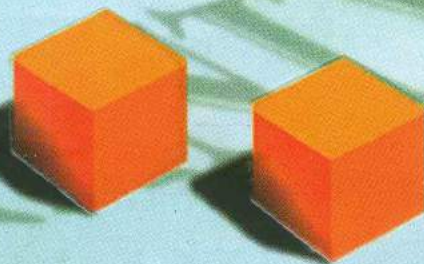


Y TRUST ■

■ **GUARANTY TRUST** ■

GUARANTY TRUST BANK PLC

RC 152321



2002 Annual Report & Accounts

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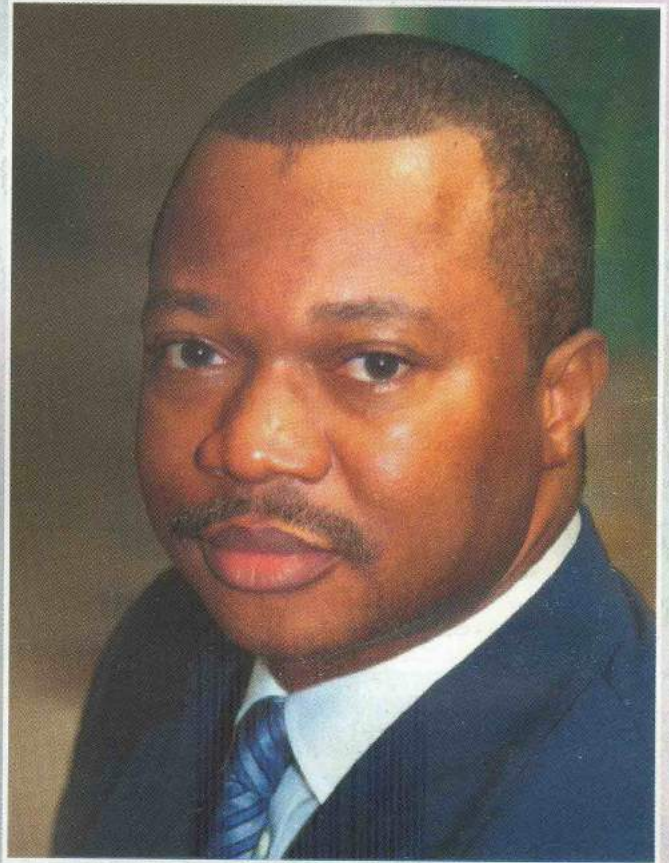
FAREWELL, AS I MOVE ON

On the 1st of August 2002, I will proceed on voluntary retirement from this institution that I founded from the seed of my nurtured dream. Like the father of a bride, I can't but reflect on the journey that actualised this dream, remembering the infancy with fondness, looking upon the growth with pride.

Yet I wonder which memory I shall remember with the most fondness? Is it the growth in profitability from a modest N2.4million loss in 1991 to over N4billion PBT in 2002? Is it the multiplication of locations from a modest (but elaborate!) first outlet at Adeyemo Alakija to the befitting head office and 25 branches spanning the nation? Is it the evolution from an unknown organisation to a national brand? Is it the movement from a national organisation to an international sub-regional institution encompassing Nigeria, the Gambia and Sierra Leone? Is it the challenges of pathfinding, or the insistence on running an ethical organisation in an unethical environment? Is it the growth from a private company with a shareholder base of just 41 people to a public company with over 55,000 shareholders? Or is it the joy of expanding employee base from 84 to over 500?

Is it the challenge of managing growth in the dynamic environment of an emerging and uncertain market? Is it the growth in the balance sheet (including top quality loan portfolio) from N25million to well over N60billion in 2002? Is it the consistently fulfilled promise of dividend pay-out twice each year? Is it the commitment to training and development of people that has produced more chief executives than any bank its peer? Is it the reputation that has been built on the professionalism that has become synonymous with the Guaranty Trust brand? Is it the fact that this exercise in entrepreneurship and ethics has given rise to 4 case studies at the Harvard Business School? Is it the fact of its social responsibility programme at the Massey Street Hospital that has provided life saving benefit for over 200,000 poor, sick children? Is it the several mistakes that I made? Or shall I reflect on the Almighty's Grace that has made all these and more possible without ever losing any member of staff to death "in the course of duty"?

Which aspect shall I recall with the most fondness, or with the most gratitude, as I pass on the baton of leadership? I shall remember all. These are the things I bequeath to those I leave behind (of course, apart from my mistakes!), with a genuine expectation that what they will pass on will be even greater. Inherent in this lies their own challenge - to hand on to the next generation an even bigger "banner without stain".



And now I must yield the harvest because it is due season - because the time is right. I yield with a firm hold on today, and all confidence for tomorrow. I yield my space on the fourth floor of PLURAL House confident that Guaranty Trust will go forth, do well and multiply. Simply, the future I see is bright. Yet I cannot close without thanking you, who trusted me with their very life's work by investing in the Guaranty Trust dream. From the initial shareholders, customers and staff who were there from the beginning, to those who joined (and left) further along the road, I offer my heartfelt gratitude.

I leave you now, assured that in the future, and in circumstances different from this one, we shall meet again. God bless you. God bless Guaranty Trust Bank.

Farewell

Fola Adeola

Managing Director/Chief Executive



DIRECTORS, OFFICERS, & PROFESSIONAL ADVISERS

DIRECTORS

Prof. Mosobalaje O. Oyawoye	-	Chairman
Mr. Tajudeen A. Adeola	-	Managing
Mr. Olutayo Aderinokun	-	Deputy Managing
Alhaji Mohammed M. K. Jada		
Mr. Victor G. Osibodu		
Mr. Adetokunbo B. Adesanya		
Owelle Gilbert P. O. Chikelu		
Mr. Olusegun J. K. Agbaje	-	Executive
Mr. Aigboje Aig-Imoukhuede*	-	Executive
Mr. Herbert O. Wigwe*	-	Executive
Mr. Farouk Bello**	-	Executive
Mr. Babajide Ogundare**	-	Executive
Mrs. Mosunmola Olusoga**	-	Executive

*Resigned on 15/03/02

**Appointed on 15/03/02

COMPANY SECRETARY

Mr. Kolapo B. Omidire

REGISTERED OFFICE

Plural House,
Plot 1669, Oyin Jolayemi Street,
Victoria Island,
Lagos.

AUDITORS

Arthur Andersen
(Chartered Accountants)
22^A, Gerrard Road,
Ikoyi,
Lagos.

REGISTRAR & TRANSFER OFFICE

United Securities Limited,
Niger House (5th Floor),
3/5, Odunlami Street,
Lagos.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of **GUARANTY TRUST BANK PLC** will hold at the Expo Hall, Le Meridien Eko Hotel, Victoria Island, Lagos, on Wednesday, 22 May, 2002, at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 28 February, 2002, and the Reports of the Directors, Auditors, and Audit Committee thereon.
2. To declare a dividend.
3. To elect Directors.
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To elect/re-elect Members of the Audit Committee.

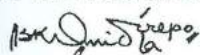
SPECIAL BUSINESS

- A. To consider and if thought fit, to pass the following resolutions as ordinary resolutions:
 6. "That the Directors' fees for the year ending 28 February, 2003, be and is hereby fixed at ₦4,550,000."
 7. "That the authorised share capital of the Bank be and is hereby increased from ₦1,000,000,000 to ₦2,000,000,000 by the creation of 2,000,000,000 Ordinary shares of fifty kobo each, ranking *pari passu* in all respect with the existing ordinary shares of the Bank."
 8. "That following the recommendation of the Directors, pursuant to Article 125 of the Bank's Articles of Association, the sum of ₦250,000,000, being part of the amount standing to the credit of the Bank's Bonus Shares Reserve Account, be and is hereby capitalised into 500,000,000 Ordinary shares of fifty kobo each and appropriated to the members whose names appear in the Register of Members at a date to be determined by the Directors, in the proportion of one new share for every four shares registered in such members' names on that date, subject to the approval of the appropriate regulatory authorities, the shares so distributed being treated for all purposes as capital and not as income, ranking *pari passu* with the existing shares of the Bank, provided that the shares issued pursuant to this resolution shall not rank for the dividend declared on 22 May, 2002."
- B. To consider and if thought fit, to pass the following resolution as a special resolution:
 9. "That the Memorandum and Articles of Association of the Company be and is hereby amended by deleting Clause 6 of the Memorandum and Article 5 of the Articles, and substituting for each of the said clause and article, the following: "The share capital of the Company is ₦2,000,000,000 divided into 4,000,000,000 Ordinary shares of fifty kobo each."

PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. For the appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, United Securities Limited, Niger House, 3-5, Odunlami Street, Lagos, not less than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report.

BY THE ORDER OF THE BOARD



KOLAPO OMIDIRE
Company Secretary
Plot 1669, Oyin Jolayemi Street
Victoria Island, Lagos.

17 April, 2002.

NOTES

1. **Dividend**
If approved, a dividend will be payable on 22 May, 2002, to shareholders whose names are registered in the Register of Members at the close of business on 24 April, 2002. Dividend Warrants will be posted on 22 May, 2002.
2. **Closure of Register**
The Register of Members will be closed on 25 April, 2002, to enable the Registrar prepare for the payment of dividend.
3. **Audit Committee**
In accordance with Section 359(5) of the Companies and Allied Matters Act, 1990, any shareholder may nominate a shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 days before the Annual General Meeting.

