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REGISTRANT'S NAME United Bank for Africa PLC

\*CURRENT ADDRESS \_\_\_\_\_  
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\*\*FORMER NAME \_\_\_\_\_

\*\*NEW ADDRESS \_\_\_\_\_  
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FISCAL YEAR 3-31-03

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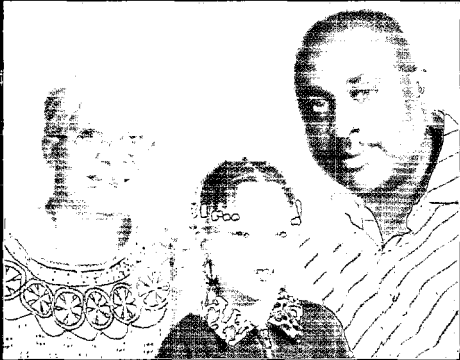
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**2003**

Annual Report  
and Accounts

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United Bank for Africa Plc  
RC. 2457

**UBA**



## Group Financial Highlights

	2003	2002	% Change
Total Assets (N'million)	203,871	200,196	2
Shareholders' Funds (N'million)	14,901	10,627	40
Gross Earnings (N'million)	24,194	22,521	7
Profit Before Taxation (N'million)	5,128	2,472	107
Profit After Taxation (N'million)	3,280	1,566	109
Capital Adequacy Ratio (%)	15	13	15
Return on Assets (%)	1.65	0.81	104
Return on Equity (%)	24	16	50
Earnings per share (N)	1.29	0.92	40
Dividend per share (N)	0.45	0.30	50

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43. Notice of Annual General Meeting

## Directors

Mr. Hakeem Belo-Osagie	- Chairman
Mallam Abba Kyari	- Vice Chairman
Mr. Arnold Ekpe	- Chief Executive Officer
Alhaji Aliyu Dikko	- Executive Director
Mr. Offong Ambah	- Executive Director
Mr Olufemi Lijadu (Resigned with effect from 1st September 2002)	- Executive Director
Mr. Mahmoud Isa-Dutse (Retired by rotation on 1st August 2002)	- Executive Director
Alhaji Yunusa K. Ojo	- Executive Director
Alhaji Bello Garba	- Executive Director
Dr. T. Asuquo John	- Director
Igwe Alex Nwokedi, OON	- Director
Mr. Kayode Sofola, SAN	- Director
Alhaji Mustapha Abdulkadir	- Director
Mr. Amah Iwuagwu	- Director
Mr. Victor Odozi	- Director
Mr. Junaid Dikko	- Director
Mr. Willy Kroeger (German)	- Director
Alternate: Neil Forsyth (British)	- Director
Dr. Khalid A. T. Al-Mansour (American)	- Director
Prof. Jean Herskovits (American)	- Director
Mr. William E. James (American)	- Director
Mr. Paolo Di Martino (Italian)	- Director
Alternate: Giorgio Marra (Italian)	- Director

## Corporate Executives

Arnold Ekpe	- Chief Executive Officer
Offong Ambah	- Retail Bank
Bello Garba	- Wholesale Bank
Aliyu Dikko	- Investment Bank
Yunusa K. Ojo	- Transaction Bank

## Registered Office

UBA House  
57, Marina, Lagos

## Registrar & Transfer Office

UBA Securities Services Limited  
Raymond House  
97/105 Broad Street, Lagos  
**Ben Nwaroh** - Managing Director

## Subsidiary

UBA Capital & Trust Limited  
22b Idowu Taylor Street, Victoria Island, Lagos  
**Nigel Lardner** - Managing Director

In a challenging year, which saw a drop in interest rates and low economic growth, our focus on efficiency, rather than mere growth in size was effective in achieving a significant improvement in our financial performance and in the overall quality of our business.

Profit before tax increased by over 100% reflecting greater operating efficiencies and better strategic cost management. As a result, our earnings per share and return on equity increased significantly.

During the year, work continued on refocusing the Bank on its core retail franchise while growing our presence in selected wholesale markets. Work also commenced on standardizing and rolling out a common retail format and a suite of standard retail and wholesale financial products.

Our centralization and automation initiatives gathered momentum and the results were evident in reduced operating costs and efficiency improvement. These initiatives will continue.

After an extensive survey of employees and customers, we launched a refreshed logo and corporate brand during the year. The new logo embodies a combination of colours that speaks to our proud history and our ambitions for the future. I am pleased to say that the reaction from the market has been positive.

Femi Lijadu and Mahmoud Isa-Dutse voluntarily resigned as Executive Directors during the year, to further their academic interests. We thank them for their contribution as board members and to the development of the Bank and wish them well in their new pursuits.

Yunusa Ojo and Bello Garba were appointed to the Board as Executive Directors. Both have served the Bank well for

many years and bring a wealth of experience to their new responsibilities.

We continue to work hard to prepare the Bank for a market that is getting more challenging every day. The investments in people, technology, processes and structural changes to drive the

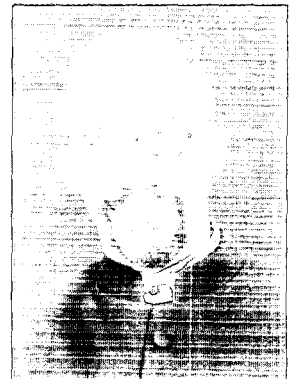
Bank's strategy are designed to position UBA to achieve its goal of being the leading retail commercial bank in Nigeria.

As we look forward to a new financial year, we look back with appreciation to all our employees, customers, regulatory authorities and the wider community in which we operate for their support and confidence in our institution.

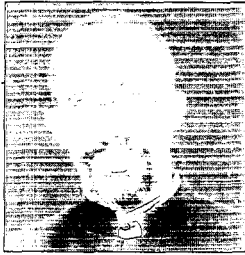
Your Board remains committed to building UBA into one of the most valuable banking franchises in the country.



Hakeem Belo-Osagie



# Board of Directors



**Makeem Belo-Osagie**  
 Director since 1994.  
 Chairman of the Board of Directors since 1997. Petroleum Economist and Lawyer. Former Special Assistant to the Minister of Petroleum and Energy. Chairman and Director of several companies.



**Abba Kyari**  
 Director since 1994.  
 Vice-Chairman of the Board since January 2002. Was Managing Director & Chief Executive from 1997 to 2001. Former Company Secretary and Head, Legal Services at African International Bank. Former State Commissioner and newspaper editor.



**Arnold Ekpe**  
 Chief Executive Officer since 2002. Was MD/CEO, Ecobank Group from 1996 to 2001. Former Citibank Vice-President and Head of Corporate/Trade Finance for sub-Saharan Africa. Former Director of UAC Nigeria Plc.



**Igwe Alex Nwokedi (OON)**  
 Director since 1994  
 Fellow, Nigerian Institute of Public Relations. Was General Manager, Group Public Affairs at the Nigerian National Petroleum Corporation and Press Secretary to the Head of State in the 1970s.



**Junaid Dikko**  
 Director since 2000.  
 Petroleum and Telecommunications Consultant. Currently Managing Director of United Telesys Limited. On the board of several companies.



**Asuquo John**  
 Director since 1994.  
 Currently Chief Executive of Hydropec Engineering Services Limited. Former Group Chief Executive of Nigerian National Petroleum Corporation.



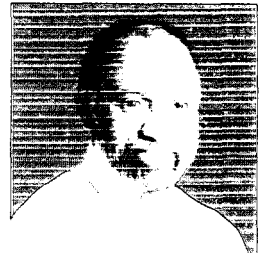
**Victor Odozi**  
 Director since 1999.  
 Former Deputy Governor of Central Bank of Nigeria. Served on the Boards of the Nigerian Industrial Development Bank and the African Export-Import Bank. Fellow, Chartered Institute of Bankers of Nigeria.



**Allyu Dikko**  
 Director since 2000.  
 Executive Director, Investment Bank. Was General Manager, Public Sector. Former Senior Executive of Urban Development Bank of Nigeria.

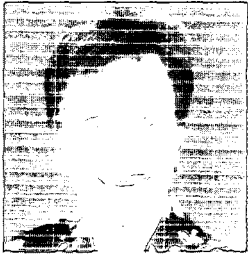


**Offong Ambah**  
 Director since 2002.  
 Executive Director, Retail Bank. Former Managing Director of Ecobank Liberia. Fellow of the Nigeria Institute of Stockbrokers.



**Khalid Al-Mansour**  
 Director since 1998.  
 Attorney at Law, Investment Banker. Co-founder of the international law firm of Al-Waleed, Al-Talal and Al-Mansour. On the board of several companies.

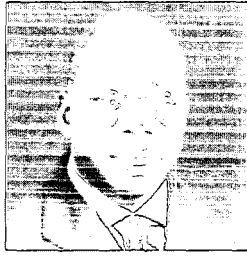
# Board of Directors



**Jean Herzkovits**  
 Director since 1998.  
 Professor of History at the State University of New York at Purchase. Consultant to major international organisations.  
 Member, ConocoPhillips Nigeria Advisory Council.



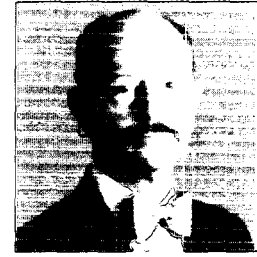
**Kayode Sofola (SAN)**  
 Director since 1994.  
 Principal Partner, Kayode Sofola Chambers. Made Senior Advocate of Nigeria in 1995.  
 On the board of several companies.



**Yunuse K. Ojo**  
 Director since 2003.  
 Executive Director, Transaction Bank. Was Deputy General Manager/Head, Service Management Division and later, Head, Operations and Process Sector.



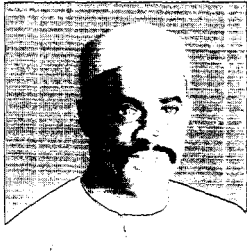
**Mustapha Abdulkadir**  
 Director since 1998.  
 Director of several companies. Former Senior Executive of National Electric Power Authority.



**William James**  
 Director since 1998.  
 Chairman of Citizen's Capital LLC, an international investment firm. Director of several companies.



**Paolo Di Martino**  
 Director since 2001.  
 Executive of Monte dei Paschi di Siena S.P.A. (Oldest bank in the world). Director of Banque du Sud Tunis.



**Amah Iwuagwu**  
 Director since 1997.  
 Managing Director & Chief Executive of Credit Alliance Financial Services Limited. Former Special Adviser to the Minister of Finance. Former Economic Analyst in the World Bank.



**Bello Garba**  
 Director since 2003.  
 Executive Director, Wholesale Bank. Was Assistant General Manager/ Group Head, Public Sector Institutions and later Deputy General Manager, Parastatals and Nigeria National Petroleum Corporation and its subsidiaries. Former Acting Controller of Finance, Nigeria Television Authority Zonal headquarters, Kaduna.



