flow management and balance sheet protection.
- c. make all managers responsible for the management of operational risk and thus minimize actual or potential losses. The Bank recognizes that some losses, such as operational errors are inevitable and are normal business cost; but will ensure these costs are kept within acceptable levels and potential losses are minimized.

In implementing this strategy, the Bank:

- o Has put in place best practice operational risk management policies and procedures. These include toolkits to help identify, assess, control, manage and report on operational risk within the Bank.
- o Ensures that roles and responsibilities are agreed and clearly understood by employees at all levels.
- o Ensures that all staff in business and support

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functions are aware of their responsibilities for operational risk management.

- o Considers the potential operational risk impact of its activities and products at the outset with a view to minimizing these as far as possible.
- o has put in place structures and processes for reporting control failures to designated individuals and escalating material issues to EXCO and the Board Audit and Risk Assessment Committee.
- o Ensures that staff are provided with appropriate operational risk management training that is commensurate to their roles.
- o Establishes workable business continuity plan (including disaster recovery and crisis management procedures) that minimizes the impact of unexpected and catastrophic events on business operations and customer service.
- o Minimises financial impact of operational losses, through management of risk factors and utilization of insurance or other risk transfer strategies.
- o Ensures that staff responsibility with respect to operational risk management are communicated through on going risk awareness workshops and management action.

4.4 Operational Risk Management Philosophy and Principles

The following philosophy and principles govern the management of operational risk in First Bank:

- o The Board of directors is responsible for setting the Operational Risk Strategy of the Bank and its implementation;
- o The Board approves and periodically reviews the Operational Risk Management framework;
- o Operational risk in the Bank is managed through a centralised and independent operational risk management function;
- o Ownership and accountability for operational risk is decentralised with Business units;
- o There are consistent standards for defining, evaluating, measuring, monitoring and reporting operational risk;
- o The Bank's operational risk management practices are in line with Basel II;
- o The Bank's Operational Risk Management practices is subject to regular independent review by Internal and External Auditors;
- o Operational risk management is governed by well defined policies and procedures which are clearly communicated across the Bank;
- o Operational risk related issues are taken into

consideration in business decisions including new product and process designs;

- o Operational risk and loss events are reported openly and fully to the appropriate levels once they are identified; and
- o Adequate processes and systems for identifying, measuring, monitoring, reporting and controlling operational risks are being implemented by the Bank.

4.5 Organisation and Structure

The Bank's overall approach to the management of operational risk is to create and promote a culture that emphasizes effective operational risk management, adherence to operating controls and acting within the Bank's policy requirements.

The management of operational risk in the Bank is undertaken at three distinct levels each with clearly defined roles and responsibilities as follows:

4.5.1 Board and Board Committees

See 1.6.1 and 1.6.3

4.5.2 Senior Management

At the second level is a management function performed by the Risk and Management Control (R&MC) Directorate. The Operational Risk Management Division has direct responsibility for formulating and implementing the Bank's operational risk management framework including methodologies, policies and procedures approved by the Board. The division works with the Bank's Internal Control and Internal Audit divisions to ensure that the day-to-day operations of the Bank are in line with the approved operational risk management policies.

Operational Risk Management (ORM) division is an independent risk management function within FirstBank. The prime responsibility for the implementation of the operational risk framework as well as the day-to-day operational risk management lies with the Business Divisions. Based on this business partnership model, the Division ensures close monitoring and high awareness of operational risk which are driven across the Bank through training and strategic communication efforts.

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4.6 Monitoring and Managing Operational Risk

Several tools and techniques are deployed in managing operational risks in FirstBank. These tools and techniques incorporate risk identification, assessment of risk, implementation of adequate control measures to reduce the impact of risks, risk monitoring and reporting.

4.6.1 Delphi sessions:

A type of Risk Self Assessment which provides for brainstorming sessions during which 'experts', in this case, senior personnel in business units identify measure and analyze the risks inherent in business units, activities and products, and draw up controls aimed at reducing the risks. This is done in collaboration with Operational Risk Managers who coordinate the sessions.

4.6.2 Risk Control Self Assessment (RCSA):

Risk Control Self Assessment (also called control self assessment or CSA) is a process whereby business areas identify and evaluate the risks incurred, the level of control the area has over these risks, and action points for improvement.

The goals of the Delphi sessions and RCSA are to continuously assess changing market and business conditions and evaluate all operational risks impacting the business. The self-assessment process assists in identifying emerging operational risk issues and determining how line of business should be managed.

4.6.3 Key Risk Indicators (KRIs):

Key operational risk indicators have been developed and are used to help identify trends and issues at both corporate and business unit levels.

4.7 Key Operational Risks

Major operational risks faced by the bank are internal fraud and armed robbery. Each incident is analyzed and control failures identified and new controls designed. The Bank is also investing in enhanced physical security and collaborating with the security agencies to improve protection of branches and staff. Key counter-measures put in place include:

- o enhanced staff training;
- o issuance of appropriate and deterrent circulars;
- o job rotation and segregation;
- o dissemination of e-mail and SMS alerts to bank's

- o customers for each debit on their accounts;
- o imposition of stiff disciplinary measures including prosecution of fraudulent staff;
- o installation of panic alarm system, CCTVs, deadman doors etc.

4.8 Role of Internal Audit and Internal Control in Operational Risk Management

Internal Audit

The role of Internal Audit is to:

- a. provide independent assessment and evaluation of the Bank's Operational Risk Management Framework;
- b. monitor that business units and support functions comply with the Bank's operational risk policies;
- c. assess the adequacy of the Bank's Operational Risk measurement methodology;
- d. assess the effectiveness of the Bank's risk management and control process for operational risk; and
- e. conduct an independent assessment and evaluation of the risk in Business unit's activities.

Internal Control

The Internal Control Division is responsible for evaluating and monitoring control activities as well as ensuring compliance with minimum control standards set forth in the framework. Other Internal Control activities include:

- o top level review of appropriate activities and controls for branches and departments / divisions;
- o physical control and checking for compliance with the bank's policy including exposure limits, system of approvals and authorisations;
- o carry out independent verification and reconciliation.

5.0 LEGAL RISK MANAGEMENT

5.1 Legal Risk Concept in FirstBank

Operating companies are required to implement policies, procedures and guidelines in respect of the management and control of legal risks and First Bank of Nigeria Plc has conformed to this international best practice.

Legal risk covers contractual risk, legislative risk, intellectual property risk and litigation risk. Legal risk includes the risk of:

- o failing to act appropriately or diligently in response to a claim made against the Bank;
- o failing to take the proper action to preserve the

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- o right of recourse to insurers in respect of any claim against the Bank;
- o being unable to successfully defend a claim brought against the Bank;
- o being unable to take action to enforce the rights of the Bank through the law courts; or
- o failing or inability to mitigate the likelihood that an adverse claim will be successfully made against the Bank.

5.2 Legal Risk Management Structure

The Bank has a dedicated global legal function which is responsible for managing legal risk. This comprises the provision of legal advice and support in resisting claims and legal proceedings against the Bank including analysis of legal issues and the management of any litigation, as well as in respect of non-routine debt recoveries or other litigation against third parties.

The Head Office Legal Services Department oversees the global legal function of the Bank and reports to the Executive Director, Risk and Management Control.

For the smooth, efficient and effective performance of its duties, the Department is sub-divided into four hubs or units which are headed by senior officials of the department who report to the Head, Legal Services in the performance of their duties. The four hubs are as follows:

- O **Retail & Securities Hub** with responsibility for the documentation and perfection of securities considered necessary to secure credit facilities extended by the Bank to its customers.
- O **Litigation Hub** with responsibility for the commencement and monitoring of legal actions on behalf of the Bank, the conduct of the Bank's defence to legal actions against the Bank, and the rendition of legal advice in relevant matters. The unit evaluates out-of-court settlement options with a view to decongesting the Bank's litigation portfolio and reducing to the barest minimum contingent liabilities.
- O **Corporate and Contracts Hub** with responsibility for the documentation of transactions entered into between the Bank and its Corporate customers as well as the preparation and vetting of contracts entered into between the Bank and its customers/third parties in appropriate cases.

- O **Regional Co-ordination/Administration Hub** with responsibility for the co-ordination and supervision of duties performed by Legal Managers posted to some Business Development Offices (BDOs) of the Bank and the performance of administrative duties in the Head Office Legal Department. The Legal Managers perform the duties arising from the hubs they cover to a limited extent.

There is also a sub-hub known as Bonds/Guarantees Hub which is responsible for the preparation and vetting of bonds and guarantees issued by the Bank or accepted as security by the Bank.

5.3 Legal Risk Policy and Reporting

A major legal policy of the Bank is that all known potential incidents of material legal risks are reported at an early stage and mechanisms put in place for rapid escalation to Management for proactive summary decision.

For effective implementation of this major legal policy, the various units of the Bank are expected to promptly notify Legal Services Unit of any actual or threatened litigation against the Bank or any of its officers in their official capacities.

The Head, Legal Services furnishes quarterly reports of litigation matters and costs incurred to the Board of Directors while Executive Management is also furnished and kept abreast of details of cases involving major potential liabilities against the Bank.

6.0 INFORMATION SECURITY RISK MANAGEMENT

6.1 Information Security Risk Management Framework

FirstBank has adopted an integrated approach to Information Security Risk Management in line with ISO27001 standard. Its fundamental objective is to ensure the confidentiality, integrity and availability of its information assets.

Information assets can be viewed as a very critical asset of the Bank and shall therefore be adequately protected. The protection of FirstBank's information assets is critical to the Bank's business continuity and its ability to meet business objectives. Accordingly, information security management department has been assigned the responsibility of ensuring that information assets are

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adequately protected at all times. This responsibility is shared by both management and employees of FirstBank, irrespective of designation or function.

The following diagram depicts the various stakeholders within the FirstBank information security organogram.



Final authority and responsibility for safeguarding FirstBank's information assets rests with the Board of Directors. Key responsibilities of the Board with respect to information security are detailed below:

- o Approve the Bank's overall Information Security Framework and policy;
- o Ensure that the Bank's information security posture is maintained in line with its risk appetite and commensurate to the risks associated with information assets.

FirstBank through its information security management is continually putting in place structures to help protect its information assets and create an assurance for investors. As part of its responsibility information security monitors risk indicators such as information security related incidents supplemented by trend analysis which highlights high-risk or emerging issues so that prompt action can be taken to address them.

6.2 Information Security Risk Mitigation

In light of recent global happenings, growth in information security incidents and compromises resulting from Identity theft and social engineering attacks on financial institutions FirstBank has taken a number of proactive measures to ensure that its systems are not vulnerable to these attacks. Some of these include:

- o Information security controls are being built into all existing processes and procedures while identified areas with gaps have had security procedures developed for the processes.
- o The Bank carried out a comprehensive classification of all its information assets with priorities/custodians allocated to these assets to ensure that the right amount of security level is applied based on criticality.
- o The Bank engaged the services of an independent company to carry out a Bank wide security risk assessment, to determine the security posture of the bank and allocate appropriate safeguards to these assets.

FirstBank has developed a robust information security framework that addresses its immediate and future needs as regards ensuring a safe and secure operating environment for its customers and staff alike. The Bank would continue to improve on its information security drive through programs targeted at increasing staff knowledge and customer protection. Major areas of concern are password compromise, social engineering attacks and use of key logging devices as hacking tools.

7.0 FIRSTBANK INTERNAL CONTROL

7.1 Internal Control Concept in FirstBank

Internal Control in FirstBank refers to the overall operating framework of practices, systems, organizational structures, management philosophy, code of conduct, policies and procedures and actions which exist in the group and designed to ensure:

- a. that essential business objectives are met, including the effectiveness and efficiency of operations and the safeguarding of assets against loss.
- b. the reliability of financial reporting and compliance with general accounting principles.
- c. compliance with applicable laws and regulations including internal policies.
- d. systematic and orderly recording of transactions.
- e. provision of reasonable assurance that undesired events will be prevented or detected and corrected.

FirstBank is committed to creating and maintaining a world class internal control environment that is capable of sustaining its current leadership position in the financial services industry.

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FirstBank operates in an environment that is continuously exposed to uncertainties and change. Such risks may prevent the institution from achieving its strategic business objectives. To effectively manage these risks, FirstBank group has put into place internal control measures that cover the Bank and its subsidiaries.

FirstBank has put measures in place to institute an effective and efficient internal control environment that ensures minimal operational losses arising from fraud, errors, operational lapses, armed robberies, customer dissatisfaction, customer complaints and other risk exposures.

7.2 Components of FirstBank Internal Control Environment

- o A board of directors that is actively concerned with sound corporate governance coupled with effective management and control of the bank;
- o Executive Management that actively manages and operates the bank in a sound and prudent manner;
- o Strong organizational and procedural controls supported by an effective management information system aimed at prudent management of the company's exposure to risk;
- o A robust independent control and audit mechanism that monitors the effectiveness and safety of all activities in the bank;
- o A functional risk management framework and structure;
- o Risk recognition, assessment and management by Risk Management Directorate covering all categories of risks credit, operational, information security, market, liquidity and internal control;
- o Appropriate and standardized control activities covering all branches, departments and businesses;
- o Segregation of duties;
- o Effective financial and management reporting system;
- o Continuous and on going monitoring of control activities by an independent Internal Control Division;
- o Independent evaluation of control activities on periodic basis by Internal Audit Division;
- o Strong regulatory and policy compliance culture driven from the top to the lowest level;
- o Tiered ownership of internal controls Board of Directors, Executive Management, Divisional Heads and Staff.

7.3 Responsibilities for Internal Control in the Bank

- o Board of Directors, Board Audit Committee, Board Audit and Risk Assessment Committee monitor effectiveness of internal control system.
- o MD/CEO and EXCO (General) Design and maintain adequate system of internal controls.
- o Top and middle management implement and enforce internal controls.
- o Internal Control and Internal Audit Divisions review, monitor, evaluate and enforce internal controls in the Bank.
- o All Staff Owned Internal Control measures inherent in their various job functions.

7.4 FirstBank Internal Control Objectives

- o Achievement of Business Objectives.
- o Safeguarding of assets.
- o Reliability of financial records.
- o Business/Customer oriented control practices.
- o Automation of Operational Control and Reconciliation activities in the Bank.
- o Zero tolerance for prudential provision on other assets.
- o Minimize financial losses attributable to control infractions and reconciliation problems.
- o Transaction Safety.
- o Automation of internal control and reconciliation activities.
- o Risk Based independent control activities.
- o Operational Control efficiency and effectiveness.
- o Strict Compliance with regulations and internal policies.
- o Zero tolerance for fraud, errors as well as control/regulatory infractions.
- o Strict personal and Business Units responsibility for operational and control activities.
- o Confidentiality and integrity of information resources.
- o Business Continuity and Disaster Recovery.

7.5 First Bank Internal Control Philosophy and Principles

Major internal control philosophy and principles of the bank are reflected in seven documents as detailed below:

- a. FirstBank Internal Control Framework - This document which is predicated on COSO (Committee of Sponsoring Organization) standard provides policies aimed at achieving

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the following objectives in the Bank:

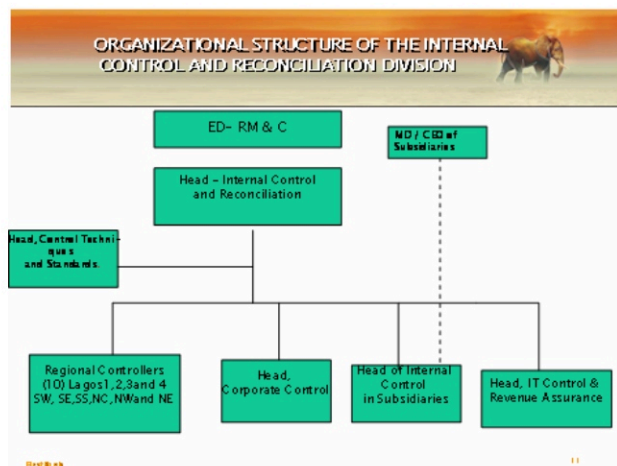
- o Proactive identification of key business risks with appropriate internal controls,
- o Ensure quality of internal and external financial reporting,
- o Ensure compliance with applicable laws, internal policies and regulations,
- o Identify and exploit opportunities for improving efficiency of processes and controls.
- o Effective management of business operations and achievement of strategic objectives.

It also covers line of defence and control responsibilities of the Board of Directors, MD/CE, Executive Management, Head Office Departments, branches and subsidiaries.

- b. **FirstBank Internal Control Policy** - This document outlines best practice control standards, roles and responsibilities of directors, senior management, departments, subsidiaries and staff of the Bank.
- c. **FirstBank Internal Control Guidelines** - FirstBank has adopted COSO framework (customized to the Bank's local environment) for its internal control procedures and guidelines. The guidelines provide procedures for identification, management and documentation of relevant processes/sub-processes including mapping of specific risks and control mitigants.
- d. **FirstBank Operational Procedure** - Detailed Control, Accounting and Administrative Procedures (CAAP) manual have been developed for all processes, activities, products and service of the Bank including business continuity and disaster recovery.
- e. **FirstBank Operational Desk Manual/Job Card for operational activities.**
- f. **FirstBank Departmental and Independent Control Function Checklist** used for managing supervisory and independent control risks.
- g. **FirstBank Independent Control Function Proof Chart** - standardized procedure for executing various independent control activities in the Bank.

7.6 Structure of FirstBank Internal Control Division

Internal Control and Reconciliation Division is dynamically structured to identify emerging/incremental areas of risk exposures aimed at instituting immediate preventive control measures.



- a. Proper Branch profiling, Risk Rating and Control Vulnerability is considered for the determination of optimum Resident Internal Control Officers (RICO) requirements and placements.
- b. Institution of efficient staff deployment strategies that aligns staff quality with the risk rating of the branches.
- c. Alignment of Resident Internal Control Officers (RICO) specialist skills with the core competences required for specialized functions in the Bank especially Head Office and subsidiaries.
- d. Training, orientation and Development of RICOs are predicated on ensuring superior knowledge of product features, policies, regulations, processes and systems inherent in processing activities under their purview.

7.7 Major Internal Control/Audit Reports to Board and Senior Management

- a. Major Audit Issues and Countermeasures/Mitigants
- b. Fraud Recovery Status Report (N10m and above)
- c. Fraud Statistics type and frequency with year on year comparison including general remedial actions.
- d. Major Operational/Control lapses in Audit reports
- e. Control Situation Report
- f. Cash Tracking Report
- g. Prudential Provision on Other Assets
- h. Control Risk Rating of Business Units

8.0 COMPLIANCE RISK MANAGEMENT

8.1 Compliance Risk Management Philosophy, Strategy and Policies:

Ongoing changes to legislation, and the introduction of new legislation, have placed a greater emphasis on the formal and structured monitoring of compliance with

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legal, regulatory and supervisory requirements.

Although legislative changes place an administrative burden on FirstBank, an opportunity is provided to commit more openly to a culture of compliance within the Bank, and in its Subsidiaries.

FirstBank recognises its accountability and responsibilities to all stakeholders under the legal, regulatory and supervisory requirements applicable to its business. Therefore the Board of Directors approved the establishment of an independent compliance function as part of its current Compliance Policy and in line with recent regulatory requirements.

The Board is ultimately accountable to its stakeholders for overseeing compliance requirements. The responsibility to facilitate compliance throughout the Group has been delegated to the Chief Compliance Officer who heads the compliance function. The Chief Compliance officer is responsible for the effective implementation of the Compliance Policy.

There is an emphasis on the bank knowing its customers and implementing processes for combating money laundering. In this regard, a rulebook has been prepared for all money laundering regulations, incorporating the "Know Your Customer" principles which are being implemented as part of the compliance process.

FirstBank is committed to fully comply with both the spirit and the letter of applicable requirements and to always act with due skill, care and diligence.

The Board of Directors regards compliance as a matter of high priority. All staff must understand that failure to comply can result in exposing the Group to liabilities and risk of loss of authorisation to conduct business in the financial services industry.

The compliance function provides professional support in order to identify potential problems and advise on practical solutions. Compliance provides a constructive service to the business and must help to protect the reputation of the Group. A functional compliance manual has been drafted specifying clearly the Group's minimum compliance standards. Non-adherence to the standards documented in this manual can lead to disciplinary action appropriate sanctions.

8.2 Compliance Risk Management Governance Structure:

In line with international best practice, the compliance function is structured as part of FirstBank's risk-management framework and is responsible for ensuring that the bank continuously manages its regulatory risk. Regulatory risk is the risk that financial institutions do not comply with the spirit and the letter of applicable laws and regulations or supervisory requirements. The management of regulatory risk comprises ensuring

compliance with all the statutory, regulatory and supervisory requirements. The compliance function is therefore, responsible for ensuring compliance with all rules imposed on the business by regulators/supervisors. Responsibility for managing compliance with internal rules created by FirstBank itself lies with the Internal Audit and Control functions. These are monitored as part of their normal duty of ensuring that an effective system of internal controls is maintained in FirstBank.

Certain internal rules are of such importance that the Executive Committee (EXCO) may require the involvement of the compliance function for effective implementation. The compliance function is also responsible for monitoring compliance with internal rules, as determined by EXCO from time to time.

The Compliance function operates independently from Internal Audit and Control Divisions. However, the Division leverages on the Internal Audit and Control infrastructure by administering compliance checklists on Business Units and branches through the independent control and normal audit procedures. These compliance reports are forwarded to the Compliance Department for review and subsequent monitoring.

8.3 Compliance Risk Management Roles and Responsibilities:

The responsibility for managing FirstBank compliance risk rests with the Board of Directors and Head of each business unit. Accordingly, apart from being liable for the consequences of non-compliance, Management of each business unit is also responsible for implementing procedures that ensure compliance with statutory, regulatory and supervisory requirements.

The Board of Directors and Chief Executive (CE) of the Bank have delegated compliance authority to the Chief Compliance Officer (CCO) as detailed below:

- o ensure that the compliance process is running effectively;
 - o to monitor adherence to statutory, regulatory and supervisory requirements and
 - o Report statutory, regulatory and supervisory breaches.
- The Board and CE are, however, ultimately accountable for compliance.

8.4 Stakeholders Responsibilities for Compliance in FirstBank

Board of Directors

- Assume overall accountability for compliance performance.

Executive Directors (ED's) and EXCO

- Assume overall accountability for compliance within their Strategic Business Units (SBU's)/Strategic Resource Functions (SRF's).

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Executive Director, Risk and Management Control

Provide demonstrable support to the CCO with the development of a compliance culture

Chief Executive and Management of Subsidiaries

Assume overall accountability for compliance within their subsidiary and management are responsible for day-to-day compliance with regulations applicable to the business.

Business/Departmental Heads

Responsible for day-to-day compliance with regulations applicable to their business

SBU/SRF/ Compliance Officers

Facilitate the implementation of the compliance process within the SBU/SRF.

Internal Audit and Internal Control Divisions

Assist the compliance function in the conduct of independent monitoring

Money Laundering Reporting Officer (MLRO)

Responsible for identifying and reporting all money laundering issues.

Branch Compliance Officers

Responsible for conducting periodic compliance reviews and reporting to the CCO and Business Development Managers.

All Employees

Responsible for regulatory requirements applicable to their business, and ensuring that all transactions and activities are carried out in accordance with regulations.

External Auditors

Responsible for reviewing the risk processes as part of their statutory audit duties.

Regulators

Ensure stability in the banking environment by providing guidelines and ensuring compliance therewith.

Responsibilities of the Chief Compliance Officer(CCO):

The CCO takes overall responsibility for compliance issues in the Group including its Strategic Business Units. The CCO works closely with the ED (Risk & Mgt Control) in the performance of the following specific responsibilities:

- a. design a robust compliance structure, process and advisory service in order to ensure line management's compliance with current laws, regulations and supervisory requirements;
- b. report non-compliance with laws, regulations and supervisory requirements to the CE and the Board of Directors in a timely manner;
- c. provide the Board of Directors with regular information on the level of FirstBank's compliance with laws, regulations and supervisory requirements;
- d. ensure, as far as possible, that no conflict of interest exists between the compliance function and other internal control functions;
- e. establish compliance culture in FirstBank that contributes to the overall objective of prudent risk management;
- f. establish effective communication with line

- g. management in order to continuously monitor compliance with laws, regulations and supervisory requirements;
- h. mandate line management to monitor compliance with laws, regulations and supervisory requirements as part of their normal operational duties;
- i. ensure that regulatory requirements are incorporated into operational procedures and manuals where appropriate;
- j. make recommendations whenever necessary to ensure that laws, regulations and supervisory requirements are being complied with;
- k. establish effective mechanisms for reporting and resolving non-compliance with laws, regulations or supervisory requirements;
- l. document his findings, including any remedial action, as part of the compliance monitoring programme;
- m. in conjunction with Human Capital management, recruit sufficient staff with requisite quality in order to continuously monitor compliance with laws, regulations and supervisory requirements;
- n. in conjunction with Training and Development, ensure continuous training of compliance staff are trained on technical knowledge of regulatory framework and associated risks; and
- o. compile and maintain comprehensive compliance manual for the Group, in conjunction with line management.

