

FIRST CITY MONUMENT BANK PLC

A MEMBER OF FIRST CITY GROUP

FCMB



Building
the future

Annual Report and Accounts 2008

Corporate information

Board of Directors:

Dr Jonathan AD Long *Chairman*

Mr Ladi Balogun *Managing Director/
Chief Executive Officer*

Mr Anurag Saxena *Executive
Director/Chief Operating Officer*

Mr Henry Semenitari *Executive Director*

Mr GTS Adokpaye *Director*

Dr John Udofa *Director*

Mr Tope Lawani *Director*

Mr Nigel Kenny *Director*

Mr Ladi Jadesimi *Director*

Mr Bismarck Rewane *Director*

Alhaji Ibrahim Damcida *Director*

Mr Maurice Phido *Executive Director*
(Notice of resignation received 11 March
2008, effective 2 May 2008)

Senior Management:

Ladi Balogun *Managing Director/
Chief Executive Officer*

Anurag Saxena *Executive Director/
Chief Operating Officer*

Henry Semenitari *Executive Director*

Peter Obaseki *Senior Vice President*

Hakeem Adedeji *Senior Vice President*

Debo Adesanya *Senior Vice President*

Olajumoke Bakare *Senior Vice President*

Oluyemisi Edun *Senior Vice President*

Shiba Ghosh *Senior Vice President*

Tunde Macaulay *Senior Vice President*

Adam Nuru *Senior Vice President*

Bayo Sanni *Senior Vice President*

Nath Ude *Senior Vice President*

Adewale Adedapo *Vice President*

Olusiji Adeyinka *Vice President*

Ayoleke Adu *Vice President*

Folake Fajemisin *Vice President*

Robert Grant *Vice President*

Patrick Iyamabo *Vice President*

Bonaventure Okhaimo *Vice President*

Oni Olayinka *Vice President*

Obatoyinbo Oloyede *Vice President*

Bukola Smith *Vice President*

Austin Ufomba *Vice President*

FCMB Capital Markets:

Francis Esem Wood *Managing Director*

Bayode Rotimi *Senior Vice President*

Bekuochi Nwawudu *Senior Vice President*

Company Secretary:

Mrs Olajumoke Bakare

Auditors:

PricewaterhouseCoopers
(Chartered Accountants)

Correspondent Banks:

ANZ Banking Group Limited

Bank of Beirut (UK) Ltd

BNP Paribas

Citibank New York

FBN (UK) Ltd

Fortis Bank, SA/NV London

HSBC Plc

Standard Bank Plc South Africa

Standard Chartered Bank Plc, UK

UBN (UK) Ltd

United Bank of Africa Plc (New York)

Building the future towards a world-class business

Our mission: We are passionate about building a world-class financial services group that is focused on adding value to businesses and lives, and committed to a culture of excellence.

Our vision:

To be the premier financial services group of African origin.

We provide financial services in the following areas:

Consumer banking

The building blocks for creating the most valuable consumer banking franchise in Nigeria are being established.

Transaction banking

For corporates, government and SMEs we provide value-adding technology solutions in the areas of trade, payments, collections and liquidity management.

Investment banking

As Nigeria's pre-eminent investment banking group, we are focused on accumulating investments to fuel the growth of our economy.

Contact:

First City Monument Bank Plc
Primrose Towers, 17A Tinubu Street,
P.O. Box 9117, Lagos State, Nigeria



www.firstcitygroup.com

Our core values:

Professionalism
Ambition
Creativity
Excellence

171%

Increase in profit before tax to N20.5 billion

112%

Increase in gross earnings to N52.8 billion

43%

Increase in dividend per share to 50k

 See performance on page 4



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Building on our foundations

From its origins as a local bank FCMB has continued to grow – building at each stage on a solid platform of trust earned from customers.

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1977–1981

City Securities Limited, the foundation and parent company of First City Monument Bank Plc (formerly First City Merchant Bank Limited) and indeed, First City Group was established in September 1977. At that time, it was the first Nigerian financial services company to combine new capital issues business with stock broking and share registration services.

1982–1984

The licensing of FCMB in 1982 and its subsequent commencement of banking operations in August, 1983 blazed a new trail in the history of banking. FCMB became the first wholly-owned Nigerian Merchant Bank to be established without any foreign technical partner as was required in those days. The corporate finance and advisory services division were transferred from the old City Securities Limited into the new bank.

1985–1998

In 1985, FCMB brought in two senior international bankers to boost its management, namely; Mr. Martin J. White as Chief Operating Officer and Managing Director and Dr. Jonathan A. Long as Executive Director and Head of Corporate Finance. In 1996, the bank made a landmark achievement with the completion of the first (largest at that time) loan syndication of N70m for the then National Fertilizer Company of Nigeria. In 1998 FCMB signed a Technical Services Cooperation Agreement with Morgan Grenfell & Co. Limited (now integrated into Deutsche Bank).

1999–2000

These were years of remarkable achievements during which the bank established itself as one of the best known names in investment banking if not the leader, and became a training ground for many of the skilled staff in the Nigerian Banking Industry. Particularly it produced as at the last count, not less than twenty-one (21) current or former Chief Executives and Executive Directors of Banks as well as a former Deputy Governor of the Central Bank and Deputy Governor of a State Government and quite a number of Commissioners of Finance in State Governments. It expanded the scope of its services beyond corporate finance and made a very strong inroad into Corporate Banking as a result of which it had to set up some branches in main business centres in the country.

In December 2000, the bank obtained approval from the Central Bank of Nigeria to change its name from First City Merchant Bank to First City Monument Bank.

2001–Date

In 2001, the bank became a full-fledged Universal Bank with Commercial and Investment Banking Divisions. The bank embarked on a private placement of shares from which it raised over N7 billion. This was subsequently followed by the conversion in August 2004 of the bank to a public liability company, and the shares of the bank were listed on the Nigerian Stock Exchange.

Through an initial public offering in year 2005, the bank successfully raised over N16 billion to enable it to attain the stipulated N25 billion share capital and it was one of the 25 banks that achieved this target. During this period FCMB also acquired 3 banks, namely Coopertative Development Bank, Midas Bank, and Nigerian American Bank (former Nigerian subsidiary of BankBoston).

From a modest number of 26 branches in year 2005 (pre-consolidation) to about 150 branches in year 2007. The bank also attracted sizeable foreign shareholding and entered into a Management Services Agreement with Sabre Capital in 2007 to provide requisite technical support primarily in the area of consumer banking. The bank raised its Tier 1 capital from just over N31 billion to N133 billion as a result of another Public Offer.

Performance

financial highlights

Shareholders Funds
N133.63 billion
 330% increase



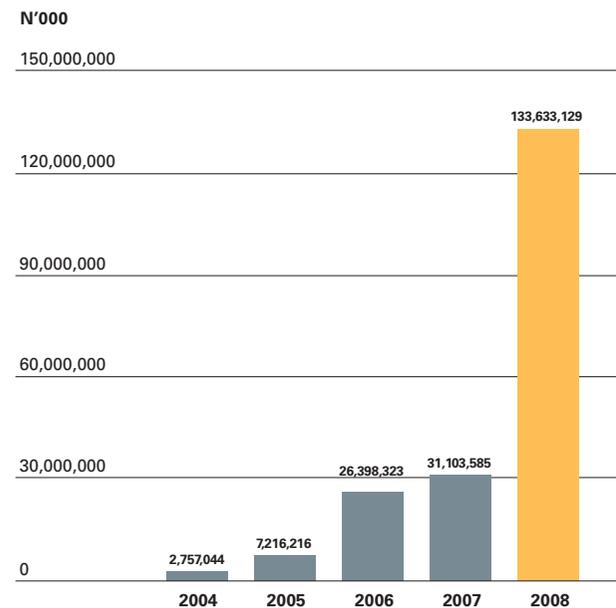
Gross Earnings
N52.82 billion
 112% increase



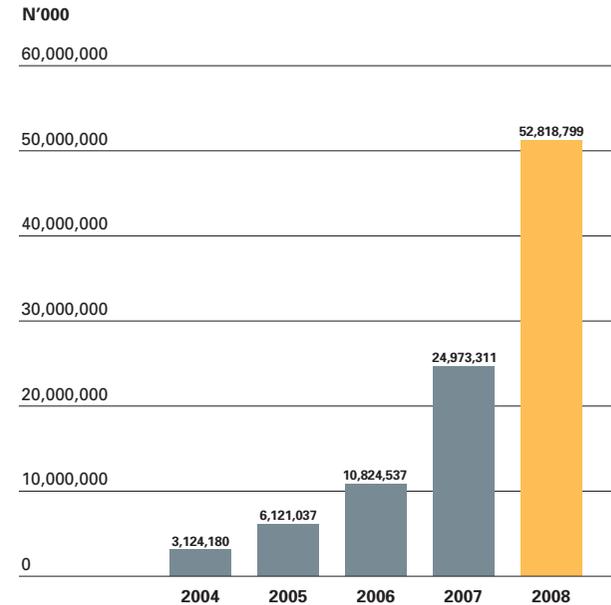
Profit After Tax
N15.10 billion
 154% increase



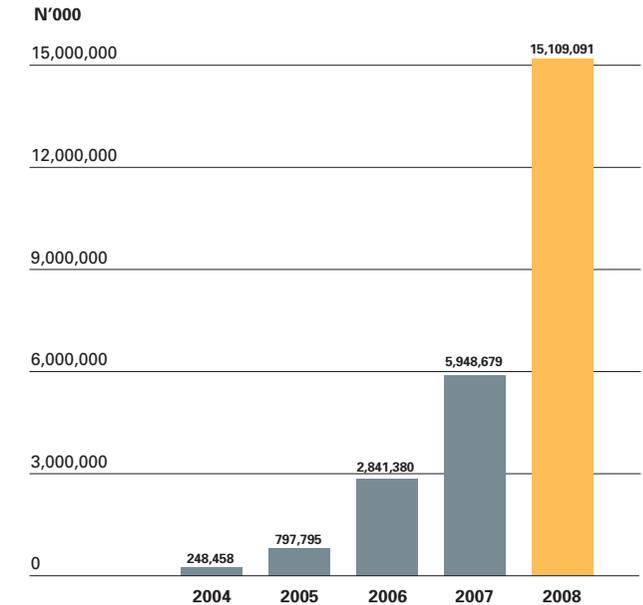
Shareholders Funds



Gross Earnings



Profit After Tax



Dividend Per Share
50k
 43% increase



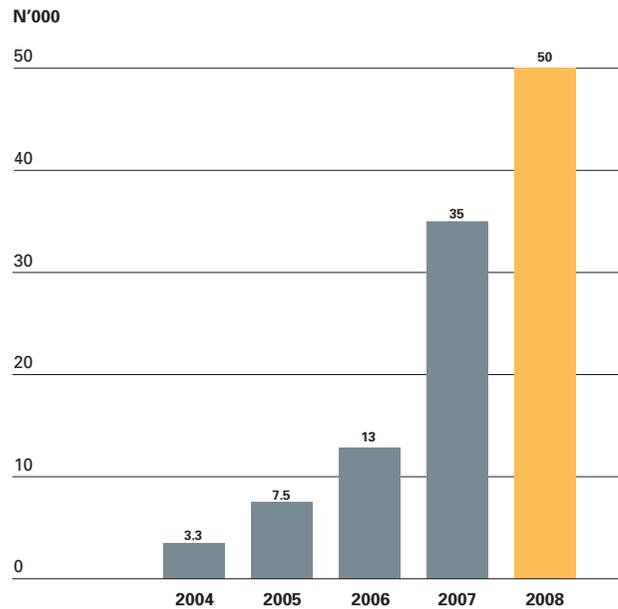
Total Assets + Contingents
N587.38 billion
 90% increase



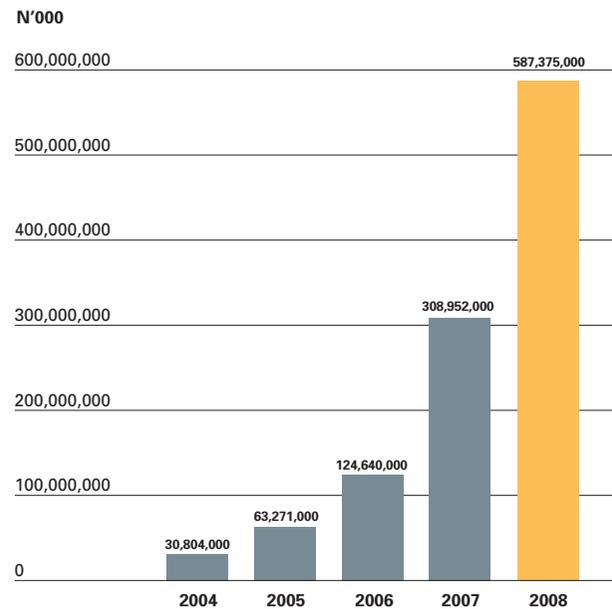
Total Deposits
N251.22 billion
 34% increase



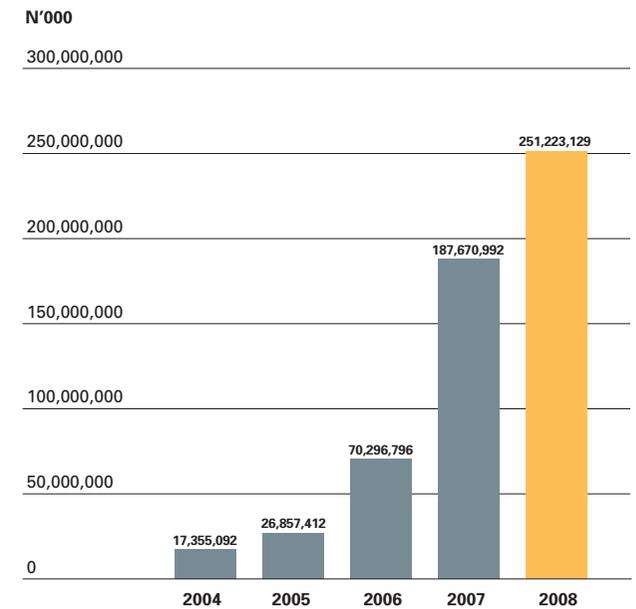
Dividend Per Share



Total Assets + Contingents



Total Deposits



Notice of annual general meeting

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MRS OLAJUMOKE BAKARE
COMPANY SECRETARY

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of First City Monument Bank Plc (FCMB) will be held at the Shell Hall, MUSON Centre, Onikan Lagos on Tuesday, October 7, 2008 at 11.00 am to transact the following:

Ordinary Business

1. To receive and consider the Report of the Directors and the Financial Statements for the year ended April 30, 2008, the Auditors Report thereon and the Audit Committee Report.
2. To declare a dividend.
3. To re-elect Directors in place of those retiring.
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To elect/re-elect members of the Audit Committee.

Special Business

6. To consider and if thought fit pass the following resolutions as Special Resolutions:
 - i. "That the Articles of Association of the Company be and are hereby amended by deleting Article 92 and substituting for the said Article the following:
"Every two (2) years, subject to Articles 110 and 113, at the Annual General Meeting of the Company, two (2) of the directors for the time being shall retire from office".
 - ii. "That Articles 93 and 113 of the Articles of Association of the Company be and are hereby amended by deleting "in each year" or "in every year" wherever they appear and substituting therefor "every two (2) years".

Dated this 27th day of August, 2008.

By Order of the Board

Olajumoke Bakare (Mrs)
Company Secretary

NOTES

Proxies

Only a member of the company entitled to attend and vote at the general meeting is entitled to appoint a proxy in his/her stead. All valid instruments of proxy should be completed, stamped and deposited at the office of the Company's Registrars, City Securities (Registrars) Limited, 2nd floor, Primrose Tower, 17A Tinubu Street, Lagos, not less than 48 hours before the time fixed for the meeting.

Dividends

If approved, the dividend of 50k per share is payable one week after this Annual General Meeting to all Shareholders who are registered in the Register of members as at Friday September 19, 2008. Dividend warrants will be posted on Tuesday October 14, 2008.

Closure of Register

The Register of members will be closed from Monday September 22, 2008 to Friday September 26, 2008 (both days inclusive) to enable the Registrars to prepare for payment of dividend.

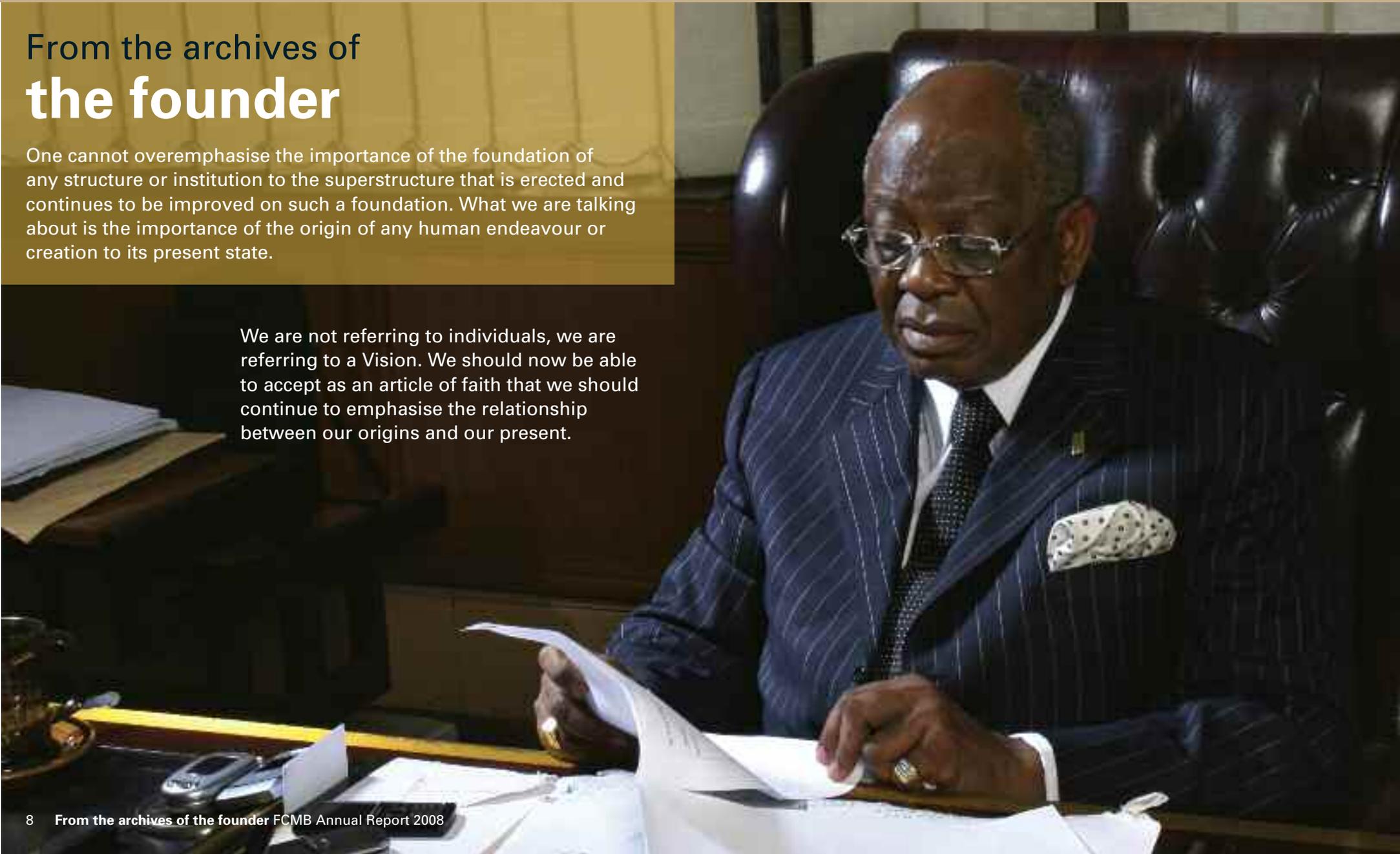
Audit Committee

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.