**Willy L. Kroeger**  
 Director since 1996.  
 Deutsche Bank AG. Director Corporate and Investment Bank/ Global Trade Finance West Africa.



# Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended 31st March, 2003.

1.	Results	₦'m	₦'m
	Profit for the year after taxation		3,280
	Less: Appropriations:		
	Statutory Reserve	(492)	
	Small Scale Industries Reserve	(482)	
	Bonus Issue Reserve	-	
	General Reserve	(1,158)	
	Dividend Proposed	<u>(1,148)</u>	
			<u>(3,280)</u>
	Unappropriated profit carried forward		<u>-</u>

## 2. Legal Form

The Bank was incorporated in Nigeria as a limited liability company on 23rd February, 1961 under the Companies Ordinance (Cap 37) 1922. It took over the assets and liabilities of the British and French Bank Limited which had carried on banking business in Nigeria since 1949. The Bank's shares are currently quoted on the Nigerian Stock Exchange.

## 3. Major Activities

The Company is engaged in the business of banking and provides corporate, commercial, consumer and international banking, trade services, cash management, treasury and capital market services and products. Trust services, pension management and administration, as well as asset management services are provided through a subsidiary company, UBA Capital and Trust Ltd (previously UBA Trustees Ltd).

## 4. Directors

- i. The names of the present Directors are shown on page 2.
- ii. Since the last Annual General Meeting, Mr Olufemi Lijadu and Mr. Mahmoud Isa-Dutse resigned from the Board.
- iii. Alhaji Yunusa Ojo and Alhaji Bello Garba were appointed as Directors during the period. In accordance with Article 76 of the Bank's Articles of Association, Messrs Ojo and Garba will retire at the Annual General Meeting and being eligible, offer themselves for election.

- iv. In accordance with Article 101 of the Bank's Articles of Association, the Directors retiring by rotation at the Annual General Meeting are:

Dr. T. Asuquo John  
Igwe Alex Nwokedi, OON  
Dr. Khalid Al-Mansour  
Alhaji Aliyu Dikko  
Mr. Junaid Dikko

All being eligible, they will offer themselves for re-election.

## 5. Directors' Responsibilities

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Bank and of the profit or loss for that period and comply with the provisions of the Companies and Allied Matters Act, 1990 and the Banks and Other Financial Institutions Act, 1991. In so doing they ensure that:

- \* proper accounting records are maintained;
- \* applicable accounting standards are followed;
- \* suitable accounting policies are adopted and consistently applied;
- \* judgements and estimates made are reasonable and prudent;
- \* the going concern basis is used, unless it is inappropriate to presume that the Bank will continue in business; and
- \* internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets of the Bank and prevent and detect fraud and other irregularities.

## 6. Directors' Interests

The interests of the Directors in the issued share capital of the Bank are recorded in the Register of Directors' Shareholdings as at March 31st, 2003 as follows:

	2003	2002
Mr. Hakeem Belo-Osagie	669,375	446,250
Mallam Abba Kyari	1,375,725	917,150
Mr. Arnold Ekpe	165,800	Nil
Alhaji Aliyu Dikko	765,000	510,000
Mr. Offong Ambah	15,000	Nil
Alhaji Yunusa K. Ojo	56,170	-
Alhaji Bello Garba	19,125	-
Dr. Thomas A. John	2,977,966	1,985,311
Igwe Alex Nwokedi, OON	255,000	170,000
Alhaji Mustapha Abdulkadir	1,402,500	935,000
Mr. Victor Odozi	30,000	10,000
Mr. Amah C. Iwuagwu	1,529,998*	1,019,999*
Mr. Kayode Sofola, SAN	361,248*	240,832*
Mr. William James	145,350,000+*	96,900,000+*

\* Indirect holding

+ GDRs

There have been no changes in the Directors' shareholding since March 31st, 2003 other than the shareholding of Mr. William James which reduced to 128,850,000 shares with the sale of 16,500,000 shares in April 2003.

## 7. Substantial Interests in Shares

The ordinary shares of the Bank as at March 31st, 2003 were held as follows:

### Ordinary Shares of 50k each

	2003		2002	
	Number of shares held	%	Number of shares held	%
Nigerian Citizens and Associations	1,313,035,738	51.49	797,763,756	46.93
*Stanbic Nominees Nigeria Limited	999,814,262	39.21	744,136,244	43.77
+Bankers International Corp, USA.	114,750,000	4.50	76,500,000	4.50
Banca Nazionale del Lavoro, Italy	61,200,000	2.40	40,800,000	2.40
Monte dei Paschi di Siena, Italy	61,200,000	2.40	40,800,000	2.40
	<u>2,550,000,000</u>	<u>100.00</u>	<u>1,700,000,000</u>	<u>100.00</u>

\* Of this number, Stanbic Nominees Nigeria Limited holds 912,177,600 units (35.77%) as Custodian under the Bank's GDR Programme.

+Bankers International Corporation is a member of the Deutsche Bank Group.

No shareholder other than Stanbic Nominees Nigeria Limited held more than 10% of the called up share capital of the Bank as at March 31st, 2003.

## 8. Statistical Analysis of Shareholdings

Range of Shareholdings	Number of Shareholders	Number of Shares held	% of Shareholding
1 - 500	3,338	859,440	0.03
501 - 1,000	3,179	2,315,180	0.09
1,001 - 5,000	25,984	61,481,301	2.41
5,001 - 50,000	19,731	346,439,644	13.59
50,001 - 100,000	1,629	108,400,388	4.25
100,001 - 500,000	1,339	278,289,978	10.91
500,001 - 1,000,000	153	104,891,821	4.11
1,000,001 - 5,000,000	99	181,003,457	7.10
5,000,001 - 50,000,000	19	229,354,529	8.99
50,000,001 - 100,000,000	2	122,400,000	4.80
Above 100,000,000	2	1,114,564,262	43.71
	55,475	2,550,000,000	100.00

## 9. Donations

Donations made during the year amounted to =N=12,384,066.30 details of which are shown below. No donation was made to any political organisation.

Name Of Beneficiary	Amount (N)
Junior Achievement of Nigeria (Annual Subscription)	1,151,000
Financial Services Regulation Coordinating Committee (Sponsorship of Workshop)	200,000
Akoko Diocese Anglican Communion (Endowment Fund)	100,000
Police Community Relations Committee, Lagos Chapter	100,000
Growing Business Foundation	1,186,000
Chartered Institute of Bankers of Nigeria (Induction/Prize Award Day )	50,000
Victoria Island & Ikoyi Residents' Association (Donation towards Security and Environmental Initiative)	1,000,000
The Nigerian Police Force Divisional H/Q, Owerri (Building Project)	25,000
Junior Achievement of Nigeria (Donation towards Annual Report Publication)	600,000
The Salvation Army (Charity Fund Raising)	50,000
Massey Street Children's Hospital (Christmas Party)	50,000
Women in Management and Business (Sponsorship of Conference)	1,000,000
Chartered Institute of Stockbrokers (Sponsorship of Annual Conference)	250,000
Nigerian-British Chamber of Commerce (Donation in support of Journal)	50,000
United Nations Children's Fund (UNICEF) (Fund Raising Walk for Children)	300,000
Lagos Millennium Group on the Environment (Donation towards Projects)	750,000
All African Law Conference Supreme Court (Sponsorship of Conference)	1,500,000

Association of Corporate Affairs Managers of Banks (Sponsorship of Annual Dinner)	100,000
Save a Life Today (Tonie Emodi)	1,000,000
Inspector-General of Police 'A' Division (Sponsorship of 3 Police Officers for a Training Programme)	1,428,840
Global Women Investors and Initiators' Network (Scholarships for Young People & Women in Nigeria)	50,000
Federal University of Technology, Akure (Donation of Personal Computers)	943,226.30
Bood Ltd (Sponsorship of Inter-Local Youth Championship)	500,000
<b>Total</b>	<b><u>12,384,066.30</u></b>

**10. Acquisition of Own Shares**

The Bank did not purchase any of its own shares during the year.

**11. Fixed Assets**

Movements in fixed assets during the year are shown on pages 28 - 29. In the opinion of the Directors, the market value of the Bank's properties is not less than the value shown in the Accounts.

**12. Employment and Employees**

**i. Employment of disabled persons**

It is the policy of the Bank that there should be no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop. As at 31st March, 2003, there were ten (10) disabled persons in the employment of the Bank.

**ii. Health, Safety at Work and Welfare of Employees**

Health and Safety regulations are in force within the Bank's premises and employees are aware of existing regulations. The Bank provides subsidies to all levels of employees for medical expenses, transportation, housing, lunch, etc.

**iii. Employee Involvement and Training**

The Bank is committed to keeping employees fully informed as much as possible regarding the Bank's performance and progress and seeking their opinion where practicable on matters which particularly affect them as employees.

Training is carried out at various levels through both in-house and external courses and 3,245 staff benefitted from such courses in the year under review. Incentive schemes designed to encourage the involvement of employees in the Company's performance are implemented whenever appropriate.

**13. Post-Balance Sheet Events**

There are no post balance sheet events which could have had a material effect on the financial state of affairs of the Bank as at 31st March, 2003 and the profit for the year ended that date.

## 14. Audit Committee

Pursuant to Section 359(3) of the Companies and Allied Matters Act No. 1 of 1990, the Bank has an Audit Committee comprising three Directors and three shareholders as follows:

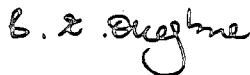
1.	Jene Princewill	-	Chairman
2.	Alkassim Umar	-	Member
3.	Dan Agbor	-	Member
4.	Arnold Ekpe	-	Member
5.	Victor Odozi	-	Member
6.	T. Asuquo John	-	Member

The functions of the Audit Committee are as laid down in Section 359(6) of the Companies and Allied Matters Act of 1990.

## 15. Auditors

In accordance with Section 357(2) of the Companies and Allied Matters Act of 1990, Messrs. Akintola Williams Deloitte & Touche have indicated their willingness to continue in office as Auditors of the Bank. A resolution will be proposed authorising the Directors to determine their remuneration.

By Order of the Board



Prof. Isabelia Okagbue  
Company Secretary / Legal Adviser  
57 Marina, Lagos.

31st May, 2003

United Bank for Africa Plc ("UBA") is a public limited company incorporated under the laws of Nigeria. Its shareholders include leading international banks, institutional investors and individuals. Its shares are quoted on the Nigerian Stock Exchange and are also traded offshore under a Global Depositary Receipt Programme. It has 234 outlets across Nigeria and 2 foreign branches in New York and Grand Cayman Island.

UBA and its subsidiaries provide a range of financial services to individuals, companies, financial and multilateral institutions, governments and non-governmental organizations. These services include commercial banking, investment banking and asset management.

## Financial Review

UBA's financial performance is affected by the general economic conditions and the conduct of monetary and fiscal policies in the countries in which it operates namely Nigeria and the United States of America. During the year, interest rates in Nigeria declined sharply, while interest rates in the United States decreased moderately. Economic growth was weak.