8.5 Major AML/CFT Regulations managed by the Bank

The Bank is regulated by a body of rules which include but not limited to the following:

No.	Regulations and Acts
1	Banks and Other Financial Institutions Act, 1991 (As Amended)
2	Money Laundering Act, 1995 (As Amended)
3	Economic and Financial Crimes Commission (Establishment) Act, 2002
4	Foreign Exchange (Monetary and Miscellaneous Provisions) Decree No 17 of 1995
5	Investments and Securities Act, 1999.
6	Securities and Exchange Commission Rules and Regulations
7	Nigerian Investment Promotions Commission act
8	Insurance Act, 1997
9	National Minimum Wage Act as amended
10	Workmen's Compensation Act, Cap. 470, Laws of the Federation of Nigeria, 1990
11	Labour Act, Cap.198, Laws of the Federation Of Nigeria
12	Nigeria Social Insurance Trust Fund (Establishment) Act
13	Industrial Training Fund Act 1971
14	Trade Union Acts
15	Trade Disputes Acts
16	National Salaries, Incomes and Wages Commission Act, 1993
17	Advance Free Fraud and Other Offences Act 2006
18	All relevant CBN Guidelines 2002-2008 and various CBN Policy statements



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Corporate Social Responsibility

Corporate Social Responsibility

The Essence

At FirstBank, our corporate social responsibility is accentuated by the Bank's sustained aspiration to remain an industry front liner, by providing the best products, services and developmental assistance possible for promoting the common good of our teeming stakeholders. As a result of this resolve, we persist in seeking ways to maximize the benefits of various social responsibility initiatives to the beneficiaries, while maintaining the highest corporate governance, accountability and responsiveness to our internal and external stakeholders, which have continued to elicit accolades globally.

In seeking to provide sustainable solutions to the everyday challenges confronting our people on various fronts, we have sought to have our efforts echo the constructive engagements and mutual partnerships with the recipient stakeholders.

This is consistent with the paradigm of the centrality of business, public trust and the dynamics of a networked society being identified as pivotal in community, national and global development. We subscribe, therefore, to the postulation of the international corporate social responsibility advocacy group, *Business in the Community*, that "commercial enterprises are inescapably linked, not just to their employees and shareholders, but to their broader communities." That is why we strive to improve the positive impact of our business on the society, by approaching social responsibility with a dogged commitment to returning value, even beyond expectations.

This desire to increasingly meet the expectations of the populace was sustained during the review period through the Bank's enhanced social responsibility offerings in education and youth development, health and welfare, sports, arts and culture, entrepreneurial and economic development, sustainable environment, and other donations in support of community development initiatives. Some of these activities are highlighted

below.

Education and Youth Development

The need to properly empower the next generation cannot be overemphasized, and of course education is a veritable tool for achieving sustainable succession in all ramifications. Education and youth development have, therefore, continued to receive due attention from the Bank. While the total value of the FirstBank Endowment has increased from N380 million last year to N517.4 million in 15 professorial chairs in federal universities across the country, the strategic intervention initiated to further strengthen the fund has also received necessary fillip. In this vein, a faculty building in the School of Dentistry at the University of Nigeria, Nsukka (UNN) Teaching Hospital has been completed, while we have commenced the construction of a new Faculty of Social Sciences building at the University of Port Harcourt, a Centre for Entrepreneurial Studies at the University of Abuja and a lecture theatre at the Obafemi Awolowo University, Ile-Ife.

These are in addition to the Multipurpose Auditorium at the Faculty of Agriculture, University of Ibadan earlier commissioned, as well as the Information Communication Technology Park at Ahmadu Bello University, Zaria. These projects, as well as the Peugeot 406 cars presented to some of the professorial chairs, are meant to re-invigorate the endowment programmes in beneficiary universities. Further to these, and in order to enhance record keeping and operations, the University of Benin received Computer Workstations valued at N2.5m.

Recently, Dr. Olumide Sunday Adewale, the FirstBank Professorial Chair in Computer Science at the Federal University of Technology, Akure published a book, "University Digital Libraries: Adaptive, Personalised E-Learning System", being the product of extensive research supported by the endowment fund in that institution.

Corporate Social Responsibility

Corporate Social Responsibility Contd

The 2007 editions of the FirstBank Annual Undergraduate Essay Competition for students in all universities and polytechnics in Nigeria and Annual Secondary School Quiz Competition have been concluded, with significant upward review of the prizes. Notably, the top three winners of the Essay Competition were offered automatic employment by the Bank on graduation. Both competitions are long-lasting initiatives to promote intellectual discourse and healthy competition among secondary and tertiary schools students nationwide.

The dire need for increased leadership training to help nurture a generation of future leaders received a boost through the Bank's sponsorship of various leadership promotion initiatives. These include the Students In Free Enterprise (SIFE), Nigeria's National Leadership Conference 2008 at N6 million; the Leadership Icon Lecture of Lagos State Government at N5.5 million; and the Lagos Take The Lead Development Summit at N2 million.

The Bank also sponsored a series of youth enlightenment/capacity development workshops and seminars geared towards empowering Nigerian youths with skills to deal with present and future challenges and promoting sustainable peace in the Niger Delta, under the auspices of Noble Youth Initiative.

Besides, our Bank sponsored the renovation and upgrade of the school library of Queens College, Lagos at the cost of N10 million, in commemoration of the school's 80th anniversary and committed N2 million for infrastructural and equipment upgrade at the NTA College, Jos.

Also, the Bank in the past year employed over 980 executive trainees as part of its programme to promote youth development, sustaining its annual recruitment exercise through which it engages fresh Nigerian graduates as arguably the biggest employer of this genre of employees in the country.

Health and Welfare Development

The health and welfare concerns of Nigerians received prime attention from the Bank in the period under review. Relief assistance in the total sum of N15 million was provided for the Adamawa, Plateau and Kebbi State Governments to ameliorate the pains of our compatriots who were victims of flood disasters in those states, while N1.75 million worth of aid was availed the Nigerian Red Cross Society Committee on Measles campaign in the north-west zone of Nigeria, among other interventions in this sector.

Sports Development

In recognition of the truism in the correlation between a healthy mind and a healthy body and the need to help Nigerians lead sporty lives, sports development continued to feature as a key component of FirstBank's social responsibility activities. Notably, the Bank supported the international campaign of the Abuja 2014 Games Bid Committee with the sum of N25 million. Besides, the Bank's Managing Director/Chief Executive, Mr. J. M. Ajekigbe, served as a Bid Ambassador and personally joined the Federal Government of Nigeria delegation/Bid team for the Bid Announcement in Sri Lanka.

FirstBank sponsored major tournaments including the 46th Tournament of the Lagos Amateur Golf Championship of Ikoyi Club 1938 at the cost of N16 million, thus sustaining the tournament we have been sponsoring for decades; and the Georgian Cup of the Kaduna International Polo Tournament for N5 million.

In our support for recreational activities in the Nigerian academic community, the University of Nigeria, Nsukka received advanced life support equipment and ambulance valued at N10 million to support its hosting of the forthcoming Nigerian Universities Games (NUGA UNN 2008), while support was provided to some secondary schools to facilitate their inter-house sports competitions.

Corporate Social Responsibility

Corporate Social Responsibility Contd

Arts and Culture Development

FirstBank provided support for the advancement of African cultural heritage through the contribution of N25 million to the launch of KORA All Africa Music Awards 2007. Besides, the Bank has committed to sponsoring the forthcoming KORA Awards, to be held in Nigeria for the first time in December 2008.

Entrepreneurship and Economic Development

The Bank vigorously engaged in the promotion of entrepreneurial, corporate and national economic development during the review period, providing N13.3 million for the 2008 Economist Conferences organized by The Economist magazine; N13.5 million for the 5th Nigeria-China Business and Investment Forum; N12 million for the 13th Nigeria Economic Summit; N10 million for the First Edition of West African Mining Investment Conference 2007; and N8m for the 1st Annual Banking Conference of the Chartered Institute of Bankers of Nigeria (CIBN).

Others include N7.455 million for the West Africa Investment Forum 2007, with the theme "Accessing Finance for Development in West Africa", organized by Commonwealth Business Council; N5m for the Opportunity Nigeria Investment Conference London; N4.5 million for the International Microfinance Conference/Entrepreneurship Awards by Central Bank of Nigeria; N3.5 million for the 7th Annual National Conference/AGM of Risk Management Association of Nigeria; N2.5 million for the Institute of Directors (IOD) of Nigeria's Biennial lecture and turning of sod of the IOD House; and N2 million for the public launch of optical disc plant regulation of the Nigerian Copyright Commission.

Our Bank has also shown commitment to building capacity in the business community. In this respect, we supported the Lagos International Trade Fair for N10 million; the 2007 Edition of the annual celebration of French Week for N3 million; the

13th Aviation and Allied Business Leadership and the Lagos Chamber of Commerce at N2.5 million each; Corporate Nigeria, N2 million; 39th Annual Scientific Conference 2008, N1.5 million; 18th World Economic Forum on Africa, Cape Town, South Africa, N1.3 million; and N1 million for the 3rd Ogun State Economic Summit.

In order to further strengthen national security for sustainable growth and development, the Bank provided N100 million to the Lagos State Security Trust Fund and patrol vans to the Nigeria Police. Furthermore, in our desire to promote a peaceful and serene society, FirstBank sponsored the 2nd Negotiation and Conflict Group Summit in the sum of N1 million.

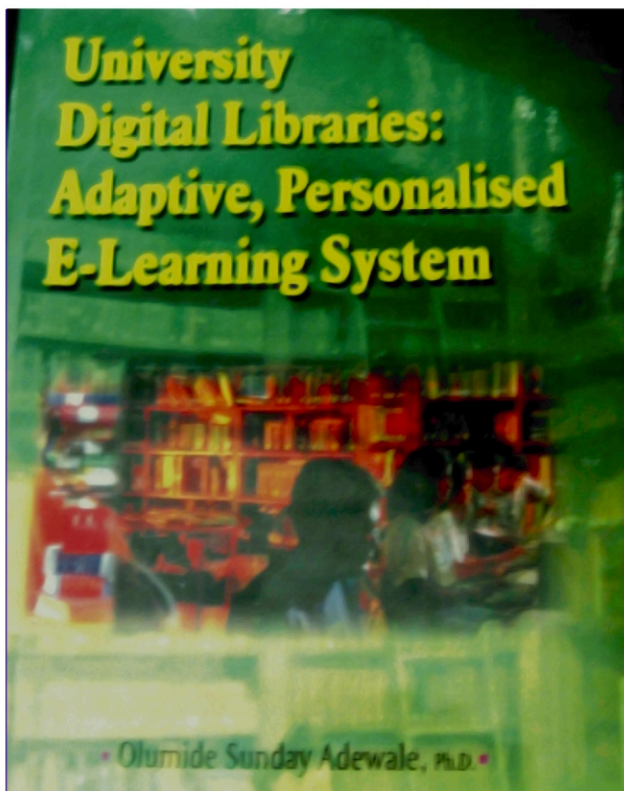
Sustainable Environment Development

As part of its contribution to sustainable environment development, FirstBank sponsored the Nigerian Conservation Foundation Library Computerisation project at the Lekki Conservation Centre, Lagos in the sum of N3.5 million, and sustained enhancement of the ongoing Costain Roundabout beautification and landscaping project, as we are committed to enhancing the look and feel of the environment.

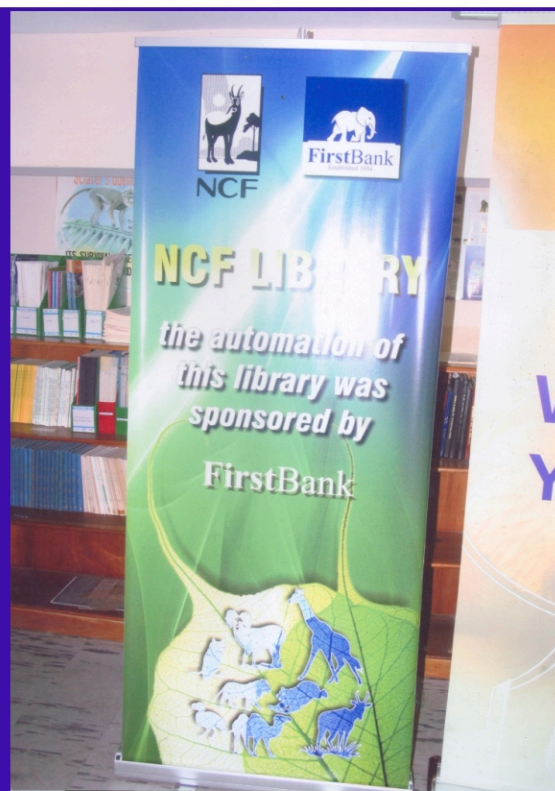
The additional sponsorships and donations made during the period under review are contained in the report of the directors.

Conclusion

At FirstBank, we believe that concerted effort at tackling the challenges of development is a veritable means of achieving the common good for the present and future generations. We are poised, therefore, to consistently engage members of our host communities, co-interventionists, various strata of government and the global community as we seek to contribute meaningfully to the laudable cause of corporate social responsibility for sustainable socio-economic development.



A product of FirstBank's corporate social responsibility initiatives is the book, "University Digital Libraries: Adaptive, Personalised E-Learning System" authored by Olumide Sunday Adewale, Ph.D who is currently occupying the FirstBank Professorial Chair in Computer Science at the Federal University of Technology, Akure, under the FirstBank Universities Endowment Fund for Nigerian universities.



As part of its social responsibility to promote sustainable environmental development, FirstBank sponsored the automation of the Nigerian Conservation Foundation Library at Lekki, Lagos.



Faculty of Dentistry Building, College of Medicine, University of Nigeria Teaching Hospital, Ituku/Ozalla, Enugu State sponsored by FirstBank, one of the many projects being executed under the enhanced FirstBank Universities Endowment Fund for Nigerian universities.



Mr. Ola Oyelola, Executive Director (North), FirstBank, presenting a prize to the champion of the 46th Lagos Amateur Open Golf Championship of Ikoyi Club 1938, sponsored by FirstBank in 2007

Subsidiaries & Associates

FirstBank's promise to meet its customers at their points of need, its abiding commitment to profitably create and deliver returns along its customers value chain, and the increasingly varied requirements of the market for financial products/services in the country, have informed the development of its business lines. Increasingly, the Bank's growing footprint recognises the broadening integration of the domestic economy with global financial/trade centres. The resulting growth in the number of its subsidiaries and associate companies make the Bank a formidable financial services supermarket.

As the Bank's subsidiaries have redefined practice and service standards in their respective market niches, FirstBank continues to create one of the strongest commercial banking franchises in the country. Specifically, the Bank has nine subsidiaries, an associate company, and four affiliates engaged in the provision of mortgage banking, capital market operations, funds management, insurance brokerage, trusteeship, registrarship, pension custodianship, etc.

As part of the economy-wide effort to mainstream the informal sector of the economy, in the review period, the Bank applied to the Central Bank of Nigeria (CBN) for its authorisation to establish a micro-finance bank. We have obtained the apex bank's approval-in-principle and are currently finalising the documentation necessary for the final licence. With most estimates agreeing that in Nigeria, the formal financial system provides services to about 35% of the economically active population while the remaining 65% are excluded from access to financial services, FirstBank can quite clearly profitably serve this emergent sector.

The various subsidiaries, associates and affiliates are profiled below:

FBN Bank (UK) Ltd

Incorporated in the United Kingdom in November 2002, FBN Bank (UK) Ltd ('FBNUK') commenced operations as the London Branch of First Bank of Nigeria Plc in 1982. As a branch of FirstBank, the then London office, which was initially established to primarily service the London banking requirements of Nigerian companies and FirstBank, mediated trade flows between Nigeria and the United Kingdom. Following its authorisation as a UK registered bank by the Financial Services Authority (FSA), FBNUK absorbed the business of the erstwhile London Branch. Leveraging its licence to accept deposits and undertake banking business, FBNUK, a wholly owned subsidiary of First Bank of Nigeria Plc, has broadened its presence, developing into a full spectrum financial institution offering its services at the gateway to Europe and beyond for African banks, companies and high net worth individuals.

Having recently opened its branch office in Paris, FBNUK is poised to grow its share of business flows from Francophone West Africa. Moreover, its recently opened Representative Office in Keffi Street, Lagos would serve the international banking requirements of most West African businesses.

In these different markets, FBNUK provides the full range of banking services to



Peter Hinson
MD, FBN Bank (UK) Ltd

Subsidiaries & Associates

Subsidiaries & Associates Contd

its corporate customers, including the normal range of multi currency bank accounts plus a full suite of trade finance products. FBNUK also provides correspondent banking services to numerous African banks with services ranging from simple payment, deposits and foreign exchange requirements to the more complex service of advising and confirming Letters of Credit. For personal customers, FBNUK offers a highly confidential service tailored to their needs, especially for traditional bank and investment accounts. For UK personal customer FBNUK also launched FirstSave™ a new brand of internet based savings accounts with plans to extend these to non-UK residents in the coming year.



Nana Dawodu
MD, First Trustees Nigeria Ltd.

First Trustees Nigeria Ltd

Incorporated as a wholly owned subsidiary of FirstBank in August 1979, First Trustees Nigeria Limited is in the business of providing full spectrum financial service and wealth management solutions to its burgeoning client base. Its portfolio of products includes trusteeship, portfolio and asset management services, investment & financial advisory services, management of endowment funds & trust assets, syndication, share warehousing and equity management services.

First Trustees' commitment to sustaining and growing long-term wealth for its clients is manifest in the design of a variety of bespoke products to meet the specific needs of its clients. These include one of the most popular wealth management services in the country, the Children's Education Trust (CET), currently with a clientele base in excess of 200 across the nation and abroad. A bouquet of new products launched last year, including First Living Trust (FLIT) (targeted at the inheritance market), and GAIN (an equity portfolio management service) have been at the fore and centre of First Trustees' aggressive market share growth.

With branches in Abuja and Port Harcourt in addition to its Lagos head office, along with strong technology enablement, First Trustees is poised to continue delivering superior service solutions as its clients move up the value chain.

Subsidiaries & Associates

Subsidiaries & Associates Contd

First Registrars Nigeria Limited

First Registrars Nigeria Limited (FRNL), FirstBank's wholly-owned registrarship business, has built its service suite on the principle of giving its rapidly expanding list of clients value for their money. With private investors in the domestic economy increasingly biased in favour of naira-denominated assets and businesses, to increase access to the equity market, FRNL's business has been led by its commitment to offer end-to-end registrar services to its business partners.

Given the indispensability of technology to straight-through processing, and rapid turn-around times, FRNL's service commitment focussed on the upgrade of its register administration software (E-stock), during the review period, ensuring continued growth in its market share. Along with a rapid growth in its geographic presence, this has ensured that the subsidiary maintained its top position in the rankings for the industry.

FRNL's liaison offices in Abuja, Enugu, Kano, and Port Harcourt underline its continued resolve to meet its customers at their respective points of need.



Bayo Olugbemi
MD, First Registrars Nigeria Ltd.



Valentine Ojumah
MD, FBN Insurance Brokers Ltd.

FBN Insurance Brokers Limited

A wholly owned subsidiary of First Bank of Nigeria Plc, FBN Insurance Brokers Limited commenced insurance brokerage business in July 1, 2000. In the over eight years that it has been in business, FBN Insurance Brokers has increased its insurance portfolio annually, including acquiring expert broking knowledge on the domestic insurance industry. Moreover, it has successfully leveraged its parent Bank's strong brand equity to build cross-sector capacity for risk assessment, analysis, structuring and overall servicing.

A fully automated company using one of the most advanced insurance brokerage software (SAGE), FBN Insurance Brokers has extended the geographic scope of its operations to meet its clients' cross-border business needs by entering into strategic alliances, which enable it to seamlessly place clients' risk in the international market. Currently collaborating with HSBC Insurance Brokers and Benfield Corporate Risks Limited as broking partners, this subsidiary's objectives include delivering the utmost quality services to its numerous clients; ensuring high returns on investments; and competing strongly in the insurance market.

With its software functionality enabling it to underwrite clients' insurance business; generate debit notes, period accounts of clients and policy renewal alerts, FBN Insurance Brokers is viewed by the industry as a "Dependable Partner in Risk Management and Insurance Services".

Subsidiaries & Associates

Subsidiaries & Associates Contd



Benson Hewett
Ag. MD, First Funds Ltd.

First Funds Limited

First Funds Limited (FFL) has, in the five years since its incorporation, become the leading venture capital company in Nigeria. As the main manager of FirstBank Group's SMEIS funds, FFL administers the largest SMEIS fund in the Nigerian market. Since commencing operations in April 2003, FFL has remained committed to providing long-term risk capital to small and medium enterprises (SME) in the country, positioning them for sustainable growth well into the future.

Anchored on zero tolerance for infractions of laws and regulations, FFL's investment procedure is based on international best practices. By using seasoned professionals, First Funds ensures that serious SME promoters are able to access the SMEIS funds, and portfolio companies are given requisite management back up. Beneficiary companies enjoy tailor-made extension services, including introduction to customers and suppliers, reference to financial institutions, and a number of other opportunities given their partnership with FFL.

The company also provides financial advisory services tailored to meet the specific needs of client organisations, whether they are SMEs or not. Advisory services include transaction structuring, valuations, business analysis, and fund raising (debt & equity).

In the twelve months ended March 2008, FFL became the first venture capital company in the country to successfully exit a project under the SMEIS scheme, when it divested from Evidence Merchandise Limited, a hotel project in Benin City. In recognition of its succession of achievements, the Central Bank of Nigeria (CBN) honored FFL as the "Best SMEIS Support Venture Capital Company" in 2007. Matna Foods Limited, a cassava processing company in FFL's portfolio also emerged the "Best SMEIS Entrepreneur: Export" under the CBN's SMEIS Entrepreneurship Award category (2007). Jimex Industries Limited, an aluminum products company based in Nnewi, became the second company in FFL's portfolio to receive the Nigerian Industrial Standards (NIS) certification by the Standards Organisation of Nigeria (SON).

Subsequent to the review period ended March 2008, the Bank and the company's board initiated a process of recruiting a substantive Managing Director for FFL in order to strengthen its management structure. This has almost been concluded.

FBN Mortgages Limited

FBN Mortgages Limited is the Bank's mortgage banking subsidiary. The company focuses on property investments and the provision of real estate finance solutions including mortgages, retail, and commercial real estate finance.

Towards the end of the financial year, the company was recapitalised in anticipation of the impending reforms in the mortgage sector and to also position it as Nigeria's premier real estate finance and investment solution provider. The company has a mortgage and property investment portfolio of about N3 billion, in addition to about N4 billion projects in the pipeline.



Mohammed K. Santuraki
MD, FBN Mortgages Ltd.

Subsidiaries & Associates

Subsidiaries & Associates Contd

Ongoing projects include an estate of 41 houses on 4 hectares of land in Abuja, a serviced estate of 14 townhouses in Victoria Island, Lagos and mixed-use luxury apartment buildings in two locations in Ikoyi, Lagos.

The company is also active in Federal Mortgage Bank's National Housing Fund (NHF), and currently has about N650 million worth of FMBN Estate Development loan projects under management in addition to about N500 million worth of NHF facilities through the Federal Mortgage Bank.

FBN Mortgages Limited has branches in Abuja and Port Harcourt in addition to its Lagos head office.

First Pension Custodian

Incorporated on August 12, 2005, 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, which was granted operating license by the National Pension Commission on December 7, 2005, offers a broad spectrum of custodianship services, including 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.

In the review period, First Pension Custodian Nigeria Limited, increased pension fund assets under custody by N150.8 billion (103.85%) from N145.22 billion as at end-March 2007 to N296.02 billion as at end-March 2008.

Operating in one of the acknowledged growth sectors of the Nigerian economy, First Pension Custodian Limited is evidently the dominant player in the pension fund custody business in the country.



Stephen O. Onasanya
MD, First Pension Custodian Nig. Ltd



Bayo Adeleke
MD, FBN Capital Ltd

FBN Capital Limited

FBN Capital Limited, the investment subsidiary of FirstBank, was created out of the merger of the investment banking department of the former FBN (Merchant Bankers) Limited, MBC International Bank and the erstwhile Corporate Finance Group of First Bank of Nigeria Plc. Duly registered by the Securities and Exchange Commission (SEC) to operate as an issuing house, investment adviser and portfolio manager, this wholly-owned subsidiary of FirstBank provides top-end financial advisory services in mergers, business acquisitions, capital raising, asset/investment management and brokerage to high networth strata of the economy.

As an industry leader in deal origination, execution and distribution, it leverages its parent company's strong brand and geographic reach to deliver strong underwriting solutions and other premium investment banking services.

Subsidiaries & Associates

Subsidiaries & Associates Contd

FBN Bureau De Change Ltd

FBN Bureau de Change Limited, has built strong customer outreach capacity on the back of FirstBank's extensive domestic sales network.

Currently offering an expansive range of products/services under the product brand name "first exchange", including 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, FBN Bureau De Change has about 300 outlets across FirstBank branches all over the country.



Folorunsho O. Omosa
MD, FBN Bureau De Change Ltd.



Pauline A. Nsa
MD, Designate
FBN Microfinance Bank Ltd
(In Formation)

FBN Microfinance Bank Limited (In Formation)

Sequel to the Central Bank of Nigeria's (CBN) launch in December 2005 of its "Microfinance Policy, Regulatory and Supervisory Framework for Nigeria", FirstBank decided to set up a microfinance bank and subsequently applied to the Central Bank of Nigeria (CBN). In part, this was in recognition of the fact that about 65% of the economically active populace was without access to formal financial services, even though, they had need for credit/deposit services. In the main, the Bank's planned entry into this sector is a logical extension of its long presence in and rich experience of the small and medium enterprises investment scheme, where it had demonstrated the viability of this sector in terms of profitably providing its financing needs.

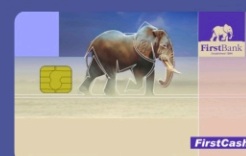
We have obtained the CBN's approval-in-principles (AiP) and are finalising documentation for the final operating licence. The decision to set up FBN Microfinance Bank Limited is another strong sign of FirstBank's commitment to providing holistic financial services across the full range of customer needs. Through FBN Microfinance Bank, the FirstBank Group will address issues pertaining to the access of the under-served to financial services. Using state-of-the-art technology to streamline operating procedures and cut down on transaction costs, FBN Microfinance Bank upon commencement of operations will further diversify the Group's revenue sources and ultimately increase profitability by ensuring that the Group provides financial services across several market segments.

