



2015

Full Year Investors/Analysts Presentation



OUTLINE

1. Macro-economic Review
2. Overview of 2015
3. FY 2015 Performance Review
4. Business Segments and Subsidiary Review
5. 2016 Guidance and Plans

Macro-economic Review

General Elections and Economic slowdown

- Successful political transition following peaceful general elections.
- Federal cabinet was constituted in the 4th quarter following the successful screening of the Ministerial nominees by the National Assembly.
- Despite the decline in revenue, the economy grew marginally in Q3 2015 to 2.8%, up from 2.4% growth in Q2 2015 and then declined to 2.11% in Q4 2015.

Oil Price and External Reserves

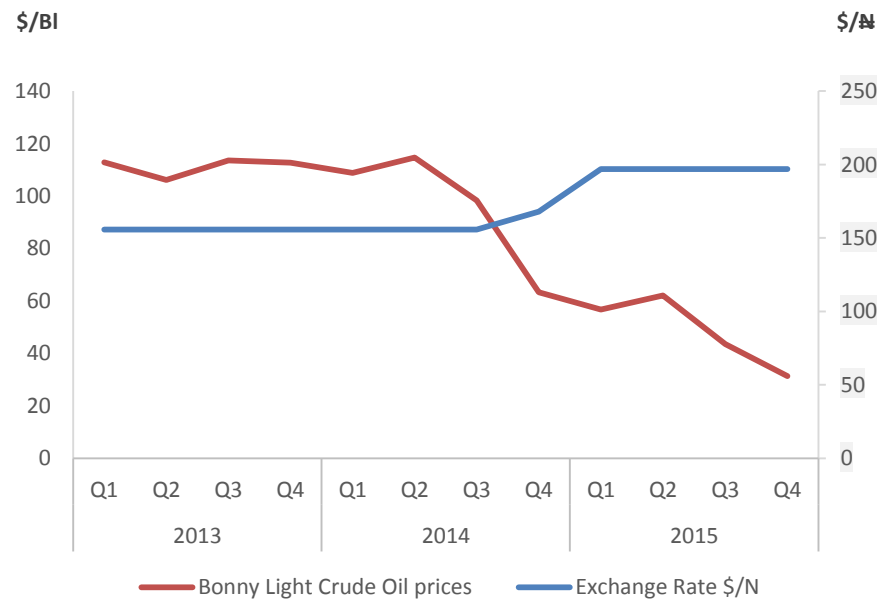
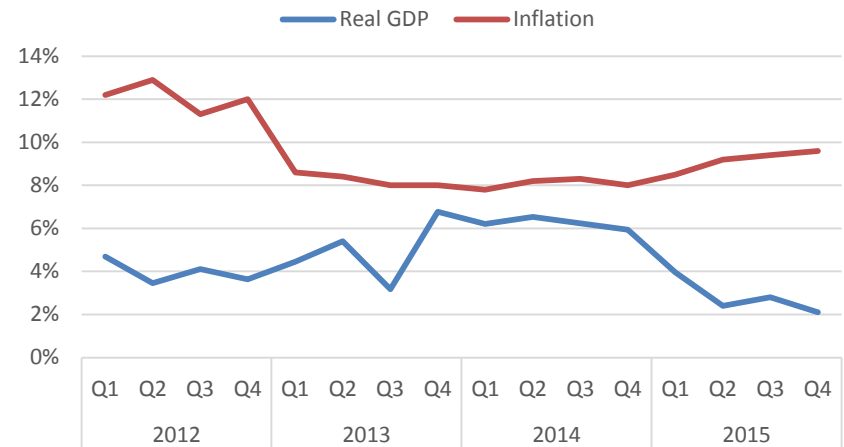
- Brent Oil price averaged \$46.1 per barrel in the 4th quarter of 2015, then crashed to a seven-year low of \$27.7 per barrel in January 2016, and has picked up to about \$40 per barrel.
- Following a continuous decline in oil prices, the external reserves shrunk by \$5.40 billion (15.67%) to close at \$29.07 billion in Dec. 2015 from \$34.47 billion in Dec. 2014.

Inflation and Exchange Rate

- Headline Inflation (y-o-y) trended upwards and exceeded CBN's target of 9% closing the year at 9.6% in December 2015.
- Despite numerous calls for further Naira devaluation, the CBN retained the exchange rate at N197.00/\$1 and implemented several foreign exchange demand management policies.
- Suspension of 41 items from all official FX markets in June 2015 continued to trigger volatility in the parallel market.

Security and Reforms

- A change of guard at the top echelon of the Armed Forces saw the army step up its fight against the Boko Haram sect and recorded huge progress in dismantling the strong hold of the sect.
- In line with campaign promises, President Buhari's anti-corruption drive gradually gaining momentum.



Overview of 2015

Overview of 2015



JAN

- Global Oil prices declined to \$46.59 per barrel, a YoY decrease of 55.5%.
- Inflation increased y-o-y to 8.23% at the end of January 2015.
- FX trading position limit for banks reviewed to 0.1% and back to 0.5%.

FEB

- CBN introduced Incremental Averaging for the computation of CRR on a fortnightly basis
- CBN closed RDAS window, conducts a special auction at the interbank market (at N197/\$1) resulting in a tacit devaluation of the Naira.
- CBN introduced trading curbs around the naira

MAR

The implementation of the Treasury Single Account (TSA) commenced. It transferred funds from Ministries, Departments and Agencies (MDAs) into a Consolidated Revenue Fund (CRF)

The 2015 General Elections adjudged fairly credible saw Muhammadu Buhari returning to power after three decades.

APR

- The CBN released a circular to address the rising trend of currency substitution and reiterated that the Naira currency remains the only legal tender in Nigeria.
- CBN reviewed the limit on the usage of the naira denominated cards for international transactions downwards from \$150,000 to \$50,000 per person per annum.

MAY

- The MPC harmonised CRR to 31% for both Private and Public funds.
- There was a smooth handover from the Goodluck Jonathan led PDP to the newly elected APC led government of Muhammadu Buhari.

JUN

The CBN revalued the naira by 5 kobo each on the 1st and 8th of June (from N197/\$1 to N196.90/\$1 and then, N196.95/\$1).

The CBN banned 41 items from all Nigerian FX markets.

CBN extended the deadline for BVN registration from June 30th to October 31st, 2015.

President Buhari dissolved the Board of the Nigerian National Petroleum Corporation (NNPC).

JUL

- The CBN instituted a limit of \$300 international daily ATM withdrawals.
- Cash-less policy was rolled out in the remaining 30 states of the federation.

AUG

- CBN suspended acceptance of FX cash deposit by Deposit Money Banks (DMB)
- CBN prohibited Foreign Currency lending to customers without foreign currency receivables.

SEP

The MPC reduced CRR from 31% to 25%.

The deadline of the Treasury Single Account (TSA) remittance witnessed partial compliance by banks.

DEC

US Federal Reserves hiked interest rates by 25 bps.

The federal government revealed the 2016-2017 Medium Term Expenditure Framework (MTEF) and Fiscal Policy Strategy (FPS).

Naira exchanged for ₦282 to the US dollar in the parallel market.

NOV

- The MPC reduced MPR from 13% to 11% as well as a conditional decrease of CRR from 25% to 20%.
- President Buhari inaugurated his Executive Cabinet after successful senate screening.
- Inflation increased to 9.4% from 9.3% in Oct. 2015.
- The CBN increased General Loan Loss Provisions (GLLP) from 1% to 2%.

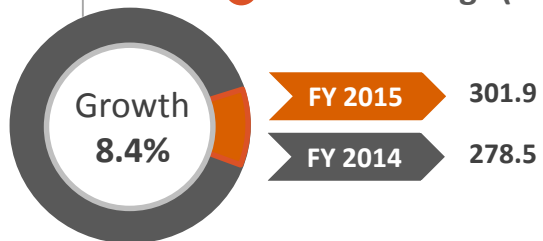
OCT

- The CBN permitted sale of FX for LCs approved before exclusion circular of 41 items
- The CBN released a circular making BVN mandatory for all FX transactions.
- Inclusion of more items to the exclusion items labelled not valid for FX.

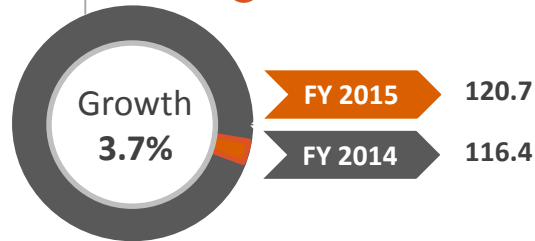
FY 2015 Performance Review

Snapshot of Income Statement

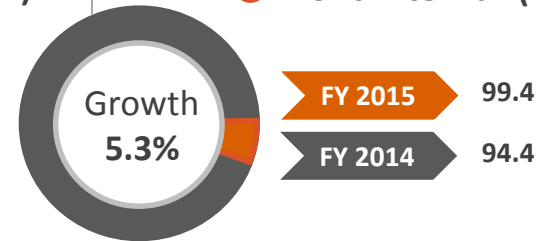
Gross Earnings (N'bn)



Profit Before Tax (N'bn)



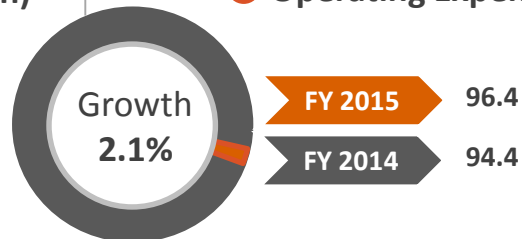
Profit After Tax (N'bn)



