

Guaranty Trust Bank Plc and Subsidiary Companies

**Interim Financial Statements for the six-month
period ended – 30 June 2011
Together with Directors' and Auditor's Reports**

Table of contents

	Page
Corporate governance	3
Directors' report	15
Statement of Directors' responsibility	22
Report of the Audit Committee	23
Independent Auditor's Report	24 - 25
Statement of significant accounting policies	26 - 42
Consolidated balance sheet	43
Consolidated profit and loss account	44
Statement of cash flow	45
Notes to the consolidated financial statements	46 - 115
Financial Risk Analysis	116 - 146
Valued added statements	147 - 148
Five-year interim financial summary	149 - 152

Corporate Governance

Introduction

At Guaranty Trust Bank plc (“the Bank”), the principles of good corporate governance practices remain one of our core values and an important ingredient in creating and sustaining shareholders’ value as well as providing excellent service to our customers, while ensuring that behaviour is ethical, legal and transparent.

Corporate Governance practices in the Bank are codified in a Code of Corporate Governance (“the Code”), which can be summarized as a map indicating how the Bank is governed to ensure compliance with regulatory requirements as well as the core values upon which the Bank was founded. The provisions of the Code are geared towards ensuring accountability of the Board and Management to stakeholders of the Bank.

As a company publicly quoted on the Nigerian Stock Exchange with Global Depositary Receipts (GDRs) listed on the London Stock Exchange, the Bank is mindful of its obligations to remain committed to safeguarding and improving shareholders’ value through transparent best practices fashioned along local regulatory standards as well as international best practice. The Bank accordingly ensures compliance with the Code of Corporate Governance issued by the Securities and Exchange Commission (“the SEC Code”), the Code of Corporate Governance for Banks in Nigeria Post Consolidation issued by the Central Bank of Nigeria (“the CBN Code”) and the additional disclosure requirements under the Disclosure and Transparency Rules of the Financial Services Authority (FSA), United Kingdom, which are applicable to Non-United Kingdom companies with Global Depositary Receipts (GDRs) listed on the London Stock Exchange.

In line with our tradition of being in the forefront of best Corporate Governance practices in our operating environment, the Bank recently undertook a comprehensive review of the Code to ensure that all significant governance issues are covered.

In compliance with the requirements of the Central Bank of Nigeria, the Bank undertakes monthly internal reviews of its compliance with defined corporate governance practices and submits reports on the Bank’s compliance status to the CBN. An annual Board Appraisal review is also conducted by an Independent Consultant appointed by the Bank whose report is submitted to the CBN and presented to Shareholders at the Annual General Meeting of the Bank in compliance with the provisions of the CBN Code.

Governance Structure

The Board

The ultimate responsibility for the governance of the Bank resides with the Board of Directors which is accountable to shareholders for creating and delivering sustainable shareholders’ value through the management of the Bank’s business. The Board is also responsible for the management of the Bank’s relationship with its various stakeholders.

The business of the Bank is driven by the Board of Directors which exercises its oversight function through its various Committees, namely, Board Risk Management Committee, Board Credit Committee, Board Human Resources and Remuneration Committee and Audit Committee of the Bank.

Through these Committees, interactive dialogue is employed to set broad policy guidelines, and to ensure the proper management and direction of the Bank on a regular basis.

The Board remained as constituted with fourteen (14) members for the most part of the half year ended June 30, 2011 until the passing away of the erstwhile Managing Director of the Bank Mr. Tayo Aderinokun on June 14, 2011. The Board currently comprises thirteen members, eight (8) of whom are Non-Executive Directors (including the Chairman of the Board), while five (5) are Executive Directors. Two (2) of the Non-Executive Directors, are "Independent Directors", appointed based on criteria laid down by the CBN for the appointment of Independent Directors and the core values enshrined in the Bank's Code of Corporate Governance. Both Independent Directors do not have any significant shareholding interest or any special business relationship with the Bank. In line with best practices, the roles of the Chairman and Chief Executive are separate and no one individual combines the two positions.

The Board has delegated the responsibility for the day-to-day management of the Bank to the Managing Director/Chief Executive who is supported by Executive Management, comprising the Executive Directors. The Managing Director executes the powers delegated to him in accordance with guidelines approved by the Board of Directors. Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Board regularly reviews group performance, matters of strategic concern and any other matter it regards as material.

