

2004 REPORT



**■ GUARANTY TRUST ■**  
GUARANTY TRUST BANK PLC

# FOREWORD

## A Culture You Can Bank On

Ladies and Gentlemen,

It seemed just like yesterday that I addressed you at our last AGM, but the reality is that another year, another era in the history of Guaranty Trust Bank Plc has come and gone. Despite being faced with exciting opportunities and daunting challenges all year round, we remained focused on our core operating principles of Professionalism, Integrity and Ethics.

The 2003/2004 financial year was a good period for the Bank and as always, I consider it a privilege serving this institution. My role continues to be a fulfilling one which has provided an opportunity to learn while leading the exemplary group of people who make up the Guaranty Trust family. The Board's involvement in our affairs has been instrumental to our continued growth as a provider of excellent financial services and I thank the distinguished members most sincerely for their efforts towards the continued success of the Bank. Guaranty Trust Bank is an institution which remains responsive to the growing needs of its stakeholders, constantly committed to the prudential principles of banking; it is an institution which is fast becoming a market leader and a benchmark for ethical corporate behavior. It is also an institution, which every year delivers superior financial performance, and remains committed to society through its growing support of children's education and health care, environment and the arts.

Since my last report, our operations have experienced improvements in several areas. Our nationwide network is now over 40 branches strong. Our subsidiaries in Gambia and Sierra Leone, now in their second year of operations, are doing more business, showing profits and adding value to their communities. In March 2003, we were the only Nigerian bank alongside 20 international banks that syndicated a \$460 million project financing facility for Bonny Gas Transport Limited, a subsidiary of the Nigeria Liquefied Natural Gas (NLNG) Company. In July of the same year, the high quality of our franchise was confirmed by Augusto & Co, the leading Nigerian Bank rating agency, which awarded



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# FOREWORD

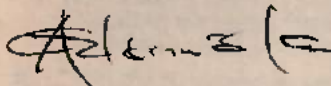
our Bank a triple A (Aaa) rating, one of only three banks in the country to be so rated. In November, we were also awarded The Nigerian Stock Exchange's President's Merit Award for the third time. According to the Exchange, "having performed excellently, transparently and efficiently, with a high sense of integrity and public accountability for the December 2002 / March 2003 financial year..."

Finally, in December, we were appointed a Settlement bank by the Central Bank of Nigeria, a distinction which has in no small measure served to confirm our size and strong credentials in the Nigerian financial services industry. The appointment was also a confirmation of the solid financial standing of our Bank, which the latest financial results attest to.

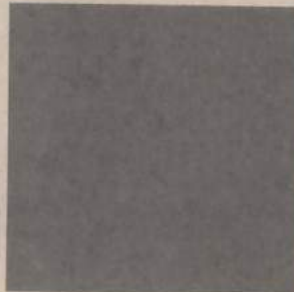
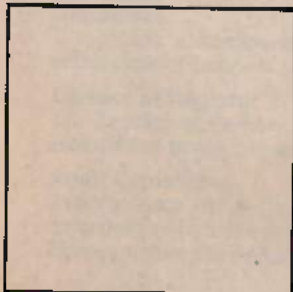
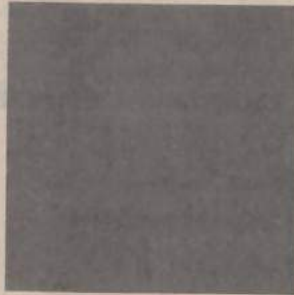
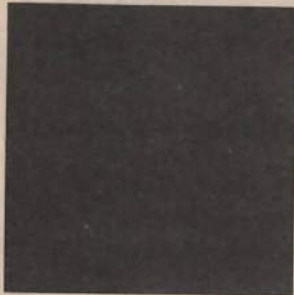
We recorded gross earnings of N18 billion, representing an 11% gain from the N16 billion recorded at the end of the previous financial period. Profit Before Tax increased from N3.8 billion to N5.1 billion while our total Balance Sheet, including contingents, grew significantly from N109 billion to well over N153 billion this year. This result showcases the growing strength of the Guaranty Trust brand.

As part of our medium range operations and marketing strategies, we began a new regional organization structure in March 2004 after concluding a three month long corporate visioning exercise. The new configuration seeks to generate better efficiencies in our internal operations, address market competition issues, and align the human and material resources in our marketing teams with the country's geographical zones. The new structure has started helping us identify and exploit the expanding business opportunities across the country. You may recall that the implementation of our earlier strategic Initiative undertaken in 1998 produced significant growth in all our performance indices, with gross earnings rising from N3.2 billion to N16 billion; Profit Before Tax from N852 million to N4 billion; and balance sheet size including contingents grew from N21 billion to N109 billion between 1999 and 2003. These figures speak volumes about our efforts to always delight the customer on one hand and on the other, deliver excellent returns on investments to our shareholders.

I am convinced that with your support we will continue to be an excellent institution, developing our people, systems and processes; acquiring greater market share and creating wealth for the economy. Our unflinching promise to you is that Guaranty Trust Bank Plc will continue to be a Culture we can all bank on.



**Tayo Aderinokun**  
Managing Director/Chief Executive



# Directors, Officers, & Professional **ADVISERS**

## **DIRECTORS**

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

## **ACTING COMPANY SECRETARY**

Mr. Fatal Oladipo

## **REGISTERED OFFICE**

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

## **AUDITORS**

KPMG Professional Services  
22, 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 Fourteenth Annual General Meeting of GUARANTY TRUST BANK PLC will hold at the **Expo Hall, Eko Hotel, Victoria Island, Lagos**, on Wednesday, May 26, 2004, at 11.00 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended February 29, 2004 and the reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend
3. To re-elect Directors
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect/re-elect Members of the Audit Committee

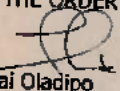
## SPECIAL BUSINESS

- A. To consider, and if thought fit, to pass the following resolutions as ordinary resolutions
6. "That the Directors' fees for the year ending February 28, 2005 be and is hereby fixed at **N5,100,000**".
7. "That following the recommendation of the Directors pursuant to Article 125 of the Bank's Articles of Association, the sum of **N500,000,000** being part of the amount standing to the credit of the Bank's Bonus Shares Reserve Account, be and is hereby capitalized into **1,000,000,000** Ordinary Shares of **fifty kobo** each and appropriated to the members whose names appear in the Register of Members on **Friday, May 14, 2004**, in the proportion of **one** new share for every **three** 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 **May 26, 2004**".
- B. To consider, and if thought fit, to pass the following resolutions as special resolutions:
8. "That the authorized share capital of the Bank be and is hereby increased from **N2,000,000,000** to **N3,000,000,000** by the creation of additional **2,000,000,000** Ordinary shares of **fifty kobo** each, ranking *pari passu* in all respect with the existing Ordinary shares of the Bank".
9. (a) "That the Directors be and are hereby authorized pursuant to Article 41 of the Bank's Articles of Association to issue by way of public offer, at a date and upon terms and conditions to be determined by the Directors, a maximum of **1,000,000,000** Ordinary shares of **50 kobo** each, ranking *pari passu* with the existing shares of the Company, except that the shares shall not rank for any interim dividend to be declared in 2004/2005 financial year, and the Directors are further authorized to allot by way of preferential allotment not more than 30% of the shares being offered subject to the approval of the appropriate authorities".  
(b) "That the Directors be and are hereby authorized that in the event of over-subscription of the shares to be issued to the public, the excess funds shall be capitalized and additional shares allotted to the extent that can be accommodated by the Bank's unissued share capital".
10. "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 **N3,000,000,000** divided into **6,000,000,000** 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/her. 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

  
Fatai Oladipo  
Acting Company Secretary  
Plot 1669, Oyín Jolayemi Street  
Victoria Island, Lagos.

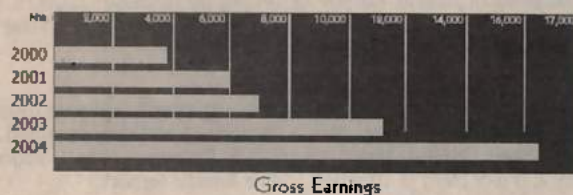
April 29, 2004

## NOTES

1. **Dividend**  
If approved, dividend will be payable on May 26, 2004, to shareholders whose names are registered in the Register of Members at the close of business on May 13, 2004. Dividend Warrants will be posted on May 26, 2004.
2. **Closure of Register**  
The Register of Members will be closed on May 14, 2004, to enable the Registrar prepare for the payment of dividend, and allotment of bonus shares.
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

	GROUP 2004 N' million	GROUP 2003 N'million	Increased/ (Decreased) %	BANK 2004 N'million	BANK 2003 N'million	Increased/ (Decreased) %
<b>Major Profit and Loss Account Items</b>						
Gross earnings	18,917	16,664	13.52	18,053	16,050	12.48
Profit on ordinary activity	4,976	4,210	18.19	4,833	4,145	16.60
Profit before tax and before extraordinary items	5,172	3,768	37.26	5,030	3,803	32.26
Profit after tax and extraordinary items	4,125	3,144	31.20	4,057	3,211	26.35
Dividend paid and proposed	2,100	1,500	40.00	2,100	1,500	40
<b>Major Balance Sheet Items</b>						
Deposit liabilities	75,283	51,522	46.12	74,222	51,068	45.30
Loans & advances	44,031	30,775	43.07	43,676	30,664	42.43
Total assets	133,835	90,244	48.30	119,698	83,311	43.68
Shareholders' funds	11,754	9,639	21.94	11,617	9,661	20.25
Earnings per share (kobo)	138k	126k	9.52	135k	128k	5.47
Dividends per share - interim (kobo)	25k	25k	-	25k	25k	-
- final (kobo)	45k	35k	28.57	45k	35k	28.57
Return on average equity (%)	39	37	5.41	38	36	5.56
Number of employees	760	583	30.36	726	547	32.54
Net earnings per employee (N'000)	16,787	18,127	(7.39)	16,452	18,456	(10.86)
Number of branches	-	-	-	39	34	14.71



# Chairman's STATEMENT

Distinguished ladies and gentlemen, it is with immense pleasure and pride that I welcome you to the 14<sup>th</sup> Annual General Meeting of Guaranty Trust Bank PLC, and present to you my annual economic review, an overview of the previous financial year, the Directors' report and the audited financial statements of the Group for the year ended February 29, 2004.

## Operating Environment

The 2003 / 2004 financial period was characterised by several policy reforms, marked by a strengthening of Government's economic reform programme, deft management of the financial markets and the introduction of expansionary fiscal and monetary policies. Like any other company operating in the domestic environment, your Bank had to endure the effects of higher energy prices, epileptic power supply, the depreciating Naira, civil and industrial strikes, fuel shortages; and crises in the oil producing Niger Delta region with the resultant capital flight and weaker country risk rating.

