

GTB Finance B.V.
Amsterdam

Semi-annual accounts
for the six months ended 30 June 2016

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Report of the management

The Management herewith presents to the shareholder the semi-annual accounts of GTB Finance B.V. ("the Company") for the six months ended 30 June 2016.

General

The Company is a private company with limited liability incorporated under the laws of The Netherlands and acts as a finance company. The sole shareholder is Guaranty Trust Bank Plc, based in Lagos, Nigeria. The most significant of the Company's finance activities is the issuance of Notes which are currently listed on the London Stock Exchange and the proceeds of the Note issuance are on lend to its shareholder.

Overview of activities

In July 2008, the Company established a Global Medium Term Note Programme (guaranteed by the shareholder), with a programme limit of USD 2 billion.

The USD 500 million loan matured on May 15, 2016.

The Company's sole business activity is the issuance of USD 400 million bonds due 2018 under the Global Medium Term Note Programme. It is intended for the Company to be replaced by Guaranty Trust Bank plc as Issuer under the Programme and the USD 400 million bonds due 2018. The process to effectuate said substitution has commenced and finalization thereof is currently pending on receipt of approval from the regulator in Nigeria. As management does not expect any new activities to be undertaken by the Company, it intends to enter it into voluntary liquidation as soon as the Company's replacement as Issuer has been completed.

On May 27, 2016 Intertrust (Netherlands) B.V. resigned as managing director of the Company.

Results

The net asset value of the Company as at 30 June 2016 amounts to USD 6,473,120 (31 December 2015: USD 8,188,935).

The result for the six months ended 30 June 2016 amounts to a loss of USD 1,715,815 (2015: USD 942,885 profit).

Audit committee

The Company is a so-called Public Interest Entity ("Organisatie van Openbaar Belang") which requires the establishment of an Audit committee. The Company however makes use of an exemption regulation whereby the Parent Company's audit committee fulfills the required tasks.

Liquidity and capital resources

The cash balances and shareholder's equity have decreased due to a loss for the six months ended 30 June 2016.

Both are considered sufficient in view of the nature of the Company's business.

The Company has a positive working capital.

Financial instruments

Financial instruments include Notes payable to third parties and loans receivable from group companies, cash items, and other receivables and payables. No derivative financial instruments are being used. Financial instruments are not being held for trading and or speculating purposes.

The credit risk associated with the financial instruments is considered negligible, despite the elevated concentration of the risk on the parent company, due to the fact that the Notes are of limited recourse and the credit risk is transferred from the Company to the Noteholders.

The liquidity risk is as well considered negligible, as the maturities of the Notes and of the Loans is the same.

Furthermore, market risk is considered negligible due to the following:

Foreign exchange exposure is minimized by covering each new loan in a foreign currency with a new credit line in that currency or a new forward contract of the same amount. Currently all Notes payable and loans receivable are denominated in United States Dollars. The fx risk of the Company is minimal, because the only amounts in currencies different than USD are the cash and the receivable amounts.

The interest rate risk is negligible because the interest rates on the assets and Notes are fixed.

Due to the limited operations of the Company, management is of the opinion that the operational risk is negligible.

The Company is not subject to externally imposed capital requirements.

The Company did not make use of any derivatives during the six months ended 30 June 2016

GTB Finance B.V., Amsterdam.

Staff numbers and employment costs

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor in the previous year.

Future outlook

Management is considering the option for unwinding the Company within the next couple of months.

Subsequent events

No events have occurred since balance sheet date that would change the financial position of the Company and which would require adjustments of or disclosure in the semi-annual accounts now presented.

Management representation statement

Management declares that, to the best of their knowledge, the semi-annual accounts prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the report of management includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties it faces.