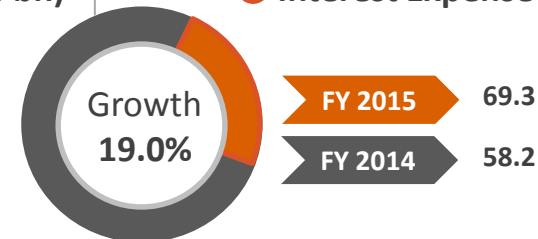
Operating Income (N'bn)



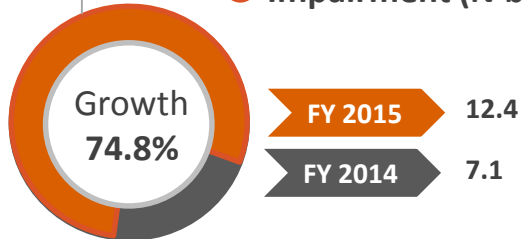
Operating Expense (N'bn)



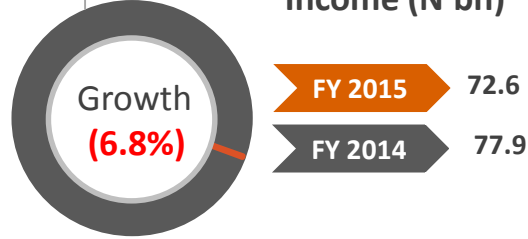
Interest Expense (N'bn)



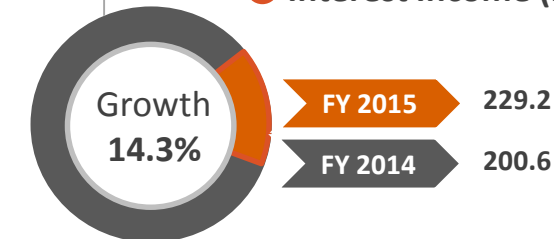
Impairment (N'bn)



Non-Interest Income (N'bn)



Interest Income (N'bn)

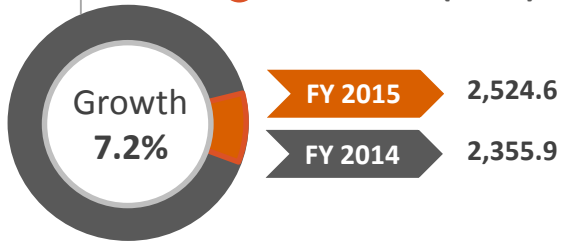


Income Statement

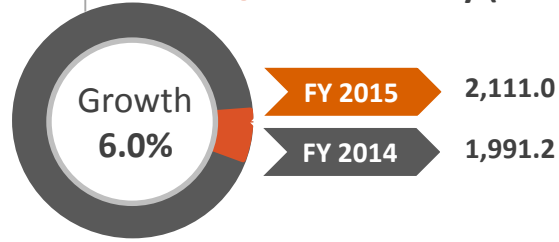
<i>In (₹' Millions)</i>	Group Dec-2015	Group Dec-2014	YoY Δ%
Gross Earnings	301,850	278,521	8.38%
Interest income	229,237	200,603	14.27%
Interest expense	(69,290)	(58,211)	19.03%
Net interest income	159,947	142,392	12.33%
Loan impairment charges	(12,408)	(7,098)	74.80%
Net interest income after loan impairment charges	147,539	135,294	9.05%
Fee and commission income	51,866	47,970	8.12%
Fee and commission expense	(3,079)	(2,114)	45.64%
Net fee and commission income	48,786	45,856	6.39%
Net gains/(losses) on financial instruments classified as held for trading	12,237	12,084	1.27%
Other income	8,510	17,864	-52.36%
Net impairment on financial assets	-	(274)	-100.00%
Total operating expenses	(96,378)	(94,438)	2.05%
Profit before income tax	120,695	116,386	3.70%
Income tax expense	(21,258)	(21,952)	-3.16%
Profit after tax	99,437	94,434	5.30%

Snapshot of Balance Sheet

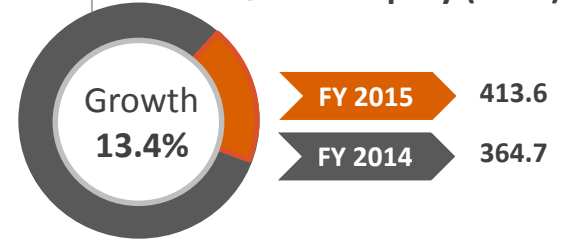
Total Asset (N'bn)



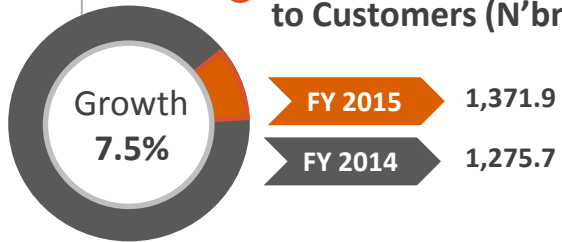
Total Liability (N'bn)



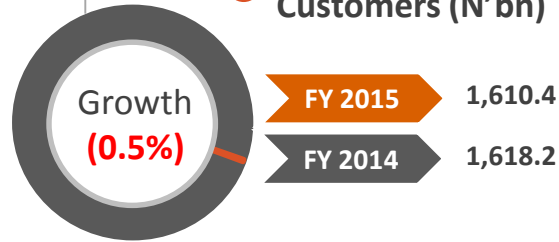
Total Equity (N'bn)



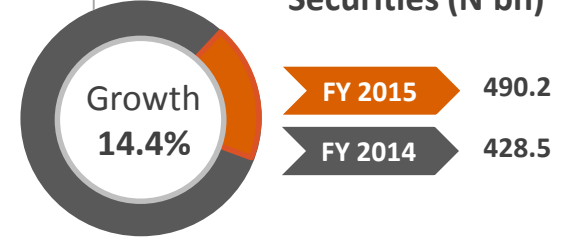
Loans and Advances to Customers (N'bn)



Deposits from Customers (N'bn)

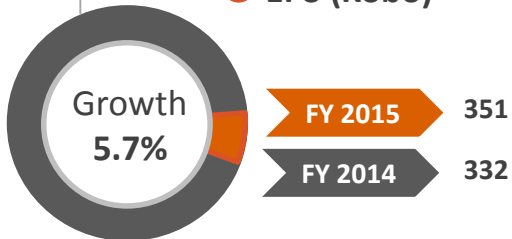


Investment Securities (N'bn)

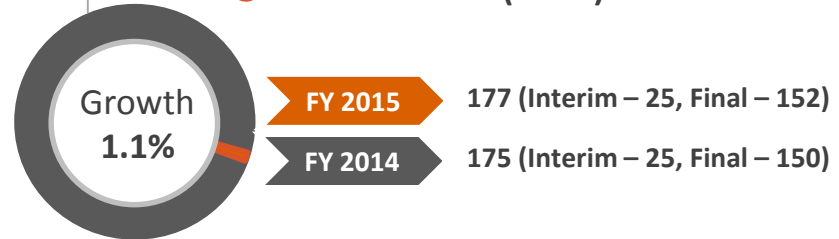


Earnings and Dividend

EPS (Kobo)



Total Dividend (Kobo)



<i>In (₹ Millions)</i>	Group Dec-2015	Group Dec-2014	YoY Δ%
Assets			
Cash and cash equivalents	254,633	246,940	3.12%
Financial assets held for trading	34,626	9,416	267.74%
Derivative financial assets	-	530	-100.00%
Investment securities:			
– Available for sale	364,180	344,702	5.65%
– Held to maturity	29,408	35,161	-16.36%
Assets pledged as collateral	61,955	39,179	58.13%
Loans and advances to banks	1,052	5,696	-81.54%
Loans and advances to customers	1,371,926	1,275,681	7.54%
Property and equipment	87,989	76,236	15.42%
Intangible assets	12,471	12,516	-0.36%
Deferred tax assets	3,244	2,358	37.56%
Restricted deposits and other assets	303,111	307,462	-1.42%
Total assets	2,524,594	2,355,877	7.16%

