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Mission Statement



“We are passionate about building a well-defined financial services group that is focused on adding value to businesses and lives and committed to a culture of excellence”



Our Core Values

Creative and
Result oriented professionals
Efficient and effective processes
Superior and sustainable
financial performance
Trusting relationships

27 Years of Excellence in Banking & Financial Services

Corporate Profile

Since 1983, First City Monument Bank Plc ("FCMB"), formerly First City Merchant Bank Limited, has consistently fulfilled its mission of offering the highest quality banking services to its clientele, while also remaining a safe and secure haven for depositors' funds.

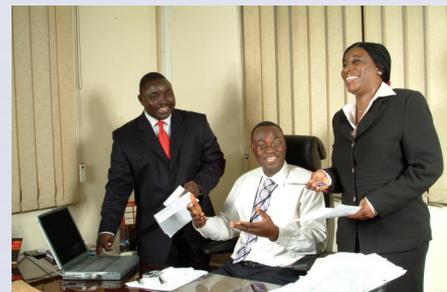
After more than eighteen years of unbroken success in investment banking, and as a natural response to the adoption of universal banking in Nigeria in 2001, FCMB widened its doors to customers, extending its tradition of excellence in merchant banking to commercial banking. Today, the bank has further re-defined its focus, concentrating solely on commercial banking, while its successful investment and capital market services are now being delivered by FCMB Capital Markets Limited ("FCMB-CM"), a wholly owned subsidiary of the bank.

The bank is the flagship of First City Group ("FCG"), a well-defined financial services group, involved in commercial banking, investment banking and other capital market services (stockbroking, asset management, share registrars). FCMB also remains a dynamic, innovative and well-capitalized bank, relying on a team of highly skilled management and staff, who make the maximum use of the latest information technology in order to assist in solving clients' problems. FCMB is committed to remaining the bank of choice for its customers, shareholders, staff and regulators, while also being a responsible corporate citizen supporting host communities in all areas that we operate.

Following the successful completion and approval of its two-step capital raising exercise early in 2005, FCMB Plc Shareholders' Fund has increased to well over N23billion. It is expected that with its already approved merger with Co-operative Development Bank Plc (CDB Plc), the combined Shareholders' Funds of the new FCMB will surpass the set minimum capital base of N25billion as prescribed by the Central Bank of Nigeria before the end of 2005. The merger exercise is expected to be completed by the end of October 2005.

HISTORICAL ANTECEDENTS

- Licensing of FCMB in 1982 and subsequent commencement of banking operations in August, 1983
- FCMB is the first privately owned merchant bank to be established without technical partners in Nigeria.
- One of the earliest landmark achievements of the bank was the completion of the first public loan syndication for the then National Fertilizer Company of Nigeria (NAFCON) in 1986 for an amount to the tune of N70 million - the largest ever at the time.
- Having accurately anticipated the adoption of universal banking as from January 2001, it obtained approval in December 2000 from the Central Bank of Nigeria to change its name to First City Monument Bank Limited.
- FCMB has, in the last 21 years, produced no less than 18 chief or deputy chief executives of leading banks in Nigeria as a testimony of its excellent



Corporate Profile (cont'd)



performance as well as a demonstration of its position in the industry as a pacesetter.

- In December 2004, FCMB Plc shares were listed by way of Introduction on the Nigerian Stock Exchange.
- In the year 2004/2005, FCMB successfully raised fresh capital in excess of N20 billion through private and public offerings in order to exponentially grow its business and expand its physical presence.

CUSTOMER AND PRODUCT MARKET STRATEGY

FCMB is a full service universal bank, serving the needs of large corporates, government, small businesses and individuals, through a growing network of retail branches across the Nigerian federation, as well as a strong combination of correspondent banks present in all major cities within the international trading partners of the Federal Republic of Nigeria.

Our product offerings cover the entire array of banking and financial services, including mainly the following:

- Loans and Advances;
- Current, Savings and Deposit Accounts;
- Investment Products;
- Local and International Money Transfer;
- Cash Management Solutions;
- Electronic Purse Scheme (Valucard);
- Automated Teller Machines (running on Nigeria's first national payment switch-Interswitch);
- Public Sector and Utilities collections/payments;
- International Trade Services;
- Retail and Wholesale Foreign Exchange Services;
- Insurance Agency; and
- E-banking (PC, Internet and Mobile Banking)

The bank provides its clientele with access to investment banking and securities services through FCMB Capital Markets sub-group. Both our commercial banking and capital market services can be accessed through our online network of branches, which is expected to grow to over 100 branches by the end of the current financial year (see back page for current branch locations).

FCMB Capital Markets Limited

FCMB Capital Markets Limited ("FCMB-CM") is an arm of FCMB Capital Markets subgroup, a well focused, world-class investment banking group, whose overriding goal is to consistently deliver superior service and flawless execution in all transactions to customers. The subgroup, which is also an arm of First City Group Limited consists of the well reputed market leader in capital market services – FCMB Capital Markets Limited, the highly successful CSL Stockbrokers Limited, City Securities Limited (Registrars) and First City Asset Management Limited, all of them fully integrated under one management.

August, 2002



UNIPETROL NIGERIA PLC
(Now Oando Plc)

US\$74,000,000
Acquisition of 60% equity
in



AGIP NIGERIA PLC

Financial Adviser to UNIPETROL

November, 2004



Oando Plc
(Created from the merger of Unipetrol Nigeria Plc and Agip Nigeria Plc)

N15,997,708,915
Combined Offer for
Subscription and Offer by way
of Rights

Issuing House

The corporate finance advisory and issuing house arm of the Group, in which it has built unparalleled success, are now conducted under the aegis of FCMB Capital Markets Limited ("FCMB-CM"). FCMB-CM developed from the successful primary issues business of City Securities Limited, which was formed in September 1977 and the Corporate Finance department of the Bank. FCMB-CM has gained a particularly strong position in **Public and Private Placements of Debt and Equity, Financial Restructuring, Privatisation Advisory Services, Mergers and Acquisitions, Structured Finance and Debt Conversion Transactions** and by virtue of its experience in capital raising and financial advisory deals over the last two decades, measured both by transaction volume and value, it has remained a pre-eminent investment banking firm in Nigeria with a proven history of serving the financial needs of government, institutional, corporate and private clients.

As a mark of testimony to its excellent performance, FCMB Capital Markets in the course of year 2000 won the two most prestigious capital market awards instituted by UK based Reuters International and SBA Research Limited. The company emerged the best Issuing House in Nigeria for the year under review in the Platinum division and also won the coveted trophy for the most consistent Issuing House in Nigeria between the period 1993 and 1998. FCMB Capital Markets in 2001 and 2002 has also won, in a consecutive fashion, the Reuters/SBA's Mergers & Acquisition Award as leader in Mergers and Acquisition Advisory.

It is interesting to note that in its 21 years of operations, FCMB Capital Markets subgroup has handled transactions (some of which are landmarks), well over N250 billion in the Nigerian Capital Markets. **In the last three years alone, FCMB Capital Markets has successfully completed 15 diverse and complex advisory and capital market transactions valued in excess of N80 billion.** Some major transactions currently handled by FCMB Capital Markets include: N15 billion Lagos State Floating Rate Redeemable Bond; Guaranty Trust Bank Plc Offer for Subscription of N1 billion Ordinary Shares of 50 kobo each at N10.60 kobo per share; UAC of Nigeria Plc 227,158,614 Ordinary Shares of 50 kobo each at N12.50 per share; and OANDO Plc N5 billion combined Offer for Subscription and Offer by Way of Rights.

Other affiliated companies include:

CSL Stockbrokers Limited ("CSLS") - Officially licensed by the NSE on November 4, 1977 to carry on the business of stockbroking, CSLS is one of the oldest stockbroking firms in Nigeria, with a large clientele base including private clients, corporate entities and governments. CSLS is one of the most capitalised stockbroking firm in the country with a paid-up share capital of N75 million, which is well in excess of the SEC minimum capital requirements for broker/dealer firms. **City Securities Limited - Registrars ("CSLR")** – One of the largest and most efficient share registration agents in Nigeria, with a proven track record of providing services to the Federal Government and multinational companies. The company currently has over 35 share registers under its management comprising a cross-section of quoted companies in diverse sectors of the economy. **First City Asset Management Limited ("FCAM")** – The youngest member of the First City Group, FCAM's principal service offering areas are asset/fund management; investment advisory; fund administration and trusteeship services. FCAM currently has over N6 billion in assets under its management.



Corporate Profile (cont'd)

FIRST CITY MONUMENT BANK PLC (FCMB PLC)

BOARD OF DIRECTORS

Dr. Jonathan A. D. Long (British)	-	Ag. Chairman / Managing Director
Ladipupo O. Balogun	-	Deputy Managing Director / CEO
Biodun Oyapero	-	Executive Director
Ladi A. Jadesimi	-	Director
Alhaji Tijani Hashim (Galadima Kano)	-	"
Godwin T. S. Adokpaye	-	"
Dr. (Mrs.) Martina A. Nwakoby	-	"
Bismarck Rewane	-	"
Mallam Suleiman Yahyah	-	(Resigned February 16 2005)
Oluremi A. Olowude	-	Director

EXECUTIVE MANAGEMENT COMMITTEE

Dr. Jonathan A. D. Long (British)	-	Managing Director
Ladipupo O. Balogun	-	Deputy Managing Director/CEO
Biodun Oyapero	-	Executive Director
Peter Obaseki	-	Vice President
Olajumoke Bakare (Mrs)	-	Vice President
Adebowale Adesanya	-	Vice President
Kayode Ese Bello	-	Vice President
Deji Somoye	-	Vice President
Isi Okogun	-	Vice President
Idongesit Bassey	-	Vice President
Nana Dawodu (Mrs)	-	Vice President

FCMB SHAREHOLDING STRUCTURE

Private and institutional investors	-	85.88%
Capita IRG Trustees Limited	-	14.12%
		100%

FIRST CITY GROUP LIMITED

BOARD OF DIRECTORS

Otunba Michael O. Balogun, C.O.N.	-	Group Chairman
Dr. Jonathan A. D. Long (British)	-	Group Managing Director
Ladipupo O. Balogun	-	Director
Godwin T. S. Adokpaye	-	"
Ladi A. Jadesimi	-	"
Alhaji Tijani Hashim (Galadima Kano)	-	"
Amb. G. Dove-Edwin, C.O.N.	-	"
Amb. Hassan Adamu, C.O.N.	-	"
Oluremi A. Olowude	-	"
James O. Ayo	-	"
Bismarck Rewane	-	"
Mallam Suleiman Yahyah	-	"

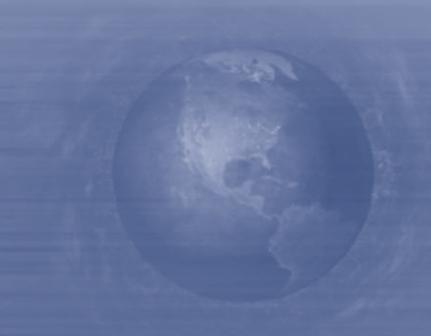
OTHER MEMBERS OF THE GROUP

FCMB Capital Markets Limited
City Securities Limited (Registrars)
CSL Stockbrokers Limited
First City Asset Management Limited

CORRESPONDENT BANKS

ANZ Banking Group Limited (London)
BNP Paribas (Suisse) SA, (Geneva)
BNP Paribas SA, (Paris)
Standard Chartered Bank Plc. (London)
Standard Bank of South Africa Plc. (Johannesberg)
United Bank for Africa (New York)

Our People





Primrose Tower: Where it all started



First City Plaza, Abuja - A monumental symbol

A Note from Our Founder

THE DREAM AND THE VISION OF AN ENDURING INSTITUTION –
A FINANCIAL MONUMENT INDEED!

“Today FCMB Plc has over 80,000 proud shareholders who have enthusiastically invested their well-earned private resources. There could never have been a better vindication for the entrepreneurial aspiration that has given birth to this enduring institution, which has come to be known as First City Monument Bank Plc”.

Otunba Michael Olasubomi Balogun, CON
- The Founder, First City Group



When nearly thirty years ago, the mustard seed of City Securities Limited was being sowed, we were being propelled by precedents of what has been the practice the world over, whereby enduring institutions were set up by individuals who later on surrendered ownership to a larger group of people and progressively extended ownership by getting shares of the institution quoted on the Stock Market. This has been the story of the entrepreneurial fervour that has ultimately given way to the listed First City Monument Bank Plc “(FCMB Plc)”, which is indeed the flagship of the financial services conglomerate known as **First City Group Limited** and which also has under its umbrella, FCMB Capital Markets Limited, CSL Stockbrokers Limited, City Securities (Registrars) Limited, and First City Assets Management Limited.