Amsterdam, 18 August 2016

J.K.O. Agbaje

Balance sheet as at 30 June 2016

(Before the proposed appropriation of the result and expressed in US Dollars)

	Notes	30-06-2016 USD	31-12-2015 USD
Non current assets			
Financial fixed assets			
Loan to shareholder	1	400,651,897	400,014,304
<i>Total non current assets</i>		400,651,897	400,014,304
Current assets			
Financial fixed assets			
Loan to shareholder	1	0	501,101,784
Debtors			
Amounts due from shareholder	2	7,420,103	11,674,472
Cash	3	0	4,829
<i>Total current assets</i>		7,420,103	512,781,085
Current liabilities			
Notes payable	8	0	499,194,456
Taxation	4	9,923	15,883
Amounts due to shareholder	5	678,312	608,768
Amounts due to third parties	6	3,456,522	7,821,428
Accruals and deferred income	7	65,146	82,427
<i>Total current liabilities</i>		4,209,903	507,722,962
Current assets less current liabilities		3,210,200	5,058,123
Total assets less current liabilities		403,862,097	405,072,427
Non current liabilities			
Notes payable	8	397,388,977	396,883,492
<i>Total non current liabilities</i>		397,388,977	396,883,492
Net asset value		6,473,120	8,188,935
Capital and reserves			
Share capital	9	20,025	19,624
Share premium		2,608,001	2,608,001
Translation reserves		3,843	4,244
Other reserves		5,557,066	4,614,181
Unappropriated results		(1,715,815)	942,885
<i>Total capital and reserves</i>		6,473,120	8,188,935

The accompanying notes form an integral part of these financial statements.

Profit and loss account for the six months ended 30 June 2016

(Before the proposed appropriation of the result and expressed in US Dollars)

	Notes	30-06-2016 USD	30-06-2015 USD
Finance activities			
Interest income on loans to shareholder	10	27,735,220	34,578,123
Interest expenses on Notes payable	11	(27,696,122)	(32,069,996)
<i>Result finance activities</i>		39,098	2,508,127
Other financial income and expenses			
Currency exchange rate differences	12	(8,073)	50,337
<i>Total other financial income and expenses</i>		(8,073)	50,337
Other income and expenses			
Withholding taxes	13	(1,703,780)	(2,042,357)
General and administrative expenses	14	(43,060)	(30,938)
<i>Total other income and expenses</i>		(1,746,840)	(2,073,295)
Result before corporate income tax		(1,715,815)	485,169
Corporate income tax	15	0	0
Result after corporate income tax		(1,715,815)	485,169

The accompanying notes form an integral part of these financial statements.

Notes to the annual accounts for the year 2015

General

The Company was incorporated as a private company with limited liability under the laws of The Netherlands on 15 December 2006 and has its statutory seat in Amsterdam. The shareholders and ultimate holding company is Guaranty Trust Bank Plc, Lagos, Nigeria. The principal activity of the Company is to act as a finance company and its place of business is at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.

Due to the fact that the majority of the operations are conducted in USD, the Company adopted the USD as its functional currency. Consequently in accordance with section 2:362 paragraph 7 of the Netherlands civil code the financial statements are expressed in USD.

Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. The applied accounting policies are based on the historical cost convention.

Accounting policies

a. General

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the Company of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

The financial statements are presented in USD, the Company's functional currency.

b. Use of estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences. For the purpose of this financial statements, estimates refer to assessment of impairment of the loans and the disclosure of the fair value of assets and liabilities, as further detailed in letters *f* and *i* of this note.

c. Principles for the translation of foreign currency

Transactions denominated in foreign currency are converted into USD at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are converted at the balance sheet date into USD at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into USD at the applicable exchange rates applying on the transaction date. Share capital is converted at the exchange rate of the balance sheet date, and the translated gains and losses are taken to the translation reserves.

d. Financial instruments

Financial instruments include loans and other amounts due from shareholder, other receivables, cash items, notes payable, amounts due to shareholder, and other payables.

Financial instruments are initially recognised at fair value comprising of principal amount, premium and discount. If instruments are not measured at fair value through profit and loss, then any directly attributable transaction costs are included in the initial measurement.

After initial recognition, financial instruments are valued in the manner described below.

The Company did not make use of any derivatives during the financial year.

Loans granted and other receivables

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses.