From the archives of **the founder**

One cannot overemphasise the importance of the foundation of any structure or institution to the superstructure that is erected and continues to be improved on such a foundation. What we are talking about is the importance of the origin of any human endeavour or creation to its present state.

We are not referring to individuals, we are referring to a Vision. We should now be able to accept as an article of faith that we should continue to emphasise the relationship between our origins and our present.



As the current management talks of 'Making a Difference', so will the founding fathers and other stakeholders add, 'so help us, God, amen'. And we conclude by saying, 'the best is still to come!'.

The Relevance of the Past to the Present

What has always differentiated First City Monument Bank Plc (FCMB), and indeed First City Group, from its peers and other players in the Nigerian banking and finance industry is the richness of its history and the uniqueness of its origin. This, coupled with the passion and the peculiar entrepreneurial Vision, as well as the inimitable focus and culture of our founding fathers, has sustained the resilience that we have demonstrated in weathering storms and upheavals during our growing years.

When we are talking of the richness of the history of FCMB, and indeed First City Group, we are referring to a bold initiative that is unprecedented in the annals of the establishment of any financial institution within the banking industry in Nigeria. It was a passion of daring where others have either failed or feared to tread. It was also a passion for innovation and a deep seated determination to succeed where others have failed. It was a passion built on our faith and confidence, not only in our God, but also in our own capabilities. All these are anchored on a 'Culture of Excellence' that was first propagated by the founding fathers and has now become a 'Heritage of Excellence' for those who have taken over from the founding fathers and are conscious as well as grateful for the solid foundation that had been given to them.

Hence, when you are talking of the present FCMB or First City Group you must relate it to the foundation, and when you are talking of the present, you cannot ignore the foundation. It is the totality of all these that makes the phenomenon known as First City Monument Bank Plc (FCMB). This was a conversion of a merchant bank known as First City Merchant Bank Limited into a Universal Bank, at the same time encompassing the activities of FCMB Capital Markets Limited, and the retail brokerage and distribution capabilities of CSL Stockbrokers and City Securities Registrars Limited. The past has always been the benchmark that cannot be ignored by the present and that is why we associate ourselves with the current managing director talking of 'Making

a Difference'. Being a pioneer invariably makes us a role model and that is the duty the present generation of FCMB and First City Group should impose on itself. We should be breaking barriers, we should continue to be innovative, and we should be pace setters. That is the role that would lead us to becoming the premier financial services group of African origin. Our name and our brand easily conjure in the mind of third parties some mystery and expectation and that expectation is that only the best can come from our stable. This is the watchword of the current management of First City Group.

Even before we grouped our Annual Financials or the Statements of Accounts, we always had an investment holding company known as First City Group Limited, which is a projection of the yearnings and the Vision of our founding fathers. Seamlessly, we are stepping into a new world with the same culture, the same values and the same heritage that have been passed down to us by our founding fathers and are now being refined by the current management. First City Group can only be among the best in professionalism, in the conduct and the quality of our business and in endearing ourselves to our clientele and customers. We continue to re-engineer and renew ourselves with new initiatives that are giving us an international outlook. All these are influencing our customers' perception of us; and on our part, we seek to satisfy such customers anywhere within the global dispensation. What the founding fathers and other stakeholders are seeing gives them considerable joy and reassures everyone that 'the labours of our heroes past have not been in vain'. We are now seeing a First City Group that can confidently and competently hold its own among the best financial services group within our area of operations.



Otunba Michael O Balogun, CON

Statement from the **chairman**

Our strong foundations position us well to capitalise on attractive opportunities, both in Nigeria and overseas, and as a result we expect to win where it matters most – with our customers, investors and all our stakeholders.

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Fellow shareholders and directors, invited guests, ladies and gentlemen, it is my pleasure to welcome you to the 25th Annual General Meeting of our bank and to present to you the annual report and accounts of the bank for the year ended April 30, 2008. In keeping with normal practice, I am also pleased to confirm that copies of this annual report and accounts were despatched to shareholders before this meeting.

I will now proceed to review the business environment under which our bank operated during the last financial year and to summarise how this environment impacted on its business activities and performance.

Nigeria: A Favourable and Stable Business Environment

The major highlight of the year was, of course, the successful transition from one democratic government to another. Nevertheless, the transition process inevitably led to a slowdown in economic activity, as the focus of public attention moved to the elections and to the subsequent consolidation of the newly elected governments, at both a state and federal level. However, the relative success of this transition has undoubtedly improved the global perception of the country and we expect this to have a continuing and positive impact on the business environment in the upcoming year.

Nigeria has sustained its recent impressive rate of economic growth, with real GDP growing by 6.2% in 2007, driven principally by favourable commodity prices and rapid growth in the non-oil sectors of the economy. The government has emphasised that the economy will remain high on the list of its major priorities and the recently approved 2008 budget therefore places great importance on the provision of infrastructure and the security of lives and property – a clear sign that the government is determined to make economic growth the key objective by which its success is to be measured. In addition to positive economic growth, inflation remained in single digits throughout the year, closing at an annualised rate of 6.6% as at December 31, 2007. The maintenance of inflation within single digits is principally the result of the Central Bank of Nigeria's restrictive monetary policy stance, combined with the government's supportive fiscal policies.

The year under review also saw a steady appreciation of the Naira, particularly during the second half from November 2007 to April 2008, and by January 2008 the Naira was trading at N116.8: US\$1. The appreciation in the Naira was largely the result of rising foreign exchange inflows, driven by global economic uncertainties and the positive returns available in the Nigerian market. The strong performance of the Naira was also underpinned by rising foreign exchange reserves, which reached some US\$54 billion, arising as a result of these inflows, together with the sudden and explosive increase in oil prices worldwide. This level of reserves will support 28 months of current foreign exchange disbursements, which is a very conservative level by accepted international standards.

A brief survey of the major monetary aggregates shows that broad money supply (M2) grew by over 30% in 2007, driven by the increase in the foreign assets of the banking sector and in credit to the private sector. Indeed, the latter grew at an unprecedented rate of some 96%, a clear indication of the important role played by the banking sector in this positive growth story.

Nigeria is rapidly becoming integrated with the global financial markets, as demonstrated by the fivefold increase in government securities trading and the fourfold increase in the stock market's total capitalisation over the last two years. The country has maintained its positive sovereign rating of BB-, originally received from both Fitch and Standard & Poor's. In addition, Fitch has also reviewed Nigeria's local currency rating upwards from BB- to BB, a sign of the international appreciation of its economic recovery.

Financial Performance

I am very pleased to report that the bank maintained its impressive rates of growth during the past financial year. Gross earnings grew by 112%, from N24.97 billion in 2007 to N52.82 billion as at April 30, 2008. Despite considerable investment in future growth opportunities and the very high cost of meeting the challenges imposed by infrastructural inadequacies, post-tax profits rose significantly from N5.95 billion to N15.10 billion, a growth rate of 154%. In line with management's commitment to enhancing shareholder value, we will continue to pursue new business openings in the coming years, wherever these appear to offer serious possibilities of generating sustainable long-term growth for the bank.

Dividend Payment

In view of the bank's impressive results, the directors are recommending that a dividend of N50k be paid to all shareholders, registered in the books of the bank as at September 19, 2008 for each 50k share of the bank held by them at that date. The total amount set aside for this dividend payment is N8.1 billion. A resolution to approve the payment will be proposed for your approval during the course of this meeting.

Board of Directors

During the course of the year, our Executive Director Mr Maurice Phido, in charge of corporate banking gave notice of resignation of his appointment on March 11, but effective May 1, 2008. Fellow shareholders, please join me in extending our goodwill message to him in his future endeavours.

Post Year-end Event

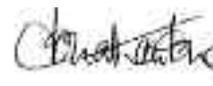
I am delighted to inform you that on July 31, 2008, the Board of Directors of your bank approved the appointment of one of our long-serving and dedicated staff, Mr Peter Obaseki, as an Executive Director to oversee the Corporate Banking division of the Bank. This appointment is still subject to the approval of the Central Bank of Nigeria.

Looking Ahead

I should also like to thank all the bank's customers, shareholders, staff and, indeed, everyone who has contributed to the success of our bank over the past year. We have delivered impressive financial results and I believe that we have met all the earlier promises made to you, during the period under review, whilst at the same time achieving the crucial strategic objectives which management had set for itself.

We are confident that we will continue to operate in a stable and encouraging business environment and that, as a bank, we are well positioned to expand further, whilst maintaining our well known tradition of excellence. In order to achieve this objective we must recognise that globalisation is now an established part of the financial services industry in which we operate, and focus on developing the bank's business in all those markets which may in future facilitate our growth story. Our strong foundations position us well to capitalise on attractive opportunities, both in Nigeria and overseas, and as a result we expect to win where it matters most – with our customers, investors and all our stakeholders.

Thank you.



Jonathan Long
Chairman

Review by the chief executive officer

The result, which is beginning to emerge, is a business that is growing significantly faster than the industry, a business with higher margins and sustainable, diversified revenue sources.

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We know that the best is ahead of us as we are sowing the seeds of an even more robust business.

The 2007/08 financial year was a very successful and eventful year for the bank and I am especially thankful for the support received from all our stakeholders. We built a higher quality business that is poised to grow from strength to strength and we are more confident than ever of our road map to being the premier financial services group of African origin.

Our focused strategy of attaining market leadership in the areas of investment banking, consumer banking and transaction banking remains on course. This strategy is underpinned by the objectives we have for our employees and our customers. For the employee, we seek to make FCMB truly the best place to work. For the customer, our objective is to be their most valuable financial partner, addressing long term, strategic and day to day needs with the highest service standards. Whether it be wealth management and financial planning solutions for the individual or investment advice for corporates, by keying into the long term needs of our customers, we aim to enhance our competitiveness and ultimately sustain healthier margins.

The result, which is beginning to emerge, is a business that is growing significantly faster than the industry, a business with higher margins and sustainable, diversified revenue sources. Employee satisfaction and customer satisfaction are on the increase and gradually we are building a unique franchise that is delivering exceptional value to all stakeholders. A snapshot of our growth indices in the just ended financial year reveals:

- 112% earnings growth to N52.82 billion from N24.97 billion
- 171% rise in profit before tax to N20.59 billion from N7.57 billion
- 34% increase in customer deposits
- 90% growth of total assets plus contingents to N587.4 billion from N308.9 billion

This performance is all the more remarkable when we consider that much of the business is still in the building phase. Consumer Banking – which will represent over 25% of the bank's net income in the next 5 years and attains breakeven volume at the end of this

year – is not yet contributing positively to our income statement due to cumulative investments in excess of N20 billion in the last 24 months (in distribution infrastructure, technology, human capital and working capital). Progress has been in line with expectation and we are now within shouting distance of profitability. Transaction Banking (specifically trade services and cash management for corporate customers, SMEs and Government) – a staple business for us – is in the process of transformation with over N500 million in technology investments to be made in 2008, and we expect to unlock over 50% per annum compound annual growth in revenues over the next 5 years and higher profit margins.

This is why we have chosen the theme of building the future, as we know that the best is indeed ahead of us as we are sowing the seeds of an even more robust business. Yet we have not lost sight of the present. The scale and the attractiveness of opportunities, in retail banking, corporate Nigeria, and public-private sector partnership amongst others, are unprecedented in the history of the Nigerian economy. With our business focus, human capital and financial capital, we are uniquely poised to take advantage of these and doing so to attain even higher levels of performance.

Accordingly, in November 2007, we raised over N94 billion in a public offering (inclusive of a GDR offering of the Naira equivalent of US\$100 million) that was 80% oversubscribed with international investor interest exceeding 20% of the subscriptions. The offer was concluded in a record time of 3 months. Your bank collaborated with the relevant regulatory agencies to refine the process of capital verification to ensure prompt settlement and also chose not to absorb any additional capital outside of the original capital deployment plan, so as not to dilute anticipated returns. Our diverse shareholder base is now in excess of 170,000 investors; a growth of more than 100% since the Initial Public Offer in 2005.

Our Tier 1 capital has now crossed the N120 billion or US\$1 billion mark, standing at N133 billion at financial year end and giving us a comfortable capital adequacy ratio of 55%. Furthermore, while the new capital enlarged the balance sheet significantly, we also

raised N12 billion of Naira denominated debt through HSBC and a US\$30 million IFC facility; a further demonstration of the bank's ability to diversify its funding base.

In keeping with our tradition of excellence and our commitment to transparency amidst the global credit crisis, your bank invited Standard and Poors (S&P), one of the foremost international rating agencies, to assess our international credit rating. S&P awarded a B+/B long term, short term counter party rating, which is just one notch below Nigeria's long term sovereign rating of BB-. The rating was hinged on certain strengths; namely a focused strategy, good profitability, robust capital levels, a strong Investment Banking franchise and the capabilities and experience of our management team.

We are the fourth Nigerian bank to obtain an international credit rating from S&P. We look forward to a strengthening of our credit rating, given the institutional reforms and improving creditworthiness of the country as a whole, as well as the strides we are making in strengthening our balance sheet and risk management processes, and the successful launch of our consumer banking business. We are continuously striving to improve the way in which risks are identified, measured, managed and disclosed. We have since completed the design of a new Enterprise Risk Management Framework and are in advanced stages of implementation. Your bank is confident that this revised framework will enable us to proactively manage operational risk. This progress will, all things being equal, further enhance our future ratings.

Financial Performance

Total Assets and Asset Quality Our commitment to shareholders is to grow the business and create shareholder value without compromising our asset quality or risk profile. We have built customised technology-driven models to predict risks specific to all categories of customers including corporates, SMEs and individuals. Our total assets grew by 78% from N262.8 billion

to N467.4 billion in the last financial year. Similarly, nonperforming loan ratios remained amongst the best in the industry at 2.74%.

Deposit Growth Deposits grew steadily by 34% from N187.7 billion to N251.2 billion in the just concluded financial year while money supply (M2) in 2007 grew by 30%. Hence the bank is clearly advancing its share of the market. The injection of N94 billion of capital, and the sourcing of well priced medium term debt, reduced the need for significant wholesale deposits, which are traditionally more expensive. Equally important, however, is the fact that our cost of funds continues to come down as a result of our focus on transaction banking and the growing branch network. Consequently and despite the rising interest rate regime, our average cost of funds increased marginally from 3.6% in 2006/7 financial year to 3.9%. We also widened our reach by opening 20 additional branches, bringing our branch network to over 140 and deploying 76 new ATMs.

Earnings and Drivers Total Earnings rose by 112% from N24.97 billion to N52.82 billion in this reporting year. Profit before Tax rose by 171% from N7.6 billion to N20.5 billion. This was driven partially by balance sheet growth, the injection of significant capital, which for now has been placed in high yielding money market instruments, a very strong year for trading activities in all financial markets and equity underwriting. Our transaction banking income evidenced by fees and commissions also continued to grow strongly. Basic Earnings per Share (EPS) increased by 115% from 63 kobo in 2007 to 135 kobo in 2008, again ahead of 2008 forecasts of 101 kobo. The quality of our earnings is also very satisfactory. A record of 52% came from non-interest sources, evidencing diversification and less reliance on volatile interest rates and generally tightening (albeit very healthy) interest margins.

In spite of very significant cost growth of 90%, driven by branch expansion, significant infrastructure investments to support our retail activities, and increased personnel costs, your bank was still

able to post a very commendable cost to income ratio of 49%, making us one of the most efficient banks in Nigeria. This was due to a very successful year in Corporate Banking, Investment Banking and Treasury activities, which are less infrastructure dependent. For example, corporate banking revenues grew by over 100%, largely driven by transaction banking (trade transactions and liquidity management). We also maintained our leadership position in the investment banking arena, handling over N450 billion (US\$3.86 billion) of equity issues in the financial year. Our primary market activities were complemented by the distribution prowess of our affiliate, CSL Stockbrokers, which was able to handle over 10% of trades on the Nigerian stock exchange. As margins in equity issuance came under pressure, the bank was able to execute a number of significant structured debt and equity linked financing transactions for leading customers, in the real estate, infrastructure and oil and gas sectors. Notable examples include the Eko Atlantic reclamation and new town project (the single largest private sector real estate and infrastructure project ever undertaken in Nigeria), the leveraged buy-out and expansion financing for Palm's Shopping Complex (Nigeria's largest mall), and equity linked debt financing for Afren Plc, a leading African oil exploration and production company listed on the London Stock Exchange.

In recognition of our efforts in the equity markets and equity linked financing markets, the bank was recognised for the second year with a Euromoney award for Excellence, this year as the Best Equity House in Nigeria.

Whilst Transaction Banking and Investment Banking remain our most significant sources of income, the investments in Consumer Banking are poised to have an even more dramatic impact on earnings over the next five years. We have successfully established a formidable distribution network, with 140 branches and over 1,000 sales agents, and a comprehensive product set, with wealth management and bancassurance being launched in 2008. We are amongst the largest mortgage originators in the market today with over N1 billion of new mortgages originated every month.

In addition to the impact of consumer banking, a number of operational initiatives such as the launch of our central processing system (whereby many of our processes have been removed from the branches and centralised) will have a positive impact on cost to income ratios and net income in future. All this points to our ability to sustain robust and rapidly growing earnings and we also expect to maintain industry leadership in the area of efficiency.

Future Outlook

Our focus will remain in transaction banking, investment banking and consumer banking. With consumer banking breakeven expected by the end of this financial year, we will see a new growth trajectory emerging in the bank. A further differentiating point of our consumer banking business will be our wealth management offering to be launched in October 2008, which will leverage our relationship with CSL Stockbrokers, and other providers of insurance and investment solutions. Annuity revenue streams from Government SMEs and Corporates will continue to come from transaction banking, whilst the investment banking business will remain our primary means of being a strategic partner to our corporate customers. The current financial year should see a less volatile stock market and more modest valuations in the equity markets. Consequently we should expect that our attention will shift more towards the debt markets and equity linked debt.

The Nigerian economy continues to grow and evolve. The risks and challenges may be significant, but the opportunities are unrivalled anywhere in the world. With the continued support of our customers and stakeholders, the commitment of our employees and the grace of the Almighty, we are absolutely confident that we are building a future business of unprecedented scale and quality.



Ladi Balogun
Managing Director/Chief Executive Officer

Review of consumer banking

The building blocks for creating the most valuable consumer banking franchise in Nigeria are being established.

 www.firstcitygroup.com

My Bank and i...

"I got a car loan recently. I was amazed at the speed and the responsiveness of the team. I had been to other banks where they made me feel like a statistic, shoving papers in my face and reading out the rules. But FCMB made me feel like an individual, their services seemed customised and that is because they listen and care."

Igbokwe A.
IT Professional
Lagos

Our goal is to be the consumer bank of choice for our target customers.