Total revenues across the UBA group increased by 7% to ₦24 billion, while profit before tax doubled from ₦2.5 billion to ₦5 billion. This result reflected a strategic focus on improved cost and balance sheet management. Our operating costs remained flat whilst our cost of funds dropped by 27%; an outcome of a policy to increase the contribution of low cost liabilities to the funding mix. Our operating cost to income ratio decreased from 67% to 64%. Interest income increased by 2% to ₦15 billion and non-interest income increased by 19% to ₦9 billion. The operating margin was up by 17%.

Total deposits increased from ₦132 billion to ₦142 billion. The contribution of demand and savings deposits to our deposit base increased from 65% to 77%. Net risk assets increased from ₦40 billion to ₦46 billion, while non-performing loans as a percentage of gross loans increased from 3% to 9% reflecting a more prudent provisioning policy.

Return on average equity increased from 16% to 24% while earnings per share increased from ₦0.92 to ₦1.29. The Board has proposed a dividend of ₦1,147.5

million for the year or 45 kobo per share.

## Developments During The Year

At the beginning of the year, a long-term organisational structure was implemented, after extensive review and consultation across the Bank. As a result the Bank is now organised into a Head Office Group and four banking groups.

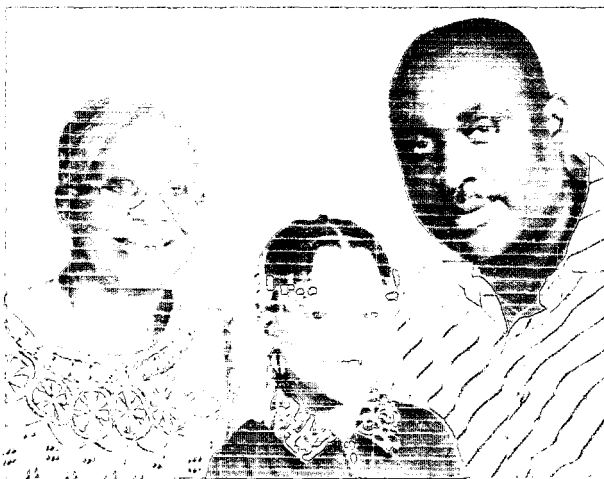
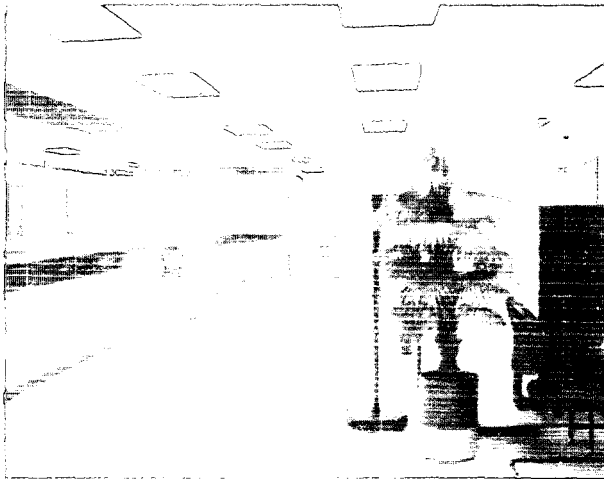
The four banking groups, described in more detail below, are each headed by an Executive Director.

- **Retail Bank:** With responsibility for our branch network and retail customers.
- **Wholesale Bank:** Manages the relationship with our public sector, corporate and commercial customers.
- **Transaction Bank:** Provides the processing and technology platform for transactions across the network.
- **Investment Bank:** Groups our treasury, capital markets, investment management and international banking activities.

The Head Office Group comprises the office of the Managing Director and Chief Executive and seven policy and strategy units reporting to the Chief Executive and the Executive Management Committee of the Board.

The Head Office is refocused on strategy and policy formulation, risk management and controls, legal and regulatory compliance, financial control and performance management. A special projects group was established to focus on emerging opportunities in technology, telecommunications and privatization. As a result of the various initiatives, we were able to reduce Head Office headcount significantly, whilst improving efficiency and reducing costs.

During the year, we undertook a transformation of our risk management process in preparation for full compliance with the Basle II Accord. We commenced work on enhancing our operational risk management process and we merged credit, operational and market risk management under one platform. We expect these initiatives to result in better and more holistic risk management and a substantial decline in our loan and operational risk losses.



Top Picture: The new branch format consistent with the new brand.

Lower picture: UBA's product and services are developed to appeal to the widest possible customer base.

Also during the year, our brand management unit worked with a firm of external consultants to review our overall brand strategy. Following this, a new corporate logo was introduced and this has been well received. In addition, a new branch format, consistent with the new brand, was developed and will be rolled out in the new financial year.

### Retail Banking

The emphasis in this area of the Bank was on expanding our delivery channels, reducing operating costs and growing retail savings and current accounts.

Related to this is the ongoing initiative to modernize our branches and convert them into sales outlets. This will involve extensive modifications to our existing branches to make them more attractive and customer friendly.

Two new branches were opened during the year, in Ado-Ekiti and Yenagoa. Up to 26 branches are planned in the coming year. We also launched two new market initiatives covering mortgage banking and consumer finance.

### Wholesale Banking

There was a strategic shift in our public sector focus, to increase liability generation while reducing our credit exposure. In the private sector, we extended and deepened our relationships with many of our major customers during the year. We also developed new relationships taking advantage of our branch network and offshore presence. Our approach is increasingly to understand the customer value chain and how UBA can better serve not only our corporate or public sector customers, but also their suppliers, distributors and employees.





Top Picture: We develop relationships taking advantage of our branch network and offshore presence.

Lower picture: At UBA we partner with small scale industries.

### Transaction Banking

The major challenges in the Transaction Bank during the year were the roll out of the new core operating software, Flexcube and improving our processing efficiency. Both initiatives are progressing ahead of schedule.

Flexcube was rolled out across 28 branches in Lagos. Internal processes were streamlined and turnaround times reduced. Whilst we have moved significantly in the right direction we are yet to reach the goals we have set ourselves.

We are also investing in enhancing our technology and telecommunication platform in order to improve on processing efficiency.

### Investment Banking

The Investment Bank, which groups our treasury, international and non-bank financial services had a satisfactory year.

The Treasury sector significantly reduced overall bank funding costs against a background of growth in total deposits and in risk assets, by strategically re-adjusting our funding mix.

In the International sector, we were challenged by the drop in interest rates and a paucity of acceptable risk assets.

In the non-bank financial services sector, we have aligned our activities around two core initiatives, namely:

- Investment management, encompassing discretionary and non-discretionary management of retail and institutional funds.
- Capital markets activities, including registrars and custody, underwriting and distribution.

We hope that these initiatives will significantly improve our presence and share of these markets.

### Regulation and Supervision

UBA is regulated and supervised by the Central Bank of Nigeria and is subject to the supervision and examination of the Nigerian Deposit Insurance Corporation.

UBA's branch in New York is subject to supervision and regulation by the Office of the Comptroller of Currency and the Federal Reserve Bank. Its branch in Grand Cayman Island is subject to the supervision and regulation of the Grand Cayman authorities.

### Inflation and Currency Movement

As a financial institution, UBA holds assets that are predominantly monetary in nature. The impact of inflation and exchange rate movements on financial institutions is significantly different from companies that have a high proportion of fixed assets. During periods of inflation and/or currency devaluation, monetary assets lose value in terms of purchasing power whilst fixed assets may remain unaffected.

UBA's assets and earnings are predominantly generated in Nigeria. The Nigerian currency has experienced a long period of devaluation, which means that UBA's assets and earnings are exposed to significant devaluation. UBA's offshore presence means that it generates foreign currency earnings and hold assets in foreign currency, which serve to reduce the impact of the devaluation on the local currency.

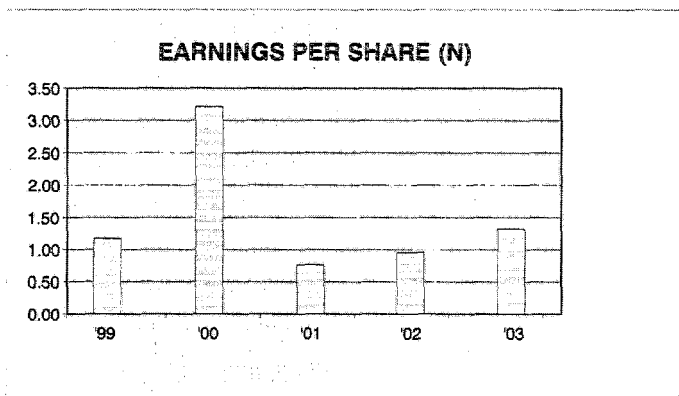
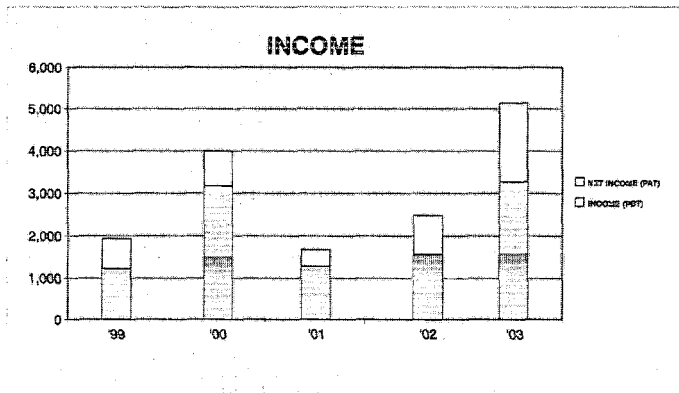
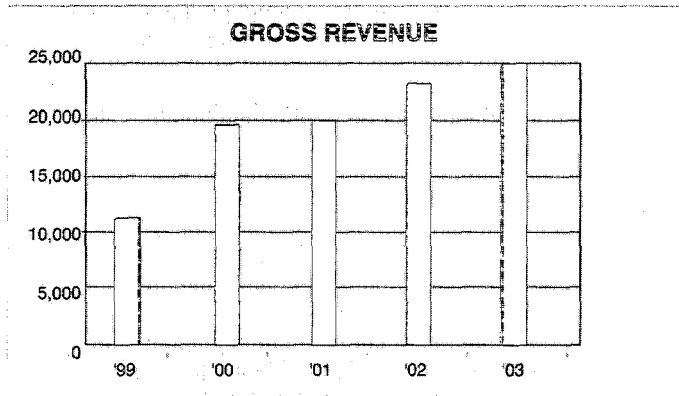
### Corporate Governance