Notes and Other financial liabilities or commitments

Notes and other financial liabilities are carried at amortised cost on the basis of the effective interest rate method.

e. Impairment

Financial fixed assets should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.

If the carrying amount of an asset exceeds the estimated present value of the future cash flows (estimated using the original effective interest rate), impairment is charged to the difference between the carrying amount and the recoverable amount.

f. Recognition of income and expenses

Interest income and expense are determined on the basis of interest earned and charged over the relating periods, according to the accrual method of accounting.

Other income and expenses are recorded in the period to which they relate.

g. Corporate income tax

Corporate income tax is calculated based on the applicable tax rates in the Netherlands.

h. Determination of fair value

Accounting policies and disclosures in the financial statements require the determination of the fair value for both financial and non-financial assets and liabilities.

For measurement and disclosure purposes, fair value is determined on the basis of the following methods. Where applicable, detailed information concerning the principles for determining fair value are included in the section that specifically relates to the relevant asset or liability.

Loans granted and other receivables

The fair value of non-derivative financial assets is only determined for disclosure purposes and is calculated on the basis of the net present value of future repayments and interest payments, discounted at the market interest rate at the reporting date.

Notes and other receivables and other financial liabilities

The fair value of Notes is determined on the basis of the listed closing (bid) price as at reporting date.

The fair value of other financial commitments is only determined for disclosure purposes and is calculated on the basis of the net present value of future repayments and interest payments, discounted at the market interest rate at the reporting date. The fair value is significantly close to the cost.

i. Risk management

Financial instruments include Notes payable to third parties and loans receivable from group companies, cash items, and other receivables and payables. No derivative financial instruments are being used. Financial instruments are not being held for trading and or speculating purposes.

The credit risk associated with the financial instruments is considered negligible, despite the elevated concentration of the risk on the parent company, due to the fact that the Notes are of limited recourse and the credit risk is transferred from the Company to the Noteholders. The liquidity risk is as well considered negligible, as the maturities of the Notes and of the Loans is the same.

Furthermore, market risk is considered negligible due to the following:

Foreign exchange exposure is minimized by covering each new loan in a foreign currency with a new credit line in that currency or a new forward contract of the same amount. Currently all Notes payable and loans receivable are denominated in United States Dollars. The fx risk of the Company is minimal, because the only amounts in currencies different than USD are the cash and the receivable amounts.

The interest rate risk is negligible because the interest rates on the assets and Notes are fixed.

Due to the limited operations of the Company, management is of the opinion that the operational risk is negligible.

The Company is not subject to externally imposed capital requirements.

The Company did not make use of any derivatives during the six months ended 30 June 2016.

	30-06-2016	31-12-2015
	USD	USD
1 Loan to shareholder		
USD 500,000,000 loan provided to Guaranty Trust Bank Plc.	0	501,101,784
USD 400,000,000 loan provided to Guaranty Trust Bank Plc.	398,043,896	397,406,303
USD 2,608,001 loan provided to Guaranty Trust Bank Plc.	2,608,001	2,608,001
	<u>400,651,897</u>	<u>901,116,088</u>

On 19 May 2011, the Company issued loans with a nominal value of USD 500,000,000 to Guaranty Trust Bank PLC. This loan has a maturity date of 19 May 2016 and attracts a nominal interest rate of 7.584% (net of withholding tax) and an effective interest rate of 8.006% annually. Of the nominal interest amount, 0.084% will be received upon maturity of the loan while 7.5% is received annually.

The movements in the loan during the year are set out below.

Balance loan as per 1 January	501,101,784	498,633,264
Increase	0	0
Decrease	(500,000,000)	0
Amortization of the premium/discount	(1,101,784)	2,468,520
Balance loan as per 30 June	<u>0</u>	<u>501,101,784</u>

The estimated fair value of the loan receivable as stated on the balance sheet can be specified as follows:

	Fair value	Book value	Fair value	Book value
	30-06-2016	30-06-2016	31-12-2015	31-12-2015
USD 500,000,000 loan	<u>0</u>	<u>0</u>	<u>520,850,000</u>	<u>501,101,784</u>

The fair value of the USD 500,000,000 loan has been calculated using the net present value of future discounted cashflows with markets interest rates.