By 2008 we would like to build the platform which will ultimately help us create the most valuable consumer banking business in Nigeria. We would continue to launch best in class products and services through a seamless, customer friendly delivery platform. By 2012 we will establish FCMB as the market leader in profitable revenue for consumer banking in Nigeria.

2008 Highlights and Accomplishments

- We have announced our arrival as a serious player in the consumer banking arena with three best in class product launches in the past year. Our MySalary Plus loans, Unlock the cash under MyHome (a home equity loan product) and the All-In-One savings account have captured the imagination of consumers. The results are extremely encouraging and have allowed us to penetrate into the most profitable consumer segments.
- Our pilot of augmenting distribution through sales agents has proved successful. We have successfully piloted a centralised operations and credit management unit with a retail loan origination system, for driving a large volume of consumer transactions in a cost effective and controlled environment.

The building blocks for creating the most valuable consumer bank in Nigeria are being established.

Future Opportunities

The current financial year will see us launch our Wealth Management proposition and our credit card business. We will also see our Private Banking service establish itself. All these opportunities have huge potential for future growth.

Review of **corporate banking**

Our Corporate Banking business combines a knowledgeable and skilled workforce and a best-in-class risk management framework.

 www.firstcitygroup.com



My Bank and i...

"As a leading real estate developer and owner/operator of 'The Palms', Nigeria's premier world class shopping mall, we look for a financial partner with a strong balance sheet, innovative ideas and superior transaction banking capabilities. We find all of this in FCMB and also a partner that shares our vision and is committed to our growth and success."

Prakash Pantham
Director, Persianas Group

Our goal is to be the bank of choice in key sectors of the economy, providing solutions to leading private and quoted companies.

We will achieve this by offering end-to-end solutions, leveraging our investment banking capabilities and our cutting-edge transaction banking offering. We will complement these distinctive capabilities with our skilled and knowledgeable relationship managers, who provide the necessary focus on our clients. By following this course, our share of corporate banking business in Nigeria will continue to grow rapidly.

2008 Highlights and Accomplishments

- Executed landmark transactions, including equity-linked debt financing deals totalling N30 billion.
- Earned recognition amongst local banks as an early mover in the structuring and financing of upstream energy investments.
- Established a firm foundation for our Real Estate and Infrastructure businesses – both already with rich deal pipelines, and poised to become significant growth-engines for the group.

Future Opportunities

As our customers grow with the support of debt hybrid capital and equity finance arranged by us, we see increased needs for transaction banking solutions. We have invested in technology products and human capital to provide effective transaction banking solutions to enhance our customers' operations, so complementing the capital needs of our growing economy.



Review of **commercial banking**

The Commercial Banking Division focuses on liability generation and transaction banking from two main areas: Public Sector and SME Banking.

 www.firstcitygroup.com

My Bank and i...

"I have enjoyed first-class personalised services from FCMB. The staff are friendly and ever-willing to assist. I have not had any reason to complain about the services I get from FCMB. The account officers are always ready to provide advice and that has impacted positively on my business and personal life."

Kunle Ogunmefun
Managing Director
Bluebird Communications

Our goal is to be among the top five banks in Transaction Banking within the Commercial Banking Business by 2012.

To increase the breadth and balance of our business, we will focus on growth in a number of relationships that meet benchmark income (N300,000/p.a.) and use a combination of transaction banking products (collection services, disbursement, business cards, cashcards, cards, POS) and deposit products to drive liability growth and retention. We are also focused on understanding the needs of this business segment, providing access to advisory services and leveraging the value chain of the corporate banking and public sector relationships for maximum benefit. We will continue to emphasise our differentiation as a group of professionals committed to the success of our customers.

2008 Highlights and Accomplishments

- Redefined the Commercial Banking Business along product lines, so that dedicated product teams drive business both on the asset and liability side of the balance sheet.
- Achieved a single-figure average cost of funds (less than 10%) by achieving 70% average of low-cost funding.

Future Opportunities

Commercial Banking continues to represent a good growth opportunity, primarily for deposits and fee income, and as a feeder for our Corporate Banking Division.

Review of treasury and financial markets

Our Treasury business enjoyed significant trading profits and a growing market share in Treasury Bills trading.

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My Bank and i...

"This is to confirm that in my capacity as the CEO of Hogg Robinson Nigeria Limited I have had an active banking relationship with FCMB for over 10 years and have introduced FCMB to other companies where I am a Director. In both my personal and corporate banking I have found the services of FCMB very satisfactory. I have no hesitation in recommending FCMB to anyone who may need its services."

Amos Adeyeye
Deputy Chairman and CEO
Hogg Robinson Nigeria Ltd

Our goal is to be the most professional treasury in Nigeria providing value-adding solutions to meet our diverse customer needs.

We also aim to be a profitable provider of liquidity and information to the bank, our customers and counterparties. To achieve our goal, we will focus on profitable trading and financial assets that will not compromise the liquidity of the bank's balance sheet.

2008 Highlights and Accomplishments

- Commenced active two way trading in Treasury Bills.
- Remained an active member of the 2way quote dealing system for Federal Government of Nigeria (FGN) Bonds Income and foreign exchange.
- Retained top 5 position in Forex and was one of the few domestic banks to engage in derivatives.
- Established our custody business.
- Established and deepened relationships with key Pension Fund Administrators (PFAs).
- Obtained investment banking mandates from various financial institutions.

The financial year 2007/2008 was very productive for the Group. We witnessed significant volatility in various currencies. In particular, the US Dollar was under tremendous pressure and devalued against other currencies (especially the G8 currencies) in the wake of the global liquidity crisis that hit financial markets.

The Naira appreciated against all major currencies as the value of the currency increased from N128/\$ to N118/\$, leading to huge trading profits. This appreciation was supported by the Central Bank of Nigeria's (CBN) ability to defend the currency as a result of the growing foreign reserves which, as reported by Apex Bank, can currently support over three years of import.

We also witnessed an upward trend in the yields of government securities due to the threat of inflation. The Monetary Policy Rate (MPR) was increased in the Monetary Policy Committee's first meeting in 2008 from 9.0% to 9.5%, signalling the direction of interest rates. CBN also removed the freeze on lending rates in response to the increased cost of funding experienced by banks. These all heralded opportunities which we converted appropriately.

In January 2007, the CBN introduced active trading in Treasury Bills to deepen the market. However, active trading commenced during the second half of the calendar year. FCMB was appointed as one of the Money Market Dealers (MMDs) for Treasury Bills, and we have constantly increased our market share and successfully underwritten a significant share of the auctions at the various Primary sales and Open Market Operations.

Review of **investment banking**

Nurturing long-term relationships and offering comprehensive financial services will help our investment banking group maintain – and improve – its leadership position.



www.firstcitygroup.com



MR FRANCIS WOOD
MD, FCMB CAPITAL
MARKETS LIMITED

My Bank and i...

“Partnering with FCMB has afforded us access to alternative sources of capital at a time of rapid growth. It’s refreshing to see an investment banking group from Africa that is able to innovate and compete with international players in meeting our needs.”

Constantine Ogunbiyi
Executive Director
Afren Plc (UK)

Our goal is to become the leading investment banking group of African origin by building long-term relationships, nurturing and providing comprehensive financial/investment services to clients.

2008 Highlights and Accomplishments

- Maintained a dominant market share of domestic equity issues (25%–30%).
- Growing revenue on the past year by c.270% and PBT by 380%.
- Executed over US\$900 million of portfolio trade flows with international investors.
- As Sole Arranger, we structured an innovative US\$50 million equity-linked transaction (debt + warrants) for a UK AIM-listed oil and gas company, offered in Nigeria.

We are focused on financial advisory services, equity, debt and equity-linked financing and asset management. Our 30-year experience, skill base, the balance sheet of FCMB and distribution capacity through FCMB, CSL Stockbrokers and Auerbach Grayson (a niche emerging markets broker) in the United States differentiate us from the competition. This differentiation is propelling our growth.

We are building a strong infrastructure finance business to tap a significant opportunity as Nigeria seeks to bridge its huge infrastructural gap. The investment banking group is advising on, arranging and/or structuring financing for a number of projects (estimated book of US\$8 billion) in ports, energy plants, transport and real estate.

Future Opportunities

The investment banking group is well positioned to maintain its leadership status as the capital market and securities industry experiences further transformation and growth. We also received regulatory approval to acquire a significant stake in a leading pension fund administrator that enhances FCMB’s asset management business, and also launched the ‘Legacy Greater Africa Alpha Fund – a Pan-African Hedge Fund’ in partnership with an international fund manager to invest in Africa, the Middle East and the Gulf. This is a total return fund, with minimal volatility.

We foresee a significant opportunity in the debt market and structured equity-linked financing, and we are making the necessary investments to ensure we capture a dominant share of these opportunities.

Overview

Proactive and effective risk management is core and fundamental to the growth and business strategy of First City Monument Bank (FCMB). At FCMB we believe in taking calculated and well analysed risks within the bank's risk appetite to ensure capital preservation. Our commitment to shareholders is to grow the business and create shareholder value without compromising our risk taking ability and capital.

Over the last few years FCMB has put in place and institutionalised world class risk management structures and practices that enable us to proactively identify and manage all risks. We are, however, continuously striving to improve the way and manner risks are identified, measured, managed and disclosed. We have since completed the design of a new enterprise risk management framework and are in advanced stages of implementation.

Significant Risks

The key risks faced by the bank in the course of its normal banking business include credit, market, liquidity and operational risks.

Credit risk – risk that the bank will not be able to recover funds and suffer loss because another party is unable or unwilling to meet contractual obligations to the bank when due.

Market risk – risk of loss in on- and off-balance sheet positions arising from movements in market prices.

Liquidity risk – potential loss to the bank arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

Operational risk – risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The bank's definition of operational risk includes both legal and compliance risks.

The bank is also exposed to reputational and strategic risks in its normal course of business.

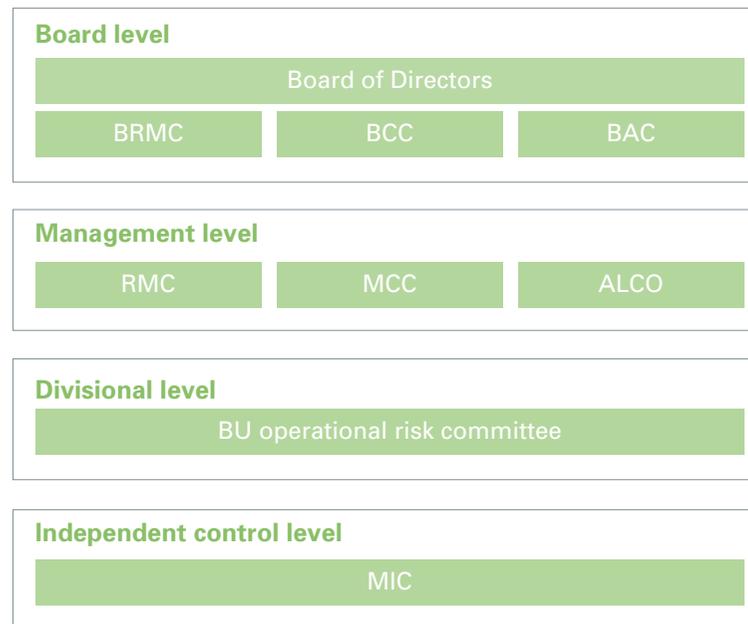
The Enterprise Risk Management (ERM) division is appropriately structured to manage these risks. The ERM division is independent of risk-taking functions and is primarily responsible for the following:

- **risk strategy** – development of the risk management strategy in alignment with overall growth and business strategy
- **risk advisory** – identification, assessment, measurement and disclosure of all significant risk exposures (credit, market, liquidity, operational etc) and providing recommendations and guidance for effective, calculated risk taking
- **risk control** – proactive management of all risks to minimise losses and capital erosion
- **risk compliance** – ensuring compliance with risk strategy, risk appetite and regulatory requirements at enterprise and business unit levels.

The division is structured into Credit Analysis functions (Corporate Credit Support, Commercial Credit Support and Retail Credit Support), Credit Risk Management, Collection & Work-Out, Business & Operational Risk and Treasury Risk Management.

Risk Management Oversight

Risk management oversight is provided at four core levels in the bank:



At the Board Level

The Board of Directors sets the appetite for risk and ensures that senior management and individuals responsible for managing enterprise risks possess sound expertise and knowledge to accomplish the risk management function.

The Board Risk Management Committee (BRMC) provides direct oversight for enterprise risk management and acts on behalf of the Board on all risk management matters. The BRMC ensures that all decisions of the Board on risk management are fully implemented and risk exposures are in line with agreed risk appetite. The committee periodically reviews the enterprise risk management framework to ensure appropriateness and continued usefulness in line with the size and complexity of the bank. The BRMC meets every quarter.

The Board Credit Committee's (BCC) function is more transactional. It approves amendments to the bank's credit policy, changes in target market or risk acceptance criteria, large exposures within pre-defined limits, exceptional approvals where necessary, specific provisions, credit write-offs and remedial/corrective measures.

The Board Audit Committee (BAC) is responsible for assessing the adequacy and scope of internal controls, audit of the financial statements and overall compliance.

At the Senior Management Level

The Risk Management Committee (RMC) reports to the Board Risk Management Committee and has direct responsibility for implementing the enterprise risk management framework, methodologies, policies and procedures approved by the BRMC. The RMC meets on a periodic basis (bi-monthly) to review all risk exposures (including Key Risk Indicators, credit portfolio reports,

market risk exposures etc) and recommend risk mitigating strategies/actions. The RMC is also responsible for portfolio planning and providing oversight for all enterprise risk management initiatives.

The Management Credit Committee (MCC) appraises and approves loans and other credit related transactions as stated in the bank's credit policy. The committee endorses the credit policy and ensures full compliance with the Board approved credit policy.

The Asset/Liability Management Committee (ALCO) is responsible for managing the composition and pricing of the bank's assets and liabilities, making policy decisions, and providing direction/oversight for market and liquidity risk management practices.

At the Divisional Level

Each Business Unit has a dedicated Operational Risk Committee responsible for reviewing critical/significant risks and recommending appropriate remedial measures. The committee reviews the outcome of Risk & Control Self Assessment (RCSA) processes, reviews risk exposures as measured by Key Risk Indicators/Key Control Indicators, agrees action plans and assigns responsibilities.

At the Independent Control Level

Management Internal Control (MIC) is directly responsible for enforcing and confirming compliance with bank-wide policies and procedures. The function is responsible, amongst others, for monitoring compliance with the enterprise risk management framework and validating the adequacy and efficacy of risk assessment systems (including rating and measurement models).

Risk Management Strategy

Credit Risk Management

Our credit risk management framework is built on the following fundamental principles:

- use of internal rating systems including obligor and transaction rating systems. Each rating grade within our obligor rating system has been mapped to probabilities of default (PD)
- use of dedicated credit analysts to assess obligor and transaction risks for non-consumer and non-SME customers
- centralised credit approval process (subject to limit) for non-consumer exposures including dedicated credit committees at the management and Board levels
- strict adherence to product programme lending for consumer and SME exposures
- fully centralised approval process for all consumer exposures supported by technology-driven credit scorecards, product eligibility, fraud and credit history checks
- effective loan monitoring with dedicated product monitoring teams and early warning systems for non-consumer exposures
- dedicated collections teams for all exposure categories, including use of reminder alerts, tele-collectors, field-collectors and external recovery agents for delinquent consumer exposures
- timely provisions for classified/delinquent accounts.

Your bank has put in place policies and structures to ensure disciplined asset accumulation. An annual portfolio plan approved by the Risk Management Committee guides all risk asset creation activities/transactions.

Over the last 12 months, your bank was not in breach of its single obligor limits.

In addition, no single sector/industry accounted for more than 30% of the bank's portfolio in line with the set risk appetite. Our credit portfolio is significantly diversified across obligors, industries, products and geography. In our view, no single exposure or group of exposures is significant enough to produce losses large enough to threaten the bank's health.

All related party transactions are underwritten at arm's length and guided by comprehensive credit analysis and sound business case.

Operational Risk Management

In line with global standards, your bank has since commenced implementation of its operational risk framework. A dedicated department has been set up to coordinate bank-wide implementation of the operational risk framework. Risk and control self assessment processes, which entails the identification of risks and assessment of adequacy/effectiveness of controls, are conducted on a half-yearly basis and integrated into the annual internal audit processes.

Significant operational risk events and control issues are discussed extensively at Divisional Risk Management Committee (BU OpRisk Committee) meetings where action plans are agreed and enforced. All significant risks and control issues identified across the various divisions are then escalated to the Risk Management Committee (RMC) and the Board Risk Management Committee (BRMC) in line with the bank's risk escalation framework.

Twenty-one Key Risk Indicators (KRI) are measured and tracked on a monthly basis and escalated to the Risk Management Committee on a bi-monthly basis and Board Risk Management Committee on a quarterly basis. KRI discussions at committee meetings focus on risk reduction/mitigation strategies. Responsibilities for managing KRIs are clearly defined, while KRI management processes have been fully integrated into the bank's performance management processes.

This simple but comprehensive process ensures all significant operational risk events are proactively identified, assessed and controlled, thus reducing the likelihood of occurrence.

In our view, there were no significant operational risk losses in the last year that adversely impacted on the bank's profitability or threatened the bank's capital. Provisions for related losses were adequate.

Finally, the bank intends to allocate capital for operational risk over the next few months in line with the Basel II standardised framework and has long term plans to comply with the advanced measurement approach for operational risk.

Market Risk Management

Our Risk Management division has put in place policies and processes for managing interest rate and foreign exchange rate risks in both the banking and trading books. Currently, your bank uses exposure/concentration limits, mismatch limits for interest earning assets and liabilities, stop loss limits, and dealer trading limits for the management of market risks.

As we continue to take on more market risk exposures as a result of the dynamic nature of our business, your bank is aggressively moving towards adopting advanced measurement practices. We are currently building 'at risk measurement capabilities' (Earnings at Risk and Value at Risk) which will provide senior management with a single indicator measure (aggregates the risk of the entire portfolio) of market risk across all trading instruments/portfolios. We have adopted the historical simulation VaR approach which uses historical price data as a basis for estimating the maximum loss the bank can experience given a particular confidence interval and horizon.

Risk Management Initiatives

Internal Rating Framework

In line with global standards, your bank has developed a new internal rating framework for assessing/predicting the probability of a borrower going into default within a 1-year period. We believe that this new rating framework will enable us to predict and minimise default, thus creating a quality pool of risk assets.

We have built customised models to predict risks specific to all categories of customers including corporate, emerging corporate and SMEs. Our rating framework is technology driven to ensure ease of deployment as well as eliminating model risks.

There is also an ongoing effort to revise the bank's facility/transaction rating models and map facility/transaction assessments to Loss Given Default (LGD) ratings based on the bank's historical loss experience.

Lending Automation

Your bank is currently automating all lending processes across all exposure categories to improve processing cycle time and reduce operational risks associated with manual processes. We are currently deploying a new and robust lending origination technology across the branch network for the origination and processing of all loans.

We have also put in place a robust and enabling delinquency management infrastructure to ensure defaults (when they occur) are effectively tracked and managed. We have dedicated Collections, Remedial Management and Recovery teams that leverage this infrastructure to manage and reduce overall delinquencies.