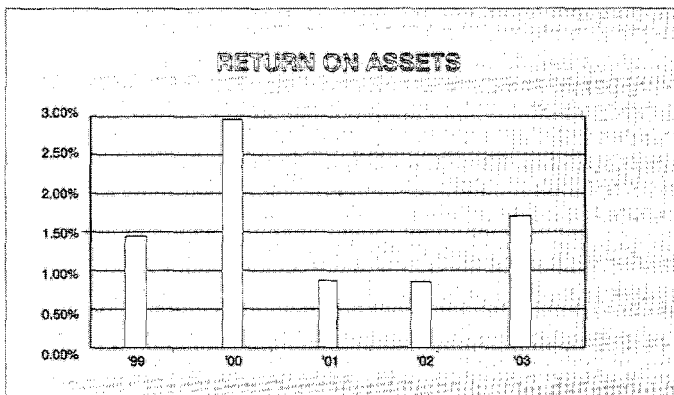
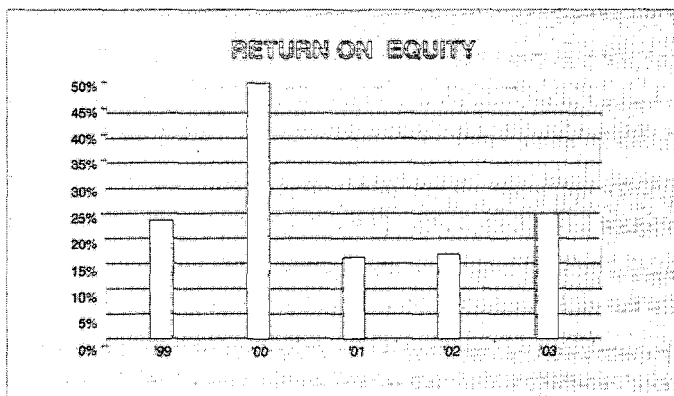
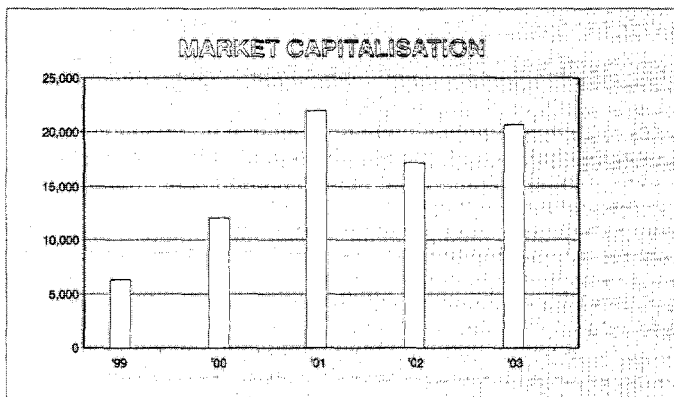
The affairs of the Bank are administered by a Board of directors comprising a non-executive Chairman, a non-executive Vice Chairman and 17 other directors of whom 5 are executive including the Managing Director and Chief Executive Officer.

The Board meets at least 4 times a year to conduct the affairs of the Bank. In addition, the Board currently has 6 committees to consider in more detail, various aspects of the Board's responsibilities:

- The Business Strategy Committee recommends strategic initiatives to the Board and reviews human resource deployment at the more senior levels of the Bank.
- The Ethics and Corporate Governance Committee ensures best practice in corporate governance, ethics and compliance with all applicable laws and regulations.
- The Executive Management Committee ensures implementation of strategy and operational management of the Bank.
- The Government and Public Affairs Committee maintains good public relations with the Government and various stakeholders.
- The Nomination and Evaluation Committee reviews executive performance, compensation and succession planning.
- The Risk Management Committee considers and approves the credit and risk management policies of the Bank.

UBA performed well in 2003 as reflected in the significant improvement in our financial performance and the overall quality of our business. Total revenues across the UBA group increased by 7% to ₦24 billion, while profit before tax doubled from ₦2.5 billion to ₦5 billion. Our earnings per share increased from ₦0.92 to ₦1.29.





Greater operating efficiencies and better strategic cost management resulted in a 100% increase in profit before tax. As a result, our earnings per share, return on equity and return on assets also increased significantly. These results were achieved despite a drop in interest rates and low economic growth.

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act 1990, we confirm that we have seen the audit plan & scope, and the Management Letter on the audit of the accounts of the Bank and the responses.

In our opinion, the plan & scope of the audit for the year ended 31st March, 2003 were adequate. We have reviewed the Auditors' findings and we are satisfied with the Management responses thereon.

We also confirm that the accounting and reporting policies of the Bank are in accordance with legal requirements and ethical practices.

## Members of the Audit Committee

- |    |                 |   |          |
|----|-----------------|---|----------|
| 1. | Jene Princewill | - | Chairman |
| 2. | Dan Agbor       | - | Member   |
| 3. | Alkassim Umar   | - | Member   |
| 4. | Arnold Ekpe     | - | Member   |
| 5. | Victor Odozi    | - | Member   |
| 6. | T. Asuquo John  | - | Member   |



**MR. JENE PRINCEWILL  
CHAIRMAN  
AUDIT COMMITTEE**

28th May, 2003

We have audited the financial statements of UNITED BANK FOR AFRICA PLC as at 31st March 2003 set out on pages 21 to 39 which have been prepared on the basis of the accounting policies set out on page 20.

**Respective Responsibilities of Directors and Auditors**

In accordance with the Companies and Allied Matters Act, 1990, the Company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion based on our audit on those statements and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with the International Standards on Auditing issued by the International Federation of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and assessed whether the Company's accounting records had been properly kept.

We have obtained all the information and explanations we required for the purpose of our audit. The assets of the Bank have been properly valued and adequate provision made for diminution in value.

**Contravention**

During the year, the Bank did not contravene any section of the Banks and Other Financial Institutions Act 1991.

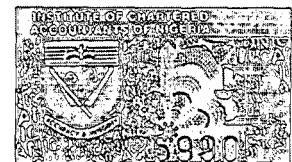
**Opinion**

In our opinion, the Bank has kept proper accounting records and the financial statements are in agreement with the records. The financial statements drawn up in conformity with the generally accepted accounting standards in Nigeria, give a true and fair view of the state of affairs of the Bank as at 31st March 2003 and the profit and cash flows for the year ended on that date and have been properly prepared in accordance with the Companies and Allied Matters Act 1990, the Banks and Other Financial Institutions Act, 1991 and relevant circulars issued by the Central Bank of Nigeria.

*Akintola Williams Deloitte & Touche*

Akintola Williams Deloitte & Touche  
Chartered Accountants  
Lagos, Nigeria

14th May 2003



# Statement of Accounting Policies

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

## 1. BASIS OF ACCOUNTING

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

## 2. BASIS OF CONSOLIDATION

The Group financial statements include the financial statements of the Bank and its wholly owned subsidiary, UBA Capital & Trust Limited, (formerly UBA Trustees Limited) for the year ended 31st March, 2003.

## 3. LOANS AND ADVANCES

Loans and advances are stated net of provisions for doubtful debts. This provision is determined from specific assessment of each customer's account.

Specific provisions are made against bad and doubtful debts for which principal and/or interest repayment are overdue for 90, 180 and 360 days at 10%, 50% and 100% respectively. A 1% general provision is made on performing loans and advances.

## 4. INCOME RECOGNITION

- .1 Interest income is recognized on accrual basis. Interest overdue for more than 90 days is suspended and recognized on cash basis only.
- .2 Credit related fee income is deferred and amortised over the life of the related credit risk, where it constitutes at least 10% of the projected annual yield of the related facility.
- .3 Non credit related fee income is recognized at the time the service or the related transactions are effected.

## 5. ADVANCES UNDER FINANCE LEASES

Advances to customers under finance leases are stated net of principal repayments. Lease finance income is recognized in a manner which provides a constant yield on the outstanding principal over the lease term.

## 6. FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis at rates calculated to write-off the cost of each asset over its estimated useful life, at the following annual rates:

.1 Leasehold Land	Over the period of the lease
.2 Leasehold Building	2.5%
.3 Motor Vehicles	25%
.4 Other Fixed Assets	5% to 25%

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

## 7. FOREIGN CURRENCY ITEMS

- .1 Transaction in foreign currencies are translated to Naira at the rate of exchange ruling at the dates of the transactions.
- .2 Foreign currency balances are converted to Naira at the rate of exchange ruling at the balance sheet date and the resultant profit or loss on exchange is taken to the profit and loss account.
- .3 The exchange gain or loss arising on translation of Head Office investments in New York and Grand Cayman Island branches is transferred to Exchange Difference Reserve Account.

## 8. INVESTMENTS

Investments are stated at cost. It is the Bank's policy to hold its investments till maturity. However, provision is made in these financial statements for diminution in value of investments which are doubtful of full realization.

## 9. TAXATION

Income tax payable is provided on taxable profits at the current rate. Deferred tax is provided for all significant timing differences arising in the recognition of expenditure for accounting and taxation purposes. The provision is calculated at the ruling tax rate at the balance sheet date.

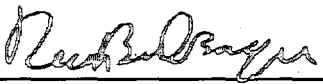
## 10. STAFF PENSION SCHEME CONTRIBUTION

The Bank operates a defined contribution scheme for its employees. The scheme which is funded by contributions from employees and the Bank, is independent of the Bank's finances and is managed by UBA Capital & Trust Limited.

# Balance Sheet as at 31st March

	NOTES	GROUP		COMPANY	
		2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>USE OF FUNDS</b>					
Cash and Short Term Funds	1	92,999	103,870	92,615	103,314
Government Securities	2	31,448	30,268	30,490	30,268
Investments	3	2,173	1,017	2,049	944
Loans and Advances	4	46,076	40,135	46,076	40,135
Other Assets	5	25,579	19,998	24,176	19,125
Fixed Assets	6	5,596	4,908	5,589	4,894
		<u>203,871</u>	<u>200,196</u>	<u>200,995</u>	<u>198,680</u>
<b>LIABILITIES</b>					
Deposit and Current Accounts	7	142,427	131,866	142,427	131,866
Other Liabilities	8	43,669	55,996	41,994	55,403
Taxation	9	1,990	1,343	1,923	1,265
Deferred Taxation	10	884	364	884	364
		<u>188,970</u>	<u>189,569</u>	<u>187,228</u>	<u>188,898</u>
<b>CAPITAL AND RESERVES</b>					
Share Capital	11	1,275	850	1,275	850
Other Reserves	12	13,626	9,777	12,492	8,932
		<u>14,901</u>	<u>10,627</u>	<u>13,767</u>	<u>9,782</u>
<b>SHAREHOLDERS' FUNDS</b>					
		<u>203,871</u>	<u>200,196</u>	<u>200,995</u>	<u>198,680</u>
Acceptances, Guarantees and other Obligations for Account of Customers (And Customers' Liabilities thereon)	13	48,371	22,543	48,371	22,543

Mr. Hakeem Belo-Osagie

 )

Mr. Arnold Ekpe

 ) DIRECTORS

Mr. Aliyu Dikko

 )

(The accompanying notes form part of these financial statements)



