

Guaranty Trust Bank Plc and Subsidiary Companies

**Group Financial Statements -- 28 February 2005
Together with Directors' and Auditors' Reports**

Directors' Report

For the year ended 28 February 2005

The Directors have pleasure in presenting their annual report on the affairs of Guaranty Trust Bank Plc ("the Bank") and subsidiaries ("the Group"), together with the Group audited financial statements and the auditors' report for the year ended 28 February 2005.

Legal form and principal activity:

The Bank was incorporated as a private limited liability company on 20 July 1990. It obtained a licence to operate as a commercial bank on 1 August 1990, and commenced business on 11 February 1991. It became a public limited company on 2 April 1996, and its shares were listed on the Nigerian Stock Exchange on 9 September 1996. The Bank was issued a universal banking licence by the Central Bank of Nigeria on 5 February 2001.

The Bank's principal activity continues to be the provision of commercial banking services to its customers. Such services include retail banking, granting of loans and advances, equipment leasing, corporate finance, money market activities and allied services, as well as foreign exchange operations. One of the Bank's non-bank subsidiaries, Asset and Resource Management Limited is engaged in funds and portfolio management services, while the other, Guaranty Trust Assurance Limited, provides insurance services.

The Bank has two overseas subsidiaries namely Guaranty Trust Bank (Gambia) Limited and Guaranty Trust Bank (Sierra Leone) Limited. The financial results of all subsidiaries have been consolidated in these financial statements. The Bank has obtained approvals from Central Banks of Nigeria and Ghana for the establishment of an overseas subsidiary in Ghana. This subsidiary is expected to commence business in September 2005.

Operating results:

Highlights of the Group's operating results for the year under review are as follows:

	<u>2005</u>	<u>2004</u>
	N'000	N'000
Profit attributable to group shareholders	5,361,568	4,078,317
Transfer to statutory reserve	799,619	953,584
Transfer to bonus shares reserve	-	500,000
Dividend (paid and proposed)	3,700,000	2,100,000
Transfer to small scale industries reserve	700,424	502,973
Shareholders' funds	31,070,117	11,754,406
Earnings per share - (Basic)	115k	138k
- (adjusted)	115k	87k
Dividend per share - Interim	25k	25k
- Final	45k	45k

Dividends:

The Board authorised the payment of ₦1,000,000,000 (25 kobo per share) as interim dividend in the course of the year, and now recommends for the approval of the shareholders the payment of a final dividend of ₦2,585,923,114 (45kobo per share), together totalling ₦3,585,923,114. The dividends are subject to deduction of withholding tax.

Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended 28 February 2005

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act 1990, and Sections 24 and 28 of the Banks and Other Financial Institutions Act 1991, the Directors are responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Group and Bank and the profit for the financial year.

The responsibilities include ensuring that:

- (a) appropriate internal controls are established both to safeguard the assets of the Group and Bank and to prevent and detect fraud and other irregularities.
- (b) the Group and the Bank keep accounting records which disclose with reasonable accuracy the financial position of the Group and Bank and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, 1990 and Banks and Other Financial Institutions Act 1991.
- (c) the Group and the Bank have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed.
- (d) the financial statements are prepared on a going concern basis unless it is presumed that the Bank will not continue in business.

Directors and their interests:

The Directors who held office during the year, together with their direct and indirect interests in the shares of the Bank, were as follows:

	Number of Ordinary Shares of 50 kobo held as at <u>28/02/05</u>	Number of Ordinary Shares of 50 kobo held as at <u>29/02/04</u>
Professor M.O. Oyawoye - Chairman	63,867,118	49,254,232
Mr. O.A. Aderinokun - Managing Director	180,568,396	134,718,750
Mr. J.K.O. Agbaje - Deputy Managing Director	7,620,894	5,008,124
Mr. T.A. Adeola	181,735,369	136,301,527
Mr. A.B. Adesanya	64,185,000	50,388,750
Owelle G.P. Chikelu	55,631,947	30,000,000
Alhaji M.K. Jada	22,043,118	18,632,340
Mr. V.G. Osibodu	118,763,556	100,875,000
Mrs. Mosun Olusoga - Executive Director	5,606,907	3,639,000
Mr. Jide Ogundare - Executive Director	1,895,396	714,000

Analysis of Shareholding

The analysis of the distribution of the shares of the Bank at the date of the Notice of the Annual General Meeting is as follows:

Share Range	No. of Shareholders	% of Shareholders	No. of Holdings	% Shareholders
1-1,000	119,925	44.2469	88,052,546	1.5323
1001 – 5,000	93,535	34.5102	268,663,829	4.6753
5,001 – 10,000	25,815	9.5246	224,031,961	3.8986
10,001 – 50,000	23,589	8.7033	594,797,409	10.3506
50,001 – 100,000	4,221	1.5574	350,082,385	6.0921
100,001 – 500,000	3001	1.1072	683,914,463	11.9014
500,001 – 1,000,000	526	0.1941	407,377,580	7.0891
1,000,001 – 5,000,000,000	424	0.1563	3,129,575,636	54.4606
TOTAL:	271,036	100.0000	5,746,495,809	100.0000

Fixed assets:

Information relating to changes in fixed assets is given in Note 7 to the financial statements.

Donations and charitable gifts:

In order to identify with the aspirations of the community and the environment within which the Group operates, a total sum of ₦27,347,285 (2004: ₦6,704,817) was given out as donations and charitable contributions during the financial year. These comprise contributions to charitable organisations amounting to ₦750,000 (2004: ₦835,000) and donations amounting to ₦26,597,285 (2004: ₦5,869,817) to other non-political organisations. Details of such donations and charitable contributions are as follows:

	N'000
Corona International School	20
Massey Children Hospital	1,136
Cross Rivers State Government	340
Delta State Sports Council	300
St Georges Boys and Girls School Ikoyi	18,714
Bible Society of Nigeria	200
University of Lagos	110
NEPA - 8 th Golf Tournament	350
Music Society of Nigeria (Muson) Music School	2,500
Nigerian Society for the Blind	100
University of Nigeria Nsukka	100
Spinal Cord Injuries Association of Nigeria	200
Ogun State Government, Economic & Investment Summit	2,017
St Paul secondary School	10
University of Ibadan	1,000
Sponsor A Child - Education of Orphaned and Abandoned Children	250
	27,347
	27,347

Employment of Disabled Persons:

The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the Group has four persons on its staff list with a physical disability.

Health, Safety and Welfare of Employees:

The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Group provides medical facilities to its employees and their immediate families at its expense.

Employee Involvement and Training:

The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well being. Towards this end, the Group provides opportunities where employees deliberate on issues affecting the Group and employee interests, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower. Consequently, the Group sponsored its employees for various training courses both locally and overseas in the year under review.

Auditors:

KPMG Professional Services have indicated their willingness to continue in office in accordance with section 357(2) of the Companies and Allied Matters Act 1990.

BY ORDER OF THE BOARD

Kolapo Omidire
Company Secretary
Plot 1669, Oyin Jolayemi Street
Victoria Island
Lagos

16 March 2005

Report of the Audit Committee

For the year ended 28 February 2005

To the members of **Guaranty Trust Bank Plc**

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act 1990, the members of the Audit Committee of Guaranty Trust Bank Plc hereby report as follows:

- ◆ We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act, 1990 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- ◆ We are of the opinion that the accounting and reporting policies of the Bank and Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 28 February 2005 were satisfactory and reinforce the Group's internal control systems.
- ◆ We have complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks", and hereby confirm that an aggregate amount of ₦762,584,000 was outstanding as at 28 February 2005 all of which are performing.
- ◆ We have deliberated with the external auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit.

Mr. Y.A. Oyeleke
Chairman, Audit Committee

15 March 2005

Members of the Audit Committee are:

1. Mr. Y.A. Oyeleke - Chairman
2. Mr. A.B. Adesanya
3. Owelle G.P.O Chikelu
4. Alhaji M.K. Jada
5. Mr. M.F. Lawal
6. Alhaji M.A.Usman

In attendance:

Mr. George Uwakwe - Secretary

To the Members of **Guaranty Trust Bank PLC**:

We have audited the balance sheet of **Guaranty Trust Bank Plc** (“the Bank”) and its subsidiary companies (‘the Group’) as at 28 February 2005 and the related profit and loss account and statement of cash flows for the year then ended set out on pages 5 to 36, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 1 to 4.

Respective responsibilities of directors and auditors

As described in the Statement of Directors’ Responsibilities in relation to the financial statements, the Directors are responsible for the preparation of the financial statements. It is our responsibility to express an independent opinion, based on our audit, on the financial statements prepared by the Directors.

Basis of opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary, including adequate returns from branches not visited by us, in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements, and assessed whether the Group’s books of account had been properly kept.

In accordance with CBN circular BSD/1/2004, details of insider related credits are set out in Note 27 to the financial statements.