The effectiveness of the Board derives from the appropriate balance and mix of skills and experience of Directors, both Executive and Non-Executive. The Bank's Board is made up of a crop of seasoned professionals, who have excelled in their various professions including banking, accounting, oil and gas, as well as law, and possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board.

Responsibilities of the Board

The Board determines the strategic objectives and policies of the Bank to deliver long-term value, providing overall strategic direction within a framework of rewards, incentives and controls. The Board also ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between conformance to governance principles and economic performance.

The Board is the decision making body of all matters of importance to the Bank as a whole because of its strategic, financial or reputation implications or consequences. The Board is responsible for ensuring that there exists an effective risk management policy which is appropriate to the corporate strategy of the Bank, and ensures that Management maintains an appropriate system of internal control which provides assurance of effective and efficient operations, internal financial controls and compliance with laws and regulations.

Powers reserved for the Board include the approval of quarterly, half yearly and full year financial statements, significant changes in accounting policy and practice, review of the performance of the Managing Director, the appointment or removal of Directors and the Company Secretary, change to the Bank's capital structure and major acquisitions, mergers, disposals or capital expenditure, approval of dividend and annual budget.

Executive and Non-Executive Directors share the same responsibilities in relation to the Bank and owe both fiduciary duties and general duties of care and skill to the Bank as a whole.

The Board meets quarterly and additional meetings are convened as required. Material decisions may be taken between meetings by way of written resolutions, as provided for in the Articles of Association of the Bank. The Directors are provided with comprehensive group information at each of the quarterly Board meetings and are also briefed on business developments between Board meetings. The Board met three (3) times during the half year ended June 30, 2011.

Board Committees

The Board carries out its responsibilities through its Standing Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board's four (4) Standing Committees are Board Risk Management Committee, Board Credit Committee, Board Human Resources and Remuneration Committee and the Audit Committee of the Bank.

Through these Committees, the Board is able to more effectively deal with complex and specialized issues, and to fully utilize its expertise to formulate strategies for the Bank. The Committees make recommendations to the Board, who retains responsibility for final decision making.

All Committees in the exercise of their powers so delegated conform to the regulations laid down by the Board. The Committees render reports to the Board at the Board's quarterly meetings.

A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are as stated hereunder:

Board Risk Management Committee

This Committee is tasked with the responsibility of setting and reviewing the Bank's risk policies. The coverage of supervision includes the following: credit risk, reputation risk, operations risk, technology risk, market and rate risks, liquidity risk and other pervasive risks as may be posed by the events in the industry at any point in time.

The Committee's major responsibilities are to set policies on the Bank's risk profile and limits, determine the adequacy and completeness of the Bank's risk detection and measurement systems, assess the adequacy of the mitigants to the risks, review and approve the contingency plan for specific risks and ensure that all units in the Bank are fully aware of the risks involved in their functions. The Committee is charged with the quarterly review of the Bank's central liability report and summary of criticized loans with the concurrent power of recommending adequacy of the reserves for loan losses and approving possible charge-offs.

The Committee meets quarterly and additional meetings are convened as required. The Committee met two (2) times during the period.

The Chief Risk Officer of the Bank presents regular briefings to the Committee at its meetings.

The Board Risk Management Committee comprised the following members during the period under review:

- | | | | | |
|----|-------------------------------------|---|---|----------|
| 1. | Mr. Egbert Imomoh | Non-Executive Director | - | Chairman |
| 2. | Mr. Olutayo Aderinokun ¹ | (Deceased) -Managing Director | - | Member |
| 3. | Mr. Andrew Alli | - Non-Executive
(Independent Director) | - | Member |
| 4. | Mrs. Stella Okoli | - Non-Executive Director | - | Member |
| 5. | Mr. Babajide Ogundare | - Executive Director | - | Member |
| 6. | Mrs. Titilayo Osuntoki | - Executive Director | - | Member |

Board Credit Committee

This Committee is responsible for approval of credit facilities in the Bank. It reviews credits granted by the Bank and approves specific loans above the Management Credit Committee's authority limit as may be defined from time to time by the Board. The Committee is also responsible for ensuring that the Bank's internal control procedures in the area of risk assets remain high to safeguard the quality of the Bank's risk assets. In view of the volume of transactions that require Board Credit Committee approvals, there are instances where the need arises for credits to be approved by members expeditiously between Board Credit Committee Meetings. Such urgent credits are circulated amongst the members for consideration and approval in line with a defined procedure that ensures that all members of the Committee are furnished with full information on such credits. All credits considered as "Large Exposures" as defined by the Board of Directors from time to time are considered and approved by the Board Credit Committee at a special meeting convened for that purpose.

