2017

Full Year Investors/Analysts Presentation

Outline

- Macro-economic Review
- Overview of FY 2017
- FY 2017 Performance Review
- Business Segments and Subsidiary Review
- Guidance and Plans for 2018

2017 Macro-economic Review

Macro-economic Review for FY 2017

Economic Performance

- The Nigerian real GDP grew by 1.92% y/y in Q4 2017, a 52 bps increase from 1.40% y/y growth reported in Q3 2017.
- The economy grew by 0.83% in 2017 compared to the contraction of 1.58% recorded in 2016 largely as a result of improved oil prices and production output as well as increased FX availability in the market.
- With an improved oil production output of 2.03 and 1.91 million barrels per day (mbpd) in Q3 2017 and Q4 2017 respectively, the oil sector grew by 4.79% y/y. The non-oil sector also grew by 0.47% y/y attributable to an impressive showing in the Agriculture, trade and transportation sectors.

Oil Price and Oil Production Output

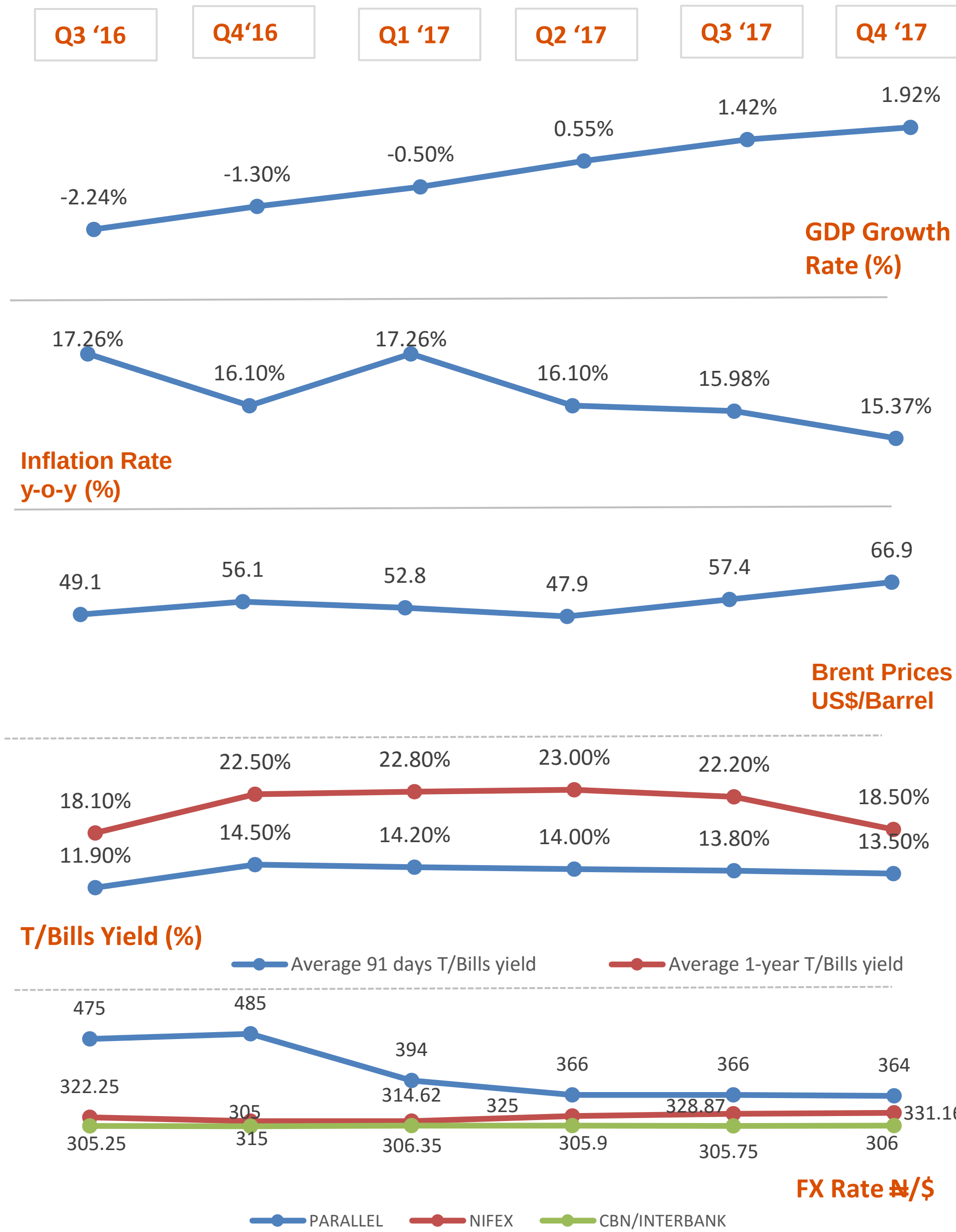
- Crude oil production averaged 1.9 mbpd in 2017 relative to 1.8 mbpd in 2016 as a result of sustained peace in the Niger delta region and the re-opening of the Forcados terminal .
- OPEC's annual average crude oil price for 2017 increased to US$52.5 per barrel from US$40.7 per barrel recorded in 2016 (29% y/y increase) as a result of the extension of the production cuts deal by OPEC and non-OPEC countries.

External Reserves and Capital Inflow

- Capital inflows increased by 134% y/y to US$12.2 billion in 2017 from US$5.12 billion reported in 2016 owing to significant increase in portfolio investment by US$5.5 billion to US$7.2 billion in 2017 compared to the figure reported for 2016.
- External reserves grew by 48% y/y from US$25.8 bn in Dec. 2016 to US$38.2 bn in Dec. 2017 on the back of increased foreign investments, successful US$5 bn Eurobond issuance and higher oil receipt.

Inflation, Interest Rate and Exchange Rate

- Headline inflation continued its downward trend declining to 15.4% y/y in Dec. 2017 from a high of 18.7% y/y in Jan. 2017 as a result of base effects and improved FX liquidity.
- Fixed income yield declined by c.400 bps between January and December 2017 following the government's successful Eurobond issuance with some of the proceeds used to refinance some short term local domestic debt.
- Exchange rate stayed relatively stable in 2017 as a result of improved FX liquidity in the market following the introduction of the investors' and exporters' window in April 2017.



Sources: CBN, Bloomberg, National Bureau of Statistics,

Overview of FY 2017

Overview of FY 2017

JANUARY

- CBN maintains status quo at January 2017 MPC meeting.
- CBN announces first Secondary Market Intervention Sales (SMIS) auction for the year
- World Bank projects 1% growth rate for Nigeria in 2017.
- Headline inflation increased slightly to 18.72% from 18.55% reported in December 2016.

FEBRUARY

- CBN sells US$660million in 3 and 5 months currency forwards to clear some backlog of dollar demand for manufacturing, airlines, agriculture and petroleum sector.
- Nigeria's 15-yr US$1 billion Eurobond notes priced at 7.875% oversubscribed by $7.8billon (800%).
- Deposit Money Banks (DMB) agree to contribute 5% of their PAT to fund projects meant to drive export.
- CBN directs banks to sell FX for invisible transactions (e.g. PTA, BTA, School and medical fees etc.) and pegs the rate at N375/$.
- CBN releases new guidelines for FX transactions for invisibles. PTA/BTA/School fees/Medicals.

MARCH

- CBN drops FOREX rate for Invisibles to N360 to $1; pumps $185m into FOREX Market.
- CBN maintains status quo at March 2017 MPC meeting.
- Inflation rate drops further to 17.26% from 17.78% reported in February 2017.

APRIL

- CBN directs all banks to pay cash over-the-counter to qualifying foreign exchange customers.
- President Buhari launches Economic Recovery and Growth Plan (ERGP).
- CBN directs banks to remit 5% PAT into Agro/SME Investment scheme (AGSMEIS).
- CBN opens special FX window to sell a maximum of US$20,000 per quarter per SME.
- CBN introduces Form Q for SMEs barely a week after introducing special forex window for SMEs.
- CBN creates a special FX window for Investors, exporters and end users.
- CBN extends BVN registration exercise to microfinance banks.

MAY

- CBN's new guide to charges by banks and other financial institutions becomes effective.
- National Assembly passes 2017 Budget of N7.441trillion into law.
- Inflation drops to 16.25% from 17.24% reported in April 2017.
- Nigerian economy contracts by -0.52% in Q1 2017.
- CBN maintains status quo at May 2017 MPC meeting.
- Senate passes Petroleum Industry Governance Bill, first of four to replace the PIB.

JUNE

- CBN alters the guidelines for selection of FX primary dealers (FXPD) as new flexible exchange rate regime becomes effective.
- CBN introduces new FX circular to ease restrictions and further deepen the market.
- Unemployment rises to 14.2% in Q2-2017.

JULY

- Voluntary Assets and Income Declaration Scheme (VAIDS) launched to encourage voluntary disclosure of undisclosed assets and income.
- Inflation drops to 16.10% in June 2017 from 16.25% reported in May 2017
- FG releases details of fresh N244 bn Paris Club disbursement
- CBN's MPC leaves MPR unchanged at 14%

AUGUST

- Nigeria exits recession, records 0.55% y/y (revised to 0.72%) GDP growth in Q2 2017
- Federal Executive Council (FEC) approves US$3 bn borrowing plan to refinance domestic debt and capital projects.
- IMF forecasts 0.8% growth for Nigeria, says threat to recovery still high

SEPTEMBER

- Federal government launches 7-year N100 billion debut sovereign Sukuk bond to fund road infrastructure.
- CBN reviews daily mobile money transaction and balance limit and also introduced BVN requirement for mobile money wallet holders.
- Headline inflation declines slightly to 16.01% in August 2017 from 16.05% in July 2017.
- CBN shifts parallel run of IAS 39 and IFRS 9 to Oct 1 to enable banks conclude the deployment of newly developed Expected Credit Loss (ECL) models.

OCTOBER

- President Buhari seeks Senate's approval for US$5.5 bn loan.
- President Buhari proposes N8.6tn budget for 2018 in the Medium Term Expenditure Framework (MTEF).
- Federal government obtains court order requesting 19 commercial banks to disclose details of accounts without BVN and freeze the said accounts.