Banks and Other Financial Institutions Act, 1991

Based on our audit and representations received, to the best of our knowledge and belief, the Bank only contravened the provision of Section 20 (2) (f) of the Banks and Other Financial Institutions Act, 1991. This contravention, which has been disclosed in Note 30, has been reported to the Central Bank of Nigeria and the assessed penalty paid.

Opinion

In our opinion,

- i. the Group’s books of account have been properly kept;
- ii. the financial statements referred to above, which are in agreement with the books of account, give a true and fair view of the state of affairs of the Bank and the Group as at 28 February 2005 and of their profit and statements of cash flow for the year then ended, and comply with the Banks and Other Financial Institutions Act, 1991, relevant Statements of Accounting Standards in Nigeria, relevant Central Bank of Nigeria circulars and the Companies and Allied Matters Act, 1990.

16 March 2005

Statement of Accounting Policies

A summary of the principal accounting policies, applied consistently throughout the current and preceding years, is set out below:

(a) **Basis of Accounting**

The financial statements are prepared under the historical cost convention.

(b) **Basis of Consolidation**

The Group financial statements consolidate the financial statements of Guaranty Trust Bank Plc and its subsidiaries wherein there is majority shareholding and/or control of the board of directors and management. The consolidated subsidiaries are Asset and Resources Management Company Limited, Guaranty Trust Assurance Company Limited, Guaranty Trust Bank (Gambia) Limited and Guaranty Trust Bank (Sierra Leone) Limited.

In the Bank's books, investment in subsidiary companies is stated at cost. Provision is made for any permanent diminution in the value of the investment.

(c) **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 subsidiaries acquired.

Goodwill arising on consolidation of subsidiaries are amortised over a five-year period on a straight line basis in line with the provision of the Companies and Allied Matters Act 1990.

(d) **Cash and short term funds**

Cash and short term funds comprise cash balances on hand, cash deposited with central bank, cash deposited with other banks (local and foreign) other than Central bank and placements with local banks secured with treasury bills under open buy back agreement.

(e) **Investments**

Short-term investments are stated at face value. Unearned income is deferred and amortised as earned.

Long-term investments are stated at cost. Provisions are made for permanent diminution in the value of such investments.

(f) **Loans and Advances**

Loans and advances are stated net of provisions for bad and doubtful loans. Provisions are determined in accordance with the Central Bank of Nigeria's Prudential Guidelines from a specific assessment of each customer's account. A general provision of 1% is made on all loans and advances not specifically provided for.

Bad loans are written-off when the extent of the loss has been determined. Recoveries are written back to profit and loss account on a cash basis.

(g) **Advances under Finance Leases**

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

(h) **Equipment on Lease**

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

(i) **Fixed Assets**

Fixed assets are shown at cost less accumulated depreciation. Depreciation is provided on a straight-line basis to write-off the cost of assets over their expected useful lives as follows:

Leasehold Improvement, Land and Buildings	-	Over the lease period
Machinery and Equipment	-	20%
Computer Hardware	-	33 ¹ / ₃ %
Computer Software	-	20%
Furniture and Fittings	-	20%
Motor Vehicles	-	25%

Gains or losses on disposal of fixed assets are included in the profit and loss account.

(j) **Taxation**

Income tax payable is provided on taxable profits at the current rate.

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal.

(k) **Income Recognition**

Credits to the profit and loss account are recognised as follows:

- Interest – recognised on an accrual basis except for interest on non-performing credit facilities, which is recognised on a cash basis.
- Non-credit-related fees – recognised when the successful outcome of the assignment can be determined and the assignment is considered substantially completed.

- Credit-related fees – spread systematically over the tenor of the credit facility where they constitute at least 10% of the projected average annual yield of the facility, otherwise credited to the profit and loss account at the time of occurrence.
- Commissions and fees charged to customers for services rendered - recognised at the time the service or transaction is effected.
- Investment income – recognised on an accrual basis and credited to the profit and loss account.

(l) **Foreign Currency Items**

Transactions denominated in foreign currencies are translated into Naira at the rates of exchange ruling at the date of the transaction (or, where appropriate, the rate of exchange in related forward exchange contracts). Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the profit and loss account.

(m) **Retirements Benefits**

Pension Costs

The Group operates a defined contribution pension scheme which is managed by external trustees. Employees are entitled to join the scheme on confirmation of their employment. Employee and Bank contributions are 7.5% and 10% of the employee's annual basic salary, respectively.

Gratuity Scheme

The Bank also operates a non-contributory, funded lump sum defined benefit gratuity scheme. Employees are entitled to join the scheme after completing 10 full years of service. Employee's terminal benefits are calculated based on number of service years, limited to a maximum of 10 years.

(n) **Off Balance sheet transactions**

Transactions to which there are no direct balance sheet risks to the Bank are reported and accounted for as off balance sheet transactions and comprised of:

Acceptances:

Acceptances are undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from customers.

Acceptances, which meet the conditions, set out in Central bank of Nigeria (CBN) Guidelines on the treatment of Bankers Acceptances and commercial papers are accounted for and disclosed as contingent liabilities. The income and expense relating to these acceptances are recognised and reported net in the financial statements.

Guarantees and performance bonds:

The Bank provides financial guarantees and bonds to third parties on the request of customers in form of bid and performance bonds or advance payment guarantees. These agreements have fixed limits and generally do not extend beyond the period of stated in each contract.

The amounts reflected in the financial statements for bonds and guarantees represent the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed completely to perform as contracted. Commissions and fees charged to customers for services rendered in respect of bonds and guarantees are recognized at the time the services or transaction is effected.

Commitments:

Commitments to extend credit or deliver on sales or purchases of foreign exchange in future are recognized as off balance sheet engagements. Commissions and fees charged to customers for services rendered in respect of commitments are recognized at the time the services or transaction is effected.

(o) **Repurchase agreements**

The Bank enters into purchases (sales) of securities under agreements to resell (repurchase) substantially identical securities at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are accounted for as repurchase transactions.

Securities sold under repurchase agreements continue to be recognised in the balance sheet and the proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sale and repurchase considerations is recognised on an accrual basis over the period of the transaction.

Balance Sheets

As at 28 February 2005

	Notes	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
ASSETS:					
Cash and short-term funds	1	47,471,360	31,999,263	46,293,166	30,861,568
Investments	2	47,718,917	36,856,775	32,333,424	24,114,796
Loans and advances	3	65,515,276	44,031,308	65,035,248	43,675,606
Advances under finance leases	4	920	5,682	920	5,682
Other assets	5	16,161,832	15,224,341	16,593,043	15,788,347
Equipment on lease	6	241,967	1,229,433	241,967	1,229,433
Fixed assets	7	7,940,279	4,387,262	7,399,936	4,022,808
Goodwill on consolidation	8	100,692	101,051	-	-
TOTAL ASSETS		185,151,243	133,835,115	167,897,704	119,698,240
LIABILITIES:					
Deposits and other accounts	9	97,444,855	75,282,897	95,563,587	74,222,497
Other liabilities	10	43,931,354	39,720,855	29,252,265	27,122,442
Taxation payable	11	2,063,482	1,393,602	1,875,551	1,290,937
Dividend payable	12	2,585,923	1,350,000	2,585,923	1,350,000
Deferred taxation	13	815,621	568,582	815,621	568,582
Long-term borrowings	14	6,909,788	3,525,804	6,909,788	3,525,804
TOTAL LIABILITIES		153,751,023	121,841,740	137,002,735	108,080,262
NET ASSETS		31,400,220	11,993,375	30,894,969	11,617,978
CAPITAL AND RESERVES:					
Share capital	15	2,873,248	1,500,000	2,873,248	1,500,000
Share premium	16	18,831,536	2,172,666	18,831,536	2,172,666
Other reserves	17	9,365,333	8,081,740	9,190,185	7,945,312
SHAREHOLDERS' FUNDS:		31,070,117	11,754,406	30,894,969	11,617,978
Minority interest		330,103	238,969	-	-
		31,400,220	11,993,375	30,894,969	11,617,978
Acceptances, guarantees and other obligations for the account of customers (and the customers' liability thereon)	18	46,566,282	24,474,829	46,231,831	24,375,155

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

.....)
SEGUN AGBAJE) Directors
.....)
.....)
JIDE OGUNDARE)

Approved by the Board of Directors on 16 March 2005.

The accompanying notes form an integral part of these balance sheets.