Fiscal policy objectives in the 2003 Federal Government budget were aimed at reducing budget deficit to no more than 2.5% of Gross Domestic Production; redirecting public investment towards the maintenance of infrastructural facilities; and deepening incentives to encourage manufacturing and foreign direct investment. The budget estimates were based on crude oil price of \$23 a barrel. The commodity however averaged \$27 for most of 2003, resulting in extra budgetary income and a boost in foreign reserves to \$8.3 billion by end of January 2004. January to June 2003 oil income was \$7.3 billion and by December 2003 crude oil revenues for the fiscal year 2003 were well in excess of the budgeted \$12 billion. The economy thus recorded 10.75% growth in 2003, a figure well above the 5% budget target. Inflation however averaged 21.2% as against 12.9% in 2002.

By the end of December 2003, the United States dollar exchanged for N138, as against N126 as at December 31, 2002. Demand for foreign exchange at the Dutch Auction System throughout 2003 continued to outstrip supply as a total of \$9.8 billion was sold by the apex bank against a market demand of \$14.6 billion.

The capital market recorded its highest growth in 2003 as key performance indicators - the all share index and market capitalization - closed the year at 20,128.94 points and N1.36 trillion, representing a 39.7% and 43.8% growth, respectively, from 2002 levels. Your Bank's contribution to the continued good health of the nation's stock market is significant. Investors who took advantage of our Public Offer In 2001 to invest in this company would have made over 340% return on their investment by February 2004. Our stock remains one of the most actively traded on the Nigerian Stock Exchange, reaching an all time high of N17.25 in February 2004 just before the end of the 2003 / 2004 financial year.

In June 2003, the Central Bank of Nigeria directed Nigeria's 89 banks to raise their statutory minimum paid up share capital from N500 million to N1billion, while pegging that of new banks at N2 billion. Minimum rediscount rate (MRR) was reduced by 150 basis points to 15% from 16.5%.



## Chairman's STATEMENT cont'd.

Politics took its toll on the economy in the first half of 2003, leading to uncertainty in public sector spending. Confidence however returned to the markets after the April 2003 elections. Government's new economic team introduced a new blue print for growth, wealth creation and poverty reduction called NEEDS; the National Economic Empowerment Development Strategy which addresses fiscal responsibility initiatives, local government, pension fund, tax and civil service reforms.

### Financial Results

Notwithstanding the challenging economic climate, I am pleased to report that 2003/2004 was a good year for our Bank. Profit Before Taxation was N5 billion, representing a 24% increase over the figures reported for the previous period. Despite further downward review of lending rates in the course of the year, the Bank succeeded in efficiently managing cost of funds which resulted in a 17% growth in Net Interest Margin from N5.4 billion to N6.5 billion in the year under review.

Gross Earnings grew by 11% over the figure reported for the previous year to N18 billion while ordinary business activities yielded a profit of N4.8 billion. The increase in operating expenses is mainly due to escalating cost of operations and the addition of eight new branches, to our urban and semi-urban branch network during the last financial year. These new "service shops" have started contributing to our revenue streams.

This outstanding result shows that your Bank is in excellent financial health. Be rest assured that, as we move into an even more interesting future, the Board will remain committed to the ethical and superior financial ideals we have set for ourselves over the last 14 years.

*Profit before taxation was N5 billion, representing a 24% increase over the figures reported for the previous period.*

### Dividend and Scrip Issue

On September 17, 2003, the Board of Directors approved the payment of N750 million as interim dividend at the rate of 25 kobo per share. This was 17% more than the Interim dividend declared at the end of the previous half-year. Payment was made in October 2003. The Board is pleased to recommend, subject to your approval at this meeting, an additional N1.35 billion to be applied in paying final dividend at the rate of 45 kobo, thereby bringing total dividend to N2.1 billion gross, or 70 kobo per share. It is important to note that a total dividend of N1.5 billion was paid out last year while, sequel to your approval and the resolution passed at the last Annual General Meeting a scrip issue of one for every five units was also given to shareholders.

In addition, the Board is recommending for your approval at this meeting, the capitalization of N500 million from the bonus share reserve account to be appropriated for a bonus issue in the proportion of one new share for every three shares currently held. This will increase the shareholders' funds of our Bank to N11.8 billion, thereby boosting our capacity to further satisfy the demands of our growing clientele.

### Subsidiaries

By virtue of the increase in our shareholding in Heritage Assurance Company Limited to 86%, the company became a fully fledged subsidiary and member of the Guaranty Trust Group during the period under review. I assure you that this subsidiary will soon begin to redefine the insurance landscape of the financial services industry.

Our other local subsidiary, Asset and Resource Management Company Limited, continues to be a leading niche player in its market segment. The company increased its profit before tax by 66% from N95 million last year, to N280 million in the year under review.

Our two offshore subsidiaries, Guaranty Trust Bank (Gambia) Limited and Guaranty Trust Bank (Sierra Leone) Limited, ended their first full financial year of operations with commendable results. I am pleased to report that their results have now been consolidated in the group financial statements being presented to you today. Beyond posting healthy financials, both companies have become respectable members of their communities and are now regularly consulted by the local authorities on matters of banking and monetary policy. Our presence in West Africa is shoring up the image of the country abroad, exporting the Bank's core values out of the country and also helping to train and retain local talent.

### Settlement Bank Status

For the Bank, a milestone in the annals of Banking & Finance in Nigeria was reached in December 2003, when the apex Bank appointed Guaranty Trust Bank Plc a Settlement Bank. As one of the seven banks so appointed, your Bank began to settle cheques in the system, which is essentially the process of receiving, processing and clearing cheques and other financial instruments for and on behalf of the other banks in the country as from April 1, 2004. This is a clear acknowledgement of



# Chairman's STATEMENT cont'd.

our key role in the Nigerian economy and confirms the trust of the market in our 14-year-old Bank. It also affirms that the Bank has become truly relevant in the financial services landscape.

## Board of Directors

At the last Annual General Meeting, I informed you of the assumption of Messrs Olutayo Aderinokun and Segun Agbaje as Managing Director and Deputy Managing Director of Guaranty Trust Bank Plc, respectively. Both men became one year old in these saddles in August 2003 and from all indications, they are poised to lead your Bank into a very promising future.

During the year there was a Board resignation and also the resignation of our Company Secretary. Mr Farouk Bello, erstwhile Executive Director and Head of the Public Sector Group left to begin a political career in the Senate of the Federal Republic of Nigeria while Mr. Kolapo Omidire left for the Academia after having served the Board and the Bank for eight meritorious years as Company Secretary. I wish both men well and hereby use this occasion to formally convey the gratitude of the Board to these outstanding gentlemen.

Permit me at this point to also thank my colleagues on the Board, both executive and non executive for their unalloyed support and unvarying interest in the affairs of our Bank.

## Staff

Your Bank currently employs over 750 people. We continue to invest enormously in our people, and at every point in time, a Guaranty Trust person is undergoing training at home or overseas. Our success over the years and especially in the last year has been due largely to the continued diligence and competence of our "human assets". They remain passionately committed to the ideals of this organization and will no doubt continue to be the backbone of future growth.

## Future Outlook

Approved by the Senate in March 2004, the ₦1.3 trillion budget for this year projects oil production of 2.24 million barrels per day at \$25 a barrel, focuses on uncompleted projects, places expenditure limits on capital items, and seeks to narrow fiscal deficit to no more than 2% of GDP. This is expected to reinforce the nation's medium term economic programme for accelerated economic growth in line with NEEDS and the New Partnership for Economic Development (NEPAD) agenda of the African Union.

*the CBN has advised all existing banks in the country to raise their paid-up capital to ₦2 billion by the end of 2005*

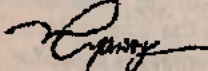
The World Economic Forum ranks Nigeria 87 out of 102 economies in its Global Competitive Report for 2004. Nigeria has over 590 publicly owned companies. Government has reportedly invested over \$100 billion in these enterprises between 1975 and 1995. Returns have been weak at 0.5% of investment within the period and up to December 2000. The Bureau of Public Enterprises (BPE) notes that 39 of these public companies are debt laden to the tune of ₦1.1 trillion with accumulated losses of ₦92.3 billion. The case for fast tracking our privatization programme cannot be more compelling. We trust that the economy will soon begin to reap the gains expected from the implementation of a transparent privatization programme.

Eager for more consolidation in the financial markets and with a desire to create a sounder banking system, the CBN has advised all existing banks in the country to raise their paid-up capital to ₦2 billion by the end of 2005.

Our country remains one of the fastest growing cellular phone markets in the world. Lack of roaming agreements between Nigeria and other African countries however continues to hamper inter-African commerce. As central banks in West Africa work toward merging their financial markets under the aegis of the West Africa Monetary Union, it is instructive to note that our offshore subsidiaries in the sub region have placed us in a vantage position to help actualize some of the trade and economic objectives of the Economic Community of West African States.

Widespread peace, democracy and improved corporate governance in Africa means the continent is on the cusp of new dawn. Your Bank will thus continue to scan the African landscape for emerging strategic opportunities. We look forward to a strong and virile continent, confident that this institution, which you helped build, will continue to be a leading light out of Nigeria. We pray for God's guidance as we move into the promising future.

Thank You,



Professor Mosobolaje O. Oyawoye

# Directors' REPORT

For the Year Ended February 28, 2003

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 29 February 2004.

## 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 amongst others. The Bank's only non-bank subsidiary, Asset and Resource Management Limited is engaged in funds and portfolio management 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.

## Operating results:

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

	2004 N'000	2003 N'000
Profit attributable to group shareholders	4,078,317	3,159,079
Transfer to statutory reserve	953,584	1,081,189
Transfer to bonus shares reserve	500,000	250,000
Dividend (paid and proposed)	2,100,000	1,500,000
Transfer to small scale industries reserve	502,973	380,250
Shareholders' funds	11,754,406	9,638,925
Earnings per share - (Unadjusted)	138k	126k
- (adjusted)	138k	105k
Dividend per share - Interim	25k	25k
- Final	45k	35k

## Dividends:

The Board authorised the payment of N750,000,000 (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 N1,350,000,000 (45 kobo per share), together totalling N2,100,000,000. 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 of One billion Ordinary shares by the capitalisation of N500,000,000 from the Bonus shares reserve account to pay for the said shares, which shall be apportioned at the ratio of one new share for every three held.