The Founding fathers of our bank, First City Monument Bank Plc, whose shares are now quoted on the Nigerian Stock Exchange “(NSE)” have never been shy to admit that we are a product of the entrepreneurial aspiration of one individual nor are they under any illusion that we can hang forever on this private ownership. Rather, it has been our aspiration that one day, our efforts and contributions to the Nigerian Financial and Banking Industry will be immortalized when ownership and control are transferred and easily accessible to all and sundry, particularly, discerning investors on the Nigerian Stock Exchange. Today, First City Monument Bank Plc has over 80,000 proud shareholders who have enthusiastically invested their well-earned private resources. There could never have been a better vindication for the entrepreneurial aspiration that has given birth to this enduring institution, which has come to be known as First City Monument Bank Plc.

As the principal founding father, apart from expressing my profound appreciation to the new shareholders who have demonstrated confidence and commitment to my personal dream and vision, I can look back with a big smile, that once again the good Lord has remained faithful and my vision has materialised even at the twilight of my final withdrawal from the day to day affairs of First City Monument Bank Plc.

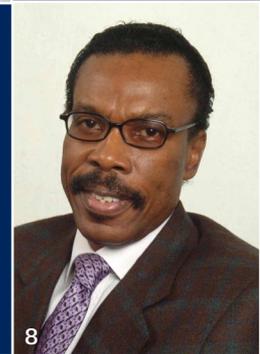
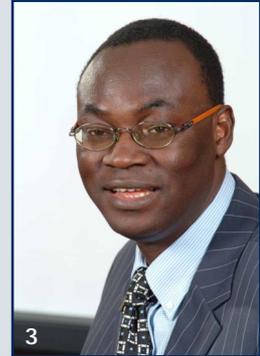
Let me, however, assure all stakeholders, particularly current and future shareholders, that I feel completely fulfilled and whatever sacrifices or commitment of mine that would advance the causes of FCMB Plc, its owners and other stakeholders, I would continually give them as long as the good Lord gives me the life and all other necessary empowerment.

Finally, I welcome everyone to the dawn of a new era - the “**New FCMB**” - with a robust expectation of its becoming one of the leading Mega banks in the new dispensation within the Nigerian Banking and Financial Industry.

I thank you all and I thank the good Lord for making me the Founder of a unique institution that will definitely outlive my humble self and my dreams.

Otunba Michael O. Balogun, CON.

Board of Directors



1 Dr. Jonathan A. D. Long (Ag. Chairman/Managing Director) 2 Ladipup O. Balogun (Deputy Managing Director/CEO)
3 Biodun Oyapero (Executive Director) 4 Ladi A. Jadesimi 5 Alhaji Tijani Hashim 6 Godwin T. S. Adokpaye
7 Dr. (Mrs.) Martina A. Nwakoby 8 Bismarck Rewane 9 Mallam Suleiman Yahyah (Resigned February 16 2005)
10 Oluremi A. Olowude

Executive Management



1 Dr. Jonathan A. D. Long (Managing Director) 2 Ladipupo O. Balogun (Deputy Managing Director/CEO) 3 Biodun Oyapero (Executive Director, Banking Operations/Support) 4 Peter Obaseki (Vice President & Divisional Head, Corporate Banking) 5 Olajumoke Bakare Mrs. (Company Secretary/Group Legal Adviser) 6 Adebowale Adesanya (Vice President, Operations & Support Services) 7 Kayode Ese Bello (Vice President & Zonal Head, Mid-West) 8 Deji Somoye (Vice President, Strategy & Business Development & Financial Control) 9 Isi Okogun (Vice President, FCMB Capital Markets Subgroup) 10 Idongesit Bassey (Vice President & Zonal Head, South-South) 11 Nana Dawodu Mrs. (Vice President, Treasury & Financial Services Group)

Something new about FCMB Commercial Banking



FCMB Model Branch at Adeola Odeku Street, Victoria Island, Lagos





...A sure step to sound education



...Your multichannel Debit Card

Our Products & Services



First City
Corpers
Account



YOUR SAVINGS ACCOUNT



Retail Products

Through our network of branches and automated banking channels, we offer retail financial solutions relevant to your everyday needs as an individual and small-scale enterprise. We create in each of our branches a team of service-centric professionals who are passionate about customer satisfaction and with in-depth understanding of your requirements

SAVINGS

Our savings account products offer options that meet a variety of savings goals whilst assuring that your money grows faster. Just determine the size of your average monthly balance and whether growth or greater access to your balance is more important and you are on your way to a new experience. It's that easy.

Some of our popular savings account types include the following:

- *First City Savers Account*, which offers attractive rates and benefit of a regular current account like cheque issuance but with no commission on turnover. It can be operated by individuals, cooperatives, clubs etc
- *Scholar's Account* is another variant targeted at parents willing to build savings for their children from birth to adolescence. The attractions are the high interest rates, access to school fee loan, annual scholarship award and accident insurance cover of up to 200% of the average maintained balance.
- *First City Corpers Account*, which is designed specifically for National Youth Service Corps members and is converted automatically into a savings account at the end of the service period. It does not require any opening or minimum balance and facilitates easy collection of salaries and allowances as well as guaranteed access to the account at any of our branches nationwide.
- *First City SalaryPlus*, is a special scheme designed to provide financial supports to employees of both private and public sectors. Account holders have access to salary advance to meet emergency financial needs and opportunity to acquire assets and pay at convenient time. The scheme also guarantees to the employers an effective payroll administration, same-day value to staff account and reduced pressure on cash flow.



CURRENT ACCOUNTS

A straightforward bank account for day-to-day banking needs.

- Our chequing accounts have what you need to take care of your deposits, withdrawals, bills payments and other day-to-day financial matters.
- In addition, we not only offer competitive interest rates but on higher balances, offer a graduated interest regime on your account thus ensuring that you have unlimited access while your money grows.
- For a variant of our current account we offer Zero COT subject to a preagreed minimum balance

CONSUMER FINANCE

FCMB remains committed to helping you find the right credit solution for the things you want. We offer personal service and advise that will assist you in making your choice of credit as flexible and convenient as possible.

If you desire to acquire household items, vehicle or just simply wish to bridge a gap before your next salary, our consumer loans can help you in making the right choice and fulfilling your dreams.

We also offer credit support to groups such as cooperatives, staff unions of companies and parastatals under common terms thus assisting them in easily achieving their collective goal of better living. Our rates are competitive, repayment spread over a convenient period, minimum equity contribution, simplified processes, short turn around time and no penalty for early liquidation.



RETAIL SERVICES

We are continuously working to identify ways to serve you better and simplify your banking affairs.

- **FCMB BLUE CARD** - is an online multipurpose, multi channel debit card offering instant access to your account round the clock from various channels such as Automated Telling Machines, Point of Sales Terminals and Mobile Phones. Enjoy shopping convenience and instant access to your money when you need it most.
- **VALUCARD** - The valucard is a plastic card that serves as an electronic purse (i.e stores cash in an electronic form) The valucard can be used to make purchases at various locations since it is widely accepted and is one of the most convenient and safe mode of carrying cash in Nigeria.
- **MOBILE BANKING** - This banking service is based on the GSM technology and is directly tied to the customers basic account via your FCMB blue card. Mobile banking through FCMB allows customers access to the following transactions using your telephone handsets:
 - Account enquiries
 - PIN Change
 - Purchase of telephone recharge cards
 - Intra bank transfers
- **MONEY TRANSFER** - Through a combination of the banks extensive branch network and strong alliances with other local financial institutions, we are able to send and receive funds on behalf of both account and non-account holders to/from virtually every part of Nigeria instantly. This service is offered promptly in all our banking halls. The process is seamless, easy, safe and convenient for all parties. The beneficiary pays no charge while the sender is charged competitively for the service. Also as part of our funds transfer services, FCMB offers across all its branches Travellers cheques under the most convenient of arrangements to customers purchasing personal or business travel allowances.
- **EDLINKPORTAL – University Portal** - “EdlinkPortal” is an enterprise school management software. It is a customized platform that enables universities and other institutions to automate their processes, such as student admission, registration, and records, amongst others. It removes the stress associated with school administration in the face of growing number of students and declining resources.

FCMB has, through a strategic partnership with a leading portal services company, deployed the solution in a number of higher institutions and a lot of other schools are at different stages of completion.

- **BANKONLINE – Internet Banking** - BankOnline is our Internet Banking platform. BankOnline allows our numerous customers to access their accounts through the Internet from anywhere in the world 24 hours everyday. Available Internet Banking services include Funds Transfers, Account Balance Enquiries, Transaction History, Stop Cheque and a lot of others.

INSTITUTIONAL BANKING

FCMB has a complete range of financial services for corporate and institutional clients in Nigeria. These services are built on a platform of efficient transaction processing and innovative products.

Our offers include:

CASH MANAGEMENT

FCMB provides products and services to help you manage your working capital more efficiently and integrate seamlessly with your supply chain whilst generating above average return.





Our payment service entails efficient processing of all your payables to suppliers in the most cost effective manner possible. On offer is a fully automated payroll service, which ensures that staff is paid at the click of a button. All these of course will help minimize your cost as well as facilitate reconciliation at minimal effort.

Through our collection services, we ensure that funds are received promptly to reduce either your cost of funds and/or enhance interest earned on such funds. FCMB leverages on its extensive branch network nationwide, local knowledge as well as strategic alliances with key local financial institutions to design and deploy a collection solution most appropriate for your need. An example of such is the effective deployment by FCMB of a web based solution designed for automating the administrative, collection and payment systems in tertiary institutions. Some of our partnering institutions have reported phenomenal growth in their revenues and blockage of all leakages since the deployment of "Edlink-Portal".

We partner with our clients in overcoming the challenge of maximizing returns on funds while remaining liquid. Our solutions are user specific and supported by a system, which offers access to information relating to all customer's activities with the bank.

FINANCING

Our Corporate Banking suite of innovative credit solutions and seamless execution of transactions has made FCMB a leader in credit structuring either unilaterally or on a syndicated basis.

We provide a variety of creative financial solutions across the credit rating spectrum and offer all forms of credit transactions including bridge loans, import finance, term loans, overdrafts, performance and standby letters of credit and guarantees, leases and project finance.

Our team provides integrated financing solution cutting across key industries such as: Telecommunications, Oil & Gas, Manufacturing, Fast Moving Consumer Items, Power and Utility, Real Estate, Steel and the Public Sector.

FCMB also leverages on its reputation and clout with both local and foreign institutions to arrange financing of big-ticket transactions under the most appropriate structures for our clients. Our success is as a result of our credit structuring abilities as well as unending drive to better understand our customers and their needs.

TRADE SERVICES

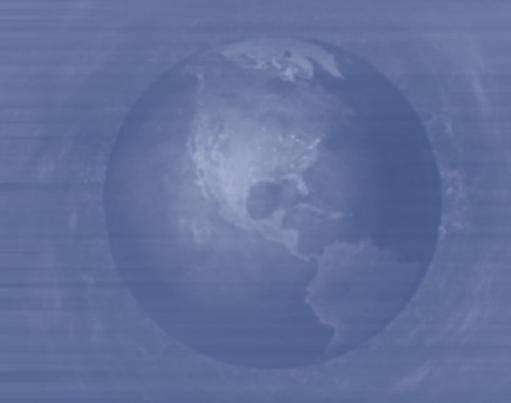
We offer Credit and Trade Services to help you grow your business by bringing goods into Nigeria and selling products in world markets. Trade Services are provided to multinational companies, large local companies and other smaller businesses in Nigeria leveraging on our experienced personnel, network of correspondent banks with global reach and automated trade platform. All customers are assured of being supported by FCMB's commitment from its twenty-three year history with a team of competent professional trade experts with in-depth knowledge of key markets and local regulations, delivering quality services through reliable systems and processes.

FOREIGN EXCHANGE

FCMB Foreign Exchange Business is ranked among the top banks in terms of market presence, volume and development; it is an active market maker in spot and forwards in the local money market. Importers and Exporters aspiring to operate successfully in an import dependent economy like Nigeria require a partner who possesses a sound knowledge of the local market as well as the ability to navigate its regulatory terrain.

FCMB offers you Foreign Exchange Products and Services built over twenty three years of consistently providing multinationals and other clients with trading, in depth analysis and innovative solutions to their foreign exchange needs. This often involves prompt foreign exchange deliveries at best possible rates as well as managing risks associated with cross border trade using various hedging products.