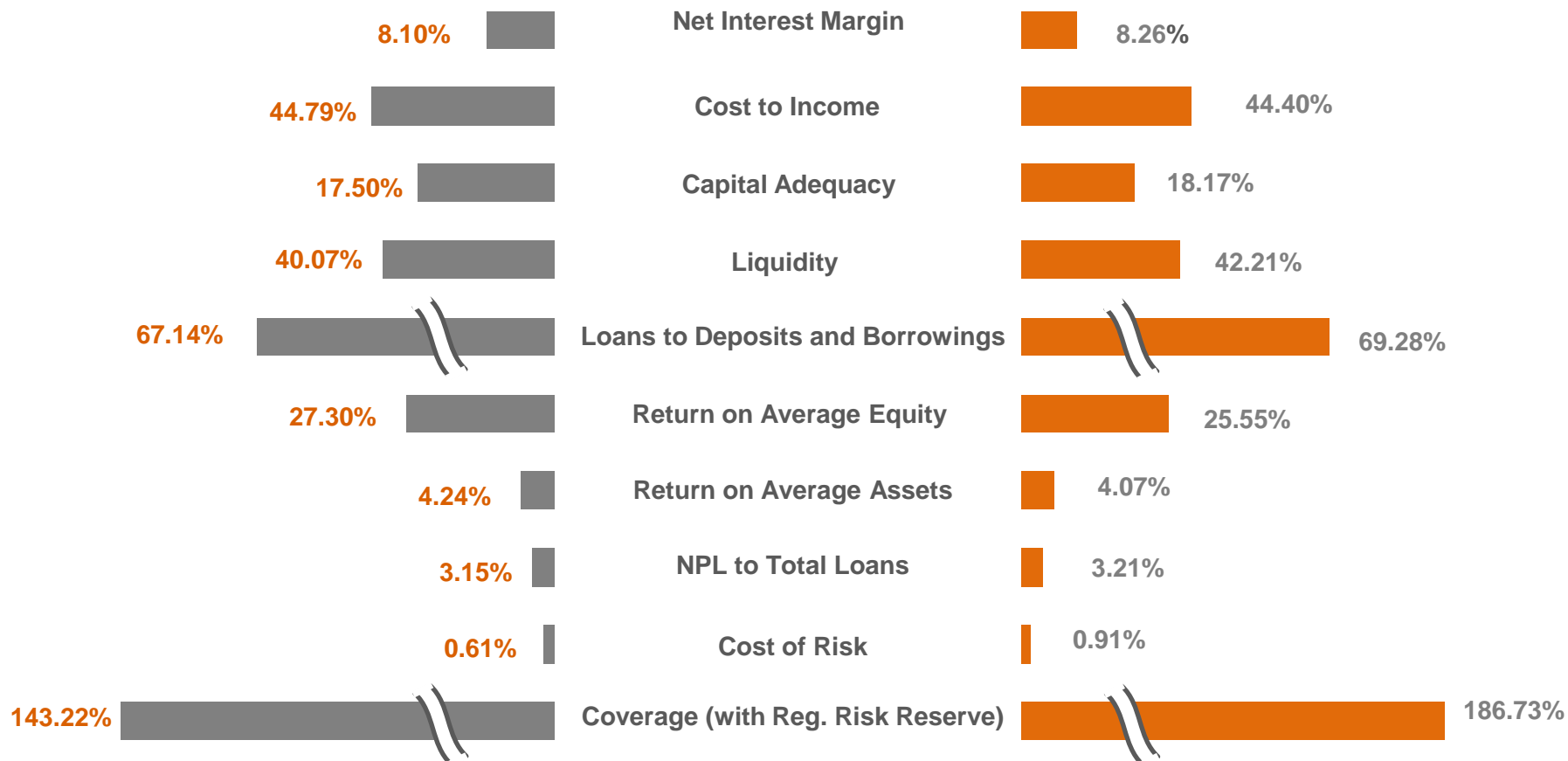
Balance Sheet Contd.

<i>In (₹ Millions)</i>	Group Dec-2015	Group Dec-2014	YoY Δ%
Liabilities			
Deposits from banks	26,257	31,662	-17.07%
Deposits from customers	1,610,350	1,618,208	-0.49%
Derivative financial liabilities	-	253	-100.00%
Other liabilities	104,606	57,200	82.88%
Current income tax liabilities	17,740	20,827	-14.82%
Deferred tax liabilities	6,840	4,392	55.74%
Debt securities issued	180,117	167,321	7.65%
Other borrowed funds	165,123	91,299	80.86%
Total liabilities	2,111,032	1,991,162	6.02%
<i>In (₹ Millions)</i>	Group Dec-2015	Group Dec-2014	YoY Δ%
CAPITAL AND RESERVES			
Share capital	14,716	14,716	-
Share premium	123,471	123,471	-
Treasury shares	(4,754)	(3,988)	19.22%
Retained earnings	51,090	51,425	-0.65%
Other components of equity	222,651	173,411	28.40%
Total equity attributable to owners of the Parent	407,173	359,035	13.41%
Non-controlling interests in equity	6,389	5,679	12.49%
Total equity	413,562	364,714	13.39%
Total equity and liabilities	2,524,594	2,355,877	7.16%

Key Performance Ratios

Twelve months ended December 31, 2014

Twelve months ended December 31, 2015

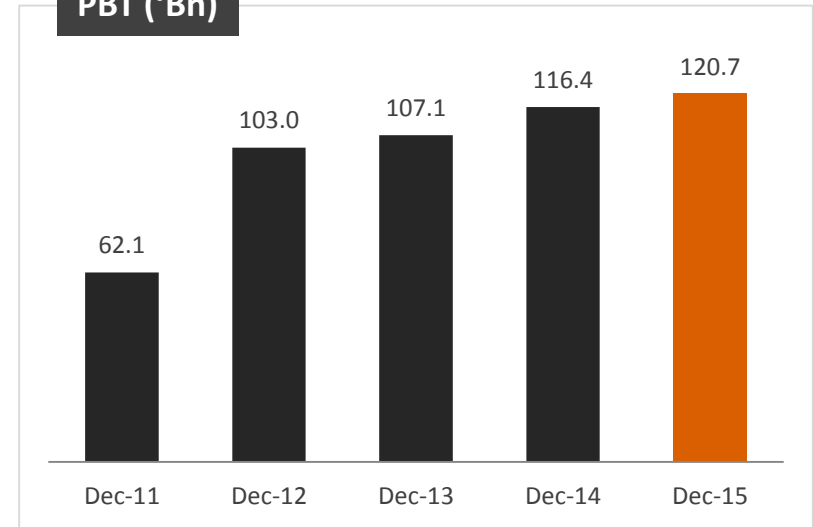


Evolution of PBT and Returns

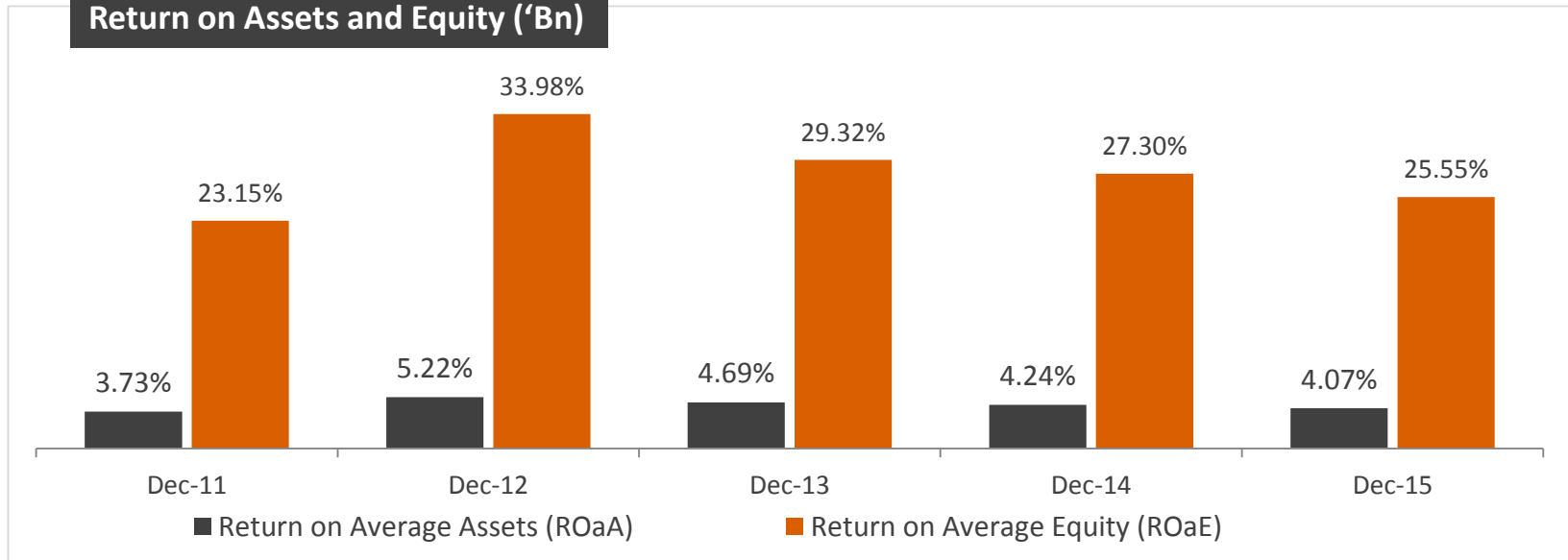
Strong FY 2015 PBT

- Growth of 8.4% in gross earnings for FY 2015. This growth was in spite of the tepid system liquidity that characterized the first nine months of the year, FX scarcity as well as the lull in economic activities in Q4 2015.
- Revenue growth mainly attributable to ₦28.6bn increase in interest income, compared to the growth of ₦15.2bn in FY 2014 due to efficient Balance Sheet management and growth in other fee lines.
- Decline of 6.8% (₦5.3bn) in non-interest revenue due to one-off gains from disposal of long term investment in 2014 and decline in FOREX earnings as a result of relative stability of naira in 2015. There was a 7% devaluation in 2015 compared to 16% in 2014.
- Best in class Shareholders return and asset deployment as Post-tax ROaE and ROaA closed at 25.6% and 4.1% respectively.
- Subsidiaries' contribution to PBT closed at 6.9% (FY 2014: 7.2%).