# Profit and Loss Account for the Year Ended 31st March

	NOTES	GROUP		COMPANY	
		2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>GROSS EARNINGS</b>		<u>24,194</u>	<u>22,521</u>	<u>23,720</u>	<u>22,112</u>
Interest and Discount Income	14	15,183	14,966	15,183	14,966
Interest Expense	15	(3,676)	(5,058)	(3,676)	(5,058)
		11,507	9,908	11,507	9,908
Loan Loss and Other Provision	4.4	(3,205)	(1,030)	(3,205)	(1,030)
Net Interest Margin		8,302	8,878	8,302	8,878
Other Banking Income	16	9,011	7,555	8,537	7,146
		17,313	16,433	16,839	16,024
Depreciation	6	(1,150)	(1,010)	(1,143)	(1,002)
Other Operating Expenses	18	(11,035)	(12,002)	(10,880)	(11,835)
<b>Profit Before Taxation and Exceptional Items</b>		<b>5,128</b>	<b>3,421</b>	<b>4,816</b>	<b>3,187</b>
Exceptional Items:					
Staff severance cost	17.1	-	(231)	-	(231)
Write-off of long outstanding items	17.2	-	(718)	-	(718)
<b>PROFIT BEFORE TAXATION</b>		<b>5,128</b>	<b>2,472</b>	<b>4,816</b>	<b>2,238</b>
Taxation	9.1	(1,328)	(832)	(1,307)	(803)
Deferred taxation	10.1	(520)	(74)	(520)	(74)
<b>PROFIT AFTER TAXATION</b>		<b>3,280</b>	<b>1,566</b>	<b>2,989</b>	<b>1,361</b>
<b>APPROPRIATIONS:</b>					
Statutory Reserve	12	492	235	448	204
Small Scale Industries Reserve	12	482	224	482	224
Bonus Issue Reserve	12	-	425	-	425
General Reserve	12	1,158	172	911	(2)
Dividend - Proposed	19	1,148	510	1,148	510
		<u>3,280</u>	<u>1,566</u>	<u>2,989</u>	<u>1,361</u>
<b>PER 50K SHARE: (Naira)</b>					
Earnings Per Share - Actual		1.29	0.92	1.17	0.80
- Adjusted		1.29	0.61	1.17	0.53
Dividend Per Share - Actual		0.45	0.30	0.45	0.30
- Adjusted		0.45	0.20	0.45	0.20

(The accompanying notes form part of these financial statements)

# Statement of Cash Flow for the Years ended 31st March

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL:</b>				
Gross earnings	24,194	22,521	23,720	22,112
Interest expenses	(3,676)	(5,058)	(3,676)	(5,058)
Provision on doubtful debts	(3,205)	(1,030)	(3,205)	(1,030)
Payment to employees and suppliers	(11,035)	(12,002)	(10,880)	(11,835)
Exceptional items	-	(949)	-	(949)
Profit on sale of fixed assets	18	18	18	20
	<u>6,296</u>	<u>3,500</u>	<u>5,977</u>	<u>3,260</u>
<b>WORKING CAPITAL CHANGES:</b>				
(Decrease)/increase in deposit & current accounts	10,561	(1,269)	10,561	(1,269)
Increase/(decrease) in other liabilities	(9,531)	11,576	(10,613)	11,069
Decrease in exchange reserves	2,144	504	2,144	504
Increase in loans and advances	(5,941)	(17,029)	(5,941)	(17,029)
Decrease/(increase) in other assets	(8,972)	3,260	(8,516)	3,636
<b>CASH GENERATED FROM OPERATIONS</b>	<u>(5,443)</u>	<u>542</u>	<u>(6,388)</u>	<u>171</u>
Taxation paid	(681)	(463)	(649)	(456)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<u>(6,124)</u>	<u>79</u>	<u>(7,037)</u>	<u>(285)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Exchange difference on fixed assets	(7)	(2)	(7)	(2)
Purchase of fixed assets	(1,949)	(1,088)	(1,949)	(1,082)
Prior year adjustment	(2)	-	-	-
Sale/(purchase) of investment	(1,155)	2	(1,030)	(187)
Proceeds of sale of fixed assets	50	28	50	28
<b>CASH USED IN INVESTING ACTIVITIES</b>	<u>(3,063)</u>	<u>(1,060)</u>	<u>(2,936)</u>	<u>(1,243)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Purchase of treasury	(1,180)	17,555	(222)	17,555
Dividend paid	(504)	(425)	(504)	(425)
<b>CASH USED IN FINANCING ACTIVITIES:</b>	<u>(1,684)</u>	<u>17,130</u>	<u>(726)</u>	<u>17,130</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(10,871)</u>	<u>16,149</u>	<u>(10,699)</u>	<u>15,602</u>
Opening cash and cash equivalents	<u>103,870</u>	<u>87,721</u>	<u>103,314</u>	<u>87,712</u>
<b>CLOSING CASH AND CASH EQUIVALENTS (note 1)</b>	<u>92,999</u>	<u>103,870</u>	<u>92,615</u>	<u>103,314</u>

# Notes to the Accounts

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>1. CASH AND SHORT-TERM FUNDS</b>				
.1 Cash and short-term funds comprise:				
Cash	3,074	2,309	3,074	1,753
Balances with, and cheques in course of collection on other banks:				
* In Nigeria	5,055	1,608	4,671	1,608
* Abroad	22,275	39,590	22,275	39,590
Money at call with banks:				
* In Nigeria	10,741	5,479	10,741	5,479
* Abroad	41,144	45,749	41,144	45,749
	82,289	94,735	81,905	94,179
Provision for Interbank placement	(19)	(19)	(19)	(19)
	<u>82,270</u>	<u>94,716</u>	<u>81,886</u>	<u>94,160</u>
.2 Cash reserve deposit				
Balance at beginning of the year	9,154	7,991	9,154	7,991
Additions during the year	1,575	1,163	1,575	1,163
Balance as at 31st March	<u>10,729</u>	<u>9,154</u>	<u>10,729</u>	<u>9,154</u>
<b>Total cash and short term funds</b>	<u><b>92,999</b></u>	<u><b>103,870</b></u>	<u><b>92,615</b></u>	<u><b>103,314</b></u>

(Included in bank and cash balances outside Nigeria, is the Naira value of foreign currencies held on behalf of customers in various foreign accounts amounting to N1,248 million (2002: N2,333 million). The corresponding liability for this amount is included in Other Liabilities (see note 8).

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>2. GOVERNMENT SECURITIES</b>				
* Nigerian government treasury bills	31,448	29,267	30,490	29,267
* CBN certificates	-	1,001	-	1,001
	<u>31,448</u>	<u>30,268</u>	<u>30,490</u>	<u>30,268</u>

# Notes to the Accounts (Cont'd)

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>3. INVESTMENTS</b>				
.1 Investment in wholly owned subsidiary UBA Capital & Trust Limited	0	0	3	3
.2 Quoted Investments				
PZ Industries Plc (Market value - ₦6.5 million (2002: ₦6.5 million))	6	6	6	6
UTC Nigeria Plc (Market value - ₦1.2million (2002: ₦1.2million))	1	1	1	1
CFAO Nigeria Plc (Market value - ₦19.6million (2002: ₦19.6million))	12	12	12	12
Nigeria International Debt Fund (Market value - ₦285million (2002: ₦307 million))	308	308	308	308
Total Quoted	327	327	327	327
Provisions for diminution in value	(1)	(1)	(1)	(1)
	<u>326</u>	<u>326</u>	<u>326</u>	<u>326</u>
.3 Other investments				
Smart Card Nigeria Ltd Nigeria Agric. Insurance Co. Ltd.	Equity 36	Equity 36	Equity 36	Equity 36
Africa Export - Import Bank	Equity 1	Equity 1	Equity 1	Equity 1
Central Securities Clearing System Ltd.	Equity 11	Equity 11	Equity 11	Equity 11
Nigeria Automated Clearing	Equity 1	Equity 1	Equity 1	Equity 1
Investment in UBA mobiles	Equity 27	Equity 27	Equity 27	Equity 27
Vehicle Insurance Sinking Fund	Sinking Fund 1	Sinking Fund 1	Sinking Fund 1	Sinking Fund 1
Kano Development Bond	Floating Debenture 405	Floating Debenture 332	Floating Debenture 405	Floating Debenture 332
Smart Card Nigeria Ltd	Floating Debenture 2	Floating Debenture 2	Floating Debenture 2	Floating Debenture 2
Edo State Govt. Rev. Bond	Floating Debenture 7	Floating Debenture 7	Floating Debenture 7	Floating Debenture 7
Lagos State Investment Bond	Floating Debenture 200	Floating Debenture 200	Floating Debenture 200	Floating Debenture 200
	1,000	-	1,000	-
Provisions thereon	1,691	617	1,691	617
	(45)	(2)	(45)	(2)
	<u>1,646</u>	<u>615</u>	<u>1,646</u>	<u>615</u>
.4 Investments of subsidiary company (UBA Capital & Trust Limited)				
SME Investments (note 3.4.1)	Equity 75	Equity -	Equity 75	Equity -
Other Investments of subsidiary company	Equity 126	Equity 76	Equity -	Equity -
	201	76	75	-
<b>Total Net Investments</b>	<u>2,173</u>	<u>1,017</u>	<u>2,049</u>	<u>944</u>
.4.1 Equity Investments of N160 million in SME projects have been approved out of the SMIEIS reserve of N383 million while disbursement total N75 million as at 31st March 2003.				

# Notes to the Accounts (Cont'd)

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>4. LOANS AND ADVANCES</b>				
<b>.1 Loans and advances comprise:</b>				
Secured against real estate	8,385	5,289	8,385	5,289
Otherwise secured	35,755	23,882	35,755	23,882
Unsecured	6,038	11,979	6,038	11,979
	<u>50,178</u>	<u>41,150</u>	<u>50,178</u>	<u>41,150</u>
Less:				
Provision under prudential guidelines (note 4.6)	(4,102)	(1,015)	(4,102)	(1,015)
	<u>46,076</u>	<u>40,135</u>	<u>46,076</u>	<u>40,135</u>
<b>.2 The maturity profile of loans and advances is as follows:</b>				
Overdrafts	20,490	18,166	20,490	18,166
1 - 3 months	9,207	7,159	9,207	7,159
3 - 6 months	11,108	8,637	11,108	8,637
6 - 12 months	3,413	2,654	3,413	2,654
Over 12 months	5,960	4,534	5,960	4,534
	<u>50,178</u>	<u>41,150</u>	<u>50,178</u>	<u>41,150</u>
<b>.3 The loans and advances are classified as follows:</b>				
Performing	45,932	39,764	45,932	39,764
Non-performing				
* Principal	3,398	1,230	3,398	1,230
* Unpaid Interest	848	156	848	156
	<u>50,178</u>	<u>41,150</u>	<u>50,178</u>	<u>41,150</u>

	Principal 2003 N'million	Provision 2003 N'million	Principal 2002 N'million	Provision 2002 N'million	Profit and Loss Account N'million
<b>4. Movement on Prudential Provision Account</b>					
Performing 1%	45,932	459	39,764	398	61
Sub-standard 10%	339	34	611	61	(27)
Doubtful 50%	596	298	437	219	79
Lost 100%	2,463	2,463	182	182	2,281
	<u>49,330</u>	<u>3,254</u>	<u>40,994</u>	<u>860</u>	<u>2,394</u>
<b>Other provisions</b>					
S.M.E. loans		5		5	-
Investments		46		3	43
Interbank placements		19		19	-
Other assets (note 5)		1,803		1,333	470
Contingencies		600		302	298
					<u>3,205</u>

# Notes to the Accounts (Cont'd)

- .5 Movement on provision for bad and doubtful debts has taken into account total recoveries for the year standing at N302million (2002: N509million).