NOVEMBER

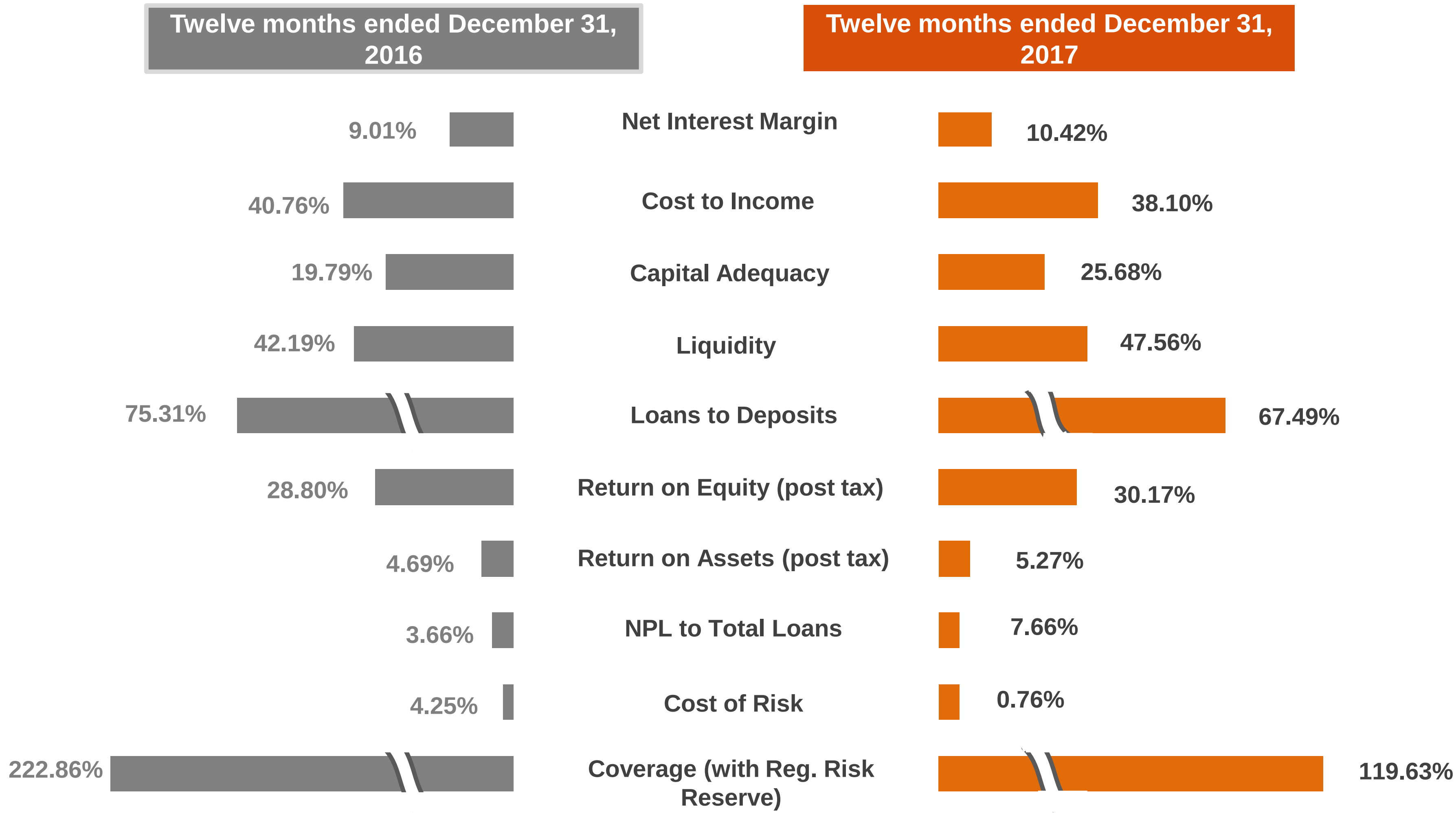
- CBN reads riot act to exporters over non-repatriation of export proceeds, threatens to bar defaulters from accessing banking services
- President Buhari presents N8.6 tn 2018 appropriation bill to the joint session of the National Assembly.
- Senate approves President Buhari's request for US$5.5bn FCY loan.
- Headline inflation moderated further to 15.91% in Oct 2017 from 15.98% in October 2017.
- Nigerian economy grows by 1.40% in Q3-2017 as Q2 2017 is revised to 0.72%.

DECEMBER

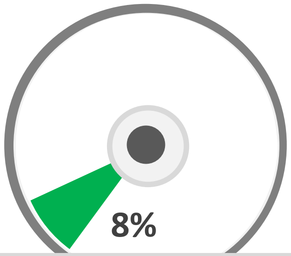
- OPEC and non-OPEC extend oil output cut deal (1.8mbpd) by 1 year to Dec 2018 with Nigeria and Libya still excluded.
- Yuletide season was characterized by persistent fuel scarcity resulting in hike in transportation and food cost and general price increase.
- Headline inflation remained flat at 15.90% in Nov.2017 from 15.91% reported in Oct. 2017.
- CBN weakens the naira marginally by selling dollars for N307/US$1 as against N305/US$1 in the official spot market.

Full Year 2017 Financial Performance Review

Key Performance Ratios

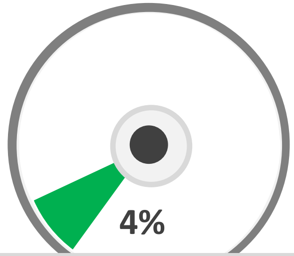


Balance Sheet Snapshot - Group



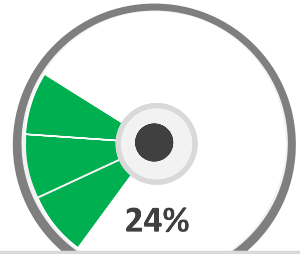
Total Assets (₦'Bn)

FY 2017 – 3,351.1
FY 2016 – 3,116.4



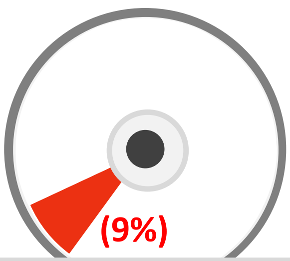
Total Liabilities (N'Bn)

FY 2017 – 2,725.9
FY 2016 – 2,611.5



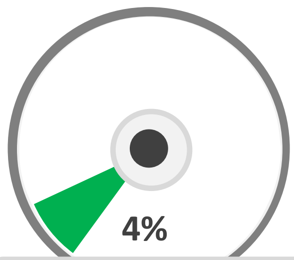
Total Equity (N'Bn)

FY 2017 – 625.2
FY 2016 – 504.9



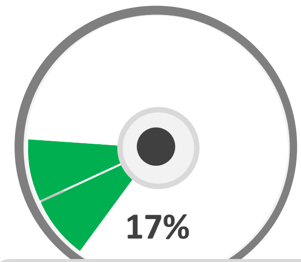
Total Loans and Advances (N'Bn)

FY 2017 – 1,449.3
FY 2016 – 1,590.1



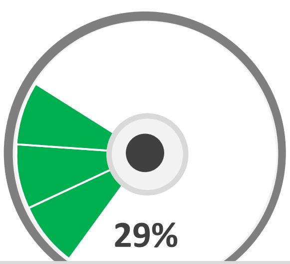
Customers' Deposits (N'Bn)

FY 2017 – 2,062.0
FY 2016 – 1,986.2



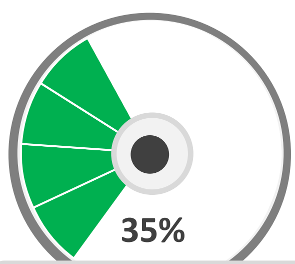
Investment Securities (N'Bn)

FY 2017 – 672.9
FY 2016 – 576.4



EPS (Kobo)

FY 2017 – 603
FY 2016 – 470



Total Dividend (Kobo)

FY 2017 – 270
FY 2016 – 200

Balance Sheet

	Group	Group	
In thousands of Nigerian Naira	**Dec-2017**	**Dec-2016**	**% change**
Assets			
Cash and cash equivalents	641,973,784	455,863,305	41%
Financial assets held for trading	23,945,661	12,053,919	99%
Derivative financial assets	2,839,078	1,042,470	172%
Investment securities:			
– Available for sale	517,492,733	448,056,733	15%
– Held to maturity	96,466,598	80,155,825	20%
Assets pledged as collateral	58,976,175	48,216,412	22%
Loans and advances to banks	750,361	653,718	15%
Loans and advances to customers	1,448,533,430	1,589,429,834	-9%
Restricted deposits & other assets	444,946,897	371,995,835	20%
Property and equipment	98,669,998	93,488,055	6%
Intangible assets	14,834,954	13,858,906	7%
Deferred tax assets	1,666,990	1,578,427	6%
	3,351,096,659	3,116,393,439	8%
Assets classified as held for sale	-	-	
Total assets	**3,351,096,659**	**3,116,393,439**	8%

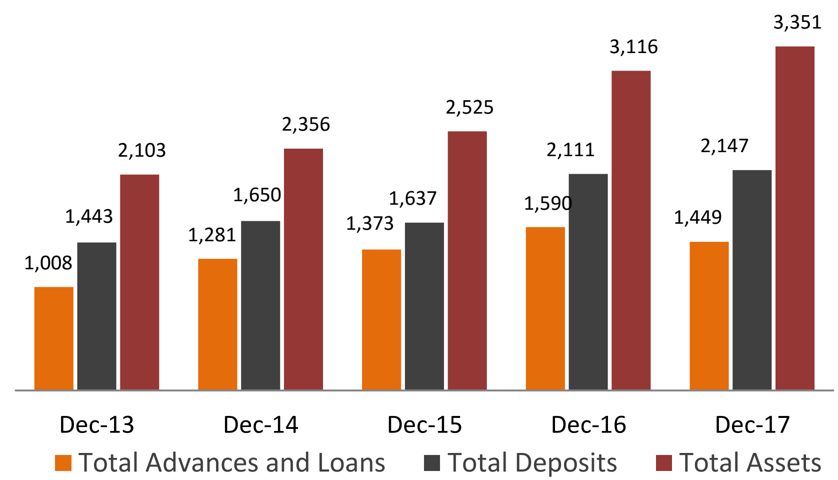
	Group	Group	
In thousands of Nigerian Naira	**Dec-2017**	**Dec-2016**	**% change**
Liabilities			
Deposits from banks	85,430,514	125,067,848	-32%
Deposits from customers	2,062,047,633	1,986,246,232	4%
Financial liabilities held for trading	2,647,469	2,065,402	28%
Derivative financial liabilities	2,606,586	987,502	164%
Other liabilities	218,349,244	115,682,490	89%
Current income tax liabilities	24,147,356	17,928,279	35%
Deferred tax liabilities	18,076,225	17,641,384	2%
Debt securities issued	92,131,923	126,237,863	-27%
Other borrowed funds	220,491,914	219,633,604	0%
	2,725,928,864	**2,611,490,604**	4%
Liabilities included in assets classified as held for sale	-	-	
Total liabilities	**2,725,928,864**	**2,611,490,604**	4%
Equity			
Share capital	14,715,590	14,715,590	0%
Share premium	123,471,114	123,471,114	0%
Treasury shares	(5,291,245)	(5,291,245)	0%
Retained earnings	128,386,206	90,273,587	42%
Other components of equity	352,403,527	272,891,094	29%
Total equity attributable to owners of the Parent	**613,685,192**	**496,060,140**	**24%**
Non-controlling interests in equity	11,482,603	8,842,695	30%
Total equity	**625,167,795**	**504,902,835**	**24%**
Total equity and liabilities	**3,351,096,659**	**3,116,393,439**	**8%**

Balance Sheet Composition

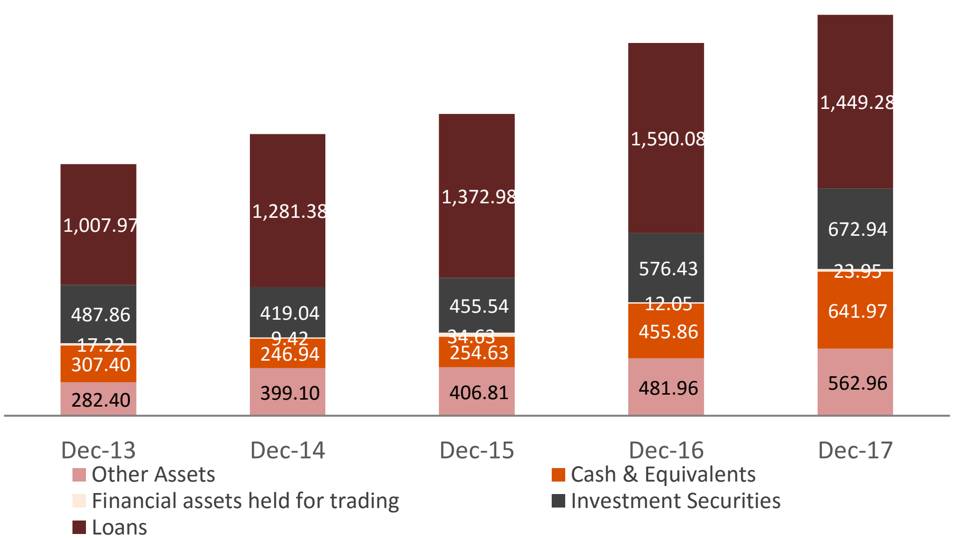
Balance Sheet Management

- Consistent optimization and efficient balance sheet management with interest-earning assets and non-interest assets accounting for 72% and 28% respectively.
- Efficient deployment of deposits towards high yielding Assets, as contribution of Fixed Income Securities to Total Assets improved by 200bps to 21% in 2017 with the Bank recording 17% Y-o-Y growth on this line.
- Customers' deposits improved 3.8% with low cost funds accounting for 82% (2016:79%) in-spite of Customers' utilization of Naira deposits to clear pent up FX obligations as well as increased customers' appetite for Treasury bills investments; investments in Customers' Treasury Bills grew by 92% Y-o-Y from N197.1bn in 2016 to N378.8bn in 2017.
- The Loan book contracted by 8.9% due to cautious effort to de-risk the balance sheet, repayment of USD term loans and unwinding of USD trade obligations.
- The USD repayments led to increased USD liquidity which contributed to the 41% growth in Cash & Cash Equivalents from N455bn in 2016 to N641bn in 2017.
- The LCY and FCY liquidity provides ample room for future growth in Earning Assets (Loans; Placements and Fixed Income Securities)
- Efficient capital allocation to business segments with low risk and optimal returns complements the effective balance sheet management with the resultant strong earnings as evidenced by impressive ROAE; ROAA, NIMS, capital returns and improved capital buffers posted by the Group as at 31 December 2017.