Our Reports

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of First City Monument Bank Plc (FCMB) will be held at the Lagoon Restaurant, Ozumba Mbadiwe Street, Victoria Island, Lagos on Thursday, 13th October, 2005, at 11.00a.m. to transact the following business;

ORDINARY BUSINESS

1. To receive and consider the Report of the Directors and the Financial Statements for the year ended 30th April, 2005 and the Auditors Report thereon.
2. To declare a dividend.
- 3(a). To re-elect Directors in place of those retiring
- 3(b). Mr. G.T.S. Adokpaye and Alhaji Tijani Hashim being over 70 years of age retire by rotation and being eligible offer themselves for re-election. A resolution to this effect will be tabled at this Annual General Meeting.
4. To re-appoint the Auditors.
5. To authorise the Directors to fix the remuneration of the Auditors for the ensuing year.
6. To elect members of the Audit Committee.

SPECIAL BUSINESS

- A. To consider and if thought fit pass the following resolution as Ordinary Resolution
7. "That the establishment pursuant to Section 159(3)(c) of the Companies & Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004 of a "Staff Share Acquisition Loan Scheme" pursuant to which the Company shall grant loans to its employees (other than Directors) to facilitate their purchase of fully paid shares in First City Monument Bank Plc which Scheme is subject to the terms and conditions approved by Central Bank of Nigeria be and is hereby approved".
- B. To consider and if thought fit pass the following resolutions as Special Resolutions.
8. "That the Articles of Association of the Company be and are hereby amended as follows :-
 - i. By deleting the words appearing on page 12 of the Articles of Association and substituting in its place the words "The Companies & Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004".
 - ii. By amending Article 79 to read as follows :- "Unless and until otherwise determined by the company in general meeting the number of directors shall not be less than six nor more than fifteen".
 - iii. Article 92 to be amended to read as follows :-
Subject to Articles 110 and 113, at the Annual General Meeting held in each year one-third of the Director for the time being shall retire from office".
 - iv. Article 113 to be amended as follows :-
"The Directors may appoint one or more of their body and senior officers of the Bank as Deputy Managing Director and Executive Director on such terms as they think fit and subject to the terms of any agreement entered thereto may revoke such appointment. The Directors to retire in the year shall be those who have been longest in office since the last election but exclude the Chairman and all Executive Directors and, as between persons who became Directors on the same day those to retire shall (unless otherwise agreed among themselves) be determined by lot".
 - v. By renumbering the existing Article 125 to read Article 125(a) and inserting a new Article 125(b) as follows:
"All unclaimed dividends may be invested or otherwise made use of by the Directors until claimed but so that any dividend unclaimed after a period of 12 years from the date of declaration of such dividend shall be forfeited and shall revert to the Company".
 - vi. By renumbering the existing Article 133 as 133(a) and inserting immediately after a new Article (which will be numbered Article 133(b) (c) & (d) as follows:-

- Article 133(b)** There shall be an Audit Committee the membership of which shall be comprised of two Directors and two Shareholders. The Audit Committee shall:
- i. examine the Auditors Report and make such recommendations thereon to the Annual General Meeting as it considers appropriate.
 - ii. ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical principles.
 - iii. review the scope and planning of the Company's audit requirements
 - iv. review the findings on management matters in conjunction with the external auditors and the department responses thereon;
 - v. keep under review the effectiveness of the Company's system of accounting and internal control;
 - vi. make recommendations to the Board with regard to the appointment removal and remuneration of the external auditors to the Company; and
 - vii. authorize the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.
 - viii. Any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty one clear days before the Annual General Meeting.
 - ix. Directors and representatives of the Shareholders appointed to the Audit Committee shall not be entitled to remuneration in respect of such appointment and shall be appointed annually.

Dated this 20th day of September, 2005

BY ORDER OF THE BOARD

Olajumoke Bakare (Mrs)

Company Secretary

NOTES

PROXIES

Only Members are entitled to be represented at the Meeting. A Member entitled to attend and vote may appoint a proxy to attend and vote instead of him/her. A proxy need not be a Member. For a proxy to be valid it must be duly completed and appropriately stamped at the Stamp Duties Office and deposited at the registered office of the Company or the Registrars City Securities Limited, 2nd floor, Primrose Tower, 17A Tinubu Street, Lagos not less than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report.

DIVIDENDS

Total Dividend of N337,500,000 is proposed by the Directors for payment to all shareholders who were registered in the Register of members as at 12th September, 2005, in line with the disclosure contained in the Prospectus dated 7th February, 2005 and issued with respect to the Initial Public Offering of the Bank. If the proposed dividend is approved at the Meeting the warrants will be sent by 20th October 2005 to Shareholders whose names appear on the Register of Shareholders as at the close of business on 12th September, 2005.

CLOSURE OF REGISTER

The Register of members will be closed from 13th to 30th September 2005 (both days inclusive) to enable the Registrars make necessary preparations for the Annual General Meeting.

AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies & Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004, a shareholder may nominate a shareholder for appointment to the audit committee. Such nomination should be in writing and reach the Company Secretary not less than 21 days before the Annual General Meeting.



Chairman's Statement



Dr. Jonathan A. D. Long
Acting Chairman

I am pleased to welcome all of you to this first Annual General Meeting of our bank since its recapitalisation and quotation on the Nigerian Stock Exchange. I feel particularly honoured to preside over the first Annual General Meeting of First City Monument Bank Plc (FCMB Plc) now a publicly quoted company.

The last two decades have witnessed series of intermittent economic reforms, generally aimed at revitalising the Nigerian economy, but also a succession of setbacks, arising from the periodic crises, which have continuously plagued politics and the country. These problems were derived from the structural imbalances in the economic system, which as you are well aware, originated in the colonial era, but which have been nurtured by inappropriate economic policies from the time of independence and further reinforced by the misuse of the windfall gains from petroleum earnings from the 1970s onwards.

In response to these crises, successive administrations have come up with different reform programmes, aimed at returning the economy to the path of

“ The Directors, in order to encourage the new shareholders who have been registered in our books as at 12th September, 2005, and as a show of appreciation for their commitment, have recommended a dividend of 7.5k for each 50K share held. ”

recovery. The latest of such economic reform programmes, introduced by the present government, is summarised in the National Economic Empowerment and Development Strategy (“NEEDS”). The NEEDS programme is intended to re-shape the macroeconomic policy framework of the Nation, through the articulation of appropriate fiscal and monetary policies, wealth creation, employment generation and poverty reduction. These long-term goals and macro economic fundamentals also provide the basis for the identification of the key development strategy areas, covering public sector and pension reforms, growing the private sector, a social charter or human development agenda, value re-orientation and banking sector reform.

Although the NEEDS document did not in itself address directly or fully address the reforms of the banking and financial sectors the earthshaking pronouncement of the present Governor of the Central Bank of Nigeria jolted everyone into a frenzy. The details of the reform package for the banking sector are as follows:

- An increase in the minimum shareholders' funds requirement for all banks from N2b to N25b;
- The consolidation of the banking system through mergers and acquisitions;
- The establishment of an Asset Management

Company, as an important vehicle for distress resolution in the banking system;

The Banking sector reform, when finalised, should result in a significant reduction in the number of banks within the system, whilst it is expected to reposition the banking industry adequately, so as to be able to mobilise international capital for on lending to the real sectors of the economy. The reform will also assist banks in reducing their cost of funds and promote a more efficient and robust financial system. Industry analysts are also of the opinion that the new banking industry will become more relevant in supporting the capital requirements of the deregulated downstream petroleum sector. Although, the banking sector reform was initially very unpopular when it was first unveiled, particularly because of the short timelines imposed, the industry has now fully risen to the challenge and some banks have even met the deadline before 31st December 2005. In this context, I am very pleased to announce to you that our Bank – First City Monument Bank Plc – is well positioned to meet and, indeed, exceed the new minimum capital requirement, before the deadline set by the Central Bank of Nigeria.

At the end of the capitalisation exercise, First City Monument Bank Plc (FCMB Plc) was able to raise over N20 billion fresh capital. This added to the existing Shareholders' Funds of N3 billion would put your Bank at the level of over N23 billion. Many of you probably would be aware that the merger process between us and our chosen consolidation partner – Co-operative Development Bank Plc (CDB Plc) are almost drawing to a completion. The indications are that Co-operative Development Bank Plc would be able to bring N2.3 billion of its Shareholders' Funds. When this is added to the over N23 billion existing Shareholders' Funds of your bank, the new First City Monument Bank Plc would definitely exceed the required N25 billion. This has not taken into consideration further recapitalisation that may arise before the end of the financial year.

I have to say here, very clearly, that the financial performance of your bank in the 2004/2005 financial year has been very impressive. First City Monument Bank Plc achieved significant growth in all its key financial indices, with a 116% increase in the bank's asset base (excluding contingents) from a relatively modest N23.7b, as at 30th April, 2004, to N51.3b, as at the close of the 2005 financial year. Profit before tax rose significantly by 312% from N264m in the

2004 financial year to N1.09b for the year ended 30th April 2005. Consistent with the requirement of the law, N239.3m has been transferred to statutory reserves, whilst N109.3m, representing 10% of profit has been set aside for the small and medium-scale industry reserve.

The Directors, in order to encourage the new shareholders who have been registered in our books as at 12th September, 2005, and as a show of appreciation for their commitment, have recommended a dividend of 7.5k for each 50K share held. The total amount put aside for this dividend is N337.5m representing 41.8% of the profit after tax. You will be called upon in the course of this meeting to ratify this proposal.

One of our Directors, Mallam Suleiman Yahyah has had to resign from the Board of the Bank with effect from 16th of February, 2005, in view of his appointment into the Board of the Securities & Exchange Tribunal to avoid any conflict. I would like on your behalf to express our profound appreciation for the outstanding contributions of Mallam Suleiman Yahyah to the deliberations of the Board while he was there and would wish him every success in all his future engagements.

CONCLUSION

Undoubtedly, this year will go down in history as one of the most eventful in the history of the banking industry and First City Monument Bank Plc. I would like to take this opportunity to thank everyone that made the year a success - our customers, shareholders, the board, management and staff and also our Regulators, who have been extremely supportive in our various initiatives. In addition, I want to take this opportunity to thank our Founder and Group Chairman, First City Group, Otunba M.O. Balogun C.O.N, whose courage vision and leadership during the capital raising exercise was a source of inspiration for us all and an indispensable success factor. Finally, I would want to thank the Lord, for through him all is possible and He has been truly gracious. As we enter a new era in the history of First City Monument Bank Plc and the banking industry, I am confident that we have built a solid foundation that will equip us well to seize on the tremendous opportunities that lay ahead.

Thank you,

Dr Jonathan A D Long

Chief Executive Officer's Report



Ladipupo O. Balogun
Chief Executive Officer

OPERATING ENVIRONMENT

The operating environment remained turbulent during the last financial year. Increasingly, Nigeria is becoming integrated into the global business community and no doubt the impact of global events continue to be felt on our economy.

The international political economy has been characterized by the continued rise in oil prices and the effects of the war on terror. The net effect of the former has been a stabilisation of the Naira against the United States Dollar and a gradual build up of our foreign reserves, to the tune of US\$17 billion as at December 2004. As at our financial year-end, the Naira traded at N132.83 and N132.95 against the US\$ in the CBN and autonomous markets respectively as opposed to N133.30 and N135 12 months earlier. The war on terror has had the effect of greater scrutiny by local and international banks on movement of funds. This coupled with Nigeria's war on corruption

“ Profit Before Tax rose significantly reflecting business growth, greater operating efficiencies and better strategic cost management. Your Bank's profit before tax grew by 312% from N264m in the 2004 financial year to N1.09b for the year ended April 30, 2005. ”

has led to heightened alert by regulatory authorities on anti-money laundering policies.

Global economic growth has hovered at 3%, with the economies of China and India leading the pack at 9.5% and 6.9% respectively per annum in 2004, while the traditional powerhouses of Europe and the United States appear to be more affected by the continued rise in oil prices. China's phenomenal growth has also impacted on the local economy, with an increasing level of trade and investment activity occurring between Nigeria and China.

The local scene has been dominated by the war on corruption and President Obasanjo's economic reforms, built around the NEEDS agenda and making Nigeria the most significant economy in the African continent. It would appear that the results are beginning to appear. After years of negotiations, the country finally succeeded in agreeing a debt forgiveness package with international creditors. Banking industry reform and monetary policy has led to a sustained decline in interest rates, which we expect will continue. The minimum rediscount rate (MRR) averaged about 14% per annum, during the year, opening at 15% and closing at 13% per annum.