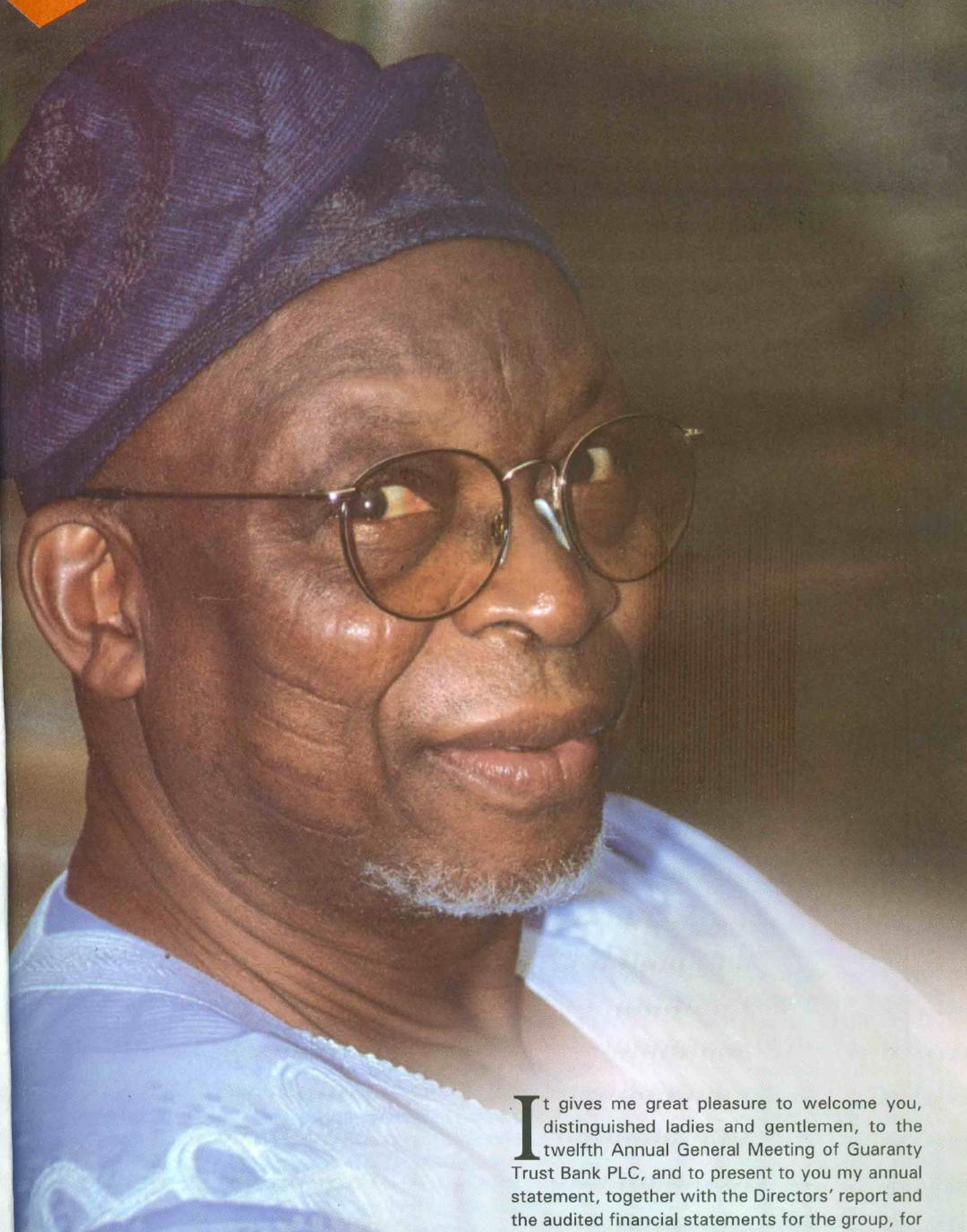


RESULTS AT A GLANCE

	2002 N 'million	GROUP 2001 N 'million	Increased/ (Decreased) %	2002 N 'million	BANK 2001 N 'million	Increased/ (Decreased) %
Major Profit and Loss						
Account Items						
Gross earnings	11,169	7,110	57	10,898	6,841	59
Profit on ordinary activity	3,176	2,153	48	3,107	2,050	52
Profit before tax and before extraordinary item	2,725	2,153	27	2,657	2,050	30
Profit after tax and extraordinary item	2,975	1,605	85	3,081	1,504	105
Dividend paid and proposed	1,495	600	149	1,495	600	149
Major Balance Sheet Items						
Deposit liabilities	31,366	24,139	30	31,373	24,140	30
Loans & advances	17,574	12,073	46	17,574	12,073	46
Total assets	65,021	45,557	43	59,292	40,905	45
Shareholders' funds	8,016	4,124	94	7,950	3,941	102
Earnings per share (kobo)	180k	107k	68	185k	100k	85
Dividends per share - interim (kobo)	33k	12k	175	33k	12k	175
- final (kobo)	50k	28k	79	50k	28k	79
Return on average equity (%)	49	44	11	52	43	21
Number of employees	491	347	41	457	316	45
Net earnings per employee (N '000)	14,191	12,603	13	14,655	12,988	13
Number of branches	-	-	-	27	21	10



CHAIRMAN'S STATEMENT



It gives me great pleasure to welcome you, distinguished ladies and gentlemen, to the twelfth Annual General Meeting of Guaranty Trust Bank PLC, and to present to you my annual statement, together with the Directors' report and the audited financial statements for the group, for the year ended 28 February, 2002.

PROF. MOSOBALAJE O. OYAWOYE
Chairman



CHAIRMAN'S STATEMENT, cont'd.

OPERATING ENVIRONMENT

2001 started on a good note, with the Federal Government approving on time, the budget for the year. The sum of ₦ 894 billion was approved, comprising ₦ 398 billion for recurrent expenditure, and ₦ 496 billion for capital expenditure. Though the budget was predicated on USD22 per barrel of crude oil, the commodity traded at an average of USD28 per barrel for most of the year. The positive variance therefore resulted in excess revenue over budget.

By the end of 2001, inflation rate was 19%, against the maximum level of 9% anticipated by the budget. As an antidote, the Central Bank of Nigeria (CBN) reviewed the Minimum Rediscount Rate (MRR) and the Cash Reserve Ratios (CRR) to control liquidity, believing that increases in MRR and CRR would raise cost of funds thereby resulting in a reduction in the demand for foreign exchange, but these actions were not too successful in controlling inflation which rose to as high as 19%, representing an increase of 10% over the level anticipated for the year.

The Naira suffered a devaluation at the Inter-bank Foreign Exchange Market (IFEM), from a rate of ₦ 110 to the U.S. Dollar at the beginning of the year, deteriorating to ₦ 116.70 at the end of the year. To control speculative transactions which could result in further devaluation of the Naira, CBN pegged the variation between IFEM rates and funds from any other source traded by banks, to a maximum spread of 0.5% between the CBN and the deal rates on any particular day. The ceiling was however jettisoned in November, 2001.

While it is arguable whether or not the regulations achieved their objective, there is no gainsaying the fact that CBN has in the period under review demonstrated that it is willing, and has the capacity to ensure that banks operate within the limit of established rules. To this end, CBN has intensified surveillance on banks' foreign exchange transactions; and sanctions for contraventions have been reviewed to impose stiffer penalties on culprits. Wielding the big stick, CBN has displayed evidence of its commitment to put players within the industry under check, and within the period under review, some banks have been sanctioned for contravening foreign exchange regulations.

OFFER FOR SUBSCRIPTION

Consequent upon your unanimous resolutions to increase the share capital of the Bank from ₦ 750 million to ₦ 1 billion, and authorising the Board of Directors to issue and allot additional 500 million ordinary shares of the Bank, I am pleased to report to you that your Directors had implemented the terms of the resolutions. In this regard, an additional 500 million ordinary shares of the Bank were issued and put up for subscription through a public offer. The shares were sold at a price of ₦ 5.10 per share. It is with pride that I report to you that the offer, which generated a share premium reserve of ₦ 2.1 billion for the Bank, was over-subscribed, and that it has been approved by the appropriate authorities. There is no doubt that you will agree with me that the over-subscription is indicative of the measure of confidence which the public has in our Bank.

EXPANSION PROGRAMME

Consequent upon the approval of the offer, your Board and Management have commenced work in earnest, towards the realisation of the objectives which necessitated the injection of additional capital into the Bank's business. To this



CHAIRMAN'S STATEMENT, cont'd.

end, I am pleased to inform you that the expansion programme of our Bank's branch network is on course. Since the last annual general meeting, new branches of our Bank have opened in Abeokuta, Calabar and Owerri, while second branches have been opened in Ikeja, Abuja, and Port Harcourt, thus bringing total number of our branch network to 27 branches, from 21 as at the date of the last annual general meeting. This development will continue until we have a presence in all the major commercial and administrative centres of the country, and to this end, the approval of the Central Bank of Nigeria has been obtained and development work has commenced on new branches to be located in Sokoto, Yola, and a second branch in Victoria Island. Furthermore, the Board has authorised Management to seek approval for the establishment of branches in Ikoyi, the Trade Fair Complex in Lagos, and in Nnewi in Anambra State. These branches will hopefully commence operations in the course of the new financial year.

On our Bank's continental expansion, it is with joy that I report that our Bank's first offshore subsidiary in the Gambia has commenced operations. Licensed as **Guaranty Trust Bank (Gambia) Limited**, and located in Banjul, there are very bright prospects that the objectives underlying the expansion would be realised within the shortest possible time.

In the same vein, I am also happy to inform you that our Bank has succeeded in acquiring a bank in the Republic of Sierra Leone. The acquisition has been approved by both the Central Bank of Nigeria, and the Bank of Sierra Leone, and with the approval of the latter, the Bank's name has been changed to **Guaranty Trust Bank (Sierra Leone) Limited**. Being an existing bank, the management team seconded to the branch is already working to ensure that the people of the Republic of Sierra Leone have the opportunity of enjoying the excellent service which has become the hallmark of our operations.

OPERATING RESULTS

Despite the harsh operational environment and the keen competition which characterised the industry in the period under review, the Bank ended the year on a very pleasant note. The Bank recorded a very impressive and positive growth in every line and in all the indices of performance measurement. Gross Earnings of ₦10.8 billion exceeded the figure reported last year by 59%, an indication that the Bank succeeded in increasing its market share. Gross Profit was ₦4 billion including the sum of ₦940.9 million, being profit realised from sale of the remaining shares of Magnum Trust Bank Limited held by the Bank. By implication therefore, ₦3.1 billion of the profit was derived from direct operations, which when compared with the ₦2 billion reported last year, represented an increase of 55%. Profit after taxation of ₦3.04 billion doubled the ₦1.5 billion reported in the previous year. The Balance Sheet at ₦59.3 billion exceeded the figure for last year by 51%, while the Shareholders' Fund witnessed a 101% increase, from ₦3.9 billion in the last financial year to ₦7.9 billion in the year under review. These are indeed impressive results, which I urge you not to take for granted, because the Bank has remained steadfast to its chosen ideals of ethics and integrity, as opposed to the unprofessional and sometimes illegal activities being undertaken by some competitors as constantly reported by the media. The results are simply a product of the hard work of the Bank's management and staff, and I am sure you will join me in expressing our appreciation to them, for their consistent good performance.

"Gross Earnings of ₦10.8 billion exceeded the figure reported last year by 59%, an indication that the Bank succeeded in increasing its market share."



CHAIRMAN'S STATEMENT, cont'd.

DIVIDEND AND SCRIP ISSUE

In the course of the year, your Directors authorised the payment of an interim dividend of ₦ 495 million at the rate of 33 kobo per 50 kobo Ordinary share. The payment, which was made in October 2001, is subject to your retroactive approval at this meeting. In addition, your Board is recommending for your approval, the payment of a final dividend of ₦ 1 billion, to be apportioned at the rate of 50 kobo per share, thereby bringing total dividend to ₦ 1.495 billion gross, or 90 kobo per share. This represents an increase of 149% over the gross dividend paid in the last financial year.

The Board is also recommending for your approval at this meeting, the capitalisation of ₦ 250 million from the bonus shares reserve account, for a bonus shares issue in the proportion of one new share for every four shares currently held. This will increase the Bank's share capital and perforce, the shareholders' fund, thereby enhancing our capacity to serve our valued customers.