Associates and Affiliates

As at March 31, 2008, First Bank of Nigeria Plc had one (1) associate company (Kakawa Discount House) and five (5) affiliate companies. The latter comprise: Consolidated Discount House, ValuCard, Banque International du Benin, Afrexim Bank, and Nigerian Interbank Settlement System (NIBSS).



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Report of the Directors

For the year ended 31 March 2008

The Directors have pleasure in submitting to the members their report and audited financial statements of the Group for the year ended 31 March 2008.

1.	Results	N'm	N'm
	The Group profit attributable to ordinary shareholders for the year		36,540
	Less: Appropriations:		
	Transfer to statutory reserve	4,591	
	Reserve for small scale industries	<u>1,523</u>	
			<u>(6,114)</u>
	Retained profit transferred to general reserve		<u>30,426</u>

2. Dividend

In respect of the current year, the Directors propose that a dividend of 120 kobo per ordinary share of 50 kobo each amounting to N23.869 billion be paid to shareholders after approval at the Annual General Meeting. This dividend has not been included as a liability in these financial statements. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose names appear on the Register of Members at the close of business on 08 August 2008.

3. 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.

4. 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, First Pension Custodian Nigeria Limited, FBN Mortgages Limited and FBN Insurance Brokers Limited carry on the business of commercial banking, registrars, trusteeship, capital market, pension fund custodian, mortgage financing and Insurance Brokerage.

5. 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.

6. Fixed Assets

Movements in fixed assets during the year are shown in note 11 on pages 124 and 125. In the opinion of the Directors, the market value of the Bank's properties is not less than the value shown in the accounts.

7. Directors

- 1 The names of the directors are detailed on page 15.
- 2 Mr. Kehinde Lawanson was appointed as Executive Director on August 29, 2007 following the casual vacancy created by the resignation of Mr. Aderemi Babalola from the Board.

In accordance with the Bank's Articles of Association, Mrs. Bola Adesola, Messrs Alex C. Otti, Oladele Oyelola, Lamido Sanusi and Mallam Abdullahi Mahmoud will retire by rotation and being eligible, offer themselves for re-election.

8. 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.

9. Bonus Issue Reserve

The directors recommend that the sum of ₦2.49 billion 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 four (4) ordinary shares previously held.

Report of the Directors

Report of the Directors Contd

For the year ended 31 March 2008

10. Directors' Interests

The interests of the directors in the issued share capital of the Bank as recorded in the register of directors' shareholdings at 31 March 2008 are as follows:

		Ordinary shares of 50k each 31 March	
		2008	2007
Mutallab, Umaru Abdul	(Direct)	12,535,348	9,568,630
	(Indirect)	220,936,139	168,714,870
Ajekigbe, Jacobs Moyo		7,759,287	5,963,340
Aboh, John Oche		7,769,309	4,561,146
Adesola, Harriet-Ann Omobolanle		5,578,605	2,732,830
Afonja, Ajibola Alarape		15,861	103,750
Babalola, Aderemi Waheed		-	627,860
Duba, Garba		9,834,830	7,376,598
Hassan-Odukale, Oye	(Direct)	1,533,335	140,002
	(Indirect)	20,819,418	25,117,008
Alkali, Aliyu Adamu		379,869	179,246
Mahmoud, Abdullahi		640,798	527,520
Otti, Alex C.		3,485,955	578,802
Otudeko, Ayoola Oba	(Direct)	3,244,571	1,714,038
	(Indirect)	382,404,651	256,362,006
Oyelola, Oladele		3,629,429	861,012
Sanusi, Sanusi Lamido		835,797	626,632
Udo-Aka, Udo	(Direct)	4,063,345	3,095,282
	(Indirect)	2,205,548	344,056
Lawanson, Kehinde A	(Direct)	2,965,256	-

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 disclosable interests in contracts in which the Bank was involved as at 31 March 2008.

11. Analysis of Shareholdings

- The shares of the Bank at 31 March 2008 were fully owned by Nigerian citizens, associations and foreign investors.
- As at 31 March 2008, only First Dependants Nigeria Limited, the Managers of the Staff Pension Fund held up to 3.35% of the issued share capital of the Bank.
- The range of shareholding as at 31 March 2008 is as follows

Report of the Directors

Report of the Directors Contd

For the year ended 31 March 2008

Range of holdings	No. of shareholders	No. of shares held	%
1 - 1,000	491,827	343,083,271	1.72
1,001 - 5,000	432,968	1,190,705,897	5.98
5,001 - 10,000	152,022	1,225,362,263	6.16
10,001 - 50,000	220,293	3,492,199,608	17.56
50,001 - 100,000	15,799	1,094,468,219	5.50
100,001 - 500,000	12,122	2,382,163,734	11.98
500,001 - 1,000,000	1,441	1,029,978,080	5.18
1,000,001 - 5,000,000	1,051	2,183,227,739	10.98
5,000,001 - 10,000,000	177	1,327,843,670	6.68
10,000,001 - 50,000,000	105	2,168,661,534	10.90
50,000,001 - 100,000,000	22	1,529,298,271	7.69
100,000,001 - 999,999,999,999	10	1,923,040,085	9.67
Grand Total	1,327,837	19,890,032,371	100.00

12. Donations and Sponsorship

Donations made during the year amounted to N438.729 million. The recipients were:

	N'000
Lagos State Security Trust Fund	100,000
Patrol vans to The Nigeria Police	42,770
Construction of dentistry building at the University of Nigeria, Nsukka	27,984
Abuja 2014 Commonwealth games bid	26,000
Contribution to the launch of Kora 2007	25,000
5th Nigeria-China Business and Investment Forum	13,541
2008 Economist Conference	13,312
13th Nigeria Economic Summit	12,000
Life support equipment / ambulance to University of Nigeria, Nsukka	10,034
First edition of West Africa Mining Investment Conference 2007 (WAMIC)	10,000
Lagos International Trade Fair	10,000
Renovation and Library upgrade at Queens' College, Lagos	10,000
1st Annual Banking Conference of the Chartered Institute Of Bankers	8,000
West African Investment Forum: Accessing Finance for Development In West Africa	7,455
Completion of construction of Multi-purpose Auditorium at the Faculty of Agriculture, University of Ibadan	10,203
46th Tournament of the Lagos Amateur Golf Championship	16,154
2008 SIFE Nigeria's National Leadership Conference	6,000
Leadership Icon Lecture of Lagos State Government Special Committee On Student Affairs	5,500
Balance c/f	353,953

Report of the Directors

Report of the Directors Contd

For the year ended 31 March 2008

	N'000
Balance b/f	353,953
Relief assistance to flood victims at Darkin Gari Head-Quarters of Suru Local Government in Kebbi State	5,000
Opportunity Nigeria Investment Conference, London by The Nigerian-British Chamber Of Commerce	5,000
Relief assistance to the Adamawa State Government towards victims of flood disaster	5,000
Relief assistance to the Plateau State Government towards victims of flood disaster	5,000
2007 Kaduna International Polo Tournament - Georgian Cup Championship	5,000
International Microfinance Conference/Entrepreneurship awards by Central Bank of Nigeria	4,570
7th Annual National Conference /AGM of Risk Management Association of Nigeria	3,508
Nigerian Conservation Foundation's computerization programme	3,500
Usman Dan Fodio University, Sokoto - additional contribution to the Bank's Endowment Fund	3,370
Abubakar Tafawa Balewa University, Bauchi - additional contribution to the Bank's Endowment Fund	3,344
University of Agriculture Makurdi - additional contribution to the Bank's Endowment Fund	3,331
2007 Edition of the Annual Celebration of French Week	3,000
Workstations to the University of Benin	2,541
13th Aviation and Allied Business Leadership	2,500
Lagos Chamber of Commerce	2,500
Corporate Nigeria	2,270
Lagos Take the Lead Development Summit	2,000
Support towards infrastructural and equipment upgrade of NTA College	2,000
Public launch of Optical Disc (Plant Regulation) Nigerian Copyright Commission	2,000
Biennial Lecture & the turning of the SOD of Institute of Directors House	2,000
Nigerian Red Cross Society Committee on Measles Campaign in the North West Zone of Nigeria	1,750
39th Annual and Scientific Conference 2008	1,500
18th World Economic Forum on Africa held in South Africa	1,308
Youth Capacity Development Enlightenment Workshops & Seminars	1,150
2nd Negotiation and Conflict Resolution Group Summit	1,000
3rd Ogun State Economic Summit	1,000
Others (Individually below N1million)	9,634
Total	<u>438,729</u>

Report of the Directors

Report of the Directors Contd

For the year ended 31 March 2008

13. 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 31 March 2008, fourteen (14) 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.

14. Post Balance Sheet Events

There are no post balance sheet events that could have had a material effect on the state of affairs of the Bank as at 31 March 2008 which have not been adequately provided for or disclosed.

Report of the Directors

Report of the Directors Contd

For the year ended 31 March 2008

15. 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:

Alhaji Bashir A. Mohammed	-	Chairman/Shareholder
Mr. Chinwendu N. Achara	-	Shareholder
Chief Timothy A. Adesiyun	-	Shareholder
Lt. Gen. Garba Duba (rtd)	-	Non-Executive Director
Mr. Oye Hassan-Odukale, MFR	-	Non-Executive Director
Alhaji Aliyu A. Alkali, mni	-	Non-Executive Director

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

16. 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, CAP 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

25 June 2008

Report of the Independent Joint Auditors

To the Members of First Bank of Nigeria Plc

Deloitte.

Akintola Williams Deloitte
(West and Central Africa)
Chartered Accountants
235, Ikorodu Road, Ilupeju
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Lagos, Nigeria
Tel: +234 1 2717800
+234 1 4930720-4
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PKF

Pannell Kerr Forster
Chartered Accountants

Toloye House
362, Ikorodu Road /1A Okupe
Estate, Maryland,
G.P.O. Box 2047 Marina,
Lagos, Nigeria

Tel: +234 1 8042074, 7748366
Fax: +234 1 7734940
E-mail: pkfnig@hyperia.com

Report on the Financial Statements

We have audited the accompanying financial statements of First Bank of Nigeria Plc as at 31 March 2008, set out on pages 104 to 142, which have been prepared on the basis of significant accounting policies on pages 104 to 108 and other explanatory notes on pages 113 to 138.

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 Standards Board and the Banks and Other Financial Institutions Act, CAP B3 LFN 2004. This responsibility includes designing, implementing and maintaining internal controls 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 auditors' 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 auditors consider internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, 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 31 March 2008, and of its financial performance and its cash flows for the year then ended in accordance

Report of the Independent Joint Auditors

Report of the Independent Joint Auditors

To the Members of First Bank of Nigeria Plc

Contd

with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board and relevant circulars issued by the Central Bank of Nigeria and relevant International Financial Reporting Standards.

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 Banks 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 31 March 2008.

Skintola William Seditte



Chartered Accountants

Lagos, Nigeria

25 June 2008

PKF Pannell Kerr Forster



Chartered Accountants

Lagos, Nigeria

25 June 2008

Report of the Audit Committee

Report of the Audit Committee

To the Members of First Bank of Nigeria Plc

In Compliance with Section 359 (6) of the Companies and Allied Matters Act CAP C20 LFN 2004, we have reviewed the Audit Report for the year ended 31 March 2008 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 23 June 2008



Alhaji Bashir A. Mohammed
Chairman, Audit Committee

Members of the Committee

Alhaji Bashir A. Mohammed
Mr. Chinwendu N. Achara
Chief Timothy A. Adesiyon
Lt. Gen. Garba Duba (rtd)
Mr. Oye Hassan-Odukale, MFR
Alhaji Aliyu A. Alkali, mni

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

1. Basis of accounting

The financial statements 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 seven of its wholly owned subsidiaries namely: FBN Bank (UK) Limited, FBN Capital Limited, First Trustees Nigeria Limited, First Registrars Nigeria Limited, FBN Mortgages Limited, FBN Insurance Brokers Nigeria Limited and First Pension Custodian Limited all made up to 31 March. Control exists when the bank has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The other subsidiaries whose results are considered immaterial have not been consolidated.

The operating results of FBN Mortgages Limited, First Pension Custodian Limited and FBN Insurance Brokers Nigeria Limited are being consolidated during the year for the first time.

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.

Subsequent to the balance sheet date, the accounting policy on goodwill was changed. Goodwill is now to be retained in the books and tested for impairment in compliance with SAS 26 (Business Combination) and the statutory declaration by the Honourable Minister of Commerce and Industry by Order - SR/2008/1.

4. Cash and short-term funds

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

5. Bills discounted

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

6. Marketable securities

Marketable securities held by the company on its own account are valued at the lower of cost and market value, determined on an item by item basis. Unrealised losses are charged to the profit and loss account.

All gains and losses from sale of marketable securities are reported in profit and loss account.

7. 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.

8. Investments

Investments are classified as short or long term investments.

- i) Short term investments
Debt and equity securities held for a period not exceeding one year are classified as short-term investments.
- ii) 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.
- iii) Valuation
 - a) Quoted investments other than dated securities are stated at the lower of cost and market value.
 - b) Unquoted investments are stated at cost less provision for doubtful investments.
 - c) Dated securities are stated at cost.
 - d) Investments in subsidiaries are stated at cost.

9. Investment properties

Investment properties which are held for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are transferred to investment properties revaluation reserve.

10. 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:

Accounting Policies

Accounting Policies Contd

For the Year Ended 31 March 2008

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.

11. Interest

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

12. 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.

Provisions are determined from a specific assessment of each customer's account and relate to those advances considered doubtful in line with the Central Bank of Nigeria Prudential Guidelines for Licensed Banks. A general provision of at least 1% is made on advances which have not been specifically provided for.

Income arising therefrom is allocated to each year on the basis of the annual finance charges that are equivalent to the implicit interest rate agreed on the facility.

13. Fixed assets

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

14. 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 1/3%
Furniture & fittings	-	20%
Plants & machines	-	20%

15. 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.

16. Taxation

i) Income tax

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

ii) Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred income tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realized or the liability settled, based on the tax rates and tax laws that have been enacted at the balance sheet date.

17. 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.

18. Dividend

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

19. 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.

20. 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.

21. Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of shares outstanding during the year.

22. 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.

iii) Lease finance income

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

iv) Dividend

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

v) Custody fee income

This is recognized on accrual basis when the service is rendered and is net of taxes.

vi) Financial advisory

This is recognized over the period for which the service is provided. .

23. 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.

24. Managed funds

Managed funds represent funds invested by some subsidiaries on behalf of customers.

25. Segment reporting

A segment is a distinguishable component of the Bank and Group that is engaged in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

Segment information is presented in respect of the Bank's and Group's business and geographical segments. The business segments are determined by management based on the Bank's internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Executive Directors

Executive Directors



John O. Aboh
Banking Operations & Services



Harriet-Ann O. Adesola
Corporate Banking



Kehinde Lawanson
Lagos & West Directorate



Jacobs M. Ajekigbe
Managing Director/Chief Executive



Alex C. Otti
South Directorate



Oladele Oyelola
North Directorate



Sanusi L. Sanusi
Risk & Management Control

Balance Sheet

Balance Sheet

As at 31 March 2008

	Note	The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
ASSETS					
Cash and short-term funds	2	89,130	61,844	89,076	60,881
Due from banks and other financial institutions	3	527,900	264,405	247,059	137,864
Bills discounted		147,680	159,832	147,680	159,832
Trading securities	4	100,665	75,847	93,396	71,477
Managed funds	5	62,648	22,070	-	-
Investments	6	53,742	56,993	71,532	64,048
Investment properties	7	2,151	186	-	-
Loans and advances	8	459,373	217,995	437,768	219,185
Advances under finance lease	9	10,297	3,043	10,297	3,043
Other assets	10	43,923	31,664	39,498	29,701
Fixed assets	11	30,033	17,548	29,155	16,850
TOTAL ASSETS		1,527,542	911,427	1,165,461	762,881
Liabilities					
Deposit and current accounts	12	700,197	599,689	661,624	581,827
Due to other banks	13	155,109	85,664	44,281	14,448
Managed funds	5	62,648	22,070	-	-
Tax payable	14	8,836	7,470	5,091	5,710
Deferred taxation	15	6,735	2,657	6,712	2,671
Other liabilities	16	208,969	88,149	78,492	58,773
Long-term borrowing	17	29,414	22,101	29,414	22,101
		1,171,908	827,800	825,614	685,530
Capital And Reserves					
Share capital	18	9,945	5,238	9,945	5,238
Share premium	19	254,524	15,858	254,524	15,858
Statutory reserve	20	18,056	13,465	18,023	13,452
Exchange difference reserve	21	3,459	4,066	2,836	2,836
General reserve	22	55,168	33,832	40,214	28,799
Bonus issue reserve	23	2,487	873	2,487	873
Reserve for small/medium scale industries	24	9,439	7,916	9,439	7,916
Core capital		353,078	81,248	337,468	74,972
Fixed assets revaluation reserve		2,379	2,379	2,379	2,379
Investment properties reserve	7	177	-	-	-
Shareholders' funds		355,634	83,627	339,847	77,351
Total Liabilities		1,527,542	911,427	1,165,461	762,881
Contingent liabilities and other obligations on behalf of customers and customers' liability thereof					
	35	553,826	344,155	198,239	132,737
Total assets and contingencies		2,081,368	1,255,582	1,363,700	895,618

The financial statements on pages 104 to 142 were approved on 25 June, 2008 by the Board of Directors and signed on its behalf by:

Umaru Abdul Mutallab, CON

Jacobs Moyo Ajekigbe

Sanusi Lamido Sanusi

Chairman

Managing Director

Executive Director

The accounting policies on pages 104 to 108 and the notes on pages 113 to 138 form part of these financial statements.

Profit & Loss Account

Profit & Loss Account

For the Year Ended 31 March 2008

	Note	The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
Gross earnings		<u>155,293</u>	<u>91,163</u>	<u>130,600</u>	<u>79,299</u>
Interest earnings	25	116,717	62,579	96,257	52,864
Interest expense	26	<u>(31,569)</u>	<u>(18,357)</u>	<u>(22,283)</u>	<u>(13,237)</u>
Net interest income		85,148	44,222	73,974	39,627
Commissions and other income	27	<u>38,576</u>	<u>28,584</u>	<u>34,343</u>	<u>26,435</u>
		123,724	72,806	108,317	66,062
Overheads	28	<u>(67,707)</u>	<u>(44,931)</u>	<u>(62,260)</u>	<u>(41,446)</u>
Interest on long term borrowing		(2,218)	-	(2,218)	-
Provision for bad and doubtful accounts	29	<u>(6,105)</u>	<u>(2,021)</u>	<u>(5,819)</u>	<u>(2,519)</u>
Profit on ordinary activities before taxation	28.2	47,694	25,854	38,020	22,097
Information technology development levy		(480)	-	(380)	-
Current taxation	14	<u>(6,632)</u>	<u>(5,308)</u>	<u>(3,126)</u>	<u>(3,822)</u>
Deferred taxation	15	<u>(4,042)</u>	<u>90</u>	<u>(4,041)</u>	<u>80</u>
Profit after taxation		36,540	20,636	30,473	18,355
Amortisation of goodwill		-	<u>(1,984)</u>	-	<u>(1,984)</u>
Profit attributable to ordinary shareholders		<u>36,540</u>	<u>18,652</u>	<u>30,473</u>	<u>16,371</u>
Dealt with as follows:					
Statutory reserve	20	4,591	2,766	4,571	2,753
Reserve for small/medium scale industries	24	1,523	918	1,523	918
General reserve	22	<u>30,426</u>	<u>14,968</u>	<u>24,379</u>	<u>12,700</u>
		<u>36,540</u>	<u>18,652</u>	<u>30,473</u>	<u>16,371</u>
Earning per share (basic):					
- Basic	30	<u>2.67</u>	<u>1.78</u>	<u>2.23</u>	<u>1.56</u>

The accounting policies on pages 104 to 108 and the notes on pages 113 to 138 form part of these financial statements.

Statement Cash Flows

Statement of Cash Flows

For the Year Ended 31 March 2008

		The Group		The Bank	
	Note	2008 N'million	2007 N'million	2008 N'million	2007 N'million
Cash flows from operating activities					
Interest earnings	25	116,717	62,579	96,257	52,864
Commission and other income		32,474	24,205	24,396	20,167
Lease income		1,096	436	1,095	436
Dividend received from associated company		191	168	179	166
Recoveries on loans previously written off		3,617	3,685	3,606	3,685
Interest expense		(33,787)	(18,357)	(24,501)	(13,237)
Cash payment to employees and suppliers		(62,948)	(41,186)	(57,941)	(38,146)
Income tax paid	14	<u>(5,373)</u>	<u>(3,155)</u>	<u>(3,745)</u>	<u>(2,260)</u>
Operating profit before changes in operating assets and liabilities		51,987	28,375	39,346	23,675
Changes in operating assets/liabilities					
Loans and advances		(243,729)	(43,226)	(224,662)	(46,414)
Advances under finance lease		(7,327)	(1,356)	(7,327)	(1,356)
Other assets		(12,210)	(93)	(9,761)	1,359
Deposit and current accounts		100,508	150,774	79,797	190,981
Other liabilities		117,652	(2,034)	17,953	(17,261)
Exchange difference reserve		<u>(607)</u>	<u>723</u>	<u>-</u>	<u>-</u>
Net cash (used in)/provided by operating activities	31	<u>6,274</u>	<u>133,163</u>	<u>(104,654)</u>	<u>150,984</u>
Cash flows from investing activities					
Proceeds from sale of investments		4,205	-	4,205	-
Purchase of investments		(45,745)	(83,470)	(35,871)	(82,903)
Redemption of dated securities		21,286	11,938	21,286	11,938
Purchase of fixed assets	11	(17,495)	(6,616)	(16,945)	(6,266)
Proceeds on sale of fixed assets		1,503	79	1,451	74
Investment properties		(1,965)	(186)	-	-
Dividend received from subsidiaries		63	81	3,937	1,973
Investments in subsidiaries		-	-	(19,062)	-
Bills discounted		<u>12,152</u>	<u>(51,516)</u>	<u>12,152</u>	<u>(51,516)</u>
Net cash used in investing activities		<u>(25,996)</u>	<u>(129,690)</u>	<u>(28,847)</u>	<u>(126,700)</u>
Cash flows from financing activities					
Proceeds from issue of shares:					
- Public offer & rights issue	18	3,834	-	3,834	-
- Share premium	19	246,166	-	246,166	-
Share issue expenses		(7,500)	-	(7,500)	-
Dividend paid to shareholders	22	(10,477)	(5,238)	(10,477)	(5,238)
Inflow from long term borrowing	17	<u>9,035</u>	<u>22,101</u>	<u>9,035</u>	<u>22,101</u>
Net cash provided by financing activities		<u>241,058</u>	<u>16,863</u>	<u>241,058</u>	<u>16,863</u>
Net increase in cash and cash equivalents		221,336	20,336	107,557	41,147
Cash and cash equivalents at 1 April		240,585	220,249	184,297	143,150
Cash and cash equivalents at 31 March	32	<u>461,921</u>	<u>240,585</u>	<u>291,854</u>	<u>184,297</u>

Notes to the Financial Statements

Notes to the Financial Statements

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
1	Legal form				
	The Bank, which commenced operations in Nigeria in 1894 as a branch of Bank of British West Africa Limited (BBWA), 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	Cash and short-term funds				
	Cash	18,375	15,443	18,321	14,805
	Balances with Central Bank of Nigeria:				
	Cash reserve requirements	18,264	13,118	18,264	13,118
	Current account	52,077	32,869	52,077	32,544
	Other accounts	414	414	414	414
		<u>89,130</u>	<u>61,844</u>	<u>89,076</u>	<u>60,881</u>
3	Due from banks and other financial institutions				
	In Nigeria	272,037	56,405	167,765	33,540
	Banks outside Nigeria	<u>256,937</u>	<u>209,441</u>	<u>80,280</u>	<u>105,603</u>
		528,974	265,846	248,045	139,143
	Provision for doubtful accounts (note 3.1)	<u>(1,074)</u>	<u>(1,441)</u>	<u>(986)</u>	<u>(1,279)</u>
		<u>527,900</u>	<u>264,405</u>	<u>247,059</u>	<u>137,864</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
3.1	Provision for doubtful accounts				
	At 1 April	1,441	1,211	1,279	1,088
	Transfers arising from consolidation	-	20	-	-
	Reclassification from other assets	-	42	-	-
		<u>1,441</u>	<u>1,273</u>	<u>1,279</u>	<u>1,088</u>
	Additions for the year	36	307	-	327
	Write back during the year	<u>(403)</u>	<u>(139)</u>	<u>(293)</u>	<u>(136)</u>
	Per profit and loss account (note 29)	<u>(367)</u>	<u>168</u>	<u>(293)</u>	<u>191</u>
	At 31 March	<u>1,074</u>	<u>1,441</u>	<u>986</u>	<u>1,279</u>
3.2	Amount held on behalf of customers included in balances with other banks outside Nigeria are:				
	Deposit with FBN Bank (UK) Limited	-	-	17,261	23,576
	Vostro accounts (note 16)	<u>26,182</u>	<u>19,641</u>	<u>26,182</u>	<u>19,641</u>
		<u>26,182</u>	<u>19,641</u>	<u>43,443</u>	<u>43,217</u>
4	Trading Securities				
	FGN Bond Series	78,251	19,260	78,251	19,260
	FGN Contractor Bond	1,061	38,467	1,061	38,467
	FGN Pension Bond	<u>14,084</u>	<u>13,750</u>	<u>14,084</u>	<u>13,750</u>
		<u>93,396</u>	<u>71,477</u>	<u>93,396</u>	<u>71,477</u>
	Investment in quoted securities market value - N8.436 billion (2007 - N4.831 billion)	7,319	4,420	-	-
	Provision for diminution in value (note 4.1)	<u>(50)</u>	<u>(50)</u>	-	-
		<u>7,269</u>	<u>4,370</u>	-	-
		<u>100,665</u>	<u>75,847</u>	<u>93,396</u>	<u>71,477</u>
4.1	Provision for diminution in value:				
	At 1 April	50	20	-	-
	Additions for the year (note 29)	-	30	-	-
	At 31 March	<u>50</u>	<u>50</u>	-	-