Profit and Loss Accounts

For the year ended 28 February 2005

	Notes	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
GROSS EARNINGS		25,458,623	18,917,299	23,833,771	18,053,377
INTEREST AND DISCOUNT INCOME	19	15,487,889	11,411,846	15,261,384	11,288,961
Lease finance income		634	14,969	634	14,969
Interest expense	20	(6,712,599)	(5,152,908)	(6,638,628)	(5,123,427)
INTEREST MARGIN		8,775,924	6,273,907	8,623,390	6,180,503
Loan loss expense (net)	23	(1,148,639)	(809,860)	(1,087,435)	(788,682)
NET INTEREST MARGIN		7,627,285	5,464,047	7,535,955	5,391,821
Other banking income	21	9,493,394	7,294,015	8,095,047	6,552,978
Operating expenses		(10,339,571)	(7,781,849)	(9,103,465)	(7,111,543)
PROFIT ON ORDINARY ACTIVITIES		6,781,108	4,976,213	6,527,537	4,833,256
Exceptional Income	22	476,706	196,469	476,706	196,469
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	23	7,257,814	5,172,682	7,004,243	5,029,725
Taxation	24	(1,824,066)	(1,046,850)	(1,673,447)	(973,168)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		5,433,748	4,125,832	5,330,796	4,056,557
Minority interest		(72,180)	(47,515)	-	-
PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS		5,361,568	4,078,317	5,330,796	4,056,557
Transfer to statutory reserves	17	(799,619)	(953,584)	(799,619)	(953,584)
Transfer to bonus shares reserve	17	-	(500,000)	-	(500,000)
Transfer to small scale industries reserve	17	(700,424)	(502,973)	(700,424)	(502,973)
DIVIDEND - Paid	12	(1,000,000)	(750,000)	(1,000,000)	(750,000)
- Proposed	12	(2,585,923)	(1,350,000)	(2,585,923)	(1,350,000)
Retained profit for the year		275,602	21,760	244,830	-
RETAINED PROFIT, beginning of year		1,298,981	1,277,221	1,290,965	1,290,965
RETAINED PROFIT, end of year		1,574,583	1,298,981	1,535,795	1,290,965
Earnings per share (kobo) - Basic	25	115k	138k	113k	135k
- adjusted		115k	103k	113k	98k
Dividend per share - Basic	25	76k	70k	76k	70k

The accompanying notes form an integral part of these profit and loss accounts.

Statements of Cash Flows

For the year ended 28 February 2005

	<u>Notes</u>	<u>Group 2005 N'000</u>	<u>Group 2004 N'000</u>	<u>Bank 2005 N'000</u>	<u>Bank 2004 N'000</u>
Net cash flow from operating activities before changes in operating assets	26	10,289,376	7,951,271	9,887,139	7,733,744
Changes in operating assets	27	(11,278,625)	(2,001,421)	(10,589,772)	(3,230,361)
Income tax paid		(907,147)	(263,471)	(841,794)	(242,634)
Net cash flows from operating activities		<u>(1,896,396)</u>	<u>5,686,379</u>	<u>(1,544,427)</u>	<u>4,260,749</u>
Investing Activities:					
Proceeds from disposal of fixed assets		54,483	96,149	50,164	94,346
Purchase of fixed assets		(4,660,811)	(2,202,467)	(4,385,800)	(2,049,251)
Purchase of investments		504,153	(2,485,653)	(159,007)	(2,238,359)
Purchase of equipment on lease		(175,974)	(516,068)	(175,974)	(516,068)
Proceeds from disposal of equipment on lease		393,396	186,031	393,396	186,031
Net cash flows from investing activities		<u>(3,884,753)</u>	<u>(4,922,008)</u>	<u>(4,277,221)</u>	<u>(4,523,301)</u>
Financing Activities:					
Dividend paid		(2,350,000)	(1,625,000)	(2,350,000)	(1,625,000)
Proceeds from issue of shares		21,200,000	-	21,200,000	-
Share issue expenses		(980,738)	-	(980,738)	-
Long-term borrowings		3,383,984	1,604,422	3,383,984	1,604,422
Net cash flows from financing activities		<u>21,253,246</u>	<u>(20,578)</u>	<u>21,253,246</u>	<u>(20,578)</u>
Net increase in cash and short term funds		15,472,097	743,793	15,431,598	(283,130)
Cash and short term funds, beginning of year (gross)		<u>31,999,263</u>	<u>31,255,470</u>	<u>30,861,568</u>	<u>31,144,698</u>
Cash and short term funds, end of year (gross)		<u><u>47,471,360</u></u>	<u><u>31,999,263</u></u>	<u><u>46,293,166</u></u>	<u><u>30,861,568</u></u>

The accompanying notes form an integral part of these statements of cash flows.

Notes to the Financial Statements

For the year ended 29 February 2005

1. Cash and short-term funds:

(a) Cash and short-term funds comprise:

	Group 2005 <u>N'000</u>	Group 2004 <u>N'000</u>	Bank 2005 <u>N'000</u>	Bank 2004 <u>N'000</u>
Bank and cash balances in Nigeria				
- Cash	1,839,832	1,024,009	1,687,243	912,606
- Balances held with the Central Bank of Nigeria				
- Current account	5,225,127	5,230,979	4,790,958	4,888,853
- Cash reserve	5,781,936	2,561,232	5,781,936	2,561,232
- Balances held with other local banks and discount houses	112,940	345,269	105	8,621
Secured Placements (see note (b) below)	18,830,001	5,422,000	18,830,000	5,422,000
Balances held with other banks outside Nigeria (see note (c) below)	13,022,554	15,666,433	12,543,954	15,318,915
Placements with foreign banks	2,658,970	1,749,341	2,658,970	1,749,341
	<u>47,471,360</u>	<u>31,999,263</u>	<u>46,293,166</u>	<u>30,861,568</u>

(b) Amount represents placements with local banks secured by treasury bills under open buy back agreement.

(c) Included in balances held with other banks outside Nigeria is the Naira value of foreign currencies held on behalf of customers in various foreign accounts amounting to ₦9,126,524 (2004: ₦9,230,680,000) to cover letters of credit transactions. The corresponding liability for this amount is included in other liabilities (see Note (10)).

2. Investments:

(a) Investments comprise:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Short-term investments (see (b) below)	44,559,224	33,192,929	28,477,211	20,417,590
Long-term investments (see (c) below)	3,159,693	3,663,846	3,856,213	3,697,206
	<u>47,718,917</u>	<u>36,856,775</u>	<u>32,333,424</u>	<u>24,114,796</u>

(b) Short-term investments comprise:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Treasury bills	28,559,499	20,322,817	28,228,975	20,169,354
Treasury bearer bonds	126,739	16,026	-	-
Trading securities (see (i) and (ii) below)	15,624,750	12,605,850	-	-
Underwriting commitments	248,236	248,236	248,236	248,236
	<u>44,559,224</u>	<u>33,192,929</u>	<u>28,477,211</u>	<u>20,417,590</u>

(i) Trading securities comprises equity investments in capital markets made by the Bank's subsidiary, ARM on behalf of its clients. The corresponding liability for this amount is included in other liabilities (see Note 10(a)).

(ii) Included in trading securities is ₦1,171,812,000 (2004: ₦1,168,175,000) gratuity investment managed by ARM on behalf of the Bank.

(c) Long-term investments comprise:

	<u>Group</u> <u>2005</u> N'000	<u>Group</u> <u>2004</u> N'000	<u>Bank</u> <u>2005</u> N'000	<u>Bank</u> <u>2004</u> N'000
Subsidiaries:				
Investment in Asset and Resource Management Company Limited (ARM)				
	-	-	28,000	28,000
Investment in GTB				
Gambia (see (i) below)				
	-	-	196,564	196,564
Investment in GTB				
Sierra Leone (see (ii) below)				
	-	-	242,588	242,588
Investment in GTB Assurance Limited (see (iii) below)				
	-	-	337,967	-
Other investments:				
- Kakawa Discount House Limited	34,100	34,100	34,100	34,100
- Valucard Nigeria Plc	84,153	84,153	84,153	84,153
- Nigeria Automated Clearing System	18,000	18,000	18,000	18,000
- Afrexim	14,131	14,131	14,131	14,131
- Proprietary investments (see (iv) below)	6,000	433,792	-	-
- Small and medium industries investments (See (v) below)	790,710	999,670	790,710	999,670
- Other Equity Investment (See (vi) below)	102,599	-	-	-
Other Investments:				
- Delta State Govt. Bond (see note (vii) below)	60,000	80,000	60,000	80,000
- Federal Government Bond (see note (viii) below)	2,000,000	2,000,000	2,000,000	2,000,000
- Akwa Ibom State Govt. Bond	50,000	-	50,000	-
	<u>3,159,693</u>	<u>3,663,846</u>	<u>3,856,213</u>	<u>3,697,206</u>

- i. The Bank acquired 70% of the equity of GTB Gambia on 5 March 2002.
- ii. The Bank acquired 90% of the equity of GTB Sierra Leone in January 2002. The Bank's investment was increased by ₦62,841,000 (\$480,000) in 2004.
- iii. The Bank owns 72% of the equity of Guaranty Trust Assurance Limited (formerly Heritage Assurance Company Limited). This investment which was originally made under the Small and Medium Industries Enterprise (SMIE) Scheme has been classified as direct investment as recommended by Central Bank of Nigeria. Accordingly, the Company's financial statement has been consolidated for reporting purpose in the current year.
- iv. Proprietary investment represents ARM's trading investments in quoted equities in Nigeria and abroad.
- v. This represents the Bank's investment in small and medium sized industries from funds set aside in the small scale industries reserve account (see (Note 17c)). An additional ₦129,007,000 investment was made during the year.
- vi. This represents GTB Assurance Limited investment in stocks of various companies.
- vii. This represents the Bank's investment in the Delta State Government floating rate redeemable revenue bond (2003/2007). The redeemable bond is priced at 2% above MRR subject to a minimum or maximum rate of 15% or 22% respectively.
- viii. This represents the Bank's investment in the Federal government 2006 bond. Interest rate is fixed at 17.75%.
- ix. The directors are of the opinion that the market value of long term investments is not lower than cost