Chief Executive Officer's Report (cont'd)

The apparent excess liquidity in the system that was concentrated in the hands of a few banks is being addressed through the gradual withdrawal of public sector funds. Inflation has also been kept under control, with a reduction to 10% in December 2004 from 23.8% recorded in 2003, as measured by Central Bank of Nigeria. Success in this regard may have been higher were it not for the effect of the gradual deregulation of the price of petroleum products.

This policy has continued to impact the cost of doing business in Nigeria. With inadequate infrastructure provision and the heavy reliance of fuel for power and transport, most Nigerian companies have been faced with declining margins. Reduced purchasing power has also led to a build up in inventories for most consumer goods traders and manufacturers.

Nonetheless, it is apparent that the economy is becoming more efficient. The privatization program has gathered momentum, with the successful concessioning of state assets such as the Nation's ports and Ajaokuta Steel Mill. We also expect to see NITEL, NEPA (now called Power Holding Company of Nigeria) and the Nation's refineries privatized within the next twelve months. In addition, the pension reform and power sector reform bills were signed into law during the course of the last financial year. These two pieces of legislation have paved the way for major activity in the power sector and the capital markets over the next few years.

FINANCIAL PERFORMANCE

The financial performance of the bank in the 2004/2005 financial year can be described as remarkable both in terms of growth and transformation. Particularly when one considers the background of banking industry consolidation and recapitalization, which occupied significant time and resources of the organization, created natural anxiety amongst customers and a credit squeeze that affected growth in most sectors of the economy.

In spite of the above, your bank achieved impressive growth with a 116% increase in asset base (excluding contingencies) from a modest N23.7billion as at April 2004 to N51.3billion as at the close of the 2005 financial year. Cash and short-term funds increased

from N3.9billion to N7.4billion representing over 89% growth and signaling a stronger liquidity position. The bank's deposits position surged up from N17.3billion in 2004 to N26.8billion representing 55% growth whilst, total loans and advances also inched from N8.12billion to N11.78billion (45.6%). During the period under review, off balance sheet engagements increased from N7.0billion in 2004 to N11.9billion as at April 2005.

Profit Before Tax rose significantly reflecting business growth, greater operating efficiencies and better strategic cost management. Your Bank's profit before tax grew by 312% from N264m in the 2004 financial year to N1.09b for the year ended April 30, 2005. Your Bank's Shareholders Funds grew from N2.7b to N7.2b as at the close of the 2005 financial year - April 30, 2005. This however, does not include recently approved new capital of N16.3b raised through Initial Public Offer - IPO and this automatically takes the Shareholders Funds of your bank to well over N23 billion.

Consistent with the requirements of the law, N239.3million has been transferred to statutory reserve whilst, N109.3million representing 10% of profits has been set aside for small and medium scale industry reserve. The sum of N333.9million is being proposed to be paid as dividend to shareholders and this amounts to dividend payout of 7.5K for each 50K share held by those in the Register as at 12th September, 2005. Although most banks that are recapitalizing have opted not to pay cash dividends in their most recent financial year end, we have chosen otherwise, firstly, to demonstrate our appreciation for shareholders with the foresight and confidence to back the organization even when the road to N25 billion seemed far, and secondly to indicate how seriously the bank takes the issue of investor relations and shareholder satisfaction.

The performance of the bank can be attributed to three factors. Firstly, the efficacy of our strategy and business model. Your bank has evolved into the flagship of a diverse financial services group, First City Group. This diversification has helped cushion the impact of turbulence in the commercial banking sector and ensured continued growth in profitability.

Chief Executive Officer's Report (cont'd)

Similarly, the expansion of our retail banking activities has provided a boost to our liquidity, thereby reducing our cost of funds and ensuring that the bank remains largely unaffected by the ongoing withdrawal of public sector funds. Secondly, one cannot underestimate the goodwill, which the bank and its founders have built over the last 22 years. This goodwill has translated into a loyal and high quality customer base that was further validated by the resounding show of confidence during our capital raising initiatives. Finally, our high quality staff complement, who in the face of daunting challenges have shown uncommon valour and commitment. The confluence of these three factors translated into the impressive growth in our financial indices and the flawless execution of a recapitalization and consolidation initiative that has provided the platform for your bank to be one of the leading financial institutions in the post consolidation era.

ACTIVITIES IN THE BANK

In the midst of all the changes in our industry, the bank has continued to evolve and adapt. One of our key strengths has been our ability to reinvent ourselves over the years, as the environment has remained turbulent. From our humble beginnings as a one branch merchant bank 22 years ago, we have become the commercial banking flagship of a diverse financial services group.

In order to achieve this, we have continued to review and enhance our policies procedures infrastructure and people. Our recent capitalisation drive has immediately made us BASLE II compliant. However, we expect that the growth of our balance sheet will far outstrip growth of our capital base by a ratio of at least 5:1 in the next 3 years. Accordingly, we are strengthening our risk management processes in accordance with BASLE II and conducting extensive training in this regard for staff and management.

During the course of the financial year, we also extended our retail product offerings to include consumer loans, local and international money transfers, debit cards and automatic teller machines. Extensions and refinements to our retail offerings will gather momentum in the 2005 and 2006 financial year as we conclude our information technology investments. Eight branches were opened during the

financial year, taking our branch network to 26. This figure has risen above 30 branches post year-end, with additional 15 branches under construction as at the time of preparing this report. In order to keep abreast of this growth, the bank's staff strength rose by 272 during the course of the financial year, including 9 at managerial level. We will continue to strengthen our management staff in the belief that people are the most important aspect of the business and the opportunities and challenges of a larger FCMB in a consolidated industry can only be harnessed by a world class management team, with deep local knowledge in their respective markets.

The 2004-2005 financial year was a strong one for our investment banking division, FCMB Capital Markets which has now been converted to a wholly owned limited liability company. FCMB Capital Markets Limited remained the leading corporate finance advisor in the country for large blue chip institutions and also handled capital raising exercises in excess of N100 billion for amongst others Oando Nigeria Plc, GT Bank Plc, Guinness Nigeria Plc, Cadbury Nigeria Plc, FCMB Plc and Access Bank Plc. As we enter the new financial year, we expect to retain our leadership position in the investment banking sub-sector.

After a couple of challenging years that saw the bank's financial indices take a dip, the market has woken up to the fact that your bank is on the ascendancy and this informed a renewal of our investment grade rating by the country's two leading rating agencies, Agosto and Company (with a rating of BBB) and Global Credit Rating Company (with a rating of A1 and A+ in the short term and long term security class respectively). These ratings were done before the conclusion of our capital raising efforts and prior to the financial year-end. We therefore expect to see a further improvement in the rating of your bank.

By far the most significant activity of the financial year were the two rounds of capital raising conducted by the bank and the listing of our shares on the Nigerian Stock Exchange. Prior to the announcement of the new minimum capital requirement of N25 billion on July 6th 2004, the bank had already planned a private placement of 1 billion shares of 50 kobo

Chief Executive Officer's Report (cont'd)

each at N3 per share. Following the announcement, the Board and Shareholders unanimously elected to continue with the private placement as the first stage of our meeting the minimum capital requirement. The Central Bank of Nigeria following the capital verification exercise accepted N4.2 billion out of the over N4.5 billion that was raised. The listing of our shares on the Nigerian Stock Exchange was done in December 2004 by way of introduction – a historic event that saw for the first time in Nigeria a bank that emerged from a stockbroking firm being introduced to the market by that same stockbroking firm, CSL Stockbrokers Limited. The private placement was followed by an initial public offer of 4 billion shares at N4 per share, totaling N16.3 billion - an offer that was tagged the “Grand Offer from the Grand Masters”, following a quote by one of Nigeria’s most respected accountants in reference to our capital markets pedigree. The offer was fully subscribed and oversubscriptions were returned to investors, thereby taking our shareholders funds to over N23 billion.

STRATEGIC DIRECTION

We have remained true to the strategic direction of our long term goal which is to be one of Africa’s leading financial services groups, differentiating us by people and service quality as well as innovation. Our flagship will remain a robust retail bank, and built around this will be complementary but distinct financial service organisations that provide synergies and a boost to our cost to income ratios and return on equity. We have identified capital market related activities as the biggest of such complementary financial service opportunities, in which we already have proven competence. We believe that African capital markets and retail banking are poised for unprecedented growth.

In order to comply with the minimum capital requirement in Nigeria of N25 billion, we will be consummating a merger with Cooperative Development Bank Plc (CDB Plc): a well-managed retail bank with 22 branches, predominantly in the South-South region of the country. This process is far advanced and we expect it will be concluded well before the December 31 2005 deadline. By selecting a single merger partner, this has made the compliance

process relatively smooth and minimized distractions to our equally important organic growth objectives and the task of managing our existing business portfolio. We will however deploy a combination of organic and inorganic growth by looking for additional merger and acquisition opportunities over the next few years to ensure that we attain the necessary scale to become one of the largest banks in the country and ultimately the continent.

With the addition of CDB Plc, our branch network will grow to about 55. During the course of the financial year, we also intend to open an additional 45 outlets, bringing our total branch network to 100, ensuring that we are within easy reach of all our identified customer segments and creating a platform for continued growth of our retail banking activities.

We will also be investing substantially in technology, a process that has already begun and is expected to consume close to N1 billion over the next 12 months. These investments will enhance our ability to deliver excellent yet efficient service to our customers, develop a robust suite of retail products and facilitate the rollout of alternative bank channels.

During the course of this financial year, you will also see your bank benefit from the emerging Pension Reform Act, through an alliance with one of the leading Pension Fund Administrators. We will also finalise our plans to enter the mortgage, and credit card business as well as unfold our international expansion plans. We will continue to support our capital market affiliates (FCMB Capital Markets Limited’s subgroup) with our excellent distribution capabilities and where necessary, financial muscle. This year will also see the launch of the group’s first mutual fund, managed by CSL Stockbrokers Limited, which will provide diversified income stream and product offerings to our growing retail and institutional customer base. Indeed the next few years are poised to be an exciting and rewarding period for all stakeholders.

Ladipupo O. Balogun

Directors' Report

The Directors are pleased to present the financial reports of the bank for the year ended April 30th 2005

Reports at a Glance

OPERATING RESULTS	2005	2004
	N'000	N'000
Profit before taxation	1,093,047	264,588
Taxation	(295,252)	(16,130)
Profit after taxation	797,795	248,458
Retained Earnings b/fwd	0	46,701
Transfer to statutory reserves	(239,339)	(74,537)
Transfer to reserve for investment in Small and Medium Scale Enterprises (SMEs)	(109,305)	(26,459)
Proposed dividend	(333,950)	(50,000)
Retained earnings	115,202	144,163

Principal Activities of the Bank

The bank has a licence to operate universal banking and thus provides both commercial banking and other financial services to its numerous clients through its operating divisions. As a result of its strategic refocus, the capital markets arm – FCMB Capital Markets was incorporated as limited liability company and effective 1st May 2005 to operate as fully owned subsidiary of the bank with primary focus on capital market operations.

Legal Form

The bank was incorporated in 1982 and commenced banking operations in 1983. During the year, it was converted to a public company and quoted on the Nigerian Stock Exchange on 10th December 2004.

Directors

The following are the Directors of the Bank

Dr Jonathan A. D. Long (British) - Ag Chairman/Managing Director
Ladipupo O. Balogun - Deputy Managing Director/CEO
Biodun Oyapero - Executive
Ladi Jadesimi
Alhaji Tijani Hashim
Godwin T. S. Adokpaye
Dr (Mrs) M. A. Nwakoby
Bismarck Rewane
Alhaji Suleiman Yahyah (Resigned on February 16 2005)
Remi Olowude

Directors' Report (cont'd)

The direct shareholding of the above Directors in the Bank as recorded in the register of Directors' shareholding is as follows:

	Ordinary shares of N0.50 each at	
	April 30 th 2005	April 30 th 2004
Dr Jonathan A. D. Long	7,076,931	2,417,500
Ladipupo O. Balogun	161,576,000	79,500,000
Biodun Oyapero	8,375,382	3,250,000
Mr. Ladi Jadesimi	150,750,000	75,000,000
Alhaji Tijani Hashim	125,357,118	62,500,000
Godwin T. S. Adokpaye	29,145,000	72,500,000
Dr (Mrs) M. A. Nwakoby	22,612,500	11,250,000
Bismarck Rewane	930,000	Nil
Alhaji Suleiman Yahyah	6,366,800	680,000
Remi Olowude	Nil	Nil

Responsibilities of Directors

In accordance with the provisions of sections 334 and 335 of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004, the Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Bank at the end of the financial year, and of the profit or loss for that year and comply with the provisions of the Act. These responsibilities include ensuring that:

- i. appropriate internal controls are established both to safeguard the assets of the bank and to prevent and detect fraud and other irregularities;
- ii. Proper accounting records are maintained;
- iii. Applicable accounting standards are followed
- iv. Suitable accounting policies are used and consistently applied;
- ii) The financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Fixed Assets

Movements in Fixed assets are as detailed in Note 15 on Page 42 of the bank's Financial Statement. In the opinion of the Directors, the market value of the Bank's properties is not less than the value shown in the financial statements.

