



2003 ANNUAL REPORT AND ACCOUNTS

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Directors and Advisers

DIRECTORS

Mr. Tunde Lemo	Chairman (wef 10/3/04)
Alhaji Baba Yusuf Ahmed	Managing Director/CEO
Mr. Lateef Atanda Balogun	Executive Director
Mr. Edet Jonathan Ekere	Executive Director (wef 11/8/2003)
Mr. Amos Sesan Bamisile	
Dr. Tukur Bello Ingawa, mni	
Dr. Onochie Joseph Rapu	(wef 24/2/2004)
Alhaji Abu-bakr Sulayman	(wef 28/5/2003)

BOARD SECRETARY

Timothy Folusho Oluwagbemi

REGISTERED ADDRESS

Plot 795, 8th Street,
Off Independence Avenue,
Central Business Area,
Abuja

AUDITORS

Unuigbe Akintola & Co.,
Chartered Accountants,
Marble House,
1, Kingsway Road, Ikoyi,
Lagos.

MAJOR BANKERS

Central Bank of Nigeria

Intercity Bank Plc



Principal Officers

EXECUTIVE DIRECTORS

Alhaji Baba Y. Ahmed	Managing Director/CEO
Mr. Lateef A. Balogun	Executive Director (Management Services)
Mr. Edet J. Ekere	Executive Director (Operations)

DEPUTY GENERAL MANAGERS

Emmanuel C. Enekwizu	Management Services
Mohammed B. Mai-Bornu	Operations

ASSISTANT GENERAL MANAGERS

Peter U. Aikohi	Human Resources & Services
Charles C. Nwali	Trade Finance
Timothy F. Oluwagbemi	Board Secretariat/Legal Affairs
Gambo H. Garba	Business Development & Advisory Services
Abiodun O. Adewodu (Mrs.)	Project Finance
Ayodele J. Timothy	Accounts

Report of the Directors

for the year ended 31st December 2003

The directors have pleasure in submitting to the members the audited financial statements of the Bank for the year ended 31st December 2003.

1. RESULTS AND DIVIDENDS

The following is the summary of results for the year.

	2003 ₦ '000	2002 ₦ '000
Interest income	882,339	801,296
Less: Interest expenses	(80,249)	(93,957)
Net interest income	802,090	707,339
Recoveries	44,542	65,606
Miscellaneous income	79,745	47,278
	926,377	820,223
Less: Operating expenses	(860,524)	(656,267)
Operating profit	65,853	163,956
Dividend	51,259	32,767
Retained profit	14,594	131,189

2. PRINCIPAL ACTIVITIES

The Bank was established to carry on the business of export finance and export credit insurance as well as export credit guarantee.

REPORT OF THE DIRECTORS (cont'd):
for the year ended 31st December, 2003
3. BOARD OF DIRECTORS

- i. The names of the present Directors are as detailed on page 2.
- ii. The Chairman Dr. Shamsudeen Usman retired from the Board on 10th March, 2004 while Mr. Tunde Lemo took over as Chairman from that date.
- iii. Mr. Edet J. Ekere joined the Board as Executive Director (Operations) with effect from 11th August 2003.
- iv. The following members of the Board retired during the year:
 - Mr. Basil N. Osuji
 - Elder Iniobong Jackson
 - Otunba Adeolu Balogun

4. LEGAL FORM

The Bank was established by the Nigerian Export-Import Bank Act (No.38) of 1991, which repealed the Nigerian Export Credit Guarantee and Insurance Corporation Decree and changed the name under which the Bank formerly operated.

5. DIRECTORS' SHAREHOLDINGS

No director held shares in the Bank during the year. None of the directors has notified the Bank for the purpose of Section 277 of the Companies and Allied Matters Act, 1990 of any disclosable interests in contracts in which the Bank was involved as at 31st December, 2003.