Whistle-Blower Framework

FCMB has outsourced its Whistle-Blower framework/programme. Our Whistle-Blower programme requires employees and key stakeholders (customers, service providers and vendors) to anonymously report all unethical activities and misconduct in line with reportable incidents defined in the bank's Whistle-Blower policy. Your bank has engaged a reputable global institution to provide a third-party managed reporting service through which employees and other stakeholders can report incidents with guaranteed anonymity.

We believe that this revised framework will enable us to proactively prevent and detect unethical, fraud and theft cases, thus reducing the bank's overall exposure to people-related operational risks.

Report to the Members of First City Monument Bank Plc on the Outcome of the Board Evaluation

Dear Sirs,

Responsibility for adherence to principles of good corporate governance practice rests with the board of directors of any organisation, and the performance of the Board in discharging this responsibility is required to be reviewed and reported upon to the shareholders.

In order to comply with this requirement, PricewaterhouseCoopers was commissioned to carry out an evaluation of the Board of Directors of First City Monument Bank Plc. This evaluation involved a review of the Board's structure and composition, responsibilities, processes and relationships, as well as individual member's competencies and respective roles in the Board's performance.

The review was based on global best practices and in accordance with the requirements of The Central Bank of Nigeria's Code of Corporate Governance for Banks in Nigeria Post Consolidation.

Findings

The outline of this review showed that the Board performed relatively well in some areas. However, there were certain areas which require improvement. Details of these and other findings are contained in our report which has been submitted to the board.

Conclusions

The principles embodied in the CBN's Code of Corporate Governance for Banks in Nigeria Post Consolidation, represent the benchmark for governance practices in the Nigerian banking sector. The bank has substantially complied with the code and effort should be made to strengthen and improve its governance practices in line with our findings and recommendations.

Yours truly
for: **PricewaterhouseCoopers Limited**



Adekunle Salau
Director

Commitment to Corporate Governance

First City Monument Bank (FCMB) Plc remains committed to institutionalising corporate governance principles as part of the Group corporate structure. It continues to ensure adherence to the implementation of corporate governance rules of the Central Bank of Nigeria, the Nigerian Stock Exchange and the Securities & Exchange Commission.

As in the past, the Board continues to operate in line with its responsibilities as contained in Regulatory Codes of Corporate Governance, the bank's Articles of Association and the Companies and Allied Matters Act. Its oversight of the operations and activities of the bank are carried out transparently without undue influence.

Essentially, fair value corporate governance depends on the quality and integrity of our directors. Consequently, the bank has undertaken to create the institutional framework conducive to defending the integrity of our directors, and is convinced that on account of this, the Board of FCMB is functioning in a highly effective manner. It is intended that we continue to challenge ourselves to improve the standard in areas where need for improvement has been identified.

Board Composition and Independence

As at April 30 2008, the Board comprised twelve (12) directors: eight (8) non-executive and four (4) executive.

The bank's Board is composed of a non-executive chairman, with executive and non-executive directors, all bringing high levels of competencies and experience, with enviable records of achievement in their respective fields. The Board meets regularly to set broad policies for the bank's business and operations, and it

ensures that an objective and professional relationship is maintained with the bank's auditors in order to promote transparency in financial and non-financial reporting. Directors' emoluments, as well as their shareholding information are disclosed in the bank's annual report and accounts.

The Guiding Principles of the FCMB Plc Code of Corporate Governance remain as follows:

- All power belongs to the shareholders.
- Delegation of authority by the owners to the Board and subsequently to Board Committees and executives are clearly defined and agreed.
- Institutionalised individual accountability and responsibility through empowerment and relevant authority.
- Clear terms of reference and accountability for committees at Board and executive levels.
- Effective communication and information sharing outside of meetings.
- Actions are taken on a fully informed basis, in good faith with due diligence and care and in the best interest of the bank and shareholders.
- Enhancing compliance with applicable laws and regulations and the interest of the stakeholders. Where there is any conflict between FCMB rules, the local laws and legislation supersedes.
- Conformity with overall FCMB strategy and direction.
- Transparency and full disclosure of accurate, adequate and timely information regarding the personal interest of directors in any area of potential conflict regarding the bank's business.

Role of the Board

- Reviewing alignment of goals, major plans of action, annual budgets and business plans with overall strategy; setting performance objectives; monitoring implementation and corporate performance and overseeing major capital expenditure in line with approved budget.
- Ensuring the integrity of the bank's accounting and financial reporting systems (including the independent audit) and that appropriate systems are in place for monitoring risk, financial control and compliance with the law.
- Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.
- Interfacing with the management of the bank to ensure harmony in implementing Group strategy.
- Performing all statutory roles as required by law.
- Through the establishment of Board Committees, making recommendations and taking decisions on behalf of the Board on issues of expenditure that may arise outside the normal meeting schedule of the full Board.
- Ratifying duly approved recommendations and decisions of the Board Committees.

Board Committees

During the financial year 2008, the Board delegated some of its responsibilities to the following committees:

Board Credit Committee

Its function includes, but is not limited to the following:

- review and approve credit policy manual
- consider and approve detailed analysis for credit including contingents of amounts in excess of the limit of credit committee
- review and set credit policy direction where necessary
- consider and approve write offs presented by management
- be actively involved in credit risk control processes:
- approve all material aspects of rating and estimation processes
- establish a strong internal credit culture
- be involved in capital planning
- use reports on the bank's credit risk profile and capital needs to:
 - (a) evaluate the level and trend of material credit risks and their effects on capital level
 - (b) evaluate the sensitivity and reasonableness of key assumptions used in capital planning.

Committee Composition: Mr Godwin TS Adokpaye (Chairman), Dr John Udofa, Mr Ladi Jadesimi and Mr Bismarck Rewane.

Board Risk Management Committee

Its responsibilities include the following:

- set bank-wide enterprise risk management vision, goals and objectives in compliance with world class standards
- approve bank's risk management framework for the various risk areas (credit, operational, strategic, reputation, compliance, market and liquidity risk management)
- approve and periodically review the bank's risk appetite and portfolio strategy
- ensure that appropriate risk management policies, processes and methodologies are in place for managing the various risks to which the bank may be exposed
- establish a management structure that is capable of implementing the bank's risk management framework and ensure that qualified and competent person(s) at senior levels are employed to manage the various risk areas in the bank
- endorse approval of new products/markets subject to the ratification of the full Board
- ensure that the bank holds sufficient capital against the various risks and is in compliance with established capital adequacy goals and regulations
- periodically review the results of stress testing and use the outcome to conduct internal assessment of capital adequacy
- monitor the bank's risk profile against set targets (risk appetite)
- initiate a benchmarking study and internal review to ascertain the adequacy of the bank's approach to managing risks across all risk areas

- present reports on compliance with the enterprise risk management framework to the Board of Directors
- review and monitor the operational risk management framework
- review material contingent liabilities on litigation.

Committee Composition: Mr Bismarck Rewane (Chairman), Mr Godwin TS Adokpaye, Dr John Udofa, Mr Ladi Jadesimi, Mr Anurag Saxena and Mr Peter Nigel Kenny.

Finance & General Purpose Committee

Its functions include:

- review global budgets
- review strategy to ensure that desired cost-income ratio is maintained
- consider major capital projects being proposed by management
- consider/review extra-ordinary business initiatives of management on behalf of the Board
- consider disciplinary matters involving top management staff and appointment of Directors
- approve special welfare schemes and proposals
- review and ratify promotions of top management staff
- review and approve extra-budgetary spending of the bank above specified limits.

Committee Composition: Mr Godwin TS Adokpaye (Chairman), Mr Bismarck Rewane, Mr Ladi Jadesimi, Dr John Udofa, Mr Peter Nigel Kenny and Mr Tope Lawani.

Audit Committee

This is established in accordance with Section 359 (3) and (4) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004. It comprises dedicated individuals with proven integrity that have a thorough understanding of the bank's business affairs including the associated risks and controls put in place to mitigate those risks. The committee has overall responsibility for the bank's internal audit processes.

Overall Purpose/Objectives

The Audit Committee will assist the board in fulfilling its oversight responsibilities. The Audit Committee will review:

- the financial reporting process, the system of internal control and management of financial risks
- the audit process, both internal and external, and
- the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the internal and external auditors. Each committee member will obtain an understanding of the detailed responsibilities of committee membership as well as the bank's business, operations and risks.

Authority

The Companies and Allied Matters Act authorises the Audit Committee to:

- examine the auditors' report and make such recommendations thereon to the Annual General Meeting as it considers appropriate
- ascertain whether the accounting and reporting policies of the bank are in accordance with legal requirements and agreed ethical principles
- review the scope and planning of the bank's audit requirements
- review the findings on management matters in conjunction with external auditors and the department responses thereon
- keep under review the effectiveness of the bank's system of accounting and internal control
- make recommendations to the Board with regard to the appointment, removal and remuneration of the external auditors to the bank; and
- authorise the internal auditor to carry out investigations into any activities of the bank, which may be of interest or concern to the committee.

Membership

- The Audit Committee shall consist of an equal number of directors and representatives of the shareholders of the bank (subject to a maximum number of six members) and shall examine the auditor’s report and make recommendations thereon to the Annual General Meeting as it may deem fit. Such members of the Audit Committee shall not be entitled to remuneration and shall be subject to re-election annually.
- The members will nominate any member of the committee as the chairman of the Audit Committee from to time.
- 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 of the bank at least 21 days before the Annual General Meeting.
- A quorum for any meeting will be a simple majority of three (3) members with minimum of two (2) representatives of the shareholders.
- The secretary of the Audit Committee will be the company secretary, or such other person as nominated by the chairman of the committee.

Committee Composition: Alhaji SB Daranijo (Chairman), Mr Godwin TS Adokpaye, Dr John Udofa, Alhaji BA Batula, Evangelist PA Soares and Mr Bismarck Rewane.

Executive Management Committee (EMC)

The EMC, usually chaired by the MD, comprises all executive directors and the direct reports of the MD. The committee meets fortnightly to deliberate and take policy decisions for the effective and efficient management of the bank. Quite apart from the above function, the committee serves as a filter for issues to be discussed by the Board. Some of the EMC’s primary roles are to ensure the implementation of strategies approved by the Board, provide leadership to the management team and ensure efficient deployment and management of the bank’s resources. The chairman of the committee is responsible for the daily and effective running and performance of the bank.

Frequency of Meetings

Meetings of the Board and its committees are usually held quarterly but may also be convened at any time whenever the need arises. The Audit Committee meets prior to commencement of the audits and subsequently to review, consider and assess the audited accounts.

The Board and its committees met as follows:

Board Committee Meetings	Number of Meetings
Board of Directors	5
Board Credit	10
Board Risk Management	3
Board Audit	4
Board Finance & General Purpose	4

During the year under review, management was supported by the following Management Committees.

- i. Executive Management Committee, chaired by the managing director
- ii. Assets and Liabilities Committee, chaired by the managing director
- iii. Credit Committee, chaired by the head of risk management
- iv. Investments Committee, chaired by the managing director
- v. Information Technology Steering Committee, chaired by an executive director
- vi. Disciplinary Committee, chaired by the head of risk management
- vii. Staff Welfare Committee, chaired by the head of enterprise management
- viii. Risk Management Committee.

Attendance at Board Meetings

The Board of Directors met five times during the year.

Director	Total Number Attended
Dr Jonathan AD Long	5
Mr Ladipupo Balogun	5
Mr Henry Semenitari	5
Mr Maurice Phido	4
Dr John Udofa	5
Mr Godwin TS Adokpaye	5
Mr Ladi Jadesimi	3
Mr Bismarck Rewane	5
Alhaji IM Damcida	4
Mr Peter Nigel Kenny	5
Mr Anurag Saxena	5
Mr Tope Lawani	5

Shareholder participation

The bank is conscious of, and continues taking necessary steps to promote shareholder rights. The bank has significantly benefited from contributions and advice from shareholder members of the Audit Committee.

All stakeholders are invited to report any concern about a threatened/suspected breach of any corporate governance requirement to the office of the bank's company secretary.

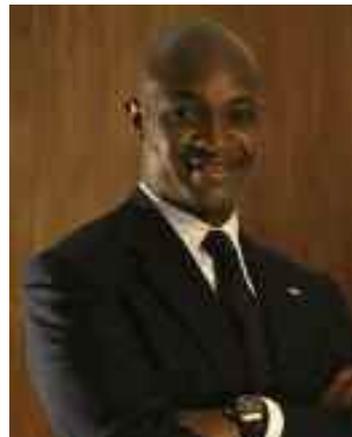
Building the future together

Board of directors

 www.firstcitygroup.com



1. DR JONATHAN LONG
CHAIRMAN



2. MR LADI BALOGUN
MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER



3. MR ANURAG SAXENA
EXECUTIVE DIRECTOR/
CHIEF OPERATING OFFICER



4. MR HENRY SEMENITARI
EXECUTIVE DIRECTOR,
COMMERCIAL BANKING



5.



6.



7.



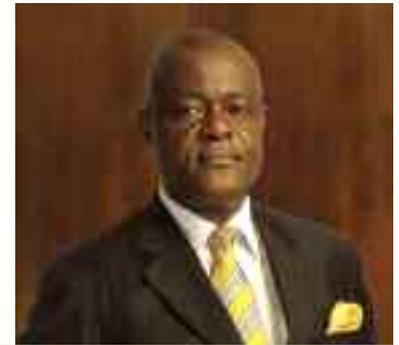
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9.



10.



11.

5. MR GODWIN ADOKPAYE
DIRECTOR

6. MR NIGEL KENNY
DIRECTOR

7. MR TOPE LAWANI
DIRECTOR

8. MR BISMARCK REWANE
DIRECTOR

9. MR LADI JADESIMI
DIRECTOR

10. ALHAJI IBRAHIM DAMCIDA
DIRECTOR

11. DR JOHN UDOFA
DIRECTOR

In compliance with the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004, the directors are pleased to present the financial reports of First City Monument Bank Plc for the year ended April 30, 2008.

Operating results

	2008 N'000	2007 N'000	2006 N'000
Profit before taxation	20,517,326	7,569,086	3,640,349
Taxation	(5,408,235)	(1,620,407)	(798,969)
Profit after taxation	15,109,091	5,948,679	2,841,380
Minority interest	(17,685)		
Transfer to statutory reserves	4,116,139	1,741,757	852,414
Transfer to retained earnings	10,975,267	4,206,922	389,615

Legal Form and Principal Activities of the Bank

The bank is licensed to operate universal banking services to corporate and individual customers and provides both commercial banking and other financial services to its numerous clients through its operating divisions.

The bank was incorporated in 1982 and commenced banking operations in 1983. It became a Public Liability Company, quoted on the Nigerian Stock Exchange on December 10, 2004.

Directors

The following are the directors of the bank who served during the year:

Dr Jonathan AD Long	Chairman
Ladipupo O Balogun	Managing Director/Chief Executive Officer
Henry Semenitari	Executive
Maurice Phido	Executive
Anurag Saxena	Executive
Dr John Udofa	Non Executive
Ladi Jadesimi	Non Executive
Godwin TS Adokpaye	Non Executive
Bismarck Rewane	Non Executive
Alhaji Ibrahim Damcida	Non Executive
Peter Nigel Kenny	Non Executive
Tope Lawani	Non Executive

The shareholding of the above directors in the bank as recorded in the register of directors' shareholding as at April 30, 2008 is as follows:

	30/04/2008	30/04/2007
Dr Jonathan AD Long	8,335,292	7,826,931
Ladipupo O Balogun	161,576,000	161,576,000
Henry Semenitari	264,000	264,000
Anurag Saxena	560,000	Nil
Dr John Udofa	938,533	938,533
Ladi Jadesimi	150,750,000	150,750,000
Godwin TS Adokpaye	29,145,000	29,145,000
Bismarck Rewane	930,000	930,000
Alhaji Ibrahim Damcida	138,066,689	134,849,189
Peter Nigel Kenny	Nil	Nil
Tope Lawani	Nil	Nil

Major shareholding

The company's authorised share capital is N10,000,000,000 divided into 20,000,000,000 ordinary shares of 50k each. Issued shares are 16,271,192,202 ordinary shares. According to the register of members no shareholder other than the under-mentioned held more than 5% of the issued share capital of the bank as at April 30, 2008:

	Number of shares	% Holding
1. Capita IRG Trustees Limited	1,231,556,400	7.57
2. Stanbic Nominees Nig. Ltd – Trading	860,561,929	5.29

Analysis of shareholding

The analysis of the distribution of the shares of the bank as at April 30, 2008 is as follows.

Range	Number of Shareholders	% of Shareholders	Number of Holdings	% of Shareholding
1–5,000	122,824	71.2254%	259,169,791	1.59281%
5,001–20,000	30,822	17.8736%	357,643,263	2.19802%
20,001–50,000	10,386	6.0228%	365,317,187	2.24518%
50,001–16,271,192,202	8,412	4.8781%	15,289,061,961	93.96399%
GRAND TOTAL	172,444	100.000%	16,271,192,202	100.000%

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 statement 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, 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. judgements and estimates made are reasonable and prudent
- vi. the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Donations

Donations made during the year amounted to N81 million, details of which are stated below. No donation was made to any political party.

Name of Institution	Amount N
OGSG Crime Fighting and Security Initiative	50,000,000.00
Nigeria Meets The World	8,000,000.00
Anglican Diocese of Enugu	5,000,000.00
International Sport Academy	5,000,000.00
Nigerian Association of Chambers of Commerce, Industry, Mines & Agriculture	2,834,400.00
Freedom Foundation Nigeria	2,400,000.00
Sponsorship of Second Falilat Ogunkoya 400 Mtrs	1,800,000.00
UMUOFUM Community Water Project	1,500,000.00
University of Calabar Medical Auditorium Project	1,500,000.00
UNICEF'S Unite For Children	1,000,000.00
Global Initiative For Prevention of AIDS	739,700.00
ICAN Lagos District	350,000.00
Inaugural Workshop For The Association of Corporate Affairs	250,000.00
2008 Impact Initiatives	210,000.00
IJESA-ISU Community Development	200,000.00
Support For Ladipo Lawani Programme	200,000.00
Nigeria Police Borno State Command	150,000.00
2008 NDLEA Officers Memorial Trust	100,000.00
Total	81,234,100.00

Equal Opportunities

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 grounds of their physical disability.

Health, Safety, and Welfare of Employees

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

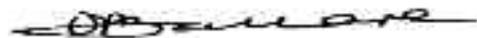
Employee Consultation and Training

The bank attaches great importance to consultation with employees, ensuring they are fully informed as much as possible regarding the bank's performance and progress, and their views are sought wherever practicable on matters which particularly affect them as employees. This informed the last Employee Road Show held in June all over the country.

Training is carried out from entry level through various levels with both in-house and external courses.

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office as auditors of the bank in accordance with Section 357(2) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004. In accordance with Section 361 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

financial statements

For the year ended April 30, 2008

Statement of directors' responsibilities in relation to the financial statements

The Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991, requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Bank at the end of the year and its profit and loss. This responsibilities include ensuring that the Bank:

- a. keeps proper accounting reports that disclose, with reasonable accuracy, the financial position of the Bank and comply with the requirements of the Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991;
- b. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with Nigerian Accounting Standards and the requirements of the Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of its profits or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.