Donations

Donations made during the year amounted to N1,863,500 (2004 – N3,666,800) details of which are stated below, no donation was made to any political party.

NAME OF INSTITUTION	AMOUNT ₦
KUDIRAT INITIATIVE FOR DEMOCRACY (KIND)	1,000,000
AVI-CENNA INTERNATIONAL SCHOOL	8,500
THE NIGERIAN STOCK EXCHANGE	250,000
PRESTIGE ASSOCIATES	100,000
NU-AGE	50,000
AFRICAN ANTI-DRUGS & AIDS MOVEMENT	5,000
JUNIOR ACHIEVMENT NIGERIA	300,000
IBADAN GOLF CLUB	50,000
PRIMAA PRODUCTION & PROMOTION	100,000
TOTAL	1,863,500

Directors' Report (cont'd)

Employment of Disabled Persons

The Bank has a non-discriminatory policy on recruitment. Applications have always been welcomed from suitably qualified disabled persons and are reviewed strictly on merit. Thus the Bank would not refuse to employ a person on the ground of her physical disability.

Health, Safety, and Welfare of Employees

The Bank places a premium on the well being of all staff. Our premises are designed with a view to guaranteeing the safety of all staff. The Bank provides to all levels of employees medical, transportation, housing, etc.

Employees Consultation and Training

The bank attaches great importance to consultation with employees on matters affecting them and organises training for members of staff..

Post Balance Sheet Events

During the period under review, the bank sought to raise N16 billion through the issue of 4 billion ordinary shares of N0.50 each at N4 per share, by way of Initial Public Offer. As at the close of the offer in March 2005, a total sum of N16.8 billion had been realised representing proceeds of 4.0 billion ordinary shares of N0.50 each issued at N4.00 per share and subsequently a total of N16.3billion was approved by CBN after the Balance Sheet date.

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office. In accordance with Section 361 of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004, a Resolution will be proposed at the Annual General Meeting to empower the Directors to determine their remuneration.

BY ORDER OF THE BOARD

Mrs. Olajumoke Bakare

Company Secretary

Auditors' Report

We have audited the financial statements of First City Monument Bank Plc for the period ended 30 April 2005 set out on pages 32 to 51 which have been prepared in accordance with the accounting policies set out on pages 32 and 33.

Respective responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities in relation to the financial statements in Note 27 (Page 47), the bank's 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. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates and judgments made by the Directors, and an evaluation of the overall adequacy of the presentation of the financial statements.

We planned and performed such audit procedures and obtained all the information and explanations, which we considered necessary for the purpose of our audit. We examined the books at the head office and certain branches, and received adequate returns from branches not visited by us. Our examination of advances was carried out in accordance with the Prudential Guidelines for licensed banks. We believe that our audit provides us with a reasonable basis for our opinion.

In accordance with Central Bank of Nigeria Circular BSD/1/2004, an analysis of insider related balances is set out in Note 24 to the financial statements.

As noted in Note 26, the bank contravened certain provisions of the Banks and Other Financial Institutions Act 1991. The penalties levied thereon have been paid.

Opinion

In our opinion, the bank has kept proper books. The assets have been properly valued and adequate provisions mad for losses and diminution in the value of such assets.

In our opinion, the financial statements which are in agreement with the books and returns, give in the prescribed manner the information required by the Companies and Allied Matters Act 1990, the Banks and Other Financial Institutions Act 1991 and all relevant Accounting Standards, and give a true and fair view of the state of affairs of the bank as at 30 April 2005 and of the profit and cash flow of the bank for the period then ended in conformity with generally accepted accounting principles in Nigeria.

To the best of our information, except as note above, the bank has complied with requirements of the relevant Central Bank of Nigeria Circulars.


Chartered Accountants

Lagos, Nigeria
22 August 2005





Day by day, we're getting

Bigger, Bolder and Better.

We are the flagship of a financial Services conglomerate **First City Group**

Recent recapitalization and merger transactions about to be consummated would push the combined assets of the new **FCMB** to over **100 billion naira** and 100 branches nationwide.

We have already attained a Capital base of N23 billion, while Cutting edge technology investments that are in line with international best practices are rapidly being deployed across our network of branches

We are poised to revolutionise banking and financial services delivery in Nigeria.

Welcome to a world of endless banking and financial services possibilities.



A member of First City Group
FIRST CITY MONUMENT BANK PLC

HEAD OFFICE: Primrose Tower, 17A, Tinubu Street, P. O.Box 9117, Lagos. **RC.46713**

Telephone: 01-2665944-53. **Fax:** 01-2665126

www.firstcitygroup.com

...the responsive commercial bank



Our Financials

Statement of Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a. Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the provisions of the Statement of Accounting Standards for Banks and Non-Bank Financial Institutions (SAS 10) issued by the Nigerian Accounting Standards Board.

b. Recognition of interest income

- i Interest income is recognised on an accrual basis, except for interest overdue for more than 90 days, which is suspended and recognised only to the extent that cash is received. Credit related fee income where material is amortised over the life of the facility. Other fee income is recognised when the service is completed.
- ii Income accruing on advances under finance lease is amortised over the lease period to achieve a constant rate of return on the outstanding net investment.
- iii Income earned on bonds and guarantees are recorded as commissions in the period in which they occur.

c. Recognition of fees, commissions and other income

Credit-related fees and commissions, where material, are amortised over the life of the related service. Income from off-balance sheet engagements are amortised over the period of the engagement. Otherwise fees, commissions and other income are recognised as earned upon completion of the related service.

d. Provision against credit risk

Provision is made in accordance with the Prudential Guidelines issued by the Central Bank of Nigeria for each account that is not performing in accordance with the terms of the related facility as follows:

Interest and/or Principal outstanding for over:	Classification	Provision
90 days but less than 180 days	Substandard	10%
180 days but less than 360 days	Doubtful	50%
360 days and above	Lost	100%

In addition, a provision of 1% minimum is made for all performing accounts to recognise losses in respect of risks inherent in any credit portfolio.

e. Fixed Assets

Fixed assets are stated at historical costs less depreciation except where there is a permanent significant change in the value of the asset. Costs relating to fixed asset under construction or in the course of implementation are disclosed as work in progress; the attributable cost of each asset is transferred to the relevant category of asset immediately the asset is put to use and depreciated accordingly. Depreciation is calculated on a straight line basis to write-off fixed assets to their residual value over their estimated useful lives at the following rates:

Motor vehicles	- 20%
Furniture and fittings	- 20%
Equipment	- 20%
Leasehold land & buildings	- over the lease term

f. Deferred taxation

Deferred income tax is provided in full using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.



g. Foreign currency transactions

Transactions denominated in foreign currency are converted into Naira at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currency at the balance sheet date are translated into Naira at the rates of exchange prevailing at year-end (or, where appropriate, the rate of the related forward contract). Exchange gains or losses are included in the profit and loss account.

h. Investment securities

Investment securities comprise equity securities and debt instruments which the bank intends to hold until maturity. The debt instruments are stated at cost as adjusted for the amortisation of premiums or discounts on purchases over the period to maturity. Interest earned on investment securities is reported as interest income. Dividend received is reported as dividend income. A change in market value is not taken into account unless it is considered to be permanent decline in value.

i. Retirement benefits

Retirement benefit costs are accrued and charged to the profit and loss account in the year they are generated. Past service costs arising from modification of existing retirement benefit schemes are deferred and charged to the profit and loss account over a five-year period beginning with the year in which the modification is made.

j. Off - balance sheet engagements

Off-balance sheet engagements comprise direct credit substitutes and transaction related contingencies such as guarantees, acceptances, bid bonds and performance guarantees which the bank is a party to in its normal course of business. Income earned from off-balance sheet engagements are recognised as commissions in the period in which they occur.

k. Advances under finance leases

Advances under finance lease are stated net of unearned lease finance income. Lease finance income is amortised over the lease period to achieve a constant rate of return on the outstanding net investment.

Balance Sheet

As At 30 April

	Note	2005 N'000	2004 N'000
ASSETS			
Cash and short term funds	8a	7,400,591	3,982,233
Due from other banks	8b	26,342,350	9,249,480
Investments	13	159,726	109,687
Loans and advances	9	11,436,232	7,905,359
Advances under finance lease	12	381,280	229,282
Other assets	14	3,695,193	625,320
Fixed assets	15	1,902,896	1,634,888
		51,318,268	23,736,249
LIABILITIES			
Deposits	16	26,857,412	17,355,092
Due to other banks	16	265,680	664,287
Taxation payable	5	242,007	77,518
Dividend payable	6	333,950	50,000
Other liabilities	17	15,885,773	2,648,497
Deferred taxation	18	267,230	183,811
Long term loan	19	250,000	0
		44,102,052	20,979,205
SHAREHOLDERS' FUNDS			
Share capital	20	2,226,333	1,500,000
Reserves	21	4,989,883	1,257,044
		7,216,216	2,757,044
LIABILITIES AND SHAREHOLDERS' FUNDS		51,318,268	23,736,249
ACCEPTANCES AND GUARANTEES		22c	11,935,630

The financial statements and notes on pages 37 to 49 were approved by the Board of Directors on 19 August 2005 and signed on its behalf by:

Dr. Jonathan A.D. Long
(Managing Director)

Ladipupo O. Balogun
(Deputy Managing Director/CEO)

Bismark Rewane
(Director)

The accounting policies on pages 32 and 33 and the notes on pages 37 to 49 form an integral part of these financial statements.

Profit & Loss

Account

For The Year Ended 30 April

	Note	2005 N'000	2004 N'000
Interest income	2	3,360,471	1,709,732
Interest expense	2	(1,628,830)	(995,997)
Net interest income		1,731,641	713,735
(Provision)/write back for loan losses	11	(770,976)	133,196
Other operating income	3	2,760,566	1,414,448
Operating expenses	4	(2,628,184)	(1,996,791)
Profit before taxation		1,093,047	264,588
Taxation	5	(295,252)	(16,130)
Profit after taxation		797,795	248,458
Transfer to statutory reserve	21	(239,339)	(74,537)
Transfer to reserve for investment in Small and Medium Scale Enterprises (SMEs)	21	(109,305)	(26,459)
Proposed dividend	6	(333,950)	(50,000)
Transfer to retained earnings	21	115,202	97,462
Earnings per share in kobo (Basic)	7	25	17
Earnings per share in kobo (Adjusted)	7	25	8
Dividend per share in kobo	6	7.5	3.3

The accounting policies on pages 32 and 33 and the notes on pages 37 to 49 form an integral part of these financial statements.

Cash Flow

Statement

For The Year Ended 30 April

	Note	2005 N'000	2004 N'000
OPERATING ACTIVITIES			
Cash generated from operations	28	16,953,339	6,666,570
Tax paid	5	(47,344)	(13,731)
		16,905,995	6,652,839
INVESTING ACTIVITIES			
Investment income	3	25,757	17,100
Proceeds from disposal of investment	13	8,000	-
Increase in investment securities	13	(58,039)	478,000
Proceeds from disposal of fixed assets		4,096	-
Purchase of fixed assets	15	(569,909)	(469,307)
		(590,095)	25,793
FINANCING ACTIVITIES			
Increase in share capital and share premium		3,995,328	-
Dividend paid		(50,000)	-
Long term loan stock		250,000	-
		4,195,328	-
INCREASE IN CASH AND SHORT TERM FUNDS		20,511,228	6,678,632
ANALYSIS OF CHANGES IN CASH AND SHORT-TERM FUNDS DURING THE PERIOD			
Balance at beginning of the period		13,231,713	6,553,081
Balance at end of period	8	33,742,941	13,231,713
INCREASE IN CASH AND SHORT TERM FUNDS		20,511,228	6,678,632

The accounting policies on pages 32 and 33 and the notes on pages 37 to 49 form an integral part of these financial statements.

Notes to the Financial Statements

For The Year Ended 30 April 2005

1 THE BANK

First City Monument Bank Plc ("the bank" / "FCMB") was incorporated as a private limited liability company on 20 April 1982 and granted a banking license on 11 August 1983. On 15 July 2004, the bank changed its status from a private limited liability company to a public limited liability company. The bank was listed on the stock exchange by introduction on 21 December 2004.