6. SUBSTANTIAL INTEREST IN SHARES

Shareholders	Authorised & Called-Up ₦'000	Paid-Up ₦'000
Federal Govt. of Nigeria (Ministry of Finance Incorporated)	5,000,000	2,625,914
Central Bank of Nigeria	5,000,000	2,500,000
	10,000,000	5,125,914

7. DONATIONS

Charitable donations made during the year amounted to ₦795,000, to the following beneficiaries:

	₦
Association of Nigerian Exporters	200,000
IBB International Golf Club	50,000
Niger State College of Education	50,000
Fin. United Sports	30,000
Nigerian Economics Society	50,000
National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)	150,000
National Association of Small & Medium Enterprises (NASME)	25,000
West African Bankers Association	50,000
African International Media	50,000
Handicapped Association	40,000
University of Lagos	100,000
	<u>795,000</u>

8. 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.

ii) *Health, Safety at work and Welfare of Employee*

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

iii) *Employees' Involvement and Training*

The Bank is committed to keeping employees informed as much as possible regarding the Bank's performance, progress and seeking their views wherever practicable on matters, which particularly affect them as employees. Management, professional and technical expertise are the Bank's major assets and investment in their further development continues.

The Bank's expanding skills-base has been extended by a range of training programmes provided to its employees whose opportunities for career development within the Bank have thus been enhanced. Training is carried out at various levels through both in-house and external courses.

9. POST BALANCE SHEET EVENTS

There are no post balance sheet events, which could have had material effect on the state of affairs of the Bank as at 31st December 2003.

10. AUDIT COMMITTEE

The Bank has in place an Audit Committee comprising of the following:

Mr. Amos Sesan Bamisile	Chairman
Alhaji Baba Yusuf Ahmed	Member
Mr. Lateef Atanda Balogun	Member
Dr. Onochie J. Rapu	Member

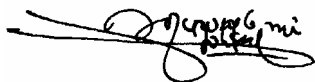
The functions of the Audit Committee are as laid down in Section 359(6) of the Companies and Allied Matters Act, 1990.

11. AUDITORS

The auditors Messrs. Unuigbo Akintola & Co. have indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied matters Act, 1990.

A resolution will be proposed to authorize the Directors to fix their remuneration.

By order of the Board,



TIMOTHY F. OLUWAGBEMI
BOARD SECRETARY
Abuja, Nigeria

13th July 2004

UNUIGBE AKINTOLA & CO.
Chartered Accountants

Auditors Report

To the Members of Nigerian Export-Import Bank

We have audited the financial statements on pages 12 to 15, which have been prepared under the accounting policies set out on pages 10 to 11.

The financial statements are in agreement with the books, which, in our opinion, have been properly kept. We obtained the information and explanations we required.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the statement of Directors' Responsibilities in relation to the financial statements on page 24, Note 17, the Directors are responsible for the preparation of financial statements. It is our responsibility to express an independent opinion based on our audit on these financial statements prepared by the Directors.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards. 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 judgements 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, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

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

In our opinion, the financial statements which are in agreement with the books give a true and fair view of the state of affairs of the Bank as at 31st December, 2003 and of its profit and cash flow for the year then ended and have been properly prepared in accordance with the NEXIM Bank Act No. 38, 1991 and in conformity with generally accepted accounting principle in Nigeria.

Umigbe Akintola

Chartered Accountants
Lagos, Nigeria

13th July 2004

Report of the Audit Committee

to the Members of Nigerian Export-Import Bank

In compliance with Section 359(6) of the Companies and Allied Matters Act, 1990 we have reviewed the Audit Report for the year ended 31st December 2003 and hereby state as follows:

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

Dated 13th July 2004

ABamisile

MR. AMOS S. BAMISILE
Chairman, Audit Committee

MEMBERS OF THE AUDIT COMMITTEE:

Mr. Amos S. Bamisile
Alhaji Baba Y. Ahmed
Mr. Lateef A. Balogun
Dr. Onochie J. Rapu

Statement of Significant Accounting Policies

The following are significant accounting policies adopted by the Bank in the preparation of its financial statements:

1. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention and comply with all relevant statements of accounting standards issued to date by the Nigerian Accounting Standards Board.