BOARD OF DIRECTORS

In March 2002, the Board appointed three new Executive Directors in the persons of Mrs. Mosunmola Olusoga, Mr. Babajide Ogundare and Mr. Farouk Bello. Their appointments were to fill the vacancies created by the resignation of Messrs. Herbert Wigwe and Aigboje Aig-Imoukhuede as Executive Directors. The new Executive Directors have been well-groomed in the traditions of our Bank having risen through the ranks, and served in various departments over the years, with good commendation. Please join me in welcoming and wishing them a pleasant tenure, while also wishing Messrs. Aig-Imoukhuede and Wigwe success in their future endeavours.

Meanwhile, I am sure you would have read on the pages of newspapers, of the voluntary retirement of our Bank's pioneer Managing Director, Mr. Tajudeen Afolabi Adeola. Though your Board would have wished that Mr. Adeola delay his retirement, Mr. Adeola is very clear in his mind that it is time to leave having piloted the Bank's affairs for twelve years, within which the Bank attained an enviable leading position in the industry, and in which systems had been put in place for the realisation of the Bank's objectives. Your Directors could not but respect his decision which is considered bold and courageous, and therefore had to accept his position.

Mr. Adeola's achievement is worthy of commendation and celebration. His vision to build a world-class Bank which would endure, and remain an industry leader even after his disengagement has been realised in his lifetime. From a share capital of ₦ 20 million at inception, Mr. Adeola would be leaving as Managing Director a Bank with a ₦ 59.3 billion Balance Sheet, and Shareholders' Funds of nearly ₦ 8 billion. Under his leadership, the Bank has been nurtured to the position of an industry leader, with the Bank being recognised as a change agent that transformed banking business for the better, in our country.

I am sure that I will be speaking your mind by thanking Mr. Adeola for his selfless service to our country in general, and to our Bank in particular, hoping that his action would serve as a lesson to other persons, whether in the public or the private sector, that it is most honourable to leave the stage when the ovation is loudest. Though he will be retiring as the Managing Director, he will still be available to



CHAIRMAN'S STATEMENT, cont'd.

contribute his quota to the continued development of our Bank as a non-executive Director. It is my prayer that God will bless Mr. Adeola and guide him in his other undertakings.

Meanwhile, the Board has approved the appointment of Mr. Olutayo Aderinokun, the Bank's pioneer Deputy Managing Director to succeed Mr. Adeola as Managing Director effective 1 August, 2002, when Mr. Adeola will proceed on pre-retirement vacation. The Board also approved the appointment of Mr. Olusegun Agbaje, an Executive Director of the Bank, as Deputy Managing Director effective same date. While congratulating the new team on your behalf, I pray that God will bless their endeavours, and give them the grace to lead the Bank to even greater achievement.

FUTURE OUTLOOK

The Federal Government has once again reiterated its resolve to ensure that its macro-economic policies result in the achievement of price and exchange rate stability. The objective can however be realised if the government is able to exercise fiscal discipline, *moreso*, in view of declining oil prices which might result in a slump in projected revenues.

Though the quality of telecommunications has improved significantly with the introduction of GSM network in the country, it would appear that energy production which witnessed a noticeable improvement last year is again taking a turn for the worse. No meaningful economic development can take place in the face of deteriorating infrastructure, hence, it is hoped that the government will seriously address the problems with a view to finding a lasting solution thereto.

With elections being planned for next year, the law enforcement agents have to be prepared and be more vigilant in order to suppress any likely socio-political upheaval which normally characterise election periods.

In the banking industry, we expect competition to be more intense especially with indications of new banking licences being issued, and with the conversion of most merchant banks to universal banks. However, we are hopeful that the renewed efforts of the Central Bank of Nigeria in ensuring a greater level of compliance with regulations will in due course create a level playing field for operators in the industry.

The determination of the Board and Management of your Bank to develop it to an institution of international repute, capable of standing alongside other major financial services organisations with global presence remains unshakable. This will continue to be the pivot of our actions, and with God on our side, we shall continue to record greater success.

Thank you.

Prof. Mosobalaje O. Oyawoye



DIRECTORS' REPORT For the Year Ended 28 February, 2002.

The Directors have pleasure in presenting their Annual Report together with the Audited Financial Statements of the Bank and Group for the year ended 28 February, 2002.

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. The Bank's only subsidiary, Asset and Resource Management Company Limited, is engaged in funds and portfolio management services.

During the year, the Bank obtained approvals of the regulatory authorities in Nigeria, Gambia and Sierra Leone to establish a commercial bank in The Gambia and acquired a controlling interest in an existing commercial bank in Sierra Leone. Because these are relatively new subsidiaries, the results of these operations have not been consolidated in these financial statements.

During the year, the Bank sold its 49% shareholding in Magnum Trust Bank PLC. The Bank also increased its authorised share capital to 2 billion ordinary shares of 50k each and issued the entire increase of 500 million shares at a premium to the public. The public offer was over-subscribed and as a result, the number of shareholders increased from 6,860 at 17 April, 2001 to 48,130 at 28 February, 2002.

OPERATING RESULTS

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

	2002 N'000	2001 N'000
Profit attributable to group shareholders	2,955,226	1,603,983
Transfer to statutory reserve	462,190	451,108
Transfer to bonus share reserve	250,000	-
Dividend (paid and proposed)	1,495,000	600,000
Transfer to small scale industries reserve	265,665	205,032
Shareholders' funds	8,016,492	4,123,792
Earnings per share	180k	107k
Dividend per share - Interim	33k*	12k
- Final	50k**	28k

* Interim dividend was paid on 1.5 billion ordinary shares of 50k each (2001: 1.5 billion ordinary shares 50k each) in issue at the time of payment.

** Final dividend will be paid on 2.0 billion ordinary shares of 50k each (2001: 1.5 billion ordinary shares 50k each)



DIRECTORS' REPORT, cont'd.

DIVIDENDS

The Board authorised the payment of ₦ 495,000,000 (33 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 ₦ 1,000,000,000 (50 kobo per share), together totalling ₦ 1,495,000,000. The dividends are subject to deduction of withholding tax.

BONUS

Pursuant to Article 125 of the Bank's Articles of Association, the Directors recommend to the shareholders the creation and subsequent capitalisation of a ₦ 250,000,000 bonus shares reserve account, to be appropriated at the ratio of one new share for every four shares held.

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 28/2/02**	Number of Ordinary Shares of 50 kobo held as at 28/2/01
Professor M. O. Oyawoye	- Chairman	32,831,822	32,431,822
Mr. T. A. Adeola	- Managing Director	90,766,405	75,766,405
Mr. O. A. Aderinokun	- Deputy Managing Director	89,812,500	74,812,500
Mr. A. B. Adesanya		48,012,500	47,812,500
Owelle G. P. Chikelu		20,000,000	3,750,000
Alhaji M. K. Jada		22,985,348	22,985,348
Mr. V. G. Osibodu		67,250,000	47,250,000
Mr. J. K. O. Agbaje	- Executive Director	5,150,000	-
Mr. Aig Aig-Imoukhuede	- Executive Director*	2,000,000	-
Mr. H. O. Wigwe	- Executive Director*	3,790,411	1,790,411

*Resigned on 15/03/02

**There has been no change in the Directors' interests as at the date of Notice of Annual General Meeting.

Since the conclusion of the last Annual General Meeting, Messrs. Aigboje Aig-Imoukhuede and Herbert Wigwe had resigned their appointments as Executive Directors of the Bank, and Mrs. Mosunmola Olusoga as well as Mr. Babajide Ogundare and Mr. Farouk Bello were appointed Executive Directors. Their appointments will be presented for approval at this meeting.



DIRECTORS' REPORT, cont'd.

ANALYSIS OF SHAREHOLDING

The analysis of the distribution of the shares of the Bank is as follows:

RANGE	NUMBER OF HOLDERS				TOTAL HOLDINGS			
	ABSOLUTE		CUMMULATIVE		ABSOLUTE		CUMULATIVE	
	NO.	%	NO.	%	NO.	%	NO.	%
1 - 1,000	24,451	50.80	24,451	50.80	15,935,356	0.80	15,935,356	0.80
1,001 - 25,000	20,780	43.17	45,231	93.97	122,041,771	6.10	137,977,127	6.90
25,001 - 50,000	1,157	2.40	46,388	96.37	46,320,204	2.32	184,297,331	9.22
50,001 - 100,000	739	1.53	47,127	97.90	60,433,923	3.02	244,731,254	12.24
100,001 - 500,000	736	1.53	47,863	99.42	183,216,474	9.16	427,947,728	21.40
500,001 - 1,000,000	138	0.28	48,001	99.70	113,428,901	5.67	541,376,629	27.07
1,000,001 AND ABOVE	129	0.28	48,130	100.00	1,458,623,371	72.93	2,000,000,000	100.00

FIXED ASSETS

Information relating to changes in fixed assets is given in Note 8 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 ₦ 1,245,457 (2001: ₦ 4,471,000) was given out as donations and charitable contributions during the financial year. These comprise contributions to charitable organisations amounting to ₦ 80,000 (2001: ₦ 178,000) and donations amounting to ₦ 1,165,467 (2001: ₦ 4,293,000) to other non-political organisations.

Details of such donations and charitable contributions are as follows:

	₦'000
Massey Street Children's Hospital	820
Lagos Business School	200
Sickle Cell Club of Lagos	80
Special Olympics	50
Armed Forces Remembrance Emblem Appeal Fund	50
Department of Paediatrics, LUTH	25
St. Saviour's School Appeal Fund	20
	1,245

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 person 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/herself to any disadvantage in his/her career development. Currently, the Group has four (4) 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

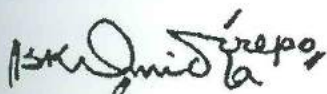
The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well-being. Towards this end, the Group provides opportunities where employees deliberate on issues affecting the Group and employees interests, with a view to making inputs to decisions thereon.

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 abroad in the year under review.

AUDITORS

The auditors, Messrs. Arthur Andersen, have indicated their willingness to continue in office in accordance with Section 357 (2) of the Companies and Allied Matters Act, 1990. A resolution will be proposed authorising the Directors to determine their remuneration.

BY ORDER OF THE BOARD



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

15 March, 2002.



REPORT OF THE AUDIT COMMITTEE

For the Year Ended 28 February, 2002

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, 2002 were satisfactory and reinforce the Group's internal control systems.

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

14 March, 2002.

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



AUDITORS' REPORT



ARTHUR ANDERSEN

22a, Gerrard Road
P. O. Box 51204, Ikoyi, Lagos.

To the Members of Guaranty Trust Bank PLC

We have audited the balance sheets of Guaranty Trust Bank PLC ("the Bank") and its subsidiary company ("the Group") as at 28 February, 2002 and the related profit and loss accounts and statements of cash flows for the year then ended, prepared under the historical cost convention and on the basis of the accounting policies set out in the financial statements.

Respective Responsibilities of Directors and Auditors

The Bank's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

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 made 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.