The principal activity of FCMB is the provision of full range commercial banking services, capital market and other corporate finance activities. These include the granting of credit facilities either by arrangement within the market or direct loans and advances as well as money market and foreign exchange operations. In addition through its division of FCMB capital markets, the bank has a very strong capital market franchise.

	30 April 2005 N'00	30 April 2004 N'000
2 NET INTEREST INCOME		
<i>a) Interest income</i>		
Placement and short term funds	654,192	263,381
Loans and advances	2,619,513	1,404,776
Finance lease	86,766	41,575
	3,360,471	1,709,732
Analysis by bank/non-bank		
Bank	654,192	263,381
Non bank	2,706,279	1,446,351
	3,360,471	1,709,732
All interest income was earned within Nigeria		
<i>b) Interest expense</i>		
Inter-bank takings	28,176	125,453
Current accounts	96,589	73,438
Savings	37,862	10,747
High Net Yield Investment Certificates	126,951	55,131
Term and other deposit accounts	1,339,252	731,228
	1,628,830	995,997
All interest expense was paid to depositors in Nigeria.		
Net interest income	1,731,641	713,735
3 OTHER OPERATING INCOME		
Corporate finance and other fee income	1,702,783	602,325
Foreign exchange earnings	147,159	160,310
Commissions	659,013	339,159
Rental income	23,141	24,807
Investment income	25,757	17,100
Other income	202,713	270,747
	2,760,566	1,414,448

Notes to the Financial Statements (cont'd)

For The Year Ended 30 April 2005

	30 April 2005 N'000	30 April 2004 N'000
4 OPERATING EXPENSES		
Staff cost (Note 25a)	1,134,610	786,484
Depreciation (Note 15)	288,401	210,423
Auditors' remuneration	14,000	7,500
Directors' emoluments (Note 25b)	88,485	73,231
Others	1,102,688	919,153
	2,628,184	1,996,791

5 TAXATION

Charge

Current tax	185,297	46,859
Education tax	26,536	8,749
Under provision in prior years		-
Income tax charge	211,833	55,608
Deferred tax charge/(abatement) (Note 18)	83,419	(39,478)
Charge for the period	295,252	16,130

Payable

Beginning of the period	77,518	35,641
Tax paid	(47,344)	(13,731)
Income tax charge	211,833	55,608
End of the period	242,007	77,518

6 DIVIDEND PAYABLE

Payable

Opening balance	50,000	-
Paid during the year	(50,000)	-
Proposed dividend (7.5 kobo per share)	333,950	50,000
	333,950	50,000

Dividend is paid to shareholders less withholding tax of 10%.

7 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing profit after tax by the weighted average number of ordinary shares in issue during the period. Adjusted earnings per share is calculated by dividing the profit after tax in prior years by the number of shares outstanding at the current balance sheet.

Net profit attributable to shareholders (N'000)	797,795	248,458
Weighted average number of ordinary shares in issue (thousands)	3,171,722	1,500,000
Basic earnings per share (Kobo per share)	25	17
Adjusted earnings per share (Kobo per share)	25	8

8 CASH AND SHORT TERM FUNDS

	30 April 2005 N'000	30 April 2004 N'000
a) Cash	425,814	312,233
Nigerian Government Treasury Bills	6,974,777	3,670,000
	7,400,591	3,982,233
b) Due from banks		
Central Bank of Nigeria	2,899,301	1,825,697
Banks within Nigeria	20,093,536	1,109,502
Banks outside Nigeria	2,468,770	2,568,586
Inter-bank placements	880,743	3,745,695
	26,342,350	9,249,480
Cash and Short term funds	33,742,941	13,231,713

Balances with banks outside Nigeria include N1.53 billion (2004: N1.66 billion) which represents the Naira value of foreign currency amounts held on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in Other liabilities. (See note 17).

9 LOANS AND ADVANCES

	30 April 2005 N'000	30 April 2004 N'000
Overdrafts	4,604,936	4,092,201
Term loans	1,572,181	1,649,635
Mortgage loans	318,546	318,546
Commercial loans	5,623,955	2,411,123
Other	436,431	169,145
	12,556,049	8,640,650
Loan loss provision (Note 10a)	(1,111,325)	(538,752)
Interest in suspense (Note 10b)	(8,492)	(196,539)
	11,436,232	7,905,359
<i>Analysis by maturity</i>		
Maturing within 1 month	4,051,922	5,315,544
Maturing between 1 to 3 months	3,756,880	1,143,631
Maturing between 3 to 6 months	2,065,008	1,200
Maturing between 6 to 12 months	1,622,936	917
Maturing over 12 months	1,059,303	1,444,067
	12,556,049	7,905,359
<i>Analysis by security</i>		
Secured against real estate	3,210,633	2,770,459
Otherwise secured	7,543,939	5,624,715
Unsecured	1,801,477	245,476
	12,556,049	8,640,650
<i>Analysis by performance</i>		
Performing	11,572,810	7,817,750
Substandard	467,285	158,560
Doubtful	106,558	53,075
Lost	409,396	611,265
	12,556,049	8,640,650

Notes to the
Financial Statements (cont'd)
For The Year Ended 30 April 2005

	30 April 2005 N'000	30 April 2004 N'000
10 LOAN LOSS PROVISION AND INTEREST IN SUSPENSE		
a) MOVEMENT IN LOAN LOSS PROVISION		
Beginning of period		
- Non-performing	460,574	392,226
- Performing	78,178	55,793
	538,752	448,019
Additional provision		
- Non-performing	553,384	95,508
- Performing	37,550	22,385
Amounts written off	(14,862)	-
Amounts written back	(3,499)	(27,160)
End of period		
- Non-performing	995,597	460,574
- Performing	115,728	78,178
	1,111,325	538,752
b) MOVEMENT IN INTEREST IN SUSPENSE		
Beginning of period	196,539	132,143
Recognised during the year	-	(9,871)
Suspended during the year	8,492	74,267
Amounts written off	(196,539)	-
End of period	8,492	196,539
11 BAD AND DOUBTFUL DEBTS EXPENSE		
The charge for the period is analysed as follows:		
Loans and advances during the year	587,435	90,733
Advances under finance lease	1,535	(1,974)
Other assets	-	(51,984)
Off-balance sheet engagements	37,940	14,158
Provision for Placement with Triumph Bank Plc	144,066	-
Amounts recovered on previously written off loans	-	(184,129)
	770,976	(133,196)

	30 April 2005 N'000	30 April 2004 N'000
12 ADVANCES UNDER FINANCE LEASE		
Gross investment	466,304	279,786
Less: Unearned income	(81,173)	(48,188)
	385,131	231,598
Provision for performing accounts	(3,851)	(2,316)
	381,280	229,282

13 INVESTMENT SECURITIES

Kakawa Discount House Limited - ordinary shares	22,800	22,800
Smartcard Nigeria Plc - ordinary shares	22,804	22,804
First City Asset Management Limited - ordinary shares	4,000	12,000
Interswitch	10,420	10,420
SME Partnership	41,663	31,663
Deebee Company Ltd	10,000	10,000
S & B INCE Limited	48,039	-
	159,726	109,687

During the period, the bank reduced its shareholding in a former subsidiary company - First City Asset Management Limited from 60% to 20%. The disposal was at book value.

14 OTHER ASSETS

Accrued interest and fees receivable	2,905,420	347,583
Prepayments	487,594	146,119
Accounts receivable	449,444	128,744
Consumables	11,436	17,509
	3,853,894	639,955
Provision for doubtful accounts	(158,701)	(14,635)
	3,695,193	625,320
<i>Movement in provision for doubtful accounts</i>		
Beginning of the period	14,635	77,416
Provision for the period	-	-
Amounts written off	144,066	(10,797)
Amounts written back	-	(51,984)
At end of the period	158,701	14,635

Notes to the Financial Statements (cont'd)

For The Year Ended 30 April 2005

15 FIXED ASSETS

30 April 2005

	Work in progress N000	Leasehold land and building N000	Motor vehicles N000	Furniture and fittings N000	Equipment N000	Total N000
Cost						
At 1 May 2004	168,104	959,323	366,435	196,937	792,937	2,483,736
Additions	194,877	14,909	199,105	31,281	129,737	569,909
Disposals	-	-	(57,277)	-	(1,500)	(58,777)
Write off	(12,732)	-	1,298	(42)	-	(11,476)
Reclassifications	(152,342)	75,119	8,957	24,703	43,563	-
At 30 April 2005	197,907	1,049,351	518,518	252,879	964,737	2,983,392
Depreciation						
At 1 May 2004	-	62,159	204,754	121,588	460,347	848,848
Charge for the year	-	34,139	71,178	30,801	152,283	288,401
Eliminated on disposals	-	-	(57,276)	-	(775)	(58,052)
Write off/Reclass	-	542	1,298	118	(660)	1,297
At 30 April 2005	-	96,840	219,954	152,507	611,195	1,080,496
Net book amount						
At 30 April 2005	197,907	952,511	298,564	100,372	353,542	1,902,896

FIXED ASSETS (CONTINUED)

Year ended 30 April 2004

	Work in progress N000	Leasehold land and building N000	Motor vehicles N000	Furniture and fittings N000	Equipment N000	Total N000
Cost						
At 1 May 2003	33,056	852,305	258,051	206,326	775,382	2,125,120
Additions	169,019	76,625	133,565	16,379	73,719	469,307
Disposals/Write off	(527)	-	(25,181)	(27,058)	(57,925)	(110,691)
Reclassifications	(33,444)	30,393	-	1,290	1,761	-
At 30 April 2004	168,104	959,323	366,435	196,937	792,937	2,483,736
Depreciation						
At 1 May 2003	-	38,256	177,747	115,698	401,809	733,510
Charge for the year	-	23,903	44,974	29,332	112,214	210,423
Eliminated on disposals	-	-	(17,967)	(23,442)	(53,676)	(95,085)
At 30 April 2004	-	62,159	204,754	121,588	460,347	848,848
Net book amount						
At 30 April 2004	168,104	897,164	161,681	75,349	332,590	1,634,888

	2005 N'000	2004 N'000
16 DEPOSITS		
Due to banks	265,680	664,287
Current accounts	19,311,983	4,505,823
Savings	724,516	298,102
High Net Yield Investment Certificates	914,596	889,295
Term and other deposit accounts	5,906,317	11,661,872
	26,857,412	18,019,379
Total deposits	27,123,092	18,683,666
Analysis by maturity		
Maturing within 1 month	24,747,222	13,227,607
Maturing between 1 to 3 months	2,361,123	4,608,443
Maturing between 3 to 6 months	6,995	140,840
Maturing between 6 to 12 months	7,752	41,970
Maturing over 12 months	-	519
	27,123,092	18,019,379
17 OTHER LIABILITIES		
Foreign currency denominated liability (Note 8)	1,529,871	1,656,448
Bank cheques issued	393,545	133,278
Interest payable	42,860	24,106
Unearned income	363,689	154,784
Provision for off-balance sheet engagements	108,625	70,686
Deposit for shares	229,144	-
Proceeds from third party public offers	12,504,373	-
Others	713,666	609,195
	15,885,773	2,648,497
18 DEFERRED TAXATION		
Provision at beginning of period	183,811	223,289
Charge/(Abatement) for the period (Note 5)	83,419	(39,478)
At end of period	267,230	183,811
19 LONG TERM LOAN		

During the financial year the Bank issued an Irredeemable Convertible Loan Stock of the sum of N250,000,000. This is at a floating coupon of 2% below prevailing Nigeria Treasury Bill (NTB) rate subject to a ceiling fixed at the Minimum Rediscount Rate (MRR) as adjusted from time to time.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 April 2005

20 SHARE CAPITAL

	Numbers of shares	Numbers of shares
<i>Authorised:</i>		
10,000,000,000 ordinary shares of N0.50 each		
(30 April, 2004: 2,000,000,000 ordinary shares of N1 each)	10,000,000,000	2,000,000,000
	N'000	N'000
<i>Issued and fully paid ordinary shares of 50k each:</i>		
Opening balance	1,500,000	1,500,000
New issue capitalised	726,333	-
Closing Balance	2,226,333	1,500,000

At the Extra-Ordinary General meeting held on 15 July 2004, it was resolved that the authorised ordinary shares of the bank be sub-divided from 2,000,000,000 ordinary shares of N1 each to 4,000,000,000 ordinary shares of N0.50.

