



2005
Annual Report & Accounts
of
United Bank for Africa Plc
RC. 2457

ACCT. NO.: 99989
KINLEY, BOX LOAD
47, MARINA, P.O. BOX
LAGOS STATE., LAG
UNITED BANK FOR AFRICA

Group Financial Highlights

	2005	2004	% Change
Total Assets (N'million)	250,783	212,024	18
Shareholders' Funds (N'million)	19,443	19,533	0
Gross Earnings (N'million)	26,089	24,510	6
Profit Before Taxation (N'million)	6,520	6,010	8
Profit After Taxation (N'million)	4,921	4,525	9
Capital Adequacy Ratio (%)	11.52	11.3	2
Return on Average Assets (%)	2.13	2.00	7
Return on Average Equity (%)	25.25	26.3	-4
Earnings per share(N)	1.61	1.77	-9
Dividend per share (N)	0.60	0.60	0

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Directors, Corporate Executives & Professional Advisers

DIRECTORS

Mr. Kayode Sofola, SAN	- Chairman
Mr. Tony O. Elumelu, MFR	- Group Managing Director/CEO
Alhaji Bello Garba	- Executive Director
Mr. Phillips Oduoza	- Executive Director
Mr. Godwin Ize-Iyamu	- Executive Director
Mr. Victor Osadolor	- Executive Director
Mrs. Suzanne Olufunke Soboyejo-Iroche	- Executive Director
Mrs. Faith Tuedor-Matthews	- Executive Director
Mr. Chika Mordi	- Executive Director
Mr. Junaid Dikko	- Director
Chief Israel C. Ogbue	- Director
Mrs. Rose A. Okwechime	- Director
Chief Ferdinand N. Alabraba	- Director
Mr. Willy Kroeger (German)	- Director
Alternate: Mr. Neil Forsyth (British)	
Mr. Alessandro Deodato (Italian)	- Director
Alternate: Mr. Paolo A. Di Martino (Italian)	
Prof. Jean Herskovits (American)	- Director
Dr. Khalid Al-Mansour (American)	- Director

CORPORATE EXECUTIVES

Mr. Tony O. Elumelu, MFR	- Group Managing Director/CEO
Alhaji Bello Garba	- Executive Director, Public Sector
Mr. Phillips Oduoza	- Executive Director, Group Shared Services
Mr. Godwin Ize-Iyamu	- Executive Director, Wholesale Bank
Mr. Victor Osadolor	- Executive Director, Risk Mgt. & Compliance
Mrs. Suzanne Olufunke Soboyejo-Iroche	- Executive Director, Wealth Management
Mrs. Faith Tuedor-Matthews	- Executive Director, Global Bank
Mr. Chika Mordi	- Executive Director, Retail Bank

REGISTERED OFFICE

UBA House
57 Marina, Lagos

REGISTRAR

UBA Global Markets Limited (Previously UBA Securities Limited)
Raymond House
97/105 Broad Street
Lagos

Auditors

Akintola Williams Deloitte
Chartered Accountants

Chairman's Statement



istinguished Shareholders, Colleagues, Ladies and Gentlemen,

The last year has been very interesting and unique in the life of our bank. It was a very challenging year for the economy as a whole and the banking industry in particular. Average inflation rate was 15% as against a target of 10%, while labour strikes and planned strikes due to increases in domestic prices of petroleum products crippled economic activities for the better part of the year. The Central Bank of Nigeria's policy for banks to increase their capital base to a minimum of N25billion threw up far-reaching challenges and engendered opportunities in the banking industry.

I am delighted to report that notwithstanding the harsh operating environment occasioned by the adverse economic climate and the challenges within the industry, your bank achieved a significant improvement over the previous year's performance. In a year when several banks were unable to grow both revenue and profit or translate revenue growth to growth in profit, our gross earnings and profit before tax increased by 6% from N24.5b to N26b and 8% from N6b to N6.5b respectively.

During the year, we were able to convert to our full advantage the opportunities presented by the on-going reforms in the banking industry by the merger of the old UBA and Standard Trust Bank Plc (STB). United Bank for Africa Plc was adopted as the name of the consolidated entity. Our objective is to create the largest and the undisputed leading financial services group in Nigeria and indeed Sub-Saharan Africa. This merger will definitely change the landscape of banking in Nigeria. We will endeavour to harness all identified synergies and create tremendous value for the overall benefit of all stakeholders.

Following the conclusion of the legal merger, the new consolidated UBA emerged on August 1, 2005 as the first fully consummated merger in the on-going banking industry consolidation process. The merger avails the new UBA of an expanded network of 380 outlets, the biggest in West Africa. This provides an opportunity for us to strengthen our dominance of the retail franchise. It is our plan to further increase the number of our outlets and embark on the transformation of the existing outlets, in order to enhance service delivery and take our services closer to our customers.



Chairman's Statement

Part of our aspirations is to become a truly global financial services provider. To this end, we shall be embarking on an international expansion programme, which includes, but is not limited to the establishment of more locations across the sub-region, Europe and North America. The new UBA is poised to dominate the West African financial services landscape by the creation of new mass-market financial products, while consolidating our role as a leading supplier of financial services to select wholesale markets like Oil & Gas, Telecommunications and the Public Sector.

Our initiatives in the area of electronic banking are paying off. Disbursements from our Automated Teller Machines (ATMs) have crossed the one billion naira {N1b} mark. We have also made inroads into mobile banking services. With the recent launch of GlobaCom mobile-banking service, any GlobaCom subscriber with a UBA debit card can now use his/her GSM phone to transfer money from his/her account to any other UBA account. Prior to the merger, the defunct STB launched its MasterCard credit card and Maestro debit card products. These products are now available to our customers through the entire network of the new UBA. This development underscores our role in promoting a cashless society. The cards can be used to make purchases online, and in over 220 countries and 3 million outlets all over the world.

We continued the implementation of world class risk management processes with the acquisition and upgrade of operational risk management software, building of operational loss and loss events database, establishment of a market risk management unit and the strengthening of our information security management. These have resulted in greater efficiencies in credit review and monitoring, leading to significant improvements in risk asset quality.

During the course of the year, Mallam Aliyu Dikko retired as the Managing Director/Chief Executive Officer of the Bank and Mr Tony Elumelu, MFR was appointed as the new Group Managing Director/Chief Executive Officer. In addition, some Directors of the Bank retired and new Directors were appointed during the year. The details of the Board changes are stated below.

“ This merger will definitely change the landscape of banking in Nigeria. We will endeavour to harness all identified synergies and create tremendous value for the overall benefit of all stakeholders. ”

Chairman's Statement

1. William James	Resigned with effect from Feb. 15, 2005
2. Offong Ambah	Retired with effect from April 15, 2005
3. Yunusa K. Ojo	" " " " April 15, 2005
4. Dr. T. Asuquo John	Resigned " " August 2, 2005
5. Igwe Alex Nwokedi	" " " " August 2, 2005
6. Alh. Mustapha Abdulkadir	" " " " August 2, 2005
7. Mr. Victor Odozi	" " " " August 2, 2005
8. Mallam Aliyu Dikko	Retired as MD/CEO with effect from May 11, 2005 and as a Director of the bank with effect from August 2, 2005.

Appointments:

1. Mr Tony O. Elumelu, MFR (Chief Executive Officer)	July 27, 2005
2. Mr. Phillips Oduoza	August 1, 2005
3. Mr Victor Osadolor	August 1, 2005
4. Mr. Chika Mordi	August 1, 2005
5. Mrs. Faith Tuedor-Matthews	August 1, 2005
6. Mrs. Suzanne Olufunke Soboyejo-Iroche	August 1, 2005
7. Chief Israel Chinwuba Ogbue	August 1, 2005
8. Mrs. Rose Ada Okwechime	August 1, 2005
9. Chief Ferdinand N. Alabraba	October 25, 2005
10. Godwin Ize-Iyamu	September 29, 2004

The Directors appointed since the last Annual General Meeting will retire at the Annual General Meeting in accordance with Article 76 of the Bank's Articles of Association, and being eligible, will offer themselves for election.

Please join me in expressing our profound appreciation to our former Managing Director and the other retiring Directors for their meritorious services to the Bank. On behalf of the shareholders, Board, Management and the entire staff of UBA, I wish them success in their future endeavours. In the same vein, I wish to congratulate the new Group Managing Director/Chief Executive Officer and the other new Directors on their appointments and look forward to years of working with them to actualize our vision for the consolidated UBA.

This year, we are confident that the gains of the previous year will be surpassed, while new grounds will be broken in the course of the new year. We assure you that the new UBA portends an exciting future for all stakeholders as the combination of the proud heritage of the old UBA and the aggressive, dynamic posture of STB has created a unique synergy that will be unparalleled in the Nigerian banking landscape. Your Bank will certainly be the bank to beat in Nigeria and indeed, Sub-Saharan Africa. I ask for your continued support as we aim to reach the top.

