

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2009

## 1 THE BANK

### a) The Legal Form

The Bank which commenced operations in Nigeria in 1894 as a branch of Bank of British West Africa Limited (BBWA), was incorporated as a private limited liability company in Nigeria in 1969. It was converted to a public company in 1970. The Bank's shares are quoted on the Nigerian Stock Exchange.

### b) Principal Activities

The Bank engages in the business of commercial banking whilst its subsidiaries, FBN Bank (UK) Limited, First Registrars Nigeria Limited, First Trustees Nigeria Limited, FBN Capital Limited, First Pension Custodian Nigeria Limited, FBN Mortgages Limited, FBN Insurance Brokers Limited and First Funds Limited carry on the business of commercial banking, registrars, trusteeship, capital market, pension fund custodian, mortgage financing, insurance brokerage and management of SMIEIS fund investments respectively.

	The Group		The Bank	
	2009 ₦million	2008 ₦million	2009 ₦million	2008 ₦million
<b>2 CASH AND BALANCES WITH CENTRAL BANK</b>				
Cash	24,467	18,370	24,417	18,321
Balances with Central Bank of Nigeria:				
Cash reserve requirements	16,481	18,264	16,481	18,264
Current account	99,870	52,077	99,870	52,077
Other accounts	414	414	414	414
Provision for doubtful accounts (note 2.1)	141,232 (829)	89,125 (774)	141,182 (829)	89,076 (774)
	<b>140,403</b>	<b>88,351</b>	<b>140,353</b>	<b>88,302</b>
<b>2.1 Provision for doubtful accounts</b>				
At April 1	774	779	774	774
Reclassified to Other Assets	-	(5)	-	-
Additions for the year (note 34)	55	-	55	-
<b>At March 31</b>	<b>829</b>	<b>774</b>	<b>829</b>	<b>774</b>
<b>3 DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS</b>				
In Nigeria (Collateralised by Treasury Bills ₦120,908; 2008 – ₦32,200)	452,104	304,237	402,585	199,965
Other Banks and Offices outside Nigeria	312,142	256,937	108,225	80,280
Provision for doubtful accounts (note 3.1)	764,246 (198)	561,174 (295)	510,810 (88)	280,245 (212)
	<b>764,048</b>	<b>560,879</b>	<b>510,722</b>	<b>280,033</b>
<b>3.1 Provision for doubtful accounts</b>				
At April 1	295	662	212	505
Additions for the year	32	36	-	-
Write back during the year	(129)	(403)	(124)	(293)
Per profit and loss account (note 34)	(97)	(367)	(124)	(293)
<b>At March 31</b>	<b>198</b>	<b>295</b>	<b>88</b>	<b>212</b>