

# Guaranty Trust Bank plc

## AUDITED HALF-YEAR GROUP RESULTS FOR THE PERIOD ENDED JUNE 30, 2014 DECLARES A PBT OF ₦53.40BILLION

Lagos Nigeria – August 21, 2014 – Guaranty Trust Bank plc (“GTBank”), (Bloomberg: GUARANTY:NL/Reuters: GUARANT.LG), provider of diversified financial services, announces its Audited Financial Results, in accordance with IFRS, for the 6 months ended 30 June 2014 and declares a PBT of ₦53.40bn.

Commenting on the results, Mr. Segun Agbaje, Managing Director and CEO of Guaranty Trust Bank plc stated that “Despite an extremely challenging business environment and increasing regulatory headwinds, our Bank recorded growth across some key financial indices during the half year period of 2014. Gross earnings for the period grew by 7% to ₦132 Billion from ₦124 Billion reported for the corresponding period last year. The Bank’s loan book grew by 16% from ₦899 Billion recorded in June 2013 to ₦1.04 Trillion in June 2014. Total customer deposits increased by 8% to ₦1.54 Trillion as at June 2014.”

He further stated that the second half of the 2014 financial year will be a stronger period during which the Bank will make positive improvements in its market position across its key products and business segments.

### Financial Highlights

- Strong Earnings
  - **Profit before tax of ₦53.40bn** (30 June 2013 ₦57.36bn) a decrease of 6.92%. Despite 8.39% growth in interest income and 3.31% growth in Non-Interest income (compared to H1-2013), GTBank’s H1-2014 PBT showed a negative growth due to a significant loan impairment charge to our P&L taken on a particular customer during the period.
  - **Profit after tax for the year of ₦44.01bn** (30 June 2013: ₦49.01bn)
  - Earnings per share of 155kobo (30 June 2013: 173kobo per share)
  - **Consistent Half Year dividend of 25kobo** per share
- Subsidiaries
  - Fina Bank and its subsidiaries were rebranded to GTBank Kenya, GTBank Rwanda and GTBank Uganda
  - GTBank now operates in 9 countries outside of Nigeria
  - Contribution to PBT from subsidiaries grew 15.18% from H1-2013
- Revenue
  - **Interest Income of ₦99.72bn** (30 June 2013: ₦92.00bn) up 8.39%. Growth driven by 15.54% growth in loan book from June 2013.
  - **Non-Interest Income of ₦33.27bn** (30 June 2013: ₦32.20bn) up 3.31%. Despite regulatory headwinds and the resultant impact on certain fee lines, the bank recorded a gain in Non-interest income largely as a result of a significant growth in foreign exchange trading income.
  - **Net interest margin remained strong at 8.34%** (30 June 2013: 8.56%). NIM remained strong in an operating environment characterized by declining yields and upward pressure on cost of funding.
- Balance Sheet
  - **Total assets and contingents of ₦2.883trn** (31 December 2013: ₦2.670trn)
  - **Total assets of ₦2.234trn** (31 December 2013: ₦2.103trn) up 6.24%
  - **Net loans and advances of ₦1.039trn** (31 December 2013: ₦1.008trn) growth of 3.05%.
  - **Total Deposits of ₦1.568trn** (31 December 2013: ₦1.443bn) up 8.72%. Strong deposit growth driven by impressive performance of our retail initiatives.

- Credit Quality
  - **Non-performing loans to total loans of 3.72%** (31 December 2013: 3.58%)
  - **Coverage (with Regulatory risk reserves) at 113.99%** (31 December 2013: 110.55%)
  - **Cost of Risk at 0.97%** (31 December 2013: 0.31%). Slight deterioration as a result of significant provisions taken on a customer in Manufacturing.
- Continued focus on efficiency
  - **Cost to income of 45.93%** (30 June 2013: 42.02%) slight deterioration as a result of increases in staff costs (Additional staff from GTBank Kenya, Rwanda and Uganda and our conversion of Contract Staff to Full-Time staff in H2-2013).

### **Half Year 2014 Financial Analysis and Ratios**

<b>Key Financials (N' billion)</b>	<b>H1-2014</b>	<b>H1-2013</b>	<b>Δ%</b>
Interest Income	99.72	92.00	8.39%
Net Interest Income	71.56	68.54	4.41%
Operating Income	98.76	98.93	-0.18%
Operating expense	45.36	41.57	9.13%
Profit before tax	53.40	57.36	-6.92%
Profit After Tax	44.01	49.01	-10.21%
Earnings per share	1.55	1.73	-10.33%

	<b>H1-2014</b>	<b>FY-2013</b>	<b>Δ%</b>
Total Assets	2,234.03	2,102.85	6.24%
Net Loans	1,038.69	1,007.97	3.05%
Total Deposits	1,568.45	1,442.70	8.72%

<b>Key Ratios</b>	<b>H1-2014</b>	<b>H1-2013</b>
ROE ( <i>post-tax</i> )	26.63%	33.78%
ROA ( <i>post-tax</i> )	4.06%	5.45%
ROE ( <i>pre-tax</i> )	32.31%	39.54%
ROA ( <i>pre-tax</i> )	4.92%	6.38%
Net interest margin	8.34%	8.56%
Cost-to-income ratio	45.93%	42.02%

	<b>H1-2014</b>	<b>FY-2013</b>
Loans to deposits	67.28%	70.61%
Liquidity ratio	44.12%	50.31%
Capital adequacy ratio	19.60%	20.90%
NPL/Total Loans	3.72%	3.58%
Cost of risk	0.97%	0.31%
Coverage (with Reg. Risk Reserves)	113.99%	110.55%

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#### **Enquiries:**

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## Notes to the Editors:

Guaranty Trust Bank is a diversified financial services company with N2.234trillion in assets, providing commercial banking services through 227 local branches, 49 e-branches, 1097 ATMs, our international subsidiary offices and the Internet (gtbank.com).

The Group operates as one of the leading Nigerian banks offering a wide range of commercial banking services and products throughout Nigeria and in the West and East African sub-region. The Bank is rated BB- by Standard and Poor's and B+ by Fitch, a reflection of the Bank's stability and reputation of being a well-established franchise with strong asset quality and consistently excellent financial performance.

The Bank has nine bank subsidiaries established outside of Nigeria —

- 1) Guaranty Trust Bank (Gambia) Limited ("GTB Gambia"),
- 2) Guaranty Trust Bank (Sierra Leone) Limited ("GTB Sierra Leone"),
- 3) Guaranty Trust Bank (Ghana) Limited ("GTB Ghana"),
- 4) Guaranty Trust Bank (Liberia) Limited ("GTB Liberia"),
- 5) Guaranty Trust Bank (United Kingdom) Limited ("GTB UK"),
- 6) Guaranty Trust Bank (Cote D'Ivoire) ("GTB Cote D'Ivoire"),
- 7) Guaranty Trust Bank (Kenya) Limited ("GTB Kenya"),
- 8) Guaranty Trust Bank (Rwanda) Limited ("GTB Rwanda"),
- 9) Guaranty Trust Bank (Uganda) Limited ("GTB Uganda").

The Bank also has a non-bank GTB Finance B.V. ("GTB Finance"), a special purpose subsidiary incorporated in The Netherlands.