Banks and Other Financial Institutions Act, (BOFIA) 1991

Based on our audit and representations received, to the best of our knowledge and belief, the Bank contravened Sections 20(1)(a), 20 (2)(a), 21(2) to (4) of the Banks and Other Financial Institutions Act, 1991 during the year ended 28 February, 2002. These contraventions which have been disclosed in Note 28, have been reported to the Central Bank of Nigeria and the assessed penalties 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 Group as at 28 February, 2002 and of their profit and statements of cash flows for the year then ended, and comply with the Banks and Other Financial Institutions Act, 1991, relevant Central Bank of Nigeria circulars, relevant Statements of Accounting Standards and the Companies and Allied Matters Act, 1990.

Arthur Andersen



15 March, 2002



STATEMENT OF ACCOUNTING POLICIES

For the Year Ended 28 February, 2002.

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 subsidiary, Asset and Resource Management Company Limited. In the Bank's books, investment in the subsidiary company is stated at cost. Provision is made for any permanent diminution in the value of the investment.

(c) **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.

(d) **Investment in Associated Company**

The Group's investment in the associated company is stated at cost and adjusted thereafter for changes in the Group's share of the net assets of the associate using the equity method.

(e) **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.

(f) **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.

(g) **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.



STATEMENT OF ACCOUNTING POLICIES, cont'd.

(h) 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 annually, 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.

(i) 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. In prior years, deferred taxation was provided on a partial basis in the financial statements.

(j) 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.

(k) Foreign Currency Items

Transactions 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.

(l) 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 5% and 20% 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.

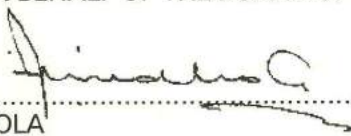


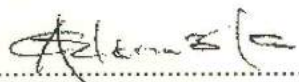
BALANCE SHEETS

As at 28 February, 2002.

	Notes	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
ASSETS					
Cash and short-term funds	1	16,465,202	16,683,322	16,456,944	16,683,277
Investments	2	15,623,092	10,206,476	10,588,625	5,706,059
Loans and advances	3	17,573,538	12,073,119	17,573,538	12,073,119
Other facilities	4	4,434,662	2,844,084	4,434,662	2,844,084
Advances under finance leases	5	73,686	-	73,686	-
Other assets	6	7,235,876	2,240,231	6,613,363	2,146,898
Equipment on lease	7	1,503,752	110,729	1,503,752	110,729
Fixed assets	8	2,111,393	1,398,733	2,047,825	1,340,601
TOTAL ASSETS		65,021,201	45,556,694	59,292,395	40,904,767
LIABILITIES					
Deposits and other accounts	9	31,365,637	24,138,561	31,372,594	24,139,710
Other liabilities	10	17,408,497	13,205,250	11,810,778	8,768,281
Other facilities	4	4,479,456	2,872,812	4,479,456	2,872,812
Taxation payable	11	564,244	724,075	538,542	714,368
Dividend payable	12	1,000,000	420,000	1,000,000	420,000
Deferred taxation	11	375,972	48,548	375,972	48,548
Long-term borrowings	13	1,765,071	-	1,765,071	-
TOTAL LIABILITIES		56,958,877	41,409,246	51,342,413	36,963,719
NET ASSETS		8,062,324	4,147,448	7,949,982	3,941,048
CAPITAL AND RESERVES					
Share capital	14	1,000,000	750,000	1,000,000	750,000
Share premium	15	2,172,666	-	2,172,666	-
Bonus shares reserve	14	250,000	-	250,000	-
Other reserves	16	4,593,826	3,373,792	4,527,316	3,191,048
SHAREHOLDERS' FUNDS:		8,016,492	4,123,792	7,949,982	3,941,048
Minority interest		45,832	23,656	-	-
		8,062,324	4,147,448	7,949,982	3,941,048
Acceptances, guarantees and other obligations for the account of customers (and the customers' liability thereon)	17	13,222,314	6,775,885	13,222,314	6,775,885

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:


)
 FOLA ADEOLA) Directors


)
 TAYO ADERINOKUN)

Approved by the Board of Directors on 15 March, 2002.
The accompanying notes form an integral part of these balance sheets.

PROFIT AND LOSS ACCOUNTS

For the Year Ended 28 February, 2002.

	Notes	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
GROSS EARNINGS		11,168,682	7,109,676	10,898,091	6,840,527
INTEREST AND DISCOUNT INCOME	18	8,220,420	5,284,394	8,220,420	5,284,394
Lease finance income		19,591	2,977	19,591	2,977
Interest expense	19	(3,904,704)	(2,440,713)	(3,904,704)	(2,440,713)
INTEREST MARGIN		4,335,307	2,846,658	4,335,307	2,846,658
Loan loss expense (net)	21	(296,154)	(295,719)	(296,154)	(295,719)
NET INTEREST MARGIN		4,039,153	2,550,939	4,039,153	2,550,939
Other banking income	20	2,928,671	1,822,305	2,658,080	1,553,156
Operating expenses		6,967,824 (3,791,827)	4,373,244 (2,220,030)	6,697,233 (3,589,918)	4,104,095 (2,053,772)
PROFIT ON ORDINARY ACTIVITIES		3,175,997	2,153,214	3,107,315	2,050,323
Exceptional charge	10	(450,666)	-	(450,666)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION AND BEFORE EXTRAORDINARY ITEMS		2,725,331	2,153,214	2,656,649	2,050,323
Taxation	22	(538,272)	(548,239)	(516,294)	(546,629)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS		2,187,059	1,604,975	2,140,355	1,503,694
Extraordinary items	23	788,085	-	940,913	-
Minority interest		(19,918)	(992)	-	-
PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS		2,955,226	1,603,983	3,081,268	1,503,694
Transfer to statutory reserves	16	(462,190)	(451,108)	(462,190)	(451,108)
Transfer to bonus shares reserve	14	(250,000)	-	(250,000)	-
Transfer to small scale industries reserve	16	(265,665)	(205,032)	(265,665)	(205,032)
DIVIDEND - Paid	12	1,977,371 (495,000)	947,843 (180,000)	2,103,413 (495,000)	847,554 (180,000)
- Proposed	12	(1,000,000)	(420,000)	(1,000,000)	(420,000)
Retained profit for the year		482,371	347,843	608,413	247,554
RETAINED PROFIT, beginning of year		847,210	499,367	682,552	434,998
RETAINED PROFIT, end of year	16	1,329,581	847,210	1,290,965	682,552
Earnings per share - adjusted	24	180k	107k	185k	100k
Dividend per share - adjusted	24	90k	40k	90k	40k

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



STATEMENTS OF CASH FLOWS

For the Year Ended 28 February, 2002.

	Notes	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Net cash flow from operating activities					
before changes in operating assets	25	3,977,028	2,863,329	3,886,916	2,750,795
Changes in operating assets	26	(4,988,375)	6,873,170	(4,896,427)	7,060,668
Income tax paid		(370,679)	(230,798)	(364,696)	(220,192)
Net cash flows from operating activities		(1,382,026)	9,505,701	(1,374,207)	9,591,271
Investing activities:					
Proceeds from disposal of fixed assets		38,041	15,111	38,041	8,374
Proceeds from sale of investments		1,240,640	108,049	1,200,000	-
Purchase of fixed assets		(1,145,053)	(700,662)	(1,120,445)	(671,243)
Purchase of investments		(290,503)	(121,385)	(290,503)	(121,385)
Purchase of equipment on lease		(1,959,281)	-	(1,959,281)	-
Proceeds from disposal of equipment on lease		7,325	-	7,325	-
Net cash flows from investing activities		(2,108,831)	(698,887)	(2,124,863)	(784,254)
Financing activities:					
Proceeds from issue of shares		2,550,000	-	2,550,000	-
Share Issue expenses		(127,334)	-	(127,334)	-
Dividend paid		(915,000)	(525,000)	(915,000)	(525,000)
Long-term borrowings		1,765,071	-	1,765,071	-
Net increase in cash and short term funds		(218,120)	8,281,814	(226,333)	8,282,017
Cash and short term funds, beginning of year		16,683,322	8,401,508	16,683,277	8,401,260
Cash and short term funds, end of year		16,465,202	16,683,322	16,456,944	16,683,277

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 28 February, 2002.

1. Cash and short-term funds

(a) Cash and short-term funds comprise:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Bank and cash balances in Nigeria				
- Cash	559,958	387,770	559,843	387,725
- Balances held with the Central Bank of Nigeria				
- Current account	3,063,521	2,822,745	3,063,521	2,822,745
- Cash reserve	2,506,596	1,381,992	2,506,596	1,381,992
- Balances held with other local banks and discount houses (see (b) below)	3,368,774	2,691,089	3,368,774	2,691,089
Balances held with banks outside Nigeria (see (c) below)	6,966,353	9,399,726	6,958,210	9,399,726
	<u>16,465,202</u>	<u>16,683,322</u>	<u>16,456,944</u>	<u>16,683,277</u>

(b) Included in balances held with other local banks is an amount of ₦98,327,000. (2001: ₦268,689,000), being cash cover for managers' cheques issued on other banks (see Note 10).

(c) Included in bank and cash balances outside Nigeria is the Naira value of foreign currencies held on behalf of customers in various foreign accounts amounting to ₦3,229,081,000 (2001: ₦4,615,407,000). The corresponding liability for this amount is included in other liabilities (see Note 10).

2. Investments

(a) Investments comprise:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Short-term investments (see (b) below)	15,089,623	9,510,953	10,076,591	5,225,440
Long-term investments (see (c) below)	533,469	695,523	512,034	480,619
	<u>15,623,092</u>	<u>10,206,476</u>	<u>10,588,625</u>	<u>5,706,059</u>

(b) Short-term investments comprise:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Treasury bills	9,781,041	5,175,440	9,781,041	5,175,440
Trading securities	5,013,032	4,285,513	-	-
CBN certificates	295,550	50,000	295,550	50,000
	<u>15,089,623</u>	<u>9,510,953</u>	<u>10,076,591</u>	<u>5,225,440</u>

i. Included in treasury bills is an amount of ₦1,820,000,000 (2001: ₦3,080,000,000) being treasury bills pledged as security against open buy back interbank placements.

ii. 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 current liabilities.



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

(c) Long-term investments comprise:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Subsidiaries:				
Investment in Asset and Resource Management Company Limited (ARM)	-	-	28,000	28,000
Investment in GTB Gambia (see (i) below)	171,503	-	171,503	-
Investment in GTB Sierra Leone (see (ii) below)	119,000	-	119,000	-
Associated company:				
Investment in Magnum Trust Bank Plc (MTB) (see (iii) below)	-	411,916	-	259,088
Other investments:				
- Kakawa Discount House Limited	34,100	34,100	34,100	34,100
- Valucard Nigeria Plc	41,431	41,431	41,431	41,431
- Nigeria Automated Clearing System	18,000	18,000	18,000	18,000
- Proprietary investments (see (iv) below)	49,435	90,076	-	-
Debentures:				
- Delta State Govt. Bond	100,000	100,000	100,000	100,000
	<u>533,469</u>	<u>695,523</u>	<u>512,034</u>	<u>480,619</u>

- i. The Bank obtained a banking licence to set up a subsidiary in The Gambia. Its shareholding in the subsidiary is 70%. The subsidiary commenced business on 5 March, 2002.
- ii. The Bank acquired a 70% shareholding stake in a bank in Sierra Leone. The effective date of the takeover of management of the subsidiary is 25 January, 2002.
- iii. During the year, the Bank disposed of its 49% shareholding in MTB at a cost of ₦1,200,000,000, resulting in an extra ordinary income of ₦940,912,500.
- iv. Proprietary investment represents ARM's trading investment in quoted equities in Nigeria and abroad.
- v. The directors are of the opinion that the market value of long-term investments is not lower than cost.