	COMPANY	
	2003 Nmillion	2002 Nmillion
<b>.6 Movement in Provision for doubtful debts (note 4.1)</b>		
Principal:		
At 1st April 2002	860	3,630
Provision for current year	2,394	680
Written-off in the year	-	(3,451)
At 31st March 2003	<u>3,254</u>	<u>860</u>
Interest:		
At 1st April 2002	156	4,305
Addition during the year	692	2,384
Written-off in the year	-	(6,533)
At 31st March 2003	<u>848</u>	<u>156</u>
<b>Total at 31st March 2003</b>	<u><b>4,102</b></u>	<u><b>1,016</b></u>

	GROUP		COMPANY	
	2003 Nmillion	2002 Nmillion	2003 Nmillion	2002 Nmillion
<b>5. OTHER ASSETS</b>				
Payment in advance and sundry accounts	21,140	18,809	19,737	18,752
Accounts receivable	1,051	2,522	1,051	1,706
Items in transit between branches(net)	5,191	-	5,191	-
	<u>27,382</u>	<u>21,331</u>	<u>25,979</u>	<u>20,458</u>
Less:				
Provision under Prudential Guidelines (note 4.4.)	(1,803)	(1,333)	(1,803)	(1,333)
	<u>25,579</u>	<u>19,998</u>	<u>24,176</u>	<u>19,125</u>

## Notes to the Accounts (Cont'd)

	Land and Buildings N'million	Machinery, Furniture and Fittings N'million	Motor Vehicle N'million	Construction in Progress N'million	Total N'million
<b>6. FIXED ASSETS</b>					
<b>GROUP</b>					
<b>.1 Cost</b>					
At 1st April 2002	2,499	5,507	1,233	86	9,325
Exchange Difference	2	15	-	-	17
Additions	140	1,630	179	-	1,949
Disposal	-	(18)	(125)	-	(143)
Transfer in/(out)	-	-	-	(86)	(86)
At 31st March 2003	<u>2,641</u>	<u>7,134</u>	<u>1,287</u>	<u>-</u>	<u>11,062</u>
Depreciation:					
At 1st April 2002	433	3,148	836	-	4,417
Charge for the year	68	917	165	-	1,150
Exchange Difference	1	9	-	-	10
On Disposals	-	(18)	(93)	-	(111)
At 31st March 2003	<u>502</u>	<u>4,056</u>	<u>908</u>	<u>-</u>	<u>5,466</u>
Net book value:					
At 31st March 2003	<u>2,139</u>	<u>3,078</u>	<u>379</u>	<u>-</u>	<u>5,596</u>
At 31st March 2002	<u>2,066</u>	<u>2,359</u>	<u>397</u>	<u>86</u>	<u>4,908</u>
<b>COMPANY</b>					
<b>.2 Cost</b>					
At 1st April 2002	2,499	5,459	1,214	86	9,258
Exchange Difference	2	15	-	-	17
Additions	140	1,630	179	-	1,949
Disposal	-	(18)	(123)	-	(141)
Transfer in/(out)	-	-	-	(86)	(86)
At 31st March 2003	<u>2,641</u>	<u>7,086</u>	<u>1,270</u>	<u>-</u>	<u>10,997</u>
Depreciation:					
At 1st April 2002	434	3,110	820	-	4,364
Charge for the year	68	912	163	-	1,143
Exchange Difference	1	9	-	-	10
On Disposals	-	(18)	(91)	-	(109)
At 31st March 2003	<u>503</u>	<u>4,013</u>	<u>892</u>	<u>-</u>	<u>5,408</u>
Net book value:					
At 31st March 2003	<u>2,138</u>	<u>3,073</u>	<u>378</u>	<u>-</u>	<u>5,589</u>
At 31st March 2002	<u>2,065</u>	<u>2,349</u>	<u>394</u>	<u>86</u>	<u>4,894</u>

# Notes to the Accounts (Cont'd)

- .3 Land and building comprise:  
 Long-term leasehold land and buildings  
 Short-term leasehold land and buildings

2003 N'million	2002 N'million
2,145	2,145
354	354
<u>2,499</u>	<u>2,499</u>

- .4 Exchange difference arose from the conversion of fixed assets in overseas branches at the rate of exchange ruling at 31st March 2003.
- .5 Capital commitments  
 Capital expenditure authorised by the Directors and not provided for in the financial statements amounted to Nil (2002: Nil).

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>7. DEPOSIT AND CURRENT ACCOUNTS</b>				
.1 Deposit				
i Demand				
* In Nigeria	54,770	39,475	54,770	39,475
* In Abroad	<u>22,234</u>	<u>19,766</u>	<u>22,234</u>	<u>19,766</u>
	<u>77,004</u>	<u>59,241</u>	<u>77,004</u>	<u>59,241</u>
ii Savings	32,960	27,120	32,960	27,120
iii Time deposits				
* In Nigeria	6,640	4,640	6,640	4,640
* In Abroad	<u>25,823</u>	<u>40,669</u>	<u>25,823</u>	<u>40,669</u>
	<u>65,423</u>	<u>72,429</u>	<u>65,423</u>	<u>72,429</u>
.2 Foreign transfers payable	-	196	-	196
	<u>142,427</u>	<u>131,866</u>	<u>142,427</u>	<u>131,866</u>
.3 The maturity profile of Deposit liabilities is as follows:				
Under 1 month	103,588	107,358	103,588	107,358
1 - 3 months	35,261	23,549	35,261	23,549
3 - 6 months	2,839	842	2,839	842
6 - 12 months	458	96	458	96
Over 12 months	<u>281</u>	<u>21</u>	<u>281</u>	<u>21</u>
	<u>142,427</u>	<u>131,866</u>	<u>142,427</u>	<u>131,866</u>
.4 Due to other banks in Nigeria includes uncleared effects and cheques for collection in favour of other banks in Nigeria.				



## Notes to the Accounts (Cont'd)

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>8. OTHER LIABILITIES</b>				
Creditors and accrued charges (including accounts payable)	40,631	49,895	38,956	49,302
Provision for contingencies (note 4.4)	600	302	600	302
Items in transit between branches (net)	-	2,920	-	2,920
Customers deposits for foreign exchange	1,248	2,333	1,248	2,333
Unclaimed dividends due to Nigerian shareholders				
Dividend:				
* Unremitted	42	36	42	36
* Proposed	1,148	510	1,148	510
	<u>43,669</u>	<u>55,996</u>	<u>41,994</u>	<u>55,403</u>
<b>9. TAXATION PAYABLE</b>				
<b>.1 Per profit and loss account</b>				
* Income tax charge	1,208	422	1,188	395
* Education tax	120	59	119	57
* Capital gains tax	-	1	-	1
(Over)/under provision in previous year	-	350	-	350
	<u>1,328</u>	<u>832</u>	<u>1,307</u>	<u>803</u>
Deferred (note 10.1)	<u>520</u>	<u>74</u>	<u>520</u>	<u>74</u>
Charge for the year	<u>1,848</u>	<u>906</u>	<u>1,827</u>	<u>877</u>

The charge for income tax in these financial statements is based on the provisions of the Companies Income Act 1979 as amended to date. The charge for education tax is based on the provisions of the Education Tax Act, 1993.

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>.2 Per Balance Sheet</b>				
At 1st April 2002	1,343	976	1,265	918
Payments during the year	(681)	(465)	(649)	(456)
Current year charges (note 9.1)	1,328	832	1,307	803
At 31st March 2003	<u>1,990</u>	<u>1,343</u>	<u>1,923</u>	<u>1,265</u>
<b>10. .1 DEFERRED TAXATION</b>				
At 1st April 2002	364	290	364	290
Current year charges (note 9)	520	74	520	74
At 31st March 2003	<u>884</u>	<u>364</u>	<u>884</u>	<u>364</u>

.2 The Bank's exposure to deferred tax (which relates to timing differences in recognition of depreciation and capital allowances on fixed assets) has been provided for in the financial statements.

# Notes to the Accounts (Cont'd)

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>11. SHARE CAPITAL</b>				
.1 Authorised 4 billion ordinary shares of 50k each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
.2 Issued and fully paid				
At 1st April 2002	850	850	850	850
Bonus issue reserve	425	-	425	-
At 31st March: 2.550 billion ordinary shares of 50k each (2002:1.7billion)	<u>1,275</u>	<u>850</u>	<u>1,275</u>	<u>850</u>

## 12. OTHER RESERVES

	Capital N'million	Statutory N'million	Exchange Difference N'million	General N'million	Bonus Issue N'million	Small Scale Industries N'million	Total N'million
.1 Group							
At 1st April 2002	22	1,842	3,274	3,831	425	383	9,777
Exchange difference the year (note 12.3)	-	-	2,144	-	-	-	2,144
Prior year adjustment	-	-	-	(2)	-	-	(2)
Appropriation from profit and loss account	-	492	-	1,158	-	482	2,132
Share Capital	-	-	-	-	(425)	-	(425)
At 31st March 2003	<u>22</u>	<u>2,334</u>	<u>5,418</u>	<u>4,987</u>	<u>-</u>	<u>865</u>	<u>13,626</u>
.2 Company							
At 1st April 2002	-	1,707	3,274	3,143	425	383	8,932
Exchange difference in the year (note 12.3)	-	-	2,144	-	-	-	2,144
Appropriation from profit and loss account	-	448	-	911	(425)	482	1,416
At 31st March 2003	<u>-</u>	<u>2,155</u>	<u>5,418</u>	<u>4,054</u>	<u>-</u>	<u>865</u>	<u>12,492</u>

.3 Movement in the exchange difference reserve represents exchange loss on conversion of head office net investments in foreign branches.

### .4 Reserve for Small Scale Industries

In accordance with the provision of the Monetary, Credit, Foreign Trade and Exchange Policy Guidelines of year 2001, 10% of profit before tax has been set aside for the financing and promotion of small scale industries.