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
5	Managed funds				
	Bank balances	1,989	-	-	-
	Quoted investments (market value N72 billion)	47,994	6,108	-	-
	Treasury bills	11	143	-	-
	Bankers acceptance	12,597	15,174	-	-
	Debenture stocks	23	46	-	-
	State Government Bonds	-	529	-	-
	Others	34	70	-	-
		<u>62,648</u>	<u>22,070</u>	<u>-</u>	<u>-</u>
	This represents funds and deposits received from corporate and individual clients for investments, under mutually agreed terms.				
6	Investments				
	Summary				
	Dated securities (6.1)	22,066	46,487	21,734	46,261
	Equities - Quoted (6.2a)	7,195	623	34	34
	Equities - Unquoted (6.2b)	17,442	3,333	16,060	3,333
	Associated company [Unquoted equity] (6.3)	371	74	74	74
	Subsidiaries: [Unquoted equities] (6.4)	60	50	26,949	7,887
	SMIEIS Investments (6.5)	6,969	6,751	6,969	6,751
		<u>54,103</u>	<u>57,318</u>	<u>71,820</u>	<u>64,340</u>
	Diminution in value (note 6.8)	<u>(361)</u>	<u>(325)</u>	<u>(288)</u>	<u>(292)</u>
		<u>53,742</u>	<u>56,993</u>	<u>71,532</u>	<u>64,048</u>
6.1	Dated securities				
	(Quoted) - Short term				
	Maturing within 1 year				
	- Federal Government Bonds - Market value N11.310 billion (2007 - N18 billion)	11,310	18,010	11,300	18,000
	- State Governments Bonds	400	1,416	400	400
	- Others	-	21	-	21
	(Quoted) - long term				
	Maturing between 1 and 5 years				
	- Federal Government Bonds - Market value N4 billion (2007 - N15.5 billion)	4,000	15,500	4,000	15,500
	- State Governments Bonds	722	-	400	800
	- Others	40	4,040	40	4,040
	Maturing after 5 years				
	- Federal Governments Bonds - Market value N5.594billion (2007 - N7.5 billion)	5,594	7,500	5,594	7,500
		<u>22,066</u>	<u>46,487</u>	<u>21,734</u>	<u>46,261</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
6.2	Equities				
	a) Quoted				
	SCOA Plc	34	34	34	34
	Transnational Corporation Plc	500	500	-	-
	Other companies	<u>6,661</u>	<u>89</u>	<u>-</u>	<u>-</u>
	Market value - N20.376 billion [2007- N4.231billion]	7,195	623	34	34
	Provision for diminution in value	<u>(73)</u>	<u>(37)</u>	<u>-</u>	<u>(4)</u>
		<u>7,122</u>	<u>586</u>	<u>34</u>	<u>30</u>
	b) Unquoted				
	African Finance Corporation (note 6.9)	12,727	-	12,727	-
	Celtel Nigeria Limited	2,908	2,908	2,908	2,908
	FBN Heritage Fund	1,350	-	-	-
	Banque Internationale Du Benin, Cotonou	98	98	98	98
	Onwuka Hi-Tech Industry Plc	5	5	5	5
	African Export-Import Bank, Cairo	10	10	10	10
	Consolidated Discounts Limited	15	15	15	15
	ValuCard Nigeria Limited	186	186	186	186
	Nigeria Interbank Settlement System Limited	52	52	52	52
	Niger Delta Exploration Production Plc	32	-	-	-
	ATM Consortium Limited	<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>
		17,442	3,333	16,060	3,333
	Provision for diminution in value	<u>(288)</u>	<u>(288)</u>	<u>(288)</u>	<u>(288)</u>
		<u>17,154</u>	<u>3,045</u>	<u>15,772</u>	<u>3,045</u>
6.3	Associated company [Unquoted]				
	Kakawa Discount House Limited	<u>371</u>	<u>74</u>	<u>74</u>	<u>74</u>
6.4	Subsidiaries: [Unquoted]				
	FBN Bank (UK) Limited (note 6.10)	-	-	18,441	4,389
	FBN Capital Limited (note 6.11)	-	-	4,300	1,300
	First Pension Custodian Limited	-	-	2,000	2,000
	First Trustees Nigeria Limited	-	-	23	23
	FBN Mortgages Limited (note 6.12)	-	-	2,100	100
	FBN Insurance Brokers Limited	-	-	15	15
	First Registrars Nigeria Limited	-	-	10	10
	FBN Bureau de Change Limited (note 6.13)	10	-	10	-
	First Funds Limited	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
		<u>60</u>	<u>50</u>	<u>26,949</u>	<u>7,887</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
6.5	SMIEIS Investments				
	Through:				
	SME Managers Limited (note 6.14)	959	590	959	590
	Chase Executive Partners Limited	30	30	30	30
	Interswitch Limited	32	32	32	32
	First Funds Limited	<u>5,948</u>	<u>6,099</u>	<u>5,948</u>	<u>6,099</u>
		<u>6,969</u>	<u>6,751</u>	<u>6,969</u>	<u>6,751</u>
		<u>53,742</u>	<u>56,993</u>	<u>71,532</u>	<u>64,048</u>
6.6	Movement in SMIEIS investments				
	At 1 April	6,751	3,848	6,751	3,848
	Additions during the year	424	2,903	424	2,903
	Divestments	(179)	-	(179)	-
	Written-off	<u>(27)</u>	<u>-</u>	<u>(27)</u>	<u>-</u>
		<u>6,969</u>	<u>6,751</u>	<u>6,969</u>	<u>6,751</u>
6.7	The issuers of the securities (quoted and unquoted) are as follows:				
	Dated securities [Quoted]				
	Maturing within 1 year:				
	19% PZ Industries Floating Rate Debenture Stock 1997/2004	-	1	-	1
	Neimeth Int'l Debenture Stock 2004/2008				
	Floating Rate secured Cum Convertible Redeemable Mortgage Debenture stock	40	-	40	-
	Neimeth Int'l Debenture Stock 2004/2008	-	20	-	20
	Federal Government of Nigeria Bond	11,310	18,010	11,300	18,000
	State Government Bonds	<u>400</u>	<u>1,416</u>	<u>400</u>	<u>1,200</u>
		<u>11,750</u>	<u>19,447</u>	<u>11,740</u>	<u>19,221</u>
	Maturing between 1 & 5 years:				
	Neimeth Int'l Debenture Stock 2004/2008				
	Floating Rate secured Cum Convertible Redeemable Mortgage Debenture stock	-	40	-	40
	Tinapa Business Resort Limited	-	4,000	-	4,000
	Federal Government of Nigeria Bond	4,000	15,500	4,000	15,500
	State Government Bonds	<u>722</u>	<u>-</u>	<u>400</u>	<u>-</u>
	Maturing after 5 years:				
	Federal Government of Nigeria Bond	<u>5,594</u>	<u>7,500</u>	<u>5,594</u>	<u>7,500</u>
		<u>10,316</u>	<u>27,040</u>	<u>9,994</u>	<u>27,040</u>
		<u>22,066</u>	<u>46,487</u>	<u>21,734</u>	<u>46,261</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
6.8	Provision for doubtful accounts				
	At 1 April	325	1,352	292	1,121
	Additions/(write back) during the year (note 29)	<u>36</u>	<u>(1,027)</u>	<u>(4)</u>	<u>(829)</u>
	At 31 March (note 6.2)	<u>361</u>	<u>325</u>	<u>288</u>	<u>292</u>
6.9	This represents the Bank's 9.18% holding in African Finance Corporation. The company was incorporated in 2007 to carry on the business of private sector led investment banking and development finance as stated in the Memorandum of Association. The company commenced operations in 2007.				
6.10	This represents the Bank's 100% holding in FBN Bank (UK) Ltd. The Bank increased its holding by GBP 60million (N14.052 billion) during the year to enhance its working capital.				
6.11	This represents the Bank's 100% holding in FBN Capital Limited. The Bank increased its holding by N3 billion during the year. FBN Capital Limited also has a wholly owned subsidiary, Premium Securities Limited, which engages in the business of stock brokerage and capital market services. Its operating results was also consolidated with that of its holding company.				
6.12	This represents the Bank's 100% holding in FBN Mortgages Limited. The Bank's holding was increased by N2 billion during the year.				
6.13	This represents the Bank's 100% holding in FBN Bureau de Change Limited. The Bank obtained approval from the Central Bank of Nigeria to operate a bureau de change on 8 August 2006.				
6.14	This represents 37.83% holding in SME Partnership, a fund managed by SME Managers Limited. The Bank increased its investment by N369 million during the year.				
6.15	In the opinion of the Directors, the market value of the unquoted investments is not lower than cost.				
6.16	Except for FBN Bank (UK) Limited, which was incorporated in the United Kingdom, all other subsidiaries were incorporated in Nigeria.				
7	Investment properties				
	At 1 April	186	98		
	Additions during the year	1,974	328		
	Arising on revaluation of available-for-sale	177	-		
	Disposals during the year	<u>(186)</u>	<u>(240)</u>		
	At 31 March	<u>2,151</u>	<u>186</u>		
	This represents un-developed land acquired for future development and not occupied substantially by the company or members of the group of the holding company. They are not subjected to periodic charges for depreciation.				

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

7. Investment properties (Cont'd)

- 7.1 The parcel of land at Pinnock Estate Road, Near Femi Okunnu Estate Opposite Osapa London Estate, Lekki Peninsula in the sum of N618,021,700 was professionally valued on 7 December 2007 at N700 million by Supo Ojo & Co., Estate Surveyors & Valuers. The valuation was based on open market with recourse to comparative approach.

The parcel of land at No 12, Cooper Street, off Forsbery Road, Ikoyi Lagos in the sum of N1,070,947,500 was professionally valued on 26 February 2008 at N1,150,000,000 by Supo Ojo & Co., Estate Surveyors & Valuers. The valuation was based on open market value.

The parcel of land at Plot No 218, Cadastral Zone B14, Apo Village, Dutse District Abuja FCT in the sum of N93,692,050 was professionally valued on 11 April 2007 at N110,000,000 by Godwin Tyoachimmin & Co., Estate Surveyors & Valuers. The valuation was based on open market value.

The parcel of land at Oniru Victoria Island in the sum of N190,974,034 was professionally valued on 12 June 2008 at N515,000,000 by Cassy Anyanwu & Co., Estate Surveyors & Valuers. The valuation was based on open market value. However, the market value was not reflected in these financial statements because the valuation was done after the year-end of the Bank.

The land is revalued periodically on a systematic basis at least once every three years.

8. Loans and advances

8.1 Summary:

	The Group		The Bank	
	2008 N'million	2007 N'million	2008 N'million	2007 N'million
Secured against real estate	72,179	38,250	82,143	36,326
Otherwise secured	373,780	181,154	363,975	180,488
Unsecured	<u>23,048</u>	<u>5,680</u>	<u>943</u>	<u>9,374</u>
Gross loans	469,007	225,084	447,061	226,188
Provision for doubtful accounts				
- General	(4,617)	(2,184)	(4,409)	(2,196)
- Specific	(4,188)	(4,270)	(4,057)	(4,194)
- Interest in suspense	<u>(829)</u>	<u>(635)</u>	<u>(827)</u>	<u>(613)</u>
Net loans	<u>459,373</u>	<u>217,995</u>	<u>437,768</u>	<u>219,185</u>

8.2 Analysis of loans and advances by quality.

8.2.1 The Group

	2008		2007	
	Gross Loans N'million	Provision N'million	Gross Loans N'million	Provision N'million
Non-performing:				
Sub-standard	1,812	181	382	38
Doubtful	1,353	677	2,940	1,470
Lost	3,330	3,330	2,762	2,762
Interest in suspense	<u>829</u>	<u>829</u>	<u>635</u>	<u>635</u>
	7,324	5,017	6,719	4,905
Performing	<u>461,683</u>	<u>4,617</u>	<u>218,365</u>	<u>2,184</u>
Gross loans	<u>469,007</u>	<u>9,634</u>	<u>225,084</u>	<u>7,089</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

8.2.2 The Bank

Non-performing:

- Sub-standard	705	70	382	38
- Doubtful	1,353	677	2,938	1,469
- Lost	3,310	3,310	2,687	2,687
- Interest in suspense	<u>827</u>	<u>827</u>	<u>613</u>	<u>613</u>

	6,195	4,884	6,620	4,807
Performing	<u>440,866</u>	<u>4,409</u>	<u>219,568</u>	<u>2,196</u>

Gross loans	<u>447,061</u>	<u>9,293</u>	<u>226,188</u>	<u>7,003</u>
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2008		2007	
Gross Loans N'million	Provision N'million	Gross Loans N'million	Provision N'million

8.3 Provision for doubtful accounts

General:

At 1 April	2,184	1,743	2,196	1,727
Transfers arising on consolidation	-	4	-	-
Charge for the year (note 29)	<u>2,433</u>	<u>437</u>	<u>2,213</u>	<u>469</u>

At 31 March	<u>4,617</u>	<u>2,184</u>	<u>4,409</u>	<u>2,196</u>
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Specific:

At 1 April	4,270	9,100	4,194	8,782
Transfers arising on consolidation	-	78	-	-
Written off in the year	<u>(4,061)</u>	<u>(7,005)</u>	<u>(4,003)</u>	<u>(7,005)</u>

	<u>209</u>	<u>2,173</u>	<u>191</u>	<u>1,777</u>
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Provision during the year	5,885	3,012	5,751	3,332
Recovered during the year	<u>(1,906)</u>	<u>(915)</u>	<u>(1,885)</u>	<u>(915)</u>

Charge for the year (note 29)	<u>3,979</u>	<u>2,097</u>	<u>3,866</u>	<u>2,417</u>
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At 31 March	<u>4,188</u>	<u>4,270</u>	<u>4,057</u>	<u>4,194</u>
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Interest:

At 1 April	635	3,526	613	3,838
Transfers arising on consolidation	-	24	-	-
Recovered during the year	<u>(11)</u>	<u>(88)</u>	<u>(11)</u>	<u>(88)</u>

	624	3,462	602	3,750
Additions for the year	1,720	767	1,720	455
Written off during the year	<u>(1,515)</u>	<u>(3,594)</u>	<u>(1,495)</u>	<u>(3,592)</u>

At 31 March	<u>829</u>	<u>635</u>	<u>827</u>	<u>613</u>
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Total at 31 March	<u>9,634</u>	<u>7,089</u>	<u>9,293</u>	<u>7,003</u>
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The Group		The Bank	
2008 N'million	2007 N'million	2008 N'million	2007 N'million

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
8.4	Maturity profile of loans and advances				
	Under 1 month	109,671	66,296	118,368	65,426
	1 month but within 3 months	116,577	37,842	114,734	35,368
	3 months but within 6 months	45,373	16,976	37,629	16,255
	6 months but within 12 months	33,836	54,217	31,464	64,024
	1 year but within 3 years	91,968	32,375	76,486	29,161
	3 years but within 5 years	29,883	7,837	26,681	7,837
	Over 5 years	<u>41,699</u>	<u>9,541</u>	<u>41,699</u>	<u>8,117</u>
		<u>469,007</u>	<u>225,084</u>	<u>447,061</u>	<u>226,188</u>
8.5	Analysis of loans and advances by nature				
	Overdrafts	166,925	60,895	176,392	65,138
	Term loans	212,968	95,005	191,834	90,367
	Commercial papers	74,006	64,855	74,006	66,354
	Others	<u>15,108</u>	<u>4,329</u>	<u>4,829</u>	<u>4,329</u>
		<u>469,007</u>	<u>225,084</u>	<u>447,061</u>	<u>226,188</u>
8.6	Insider-related credits				
	Aggregate amount of insider related credits outstanding at year-end classified by quality:				
	Performing	27,023	8,327	27,023	8,327
	Non - performing (note 41)	<u>32</u>	<u>48</u>	<u>32</u>	<u>48</u>
		<u>27,055</u>	<u>8,375</u>	<u>27,055</u>	<u>8,375</u>

The analysis of the non-performing accounts as shown above is contained in note 41 to these financial statements in line with Central Bank of Nigeria Circular BSD/1/2004.

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
9	Advances under finance lease				
	Gross investment	13,358	4,295	13,358	4,295
	Unearned income	<u>(2,957)</u>	<u>(1,221)</u>	<u>(2,957)</u>	<u>(1,221)</u>
	Net investment	10,401	3,074	10,401	3,074
	Provision for performing accounts (note 9.1)	<u>(104)</u>	<u>(31)</u>	<u>(104)</u>	<u>(31)</u>
		<u>10,297</u>	<u>3,043</u>	<u>10,297</u>	<u>3,043</u>
9.1	Provision for performing accounts				
	At 1 April	31	17	31	17
	Charge for the year (note 29)	<u>73</u>	<u>14</u>	<u>73</u>	<u>14</u>
	At 31 March	<u>104</u>	<u>31</u>	<u>104</u>	<u>31</u>
9.2	The investment in finance leases by maturity is:				
	Over 3 months but within 6 months	759	129	759	129
	Over 6 months but within 12 months	868	478	868	478
	Over 12 months	<u>8,774</u>	<u>2,467</u>	<u>8,774</u>	<u>2,467</u>
		<u>10,401</u>	<u>3,074</u>	<u>10,401</u>	<u>3,074</u>
9.3	Analysis of advances under finance lease by quality				
	Performing	<u>10,401</u>	<u>3,074</u>	<u>10,401</u>	<u>3,074</u>
9.4	Analysis by tenure				
	Current portion	<u>10,401</u>	<u>3,074</u>	<u>10,401</u>	<u>3,074</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
10	Other assets				
	Impersonal accounts:				
	Interbranch balances	-	56	-	91
	Deposit for investment (note 10.2)	4,030	4,257	4,030	4,257
	Clearing (note 10.3)	7,791	3,524	7,786	3,483
	Prepayment - Rent	1,231	1,467	1,208	995
	Deposit premium insurance	-	3,435	-	3,435
	Prepayment - Others	539	12	-	-
	Prepaid staff allowance	699	224	450	213
	New branch opening cost outlay	5,665	4,611	5,665	4,611
	Repo margin (note 10.4)	3,277	-	3,277	-
	Inventory	593	574	593	574
	Fixed assets acquisition suspense (note 10.5)	1,769	1,754	1,769	1,754
	Interest receivable	3,819	3,808	3,698	3,780
	Prepaid interest	104	213	104	213
	Accounts receivable	9,689	5,433	8,836	5,339
	Frauds and losses	1,797	1,501	1,797	1,501
	Deposit for investments by subsidiaries	1,526	-	-	-
	Custody fee receivable	110	49	-	-
	Deposit for underwriting commitments	500	-	-	-
	Premium debtors	203	229	-	-
	Deposit with the Nigerian Stock Exchange	1	-	-	-
	Receivable from underwriters	2	-	-	-
	Other debit balances	<u>2,345</u>	<u>2,333</u>	<u>1,977</u>	<u>1,183</u>
		45,690	33,480	41,190	31,429
	Provision for doubtful accounts (Note 10.1)	<u>(1,767)</u>	<u>(1,816)</u>	<u>(1,692)</u>	<u>(1,728)</u>
		<u>43,923</u>	<u>31,664</u>	<u>39,498</u>	<u>29,701</u>
10.1	Provision for doubtful accounts				
	At 1 April	1,816	1,549	1,728	1,471
	Transfers arising on consolidation	-	7	-	-
	Reclassified to due to banks and other financial institutions	<u>-</u>	<u>(42)</u>	<u>-</u>	<u>-</u>
		<u>1,816</u>	<u>1,514</u>	<u>1,728</u>	<u>1,471</u>
	Arising during the year	(23)	302	(36)	257
	Written off during the year	<u>(26)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Per profit and loss account (note 29)	<u>(49)</u>	<u>302</u>	<u>(36)</u>	<u>257</u>
	At 31 March	<u>1,767</u>	<u>1,816</u>	<u>1,692</u>	<u>1,728</u>
10.2	Included are N1.36 billion, representing Guaranty Trust Bank Plc Global Depository Receipt for which the bank acted as an underwriter; investments in FBN Microfinance Bank Limited, N1.0billion and FBN Heritage Fund N1.5billion.				
10.3	This represents receivable from local banks on clearing instruments.				
10.4	This represents receivable in respect of Federal Government of Nigeria's Bond sold/purchased on forward contract.				
10.5	This represents fixed assets paid for by the Bank, but yet to be supplied as at the year end.				

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

	Capital work-in- progress N'million	Freehold Land and Buildings N'million	Leasehold Buildings N'million	Motor Vehicles N'million	Computer Equipment N'million	Furniture & Fittings N'million	Plants & Machinery N'million	Total N'million
11 Fixed assets								
11.1 The Group								
Cost/valuation:								
At 1 April	21	9,717	1,310	5,017	7,487	2,849	9,340	35,741
Attributable to newly consolidated subsidiaries	-	-	25	108	142	63	27	365
Sub-total	21	9,717	1,335	5,125	7,629	2,912	9,367	36,106
Exchange difference	-	5	-	-	16	3	-	24
Additions	56	6,196	114	1,690	2,270	1,045	6,124	17,495
Disposals	-	(128)	(3)	(502)	(1)	(17)	(21)	(672)
At 31 March	77	15,790	1,446	6,313	9,914	3,943	15,470	52,953
Depreciation:								
At 1 April	-	1,245	247	3,071	6,011	1,875	5,996	18,445
Attributable to newly consolidated subsidiaries	-	-	9	37	38	24	5	113
Sub-total	-	1,245	256	3,108	6,049	1,899	6,001	18,558
Exchange difference	-	3	-	-	9	2	-	14
Charge for the year	-	208	28	995	1,322	457	1,642	4,652
Eliminated on disposals	-	(31)	(1)	(249)	(1)	(17)	(5)	(304)
At 31 March	-	1,425	283	3,854	7,379	2,341	7,638	22,920
Net book value:								
At 31 March 2008	77	14,365	1,163	2,459	2,535	1,602	7,832	30,033
At 31 March 2007	21	8,472	1,079	2,017	1,580	1,013	3,366	17,548
11.2 The Bank								
Cost/valuation:								
At 1 April		9,479	1,221	4,504	7,034	2,626	9,340	34,204
Additions		6,181	88	1,538	2,041	981	6,116	16,945
Disposals		(128)	(3)	(433)	(1)	(12)	(20)	(597)
At 31 March		15,532	1,306	5,609	9,074	3,595	15,436	50,552
Depreciation:								
At 1 April		1,136	214	2,546	5,716	1,745	5,997	17,354
Charge for the year		198	23	896	1,153	414	1,635	4,319
Eliminated on disposals		(30)	(1)	(228)	(1)	(10)	(6)	(276)
At 31 March		1,304	236	3,214	6,868	2,149	7,626	21,397
Net book value:								
At 31 March 2008		14,228	1,070	2,395	2,206	1,446	7,810	29,155
At 31 March 2007		8,343	1,007	1,958	1,318	881	3,343	16,850

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

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

During the year ended 31 December, 1995, selected land and buildings (own premises only) including those revalued at 31 December, 1990, were professionally revalued at N5,056.4 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 N1,931.150 million was incorporated in the account. This represents the revaluation surplus of N4,291.4 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.

- 11.4 The Bank had capital commitments of N4.553 billion (2007 - N3.739 billion) as at balance sheet date.