Thank you.

Kayode Sofola, SAN
Chairman

Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended 31st March, 2005.

1. Results	N'm	N'm
Profit for the year after taxation		4,921
Less: Appropriations:		
Statutory Reserve	(697)	
Small Scale Industries Reserve	(624)	
General Reserve	(1,764)	
Dividend Proposed	<u>(1,836)</u>	<u>(4,921)</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). Stockbroking, issuing house, underwriting, security registration and custodial services are provided through UBA Global Markets Limited (previously UBA Securities Limited), another subsidiary.

4. Directors

The names of the Directors during the year ended March 31st 2005 are as follows:

Mr. Kayode Sofola, SAN	- Chairman
Mallam Allyu Dikko	- Retired as MD/CEO with effect from May 11, 2005 and as a Director with effect from August 2, 2005
Mr. Offiong Ambah	- Retired with effect from April 15, 2005
Alhaji Y. K. Ojo	- Retired with effect from April 15, 2005
Alhaji Bello Garba	
Mr. Godwin Ize-Iyamu	- Appointed on September 29, 2004
Mr. William James	- Resigned with effect from Feb. 15, 2005
Dr. T. Asuquo John	- Resigned with effect from August 2, 2005
Igwe Alex Nwokedi	- Resigned with effect from August 2, 2005
Mr. Victor Odozi	- Resigned with effect from August 2, 2005
Mr. Junaïd Dikko	
Prof. Jean Herskovits (American)	
Dr. Khalid A.T. Al-Mansour (American)	

Directors' Report (Cont'd)

Mr. Willy Kroeger (German)
 Alternate: Mr. Neil Forsyth (British)
 Mr. Alessandro Deodato (Italian)
 Alternate: Mr. Paolo Di Martino (Italian)

Mr. Godwin Ize-Iyamu was appointed a Director during the year and in accordance with Article 76 of the Bank's Articles of Association, Mr. Ize-Iyamu will retire at the Annual General Meeting and being eligible, offers himself for election.

In accordance with Article 101 of the Bank's Articles of Association, the following Directors will retire by rotation at the Annual General Meeting.

Mr. Kayode Sofola, SAN

Mr. Junaid Dikko

Alhaji Bello Garba

Dr. Khalid Al-Mansour

Professor Jean Herskovits and being eligible, they 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 as recorded in the Register of Directors' Shareholdings as at 31st March, 2005 as follows:

	2005	2004
Mr. Kayode Sofola, SAN	903,566*	361,248*
Mallam Aliyu Dikko	984,217	820,181
Mr. Offong Ambah	138,000	115,000
Alhaji Yunusa Ojo	247,404	106,170
Alhaji Bello Garba	22,950	19,125
Dr. Thomas A. John	3,573,559	2,977,966
Igwe (Dr.) Alex Nwokedi, OON	319,327	255,000
Alhaji Mustapha Abdulkadir	1,683,000	1,402,500
Mr. Victor Odozi	507,000	30,000

* Indirect holding

Directors' Report (Cont'd)

7. Substantial Interests in Shares

The ordinary shares of the Bank as at 31st March, 2005 were held as follows:

Ordinary Shares of 50k each

	2005		2004	
	Number of shares held	%	Number of shares held	%
Nigerian Citizens and Associations	1,665,213,506	54.42	1,475,268,544	57.85
*Stanbic Nominees Nigeria Limited	1,110,206,494	36.28	837,581,456	32.85
+Bankers International Corp, USA.	137,700,000	4.50	114,750,000	4.50
Banca Nazionale del Lavoro, Italy	73,440,000	2.40	61,200,000	2.40
Monte dei Paschi di Siena, Italy	73,440,000	2.40	61,200,000	2.40
	<u>3,060,000,000</u>	<u>100.00</u>	<u>2,550,000,000</u>	<u>100.00</u>

* Of this number, Stanbic Nominees Nigeria Limited held 63,970,080 units (2.09%) 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 5% of the called up share capital of the Bank as at 31st March, 2005.

8. Statistical Analysis of Shareholdings

Range of Shareholdings	Number of Shareholders	Number of Shares held	% of Shareholding
1 - 500	5,294	1,343,255	0.04
501 - 1,000	4,946	3,639,924	0.12
1,001 - 5,000	29,607	74,024,920	2.42
5,001 - 50,000	23,864	352,722,648	11.53
50,001 - 100,000	1,905	133,338,796	4.36
100,001 - 500,000	1,619	336,906,145	11.01
500,001 - 1,000,000	183	126,471,503	4.13
1,000,001 - 50,000,000	144	581,454,073	19.00
50,000,001 - 100,000,000	3	202,263,396	6.61
Above 100,000,000	2	1,247,835,340	40.78
	<u>67,567</u>	<u>3,060,000,000</u>	<u>100.00</u>

9. Donations

Donations made during the year amounted to =N=20,589,532.50 details of which are shown below. No donation was made to any political organisation.

Directors' Report (Cont'd)

NAME OF BENEFICIARY	AMOUNT (N)
Ahmadu Bello University (Sponsorship of West African University Games)	500,000.00
Association of Corporate Affairs Practitioners of Nigeria (Sponsorship of Annual Dinner)	150,000.00
Calabar Archaeology Project	1,400,000.00
Care Organisation Public Enlightenment (C.O.P.E.)	5,000,000.00
Chief Akintunde Asalu (Donation Towards Book Launch)	100,000.00
Ikoyi Club 1938 (Sponsorship of Swimming Competition)	250,000.00
Halisi Ventures (Donation towards Art Exhibition)	100,000.00
Jekeli Simon Akubo Ex-Staff (Sponsorship of Book Presentation)	50,000.00
Junior Achievement of Nigeria (Sponsorship of 4 th Run-A-Thon)	100,000.00
Lichfield Communications (Donation Towards Book Launch)	20,000.00
Lofom Limited (Donation towards the Launch of Reproductive Health Magazine & OARS Foundation)	100,000.00
Mega Mix Consult (Sponsorship of Hamada Race)	800,000.00
National Drug Law Enforcement Agency (Sponsorship of Red Ribbon Day)	100,000.00
Nda Yakubu (Donation Towards Book Launch)	150,000.00
Nigerian Association of Women Journalists (Sponsorship of National Award)	155,000.00
Nigerian Guild of Editors (Sponsorship of Conference)	200,000.00
Nigeria Media Merit Award (Sponsorship of Award)	500,000.00
Reproductive & Endo Unit, Lagos University Teaching Hospital (LUTH)	7,000,000.00
Women in Management and Business (Sponsorship of Annual Conference)	500,000.00
Others	3,314,532.50
Total	<u>20,589,532.50</u>

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 page 22. 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 Physically Challenged Persons

It is the policy of the Bank that there should be no discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop. As at 31st March, 2005, there were eighteen (18) physically challenged 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.

Directors' Report (Cont'd)

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 3,033 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, 2005 and the profit for the year ended that date.

14. Particulars of an Important Event

The Board on January 17, 2005, approved the commencement of the process for the merger of the Bank with Standard Trust Bank Plc.

15. 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.	Mr. Jene Princewill	-	Chairman
2.	Alhaji Alkassim Umar	-	Member
3.	Mr. Dan Agbor	-	Member
4.	Alhaji M. A. Abdulkadir	-	Member
5.	Mr. Victor Odozi	-	Member
6.	Dr. 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.

16. Auditors

In accordance with Section 357(2) of the Companies and Allied Matters Act of 1990, Messrs. Akintola Williams Deloitte 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



Aidevo Odu-Thomas
Company Secretary
57 Marina, Lagos.

20th May 2005

Corporate Governance

The Board has taken several initiatives in the last few years to ensure that good corporate governance practices are entrenched in the UBA Group. In 2001, the Board constituted an Ethics and Corporate Governance Committee, which is composed entirely of Non-Executive Directors. The terms of reference of the Committee includes, ensuring that the Group operates ethically and in compliance with all applicable laws and regulations.

Since the constitution of the Ethics and Corporate Governance Committee, the Board has taken the following good corporate governance initiatives:

[i] Code of Professional Conduct and Ethics

The Board requires all Directors, Management and Staff, of the Group to live by high ethical principles that include integrity, honesty, fairness, transparency and accountability. Accordingly, in 2002, the Board approved a Code of Professional Conduct and Ethics for the Group, which sets out the guidelines for Directors and members of staff of the Group to ensure the highest standards of corporate and personal ethics in the Bank.

[ii] Code of Corporate Governance for Banks and Other Financial Institutions in Nigeria

In September 2004, the Board adopted all the provisions of the Code of Corporate Governance for Banks and Other Financial Institutions in Nigeria (the Code) issued by the Bankers' Committee. Indeed, the Bank had already adopted a corporate governance system, encompassing best practices in certain key areas enshrined in the Code, including the following principles:

- The separation of the office of the Chairman from that of the Chief Executive Officer.
- Holding of meetings regularly by the Board (at least once quarterly) and regular attendance by members.
- The composition of the Board to include at least 20% of members who fall within the definition of independent directors under the Code.
- The existence of a Board Nomination and Evaluation Committee, which is composed entirely of Non-Executive Directors and with the terms of reference which are similar to those proposed by the Code for a Remuneration Committee.
- The establishment of a Board Risk Management Committee charged with the responsibility for ensuring adequate bank-wide risk management practices.