# Notes to the Accounts (Cont'd)

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>13. CONTRA ITEMS</b>				
Contra items are made up of:				
Bonds and guarantees issued to third parties	22,056	20,177	22,056	20,177
Acceptances	8,408	2,216	8,408	2,216
Confirmed letters of credit and liability to customers thereon	17,907	150	17,907	
	<u>48,371</u>	<u>22,543</u>	<u>48,371</u>	<u>22,543</u>
<b>14. INTEREST AND DISCOUNT INCOME</b>				
Non-bank sources:				
Loans and advances	6,870	6,205	6,870	6,205
Treasury income	6,114	7,158	6,114	7,158
Bank sources:				
Placement with local banks	1,196	484	1,196	484
Placement with foreign banks	1,003	1,119	1,003	1,119
	<u>15,183</u>	<u>14,966</u>	<u>15,183</u>	<u>14,966</u>
<b>15. INTEREST EXPENSE</b>				
Non-bank sources:				
Savings	985	1,043	985	1,043
Current accounts	946	580	946	580
Time deposits	1,535	3,089	1,535	3,089
Bank sources:				
Deposit from banks in Nigeria	210	346	210	346
	<u>3,676</u>	<u>5,058</u>	<u>3,676</u>	<u>5,058</u>
<b>16. OTHER BANKING INCOME</b>				
Income from foreign exchange transactions	1,378	1,288	1,378	1,288
Commission on letters of credit and bills collected	640	676	640	676
Commission on turnover	1,981	2,173	1,981	2,173
Commission on transfers and guarantees	96	81	96	81
Financial services commissions	3,335	2,684	3,335	2,684
Income from managed funds	-	409	-	-
Others	1,581	244	1,107	244
	<u>9,011</u>	<u>7,555</u>	<u>8,537</u>	<u>7,146</u>

## 17. EXCEPTIONAL ITEMS

### .1 Staff severance costs

This relates to payment made to members of staff affected by the Bank's restructuring exercise.

### .2 Write-off of long outstanding items

This represents the amount approved by the Board for write-off arising from the recently concluded comprehensive review of long outstanding balances at all branches and Head Office.

	GROUP		COMPANY	
	2003 N'million	2002 N'million	2003 N'million	2002 N'million
<b>18. OTHER OPERATING EXPENSES</b>				
Other operating expenses include:				
Auditors' remuneration				
* Nigeria operations	24	19	20	17
* Overseas operations	16	9	16	9
Directors' remuneration	25	55	25	55
Fraud & other losses	265	-	265	-
NDIC premium	910	910	948	910
	<u>910</u>	<u>910</u>	<u>948</u>	<u>910</u>
<b>19. DIVIDEND</b>				
Proposed final dividend	1,148	510	1,148	510
	<u>1,148</u>	<u>510</u>	<u>1,148</u>	<u>510</u>

The proposed dividend of 45 kobo per share is based on the share capital of 2.550 billion ordinary shares of 50 kobo each, and is subject to deduction of withholding tax at the appropriate rate.

## 20. CONTINGENT LIABILITY

At 31st March 2003, contingent liabilities are in respect of:

- .1 Litigation against the Bank amounting to N662.307million (2002:N96.432million). The actions are being contested and the directors are of the opinion that no significant liability will arise therefrom.
- .2 Deficiency of N622 million (2002:N972million) on the Bank's pension fund, arising from actuarial valuation of future pension payments.

## 21. CONTRAVENTION

During the year ended 31st March 2003, the Bank did not contravene any section of the Banks and Other Financial Institutions Act 1991.

## 22. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2003 N'million	2002 N'million
<b>COMPANY</b>		
.1 Directors emoluments:		
i Chairman	0.4	0.5
ii Other directors		
* Fees	2.9	2.6
* Other emoluments	2.3	1.9
	5.1	4.5
* Emoluments as executive	19.3	50.3
	24.4	54.8
Total	<u>24.8</u>	<u>55.3</u>
iii Highest paid directors	6	11

## Notes to the Accounts (Cont'd)

- iv the number of directors excluding the Chairman whose emoluments were within the following ranges are:

	<b>2003</b>	<b>2002</b>
	<b>Number</b>	<b>Number</b>
Up to - N10,000	0	1
N10,001 - N100,000	0	1
N100,001 - N200,000	0	3
N200,001 - N300,000	2	-
N300,001 - N400,000	9	5
N400,001 - N500,000	0	4
Over N500,000	7	9

- .2 i The number of persons employed by the Bank during the year was as follows:

General Management	228	249
Senior staff	2,986	2,572
Junior staff	672	1,103
	<b>3,886</b>	<b>3,924</b>

- ii Staff costs are as follows:

	<b>N'million</b>	<b>N'million</b>
Wages and salaries	3,074	3,639
Staff welfare	1,829	1,847
	<b>4,903</b>	<b>5,486</b>

- .3 Highest paid employees

Employees of the Bank other than directors, whose duties were wholly discharged in Nigeria, received emoluments (excluding pension contributions) in the following ranges:

	<b>2003</b>	<b>2002</b>
	<b>Number</b>	<b>Number</b>
N60,000 - N70,000	0	195
N70,001 - N90,000	0	0
N90,001 - N100,000	296	1,625
N100,001 - N110,000	713	0
N110,001 - N120,000	1,532	600
N120,001 - N140,000	0	0
N140,001 - N150,000	0	0
Over N150,000	1,322	1,011

### 23. STAFF PENSION FUND SCHEME CONTRIBUTION

The Bank operated a defined contribution scheme for its employees which is managed by UBA Capital & Trust Ltd. The scheme is funded by contributions from the Bank at 25% and employees have the option of making additional contributions to the scheme. The total pension costs for the Bank was N561.549million - (2002: N618.191million).

**24. COMPARATIVE FIGURES**

Comparative figures have been reclassified in line with the current year's position.

**25. RELATED PARTY TRANSACTIONS:**

Certain of the Bank's directors are also directors of other companies with whom the Bank does business. All such transactions are conducted at arm's length. All loans to directors and companies in which they are also directors are performing.

**26. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the directors of the Bank on 13th May 2003.

# Company Statement of Value Added for the Years Ended 31st March

	<b>2003</b> <b>N'million</b>	<b>%</b>	<b>2002</b> <b>N'million</b>	<b>%</b>
<b>Gross earnings</b>	23,720		22,112	
Interest paid	<u>(3,676)</u>		<u>(5,058)</u>	
	20,044		17,054	
Bought in materials and services	<u>(6,497)</u>		<u>(7,298)</u>	
Provision under prudential guidelines	<u>(3,205)</u>		<u>(1,030)</u>	
<b>Valued added</b>	<u><u>10,342</u></u>	<u>100</u>	<u><u>8,726</u></u>	<u>100</u>
<b>Applied in the following ways:</b>				
<b>To pay employees</b>				
Salaries, wages and fringe benefits	4,903	47	5,486	63
<b>To pay providers of capital</b>				
Dividend to shareholders	1,148	11	510	6
<b>To pay government</b>				
Direct Taxation	1,307	13	877	10
<b>To provide for maintenance of assets and expansion of business :</b>				
Depreciation	1,143	11	1,002	11
Profit retained in the business	<u>1,841</u>	<u>18</u>	<u>851</u>	<u>10</u>
	<u><u>10,342</u></u>	<u>100</u>	<u><u>8,726</u></u>	<u>100</u>

(Value added represents the additional wealth the bank has been able to create by its own efforts. This statement shows the allocation of that wealth among the employees, shareholders, government and that re-invested for creation of more wealth).

# Group Statement of Value Added for the Years Ended 31st March

	2003 N'million	%	2002 N'million	%
Gross earnings	24,194		22,521	
Interest paid	(3,676)		(5,058)	
	<u>20,518</u>		<u>17,463</u>	
Bought in materials and services	(6,596)		(7,373)	
Provision under prudential guidelines & for sovereign debts	(3,205)		(1,030)	
Value added	<u>10,717</u>	<u>100</u>	<u>9,060</u>	<u>100</u>
<b>Applied in the following ways:</b>				
<b>To pay employees</b>				
Salaries, wages and fringe benefits	4,959	46	5,578	62
<b>To pay providers of capital</b>				
Dividend to shareholders	1,148	11	510	6
<b>To pay government</b>				
Direct Taxation	1,328	12	906	10
<b>To provide for maintenance of assets and expansion of business :</b>				
Depreciation	1,150	11	1,010	11
Profit retained in the business	2,132	20	1,056	12
	<u>10,717</u>	<u>100</u>	<u>9,060</u>	<u>100</u>

(Value added represents the additional wealth the bank has been able to create by its own efforts. This statement shows the allocation of that wealth among the employees, shareholders, government and that re-invested for creation of more wealth).



## Group Five-Year Financial Summary for the Years Ended 31st March

	2003 N'million	2002 N'million	2001 N'million	2000 N'million	1999 N'million
<b>USE OF FUNDS</b>					
Cash and short term funds	92,999	103,870	87,721	54,062	47,373
Bills discounted	31,448	30,268	47,823	34,499	13,347
Investments	2,173	1,017	1,019	1,087	895
Loans and advances	46,076	40,135	23,106	17,325	24,614
Other assets	25,579	19,998	23,487	9,846	10,970
Fixed assets	5,599	4,908	4,876	4,015	3,448
	<u>203,871</u>	<u>200,196</u>	<u>188,032</u>	<u>120,834</u>	<u>100,647</u>
<b>LIABILITIES</b>					
Deposits and current account	142,427	131,866	133,135	82,518	73,207
Other liabilities	43,669	55,996	44,564	29,600	21,083
Taxation	1,990	1,343	976	1,380	956
Deferred taxation	884	364	290	-	-
	<u>188,970</u>	<u>189,569</u>	<u>178,965</u>	<u>113,498</u>	<u>95,246</u>
<b>CAPITAL AND RESERVES</b>					
Share capital	1,275	850	850	500	500
Reserve for bonus issue	-	425	-	350	-
Other reserves	13,623	9,352	8,217	6,486	4,901
Shareholders' funds	<u>14,901</u>	<u>10,627</u>	<u>9,067</u>	<u>7,336</u>	<u>5,401</u>
	<u>203,871</u>	<u>200,196</u>	<u>188,032</u>	<u>120,834</u>	<u>100,647</u>
<b>PROFIT AND LOSS ACCOUNT</b>					
Gross earnings	<u>24,194</u>	<u>22,521</u>	<u>19,387</u>	<u>19,028</u>	<u>10,920</u>
Profit before taxation	5,123	2,472	1,682	4,006	1,929
Taxation	(1,328)	(832)	(123)	(828)	(712)
Deferred Taxation	(520)	(74)	(290)	-	-
Profit after taxation	<u>3,280</u>	<u>1,566</u>	<u>1,269</u>	<u>3,178</u>	<u>1,217</u>
Transfer (to)/from reserves	(2,132)	(1,056)	(844)	(2,328)	(637)
Ordinary dividends	<u>(1,148)</u>	<u>(510)</u>	<u>(425)</u>	<u>(850)</u>	<u>(580)</u>
Retained profit for the year	-	-	-	-	-
Profit brought forward	-	-	-	5	5
Transfer to reserves	-	-	-	(5)	-
Retained profit carried forward	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
<b>MEMORANDA:</b>					
<b>PER 50K SHARE DATA</b>					
Earnings per share - Actual	N1.29	N0.92	N0.70	N3.18	N1.22
- Adjusted	N1.29	N0.61	N0.50	N1.25	N0.48
Dividend per share - Actual	N0.45	N0.30	N0.25	N0.85	N0.58
- Adjusted	N0.45	N0.20	N0.17	N0.33	N0.23
Equity interest per share - Actual	N5.84	N6.25	N5.33	N7.34	N5.40
- Adjusted	N5.84	N4.17	N3.56	N2.88	N2.12
Share price at year-end	N7.81	N10.10	N12.90	N12.05	N6.35

(Note: Earnings and dividend per share are based on the issued ordinary shares at 31st March, 2003.  
Earnings are the after tax profit of each year.)