PBT ('Bn)



Return on Assets and Equity ('Bn)

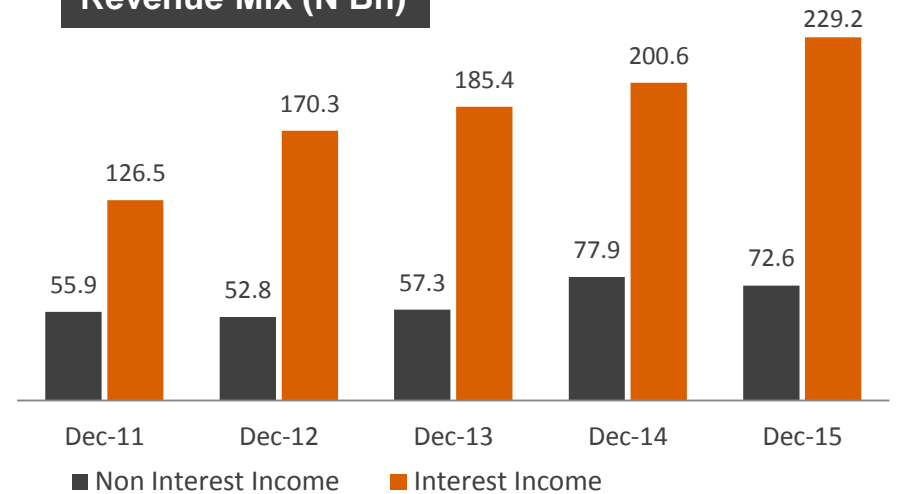


Revenue Generation

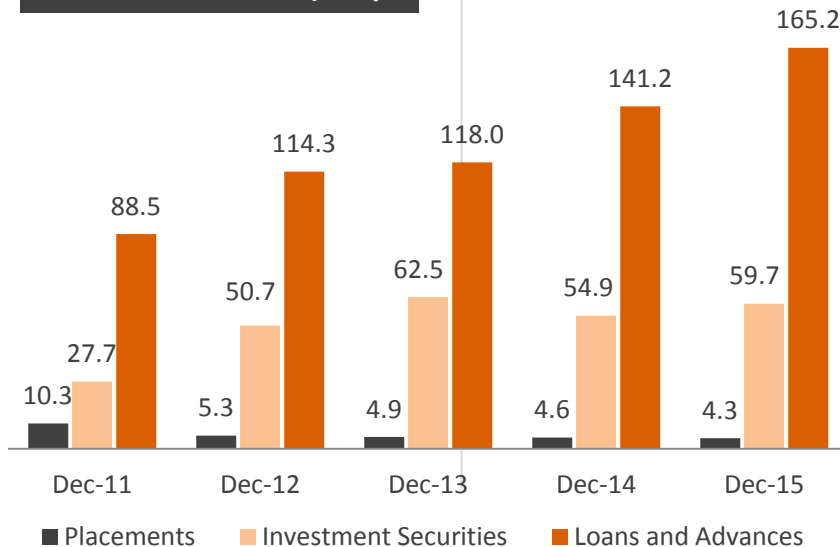
Strong Revenue

- Increase in interest income mainly driven by 7.5% growth in loan book (FY15: ₦1.37tn versus FY14: ₦1.28tn) enhanced by change in risk assets portfolio mix in favour of the higher margin Naira loans vs USD Loans. This resulted to improved asset yield from 11.66% in 2014 to 12.48% in 2015.
- Fee and Commission income grew by ₦3.9bn (8.1%) inspite of the 21% decline in COT income (FY15: ₦10.6bn versus FY14: ₦13.5bn) as the Bank took advantage of other fees and commission lines in E-banking and cards product offerings.
- Other Income comprising gains on disposal of long term investments, FOREX earnings and dividend income, declined by 52% to ₦8.5bn from ₦17.9bn in Dec.2014. The decline is attributable to gains from disposal of long term investment in 2014 and stable exchange rate in 2015.

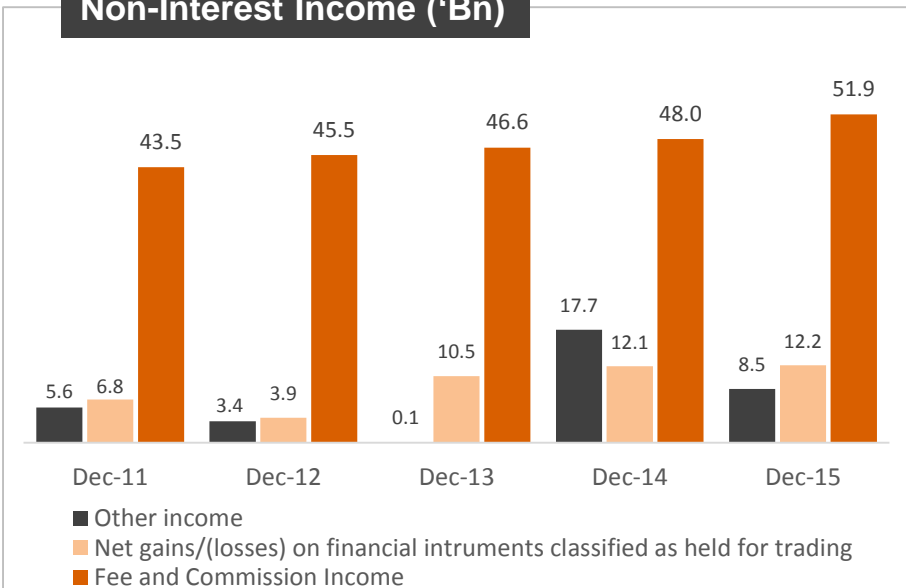
Revenue Mix (N'Bn)



Interest Income ('Bn)



Non-Interest Income ('Bn)

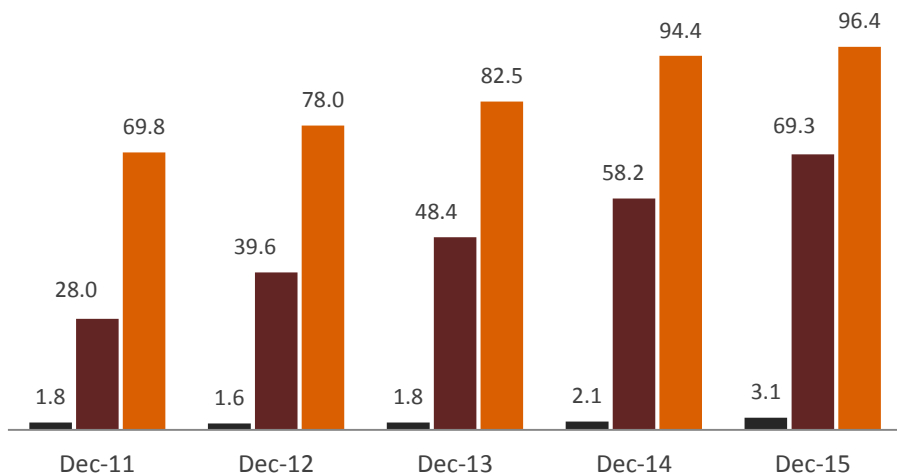


Cost Management

Cost Efficiency

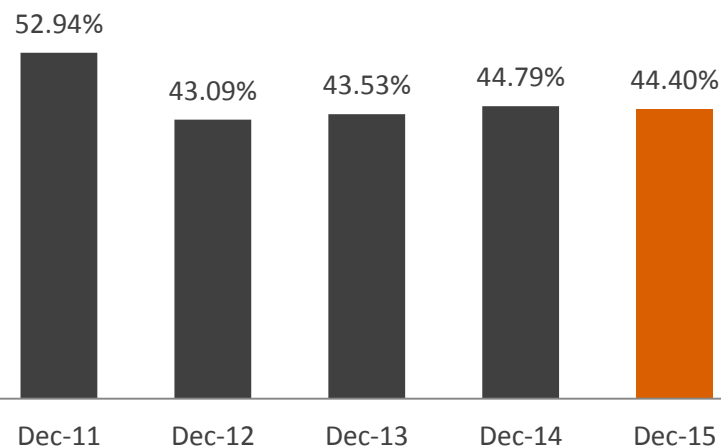
- Cost to Income Ratio (CIR) improved to 44.4% relative to 44.8% in December 2014. This was as a result of our cost curtailment drive coupled with revenue growth. There was an increase in AMCON charges (N9.5bn in FY 2014 to N10.6bn in 2015) and NDIC premium (N5.6bn in FY 2014 to N6.1bn in FY 2015), without which CIR would have been better by 113bps.
- Operating Expense grew by 2.1% to N96.38bn from N94.44bn in FY 2014, way below headline inflation rate of 9.6% as at Dec. 2015.
- Interest Expense grew by 19.0% to N69.29bn from N58.21bn in FY 2014 as a result of a 33% increase in long term borrowings and impact of increase in exchange rate on these USD borrowings.

Overview of Expenses ('Bn)

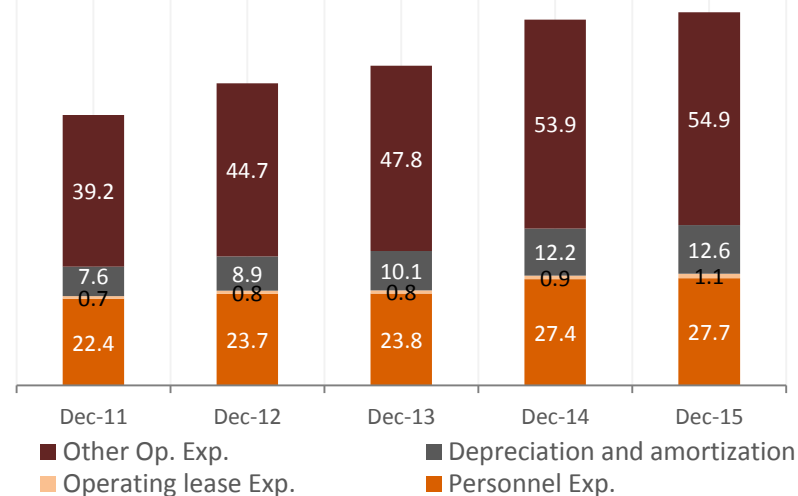


■ Fee & Commission expense ■ Interest expense ■ Operating expense

Cost to Income (CIR)



Operating Expenses (OPEX) ('Bn)