3. Loans and advances:

(a) Loans and advances comprise, by security:

	<u>Group</u> <u>2005</u> N'000	<u>Group</u> <u>2004</u> N'000	<u>Bank</u> <u>2005</u> N'000	<u>Bank</u> <u>2004</u> N'000
Secured against real estate	23,378,742	19,407,068	22,847,971	19,180,857
Otherwise secured	34,361,477	17,863,236	34,282,262	17,734,015
Unsecured	10,021,317	8,320,234	10,048,951	8,282,851
	<u>67,761,536</u>	<u>45,590,538</u>	<u>67,179,184</u>	<u>45,197,723</u>
Less: Provisions for bad and doubtful loans				
- Specific (see note (b) below)	(1,061,021)	(840,308)	(983,009)	(809,520)
- General (see note (c) below)	(959,744)	(505,252)	(942,786)	(500,719)
Interest in suspense	(225,495)	(213,670)	(218,141)	(211,878)
	<u>65,515,276</u>	<u>44,031,308</u>	<u>65,035,248</u>	<u>43,675,606</u>

(b) The movements on specific provisions for bad and doubtful loans during the year were as follows:

	<u>Group</u> <u>2005</u> N'000	<u>Group</u> <u>2004</u> N'000	<u>Bank</u> <u>2005</u> N'000	<u>Bank</u> <u>2004</u> N'000
Balance, beginning of year	840,308	352,718	809,520	342,256
Exchange difference on translation of opening balances	(1,440)	-	-	-
Provisions made during the year	682,270	753,598	633,199	733,272
Provision no longer required	(407)	-	-	-
Provisions written off during the year	(459,710)	(266,008)	(459,710)	(266,008)
Balance, end of year	<u>1,061,021</u>	<u>840,308</u>	<u>983,009</u>	<u>809,520</u>

- (c) The movements on general provisions for bad and doubtful loans during the year were as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	505,252	452,700	500,719	449,020
Exchange difference on translation of opening balances	(115)	-	-	-
Provisions made during the year	454,607	52,552	442,067	51,699
Balance, end of year	<u>959,744</u>	<u>505,252</u>	<u>942,786</u>	<u>500,719</u>

- (d) The movements on interest in suspense during the year was as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	213,670	102,027	211,878	101,262
Exchange difference on translation of opening balances	(1,338)	-	-	-
Interest suspended during the year	398,969	226,052	392,069	225,025
Interest recovered	(109,271)	(24,894)	(109,271)	(24,894)
Interest written off	(276,535)	(89,515)	(276,535)	(89,515)
Balance, end of year	<u>225,495</u>	<u>213,670</u>	<u>218,141</u>	<u>211,878</u>

(e) The gross value of loans and advances by maturity is:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Under 1 month	33,759,986	24,936,635	33,303,205	24,838,049
1 – 3 months	8,907,289	4,135,719	8,867,547	4,065,524
3 – 6 months	3,043,059	1,396,033	3,000,532	1,339,638
6 – 12 months	9,112,371	2,847,828	9,071,926	2,703,713
Over 12 months	12,938,831	12,274,323	12,935,974	12,250,799
	67,761,536	45,590,538	67,179,184	45,197,723
	67,761,536	45,590,538	67,179,184	45,197,723

(f) The gross value of loans and advances by performance is:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Performing	66,333,108	44,329,426	65,819,891	43,981,169
Non-performing - principal	1,202,933	1,047,443	1,141,152	1,004,676
- interest	225,495	213,669	218,141	211,878
	67,761,536	45,590,538	67,179,184	45,197,723
	67,761,536	45,590,538	67,179,184	45,197,723

4. Advances under Finance Leases:

(a) Advances under finance leases comprise:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Gross investment in finance leases	973	6,488	973	6,488
Unearned income	(44)	(749)	(44)	(749)
	929	5,739	929	5,739
Less: 1% general provision	(9)	(57)	(9)	(57)
	920	5,682	920	5,682
	920	5,682	920	5,682

- (b) The movement on the general provision for advances under finance leases during the year was as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	57	1,560	57	1,560
Provision no longer required	(48)	(1,503)	(48)	(1,503)
Balance, end of year	9	57	9	57

- (c) The net investment in finance leases by maturity is:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
3-6 months	929	1,479	929	1,479
Over 12 months	-	4,260	-	4,260
	929	5,739	929	5,739

5. Other Assets:

- (a) Other assets comprise:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Treasury bills on open buy back (see note 10(a))	10,070,000	13,138,000	10,070,000	13,138,000
Prepayments	1,209,667	572,046	982,985	545,917
Gratuity fund investment (see note 2 (b) (ii))	-	-	1,171,812	1,168,175
Discount paid in advance	376,948	419,514	376,948	419,514
Due from local banks (see (b) below)	3,758,226	-	3,758,226	-
Interest receivable	15,354	434,383	10,116	301,064
Other accounts receivable	1,124,441	986,293	615,760	541,572
	16,554,636	15,550,236	16,985,847	16,114,242
Provision on other assets (see (c) below)	(392,804)	(325,895)	(392,804)	(325,895)
	16,161,832	15,224,341	16,593,043	15,788,347

(b) Amounts represent receivables due from local banks for which Guaranty Trust Bank Plc is clearing and settlement bank. The receivables which represents the overdrawn position of some of these banks are secured with treasury bills.

(c) The movement on provision on other assets during the year was as follows:

	<u>Group</u> <u>2005</u> N'000	<u>Group</u> <u>2004</u> N'000	<u>Bank</u> <u>2005</u> N'000	<u>Bank</u> <u>2004</u> N'000
Balance, beginning of year	(325,895)	(136,357)	(325,895)	(136,357)
Provisions made during the year	(66,909)	(189,538)	(66,909)	(189,538)
Balance, end of year	<u>(392,804)</u>	<u>(325,895)</u>	<u>(392,804)</u>	<u>(325,895)</u>

6. Equipment on lease:

The movement on this account during the year was as follows:

	<u>Machinery and</u> <u>Equipment</u> <u>2005</u> N'000	<u>Machinery and</u> <u>Equipment</u> <u>2004</u> N'000
COST:		
Balance, beginning of year	2,966,274	2,987,117
Additions	175,974	516,068
Disposals	(550,398)	(536,911)
Balance, end of year	<u>2,591,850</u>	<u>2,966,274</u>
ACCUMULATED DEPRECIATION:		
Balance, beginning of year	1,736,841	1,071,932
Charge for the year	801,525	1,045,061
Disposals	(188,483)	(380,152)
Balance, end of year	<u>2,349,883</u>	<u>1,736,841</u>
NET BOOK VALUE:		
End of year	<u>241,967</u>	<u>1,229,433</u>
Beginning of year	<u>1,229,433</u>	<u>1,915,185</u>

7. Fixed assets

(a) Group:

The movement on these accounts during the year was as follows:

	Leasehold Improvements <u>Land and Buildings</u> N'000	Machinery & Equipment N'000	Computers & Accessories N'000	Furniture and Fittings N'000	Motor Vehicles N'000	Capital Work in Progress N'000	<u>Total</u> N'000
COST:							
Balance, beginning of year	2,320,119	1,030,382	1,447,174	484,491	1,120,453	608,216	7,010,835
Exchange difference on translation of opening balances	(3,395)	83	(5,030)	(4,999)	(2,958)	-	(16,299)
Adjustment for opening balances of previously unconsolidated subsidiary	-	5,678	2,394	2,446	39,792	-	50,310
Additions	1,073,124	457,063	511,221	174,207	626,680	1,818,516	4,660,811
Disposals	(191)	(13,398)	(67,483)	(7,986)	(185,079)	-	(274,137)
Transfers	528,114	-	158	(158)	-	(528,114)	-
Balance, end of year	<u>3,917,771</u>	<u>1,479,808</u>	<u>1,888,434</u>	<u>648,001</u>	<u>1,598,888</u>	<u>1,898,618</u>	<u>11,431,520</u>
ACCUMULATED DEPRECIATION:							
Balance, beginning of year	382,045	496,443	970,553	221,053	553,479	-	2,623,573
Exchange difference on translation of opening balances	(277)	23	(2,974)	(1,823)	(2,032)	-	(7,083)
Adjustment for opening balances of previously unconsolidated subsidiary	-	230	1,477	838	5,199	-	7,744
Charge for the year	209,861	187,304	312,565	82,377	318,640	-	1,110,747
Disposals	(191)	(12,876)	(67,482)	(5,454)	(157,737)	-	(243,740)
Transfers	-	-	51	(51)	-	-	-
Balance, end of year	<u>591,438</u>	<u>671,124</u>	<u>1,214,190</u>	<u>296,940</u>	<u>717,549</u>	<u>-</u>	<u>3,491,241</u>
NET BOOK VALUE:							
End of year	<u>3,326,333</u>	<u>808,684</u>	<u>674,244</u>	<u>351,061</u>	<u>881,339</u>	<u>1,898,618</u>	<u>7,940,279</u>
Beginning of year	<u>1,938,074</u>	<u>533,939</u>	<u>476,621</u>	<u>263,438</u>	<u>566,974</u>	<u>608,216</u>	<u>4,387,262</u>

i. No leased assets are included in the above fixed assets accounts.

ii. The Group had capital commitments of N104,734,176 (2004: N2,714,429) as at the balance sheet date.