Dr Jonathan A. D. Long
Chairman



Ladi Balogun
MD/CEO

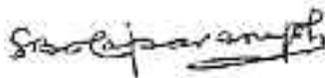
REPORT OF THE AUDIT COMMITTEE

For the year ended April 30, 2008 to the members of First City Monument Bank Plc

In compliance with Section 359(6) of the Companies & Allied Matters Act Cap.C20 Laws of the Federation of Nigeria 2004, we have reviewed the Audit Report for the year ended April 30, 2008 and hereby state as follows:

1. The scope and planning of the audit were adequate in our opinion;
2. The account and reporting policies of the Bank conformed with the statutory requirements and agreed ethical practices;
3. The internal control system was being constantly and effectively monitored; and
4. The external auditors' management controls report received satisfactory response from Management.

Dated August 5, 2008



Alhaji S. B. Daranijo
Chairman, Audit Committee

Members of the Audit Committee are:

Alhaji S. B. Daranijo – Chairman
Mr G. T. S. Adokpaye
Alhaji B. A. Batula
Mr Bismarck Rewane
Evangelist P. A. Soares
Dr Johnnie Udofa

Report on the financial statements

We have audited the accompanying financial statements of First City Monument Bank Plc (the Bank) and its subsidiaries (together, the 'Group') which comprise the balance sheets as at April 30, 2008 and the profit and loss accounts and cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nigerian Statements of Accounting Standards and with the requirements of the Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with international Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the equity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

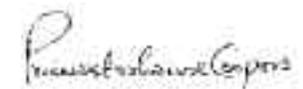
In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the Bank and of the Group at April 30, 2008 and of their profits and cash flows for the year then ended in accordance with Nigerian Statements of Accounting Standards, the Companies and Allied Matters Act 1990 and the Banks and Other Financial Institutions Act 1991.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act 1991 require that in

carrying out our audit we consider and report to you on the following matters. We confirm that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. in our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books;
- iii. the Bank's balance sheet and profit and loss account are in agreement with the books of account;
- iv. our examination of loans and advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria;
- v. related party transactions and balances are disclosed in Note 29 to the financial statements in accordance with the Central Bank of Nigeria Circular BSD/1/2004;
- vi. the Bank contravened certain regulations of the Banks and Other Financial Institutions Act 1991 during the year as explained in Note 27 to the financial statements;
- vii. to the best of our information and except as disclosed in Note 27 to the financial statements, the Bank has complied with the requirements of the relevant circulars issued by the Central Bank of Nigeria.



PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria
August 22, 2008



The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

A. BASIS OF PREPARATION

These financial statements are the separate and consolidated financial statements of First City Monument Bank Plc, ("the Bank") and its subsidiaries (hereinafter collectively referred to as "the Group"). The financial statements are prepared under the historical cost convention and comply with Nigerian Statements of Accounting Standards (SAS). The financial statements are presented in the functional currency, Nigerian Naira (N), rounded to the nearest thousand.

The preparation of financial statements in conformity with accounting principles generally accepted in Nigeria requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

B. CONSOLIDATION

Subsidiary undertakings, which are those companies in which the Bank, directly or indirectly, has an interest of more than half the voting rights or otherwise has power to control have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. The accounting policies of the subsidiaries are consistent with those of the Bank. Separate disclosure is made for minority interest.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the profit and loss account.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

C. RECOGNITION OF INTEREST INCOME

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. Recoveries made are credited to the profit and loss account as collected. Interest accruing on non-performing accounts is not credited to the profit and loss account until the debt is recovered. Interest 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.

D. RECOGNITION OF FEES, COMMISSIONS AND OTHER INCOME

- i Fees and commissions relating to credit, where material, are amortised over the life of the related service. Otherwise, fees, commissions and other income are recognised as earned upon completion of the related service.
- ii Non-credit-related fee income is recognised at the time the service or the related transactions are provided.
- iii Dividend income is recognised when the right to receive income is established.

Statement of significant accounting policies (continued)

E. 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.

F. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment 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 assets 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 property, plant and equipment 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 values at the following annual rates:

Motor vehicles	20%
Furniture and fittings	20%
Equipment	20%
Computer equipment	25%
Leasehold land and buildings	2% for leases of 50 years and above; or over the tenure of the lease for leases under 50 years.

G. 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.

H. 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 are translated into Naira at the rates of exchange ruling at the balance sheet date (or, where appropriate, the rate of the related forward contract). Exchange gains or losses are included in the profit and loss account.

I. ADVANCES UNDER FINANCE LEASES

Finance lease transactions are recorded in the books of the Bank at the net investment in the lease. Net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. Gross investment in the lease is the sum of the minimum lease payments plus any residual value payable on the lease. The discount on the lease is defined as the difference between the gross investment in the lease and the present value of the asset under lease. This discount is recognised as unearned in the books of the Bank and amortised to income as earned over the life of the lease.

In accordance with the Prudential Guidelines for licensed banks, specific allowance is made on finance leases that are non-performing and a general provision of a minimum of 1% is made on the aggregate investment in the finance lease.

J. BUSINESS COMBINATION

The purchase method of accounting is adopted in accounting for business combinations.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of an acquired entity at the date of acquisition.

The Nigerian Statement of Accounting Standard (SAS) No 26 on Accounting for Business Combinations became effective on January 1, 2008. The standard requires retrospective application of its provisions to goodwill acquired in a business combination for which the agreement date was on or after January 1, 2005. Under SAS 26, purchased goodwill is carried on the balance sheet and tested for impairment. Any determined impairment is written off immediately to the profit and loss account.

K. INVESTMENTS

The Bank categorises its investments as short-term investments (dealing securities) and long-term investments (investment securities).

i. Short-term investments

Short-term investments are those readily realisable investments intended to be held for not more than one year and those with outstanding tenure to maturity of less than one year.

Short-term investments are carried at the lower of cost and market value. Short-term investments in marketable securities are stated at net realisable value. The amount by which cost exceeds market value

(unrealised loss) is charged to the profit and loss account for the period.

Gains on disposal of short-term investments are reported as part of other income.

Interest earned while holding short-term securities is reported as interest income. Treasury bills not held for trading are presented net of unearned discount. Unearned discount is deferred and amortised over the tenure of the underlining treasury bill.

ii. Long-term investments

Long-term investments are investments other than short-term investments. Long-term investments may include debt and equity securities.

Long-term investments are carried at cost or revalued amount. A decline in value is not taken into account unless it is considered to be permanent. When there has been a permanent decline in the value of an investment, the carrying amount of the investment is written down to recognise the loss. Such a reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, other than temporary, in the value of the investment, or if the reasons for the reduction no longer exists.

An increase in carrying amount arising from the revaluation of long-term investments is credited to equity as revaluation surplus. To the extent that a decrease in carrying amount offsets a previous increase, for the same investment that has been credited to revaluation surplus and not subsequently reversed or utilised, it is charged against that revaluation surplus rather than income.

An increase on revaluation which is directly related to a previous decrease in carrying amount for the same investment that was charged to income, is credited to the extent that it offsets the previously recorded decrease.

Interest earned and dividend received on investments are reported as investment income.

Any discount or premium arising on acquisition of long-term investment in bonds is included in the original cost of the investment and amortised over the period of purchase to maturity of such bonds.

L. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried in the Bank's balance sheet at cost less provisions for impairment. Where, in the opinion of the directors, there has been an impairment in the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

M. PROVISIONS

Provisions are recognised when the separate entities in the Group have a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

N. RETIREMENT BENEFITS

Retirement benefits are accrued and charged to the income statement of the period to which they relate.

In line with the requirements of the Pension Reform Act 2004, the Bank and its employees each contribute a minimum of 7.5% of each employee's qualifying remuneration to the Retirement Savings Fund managed by the employee nominated Pension Fund Administrator. The Bank has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to meet the related obligation to employees.

Also, the Bank has a non-contributory defined benefit gratuity scheme for employees that have spent a minimum of five years in the service of the Bank. The assets of the scheme are partly held independently of the Bank's assets in a separate administered fund.

O. OFF-BALANCE SHEET ENGAGEMENTS

Transactions that are not recognised as assets or liabilities in the balance sheet but which nonetheless give rise to credit risks, contingencies and commitments are reported off balance sheet. Such transactions include letters of credit, bonds, guarantees, indemnities, acceptances and trade-related contingencies such as documentary credits. Outstanding and unexpired commitments at balance sheet date in respect of these transactions are shown by way of note to the financial statements.

Guarantees and performance bonds

The Group provides financial guarantees and bonds to third parties on behalf of customers in connection with advance payments, financial bids and project performance.

The amount stated in the financial statements for unsecured bonds and guarantees represent the maximum loss that would be recognised at the balance sheet date should the customers fail to perform as agreed with the third parties.

Letters of credit

The Group provides letters of credit to guarantee the performance of customers to third parties. These are accounted for as off-balance sheet engagements. Commissions and fees charged to customers for services rendered in respect of bonds and guarantees are recognised at the time the services are provided.

P. SEGMENT REPORTING

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

The Group's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Group's internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Profit and loss account for the year ended April 30, 2008

	Note	GROUP		BANK	
		2008 N'000	2007 N'000	2008 N'000	2007 N'000
Interest income	2	30,195,214	14,635,183	29,920,489	14,635,052
Interest expense	2	(9,241,648)	(5,059,231)	(9,241,648)	(5,142,148)
Net interest income		20,953,566	9,575,952	20,678,841	9,492,904
Corporate finance and other fee income		9,318,536	4,133,120	6,891,232	3,948,347
Commissions		4,651,568	4,154,116	4,649,699	4,146,378
Foreign exchange earnings		2,736,317	387,249	2,736,317	387,249
Other operating income	3	5,917,163	1,663,643	5,888,461	1,561,492
Net operating income		43,577,150	19,914,080	40,844,550	19,536,370
Provision for losses	11	(3,159,356)	(1,512,249)	(3,026,633)	(1,471,527)
Operating expenses	4	(19,900,468)	(10,832,745)	(19,380,206)	(10,674,615)
Profit before tax		20,517,326	7,569,086	18,437,711	7,390,228
Tax	5	(5,408,235)	(1,620,407)	(4,717,241)	(1,584,371)
Profit after tax		15,109,091	5,948,679	13,720,470	5,805,857
Non-controlling interest		(17,685)	-	-	-
Profit attributable to shareholders		15,091,406	5,948,679	13,720,470	5,805,857
<i>The profit for the year is appropriated as follows:</i>					
Transfer to statutory reserve	26	4,116,139	1,741,757	4,116,139	1,741,757
Transfer to proposed dividend reserve	26	-	3,325,851	-	3,325,851
Transfer to retained earnings	26	10,975,267	881,071	9,604,331	738,249
		15,091,406	5,948,679	13,720,470	5,805,857
Earnings per share in kobo (basic / diluted)	6	135k	63k	123k	61k

The accompanying notes and accounting policies form an integral part of these financial statements.

Balance sheet as at April 30, 2008

	Note	GROUP		BANK	
		2008 N'000	2007 N'000	2008 N'000	2007 N'000
ASSETS					
Cash and short-term funds	7	26,941,645	25,359,070	26,940,320	25,358,970
Due from banks	8	198,682,867	113,778,070	198,682,867	113,778,070
Dealing securities	12	2,005,586	5,835,526	1,855,270	5,734,974
Loans and advances	9	186,634,383	83,577,134	186,565,206	83,577,134
Advances under finance lease	13	2,296,749	551,785	2,296,749	551,785
Deferred tax assets	22	2,638,674	8,880	2,629,794	-
Other assets	14	29,173,961	18,791,131	27,093,988	18,639,743
Investment securities	15	2,332,601	2,163,999	2,332,601	2,163,999
Investment in subsidiaries	16	-	-	240,150	240,000
Property, plant and equipment	17	16,630,464	12,775,494	16,573,956	12,761,215
		467,336,930	262,841,089	465,210,901	262,805,890
LIABILITIES					
Customer deposits	18	251,223,129	187,670,992	251,580,103	187,990,701
Due to other banks	19	26,231,049	15,636,837	26,231,049	15,636,837
Short-term borrowings	20	13,928,850	1,910,513	13,928,850	1,910,513
Tax payable	5	5,290,123	1,307,377	4,580,652	1,258,106
Other liabilities	21	22,754,206	13,207,606	22,514,354	13,036,690
Deferred tax liabilities	22	3,649,058	770,494	3,638,770	770,494
Long-term borrowings	23	10,609,650	11,233,685	10,609,650	11,233,685
		333,686,065	231,737,504	333,083,428	231,837,026

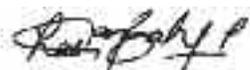
Balance sheet as at April 30, 2008 (continued)

	Note	GROUP		BANK	
		2008 N'000	2007 N'000	2008 N'000	2007 N'000
EQUITY					
Share capital	24	8,135,596	4,751,215	8,135,596	4,751,215
Share premium	25	108,369,199	20,989,590	108,369,199	20,989,590
Reserves	26	17,128,335	5,362,780	15,622,678	5,228,059
Shareholders' funds		133,633,130	31,103,585	132,127,473	30,968,864
Non-controlling interest		17,735	-	-	-
		133,650,865	31,103,585	132,127,473	30,968,864
LIABILITIES AND EQUITY					
ACCEPTANCES AND GUARANTEES	28	467,336,930	262,841,089	465,210,901	262,805,890
		120,039,062	46,111,226	120,039,062	46,111,226

The financial statements and accompanying notes and accounting policies were approved by the Board of Directors on August 7, 2008 and signed on its behalf by:



Dr Jonathan A.D. Long
Chairman



Ladi Balogun
MD/CEO

The accompanying notes and accounting policies form an integral part of these financial statements.

Cash flow statement for the year ended April 30, 2008

	Note	GROUP		BANK	
		2008 N'000	2007 N'000	2008 N'000	2007 N'000
OPERATING ACTIVITIES					
Cash generated from operations	32	(15,259,864)	65,045,510	(15,386,158)	65,280,811
Tax paid	5	(1,176,719)	(788,741)	(1,156,213)	(784,648)
		(16,436,583)	64,256,769	(16,542,371)	64,496,163
INVESTING ACTIVITIES					
Investment in subsidiaries		-	-	(150)	(90,000)
Investment income		74,957	461,816	74,957	461,816
Proceeds from disposal of investments		8,363,552	1,927,419	8,363,552	1,927,419
Purchase of investment securities		(3,134,191)	(3,184,542)	(3,134,191)	(3,184,484)
(Purchase)/Sale of dealing securities		3,829,941	(5,835,468)	3,879,705	(5,734,974)
Proceeds from disposal of fixed assets		18,788	460,430	18,788	457,063
Purchase of fixed assets	17	(5,685,618)	(7,263,063)	(5,630,619)	(7,258,741)
		3,467,429	(13,433,408)	3,572,042	(13,421,901)
FINANCING ACTIVITIES					
Net proceeds from issue of ordinary shares		90,764,040	-	90,763,990	-
Dividend paid		(3,325,851)	(1,235,316)	(3,325,851)	(1,235,316)
Short-term borrowing		12,018,337	514,285	12,018,337	514,285
Long-term borrowing taken/(repaid)		-	11,233,685	-	11,233,685
		99,456,526	10,512,654	99,456,476	10,512,654

Cash flow statement for the year ended April 30, 2008 (continued)

	Note	GROUP		BANK	
		2008 N'000	2007 N'000	2008 N'000	2007 N'000
INCREASE IN CASH AND CASH EQUIVALENTS		86,487,372	61,336,015	86,486,147	61,586,916
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD					
Balance at beginning of the year		139,137,140	77,801,125	139,137,040	77,550,124
Balance at end of year	33	225,624,512	139,137,140	225,623,187	139,137,040
INCREASE IN CASH AND CASH EQUIVALENTS		86,487,372	61,336,015	86,486,147	61,586,916

The accompanying notes and accounting policies form an integral part of these financial statements.

1 THE BANK

First City Monument Bank Plc (“the Bank” / “FCMB”) was incorporated as a private limited liability company on April 20, 1982 and granted a banking licence on August 11, 1983. On July 15, 2004, the Bank changed its status from a private limited liability company to a public limited liability company and was listed on the Nigerian Stock Exchange by introduction on December 21, 2004. Between December 2005 and February 2006, the Bank acquired erstwhile Cooperative Development Bank Plc (CDB), Nigerian-American Bank Limited (NAMBL) and Midas Bank Limited (Midas).

The principal activity of FCMB is the provision of commercial banking, capital market and corporate finance services. 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 May 2005, FCMB Capital Markets, a Division of the Bank, was incorporated as a wholly owned subsidiary company to carry on the Bank’s issuing house and other capital market operations. In February 2007, the Bank acquired a 75% interest in Credit Direct Limited, a micro-lending institution. The Group financial statements are for the Bank and its subsidiaries, FCMB Capital Markets Limited and Credit Direct Limited.

Notes to the financial statements for the year ended April 30, 2008 (continued)

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
2 NET INTEREST INCOME				
<i>a) Interest income</i>				
Placements and short-term funds	13,473,464	6,748,278	13,475,422	6,748,278
Interest on bonds	523,465	528,414	523,465	528,283
Loans and advances	15,818,237	7,220,860	15,541,554	7,220,860
Finance lease	380,048	137,631	380,048	137,631
	30,195,214	14,635,183	29,920,489	14,635,052
Analysis by source				
Bank	13,473,464	7,276,692	13,475,422	7,276,561
Non-bank	16,721,750	7,358,491	16,445,067	7,358,491
	30,195,214	14,635,183	29,920,489	14,635,052
All interest income was earned within Nigeria.				
<i>b) Interest expense</i>				
Inter-bank takings	1,560,186	724,071	1,560,186	724,071
Current accounts	912,834	262,005	912,834	312,150
Savings accounts	106,756	126,634	106,756	126,634
High Net Yield Investment Certificates	178,128	293,582	178,128	293,582
Term and other deposit accounts	6,483,744	3,652,939	6,483,744	3,685,711
	9,241,648	5,059,231	9,241,648	5,142,148
All interest expense was paid to depositors in Nigeria.				
3 OTHER OPERATING INCOME				
Rental income	46,514	25,946	46,514	25,946
Gain on disposal of short-term investments	5,397,962	482,585	5,397,962	482,585
Investment income	74,957	461,816	74,957	461,816
Gain on disposal of property, plant and equipment	16,036	248,913	16,036	250,083
Other income	381,694	444,383	352,992	341,062
	5,917,163	1,663,643	5,888,461	1,561,492

Notes to the financial statements for the year ended April 30, 2008 (continued)

	Note	GROUP		BANK	
		2008 N'000	2007 N'000	2008 N'000	2007 N'000
4 OPERATING EXPENSES					
Staff cost	31	10,987,841	6,020,537	10,782,580	5,950,718
Depreciation	17	1,827,896	1,214,465	1,815,126	1,207,360
Directors' emoluments	31	350,928	212,433	229,255	196,047
Advertisement		681,112	366,943	659,367	363,074
Correspondent bank charges		179,705	16,730	179,654	16,730
Information technology maintenance		465,824	261,666	465,749	261,666
Business travel		480,694	299,915	478,627	299,915
Communication		244,663	149,213	244,663	149,213
Auditors' remuneration		96,000	42,750	90,000	40,000
Others		4,585,805	2,248,093	4,435,185	2,189,892
		19,900,468	10,832,745	19,380,206	10,674,615
5 TAX					
<i>Charge</i>					
Current tax		4,582,587	1,140,637	3,963,704	1,096,201
Education tax		371,548	156,184	329,884	153,156
Information Technology Tax		205,330	78,263	185,171	76,456
Income tax charge		5,159,465	1,375,084	4,478,759	1,325,813
Deferred tax charge	22	248,770	245,323	238,482	258,558
Charge for the year		5,408,235	1,620,407	4,717,241	1,584,371
<i>Payable</i>					
Beginning of the year		1,307,377	721,034	1,258,106	716,941
Tax paid		(1,176,719)	(788,741)	(1,156,213)	(784,648)
Income tax charge		5,159,465	1,375,084	4,478,759	1,325,813
		5,290,123	1,307,377	4,580,652	1,258,106

Notes to the financial statements for the year ended April 30, 2008 (continued)

6 EARNINGS PER SHARE

Basic earning per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Bank has no dilutive shares.