The Group		The Bank	
2008 N'million	2007 N'million	2008 N'million	2007 N'million

12 Deposit and current accounts

12.1 Summary

In Nigeria:				
Current	310,466	219,933	316,927	219,723
Savings	178,215	154,734	178,090	154,645
Time	127,217	141,259	121,185	135,617
Domiciliary	<u>45,422</u>	<u>71,842</u>	<u>45,422</u>	<u>71,842</u>
	661,320	587,768	661,624	581,827
Outside Nigeria:				
Demand	19,186	5,581	-	-
Time	<u>19,691</u>	<u>6,340</u>	-	-
	<u>700,197</u>	<u>599,689</u>	<u>661,624</u>	<u>581,827</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
12.2	The deposit liabilities maturity profile is as follows:				
	Under 1 months	270,601	280,386	257,876	273,293
	1 - 3 months	103,690	98,115	103,565	91,795
	3 - 6 months	102,716	84,214	96,684	78,265
	6 - 12 months	108,591	86,146	108,591	87,646
	Over 12 months	<u>114,599</u>	<u>50,828</u>	<u>94,908</u>	<u>50,828</u>
		<u>700,197</u>	<u>599,689</u>	<u>661,624</u>	<u>581,827</u>
13	Due to other banks				
	In Nigeria	11,933	34,449	15,217	1,819
	Other Banks outside Nigeria	<u>143,176</u>	<u>51,215</u>	<u>29,064</u>	<u>12,629</u>
		<u>155,109</u>	<u>85,664</u>	<u>44,281</u>	<u>14,448</u>
14	Tax payable				
14.1	Per profit and loss account				
	Income tax:				
	Based on profit of the year	6,369	5,002	2,741	3,550
	Education tax	566	337	385	272
	Prior year over-provision	<u>(303)</u>	<u>(31)</u>	<u>-</u>	<u>-</u>
		<u>6,632</u>	<u>5,308</u>	<u>3,126</u>	<u>3,822</u>
14.2	Per balance sheet				
	Income tax:				
	At 1 April	7,470	5,142	5,710	4,148
	Based on profit of the year	6,632	5,308	3,126	3,822
	Arising from newly consolidated subsidiaries	<u>107</u>	<u>175</u>	<u>-</u>	<u>-</u>
		14,209	10,625	8,836	7,970
	Payments during the year	<u>(5,373)</u>	<u>(3,155)</u>	<u>(3,745)</u>	<u>(2,260)</u>
	At 31 March	<u>8,836</u>	<u>7,470</u>	<u>5,091</u>	<u>5,710</u>
	The charge for taxation in these financial statements 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.				
15	Deferred taxation				
	At 1 April	2,657	2,746	2,671	2,751
	Arising on consolidation	36	1	-	-
	Arising during the year	<u>4,042</u>	<u>(90)</u>	<u>4,041</u>	<u>(80)</u>
	At 31 March	<u>6,735</u>	<u>2,657</u>	<u>6,712</u>	<u>2,671</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

	The Group		The Bank	
	2008 N'million	2007 N'million	2008 N'million	2007 N'million
16 Other liabilities				
Accounts payable	17,129	15,599	6,399	6,332
Deposit for shares on behalf of third parties (note 16.1)	69,025	159	5,997	159
Collection on behalf of Federal and State Government	444	3	444	3
Interbranch	68	-	68	-
Provisions and accruals	9,654	2,467	6,600	1,757
Provision for frauds and losses	1,810	1,816	1,810	1,816
PAYE and other statutory deductions	417	50	271	28
Unearned discounts	5,335	5,654	5,197	9,627
Provision for off balance sheet engagements	17	17	17	17
Deposit premium insurance	818	-	818	-
Bank cheques	20,842	10,657	20,779	10,657
Interest payable	2,328	2,194	2,282	2,176
Retirement benefits obligation (note 16.2)	445	236	362	189
Vostro balances (note 3.2)	26,182	19,641	26,182	19,641
Information technology development levy (note 16.3)	480	-	380	-
Premium payable	337	401	-	-
Trade creditors	26,874	16,797	-	-
Clients' dividend (note 16.4)	24,600	5,045	-	-
Uncleared effects	5	1,521	-	1,480
Sundry creditors	2,159	5,892	886	4,891
	<u>208,969</u>	<u>88,149</u>	<u>78,492</u>	<u>58,773</u>

16.1 Deposit for shares on behalf of third parties

This represents funds collected as receiving bank agents in respect of various public offers and private placements.

16.2 Retirement benefits obligation

At 1 April	236	5	189	-
Arising from newly consolidated subsidiaries	27	10	-	-
Charge for the year	2,242	1,609	2,171	1,559
Funds recalled during the year	847	-	847	-
Payment to PFA's/Trustees	(1,648)	(1,384)	(1,586)	(1,370)
Withdrawals	(1,259)	(4)	(1,259)	-
At 31 March	<u>445</u>	<u>236</u>	<u>362</u>	<u>189</u>

16.3 Information technology development levy

The Nigerian Information Technology Development Agency (NITDA) Act was signed into law on 24 April 2007. Section 12(2a) of the Act stipulates that, specified companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. In line with the Act, the Bank and Group have provided for NITDA levy at the specified rate.

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

16 Other liabilities (Cont'd)

16.4 Clients' dividend

This represents dividend due to shareholders of the various clients of First Registrars Nigeria Limited as at year end.

17 Long-term borrowing

Long term borrowings comprise:

FBN Capital Finance Company, Cayman Island (note 17.1)
European Investment Bank (note 17.2)

The Group		The Bank	
2008 N'million	2007 N'million	2008 N'million	2007 N'million
20,379	22,101	20,379	22,101
<u>9,035</u>	<u>-</u>	<u>9,035</u>	<u>-</u>
<u>29,414</u>	<u>22,101</u>	<u>29,414</u>	<u>22,101</u>

17.1 This represents dollar notes issued by FBN Capital Finance Company, Cayman Island on 30 March 2007 for a period of 10 years. Interest on the notes is payable at 9.75% per annum. The loan is repayable at six monthly intervals over a period of 5 years commencing from 29 March 2012. The loan is a subordinated debt and is non-callable in the first 5 years.

17.2 This represents medium term loan (callable notes) secured from European Investment Bank. The loan is divided into tranche A of Euro 35 million for a tenure of five years and tranche B of Euro 15 million for a tenure of 8 years, which qualifies it as Tier II capital. Interest is payable half-yearly at 2% and 3% above LIBOR rate for tranche A and tranche B respectively. The facility was secured by negative pledge.

18 Share capital

18.1 Authorised:

20,000,000,000 ordinary shares of 50k each

10,000 10,000 10,000 10,000

18.2 Allotted, called up and fully paid:

Ordinary shares of 50k each:

At 1 April

5,238 2,619 5,238 2,619

Arising during the year [note 18.3]:

- Rights issue

748 - 748 -

- Public offer

3,086 - 3,086 -

- Transfer from bonus issue reserve (note 23)

873 2,619 873 2,619

At 31 March

9,945 5,238 9,945 5,238

18.3 During the year, the bank made a hybrid offer of 1,624,253,238 ordinary shares of 50k each to the public at a price of N33 per share and 1,496,762,682 ordinary shares of 50k as rights at a price of N31 per share.

The rights issue was fully subscribed while the public offer was over-subscribed which led to additional allotment of 4,545,454,545 ordinary shares of 50k each.

The total allotment of the rights issue and public offer resulted to aggregate share premium of N246.166 billion as stated in note 19.1.

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
19	Share premium				
	At 1 April	15,858	15,858	15,858	15,858
	Arising during the year (note 19.1)	<u>238,666</u>	<u>-</u>	<u>238,666</u>	<u>-</u>
	At 31 March	<u>254,524</u>	<u>15,858</u>	<u>254,524</u>	<u>15,858</u>
19.1	Share premium (arising during the year)				
	Rights issue	45,651	-	45,651	-
	Public offer	<u>200,515</u>	<u>-</u>	<u>200,515</u>	<u>-</u>
		246,166	-	246,166	-
	Share issue expenses	<u>(7,500)</u>	<u>-</u>	<u>(7,500)</u>	<u>-</u>
		<u>238,666</u>	<u>-</u>	<u>238,666</u>	<u>-</u>
20	Statutory reserve				
	At 1 April	13,465	10,699	13,452	10,699
	Appropriation from the profit and loss account	<u>4,591</u>	<u>2,766</u>	<u>4,571</u>	<u>2,753</u>
	At 31 March	<u>18,056</u>	<u>13,465</u>	<u>18,023</u>	<u>13,452</u>
	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.				
21	Exchange difference reserve				
	At 1 April	4,066	3,343	2,836	2,836
	Movement during the year	<u>(607)</u>	<u>723</u>	<u>-</u>	<u>-</u>
	At 31 March	<u>3,459</u>	<u>4,066</u>	<u>2,836</u>	<u>2,836</u>
22	General reserve				
	At 1 April	33,832	19,762	28,799	16,972
	Reserve for bonus issue	(2,487)	(873)	(2,487)	(873)
	Transfer of dividend brought forward	-	5,238	-	5,238
	Dividend paid	(10,477)	(5,238)	(10,477)	(5,238)
	Adjustment from newly consolidated subsidiaries	-	(25)	-	-
	Adjustment for dividend paid by subsidiaries	3,874	-	-	-
	Retained profit for the year	<u>30,426</u>	<u>14,968</u>	<u>24,379</u>	<u>12,700</u>
	At 31 March	<u>55,168</u>	<u>33,832</u>	<u>40,214</u>	<u>28,799</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

- 22.1 In respect of the current year, the Directors propose that a dividend of 120 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 total estimated dividend to be paid is N23.868 billion

23 Bonus issue reserve

At 1 April
Transfer from the general reserve
Utilised for bonus issue (note 18.2)

At 31 March

24 Reserve for small/medium scale industries

At 1 April
Transfer from profit and loss account

At 31 March

25 Interest earnings

Bank sources:

Placement with local banks
Interest on deposits with banks outside Nigeria
Bills discounted
Trading securities
Commission on managed funds

Non-bank sources:

Interest on Federal and State Govt Bonds
Interest on loans and advances
Commission on premium

26 Interest expenses

Non-Bank sources:

Demand
Time deposits
Savings
Domiciliary
Managed funds

The Group		The Bank	
2008 N'million	2007 N'million	2008 N'million	2007 N'million
873	2,619	873	2,619
2,487	873	2,487	873
(873)	(2,619)	(873)	(2,619)
<u>2,487</u>	<u>873</u>	<u>2,487</u>	<u>873</u>
7,916	6,998	7,916	6,998
1,523	918	1,523	918
<u>9,439</u>	<u>7,916</u>	<u>9,439</u>	<u>7,916</u>
21,057	2,399	5,470	1,373
3,478	2,289	3,132	1,619
10,633	9,476	10,633	9,467
22,804	9,449	22,804	9,449
3,680	1,079	-	-
61,652	24,692	42,039	21,908
16,507	9,438	16,447	9,438
38,288	28,287	37,771	21,518
270	162	-	-
<u>55,065</u>	<u>37,887</u>	<u>54,218</u>	<u>30,956</u>
<u>116,717</u>	<u>62,579</u>	<u>96,257</u>	<u>52,864</u>
9,919	6,240	2,615	1,657
12,168	7,184	11,485	7,024
3,960	3,423	3,957	3,419
4,225	1,137	4,226	1,137
1,297	373	-	-
<u>31,569</u>	<u>18,357</u>	<u>22,283</u>	<u>13,237</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
27	Commissions and other income				
	Commissions and charges	24,527	18,922	21,896	16,794
	Foreign exchange income	952	1,755	952	1,755
	Dividend received from subsidiaries	63	81	3,937	1,943
	Dividend from associated companies	191	168	179	166
	Financial advisory fees	1,911	570	-	-
	Lease income	1,096	436	1,095	436
	Profit on sale of fixed assets	1,135	9	1,130	8
	Gain on sale of shares	1,900	1,002	-	-
	Dividend from other companies	286	53	26	26
	Custody fees	422	97	-	-
	Recoveries on loans previously written off	3,617	3,685	3,606	3,685
	Commissions on Western Union transactions	1,522	1,485	1,522	1,485
	Exchange gain	-	137	-	137
	Trust related income	151	-	-	-
	Sundry income	803	184	-	-
		<u>38,576</u>	<u>28,584</u>	<u>34,343</u>	<u>26,435</u>
28	Overheads				
28.1	Operating expenses:				
	Charges and expenses	58,374	37,753	53,524	34,538
	Depreciation on fixed assets (note 11)	4,652	3,570	4,319	3,300
	Premium on insurance of deposit liabilities	4,252	3,356	4,252	3,356
	Stamp duty on increase in authorised capital	55	252	-	252
	Foreign exchange loss	374	-	165	-
		<u>67,707</u>	<u>44,931</u>	<u>62,260</u>	<u>41,446</u>
28.2	Profit before taxation				
	This is stated after charging/(crediting) the following:				
	Directors' emoluments	549	516	290	145
	Depreciation of fixed assets (note 11)	4,652	3,570	4,319	3,300
	Profit on sale of fixed assets	(1,135)	(9)	(1,130)	(8)
	Bank's contribution to retirement benefits	2,242	1,609	2,171	1,559
	Foreign exchange loss/(gain)	183	(137)	165	(137)
	Auditors' remuneration:				
	- Nigeria operations	111	50	75	36
	- UK operations	21	21	-	-
29	Provision for bad and doubtful accounts				
	Loans and advances:				
	- General (note 8.3)	2,433	437	2,213	469
	- Specific (note 8.3)	3,979	2,097	3,866	2,417
	Other assets (note 10.1)	(49)	302	(36)	257
	Due from banks and other financial institutions (note 3.1)	(367)	168	(293)	191
	Trading securities (note 4.1)	-	30	-	-
	Investments (note 6.8)	36	(1,027)	(4)	(829)
	Advances under finance lease (note 9.1)	73	14	73	14
		<u>6,105</u>	<u>2,021</u>	<u>5,819</u>	<u>2,519</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
30	Earnings per share - Basic				
	Earnings per share (basic) are calculated based on the profit after tax and the number of ordinary shares issued and paid up at 31 March of every year.				
	Profit for the year attributable to shareholders (N'm)			<u>30,473</u>	<u>16,371</u>
	Weighted average number of ordinary share (in million)			<u>13,691</u>	<u>10,477</u>
	Earnings per share (Naira) - basic			<u>2.23</u>	<u>1.56</u>
31	Reconciliation of profit after tax to net cash provided by operating activities				
	Profit after tax	36,540	18,652	30,473	16,371
	Adjustments to reconcile profit after tax to net cash provided by operating activities:				
	Depreciation of fixed assets	4,652	3,570	4,319	3,300
	Information technology development levy	480	-	380	-
	Provision for bad and doubtful accounts	6,105	2,021	5,819	2,519
	Provision for deferred taxes	4,042	(90)	4,041	(80)
	Amortization of goodwill	-	1,984	-	1,984
	(Decrease)/increase in taxes payable	1,366	2,328	(619)	1,562
	Profit on disposal of fixed assets	(1,135)	(9)	(1,130)	(8)
	Dividend received from subsidiaries	(63)	(81)	(3,937)	(1,973)
	Changes in assets and liabilities:				
	Increase in loans and advances	(243,729)	(43,226)	(224,662)	(46,414)
	Increase in other assets	(12,210)	(93)	(9,761)	1,359
	Increase in advances under finance lease	(7,327)	(1,356)	(7,327)	(1,356)
	Increase in deposit and other current accounts	100,508	150,774	79,797	190,981
	Increase/(decrease) in other liabilities	117,652	(2,034)	17,953	(17,261)
	Exchange difference reserve	<u>(607)</u>	<u>723</u>	<u>-</u>	<u>-</u>
	Net cash flow from operating activities before changes in operating assets	<u>6,274</u>	<u>133,163</u>	<u>(104,654)</u>	<u>150,984</u>
32	Cash and cash equivalents				
	Cash and short-term funds	89,130	61,844	89,076	60,881
	Due from other banks and financial institutions	527,900	264,405	247,059	137,864
	Due to other banks	<u>(155,109)</u>	<u>(85,664)</u>	<u>(44,281)</u>	<u>(14,448)</u>
		<u>461,921</u>	<u>240,585</u>	<u>291,854</u>	<u>184,297</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

		The Group		The Bank	
		2008 N'million	2007 N'million	2008 N'million	2007 N'million
33	Chairman's and Directors' emoluments				
33.1	Emoluments:				
	Fees:				
	Chairman			5.00	3.43
	Other Directors			28.00	12.45
				33.00	15.88
	Emoluments as Executives			256.50	129.57
				289.50	145.45
	Highest paid Director			44.50	19.50
33.2	The fees attributable to directors of the parent company serving on the boards of the subsidiaries amounting to N4,911,500 (31 March 2007-N438,750) have been paid over and included in the income of the parent company.				
33.2	The number of Directors excluding the Chairman, whose emoluments were within the following ranges were:				

		The Group		The Bank	
		2008 Number	2007 Number	2008 Number	2007 Number
N2,500,001 -N5,000,000				8	8
N15,000,001 -N17,500,000				-	6
N17,500,001 -N20,000,000				-	1
AboveN20,000,000				7	-
				15	15

34 Employees

34.1 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:

N	N				
200,001 -	300,000	149	480	120	480
300,001 -	400,000	238	272	237	272
400,001 -	500,000	247	111	212	70
500,001 -	700,000	1,632	1,755	1,613	1,656
700,001 -	1,000,000	1,158	3,485	1,096	3,431
1,000,001 -	2,000,000	4,747	1,461	4,680	1,461
2,000,001 -	3,000,000	532	29	472	29
Above	3,000,000	107	-	65	-
		8,810	7,593	8,495	7,399

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

	The Group		The Bank	
	2008 Number	2007 Number	2008 Number	2007 Number
34.2 The number of persons employed as at the end of the year were as follows:				
Managerial	639	315	288	270
Senior staff	7,537	6,371	7,384	6,249
Junior staff	<u>634</u>	<u>907</u>	<u>823</u>	<u>880</u>
	<u>8,810</u>	<u>7,593</u>	<u>8,495</u>	<u>7,399</u>
	N'million	N'million	N'million	N'million
34.3 The related staff costs amounted to	<u>33,379</u>	<u>19,908</u>	<u>31,305</u>	<u>18,461</u>
35 Off balance sheet engagements				
35.1 The bank enters into various commitments in the normal course of business in respect of which there are corresponding obligations by customers.				
These are as follows:				
Acceptances, guarantees and indemnities	124,929	113,911	75,964	76,643
Bonds and performance guarantees	90,030	59,176	77,360	53,074
Treasury bills intermediation and others	47,224	25,843	44,915	3,020
Assets\liabilities under custody	<u>291,643</u>	<u>145,225</u>	<u>-</u>	<u>-</u>
	<u>553,826</u>	<u>344,155</u>	<u>198,239</u>	<u>132,737</u>
35.2 There were contingent liabilities in respect of legal actions for claims against the Bank for amounts totalling N817,126,077 (31 March 2007 - N11,983,642,869) for which no provisions have been made. The actions are being contested and the Directors are of the opinion that no significant liabilities will arise therefrom.				

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

The Group

2008 N'million	2007 N'million
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36 Guarantees and other financial commitments

36.1 Capital commitments

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

Contracted:

Commitments for the acquisition of land and building under operating lease:

At 31 March 2008, FBN Bank (UK) Ltd entered into a contract to make future payments in respect of operating leases for land and buildings. The lease is expected to expire in June 2016.

Within one year	103	89
Between one and five years	413	357
More than five years	207	268
Others (FBN Head office)	<u>3,830</u>	<u>3,025</u>
	<u>4,553</u>	<u>3,739</u>

Not contracted	-	-
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36.2 The Directors are of the opinion that all known liabilities and commitments which are relevant in the assessment of the state of financial affairs of the Bank have been taken into consideration in the preparation of these accounts.

37 Post Balance sheet events

There are no significant post balance sheet events which could have had a material effect on the state of affairs of the Bank as at 31 March 2008 and on the profit for the year ended on that date which have not been adequately provided for or disclosed.

38 Segmental information - Geographic segment

The following tables set out profit and loss information, average loans and advances to customers, net interest margin and selected balance sheet information by geographical segment for the year ended:-

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

	NIGERIA		FOREIGN		TOTAL	
	2008	2007	2008	2007	2008	2007
	N'million	N'million	N'million	N'million	N'million	N'million
Interest income	105,401	56,098	11,316	6,481	116,717	62,579
Interest expense	<u>(24,089)</u>	<u>(13,774)</u>	<u>(7,480)</u>	<u>(4,583)</u>	<u>(31,569)</u>	<u>(18,357)</u>
Net interest margin	<u>81,312</u>	<u>42,324</u>	<u>3,836</u>	<u>1,898</u>	<u>85,148</u>	<u>44,222</u>
Fees and commissions received	23,198	17,863	1,329	1,059	24,527	18,922
Income from foreign exchange transactions	952	1,472	-	283	952	1,755
Income from Western Union transactions	1,522	1,485	-	-	1,522	1,485
Other operating income	<u>11,498</u>	<u>6,378</u>	<u>77</u>	<u>44</u>	<u>11,575</u>	<u>6,422</u>
Non-interest income	<u>37,170</u>	<u>27,198</u>	<u>1,406</u>	<u>1,386</u>	<u>38,576</u>	<u>28,584</u>
Net revenue	<u>118,482</u>	<u>69,522</u>	<u>5,242</u>	<u>3,284</u>	<u>123,724</u>	<u>72,806</u>
Operating expenses	61,265	40,113	1,790	1,248	63,055	41,361
Interest on long term borrowing	2,218	-	-	-	2,218	-
Depreciation	<u>4,569</u>	<u>3,493</u>	<u>83</u>	<u>77</u>	<u>4,652</u>	<u>3,570</u>
Total Costs	<u>68,052</u>	<u>43,606</u>	<u>1,873</u>	<u>1,325</u>	<u>69,925</u>	<u>44,931</u>
Operating profit before provision for loan losses	50,430	25,916	3,369	1,959	53,799	27,875
Provision for loan losses	<u>6,005</u>	<u>1,974</u>	<u>100</u>	<u>47</u>	<u>6,105</u>	<u>2,021</u>
Profit before taxation	<u>44,425</u>	<u>23,942</u>	<u>3,269</u>	<u>1,912</u>	<u>47,694</u>	<u>25,854</u>
Total assets employed	1,295,441	787,881	232,101	123,546	1,527,542	911,427
Depreciation on fixed assets	4,569	3,493	83	77	4,652	3,570
Net interest margin (%)	<u>77%</u>	<u>75%</u>	<u>34%</u>	<u>29%</u>	<u>73%</u>	<u>71%</u>

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

MATURITIES OF ASSETS AND LIABILITIES

	0-30 days N'million	1-3 months N'million	3-6 months N'million	6-12 months N'million	Over 1 year N'million	Total N'million
Assets						
Cash and other short term funds	336,135	-	-	-	-	336,135
Bills discounted	-	147,680	-	-	-	147,680
Trading securities	93,396	-	-	-	-	93,396
Investments	-	-	-	15,734	55,798	71,532
Loans and advances	118,368	114,734	37,629	31,464	135,573	437,768
Advances under finance lease	-	-	751	859	8,686	10,297
Other assets	7,786	31,712	-	-	-	39,498
Fixed assets	-	-	-	-	29,155	29,155
Total assets	555,685	294,126	38,380	48,057	229,212	1,165,461
Liabilities						
Deposits	257,876	103,565	96,684	108,591	139,189	705,905
Other liabilities	38,992	6,226	-	33,274	-	78,492
Taxation	-	-	-	5,091	6,712	11,803
Long term borrowing	-	-	-	-	29,414	29,414
Capital & reserves	-	-	-	-	339,847	339,847
Total Liabilities	296,868	109,791	96,684	146,956	515,162	1,165,461
Net liquidity gap as at 31 March 2008	258,817	184,335	(58,304)	(98,899)	(285,949)	-
Assets as at 31 March 2007						762,881
Liabilities as at 31 March 2007						762,881
Net liquidity gap as at 31 March 2007						-

39. Related parties

Transactions between the Bank and its subsidiaries, have been eliminated on consolidation. The Bank is the major banker to the subsidiaries and the group has common directors. During the year, the Bank transacted businesses with all its subsidiaries and these transactions were conducted at arm's length.

40. Comparative figures

Certain figures in the 2007 financial statements were regrouped to conform with the current year's presentation. During the year three of the subsidiaries were consolidated for the first time. Consequently, the preceeding year's figures of the group has been updated to incorporate the brought forward figures of the three subsidiaries in order to enhance comparability.

Notes to the Financial Statements

Notes to the Financial Statements Contd

For the Year Ended 31 March 2008

41. Details of non-performing insider-related credits as at 31 March, 2008

S/N	Name of Borrower	Relationship to Reporting Institution	Date Granted	Expiry Date	Rate of Interest	Cumulative		Total	Payment Made N"000	Outstanding Credit		Perfected Security			Remarks
						Principal N"000	Interest N"000			Performing N"000	Non-performing N"000	Nature	Value N"000	Date of Valuation	
1	Hacket Nig. Ltd Estate of Prof Belo-Osagie	Ex - director	30/11/05	31/12/06	19	2,850				NIL	13,186				Legal ownership on vehicle and Personal Guarantee
2	Abdulsalam T. Ogueyi	Ex-staff	31/8/02	31/8/12	9	10,200				NIL	6,800		10,200		Being perfected
3	Alli-Balogun Taiwo	Ex-staff	28/10/02	31/1/12	9	10,570				NIL	5,119		8,100		L/M being arranged 8.1m
4	Austin E. Ekuma	Ex-staff	28/3/03	28/3/08	9	1,509				NIL	943		2		Perfected
5	Estate of L.I. Okafor	Ex-staff	25/6/04	30/6/14	9	5,000				NIL	3,125		5		Perfected
6	S. A. Olubodun	Ex-staff	29/9/98	30/6/10	9	7,580				NIL	2,331		10,300	29/12/01	Perfected
											31,504				

Group Statement of Value Added

For the Year Ended 31 March 2008

	2008 N'million	%	2007 N'million	%
Gross earnings:				
- Ordinary activities	155,293		91,163	
- Interest expense	(31,569)		(18,357)	
- Interest on long term borrowing	<u>(2,218)</u>		<u>-</u>	
	121,506		72,806	
Administrative and other expenses - Local	(27,886)		(19,325)	
Administrative and other expenses - Foreign	(1,790)		(2,128)	
Doubtful debts provision	<u>(6,105)</u>		<u>(2,021)</u>	
VALUE ADDED	<u>85,725</u>	<u>100</u>	<u>49,332</u>	<u>100</u>
DISTRIBUTED AS FOLLOWS:				
In payment to employees:				
Salaries, allowances and pension	33,379	39	19,908	40
In payment to Government:				
Income tax	6,632	8	5,308	11
Information Technology Development levy	<u>480</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>40,491</u>	<u>47</u>	<u>25,216</u>	<u>51</u>
To provide for enhancement of assets, retain for expansion and payment of dividend to shareholders:				
- Deferred taxation	4,042	5	(90)	-
- Depreciation - Local	4,569	5	3,493	7
- Depreciation - Foreign assets	83	-	77	-
- Amortization of goodwill	-	-	1,984	4
- Profit for the year	<u>36,540</u>	<u>43</u>	<u>18,652</u>	<u>38</u>
	<u>45,234</u>	<u>53</u>	<u>24,116</u>	<u>49</u>
	<u>85,725</u>	<u>100</u>	<u>49,332</u>	<u>100</u>

Value added represents the additional wealth created by the Group during the reporting period. 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

Bank Statement of Value Added

For the Year Ended 31 March 2008

	2008 N'million	%	2007 N'million	%
Gross earnings:				
- Ordinary activities	130,600		79,299	
- Interest expense	(22,283)		(13,237)	
- Interest on long term borrowing	<u>(2,218)</u>		<u>-</u>	
	106,099		66,062	
- Administrative and other expenses - Local	(26,636)		(19,685)	
- Doubtful debts provision	<u>(5,819)</u>		<u>(2,519)</u>	
VALUE ADDED	<u>73,644</u>	<u>100</u>	<u>43,858</u>	<u>100</u>
DISTRIBUTED AS FOLLOWS:				
In payment to employees:				
- Salaries, allowances and pension	31,305	42	18,461	42
In payment to Government:				
- Income tax	3,126	4	3,822	9
- Information technology development levy	<u>380</u>	<u>1</u>	<u>-</u>	<u>-</u>
	<u>34,811</u>	<u>47</u>	<u>22,283</u>	<u>51</u>
To provide for enhancement of assets, retain for expansion and payment of dividend to shareholders:				
- Deferred taxation	4,041	5	(80)	-
- Depreciation	4,319	6	3,300	8
- Amortization of goodwill	-	-	1,984	4
- Profit for the year	<u>30,473</u>	<u>41</u>	<u>16,371</u>	<u>37</u>
	<u>38,833</u>	<u>53</u>	<u>21,575</u>	<u>49</u>
	<u>73,644</u>	<u>100</u>	<u>43,858</u>	<u>100</u>

Value added represents the additional wealth created by the Bank during the reporting period. This statement shows the allocation of that wealth among employees, shareholders, government and that retained for future creation of more wealth.