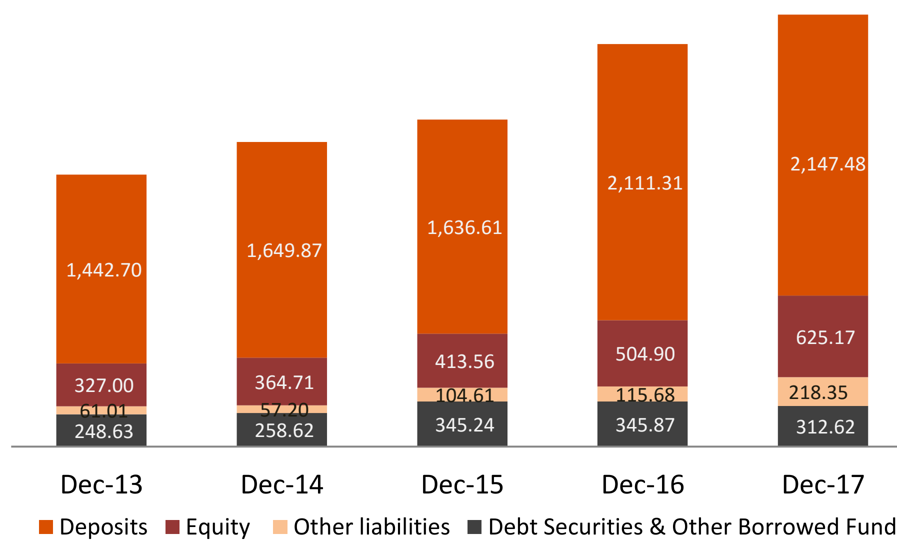
Loans, Deposits & Total Assets (₦'Bn)



Components of Asset Base (₦'Bn)



Diverse Funding Mix (₦'Bn)



Income Statement Snapshot - Group

Gross Earnings (₦'Bn)
1%
FY 2017 – 419.2
FY 2016 – 414.6

Profit Before Tax (₦'Bn)
21%
FY 2017 – 200.2
FY 2016 – 165.1

Profit After Tax (₦'Bn)
29%
FY 2017 – 170.5
FY 2016 – 132.3

Non-Interest Income (₦'Bn)
(40%)
FY 2017 – 91.9
FY 2016 – 152.1

Interest Income (₦'Bn)
25%
FY 2017 – 327.3
FY 2016 – 262.5

Operating Income (₦'Bn)
16%
FY 2017 – 324.1
FY 2016 – 278.8

Interest Expense (N'Bn)
20%
FY 2017 – 80.7
FY 2016 – 67.1

Operating Expense (N'Bn)
9%
FY 2017 – 123.3
FY 2016 – 113.7

Income Statement - Group

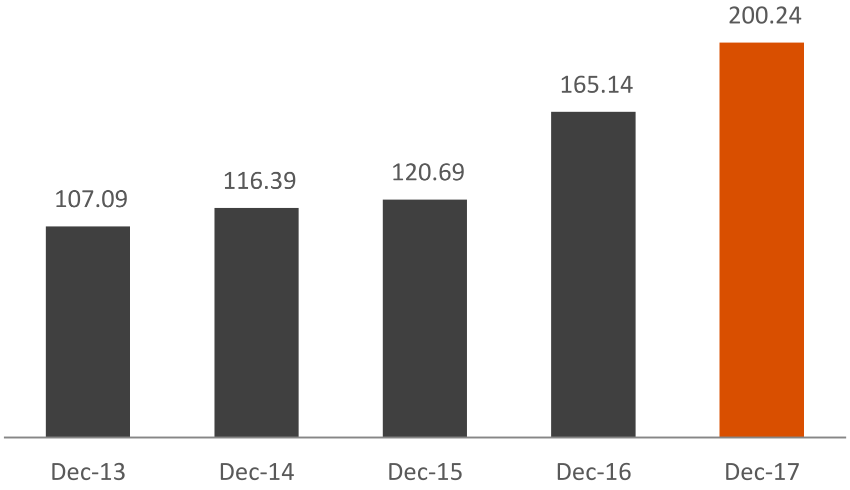
Income Statements	Group	Group	
In thousands of Naira	**Dec-2017**	**Dec-2016**	**% Change**
Gross Earnings	**419,226,271**	**414,615,587**	**1%**
Interest income	327,333,512	262,494,101	25%
Interest expense	(80,670,351)	(67,093,923)	20%
Net interest income	**246,663,161**	**195,400,178**	**26%**
Loan impairment charges	(12,169,120)	(65,290,310)	-81%
Net interest income after loan impairment charges	**234,494,041**	**130,109,868**	**80%**
Fee and commission income	42,921,857	39,403,171	9%
Fee and commission expense	(2,189,661)	(3,456,257)	-37%
Net fee and commission income	**40,732,196**	**35,946,914**	**13%**
Net gains on financial instruments classified as held for trading	11,338,819	5,218,451	117%
Other income	37,632,083	107,499,864	-65%
Net impairment loss on financial assets	(696,680)	-	
Personnel expenses	(32,832,341)	(29,453,465)	11%
Operating lease expenses	(1,596,413)	(1,375,228)	16%
Depreciation and amortization	(15,383,697)	(15,249,366)	1%
Other operating expenses	(73,445,988)	(67,560,577)	9%
Profit before income tax	**200,242,020**	**165,136,461**	**21%**
Income tax expense	(29,772,387)	(32,855,806)	-9%
Profit for the year	**170,469,633**	**132,280,655**	**29%**

PBT Evolution

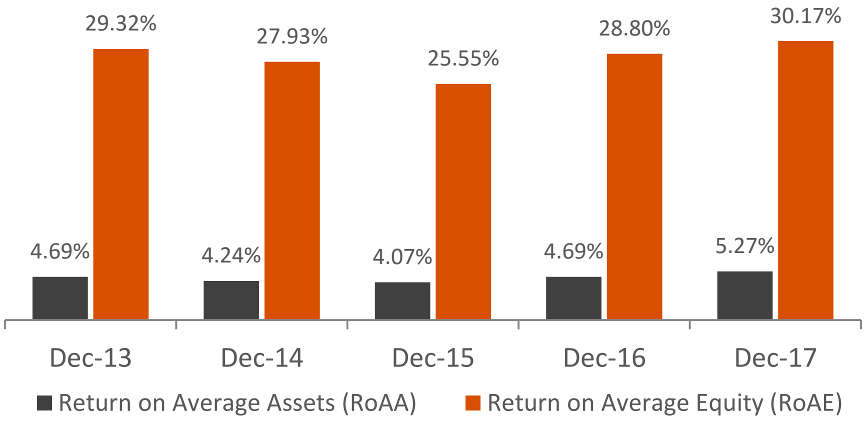
Robust FY 2017 PBT

- Strong growth in PBT driven largely by effective balance sheet management; with impressive returns from earning assets, complemented by growth in Fees and Commission income which was strong enough to offset the moderate growth in Cost of Funds & Operating Expenses.
- Consistent delivery of PBT guidance despite non-re-occurrence of huge FX revaluation gains of FY 2016. 24.7% growth in Funded income resulting from effective deployment of Funds towards high yielding assets was strong enough to offset the impact of the loss from revaluation gains and bolstered Gross earnings by 1.1% in 2017.
- Moderate growth of 20.2% in interest expense resulting from improved funding mix, winding down on expensive LCY and FCY funding sources amidst pressure on cost of funds occasioned by tightened system liquidity and customers' increased appetite for Treasury Bills investments. Interest Expense as a percentage of interest income improved by 100 bps to close at 24.6% from 25.6% in FY 2016.
- In spite of the decline in risk assets, fee and commission income improved by 8.9% from improved level of activity evidenced by growth in transactional volumes on the back of our strong retail franchise as well as improved innovation across all our electronic channels.
- Trading income was up 117.3% on the back of improved FX system liquidity and growth in Treasury Bills Trading volumes.
- Best in class in terms of cost to income ratio of 38.1%, continued testament to the efficiency of our cost curtailment strategies in-spite of increased regulatory cost and impact of cost push inflation. OPEX growth moderated at 8.5%.
- Moderate Loan impairment charges due to proactive stance of the Bank in FY 2016 when it created huge collective impairment reserves to act as a buffer against future credit losses.
- Subsidiaries' contribution improved by 50 bps to 8.7% from 8.2% in FY 2016, contribution was negatively impacted by N341.5m start-up loss posted by the new Subsidiary in Tanzania.
- Overall, the 21.3% growth in PBT came from core banking activities which is sustainable over medium to long term period. The PBT recorded also represents 121% achievement of the Bank's Guidance for 2017 with the Bank crossing the N200bn mark in Profitability for the first time.

PBT (₦'Bn)



Return on Assets and Equity



PBT Evolution Contd. – Depreciation and Other Operating Expenses

- The 8.5% growth in OPEX from N113.7Bn in 2016 to N123.2Bn in 2017 was largely from Increase in regulatory cost in Nigeria and 11.1% increase in Personnel expenses from N29.5Bn in 2016 to N32.8Bn in 2017 owing to salary reviews done in January 2017. There is less impact coming from the translation of subsidiaries' OPEX to presentation currency of the parent due to stability in exchange rate. We have presented other key drivers of OPEX in the table below.