On 8 November 2013 the Company entered into an intercompany loan agreement for a loan with a nominal value of USD 400,000,000 which has a maturity date of 8 November 2018 and attracted a nominal interest rate of 6.067 % (net of withholding tax) and an effective interest rate of 6.361% annually. Of the nominal interest amount, 0.067% was to be received upon maturity, while 6.0% is received annually.

The movements in the loan during the year are set out below.

Balance loan as per 1 January	397,406,303	396,186,479
Increase	0	0
Decrease	0	0
Amortization of the premium/discount	637,593	1,219,824
Balance loan as per 30 June	<u>398,043,896</u>	<u>397,406,303</u>

The estimated fair value of the loan receivable as stated on the balance sheet can be specified as follows:

	Fair value	Book value	Fair value	Book value
	30-06-2016	30-06-2016	31-12-2015	31-12-2015
USD 400,000,000 loan	<u>411,241,061</u>	<u>398,043,896</u>	<u>410,653,002</u>	<u>397,406,303</u>

The fair value of the USD 400,000,000 loan has been calculated using the net present value of future discounted cashflows with markets interest rates.

On 25 January 2007 the Company entered into a share premium loan agreement for a loan with a nominal value of USD 2,608,001. This loan bears an interest at a rate of 8.5% per annum, is unsecured and is repayable on demand with a notice period of six months.

The movements in the loan during the year are set out below.

Balance loan as per 1 January	2,608,001	2,608,001
Increase	0	0
Decrease	0	0
Amortization of the premium/discount	0	0
Balance loan as per 30 June	<u>2,608,001</u>	<u>2,608,001</u>

The fair value of the USD 2,608,001 equity loan does not differ significantly from the carrying value.

			30-06-2016	31-12-2015
			USD	USD
2 Amounts due from shareholder				
Loan interest receivable			5,547,603	9,801,972
Loan interest receivable on already matured 350 mio loan			1,872,500	1,872,500
			<u>7,420,103</u>	<u>11,674,472</u>
The interest on loans receivable are received semi-annually.				
3 Cash				
Current account EUR	EUR	0	0	3,726
Current account GBP	GBP	0	0	53
Current account USD			0	1,050
			<u>0</u>	<u>4,829</u>
All current accounts of the Company are closed.				
4 Taxation				
VAT			9,923	15,883
			<u>9,923</u>	<u>15,883</u>
5 Amounts due to shareholder				
The amounts due to the shareholder are current accounts with the parent company used for the operating activities of the company and are denominated in various currencies, as follows:				
Current account EUR	EUR	575,811	640,589	566,294
Current account GBP	GBP	27,324	36,850	40,615
Current account USD			873	1,859
			<u>678,312</u>	<u>608,768</u>
6 Amounts due to third parties				
Notes interest payable			3,456,522	7,821,428
			<u>3,456,522</u>	<u>7,821,428</u>

	30-06-2016	31-12-2015
	USD	USD
7 Accruals and deferred income		
Administration fee payable	13,461	13,191
Other payables	51,685	69,235
	<u>65,146</u>	<u>82,427</u>
8 Notes payable		
Note USD 500,000,000	0	499,194,456
Note USD 400,000,000	397,388,977	396,883,492
	<u>397,388,977</u>	<u>896,077,948</u>

On 19 May 2011 the Company issued a Note with a nominal value of USD 500,000,000, have been secured by way of a guarantee given by the shareholder, have a maturity date of 19 May 2016 and attract a nominal interest rate of 7.50% annually. The effective interest rate is 7.750% annually. The Notes were issued against a rate of 98.981% which resulted in a discount of USD 5,095,000. Finally, also commissions concerning the Note issue in the amount of USD 3,750,000 have been paid.

The Notes are listed on the London Stock Exchange.