# Directors' REPORT cont'd.

## 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:

		<b>Number of Ordinary Shares of 50 kobo held as at 29/02/04</b>	<b>Number of Ordinary Shares of 50 kobo held as at 28/02/03</b>
Professor M.O. Oyawoye	- Chairman	<b>49,254,232</b>	41,046,027
Mr. O.A. Aderinokun	- Managing Director	<b>134,718,750</b>	112,265,625
Mr. J.K.O. Agbaje	- Deputy Managing Director	<b>5,008,124</b>	4,173,437
Mr. T.A. Adeola		<b>136,301,527</b>	113,584,606
Mr. A.B. Adesanya		<b>50,388,750</b>	56,890,625
Owelle G.P. Chiketu		<b>30,000,000</b>	25,000,000
Alhaji M.K. Jada		<b>18,632,340</b>	13,860,283
Mr. V.G. Osibodu		<b>100,875,000</b>	89,997,656
Mrs. Mosun Olusoga	- Executive Director	<b>3,639,000</b>	3,025,500
Mr. Jide Ogundare	- Executive Director	<b>714,000</b>	595,000
Mr. Farouk Bello (resigned on 26 May 2003)	- Executive Director	<b>376,500</b>	313,750

\* There has been no change in the Directors Interest as at the date of notice of Annual General Meeting.

## 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	% Shareholding
1 - 1,000	17,855	29.2221	9,678,372	0.3226
1001 - 25,000	37,990	62.1757	191,081,658	6.3694
25,001 - 50,000	2,334	3.8199	80,662,304	2.6887
50,001 - 100,000	1,272	2.0818	89,649,807	2.9883
100,001 - 500,000	1,182	1.9345	241,804,705	8.0602
500,001 - 1,000,000	223	0.3650	141,140,546	4.7047
1,000,001 - 2,000,000	245	0.4010	2,245,982,608	74.8661
<b>TOTAL:</b>	<b>61,101</b>	<b>100.00</b>	<b>3,000,000,000</b>	<b>100.00</b>

## Directors' REPORT cont'd.

### 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 N6,704,817 (2003: N2,494,909) was given out as donations and charitable contributions during the financial year. These comprise contributions to charitable organisations amounting to N835,000 (2003: N195,000) and donations amounting to N5,869,817 (2003: N2,299,909) to other non-political organisations. Details of such donations and charitable contributions are as follows:

	N'000
Nigerian Heart Foundation	400
Massey Street Children's Hospital	770
The Baptist Women Missionary Union	50
Nigerian Society for the Blind	50
The Education fund for Maryann Ezema	20
Bingham University Project Launch (Faculty of Education)	50
Greenspings School – Abule Okuta project	25
Taimako Don Cigaba Foundation – Comm. Projects – Gwagwalada area	100
National Association of Resident Doctors	50
American Society for Industrial Security (ASIS), Nigeria Chapter	60
International Inner Wheel District – Female Cancer Health Project	30
NARD – Advancement of Knowledge in Health & Medical Sciences	50
University of Ilorin – Prof. Oyawoye's Endowment lecture	5,000
Delta State Sports Festival	50
	<hr/>
	6,705
	<hr/>

### 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 physical disabilities.

### 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.

Directors'  
**REPORT** cont'd.

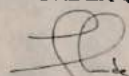
**Employee Involvement and Training:**

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



Fatai Oladipo  
Acting Group Company Secretary  
Plot 1669, Oyin Jolayemi Street  
Victoria Island  
Lagos

16 March 2004

# FINANCIALS

2004 Annual Report & Accounts

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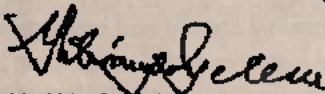
GUARANTY TRUST BANK PLC

Report of the  
**AUDIT COMMITTEE**  
For the Year Ended February 29, 2004

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 29 February 2004 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", hereby confirm that an aggregate amount of N655,514,000 was outstanding as at 29 February 2004 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

16 March 2004

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. Aihaji M.A.Usman

In attendance:

Mr. George Uwakwe - Secretary

Statement of Directors' Responsibilities  
in Relation to the  
**FINANCIAL STATEMENTS**  
For the year ended 29 february, 2004

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 keeps 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 and
- d) The financial statements are prepared on a going concern basis unless it is presumed that the Bank will not continue in business.



# Auditors' REPORT



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Nigeria

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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 29 February 2004 and the related profit and loss account and statement of cash flows for the year then ended set out on pages 18 to 40, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 16 to 17.

## 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.

## Banks and Other Financial Institutions Act, 1991

Based on our audit and representations received, to the best of our knowledge and belief, the Bank contravened Section 60(1) of the Banks and Other Financial Institutions Act, 1991. This contravention, which has been disclosed in Note 28, has 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 the Group as at 29 February 2004 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.



KPMG

17 March 2004

Statement of  
**ACCOUNTING POLICIES**  
For the Year Ended 29 February, 2004

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 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.
- (d) **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.
- (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.
- (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 as follows:

Statement of  
**ACCOUNTING POLICIES** cont'd.

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.

(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 29 February, 2004

	Notes	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
<b>ASSETS:</b>					
Cash and short-term funds	1	31,999,263	31,255,470	30,861,568	31,144,698
Investments	2	35,688,600	12,527,182	24,114,796	6,530,411
Loans and advances	3	44,031,308	30,775,145	43,675,606	30,663,550
Advances under finance leases	4	5,682	154,482	5,682	154,482
Other assets	5	16,392,516	10,392,425	15,788,347	10,124,492
Equipment on lease	6	1,229,433	1,915,185	1,229,433	1,915,185
Fixed assets	7	4,387,262	3,098,642	4,022,808	2,777,913
Goodwill on consolidation	8	101,051	126,314	-	-
<b>TOTAL ASSETS</b>		<b>133,835,115</b>	<b>90,244,845</b>	<b>119,698,240</b>	<b>83,310,731</b>
<b>LIABILITIES:</b>					
Deposits and other accounts	9	75,282,897	51,521,786	74,222,497	51,067,765
Other liabilities	10	39,720,855	24,974,928	27,122,442	18,656,178
Taxation payable	11	1,393,602	610,223	1,290,937	560,403
Dividend payable	12	1,350,000	875,000	1,350,000	875,000
Deferred taxation	11	568,582	568,582	568,582	568,582
Long-term borrowings	13	3,525,804	1,921,382	3,525,804	1,921,382
<b>TOTAL LIABILITIES</b>		<b>121,841,740</b>	<b>80,471,901</b>	<b>108,080,262</b>	<b>73,649,310</b>
<b>NET ASSETS</b>		<b>11,993,375</b>	<b>9,772,944</b>	<b>11,617,978</b>	<b>9,661,421</b>
<b>CAPITAL AND RESERVES:</b>					
Share capital	14	1,500,000	1,250,000	1,500,000	1,250,000
Share premium	15	2,172,666	2,172,666	2,172,666	2,172,666
Bonus shares reserve	14	500,000	250,000	500,000	250,000
Other reserves	16	7,581,740	5,966,259	7,445,312	5,988,755
<b>SHAREHOLDERS' FUNDS:</b>		<b>11,754,406</b>	<b>9,638,925</b>	<b>11,617,978</b>	<b>9,661,421</b>
Minority interest		238,969	134,019	-	-
		<b>11,993,375</b>	<b>9,772,944</b>	<b>11,617,978</b>	<b>9,661,421</b>
Acceptances, guarantees and other obligations for the account of customers (and the customers' liability thereon)	17	24,474,829	19,580,567	24,375,155	19,440,554

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

.....  
TAYO ADERINOKUN ) Directors  
.....  
SEGUN AGBAJE )

Approved by the Board of Directors on 17 March 2004.  
The accompanying notes form an integral part of these balance sheets.

# Profit and Loss ACCOUNTS

For the Year Ended 29 February, 2004

	Notes	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
GROSS EARNINGS		<b>18,917,299</b>	16,664,539	<b>18,053,377</b>	16,050,075
INTEREST AND DISCOUNT INCOME	18	<b>11,411,846</b>	10,593,098	<b>11,288,961</b>	11,297,351
Lease finance income		<b>14,969</b>	41,891	<b>14,969</b>	41,891
Interest expense	19	<b>(5,152,908)</b>	(5,512,917)	<b>(5,123,427)</b>	(5,505,229)
INTEREST MARGIN		<b>6,273,907</b>	5,122,072	<b>6,180,503</b>	5,834,013
Loan loss expense (net)	22	<b>(809,860)</b>	(453,438)	<b>(788,682)</b>	(449,303)
NET INTEREST MARGIN		<b>5,464,047</b>	4,668,634	<b>5,391,821</b>	5,384,710
Other banking income	20	<b>7,294,015</b>	6,029,550	<b>6,552,978</b>	4,710,833
Operating expenses		<b>12,758,062</b>	10,698,184	<b>11,944,799</b>	10,095,543
		<b>(7,781,849)</b>	(6,487,823)	<b>(7,111,543)</b>	(5,950,624)
PROFIT ON ORDINARY ACTIVITIES		<b>4,976,213</b>	4,210,360	<b>4,833,256</b>	4,144,919
Exceptional Income/(charge)	21	<b>196,469</b>	(442,419)	<b>196,469</b>	(342,419)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<b>5,172,682</b>	3,767,941	<b>5,029,725</b>	3,802,500
Taxation	22 23	<b>(1,046,850)</b>	(623,759)	<b>(973,168)</b>	(591,061)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<b>4,125,832</b>	3,144,182	<b>4,056,557</b>	3,211,439
Minority interest		<b>(47,515)</b>	14,897	-	-
PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS		<b>4,078,317</b>	3,159,079	<b>4,056,557</b>	3,211,439
Transfer to statutory reserves	16	<b>(953,584)</b>	(1,081,189)	<b>(953,584)</b>	(1,081,189)
Transfer to bonus shares reserve	14	<b>(500,000)</b>	(250,000)	<b>(500,000)</b>	(250,000)
Transfer to small scale industries reserve	16	<b>(502,973)</b>	(380,250)	<b>(502,973)</b>	(380,250)
DIVIDEND - Paid	12	<b>2,121,760</b>	1,447,640	<b>2,100,000</b>	1,500,000
- Proposed	12	<b>(750,000)</b>	(625,000)	<b>(750,000)</b>	(625,000)
		<b>(1,350,000)</b>	(875,000)	<b>(1,350,000)</b>	(875,000)
Retained profit for the year		<b>21,760</b>	(52,360)	-	-
RETAINED PROFIT, beginning of year		<b>1,277,221</b>	1,329,581	<b>1,290,965</b>	1,290,965
RETAINED PROFIT, end of year		<b>1,298,981</b>	1,277,221	<b>1,290,965</b>	1,290,965
Earnings per share (kobo) - unadjusted	24	<b>138k</b>	126k	<b>135k</b>	128k
- adjusted		<b>138k</b>	105k	<b>135k</b>	107k
Dividend per share - unadjusted	24	<b>70k</b>	60k	<b>70k</b>	60k
- adjusted		<b>70k</b>	50k	<b>70k</b>	50k