The Board Credit Committee meets at least once in each quarter. However, additional meetings are convened as required. The Committee met two (2) times during the period.

The Board Credit Committee is made up of the following members:

- | | | | | |
|----|---------------------------|---|---|----------|
| 1. | Mr. Akindele Akintoye | - Non-Executive
(Independent Director) | - | Chairman |
| 2. | Mr. Olusegun Agbaje | - ² Managing Director | - | Member |
| 3. | Mr. Adebayo Adeola | - Non-Executive Director | - | Member |
| 4. | Mr. Olabode Augusto | - Non-Executive Director | - | Member |
| 5. | Mr. Ibrahim Hassan | - Non-Executive Director | - | Member |
| 6. | Mrs. Cathy Echeozo | - Executive Director | - | Member |
| 7. | Mr. Akinola George-Taylor | - Executive Director | - | Member |

¹ Passed on June 14, 2011

² Appointed as Managing Director on June 22, 2011(subject to CBN approval)

Board Human Resources and Remuneration Committee

The Board Human Resources and Remuneration Committee is responsible for the approval of the remuneration of the Executive Directors (including the Managing Director and Deputy Managing Director). The Committee is also responsible for the oversight of strategic people issues, including employee retention, equality and diversity as well as other significant employee relations matters.

The Board Human Resources and Remuneration Committee is made up of all Non-Executive Directors of the Bank (excluding the Chairman of the Board) as listed below:

- | | | | |
|----|-----------------------|---|----------|
| 1. | Mr. Andrew Alli | - | Chairman |
| 2. | Mr. Egbert Imomoh | - | Member |
| 3. | Mr. Akindele Akintoye | - | Member |
| 4. | Mr. Adebayo Adeola | - | Member |
| 5. | Mr. Olabode Augusto | - | Member |
| 6. | Mr. Ibrahim Hassan | - | Member |
| 7. | Mrs. Stella Okoli | - | Member |

The Committee met four (4) times during the period under review.

Audit Committee of the Bank

This Committee is responsible for ensuring that the Bank complies with all the relevant policies and procedures both from the regulators and as laid-down by the Board of Directors. Its major functions include: approval of the annual audit plan of the internal auditors, review and approval of the audit scope and plan of the external auditors, review of the audit report on internal weaknesses observed by both the internal and external auditors during their respective examination and to ascertain whether the accounting and reporting policies of the Bank are in accordance with legal requirements and agreed ethical practices.

The Committee also reviews the Bank's annual and interim financial statements, including reviewing the effectiveness of the Bank's disclosure controls and systems of internal control as well as areas of judgment involved in the compilation of the Bank's results. The Committee is responsible for the review of the integrity of the Bank's financial reporting and oversees the independence and objectivity

of the external auditors. The Committee has access to external auditors to seek explanations and additional information, while the internal and external auditors have unrestricted access to the Committee, which ensures that their independence is in no way impaired.

The Committee is made up of three (3) Non-Executive Directors and three (3) shareholders of the Bank appointed at Annual General Meetings, while the Chief Inspector of the Bank serves as the secretary to the Committee. The membership of the Committee at the Board level is based on relevant experience of the Board members, while one of the shareholders serves as the Chairman of the Committee.

Meetings are attended by the Internal and External auditors, the Chief Financial Officer and on invitation, appropriate members of Management. The Committee meets at least four (4) times in a year. The Audit Committee of the Bank met three (3) times during the period.

The following members served on the Committee during the half year ended June 30, 2011:

Name	Status	Designation	Attendance
Mr. Mobolaji Fatai Lawal	Shareholders' Representative	Chairman	3
Alhaji Mohammed Usman	Shareholders' Representative	Member	3
Mrs. Sandra Mbagwu-Fagbemi	Shareholders' Representative	Member	3
Mr. Andrew Alli	Non-Executive (Independent) Director	Member	3
Mr. Olabode Augusto	Non-Executive Director	Member	2
Mr. Ibrahim Hassan	Non-Executive Director	Member	3

Attendance of Board and Committee Meetings

The table below shows the frequency of meetings of the Board of Directors and Board Committees, as well as Members' attendance for the financial period ended June 30, 2011.