In billions of Naira	Group Dec-2017	Group Dec-2016	Change (Y-o-Y)	% Change (Y-o-Y)
AMCON	13.100	11.400	1.700	14.9%
Deposit Insurance premium	7.900	6.000	1.900	31.7%
Other Insurance premium	1.800	1.300	0.500	38.5%
Occupancy Costs and Repairs & Maintenance	16.000	13.700	2.300	16.8%
Depreciation and Amortization	15.400	15.200	0.200	**1.3%**
Others	34.600	35.200	(0.600)	-1.6%
Total	**88.800**	**82.800**	**6.020**	**7.3%**

Key OPEX Drivers

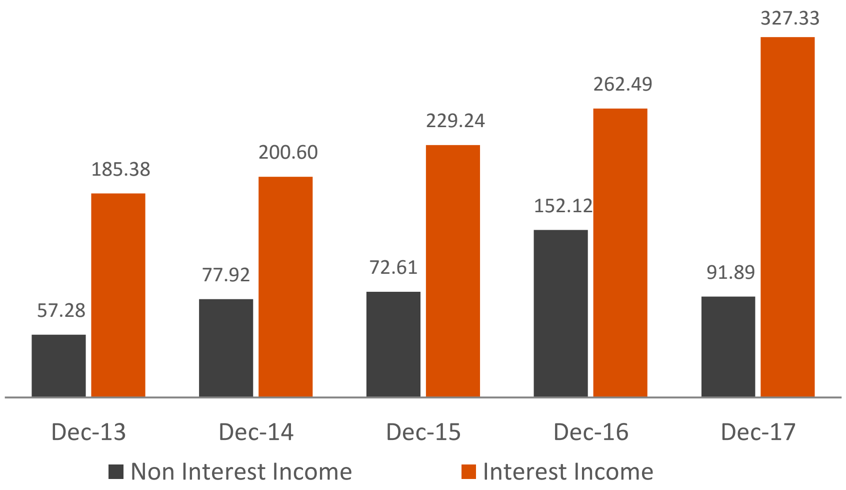
- Other key drivers of 8.5% growth in OPEX are Regulatory Cost (AMCON, Deposit & Other insurance premium), Depreciation and Occupancy costs as shown in the table above.
- N1.7Bn (14.9%) growth in AMCON expenses resulted from increase in total assets from ₦2.28tn in 2015 to ₦2.61tn in 2016 (AMCON charge is computed as 0.5% of total assets on a preceding year basis) at Bank level.
- Deposit and Other Insurance Premium grew by N1.9Bn (31.7%) & N0.5Bn (38.5%) YOY respectively. Deposit Premium is driven by growth in deposit volume (N1.68tn vs N1.42tn).
- Occupancy Cost and Repairs & Maintenance is the expense line that warehouses costs incurred on Fuel, Diesel, Electricity, Repairs and Maintenance. The reasons for the increase are incessant crises in down-stream sector resulting in Fuel price hike across geographical zones of Nigeria, hike in diesel price occasioned by increase in global price of crude oil as diesel cost is fully deregulated, 45% increase in electricity tariff and aggressive drive for revenue by State and Local Governments on water rates, tenement rates, land use charge etc. Repairs and maintenance cost increased as a consequence of inflation.
- Depreciation & Amortization expense increased as a result of the exchange rate difference on amortization expense at subsidiary level and also increase in Amortization expenses at Parent level due to capitalization of the treasury software solution in 2017.
- Other OPEX lines remained flat during the period as the Bank was able to curtail growth on expenses incurred on technology, training, corporate branding, advert, promotion, business travel, donations during the period.

Revenue Generation

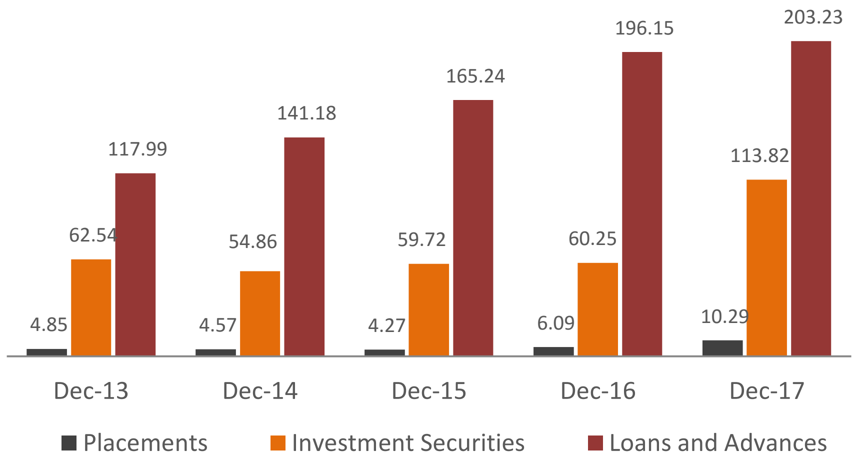
Strong Revenue

- Funded Income strengthened 24.7% on the back of :
  - Yield optimisation - benefitting from high yielding Treasury Bills as well as maintenance of appropriate Naira liquidity resulted in 88.9% and 68.9% growth in interest income earned on investment securities and placements respectively.
  - The full year impact of re-pricing of risk assets done in April and August 2016 occasioned by upward review of MPR led to 3.6% growth in the interest income earned on Loans and Advances in 2017.
- Non-Funded Income down by 39.6% due to:
  - Exchange rate stability with resultant 65% dip in Other Income line largely as a result of 70.7% and 83.9% drop in FX revaluation gain and Mark-Up income respectively. Naira devalued 6% in 2017 against marked devaluation of 57% in 2016.
  - On the upside, fees and commission income improved 8.9% as a result of 17% growth in volume of accounts turnover, increase in volume of e-banking transactions, which was aided by our drive to continuously create market leading payment capabilities as well as simple banking platforms for all our customers.

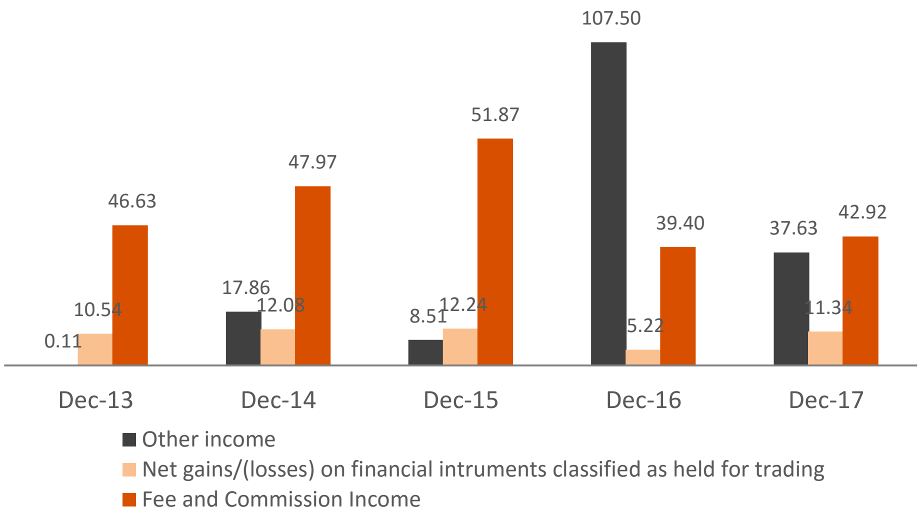
Revenue Mix (₦'Bn)



Interest Income (₦'Bn)



Non-Funded Income (₦'Bn)

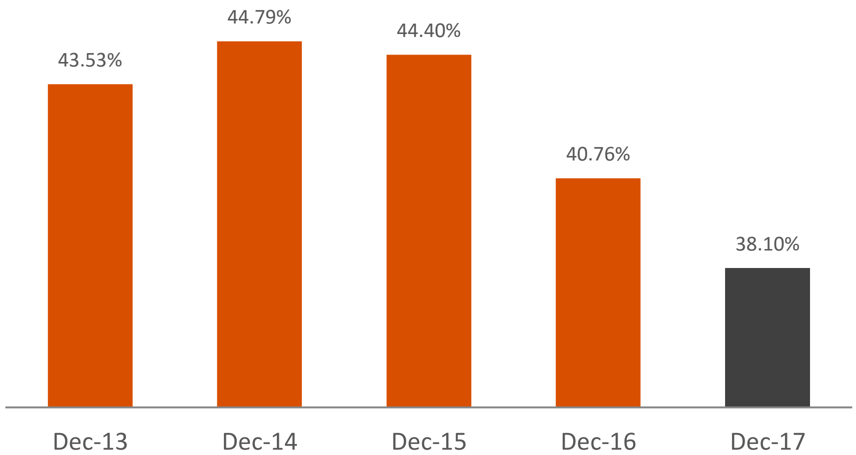


Effective Cost Management

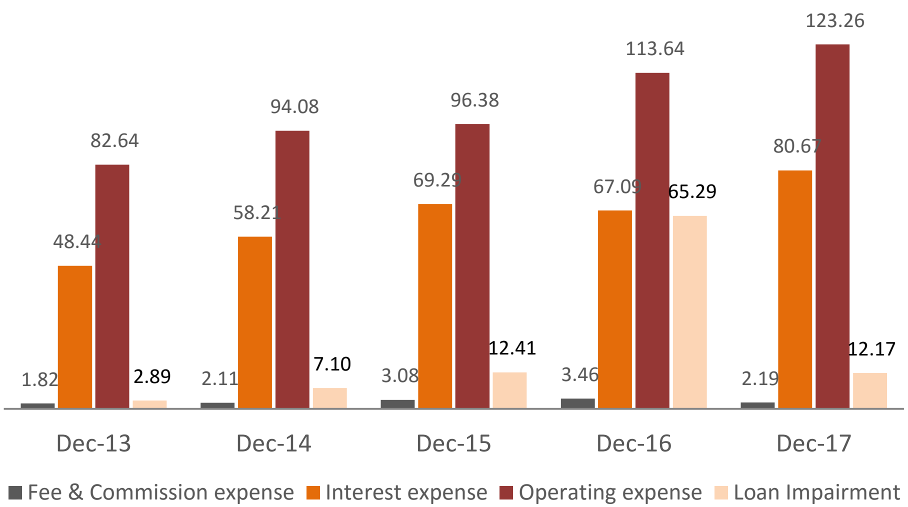
Cost Efficiency

- Sustained our distinctive cost containment model without hurting continuous investments in our people, technology, infrastructure and digital transformation. Cost to income hits an all time low of 38.1% and OPEX growth moderates to 8.5%, which is well below the Nigerian double digit inflation rate of 15.4% in December 2017.
- Cost efficiency also enhanced by continuous drive for stable and sticky low cost funding base which yielded results with low cost deposits mix improving by 290 bps to 82.3% in FY 2017 from 79.4% in FY 2016.
- Cost structure of other Funding sources helped complement gains recorded on Opex with resultant moderate growth in overall cost of funds by 36 bps to 3.2% in FY 2017 from 2.8% in FY 2016.
- Improved customer acquisition with customer base of 11.8m representing 10% Y-o-Y growth over 2016 also played vital role in the continued achievement of low cost deposit mix. The acquisition rests on our retail strategy.

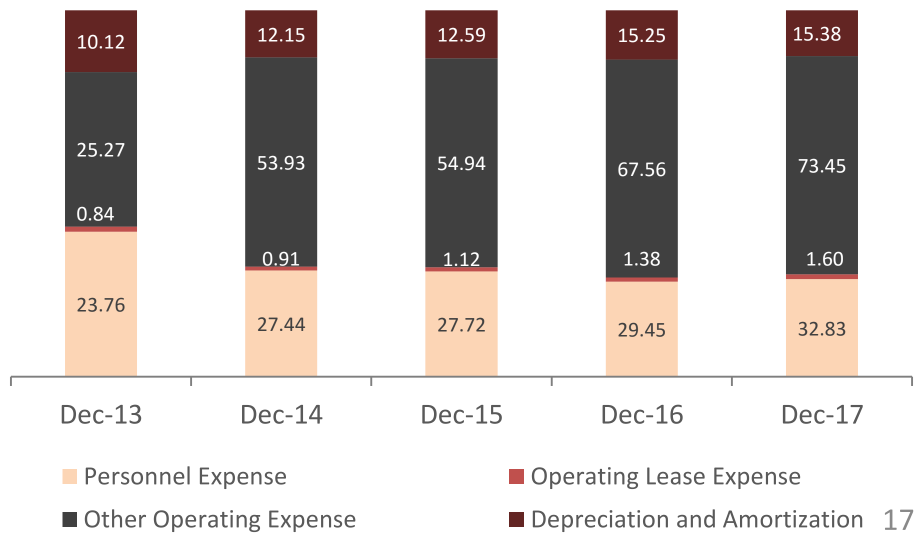
Cost to Income (CIR)



Overview of Expenses (₦'Bn)



Operating Expenses (OPEX) (₦'Bn)