2. AFRICAN DEVELOPMENT BANK / EXPORT STIMULATION LOAN (ADB/ESL)

Funds managed by NEXIM on behalf of Federal Government of Nigeria have been treated in the accounts showing NEXIM as an Executing Agent.

3. LOANS AND ADVANCES

Loan portfolios are made up of interbank transactions, which are secured by promissory notes and standing orders executed by banks.

It has been considered prudent to classify loans and advances as non - performing when interest and/or principal is overdue for more than 90 days. Provision is made in accordance with the Statement of Accounting Standard for Banks and Non-Bank Financial Institutions (SAS 10) issued by the Nigerian Accounting Standards Board and Prudential Guidelines issued by the Central Bank of Nigeria for each account that is not performing in accordance with the terms of the related facility as follows:

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

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

4. FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation.

5. DEPRECIATION

Depreciation is calculated on a straight-line basis to write off the cost of the fixed assets over their estimated useful lives at the following annual rates:

Motor vehicles	33 $\frac{1}{3}$ %
Furniture & fittings	20%
Computer Equipments	33 $\frac{1}{3}$ %
Plant and machinery	25%
Buildings	2%

6. EXCHANGE RATE

1. Transactions in foreign currencies are translated to Naira at the official rates of exchange ruling at that date.
2. Foreign currency balances are converted to Naira at the rate of exchange ruling at the balance sheet date while any difference arising thereon is dealt with in the Exchange Equalisation Account.

7. RECOVERIES

Recoveries of bad and doubtful debts are only included when they are actually received by the Bank.

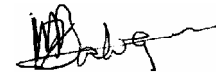
Balance Sheet

as at 31st December 2003

	Notes	2003 ₦ '000	2002 ₦ '000
Assets:			
Cash and short term funds	1	2,429,060	2,346,571
Loans and advances	2	5,028,027	3,660,262
Prepayments and others assets	3	280,700	200,631
Long term investments	4	553,500	508,100
Fixed assets	5	993,667	264,819
Total Assets		9,284,954	6,980,383
Liabilities			
Loan from ADB/FGN/CBN	6	86,375	79,312
Other current liabilities and provisions	7	1,670,325	1,281,841
		1,756,700	1,361,153
Net Assets		7,528,254	5,619,230
Financed By:			
Share capital	8	5,125,914	3,276,667
Reserves	9	1,177,188	1,117,411
Shareholders' Funds		6,303,102	4,394,078
CBN/Refinancing and Rediscounting Facility	10	1,225,152	1,225,152
		7,528,254	5,619,230
Managed funds on behalf of Federal Government of Nigeria on agency basis	16	2,109,082	2,882,796



Baba Y. Ahmed
Managing Director/Chief Executive



Lateef A. Balogun
Executive Director

The accounting policies on pages 10-11 and the notes on pages 16-24 form an integral part of these financial statements.

Profit and Loss Account

for the year ended 31st December 2003

	Notes	2003 '000	₦	2002 '000	₦
Income					
Interest income	11	882,339		801,296	
Interest expenses	12	(80,249)		(93,957)	
Net Interest income		<u>802,090</u>		<u>707,339</u>	
Recoveries		44,542		65,606	
Miscellaneous income	13	79,745		47,278	
		<u>926,377</u>		<u>820,223</u>	
Expenditure					
Overhead expenses	14	616,812		448,764	
Depreciation		55,875		52,807	
Provision for bad and doubtful debts	15	187,837		154,696	
Total expenditure		<u>860,524</u>		<u>656,267</u>	
Operating profit		<u>65,853</u>		<u>163,956</u>	
Earnings Per Share		2k		5k	
Dividend Per Share		1k		1k	

The accounting policies on pages 10-11 and the notes on pages 16-24 form an integral part of these financial statements.