NOTES TO THE FINANCIAL STATEMENTS, cont'd.

3. Loans and advances

(a) Loans and advances comprise, by security:

	Group 2002 N '000	Group 2001 N '000	Bank 2002 N '000	Bank 2001 N '000
Secured against real estate	5,150,697	5,201,509	5,150,697	5,201,509
Otherwise secured	10,708,556	6,194,616	10,708,556	6,194,616
Unsecured	2,357,721	1,271,008	2,357,721	1,271,008
	<u>18,216,974</u>	<u>12,667,133</u>	<u>18,216,974</u>	<u>12,667,133</u>
Less: Provisions for bad and doubtful loans				
- Specific (see (b) below)	(270,919)	(279,772)	(270,919)	(279,772)
- General (see (b) below)	(300,958)	(225,537)	(300,958)	(225,537)
Interest in suspense	(71,559)	(88,705)	(71,559)	(88,705)
	<u>17,573,538</u>	<u>12,073,119</u>	<u>17,573,538</u>	<u>12,073,119</u>

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

	Group 2002 N '000	Group 2001 N '000	Bank 2002 N '000	Bank 2001 N '000
Specific provision:				
Balance, beginning of year	279,772	241,902	279,772	241,902
Provisions made during the year	188,813	187,266	188,813	187,266
Provisions written off during the year	(197,666)	(149,396)	(197,666)	(149,396)
	<u>270,919</u>	<u>279,772</u>	<u>270,919</u>	<u>279,772</u>



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
General provision:				
Balance, beginning of year	225,537	123,587	225,537	123,587
Provisions made during the year	75,421	101,950	75,421	101,950
Balance, end of year	<u>300,958</u>	<u>225,537</u>	<u>300,958</u>	<u>225,537</u>

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

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Under 1 month	12,552,209	9,210,003	12,552,209	9,210,003
1 - 3 months	1,139,058	889,119	1,139,058	889,119
3 - 6 months	33,988	51,237	33,988	51,237
6 - 12 months	379,765	702,003	379,765	702,003
Over 12 months	4,111,954	1,814,771	4,111,954	1,814,771
	<u>18,216,974</u>	<u>12,667,133</u>	<u>18,216,974</u>	<u>12,667,133</u>

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

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Performing	17,830,518	12,220,197	17,830,518	12,220,197
Non-performing - principal	314,897	358,231	314,897	358,231
- interest	71,559	88,705	71,559	88,705
	<u>18,216,974</u>	<u>12,667,133</u>	<u>18,216,974</u>	<u>12,667,133</u>



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

4. Other facilities

- (a) The Bank acts as an intermediary for AFREXIM and other foreign lending institutions loans. The classification of such loans outstanding at year end is as follows:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Unsecured	4,479,456	2,872,812	4,479,456	2,872,812
Less: 1% statutory general provision	(44,794)	(28,728)	(44,794)	(28,728)
	<u>4,434,662</u>	<u>2,844,084</u>	<u>4,434,662</u>	<u>2,844,084</u>

- (b) The movement on provision for other facilities during the year was as follows:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Balance, beginning of year	28,728	25,337	28,728	25,337
Provisions during the year	16,066	3,391	16,066	3,391
Balance, end of year	<u>44,794</u>	<u>28,728</u>	<u>44,794</u>	<u>28,728</u>

- (c) The maturity profile of other facilities is 3 – 6 months.

- (d) All other facilities were performing as at year end.

5. Advances under finance leases

- (a) Advances under finance leases comprise:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Gross investment in finance leases	92,864	-	92,864	-
Unearned income	(18,434)	-	(18,434)	-
Net investment in finance leases	<u>74,430</u>	<u>-</u>	<u>74,430</u>	<u>-</u>
Less: 1% general provision	(744)	-	(744)	-
	<u>73,686</u>	<u>-</u>	<u>73,686</u>	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

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

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Balance, beginning of year	-	228	-	228
Provisions made/(released) during the year	744	(228)	744	(228)
Balance, end of year	<u>744</u>	<u>-</u>	<u>744</u>	<u>-</u>

- (c) The net investment in finance leases have maturities of less than one month.

6. Other assets

- (a) Other assets comprise:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
OBB treasury bills (see (b) below)	4,938,000	1,344,000	4,938,000	1,344,000
Prepayments:				
- Short-term (within one year)	412,779	147,571	396,832	129,160
- Long-term (over one year)	635,178	459,589	635,178	459,589
Discount paid in advance	264,213	100,001	264,213	100,001
Other accounts receivable	985,706	189,070	379,140	114,148
	<u>7,235,876</u>	<u>2,240,231</u>	<u>6,613,363</u>	<u>2,146,898</u>

- (b) OBB treasury bills represent treasury bills pledged as security against open buy back interbank takings (see note 10).
- (c) There has been no diminution in the value of other assets, hence no provision is required at the balance sheet date (2001: Nil).

7. Equipment on lease

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

	Machinery and Equipment ₹ '000
COST:	
Beginning of year	535,000
Additions	1,959,281
Disposals	(450,000)
End of year	<u>2,044,281</u>
ACCUMULATED DEPRECIATION:	
Beginning of year	424,271
Charge for the year	566,258
Disposals	(450,000)
End of year	<u>540,529</u>
NET BOOK VALUE:	
End of year	<u>1,503,752</u>
Beginning of year	<u>110,729</u>



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

8. Fixed assets

(a) Group:

The movements on these accounts during the year were as follows:

	Leasehold Improvements Land & Buildings 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	Total N'000
COST:							
Beginning of year	724,195	371,358	580,155	161,429	536,256	33,442	2,406,8
Additions	161,195	149,264	377,205	30,456	181,467	245,466	1,145,0
Disposals	(1,973)	(24,078)	(28,849)	(2,434)	(72,956)	-	(130,2
Transfers	1,145	480	(965)	(988)	328	-	
End of year	<u>884,562</u>	<u>497,024</u>	<u>927,546</u>	<u>188,463</u>	<u>645,095</u>	<u>278,908</u>	<u>3,421,5</u>
ACCUMULATED DEPRECIATION:							
Beginning of year	151,205	210,390	313,663	106,725	226,119	-	1,008,1
Charge for the year	31,346	65,058	154,653	21,599	130,776	-	403,4
Disposals	(1,880)	(18,425)	(28,793)	(2,103)	(50,128)	-	(101,3
End of year	<u>180,671</u>	<u>257,023</u>	<u>439,523</u>	<u>126,221</u>	<u>306,767</u>	<u>-</u>	<u>1,310,2</u>
NET BOOK VALUE:							
End of year	<u>703,891</u>	<u>240,001</u>	<u>488,023</u>	<u>62,242</u>	<u>338,328</u>	<u>278,908</u>	<u>2,111,3</u>
Beginning of year	<u>572,990</u>	<u>160,968</u>	<u>266,492</u>	<u>54,704</u>	<u>310,137</u>	<u>33,442</u>	<u>1,398,7</u>

- No leased assets are included in the above fixed assets accounts.
- The Group had capital commitments of N36,983,179 (2001: N23,431,000) as at the balance sheet date.

8. Fixed assets

(b) Bank:

The movements on these accounts during the year were as follows:

	Leasehold Improvements Land & Buildings 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	Total N'000
COST:							
Beginning of year	715,190	369,048	543,637	143,580	504,773	33,442	2,309,6
Additions	161,058	148,029	371,912	29,571	164,409	245,466	1,120,4
Transfers	1,145	480	(965)	(988)	328	-	
Disposals	(1,973)	(24,078)	(28,849)	(2,434)	(72,956)	-	(130,2
End of year	<u>875,420</u>	<u>493,479</u>	<u>885,735</u>	<u>169,729</u>	<u>596,554</u>	<u>278,908</u>	<u>3,299,8</u>
ACCUMULATED DEPRECIATION:							
Beginning of year	143,499	209,028	300,793	97,462	218,287	-	969,0
Charge for the year	30,195	64,417	148,996	17,900	122,752	-	384,2
Disposals	(1,880)	(18,425)	(28,793)	(2,103)	(50,128)	-	(101,3
Transfers	(17)	(190)	-	17	190	-	
End of year	<u>171,797</u>	<u>254,830</u>	<u>420,996</u>	<u>113,276</u>	<u>291,101</u>	<u>-</u>	<u>1,252,0</u>
NET BOOK VALUE:							
End of year	<u>703,623</u>	<u>238,649</u>	<u>464,739</u>	<u>56,453</u>	<u>305,453</u>	<u>278,908</u>	<u>2,047,8</u>
Beginning of year	<u>571,691</u>	<u>160,020</u>	<u>242,844</u>	<u>46,118</u>	<u>286,486</u>	<u>33,442</u>	<u>1,340,6</u>

- No leased assets are included in the above fixed assets.
- The Bank had capital commitments of N36,983,179 (2001: N23,431,000) as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS, cont'd.

9. Deposits and other accounts

(a) Deposits and other accounts comprise:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Demand	18,700,957	14,837,165	18,707,914	14,838,314
Time	10,341,692	6,157,950	10,341,692	6,157,950
Savings	822,988	518,446	822,988	518,446
	<u>29,865,637</u>	<u>21,513,561</u>	<u>29,872,594</u>	<u>21,514,710</u>
Due to local banks	1,500,000	2,625,000	1,500,000	2,625,000
	<u>31,365,637</u>	<u>24,138,561</u>	<u>31,372,594</u>	<u>24,139,710</u>

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

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Under 1 month	23,960,608	22,416,525	23,967,565	22,417,674
1 - 3 months	7,158,256	1,677,442	7,158,256	1,677,442
3 - 6 months	233,888	40,899	233,888	40,899
6 - 12 months	12,885	3,695	12,885	3,695
	<u>31,365,637</u>	<u>24,138,561</u>	<u>31,372,594</u>	<u>24,139,710</u>

10. Other liabilities

(a) Other liabilities comprise:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Foreign currency denominated liabilities (see Note 1 (c))	3,229,081	4,615,407	3,229,081	4,615,407
Certified cheques	1,537,072	1,546,214	1,537,072	1,546,214
Due to other local banks (see Note 1 (b))	98,327	268,689	98,327	268,689
OBB Takings (see note 6 (b))	4,938,000	1,344,000	4,938,000	1,344,000
Customers' FEM deposits	338,656	608,897	338,656	608,897
Unearned interest and discounts	272,670	149,810	272,670	149,810
Interest payable	281,896	65,353	281,896	65,353
Gratuity provisions (see (b) below)	535,795	85,129	535,795	85,129
Other current liabilities (see note 2 (b))	6,177,000	4,521,751	579,281	84,782
	<u>17,408,497</u>	<u>13,205,250</u>	<u>11,810,778</u>	<u>8,768,281</u>



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

(b) The movement on gratuity provision was as follows:

	Group 2002 N '000	Group 2001 N '000	Bank 2002 N '000	Bank 2001 N '000
Balance, beginning of year	85,129	60,000	85,129	60,000
Charge for the year (see (c) below)	450,666	25,129	450,666	25,129
Balance, end of year	<u>535,795</u>	<u>85,129</u>	<u>535,795</u>	<u>85,129</u>

(c) Gratuity provision represents the Banks obligations to its employees under the Company's gratuity scheme. An amount of N450,666,000 was charged to the income statement in the current year in order to fully provide for this obligation.