S/N	DIRECTORS	BOARD	BOARD CREDIT COMMITTEE	BOARD RISK MANAGEMENT COMMITTEE	BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE
	DATE OF MEETINGS	Jan 26, 2011 April 20, 2011 Jun 22, 2011	Jan 25, 2011 April 19, 2011	Jan 25, 2011 April 19, 2011	Jan 26, 2011 April 20, 2011 May 16, 2011 Jun 22, 2011
	NUMBER OF MEETINGS	3	2	2	4
1	Mr. O. S. Oduyemi	3	N/A	N/A	N/A
2	Mr. O. Aderinokun*	1	N/A	1	N/A
3	Mr. Segun Agbaje	3	2	N/A	N/A
4	Mr. E. U. Imomoh	3	N/A	2	4
5	Mr. Akindele O. Akintoye	3	2	N/A	4
6	Mr. Andrew Alli	3	N/A	2	4
7	Mrs. Stella Okoli	3	N/A	2	4
8	Mr. O. Augusto	3	2	N/A	4
9	Mr. Bayo Adeola	3	2	N/A	3
10	Mr. Ibrahim Hassan	3	2	N/A	4
11	Mr. M. B. Ogundare	3	N/A	2	N/A
12	Mrs. Cathy Echeozo	3	2	N/A	N/A
13	Mrs. G.T Osuntoki	3	N/A	2	N/A
14	Mr. A. George-Taylor	3	2	N/A	N/A

* Passed on June 14, 2011, Proceeded on medical leave on February 28, 2011
N/A -Not Applicable

Tenure of Directors

In order to ensure both continuity and injection of fresh ideas, non-Executive Directors shall not remain on the Board of the Bank continuously for more than three (3) terms of four (4) years each, i.e. twelve (12) years. The maximum tenure for “Independent” Non-Executive Directors shall not exceed two (2) terms of four (4) years each, i.e. eight (8) years.

The tenure of the Managing Director shall be a term of five (5) years from the date of appointment as Managing Director with an option to renew for another term of five (5) years i.e a maximum of ten (10) years, whilst other Executive Directors shall not exceed a maximum tenure of three (3) terms of four (4) years each from the date of appointment as Executive Director i.e twelve (12) years.

Board Appraisal

In furtherance of best corporate governance practices, the Board engaged an Independent Consultant, J. K. Randle International, to carry out the annual Board and Directors review/appraisal for the 2010 financial year covering all aspects of the Board's structure, composition, responsibilities, processes, relationships, as well as individual members' competencies and respective roles in the Board performance. The Independent Consultant adjudged the performance of the Board as outstanding.

Access to Senior Management

There is an open line of communication both formal and informal, between Board members and Senior Management staff. Board members interact with Senior Management and can request for the presence of any member of Senior Management to provide information required in their decision making.

Information Flows

It is the responsibility of Executive Management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Bank's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities.

The Company Secretary

The Company Secretary provides a point of reference and support for all Directors. The Company Secretary also consults regularly with Directors to ensure that they receive required information. The Board may obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly.

The Company Secretary is also responsible for assisting the Board and management in the implementation of the Code of Corporate Governance of the Bank, co-ordinating the orientation and training of new Directors and the continuous education of Non-Executive Directors; assisting the Chairman and Managing Director to formulate an annual Board Plan and with the administration of other strategic issues at the Board level; organizing Board meetings and ensuring that the minutes of Board meetings clearly and properly capture Board's discussions and decisions.

Independent Advice

Independent professional advice is available, on request, to all Directors at the Bank's expense.

The Bank meets the costs of independent professional advice obtained jointly or severally by a Director or Directors where such advice is necessary to enable the obligations imposed on an individual, through membership of the Board, to be properly fulfilled.

Induction and Continuous Training

On appointment to the Board and to Board Committees, all Directors receive a formal induction tailored to their individual requirements.

The induction, which is arranged by the Company Secretary, may include meetings with senior management and key external advisors, to assist Directors in building a detailed understanding of how the Bank operates and the key issues it faces, and to familiarize new Directors with the Bank's operations, its strategic plan, its business environment and to introduce directors to their fiduciary duties and responsibilities.

Directors are also encouraged to make site visits to see the Bank's operations first hand.