Statement of Cash flow

for the year ended 31st December 2003

	2003		2002	
	₦ '000	₦ '000	₦ '000	₦ '000
Operating Profit		65,853		163,956
<i>Adjustments:</i>				
Depreciation	55,875		52,807	
Loss/(Profit) on sale of asset	297	56,172	5	52,812
Operating profit before changes in operating assets		122,025		216,768
<i>Changes In Operating Assets:</i>				
Loans and advances	(1,358,965)		(1,798,254)	
Other operating assets	(125,469)	(1,484,434)	(86,113)	(1,884,367)
<i>Changes In Operating Liabilities</i>				
Other liabilities		377,055		179,485
Net cash from operating activities before prior year adjustments		(985,354)		(1,488,114)
<i>Cash Flow From Investing Activities</i>				
Proceeds from sales of fixed assets	741		-	
Purchase of fixed assets	(785,761)	(785,020)	151,941	(151,941)
		(1,770,374)		(1,640,055)
<i>Cash Flow From Financing Activities</i>				
Share Capital	923,333		1,910,000	
Deposit for shares	925,914		-	
Movement in reserve fund	3,616	1,852,863	53,800	1,963,800
		82,489		323,745
Cash carried forward		2,429,060		2,346,571
Cash brought forward		(2,346,571)		(2,022,826)
Movement in Cash		82,489		323,745

The accounting policies on pages 10-11 and the notes on pages 16-24 form an integral part of these financial statements.

Statement of Value Added

for the year ended 31 December 2003

	2003		2002	
	₦ '000	%	₦ '000	%
Gross earnings	1,006,626	100.00	914,180	100.00
Interest expenses	(80,249)	(7.97)	(93,957)	(10.28)
	<u>926,377</u>	<u>92.03</u>	<u>820,223</u>	<u>89.72</u>
Administrative overheads and loan loss expenses	(469,590)	(46.64)	(368,222)	(40.28)
	<u>456,787</u>	<u>45.39</u>	<u>451,996</u>	<u>49.44</u>
<i>Applied as follows:</i>				
Salaries and benefits	335,059	33.29	235,233	25.73
Depreciation	55,875	5.56	52,807	5.78
Dividends	51,259	5.09	32,767	3.58
Profit for the year	<u>14,594</u>	<u>1.45</u>	<u>131,189</u>	<u>14.35</u>
	<u>456,787</u>	<u>45.39</u>	<u>451,996</u>	<u>49.44</u>

The accounting policies on pages 10-11 and the notes on pages 16-24 form an integral part of these financial statements.

Notes on the Accounts

for the year ended 31st December 2003

	2003 ₦ '000	2002 ₦ '000
1 CASH AND SHORT TERM FUNDS:		
Cash	3,374	5,228
Balances with Central Bank of Nigeria	104,163	59,884
Balances with other banks		
- Outside Nigeria	268,923	152,204
- Within Nigeria	128,500	63,255
Treasury bills	-	191,000
Term deposits	1,924,100	1,875,000
	<u>2,429,060</u>	<u>2,346,571</u>
2 LOANS AND ADVANCES:		
Rediscounting and refinancing facility	2,722,368	2,690,464
Foreign and local input facility	252,738	271,381
Term loans	622,036	735,578
Other loans	2,025,533	376,669
	<u>5,622,675</u>	<u>4,074,092</u>
Loan loss provision (Note 2.1)	(594,648)	(413,830)
	<u>5,028,027</u>	<u>3,660,262</u>
<i>Analysis by maturity:</i>		
maturing under 1 month	634,648	599,735
maturing between 1 to 3 months	2,739,181	2,835,507
maturing between 3 to 6 months	405,000	169,735
maturing between 6 to 12 months	615,000	246,991
maturing after 12 months	1,228,846	222,124
	<u>5,622,675</u>	<u>4,074,092</u>
<i>Analysis by security*</i>		
secured against real estate	-	-
otherwise secured	5,622,675	4,074,092
unsecured	-	-
	<u>5,622,675</u>	<u>4,074,092</u>

*securities are mainly in the form of Irrevocable Transfer Orders (ITO) duly executed by Commercial Banks and by means of Promissory Notes with the Exception of Direct Lending. In that case, Insurance Bonds and real estates were provided as securities.