Net profit attributable to shareholders (N'000)

Weighted average number of ordinary shares in issue (thousands)

Earnings per share – basic

Earnings per share – diluted

	GROUP		BANK	
	2008	2007	2008	2007
Net profit attributable to shareholders (N'000)	15,091,406	5,948,679	13,720,470	5,805,857
Weighted average number of ordinary shares in issue (thousands)	11,194,621	9,502,430	11,194,621	9,502,430
Earnings per share – basic	135k	63k	123k	61k
Earnings per share – diluted	135k	63k	123k	61k

7 CASH AND SHORT-TERM FUNDS

Cash

Nigerian Government Treasury bills

Treasury bills of N17.63 billion (2007: N8.74 billion) are pledged to third parties as collateral.

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
Cash	4,538,511	2,708,019	4,537,186	2,707,919
Nigerian Government Treasury bills	22,403,134	22,651,051	22,403,134	22,651,051
	26,941,645	25,359,070	26,940,320	25,358,970

8 DUE FROM BANKS

Operating account with the Central Bank of Nigeria

Cash reserve with the Central Bank of Nigeria

Banks within Nigeria

Banks outside Nigeria

Inter-bank placements

Operating account with the Central Bank of Nigeria	1,365,342	8,806,846	1,365,342	8,806,846
Cash reserve with the Central Bank of Nigeria	2,569,633	5,298,802	2,569,633	5,298,802
Banks within Nigeria	50,219,202	16,281,694	50,219,202	16,281,694
Banks outside Nigeria	10,463,191	14,926,728	10,463,191	14,926,728
Inter-bank placements	134,065,499	68,464,000	134,065,499	68,464,000
	198,682,867	113,778,070	198,682,867	113,778,070

Balances with banks outside Nigeria include N3.7 billion (2007: N2.9 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 21.)

Notes to the financial statements for the year ended April 30, 2008 (continued)

	Note	GROUP		BANK	
		2008 N'000	2007 N'000	2008 N'000	2007 N'000
9 LOANS AND ADVANCES					
Overdrafts		41,004,260	11,132,534	41,004,260	11,132,534
Term loans		43,510,846	16,393,161	43,510,846	16,393,161
Mortgage loans		2,154,790	525,339	2,154,790	525,339
Commercial loans		93,447,725	58,321,406	93,447,725	58,321,406
Other		13,276,602	451,268	13,129,390	451,268
Originated by the Bank		193,394,223	86,823,708	193,247,011	86,823,708
Loan loss provision	10a	(5,572,455)	(2,522,612)	(5,494,420)	(2,522,612)
Interest in suspense	10b	(1,187,385)	(723,962)	(1,187,385)	(723,962)
		186,634,383	83,577,134	186,565,206	83,577,134
<i>Analysis by maturity</i>					
Maturing within 1 month		86,611,916	26,087,914	86,533,879	26,087,914
Maturing between 1 to 3 months		50,487,855	38,363,858	50,487,855	38,363,858
Maturing between 3 to 6 months		14,411,118	3,052,060	14,411,118	3,052,060
Maturing between 6 to 12 months		12,906,091	4,172,866	12,906,091	4,172,866
Maturing over 12 months		28,977,243	15,147,010	28,908,068	15,147,010
		193,394,223	86,823,708	193,247,011	86,823,708
<i>Analysis by security</i>					
Secured against real estate		73,841,036	7,240,668	73,841,036	7,240,668
Otherwise secured		111,729,865	73,246,590	111,582,653	73,246,590
Unsecured		7,823,322	6,336,450	7,823,322	6,336,450
		193,394,223	86,823,708	193,247,011	86,823,708
<i>Analysis by performance</i>					
Performing		188,103,375	84,083,726	187,956,163	84,083,726
Non-performing		5,290,848	2,739,982	5,290,848	2,739,982
		193,394,223	86,823,708	193,247,011	86,823,708

Notes to the financial statements for the year ended April 30, 2008 (continued)

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
10 LOAN LOSS PROVISION AND INTEREST IN SUSPENSE				
a) MOVEMENT IN LOAN LOSS PROVISION				
Beginning of period:				
- Non-performing	1,649,504	5,790,706	1,649,504	5,790,706
- Performing	873,108	359,153	873,108	359,153
	2,522,612	6,149,859	2,522,612	6,149,859
Additional provision:				
- Non-performing	2,003,873	1,533,104	2,003,873	1,533,104
- Performing	1,084,489	513,955	1,006,454	513,955
Amounts written off	-	(5,299,091)	-	(5,299,091)
Provision no longer required	(38,519)	(375,215)	(38,519)	(375,215)
End of period:				
- Non-performing	3,614,858	1,649,504	3,614,858	1,649,504
- Performing	1,957,597	873,108	1,879,562	873,108
	5,572,455	2,522,612	5,494,420	2,522,612
b) MOVEMENT IN INTEREST IN SUSPENSE				
Beginning of period	723,962	1,089,922	723,962	1,089,922
Recognised during the year	(263,149)	(308,006)	(263,149)	(308,006)
Suspended during the year	728,089	363,392	728,089	363,392
Amounts written off	(1,517)	(421,346)	(1,517)	(421,346)
	1,187,385	723,962	1,187,385	723,962

Notes to the financial statements for the year ended April 30, 2008 (continued)

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
11 PROVISION FOR LOSSES				
<i>The charge for the period is analysed as follows:</i>				
Loans and advances	3,049,843	1,671,844	2,971,808	1,671,844
Advances under finance lease	17,625	(4,577)	17,625	(4,577)
Other assets	91,888	(155,018)	37,200	(195,740)
	3,159,356	1,512,249	3,026,633	1,471,527
12 DEALING SECURITIES				
Federal Government of Nigeria (FGN) bonds	1,855,270	5,734,974	1,855,270	5,734,974
Quoted equity securities	150,316	100,552	-	-
	2,005,586	5,835,526	1,855,270	5,734,974

FGN bonds of N500 million (2007: Nil) are pledged as collateral for Open Buy Back takings. (See Note 19.)

Notes to the financial statements for the year ended April 30, 2008 (continued)

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
13 ADVANCES UNDER FINANCE LEASE				
Gross investment	2,894,413	559,333	2,894,413	795,916
Less: Unearned income				
- Current	(412,274)	(1,345)	(412,274)	(164,644)
- Non-current	(162,191)	(629)	(162,191)	(73,913)
	2,319,948	557,359	2,319,948	557,359
Provision for performing loans	(23,199)	(5,574)	(23,199)	(5,574)
	2,296,749	551,785	2,296,749	551,785
<i>Analysis by performance</i>				
Performing	2,319,948	557,359	2,319,948	557,359
<i>Analysis by maturity</i>				
0-30 days	9,019	52,620	9,019	52,620
1-3 months	69,525	80,600	69,525	80,600
3-6 months	551,374	108,627	551,374	108,627
6-12 months	366,946	178,089	366,946	178,089
Over 12 months	1,323,084	137,423	1,323,084	137,423
	2,319,948	557,359	2,319,948	557,359

Notes to the financial statements for the year ended April 30, 2008 (continued)

	Note	GROUP		BANK	
		2008 N'000	2007 N'000	2008 N'000	2007 N'000
14 OTHER ASSETS					
Accrued interest and fees receivable		4,360,390	785,085	4,360,390	517,486
Open buy back treasury bills	19	20,000,000	15,000,000	20,000,000	15,000,000
Prepayments		1,428,171	1,183,331	1,410,713	1,170,292
Accounts receivable		3,703,784	2,042,848	1,556,277	2,143,055
Consumables		11,253	36,371	11,253	36,371
		29,503,598	19,047,635	27,338,633	18,867,204
Provision for doubtful accounts		(329,637)	(256,504)	(244,645)	(227,461)
		29,173,961	18,791,131	27,093,988	18,639,743
<i>Movement in provision for doubtful accounts</i>					
Beginning of the year		256,504	541,275	227,461	500,742
Provision/(write back)		91,888	(207,230)	37,200	(195,740)
Amounts written off		(18,755)	(77,541)	(20,016)	(77,541)
At end of the year		329,637	256,504	244,645	227,461

Notes to the financial statements for the year ended April 30, 2008 (continued)

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
15 INVESTMENT SECURITIES				
SME INVESTMENTS				
SME Partnership Limited	87,665	44,063	87,665	44,063
Deebee Company Limited	30,000	30,000	30,000	30,000
S & B Printers Limited	48,039	48,039	48,039	48,039
Tinapa Business Resort Limited	250,000	-	250,000	-
American Hospital, Abuja	50,000	50,000	50,000	50,000
Tevoli Limited	120,406	120,406	120,406	120,406
First SME Limited	11,250	11,250	11,250	11,250
EWA Pharm, Agric and Chemical Coy Limited	10,000	10,000	10,000	10,000
Heron Holdings Limited	9,835	9,835	9,835	9,835
Emel Hospital Limited	8,800	8,800	8,800	8,800
Nigerian Automated Clearing Systems	7,000	7,000	7,000	7,000
Channel House Limited	4,000	4,000	4,000	4,000
	636,995	343,393	636,995	343,393
OTHER UNQUOTED INVESTMENTS				
Kakawa Discount House Limited	22,800	22,800	22,800	22,800
Smartcard Nigeria Plc	22,804	22,804	22,804	22,804
Interswitch Nigeria Limited	10,420	10,420	10,420	10,420
N15 billion Lagos State Government Bond (2005/2009)	200,000	350,000	200,000	350,000
Nigeria Inter-bank Settlement System Plc	52,582	52,582	52,582	52,582
ATSC International Nigeria Limited	50,000	50,000	50,000	50,000
Credit Reference Company Limited	50,000	25,000	50,000	25,000
African Finance Corporation Limited	1,287,000	1,287,000	1,287,000	1,287,000
	1,695,606	1,820,606	1,695,606	1,820,606
	2,332,601	2,163,999	2,332,601	2,163,999

The Directors are of the view that the market value of these investments is not lower than cost.

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
16 INVESTMENT IN SUBSIDIARIES				
FCMB Capital Markets Limited (99.9% holding)	-	-	240,000	240,000
Credit Direct Limited (75% holding)	-	-	150	-
	-	-	240,150	240,000

Notes to the financial statements for the year ended April 30, 2008 (continued)

17 PROPERTY, PLANT AND EQUIPMENT

GROUP	Work in progress N'000	Leasehold land and building N'000	Motor vehicles N'000	Furniture and fittings N'000	Machinery and equipment N'000	Computer equipment N'000	Total N'000
Cost							
At May 1, 2007	3,875,588	4,460,726	1,990,482	921,516	1,553,498	2,480,864	15,282,674
Additions	3,439,736	442,545	488,813	341,243	389,011	584,270	5,685,618
Disposals	-	-	(18,772)	(13)	(2,171)	(2)	(20,958)
Reclassifications	(2,870,599)	1,973,755	196,679	319,231	257,139	123,795	-
At April 30, 2008	4,444,725	6,877,026	2,657,202	1,581,977	2,197,477	3,188,927	20,947,334
Depreciation							
At May 1, 2007	-	311,130	531,701	296,658	509,946	857,745	2,507,180
Charge for the year	-	259,543	453,757	213,513	317,779	583,304	1,827,896
Eliminated on disposal	-	-	(17,139)	(4)	(1,063)	-	(18,206)
At April 30, 2008	-	570,673	968,319	510,167	826,662	1,441,049	4,316,870
Net book value							
At April 30, 2008	4,444,725	6,306,353	1,688,883	1,071,810	1,370,815	1,747,878	16,630,464
Net book value At April 30, 2007	3,875,588	4,149,596	1,458,781	624,858	1,043,552	1,623,119	12,775,494

Notes to the financial statements for the year ended April 30, 2008 (continued)

BANK	Work in progress N'000	Leasehold land and building N'000	Motor vehicles N'000	Furniture and fittings N'000	Machinery and equipment N'000	Computer equipment N'000	Total N'000
Cost							
At May 1, 2007	3,875,588	4,460,726	1,979,313	915,253	1,552,242	2,478,194	15,261,316
Additions	3,439,736	442,545	469,363	326,790	369,445	582,740	5,630,619
Disposals	-	-	(18,772)	(13)	(2,171)	(2)	(20,958)
Reclassifications	(2,870,599)	1,973,755	196,679	319,231	257,139	123,795	-
At April 30, 2008	4,444,725	6,877,026	2,626,583	1,561,261	2,176,655	3,184,727	20,870,977
Depreciation							
At May 1, 2007	-	311,130	528,293	294,681	509,466	856,531	2,500,101
Charge for the year	-	259,543	447,812	211,083	314,069	582,619	1,815,126
Eliminated on disposals	-	-	(17,139)	(4)	(1,063)	-	(18,206)
At April 30, 2008	-	570,673	958,966	505,760	822,472	1,439,150	4,297,021
Net book value							
At April 30, 2008	4,444,725	6,306,353	1,667,617	1,055,501	1,354,183	1,745,577	16,573,956
Net book value At April 30, 2007	3,875,588	4,149,596	1,451,020	620,572	1,042,776	1,621,663	12,761,215

Notes to the financial statements for the year ended April 30, 2008 (continued)

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
18 CUSTOMER DEPOSITS				
Current accounts	112,020,013	111,112,541	112,126,987	111,213,014
Savings accounts	10,238,437	7,644,381	10,238,437	7,644,381
High Net Yield Investment Certificates	1,302,763	2,217,068	1,302,763	2,217,068
Term and other deposit accounts	127,661,916	66,697,002	127,911,916	66,916,238
	251,223,129	187,670,992	251,580,103	187,990,701
Analysis by maturity:				
Maturing within 1 month	138,680,995	118,756,922	139,037,969	118,857,394
Maturing between 1 to 3 months	97,862,146	21,935,938	97,862,146	21,935,938
Maturing between 3 to 6 months	13,603,422	37,344,020	13,603,422	37,344,020
Maturing between 6 to 12 months	1,076,566	9,634,112	1,076,566	9,853,349
	251,223,129	187,670,992	251,580,103	187,990,701
19 DUE TO OTHER BANKS				
Tenored deposits	5,731,049	636,837	5,731,049	636,837
Open buy back takings	20,500,000	15,000,000	20,500,000	15,000,000
	26,231,049	15,636,837	26,231,049	15,636,837
20 SHORT-TERM BORROWING				
US\$15 million promissory note	-	1,910,513	-	1,910,513
US\$10 million promissory note	1,178,850	-	1,178,850	-
Other credit linked notes	12,750,000	-	12,750,000	-
	13,928,850	1,910,513	13,928,850	1,910,513

Notes to the financial statements for the year ended April 30, 2008 (continued)

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
21 OTHER LIABILITIES				
Foreign currency denominated liability	3,692,011	2,881,766	3,692,011	2,881,766
Bank cheques issued	5,859,290	4,474,053	5,859,290	4,474,053
Interest payable	1,463,961	526,387	1,463,961	526,387
Unearned income	1,916,409	2,045,755	1,916,409	2,045,755
Due to security issuers	59,206	18,961	-	18,961
Others	9,763,329	3,260,684	9,582,683	3,089,768
	22,754,206	13,207,606	22,514,354	13,036,690
22 DEFERRED TAX				
At 1 May	761,614	516,291	770,494	511,936
Charge for the year	248,770	245,323	238,482	258,558
	1,010,384	761,614	1,008,976	770,494
The Balance Sheet amounts comprise:				
Deferred tax assets	(2,638,674)	(8,880)	(2,629,794)	-
Deferred tax liabilities	3,649,058	770,494	3,638,770	770,494
	1,010,384	761,614	1,008,976	770,494
23 LONG-TERM BORROWINGS				
US\$90 million credit linked notes, due 2010	11,233,685	11,233,685	11,233,685	11,233,685
Exchange difference	(624,035)	-	(624,035)	-
	10,609,650	11,233,685	10,609,650	11,233,685

Notes to the financial statements for the year ended April 30, 2008 (continued)

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
24 SHARE CAPITAL				
<i>Authorised:</i>				
20 billion ordinary shares of 50 kobo each	10,000,000	5,000,000	10,000,000	5,000,000
At the Bank's annual general meeting held on October 20, 2006, the members approved increase in authorised share capital of the Bank from N5,000,000,000 to N10,000,000,000 by the creation of additional 10,000,000,000 ordinary shares of 50 kobo each. The additional shares were registered with the corporate affairs commission on June 19, 2007.				
<i>Issued and fully paid ordinary shares of 50 kobo each:</i>				
At May 1	4,751,215	4,751,215	4,751,215	4,751,215
Issued during the year:				
- Domestic offer (5,930,547,759 shares)	2,965,274	-	2,965,274	-
- International offer (838,214,286 shares)	419,107	-	419,107	-
	8,135,596	4,751,215	8,135,596	4,751,215

In November 2007, the Bank made a domestic and an international offer of its ordinary shares of N0.50 at N14 per share. The international offer was by way of unlisted Global Depository Receipts (GDR). Under the domestic offer, 5,930,547,759 shares were allotted, while 838,214,286 shares were allotted under the international offer.

25 SHARE PREMIUM				
At May 1	20,989,590	17,110,700	20,989,590	17,110,700
Gross premium on shares issued during the year	91,378,289	-	91,378,289	-
Share issue expenses	(3,998,680)	-	(3,998,680)	-
Prior year adjustment – reversal of reduction of paid up capital	-	3,878,890	-	3,878,890
At April 30	108,369,199	20,989,590	108,369,199	20,989,590

The goodwill of N3.87 billion purchased by the Bank, as part of its acquisition of three other banks during the year ended April 30, 2006, was set off against the share premium account in that financial year. This was in accordance with the resolution of members which was sanctioned by the Federal High Court on September, 5 2006.

During the year and in compliance with SAS No. 26, the Bank has retrospectively reinstated and tested for impairment, the goodwill of N3.78 billion purchased in 2006 and set off against share premium. The goodwill was determined to have been fully impaired in 2006 and accordingly, written off retrospectively as a prior year adjustment.