At the Extra-Ordinary General meeting held on the 28th October 2004, it was resolved that the authorised share capital of the bank be increased from N2 billion made up of 4,000,000,000 ordinary shares of N0.50 per share to N5 billion made up of 10,000,000,000 ordinary shares.

In November 2004, the bank made a private placement of its shares at a price of N3.0 per share. A total of 1,452,666,640 shares with a par value of N726.33 million was approved by the Central Bank of Nigeria and have been capitalised.

21 RESERVES

	Statutory reserve N'000	Retained earnings N'000	Investment in SMEs reserve N'000	Share premium N'000	Reserves total N'000
At 30 April 2004	901,724	144,162	185,297	25,860	1,257,043
Additions in the period	-	-	-	3,268,995	3,268,995
Transferred from profit and loss account	239,339	115,202	109,305	-	463,845
At 30 April 2005	1,141,063	259,364	294,602	3,294,855	4,989,883

22 CONTINGENT LIABILITIES AND COMMITMENTS

a) LEGAL PROCEEDINGS

As at 30 April 2005 there were legal proceedings outstanding against the bank with contingent liability of N590 million (30 April 2004: N778 million). No provision has been made as professional advice indicates that it is unlikely that any significant loss will eventuate or occur.

b) CAPITAL COMMITMENTS

The bank has an outstanding capital commitment of N60 million to be contributed to the SME Fund (Partnership) over the next three years (30 April 2004: N70 million).

c) CREDIT RELATED COMMITMENTS

In the normal course of business the bank is a party to financial instruments with off-balance sheet risk. These instruments are issued to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments are:

	30 April 2005 N'000	30 April 2004 N'000
Performance bonds, guarantees and indemnities	7,889,959	4,320,394
Bankers acceptances rediscounted	-	1,397,442
Clean line letters of credit	3,335,471	1,350,727
Commitment in respect of Lagos State Government Bond 2005/2009	710,200	-
	11,935,630	7,068,563

Clean line letters of credit, which represent irrevocable assurances that the bank will make payments in the event that a customer cannot meet its obligations, carry the same credit risk as loans. Cash requirements under clean line letters of credit are considerably less than the amount of the commitment because the bank does not generally expect the third party to draw funds under the agreement.

23 RETIREMENT BENEFITS

Up to July 2004, the bank operated an employee pension scheme whereby the employees are entitled to join the scheme on 1 January following the confirmation of their employment by the bank. The employees and the bank contribute to the scheme at 5% and 10% respectively, of the employees annual basic salary. With effect from August 2004, the bank commenced implementation of the Pension Act of 2004. Accordingly, the employees and the bank each contribute 7.5% of pensionable emoluments as stated by the Pensions Act. Amounts deducted during the period amounted to N34.6m.

The bank has a gratuity scheme covering employees that have spent a minimum of five years in the service of the bank. The scheme is a funded, final salary defined benefit plan. The assets of the scheme are held independently of the bank's assets in a separate trustee administered fund managed by the Nigerian Life and Pension Consultants Limited.

24 RELATED PARTY TRANSACTIONS

The bank has relationships where some directors/shareholders of the bank are also directors/shareholders of other companies which the bank entered into business relationships with during the period. The nature of the business relationships with these companies and the amounts involved are as follows:

a) *Borrowings outstanding as at 30 April 2005*

Name of company/ Individual	Relationship	Amount N'000	Date granted	Expiry date	Interest rate	Status	Security Status
Vee Network	Director	900,000	21/03/2001	31/07/2007	19.0%	Performing	Perfected
Primrose Property and Investment	Director & Shareholder	486,000	6/11/2003	27/05/2005	20.5%	Performing	Perfected
Primrose Property and Investment	Director & Shareholder	227,023	6/11/2003	27/05/2005	20.5%	Performing	Perfected
Yahyah Suleiman	Director & Shareholder	22,042	5/5/2004	20/05/2005	21.0%	Performing	Perfected
Mobolaji Balogun	Shareholder	4,026	7/2/2004	31/10/2005	22.5%	Performing	Perfected
		1,639,091					

Notes to the Financial Statements (cont'd)

For The Year Ended 30 April 2005

24 RELATED PARTY TRANSACTIONS (CONT'D)

b) Deposits outstanding as at 30 April 2005

Name of company/ Individual	Relationship	Type of deposit	Currency	Amount '000
G.T.S Adokpaye	Director	Current	Naira	0.2
Ladi Balogun	Director & Shareholder	Savings	Naira	10
Ladi Balogun	Director & Shareholder	Demand	Naira	499
Ladi Balogun	Director & Shareholder	Domiciliary	Euro	1
Ladi Balogun	Director & Shareholder	Term	Naira	2,619
Etco Nigeria Limited	Shareholder	Term	Naira	4,079
First City Asset Management Limited	Shareholder	Term	Naira	219,552
Tijani Hashim	Director & Shareholder	Current	Naira	0.1
Jonathan Long	Director & Shareholder	Current	Naira	726
Jonathan Long	Director & Shareholder	Term	Naira	2,129
Olubunmi Oyapero	Shareholder	Savings	Naira	1,029
Biodun Oyapero	Director & Shareholder	Current	Naira	548
Biodun Oyapero	Director & Shareholder	Term	Naira	4,045
Primrose Property and Investment	Shareholder	Term	Naira	3,014
Primrose Property and Investment	Shareholder	Current	Naira	526
S&B INCE Limited	Shareholder	Term	Naira	4,637
S&B INCE Limited	Shareholder	Domiciliary	US Dollar	0.2

c) Sundry receivables as at 30 April 2005

Name of company/ Individual	Relationship	Amount N'000
City Securities Limited	Director-related	2,303

d) Investment securities as at 30 April 2005

S&B INCE Limited	Shareholder	48,039
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	30 April 2005 N'000	30 April 2004 N'000
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25 EMPLOYEES AND DIRECTORS

a) EMPLOYEES

The average number of persons employed by the bank during the period by category:

	Number	Number
Executive directors	3	3
Management	37	27
Non-management	481	314
	521	344

	N'000	N'000
Staff cost for the above persons (excluding executive directors):		
Salaries and wages	976,506	662,884
Retirement benefit cost	158,104	123,600
	1,134,610	786,484

The number of employees of the bank, excluding executive directors, who received emoluments in the following ranges was:

	30 April 2005 Number	30 April 2005 Number
Less than N1,500,000.00	269	183
N1,500,001 - N2,000,000	107	40
N2,000,001 - N2,500,000	56	50
N2,500,001 - N3,000,000	0	0
N3,000,001 - N3,500,000	31	17
N3,500,001 - N4,000,000	31	24
N4,000,001 - N4,500,000	16	12
N5,000,000 and above	8	15
	518	341

25 EMPLOYEES AND DIRECTORS (CONT'D)

b) DIRECTORS

The remuneration paid to the directors of the bank was:

	2005 N'000	2004 N'000
Fees and sitting allowances	6,457	1,888
Executive compensation	42,905	37,574
	49,362	39,462
Directors' other expenses	39,123	33,768
	88,485	73,230
Fees and other emoluments disclosed above include amounts paid to the highest paid director	25,420	25,237

26 COMPLIANCE WITH THE BANKS AND OTHER FINANCIAL INSTITUTIONS ACT 1991 AND OTHER RELEVANT STATUTES

Except for the contravention noted below, the bank adhered to the provisions of the Banks and Other Financial Institutions Act 1991 as amended and the relevant Central Bank of Nigeria circulars

	Section/Circular No.	No. of times	Penalty paid N'000
Penalty imposed on routine examination	BOFIA 60(1)	2	2,500
Contravention of liquidity ratio	BOFIA 15(4)	1	1,000
			3,500

27 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

In accordance with the provisions of sections 334 and 335 of the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria and sections 24 and 28 of the Bank 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 bank and its profit and loss account, and comply with the requirements of both Acts. These responsibilities include ensuring that:

- (i) adequate internal control procedures are instituted to safeguard assets and prevent and detect fraud and other irregularities;
- (ii) proper accounting records are maintained;
- (iii) applicable accounting standards are followed;
- (iv) suitable accounting policies are used and consistently applied;
- (v) the financial statements are prepared on a going concern basis unless it is inappropriate to assume that the bank will continue in business.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 April 2005

	Note	2005 N'000	2004 N'000
28 CASH GENERATED FROM OPERATIONS			
Reconciliation of profit before tax to cash generated from operations:			
Operating profit		1,093,047	264,588
Investment Income	3	(25,757)	(17,100)
Provision/(write back) for losses	11	770,976	(133,196)
Provisions written-off		(14,862)	-
Recoveries on previously written off loans	11	-	184,129
Depreciation	15	288,401	210,423
(Gain)/loss on disposal of fixed assets	15	(3,371)	15,606
Fixed assets written off	15	12,773	-
Write off of other assets previously provided for		-	(10,797)
(Decrease)/increase in interest in suspense	10b	(188,047)	64,396
		1,933,160	578,049
Increase in loans to customers		(3,915,399)	(2,226,509)
(Increase)/decrease in advances under finance leases		(153,533)	197,393
Increase in interest receivable and prepayments		(2,899,312)	(167,663)
Increase in accounts receivable and consumables		(314,627)	(21,815)
Increase in deposits		9,103,713	8,803,865
(Decrease)/increase in foreign currency denominated liability		(126,577)	(820,806)
(Decrease)/increase in bank cheques issued		260,267	(36,864)
Increase in proceeds from third party public offers		12,504,373	-
Increase in interest payable and accrued expenses		332,130	360,920
Increase in deposit for shares		229,144	-
Cash generated from operations		16,953,339	6,666,570

29 LIQUIDITY RISK

Maturities of assets and liabilities

As at 30 April 2005

	0 - 30 days N000	1 - 3 months N000	3 - 6 months N000	6 - 12 months N000	Over 1 year N000	Total N000
Assets						
Cash and short term funds	33,742,941	-	-	-	-	33,742,941
Loans and advances	4,051,922	3,756,880	2,065,008	1,622,936	1,059,303	12,556,049
Advances under finance lease	32,114	41,891	54,377	106,495	150,254	385,131
Investment securities	-	-	-	-	159,726	159,726
Other assets	-	2,035,567	1,330,733	-	487,594	3,853,894
Fixed assets	-	-	-	-	1,902,896	1,902,896
Total assets	37,826,977	5,834,338	3,450,118	1,729,431	3,759,773	52,600,637
Liabilities						
Deposits	24,747,222	2,361,123	6,995	7,752	-	27,123,092
Other liabilities	12,940,778	363,689	1,289,623	1,529,871	337,769	16,461,730
Deffered taxation	-	-	-	-	267,230	267,230
	37,688,000	2,724,812	1,296,618	1,537,623	604,999	43,852,052
Net liquidity gap	138,977	3,109,526	2,153,500	191,808	3,154,774	8,748,585
As at 30 April 2004						
Total assets	16,466,002	3,666,214	251,284	129,938	3,222,811	23,736,249
Total liabilities	15,406,039	5,206,026	140,840	41,970	184,330	20,979,205
Net liquidity gap	1,059,963	(1,539,812)	110,444	87,968	3,038,481	2,757,044

The table above analyses assets and liabilities of the bank into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the bank. It is unusual for banks ever to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The maturity of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the bank and its exposure to changes in interest rates and exchange.

30 SUBSEQUENT EVENT

During the year, the bank sought to raise N16 billion through the issue of 4 billion ordinary shares of N0.50 each at N4 per share, by way of initial public offer. As at the close of the offer in March 2005, a total sum of N16.8 billion had been realised representing proceeds of 4.0 billion ordinary shares of N0.50 each issued at N4.00 per share and subsequently a total of N16.3 billion was approved by CBN. In line with the offer documents N16 billion of this was subsequently allotted to the successful subscribers and the new shares listed on the stock exchange, this therefore increased the bank's shareholders funds accordingly.

31 COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. No adjustment made resulted from changes in accounting policy during the year.

Statement of Value Added

For The Year Ended 30 April 2005

	2005 N'000		2004 N'000	
GROSS INCOME	6,121,037		3,124,180	
INTEREST PAID	(1,628,830)		(995,997)	
	4,492,207		2,128,183	
ADMINISTRATIVE OVERHEADS	(1,116,688)		(999,884)	
VALUE ADDED	3,375,519	100%	1,128,299	100%
DISTRIBUTION				
EMPLOYEES				
Salaries and benefits	1,223,095	36%	786,484	70%
PROVIDERS OF FUNDS				
Dividend	333,950	10%	50,000	4%
GOVERNMENT				
Taxation	295,252	9%	16,130	1%
THE FUTURE				
Asset replacement (depreciation)	288,401	9%	210,423	19
Expansion (retained profit)	463,845	14%	198,458	18%
Provision for losses	770,976	23%	(133,196)	-12%
VALUE ADDED	3,375,519	100%	1,128,299	100%

This statement represents the distribution of the wealth created through the use of the bank's assets through its own and its employees' efforts.