Training and education of Directors on issues pertaining to their oversight functions is a continuous process, in order to update their knowledge and skills and keep them informed of new developments in the Bank's business and operating environment.

Insider Trading and price sensitive information

Directors, insiders and their related persons in possession of confidential price sensitive information ("insider information") are prohibited from dealing with the securities of the Bank where such would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Bank for a period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Bank from time to time.

Management Committees

These are Committees comprising senior management staff of the Bank. The Committees are risk driven as they are basically set up to identify, analyze, synthesize and make recommendations on risks arising from day to day activities of the Bank. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as the risk issues occur to immediately take action and decisions within the confines of their powers.

The standing Management Committees in the Bank are:

- Management Risk Committee;
- Management Credit Committee;

- Criticized Assets Committee;
- Assets and Liability Management Committee.

Management Risk Committee

This Committee is responsible for regular analysis and consideration of risks in the Bank. The Committee meets from time to time and at least quarterly. The Committee reviews and analyses environmental issues and policies impacting either directly or remotely on the Bank, brainstorms on such issues and recommends steps to be taken by the Bank. The Committee's approach is risk based.

The Committee provides inputs for the Board Risk Committee and also ensures that the decisions and policies emanating from the Committee's meeting are implemented.

Management Credit Committee

This is the Committee responsible for ensuring that the Bank complies fully with the Credit Policy Guide as laid down by the Board of Directors. The Committee also provides inputs for the Board Credit Committee. This Committee reviews and approves credit facilities to individual obligors not exceeding an aggregate sum to be determined by the Board from time to time. The Management Credit Committee is responsible for reviewing and approving all credits that are above the approval level of the Managing Director as determined by the Board. The Committee reviews the entire credit portfolio of the Bank and conducts periodic assessment of the quality of risk assets in the Bank. It also ensures that adequate monitoring of credits is carried out. The Committee meets weekly depending on the number of credit applications to be considered.

The secretary of the Committee is the Head of the Credit Administration Unit of the Bank.

Criticized Assets Committee

This Committee is responsible for the assessment of the risk asset portfolio of the Bank. It highlights the status of the Bank's assets in line with the internal and external regulatory framework, and appropriate actions in respect of delinquent assets. The Committee ensures that adequate provisions are taken in line with the regulatory guidelines. The members of the Committee include the Managing Director, the Executive Directors, and other relevant Senior Management Staff of the Bank.

Assets and Liability Management Committee

This Committee is responsible for the management of a variety of risks arising from the Bank's business including, market and liquidity risk management, loan to deposit ratio analysis, cost of funds analysis, establishing guidelines for pricing on deposit and credit facilities, exchange rate risks analysis, balance sheet structuring, regulatory considerations and monitoring of the status of implemented assets and liability strategies. The members of the Committee include the Managing Director, Executive Directors, the Treasurer, the Head of the Financial Control Group, the Chief Risk Officer as well as a representative of the Assets and Liability Management Unit.

Monitoring Compliance with Corporate Governance

Chief Compliance Officer

The Chief Compliance Officer monitors compliance with money laundering requirements and the implementation of the Corporate Governance Code of the Bank.

The Chief Compliance Officer together with the Chief Executive of the Bank certify each year to the Central Bank of Nigeria that they are not aware of any other violation of the Corporate Governance Code, other than as disclosed to the CBN during the course of the year.

The Company Secretary and the Chief Compliance Officer forward monthly returns to the Central Bank of Nigeria on all whistle-blowing reports and corporate governance breaches.

Whistle Blowing procedures

In line with the Bank's commitment to instil the best corporate governance practices, the Bank has established a whistle blowing procedure that ensures anonymity. The Bank has two (2) hotlines and a dedicated e-mail address for whistle-blowing procedures. The hotline numbers are 01-4480905 and 01-4480906, and the email address is hotline@gtbank.com

Internally, the Bank has a direct link on the Bank's Intranet (internal web page) for dissemination of information, to enable members of staff report all identified breaches of the Bank's Code of Corporate Governance.

Code of Professional Conduct for Employees

The Bank has an internal Code of Professional Conduct which all members of staff are expected to subscribe to upon assumption of duties and reaffirm their commitment to the Bank's Code annually.

All members of staff are expected to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the Code of Professional Conduct which prescribes the common ethical standards, policies and procedures of the Bank relating to employee values.