Group Five-Year Financial Summary

Group Five-Year Financial Summary

For the Year Ended 31 March 2008

	2008 N'million	2007 N'million	2006 N'million	2005 N'million	2004 N'million
ASSETS					
Cash and short-term funds	89,130	61,844	50,992	32,881	24,098
Due from other banks and financial institutions	527,900	264,405	169,580	129,256	124,591
Bills discounted	147,680	159,832	108,316	105,624	98,848
Trading securities	100,665	75,847	-	-	-
Managed funds	62,648	22,070	-	-	-
Investments	53,742	56,993	60,875	21,651	17,458
Investment properties	2,151	186	-	-	-
Loans and advances	459,373	217,995	177,303	123,739	83,500
Advances under finance lease	10,297	3,043	1,701	1,283	-
Other assets	43,923	31,664	31,851	43,716	24,307
Equipment on lease	-	-	-	-	1,316
Fixed assets	30,033	17,548	14,222	12,689	10,093
Goodwill	-	-	1,984	-	-
TOTAL ASSETS	1,527,542	911,427	616,824	470,839	384,211
LIABILITIES					
Deposit and current accounts	700,197	599,689	448,915	332,196	255,491
Due to other banks	155,109	85,664	323	-	-
Managed funds	62,648	22,070	-	-	-
Tax payable	8,836	7,470	5,142	4,758	4,700
Deferred taxation	6,735	2,657	2,746	2,089	1,625
Dividend	-	-	5,238	6,325	5,429
Other liabilities	208,969	88,149	90,183	75,666	74,655
Long term borrowing	29,414	22,101	-	-	-
	1,171,908	827,800	552,547	421,034	341,900
SHAREHOLDERS' FUNDS	355,634	83,627	64,277	48,726	41,605
MINORITY INTERESTS	-	-	-	1,079	706
TOTAL LIABILITIES	1,527,542	911,427	616,824	470,839	384,211
Gross earnings	155,293	91,163	67,440	57,255	51,318
Profit on ordinary activities before taxation	47,694	25,854	21,833	16,808	14,853
Exceptional item	-	-	3,703	-	-
Profit on ordinary activities after taxation and exceptional item	36,540	20,636	21,833	16,808	14,853
Profit after taxation	36,540	20,636	17,383	13,234	11,483
Amortisation of goodwill	-	-	1,984	-	-
Profit attributable to ordinary shareholders	36,540	18,652	15,399	13,234	11,483
Dividend	-	-	5,238	6,325	5,429
Return on shareholders' funds	10%	22%	24%	27%	28%
Earnings per share (basic):					
- Basic	267k	178k	294k	335k	399k
Dividend per share - actual	-	-	100k	160k	155k
Dividend cover (times)	-	-	2.94	2.09	2.12
Note:					

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

Bank Five-Year Financial Summary

Bank Five-Year Financial Summary

For the Year Ended 31 March 2008

	2008 N'million	2007 N'million	2006 N'million	2005 N'million	2004 N'million
ASSETS					
Cash and short-term funds	89,076	60,881	49,444	30,220	22,509
Due from other banks and financial institutions	247,059	137,864	94,029	64,143	80,369
Bills discounted	147,680	159,832	108,316	100,135	92,922
Trading securities	93,396	71,477	-	-	-
Investments	71,532	64,048	63,729	24,655	16,825
Loans and advances	437,768	219,185	175,657	114,673	78,040
Advances under finance lease	10,297	3,043	1,701	937	-
Other assets	39,498	29,701	31,317	30,625	11,596
Equipment on lease	-	-	-	-	665
Fixed assets	29,155	16,850	13,952	12,108	9,564
Goodwill	-	-	1,984	-	-
TOTAL ASSETS	1,165,461	762,881	540,129	377,496	312,490
LIABILITIES					
Deposit and current accounts	661,624	581,827	390,846	264,988	206,643
Due to other banks	44,281	14,448	323	390	538
Tax payable	5,091	5,710	4,148	3,954	4,022
Deferred taxation	6,712	2,671	2,751	2,010	1,533
Dividend	-	-	5,238	6,325	5,429
Other liabilities	78,492	58,773	75,843	55,157	55,704
Long term borrowing	29,414	22,101	-	-	-
	825,614	685,530	479,149	332,824	273,869
SHAREHOLDERS' FUNDS	339,847	77,351	60,980	44,672	38,621
	1,165,461	762,881	540,129	377,496	312,490
Gross earnings	130,600	79,299	61,243	49,475	45,121
Profit on ordinary activities before taxation	38,020	22,097	16,128	15,145	14,106
Extra-ordinary item	-	-	3,703	-	-
Profit on ordinary activities after taxation and exceptional item	30,473	18,355	16,053	12,184	11,096
Profit after taxation	30,473	18,355	16,053	12,184	11,096
Amortisation of goodwill	-	1,984	1,984	-	-
Profit attributable to ordinary shareholders	30,473	16,371	14,069	12,184	11,096
Dividend	-	-	5,238	6,325	5,429
Return on shareholders' funds	9%	21%	23%	27%	29%
Earnings per share (basic):					
- Basic	223k	156k	269k	308k	381k
Dividend per share - actual	-	100k	100k	160k	155k
Dividend cover (times)	-	1.12	2.69	1.93	1.00

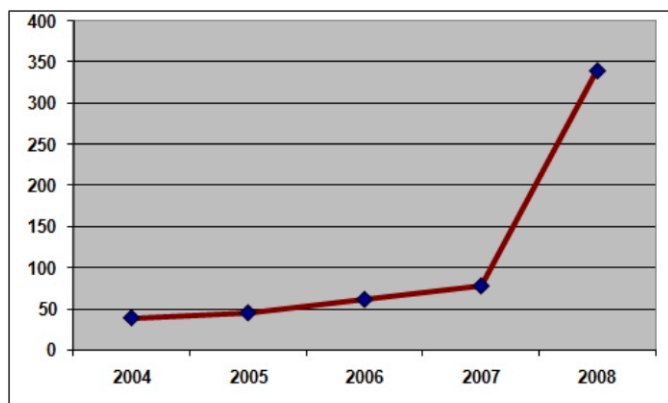
Note

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

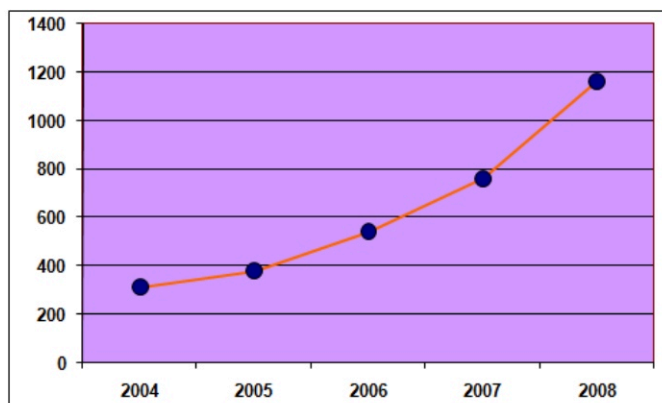
Graphs

Graphs

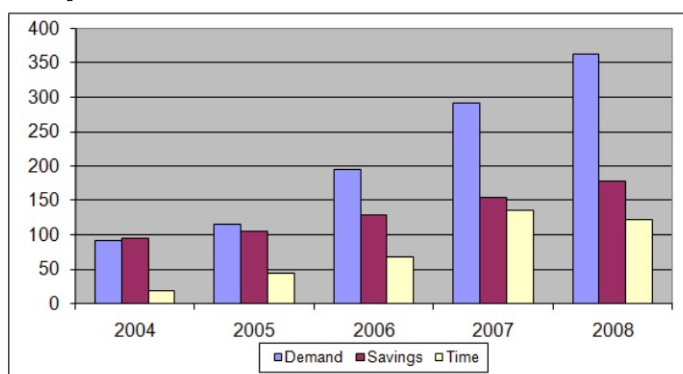
Shareholders' Funds (N'bn)



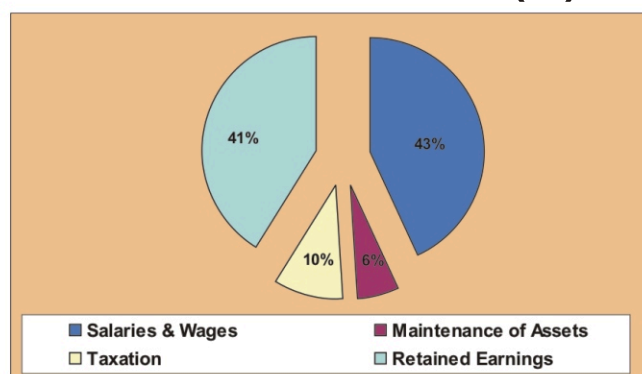
Total Assets (N'bn)



Deposit Mix (N'bn)



Statement of Value Added (%)



Deputy General Managers

Deputy General Managers



a



b

Mojisola T. Aderinto
Head, Financial Control

Afamefuna C. Azubike
Head, Classified Assets Management

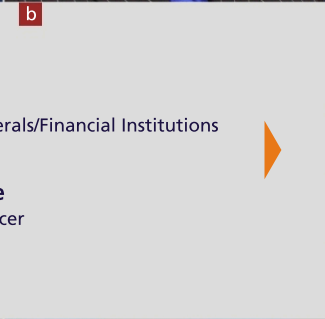


c

Olufemi N. Bakre
Group Head, Multilaterals/Financial Institutions

d

Timothy O. Bolade
Chief Compliance Officer



c

d

Tijjani M. Borodo
Company Secretary

Mofoluke B. Dosumu
Head, Treasury



e



f

Naomi H. Esalomi
Head, Domestic Banking Operations

h

Aka C. Ezebele
Business Development Manager, Apapa II



g

h

Akinwumi G. Famimokun
Business Development Manager, Lagos Mainland I

Subusola I. Giwa-Amu
Business Development Manager, Lagos Mainland II



i



j

Deputy General Managers

Deputy General Managers Contd



k

Alwan A. Hassan

Business Development Manager, Kano

l

Festus O. Kukoyi

Head, Legal Services

k

l

m

Ibrahim A. Kwargana

Head, Foreign Operations

n

Columbus T. Ndifon

Business Development Manager, Awka



m

n

o

Bernadine A. Okeke

Business Development Manager, VI/Ikoyi II

p

Kayode A. Olatunbosun

Business Development Manager, Lagos Island/Marina



o

p

q

Taiwo I. Otiti

Head, Information Technology

r

Francis O. Shobo

Business Development Manager, Port Harcourt



q

r

s

Adebisi O. Soluade

Chief Internal Auditor



s

Branch Network

Branch Network Contd

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. Osisioma Branch
Osisioma Industrial
Layout, Aba.
11. Umuahia Branch.
1 Mayne Road,
P.M.B. 7017, Umuahia,
Tel.: 088-222986, 220465
220319
12. Umuahia Market Branch.
No. 1 Okwulehie Avenue,
P.M.B 7301, Umuahia.
088-224000, 223332,
223335.

ADAMAWA STATE

13. Dumne Agency
C/O Yola Main Branch
14. Fufore Branch.
C/O P.M.B. 2050, Yola.
15. Ganye Branch.
P.O. Box 55, Ganye
Tel.: 025-90187.

16. Garkida Branch.
Near Police Station,
P.O. Box 100
Garkida.
17. Gulak Agency.
C/O Michika Branch,
P.M.B. 1001, Michika.
18. Hong Branch.
P.M.B. 1002, Hong.
19. Mayoine Agency
C/O Mayo Belwa Branch.
P.O. Box 06, Mayo Belwa.
20. Mubi Branch
18, Ahmadu Bello Way,
Mubi
08034908127
21. Mayo Belwa Branch
P.O. Box 06, Mayo-Belwa
22. Michika Branch.
P.M.B. 1001, Michika.
23. Numan Branch
47, Gombe Road, Numan
24. Yola (Main) Branch.
42, Galadima Aminu Way
Jimeta, Yola
Tel.: 075-627603, 626582,
626073, Fax: 075-625198.
25. Yola (Market) Branch.
109, Mubi Road,
P.M.B. 2282 Jimeta.
Tel.: 075-624370.

AKWA IBOM STATE

26. Efa Branch.
Near Efa Junction,
P.M.B. 1053, Etinan.
GSM 08034273337.
08027591186
27. Eket Branch.
No. 1 Ekpene Ukpa Road
Eket, Akwa Ibom State.
Tel: 085-701273 &
701124
28. Essene Branch.
Ikot Abasi L.G.A.,
P.M.B.1012, Ikot Abasi.
29. Etinan Branch.
83 Uyo Road,
P.M.B.1042 Etinan.
Tel.: 085-341123, 341052.
30. Ikot Abasi Branch.
1 Ikot Obong Road,
P.M.B. 1021, Ikot Abasi.
Tel.: 085-801124.
31. Ikot Ekpene Branch.
2 Old Stadium Road,
P.M.B.34, Ikot Ekpene.
Tel.: 085-400202,
400723, 200088.
32. Oron Branch
105 Oron Road,
P.M.B. 1040, Oron.

33. Ukam Branch.
Mkpat Enie L.G.A.
P.M.B.5001, Ukam.
34. Utu Etim Ekpo Branch.
P.M.B. 1029,
Utu Etim Ekpo L.G.A.
08029724036, 084-552404
35. Uyo Branch.
1 Oron Road,
P.M.B. 1001 Uyo,
Tel.: 085-200531, 200082.
Fax: 085-200594.
36. Uyo Abak Road Branch
Plot 4, Federal Housing
Estate, Olusegun Obasanjo
Way, Uyo, Akwa Ibom
State.
085-201561, 201552,
201527

ANAMBRA STATE.

37. Abba Branch.
P.M.B.2008, Abagana,
Njikoka L.G.A
Tel.: 046-571106.
38. Awka Branch.
No 6, Azikiwe Avenue,
P.M.B. 5034, Awka.
Tel.: 048-550015
Fax: 048-552247
39. Ekwulobia Branch.
2 Catholic Mission Road,
Ekwulobia - Aguata L.G.A.
Tel.: 046-911449, 463410
40. Ihiala Branch
Onitsha-Owerri Road,
Ihiala.
41. Nimo Branch.
Njikoka L.G.A.
P.M.B.1001, Nimo.
Tel.: 046-581185.
42. Nkpor Branch.
40, New Market Road,
Nkpor-P.M.B. 1626, Nkpor.
43. Nkwele Ezunaka Branch.
Ogidi Ezunaka Road,
P.O. Box 85, Oyi L.G.A.
Tel: 046-210221
44. Nnewi Branch.
13A Onitsha Road,
P.M.B.5015, Nnewi.
Tel.: 046-460086, 461125,
461877 Fax 461004
45. Nnewi Bank Road Branch
9/11 Edo Ezemewi Road,
P.M.B. 5042, Nnewi
46. Nnewi Cash Centre.
Nkwo Market,
C/O Nnewi Branch.
47. Ogbunike Branch.
P.M.B. 7, Ogbunike.
Tel.: 046-6115599
48. Ogidi Building Material
Mkt Ogidi Building Material
Market, Ogidi.
49. Onitsha (B/Head) Branch.
1 Nkrumah/P.H. Road,
P.M.B. 1603, Onitsha.
Tel.: 046-410731, 413285,
Fax 046-410212.
50. Onitsha (Iweka) Branch.
40 Iweka Road,
P.M.B. 1750, Onitsha.
Tel.: 046-210113.
51. Onitsha (Nwobodo Ave.)
Branch. 6 Nwobodo
Avenue,
P.M.B.1524, Onitsha.
Tel.: 046-217420, 210212.
52. Onitsha (Main) Branch.
19 New Market Road,
P.M.B. 1519, Onitsha.
Tel.: 046- 210244, 211062,
210245-8. Fax: 046-215088.
53. Onitsha, Uga Street Cash
Centre. No 59 Uga Street,
C/o Bridge Head Branch
Onitsha.
54. Otuocha Branch.
Otuocha L.G.A
P.O. Box 82, Otuocha.
55. 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,
56. Onitsha Owerri Rd. Branch,
68, Onitsha Owerri Rd.
Anambra State. PMB 1832
Onitsha. Tel: 046/270786-7
57. Onitsha Upper New Mkt Rd
Branch,
88A, Upper New Market,
Onitsha.
Tel: 046-412325, 413981,
410415, Fax: 413271
58. UNIZIK Branch
Nnamdi Azikiwe University,
Banking PLaza, Awka.
08088950075, 08036726096
59. Ugwuagba-Obosi Mkt Br.
15, Pope John Paul
Avenue, Ugwuagba-Obosi,
Onitsha. Tel: 046-270795

BAUCHI STATE

60. Bauchi Branch.
Nassarawa Road G.R.A.
P.M.B. 53, Bauchi,
Tel.: 077-542024, 543680.
Fax: 077- 543680.
61. Bauchi Central Market
Branch
Bauchi Central Mkt.
Branch 1,
Illelah street, Bauchi
07032307662
62. Burra Branch.
Ningi L.G.A.
P.M.B. 53, Bauchi.

Branch Network

Branch Network Contd

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

64. Gamawa Branch.
Barkin Kasuwa,
P.O. Box 4, Gamawa.

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

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

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

68. Tafawa Balewa Branch.
Bununu Road,
P.M.B. 1, Tafawa Balewa

69. Yana Branch.
Kano Road,
P.M.B. 6, Yana.

BAYELSA STATE.

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

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

BENUE STATE.

72. Gboko Branch
1, Captain Downes Road,
Gboko

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

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

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

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

77. Oturkpo Modern Market
branch
Oturkpo Modern Market
08062525604, 08037020413

78. Vandeikya Branch.
P. M. B. 5, Vandeikya.

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

BORNO STATE

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

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

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

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

84. Maiduguri Kano Road
Branch
Maiduguri Kano Road,
Maiduguri.
Tel: 076-372372, 371371
08061552769

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

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

87. UbaKumagum Branch.
MubiYola
P.O. Box 1005

CROSS RIVER STATE

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

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

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

91. Ekori Branch
Ekori, Yakurr L.G.A.
P. O. Box 90, Ekori.

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

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

94. Tinapa Branch
Tinapa Bus Resort,
Line Shop 11b,
Calabar.
Tel: 048-880091
08037137058
08051123437

DELTA STATE

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

96. Agbor Branch.
Old Lagos/Asaba Road,
Tel. 05625440, 25323
052- 255703, 053-256836
053-340362

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

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

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

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

101. Ekpam Branch.
60, NNPC Housing Estate
Rd., Ekpam, Delta State.
Tel: 053-253011, 320435,
320484

102. Ewreni Branch.
Uvwreni Quarters,
Ewreni
C/O P.M.B.30, Ughelli.

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

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

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

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

107. Warri Airport Road Branch
115 Airport Road Warri
Tel: BM - 08036683358
HBO - 08033749003
HOS:-08033331951
RMO:-08027578459

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

109. Warri Airport Road J
unction Branch,
124, Sapele/Effurun Road,
Warri.
Tel:053-254063, 250063

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

EBONYI STATE.

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

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

113. Akanu Ibiam Federal Poly
Cash Centre
Akanu Ibiam Federal Poly,
Abakaliki

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

EDO STATE

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

116. Auchi Branch
40 B Auchi Road

117. Benin Aduwawa Branch
Benin/Agbor Road,
Besides Doris
Dey Lodge, Edo State.

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

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

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

Branch Network

Branch Network Contd

121. Benin (NNPC) Agency.
C/O Benin (King's Square) Branch.
P.M.B 1026, Benin City.
122. Benin (Oregbeni) Branch.
10 Benin/Agbor Road,
P.M.B. 1002, Benin City,
Tel.: 052-254708
Tel/Fax. 052-253975.
123. Benin Oregbeni 11
Benin Agbor Road,
Besides Doris
Dey, Lodge
Tel: 052-258593
124. Sakponba Branch,
No 43, Sakponba Rd
Benin City.P.M.B.1133
Benin City.
Tel/Fax: 052/450777
125. Benin M.M.Way Branch,
No. 169 M.M.Way,
Benin City.
Tel.: 052-259739
126. Benin Upper Sakponba
Branch. No. 43 Upper
Sakponba Rd, PMB 1106,
Benin City
Tel:052/256987
052/251661
127. Benin Uselu Branch.
24, Uselu Lagos Rd.
PMB 1027, Benin,
Edo State
Tel -052-250794
128. Benin Sapele Rd Branch,
No. 155 Sapele Rd,
Benin City
Tel 052-258356
129. New Benin Market Branch,
No.30 New Lagos Rd,
Benin City
Tel:052-259150
130. Ambrose Alli University
Cash Centre. Ekpoma.
131. Ekpoma Branch.
Market Road, Eguare,
P.O. Box 7, Ekpoma.
Tel. 053-98394, 98439
256812
132. SabongidaOra Branch.
64, Obe Street,
P.M.B. 102, SabongidaOra.
Tel. 057-54093
133. Benin, Siluko Branch
No. 128, Siluko Rd,
PMB 1053, Benin City,
Edo State.
Tel: 052 256965,
600899-900, Fax: 254416
134. Benin,Ugbowo Branch.
189, Ugbowo Road,
Benin City..
Tel: 052-600301,
052-600305
135. Uromi Branch.
No.9 Ubijia Road, Uromi.
- EKITI STATE.**
136. Ado Ekiti Branch.
10 Ajilosun Street,
P.M.B. 5365, Ado Ekiti.
Tel.: 030-256561,
240725, 240561
137. Efon-Alaye Branch.
Erekesan Market,
P.M.B 37, Efon-Alaye.
138. Emure-Ekiti Branch.
2 Oke Emure Street,
P O Box 613 Emure-Ekiti.
139. Erinjijan Ekiti Branch.
Iwaro Street,
P. M. B. 5006,
Aramoko-Ekiti.
140. Ifaki-Ekiti Branch.
25 Temidire Street,
Ikole Road,
P.M.B. 21, Ifaki-Ekiti.
141. Ikere-Ekiti Branch.
113 Ado Road, Idemo,
P.M.B. 7275, Ikere-Ekiti.
Tel.: 030-610545.
142. Ikole-Ekiti Branch.
Oba Adeleye Road,
P.M.B. 5009, Ikole-Ekiti.
Tel.: 030-440611.
143. Ilasa-Ekiti Branch.
White House,
Oke-Odo Street,
P.M.B. 5020,
Ilasa-Ekiti.
144. Okemesi-Ekiti Branch
Odo-Ese Street,
P. M. B. 01, Okemesi-Ekiti.
- ENUGU STATE**
145. Eha Amufu Cash Centre
Along Eha- Amufu-
Ikom/Obollo-Afor Road
146. Emene Ind. Estate Branch.
1 Bank Road,
P.O. Box 8 Enugu.
Tel.: 042-559275.
147. Enugu Ogbete Market
Cash Centre
Akwatta Area, Ogbette
Market, Enugu.
148. Enugu (Ogui Road) Branch.
95, Ogui Road, Enugu.
Tel: 042-252464, 254071,
255058
149. Enugu (Uwani) Branch.
26 Zik Avenue,
P.M.B. 1237, Enugu.
Tel.: 042-257382
150. Enugu (Main) Branch.
21 Okpara Avenue,
P.M.B. 1008, Enugu,
Tel.: 042-253583, 258784
Fax: 042-254755
151. Enugu UNTH Branch
UNTH , Enugu
152. Enugu New Haven Branch.
22, Chime Avenue, Enugu.
042-253663, 252980,
08033795314
153. Ikem Branch.
C/O Postal Agency
Via Nsukka.
P.M.B. 1008, Enugu.
154. Inyi Branch.
P.O. Box 183, Inyi.
155. Nsukka Branch.
116 Enugu Road,
Nsukka.
Tel.: 042-771743
156. 9th Mile Corner Branch
47A Old Onitsha Rd.
9th Mile Corner, Ngwo
157. Obollo Afor Cash Centre.
No. 1 Orba Road,
Obollo Afor,
Udenu Local Govt. Area
Enugu.
158. Orba Branch,
Orba Udenu L.G.A.
P.M B 2079 Nsukka.
042-770488
159. Ovoko Branch.
Ovoko Via Nsukka,
P.M.B. 2083, Igbo-Eze,
Tel.: 042-771738.
- FEDERAL CAPITAL
TERRITORY (ABUJA)**
160. Abaji Branch.
C/O P.O. Box 45, Abuja.
161. Abuja Asokoro Branch
85, Yakubu Gowon
Crescent, Asokoro
Tel: 09-8723270,
8723271,8723274
162. Abuja Banex Plaza Branch
Banex Plaza, Plot 760
Aminu Kano Crescent,
Wuse II Abuja
09-4619600, 4619608
163. Abuja Dei Dei Market
Branch
Abuja Regional Market Dei
Dei. Abuja.
164. Abuja (Garki) Branch.
Abuja Festival Road,
Area 3, Garki,
P.O. Box 45, Abuja.
Tel.: 09-2341070-3
Fax: 09-2341071.
165. Abuja Garki Modern Mkt
Abuja Garki Modern
Market, Garki, Abuja.
166. Abuja Jos Street Branch,
Plot 451, Jos Street, \
Area 3, Garki.
Tel: 09-2344724, 2343889
167. Abuja Main Branch.
Plot 777, M. Buhari Way,
Central Business Area,
Abuja.
Tel.: 09-4619191, 2346819,
2346820.
168. Abuja (Nnamdi Azikiwe
Int.Airport) Branch. Local
Wing, Abuja Airport Abuja.
Tel.: 09-8100121; 8100120.
169. Abuja(NationalAssembly
Complex) Branch . White
House(Basement Room
HB26) 3 Arms Zone
TEL 09-2347881,2347848.
170. Abuja,Gwagwalada Branch,
No. 5, Park Road, Off
Abuja/Abaji Road,
Gwagwalada, FCT, Abuja
Tel: 09-8820015,.
171. Abuja,Karu Branch
Abuja-Keffi Road,
Mararaba, Karu LGA,
FCT, Abuja.
Tel: 09 6703827
172. Abuja Kubwa Branch
Plot B3, Gado Nasko Road,
Opp Total Filling Station,
Phase 2, Site 2 kubwa,
Abuja, FCT
09-8723272, 8723273,
8723269
173. Abuja New Wuse Mkt
Mambolo Street
Wuse Zone 2, Abuja
Tel: 098-723275, 723278
723276
174. Abuja Shipper's Plaza
Branch,
Plot 438 Michael Okpara
Way, Zone 5, Abuja
Tel: 09 5241440,
5241442, 69710750,
Fax 5241441
175. Abuja,Wuse Branch,
Russel Centre, Block 2097,
Herbert Marcaulay Way,
Zone 5, FCT, Abuja. Tel: 09-
5240144-148
Fax: 09-5240147.
176. Abuja,Zuba Branch,
Motor Spare Parts Market,
Zuba, FCT, Abuja.
Tel: 09-5242318.
177. Abuja Zuba II
Along Kaduna Express Road,
Opp Total Filling Station
Zuba, Abuja.
09-7818906, 7818911
7818926
178. Abuja Bolingo Hotels &
Towers Complex FCT, Branch,
Abuja, Independence
Avenue, Area 10, Garki
Abuja.
Tel: 09 2344571, 6710795.
- GOMBE STATE.**
179. Gombe Branch.
Biu Road,
P.M.B. 1, Gombe.
Tel.: 072-222133, 222134
222135, 223214, 223318
180. Kaltungo Branch
GombeYola Road,
P.O. Box 40, Kaltungo.