7. Fixed assets:

(b) **Bank:**

The movement on these accounts during the year was as follows:

	<u>Leasehold Improvements Land and Buildings</u> N'000	<u>Machinery & Equipment</u> N'000	<u>Computers & Accessories</u> N'000	<u>Furniture and Fittings</u> N'000	<u>Motor Vehicles</u> N'000	<u>Capital Work in Progress</u> N'000	<u>Total</u> N'000
COST:							
Balance, beginning of year	2,155,911	971,586	1,322,027	384,023	1,001,340	608,217	6,443,104
Additions	1,032,630	430,323	411,618	142,656	550,057	1,818,516	4,385,800
Disposals	(191)	(13,398)	(66,535)	(5,213)	(172,833)	-	(258,170)
Transfers	528,114	-	-	-	-	(528,114)	-
Balance, end of year	<u>3,716,464</u>	<u>1,388,511</u>	<u>1,667,110</u>	<u>521,466</u>	<u>1,378,564</u>	<u>1,898,619</u>	<u>10,570,734</u>
ACCUMULATED DEPRECIATION:							
Balance, beginning of year	362,122	466,902	911,229	176,326	503,717	-	2,420,296
Charge for the year	185,496	173,121	281,708	65,360	275,932	-	981,617
Disposals	(191)	(12,876)	(66,534)	(4,199)	(147,315)	-	(231,115)
Balance, end of year	<u>547,427</u>	<u>627,147</u>	<u>1,126,403</u>	<u>237,487</u>	<u>632,334</u>	<u>-</u>	<u>3,170,798</u>
NET BOOK VALUE:							
End of year	<u>3,169,037</u>	<u>761,364</u>	<u>540,707</u>	<u>283,979</u>	<u>746,230</u>	<u>1,898,619</u>	<u>7,399,936</u>
Beginning of year	<u>1,793,789</u>	<u>504,684</u>	<u>410,798</u>	<u>207,697</u>	<u>497,623</u>	<u>608,217</u>	<u>4,022,808</u>

i. No leased assets are included in the above fixed assets account.

ii. The Bank had capital commitments of N104,734,176 (2004: ~~N2,714,429~~) as at the balance sheet date.

8. Goodwill on consolidation

(a) The movement on goodwill on consolidation is as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	101,051	126,314	-	-
Goodwill arising during the year (See note (b) below)	31,130	-	-	-
Amortisation during the year	(31,489)	(25,263)	-	-
Balance, end of year	<u>100,692</u>	<u>101,051</u>	<u>-</u>	<u>-</u>

(b) This represents the excess of purchase consideration of N404,486,000 over the Bank's proportionate share of the net assets of N373,356,000 of Guaranty Trust Assurance Limited approved by the Central bank of Nigeria as direct investment during the year.

9. Deposits and other accounts:

(a) Deposits and other accounts comprise:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Demand	53,037,689	47,394,142	51,643,759	46,678,910
Time	39,952,038	25,133,233	39,688,073	24,929,457
Savings	3,524,964	1,806,267	3,301,591	1,664,875
	<u>96,514,691</u>	<u>74,333,642</u>	<u>94,633,423</u>	<u>73,273,242</u>
Due to local banks	930,164	949,255	930,164	949,255
	<u>97,444,855</u>	<u>75,282,897</u>	<u>95,563,587</u>	<u>74,222,497</u>

(b) The maturity profile of deposit liabilities is as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Under 1 month	90,441,231	59,633,610	88,997,975	58,911,926
1 – 3 months	5,893,082	15,209,397	5,455,070	14,961,973
3 – 6 months	681,921	427,069	681,921	335,778
6 – 12 months	428,621	12,821	428,621	12,820
	<u>97,444,855</u>	<u>75,282,897</u>	<u>95,563,587</u>	<u>74,222,497</u>

10. Other liabilities:

(a) Other liabilities comprise:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Foreign currency denominated liabilities (see Note 1 (c))	9,215,129	9,267,705	9,126,524	9,230,680
Secured buy back takings (see Note 5 (a))	10,070,000	13,138,000	10,070,000	13,138,000
Due to other local banks (see note (b) below)	958,035	4,853	958,035	4,853
Funds under management (see note 2 (b))	13,285,751	12,185,319	-	-
Certified cheques	3,774,959	2,061,747	3,720,777	2,020,497
Customers' FEM deposits	247,444	393,502	247,444	393,502
Unearned interest and discount	1,205,707	724,509	1,205,707	724,509
Interest payable	337,146	267,794	325,085	155,246
Gratuity provisions (see (c) below)	524,882	406,707	524,882	406,707
Other current liabilities	1,625,157	1,270,719	386,667	1,048,448
Deposits for shares (see (d) below)	2,687,144	-	2,687,144	-
	43,931,354	39,720,855	29,252,265	27,122,442

(b) Amount represents the credit balances outstanding in favour of some banks for which the Bank serves as settlement bank.

(c) i. The movement on gratuity provision account was as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	406,707	291,707	406,707	291,707
Payments in the year	(1,825)	(5,000)	(1,825)	(5,000)
Charge for the year (see (ii) below)	120,000	120,000	120,000	120,000
Balance, end of year	524,884	406,707	524,882	406,707

ii. Gratuity provision represents the Bank's obligations to its employees under its gratuity scheme. A shortfall of N660,592,000 arose in 2003 financial year as a result of an enhancement to the remuneration of the Bank's employees. A cumulative amount of N582,418,555 has been charged to the income statement. The balance of N78,173,445 would be charged to the profit and loss account next year in line with the Statement of Accounting Standards Number 8 on employees' retirement benefits.

- (d) Amount represents part of proceeds from public offer disallowed after the capital verification exercise conducted by Central Bank of Nigeria. (See Note 15 (c) below)

11. Taxation payable:

The movement on the tax payable account during the year was as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	1,393,602	610,223	1,290,937	560,403
Charge for the year (See note (23))	1,577,027	1,046,850	1,426,408	973,168
Payments during the year	(907,147)	(263,471)	(841,794)	(242,634)
Balance, end of year	<u>2,063,482</u>	<u>1,393,602</u>	<u>1,875,551</u>	<u>1,290,937</u>

The current tax charge has been computed at the current company income tax rate of 30% (2004: 30%) on the profit for the year after adjusting for certain items of income and expenditure, which are not deductible or chargeable for tax purposes, plus 2% (2004: 2%) Education Levy for the year.

12. Dividend payable:

The movement on this account during the year was as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	1,350,000	875,000	1,350,000	875,000
Dividends declared during the year				
- Interim	1,000,000	750,000	1,000,000	750,000
- Final	2,585,923	1,350,000	2,585,923	1,350,000
Payment during the year	(2,350,000)	(1,625,000)	(2,350,000)	(1,625,000)
Balance, end of year	<u>2,585,923</u>	<u>1,350,000</u>	<u>2,585,923</u>	<u>1,350,000</u>

13. Deferred Taxation:

The movement on the deferred tax account during the year was as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	568,582	568,582	568,582	568,582
Charge for the year (See note 23))	247,039	-	247,039	-
Balance, end of year	<u>815,621</u>	<u>568,582</u>	<u>815,621</u>	<u>568,582</u>

The Bank's exposure to deferred tax (which relates primarily to timing differences in the recognition of depreciation and capital allowances on fixed assets) has been fully provided for in the financial statements in accordance with the Statement of Accounting Standards Number 19 on Taxes.