11. Taxation payable

(a) The movement on taxation payable account during the year was as follows:

	Group 2002 N '000	Group 2001 N '000	Bank 2002 N '000	Bank 2001 N '000
Balance, beginning of year	724,075	455,182	714,368	436,479
Charge for the year (See note (22))	210,848	499,691	188,870	498,081
Payments during the year	(370,679)	(230,798)	(364,696)	(220,192)
Balance, end of year	<u>564,244</u>	<u>724,075</u>	<u>538,542</u>	<u>714,368</u>

The current tax charge has been computed at the current company income tax rate of 30% (2001: 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% (2001: 2%) Education Levy for the year.

(b) The movement on the deferred taxation account during the year was as follows:

	Group 2002 N '000	Group 2001 N '000	Bank 2002 N '000	Bank 2001 N '000
Balance, beginning of year	48,548	-	48,548	-
Charge for the year (See note 22)	327,424	48,548	327,424	48,548
Balance, end of year	<u>375,972</u>	<u>48,548</u>	<u>375,972</u>	<u>48,548</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 as the directors are of the opinion that these timing differences are likely to reverse in the foreseeable future.

12. Dividend payable

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

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Balance, beginning of year	420,000	345,000	420,000	345,000
Dividends declared during the year				
- interim	495,000	180,000	495,000	180,000
- final	1,000,000	420,000	1,000,000	420,000
Payment during the year	(915,000)	(525,000)	(915,000)	(525,000)
Balance, end of year	<u>1,000,000</u>	<u>420,000</u>	<u>1,000,000</u>	<u>420,000</u>

13. Long-term borrowings

These represent the Bank's long-term obligations to foreign lending institutions.

14. Share capital

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
(a) Authorised – 2,000,000,000 ordinary shares of 50k each (2001: 1,500,000,000 ordinary shares of 50k each)	<u>1,000,000</u>	<u>750,000</u>	<u>1,000,000</u>	<u>750,000</u>
Issued and fully paid - 2,000,000,000 ordinary shares of 50k each (2001: 1,500,000,000 ordinary shares of 50k each)	<u>1,000,000</u>	<u>750,000</u>	<u>1,000,000</u>	<u>750,000</u>

(b) During the year, the Bank issued 500,000,000 ordinary shares of 50k each to the public by way of offer for subscription at ₦5.10 per share. The Bank has also proposed a bonus issue of 500,000,000 ordinary shares of 50k each to its existing shareholders. Accordingly, an amount of ₦250,000,000 has been transferred to a bonus shares reserve account.



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

15. Share premium

This represents net proceeds from the issue of 500,000,000 ordinary shares of 50k each at a premium during the year as follows:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Proceeds from share Issue	2,550,000	-	2,550,000	-
Transfer to Share Capital	(250,000)	-	(250,000)	-
Share Issue Expenses	(127,334)	-	(127,334)	-
	<u>2,172,666</u>	<u>-</u>	<u>2,172,666</u>	<u>-</u>

16. Other reserves

(a) Other reserves comprise:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Statutory reserve (see (b) below)	2,765,654	2,303,464	2,765,654	2,303,464
Retained profit	1,329,581	847,210	1,290,965	682,552
Capital reserve	9,829	9,326	-	-
Small scale industries (SSI) reserve (see (c) below)	470,697	205,032	470,697	205,032
Other reserves/exchange gain reserves	18,065	8,760	-	-
	<u>4,593,826</u>	<u>3,373,792</u>	<u>4,527,316</u>	<u>3,191,048</u>

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

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'0000
Balance, beginning of year	2,303,464	1,852,356	2,303,464	1,852,356
Transfer from profit and loss account	462,190	451,108	462,190	451,108
Balance, end of year	<u>2,765,654</u>	<u>2,303,464</u>	<u>2,765,654</u>	<u>2,303,464</u>

In accordance with existing legislation, the Bank transferred 15% (2001: 30%) of its profit after taxation to statutory reserve.

NOTES TO THE FINANCIAL STATEMENTS, cont'd.

(c) The movement on the SSI reserve account during the year was as follows:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Balance, beginning of year	205,032	-	205,032	-
Transfer from profit and loss account	265,665	205,032	265,665	205,032
Balance, end of year	470,697	205,032	470,697	205,032

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, 2002 has been transferred to Small Scale Industries reserve.

17. Acceptances, guarantees, and other obligations for the account of customers

These comprise:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Transaction-related bonds and guarantees	4,492,712	1,702,054	4,492,712	1,702,054
Guaranteed commercial papers and bankers acceptances	8,729,602	5,073,831	8,729,602	5,073,831
	13,222,314	6,775,885	13,222,314	6,775,885

18. Interest and discount income

Interest and discount income was derived as follows:

Source:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Lending to financial institutions	691,523	294,636	691,523	294,636
Lending to non-bank customers	6,143,687	4,140,811	6,143,687	4,140,811
Interest income on securities trading	1,385,210	848,947	1,385,210	848,947
	8,220,420	5,284,394	8,220,420	5,284,394



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

Geographical location:

	Group 2002 N '000	Group 2001 N '000	Bank 2002 N '000	Bank 2001 N '000
Earned in Nigeria	7,656,624	4,857,445	7,656,624	4,857,445
Earned outside Nigeria	563,796	426,949	563,796	426,949
	<u>8,220,420</u>	<u>5,284,394</u>	<u>8,220,420</u>	<u>5,284,394</u>

19. Interest expense

Interest expense comprises:

Source:

	Group 2002 N '000	Group 2001 N '000	Bank 2002 N '000	Bank 2001 N '000
Borrowing from banks	438,738	147,374	438,738	147,374
Borrowing from non-bank depositors	2,893,071	1,583,052	2,893,071	1,583,052
Interest expense on securities trading	572,895	710,287	572,895	710,287
	<u>3,904,704</u>	<u>2,440,713</u>	<u>3,904,704</u>	<u>2,440,713</u>

Geographical location:

	Group 2002 N '000	Group 2001 N '000	Bank 2002 N '000	Bank 2001 N '000
Paid in Nigeria	3,405,109	2,086,370	3,405,109	2,086,370
Paid outside Nigeria	499,595	354,343	499,595	354,343
	<u>3,904,704</u>	<u>2,440,713</u>	<u>3,904,704</u>	<u>2,440,713</u>

NOTES TO THE FINANCIAL STATEMENTS, cont'd.

20. Other banking income:

This comprises:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Commissions and similar income	1,817,383	1,391,147	1,549,158	1,203,138
Other fees and charges	367,167	147,520	364,801	141,677
Operating lease income	728,776	203,023	728,776	203,023
Dividend income from equity investments	15,345	5,318	15,345	5,318
Net income from associated company	-	75,297	-	-
	<u>2,928,671</u>	<u>1,822,305</u>	<u>2,658,080</u>	<u>1,553,156</u>

21. Supplementary profit and loss information:

(a) General:

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

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Specific provisions on risk assets	188,813	187,266	188,813	187,266
General provision on loans, other facilities and finance leases	92,231	105,114	92,231	105,114
Loan amounts written-off	15,110	3,339	15,110	3,339
	<u>296,154</u>	<u>295,719</u>	<u>296,154</u>	<u>295,719</u>
	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Depreciation:				
* Fixed assets	403,432	281,441	384,260	264,323
* Equipment on lease	566,258	146,250	566,258	146,250
Auditors' remuneration	13,800	10,200	11,000	8,000
Gain on disposal of fixed assets	(9,080)	(6,575)	(9,080)	(5,820)

The auditors' remuneration for the Bank is for two audits; half-year and full year audits of the Bank.



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

(b) **Staff and Executive Directors' Costs:**

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

	Group 2002 N '000	Group 2001 N '000	Bank 2002 N '000	Bank 2001 N '000
Wages and salaries	869,358	603,648	783,336	564,762
Other pension costs	24,110	32,167	24,110	22,846
	<u>893,468</u>	<u>635,815</u>	<u>807,446</u>	<u>587,608</u>

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

	Group 2002 Number	Group 2001 Number	Bank 2002 Number	Bank 2001 Number
Institutional Banking Group	45	32	45	32
Commercial Banking Group	85	50	85	50
Investment Banking Group	19	16	19	16
Payments/Settlement Group	44	36	44	36
Public Sector Group	36	20	36	20
Transaction Services Group	135	113	135	101
Financial Control & Risk Management Group	20	17	15	12
Systems & Control Group	11	16	11	12
Gen. Internal Services & Ext. Affairs Group	37	23	18	17
Management and Corporate Services Group	38	24	28	20
Retail Banking Group	21	-	21	-
	<u>491</u>	<u>347</u>	<u>457</u>	<u>316</u>

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:

	Group 2002 Number	Group 2001 Number	Bank 2002 Number	Bank 2001 Number
N60,001 - N70,000	1	-	-	-
N70,001 - N80,000	-	1	-	-
N80,001 - N90,000	-	1	-	-
N90,001 - N100,000	2	2	-	-

NOTES TO THE FINANCIAL STATEMENTS, cont'd.