Notes on the Accounts (*cont'd.*)

for the year ended 31 December 2003

	2003 ₦ '000	2002 ₦ '000
<i>Analysis by performance:</i>		
Performing	4,973,200	3,544,615
Non-performing (substandard)	157,515	285,676
Non-performing (doubtful)	491,960	243,801
	5,622,675	4,074,092
2.1 Loan loss provision:		
As at 1 st January		
Specific provision	364,266	232,591
General provision	42,545	19,524
	406,811	252,115
Additional provision:		
Specific provision	30,758	145,896
General provision	194,602	23,021
Provision no longer required	(37,523)	(14,221)
	187,837	154,696
As at 31 st December:		
Specific provision	224,812	364,266
General provision	369,836	42,545
	594,648	406,811
3 PREPAYMENTS AND OTHER ASSETS:		
Payments in advance	117,395	73,026
Accounts receivable		
-- Net interest receivable	94,043	62,871
-- Net staff loans and advances	69,262	64,734
	280,700	200,631
4 LONG TERM INVESTMENTS (UNQUOTED):		
This represents an investment of US\$4,000,000 in the share capital of Afrexim Bank, Cairo		
	553,500	508,100

Notes on the Accounts (cont'd.)

for the year ended 31st December 2003

5 FIXED ASSETS:

	Motor Vehicles	Furniture, Fittings & Equipment	Computer Equipment	Plant & Machinery	Capital Work in- Progress	Land & Buildings	Head Office Project	Total
	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000
Cost:								
As at 1 st Jan. 2003	93,854	40,563	101,945	19,793	17,224	66,330	48,562	388,271
Additions	49,096	22,043	28,746	5,897	38,290	-	641,689	785,761
Disposals	(16,670)	(8,356)	(1,172)	(2,648)	-	-	-	(28,846)
Adjustment	-	-	(67,659)	-	94,824	(27,165)	-	-
As at 31 st Dec. 2003	126,280	54,250	61,860	23,042	150,338	39,165	690,251	1,145,186
Depreciation:								
As at 1 st Jan. 2003	66,963	20,026	25,431	6,776	-	4,256	-	123,452
Change for the year	25,043	14,464	10,276	5,383	-	709	-	55,875
Eliminated on disposal	(16,050)	(8,350)	(880)	(2,528)	-	-	-	(27,808)
As at 31 st Dec. 2003	75,956	26,140	34,827	9,631	-	4,965	-	151,519
Net book value:								
As at 31 st Dec. 2003	50,324	28,110	27,033	13,411	150,338	34,200	690,251	993,667
As at 31 st Dec. 2002	26,891	20,537	76,514	13,017	17,224	62,074	48,562	264,819

Notes on the Accounts (cont'd.)

for the year ended 31st December 2003

	2003 ₦ '000	2002 ₦ '000
6 LOAN FROM ADB/FGN/CBN:		
This represents a new loan disbursed during the year through NEXIM	86,375	79,312
7 OTHER CURRENT LIABILITIES AND PROVISIONS		
Interest payable	454,144	462,514
Accrued expenses	869,611	647,471
Sundry creditors	17,641	4,529
Unearned interest income	130,797	129,133
Sundry creditors' deposits	146,873	5,427
Proposed dividend	51,259	32,767
	<u>1,670,325</u>	<u>1,281,841</u>
8 SHARE CAPITAL		
(a) Authorised		
10,000,000,000 ord. Shares of ₦1.00 each	<u>10,000,000</u>	<u>5,000,000</u>
(b) Called-Up		
10,000,000,000 ord. Shares of ₦1.00 each	<u>10,000,000</u>	<u>5,000,000</u>
(c) Paid-up		
5,125,914,000 ord. Shares of ₦1.00 each	<u>5,125,914</u>	<u>3,276,667</u>
9 RESERVES		
(a) Accumulated profit b/forward	697,811	638,775
Prior year adjustment	-	(72,153)
	<u>697,811</u>	<u>566,622</u>
Retained profit for the year	14,594	131,189
Carried forward	712,405	697,811
(b) Other Reserves:		
Exchange translation reserve	464,783	419,600
	<u>1,177,188</u>	<u>1,117,411</u>
10 CBN / REFINANCING AND REDISCOUNTING FACILITY		
This represents CBN 6% Perpetual Debenture to NEXIM Bank. Movement in the year was:-		
Opening balance	1,225,152	775,152
Reversal of capitalization earlier debited	-	450,000
	<u>1,225,152</u>	<u>1,225,152</u>