[iii] Reputational Risk Management Policy

In its continued drive to institute good corporate governance in the Group, the Board in January 2005, approved a policy framework on the management of the reputational risk of the Group. The policy framework sets out the guidelines for the management of the Group's reputation and assigns responsibilities to various stakeholders in the implementation of the policy.

In the light of the above initiatives, which have been vigorously implemented, the Bank's current risk management and corporate governance practices have been acknowledged as best-in-class while a compliance culture has been firmly entrenched.

The Bank remains committed to high standards of corporate governance, business integrity and professionalism in all its engagements and will sustain the recent initiatives in these respects.

Report of the Audit Committee

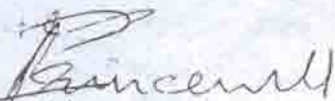
to the Members of United Bank For Africa Plc

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, 2005 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.

We have complied with the provisions of the Central Bank of Nigeria circular BSD/1/2004 dated February 18, 2004 on "Disclosure of Insider-Related Credits in Financial Statements" and hereby confirm that non-performing insider-related credits, as defined by the CBN circular, amounted to ₦411.41million as at 31st March 2005.



MR. JENE PRINCWILL
CHAIRMAN
AUDIT COMMITTEE

Members of the Audit Committee

- | | | | |
|----|----------------------------|---|----------|
| 1. | Mr. Jene Princwill | - | Chairman |
| 2. | Mr. Dan Agbor | - | Member |
| 3. | Alhaji Alkassim Umar | - | Member |
| 4. | Alhaji Mustapha Abdulkadir | - | Member |
| 5. | Mr. Victor Odozi | - | Member |
| 6. | Dr. T. Asuquo John | - | Member |

Report of the Auditors

to the Members of United Bank For Africa Plc

We have audited the financial statements of **United Bank for Africa Plc** as at 31 March 2005 set out on pages 14 to 36 which have been prepared on the basis of the accounting policies set out on pages 14 and 15

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 and have received proper returns from branches not visited by us. The assets of the bank have been properly valued and adequate provision made for diminution in value.

An analysis of insider related credits as required by the Central Bank of Nigeria is set out in Note 30 on page 32 in line with CBN circular BSD/1/2004.

We draw attention to note 22.2 highlighting exposure to a court judgment awarded against the Bank. But our opinion is not qualified in this regard.

Contravention

During the period, the Bank did not contravene any sections 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 31 March 2005 and of 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.

Amitola Williams Deloitte

Chartered Accountants
Lagos, Nigeria

10 May 2005



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 Standards 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, for the year ended 31 March 2005.

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

- i Interest income is recognized on accrual basis. Interest overdue for more than 90 days is suspended and recognized on cash basis only.
- ii 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.
- iii 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 Machinery, Furniture and Fittings	5% to 25%

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

Statement Of Accounting Policies (Cont'd)

7. FOREIGN CURRENCY ITEMS

- i Transactions in foreign currencies are recorded in Naira at the rate of exchange ruling at the dates of the transactions. Assets and liabilities are converted to Naira at the rate of exchange ruling at the balance sheet date and the resultant profit and loss on exchange is taken to the profit or loss account.
- ii 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.

10. DEFERRED TAXATION

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.

11. STAFF PENSION SCHEME CONTRIBUTION

The Bank operates a defined contribution scheme for its employees. The scheme which is funded by contributions from the Bank, is independent of the Bank's finances and is managed by a Board of Trustees.

12. OFF BALANCE SHEET ENGAGEMENT

Acceptances:

The potential liability of the Bank under acceptances is reported as a liability in the Balance Sheet. The Bank's recourse against the customer in the event of a call on any of these commitments is reported as an offsetting asset of the same amount.

Income earned on such off Balance Sheet transactions are accrued for and included in other income in the Profit and Loss Account.

Balance Sheet

as at 31 March

	NOTE	GROUP		COMPANY	
		2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
ASSETS:					
Cash and short term funds	1	110,517	90,209	109,716	89,820
Government securities	2	58,444	40,497	58,444	40,497
Investments	3	3,581	3,460	2,835	2,387
Loans and advances	4	67,610	56,136	67,610	56,136
Other assets	5	4,455	15,343	4,169	13,603
Fixed assets	6	6,176	6,379	6,154	6,363
		<u>250,783</u>	<u>212,024</u>	<u>248,928</u>	<u>208,806</u>
LIABILITIES:					
Deposit and current accounts	7	205,110	151,929	205,110	151,929
Other liabilities	8	20,946	33,700	20,876	32,051
Taxation	9	2,535	2,373	2,494	2,279
Deferred taxation	10	1,073	1,104	1,070	1,103
		<u>229,664</u>	<u>189,106</u>	<u>229,550</u>	<u>187,362</u>
BORROWINGS	11	<u>1,676</u>	<u>3,385</u>	<u>1,676</u>	<u>3,385</u>
CAPITAL AND RESERVES:					
Share capital	12	1,530	1,275	1,530	1,275
Other reserves	13	17,913	18,258	16,172	16,784
SHAREHOLDERS' FUNDS		<u>19,443</u>	<u>19,533</u>	<u>17,702</u>	<u>18,059</u>
		<u>250,783</u>	<u>212,024</u>	<u>248,928</u>	<u>208,806</u>
Acceptances, Guarantees and other Obligations for Account of Customers (And Customers' Liabilities thereon)	14	<u>81,821</u>	<u>81,719</u>	<u>81,821</u>	<u>81,719</u>

The financial statements were approved
By the Board of Directors on 10 May
2005 and signed on its behalf by:

KAYODE SOFOLA (SAN)

ALIYU DIKKO

GODWIN IZE-IYAMU



Directors

The accounting policies and the notes to the accounts form part of these financial statements.

Profit & Loss Account

for the year ended 31 March

	NOTE	GROUP		COMPANY	
		2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
GROSS EARNINGS		26,089	24,510	25,506	23,928
Interest and discount income	15	14,456	15,155	14,456	15,155
Interest expense	16	(3,490)	(3,107)	(3,490)	(3,107)
		<u>10,966</u>	<u>12,048</u>	<u>10,966</u>	<u>12,048</u>
Loan loss and other provision	4.4	(40)	(761)	(40)	(761)
Net interest margin		<u>10,926</u>	<u>11,287</u>	<u>10,926</u>	<u>11,287</u>
Other banking income	17	11,633	9,355	11,050	8,773
		<u>22,559</u>	<u>20,642</u>	<u>21,976</u>	<u>20,060</u>
Depreciation	6	(1,412)	(1,360)	(1,402)	(1,353)
Other operating expenses		(14,627)	(13,272)	(14,335)	(13,099)
PROFIT BEFORE TAXATION	20	6,520	6,010	6,239	5,608
Income tax	9.1	(1,632)	(1,265)	(1,619)	(1,204)
Deferred taxation	9.1	33	(220)	33	(219)
PROFIT AFTER TAXATION		4,921	4,525	4,653	4,185
APPROPRIATIONS:					
Statutory reserve	13	697	679	697	628
Small scale industries reserve	13	624	561	624	561
Bonus issue reserve	13	-	255	-	255
General reserve	13	1,764	1,500	1,496	1,211
Dividend - proposed	21	1,836	1,530	1,836	1,530
		<u>4,921</u>	<u>4,525</u>	<u>4,653</u>	<u>4,185</u>
PER 50K SHARE (NAIRA):					
Earnings Per Share		1.61	1.77	1.52	1.64
Earnings Per Share - Adjusted		1.61	1.48	1.52	1.37
Dividend Per Share		0.60	0.60	0.60	0.60
Dividend Per Share - Adjusted		0.60	0.50	0.60	0.50

The accounting policies and the notes to the accounts form part of these financial statements.