Shareholders

The General Meeting of the Bank is the highest decision making body of the Bank. The Bank's General Meetings are conducted in a transparent and fair manner. Shareholders have the opportunity to express their opinions on the Bank's financial results and other issues affecting the Bank. The Annual General Meetings are attended by representatives of regulators such as the Central Bank of Nigeria, the Securities and Exchange Commission, The Nigerian Stock Exchange, Corporate Affairs Commission as well as representatives of Shareholders' Associations.

The Board places considerable importance on effective communication with shareholders on developments in the Bank. The Bank has an Investors' Relations Unit, which deals directly with enquiries from shareholders and ensures that shareholders' views are escalated to Management and the Board. In addition, quarterly, half yearly and annual financial results are published in widely read national newspapers. The Bank also despatches half yearly reports, providing highlights of activities of the Bank, to all its shareholders.

The Bank ensures that institutional investors and international holders of the Global Depositary Receipts get frequent updates on the Bank's progress via interactive conference calls, local and international investor presentations and meetings. These conference calls and investor meetings provide our investors with direct access to senior and executive Management.

Protection of Shareholders Rights

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.

Directors' Report

For the period ended 30 June 2011

The Directors have pleasure in presenting their report on the affairs of Guaranty Trust Bank Plc (“the Bank”) and its subsidiaries (“the Group”), together with the Group audited financial statements and the auditor’s report for the period ended 30 June 2011.

Legal form and principal activity

The Bank was incorporated as a private limited liability company on 20 July 1990. It obtained a licence to operate as a commercial bank on 1 August 1990, and commenced business on 11 February 1991. It became a public limited company on 2 April 1996, and its shares were listed on the Nigerian Stock Exchange on 9 September 1996. The Bank was issued a universal banking licence by the Central Bank of Nigeria on 5 February 2001.

The Bank’s principal activity continues to be the provision of commercial banking services to its customers. Such services include retail banking, granting of loans and advances, equipment leasing, corporate finance, money market activities and related services, as well as foreign exchange operations.

The Bank has five non-bank subsidiaries: Guaranty Trust Assurance Plc, which is engaged in the provision of insurance services, GTB Registrars Limited, which acts as registrars to public companies, GTB Finance B.V. Netherlands, a special purpose entity used to raise its \$350 million and \$500 million Eurobond Guarantee Notes, GT Homes Limited, a licensed Primary Mortgage Institution, which is engaged in mortgage activities, and GTB Asset Management Limited, an asset management and securities trading company.

The Bank has six overseas subsidiaries namely Guaranty Trust Bank (Gambia) Limited, Guaranty Trust Bank (Sierra Leone) Limited, Guaranty Trust Bank (Ghana) Limited, Guaranty Trust Bank (UK) Limited, GTB Finance B.V. Netherlands and Guaranty Trust Bank (Liberia) Limited.

The financial results of all the subsidiaries have been consolidated in these financial statements.

Operating results

Gross earnings increased by 11% and profit before tax of the group increased by 24%. Highlights of the Group's operating results for the period are as follows:

	Group June 2011 N'000	Group June 2010 N'000	Bank June 2011 N'000	Bank June 2010 N'000
Gross earnings	<u>91,842,724</u>	<u>82,962,639</u>	<u>84,070,320</u>	<u>75,398,147</u>
Profit before taxation	31,900,359	25,722,006	30,470,177	24,003,795
Taxation	(6,646,661)	(7,497,416)	(5,684,429)	(7,080,479)
Profit after taxation	<u>25,253,698</u>	<u>18,224,590</u>	<u>24,785,748</u>	<u>16,923,316</u>
Extra-ordinary item	2,229,160	-	2,229,160	-
Profit after taxation and extra-ordinary item	<u>27,482,858</u>	<u>18,224,590</u>	<u>27,014,908</u>	<u>16,923,316</u>
Non- controlling interest	(332,967)	(279,928)	-	-
Profit attributable to the equity holders of the Bank	<u><u>27,149,891</u></u>	<u><u>17,944,662</u></u>	<u><u>27,014,908</u></u>	<u><u>16,923,316</u></u>
Appropriations:				
Transfer to statutory reserve	8,680,832	5,484,972	8,104,472	5,076,995
Interim dividend paid	-	-	-	-
Transfer to statutory contingency reserve	-	191,668	-	-
Transfer to bonus share reserves	-	-	-	-
Transfer to retained earnings	18,469,059	12,268,022	18,910,436	11,846,321
	<u><u>27,149,891</u></u>	<u><u>17,944,662</u></u>	<u><u>27,014,908</u></u>	<u><u>16,923,316</u></u>
Earnings Per Share (Basic)	86k	77k	85k	73k
Earnings Per Share (Adjusted)	86k	62k	85k	58k