Notes to the financial statements for the year ended April 30, 2008 (continued)

26 RESERVES	GROUP				
	Proposed dividend N'000	Statutory reserve N'000	Retained earnings N'000	Investment in SMEs reserve N'000	Total N'000
At May 1, 2006	1,235,316	1,993,476	640,878	658,637	4,528,307
Dividend paid during the year	(1,235,316)	-	-	-	(1,235,316)
Transferred from profit and loss account	3,325,851	1,741,757	881,071	-	5,948,679
Prior year adjustment – reversal of transfer to share premium account	-	-	(3,878,890)	-	(3,878,890)
At April 30, 2007	3,325,851	3,735,233	(2,356,941)	658,637	5,362,780
At May 1, 2007	3,325,851	3,735,233	(2,356,941)	658,637	5,362,780
Dividend paid during the year	(3,325,851)	-	-	-	(3,325,851)
Transferred from profit and loss account	-	4,116,139	10,975,267	-	15,091,406
At April 30, 2008	-	7,851,372	8,618,326	658,637	17,128,335
	BANK				
	Proposed dividend N'000	Statutory reserve N'000	Retained earnings N'000	Investment in SMEs reserve N'000	Total N'000
At May 1, 2006	1,235,316	1,993,476	648,979	658,637	4,536,408
Dividend paid during the year	(1,235,316)	-	-	-	(1,235,316)
Transferred from profit and loss account	3,325,851	1,741,757	738,249	-	5,805,857
Prior year adjustment – impairment of purchased goodwill	-	-	(3,878,890)	-	(3,878,890)
At April 30, 2007	3,325,851	3,735,233	(2,491,662)	658,637	5,228,059
At May 1, 2007	3,325,851	3,735,233	(2,491,662)	658,637	5,228,059
Dividend paid during the year	(3,325,851)	-	-	-	(3,325,851)
Transferred from profit and loss account	-	4,116,139	9,604,331	-	13,720,470
At April 30, 2008	-	7,851,372	7,112,669	658,637	15,622,678

Notes to the financial statements for the year ended April 30, 2008 (continued)

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

Except as stated below, the bank adhered to the provisions of the Banks and Other Financial Institutions Act 1991 (BOFIA) and relevant Central Bank of Nigeria circulars:

Nature of contravention	Number of times	BOFIA Section	Code of Corporate Governance	Penalty paid
				N
Construction of Office complex without prior approval of Central Bank	1	20(2f)		2,000,000
Failure to establish a Board Risk Management committee	1		7.1.1 & 7.1.2	2,000,000

28 CONTINGENT LIABILITIES AND COMMITMENTS

a) LEGAL PROCEEDINGS

As at April 30, 2007, there were legal proceedings outstanding against the Bank with contingent liability of N1.86 billion (April 30, 2007: N1.19 billion). No provision has been made as professional advice indicates that it is unlikely that any significant loss will eventuate.

b) CAPITAL COMMITMENTS

The Group has capital commitments of **N7.6 billion** (2007: N40 million) as at the balance sheet date.

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:

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
Performance bonds, guarantees and indemnities	11,871,864	5,993,465	11,871,864	5,993,465
Clean line letters of credit	55,659,311	37,142,761	55,659,311	37,142,761
Currency sale and purchase commitments	17,875,790	-	17,875,790	-
Guaranteed commercial papers	24,632,097	2,975,000	24,632,097	2,975,000
Underwriting commitment	10,000,000	-	10,000,000	-
	120,039,062	46,111,226	120,039,062	46,111,226

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.

29 RELATED PARTY TRANSACTIONS

The Bank has related party relationships where significant influence exists with City Securities Limited (CSL), CSL Stockbrokers Limited (CSLS), Primrose Investments Limited, Primrose Property Investment Limited, First City Telecom Limited, Lana Securities Limited, Blue-Chip Holdings Limited, First City Asset Management Limited (FCAML), City Securities (Registrar) Limited, CSL Nominees Limited, Helios Towers Nigeria Limited, S & B Printers Limited, GEC Alstom, T & D Nigeria Plc, Chapel Hill Advisory Partners and Chellarams Nigeria Plc.

In the normal course of business, the Bank enters into transactions with related parties, including acceptance of deposits and granting of credit facilities, on commercial terms. The aggregate amount of credit facilities to related parties including loans and advances under finance lease outstanding in the books of the Bank as at April 30, 2008 was N8.77 billion (2007: N5.2 billion) and the credit facilities were all performing. Deposits from related parties held by the bank as at April 30, 2008 amounted to N4.3 billion (2007: N2.9 billion).

In May 2007, the Bank's subsidiary FCMB Capital Market Limited (FCMB CM) entered into a technical management service agreement with CSLS. Under the agreement, FCMB CM provides CSLS with technical skills, management services, proprietary research and business development support in consideration for a fee equal to 70% of the gross income of CSLS. The service fee income from CSLS for the year was N1.438 billion (2007: Nil).

As of balance sheet date, the Group had reached an agreement with CSLS to acquire its entire issued share capital for N7.6 billion. The transaction is awaiting regulatory approval.

The Bank engaged Chapel Hill Advisory partners as joint issuing house and financial adviser for its public offer of shares during the year for a fee of N59 million.

30 RETIREMENT BENEFITS

In line with the requirements of the Pension Reform Act 2004, the Bank and its employees each contribute a minimum of 7.5% of each employee's qualifying remuneration to the Retirement Savings Fund managed by the employee nominated Pension Fund Administrator. The Bank's contribution for the year was N239.2 million (2007: N233.8 million). The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to meet the related obligations to employees.

Also, the Bank has a non-contributory defined benefit gratuity scheme for employees that have spent a minimum of five years in the service of the Bank. The assets of the scheme are partly held independently of the Bank's assets in a separate administered fund.

The total liability under this scheme as at April 30, 2008 was N487.92 million; this has been adequately provided for. The additional provision during the year was N65 million.

31 EMPLOYEES AND DIRECTORS

a) EMPLOYEES

The average number of persons employed during the year by category:

Executive directors

Management

Non-management

Staff cost for the above persons (excluding executive directors):

Salaries and wages

Retirement benefit cost

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

Less than N1,500,000

N1,500,001–N2,000,000

N2,000,001–N2,500,000

N2,500,001–N3,000,000

N3,000,001–N3,500,000

N3,500,001–N4,000,000

N4,000,001–N4,500,000

N5,000,000 and above

GROUP		BANK	
2008	2007	2008	2007
Number	Number	Number	Number
6	5	4	4
511	579	507	575
1,868	1,528	1,849	1,522
2,385	2,112	2,360	2,101
N'000	N'000	N'000	N'000
10,665,190	5,697,737	10,478,356	5,634,785
322,651	322,800	304,224	315,933
10,987,841	6,020,537	10,782,580	5,950,718
Number	Number	Number	Number
382	798	379	795
694	322	694	322
99	265	99	261
280	263	278	263
224	206	222	206
180	12	177	12
160	145	156	145
366	101	355	97
2,385	2,112	2,360	2,101

	GROUP		BANK	
	2008 N'000	2007 N'000	2008 N'000	2007 N'000
31 EMPLOYEES AND DIRECTORS (CONT'D)				
b) DIRECTORS				
The remuneration paid to the directors of the Bank (excluding pension and certain allowances) was:				
Fees and sitting allowances	59,347	42,733	57,197	42,058
Executive compensation	289,275	142,204	169,752	26,493
	348,622	184,937	226,949	168,551
Directors' other expenses	2,306	27,496	2,306	27,496
	350,928	212,433	229,255	196,047
Fees and other emoluments disclosed above include amounts paid to the highest-paid director	65,790	40,345	65,790	40,345

Notes to the financial statements for the year ended April 30, 2008 (continued)

	Note	GROUP		BANK	
		2008 N'000	2007 N'000	2008 N'000	2007 N'000
32 CASH GENERATED FROM OPERATIONS					
Reconciliation of profit before tax to cash generated from operations:					
Operating profit		20,517,326	7,569,086	18,437,711	7,390,228
Profit on disposal of investments	3	(5,397,962)	(482,585)	(5,397,962)	(482,585)
Exchange gain on long-term borrowings	23	(624,035)	-	(624,035)	-
Investment income		(74,957)	(461,816)	(74,957)	(461,816)
Provision/(write back) – loans and advances	11	3,049,843	1,671,844	2,971,808	1,671,844
Provision/(write back) – other assets and contingencies	11	91,888	(155,018)	37,200	(195,740)
Provision/(write back) – finance leases	11	17,625	(4,577)	17,625	(4,577)
Loans written off	10	-	(5,299,091)	-	(5,299,091)
Interest in suspense written off	10	(1,517)	(421,346)	(1,517)	(421,346)
Depreciation	17	1,827,896	1,214,465	1,815,126	1,207,360
(Gain)/loss on disposal of property and equipment		(16,036)	(248,912)	(16,036)	(250,083)
Write off of other assets previously provided for		(18,755)	(77,541)	(20,016)	(77,541)
(Decrease)/increase in interest in suspense		464,941	55,386	464,941	55,386
		19,836,257	3,359,895	17,609,888	3,132,039

Notes to the financial statements for the year ended April 30, 2008 (continued)

	Note	GROUP		BANK	
		2008 N'000	2007 N'000	2008 N'000	2007 N'000
32 CASH GENERATED FROM OPERATIONS (CONT'D)					
Increase in loans to customers		(106,570,515)	(60,513,158)	(106,423,303)	(60,513,158)
Decrease/(increase) in advances under finance leases		(1,762,589)	356,632	(1,762,589)	356,632
Decrease/(increase) in interest receivable and prepayments		(3,820,148)	(162,604)	(4,083,326)	(83,588)
Decrease/(increase) in accounts receivable and consumables		(1,635,818)	(1,687,291)	611,896	(1,687,480)
Decrease/(increase) in pledged Treasury bills		(5,000,000)	(15,000,000)	(5,000,000)	(15,000,000)
Increase in deposits		74,146,348	132,611,033	74,183,614	132,930,742
Increase/(decrease) in foreign currency denominated liability		810,246	1,065,939	810,246	1,065,939
Increase/(decrease) in bank cheques issued		1,385,237	2,877,445	1,385,237	2,877,445
Increase/(decrease) in proceeds from third-party public offers		40,245	5,980	(18,961)	5,980
Increase in interest payable and accrued expenses		7,310,873	2,361,383	7,301,141	2,426,004
(Decrease)/increase in deposit for shares		-	(229,744)	-	(229,744)
Cash generated from operations		(15,259,864)	65,045,510	(15,386,158)	65,280,811
33 CASH AND CASH EQUIVALENTS					
For the purposes of the cash flow statement, cash and cash equivalents include:					
Cash and short-term funds	7	26,941,645	25,359,070	26,940,320	25,358,970
Due from banks	8	198,682,867	113,778,070	198,682,867	113,778,070
		225,624,512	139,137,140	225,623,187	139,137,040

Notes to the financial statements for the year ended April 30, 2008 (continued)

	0-30 days N'000	1-3 months N'000	3-6 months N'000	6-12 months N'000	Over 1 year N'000	Total N'000
34 LIQUIDITY RISK						
Maturities of assets and liabilities: The Bank						
As at April 30, 2008						
Assets						
Cash and short-term funds	225,623,187	-	-	-	-	225,623,187
Loans and advances	79,894,306	50,487,855	14,411,118	12,906,091	28,908,068	186,607,438
Advances under finance lease	9,019	69,525	551,374	366,946	1,299,885	2,296,749
Investment securities	-	-	-	-	4,428,021	4,428,021
Deferred tax	-	-	-	-	2,629,794	2,629,794
Other assets	21,421,966	2,980,559	742,192	999,553	986,918	27,131,188
Fixed assets	-	-	-	-	16,573,956	16,573,956
	326,948,478	53,537,939	15,704,684	14,272,590	54,826,641	465,290,333
Liabilities						
Deposits	139,037,969	124,093,195	13,603,422	1,076,566	-	277,811,152
Other liabilities	15,295,971	7,188,860	1,773,297	2,836,879	-	27,095,006
Short-term borrowing	-	13,928,850	-	-	-	13,928,850
Deferred taxation	-	-	-	-	3,638,770	3,638,770
Long-term liabilities	-	-	-	-	10,609,650	10,609,650
	154,333,939	145,210,905	15,376,718	3,913,445	14,248,420	333,083,428
Net liquidity gap	172,614,539	(91,672,966)	327,966	10,359,145	40,578,221	132,206,905
As at April 30, 2007						
Total assets	180,658,943	40,406,090	3,651,387	4,886,536	33,202,934	262,805,890
Total liabilities	143,937,241	25,077,511	35,316,527	15,501,568	12,004,179	231,837,026
Net liquidity gap	36,721,702	15,328,579	(31,665,140)	(10,615,032)	21,198,755	30,968,864

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 term.

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.

35 SUBSEQUENT EVENTS

In June 2008, the Bank invested N300 million in Legacy Pension Fund Administrator (PFA) Limited representing 25% of the company's equity.

36 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.

37 SEGMENT ANALYSIS

The Group's business is organised along the following segments:

Wholesale and Investment Banking

The Wholesale and Investment Banking Division provides comprehensive banking services to highly structured large corporate organisations. The division is also involved in capital raising activities for organisations both in money and capital markets as well as providing financial advisory services to organisations in raising funds.

Commercial Banking

The Commercial Banking Division is focused on small and medium-scale enterprise, emerging local corporate organisations as well as public sector entities in areas of funding and transaction banking.

Consumer Banking

The primary focus of the Consumer Banking Division is providing banking services to individuals in areas of consumer finance and liability.

Treasury and Financial Institutions

The Treasury and Financial Institutions Division provides banking facilities to financial institutions generally (banks and non-banks) and funding support to the various business areas ensuring the liquidity of the Bank is not compromised. The segment is also involved in currency trading.

Transactions between the business segments are on a transfer pricing basis to reflect the cost and allocation of assets and liabilities. There are no other material items of income and expense between the segments. Internal charges and transfer pricing adjustments have been reflected in the performance of each business segment.

Notes to the financial statements for the year ended April 30, 2008 (continued)

	Wholesale/ Investment Banking N'000	Commercial Banking N'000	Consumer Banking N'000	Treasury and Financial Institutions N'000	Total N'000
37 SEGMENT ANALYSIS (CONT'D)					
External revenues	21,913,963	16,093,322	4,683,420	10,128,094	52,818,799
Revenue from other segments	(5,491,013)	3,615,797	504,528	1,370,688	-
Total revenue	16,422,950	19,709,119	5,187,948	11,498,782	52,818,799
Interest expense	2,071,784	3,587,481	414,577	3,167,806	9,241,648
	14,351,166	16,121,638	4,773,371	8,330,976	43,577,151
Expenses					
Operating expenses	3,770,191	7,192,189	4,274,216	2,835,977	18,072,573
Loan loss provisions	1,014,210	1,410,575	587,657	146,914	3,159,356
Depreciation	238,508	957,793	421,660	209,935	1,827,896
Total cost	5,022,909	9,560,557	5,283,533	3,192,826	23,059,825
Profit before tax	9,328,257	6,561,081	(510,162)	5,138,150	20,517,326
Total assets	165,642,709	138,636,749	34,030,523	129,026,949	467,336,930
Total liabilities	104,632,062	118,891,428	23,580,175	86,582,400	333,686,065
Net assets	61,010,647	19,745,321	10,450,348	42,444,549	133,650,865

Statement of value added for the year ended April 30, 2008

	GROUP				BANK			
	2008 N'000	%	2007 N'000	%	2008 N'000	%	2007 N'000	%
Gross income	52,818,799		24,973,311		50,086,197		24,678,518	
Interest paid	(9,241,648)		(5,059,231)		(9,241,648)		(5,142,148)	
	43,577,151		19,914,080		40,844,549		19,536,370	
Administrative overhead	(6,733,802)		(3,385,310)		(6,553,244)		(3,320,491)	
Value added	36,843,349	100	16,528,770	100	34,291,305	100	16,215,879	100
DISTRIBUTION								
Employees								
Salaries and benefits	11,338,769	31%	6,232,970	38%	11,011,835	32%	6,146,765	38%
Government								
Taxation	5,408,235	15%	1,620,407	10%	4,717,241	14%	1,584,371	10%
Providers of funds								
Dividend	-	0%	3,325,851	20%	-	0%	3,325,851	21%
The future								
Asset replacement (depreciation)	1,827,896	5%	1,214,465	7%	1,815,126	5%	1,207,360	7%
Expansion (transfers to reserve and non-controlling interest)	15,109,093	41%	2,622,828	16%	13,720,470	40%	2,480,005	15%
Provision for losses	3,159,356	9%	1,512,249	9%	3,026,633	9%	1,471,527	9%
Value added	36,843,349	100%	16,528,770	100%	34,291,305	100%	16,215,879	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-year financial summary

	GROUP		BANK				
	2008 N'000	2007 N'000	2008 N'000	2007 N'000	2006 N'000	2005 N'000	2004 N'000
ASSETS EMPLOYED							
Cash and short-term funds	26,941,645	25,359,070	26,940,320	25,358,970	14,340,075	2,425,591	3,982,233
Due from banks	198,682,867	113,778,070	198,682,867	113,778,070	63,210,049	26,342,350	9,249,480
Dealing securities	2,005,586	5,835,526	1,855,270	5,734,974	-	-	-
Loans and advances	186,634,383	83,577,134	186,565,206	83,577,134	19,070,768	11,436,232	7,905,359
Advances under finance lease	2,296,749	551,785	2,296,749	551,785	903,840	381,280	229,282
Other assets	29,173,961	18,791,131	27,093,988	18,639,743	1,595,395	8,670,193	625,320
Deferred tax assets	2,638,674	8,880	2,629,794	-	-	-	-
Investment securities	2,332,601	2,163,999	2,332,601	2,163,999	424,350	159,726	109,687
Investment in subsidiaries	-	-	240,150	240,000	150,000	-	-
Fixed assets	16,630,464	12,775,494	16,573,956	12,761,215	6,916,813	1,902,896	1,634,888
	467,336,930	262,841,089	465,210,901	262,805,890	106,611,290	51,318,268	23,736,249
FINANCED BY							
Share capital	8,135,596	4,751,215	8,135,596	4,751,215	4,751,215	2,226,333	1,500,000
Share premium	108,369,199	20,989,590	108,369,199	20,989,590	17,110,700	3,294,855	25,860
Reserves	17,128,335	5,362,780	15,622,678	5,228,059	4,536,408	1,695,028	1,231,184
Minority Interest	17,735	-	-	-	-	-	-
Deposits	251,223,129	187,670,992	251,580,103	187,990,701	70,296,796	26,857,412	17,355,092
Due to other banks	26,231,049	15,636,837	26,231,049	15,636,837	400,000	265,680	664,287
Short-term borrowings	13,928,850	1,910,513	13,928,850	1,910,513	1,396,228	-	-
Tax payable	5,290,123	1,307,377	4,580,652	1,258,106	716,941	242,007	77,518
Dividend payable	-	-	-	-	-	333,950	50,000
Other liabilities	22,754,206	13,207,606	22,514,354	13,036,690	6,891,066	15,885,773	2,648,497
Deferred tax liabilities	3,649,058	770,494	3,638,770	770,494	511,936	267,230	183,811
Long-term borrowing	10,609,650	11,233,685	10,609,650	11,233,685	-	250,000	-
	467,336,930	262,841,089	465,210,901	262,805,890	106,611,290	51,318,268	23,736,249
Acceptances and guarantees	120,039,062	46,111,226	120,039,062	46,111,226	17,966,232	11,935,630	7,086,563

Five-year financial summary (continued)