Statement of Cash Flows

for the year ended 31 March

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
CASH FLOWS FROM OPERATING ACTIVITIES:				
OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL:-				
Gross earnings	26,089	24,510	25,506	23,928
Interest expenses	(3,490)	(3,107)	(3,490)	(3,107)
Provision on doubtful debts	(40)	(761)	(40)	(761)
Payment to employees and suppliers	(14,627)	(13,272)	(14,335)	(13,099)
Loss on sale of fixed assets	(214)	(109)	(213)	(109)
	<u>7,718</u>	<u>7,261</u>	<u>7,428</u>	<u>6,852</u>
WORKING CAPITAL CHANGES:				
Increase in deposit and current accounts	53,181	9,502	53,181	9,502
Decrease in other liabilities	(12,754)	(10,351)	(11,175)	(10,325)
(Decrease)/ increase in borrowings	(1,709)	3,385	(1,709)	3,385
(Decrease)/increase in exchange reserves	(3,175)	1,637	(3,175)	1,637
Increase in loans and advances	(11,474)	(10,060)	(11,474)	(10,060)
Decrease in other assets	10,888	10,236	9,434	10,573
CASH GENERATED FROM OPERATIONS	<u>42,675</u>	<u>11,610</u>	<u>42,510</u>	<u>11,564</u>
Taxation paid	(1,470)	(883)	(1,404)	(848)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>41,205</u>	<u>10,727</u>	<u>41,106</u>	<u>10,716</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES:				
Exchange difference on fixed assets	(1)	(4)	(1)	(4)
Purchase of fixed assets	(1,315)	(2,235)	(1,299)	(2,220)
Purchase of investment	(121)	(1,287)	(448)	(338)
Proceeds of sale of fixed assets	16	206	15	206
CASH USED IN INVESTING ACTIVITIES	<u>(1,421)</u>	<u>(3,320)</u>	<u>(1,733)</u>	<u>(2,356)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Purchase of treasury	(17,947)	(9,049)	(17,947)	(10,007)
Dividend paid	(1,530)	(1,148)	(1,530)	(1,148)
CASH FLOWS USED IN FINANCING ACTIVITIES:	<u>(19,477)</u>	<u>(10,197)</u>	<u>(19,477)</u>	<u>(11,155)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>20,308</u>	<u>(2,790)</u>	<u>19,896</u>	<u>(2,795)</u>
Opening cash and cash equivalents	90,209	92,999	89,820	92,615
CLOSING CASH AND CASH EQUIVALENTS (note 1)	<u>110,517</u>	<u>90,209</u>	<u>109,716</u>	<u>89,820</u>

Notes to the Accounts

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
1. CASH AND SHORT-TERM FUNDS				
.1 Cash and short-term funds comprise:				
Cash	3,031	2,908	3,031	2,908
Balances with, and cheques in course of of collection on other banks:				
In Nigeria	5,535	4,551	4,734	4,551
Abroad	19,367	25,666	19,367	25,666
Money at call with banks:				
In Nigeria	3,300	4,914	3,300	4,525
Abroad	69,955	44,382	69,955	44,382
	101,188	82,421	100,387	82,032
Provision for doubtful bank balances	(51)	-	(51)	-
	101,137	82,421	100,336	82,032
.2 Cash reserve deposit				
Balance at beginning of the year	7,788	10,729	7,788	10,729
Additions/(release) during the year	1,592	(2,941)	1,592	(2,941)
Balance as at 31 March	9,380	7,788	9,380	7,788
Total cash and short term funds	110,517	90,209	109,716	89,820

(Included in bank and cash balances outside Nigeria, is the Naira value of foreign currencies held on behalf of customers in various foreign accounts amounting to ₦3,994 million (2004: ₦15,471 million). The corresponding liability for this amount is included in Other Liabilities (see note 8).

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
2. GOVERNMENT SECURITIES				
Nigerian government treasury bills	53,444	35,497	53,444	35,497
1st FGN Bond	5,000	5,000	5,000	5,000
	58,444	40,497	58,444	40,497

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
3. INVESTMENTS				
.1 Investment in wholly owned subsidiary				
UBA Capital & Trust Limited	-	-	403	3
.2 Quoted investments				
P.Z Industries Plc	3	5	3	5
(Market value - ₦2,812,500 (2004 : ₦6,563,000))				
CFAO Nigeria Plc	-	4	-	4
(Market Value 2004 ₦4,000,000)				
Nigeria International Debt Fund	309	309	309	309
(Market value-₦260,550,962 (2004: ₦285,007,756))				
Total Quoted	312	318	312	318
Provisions for dimunition in value	(26)	(1)	(26)	(1)
	286	317	286	317

Notes to the Accounts

3. INVESTMENTS (Con'td)

Status	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
.3 Other investments				
ATM Consortium	74	59	74	59
ValuCard Nigeria Plc Equity	170	47	170	47
Nigeria Agric. Insurance Co. Ltd. Equity	-	-	-	-
Africa Export - Import Bank Equity	11	11	11	11
Central Securities Clearing System Ltd. Equity	-	1	-	1
Nigeria Automated Clearing Equity	27	27	27	27
SME Investments Equity	212	93	212	93
Vehicle Insurance Sinking Fund Sinking Fund	258	462	258	462
ValuCard Nigeria Plc Floating Debenture	7	7	7	7
Edo State Govt. Rev. Bond Floating Debenture	67	133	67	133
Cross River State Bond Floating Debenture	86	-	86	-
Lagos State Investment Bond Floating Debenture	1,235	1,234	1,235	1,234
	<u>2,147</u>	<u>2,074</u>	<u>2,147</u>	<u>2,074</u>
Provisions thereon	(1)	(7)	(1)	(7)
	<u>2,146</u>	<u>2,067</u>	<u>2,146</u>	<u>2,067</u>
.4 Investments of subsidiary company				
- UBA Capital & Trust Limited				
Other Investments of subsidiary company Equity	1,149	1,076	-	-
	<u>1,149</u>	<u>1,076</u>	<u>-</u>	<u>-</u>
Total Net Investments	<u>3,581</u>	<u>3,460</u>	<u>2,835</u>	<u>2,387</u>

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
4. LOANS AND ADVANCES				
.1 Loans and advances comprise:				
Secured against real estate	13,275	7,564	13,275	7,564
Otherwise secured	43,958	34,158	43,958	34,158
Unsecured	12,853	17,133	12,853	17,133
	<u>70,086</u>	<u>58,855</u>	<u>70,086</u>	<u>58,855</u>
Less: Provision under prudential guidelines (note 4.5)	(2,476)	(2,719)	(2,476)	(2,719)
	<u>67,610</u>	<u>56,136</u>	<u>67,610</u>	<u>56,136</u>
.2 The maturity profile of loans and advances is as follows:				
Overdrafts	16,468	20,469	16,468	20,469
1 - 3 months	34,877	15,683	34,877	15,683
3 - 6 months	8,969	13,536	8,969	13,536
6 - 12 months	578	654	578	654
Over 12 months	9,194	8,513	9,194	8,513
	<u>70,086</u>	<u>58,855</u>	<u>70,086</u>	<u>58,855</u>

Notes to the Accounts

4. LOANS AND ADVANCES (Cont'd)

	GROUP		COMPANY		Profit & Loss Account	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion		
.3 The loans and advances are classified as follows:						
Performing	67,666	56,569	67,666	56,569		
Non-performing						
* Principal	2,169	1,926	2,169	1,926		
* Unpaid Interest	251	360	251	360		
	<u>70,086</u>	<u>58,855</u>	<u>70,086</u>	<u>58,855</u>		
	Principal 2005 Nmillion	Provision 2005 Nmillion	Principal 2004 Nmillion	Provision 2004 Nmillion	Profit & Loss Account Nmillion	
.4 Movement on Prudential Provision Account:						
Performing	1%	67,665	677	56,569	566	111
Sub-standard	10%	408	41	64	6	34
Doubtful	50%	506	253	150	75	178
Lost	100%	2,040	2,040	1,712	1,712	328
Written-off		(785)	(785)	-	-	-
		<u>69,834</u>	<u>2,225</u>	<u>58,495</u>	<u>2,359</u>	<u>651</u>
Other provisions						
S.M.E. loans			5		5	-
Investments			27		8	19
Bank balances			51		-	51
Other assets (note 5)			475		1,156	(681)
Contingencies			600		600	-
						<u>40</u>

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
.5 Movement in Provision for doubtful debts (note 4.1)				
Principal:				
At 1 April 2004	2,359	3,254	2,359	3,254
Written-off in the year	(785)	(2,361)	(785)	(2,361)
	<u>1,574</u>	<u>893</u>	<u>1,574</u>	<u>893</u>
Provided during the year	1,191	1,873	1,191	1,873
Recovered during the year	(540)	(407)	(540)	(407)
Charge for the year (note 4.4)	651	1,466	651	1,466
At 31 March 2005	<u>2,225</u>	<u>2,359</u>	<u>2,225</u>	<u>2,359</u>
Interest:				
At 1 April 2004	360	251	360	848
Addition during the year	279	307	279	307
Written-off during the year	(388)	(795)	(388)	(795)
At 31 March 2005	<u>251</u>	<u>360</u>	<u>251</u>	<u>360</u>
Total at 31 March 2005	<u>2,476</u>	<u>2,719</u>	<u>2,476</u>	<u>2,719</u>

.6 The cumulative balance in the memorandum accounts in respect of loans and advances written off as at 31 March 2005 amounted to ₦20,819 million

Notes to the Accounts

5. OTHER ASSETS

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
Payment in advance and sundry accounts	3,441	7,641	3,155	5,901
Accounts receivable	367	1,817	367	1,817
Deferred merger costs (Note 5.1)	364	-	364	-
Items in transit between branches(net)	758	7,041	758	7,041
	<u>4,930</u>	<u>16,499</u>	<u>4,644</u>	<u>14,759</u>
Less: Provision under Prudential Guidelines (note 4.4.)	(475)	(1,156)	(475)	(1,156)
	<u>4,455</u>	<u>15,343</u>	<u>4,169</u>	<u>13,603</u>

.1 Amount represents restructuring costs arising from the ongoing merger with Standard Trust Bank PLC.