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

# Statements of CASH FLOWS

For the Year Ended 29 February, 2004

	Notes	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Net cash flow from operating activities before changes in operating assets	25	7,951,271	6,108,123	7,733,744	6,042,413
Changes in operating assets	26	(2,001,421)	7,748,476	(3,230,361)	7,475,207
Income tax paid		(263,471)	(385,170)	(242,634)	(376,590)
<b>Net cash flows from operating activities</b>		<b>5,686,379</b>	<b>13,471,429</b>	<b>4,260,749</b>	<b>13,141,030</b>
<b>Investing Activities:</b>					
Proceeds from disposal of fixed assets		96,149	68,286	94,346	59,093
Purchase of fixed assets		(2,202,467)	(1,644,077)	(2,049,251)	(1,356,756)
Purchase of investments		(2,485,653)	(935,228)	(2,238,359)	(946,813)
Purchase of equipment on lease		(516,068)	(2,035,336)	(516,068)	(2,035,336)
Proceeds from disposal of equipment on lease		186,031	537,226	186,031	537,225
<b>Net cash flows from investing activities</b>		<b>(4,922,008)</b>	<b>(4,009,129)</b>	<b>(4,523,301)</b>	<b>(3,742,587)</b>
<b>Financing Activities:</b>					
Dividend paid		(1,625,000)	(1,625,000)	(1,625,000)	(1,625,000)
Issue of shares to minority		-	38,657	-	-
Long-term borrowings		1,604,422	156,311	1,604,422	156,311
<b>Net cash flows from financing activities</b>		<b>(20,578)</b>	<b>(1,430,032)</b>	<b>(20,578)</b>	<b>(1,468,689)</b>
Net increase in cash and short term funds		743,793	8,032,268	(283,130)	7,929,754
Cash and short term funds, beginning of year (gross)		31,255,470	23,223,202	31,144,698	23,214,944
Cash and short term funds, end of year (gross)		31,999,263	31,255,470	30,861,568	31,144,698

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

# Notes to the FINANCIAL STATEMENTS

For the Year Ended 29 February, 2004

## 1. Cash and short-term funds:

(a) Cash and short-term funds comprise:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Bank and cash balances in Nigeria				
- Cash	1,024,009	654,702	912,606	599,336
- Balances held with the Central Bank of Nigeria				
- Current account	5,230,979	6,308,102	4,888,853	6,235,123
- Cash reserve	2,561,232	2,821,990	2,561,232	2,821,990
- Balances held with other local banks and discount houses	345,269	194,261	8,621	426,403
Secured Placements (see note (b) below)	5,422,000	9,457,706	5,422,000	9,417,000
Balances held with other banks outside Nigeria (see note (c) and (d) below)	15,666,433	11,818,709	15,318,915	11,644,846
Placements with foreign banks	1,749,341	-	1,749,341	-
	<u>31,999,263</u>	<u>31,255,470</u>	<u>30,861,568</u>	<u>31,144,698</u>

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

(c) Included in bank balances outside Nigeria is the Naira value of foreign currencies held on behalf of customers in various foreign accounts amounting to N9,230,680,000 (2003: N6,016,362,000) to cover letters of credit transactions. The corresponding liability for this amount is included in other liabilities (see Note (9)).

(d) Included in balances held with banks outside Nigeria is an amount of N4,852,582 (2003: N1,102,568,000) held as collateral against guarantees issued by the Bank for unconfirmed letters of credit opened for its customers.

## 2. Investments:

(a) Investments comprise:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Short-term investments (see (b) below)	32,024,754	11,348,988	20,417,590	5,071,564
Long-term investments (see (c) below)	3,663,846	1,178,194	3,697,206	1,458,847
	<u>35,688,600</u>	<u>12,527,182</u>	<u>24,114,796</u>	<u>6,530,411</u>

# Notes to the FINANCIAL STATEMENTS cont'd.

(b) Short-term investments comprise:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Treasury bills	20,322,817	5,296,284	20,169,354	5,071,564
Treasury bearer bonds	16,026	45,594	-	-
Trading securities	11,437,675	6,007,110	-	-
Underwriting commitments	248,236	-	248,236	-
	<u>32,024,754</u>	<u>11,348,988</u>	<u>20,417,590</u>	<u>5,071,564</u>

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 9(a)).

(c) Long-term investments comprise:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
<b>Subsidiaries:</b>				
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	179,747
<b>Other investments:</b>				
- 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 (iii) below)	433,792	123,658	-	-
- Small and medium industries investments (See (iv) below)	999,670	454,152	999,670	454,152
<b>Other Investments:</b>				
- Delta State Govt. Bond (see note (v) below)	80,000	100,000	80,000	100,000
- Lagos State Govt. Bond	-	350,000	-	350,000
- Federal Government Bond (see note (vi) below)	2,000,000	-	2,000,000	-
	<u>3,663,846</u>	<u>1,178,194</u>	<u>3,697,206</u>	<u>1,458,847</u>

- i. The Bank acquired 70% of the equity of GTB Gambia on 5 March 2002.
- ii. The Bank acquired 70% of the equity of GTB Sierra Leone in January 2002. During the year, the Bank's investment was increased by N62,841,000 (\$480,000).



Notes to the  
**FINANCIAL STATEMENTS** cont'd.

- iii. Proprietary investment represents ARM's trading investments in quoted equities in Nigeria and abroad.
- iv. 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 (16c)).
- v. 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.
- vi. This represents the Bank's investment in the Federal Government 2006 bond. Interest rate is fixed at 17.75%.
- vii. 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:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Secured against real estate	19,407,068	16,225,743	19,180,857	16,148,937
Otherwise secured	17,863,236	10,170,114	17,734,015	10,156,981
Unsecured	8,320,234	5,286,733	8,282,851	5,250,171
	<b>45,590,538</b>	<b>31,682,590</b>	<b>45,197,723</b>	<b>31,556,089</b>
Less: Provisions for bad and doubtful loans				
- Specific	(840,308)	(352,718)	(809,520)	(342,256)
- General (see (b) below)	(505,252)	(452,700)	(500,719)	(449,020)
Interest in suspense	(213,670)	(102,027)	(211,878)	(101,263)
	<b>44,031,308</b>	<b>30,775,145</b>	<b>43,675,606</b>	<b>30,663,550</b>

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Balance, beginning of year	352,718	280,716	342,256	270,919
Provisions made during the year	753,598	339,166	733,272	337,291
Provisions written off during the year	(266,008)	(267,164)	(266,008)	(265,954)
Balance, end of year	<b>840,308</b>	<b>352,718</b>	<b>809,520</b>	<b>342,256</b>

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Balance, beginning of year	452,700	301,168	449,020	300,958
Provisions made during the year	52,552	151,532	51,699	148,062
Balance, end of year	<b>505,252</b>	<b>452,700</b>	<b>500,719</b>	<b>449,020</b>

Notes to the  
**FINANCIAL STATEMENTS** cont'd.

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Balance, beginning of year	102,027	71,886	101,262	71,559
Interest suspended during the year	226,052	136,733	225,025	136,295
Interest recovered	(24,894)	(22,823)	(24,894)	(22,823)
Interest written off	(89,515)	(83,769)	(89,515)	(83,769)
Balance, end of year	<u>213,670</u>	<u>102,027</u>	<u>211,878</u>	<u>101,262</u>

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Under 1 month	24,936,635	19,068,607	24,838,049	19,062,081
1 - 3 months	4,135,719	3,823,000	4,065,524	3,811,308
3 - 6 months	1,396,033	2,020,200	1,339,638	1,984,752
6 - 12 months	2,847,828	1,642,453	2,703,713	1,577,040
Over 12 months	12,274,323	5,128,330	12,250,799	5,120,908
	<u>45,590,538</u>	<u>31,682,590</u>	<u>45,197,723</u>	<u>31,556,089</u>

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Performing	44,329,426	30,768,690	43,981,169	30,663,712
Non-performing - principal	1,047,443	811,873	1,004,676	791,114
- interest	213,669	102,027	211,878	101,263
	<u>45,590,538</u>	<u>31,682,590</u>	<u>45,197,723</u>	<u>31,556,089</u>

**4. Advances under Finance Leases:**

(a) Advances under finance leases comprise:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Gross investment in finance leases	6,488	181,168	6,488	181,168
Unearned income	(749)	(25,126)	(749)	(25,126)
Net investment in finance leases	5,739	156,042	5,739	156,042
Less: 1% general provision	(57)	(1,560)	(57)	(1,560)
	<u>5,682</u>	<u>154,482</u>	<u>5,682</u>	<u>154,482</u>

Notes to the  
**FINANCIAL STATEMENTS** cont'd. cont'd.

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Balance, beginning of year	1,560	744	1,560	744
Provisions made during the year	-	816	-	816
Provision no longer required	(1,503)	-	(1,503)	-
Balance, end of year	<u>57</u>	<u>1,560</u>	<u>57</u>	<u>1,560</u>

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
3-6 months	1,479	8,925	1,479	8,925
6-12 months-	30,674	-	30,674	-
Over 12 months	4,260	116,443	4,260	116,443
	<u>5,739</u>	<u>156,042</u>	<u>5,739</u>	<u>156,042</u>

**5. Other Assets:**

- (a) Other assets comprise:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Treasury bills on buy back (see (9)(a))	13,138,000	8,392,000	13,138,000	8,392,000
Prepayments	572,046	377,891	545,917	358,980
Gratuity fund investment	1,168,175	638,678	1,168,175	638,678
Discount paid in advance	419,514	272,893	419,514	272,893
Interest receivable	434,383	68,960	301,064	31,943
Other accounts receivable	986,293	778,360	541,573	566,355
	<u>16,718,411</u>	<u>10,528,782</u>	<u>16,114,243</u>	<u>10,260,849</u>
Provision on other assets (see (b) below)	(325,895)	(136,357)	(325,896)	(136,357)
	<u>16,392,516</u>	<u>10,392,425</u>	<u>15,788,347</u>	<u>10,124,492</u>

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Balance, beginning of year	(136,357)	-	(136,357)	-
Provisions made during the year	(189,538)	(136,357)	(189,538)	(136,357)
Balance, end of year	<u>(325,895)</u>	<u>(136,357)</u>	<u>(325,895)</u>	<u>(136,357)</u>

Notes to the  
**FINANCIAL STATEMENTS** cont'd.