# Company Five-Year Financial Summary for the Years Ended 31st March

	2003 N'million	2002 N'million	2001 N'million	2000 N'million	1999 N'million
<b>USE OF FUNDS</b>					
Cash and short term funds	92,615	103,314	87,712	53,920	47,221
Bills discounted	30,490	30,268	47,823	34,499	13,347
Investments	2,049	944	757	647	515
Loans and advances	46,076	40,135	23,106	17,325	24,614
Other assets	24,176	19,125	22,990	9,595	10,850
Fixed assets	5,589	4,894	4,860	4,001	3,431
	<u>200,995</u>	<u>198,680</u>	<u>187,248</u>	<u>119,987</u>	<u>99,978</u>
<b>LIABILITIES</b>					
Deposits and current account	142,427	131,866	133,135	82,518	73,207
Other liabilities	41,994	55,403	44,478	29,427	20,915
Taxation	1,923	1,265	918	1,260	845
Deferred taxation	884	364	290	-	-
	<u>187,228</u>	<u>188,898</u>	<u>178,821</u>	<u>113,205</u>	<u>94,967</u>
<b>CAPITAL AND RESERVES</b>					
Share capital	1,275	850	850	500	500
Reserve for bonus issue	-	425	-	350	-
Other reserves	12,492	8,507	7,577	5,932	4,511
Shareholders' funds	<u>13,767</u>	<u>9,782</u>	<u>8,427</u>	<u>6,782</u>	<u>5,011</u>
	<u>200,995</u>	<u>198,680</u>	<u>187,248</u>	<u>119,987</u>	<u>99,978</u>
<b>PROFIT AND LOSS ACCOUNT</b>					
Gross earnings	<u>23,720</u>	<u>22,112</u>	<u>19,148</u>	<u>18,701</u>	<u>10,650</u>
Profit before taxation	4,816	2,238	1,585	3,804	1,766
Taxation	(1,307)	(803)	(112)	(791)	(657)
Deferred Taxation	(520)	(74)	(290)	-	-
Profit after taxation	2,989	1,361	1,183	3,013	1,109
Transfer (to)/from reserves	(1,841)	(851)	(758)	(2,163)	(529)
Ordinary dividends	(1,149)	(510)	(425)	(850)	(580)
Retained profit for the year	-	-	-	-	-
Profit brought forward	-	-	-	5	5
Transfer to reserves	-	-	-	(5)	-
Retained profit carried forward	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
<b>MEMORANDA:</b>					
Share issued (million)	2,550	1,700	1,700	1,000	1,000
Employees (average numbers)	3,886	3,924	4,678	4,153	4,643
Branches in Nigeria (numbers)	234	235	221	219	218
Branches in Abroad (numbers)	2	2	2	2	2
Total outlets (numbers)	236	237	223	221	220
<b>PER 50K SHARE DATA</b>					
Earnings per share - Actual	N1.17	N0.80	N0.70	N3.01	N1.11
- Adjusted	N1.17	N0.53	N0.46	N1.18	N0.43
Dividend per share - Actual	N0.45	N0.30	N0.25	N0.85	N0.58
- Adjusted	N0.45	N0.20	N0.17	N0.33	N0.23
Equity interest per share - Actual	N5.40	N5.75	N4.96	N6.78	N5.01
- Adjusted	N5.40	N3.84	N3.30	N2.66	N1.97

(Note: Earnings and dividend per share are based on the issued ordinary shares at 31st March, 2003. Earnings are the after-tax profit of each year.)

# Shareholders' Information as at 31st March 2003

## A. ISSUED SHARE CAPITAL

The issued and paid up share capital of the Bank as at March 31st 2003 was ₦1,275,000,000 made up of 2,550,000,000 Ordinary Shares of 50k each. The breakdown of shareholders was as follows:-

	No of Shares	%
Nigerian Citizens	1,313,035,738	51.49
*Stanbic Nominees Nigeria Limited	999,814,262	39.21
+Bankers International Inc., USA	114,750,000	4.50
Banca Nazionale del Lavoro, Italy	61,200,000	2.40
Monte dei Paschi di Siena, Italy	61,200,000	2.40
	<b><u>2,550,000,000</u></b>	<b><u>100.00</u></b>

\* Of this number, Stanbic Nominees Nigeria Limited held 912,177,600 units (35.77%) as custodian under the Bank's GDR Programme.

+ Bankers International Corporation is a member of the Deutsche Bank Group.

As at 31st March, 2003 no shareholder other than Stanbic Nominees Nigeria Limited held more than 10% of the issued and paid up share capital of the Bank.

## B. HISTORY OF CAPITALISATION

DATE	AUTHORISED ₦	ISSUED & FULLY PAID CAPITAL ₦	CONSIDERATION
Feb 23, 1961	4,000,000	4,000,000	Cash
Jan 3, 1970	6,000,000	4,000,000	-
Nov 24, 1970	6,000,000	4,500,000	Cash <sup>(1)</sup>
July 24, 1973	10,000,000	6,000,000	Bonus (1:3)
July 2, 1974	10,000,000	8,000,000	Bonus (1:3)
July 9, 1975	20,000,000	10,000,000	Bonus (1:4)
Mar 9, 1977	20,000,000	15,000,000	Bonus (1:2)
July 27, 1977	30,000,000	20,000,000	Bonus (1:3)
Aug 2, 1978	50,000,000	30,000,000	Bonus (1:2)
July 28, 1981	100,000,000	65,000,000	Bonus (1:6) <sup>(2)</sup>
July 28, 1982	100,000,000	70,000,000	Bonus (1:7)
July 27, 1983	100,000,000	75,000,000	Bonus (1:8)
July 30, 1986	100,000,000	75,000,000	Bonus (2:3) <sup>(3)</sup>
July 25, 1990	200,000,000	100,000,000	Bonus (1:3)
July 24, 1991	200,000,000	100,000,000	- <sup>(4)</sup>
Sept 8, 1994	300,000,000	300,000,000	Bonus (2:1)
Oct 16, 1997	1,000,000,000	500,000,000	Bonus (2:3)
Aug 3, 2000	1,000,000,000	850,000,000	Bonus (7:10)
Aug 2, 2002	2,000,000,000	1,275,000,000	Bonus (1:2)

(1) Public issue.

(2) 30 million non-voting cumulative redeemable preference shares of ₦1 each created and subsequently issued in addition to the bonus issue.

(3) Re-denomination of 30 million Preference Shares of ₦1 each as 30 million Ordinary Shares of ₦1 each.

(4) Stock split from ₦1 to 50k shares.

## Shareholders' Information (Cont'd)

### C. SUMMARY OF DEALINGS IN UBA SHARES

Dealings in UBA Shares for the period 1st April, 2002 to 31st March, 2003.

PERIOD	TOTAL PER QUARTER	QUARTERLY AVERAGE
April 2002 - June 2002	52,681,823	17,560,608
July 2002 - September 2002	72,107,394	24,035,798
October 2002 - December 2002	38,536,786	12,845,595
January 2003 - March 2003	132,845,313	44,281,771

### D. TEN YEAR DIVIDEND HISTORY

DIV. NO.	YEAR ENDED	DATE DECLARED	TOTAL AMOUNT N'000	DIV. PER SHARE	PERCENTAGE OF ISSUED CAPITAL
40	March 31, 1993	July 28, 1993	40,000	20k	40%
41	March 31, 1994	Sept 8, 1994	50,000	25k	50%
42	March 31, 1995	Nov 29, 1995	100,000	17k	33%
43	March 31, 1996	Oct 17, 1996	200,000	33k	67%
44	March 31, 1997	Oct 16, 1997	60,000	10k	20%
45	March 31, 1998	Dec 3, 1998	300,000	30k	60%
46	March 31, 1999	Oct 12, 1999	580,000	58k	116%
47	March 31, 2000	Aug. 3, 2000	850,000	85k	170%
48	March 31, 2001	Aug 2, 2001	425,000	25k	50%
49	March 31, 2002	Aug 1, 2002	510,000	30k	60%

### E. UNCLAIMED DIVIDEND

DIVIDEND NO.	DATE OF PAYMENT	AMOUNT IN NAIRA
38	12 - Aug - 1991	59,852.03
39	05 - Aug - 1992	118,902.27
40	13 - Aug - 1993	353,184.59
41	15 - Sep - 1994	3,546,249.18
42	11 - Oct - 1995	5,724,774.81
43	18 - Oct - 1996	9,905,855.93
44	26 - Nov - 1997	4,933,844.87
45	17 - Dec - 1998	15,193,086.78
46	26 Oct - 1999	29,405,651.37
47	10 - Aug - 2000	35,008,153.38
48	16 - Aug - 2001	35,082,837.41
49	14 - Aug - 2002	49,224,040.46

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 42nd Annual General Meeting of the Bank will be held at the Congress Hall, Nicon Hilton Hotel, Abuja, on Friday 8th August, 2003 at 11.00 a.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive the Audited Accounts for the year ended 31st March, 2003 together with the reports of the Directors, Auditors and the Audit Committee thereon.
2. To declare a dividend.
3. To elect / re-elect Directors.
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To elect members of the Audit Committee

## NOTES

### 1. PROXY

A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form is attached to the proxy statement. To be valid, the proxy form must be duly stamped at the Stamp Duties office and returned to the Registrar, United Bank for Africa Plc, Raymond House, 97/105 Broad Street, P. O. Box 6492, Lagos, not less than 48 hours prior to the time of the meeting.

### 2. DIVIDEND WARRANTS

If the dividend recommended by the Directors is approved, dividend warrants will be posted on 23rd August, 2003 to all shareholders whose names are registered in the Company's Register of Members at the close of business on 10th July, 2003.

### 3. CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 11th July, 2003 to 24th July, 2003, both dates inclusive, for the purpose of paying the dividend.

### 4. AUDIT COMMITTEE

The Audit Committee consists of 3 shareholders and 3 Directors. Any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Secretary of the Company at least twenty one (21) days before the Annual General Meeting.

By Order of the Board



Prof. Isabella Okagbue  
Company Secretary / Legal Adviser  
57 Marina, Lagos

Dated this 31st day of May, 2003