			Group 2002 Number	Group 2001 Number	Bank 2002 Number	Bank 2001 Number
₦100,001	-	₦110,000	1	-	-	-
₦110,001	-	₦120,000	1	-	-	-
₦130,001	-	₦140,000	-	-	-	-
₦160,001	-	₦170,000	-	1	-	-
₦170,001	-	₦180,000	-	1	-	-
₦180,001	-	₦190,000	-	-	-	-
₦190,001	-	₦200,000	-	-	-	-
₦210,001	-	₦250,000	2	12	-	12
₦250,001	-	₦260,000	-	1	-	-
₦260,001	-	₦270,000	-	-	-	-
₦270,001	-	₦280,000	-	8	-	8
₦290,001	-	₦300,000	1	3	-	-
₦310,001	-	₦320,000	1	-	-	-
₦320,001	-	₦330,000	-	2	-	-
₦330,001	-	₦340,000	1	5	-	2
₦340,001	-	₦350,000	4	-	3	-
₦350,001	-	₦360,000	-	-	-	-
₦360,001	-	₦370,000	5	1	-	-
₦370,001	-	₦380,000	-	2	-	-
₦390,001	-	₦400,000	17	-	16	-
₦400,001	-	₦410,000	-	-	-	-
₦410,001	-	₦420,000	1	-	-	-
₦420,001	-	₦430,000	1	1	-	-
₦430,001	-	₦440,000	-	-	-	-
₦450,001	-	₦460,000	-	-	-	-
₦460,001	-	₦470,000	-	1	-	1
₦480,001	-	₦490,000	3	1	3	-
₦490,001	-	₦500,000	2	-	-	-
Above ₦500,001			448	304	435	293
			<u>491</u>	<u>347</u>	<u>457</u>	<u>316</u>
			=====	=====	=====	=====

(c) **Directors' remuneration:**

Directors' remuneration was provided as follows:

	2002 ₦'000	2001 ₦'000
Fees as directors	4,550	3,250
Other emoluments	64,739	34,599
	<u>69,289</u>	<u>37,849</u>
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

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

	2002 N'000	2001 N'000
Chairman	<u>3,250</u>	<u>2,534</u>
Highest-paid director	<u>17,014</u>	<u>9,386</u>

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

	2002 Number	2001 Number
N 1,890,001 - N 1,900,000	-	-
N 2,430,001 - N 2,440,000	-	1
N 2,480,001 - N 2,490,000	-	1
N 2,680,001 - N 2,690,000	-	2
N 3,100,001 - N 3,110,000	2	-
N 3,300,001 - N 3,310,000	2	-
Above N 4,000,000	4	4
	<u>8</u>	<u>8</u>

22. Taxation charge:

(a) The tax charge for the year comprises:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
Company income tax	210,848	499,691	188,870	498,081
Deferred tax	327,424	48,548	327,424	48,548
	<u>538,272</u>	<u>548,239</u>	<u>516,294</u>	<u>546,629</u>

NOTES TO THE FINANCIAL STATEMENTS, cont'd.

23. Extra-ordinary items

This represents the profit on the sale of its 49% shareholding in Magnum Trust Bank Plc (MTB) in December, 2001. The profit on the sale which in accordance with legislation is exempted from capital gains tax is calculated as follows:

	Group ₱ '000	Bank ₱ '000
Proceeds from the sale of shares in MTB	1,200,000	1,200,000
Less:		
Cost of investment	(259,087)	(259,087)
Share of MTB's post-acquisition earnings attributed to the Group	(152,828)	-
	<u>788,085</u>	<u>940,913</u>

24. Earnings and dividend per share

Earnings and dividend per share have been computed based on profit after tax and extra-ordinary items and the weighted average number of ordinary shares of 1,666,667,000 in issue during the year and on dividend and the weighted average number of shares qualifying for the dividend.

25. Net cash flow from operating activities before changes in operating assets

This comprises:

	Group 2002 ₱ '000	Group 2001 ₱ '000	Bank 2002 ₱ '000	Bank 2001 ₱ '000
Profit before taxation	2,725,331	2,153,214	2,656,649	2,050,323
Extraordinary item	788,085	-	940,913	-
Minority interest	(19,918)	(992)	-	-
	<u>3,493,498</u>	<u>2,152,222</u>	<u>3,597,562</u>	<u>2,050,323</u>
Adjustments to reconcile profit before taxation to net cash flow from operating activities:				
- depreciation:				
* fixed assets	403,432	281,441	384,260	264,323
* equipment on lease	566,258	146,250	566,258	146,250
- gain on disposal of fixed assets	(9,080)	(6,575)	(9,080)	(5,820)
- gain on disposal of equipment on lease	(7,325)	-	(7,325)	-
- provision for bad and doubtful loans	296,154	295,719	296,154	295,719
- extraordinary items	(788,085)	-	(940,913)	-
- minority interest	22,176	(5,728)	-	-
Net cash flow from operating activities	<u>3,977,028</u>	<u>2,863,329</u>	<u>3,886,916</u>	<u>2,750,795</u>



NOTES TO THE FINANCIAL STATEMENTS, cont'd.

26. Changes in Operating Assets

This comprises:

	Group 2002 N'000	Group 2001 N'000	Bank 2002 N'000	Bank 2001 N'000
(Increase)/decrease in operating assets:				
Short-term investments	(5,578,670)	(1,151,043)	(4,851,151)	(95,117)
Loans and advances	(5,779,761)	(4,278,397)	(5,779,762)	(4,278,397)
Advances under finance lease	(74,430)	22,759	(74,430)	22,759
Other facilities	(1,606,644)	(339,062)	(1,606,644)	(339,062)
Other assets	(4,995,645)	4,210,460	(4,466,465)	4,314,989
Net income from associated company	-	(75,297)	-	-
Increase/(decrease) in operating liabilities:				
Deposits and other accounts	7,227,076	8,692,462	7,232,884	8,677,983
Other liabilities	4,203,247	(550,255)	3,042,497	(1,581,549)
Other facilities	1,606,644	339,062	1,606,644	339,062
Capital and other reserves	9,808	2,481	-	-
	<u>(4,988,375)</u>	<u>6,873,170</u>	<u>(4,896,427)</u>	<u>7,060,668</u>

27. 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 ₦439,155,000 (2001: ₦86,716,000) was 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.

28. Contraventions

During the year, the Bank contravened the following requirements of BOFIA, 1991:

Section of BOFIA	Nature of Contravention	Number of times	Penalty
20(1)(a) & 20(2)(a)	Exceeding single obligor and non perfection of collateral	1	₦1,000,000
21(2) to (4)	Increasing investment in a company without informing CBN within 21 days of the investment	1	N402,000

29. Prior year comparatives

Certain prior year balances have been re-classified to conform with current year presentation format.



STATEMENT OF VALUE ADDED

For the Year Ended 28 February, 2002.

Group:

	2002 ₹ '000	%	2001 ₹ '000	%
Gross earnings	11,168,682		7,109,676	
Interest expense	(3,904,704)		(2,440,713)	
	<u>7,263,978</u>		<u>4,668,963</u>	
Loan loss expense	(296,154)		(295,719)	
	<u>6,967,824</u>		<u>4,373,244</u>	
Bought-in materials and services	(2,494,927)		(1,156,524)	
	<u>4,472,897</u>		<u>3,216,720</u>	
Value added	<u>4,472,897</u>	100	<u>3,216,720</u>	100
Applied to pay:				
Employees as wages and salaries	893,468	20	635,815	20
Shareholders as dividends	1,495,000	33	600,000	19
Government as taxes	538,272	12	548,239	17
Retained in the business:				
Depreciation	403,432	9	427,691	13
Profit for the year (including minority interest, statutory and bonus shares reserves)	1,142,725	26	1,004,975	31
	<u>4,472,897</u>	<u>100</u>	<u>3,216,720</u>	<u>100</u>



STATEMENT OF VALUE ADDED

For the Year Ended 28 February, 2002.

Bank:

	2002 N'000	%	2001 N'000	%
Gross earnings	10,898,091		6,840,527	
Interest expense	(3,904,704)		(2,440,713)	
	<u>6,993,387</u>		<u>4,399,814</u>	
Loan loss expense	(296,154)		(295,719)	
	<u>6,697,233</u>		<u>4,104,095</u>	
Bought-in materials and services	(2,401,212)		(1,055,591)	
	<u>4,296,021</u>		<u>3,048,504</u>	
Value added	<u>4,296,021</u>	100	<u>3,048,504</u>	100
Applied to pay:				
Employees as wages and salaries	807,446	19	587,608	19
Shareholders as dividends	1,495,000	35	600,000	20
Government as taxes	516,294	12	546,629	18
Retained in the business:				
Depreciation	381,260	9	410,573	13
Profit for the year (including statutory and small scale industries reserves)	1,096,021	25	903,694	30
	<u>4,296,021</u>	<u>100</u>	<u>3,048,504</u>	<u>100</u>

FIVE-YEAR FINANCIAL SUMMARY - GROUP

	2002 N'000	2001 N'000	2000 N'000	1999 N'000	1998 N'000
Gross earnings	11,168,682	7,109,676	5,960,346	3,610,659	2,863,698
Profit on ordinary activities before taxation	3,175,997	2,153,214	1,360,927	933,064	872,528
Exceptional charges	(450,666)	-	-	-	-
Taxation	(538,272)	(548,239)	(308,334)	(222,207)	(219,186)
Profit on ordinary activities after taxation	2,187,059	1,604,975	1,052,593	710,857	653,342
Extra-ordinary income	788,085	-	-	209,108	-
Profit after taxation and extraordinary income	2,975,144	1,604,975	1,052,593	919,965	653,342
Minority interest	(19,918)	(992)	(11,573)	(5,003)	(2,766)
Profit attributable to Group shareholders	2,955,226	1,603,983	1,041,020	914,962	650,576
Earnings per share (adjusted)	180k	107k	69k	47k	43k
Dividend per share (adjusted)	90k	40k	33k	22k	13k
ASSETS:					
Cash and short-term funds	16,465,202	16,683,322	8,401,508	4,744,527	6,511,871
Investments	15,623,092	10,206,476	8,966,800	5,436,389	3,068,694
Loans and advances	17,573,538	12,073,119	8,087,278	7,956,883	7,005,765
Other facilities	4,434,662	2,844,084	2,508,413	-	-
Advances under finance leases	73,686	-	22,531	40,743	43,006
Other assets	7,235,876	2,155,102	6,365,563	1,380,040	1,383,627
Equipment on lease	1,503,752	110,729	256,979	120,590	208,507
Fixed assets	2,111,393	1,398,733	988,047	946,714	890,592
Goodwill	-	-	-	-	20,664
	65,021,201	45,471,565	35,597,119	20,625,886	19,132,726
LIABILITIES:					
Deposits and other accounts	31,365,637	24,138,561	15,446,099	10,368,905	10,807,578
Other facilities	4,479,456	2,872,812	2,533,750	-	-
Other liabilities, including tax and dividend payable	19,348,713	14,312,744	14,470,558	7,681,475	6,331,562
Long term borrowings	1,765,071	-	-	-	-
	56,958,877	41,324,117	32,450,407	18,050,380	17,139,140
NET ASSETS	8,062,324	4,147,448	3,146,712	2,575,506	1,993,586
CAPITAL AND RESERVES					
Share capital	1,000,000	750,000	750,000	750,000	500,000
Share premium	2,172,666	-	-	-	-
Bonus shares reserve	250,000	-	-	-	250,000
Other reserves	4,593,826	3,373,792	2,367,328	1,812,913	1,234,467
SHAREHOLDERS' FUNDS	8,016,492	4,123,792	3,117,328	2,562,913	1,984,467
Minority interest	45,832	23,656	29,384	12,593	9,119
	8,062,324	4,147,448	3,146,712	2,575,506	1,993,586