The movements in the long term Notes are:

Balance as per 1 January	499,194,456	497,201,551
Increase /(decrease)	(500,000,000)	0
Amortization of the premium/discount	805,544	1,992,905
Balance as per 30 June	<u>0</u>	<u>499,194,456</u>

The estimated fair value of the Notes can be specified as follows:

Fair value	Book value	Fair value	Book value
30-06-2016	30-06-2016	31-12-2015	31-12-2015
0	0	501,083,804	499,194,456
<u>0</u>	<u>0</u>	<u>501,083,804</u>	<u>499,194,456</u>

On 8 November 2013 the Company issued a Note with a nominal value of USD 400,000,000, have been secured by way of a guarantee given by the shareholder, have a maturity date of 8 November 2018 and attract a nominal interest rate of 6.00% annually. The effective interest rate is 7.750% annually. The Notes were issued against a rate of 99.469% which resulted in a discount of USD 2,124,000.

Finally, also commissions concerning the Note issue in the amount of USD 3,000,000 have been paid.

The Notes are listed on the London Stock Exchange.

The movements in the long term Notes are:

Balance as per 1 January	396,883,492	395,916,006
Increase /(decrease)	0	0
Amortization of the premium/discount	505,485	967,486
Balance as per 30 June	<u>397,388,977</u>	<u>396,883,492</u>

The estimated fair value of the Notes can be specified as follows:

Fair value	Book value	Fair value	Book value
30-06-2016	30-06-2016	31-12-2015	31-12-2015
396,695,008	397,388,977	372,596,725	396,883,492
<u>396,695,008</u>	<u>397,388,977</u>	<u>372,596,725</u>	<u>396,883,492</u>

9 Capital and reserves

The authorised share capital of the Company amounts to EUR 90,000 divided into 900 shares of EUR 100 each, of which 180 shares have been issued and paid up.

	Share capital	Share premium	Translation reserves	Other reserves	Unappropriated results
Balance as per 1.1.2015	21,875	2,608,001	1,993	3,493,296	1,120,885
Appropriation of prior year result	0	0	0	1,120,885	(1,120,885)
Other movements	(2,251)	0	2,251	0	0
Result for the year	0	0	0	0	942,885
Balance as per 31.12.2015	<u>19,624</u>	<u>2,608,001</u>	<u>4,244</u>	<u>4,614,181</u>	<u>942,885</u>
Appropriation of prior year result	0	0	0	942,885	(942,885)
Other movements	401	0	(401)	0	0
Result for the year	0	0	0	0	(1,715,815)
Balance as per 30.06.2016	<u>20,025</u>	<u>2,608,001</u>	<u>3,843</u>	<u>5,557,066</u>	<u>(1,715,815)</u>

The translation reserves arises as a result of the translation of the share capital denominated in Euros to the Company's functional currency of US dollars.

	30-06-2016	30-06-2015
	USD	USD
<u>Profit and loss account</u>		
10 Interest income on loans to shareholder		
Guaranty Trust Bank Plc	27,735,220	34,578,123
	<u>27,735,220</u>	<u>34,578,123</u>
11 Interest expenses on Notes payable		
Interest expense on Notes	27,696,122	32,069,996
	<u>27,696,122</u>	<u>32,069,996</u>
12 Currency exchange rate differences		
On finance activities	(8,073)	50,337
	<u>(8,073)</u>	<u>50,337</u>
13 Withholding taxes		
Withholding taxes on Nigerian interest payments	(1,703,780)	(2,042,357)
	<u>(1,703,780)</u>	<u>(2,042,357)</u>
14 General and administrative expenses		
Management and administration	32,804	21,044
Tax advice	4,525	7,062
Bank charges	1,145	263
Other professional fees	4,586	2,569
	<u>43,060</u>	<u>30,938</u>
15 Corporate income tax		
Provision for CIT	0	0
	<u>0</u>	<u>0</u>

The Dutch tax authority approved that the withholding taxes paid in Nigeria are tax deductible from the Dutch income taxes. As a result, the withholding taxes paid in Nigeria are fully deductible from the tax liabilities due to be paid in the Netherlands, resulting in a nil income tax charge for the year.