**6. Equipment on lease:**

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

	Machinery and Equipment N'000
<b>COST:</b>	
Balance, beginning of year	2,987,117
Additions	516,068
Disposals	(536,911)
Balance, end of year	<u>2,966,274</u>
<b>ACCUMULATED DEPRECIATION:</b>	
Balance, beginning of year	1,071,932
Charge for the year	1,045,061
Disposals	(380,152)
Balance, end of year	<u>1,736,841</u>
<b>NET BOOK VALUE:</b>	
End of year	<u>1,229,433</u>
Beginning of year	<u>1,915,185</u>

# Notes to the FINANCIAL STATEMENTS cont'd.

## 7. Fixed assets

### (a) Group:

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

	Leasehold Improvements Land and 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
<b>COST:</b>							
Balance, beginning of year	1,373,751	764,680	1,257,317	375,644	893,292	335,164	4,999,848
Exchange difference on translation of opening balances	(10,039)	(1,422)	(18,187)	(10,064)	(4,918)	(1,364)	(45,993)
Additions	760,344	222,766	237,241	108,819	302,728	570,568	2,202,467
Disposals	(903)	(3,724)	(54,285)	(1,847)	(77,748)	(6,981)	(145,487)
Transfers	196,966	48,079	25,088	11,939	7,099	(289,171)	-
Balance, end of year	<u>2,320,119</u>	<u>1,030,379</u>	<u>1,447,174</u>	<u>484,491</u>	<u>1,120,453</u>	<u>608,216</u>	<u>7,010,835</u>
<b>ACCUMULATED DEPRECIATION:</b>							
Balance, beginning of year	229,694	359,266	746,038	165,974	400,233	-	1,901,205
Exchange difference on translation of opening balances	(293)	(199)	(10,301)	(2,062)	(1,095)	-	(13,950)
Charge for the year	152,684	134,794	289,100	63,842	219,506	-	859,926
Disposals	(40)	(2,574)	(54,284)	(1,548)	(65,162)	-	(123,608)
Reclassifications	-	5,153	-	(5,153)	-	-	-
Balance, end of year	<u>382,045</u>	<u>496,440</u>	<u>970,553</u>	<u>221,053</u>	<u>553,479</u>	<u>-</u>	<u>2,623,573</u>
<b>NET BOOK VALUE:</b>							
End of year	<u>1,938,074</u>	<u>533,939</u>	<u>476,621</u>	<u>163,438</u>	<u>566,974</u>	<u>608,216</u>	<u>4,387,262</u>
Beginning of year	<u>1,144,057</u>	<u>405,414</u>	<u>511,279</u>	<u>209,670</u>	<u>493,059</u>	<u>335,164</u>	<u>3,098,642</u>

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

ii. The Group had capital commitments of N2,714,429 (2003: N5,175,497) as at the balance sheet date.

## 7. Fixed assets:

### (b) Bank:

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

	Leasehold Improvements Land and 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
<b>COST:</b>							
Balance, beginning of year	1,277,579	718,635	1,094,525	277,778	809,313	320,230	4,498,060
Additions	684,784	209,455	223,125	97,093	262,676	572,118	2,049,251
Disposals	(903)	(2,255)	(14,835)	(1,485)	(77,748)	(6,981)	(104,207)
Transfers	194,451	45,751	19,212	10,637	7,099	(277,150)	-
Balance, end of year	<u>2,155,911</u>	<u>971,586</u>	<u>1,322,027</u>	<u>384,023</u>	<u>1,001,340</u>	<u>608,217</u>	<u>6,443,104</u>
<b>ACCUMULATED DEPRECIATION:</b>							
Balance, beginning of year	218,214	336,996	660,165	133,341	371,430	-	1,720,147
Charge for the year	143,948	127,008	265,897	49,623	197,450	-	783,926
Disposals	(40)	(2,255)	(14,834)	(1,485)	(65,163)	-	(83,777)
Reclassifications	-	5,153	-	(5,153)	-	-	-
Balance, end of year	<u>362,122</u>	<u>466,902</u>	<u>911,229</u>	<u>176,326</u>	<u>503,717</u>	<u>-</u>	<u>2,420,296</u>
<b>NET BOOK VALUE:</b>							
End 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>
Beginning of year	<u>1,059,365</u>	<u>381,639</u>	<u>434,359</u>	<u>144,437</u>	<u>437,883</u>	<u>320,230</u>	<u>2,777,913</u>

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

ii. The Bank had capital commitments of N2,714,429 (2003: N5,175,497) as at the balance sheet date.

# Notes to the FINANCIAL STATEMENTS cont'd.

## 8. Goodwill on consolidation

The movement on goodwill on consolidation is as follows:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Balance, beginning of year	126,314	-	-	-
Goodwill arising during the year	-	126,314	-	-
Amortisation during the year	(25,263)	-	-	-
Balance, end of year	<u>101,051</u>	<u>126,314</u>	<u>-</u>	<u>-</u>

## 9. Deposits and other accounts:

(a) Deposits and other accounts comprise:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Demand	47,394,142	34,543,871	46,678,910	34,269,300
Time	25,133,233	15,661,277	24,929,457	15,564,591
Savings	1,806,267	1,316,638	1,664,875	1,233,874
	<u>74,333,642</u>	<u>51,521,786</u>	<u>73,273,242</u>	<u>51,067,765</u>
Due to local banks	949,255	-	949,255	-
	<u>75,282,897</u>	<u>51,521,786</u>	<u>74,222,497</u>	<u>51,067,765</u>

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Under 1 month	59,633,610	46,410,186	58,911,926	46,135,615
1 - 3 months	15,209,397	4,405,432	14,961,973	4,256,202
3 - 6 months	427,069	705,049	335,778	674,829
6 - 12 months	12,821	1,119	12,820	1,119
	<u>75,282,897</u>	<u>51,521,786</u>	<u>74,222,497</u>	<u>51,067,765</u>

## 10. Other liabilities:

(a) Other liabilities comprise:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Foreign currency denominated liabilities (see note 1 (b))	9,267,705	6,016,362	9,230,680	6,016,362
Secured buy back takings (see note 5 (a))	13,138,000	8,392,000	13,138,000	8,392,000
Funds under management (see note 2 (b) (i))	12,185,319	6,078,013	-	-
Certified cheques	2,061,747	2,209,210	2,020,497	2,175,350
Due to other local banks	4,853	8,678	4,853	8,678
Customers' FEM deposits	393,502	604,281	393,502	604,281
Unearned interest and discounts	724,509	563,339	724,509	563,339
Interest payable	267,794	171,329	155,246	171,329
Gratuity provisions (see (b) below)	406,707	291,707	406,707	291,707
Other current liabilities	1,270,719	640,009	1,048,448	433,132
	<u>39,720,855</u>	<u>24,974,928</u>	<u>27,122,442</u>	<u>18,656,178</u>

Notes to the  
**FINANCIAL STATEMENTS** cont'd. cont'd.

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

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
Balance, beginning of year	291,707	535,795	291,707	535,795
Payments in the year	(5,000)	(586,507)	(5,000)	(586,507)
Charge for the year (see (c) below)	120,000	342,419	120,000	342,419
Balance, end of year	<u>406,707</u>	<u>291,707</u>	<u>406,707</u>	<u>291,707</u>

(c) 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 N462,418,555 has been charged to the income statement. The balance of N198,173,445 would be charged to the profit and loss account over the next 2 years in line with the Statement of Accounting Standards Number 8 on employees' retirement benefits.

**11. Taxation payable:**

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

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
Balance, beginning of year	610,223	564,244	560,403	538,542
Charge for the year (See note (23))	1,046,850	431,149	973,168	398,451
Payments during the year	(263,471)	(385,170)	(242,634)	(376,590)
Balance, end of year	<u>1,393,602</u>	<u>610,223</u>	<u>1,290,937</u>	<u>560,403</u>

The current tax charge has been computed at the current company income tax rate of 30% (2003: 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% (2003: 2%) Education Levy for the year.

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

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
Balance, beginning of year	568,582	375,972	568,582	375,972
Charge for the year (See note (23))	-	192,610	-	192,610
Balance, end of year	<u>568,582</u>	<u>568,582</u>	<u>568,582</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.

# Notes to the FINANCIAL STATEMENTS cont'd.

## 12. Dividend payable:

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Balance, beginning of year	875,000	1,000,000	875,000	1,000,000
Dividends declared during the year				
- Interim	750,000	625,000	750,000	625,000
- Final	1,350,000	875,000	1,350,000	875,000
Payment during the year	<u>(1,625,000)</u>	<u>(1,625,000)</u>	<u>(1,625,000)</u>	<u>(1,625,000)</u>
Balance, end of year	<u>1,350,000</u>	<u>875,000</u>	<u>1,350,000</u>	<u>875,000</u>

## 13. Long-term borrowings:

(a) Long-term borrowings comprise:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Due to IFC (see note (b) (i) below)	2,169,726	1,280,922	2,169,726	1,280,922
Due to FMO Netherlands (see note (b) (ii) below)	1,356,078	640,460	1,356,078	640,460
	<u>3,525,804</u>	<u>1,921,382</u>	<u>3,525,804</u>	<u>1,921,382</u>

(b) i. Amount of N2,169,726,000 (USD 16,000,000) represents the outstanding balance of a \$20,000,000 dollar facility granted by IFC in March 2001 for a period of 7 years. Interest is payable quarterly at 4.75% above LIBOR rates.

ii. Amount of N1,356,078,000 (USD 10,000,000) represents the \$10,000,000 dollar facility granted by IFC in April 2001 for a period of 3-5 years. Interest is payable quarterly at 3.1% above LIBOR rates.

## 14. Share capital:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
(a) Authorised - 4,000,000,000 Ordinary shares of 50k each (2003: 4,000,000,000 of 50k each)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Issued and fully paid - 3,000,000,000 Ordinary shares of 50k each (2003: 2,500,000,000 Ordinary shares of 50k each)	<u>1,500,000</u>	<u>1,250,000</u>	<u>1,500,000</u>	<u>1,250,000</u>

(b) The Bank has proposed a bonus issue of 1,000,000,000 ordinary shares of 50k each to its existing shareholders to be apportioned in the ratio of one new share for every three shares held. Accordingly, an amount of N500,000,000 (2003: N250,000,000) 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 ended February 2002.

**16. Other reserves:**

(a) Other reserves comprise:

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
Statutory reserve (see (b) below)	4,800,427	3,846,843	4,800,427	3,846,843
Retained profit	1,298,981	1,277,221	1,290,965	1,290,965
Capital reserve	43,454	9,829	-	-
Small Scale Industries (SSI) reserve (see (c) below)	1,353,920	850,947	1,353,920	850,947
Foreign currency translation reserve (see (d) below)	(58,115)	(34,274)	-	-
Other reserves	143,073	15,693	-	-
Balance, end of the year	<u>7,581,740</u>	<u>5,966,259</u>	<u>7,445,312</u>	<u>5,988,755</u>

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

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
Balance, beginning of year	3,846,843	2,765,654	3,846,843	2,765,654
Transfer from profit and loss account	953,584	1,081,189	953,584	1,081,189
Balance, end of year	<u>4,800,427</u>	<u>3,846,843</u>	<u>4,800,427</u>	<u>3,846,843</u>

In accordance with existing legislation, the Bank transferred 23% (2003: 34%) of its profit after taxation to statutory reserves.

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

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
Balance, beginning of year	850,947	470,697	850,947	470,697
Transfer from profit and loss account	502,973	380,250	502,973	380,250
Balance, end of year	<u>1,353,920</u>	<u>850,947</u>	<u>1,353,920</u>	<u>850,947</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 29 February 2004 has been transferred to Small Scale Industries reserve.