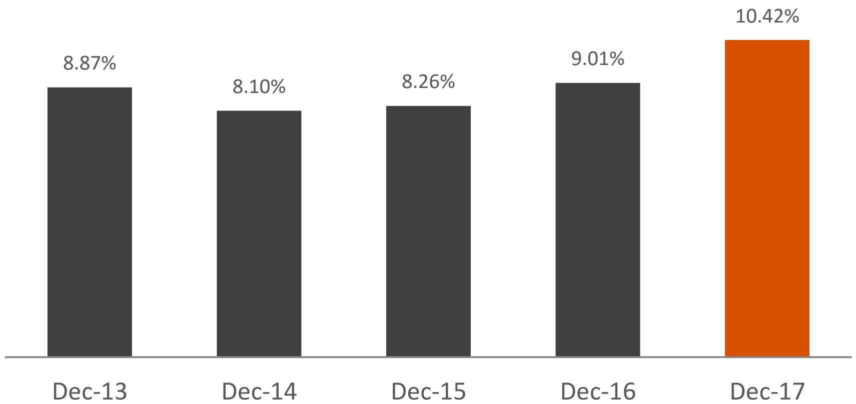


Margin Metrics

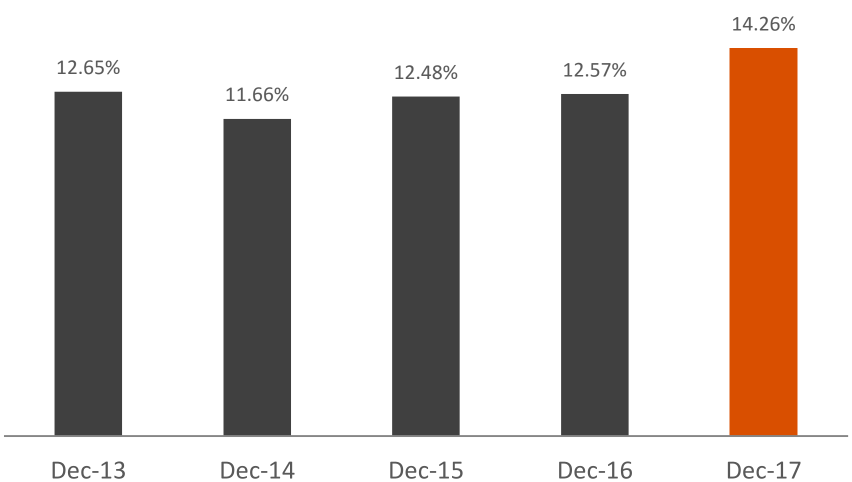
Sustained Competitive Margins

- NIM improved by 141 bps to 10.4% in FY 2017 from 9.0% in FY 2016 on the back of yield optimization and modest growth in cost of funds and reduced cost of risk.
- Asset yield improved by 169 bps from 12.6% in FY 2016 to 14.3% in 2017 as the Bank benefited from improved average yield on fixed income securities in 2017.
- The improved low cost deposit mix of 82.3% at the back of our strong retail franchise and tender offer of 30.8% of the outstanding US$400m Eurobond Liability in October 2017, led to marginal increase in COF in a high interest rate environment.
- Overall the strategy adopted ensured effective navigation of challenges posed by heightened pressure on industry's Cost of fund (COF) occasioned by increased appetite by Customers for Treasury bills.

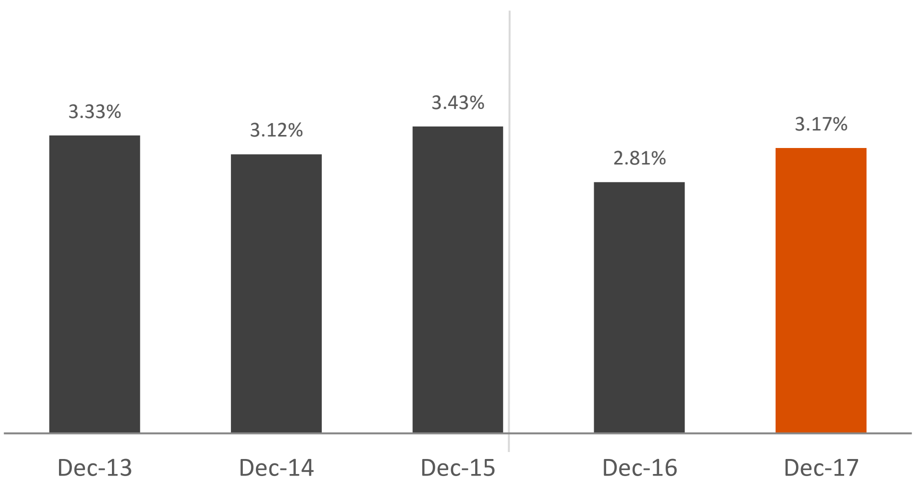
Net Interest Margin



Yields on Interest earning Assets



Cost of Funds

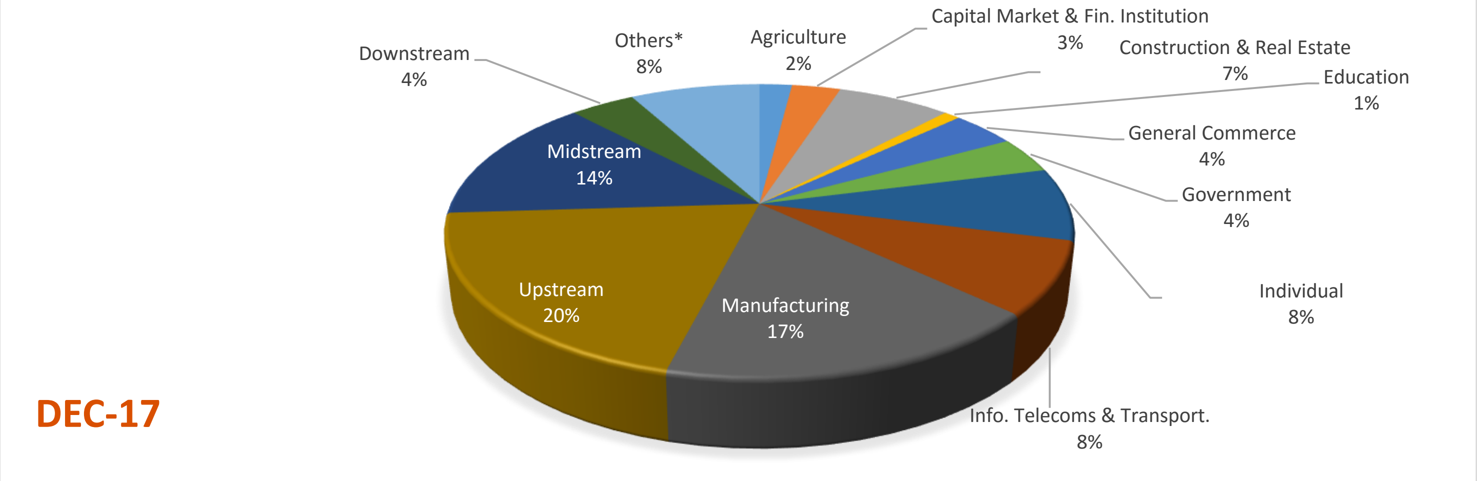


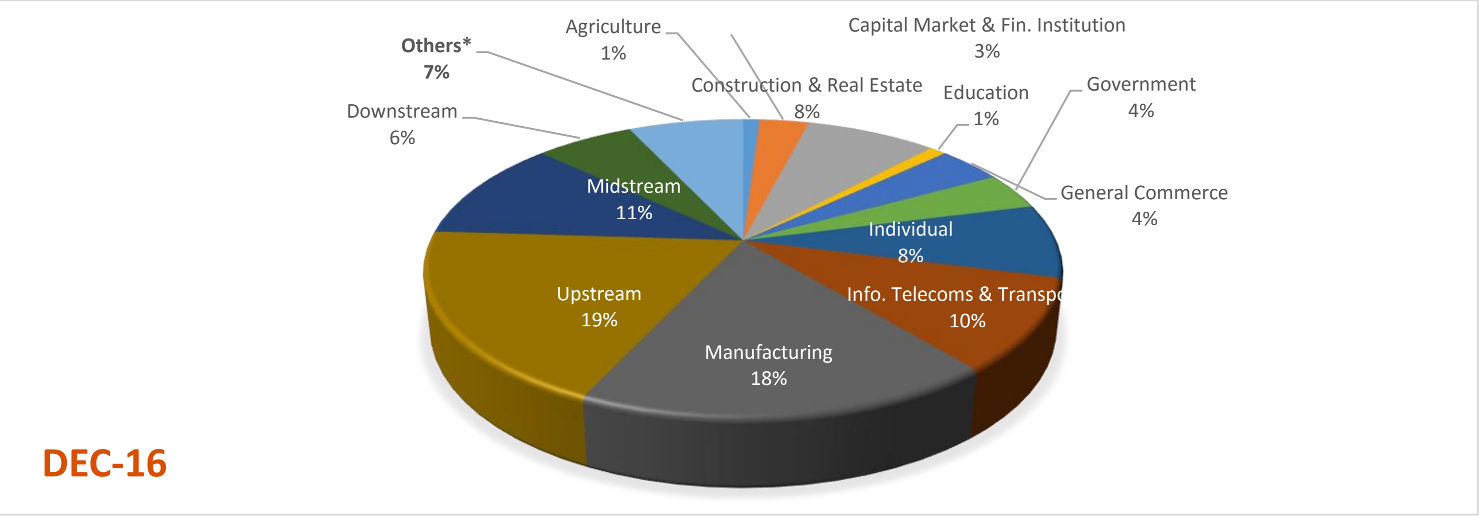
Risk Asset Mix

Asset Diversification

- Well diversified Loan Book with specific focus on top quality names across all the select business sectors / segments

Loans by Industry





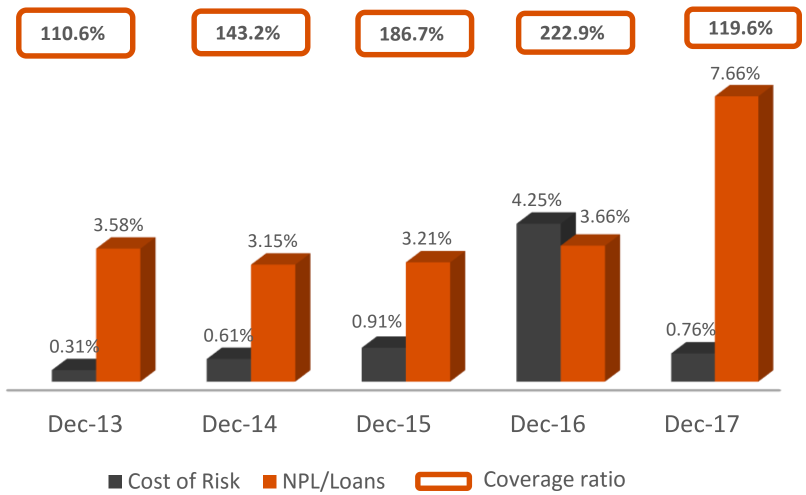
** Includes Engineering services, Hospitality, Clubs, co-operative societies etc.*

Asset Quality

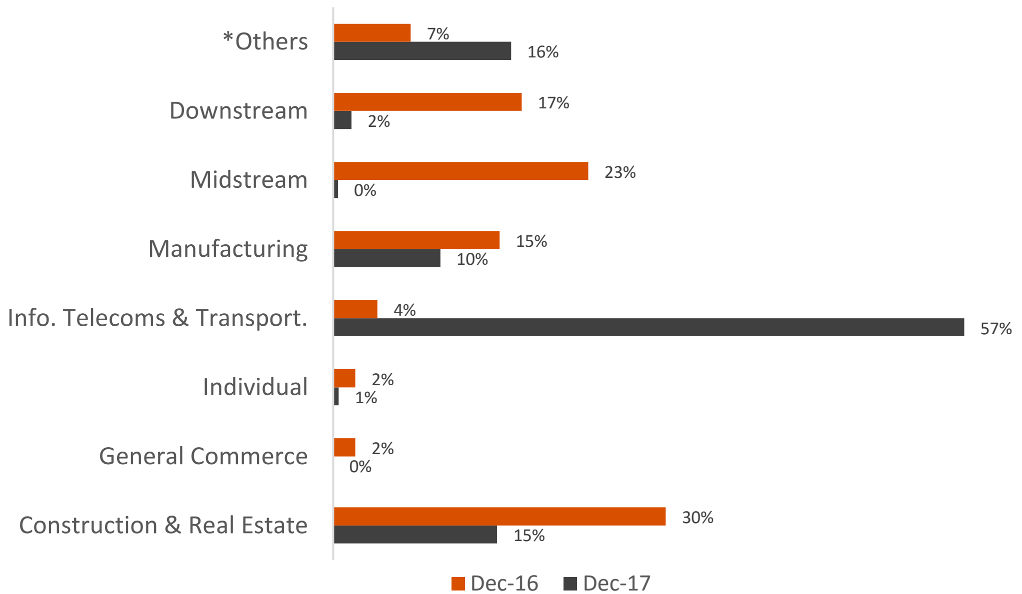
Asset Quality

- Asset Quality remains very strong.
- Heightened NPL in Telecoms is in accordance with Group's stance on strict compliance with applicable accounting standard which led to the classification of a single exposure within this sector. This classification also negatively impacted the overall NPL of the Group closing at 7.66%.
- Coverage for NPL stood at 119.6%, implying adequate provision is in place for the entire NPLs.