	Land and Buildings Nmillion	Machinery, Furniture and Fittings Nmillion	Motor Vehicle Nmillion	Construction in Progress Nmillion	Total Nmillion
6. FIXED ASSETS					
.1 GROUP					
Cost					
At 1 April 2004	2,965	8,680	935	216	12,796
Exchange Difference	-	(3)	-	-	(3)
Additions	310	654	185	166	1,315
Disposal	-	(841)	(106)	-	(947)
	<u>3,275</u>	<u>8,490</u>	<u>1,014</u>	<u>382</u>	<u>13,161</u>
Depreciation:					
At 1 April 2004	578	5,192	647	-	6,417
Charge for the year	82	1,190	140	-	1,412
Exchange Difference	-	(2)	-	-	(2)
On Disposals	-	(738)	(104)	-	(842)
	<u>660</u>	<u>5,642</u>	<u>683</u>	<u>-</u>	<u>6,985</u>
Net book value:					
At 31 March 2005	<u>2,615</u>	<u>2,848</u>	<u>331</u>	<u>382</u>	<u>6,176</u>
At 31 March 2004	2,387	3,488	288	216	6,379
.2 COMPANY					
Cost					
At 1 April 2004	2,965	8,634	906	216	12,721
Exchange Difference	-	(3)	-	-	(3)
Additions	310	646	177	166	1,299
Disposal	-	(840)	(100)	-	(940)
	<u>3,275</u>	<u>8,437</u>	<u>983</u>	<u>382</u>	<u>13,077</u>
Depreciation:					
At 1 April 2004	579	5,149	630	-	6,358
Charge for the year	82	1,186	134	-	1,402
Exchange Difference	-	(2)	-	-	(2)
On Disposals	-	(735)	(100)	-	(835)
	<u>661</u>	<u>5,598</u>	<u>664</u>	<u>-</u>	<u>6,923</u>
Net book value:					
At 31 March 2005	<u>2,614</u>	<u>2,839</u>	<u>319</u>	<u>382</u>	<u>6,154</u>
At 31 March 2004	2,386	3,485	276	216	6,363

Notes to the Accounts

6. FIXED ASSETS (Cont'd)

	2005 Nmillion	2004 Nmillion
.3 Land and building comprise:		
Long-term leasehold land and buildings	2,921	2,611
Short-term leasehold land and buildings	<u>354</u>	<u>354</u>
	<u>3,275</u>	<u>2,965</u>

.4 Exchange difference arose from the conversion of fixed assets in overseas branches at the rate of exchange ruling at 31 March 2005.

.5 Capital commitments

Capital expenditure authorised by the Directors and not provided for in the financial statements amounted to Nil (2004: Nil).

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
7. DEPOSIT AND CURRENT ACCOUNTS				
.1 Deposit				
i Demand				
- In Nigeria	60,536	51,609	60,536	51,609
- In Abroad	<u>27,039</u>	<u>15,663</u>	<u>27,039</u>	<u>15,663</u>
	<u>87,575</u>	<u>67,272</u>	<u>87,575</u>	<u>67,272</u>
ii Savings	41,365	35,215	41,365	35,215
iii Time deposits				
- In Nigeria	18,592	12,497	18,592	12,497
- In Abroad	<u>57,578</u>	<u>36,945</u>	<u>57,578</u>	<u>36,945</u>
	<u>117,535</u>	<u>84,657</u>	<u>117,535</u>	<u>84,657</u>
	<u>205,110</u>	<u>151,929</u>	<u>205,110</u>	<u>151,929</u>

.2 The maturity profile of Deposit liabilities

is as follows:

Under 1 month	138,117	84,936	138,117	84,936
1 - 3 months	65,699	65,699	65,699	65,699
3 - 6 months	877	877	877	877
6 - 12 months	396	396	396	396
Over 12 months	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>
	<u>205,110</u>	<u>151,929</u>	<u>205,110</u>	<u>151,929</u>

.3 Due to other Banks in Nigeria includes uncleared effects and cheques for collection in favour of other banks in Nigeria.

Notes to the Accounts

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
8. OTHER LIABILITIES				
Creditors, accrued charges and provisions (including accounts payable)	15,074	16,657	15,004	15,008
Customers deposits for foreign exchange	3,994	15,471	3,994	15,471
Unclaimed dividends due to Nigerian shareholders				
Dividend:				
* Unremitted	42	42	42	42
* Proposed	1,836	1,530	1,836	1,530
	<u>20,946</u>	<u>33,700</u>	<u>20,876</u>	<u>32,051</u>

9. TAXATION PAYABLE

.1 Per profit and loss account				
- Income tax charge	1,286	1,096	1,273	1,035
- Education tax	113	108	113	108
Under provision in previous year	233	61	233	61
	<u>1,632</u>	<u>1,265</u>	<u>1,619</u>	<u>1,204</u>
Deferred (note 10.1)	(33)	220	(33)	219
Charge for the year	<u>1,599</u>	<u>1,485</u>	<u>1,586</u>	<u>1,423</u>

The current tax charge has been computed at the current company income tax rate of 30% (2004: 30%) and education levy of 2% (2004: 2%) on profit for the year after adjusting for certain items of income and expenditure which are not deductible or chargeable for tax purposes.

.2 At 1 April	2,373	1,990	2,279	1,923
Payments during the year	(1,470)	(883)	(1,404)	(848)
Current year charges (note 9.1)	1,632	1,266	1,619	1,204
At 31 March	<u>2,535</u>	<u>2,373</u>	<u>2,494</u>	<u>2,279</u>

10. DEFERRED TAXATION

.1 At 1 April	1,106	884	1,103	884
Current year charges (note 9)	(33)	220	(33)	219
	<u>1,073</u>	<u>1,104</u>	<u>1,070</u>	<u>1,103</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.

11. BORROWINGS

This represents the Naira value of a line of credit provided by African Development Bank (ADB). The Bank utilised the proceeds of the credit for project finance and medium term funding to its corporate clients. The final repayment is expected to be made on 1 February 2006 and the two remaining repayments due are as follows:

	N million
1-Aug-05	838
1-Feb-06	838
	<u>1,676</u>

Notes to the Accounts

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
12. SHARE CAPITAL				
.1 Authorised				
12 billion (2004: 4 billion) ordinary shares of 50k each	<u>6,000</u>	<u>2,000</u>	<u>6,000</u>	<u>2,000</u>
.2 Issued and fully paid				
At 1 April	1,275	1,275	1,275	1,275
Bonus issue reserve	<u>255</u>	<u>-</u>	<u>255</u>	<u>-</u>
3.06 billion (2004: 2.55 billion) ordinary shares of 50k each	<u>1,530</u>	<u>1,275</u>	<u>1,530</u>	<u>1,275</u>

.3 At the Annual General Meeting of the Bank held on 30 September 2004, it was resolved that the authorised share capital of the Bank be increased from ₦2 billion to ₦6 billion by the creation of 8 billion ordinary shares of 50 kobo each.

13. OTHER RESERVES

	Capital Nmillion	Statutory Nmillion	Exchange Difference Nmillion	General Nmillion	Bonus Issue Nmillion	Small Scale Industries Nmillion	Total Nmillion
.1 Group							
At 1 April 2004	22	3,013	7,055	6,487	255	1,426	18,258
Exchange difference in the year (note 13.3)	-	-	(3,175)	-	-	-	(3,175)
Appropriation from profit and loss account	-	697	-	1,764	-	624	3,085
Share Capital	-	-	-	-	(255)	-	(255)
At 31 March 2005	<u>22</u>	<u>3,710</u>	<u>3,880</u>	<u>8,251</u>	<u>-</u>	<u>2,050</u>	<u>17,913</u>
.2 Company							
At 1 April 2004	-	2,783	7,055	5,266	255	1,426	16,785
Exchange difference in the year (note 13.3)	-	-	(3,175)	-	-	-	(3,175)
Appropriation from profit and loss account	-	697	-	1,496	-	624	2,817
Share capital	-	-	-	-	(255)	-	(255)
At 31 March 2005	<u>-</u>	<u>3,480</u>	<u>3,880</u>	<u>6,762</u>	<u>-</u>	<u>2,050</u>	<u>16,172</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 finance and promotion of Small Scale Industries.