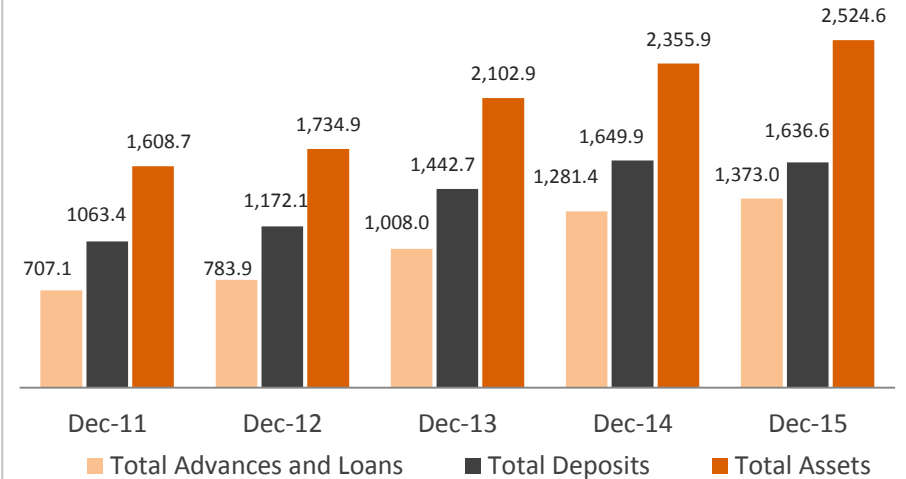
■ Other Op. Exp. ■ Depreciation and amortization
 ■ Operating lease Exp. ■ Personnel Exp.

Balance Sheet Composition

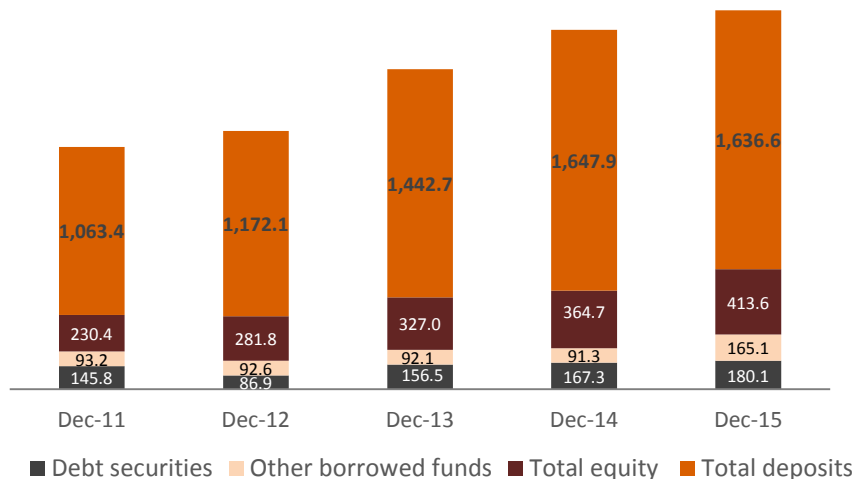
Balance Sheet Position

- Loan to customers grew 7.5% to ₦1.372tn from ₦1.276tn in Dec.2014.
- In spite of the Treasury Single Account (TSA) implementation in Q3 2015, Customers' Deposits remained stable at ₦1.610tn at December-2015 from ₦1.618tn in December 2014, a slight decline of 0.5%. Excluding the TSA implementation, total deposits would have increased by 5.3% in December 2015.
- Liquidity ratio as at December 2015: 42.21% (Dec. 2014 : 40.07%).

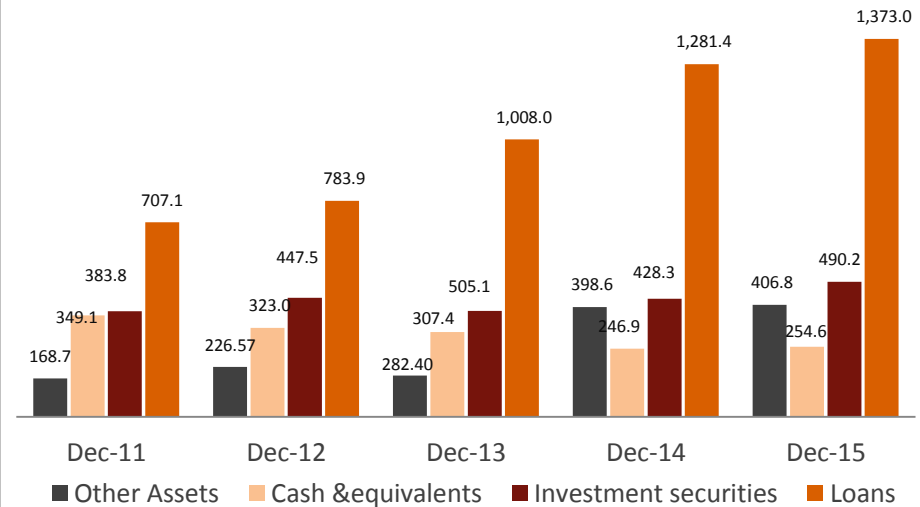
Loans, Deposits & Total Assets (N'Bn)



Diverse Funding Mix ('Bn)



Components of Asset Base ('Bn)

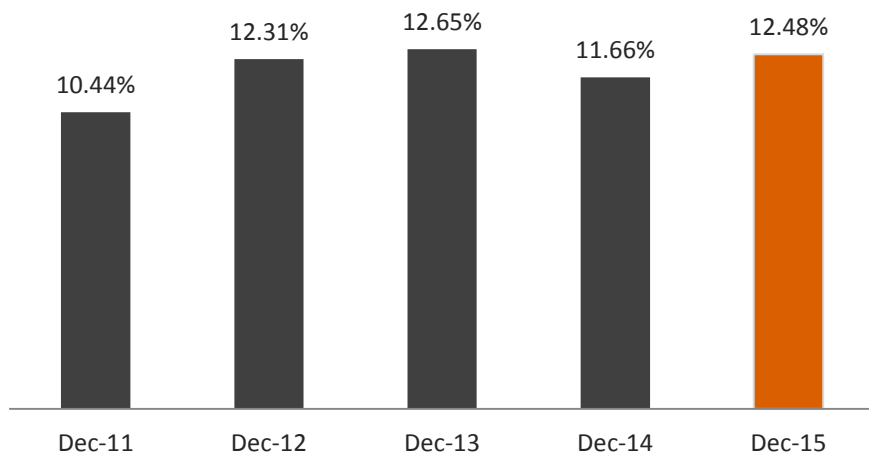


Margin Metrics

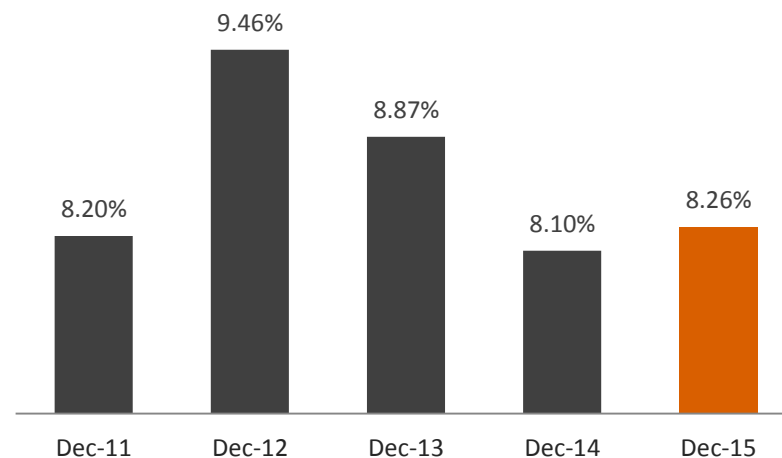
Sustained Competitive Margins

- Combined effect of risk asset re-pricing and shift in Naira/FCY mix led to improvement in asset yield to 12.48% from 11.66% in FY 2014.
- Regulatory headwinds (CRR harmonization), tight system liquidity in the first nine months of the year as well as increase in multilateral borrowings weighed negatively on cost of funds, triggering an increase to 3.43% from 3.12% in FY 2014.
- NIM however improved to 8.26% from 8.10% in December 2014 as funds were deployed into high yielding assets to mitigate the impact of rising cost of funds.