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

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
Balance, beginning of year	(34,274)	-	-	-
Exchange difference on consolidation	(23,841)	(34,274)	-	-
Balance, end of year	<u>(58,115)</u>	<u>(34,274)</u>	<u>-</u>	<u>-</u>

Notes to the  
**FINANCIAL STATEMENTS** cont'd. cont'd.

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

(a) These comprise:

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
Transaction-related bonds and guarantees	9,081,821	3,550,916	8,982,147	3,410,903
Guaranteed commercial papers and bankers acceptances	10,646,733	11,546,426	10,646,733	11,546,426
Guaranteed facilities (See note (4b))	4,746,275	4,483,225	4,746,275	4,483,225
	<u>24,474,829</u>	<u>19,580,567</u>	<u>24,375,155</u>	<u>19,440,554</u>

(b) This represents amount disbursed to customers on behalf of Afrexim for which the Bank served as guarantor.

**18. Interest and discount income:**

Interest and discount income was derived as follows:

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
<b>Source:</b>				
Lending to financial institutions	427,457	601,532	426,104	691,532
Lending to non-bank customers	8,598,440	7,818,192	8,524,308	8,522,445
Interest income on securities trading	2,385,949	2,173,374	2,338,549	2,173,374
	<u>11,411,846</u>	<u>10,593,098</u>	<u>11,288,961</u>	<u>11,297,351</u>

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
<b>Geographical location:</b>				
Earned in Nigeria	10,469,413	9,610,869	10,469,413	10,360,613
Earned outside Nigeria	942,433	982,229	819,548	936,738
	<u>11,411,846</u>	<u>10,593,098</u>	<u>11,288,961</u>	<u>11,297,351</u>

**19. Interest expense:**

Interest expense comprises:

	<b>Group 2004 N'000</b>	<b>Group 2003 N'000</b>	<b>Bank 2004 N'000</b>	<b>Bank 2003 N'000</b>
<b>Source:</b>				
Borrowing from financial institutions	35,177	81,249	35,123	81,249
Borrowing from non-bank customers	4,512,523	4,544,213	4,483,097	4,536,525
Interest expense on securities trading	605,208	887,455	605,207	887,455
	<u>5,152,908</u>	<u>5,512,917</u>	<u>5,123,427</u>	<u>5,505,229</u>

Notes to the  
**FINANCIAL STATEMENTS** cont'd. cont'd.

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
<b>Geographical location:</b>				
Paid in Nigeria	4,630,747	4,911,100	4,630,747	4,911,100
Paid outside Nigeria	522,161	601,817	492,680	594,129
	<u>5,152,908</u>	<u>5,512,917</u>	<u>5,123,427</u>	<u>5,505,229</u>

**20. Other banking income:**  
 This comprises:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Foreign exchange earnings	758,840	782,702	665,632	749,744
Commissions and similar income	2,849,126	2,328,150	2,667,584	1,455,673
Other fees and charges	2,281,811	1,427,451	1,815,524	1,014,169
Operating lease income	1,364,424	1,459,105	1,364,424	1,459,105
Dividend income from equity investments	39,814	32,142	39,814	32,142
	<u>7,294,015</u>	<u>6,029,550</u>	<u>6,552,978</u>	<u>4,710,833</u>

**21. Exceptional Income/ (charge):**

(a) Exceptional Income / (charge) comprises:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Gratuity Provision (see note (10))	-	(342,419)	-	(342,419)
Receivables written off (see (b) below)	-	(100,000)	-	-
Gain on disposal of Gratuity investments (see note (c) below)	196,469	-	196,469	-
	<u>196,469</u>	<u>(442,419)</u>	<u>196,469</u>	<u>(342,419)</u>

(b) Amount represents aged receivables written off by one of the subsidiary companies in prior year.

(c) Amount represents realised gain on the disposal of the Bank's gratuity fund investment on 31 August 2003. The gain on disposal is computed as follows:

	N'000
Proceeds on disposal	658,935
Investment at cost	(462,466)
Gain on disposal	<u>196,469</u>

The principal amount realised was reinvested before year-end (see note 5(a) above).

# Notes to the FINANCIAL STATEMENTS cont'd. cont'd.

## 22. Supplementary profit and loss information:

### (a) General:

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Specific provisions on risk assets	753,598	339,166	733,272	337,291
General provision on loans and finance leases	51,048	151,138	50,196	148,878
General provisions on Other Facilities	-	(44,794)	-	(44,794)
Recoveries	-	-	-	-
Loan amounts written off	5,214	7,928	5,214	7,928
	<u>809,860</u>	<u>453,438</u>	<u>788,682</u>	<u>449,303</u>
Depreciation				
- Fixed assets	859,926	646,045	783,926	578,548
- Equipment on lease	1,045,061	1,121,073	1,045,061	1,121,073
Auditors' remuneration	24,037	18,882	18,500	14,000
Provision for other assets	325,895	136,357	325,895	136,357
(Gain)/Loss on disposal of fixed assets	(103,543)	2,766	(103,188)	(10,973)

Auditors' remuneration represents payments for two audits of the Bank for the period and year ended 31 August and 29 February 2004 respectively.

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

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

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Wages and salaries	1,887,018	1,310,618	1,656,361	1,088,887
Other pension costs	123,060	82,809	120,000	79,877
	<u>2,010,078</u>	<u>1,393,427</u>	<u>1,776,361</u>	<u>1,168,764</u>

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

	Group 2004 Number	Group 2003 Number	Bank 2004 Number	Bank 2003 Number
Institutional Banking	70	51	58	51
Commercial Banking	109	102	109	102
Investment Banking	47	23	38	23
Payments/Settlement	60	47	60	47
Public Sector	56	42	56	42
Transaction Services	218	157	218	157
Financial Control & Risk Management	30	21	23	16
Systems & Control	25	16	25	16
General Internal Services and External Affairs	23	41	23	20
Management and Corporate Services	46	49	40	39
Retail Banking	76	34	76	34
	<u>760</u>	<u>583</u>	<u>726</u>	<u>547</u>

Notes to the  
**FINANCIAL STATEMENTS** cont'd. cont'd.

- 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 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
N 60,001 - N 70,000	-	1	-	-
N 90,001 - N100,000	-	1	-	-
N100,001 - N 110,000	-	1	-	-
N140,001 - N150,000	-	1	-	-
N150,001 - N160,000	-	1	-	-
N160,001 - N170,000	-	-	-	-
N320,001 - N330,000	-	1	-	-
N330,001 - N340,000	-	1	-	-
N360,001 - N370,000	-	1	-	-
N370,001 - N380,000	-	-	-	1
N390,001 - N400,000	-	14	-	14
N400,001 - N410,000	-	-	-	-
N410,001 - N420,000	-	1	-	-
N420,001 - N430,000	1	2	-	-
N430,001 - N440,000	-	-	-	-
N440,001 - N450,000	-	1	-	-
N480,001 - N490,000	-	2	-	2
N490,001 - N500,000	-	-	-	-
N500,001 - N510,000	16	555	14	530
N610,001 - N620,000	2	-	2	-
N690,001 - N700,000	3	-	-	-
N720,001 - N740,000	2	-	-	-
N840,001 - N880,001	2	-	1	-
N930,001 - N940,000	1	-	1	-
N1,200,001 - N1,260,000	3	-	-	-
N1,270,001 - N1,280,000	1	-	1	-
N1,300,001 - N1,310,000	3	-	-	-
N1,340,001 - N1,350,000	339	-	338	-
N1,840,001 - N1,850,000	2	-	-	-
N2,120,001 - N2,130,000	149	-	149	-
N2,190,001 - N2,200,000	2	-	-	-
N2,660,001 - N2,670,000	64	-	64	-
N2,730,001 - N2,740,000	3	-	-	-
N2,800,001 - N2,810,000	2	-	-	-
N3,130,001 - N3,130,000	52	-	52	-
Above N3,130,001	113	-	104	-
	<u>760</u>	<u>583</u>	<u>726</u>	<u>547</u>

(c) **Directors' remuneration:**

Directors' remuneration was provided as follows:

	2004 N'000	2003 N'000
Fees as directors	4,550	5,000
Other emoluments	73,718	93,102
	<u>78,268</u>	<u>98,102</u>

# Notes to the FINANCIAL STATEMENTS cont'd. cont'd.

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

	<b>2004</b>	<b>2003</b>
	<b>N'000</b>	<b>N'000</b>
Chairman	<u>3,975</u>	<u>3,567</u>
Highest-paid director	<u>18,364</u>	<u>17,414</u>

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

	<b>2004</b>	<b>2003</b>
	<b>Number</b>	<b>Number</b>
N3,300,001 - N3,310,000	1	-
N3,370,001 - N3,380,000	-	1
N3,410,001 - N3,420,000	-	1
N3,560,001 - N3,570,000	1	-
N3,710,001 - N3,720,000	1	1
N3,810,001 - N3,820,000	3	1
Above N4,000,000	3	5
	<u>9</u>	<u>9</u>

## 23. Taxation charge:

(a) The tax charge for the year comprises:

	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Company Income tax	1,046,850	431,149	973,168	398,451
Deferred tax	-	192,610	-	192,610
	<u>1,046,850</u>	<u>623,759</u>	<u>973,168</u>	<u>591,061</u>

## 24. Earnings and dividend per share:

Earnings and dividend per share have been computed based on profit after tax and the number of ordinary shares of 3,000,000,000 in issue during the year and on dividend and the number of shares qualifying for the dividend.

Notes to the  
**FINANCIAL STATEMENTS** cont'd. cont'd.