Notes on the Accounts (*cont'd.*)

for the year ended 31st December 2003

	2003 ₦ '000	2002 ₦ '000
11 INTEREST INCOME		
Interest on call and time deposit	193,191	358,626
Income from treasury bills	44,896	102,113
Income from foreign banks	114	385
Income from Rediscounting & Refinancing Facility	292,231	240,989
Income from Stocking Facility	114,152	80,475
Income from Foreign Input Facility	7,644	7,325
Income from Local Input Facility	40,665	8,787
Income from Direct Lending	189,446	2,596
	882,339	801,296
12 INTEREST EXPENSES		
Loan from ADB/FGN/CBN	6,740	5,330
CBN - Perpetual debenture	73,509	88,627
	80,249	93,957
13 MISCELLANEOUS INCOME		
Loss on sale of fixed assets	(297)	-
Dividends received from AFREXIM	16,158	14,260
Penalty income	12,230	1,343
Interest on staff loan	416	313
Foreign exchange income	15,575	1,023
Administrative/Legal fee	16,392	5,078
Underwriting income	6,391	1,310
Staff pension scheme	-	18,095
Others	12,880	5,856
	79,745	47,278
14 OVERHEAD EXPENSES		
a. Establishment Expenses		
Electricity and office utilities	6,096	3,001
Rents and rates	24,676	21,810
Insurance	11,563	9,337
Household/Office repairs and maintenance	13,776	11,430
	56,111	45,578

Notes on the Accounts (cont'd.)

for the year ended 31st December 2003

	2003	2002
	₦'000	₦'000
Overhead Expenses (Cont'd)		
b. Administration Expenses		
Directors' expenses	21,557	15,579
Salaries and personnel expenses	335,494	235,233
Staff relocation	8,799	4,355
Contribution to ITF	2,941	2,574
Printing and stationery	3,486	2,684
Traveling - Overseas	28,466	17,317
Traveling - Local	20,442	13,265
Fuel/Diesel	3,098	1,958
Communication	14,334	9,181
Repairs and maintenance	6,890	5,716
Computer stationery and supplies	1,502	1,057
Advertisement and publicity	26,442	24,160
Office security	-	9
Newspapers and magazines	1,700	1,533
Library books and periodicals	462	148
Interstate road transport	-	-
Donations	795	595
Research/internet expenses	477	1,222
Loss on sale of fixed asset	-	5
Subscription to		
Other agencies	3,792	1,556
Professional bodies	723	349
Staff club	1,063	1,032
Trade fair/missions	703	12,773
Training		
Local	12,501	6,395
Foreign	47,255	31,361
Entertainment / other admin. Exps.	3,114	1,878
	546,036	391,935

Notes on the Accounts (*cont'd.*)

for the year ended 31st December 2003

	2003 ₦ '000	2002 ₦ '000
Overhead Expenses (Cont'd)		
c. Financial Expenses:		
Bank charges	738	896
d. Professional and Consultancy Expenses:		
Audit fees	4,500	3,000
Legal fees	-	5,452
Consultancy & other professional fees	9,427	1,903
	<u>13,927</u>	<u>10,355</u>
 Total Overhead Expenses	 <u>616,812</u>	 <u>448,764</u>
 15 PROVISION FOR BAD AND DOUBTFUL DEBTS:		
Refinancing and Rediscounting Facility	127,406	131,859
Stocking Facility	476	6,007
Local Input Facility	(250)	2,000
Foreign Input Facility	17,583	12,063
Direct Lending Facility—Term Loan	42,622	2,767
	<u>187,837</u>	<u>154,696</u>