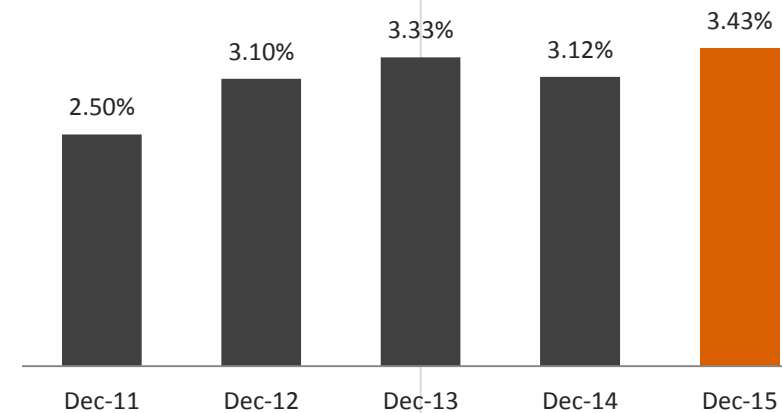
Yields on Interest earning Assets



Net Interest Margin



Cost of Funds

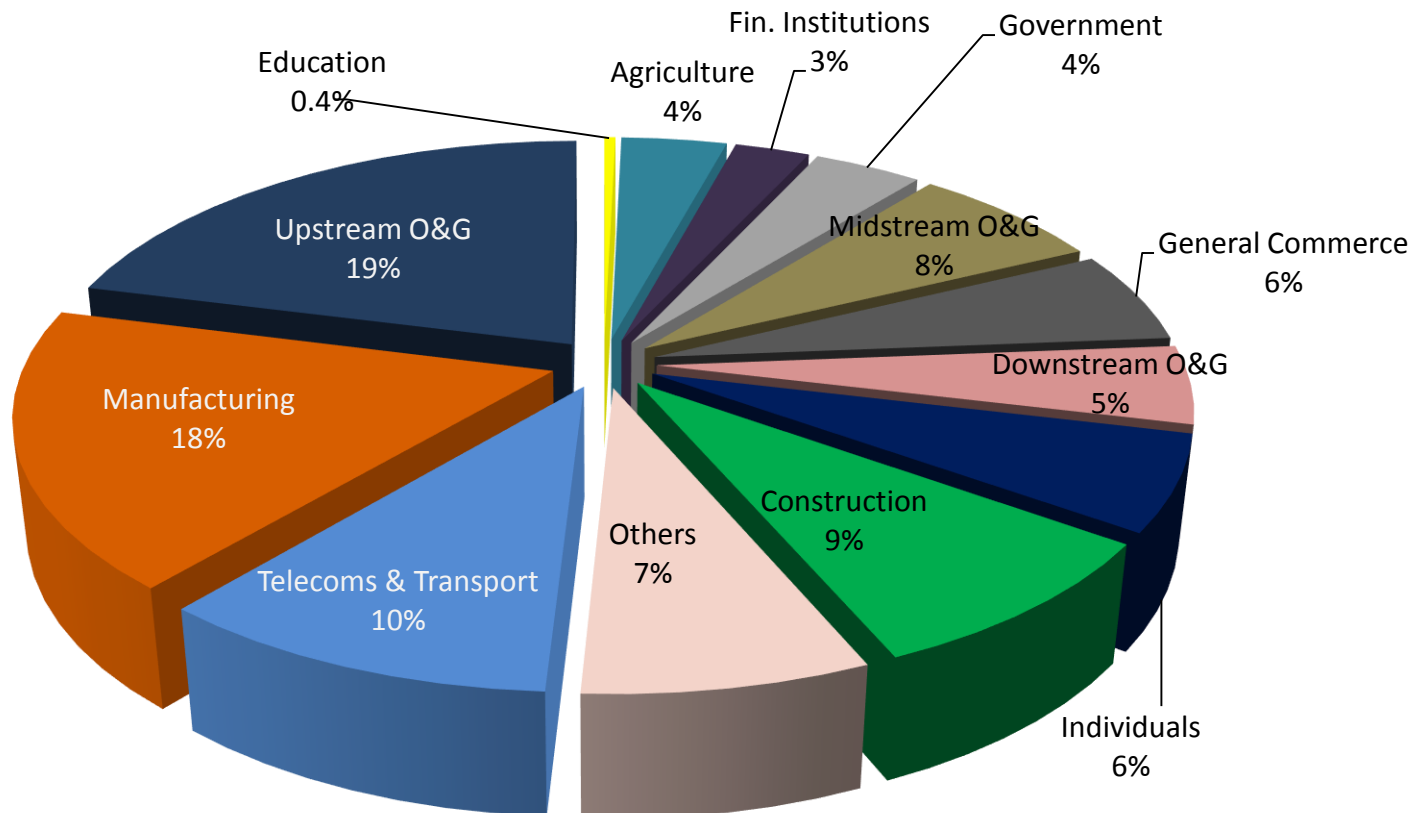


Asset Mix

Asset Diversification

- Loan Book is well diversified across economic sectors.
- Upstream Oil and Gas exposure down to 19% in Dec. 2015 from 24% in H1 2015.
- Loan-to-deposits plus Borrowings at 69.3% (Dec 2014: 67.1%) well below the recommended regulatory threshold of 80%, presents adequate head room for further risk assets growth.
- Loan Book accounted for 54% (Dec. 2014 – 54%) of Total Assets in the FY 2015 period.

Loans by Industry

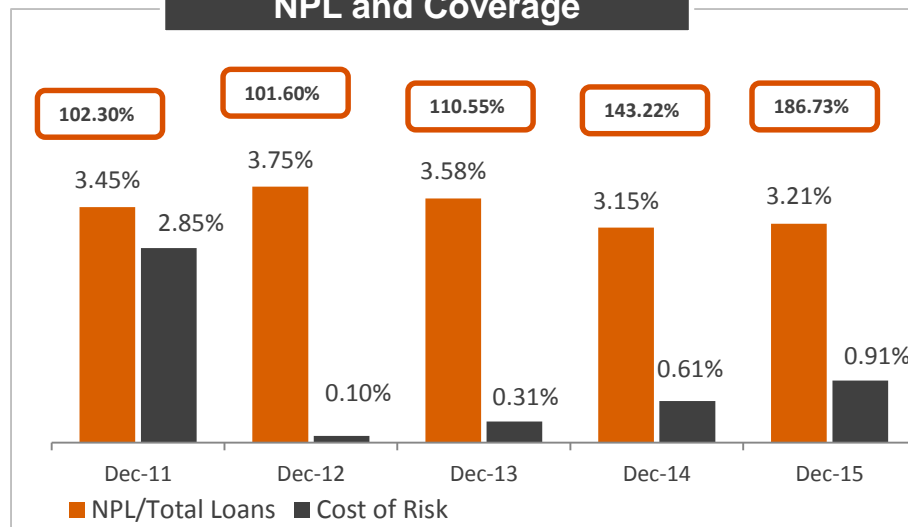


Asset Quality

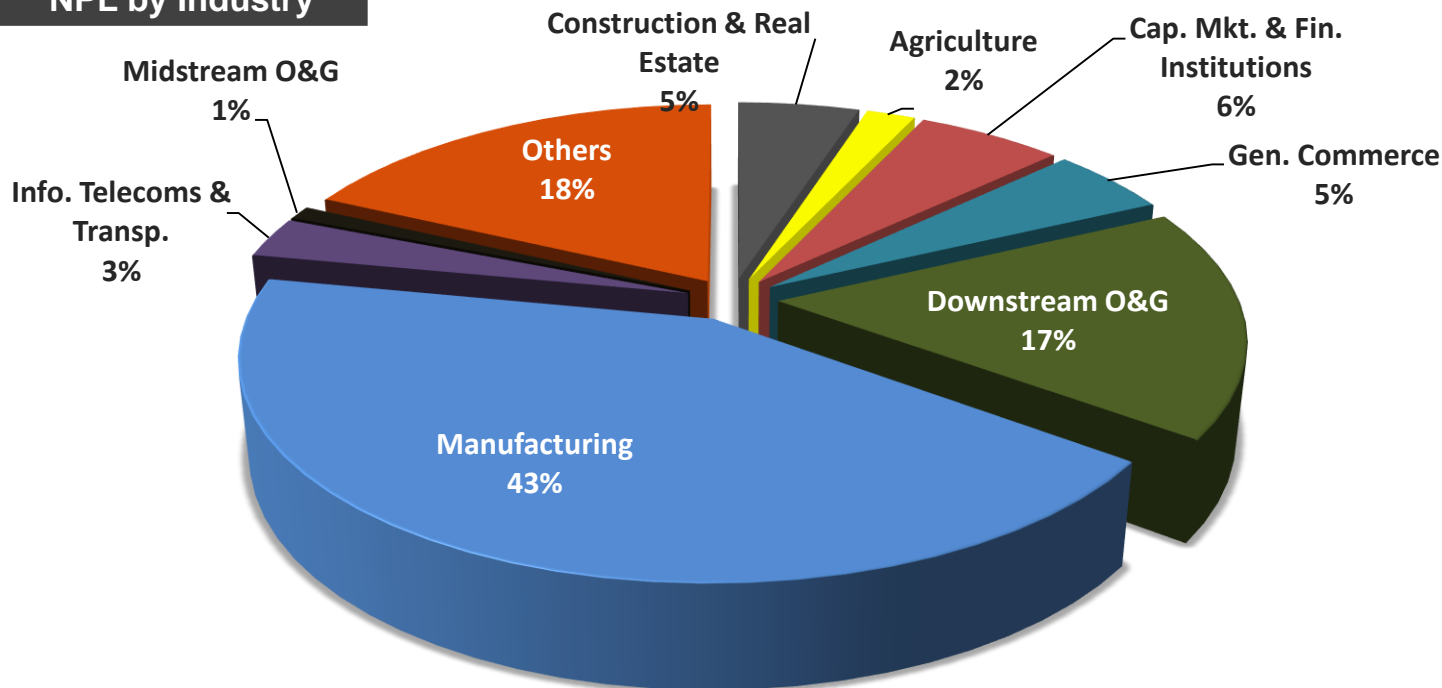
Asset Quality

- NPL ratio stood at 3.21% (Dec. 2014: 3.15%) well within our guidance.
- Coverage levels (including regulatory risk reserve) rose from 143.2% in Dec. 2014 to 186.7% in Dec.2015 following the increase in General Loan Loss provisioning from 1% to 2%.
- Cost of Risk 0.91% (Dec. 2014: 0.61%) following full provisions taken on a manufacturing name.