THE BOARD

Professor M.O. Oyawoye	- Chairman	1
Mr. T.A. Adeola	- Managing Director	6
Mr. O. Aderinokun	- Deputy Managing Director	7
Mr. A.B. Adesanya	- Director	5
Owelle G.P. Chikelu	- Director	4
Alhaji M.K. Jada	- Director	3
Mr. V.G. Osibodu	- Director	2



Mr J.K Agbaje	- Executive Director	8
Mr F. O. Bello	- Executive Director	9
Mrs. T. M. Olusoga	- Executive Director	10
Mr. M. B. Ogundare	- Executive Director	11
Mr. K. B. Omidire	- Company Secretary	12





CORPORATE INFORMATION

EXECUTIVE OFFICE

ADEOLA FOLA	MD
ADERINOKUN TAYO	DMD
AGBAJE SEGUN	ED

COMMERCIAL BANKING GROUP

OGUNDARE JIDE	ED
OSUNTOKI TITI	DGM
OKEY NWUKE	AGM
ABBA HABIB	AGM
OSHIYEMI KEMI	MGR
SADIPE TOLU	MGR
ABEIYUWA UKPOMA	MGR
JENROLA TUNDE	MGR
OGUNDIPE KEHINDE	MGR
OBIEKWE OBIDI	MGR
ALABI ADEWUYI	MGR
IBRAHIM DAN SHUAIB	MGR
BANKOLE-OLUSINA DEJI	DM
JEGEDE BOLADE	DM
ADEROJU MUYIWA	DM
ODELEYE YINKA	DM
OKEKE ARINZE	DM
NWOSU OBINNA	DM
AROH SANTHUS	DM
NJOKU IFEANYI	DM
LAWAL SALISU	DM

PUBLIC SECTOR GROUP

BELLO FAROUK	ED
BURAIMO ADE	MGR
EZEObI STANIS	MGR
ASIBOR ROBERT	DM
ALONGE ARESE	DM

TECHNOLOGY UNIT

BAMMEKE RONKE	DGM
MOSUGU ARON	SMGR
OGUNBEKUN DAYO	MGR
FABUNMI YOMI	DM
OGUNLEYE TAYE	DM

INSTITUTIONAL BANKING GROUP

OGUNMEKAN DOLAPO	DGM
AKINREMI BUNMI	AGM
OYEDEJI WALE	SMGR
ODUNTAN TUNJI	MGR
OGUFERE INANGO	MGR
ODULATE SEGUN	MGR
NYAMALI NICHOLAS	MGR
KUSEMIJU LANRE	DM

PAYMENT SYSTEMS GROUP/INVESTMENT BANKING

OLUSOGA MOSUN	ED
RUNSEWE TOSIN	SMGR
GEORGE-TAYLOR AKIN	MGR
OSINUGA SIMI	DM
OYELEKE MORAYO	DM
OKONKWO AZUBIKE	DM
OYAWOYE PHIL	DM

SETTLEMENTS GROUP

ARAOYE KHAFILAT	AGM
BABALOLA BOSE	DM
KOLA-DAISI DELE	DM
ADETOLA ESOHE	DM

FINANCIAL CONTROL & RISK MGT GROUP

ASUPOTO TAYO	SMGR
OLAGBAJU TUNDE	DM

SYSTEMS & CONTROL GROUP

UWAKWE GEORGE	SMGR
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TRANSACTION SERVICES GROUP

BELLO SADIQ	DGM
YUSUF JAMIU	SMGR
ODUNNOWO BUNMI	DM
AYODELE BOLAJI	DM
OWOLABI LANRE	DM

GENERAL INTERNAL SERVICES & EXTERNAL AFFAIRS GROUP

OMIDIRE KOLAPO	DGM
AJAYI FEMI	MGR
TADAFERUA KENNETH	MGR
OGUNBIYI SOLA	DM
ANTHONIO MORAYO	DM
AKINMOLAYAN FUNSHO	DM
IJEH BEN	DM

RETAIL BANKING GROUP

CATHY ECHEOZO	DGM
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HUMAN RESOURCES & TRAINING UNIT

OKEKE IFEATU	SMGR
ENWEFAH JASON	DM

CORPORATE DIRECTORY

OVERSEAS CORRESPONDENT BANKS

ANZ Bank, London
Citibank (London & New York)
Standard Chartered Bank (London & New York)

CORPORATE ADDRESSES

HEAD OFFICE: PLURAL HOUSE
Plot 1669, Oyin Jolayemi Street
Victoria Island, Lagos.
Phone: 2622652-64, 3201100
Fax: 2622651, 2622706

Internet Address: www.gtbpplc.com
SWIFT Address: **GTBINGLA XXX**
E-mail: corpaff@gtbpplc.com

BRANCHES

ABA

28, Aba-Owerri Road,
Abia State.
Phone: 082-230560, 230639.
Fax 082-23439

ABEOKUTA

IBB Boulevard Ibara,
Abeokuta.
Phone: 039-243610,
039-245969.

ABUJA

Plot 1072 J.S., Tarka/Faskari Street,
Opp. Union Bank,
Garki Area 3, Abuja.
Phone: 09-2346248-54,
2346301, 2346255.

ABUJA II

Plot 211, Adetokunbo,
Ademola Crescent,
Cadastral Zone,
Wuse II, Abuja.
09-6702762

AKURE

16 Oba-Ile/Owo Road,
Akure,
Ondo State.
Phone: 034-244795-6
Fax: 244794

APAPA

4, Commercial Avenue,
Doyin House,
Opposite Eleganza Plaza,
Apapa, Lagos.
Phone: 5451059-9

ASABA

300 Nnebisi Road,
Asaba,
Delta State.
Phone: 056-282687-8

BROAD STREET

82/86, Broad Street,
Lagos.
Phone: 2640257-8,
2641100, 2666232.

BENIN

35B Sapele Road,
Benin,
Edo State.
Phone: 052-450204
Fax: 257339

CALABAR

Crosstrade Building,
(Former Leventis Building),
Calabar Road,
Calabar.
Phone: 087-238424-33

EFFURUN-WARRI

Plot 85, Effurun G.R.A.
Effurun - Warri Road,
Delta State.
Phone: 053-256406-7

ENUGU

1, Ogui Road,
Enugu,
Enugu State.
Phone: 042-253061, 254085,
254072, 254073.

IBADAN

11B Jimoh Odutola Road,
Ibadan,
Oyo State.
Phone: 02-2413779, 2413795,
2413903-4, 2413677, 2413876,
2413889.

IKEJA

82/84, Allen Avenue,
Lagos.
Phone: 4978826-9, 4978060-2.

IKEJA II

Etiebet's Place,
21, Mobolaji Bank-Anthony Way,
Ikeja.
Phone: 01-4712756

ILORIN

1, Wahab Folawiyi Road,
Ilorin,
Kwara State.
Fax: 031-222859
Phone: 031-222913, 222900, 222869.

JOS

Plot 69, Liberty Dam Road,
Liberty Boulevard,
Jos.
Phone: 073-463629 - 32, 463635,
463638-40.

KADUNA

7/10 Murtala Mohammed Square,
Kaduna,
Kaduna State.
Phone: 062-240103-9

KANO

145 Murtala Muhammed Way,
Kano,
Kano State.
Phone: 064-638851-5

MAIDUGURI

11, Baga Road,
Maiduguri,
Borno State.
Tel: 076-233711, 342511.

ONITSHA

2, Cemetary Road,
Onitsha,
Anambra State.
Phone: 046-414014,
410344, 414479
414227, 410256, 413114.
Fax: 042-252432

OWERRI

Plot 265, Ikenegbu Layout,
Aladinma Ikenga Road,
Owerri.

PORT HARCOURT 1

44 Trans Amadi Industrial Layout,
Port Harcourt,
Rivers State.
Phone: 084-237512-9

PORT HARCOURT 11

Plot 279^A Tombia Street,
off Aba Road,
Port Harcourt.

UYO

26, Aka Road,
Uyo.
Akwa Ibom State.
Phone: 085-2203361, 203394.

VICTORIA ISLAND

The Plaza,
6, Adeyemo Alakija Street,
Victoria Island, Lagos.
Phone: 01- 2601760-9, 3201086-9.
Fax: 01-2616963

YENAGOA

Barracuda Square,
Ekeki-Epie Area,
Yenagoa/Mbiama Road,
Yenagoa,
Bayelsa State.
Phone: 089-490623 - 5



NOTES



PROXY FORM

GUARANTY TRUST

GUARANTY TRUST BANK PLC

RC 152321

12TH ANNUAL GENERAL MEETING to be held at the Banquet Hall, Eko Hotel, Victoria Island, Lagos on _____, 2002, at 11.00 a.m.

I, We..... being a member/members of Guaranty Trust Bank PLC hereby

appoint*

or failing him Prof. M. O. Oyawoye, or failing him Mr. T.A. Adeola, as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Bank to be held on _____, 2002, and at any adjournment thereof.

Dated this.....day of2002.

Signature of shareholder.....

Name of shareholder.....

ADMISSION CARD

Annual General Meeting to be held on _____, at Expo Hall, Le Meridien Eko Hotel, Victoria Island, Lagos at 11.00 a.m.

Name of Shareholder (in BLOCK CAPITALS).....

Number of shares.....

IMPORTANT

1. Before posting the above form of proxy, please tear off this part and retain it. A person attending the Annual General Meeting of the Bank or his proxy should produce this card to secure admission to the meeting.
2. A member of the Bank is entitled to attend and vote at the Annual General Meeting of the Bank. He is also entitled to appoint a proxy to attend and vote instead of him, and in this case, the above card may be used to appoint a proxy.
3. In line with the current practice, the names of two of the Directors of the Bank have been entered on the form of proxy to ensure that someone will be at the meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked*) the name of any person, whether a member of the Bank or not, who will attend the meeting and vote on your behalf instead of one or other of the Directors named.
4. The above form of proxy, when completed, must be deposited at the office of the Registrar, United Securities Limited, Niger House, 3-5, Odunlami Street, Lagos, not less than 48 hours before the time fixed for the meeting.
5. It is a requirement of the law under the Stamp Duties Act, Cap. 411, Laws of the Federation of Nigeria, 1990, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a stamp duty of three (3) kobo.
6. If the form of proxy is executed by a Company, it should be sealed under its Common Seal or under the hand and seal of its attorney.

Signature of the person attending.....

NUMBER OF SHARES:		
RESOLUTIONS	FOR	AGAINST
To declare a dividend		
To elect Directors		
To authorise the Directors to fix the Auditors' remuneration		
To elect/re-elect members of the Audit Committee.		
To fix the Directors' remuneration.		
To increase the share capital		
To authorise a bonus share		
To alter the Memorandum and Articles		
Please indicate with an "X" in the appropriate box how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		



AFFIX
POSTAGE
STAMP
HERE

The Registrar
UNITED SECURITIES LIMITED
Niger House
3-5, Odunlami Street
Lagos.

■ GUARANA



www.guarana.com.br