Five Years Financial Summary

	12 months ended 30 April		16 months ended 30 April		12 months ended 31 December
	2005	2004	2003	2002	2000
	N'000	N'000	N'000	N'000	N'000
BALANCE SHEET					
Assets					
Cash and short term funds	33,742,941	13,231,713	6,553,081	5,915,229	9,268,275
Dealing securities	-	-	-	2,293	2,531
Loans and advances	11,436,232	7,905,359	5,833,979	6,004,320	6,135,785
Advances under finance lease	381,280	229,282	424,701	837,852	710,929
Investment securities	159,726	109,687	587,687	55,604	41,895
Other assets	3,695,193	625,320	373,061	712,020	547,753
Fixed assets	1,902,896	1,634,888	1,391,610	1,423,210	789,627
	51,318,268	23,736,249	15,164,119	14,950,528	17,496,795

Financed by:					
Share capital	2,226,333	1,500,000	1,500,000	1,000,000	1,000,000
Reserves	4,989,883	1,257,044	1,058,586	1,231,425	1,000,823
Deposits	27,123,092	18,019,379	9,215,514	8,564,393	8,128,567
Long term loan	250,000	-	-	-	-
Other liabilities	16,461,730	2,776,015	3,166,730	3,948,329	7,291,024
Deferred taxation	267,230	183,811	223,289	206,381	76,381
	51,318,268	23,736,249	15,164,119	14,950,528	17,496,795

Acceptances and guarantees	11,935,630	7,068,563	8,532,619	10,018,623	5,455,134
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PROFIT AND LOSS ACCOUNT

Net interest income	1,731,641	713,735	956,981	2,027,986	1,499,803
Other income	2,760,566	1,414,448	938,538	1,778,615	1,075,416
Operating expenses	(2,628,184)	(1,996,791)	(1,705,253)	(2,066,865)	(1,260,688)
Provision for losses	(770,976)	133,196	(132,852)	(1,238,736)	(284,320)
Profit before taxation	1,093,047	264,588	57,414	501,000	1,030,211
Taxation	(295,252)	(16,130)	(6,113)	(270,162)	(260,342)
Profit after taxation	797,795	248,458	51,301	230,838	769,869
Dividend	(333,950)	(50,000)	-	-	(200,000)
Transfer to reserves	463,845	198,458	51,301	230,838	569,869

STATISTICAL INFORMATION

Earnings per share (basic)	0.25	0.17	0.04	0.20	0.77
Earnings per share (adjusted)	0.25	0.08	0.05	0.15	0.51
Dividend per share (basic)	0.08	0.03	-	-	0.20
Dividend per share (Adjusted)	0.08	0.02	-	-	0.13

FCMB Branch Directory



ABA

90, Asa Road,
Aba, Abia State.
Tel: 082-222715, 222899, 225533,
226446, 221063
E-mail: aba@firstcitygroup.com

ABEOKUTA

21, Lalubu Street, Oke-Ilewo,
Abeokuta, Ogun State.
Tel: 039-244380, 242139, 242282,
242287
E-mail: abeokuta@firstcitygroup.com

ABUJA

First City Plaza
Plots 252, Herbert Macaulay Way,
Central Business District
Abuja, Nigeria
P. M.B. Box 344, Garki-Abuja,
Tel: 09-5237908-9, 5237910,
6702614 - 5
Fax: 09-5237918
E-mail: abuja@firstcitygroup.com

ADO-EKITI

Secretariat Road,
Ado-Ekiti, Ekiti State

AGO-IWOYE CASH OFFICE

Olabisi Onabanjo University,
Main Campus, Ago-Iwoye, Ogun State
Tel: 037-430115, 4300898
Fax: 037- 430115
E-mail: agoiwoye@firstcitygroup.com

AJAH

Lagos/Epe Express Way,
After VGC before Golden Wallet Filling
Station. P. O. Box 9117, Lagos, Nigeria.
E-mail: ajah@firstcitygroup.com

AKURE

15, Oyemekun Road,
Akure, Ondo State.
Tel: 034-243706, 243711
Email: akure@firstcitygroup.com

ALABA

Obosi Plaza, A – Line,
Alaba International Market Ojo,
Lagos State.
P. O. Box 9117, Lagos, Nigeria
Tel: 01- 7731370, 7731371, 7731376
E-mail: alaba@firstcitygroup.com

ALAGBADO

AP Filling Station, Ojokolo
Alagbado, Lagos State.
P. O. Box 9117, Lagos, Nigeria
E-mail: alagbado@firstcitygroup.com

ALLEN AVENUE

36, Allen Avenue, Ikeja
P. O. Box 9117, Lagos, Nigeria
E-mail: allen@firstcitygroup.com

APAPA

35, Creek Road, Apapa, Lagos
P. O. Box 9117, Lagos, Nigeria
Tel: 01-2704870-3, 7900544-48,
5879977, 5871159
Fax: 01-5879981, 5871151
E-mail: apapa@firstcitygroup.com

APAPA CASH OFFICE

Sifax Terminal
Apapa/Oshodi Expressway
P. O. Box 9117, Lagos, Nigeria
Tel: 01-2704870-3, 7900544-48,
5879977, 5871159
Fax: 01-5879981
E-mail: apapa@firstcitygroup.com

ASABA

206, Nnebis Road
Asaba, Delta State
E-mail: asaba@firstcitygroup.com

AWOLOWO ROAD

68, Awolowo Road,
Ikoyi, Lagos State.
P. O. Box 9117, Lagos, Nigeria
Tel: 01- 7936917, 2710320
Fax: 01-2710317
E-mail: awolowo@firstcitygroup.com

BENIN

112, Mission Road,
Benin City, Edo State.
Tel: 052-253244, 258219, 253258,
253116
E-mail: benin@firstcitygroup.com

BENIN CASH OFFICE

Guinness Premises, Ikpoba Hill, Agbor
Road,
Benin City, Edo State
Tel: 052-257659
E-mail: benin@firstcitygroup.com

ENUGU

41, Garden Avenue,
Enugu, Anambra State
E-mail: Enugu@firstcitygroup.com

HEAD OFFICE BRANCH

Primrose Tower,
17A, Tinubu Street,
P.O. Box 9117 Lagos, Nigeria.
Tel: 01-2665944-53, 2665864, 2713262.
Fax: 01-2640614, 2668833
E-mail: hob@firstcitygroup.com

IBADAN

Lebanon Street, Old Gbagi,
Dugbe, Oyo State.
E-mail: Ibadan@firstcitygroup.com

IDUMAGBO

34, Idumagbo Avenue, (Daddy Doherty's
House), Lagos
P. O. Box 9117, Lagos, Nigeria
Tel: 01-7749936, 7730690, 2643884,
2667829,2647350, 2642683
Fax :01-2643591, 2643951
E-mail: idumagbo@firstcitygroup.com

IJEBU-ODE

168, Folagbade Street,
Ijebu-Ode, Ogun State
Tel: 037-430115; 4300898
Fax: 037-430115
E-mail: ijebuoffice@firstcitygroup.com

IKEJA

29, Oba Akran Avenue, Ikeja, Lagos
P.O Box 9117, Lagos Nigeria
Tel: 01- 2703429, 2703428, 4977074,
4977076,
4739863, 4739010, 4979076,
Fax: 01 - 4977084
E-mail: ikeja@firstcitygroup.com

IKEJA CASH OFFICE

Guinness Premises, 24, Oba Akran
Avenue, Ikeja, Lagos
P. O. Box 9117, Lagos, Nigeria
Tel: 01-7731721, 4976420-4
E-mail: ikeja@firstcitygroup.com

IPONRI

Shop 529-531, Iponri Shopping
Complex,
Iponri, Surulere, Lagos State.
P. O. Box 9117, Lagos, Nigeria
Tel: 01-5879978-9
E-mail: iponri@firstcitygroup.com

KANO

145, Murtala Mohammed Way
P.O. Box 12555 Kano, Nigeria.
Tel: 064-646411, 646412, 646510,
631766, 644765, 631767
Fax: 064-646511
E-mail: kano@firstcitygroup.com

MAKURDI

23, Railway Bye-Pass, Makurdi,
Benue State
E-mail: Makurdi@firstcitygroup.com

OKE-ARIN

5, Daddy Alhaja Street
Oke – Arin,
P. O. Box 9117, Lagos, Nigeria
E-mail: okearin@firstcitygroup.com

ONITSHA

9A, New market Road,
Onitsha, Anambra State.
Tel: 046-413907, 413895, 218760
E-mail: onitsha@firstcitygroup.com

OTTA

56, Idi-Iroko Road,
Sango Ota, Ogun State
E-mail: otta@firstcitygroup.com

PORT HARCOURT

Plot 282A, Port Harcourt/Aba Express
Road, GRA II
P.O. Box 13106 Port Harcourt, Nigeria.
Tel: 084-237772-4
Fax: 084-236533
E-mail: ph@firstcitygroup.com

SAGAMU

141, Akarigbo Street Ijoku
(Opposite Awabat Petroleum)
Sagamu, Ogun State.
Tel: 037- 641516, 640077
Fax: 037-641514
E-mail: sagamu@firstcitygroup.com

VICTORIA ISLAND 1

Plot 1661, Oyin Jolayemi Street
Victoria Island, Lagos State.
P.O. Box 9117 Lagos, Nigeria
Tel: 01-2703359, 2703360, 2703035,
Fax: 01-2625620, 2625861
E-mail: oyinjolayemi@firstcitygroup.com

VICTORIA ISLAND 2

11B, Adeola Odeku Road
P. O. Box 9117, Lagos, Nigeria
Victoria Island, Lagos State.
Tel: 01- 2701178-80
E-mail: adeolaodeku@firstcitygroup.com

WARRI

Plot 151/153, Okumagba Avenue,
Warri, Delta State.
Tel: 053-257470, 257472-5
Fax: 053-257471
E-mail: warrioffice@firstcitygroup.com

WARRI CASH OFFICE

68 Effurun Sapele Road,
Warri, Delta State.
Tel: 053-257470, 257472-5
Fax: 053-257471
E-mail: warrioffice@firstcitygroup.com

Notes

Notes

Proxy Form



I/We _____
(Name of shareholders in block letters)

The undersigned, being a member/members of the above named Company hereby appoint

_____ or failing him, the Chairman of the meeting as my/our proxy to vote for me/us and on my behalf at the Annual General Meeting of the Bank to be held on Thursday, 13th October, 2005 at 11.00a.m. at the Lagoon Restaurant, Ozumba Mbadiwe Street, Victoria Island, Lagos and at any adjournment thereof".

Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

Dated this _____ day of _____ 2005

Signature _____

NOTE:

A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. All proxies should be deposited at the Office of the Registrars, City Securities Limited, Primrose Tower, 17A Tinubu Street, Lagos, not less than 48 hours before the time of holding the meeting. A proxy need not be a member of the company.

In the case of joint shareholders, any one of such may complete the form but the name of all joint shareholders must be stated.

It is required by law under the Stamp Duties Act, 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 Stamp Duty at the appropriate rate, not adhesive postage Stamps.

If the shareholder is a corporation, this form must be under its common seal or under the hand of some officers or Attorney duly authorized in that behalf.

Ordinary Resolution	For	Against
1. To receive the Directors' Report for the year ended 30th April, 2005 and the Auditors' Report.		
2. To declare a dividend.		
3. To re-elect Directors.		
4. To re-appoint the Auditors.		
5. To authorize the Directors to fix the remuneration of the Auditors.		
6. To elect members of the Audit Committee.		
7. To approve the establishment of a Staff Share Acquisition Loan Scheme.		
Special Resolution	For	Against
8. To amend the Articles of Association.		
Please indicate with "x" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.		

Before posting the above card, tear off this part and retain it.

ADMISSION CARD

FIRST CITY MONUMENT BANK PLC
22ND ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE TWENTY-SECOND ANNUAL GENERAL MEETING BEING HELD AT THE LAGOON RESTAURANT, OZUMBA MBADIWE STREET, VICTORIA ISLAND, LAGOS ON THURSDAY, 13TH OCTOBER, 2005 AT 11.00AM.

NAME OF SHAREHOLDER/PROXY.....

SIGNATURE.....

ADDRESS.....

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRARS

The Registrars,
City Securities Limited,
Primrose Towers,
17A Tinubu Street,
Lagos.

*Affix
postage
stamp
here*