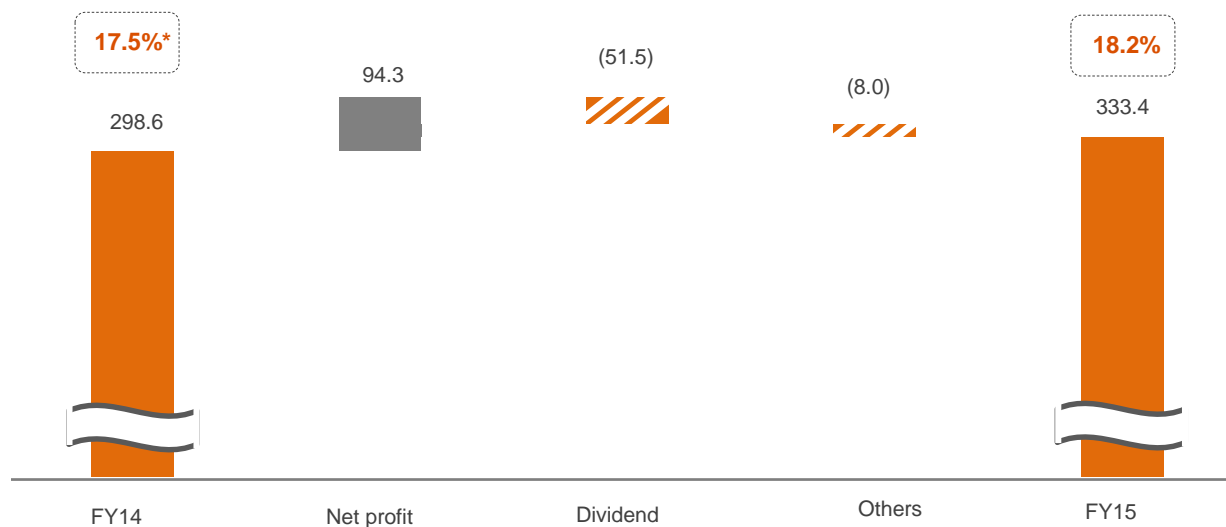
NPL and Coverage



NPL by Industry



Capital Adequacy

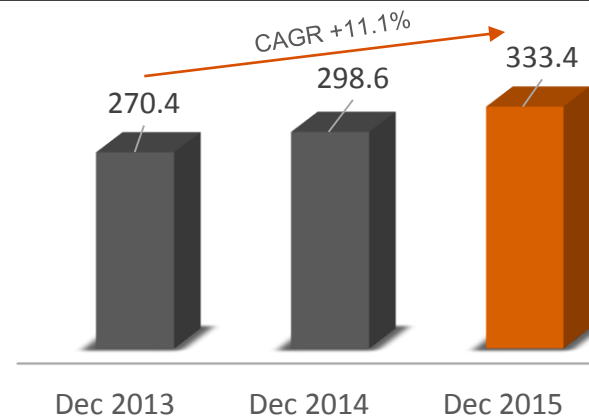


Figures in ₹ 'bn

- Capital Adequacy Ratio (CAR) remained strong at 18.2% in FY15 (Strictly Basel II calculation).
- CAR comfortably exceeds regulatory minimum of 15% (16% for SIB in 2016).
- Others comprise of additional investments in subsidiaries, increase in intangible assets (software), additional regulatory risk reserve requirement and changes in fair value reserve and actuarial gains and losses.

* In line with strict application and compliance with current Basel II guideline, 2014 CAR has been restated for ease of comparison with 2015.

Improving Regulatory Capital - Tier 1 & 2 ('Bn)



NOTE: Investment in unconsolidated subsidiaries have been excluded.

Non-Financial Highlights for FY 2015

Employees



6,354

employees

Customers



Over 7.5

million customers

Shareholders



335,845

Communities

CSR Projects in Schools



Principals Cup - Masters' Cup¹

699 29

Schools Schools

Participated in the 2015 edition of the football tournament

Gender



54% 46%

International Branch Network



340

EPS



351 Kobo

Annual Autism Seminar



209

Children benefitted from our Annual Autism one-on-one consultation and Child Assessment

Training



99%

employee received training in FY 2015

E-Branches & GT Express



46

e-branches and GTExpress locations in Nigeria

ATMs



Over 1,165

Positioning



No.1

in Market Capitalization and Best in Class Returns

GTcrea8 eSavers Scholarship



60

university undergraduates in the six geo-political zones of Nigeria

Accolades



Best Banking Group and Banker of the Year 2013 & 2015



Good Corporate Governance Award 2015


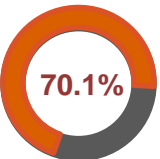
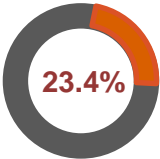
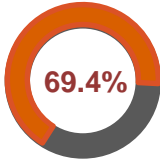

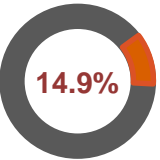
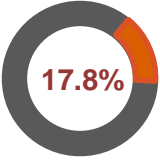
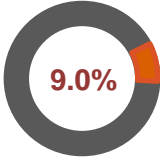





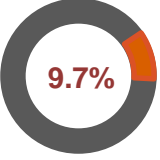
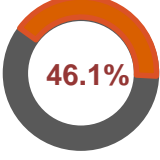
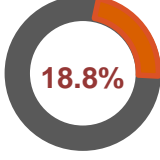

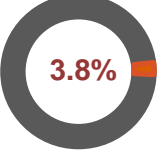
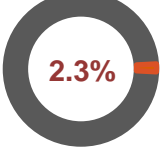
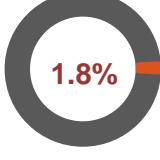


Best Bank in Nigeria, 2009, 2010, 2011, 2014 & 2015



Business Segments and Subsidiary Review

Business Segmentation

	Description	Key figures	Loans	Deposits	PBT
 Institutional and Wholesale	<ul style="list-style-type: none"> Multinationals and large corporates (turnover ₦5bn) Comprises of six sectors: <ul style="list-style-type: none"> Energy Telecoms Maritime Wholesale Banking Corporate Banking E-Business 	<ul style="list-style-type: none"> Over 400 customers Loans – ₦962.4bn Deposits - ₦376.6bn PBT – ₦84.0bn 	 FY 2014: 70.0%	 FY 2014: 27.7%	 FY 2014: 64.0%
 Commercial	<ul style="list-style-type: none"> Middle market companies (turnover between ₦500mm and ₦5bn) Extensive product range: tailor-made solutions and flexibility Custom E-commerce solutions 	<ul style="list-style-type: none"> Over 50,000 customers Loans – ₦204.9bn Deposits – ₦286.0bn PBT – ₦10.9bn 	 FY 2014: 14.3%	 FY 2014: 16.2%	 FY 2014: 9.3%
 SME	<ul style="list-style-type: none"> Small and medium enterprises (turnover under ₦500mm) Products tailored to cater to small, fledgling and other types of fairly unstructured businesses 	<ul style="list-style-type: none"> Over 300,000 customers Loans – ₦18.7bn Deposits – ₦168.5bn PBT – ₦1.2bn 	 FY 2014: 1.3%	 FY 2014: 8.5%	 FY 2014: 1.62%
 Retail	<ul style="list-style-type: none"> Deposit drive focus for retail customer-base Rapidly developing business line 224 branches, 46 e-branches & 1,165 ATMs Extensive leverage of all distribution channels 	<ul style="list-style-type: none"> Over 6.6mil. customers Loans – ₦133.7bn Deposits – ₦742.3bn PBT – ₦22.7bn 	 FY 2014: 9.6%	 FY 2014: 41.1%	 FY 2014: 18.9%
 Public Sector	<ul style="list-style-type: none"> Focus on: <ul style="list-style-type: none"> Federal government State governments Local governments and customers Active in all government segments 	<ul style="list-style-type: none"> All tiers of government Loans – ₦52.2bn Deposits – ₦37.0bn PBT – ₦2.2bn 	 FY 2014: 4.8%	 FY 2014: 6.5%	 FY 2014: 6.1%

Geographical Presence

GTB UK



- Established in 2008
- 100% owned by parent
- 1 branch
- ₦9.6bn invested by parent
- FY 2015 PBT: ₦18mm
- ROE: 0.36%

GTB Gambia



- Established in 2002
- 77.81% owned by parent
- 17 branches
- ₦574.28mm invested by parent
- FY 2015 PBT: ₦1,038mm
- ROE: 32.6%

GTB Sierra Leone



- Established in 2002
- 84.24% owned by parent
- 14 branches
- ₦594.11mm invested by parent
- FY 2015 PBT: ₦1,922mm
- ROE: 39.1%

GTB Liberia



- Established in 2009
- 99.43% owned by parent
- 8 branches
- ₦1.95bn invested by parent
- FY 2015 PBT: ₦392mm
- ROE: 9.4%

GTB Cote D'Ivoire



- Established in 2012
- 98.98% owned by parent
- 4 branches
- ₦3.49bn invested by parent
- FY 2015 PBT: (₦558mm)
- ROE: -26.5%

GTBank plc



- Parent Company
- Established in 1991
- 213 branches, 46 e-branches
- ₦405.61bn in SHF (Parent)
- FY 2015 PBT: ₦113.03bn (Parent)
- ROE: 25% (Parent)

GTB Kenya



- Acquired in 2013
- 70% owned by parent
- 15 branches
- ₦17.13bn invested by parent
- FY 2015 PBT: ₦85mm
- ROE: 5.4%