Notes to the Accounts

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
14. CONTRA ITEMS				
Contra items are made up of:				
Bonds and guarantees issued to third parties	38,292	28,371	38,292	28,371
Acceptances	18,847	16,327	18,847	16,327
Confirmed letters of credit and liability to customers thereon	24,682	37,021	24,682	37,021
	<u>81,821</u>	<u>81,719</u>	<u>81,821</u>	<u>81,719</u>
15. INTEREST AND DISCOUNT INCOME				
Non-bank sources:				
Loans and advances	7,676	8,313	7,676	8,313
Treasury income	5,617	4,911	5,617	4,911
Bank sources:				
Placement with local banks	291	1,056	291	1,056
Placement with foreign banks	872	875	872	875
	<u>14,456</u>	<u>15,155</u>	<u>14,456</u>	<u>15,155</u>
16. INTEREST EXPENSE				
Non-bank sources:				
Savings	987	819	987	819
Current accounts	633	833	633	833
Time deposits	1,787	1,247	1,787	1,247
Bank sources:				
Deposit from banks in Nigeria	83	208	83	208
	<u>3,490</u>	<u>3,107</u>	<u>3,490</u>	<u>3,107</u>
17. OTHER INCOME				
Income from foreign exchange transactions	445	649	445	649
Commission on letters of credit and bills collected	1,545	2,291	1,545	2,291
Commission on turnover	2,551	2,326	2,551	2,326
Commission on transfers and guarantees	395	154	395	154
Financial services commissions	3,922	2,123	3,922	2,123
Others	2,775	1,812	2,192	1,230
	<u>11,633</u>	<u>9,355</u>	<u>11,050</u>	<u>8,773</u>

Notes to the Accounts

18. SEGMENTAL INFORMATION BY GEOGRAPHIC SEGMENT:

The following tables set out profit and loss information, average loans and advances to customers, net interest margin and selected balance sheet information by geographic segment for the year ended:

.1 Profit and Loss Account

	NIGERIA		UNITED STATES		TOTAL	
	2005	2004	2005	2004	2005	2004
	Nmillion	Nmillion	Nmillion	Nmillion	Nmillion	Nmillion
Interest receivable	12,254	13,098	2,202	2,057	14,456	15,155
Interest payable	(2,735)	(2,684)	(755)	(423)	(3,490)	(3,107)
Net interest income	9,519	10,414	1,447	1,634	10,966	12,048
Fees and commissions received net	7,012	5,835	1,401	1,059	8,413	6,894
Income from foreign exchange transactions	427	569	18	80	445	649
Other operating income	1,769	1,609	1,006	203	2,775	1,812
Non-interest income	9,208	8,013	2,425	1,342	11,633	9,355
Net revenue	18,727	18,427	3,872	2,976	22,599	21,403
Operating expenses	(13,929)	(12,254)	(698)	(1,018)	(14,627)	(13,272)
Depreciation	(1,404)	(1,315)	(8)	(45)	(1,412)	(1,360)
Total costs	(15,333)	(13,569)	(706)	(1,063)	(16,039)	(14,632)
Operating profit before provision for loan losses	3,394	4,858	3,166	1,913	6,560	6,771
Loan loss and other provision	(40)	(691)	-	(70)	(40)	(761)
Profit before taxation	3,354	4,167	3,166	1,843	6,520	6,010
Total assets employed	168,056	126,820	82,727	85,204	250,783	212,024
Total risk weighted assets and contingents	93,000	87,018	56,431	50,837	149,431	137,855
Net interest margin (%)	78	80	66	79	72	79

Notes to the Accounts

.2 Balance Sheet

	NIGERIA		UNITED STATES		TOTAL	
	2005	2004	2005	2004	2005	2004
	Nmillion	Nmillion	Nmillion	Nmillion	Nmillion	Nmillion
ASSETS:						
Cash and short term funds	57,836	27,586	52,681	62,623	110,517	90,209
Government securities	58,444	40,497	-	-	58,444	40,497
Investments	3,581	3,460	-	-	3,581	3,460
Loans and advances	38,029	33,951	29,581	22,185	67,610	56,136
Other assets	4,075	15,069	380	274	4,455	15,343
Fixed assets	6,091	6,257	85	122	6,176	6,379
	<u>168,056</u>	<u>126,820</u>	<u>82,727</u>	<u>85,204</u>	<u>250,783</u>	<u>212,024</u>
LIABILITIES						
Deposit and current accounts	148,095	113,025	57,015	38,904	205,110	151,929
Other liabilities	15,538	24,138	5,408	9,562	20,946	33,700
Taxation	1,890	1,882	645	491	2,535	2,373
Deferred taxation	1,073	1,104	-	-	1,073	1,104
	<u>166,596</u>	<u>140,149</u>	<u>63,068</u>	<u>48,957</u>	<u>299,664</u>	<u>189,106</u>
BORROWINGS	-	-	1,676	3,385	1,676	3,385
CAPITAL AND RESERVES						
Share capital	1,530	1,275	-	-	1,530	1,275
Other reserves	17,913	18,258	-	-	17,913	18,258
Shareholders' fund	<u>19,443</u>	<u>19,533</u>	<u>-</u>	<u>-</u>	<u>19,443</u>	<u>19,533</u>

19. MATURITIES OF ASSETS AND LIABILITIES

	0-30 days	1-3 months	3-6 months	6-12 months	Over 1 yr	Total
	Nmillion	Nmillion	Nmillion	Nmillion	Nmillion	Nmillion
Assets						
Cash and other short term funds	100,387	9,380	-	-	-	109,767
Government securities	53,444	-	-	-	5,000	58,444
Investment	-	-	-	-	2,862	2,862
Loans and advances	16,467	34,878	8,969	578	9,194	70,086
Other assets	4,644	-	-	-	-	4,644
Fixed assets	-	-	-	-	13,077	13,077
Total assets	<u>174,942</u>	<u>44,258</u>	<u>8,969</u>	<u>578</u>	<u>30,133</u>	<u>258,880</u>
Liabilities						
Deposits	138,117	65,699	877	396	21	205,110
Other liabilities	20,876	-	-	-	-	20,876
Taxation	-	-	-	2,494	1,070	3,564
Borrowings	-	-	-	-	1,676	1,676
Total liabilities	<u>158,993</u>	<u>65,699</u>	<u>877</u>	<u>2,890</u>	<u>2,767</u>	<u>231,226</u>
Net liquidity gap as at 31 Mar. 2005	<u>15,949</u>	<u>(21,441)</u>	<u>8,092</u>	<u>(2,312)</u>	<u>27,366</u>	<u>27,654</u>
Assets as at 31 March 2004	152,757	23,471	13,536	9,167	20,108	219,039
Liabilities as at 31 March 2004	(115,415)	(67,271)	(877)	(2,675)	(4,509)	(190,747)
Net liquidity gap as at 31 Mar. 2004	<u>37,342</u>	<u>(43,800)</u>	<u>12,659</u>	<u>6,492</u>	<u>15,599</u>	<u>28,292</u>

Notes to the Accounts

	GROUP		COMPANY	
	2005 Nmillion	2004 Nmillion	2005 Nmillion	2004 Nmillion
20. PROFIT BEFORE TAXATION				
This is stated after charging the following:				
Auditors' remuneration:				
- Nigeria operations	20	20	20	20
- Overseas operations	11	16	11	16
Directors' remuneration	46	46	46	46
Fraud and other losses	85	35	85	35
NDIC premium	<u>1,324</u>	<u>1,249</u>	<u>1,324</u>	<u>1,249</u>

21. DIVIDEND

Proposed final dividend	<u>1,836</u>	<u>1,530</u>	<u>1,836</u>	<u>1,530</u>
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The proposed dividend of 60 kobo per share is based on the share capital of 3.06 billion (2004: 2.55 billion) ordinary shares of 50 kobo each, and is subject to deduction of withholding tax at the appropriate rate.

22. CONTINGENT LIABILITY

At 31 March 2005, contingent liabilities are in respect of:

- .1 Litigation against the bank amounting to ₦26,627 million. The actions are being contested and the directors are of the opinion that no significant liability will arise therefrom.
- .2 Judgement in the sum of ₦6,238 million was awarded against the Bank in the case of BTL Industries Ltd v UBA PLC. The Bank is currently on appeal to the supreme court. The Supreme Court granted a stay of the judgment of the Court of Appeal on the condition that UBA produces acceptable Bank guarantees to cover the entire judgment sum. The Directors are of the opinion that it is unlikely to have a material adverse effect on the Bank. However a provision of ₦500 million has been made in these financial statements.

In the course of the year, United Bank for Africa PLC (UBA) and Standard Trust Bank PLC (STB) entered into a Merger Agreement. The Merger Agreement specifies that in order to protect the shareholders of STB from suffering a reduction in the value of their investment in the post-merger should the Supreme Court uphold the decision of the Court of Appeal, UBA and STB have agreed as part of the Scheme of Merger that additional shares shall be issued to the shareholders (i.e. shareholders of STB prior to the merger) whose names appear in STB's register of shareholders as at the close of business on the Terminal Date. The additional shares in the capital of the enlarged (post-merger) UBA would be issued pro-rata to compensate the pre-merger shareholders of STB for any disadvantage that they may have suffered in the valuation process by virtue of the contingent liability arising from the judgment in the BTL suit not being taken into account in determining the value of UBA. Such shares will be issued by the post-merger UBA within six months after the date of the Supreme Court's judgment in the suit instituted against UBA by BTL Industries Limited.