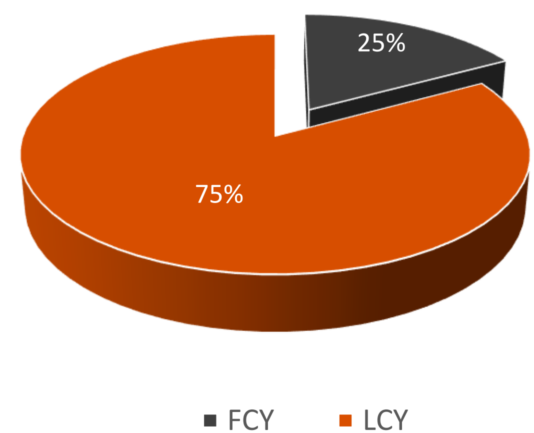
NPL and Coverage



NPL by Industry



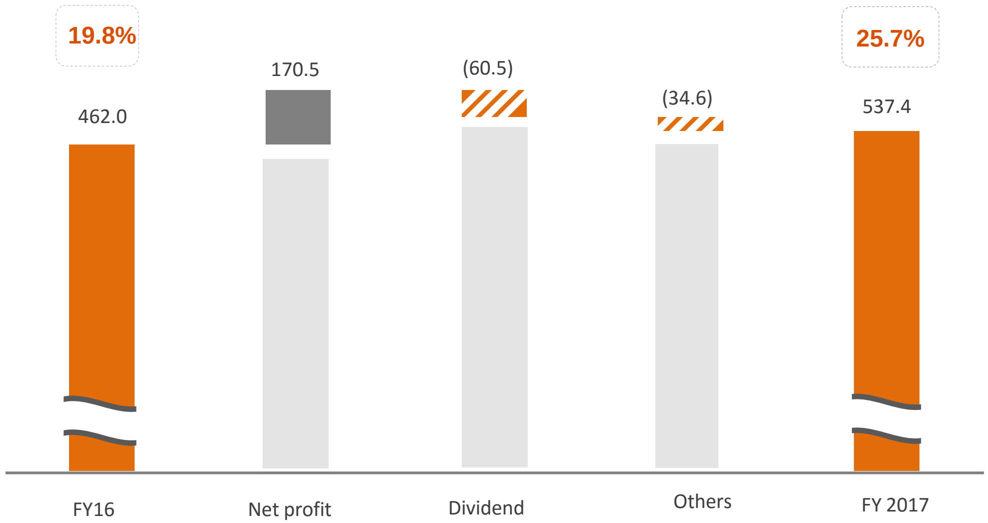
NPL by Currency



** Includes Engineering services, Hospitality, Clubs, co-operative societies etc.*

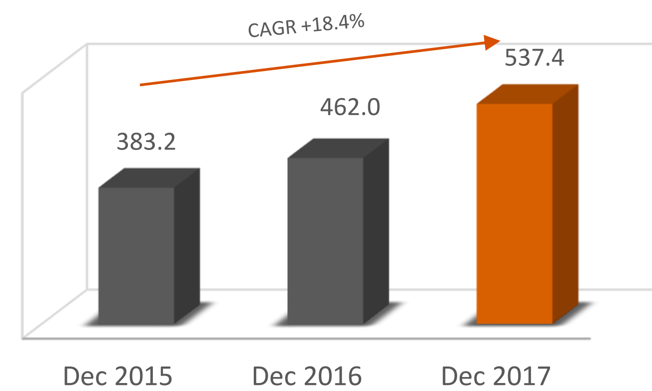
Strong Capital Ratios – Group and Parent

- The Group remains appropriately capitalized with CAR of 25.7% which is well above regulatory requirement of 15% (16% for DSIB).
- Tier 1 remained a very significant component of the capital adequacy ratio of the group at 24.9% which represents 96.8% of CAR.



Figures in ₦ 'bn

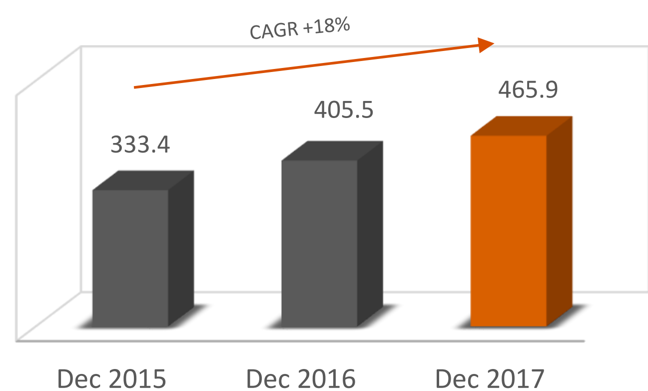
Regulatory Capital (Group) - Tier 1 & 2 (₦'Bn)



Capital Adequacy Computation (Basel II)

	Group		Parent	
In Millions of Naira	**Dec.17**	**Dec.16**	**Dec.17**	**Dec.16**
Net Tier 1 Capital	521,707	454,039	460,986	406,527
Net Tier 2 Capital	15,740	7,971	4,888	(1,001)
Total Regulatory Capital	**537,448**	**462,010**	**465,874**	**405,526**
Risk-Weighted for Credit Risk	1,626,093	1,913,051	1,453,392	1,700,023
Risk-Weighted for Operational Risk	458,408	416,735	371,127	347,267
Risk-Weighted for Market Risk	8,582	5,364	2,765	1,798
Aggregate Risk-Weighted Assets	**2,093,083**	**2,335,150**	**1,827,284**	**2,049,088**
Capital Adequacy				
Tier I Risk-Weighted Capital Ratio	24.93%	19.44%	25.23%	19.84%
Tier II Risk-Weighted Capital Ratio	0.75%	0.34%	0.27%	-0.05%
Total Risk-Weighted Capital Ratio	**25.68%**	**19.79%**	**25.50%**	**19.79%**

Regulatory Capital (Parent) - Tier 1 & 2 (₦'Bn)



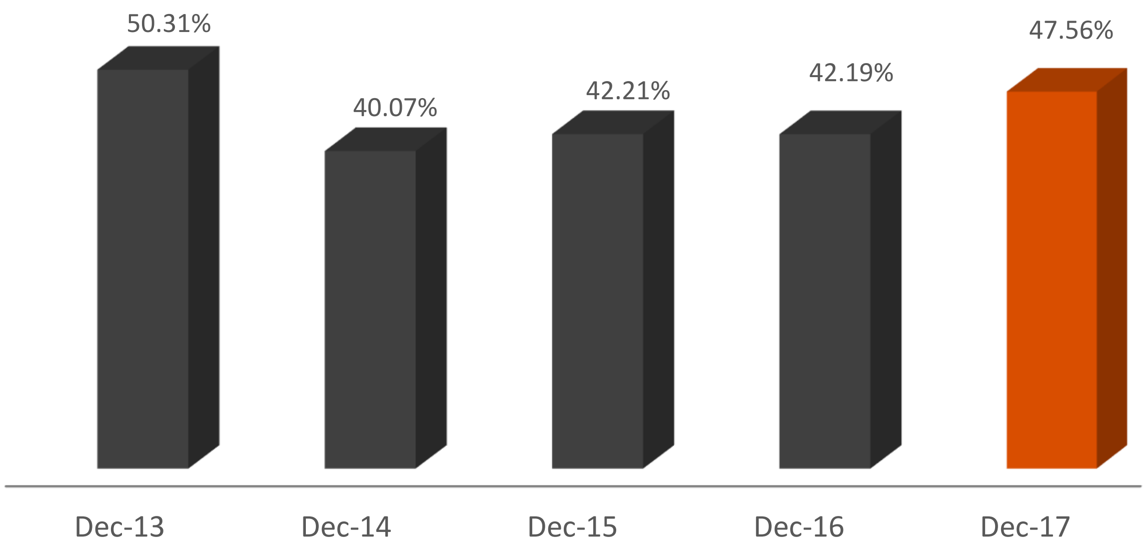
Liquidity Ratio

Strong Liquidity Position

- Liquidity Ratio at 47.56% in December 2017 (December 2016: 42.19%) well above regulatory minimum of 30% despite the constant pressure on customers’ deposits and regulatory tightening.

- Average Liquidity position for the FY 2017 period came in at 47.22%

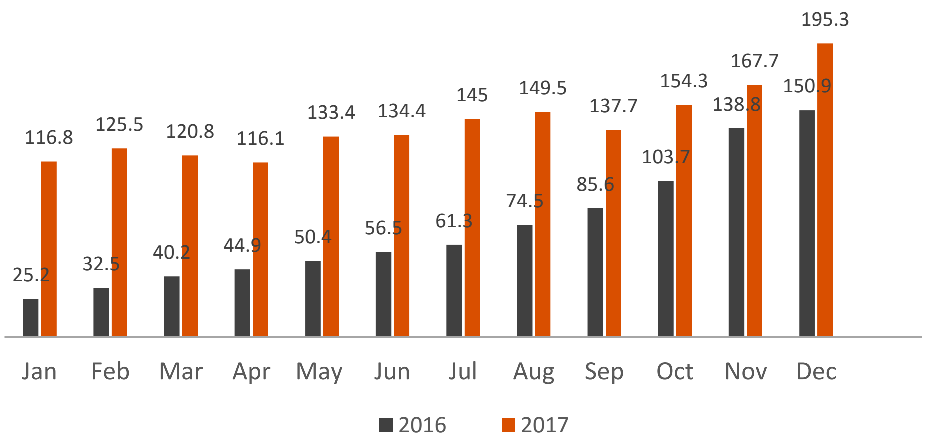
Liquidity Trend



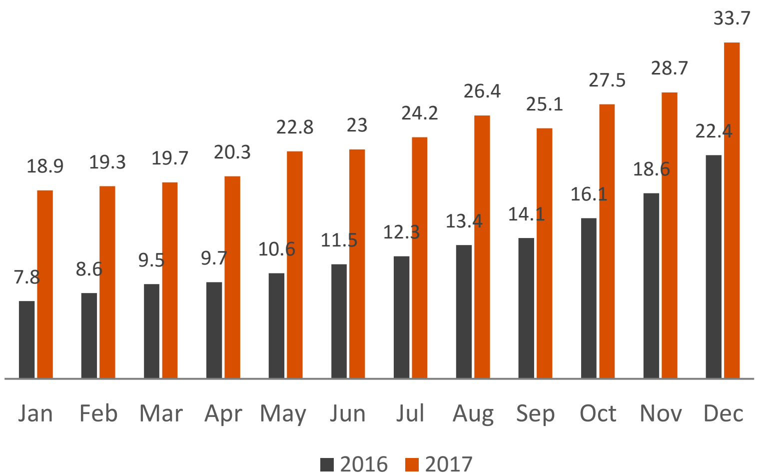
Digital Banking and USSD Banking Performance

- Continuous growth in the level of adoption of digital banking both in volume and value.
- Active USSD Customer base grew by 63% y-o-y from 1.9 million in FY 2016 to 3.1 million unique customers in FY 2017.