**25. Net cash flow from operating activities:**

This comprises:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
Profit before tax	5,172,682	3,767,941	5,029,725	3,802,500
Minority interest	(47,515)	14,897	-	-
	<u>5,125,167</u>	<u>3,782,838</u>	<u>5,029,725</u>	<u>3,802,500</u>
Adjustments to reconcile profit before tax to net cash flow from operating activities:				
Depreciation				
Fixed assets	859,926	646,045	783,926	578,548
Equipment on lease	1,045,061	1,121,073	1,045,061	1,121,073
(Gain)/loss on disposal of fixed assets	(74,270)	2,767	(73,915)	(10,973)
(Gain) on disposal of equipment on lease	(29,274)	(34,395)	(29,273)	(34,395)
Amortisation of goodwill on consolidation	25,263	-	-	-
Provision for bad and doubtful loans	809,860	453,438	788,682	449,303
- Provision for other assets	189,538	136,357	189,538	136,357
Net cash flow from operating activities before changes in operating assets	<u>7,951,271</u>	<u>6,108,123</u>	<u>7,733,744</u>	<u>6,042,413</u>

**26. Changes in operating assets:**

This comprises:

	Group 2004 N'000	Group 2003 N'000	Bank 2004 N'000	Bank 2003 N'000
(Increase)/decrease in operating assets:				
Short-term investments	(20,675,766)	(3,017,366)	(15,346,026)	(1,752,973)
Loans and advances	(14,064,696)	(13,696,603)	(13,802,241)	(13,583,293)
Advances under finance lease	150,303	(81,612)	150,303	(81,612)
Other facilities	-	4,479,456	-	4,479,456
Other assets	(6,126,790)	(3,230,065)	(5,853,393)	(3,647,486)
Foreign currency translation reserve	(23,841)	(34,274)	-	-
Minority interest	104,950	88,187	-	-
Increase/(decrease) in operating liabilities:				
Deposits and other accounts	23,761,111	20,156,149	23,154,732	19,695,171
Other liabilities	14,745,927	7,566,432	8,466,264	6,845,400
Other facilities	-	(4,479,456)	-	(4,479,456)
Capital and other reserves	127,381	(2,372)	-	-
	<u>(2,001,421)</u>	<u>7,748,476</u>	<u>(3,230,361)</u>	<u>7,475,207</u>

Notes to the  
**FINANCIAL STATEMENTS** cont'd.

**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 N655,514,000 (2003: N586,852,000) 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.

**28. Contraventions**

During the year, the Bank paid penalties for the following contraventions of BOFIA, 1991 and CBN circulars:

<i>Section of BOFIA</i>	<i>Nature of Contravention</i>	<i>Number of times</i>	<i>Penalty N</i>
60(1)	Failure to implement prior year CBN recommendations	1	500,000
<i>CBN Circulars</i>			
CBN circulars of 7 <sup>th</sup> August 1987	Late rendition of Schedule IX returns on customers who defaulted in submission of CBEs 90 days after negotiation of their LCs	1	500,000

**29. Prior year comparatives:**

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



# Statement of VALUE ADDED

For the Year Ended 29 February, 2004.

## Group:

	2004 N'000	%	2003 N'000	%
Gross earnings	18,917,299		16,664,539	
Interest expense	(5,152,908)		(5,512,917)	
	<u>13,764,391</u>		<u>11,151,622</u>	
Loan loss expense	(809,860)		(453,438)	
	<u>12,954,531</u>		<u>10,698,184</u>	
Bought-in materials and services	(3,866,785)		(3,769,698)	
Value added	<u><u>9,087,746</u></u>	<u>100</u>	<u><u>6,928,486</u></u>	<u>100</u>
Applied to pay:				
Employees as wages, salaries and pensions	2,010,078	22	1,393,427	20
Government as taxes	1,046,850	12	623,759	9
Shareholders' dividend	2,100,000	23	1,500,000	22
Retained in business:				
Depreciation - Fixed assets	859,926	9	646,045	9
- Equipment on lease	1,045,061	11	1,121,073	16
Profit for the year (including statutory, minority interest and bonus shares reserves)	2,025,831	23	1,644,182	24
	<u><u>9,087,746</u></u>	<u>100</u>	<u><u>6,928,486</u></u>	<u>100</u>

Statement of  
**VALUE ADDED**  
 For the Year Ended 29 February, 2004.

**Bank:**

	<b>2004</b> <b>N'000</b>	<b>%</b>	<b>2003</b> <b>N'000</b>	<b>%</b>
Gross earnings	<b>18,053,377</b>		16,050,075	
Interest expense	<b>(5,123,427)</b>		(5,505,229)	
	<b>12,929,950</b>		10,544,846	
Loan loss expense	<b>(788,682)</b>		(449,303)	
	<b>12,141,268</b>		10,095,543	
Bought-in materials and services	<b>(3,506,196)</b>		(3,424,658)	
Value added	<b>8,635,072</b>	<b>100</b>	6,670,885	100
Applied to pay:				
Employees as wages, salaries and pensions	<b>1,776,361</b>	<b>21</b>	1,168,764	18
Government as taxes	<b>973,168</b>	<b>11</b>	591,061	9
Shareholders as dividend	<b>2,100,000</b>	<b>24</b>	1,500,000	22
Retained in the business:				
Depreciation - Fixed Asset	<b>783,926</b>	<b>9</b>	578,548	9
- Equipment on lease	<b>1,045,061</b>	<b>12</b>	1,121,073	17
Profit for the year (including statutory, minority interest and bonus shares reserves)	<b>1,956,556</b>	<b>23</b>	1,711,439	25
	<b>8,635,072</b>	<b>100</b>	6,670,885	100

## FINANCIAL SUMMARY - GROUP

	2004 N'000	2003 N'000	2002 N'000	2001 N'000	2000 N'000
<b>ASSETS:</b>					
Cash and short-term funds	31,999,263	31,256,470	23,223,202	16,683,322	8,401,508
Investments	35,688,600	12,527,182	8,865,092	10,206,476	8,966,800
Loans and advances	44,031,308	30,775,145	17,573,538	12,073,119	8,087,278
Other facilities	-	-	4,434,662	2,844,084	2,508,413
Advances under finance lease	5,682	154,482	73,686	-	22,531
Other assets	16,392,516	10,392,425	7,235,876	2,155,102	6,365,563
Goodwill on consolidation	101,051	126,314	-	-	-
Equipment on lease	1,229,433	1,915,185	1,503,752	110,729	256,979
Fixed assets	4,387,262	3,098,642	2,111,393	1,398,733	988,047
<b>Total assets</b>	<b>133,835,115</b>	<b>90,244,845</b>	<b>65,021,201</b>	<b>45,471,565</b>	<b>35,597,119</b>
<b>LIABILITIES:</b>					
Deposits and other accounts	75,282,897	51,521,786	31,365,637	24,138,561	15,446,099
Other facilities	-	-	4,479,456	2,872,812	2,533,750
Other liabilities, including tax and dividend payable	43,033,039	27,028,733	19,348,713	14,312,744	14,470,558
Long term borrowings	3,525,804	1,921,382	1,765,071	-	-
<b>Total liabilities</b>	<b>121,841,740</b>	<b>80,471,901</b>	<b>56,958,877</b>	<b>41,324,117</b>	<b>32,450,407</b>
<b>Net assets</b>	<b>11,993,375</b>	<b>9,772,944</b>	<b>8,062,324</b>	<b>4,147,448</b>	<b>3,146,712</b>
<b>CAPITAL AND RESERVES:</b>					
Share capital	1,500,000	1,250,000	1,000,000	750,000	750,000
Share premium	2,172,666	2,172,666	2,172,666	-	-
Bonus shares reserves	500,000	250,000	250,000	-	-
Other reserves	7,581,740	5,966,259	4,593,826	3,373,792	2,367,328
<b>SHAREHOLDERS' FUND</b>	<b>11,754,406</b>	<b>9,638,925</b>	<b>8,016,492</b>	<b>4,123,792</b>	<b>3,117,328</b>
Minority Interest	238,969	134,019	45,832	23,656	29,384
	<b>11,993,375</b>	<b>9,772,944</b>	<b>8,062,324</b>	<b>4,147,448</b>	<b>3,146,712</b>
<b>Gross earnings</b>	<b>18,917,299</b>	<b>16,664,539</b>	<b>11,168,682</b>	<b>7,109,676</b>	<b>5,960,346</b>
Profit on ordinary activities before taxation	4,976,213	4,210,360	3,175,997	2,153,214	1,360,927
Exceptional charges	196,469	(442,419)	(450,666)	-	-
Taxation	(1,046,850)	(623,759)	(538,272)	(548,239)	(308,334)
<b>Profit on ordinary activities after taxation</b>	<b>4,125,832</b>	<b>3,144,182</b>	<b>2,187,059</b>	<b>1,604,975</b>	<b>1,052,593</b>
Extra-ordinary income	-	-	788,085	-	-
<b>Profit after taxation and extraordinary income</b>	<b>4,125,832</b>	<b>3,144,182</b>	<b>2,975,144</b>	<b>1,604,975</b>	<b>1,052,593</b>
Minority Interest	(47,515)	14,897	(19,918)	(992)	(11,573)
<b>Profit attributable to Group shareholders</b>	<b>4,078,317</b>	<b>3,159,079</b>	<b>2,955,226</b>	<b>1,603,983</b>	<b>1,041,020</b>
Earnings per share (unadjusted)	138k	126k	150k	107k	69k
Dividend per share (unadjusted)	70k	60k	83k	40k	33k

Five-year

**FINANCIAL SUMMARY - BANK**

	2004 N'000	2003 N'000	2002 N'000	2001 N'000	2000 N'000
<b>ASSETS:</b>					
Cash and short-term funds	30,861,568	31,144,698	23,214,944	16,683,277	8,401,260
Investments	24,114,796	6,530,411	3,830,625	5,706,059	5,489,557
Loans and advances	43,675,606	30,663,550	17,573,538	12,073,119	8,087,278
Other facilities	-	-	4,434,662	2,844,084	2,508,413
Advances under finance lease	5,682	154,482	73,686	-	22,531
Other assets	15,788,347	10,124,492	6,613,363	2,146,898	6,376,758
Equipment on lease	1,229,433	1,915,185	1,503,752	110,729	256,979
Fixed assets	4,022,808	2,777,913	2,047,825	1,340,601	936,235
<b>Total assets</b>	<b>119,698,240</b>	<b>83,310,731</b>	<b>59,292,395</b>	<b>40,904,767</b>	<b>32,079,011</b>
<b>LIABILITIES:</b>					
Deposits and other accounts	74,222,497	51,067,765	31,372,594	24,138,561	15,461,727
Other facilities	-	-	4,479,456	2,872,812	2,533,750
Other liabilities, including tax and dividend payable	30,331,961	20,660,163	13,725,292	9,866,068	11,046,180
Long term borrowings	3,525,804	1,921,382	-	-	-
<b>Total liabilities</b>	<b>108,080,262</b>	<b>73,649,310</b>	<b>49,577,342</b>	<b>36,878,590</b>	<b>29,041,657</b>
<b>Net assets</b>	<b>11,617,978</b>	<b>9,661,421</b>	<b>9,715,053</b>	<b>4,026,177</b>	<b>3,037,354</b>
<b>CAPITAL AND RESERVES:</b>					
Share capital	1,500,000	1,250,000	1,000,000	750,000	750,000
Share premium	2,172,666	2,172,666	2,172,666	-	-
Bonus shares reserves	500,000	250,000	250,000	-	-
Other reserves	7,445,312	5,988,755	4,527,316	3,276,177	2,287,354
<b>SHAREHOLDERS' FUND</b>	<b>11,617,978</b>	<b>9,661,421</b>	<b>7,949,982</b>	<b>4,026,177</b>	<b>3,037,354</b>
Minority Interest	-	-	-	-	-
	<b>11,617,978</b>	<b>9,661,421</b>	<b>7,949,982</b>	<b>4,026,177</b>	<b>3,037,354</b>
<b>Gross earnings</b>	<b>18,053,377</b>	<b>16,050,075</b>	<b>10,898,091</b>	<b>6,840,527</b>	<b>5,312,400</b>
<b>Profit on ordinary activities before taxation</b>	<b>4,833,256</b>	<b>4,144,919</b>	<b>3,107,315</b>	<b>2,050,323</b>	<b>1,311,163</b>
Exceptional charges	196,469	(342,419)	(450,666)	-	-
Taxation	(973,168)	(591,061)	(516,294)	(546,629)	(292,834)
<b>Profit on ordinary activities after taxation</b>	<b>4,056,557</b>	<b>3,211,439</b>	<b>2,140,355</b>	<b>1,503,694</b>	<b>1,018,329</b>
Extra-ordinary income	-	-	940,913	-	-
<b>Profit after taxation and extraordinary income</b>	<b>4,056,557</b>	<b>3,211,439</b>	<b>3,081,268</b>	<b>1,503,694</b>	<b>1,018,329</b>
Minority Interest	-	-	-	-	-
<b>Profit attributable to Group shareholders</b>	<b>4,056,557</b>	<b>3,211,439</b>	<b>3,081,268</b>	<b>1,503,694</b>	<b>1,018,329</b>
Earnings per share (unadjusted)	135k	128k	154k	100k	68k
Dividend per share (unadjusted)	70k	60k	83k	40k	33k