23. CONTRAVENTION OF BANKS AND OTHER FINANCIAL INSTITUTIONS ACT, 1991 (BOFIA), AS AMENDED:

The Bank did not contravene any provisions of BOFIA during the year ended 31 March 2005.

Notes to the Accounts

	2005 Nmillion	2004 Nmillion
24. INFORMATION REGARDING DIRECTORS AND EMPLOYEES		
.1 Directors emoluments:		
i. Chairman	1.8	1.1
ii. Other directors		
Fees	5.4	6.2
Other emoluments	9.0	5.9
	<u>14.4</u>	<u>12.1</u>
Emoluments as executive	29.6	32.7
	<u>44.0</u>	<u>44.8</u>
Total	<u>45.8</u>	<u>45.9</u>
iii. Highest paid directors	<u>5</u>	<u>5</u>
iv. The number of directors excluding the chairman whose emoluments were within the following ranges are:		
	Number	Number
Up to - N10,000	-	-
N10,001 - N100,000	-	-
N100,001 - N200,000	-	-
N200,001 - N300,000	-	-
N300,001 - N400,000	-	2
N400,001 - N500,000	-	-
Over - N500,000	<u>15</u>	<u>17</u>
.2 i The number of persons employed by the Bank during the year was as follows:		
General Management	203	191
Senior staff	2,698	2,764
Junior staff	886	635
	<u>3,787</u>	<u>3,590</u>
	Nmillion	Nmillion
ii Staff costs are as follows:		
Wages and salaries	4,597	3,554
Staff welfare	1,520	1,683
Pension costs	550	627
	<u>6,667</u>	<u>5,864</u>

Notes to the Accounts

3 Higher 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:

N	N	2005 Number	2004 Number
60,000	- 70,000	-	10
70,001	- 90,000	-	194
90,001	- 100,000	-	25
100,001	- 110,000	-	-
110,001	120,000	-	8
120,001	140,000	-	824
140,001	- 150,000	-	521
Over	- 150,000	<u>3,787</u>	<u>1,696</u>

25. STAFF PENSION FUND SCHEME CONTRIBUTION

The bank operated a defined contribution scheme for its employees which is managed by UBA Capital and Trust Limited. The scheme is funded by contributions from employees and the bank at 7.5% and 25% respectively and employees have the option of making additional contributions to the scheme. The movement in staff pension fund scheme contribution During the year was as follows:

	2005 Nmillion	2004 Nmillion
At 1 April	1,333	1,058
Contribution during the year	550	627
Payments during the year	<u>(310)</u>	<u>(352)</u>
At 31 March	<u>1,573</u>	<u>1,333</u>

26. COMPARATIVE FIGURES

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

27. 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 listed on Note 30.

28. PROPOSED MERGER BETWEEN UNITED BANK FOR AFRICA PLC AND STANDARD TRUST BANK PLC

During the year, the Board of UBA PLC and that of STB PLC engaged in discussions on a proposal to merge the two banks. The merger will be effected through a Scheme of Merger under Section 100 of the Investments and Securities Act Cap. 124, LFN 2004. Preliminary approvals of the Scheme have been received from relevant regulatory authorities. Separate meetings of the shareholders of the two Banks will be convened by Order of the Court for the purpose of considering and approving the Scheme. Upon approval of the Scheme:

- i. All assets, liabilities and undertakings, including real property and intellectual property rights of STB will be transferred to UBA
- ii. The entire share capital of STB will be cancelled and STB will be dissolved without being wound up.
- iii. Holders of the Scheme Shares will be allotted UBA Shares as provided in the Scheme.

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Directors of the Bank on 10 May 2005.

Notes to the Accounts

30. DETAILS OF INSIDER-RELATED CREDITS:

S-No	Name of Borrower	Acct No.	Relationship to Reporting Institution	Date granted	Expiry Date	Rate of Interest	Principal	Cumulative Total Interest Provision made	Payments made	Outstanding Credit Performing	Outstanding Credit Non performing	Secured Security Nature	value	Date of valuation	Remarks
1	MAC Ltd	22010004448	Director (Dr T. Asutun John)	1/5/2001	31/3/05	7.10%	₦450.87m				₦111.41m	Mortgage Debenture	Various ₦662.4m		US Dollar
2	Teredox Ent	1932010005167	Director's wife (Victor Odozi)	24/2/2005	30/5/2005	19.00%	₦4m		₦0.885m			Hypothecation of Stocks MOU with Guarantees	₦4m		
3	Tripix Edge	1932010005178	Director's Brother (Junaid Odozi)	4/2/2004	31/01/05	19.00%	₦50m		₦38.1m			Debenture Personal Guarantee	184.5m 340m		
4	Resourcery	1932810005448	Director's Brother (Junaid Odozi)	31/12/2004	31/03/05	19.00%	₦195.8m		₦151.2m			Personal Guarantee	260m		
5	Resourcery	1932010005804	Director's Brother (Junaid Odozi)	31/02/2004	28/04/05	19.00%	₦420m		₦346.5m			Charge over Assets	420m		
6	E M West Africa	1932010005994	Director (Junaid Odozi)	07/03/2005	06/04/05	19.00%	₦165.51m		₦150.37m			Debenture	201m		
7	UBA Staff totalling 1146	Various	Staff	Various	Various	19.00%	₦662.8m		₦356.7m			Employer's awareness			
TOTALS							₦1,948.94m		₦1,883.55m		₦411.11m				

Group statement of value added

for the year ended 31 March

	2005		2004	
	N'million	%	N'million	%
Gross earnings	26,089		24,510	
Interest paid	(3,490)		(3,107)	
	<u>22,599</u>		<u>21,403</u>	
Bought in materials and services	(7,753)		(7,516)	
Provision under prudential guidelines	(40)		(761)	
Valued added	<u>14,806</u>	<u>100</u>	<u>13,127</u>	<u>100</u>
Applied in the following ways:				
To pay employees				
Salaries, wages and fringe benefits	6,841	46	5,977	45
To pay providers of capital				
Dividend to shareholders	1,836	12	1,530	12
To pay government				
Direct Taxation	1,632	11	1,265	10
To provide for maintenance of assets and expansion of business :				
Depreciation	1,412	10	1,360	10
Profit retained in the business	3,085	21	2,995	23
	<u>14,806</u>	<u>100</u>	<u>13,127</u>	<u>100</u>

(Value added represents the additional wealth the group 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).

Company statement of value added

for the year ended 31 March

	2005 N'million	%	2004 N'million	%
Gross earnings	25,506		23,928	
Interest paid	<u>(3,490)</u>		<u>(3,107)</u>	
	22,016		20,821	
Bought in materials and services	(7,618)		(7,454)	
Provision under prudential guidelines	<u>(40)</u>		<u>(761)</u>	
Valued added	<u>14,358</u>	<u>100</u>	<u>12,606</u>	<u>100</u>
Applied in the following ways:				
To pay employees				
Salaries, wages and fringe benefits	6,684	46	5,864	46
To pay providers of capital				
Dividend to shareholders	1,836	13	1,530	12
To pay government				
Direct Taxation	1,619	11	1,204	10
To provide for maintenance of assets and expansion of business :				
Depreciation	1,402	10	1,353	11
Profit retained in the business	<u>2,817</u>	<u>20</u>	<u>2,655</u>	<u>21</u>
	<u>14,358</u>	<u>100</u>	<u>12,606</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 year ended 31 March