USSD Value (in billions of Naira)



USSD Volume (in millions)

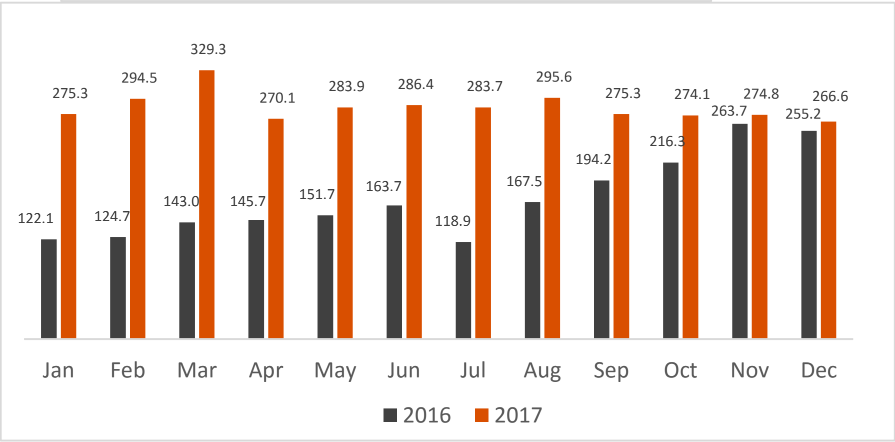


Total Value in 2016 – ₦864.5 billion
Total Value in 2017 – ₦1,695.5 billion
% Growth (y-o-y) – 96.1%

Total Volume in 2016 – 154.6 million
Total Volume in 2017 – 289.6 million
% Growth (y-o-y) – 87.3%

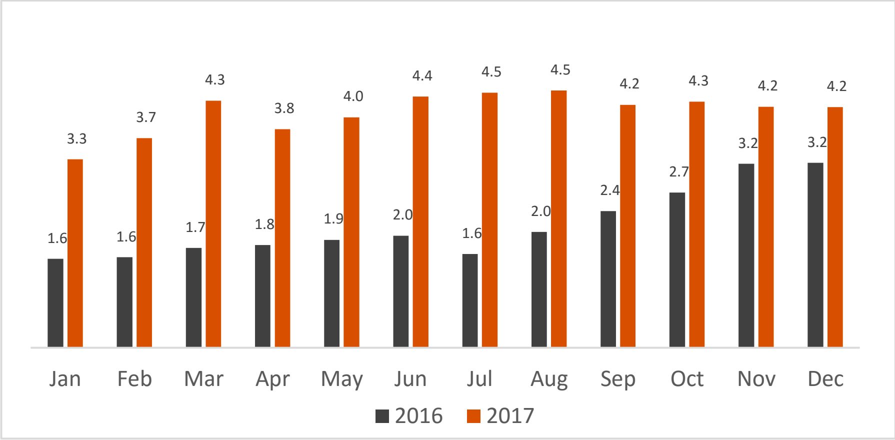
Digital Banking and USSD Banking Performance Contd.

Mobile Banking (Value in Billions of Naira)



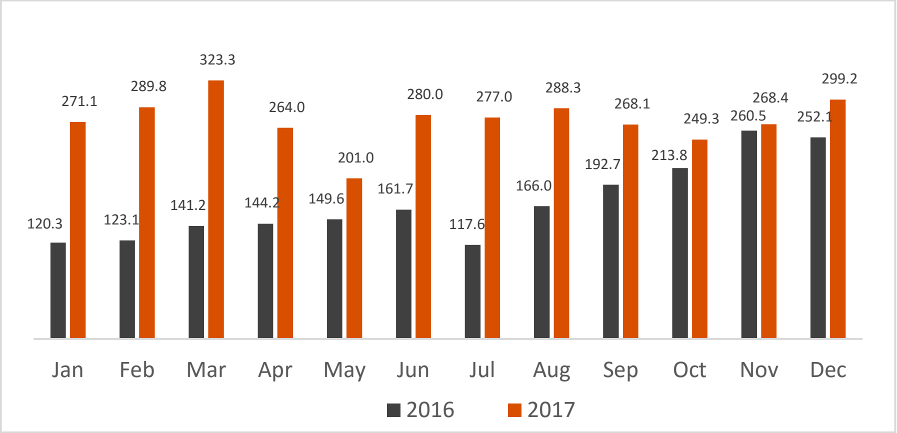
Total Value in 2016 – ₦2,066.8 billion
Total Value in 2017 – ₦3,409.8 billion
% Growth (y-o-y) – 65.0%

Mobile Banking (Volume in Millions)



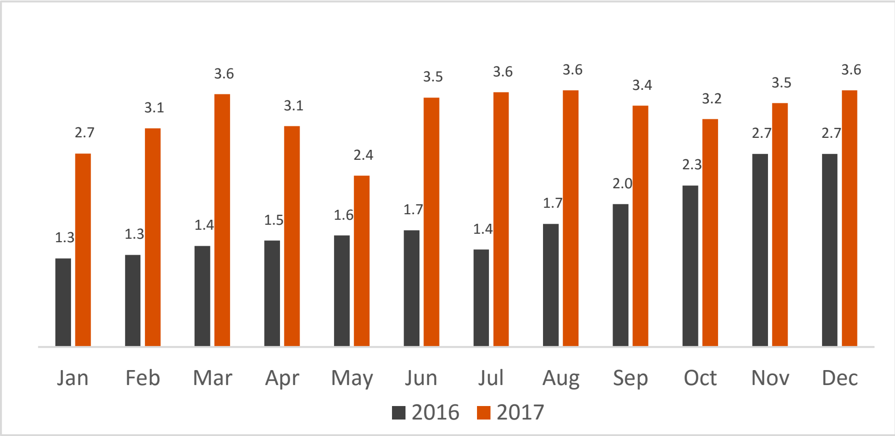
Total Volume in 2016 – 25.8 million
Total Volume in 2017 – 49.5 million
% Growth (y-o-y) – 92.1%

Internet Banking (Value in Billions of Naira)



Total Value in 2016 – ₦2,042.8 billion
Total Value in 2017 – ₦3,278.7 billion
% Growth (y-o-y) – 60.5%

Internet Banking (Volume in Millions)



Total Volume in 2016 – 21.7 million
Total Volume in 2017 – 39.6 million
% Growth (y-o-y) – 82.4%

Business Segments and Subsidiary Review

Business Segmentation (Group) – FY 2017

	Description	Key figures	Loans	Deposits	PBT
Institutional and Wholesale	• Multinationals and large corporates (turnover ₦5bn) • Comprises five sectors: • Energy • Telecoms • Maritime • Wholesale Banking • Corporate Banking	Over 700 Customers • **Loans** – ₦1,047.7bn • **Deposits** - ₦537.0bn • **PBT** – ₦145.1bn	**72.3%** (FY 2016: 72.4%)	**26.0%** (FY 2016: 24.2%)	**72.7%** (FY 2016: 70.7%)
Commercial	• Middle market companies (turnover between ₦500mm and ₦5bn) • Extensive product range: tailor-made solutions and flexibility • Customized e-commerce solutions	Over 100,000 Customers • **Loans** – ₦186.3bn • **Deposits** – ₦325.6bn • **PBT** – ₦12.7bn	**12.9%** (FY 2016: 12.0%)	**15.8%** (FY 2016: 16.0%)	**6.4%** (FY 2016: 5.8)
SME	• Small and medium enterprises (turnover under ₦500mm) • Products tailored to cater to small, fledgling and other types of fairly unstructured businesses	Over 550,000 Customers • **Loans** – ₦24.8bn • **Deposits** – ₦221.0bn • **PBT** – ₦3.7bn	**1.7%** (FY 2016: 1.4%)	**10.7%** (FY 2016: 10.6%)	**1.9%** (FY 2016: 1.5%)
***Retail**	• Deposit drive focus for retail customer-base • Rapidly developing business line • 218 branches, 48 GTExpress, 17 e-branches & 1,192 ATMs • Extensive leverage of all distribution channels	Over 11 mil. Customers • **Loans** – ₦131.5bn • **Deposits** – ₦958.0bn • **PBT** – ₦36.0bn	**9.1%** (FY 2016: 10.3%)	**46.5%** (FY 2016: 47.6%)	**18.0%** (FY 2016: 21.2%)
Public Sector	• Focus on: • Federal government • State governments • Local governments and customers • Active in all government segments	All tiers of government (over 80,000 Customers) • **Loans** – ₦58.3bn • **Deposits** – ₦20.4bn • **PBT** – ₦2.1bn	**4.0%** (FY 2016: 3.9%)	**1.0%** (FY 2016: 1.5%)	**1.0%** (FY 2016: 0.9%)

** Drop in Retail contribution to PBT resulted from normalization of the earnings from this business segment due to non-recurrence of the FX component of the e-business income.*

Geographical Presence – FY 2017

GTB UK

- Established in 2008
- 100% owned by parent
- 1 branch
- ₦9.6bn invested by parent
- FY 2017 PBT: ₦926.07mm
- ROE: 6.8%

GTB Gambia

- Established in 2002
- 77.81% owned by parent
- 16 branches
- ₦574.28mm invested by parent
- FY 2017 PBT: ₦1.63bn
- ROE: 26.1%

GTB Sierra Leone

- Established in 2002
- 84.24% owned by parent
- 15 branches
- ₦594.11mm invested by parent
- FY 2017 PBT: ₦2.92bn
- ROE: 30.7%

GTB Liberia

- Established in 2009
- 99.43% owned by parent
- 8 branches
- ₦1.95bn invested by parent
- FY 2017 PBT: ₦1.77bn
- ROE: 25.3%

GTB Cote D'Ivoire

- Established in 2012
- 100% owned by parent
- 4 branches
- ₦5.08bn invested by parent
- FY 2017 PBT: ₦144.5m
- ROE: 2.8%

GTBank plc

- Parent Company
- Established in 1991
- 218 branches, 17 e-branches & 48 GTExpress
- ₦584bn in SHF (Parent)
- FY 2017 PBT: ₦186.20bn (Parent)
- ROE: 30.4% (Parent)

GTB Kenya

- Acquired in 2013
- 70% owned by parent
- 9 branches
- ₦17.13bn invested by parent
- FY 2017 PBT: ₦1.05bn
- ROE: 3.3% (Parent : 2.5%)

GTB Uganda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 8 branches
- ROE: 0.3%

GTB Rwanda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 13 branches
- ROE: 8.1%