Guaranty Trust Bank Plc and Subsidiary Companies
Interim Financial Statements for the period ended 30 June 2011
Together with Directors' and Auditor's Reports

	Group June 2011 N'000	Group June 2010 N'000	Bank June 2011 N'000	Bank June 2010 N'000
Total non-performing loans and advances	23,559,656	42,960,620	21,622,383	41,107,607
Total non-performing loans to total loans and advances (%)	3.61%	6.74%	3.53%	6.79%

Dividends

The Directors have proposed an interim dividend of 25k per share (June 2010: 25k) on the issued share capital of 29,146,482,207 shares of 50 kobo each for the period ended 30 June 2011. Withholding tax will be deducted at the time of payment.

Directors and their interests

The Directors who held office during the year, together with their direct and indirect interests in the issued share capital (including the Global Depository Receipts (GDRs)) of the Company as recorded in the register of Directors shareholding and/or as notified by the Directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange is noted:

S/N	Names	Direct Holding Jun '11	*Indirect Holding Jun '11	Direct Holding Dec' 10	*Indirect Holding Dec '10
1	Mr. Oluwole Oduyemi - Chairman	1,114,385	5,370,150	891,508	485,750
2	Mr. Olutayo Aderinokun - (Deceased) *	31,688,541	466,885,025	25,350,833	373,508,040
3	Mr. Olusegun Agbaje - Managing Director **	32,146,651	0	25,717,321	0
4	Mr. Egbert Imomoh	7,346,100	0	5,876,881	0
5	Mr. Andrew Alli,	988,832	0	791,066	0
6	Mr. Akindele Akintoye	62,000	0	0	0
7	Mr. Adebayo Adeola	4,869,492	0	3,895,594	0
8	Mr. Olabode Augusto	0	0	0	0
9	Mr. Ibrahim Hassan	127,838	0	102,271	0
10	Mrs. Stella Okoli	3,344,032	0	2,675,226	0
11	Mr. Jide Ogundare - Executive Director	3,498,437	3,195,900	2,798,750	2,556,750
12	Mrs. Cathy Echeozo - Executive Director	2,505,118	2,940,300	2,004,095	2,352,250
13	Mrs. Titi Osuntoki - Executive Director	15,967,260	543,150	12,773,808	434,550
14	Mr. Akinola George-Taylor - Executive Director	7,096	362,150	5,677	289,750

Indirect Holdings includes the underlying shares of the GDRs.

* Passed on June 14, 2011, Proceeded on Medical leave on February 28, 2011

** Appointed as Acting Managing Director on April 20, 2011 and as substantive Managing Director on June 22, 2011 (subject to CBN approval)

There has been no significant change to Directors' shareholdings.

Shareholding analysis

The analysis of the distribution of the shares of the Bank as at 30 June, 2011 is as follows:

Share Range	No. of Shareholders	% of Shareholders	No. of Holdings	% Holding
1 - 10,000	251,908	70.31	846,336,143	2.90
10,001 - 50,000	76,869	21.46	1,687,143,574	5.79
50,001 - 100,000	13,424	3.75	940,997,080	3.23
100,001 - 500,000	12,573	3.51	2,585,695,762	8.87
500,001 - 1,000,000	1,594	0.44	1,106,753,848	3.80
1,000,001 - 5,000,000	1,517	0.42	3,127,052,968	10.73
5,000,001 - 10,000,000	164	0.05	1,119,145,223	3.84
10,000,001 - 50,000,000	160	0.04	3,321,352,218	11.40
50,000,001 - 100,000,000	19	0.01	1,393,842,523	4.78
100,000,001 - 500,000,000	16	0.01	3,490,946,060	11.98
500,000,001 - 1,000,000,000	3	0.00	2,346,294,378	8.05
1,000,000,001 - 2,000,000,000	2	0.00	3,393,939,993	11.64
Total:	358,249	100.00	25,359,499,770	87.01
Citibank Nigeria Limited GDR (underlying shares)	<u>1</u>	<u>0.00</u>	<u>3,786,982,437</u>	<u>12.99</u>
TOTAL:	358,250	100.00	29,146,482,207	100.00