Notes on the Accounts (*cont'd.*)

for the year ended 31st December 2003

ADB EXPORT STIMULATION LOAN – MANAGED FUNDS ON BEHALF OF 16 THE FEDERAL GOVT. OF NIGERIA

	Sch	2003 N'000	2002 N'000
Total liabilities of FGN to ADB	1	2,109,082	2,282,796
Represented by the following			
Cash in banks	2	(16,885)	148,806
Investment in NEXIM		820,612	541,112
Amount outstanding from participating banks	3	86,375	142,770
Other project debtors		187,614	-
Accumulated losses		1,031,366	2,050,108
		2,109,082	2,882,796

SCHEDULE:

1 Total liabilities of FGN to ADB:			
Principal		1,991,461	2,621,642
Accrued Interest		117,621	261,154
		2,109,082	2,882,796
2 Cash in Banks:			
Central Bank of Nigeria (ESL Local)		1,184	2,379
First Bank of Nigeria, London		151,131	150,927
NDIC Project transfer		(169,200)	(4,500)
		(16,885)	148,806
Amount outstanding from participating			
3 Banks:			
Performing		86,375	142,770
Non-performing:			
Lost credits - Principal		1,536,606	1,680,303
- Interest		935,169	935,169
		2,558,150	2,758,242

Notes on the Accounts (*cont'd.*)

for the year ended 31st December 2003

17. DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

In accordance with the provisions of section 17 of the Act No. 38 of 1991, and sections 24 and 28 of the Banks and Other Financial Institutions Act, 1991, the Bank's Directors are responsible for the preparation of financial statements which give a true and fair view of the of affairs of the Bank as at the end of its profit for that period comply with the Act.

These responsibilities include ensuring that:

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

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors of the Bank at its 41st meeting held on the 26th June 2004.

FIVE YEAR FINANCIAL SUMMARY

	2003	2002	2001	2000	1999
	N'000	N'000	N'000	N'000	N'000
ASSETS:					
Cash and short term funds	2,429,060	2,346,571	2,022,826	3,001,785	2,940,270
Loans and advances	5,028,027	3,660,262	1,862,008	563,094	-
Prepayments and other assets	280,700	200,631	134,518	133,940	57,153
Long term investments	553,500	508,100	453,800	440,200	392,800
Fixed assets	993,667	264,819	165,690	158,151	103,785
Total assets	9,284,954	6,980,383	4,638,842	4,297,170	3,494,008
LIABILITIES:					
Loan from ADB/FGN/CBN	86,375	79,312	70,906	68,781	-
Other current liabilities and provision	1,670,325	1,281,841	1,421,542	1,175,950	881,029
	1,756,700	1,361,153	1,492,448	1,244,731	881,029
Net assets	7,528,254	5,619,230	3,146,394	3,052,439	2,612,979
Financed by:					
Share capital	5,125,914	3,276,667	1,266,667	1,366,667	916,667
Reserves	1,177,188	1,117,411	1,004,575	910,620	471,160
Shareholders funds	6,303,102	4,394,078	2,371,242	2,277,287	1,387,827
CBN/ RRF	1,225,152	1,225,152	775,152	775,152	1,225,152
	7,528,254	5,619,230	3,146,394	3,052,439	2,612,979
Managed funds on behalf of Federal Government of Nigeria On agency basis	2,109,082	2,882,796	3,285,382	4,693,960	4,394,972
Gross earnings	1,006,626	914,180	588,274	453,157	483,108
Operating profit	65,853	163,956	86,589	164,208	250,071
Per share data earnings per share	2k	5k	6k	12k	27k
Dividends per share	1k	1k	-	-	-