Branch Network

Branch Network Contd

IMO STATE.

181. Akatta Branch.
Orlu L.G.A.
P.M.B. 6, Akatta.
083-305431
182. Akokwa Branch
No 24 Old Onitsha Road,
PMB 10 Akokwa, Imo State
08058533697, 083-302570
183. Amaraku Branch.
P.M.B. 1, Amaraku.
184. Okigwe Branch
184 Owerri Road, Okigwe,
042-420166, 420470, 420109
185. Okigwe Lokpanta Cash
Centre, Lokpanta Village
08051023757, 08023745282.
186. Okwelle Branch.
P.M.B. 57, Okwelle.
Okigwe.
187. Owerri (Main) Branch.
11/12 Assumpta Avenue,
P.M.B. 1060, Owerri,
Tel.: 083-230900, 232772
Fax: 083-231586
188. Owerri (Douglas
Road) Branch.
79 Douglas Rd.,
Owerri.
Tel.: 083-230900
189. Umuowa Branch.
C/O Owerri Branch,
P.M.B. 175, Orlu.
Tel.: 083-520665
190. Urualla Branch.
C/O Ideato North L.G.A.
P.M.B. 2, Urualla, Owerri.

JIGAWA STATE.

191. Hadejia Branch.
14 Kano Road,
P.O. Box 83, Hadejia.
Tel. 078-20614, 20856
192. Dutse Branch.
Damaturu Road,
C/O P.M.B. 3005, Kano.
Tel.: 064-721380, 721512.
Fax: 069-721380

KADUNA STATE.

193. Kaduna (Bank Road)
Branch.
14 Bank Road,
P.M.B. 2065, Kaduna.
Tel.: 062-245454; 243332.
194. Kaduna Central Market
Branch.
Broadcasting Road,
Abubakar Gumi Market,
Kaduna.
Tel: 08033117654
195. Kaduna Kawo Branch.
Tel.: 062-317594, 237594.
Fax: 318354

196. Kaduna (Main) Branch.
Yakubu Gowon Way,
P.M.B. 2065, Kaduna.
Tel.: 062-246155, 243858
Fax: 062-243955, 246854,
249464.
197. Kaduna South Branch.
Kachia Road,
P.M.B. 2084, Kaduna.
Tel.: 062-231021, 232880.
198. Kaduna, Tudun Wada
Branch. No DB 39, Nnamdi
Azikiwe Way, Kaduna.
Tel: 062-415849, 415851-3.
199. Kafanchan Branch.
No. 7 Kagoro Road,
P.M.B. 1019, Kafanchan.
Tel.: 061-20141, 20145.
Fax: 061- 20145
200. Samaru Branch.
Sokoto Road
P.M.B. 02, Samaru, Zaria.
Tel. 069-550983, 551612
554884; Fax 550092,
551160, 550692.
201. Saminaka Branch.
Ahmadu Bello Way,
Near Lere Local Govt.
Authority Secretariat,
Lere L.G.A.
Kaduna State.
202. Zaria Branch.
1 Crescent Road,
P. M. B. 1006, Zaria.
Tel.: 069-330660, 332425;
333458. Fax: 330660

KANO STATE

203. Mallam Aminu Kano Int'l
Airport Branch.
C/O P.M.B. 3005, Kano.
Tel.: 064-633255
204. Kano Bello Road Branch,
16/17, Bello Road, Kano.
Tel: 064-648959 or 649626
205. Kano (Bompai) Branch.
Dantata Road,
P.M.B. 3284, Kano,
Tel.: 064-633480.
Fax: 064-646743.
206. Kano Dawanau Branch.
Kano.
Dawanau Grains Market,
Kano.
Tel: 064-316708/9
207. Kano (Fagge Ta Kudu)
Branch.
15 Fagge Road,
P.M.B. 3077, Kano.
Tel.: 064-631545,
645961, 645871
Fax: 064-640738
208. Kano Kofar Ruwa
Kano Kofa Ruwar
064-638202, 638201
638203

209. Kano (Main) Branch.
10 Lagos Street,
P.M.B. 3005, Kano.
Tel.: 064-633280, 632706,
637839, 630574, 636573,
630070
Fax: 064-644565
210. Kano (Zoo Road) Branch.,
ABI House
C/O P.M.B. 3166, Kano.
Tel.: 064-661905
Fax: 666766.
211. Kano (Bagauda Lake)
Agency.
Bagauda Lake Hotel,
C/O Kano (Main) Branch,
P.M.B. 3005, Kano.
Tel.: 064-633280, 630573.
Fax: 064-644565.
212. Kano Club Road Branch.
595 Club Road,
P.M.B. 3005, Kano.
Tel.: 064-635027, 630709
630648, Fax: 649266
213. Muhammadu
Abubakar Rimi Market
Branch
C/O Kano (Main) Branch,
P.M.B. 3005, Kano.
Tel.: 064-644507

KATSINA STATE

214. Daura Branch
Funtua Branch,
Sokoto/Gusau
Road, P.M.B. 6013, Funtua.
215. Funtua Branch.
Sokoto/Gusau Road,
P.M.B. 6013, Funtua.
Tel.: 064-770348, 333830
Fax: 064-770019
216. Katsina Branch.
3 Ibrahim Babangida Way,
P.M.B. 2032, Katsina.
Tel.: 065-430863, 431588
Fax: 065-431588
217. Malumfashi Branch.
Funtua Road,
P.M.B. 1011, Malumfashi.
Tel.: 065-80058, 80169.

KEBBI STATE

218. Birnin Kebbi Branch.
40 Muritala Mohammed
Way,
C/O P.M.B. 3005, Kano.
Tel.: 068-321911, 320662
Fax: 321664
219. Kamba Branch.
Secretariat Road,
C/O P.M.B. 2116, Sokoto.
220. Maiyama Branch.
Maiyama Town,
C/O P.M.B. 2116, Sokoto.
221. Zuru Branch.
Kontagora Town Road,
P.M.B. 1003, Zuru,
Tel.: 067-650205. Fax:
670709.

KOGI STATE

222. Abejukolo Branch.
Ankpa Road,
P.M.B. 1000, Abejukolo.
223. Ajaokuta Branch.
P.M.B. 1007, Okene.
Tel.: 031-400581.
224. Akpanya Branch.
Agbedo Akpanya,
P.M.B. 1011, Idah.
225. Ajaokuta Steel Mill
Complex
Cash Centre,
Ajaokuta Steel
Complex. Ground Floor.
P.M.B 1007, Ajaokuta.
058-400540
ext 3429, 400481,
Fax: 400581
226. Ankpa Branch, 16, Tafawa
Balewa Road, PMB 1011,
Ankpa.
227. Ayangba Branch, Idah Road,
P.M.B. 1002,
Dekina-Ayangba.
228. Egbe Branch.
Federal Road,
P.M.B. 205, Egbe.
229. Isanlu-Yagba Branch.
P.M.B. 1005,
Isanlu-Oyi.
230. Itobe Branch.
Bank Road,
P.M.B. 1001, Idah.
231. Iyamoye Branch.
Aro Quarters,
Along Iyamoye Omuo,
P.M.B. 1002, Iyamoye.
232. Kabba Branch
Along Ilorin Express Way
Kabba, Kogi State.
233. Lokoja Branch.
411 Murtala Moh'd Rd,
P.M.B. 1100, Lokoja.
Tel.: 058-220402, 220767
234. Lokoja II Branch
Ganaja Junction,
Kabba-Okene Rd
PMB 1100 Lokoja
235. Mopa Branch
P.M.B. 2002, Mopa
236. Obajana Branch
Plot 1, Opp. Obajana
Cement Factory Plc
Tel: 080067121286
237. Ogori Branch.
P.M.B. 1073, Ogori.
238. Oguma Branch.
Oguma Road,
P.M.B. 1004, Oguma.

Branch Network

Branch Network Contd

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

KWARA STATE

240. Ilorin Branch.
Obbo Road, Off Wahab
Folawiyo Road,
P.M.B. 1354, Ilorin.
Tel.: 031-221500, 222011
Fax: 031-220128.
241. Ilorin Surulere Branch
159 Abdulazeez Atta Road
Baboko Surulere, Ilorin.
Tel: 08023015731
242. Kosubosu Branch.
P.M.B. 244, Bassa
243. Offa Branch
64, Olofa Way, Offa
08033578864, 08051131290
244. Omu-Aran Branch
Taiwo/Ekan Road
PMB 1011, omu-aran,
Kwara state.
Tel: 08035812774,
08057879681

LAGOS STATE

245. Abattoir Cash Centre.
Lagos State Govt. Abattoir,
Oko-Oba, Agege,
Lagos State.
246. Abibu Adetoro Branch.
51 Abibu Adetoro St,
Off Ajose Adeogun St,
P.M.B. 80137,
Victoria Island, Lagos.
Tel.: 01-2622310
Fax: 01-2622319
247. Abibu-Oki Branch.
A.G. Leventis Building,
42/43 Marina,
P.M.B. 12554, Lagos.
Tel.: 01-2660511, 2660950
Fax: 01-2660302.
248. Abule Egba Branch
440, Lagos Abeokuta
Expressway,
U-Turn Bus Stop,
Abule Egba,
Lagos State
Tel: 01-7618853, 7614542
249. Adeola Odeku Str. Branch.
15B Adeola Odeku Street,
Box 71918,
Victoria Island, Lagos,
Lagos State.
Tel.: 01-2626325, 2617947
2626324-5
250. Adetokunbo Ademola
Branch,
8, Adetokunbo Ademola
Str, V/I, Lagos.
Tel: 01-2704812-4
251. Agege Branch.
254, Agege Motor Rd,
Oko-Oba, Agege,
Lagos.
Tel.: 01-4926129, 4924389
252. Agege Cash Centre.
27, Abeokuta, Motor Rd.,
P.O. Box 65, Agege.
253. Agidingbi Branch
6, Asabi Cole Road,
Off Lateef Jakande Way,
Agidingbi, Ikeja.
Tel: 7739744, 08033521764
7405435. Fax: 5557837
254. Aliko Cement Terminal
Cash Centre,
Aliko Dangote Cement
Depot, Abule Oshun,
Via Satellite Town
255. Ajah Branch
Ajiwe, Ajah, Along Lekki-
Epe Expressway, Lagos.
08023142712
256. Ajah Cash Centre,
Ajah Market,
Eti Osa L.G.A, Lagos.
Tel. 01-4618852
257. Ajegunle Branch.
74 Malu Road,
P.M.B. 1180, Apapa.
Tel.: 01-842238, 873679
258. Akowonjo Branch.
Akowonjo Road,
Akowonjo. Box 14767, Ikeja
Tel.: 01-4705827; 4926440-2,
4926440, 4923785
Fax: 4926438.
259. Alaba Int'l Market Branch.
29, Ojolgbede Rd.
New Alaba, Lagos.
Fax: 01-5894467
Tel.: 01-5894468, 5894463
260. Alaba Int'l Market
Cash Centre.
Densine Mall,
Dobbil Avenue,
Alaba Int'l Market,
Alaba, Lagos.
261. Alaba Rago Mkt.
Cash Centre.
Alaba Rago Market,
Alaba Rago,
Lagos-Badagry
Express Way.
262. Alausa Branch.
Motorways Building
Toll Gate, Alausa Lagos. Tel:
01-4934184
263. Article Market Cash Centre
Article Dealers Asso. (ADA)
Shopping Complex,
Opp. Int'l Trade fair,
Lagos Badagry Exp.
Way, Abule Oshun, Ojo.
264. Apapa Branch.
1 Burma Road,
P.M.B. 1034 Apapa.
Tel.: 01-5451345, 5877116
Fax: 01-5871539

265. Awolowo Road,
116 Awolowo Road, Ikoyi,
Ikoyi-Lagos.
Tel: 01-4630107-9 2694310
Fax: 01-2695857

266. Bariga Branch
10, Jagunmolu Street,
Bariga
01-8752697, 08033053308

267. Broad Street Branch.
214 Broad Street,
(Elephant House),
P.O. Box 2334, Lagos.
Tel.: 01-2643566,
2660620, 2643734,
2643735,
Fax: 2664145
WUMT: 2660588.

268. Chevron-Exaco Branch
Along Chevron Drive,
Chevron Complex, Lekki,
Lagos.
Tel: 01-4616640-2

269. Coker Branch.
Plot 4 Block C
Amuwo Odofin Ind.
Layout,
Orile Iganmu, Lagos.
Tel.: 01-7745182

270. Creek Road Branch,
32, Creek Road, Apapa,
Lagos.
Tel: 01-5876356

271. Daleko Market Branch.
Daleko Market,
Bank Road,
Mushin, Lagos.

272. Dopemu Branch
Deebo Plaza, 618,
Dopemu-Akowonjo Road,
Dopemu Roundabout,
Dopemu, Lagos.
Tel: 01-8133309, 8133310

273. Ebute Metta Branch.
1 Savage Street,
Apapa Road,
P.M.B. 12014,
Ebute Metta.
Tel.: 01-837998, 834477;
7745556.

274. Eko Hotel Cash Centre,
Eko Hotel Victoria Island,
Lagos.
Tel: 01-2623164, 7749773

275. Enu-Owa Cash Centre
62, Enu-Owa Street, Lagos

276. Epe Branch.
P.M.B 1022, Epe.
Tel.: 037-770090, 770541

277. Falomo S/Centre Branch.
Awolowo Road, Ikoyi,
P.M.B 1022, Ikoyi.
Tel. 01-2695506, 2693029.

278. Fed. Secretariat
Complex Branch. Ikoyi,
P.M.B. 12736, Lagos.
Tel.: 01-684745, 684746.
Fax: 01-688056.

279. Festac Branch
32 Road, Festac Town,
Lagos
Tel: 01-5895499, 8511130-1

280. Jibowu Branch.
10, Alakija Street, Jibowu,
Yaba. Lagos.
Tel: 01-7734815, 7734804.

281. Iddo Market Branch,
1, Taylor Road, Iddo.
Tel: 090401521.

282. Idimu Branch
205, Idimu Road, Yem-Kem
Shopping Plaza, Agege,
Lagos State.
Tel: 01-4744464, 8135603,
8235607.

283. Iganmu Branch.
Abebe Village Road,
P.M.B. 126734, Iganmu.
Tel.: 01-833322, 830311,
834331

284. Ijora Branch.
1 Ijora Causeway,
P.O. Box 228 Apapa.
Tel.: 01-, 5871435,
7738884, 7738887
Fax: 01-5454772

285. Iju Branch
159 Iju Road by Fagba
B/Stop
Iju Agege
Tel: 01-2120764

286. Ikeja Branch.
P.O. Box 69, Ikeja.
Tel.: 01-901740-4,
4977862-3
Fax: 01-901744

287. Ikeja Allen Avenue,
58 Allen Avenue,
P.M.B. 21087, Ikeja.
Tel.: 01-4970510

288. Ikeja Military Cantonment
Agency.
Ikeja Military Cantonment,
9th Mechanised Brigade,
Maryland, Ikeja,
C/O Ikeja Branch,
P. O. Box 69, Ikeja.

289. Ikeja Ind. Estate Branch.
Oba Akran Avenue,
P O Box 105, Ikeja.
Tel.: 01-4978541, 4968609
Fax: 01-4978501, 4968610

290. Ikorodu Branch.
88 Lagos Road,
P.M.B. 1005, Ikorodu.
Tel.: 01-780610-2, 7748382
Fax: 01-7745662

291. Ikota Branch.
Ikota Int'l Market.
Ikota Shopping Complex
Victoria Garden City,
P.O. Box 52717, Falomo
Tel.: 01-4618099; 4618099.

292. Ikotun Branch
39, Ikotun-Idimu Rd, Ikotun
Tel: 01-8161220

Branch Network

Branch Network Contd

293. Ilupeju Branch.
Ilupeju Bye-Pass,
P.M.B. 1173, Ikeja.
Tel.: 01-4961063, 4933617,
4930478, 4930693.
294. International Trade Fair
Complex Branch.
Wing B, Hall 2,
Hexagon 9,
Int'l Trade Fair Complex,
Badagry Express Road,
Box 6238 Festac Town,
Lagos.
Tel.: 01-4704437, 3208374
Fax: 01-3208374
295. 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 01-7918350; 7918351
296. International Airport Rd
Branch
25 Murtala Mohammed
International Airport,
Ajao Estate
01-2714538, 2714539
2714540 08023121935
297. Investment House Branch.
21-25 Broad Street, Lagos.
Tel: 01-2640469
298. IPMAN Cash Centre.
1-15 Dockyard Road, Apapa
Lagos. Tel.: 10-79247211-2
299. Isolo Branch.
Apapa/Oshodi Express Way,
Iyana Isolo,
P.M.B. 1034, Mushin,
Tel. 01-4520434, 4520087,
4523662, 4520984.
300. Isolo Industrial Estate
Branch. Limca Way,
Ilasamaja, Lagos State.
Tel: 4520256, 7755331,
5556539
Fax 4528877
301. Iyana Ipaja Branch,
177 Lagos Abeokuta
Express Rd.,
Iyana Ipaja, Lagos.
P.O.Box 3040 Agege,
Tel. 7737622
302. Keffi Street Branch,
4, Keffi Street, Ikoyi, Lagos.
Tel: 01-7732429; 2707180-9
303. Ketu Branch.
101 Ikorodu Road,
P.M.B. 21468, Ikeja.
Tel.: 01-5965474-5.
304. Kofo Abayomi Branch
43 Kofo Abayomi Street,
Apapa
Tel: 01-5803717-9, 7171050
305. Lapal House Branch
235, Igboosere Road,
Obalende, Lagos.
Tel: 01-8923239, 8923269
306. Lekki Branch
Block 90°, Chris Efunyemi
Onanuga Street,
Off Admiralty Way,
Lekki Phase 1
Tel: 01-2793383-4
07028106698
307. Marina Branch.
35 Marina,
P.O. Box 2006, Lagos.
Tel.: 01-2669683- 4, 2669697
308. Matori Branch.
84/88 Ladipo Street,
Papa Ajao,
P.M.B. 1120, Mushin.
Tel.: 01-523713,.
Fax: 01-4528383
309. Moloney Branch.
28 Berkley Street, Lagos.
P.O. Box 2099, Lagos.
Tel.: 01-2635238, 2635758
310. 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
311. M.M. Way Branch.
128 Murtala Moh'd Way,
P.O. Box 1021,
Ebute-Metta.
Tel.: 01-860306
312. Mushin Branch.
197 Agege Motor Road,
Lagos.
Tel: 8744789, 7242483.
08022243015.
313. Navy Town, Ojo Branch.
B.M.U Complex (Road 8)
Satellite Town,
C/O P.M.B 008, Festac Town.
Tel.: 01-5883897, 5890225.
314. Niger House Branch.
1/5 Odunlami Street,
P.M.B. 12883, Lagos.
Tel: 01-2665781, 2664510,
2664476.
315. N.1.J. House Branch.
20 Adeyemo Alakija Street,
Victoria Island,
P.M.B. 50, Falomo.
Tel.: 01-611496, 619312
Fax: 01-616484
316. Oba Akran Road Branch,
46, Oba Akran Avenue,
Ikeja.
Tel: 01-4960303 or 4960304
317. Obun-Eko Branch.
126 N. Azikiwe Street,
P. O. Box 2353, Lagos.
Tel.: 01-2663261, 2666646
Fax: 01-2663109
318. Odun Ade Cash Centre
Shop 1&2, First Floor, Block
2, Agric, Odun Ade, Coker.
Tel: 01-8777734
319. Ogba Branch.
Plot 7, Block C
Acme Road,
P.M.B. 21441, Ikeja.
Tel.: 01-4920049,
4920052, 7938779.
320. Ojo Cantonment
Agency.
Ojo Military Cantonment,
Ojo, Lagos-Badagry Exp.
Road,
C/O P.M.B. 12674, Lagos.
Tel.: 01-888880.
321. Ojodu-Isheri Branch
2, Ojodu-Isheri Road,
Ojodu Berger, Ikeja, Lagos.
Tel:01-3450371, 4925313,
4924383.
322. Ojuwoye Cash Centre
7, Dada Iyalode Str. Off Post
Office Rd. Mushin Lagos
Tel. 01-7918306
323. Oke-Arin Market Branch.
53 Offin Road, Lagos.
Tel.: 01-2641516,
2641554, 2643870
Fax: 01-2643871
324. Oke-Odo Branch,
415, Abeokuta Expressway,
Ile-Epo Bus Stop, Lagos.
P.O.Box 2828 Agege, Lagos.
Tel: 01-4925464, 4920086.
Fax: 01-4925690
325. Okota Branch,
3, Ago Place Way, Okota,
Lagos.
Tel: 01-7948712-3
326. Opebi Branch
Adebola House,
40, Opebi Road,
Off Allen Avenue,
Ikeja-Lagos.
Tel. 01-3450320-2;
01-7918352-3.
327. Oregon Ind. Estate Branch.
Plot 2B Adewunmi Close,
P.M.B. 21444, Ikeja.
Tel.: 01-4970410, 4934875.
328. Osapa London Branch
Kilometer 7, Lekki-Epe
Expressway, Osapa-London,
Lekki. Tel: 7317600,
08023294717
329. Oshodi Branch
471 Agege Motors Road,
Oshodi. Tel-7948714 5.
330. Oshodi Cantonment
Agency.
C/O Ilupeju Branch,
P.M.B. 1173, Ikeja,
Lagos.
331. Oshodi-Mile 2 Expressway
Branch,
Plot 104 Oshodi Mile 2
Expressway, Near Cele
Bus-stop, Lagos.
Tel: 01-8112185, 8049281
332. Owode Branch.
Ibeshe Road,
P.M.B. 231, Ikorodu.
Tel.: 037-7745560,
01-4930536
Fax Line: 01-4930536
333. Seme Border Cash Centre
Nigeria Customs Ground,
Seme Border
334. Shell Agency
Shell Petroleum & Dev.
Company,
Freeman House,
G.P.O. 2006 Marina.
Tel.: 01-2601600 616.
Fax: 01-2636681.
335. Shomolu Branch.
Moyosore House
Onipan, Ikorodu Road,
P. O. Box 04, Shomolu.
Tel.: 01-7745763.
336. Stock Exchange House
Branch.
Customs Street,
P. O. Box 7685, Lagos.
Tel.: 01-2661685, 2661696,
2668195.
Fax: 01-2661701
337. Sura Cash Centre.
Sura Shopping Centre,
Lagos.
338. Surulere Branch.
17 Itire Road,
P. O. Box 273, Surulere.
Tel. 01-5848733, 831110,
835515
339. Surulere S/Centre Branch.
84 Adeniran Ogunsanya St,
C/O P. O. Box 273, Surulere.
Tel.: 01-5850831
340. Tin Can Island Branch.
Tin Can Island Port
Complex,
Off Apapa/Oshodi
Express Road,
P.M.B. 1019, Apapa.
Tel.: 01-871307, 873096
341. Toyin Olowu Branch
14A, Olowu Street, Off
Toyin Street, Ikeja, Lagos.
Tel: 01-8987988, 8987993.
342. Trinity Branch, Olodi-
Apapa,
No. 1, Industrial Road,
By Trinity Police Station,
Olodi Apapa, Lagos.
Tel: 01-8112183, 8112184
343. Western House Branch.
8/10 Broad Street,
P. O. Box 2135, Lagos.
Tel.: 01-2634930, 2636499
Fax: 01-2636642
344. Willoughby Branch
9A Willoughby Street,
Ebute Metta.
08033385084, 01-8536747
01 7303615, 7303657,
7303658, 7303659.