GTB Uganda



- Acquired in 2013
- Subsidiary of GTB Kenya
- 8 branches

GTB Rwanda

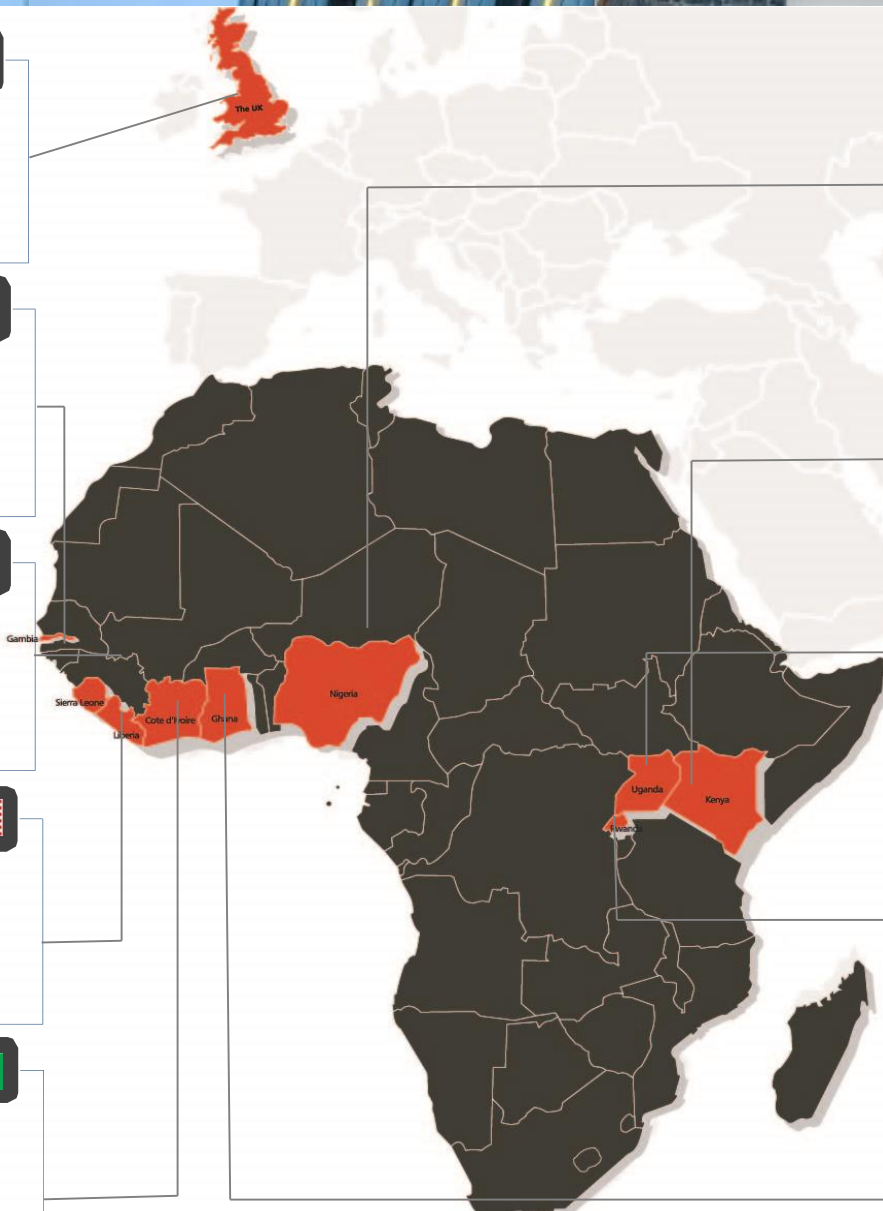


- Acquired in 2013
- Subsidiary of GTB Kenya
- 16 branches

GTBank Ghana

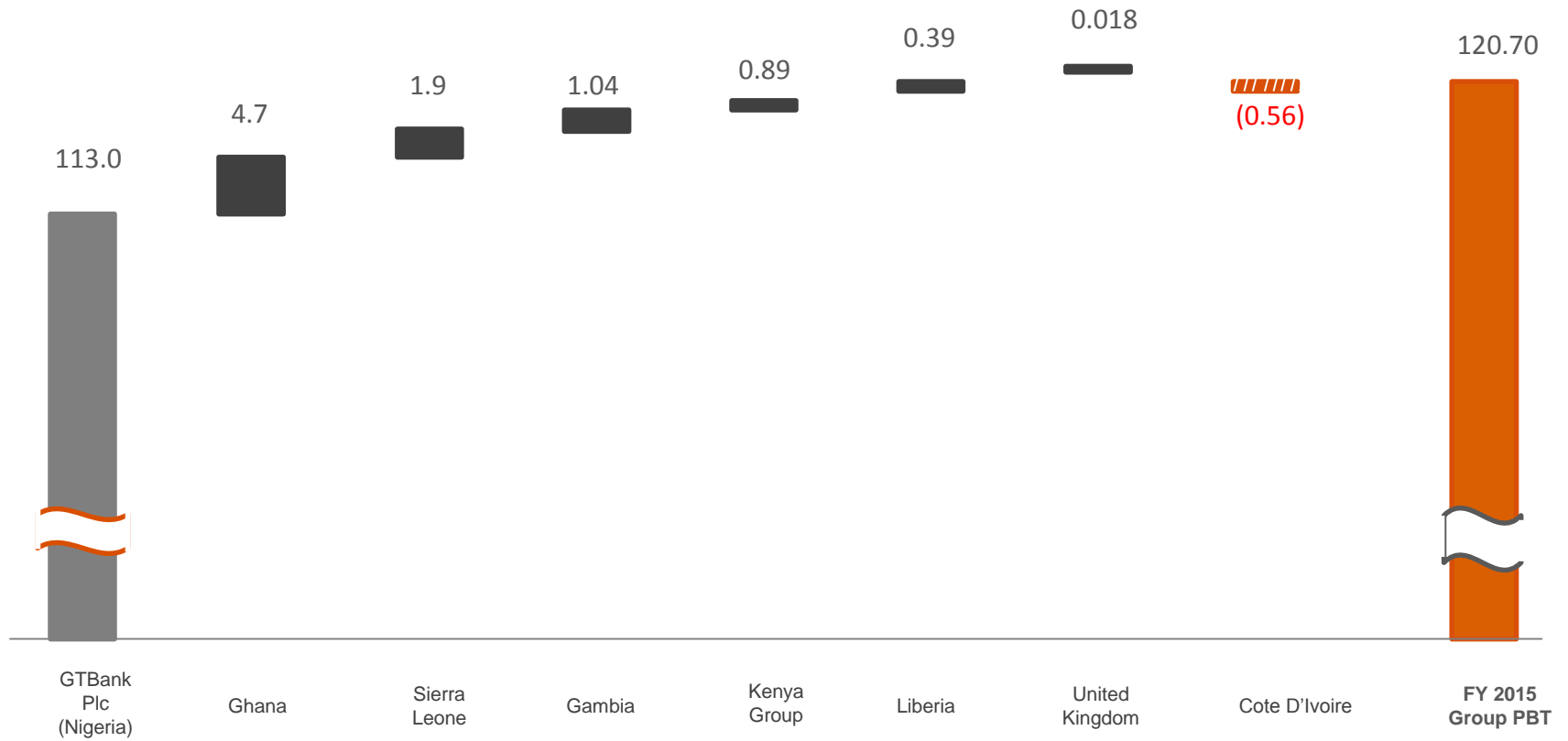


- Established in 2006
- 95.37% owned by parent
- 33 branches
- ₦8.57bn invested by parent
- FY 2015 PBT: ₦4,714mm
- ROE: 27.0%



Group PBT Breakdown

FY 2015 PBT – Group (N'bn)

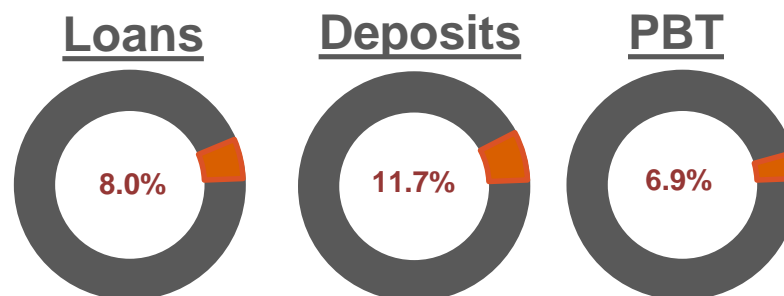


Subsidiary Highlights

Millions of Naira

	FY 2015 vs FY 2014						FY 2015 vs FY 2014	
	Assets	% change	Loans	% change	Deposits	% change	PBT	% change
Cote D'Ivoire	5,957	6.5%	1,982	172.1%	3,848	52.0%	(558)	(22.6%)
Gambia	25,840	82.8%	4,895	(10.4%)	14,278	22.9%	1,038	47.7%
Ghana	72,225	7.0%	33,457	21.2%	50,028	9.2%	4,714	(17.9%)
Liberia	17,233	16.4%	6,457	34.7%	12,240	21.5%	392	18.1%
Sierra Leone	27,479	26.1%	7,762	42.7%	21,964	21.3%	1,922	49.0%
United Kingdom	80,406	7.9%	17,017	41.6%	34,206	13.6%	18	(72.6%)
Kenya Group	79,324	(15.6%)	38,112	(3.8%)	51,262	(15.2%)	885	(18.9%)
Nigeria	2,277,629	7.1%	1,265,207	7.0%	1,422,550	(1.2%)	113,027	2.4%
Grand Total*	2,524,594	7.2%	1,371,926	7.5%	1,610,350	(0.5%)	120,695	3.7%

Subsidiary Contribution to Group



*post elimination entries

2016 Guidance and Plans



This presentation is based on Guaranty Trust Bank Plc (“**GTBank**” or “**Bank**”)’s audited financial results as of and for the full year ended December 31, 2015 prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as promulgated by the International Accounting Standards Board. The Bank has also obtained certain information in this presentation from sources it believes to be reliable. Although GTBank has taken all reasonable care to ensure that such external information are accurate and correct, the Bank makes no representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information.

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