	2005 N'million	2004 N'million	2003 N'million	2002 N'million	2001 N'million
ASSETS					
Cash and short term funds	110,517	90,209	92,999	103,870	87,721
Bills discounted	58,444	40,497	31,448	30,268	47,823
Investments	3,581	3,460	2,173	1,017	1,019
Loans and advances	67,610	56,136	46,076	40,135	23,106
Other assets	4,455	15,343	25,579	19,998	23,487
Fixed assets	6,176	6,379	5,596	4,908	4,876
	<u>250,783</u>	<u>212,024</u>	<u>203,871</u>	<u>200,196</u>	<u>188,032</u>
LIABILITIES					
Deposits and current account	205,110	151,929	142,427	131,866	133,135
Other liabilities	20,946	33,700	43,669	55,996	44,564
Deferred taxation	1,073	1,104	1,990	1,343	976
Taxation	2,535	2,373	884	364	290
	<u>229,664</u>	<u>189,106</u>	<u>188,970</u>	<u>189,569</u>	<u>178,965</u>
BORROWINGS					
	<u>1,676</u>	<u>3,385</u>	-	-	-
CAPITAL AND RESERVES					
Share capital	1,530	1,275	1,275	850	850
Reserve for bonus issue	-	255	-	425	-
Other reserves	17,913	18,003	13,626	9,352	8,217
Shareholders' funds	<u>19,443</u>	<u>19,533</u>	<u>14,901</u>	<u>10,627</u>	<u>9,067</u>
	<u>250,783</u>	<u>212,024</u>	<u>203,871</u>	<u>200,196</u>	<u>188,032</u>
PROFIT AND LOSS ACCOUNT					
Gross earnings	<u>26,089</u>	<u>24,510</u>	<u>24,194</u>	<u>22,521</u>	<u>19,387</u>
Profit before taxation	6,520	6,010	5,128	2,472	1,682
Taxation	(1,599)	(1,485)	(1,848)	(906)	(413)
Profit after taxation	<u>4,921</u>	<u>4,525</u>	<u>3,280</u>	<u>1,566</u>	<u>1,269</u>
Transfer to reserves	(3,085)	(2,995)	(2,132)	(1,056)	(844)
Ordinary dividends	(1,836)	(1,530)	(1,148)	(510)	(425)
Retained profit for the year	-	-	-	-	-
Profit brought forward	-	-	-	-	-
Transfer to reserves	-	-	-	-	-
Retained profit carried forward	-	-	-	-	-
MEMORANDA:					
PER 50K SHARE DATA					
Earnings per share - actual	N1.61	N1.77	N1.29	N0.92	N0.70
- adjusted	N1.61	N1.48	N1.29	N0.61	N0.50
Dividend per share - actual	N0.60	N0.60	N0.45	N0.30	N0.25
- adjusted	N0.60	N0.50	N0.45	N0.20	N0.17
Equity interest per share - actual	N6.35	N7.66	N5.84	N6.25	N5.33
- adjusted	N6.35	N6.38	N5.84	N4.17	N3.56
Share price at year-end	N10.00	N13.00	N7.81	N10.10	N12.90

NOTE: Earnings and dividend per share are based on the issued ordinary shares at 31 March, 2005.
Earnings are the after tax profit of each year.

Company Five-Year Financial Summary

for the year ended 31 March

	2005 N'million	2004 N'million	2003 N'million	2002 N'million	2001 N'million
ASSETS					
Cash and short term funds	109,716	89,820	92,615	103,314	87,712
Bills discounted	58,444	40,497	30,490	30,268	47,823
Investments	2,835	2,387	2,049	944	757
Loans and advances	67,610	56,136	46,076	40,135	23,106
Other assets	4,169	13,603	24,176	19,125	22,990
Fixed assets	6,154	6,363	5,589	4,894	4,860
	<u>248,928</u>	<u>208,806</u>	<u>200,995</u>	<u>198,680</u>	<u>187,248</u>
LIABILITIES					
Deposits and current account	205,110	151,929	142,427	131,866	133,135
Other liabilities	20,876	32,051	41,994	55,403	44,478
Deferred taxation	1,070	1,103	1,923	1,265	918
Taxation	2,494	2,279	884	364	290
	<u>229,550</u>	<u>187,362</u>	<u>187,228</u>	<u>88,898</u>	<u>178,821</u>
BORROWINGS	<u>1,676</u>	<u>3,385</u>	-	-	-
CAPITAL AND RESERVES					
Share capital	1,530	1,275	1,275	850	850
Reserve for bonus issue	-	255	-	425	-
Other reserves	16,172	16,529	12,492	8,507	7,577
Shareholders' funds	<u>17,702</u>	<u>18,059</u>	<u>13,767</u>	<u>9,782</u>	<u>8,427</u>
	<u>248,928</u>	<u>208,806</u>	<u>200,995</u>	<u>198,680</u>	<u>187,248</u>
PROFIT AND LOSS ACCOUNT					
Gross earnings	25,506	23,928	23,720	22,112	19,148
Profit before taxation	6,239	5,608	4,816	2,238	1,585
Taxation	(1,586)	(1,423)	(1,827)	(877)	(402)
Profit after taxation	4,653	4,185	2,989	1,361	1,183
Transfer to reserves	(2,817)	(2,655)	(1,841)	(851)	(758)
Ordinary dividends	(1,836)	(1,530)	(1,148)	(510)	(425)
Retained profit for the year	-	-	-	-	-
Profit brought forward	-	-	-	-	-
Transfer to reserves	-	-	-	-	-
Retained profit carried forward	-	-	-	-	-
MEMORANDA:					
Share issued (million)	3,060	2,550	2,550	1,700	1,700
Employees (average numbers)	3,787	3,590	3,886	3,924	4,678
Branches in Nigeria (numbers)	259	238	234	235	221
Branches in abroad (numbers)	2	2	2	2	2
Total outlets (numbers)	261	240	236	237	223
PER 50K SHARE DATA (ADJUSTED)					
Earnings per share	N1.52	N1.64	N1.17	N0.80	N0.70
Earnings per share - adjusted	N1.52	N1.37	N1.17	N0.53	N0.46
Dividend per share	N0.60	N0.60	N0.45	N0.30	N0.25
Dividend per share - adjusted	N0.60	N0.50	N0.45	N0.20	N0.17
Equity interest per share	N5.78	N7.08	N5.40	N5.75	N4.96
Equity interest per share adjusted	N5.78	N7.08	N5.40	N3.84	N3.30

NOTE: Earnings and dividend per share are based on the issued ordinary shares at 31 March, 2005.
Earnings are the after-tax profit of each year.

Shareholders' Information

A. SHAREHOLDING STRUCTURES

The authorised share capital of the Bank is N6,000,000,000 made up of 12,000,000,000 ordinary shares of 50k each.

The issued and paid up share capital of the Bank as at March 31, 2005 was N1,530,000,000 made up of 3,060,000,000 ordinary shares of 50k each. The breakdown of shareholders was as follows:-

	Ordinary Shares of 50k each	
	Number of shares held	%
Nigerian Citizens and Associations	1,665,213,506	54.42
*Stanbic Nominees Nigeria Limited	1,110,206,494	36.28
+Bankers International Corp, USA.	137,700,000	4.50
Banca Nazionale del Lavoro, Italy	73,440,000	2.40
Monte dei Paschi di Siena, Italy	73,400,000	2.40
	3,060,009,000	100.00

* Of this number, Stanbic Nominees Nigeria Limited held 63,970,080 units (2.09%) as Custodian under the Bank's GDR Programme.

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

As at March 31, 2004 no shareholder other than Stanbic Nominees Nigeria Limited held more than 5% of the issued and paid up share capital of the Bank.

B. History Of Capitalisation

DATE	AUTHORISED N	ISSUED & FULLY PAID CAPITAL	CONSIDERATION N
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 [1]
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) [2]
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) [3]
July 25, 1990	200,000,000	100,000,000	Bonus (1:3)
July 24, 1991	200,000,000	100,000,000	-[4]
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 (7:1) 0
Aug 2, 2002	2,000,000,000	1,275,000,000	Bonus (1:2)
Sept 30, 2004	6,000,000,000	1,530,000,000	Bonus (1:5)

Shareholders' Information (Cont'd)

- [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.

C. SUMMARY OF DEALINGS IN UBA SHARES

Dealings in UBA Shares for the period 1st April 2004 to 31st March 2005

PERIOD	TOTAL PER QUARTER	QUARTERLY AVERAGE
APRIL 2004 - JUNE 2004	148,184,220	49,394,740
JULY 2004 - SEPTEMBER 2004	132,896,672	44,298,891
OCTOBER 2004 - DECEMBER 2004	131,768,960	43,922,987
JANUARY 2005 - MARCH 2005	253,666,852	84,555,617

D. TEN YEAR DIVIDEND HISTORY

DIV NO.	YEAR ENDED	DATE DECLARED	TOTAL AMOUNT [N,000]	DIV. PER SHARE	PERCENTAGE OF ISSUED CAPITAL
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%
50	MARCH 31, 2003	AUG 8, 2003	1,148,000	45K	90%
51	MARCH 31, 2004	SEPT30, 2004	1,530,000	60K	120%

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of the Bank will be held at the Mary Ekpiken Conference Centre, Channel View Hotels, 14, MCC Road, Calabar, Cross River State on Thursday 8th December, 2005 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive the Audited Accounts for the year ended 31st March, 2005 together with the reports of the Directors, Auditors and the Audit Committee thereon.
- 2a. To elect / re-elect Directors.
- 2b. Chief Israel C. Ogbue is more than 70 years of age and was appointed a Director after the last Annual General Meeting. He will retire at this Annual General Meeting and being eligible, offers himself for election. A resolution to this effect will be proposed at this Annual General Meeting.
3. To authorise the Directors to fix the remuneration of the Auditors.
4. 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. 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

Aidevo Odu-Thomas
Company Secretary
57 Marina, Lagos

Dated this 28th day of October, 2005

12, MARINA,

Osoro Patricia