14. Long-term borrowings:

(a) Long-term borrowings comprise:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Due to IFC (see note (b) (i) below	4,252,177	2,169,726	4,252,177	2,169,726
Due to FMO Netherlands (see note (b) (ii) below	2,657,611	1,356,078	2,657,611	1,356,078
	<u>6,909,788</u>	<u>3,525,804</u>	<u>6,909,788</u>	<u>3,525,804</u>

(b) i. The amount of ₦4,252,177 (USD32,000,000) represents the outstanding balance of a \$20,000,000 dollar facility granted by IFC in March 2001 for a period of 7 years and an additional \$20,000,000 granted in October 2004 for 10 years. Interest is payable quarterly at 4.75% and 3.5% above LIBOR rates respectively.

ii. The amount of ₦2,657,611,000 (USD 20,000,000)) represents the dollar facility granted by FMO in December 2004 for a period of 4 years. Interest is payable half yearly at 3% above LIBOR rates. Prior year balance of ₦1,356,078,000 (USD 10,000,000) has been fully repaid.

15. Share capital:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
(a) Authorised - 6,000,000,000 Ordinary shares of 50k each (2004: 4,000,000,000 of 50k each)	3,000,000	2,000,000	3,000,000	2,000,000
Issued and fully paid - 5,746,495,809 Ordinary shares of 50k each (2004: 3,000,000,000 Ordinary shares of 50k each)	2,873,248	1,500,000	2,873,248	1,500,000

(b) The movement on the issued and fully paid ordinary share capital account during the year was as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	1,500,000	1,250,000	1,500,000	1,250,000
Bonus issue capitalised (see note 17 (e))	500,000	250,000	500,000	250,000
Offer for subscription (see note (c) below)	873,248	-	873,248	-
Balance, end of year	2,873,248	1,500,000	2,873,248	1,500,000

(c) During the year, the Bank offered 2,000,000,000 ordinary shares for subscription at N10.60 per share. Proceeds from the offer was accounted as follows:

	<u>Bank 2005</u>
Proceeds from Offer	21,200,000
Share issue expenses	(980,738)
Net proceeds	20,219,262
Proceeds disallowed by CBN (see note 10 (d) above)	(2,687,144)
	17,532,118
Transfer to issued and fully paid share capital account (see note (b) above)	(873,248)
Transfer to share premium account (see note 16)	(16,658,870)
	-

16. Share premium

The movement in share premium account during the year was as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	2,172,666	2,172,666	2,172,666	2,172,666
Premium on share issue (see note 15(c))	16,658,870	-	16,658,870	-
Balance, end of year	<u>18,831,536</u>	<u>2,172,666</u>	<u>18,831,536</u>	<u>2,172,666</u>

17. Other reserves:

(a) Other reserves comprise:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Statutory reserve (see (b) below)	5,600,046	4,800,427	5,600,046	4,800,427
Retained profit	1,574,583	1,298,981	1,535,795	1,290,965
Capital reserve	43,454	43,454	-	-
Small Scale Industries (SSI) reserve (see (c) below)	2,054,344	1,353,920	2,054,344	1,353,920
Foreign currency translation reserve (see (d) below)	(65,655)	(58,115)	-	-
Other reserves	158,561	143,073	-	-
Bonus reserve (see note (e) below)	-	500,000	-	500,000
Balance, end of the year	<u>9,365,333</u>	<u>8,081,740</u>	<u>9,190,185</u>	<u>7,945,312</u>

(b) The movement on the statutory reserve account during the year was as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Balance, beginning of year	4,800,427	3,846,843	4,800,427	3,846,843
Transfer from profit and loss account	799,619	953,584	799,619	953,584
Balance, end of year	<u>5,600,046</u>	<u>4,800,427</u>	<u>5,600,046</u>	<u>4,800,427</u>

In accordance with existing legislation, the bank transferred 15% (2004: 23%) of its profit after taxation to statutory reserves.

- (c) The movement in SSI reserve account during the year is as follows:

	<u>Group</u> <u>2005</u> N'000	<u>Group</u> <u>2004</u> N'000	<u>Bank</u> <u>2005</u> N'000	<u>Bank</u> <u>2004</u> N'000
Balance, beginning of year	1,353,920	850,947	1,353,920	850,947
Transfer from profit and loss account	700,424	502,973	700,424	502,973
Balance, end of year	<u>2,054,344</u>	<u>1,353,920</u>	<u>2,054,344</u>	<u>1,353,920</u>

In accordance with the Central Bank of Nigeria Monetary, Credit, Foreign Trade & Exchange Policy Guidelines for 2001 fiscal year, 10% of profit before taxation for the year ended 28 February 2005 has been transferred to Small Scale Industries reserve.

- (d) The movement in foreign currency translation reserve during the year was as follows:

	<u>Group</u> <u>2005</u> N'000	<u>Group</u> <u>2004</u> N'000	<u>Bank</u> <u>2005</u> N'000	<u>Bank</u> <u>2004</u> N'000
Balance, beginning of year	(58,115)	(34,274)	-	-
Exchange difference on consolidation	(7,540)	(23,841)	-	-
Balance, end of year	<u>(65,655)</u>	<u>(58,115)</u>	<u>-</u>	<u>-</u>

- (e) The movement on the bonus reserve account during the year was as follows:

	<u>Group</u> <u>2005</u> N'000	<u>Group</u> <u>2004</u> N'000	<u>Bank</u> <u>2005</u> N'000	<u>Bank</u> <u>2004</u> N'000
Balance, beginning of year	500,000	250,000	500,000	250,000
Transfer to share capital	(500,000)	(250,000)	(500,000)	(250,000)
Transfer from profit and loss account	-	500,000	-	500,000
Balance, end of year	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>

18. Acceptances, Bonds, Guarantees and other obligations for the account of customers:

(a) These comprise:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Transaction-related bonds and guarantees	18,475,885	9,081,821	18,141,434	8,982,147
Guaranteed commercial papers and bankers acceptances	22,663,601	10,646,733	22,663,601	10,646,733
Commitments	775,977	-	775,977	-
Guaranteed facilities (see (b) below)	4,650,819	4,746,275	4,650,819	4,746,275
	<u>46,566,282</u>	<u>24,474,829</u>	<u>46,231,831</u>	<u>24,375,155</u>

(b) This represents USD 35,000,000 (2004: USD 35,000,000) disbursed to customers on behalf of Afrexim for which the Bank served as guarantor.

19. Interest and discount income:

Interest and discount income was derived as follows:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Source:				
Lending to financial institutions	334,107	427,457	332,390	426,104
Lending to non-bank customers	10,559,388	8,598,440	10,430,187	8,524,308
Interest income on securities trading	4,594,394	2,385,949	4,498,807	2,338,549
	<u>15,487,889</u>	<u>11,411,846</u>	<u>15,261,384</u>	<u>11,288,961</u>

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Geographical location:				
Earned in Nigeria	14,373,933	10,469,413	14,373,933	10,469,413
Earned outside Nigeria	1,113,956	942,433	887,451	819,548
	<u>15,487,889</u>	<u>11,411,846</u>	<u>15,261,384</u>	<u>11,288,961</u>

20. Interest expense:

Interest expense comprises:

	Group 2005 <u>N'000</u>	Group 2004 <u>N'000</u>	Bank 2005 <u>N'000</u>	Bank 2004 <u>N'000</u>
Source:				
Borrowing from financial institutions	150,405	35,177	150,355	35,123
Borrowing from non-bank customers	5,843,699	4,512,523	5,769,778	4,483,097
Interest expense on securities trading	718,495	605,208	718,495	605,207
	<u>6,712,599</u>	<u>5,152,908</u>	<u>6,638,628</u>	<u>5,123,427</u>

	Group 2005 <u>N'000</u>	Group 2004 <u>N'000</u>	Bank 2005 <u>N'000</u>	Bank 2004 <u>N'000</u>
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Geographical location:

Paid in Nigeria	6,051,931	4,630,747	6,051,931	4,630,747
Paid outside Nigeria	660,668	522,161	586,697	492,680
	<u>6,712,599</u>	<u>5,152,908</u>	<u>6,638,628</u>	<u>5,123,427</u>

21. Other banking income:

This comprises:

	Group 2005 <u>N'000</u>	Group 2004 <u>N'000</u>	Bank 2005 <u>N'000</u>	Bank 2004 <u>N'000</u>
Foreign exchange earnings	686,821	758,840	603,790	665,632
Commissions and similar income	3,635,834	2,849,126	3,242,603	2,667,584
Other fees and charges	4,009,565	2,281,811	3,130,599	1,815,524
Operating lease income	1,035,442	1,364,424	1,035,442	1,364,424
Dividend income from equity investments	125,732	39,814	82,613	39,814
	<u>9,493,394</u>	<u>7,294,015</u>	<u>8,095,047</u>	<u>6,552,978</u>

22. Exceptional Income:

This represents realised gain on the disposal of the Bank's gratuity fund investment. The gain on disposal is computed as follows:

	<u>Group</u> <u>2005</u> <u>N'000</u>	<u>Group</u> <u>2004</u> <u>N'000</u>	<u>Bank</u> <u>2005</u> <u>N'000</u>	<u>Bank</u> <u>2004</u> <u>N'000</u>
Proceeds on disposal	810,855	658,935	810,855	658,935
Less:				
Cost of investment	(334,149)	(462,466)	(334,149)	(462,466)
Gain on disposal	<u>476,706</u>	<u>196,469</u>	<u>476,706</u>	<u>196,469</u>