	GROUP		BANK				
	2008 N'000	2007 N'000	2008 N'000	2007 N'000	2006 N'000	2005 N'000	2004 N'000
PROFIT AND LOSS ACCOUNT							
Gross earnings	52,818,799	24,973,311	50,086,197	24,678,518	10,824,537	6,121,037	3,124,180
Profit before tax	20,517,326	7,569,086	18,437,711	7,390,228	3,640,349	1,093,047	264,588
Tax	(5,408,235)	(1,620,407)	(4,717,241)	(1,584,371)	(798,969)	(295,252)	(16,130)
Profit after tax	15,109,091	5,948,679	13,720,470	5,805,856	2,841,380	797,795	248,458
Minority interest	(17,685)	-	-	-	-	-	-
Transfer to reserves	15,091,406	5,948,679	13,720,470	5,805,856	2,841,380	797,795	248,458
STATISTICAL INFORMATION							
Earnings per share – basic	135k	63k	123k	61k	36k	25k	17k
Earnings per share – diluted	135k	63k	123k	61k	36k	25k	17k

List of branches

LOCATIONS	STATE	ADDRESS	LOCATIONS	STATE	ADDRESS	LOCATIONS	STATE	ADDRESS
1 Aba 1	Abia	90 Asa Road, Aba	15 Uyo	Akwa Ibom	143 Abak Road	31 Benin 2	Edo	7 Akpakpava Road
2 Aba 2	Abia	200 Faulks Road, Aba	16 Wellington Bassey	Akwa Ibom	70 Wellington Bassey Way	32 Ugbowo	Edo	183 Uselu-Ugbowo Road, Benin City
3 Umuahia	Abia	5 Library Avenue, Umuahia	17 Awka	Anambra	84 Nnamdi Azikiwe Avenue, Awka	33 Ado-Ekiti	Ekiti	Along Secretariat Road
4 Abuja 2	Abuja	6 Ogbomoshoh Street, Area 8, Garki, Abuja	18 Oko	Anambra	4 Hospital Road	34 Enugu	Enugu	12a Market Road, Enugu
5 Abuja 3	Abuja	Area 3 Garki Abuja, Coscharis Plaza, Plot 1070, Egbe Close	19 Onitsha	Anambra	9a Market Road, Onitsha	35 Garden Avenue Enugu	Enugu	41 Garden Avenue, Enugu
6 Abuja FCMB Plaza	Abuja	FCMB Plaza, 252 Herbert Macaulay Way, Central Bus. District, Abuja	20 Yenagoa	Bayelsa	Off Nixon Junction, Kpasia, Yenagoa	36 Gombe	Gombe	11 Biu Link Road, Commercial Area Opp. Central Market, New Eid Ground, Gombe
7 Maitama Fed Sec	Abuja	Federal Secretariat Complex Phase 3, Shehu Shagari Way, Maitama	21 Makurdi	Benue	23 Railway Bypass, Markudi	37 Owerri	Imo	81 Wetheral Road, Owerri
8 Wuse li Branch	Abuja	Plot No.108, Adetokunbo Ademola, Cadastral Zone Ao8, Wuse li	22 Maiduguri	Borno	Baga Road, Maiduguri, Borno	38 Dutse	Jigawa	12a/13a Kiyawa Road, Dutse
9 Yola Branch	Adamawa	20 Atiku Abubakar Way, Jimeta, Yola	23 Bauchi	Buachi	Forma Women Devt Centre G.R.A., Bauchi	39 Kaduna	Kaduna	A1 Ahmadu Bello Way
10 Eket Branch	Akwa Ibom	12 Etebi Street, Eket	24 Calabar	Cross River	15 Calabar Road, Calabar	40 Kaduna 1	Kaduna	1-2a Kachia Road, Kaduna
11 Ikot Abasi	Akwa Ibom	2 Akpan Udo, Ekpo Street	25 Ikom	Cross River	7 Calabar Road, Ikom	41 Zaria	Kaduna	F3 Kaduna-Gusau Road, Zaria
12 Ikot Ekpene	Akwa Ibom	42 Sani Oguns, Ikot Ekpene	26 Asaba	Delta	206 Nnebisi Road, Asaba	42 Bello Road Kano	Kano	17-18 Bello Road
13 Oron Road Uyo	Akwa Ibom	105 Oron Road, Uyo	27 Warri 11	Delta	68 Effurun Sapele Road, Warri	43 Kano	Kano	145 Murtala Mohammed Way
14 State House Of Assembly Complex	Akwa Ibom	Akwa Ibom State House Of Assembly	28 Warri	Delta	Plot 151-153 Okumagba Avenue	44 Katsina	Katsina	Kano/Katsina Road, By Yantomaki Road Junction, Katsina
			29 Abakiliki	Ebonyi	36b Sam Egwu Way, Abakiliki	45 Birnin Kebbi	Kebbi	Ahmadu Bello Way, Birnin-Kebbi
			30 Benin 1	Edo	112 Mission Road, Benin City			

List of branches (continued)

LOCATIONS	STATE	ADDRESS
46 Lokoja	Kogi State	Okene-Kabba Road, Opp. Stella Obasanjo Library, Lokoja
47 Ilorin	Kwara	33 Murtala Mohammed Way, Ilorin
48 Adeola Odeku	Lagos	11b Adeola Odeku Street, Victoria Island
49 Agege	Lagos	Old Abeokuta Expressway, Tabon Tabon, Agege, Lagos
50 Airport Road	Lagos	Plot 25, Muritalla Mohammed International Airport Road, Ikeja
51 Ajah	Lagos	Km 23 Berger Bus Stop, Ajah
52 Akowonjo	Lagos	Shasha Roundabout, Akowonjo
53 Alaba	Lagos	Obosi Plaza, A Line, Alaba International Market, Ojo
54 Alagbado	Lagos	757 Lagos-Abeokuta Expressway, Ojokoro, Alagbado
55 Allen Avenue	Lagos	36 Allen Avenue, Ikeja
56 Apapa 11	Lagos	16 Warehouse Road, Apapa
57 Apapa	Lagos	28 Creek Road, Apapa
58 Awolowo Road	Lagos	68 Awolowo Road
59 Broad Street	Lagos	Banuso House

LOCATIONS	STATE	ADDRESS
60 Head Office	Lagos	17a Tunubu Street, Lagos Island
61 Idumagbo	Lagos	34 Idumagbo Avenue, Lagos Island
62 Idumota	Lagos	22 Idu Olowu Street, Idumota
63 Ikeja	Lagos	29 Oba Akran Avenue
64 Ikorodu	Lagos	7 Lagos Road
65 Ketu	Lagos	545-547 Ketu, Ikorodu Road, Lagos
66 Macarthy	Lagos	10-12 Marcarthy Street, Onikan, Lagos
67 Matori	Lagos	91 Ladipo Street, Matori Lagos
68 Motor Ways Avenue Ikeja	Lagos	Motor Ways Avenue Branch, Ikeja
69 Mushin Isolo	Lagos	253 Agege Motor Road, Mushin
70 Ogba	Lagos	23 Ogba Ijaiye Road, Opp. Waec Ogba
71 Ojo	Lagos	148a Olojo Drive
72 Oke-Arin	Lagos	5 Daddy Alaja Street
73 Orile Coker	Lagos	8-10 Alaba Meta Farms, Orile Coker Lagos
74 Sanusi Fafunwa	Lagos	17 Sanusi Fafunwa Street
75 The Palms	Lagos	New Shopping Complex By Lekki Phase 1 First Roundabout

LOCATIONS	STATE	ADDRESS
76 Victoria Island	Lagos	Plot 1661, Oyin Jolayemi Street
77 Yaba Branch	Lagos	43 Ojuelegba Road, Yaba, Lagos
78 Adetokunbo Ademola	Lagos	Plot 719, Adetokunbo Ademola Street, V.I Lagos
79 Adeniran Ogunsanya	Lagos	33 Adeniran Ogunsanya Street, Surulere
80 Adeola Hopewell	Lagos	No 38, Plot 727, Adeola Hopewell Street, Victoria Island, Lagos
81 Lekki 2	Lagos	Igbokushu Village, Opp. Jakande Estate Lekki-Epe Expressway, Lagos
82 Oke-Arin 2	Lagos	11 Ijaiye Street, Oke-Arin, Lagos
83 Okota	Lagos	117 Okota Road, Opposite PHCN, Okota, Lagos
84 Shomolu	Lagos	31 Shipeolu Street, Onipan, Shomolu, Lagos
85 Tincan	Lagos	Berger Cement Bus Stop Apapa-Oshodi Express Road
86 Idimu	Lagos	218 Egbeda-Idimu Road Faith Bus Stop, Opp. Yemkem Int'l Plaza Idimu-Lagos
87 Lafia	Nasarawa	Lafia/Jos Road, Opp. State Cid, Lafia

List of branches (continued)

LOCATIONS	STATE	ADDRESS	LOCATIONS	STATE	ADDRESS	LOCATIONS	STATE	ADDRESS
88 Minna	Niger	Along Paiko Road, Opp. Cbn Minna	103 Ibadan Bodija	Oyo	Ibadan Bodija Branch	117 Damaturu	Yobe	29-32 Bukar Abba Ibrahim Way, Damaturu
89 Abeokuta	Ogun	21 Lalubu Street, Oke-Ilewo	104 Ibadan	Oyo	23-25 Lebanon Street	118 Potiskum	Yobe	Opposite Fed. College Of Education (Technical), Mohammed Idriss Way, Potiskum
90 Agbara	Ogun	Plot 1, Ilaro Street, Agbara Industrial Estate, Agbara	105 Ojoo	Oyo	Ojoo-Ibadan Express Road, Ojoo, Ibadan	119 Gusua	Zamfara	Plot 103, Gusau-Sokoto Road, Gusau
91 Akute	Ogun	34 Ojodu Akute Road, Alagbole Bus Stop	106 Jos	Plateau	British/American Junction Jos	120 Obajana Cash Centre	Kogi	Opposite Obajana Cement Factory
92 Ijebu-Igbo	Ogun	81 Adeboye Road, Oke Sopen	107 Aba Road Phc	Rivers	Areta Plaza, 178 Aba Road, Port Harcourt	121 Uch Ibadan Cash Centre	Oyo	University College, Opp. Total Filling Station, Ibadan
93 Ijebu-Ode	Ogun	168 Folagbade Street,	108 Ikwerre Road	Rivers	Ikwerre Road, Port Harcourt	122 Guinness Aba Cash Centre	Abia	Guinness Depot, Osisioma, Aba
94 Otta	Ogun	56 Idi-Iroko Road	109 Olu Obasanjo Way	Rivers	Plot 348a, Olu Obasanjo Way	123 Oron PHCN Cash Centre	Akwa Ibom	PHCN Premises, Oron
95 Sagamu	Ogun	141 Akarigbo Street, Ijoku	110 Oyigbo	Rivers	290 Old Aba Road, Oyigbo	124 Oando Cash Centre, Warri	Delta	Oando Premises, Warri
96 Akure	Ondo	15 Oyemekun Street, Akure	111 Port Harcourt	Rivers	Plot 282a, Ph/Aba Express Road, Port Harcourt	125 Guinness Benin Cash Centre	Edo	Guinness Premises, Ikpoba Hill, Agbor Road, Benin City
97 Igbokoda	Ondo	Plot 1e, 5b Gra Igbokoda, Ilaje	112 Trans Amadi	Rivers	Essay Plaza 11-12 Trans-Amadi Industrial Layout	126 Ashaka Cash Centre	Gombe	Ashaka Cement Complex
98 Ore	Ondo	Adjacent NNPC Depot, Ore-Ondo Road, Ore	113 Abuloma	Rivers	46a Abuloma Road, Opp. Bozgomero Estate, Abuloma, Port Harcourt	127 Kaduna PHCN	Kaduna	PHCN Premises, Oron
99 Owo	Ondo	AP Filling Station, Owo Express Road	114 Aggrey	Rivers	81 Aggrey Road, Port Harcourt	128 Sifax Cash Centre	Lagos	Sifax Terminal
100 Ilesha	Osun	F16 Ereguru Street, Ilesha	115 Sokoto	Sokoto	Plot 4 Kano Road, Sokoto	129 Guinness Ikeja Cash Centre	Lagos	Guinness Premises, 24 Oba Akran Avenue
101 Oshogbo	Osun	Along Gbongan Road, Oshogbo	116 Jalingo	Taraba	Hammaniwa Road, Before Zenith Bank Plc, Jalingo	130 Iponri Cash Centre	Lagos	Shop 529-531, Iponri Shopping Complex
102 Saki	Oyo	Sango-Ajegunle Road, Beside Saki West Local Govt Secretariat, Saki						

List of branches (continued)

LOCATIONS	STATE	ADDRESS
131 Lasu Cash Centre	Lagos	Lagos State University, Ojo, Ict Complex
132 Zenon Oil Cash Centre	Lagos	Zenon Direct Filling Station
133 Eko PHCN	Lagos	PHCN Premises, Eko
134 Awoyaya PHCN	Lagos	PHCN Premises, Awoyaya, Ijebu-Lekki
135 Ikorodu PHCN	Lagos	PHCN Premises, Ikorodu
136 Isolo PHCN	Lagos	PHCN Premises, Isolo
137 Oshodi PHCN	Lagos	PHCN Premises, Oshodi
138 Abiyan PHCN	Lagos	PHCN Premises, Abiyan, Ijebu-Kekki
139 Oba-Akran PHCN	Lagos	PHCN Premises, Oba-Akran
140 Ogba PHCN	Lagos	PHCN Premises, Ogba
141 Okota PHCN	Lagos	PHCN Premises, Okota
142 Ago-Iwoye Cash Centre	Ogun	Olabisi Onabanjo University
143 Akute PHCN	Ogun	PHCN Premises, Akute
144 Shagamu PHCN	Ogun	PHCN Premises, Shagamu
145 Otta PHCN	Ogun	PHCN Premises, Otta

Personal account application form

Individual/joint account holders

PLEASE RETURN TO: FCMB, Primrose Towers, 17A Tinubu Street, Lagos, Nigeria

FCMB

Dear Sirs,

Kindly establish the following account(s) in my/our name with First City Monument Bank Plc (FCMB). By selecting any type of account(s)/product(s) I agree to be bound by the terms and conditions governing the said account(s)/product(s) in FCMB. I also agree to be bound by the terms and conditions governing the assessment of your services via your non-branch channels which I have also selected with this application.

(PLEASE COMPLETE ALL SECTIONS IN CAPITAL LETTERS – TRUSTEE/JOINT ACCOUNT HOLDER DETAILS TO BE INDICATED AND SIGNED ON THE NEXT PAGE)

DETAILS OF: ACCOUNT HOLDER FIRST JOINT ACCOUNT HOLDER

Title: Mr Mrs Miss Dr Other

Surname Forenames

Mother's Maiden Name

Test Question

Answer

Date of Birth (DD/MM/YYYY) / / Nationality

Occupation

Pencom No.

Employer's Name

Employer's Address

Approx. Annual Income (=N=)

Home Address

City/Town State

Mobile Phone 1 Mobile Phone 2

Office Phone Home Phone

Correspondence Address

City/Town State

Email Address

Next of Kin

I hereby certify that all the information given above is correct. I also certify that I have read, understood and agreed with the attached terms and conditions governing the account(s)/product(s) I have requested.

Customer's Signature

Mandate/Special Instructions

(including minimum confirmation amount, where required)

PASSPORT
PHOTOGRAPH
HERE

Account type

- Classic Current Account USD GBP EUR
 Foreign Currency Account Classic Saver Account Corper Saver Account
 Premium Saver Account Scholar Saver Account

Selected Channels

- Automated Teller Machines
- | | | |
|---|--------------------------|--------------------------|
| | Full Access | View Only |
| <input type="checkbox"/> Internet Banking | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Mobile Banking | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> SMS Banking | <input type="checkbox"/> | <input type="checkbox"/> |

Statement Preferences

- Email Post Hold
 Monthly Quarterly 1/2 Yrly

Special Instructions

- Transaction Confirmation Required
(The bank may charge for each transaction confirmed via telephone)
- None Written Tel.

FOR OFFICE USE ONLY

Initial Deposit Taken (Y/N) Walk in (Y/N)

Account Officer

Broker

ID Type

ID No

Issue Date / / (DD/MM/YYYY)

Expiry Date / / (DD/MM/YYYY)

List of Documents Attached (Y=Yes; N=No; X=Not Applicable)

Reference	<input type="checkbox"/>	Passport Photograph	<input type="checkbox"/>	Utility Bill	<input type="checkbox"/>
Signature Cards	<input type="checkbox"/>	Residence/Work Permit	<input type="checkbox"/>	KYC Form	<input type="checkbox"/>

Approval Code

CSM Signature CSM Staff #

B/M Signature





Proxy Form

**FIRST CITY MONUMENT BANK PLC (RC 46713)
25TH ANNUAL GENERAL MEETING**

I/We _____

being a member/members of First City Monument Bank Plc hereby appoint

**

(Block Capital Please)

Or failing him, the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of First City Monument Bank Plc which will be held on Tuesday, October 7, 2008, at 11.00 am at the Shell Hall, MUSON Centre, Onikan, Lagos or at any adjournment thereof.

Dated this _____ day of _____ 2008.

Shareholder's signature _____

NOTE:

(1) A member (shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy and the above Proxy Form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.

(2) Following the normal practice, the Chairman of the meeting has been entered on the form to ensure that someone will be at the meeting to act as your proxy, but if you wish, you may insert in the blank space (marked**) the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf.

(3) Please sign and post the Proxy Form so as to reach The Registrar City Securities (Registrars) Limited, Primrose Tower, 17A Tinubu Street, Lagos, not later than 48 hours before the time appointed for the meeting and ensure that the Proxy Form is dated, signed and stamped by the Commissioner for Stamp Duties.

(4) If executed by a corporate body, the Proxy Form should be sealed with the Common Seal or under the hand of an officer or Attorney duly authorised in that behalf.

Resolutions

1 RESOLUTIONS	FOR	AGAINST
1. To receive and consider the Report of the Directors and the Financial Statements for the year ended April 30, 2008, the Auditors Report thereon and the Audit Committee Report.		
2. To declare a dividend.		
3. 3(a) To re-elect directors in place of those retiring.		
3(b) Mr G. T. S. Adokpaye, Mr Ladi Jadesimi and Alhaji Ibrahim Damcida being longest in office since the last election retire by rotation and, being eligible, offer themselves for re-election.		
4. To authorise the directors to fix the remuneration of the auditors.		
5. To elect/re-elect members of the Audit Committee.		
6. SPECIAL BUSINESS		
To amend the Articles of Association.		
Please indicate how you wish your votes to be cast on the resolutions set out above by indicating "x" in the appropriate space. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		

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

ADMISSION CARD

FIRST CITY MONUMENT BANK PLC 25TH ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED ON THIS CARD OR HIS DULY APPOINT PROXY TO THE ANNUAL GENERAL MEETING BEING HELD ON TUESDAY, OCTOBER 7, 2008, AT 11.00 AM AT THE SHELL HALL, MUSON CENTRE, ONIKAN, LAGOS.

NAME OF SHAREHOLDER/PROXY _____

SIGNATURE _____

ADDRESS _____

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

FIRST CITY MONUMENT BANK PLC

A MEMBER OF FIRST CITY GROUP

Our vision: To be the Premier Financial Services Group of African Origin.

First City Monument Bank PLC

Primrose Towers, 17A Tinubu Street, P.O. Box 9117, Lagos State, Nigeria

Tel: 01-2665944, Fax: 01-2665126

www.firstcitygroup.com

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