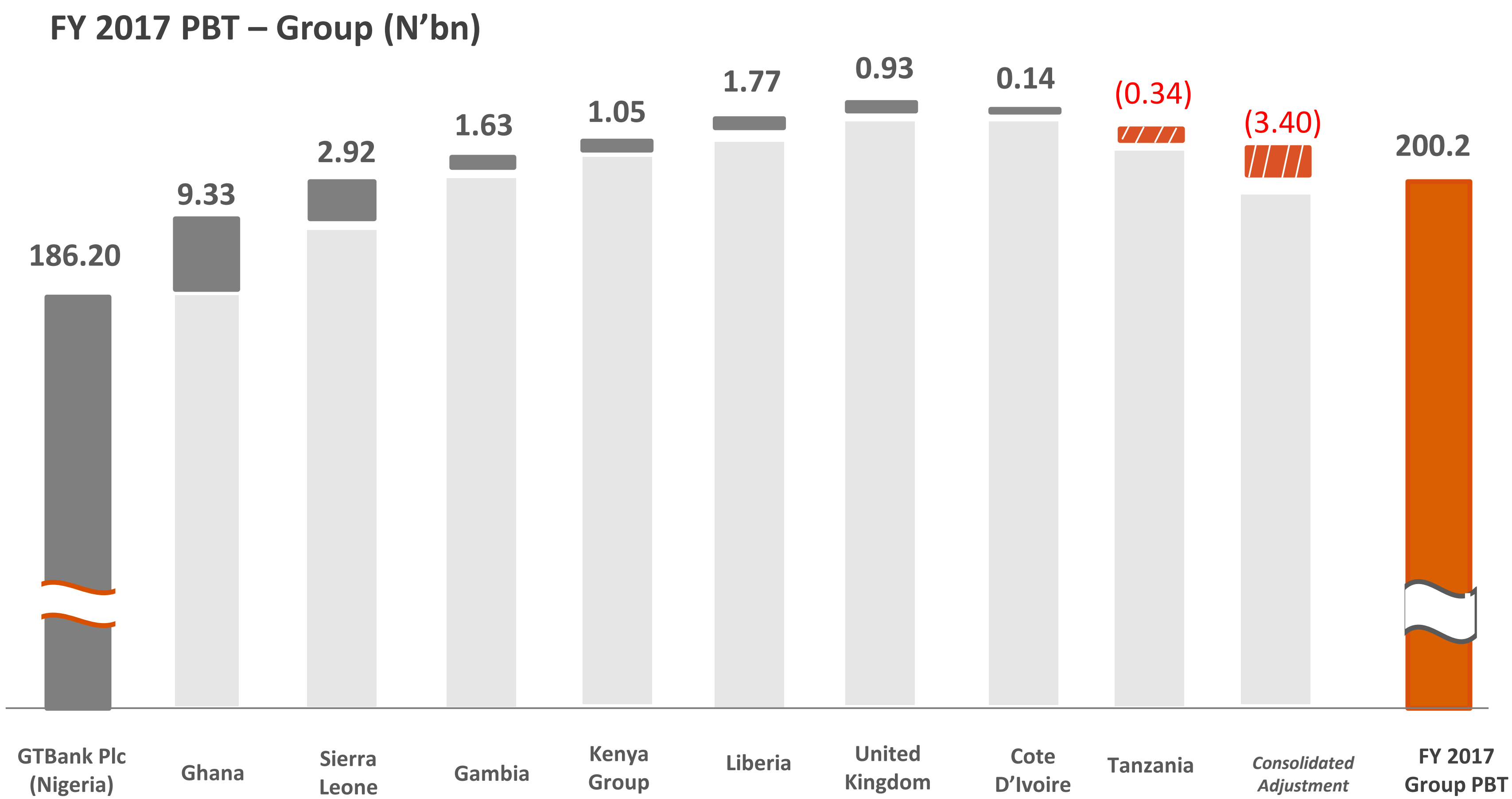
GTB Tanzania

- Established in Dec. 2017
- 70% owned by Parent
- 1 branches
- ₦2.24bn invested by parent
- FY 2017 PBT: (₦341.52mm)
- ROE: (23.0%)

GTBank Ghana

- Established in 2006
- 97.97% owned by parent
- 34 branches
- ₦9.04bn invested by parent
- FY 2017 PBT: ₦9.33bn
- ROE: 27.9%

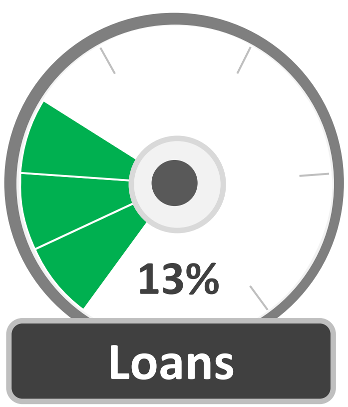
Group PBT Breakdown



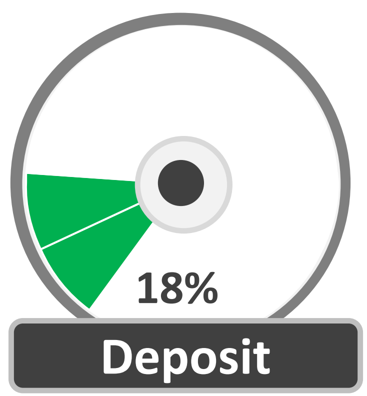
Parent and Subsidiary Highlights

Millions of Naira	Assets			Loans			Deposit			PBT		
	FY 2017	FY 2016	% Change	FY 2017	FY 2016	% Change	FY 2017	FY 2016	% Change	FY 2017	FY 2016	% Change
Cote D'Ivoire	18,350	13,171	39%	6,924	5,624	23%	12,053	6,869	75%	144	(414)	-135%
Gambia	35,086	41,647	-16%	5,005	6,104	-18%	28,812	23,792	21%	1,629	1,581	3%
Ghana	140,581	114,938	22%	29,743	46,602	-36%	110,066	82,642	33%	9,327	7,145	31%
Kenya Group	129,080	122,680	5%	65,895	59,255	11%	88,485	82,876	7%	1,047	1,668	-37%
Liberia	36,523	30,894	18%	24,565	14,571	69%	27,483	22,335	23%	1,769	820	116%
Sierra Leone	37,883	37,398	1%	13,870	14,281	-3%	27,097	30,113	-10%	2,916	2,432	20%
Tanzania	3,036	-		-	-		-	-		(342)	-	0%
United Kingdom	204,772	148,405	38%	37,988	27,852	36%	70,535	56,501	25%	926	352	163%
Nigeria	2,824,929	2,613,340	8%	1,265,972	1,417,218	-11%	1,697,561	1,681,185	1%	186,205	154,005	21%
* Grand Total	3,351,097	3,116,393	8%	1,448,533	1,589,430	-9%	2,062,048	1,986,246	4%	200,242,020	165,136,461	21%

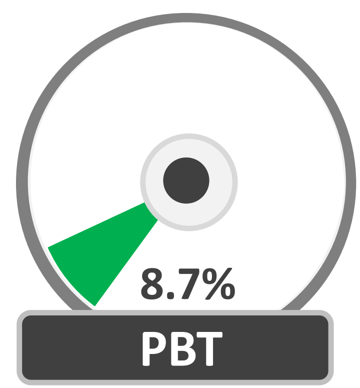
% Contribution of Subsidiaries to Group



FY 2016 – 11 %



FY 2016 – 15%



FY 2016 – 8.2%

post elimination entries

Non-Financial Highlights for FY 2017

EMPLOYEES

6,459
Employees

55% Male | 45% Female

96%
of employee received training in FY 2017

CUSTOMERS

11.8MM
Customers

17
E-Branches

287MM+
Unique Transactions

327
International Branch Network

1,192
Automated Teller Machines

48
GT Express Locations

RATINGS

FitchRatings B+

S&P Global Ratings B

SHAREHOLDERS

328,383
Shareholders

603Kobo
EPS

No 1
In Market Capitalization (Bank) and Best in Class Returns

ACCOLADES

- Best private banking services overall
- Net-worth-specific services
- Commercial Banking Capabilities
- Best Deposit Service
- Best Retail Payment in Nigeria
- Best Corporate Governance – Financial Services – Africa
- 2017 CEO of the Year
- African Bank of the Year
- Nigeria's Best Bank
- Best Bank for SMEs in Africa
- Best Digital Bank
- Best Banking Group Nigeria

COMMUNITIES

747 | 21
Schools participated in the 2017 edition of the Principals' and Masters cup

276
Children benefited from the annual autism child assessment and conference

72
University undergraduates benefitted from the GTCrea8 eSavers Scholarshiip in the six geo-political zones of Nigeria

GTBANK FSHN WKND
60,000+
Participants
83+
Vendors

GTBANK FOOD AND DRINK
120,000+
Participants
133+
Vendors

2018 Guidance

FY 2018 Guidance

	FY 2017 Achievement	FY 2018 Guidance
PBT	₦200bn	₦205bn
Deposit growth	4%	12%
Loan growth	(9%)	10%
Coverage (with Reg. Risk Reserve)	119.6%	Above 100%
Cost of Risk	0.8%	Under 1%
NPL to Total Loans	7.7%	Below 5%
Return on average Assets	5.3%	Above 5%
Return on average Equity	30.2%	Above 25%
Loans to Deposits and Borowings	58.9%	70%
Liquidity	48.5%	40%
Capital Adequacy Ratio	25.7%	22%
Cost to Income	38.1%	40%
Net Interest Margin	10.4%	9%

Disclaimer

This presentation is based on Guaranty Trust Bank Plc (“**GTBank**” or “**Bank**”)’s audited financial results for the full year ended December 31, 2017 prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (IASB). 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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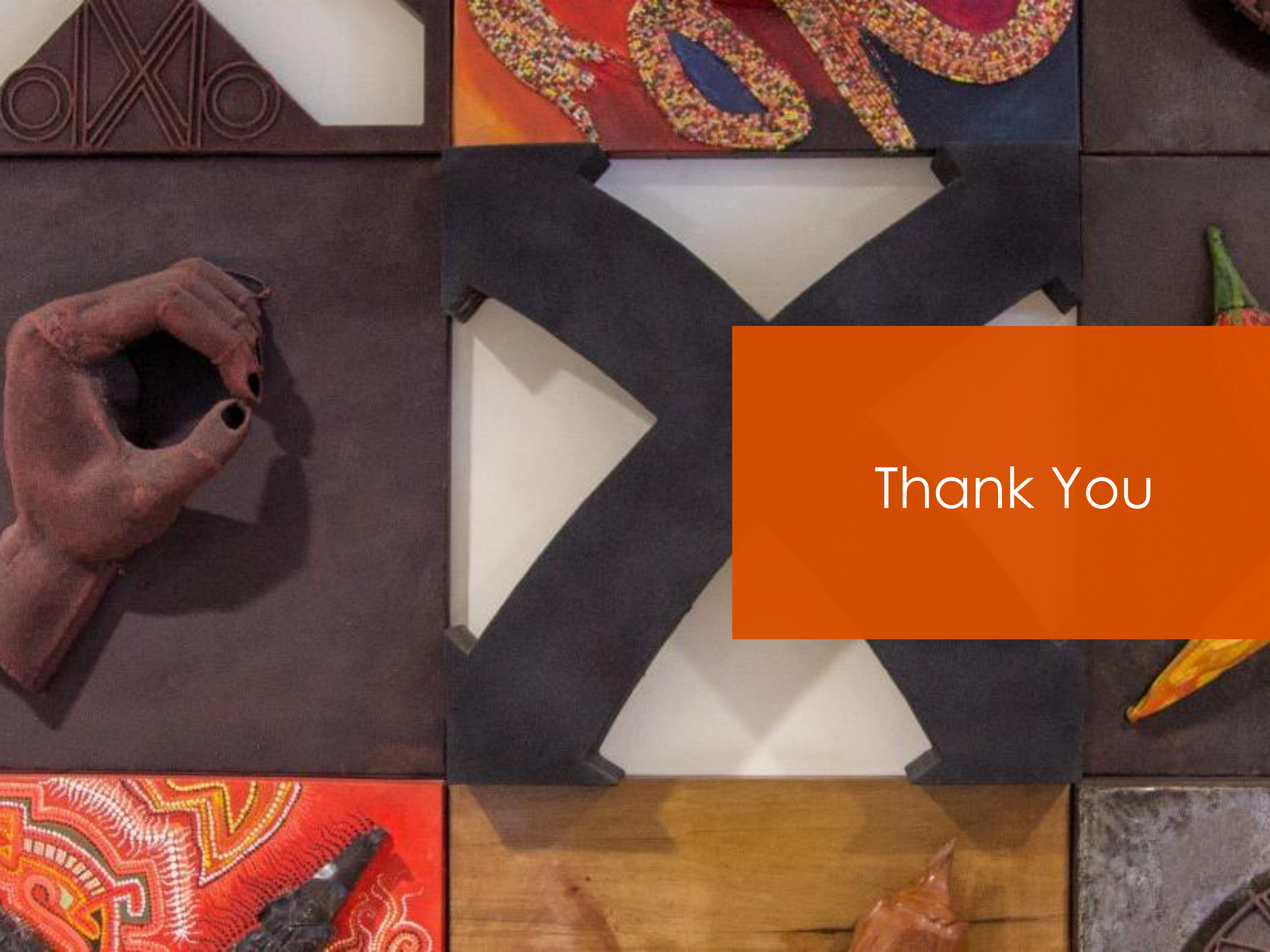

Thank You