Branch Network

Branch Network Contd

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

NASARAWA STATE

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

NIGER STATE

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

348. Kagara Branch.
P.M.B. 1, Kagara.

349. Katcha Branch.
C/O Postal Agency
Katcha.

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

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

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

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

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

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

OGUN STATE

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

357. Abeokuta II Branch
Onikolobo Road,
Abeokuta.
Tel: 039-976457,
08033056581, 08033581001

358. Agbara Ind. Estate Branch.
Ilaro Street,
P.M.B. 012, Agbara.
Tel.: 01-7745552, 712043,
712041

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

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

361. Mosinmi Branch,
NNPC/PPMC Complex,
Mosinmi. C/o Sagamu
Branch.

362. Ogbere Branch.
Old Benin Road,
P.M.B. 1005, Ogbere.

363. OPIC Cattle, Oluwanishola
Cattle Market,
OPIC Estate, Isheri.

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

365. Ota II Branch
241, Idiroko Road,
Ota, Ogun State.
Tel: 7614543, 7618854
08037156569

366. Shagamu Branch.
Akarigbo Street,
P.M.B. 2008, Sagamu.
Tel.: 037-640701
Fax: 037-640331

ONDO STATE

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

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

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

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

371. Igbokoda Branch.
30, Broad Street,
P.M.B. 339, Igbokoda.

372. Ikaram-Akoko Branch.
Oyagi Quarters,
P. O. Box 001,
Ikaram-Akoko.

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

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

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

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

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

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

OSUN STATE

379. Ede Branch.
No. 117 Station Road,
P.M.B. 217,
Ede, Osun State.
Tel.: 035-360175, 360105,
360565, 360138

380. Erin Osun Branch.
Council Road, Erin-Osun
P.M.B. 5001, Erin -Osun.

381. Ijebu-Jesa Branch.
A59 Oja Street,
P.M.B. 1003, Ijebu-Jesa.

382. Ilesa Branch.
Ereja Street,
P.M.B. 5016, Ilesa.
Tel.: 036-460355, 460631

383. Ile-Ife Branch.
27 Lagere Layout,
P.M.B. 5534, Ile-Ife.
Tel.: 036-233464-5
Fax: 036-231248

384. Inisa Branch.
Market Square,
P.M.B. 2007, Inisa.

385. Ipetu-Ijesa Branch.
Palace Square, Oke-Oja.
P.M.B. 2003,
Ipetu-Ijesa.

386. Iseyin Branch
10/12 Oremoje Area,
Saki Rd.
P.M.B. 2020 Iseyin.

387. Oshogbo Gbongan Branch
Gbodofon Osogbo, Osun
State.

388. Osogbo Branch.
152 Station Road,
P.M.B. 301, Osogbo.
Tel.: 035-230135, 234449

OYO STATE

389. Ibadan, Apata Branch
SW9/960, Apata Ganga
PMB 5386 Ibadan.
Tel: 02/2319937-
Fax: 02/2310237

390. Awe Branch.
Ife-Odan Road,
P.M.B. 1017, Awe.
Tel.: 038-230663

391. 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

392. Ibadan (Agodi) Branch.
Oyo State Secretariat,
P.M.B. 5153, Ibadan.
Tel.: 02-2412981, 8102981,
8101231, 8103924, 8102931

393. Ibadan (Amunigun) Branch.
Amunigun Street,
P.M.B. 5120, Ibadan,
Tel.: 02-2413616, 2411653
Fax: 2411579.

394. Ibadan (Bank Road) Branch.
Bank Road,
P.M.B. 5111, Ibadan.
Tel.: 02-2413156, 2413042
Fax: 02-2413659

395. Ibadan Bola Ige-Business
Complex Branch
(formerly Gbagi Market)
Branch., Shop D 30,
C/O Bank Road Branch,
P.M.B. 5111, Ibadan.

396. Ibadan (I.I.T.A) Agency.
Tel: 02-2413765,
2411521, 2412995.
C/O Ibadan (Main) Branch,
P.M.B. 5111, Ibadan.

397. Ibadan (Molete) Branch.
48 Molete/Challenge Road,
Ibadan. P.M.B. 086, Mapo,
Ibadan.,
Tel.: 02-2319784, 2319906

398. Ibadan Mokola Branch
P.M.B. 5040, Dugbe, Ibadan.

399. Ibadan (Oluyole Estate)
Branch. 7, Town Planning
Way, Oluyole Industrial
Estate
P.M.B. 5181, Ibadan.
Tel.: 02-2316586

400. Ibadan (Orita Challenge)
Branch., Old Lagos Road,
P.M.B. 5125, Ibadan.
Tel.: 02-2311047
Fax: 02-2314462

401. Ibadan (U.I) Branch.
P.M.B. 128, U.I. Post Office.
Tel.: 02-8103902

402. Ibadan (Iwo Road) Branch.
59, Iwo Road, Ibadan.
Tel: 02-713680, 713681

403. Ogbomoso Branch.
Akinwale Street,
Tackie Square, P.M.B. 3591,
Ogbomoso. Tel.: 038
710801, 710089, Fax 721479

Branch Network

Branch Network Contd

404. Oko Branch.
Osogbo Road, P.M.B. 4008,
Ejigbo.

405. Oyo Branch.
Asogo Street, P.M.B. 1002,
Oyo.
Tel.: 038-230437, 230108

406. Saki Branch.
Sango Road
Ajegunle, Saki
Tel.: 038-900015

PLATEAU STATE

407. Amper Agency.
C/O Mangu Branch,
P. O. Box 60, Mangu.

408. Barkin-Ladi Branch.
Block 25 A&B,
State Low Cost,
P.M.B. 2007, Barkin-Ladi.
Tel.: 023-92002

409. Bassa Branch.
P. O. Box 1377, Bassa.
073-464829.

410. Bukuru Branch.
31 Bukuru Road,
P.M.B. 2002, Bukuru.
Tel.: 073-280807, 280273

411. Bukuru Police College
Agency.
Police College Bukuru,
P.M.B 02, Bukuru.

412. Jos (Gov. Sect.) Branch.
C/O Govt. Secretariat,
Jos.
Tel. 073-464706
073 464770
073 - 464796

413. Jos (Main) Branch.
Bank Street,
P.M.B. 2027, Jos.
Tel.: 073-452302, 452245,
452546, 459654, 452733
Fax: 073- 452961

414. Jos (Market) Branch.
Market Road,
P.M.B. 467, Jos.
Tel.: 073- 453933
Fax: 073-457629, 451194

415. Jos (Unijos) Branch.
2 Bauchi Road Campus.
C/O P.M.B. 2027, Jos.
Tel.: 073-610592, 458556.

416. Kurgwi Branch.
C/O Lafia Branch,
P.M.B. 5, Lafia.

417. Mangu Branch.
P.O. Box 60, Mangu

RIVERS STATE

418. Bonny Branch.
2 New Road,
Bonny. Tel: 084-270123,
270153.

419. Bonny Hospital Road
Branch,
24, Hospital Road,
Bonny Island.
Tel:084-270136, 270137

420. Bonny NLNG Branch
NLNG Residential Area,
Bonny.
Tel: 084-232900 Ext 493

421. Port Harcourt (Diobu)
Branch.
33 Ikwerre Road, Diobu
P.O. Box 5007,
Port Harcourt.
Tel.: 084-232269 /
FAX: 084-232268.

422. PH Garrison Branch,
1, Agudama Ave, D Line,
PH. Tel: 084-236000,
236001-2.

423. Port Harcourt (Main)
Branch.
22/24 Aba Road,
Port Harcourt.
Tel.:084-232407,
232644, 231789
Fax: 084-234277

424. PH Olu Obasanjo Rd,
Branch,

346. Olu Obasanjo Rd, PH.
Tel: 084-230251,
230253, 230262-3,
Fax: 238529

425. Port Harcourt
Rumuokwursi Branch
315, P/H/Aba Road, (Izzi
House), P.M.B. 5736, Port
Harcourt, Tel.: 084-612383,
612663, Fax: 084-612660

426. Port Harcourt Rumuomasi
Branch Aba Road,
P. O.Box 646,
Port Harcourt.
Tel.: 084-332031,
Fax: 084331491

427. Port Harcourt (Station
Road) Branch.
11 Okrika Road,
Port Harcourt
P.M.B. 5007, Port Harcourt.
Tel.: 084-572852, 233597,
Fax: 233598

428. Port Harcourt (Harbour
Road) Branch.
1, Harbour Road,
P.M.B. 6197, Port Harcourt.
Tel. 084-231786
Fax: 084-232207.

429. Port Harcourt (Trans-Amadi)
Branch.
Plot 745, Trans-Amadi
Ind. Estate,
P.M.B. 5865,
Port Harcourt.
Tel.: 084-233780

430. Shell (P/H) Branch.
Shell Complex, P. Harcourt.

SOKOTO STATE

431. Sokoto (Dan Fodio) Branch.
Abdullahi Fodio Road,
P.M.B. 2116, Sokoto.
Tel.: 060-232130
Fax: 060-234369

432. Gidan Madi Agency.
C/O Sokoto (Main) Branch,
P.M.B. 2116, Sokoto.

433. Illeila Branch.
Birnin Konni Road,
C/O Sokoto (Main) Branch,
P.M.B. 2116, Sokoto.

434. Sokoto (Main) Branch.
Kano Road
P.M.B. 2160, Sokoto,
Tel.: 060-231251, 231235
232967, 237483
Fax: 060-231978

435. Tambawal
Opposite Health Centre,
P.M.B. 1082, Tambawal.
Tel.: 060-550378

TARABA STATE

436. Bambur Branch.
C/O Yola (Main) Branch,
P.M.B. 2050, Yola.

437. Jalingo Branch.
65 Barde Way,
P.M.B. 1095, Jalingo.
Tel/Fax: 079-222098,
223244.

438. Karim Lamido Branch.
P.M.B. 4, Yola.

439. Lau Branch.
P.M.B. 4, Lau.

440. Mayo Ndaga Branch.
C/O Yola (Main) Branch,
P.M.B. 2050, Yola.

441. Zing Branch.
C/O Yola (Main),
P.M.B. 2050,
Yola.

YOBE STATE

442. Damaturu Branch.
Gashua Road,
P.M.B. 1009, Damaturu.
Tel.: 076-522980, 522545
Fax: 522543

443. Damagun Agency.
C/o Damaturu Branch
Gashua Road,
P.M.B. 1009,Damaturu.
Tel.: 076-522980.
Fax: 076-522545.

444. Gashua Branch.
Opposite Market,
P.M.B. 04, Gashua.
Tel.: 076-700563

445. Geidam Branch.
Commercial Area,
P.M.B. 12, Nguru.

446. Nguru Branch.
Ali Kahtan Road,
P.M.B. 12, Nguru.
Tel: 076-740255, 420485

447. Potiskum Branch.
Ibrahim Alkali Road,
P.M.B. 46, Potiskum.
Tel.: 076- 420042

ZAMFARA STATE

448. Anka Branch.
Daki Takwas Road,
P.M.B. 1003, Anka,
Tel.: 063-36139, 200243,
203202 Fax: 202261

449. Bakura Branch.
Opposite Bakura Central
Mosque, Bakura,
Zamfara State.
08045924317

450. Gummi Branch.
Opposite L.G.A.
Secretariat,
P.M.B. 02, Gummi.
Tel.: 063-73163, 73168

451. Gusau Branch.
Canteen Area,
P.M.B. 1019, Gusau.
Tel.: 063-200243, 203202
Fax: 063-202261

452. Kaura Namoda Branch.
Gusau Road,
P.M.B. 1002, K/Namoda.
Tel.: 063-60173

453. Shinkafi Branch.
Isa/Gusau Road,
P.M.B. 02, Shinkafi.

Subsidiaries' Locations

1. FBN Bank (UK) Limited
28, Finsbury Circus, London
EC2M7DT. England, UK
Tel: 44 207 920 4920
Fax: 44 207 920 4970
2. First Funds Limited
27/29, Biaduo Street,
Off Keffi 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 Nigeria 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 Nigeria Limited
124 Awolowo Road, Ikoyi, Lagos.
Tel: 01- 2713220-1, 012694787,
2692839.
9. FBN Bureau De Change Limited
Niger House Building,
1/5 Odunlami Street, Lagos.
Tel: 01-2661041.
10. FBN MicroFinance Bank Limited
(In formation)
93, Broad Street, Lagos.

Tel: 08023238713

11. South Africa Representative Office
10th Floor, The Forum
Sandton Square Building,
2, Maude Street, P.O. Box 784796
Sandton 2146, Johannesburg South Africa.
Tel: +27 11 7849922, 7849925
Fax: +27 11 7849806.

FirstBank Associate Company

1. 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.
4. Consolidated Discount House Ltd
Bull Plaza, 5-8 floor,
54 Marina, Lagos.
5. Nigerian Inter-Bank Settlement System Plc
10th Floor, ICON House,
Plot 999F, Idejo Street,
Off Adeola Odeku Street,
Victoria Island, Lagos.

Business Development Offices

Bus Dev. Offices	Bus Dev Managers	Telephone Numbers/Fax	Office Address	States
Aba	Nkiru Harris-Eze	082-227130/221178, 220243 224462 Fax: 082-220049, 08077191049, 08022902159	2, Factory Rd, Aba P.M.B. 7152, Aba	Abia
Abuja I	Abdullahi S. Mohammed	09-6700264, 2340556, 2346614, 7800234, 2340567. Fax: 09-2346829, 2345753, 08022237009, 08056168841	Plot 777, Muhammed Buhari Way, Abuja	FCT, Nasarawa
Abuja II	Gbenga Odeyemi	08022242198	First Bank Monbobo Crescent (Abuja) Abuja E, Wuse Market	FCT
Akure	Oladele Bakare	034-243799, 243145 Fax: 034-243501, 08035622077	2nd Floor, Tisco Building, Opp Mr. Biggs Along Ado-Owo Rd. Akure	Ekiti, Ondo
Apapa I	Henrietta Mba	01-2715119, 08024495126 Fax: 01-5876361	32 Creek Road, Apapa, Lagos	Lagos
Apapa II	Aka C Ezebele	01-7731455, 08022901978	Isolo Branch, Apapa/Oshodi Exp Way Iyana Isolo P.M.B. 1034, Mushin	Lagos
Awka	Columbus T Ndifon	08033013372, 08052399610	Onitsha Upper New Mkt. Rd. Branch	Anambra
Bauchi	Sulaiman Abdulkadir	077-540085, 361939, 543680, Fax: 077-540168 08045237199, 08033149001	Nassarawa Road GRA P.M.B. 53, Bauchi	Gombe, Bauchi
Benin	George Adepegba	052-259130, 259494, 259546 Fax: 052-251113 or 258085, 08028086262	67, Akpakpava Road, Benin-City	Edo
Calabar	Takis Etim Caiafas	087-239576, Fax: 087-239577, 08023157551, 08022903680	c/o Calabar Main Branch, Calabar Rd. P.M.B. 1020, Calabar	Cross River
Enugu	Mrs. Nwanneka Okolo	042-255649, 250040, 257262 Fax: 256456, 08033096992, 08055070761, 08025366966	21, Okpara Avenue, P.M.B. 1391, Enugu	Ebonyi, Enugu
Ekiti	Ajibade Oladimeji	08023159015, 08035751992, 030-250725, 250561 Fax: 251428	Ado Ekiti Branch 10 Ajilosun Street P.M.B. 5365, Ado Ekiti	Ekiti
Ibadan I	Adewuyi M. Alabi	02-2319184, 2319186 Fax: 02-2315470, 08034274896, 08023227237	48 Molete/Challenge Rd. Challenge Round About Opp. Texaco Station	Oyo
Ibadan II	Aderonke F Odusote	08032588600, 02-2412995, 02-7514229	UI Branch P.M.B 128 U.I Post Office	Oyo
Ikeja I	Adetokunbo Abiru	01-4966200, 3453615, '08033047870	Adebola House, 40 Opebi Rd. Off Allen Avenue	Lagos
Ikeja II	Babatunde Owolabi	01-4966200, 7642474, Fax 01- 3453615 08034033900, 08034738092,	Ikeja Main Branch Along Lagos/ Abeokuta Exp. Way P.O. Box 69, Ikeja	Lagos
Ikeja III	Popoola O. Oyefeso	01-4935179, 08034008900	Ikeja Ind. Oba Akran Avenue P.O. Box 105, Ikeja	Lagos
Jos	Sani B. Tanko	073-452843, 459651 Fax: 073-459235, 459651, 08037865645	Jos Bank Road Branch, P.M.B. 2027, Jos	Plateau
Kaduna	Gimba H Ibrahim	062-242409-14, 243588, Fax: 245593, 08023224587, 08058686642, 08077191046	14 bank Road, P.M.B. 2065, Kaduna	Kaduna
Kano	Alwan A. Hassan	064-630648, 640650, 630599 Fax: 064-630648 08022907391, 08036370094, 08077191044	Kano Lagos Str. Branch P.M.B. 3005, Kano	Jigawa, Kano
Katsina	Yusuf M. Sada	065-433189, 431588, 08039536734, 08023107958	3 Ibrahim Babaginda Way, P.M.B. 2032, Katsina	Katsina, Zamfara

Business Development Offices

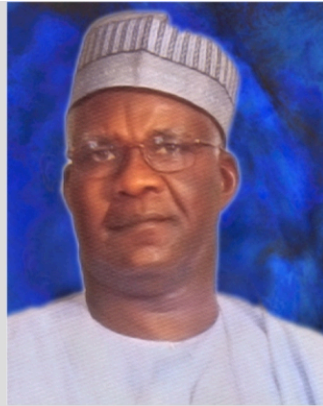
Bus Dev. Offices	Bus Dev Managers	Telephone Numbers/Fax	Office Address	States
Lagos Island/Marina	Kayode A. Olatunbosun	01-7918079, Fax: 01-5851416, 01-2660395 08022901212, 08052332785	Elephant House, 214 Broad Street, P.O. Box 2334, Lagos	Lagos
Lagos Mainland I	Akinwunmi G. Fanimokun	01-7745181, 5850551, Fax: 01-5835151/5831273, 08022901979	Plot 2 Abebe Village Road, Igannu P.M.B 12778, Lagos	Lagos
Lagos Mainland II	Subu I. Giwa-Amu	08022902158	Yaba Branch 322 Herbert Macaulay Str. P.M.B. 1040, Yaba	Lagos
Lokoja	John Enadeghe	058-223005, 223004, Fax: 058-223005 08053079252, 08022901995	411 Muritala Moh'd Rd. P.M.B. 1100, Lokoja	Kogi & Kwara
Maiduguri	Aliyu S Darma	076-230818, 230843, 236455, 342396 Fax: 076- 230845, 08024139717, 08065704624, 08045026226	Sir K. Ibrahim Rd. P.O.Box 1005, Maiduguri	Borno & Yobe
Makurdi	Oboira I Dibiaezue	044-532296, Fax: 044/532296, 08023283704, 08054405440	New Bridge Rd. P.M.B. 2076, Makurdi	Benue
Minna	Mohammed A. Ahmad	066-223281/2 Fax 066-223286, 221652, 08023236172, 08055197609	C/O Minna Branch, 3 Bank Road, P.M.B. 62, Minna	Niger
Ogun	Tunde Owolabi	01-4966200, Fax 01- 3453615	c/o Ikeja Main Br., Along Lagos Abeokuta Exp. Way, P.O. Box 69, Ikeja	Ogun
Onitsha	Leo Ezeokana	046-212958, 046-300133, 08023122936, 08035742851	6, Azikwe Avenue P.M.B. 5034, Awka	Anambra
Osun	Timothy O. Arowoogun	08033009080, 08020975107	Osogbo Branch, 152 Station Rd. P.M.B. 301, Osogbo	Osun
Owerri	Augustine Agbahiwe	083-234862, Fax 083-231089, 08033129286, 08055164476	11/12 Assumpta Avenue, P.M.B. 1060, Owerri	Imo
Port Harcourt	Gbenga Shobo	084-230347, 230222/24 463718 Fax: 084-238137, 230232, 08022242184	22/24 Aba Rd. P/H by Leventis B/Stop P/H	Rivers/Bayelsa
Sokoto	Lawal B. Rafindadi	060-234369, 232130, 239064 238304 Fax: 238302, 238369, ,08022907310, 08055197608	Abdullahi Fodio Rd. P.M.B. 2116, Sokoto	Kebbi, Sokoto
Uyo	Iquo Udo	085-200082, 085-201036 Fax 085-200594, 08023125472	1 Oron Road P.M.B. 1001 Uyo	Akwa Ibom
VII/Ikoyi I	Okpanachi Ivie	01-2793893, 8912632, 08023283659, 08038210023 Fax 01-2793894	4 Keffi Road, Off Awolowo Rd. Ikoyi	Lagos
VII/Ikoyi II	Bernadine A Okeke	08022907335	Adetokunbo Ademola Br. 8 Adetokunbo Ademola Str. VI Lagos	Lagos
Warri	Vincent Igwenagu	053-258354, 053-258357, 254063, 250023, 08033327712, 08077191047,	124 Sapele/Effurun Road, Warri	Delta
Yola	Abdulhamid Umar	075-625198, 627603, Fax: 075-627602, 08023234717, 08033432943, 08055197610, 08043138606	42 Galadima Aminu Way, Jimeta Yola	Adamawa, Taraba

Non-Executive Directors

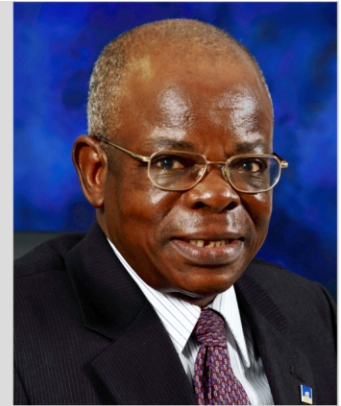
Non-Executive Directors



Oba A. Otudeko (OFR)



Aliyu A. Alkali



Udo Udo-Aka (MON)



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



Garba Duba



Abdullahi Mahmoud



Ajibola A. Afonja



Oye Hassan-Odukale (MFR)

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 Registrars Nigeria Limited

Plot 2, Abebe Village Road,

Iganmu, Lagos

Tel: 7743309, 5456142, 8045681, 5851418 & 2701078

Fax: 2701079

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- The amount on the card is safe even if the card is lost or stolen as long as the customer's Personal Identification Number (PIN) has not been compromised
- The maximum amount that can be loaded onto the card is N50,000
- The Card is re-loadable

Outlets

Value Mart

24, Akin Adesola Str.,
VI., Lagos.

Careforth

25 Kofo Abayomi Str.,
VI., Lagos.

Alternative hair Ltd

Shop F4, City Mall
Onikan, Lagos.

Big Treat Confectionery

5, Opebi Road Ikeja,
Lagos.

Baytuzeenah

Falomo Shopping Complex.

Nu Metro Stores

33, Ahmadu Bello Way VI
(Silverbird Galleria)

Ebili Junior Store

18, Olorunlogbon Str.,
Anthony Village.

BG Superstores

Bank Anthony Way Ikeja,
Lagos.

Just Unique Supermarket

79, Allen Avenue Ikeja,
Lagos.

Osata Supermarket

7, Opebi Road,
Ikeja, Lagos.

Phenomenon

The Palms Shopping Mall,
Lekki.

Safi Pharm

28, Adeola Hopewell Str.,
VI, Lagos.

Laterna Ventures

13, Oko Awo Street, VI,
Lagos.

Scoa Nig. Plc

Plot 1297B, Akin Adesola Str.
V I., Lagos.

Ego Supermarket

Yesufu Sanusi Str.,
Surulere Lagos

CCD Supermarket

116, Ogudu Ojota Road,
Ogudu, Lagos.

Novell Supermarket

22 Road, Opp. B1 Close,
Festac town, Lagos .

Health Plus Ltd

The Palms Shopping Mall.

Glendora

MMA2

Goodies Supermarket

Awolowo Road, Lagos .

For more information please call: 013052777,
3052904, 3052138, 0700700Efirst (334778).
E-mail: csm@firstbanknigeria.com
Website: www.firstbanknigeria.com

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Notes

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