23. Supplementary profit and loss information:

(a) **General:**

The profit before taxation for the year is stated after charging/(crediting) the following:

	<u>Group</u> <u>2005</u> <u>N'000</u>	<u>Group</u> <u>2004</u> <u>N'000</u>	<u>Bank</u> <u>2005</u> <u>N'000</u>	<u>Bank</u> <u>2004</u> <u>N'000</u>
Specific provisions on risk assets	681,863	753,598	633,199	733,272
General provision on loans and finance leases	454,559	51,048	442,019	50,196
Loan amounts written off	12,217	5,214	12,217	5,214
	<u>1,148,639</u>	<u>809,860</u>	<u>1,087,435</u>	<u>788,682</u>
Depreciation				
- Fixed assets	1,110,747	859,926	981,617	783,926
- Equipment on lease	801,525	1,045,061	801,525	1,045,061
Auditors' remuneration	34,169	24,037	27,500	18,500
Provision for other assets	(66,909)	(189,538)	(66,909)	(189,538)
Gain on disposal of fixed assets	(24,086)	(74,270)	(23,110)	(73,915)
Gain on disposal of equipment on lease	(31,481)	(29,273)	(31,481)	(29,273)

Auditors' remuneration represents payments for two audits of the Bank for the year ended 31 August 2004 and 28 February 2005 respectively.

(b) **Staff and executive directors' costs:**

i. Employee costs, including executive directors, during the year amounted to:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Wages and salaries	2,413,289	1,887,018	2,275,564	1,656,361
Other pension costs	122,972	123,060	120,000	120,000
	2,536,261	2,010,078	2,395,564	1,776,361
	2,536,261	2,010,078	2,395,564	1,776,361

ii. The average number of persons in employment during the year was:

	Group 2005 Number	Group 2004 Number	Bank 2005 Number	Bank 2004 Number
Abuja and North Central	58	48	58	48
Financial Control & Strategy	12	8	9	8
General Services and				
External Affairs	29	24	26	24
Institutional Banking division	98	87	98	87
Lagos Division	141	85	141	85
Management and Corporate				
Services	56	47	56	47
North East division	35	12	35	12
North West division	33	14	33	14
Payment and Settlement	68	63	68	63
Risk management	15	17	15	17
South East division	89	64	89	64
South West division	45	22	45	22
System and control	29	23	29	23
Transaction Services Group	395	246	288	212
	1,103	760	990	726
	1,103	760	990	726

iii. Employees, other than directors, earning more than N60,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contributions and certain benefits) in the following ranges:

Guaranty Trust Bank Plc and Subsidiary Companies
Group Financial Statements -- 28 February 2005
Together with Directors' and Auditors' Reports

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
N 420,001 - N 430,000	1	1	-	-
N 500,001 - N 510,000	14	16	14	14
N 610,001 - N 620,000	39	2	2	2
N 690,001 - N 700,000	1	3	-	-
N 720,001 - N 740,000	-	2	-	-
N 830,001 - N 880,001	4	2	1	1
N 930,001 - N 940,000	11	1	1	1
N1,200,001 - N1,260,000	9	3	-	-
N1,270,001 - N1,280,000	6	1	1	1
N1,300,001 - N1,310,000	-	3	-	-
N1,340,001 - N1,350,000	409	339	401	338
N1,840,001 - N1,850,000	12	2	-	-
N2,120,001 - N2,130,000	241	149	239	149
N2,190,001 - N2,200,000	5	2	-	-
N2,660,001 - N2,670,000	116	64	114	64
N2,730,001 - N2,740,000	-	3	-	-
N2,800,001 - N2,810,000	2	2	-	-
N3,130,001 - N3,830,000	120	52	120	52
N3,830,001 - N4,530,000	26	47	22	43
N4,530,001 - N5,930,000	34	30	27	28
Above N5,930,000	53	36	48	33
	<u>1,103</u>	<u>760</u>	<u>990</u>	<u>726</u>

(c) **Directors' remuneration:**

Directors' remuneration was provided as follows:

	2005 N'000	2004 N'000
Fees as directors	5,100	4,550
Other emoluments	79,186	73,718
	<u>84,286</u>	<u>78,268</u>

The directors' remuneration shown above (excluding pension contributions and certain benefits) includes:

	2005 N'000	2004 N'000
Chairman	4,227	3,975
Highest-paid director	18,611	18,364

The emoluments of all other directors fell within the following ranges:

	2005 Number	2004 Number
N3,000,001 - N3,500,000	-	1
N3,500,001 - N3,700,000	-	1
N3,700,001 - N3,900,000	1	4
N3,900,001 - N4,100,000	1	-
N4,100,001 - N4,300,000	3	-
N4,300,001 - N4,500,000	-	-
N4,500,001 - N4,700,000	-	-
N4,700,001 - N4,900,000	-	-
Above N4,900,000	3	3
	8	9

24. Taxation charge:

(a) The tax charge for the year comprises:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Company income tax	1,387,057	1,046,850	1,236,438	973,168
Prior year under-provision	189,970	-	189,970	-
Deferred tax	247,039	-	247,039	-
	1,824,066	1,046,850	1,673,447	973,168

25. Earnings and dividend per share:

Basic earnings and dividend per share have been computed based on profit after tax before minority interest and dividend declared and the weighted average ordinary shares of 4,727,706,587 (2004: 3,000,000,000) in issue during the year.

Adjusted earnings per share have been computed based on profit after tax before minority interest and the average ordinary shares of 4,727,706,587 (2004: 4,000,000,000) in issue during the year.

26. Net cash flow from operating activities:

This comprises:

	Group 2005 N'000	Group 2004 N'000	Bank 2005 N'000	Bank 2004 N'000
Profit before tax	7,257,814	5,172,682	7,004,243	5,029,725
Minority interest	(72,180)	(47,515)	-	-
	<u>7,185,634</u>	<u>5,125,167</u>	<u>7,004,243</u>	<u>5,029,725</u>
Adjustments to reconcile profit before tax to net cash flow from operating activities:				
Depreciation of Fixed assets	1,110,747	859,926	981,617	783,926
Depreciation of Equipment on lease	801,525	1,045,061	801,525	1,045,061
(Gain)/loss on disposal of fixed assets	(24,086)	(74,270)	(23,109)	(73,915)
(Gain) on disposal of equipment on lease	(31,481)	(29,274)	(31,481)	(29,273)
Amortisation of goodwill on consolidation	31,489	25,263	-	-
Provision for bad and doubtful loans	1,148,639	809,860	1,087,435	788,682
Provision for other assets	66,909	189,538	66,909	189,538
	<u>10,289,376</u>	<u>7,951,271</u>	<u>9,887,139</u>	<u>7,733,744</u>
Net cash flow from operating activities before changes in operating assets	<u><u>10,289,376</u></u>	<u><u>7,951,271</u></u>	<u><u>9,887,139</u></u>	<u><u>7,733,744</u></u>

27. Changes in operating assets:

This comprises:

	Group 2005 <u> </u> N'000	Group 2004 <u> </u> N'000	Bank 2005 <u> </u> N'000	Bank 2004 <u> </u> N'000
(Increase)/decrease in operating assets:				
Short-term investments	(12,534,470)	(20,675,766)	(8,059,621)	(15,346,026)
Loans and advances	(22,630,616)	(14,064,696)	(22,447,126)	(13,802,241)
Advances under finance lease	4,810	150,303	4,810	150,303
Other assets	97,256	(6,126,790)	(871,604)	(5,853,393)
Foreign currency translation reserve	(7,540)	(23,841)	-	-
Minority interest	91,134	104,950	-	-
Increase/(decrease) in operating liabilities:				
Deposits and other accounts	22,161,958	23,761,111	21,341,090	23,154,732
Other liabilities	1,523,355	14,745,927	(557,321)	8,466,264
Capital and other reserves	15,488	127,381	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(11,278,625)	(2,001,421)	(10,589,772)	(3,230,361)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

28. Related party transactions:

During the year, the Bank granted various credit facilities to companies whose directors are also directors of Guaranty Trust Bank Plc at rates and terms comparable to other facilities in the Bank's portfolio. An aggregate of N762,584,000 (2004: N655,514,000) were outstanding on these various facilities at the end of the year, all of which were performing. In addition, Asset and Resource Management Company Limited, a subsidiary of the Bank, manages the Bank's Staff Share Trust Investment, Gratuity and Pension Fund schemes.

29 Claims and Litigation

The Bank in its ordinary course of business is presently involved in 35 cases as a defendant and 17 cases as plaintiff. The total amount claimed in the 35 cases against the Bank is estimated at N1,140,511,257 and \$2,060,000 while the total amount claimed in the 17 cases instituted by the Bank is N260,139,463. However, the Solicitors of the Bank are of the opinion that the contingent liability arising from the cases pending against the Bank is not likely to exceed N220,363,880. The Directors of the Bank are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Bank and are not aware of any pending and or threatened claims or litigation which may be material to the financial statements.