# Shareholders' INFORMATION

The Bank was registered as a private company on 20 July, 1990. It became a public limited company on April 2, 1996, and its shares were listed on the Nigerian Stock Exchange on 9 September, 1996. Since the listing, the Bank has paid dividends and issued bonus shares as indicated hereunder:

<b>DIVIDEND Financial Year Ended share</b>	<b>Dividend No.</b>	<b>Final or Interim</b>	<b>Gross Unclaimed Amount</b>	<b>Amount Paid Per 50 kobo</b>
28/02/97	10	Interim	NIL	25 kobo
28/02/97	11	Final	₦134,088.50	50 kobo
28/02/98	12	Interim	NIL	10 kobo
28/02/98	13	Final	NIL	10 kobo
28/02/99	14	Interim	₦243,502.26	7 kobo
28/02/99	15	Final	₦3,053,590.92	12 kobo
29/02/00	16	Interim	₦4,938,513.58	10 kobo
29/02/00	17	Final	NIL	23 kobo
28/02/01	18	Interim	₦2,639,009.56	12 kobo
28/02/01	19	Final	₦21,156,810.53	28 kobo
28/02/02	20	Interim	₦15,165,746.92	33 kobo
28/02/02	21	Final	₦29,568,455.11	50 kobo
28/02/03	22	Interim	₦22,254,049.49	25 kobo
28/02/03	23	Final	₦35,556,846.07	35 kobo
29/02/04	24	Interim	₦45,416,055.39	25 kobo

<b>SCRIP ISSUE Financial Year Ended</b>	<b>To Shareholders as at</b>	<b>Amount Capitalised</b>	<b>Ratio</b>
28/02/97	30/06/97	₦300,000,000	3 for 2
28/02/98	06/07/98	₦250,000,000	1 for 2
28/02/02	24/04/02	₦250,000,000	1 for 4
28/02/03	13/05/03	₦250,000,000	1 for 5

### UNCLAIMED DIVIDEND CERTIFICATES

Our records indicate that some dividend warrants and bonus share certificates have been returned unclaimed for various reasons. A list of unclaimed dividends for dividend payment numbers 23 and 24 is contained in this Annual Report. Please contact the Registrar (United Securities Limited, Niger House, 3-5 Odunlami Street, Lagos) for a re-issue of any unclaimed dividend warrant, or unclaimed certificate.

# Corporate INFORMATION

The Bank has been reorganized into two arms, namely **OPERATIONS** and **MARKETING**. This new organizational structure as approved by Management became operational on March 1, 2004, which marked the beginning of the 2004 / 2005 financial year.

This new functional configuration aligns Guaranty Trust Bank's human and material resources in its Marketing teams with the country's geographical zones and recognizes the expanding economic and business opportunities within and across these regions. It also addresses market competition issues and our internal operations with a view to generating better efficiencies.

## EXECUTIVE OFFICE

**Managing Director** TAYO ADERINOKUN  
**Deputy Managing Director** SEGUN AGBAJE

**OPERATIONS**, comprising of the centralised offices of Corporate Services, Internal Services and Operations Divisions

### Corporate Services Division

**Division Head** TAYO ADERINOKUN  
**Group** **Group Head**  
 Fincon / Strategy TUNDE OLAGBAJU  
 HR Group MORAYO OYELEKE  
 SYSCON Group GEORGE UWAKWE  
 Risk Management Group GBENGA ALADE

### Internal Services Division

**Division Head** DOLAPO OGUNMEKAN  
**Groups / Units** **Group/Unit Head**  
 Administration Group TAYO ASUPUTO  
 Communication & External Affairs ADA OHIAERI  
 Legal Unit FATAI OLADIPO

### Operations Division

**Division Head** RONKE BAMMEKE  
**Groups** **Group Head**  
 Transaction Services Group SADIQ BELLO  
 Settlement Group KAFILAT ARAOYE  
 Technology Group AARON MOSUGU

**MARKETING**, comprising of the Institutional Banking Division and Five (5) Regional Divisions responsible for the Lagos, SW, SE, Abuja and NC, NW and NE Divisions with each division having within its purview the Commercial Banking, Public Sector and Advantium Groups.

### Institutional Banking Division

**Division Head** SEGUN AGBAJE  
**Groups** **Group Head**  
 Oil & Gas Group AKINWUNMI OGUNBIYI  
 Telecommunications Group DEEDEE EWUBARE  
 Treasury Group UZO ANIJAH-OBI  
 Corporate Banking Group CATHY ECHEOZO  
 Corporate Finance Group BOLAJI LAWAL

### Lagos Division

**Division Head** TITI OSUNTOKI

### South West Division

**Division Head** MOSUN OLUSOGA

### South East Division

**Division Head** AKU ODINKEMELU

### Abuja & North Central Division

**Division Head** JIDE OGUNDARE

### North West & North East Division

**Division Head** ABBA HABIB

# Corporate DIRECTORY

## OVERSEAS CORRESPONDENT BANKS

ANZ Bank, London  
Citibank (London & New York)  
Standard Chartered Bank (London)  
HSBC (Johannesburg)  
Nordea Bank, Sweden  
Deutsche Bank AG  
FBN Bank Ltd (London)

## CORPORATE ADDRESSES

HEAD OFFICE: PLURAL HOUSE  
Plot 1659, Oyin Jolayemi Street  
Victoria Island, Lagos.  
Phone: 2622652-64, 3201100  
Fax: 2622651, 2622706  
Internet Address: [www.gtbplc.com](http://www.gtbplc.com)  
SWIFT Address: GTBINGLA XXX  
E-mail: [corpaff@gtbplc.com](mailto:corpaff@gtbplc.com)

## BRANCHES

### ABA

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

### ABEOKUTA

IBB Boulevard Ibara,  
Abeokuta.  
Phone: 039-243610,  
039-245696.

### 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.  
Phone: 09-6702762

### ADEOLA ODEKU V/ISLAND

56a, Adeola Odeku Street,  
Victoria Island, Lagos.  
Phone: 01-2629160-2

### 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

### ASPAMDA

Aspamda Plaza, ARI ZoneA,  
Trade Fair Complex,  
Off Badagry Expressway,  
Ojo - Lagos.  
Phone: 01-3208770-2

### BAUCHI

NICON Building,  
24A Commercial/Bank Road  
Tel: 077-546421, 545291

### BENIN

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

### BROAD STREET

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

### CALABAR

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

### ENUGU

1, Ogul 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, 4976453,  
4976451.

### IKOYI

78, Awolowo Road,  
Ikoyi, Lagos.  
Phone: 01-2691278

### ILORIN

1, Wahab Folawiyo Road,  
Ilorin, Kwara State.  
Fax: 031-222859  
Phone: 031-222913, 222900,  
222869, 222840.

### ILUPEJU

48, Town Planning Way,  
Ilupeju Lagos  
Tel: 01-5553335-43  
5553348

### 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

### KATSINA

120, Ibrahim Babangida Way,  
Katsina State.  
Tel: 065-433939, 433964

### MAIDUGURI

11, Baga Road,  
Maiduguri,  
Borno State.  
Tel: 076-233711, 233937,  
233111.

### MAKURDI

41A New Bridge Road,  
Benue State.  
Tel: 044-534792, 534592

### MINNA

Paiko Road (Next to  
Niger State Transportation  
Corporation)  
Niger State.  
Tel: 066-221237

### NNEWI

4, Edo Ezerewi Street,  
Nnewi.  
Anambra State.  
Phone: 046-460882, 460874

### ONITSHA

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

### OWERRI

Plot 265, Ikenegbu Layout,  
Aladinma Ikenga Road,  
Owerri.  
Phone: 083-235195-9

### PORT HARCOURT I

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

### PORT HARCOURT II

Plot 279\* Tombia Street,  
off Aba Road,  
Port Harcourt.  
Phone: 084-237516-7

### SOKOTO

101, Ahmadu Bello, Way,  
Sokoto.  
Phone: 060-239501-7

### 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

### WARRI

85, Warr/effurun Road,  
Effurun,  
Delta State.  
Phone: 053-256406-7

### YENAGOA

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

### YOLA

Plot 11, Galadima Aminu  
Way,  
Jimeta, Yola,  
Phoen: 075-627662

# NOTES



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Proxy  
**FORM**

**GUARANTY TRUST**  
GUARANTY TRUST BANK PLC  
RC 152321

**14<sup>TH</sup> ANNUAL GENERAL MEETING** to be held at the Expo Hall, Eko Hotel, Victoria Island, Lagos on May 26, 2004, 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. Tayo Aderinokun, 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 May 26, 2004, and at any adjournment thereof.

Dated this.....day of ..... 2004.

Signature of shareholder.....

Name of shareholder.....

NUMBER OF SHARES:		
RESOLUTIONS	FOR	AGAINST
To declare a dividend		
To re-elect Directors		
To appoint auditors and authorise the Directors to fix the Auditors' remuneration		
To elect/re-elect members of the Audit Committee.		
To fix the Directors' remuneration.		
To authorise bonus share issue.		
To increase share capital.		
To authorise offer.		
To capitalize excess funds from offer.		
To alter 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.

**ADMISSION CARD**

Annual General Meeting to be held on ....., at Expo Hall, 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.....

Year	2004	2003	2002
Revenue			
Expenses			
Profit			
Assets			
Liabilities			
Equity			
Capital			
Reserves			
Other			
Total			

**AFFIX  
POSTAGE  
STAMP  
HERE**

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