30 Contraventions

The Bank contravened Section 20 (2) (f) of BOFIA 1991 as amended. This relates to acquisition of properties for branch expansion without the approval of Central Bank of Nigeria (CBN). The assessed penalty of ₦2, 000,000, was paid in May 2005.

31. Prior Year Comparative

Certain prior year balances have been classified in line with current year presentation.

Statement of Value Added

For the year ended 28 February 2005

Group:

	<u>2005</u>	%	<u>2004</u>	%
	N'000		N'000	
Gross earnings	25,458,623		18,917,299	
Interest expense	(6,712,599)		(5,152,908)	
	<u>18,746,024</u>		<u>13,764,391</u>	
Loan loss expense	(1,148,639)		(809,860)	
	<u>17,597,385</u>		<u>12,954,531</u>	
Bought-in materials and services	(5,891,038)		(3,866,785)	
Value added	<u>11,706,347</u>	100	<u>9,087,746</u>	100
Applied to pay:				
Employees as wages, salaries and pensions	2,536,261	22	2,010,078	22
Government as taxes	1,824,066	16	1,046,850	12
Shareholders' dividend	3,585,923	31	2,100,000	23
Retained in business:				
Depreciation - Fixed assets	1,110,747	9	859,926	9
- Equipment on lease	801,525	7	1,045,061	11
Profit for the year (including statutory, minority interest and bonus shares reserves)	1,847,825	15	2,025,831	23
	<u>11,706,347</u>	100	<u>9,087,746</u>	100
	<u><u>11,706,347</u></u>	<u><u>100</u></u>	<u><u>9,087,746</u></u>	<u><u>100</u></u>

Statement of Value Added

For the year ended 28 February 2005

Bank:

	<u>2005</u>	%	<u>2004</u>	%
	N'000		N'000	
Gross earnings	23,833,771		18,053,377	
Interest expense	(6,638,628)		(5,123,427)	
	<u>17,195,143</u>		<u>12,929,950</u>	
Loan loss expense	(1,087,435)		(788,682)	
	<u>16,107,708</u>		<u>12,141,268</u>	
Bought-in materials and services	(4,924,759)		(3,506,196)	
Value added	<u>11,182,949</u>	<u>100</u>	<u>8,635,072</u>	<u>100</u>
Applied to pay:				
Employees as wages, salaries and pensions	2,395,564	21	1,776,361	21
Government as taxes	1,673,447	15	973,168	11
Shareholders as dividend	3,585,923	32	2,100,000	24
Retained in the business:				
Depreciation - Fixed Asset	981,617	9	783,926	9
- Equipment on lease	801,525	7	1,045,061	12
Profit for the year (including statutory, minority interest and bonus shares reserves)	1,744,873	16	1,956,556	23
	<u>11,182,949</u>	<u>100</u>	<u>8,635,072</u>	<u>100</u>

Five - Year Financial Summary Group:

	2005 N'000	2004 N'000	2003 N'000	2002 N'000	2001 N'000
ASSETS:					
Cash and short-term funds	47,471,360	31,999,263	31,256,470	23,223,202	16,683,322
Investments	47,718,917	35,688,600	12,527,182	8,865,092	10,206,476
Loans and advances	65,515,276	44,031,308	30,775,145	17,573,538	12,073,119
Other facilities	-	-	-	4,434,662	2,844,084
Advances under finance lease	920	5,682	154,482	73,686	-
Other assets	16,161,832	16,392,516	10,392,425	7,235,876	2,155,102
Equipment on lease	241,967	1,229,433	1,915,185	1,503,752	110,729
Fixed assets	7,940,279	4,387,262	3,098,642	2,111,393	1,398,733
Goodwill on consolidation	100,692	101,051	126,314	-	-
Total assets	185,151,243	133,835,115	90,244,845	65,021,201	45,471,565
LIABILITIES:					
Deposits and other accounts	97,444,855	75,282,897	51,521,786	31,365,637	24,138,561
Other facilities	-	-	-	4,479,456	2,872,812
Other liabilities, including tax and dividend payable	49,396,380	43,033,039	27,028,733	19,348,713	14,312,744
Long term borrowings	6,909,788	3,525,804	1,921,382	1,765,071	-
Total liabilities	153,751,023	121,841,740	80,471,901	56,958,877	41,324,117
Net assets	31,400,220	11,993,375	9,772,944	8,062,324	4,147,448
CAPITAL AND RESERVES:					
Share capital	2,873,248	1,500,000	1,250,000	1,000,000	750,000
Share premium	18,831,536	2,172,666	2,172,666	2,172,666	-
Other reserves	9,365,333	8,081,740	6,216,259	4,843,826	3,373,792
SHAREHOLDERS' FUND	31,070,117	11,754,406	9,638,925	8,016,492	4,123,792
Minority Interest	330,103	238,969	134,019	45,832	23,656
	31,400,220	11,993,375	9,772,944	8,062,324	4,147,448
Gross earnings	25,458,623	18,917,299	16,664,539	11,168,682	7,109,676
Profit on ordinary activities before taxation	6,781,108	4,976,213	4,210,360	3,175,997	2,153,214
Exceptional charges	476,706	196,469	(442,419)	(450,666)	-
Taxation	(1,824,066)	(1,046,850)	(623,759)	(538,272)	(548,239)
Profit on ordinary activities after taxation	5,433,748	4,125,832	3,144,182	2,187,059	1,604,975
Extra-ordinary income	-	-	-	788,085	-
Profit after taxation and extraordinary income	5,433,748	4,125,832	3,144,182	2,975,144	1,604,975
Minority Interest	(72,180)	(47,515)	14,897	(19,918)	(992)
Profit attributable to Group shareholders	5,361,568	4,078,317	3,159,079	2,955,226	1,603,983
Earnings per share (Basic)	115k	138k	126k	150k	107k
Dividend per share (Basic)	76k	70k	60k	83k	40k

Five-Year Financial Summary Bank:

	2005 N'000	2004 N'000	2003 N'000	2002 N'000	2001 N'000
ASSETS:					
Cash and short-term funds	46,293,166	30,861,568	31,144,698	23,214,944	16,683,277
Investments	32,333,424	24,114,796	6,530,411	3,830,625	5,706,059
Loans and advances	65,035,248	43,675,606	30,663,550	17,573,538	12,073,119
Other facilities	-	-	-	4,434,662	2,844,084
Advances under finance lease	920	5,682	154,482	73,686	-
Other assets	16,593,043	15,788,347	10,124,492	6,613,363	2,146,898
Equipment on lease	241,967	1,229,433	1,915,185	1,503,752	110,729
Fixed assets	7,399,936	4,022,808	2,777,913	2,047,825	1,340,601
Total assets	<u>167,897,704</u>	<u>119,698,240</u>	<u>83,310,731</u>	<u>59,292,395</u>	<u>40,904,767</u>
LIABILITIES:					
Deposits and other accounts	95,563,587	74,222,497	51,067,765	31,372,594	24,138,561
Other facilities	-	-	-	4,479,456	2,872,812
Other liabilities, including tax and dividend payable	34,529,360	30,331,961	20,660,163	13,725,292	9,866,068
Long term borrowings	6,909,788	3,525,804	1,921,382	-	-
Total liabilities	<u>137,002,735</u>	<u>108,080,262</u>	<u>73,649,310</u>	<u>49,577,342</u>	<u>36,878,590</u>
Net assets	<u>30,894,969</u>	<u>11,617,978</u>	<u>9,661,421</u>	<u>9,715,053</u>	<u>4,026,177</u>
CAPITAL AND RESERVES:					
Share capital	2,873,248	1,500,000	1,250,000	1,000,000	750,000
Share premium	18,831,536	2,172,666	2,172,666	2,172,666	-
Other reserves	9,190,185	7,945,312	6,238,755	4,777,316	3,276,177
SHAREHOLDERS' FUND	<u>30,894,969</u>	<u>11,617,978</u>	<u>9,661,421</u>	<u>7,949,982</u>	<u>4,026,177</u>
Gross earnings	23,833,771	18,053,377	16,050,075	10,898,091	6,840,527
Profit on ordinary activities before taxation	6,527,537	4,833,256	4,144,919	3,107,315	2,050,323
Exceptional charges	476,706	196,469	(342,419)	(450,666)	-
Taxation	(1,673,447)	(973,168)	(591,061)	(516,294)	(546,629)
Profit on ordinary activities after taxation	5,330,796	4,056,557	3,211,439	2,140,355	1,503,694
Extra-ordinary income	-	-	-	940,913	-
Profit after taxation and extraordinary income	<u>5,330,796</u>	<u>4,056,557</u>	<u>3,211,439</u>	<u>3,081,268</u>	<u>1,503,694</u>
Earnings per share (Basic)	113k	135k	128k	154k	100k
Dividend per share (Basic)	76k	70k	60k	83k	40k