According to the register of members at 30 June, 2011, no individual shareholder held more than 5% of the issued share capital of the Bank except for the following:

Shareholder	No. of Shares held	Percentage of Shareholding (%)
* Citibank Nigeria Limited GDR (underlying shares)	3,786,982,437	13 %
**Stanbic Nominees Nigeria Limited	3,206,648,262	11%

* Citibank Nigeria Limited held the 3,786,982,437 units of shares in its capacity as custodian for the underlying shares of the Global Depository Receipts (GDRs) issued by the Bank in July 2007, and listed on the London Stock Exchange. Citibank does not exercise any rights over the underlying shares as beneficial owner. All the rights reside with the various GDR holders who have the right to convert their GDRs to ordinary shares.

** Stanbic Nominees Nigeria Limited held 11% of the Bank's shares largely in trading accounts on behalf of various investors.

Changes on the Board

During the period under review the erstwhile Managing Director/Chief Executive Officer of the Bank Mr. Tayo Aderinokun passed away on June 14, 2011. Mr. Aderinokun served the Bank as Managing Director/Chief Executive Officer from 2002 till his demise in June 2011. He had earlier served as Deputy Managing Director for twelve (12) years from the inception of the Bank in 1990 till 2002.

In line with the Bank's well defined succession plan, Mr. Segun Agbaje was appointed as Managing Director/Chief Executive Officer on June 22, 2011(subject to the approval of the Central Bank of Nigeria). Before his appointment as Managing Director, Mr. Agbaje had served as an Executive Director from January 2000 and as Deputy Managing Director from 2002 till his current appointment as Managing Director/Chief Executive Officer.

Donations and charitable gifts

In order to identify with the aspirations of the community and the environment within which the Group operates, a total sum of N172,062,690 (Dec.2010: N328,031,293) was given out as donations and charitable contributions during the period. These comprise contributions to charitable organisations amounting to N156,403,283 (Dec 2010: N168,774,576) and donations amounting to N15,659,406.81 (Dec. 2010: N159,256,717) to other non-charitable organisations. Details of the donations and charitable contributions are as follows:

Charitable Organisations

Massey Street Hospital	29,238,950
Balmoral International Limited	28,232,000
Swiss Red Cross	25,031,303
2011 Orange Ribbon Autism Seminar	19,000,000
Principals' Cup – Lagos State	12,131,200
Students-In-Free Enterprise (SIFE)	10,000,000
Special Olympics of Nigeria	10,000,000
Baboko Community Secondary School, Ilorin	3,940,775
University of Ibadan Centre for Entrepreneurship and Innovation	2,105,960
Chike Okoli Foundation	1,500,000
Lagos State Traditional Sports Championship	1,500,000
St. George Boys & Girls School, Ikoyi	515,375
Rotary International	500,000
Special Persons Association of Nigeria	500,000
Day Waterman College	350,000
Nigerian Red Cross (Lagos)	250,000
Paediatric Association Of Nigeria	250,000
Laura Stephens School	250,000

Vigilant Heart Charitable Society	250,000	
Centre for Values In Leadership	200,000	
The Dreamland Foundation	200,000	
Rotary Club Falomo	200,000	
Aret Adams Foundation	150,000	
Richardson Health, Safety, Security and Environment Forum	150,000	
Children Living with Cancer Foundation	100,000	
Downen College	100,000	
Green Springs School, Lagos	100,000	
Penckers School	100,000	
Imperial Gate School	100,000	
Others	9,457,720	
		156,403,283

Non - charitable organisations

Strika Entertainment	3,000,000	
Nigerian Security Summit	2,000,000	
Nigerian Immigration Passport Office, Ikoyi	1,133,000	
Fela-Broadway Show	860,000	
CSR Lagos	500,000	
Silk Project Limited	500,000	
Lagos Business School Alumni President's Dinner	500,000	
Africa Roundtable & Conference On CSR	250,000	
Institute of Chartered Accountants of Nigeria	250,000	
Ibadan Old Boys Association	250,000	
The Guild of Medical Doctors	250,000	
Others	6,166,407	
		15,659,407
		172,062,690

Post balance sheet events

There were no post balance sheet events which could have a material effect on the financial position of the Group as at 30 June, 2011 and profit attributable to equity holders on that date other than as disclosed in the financial statements.

Research and development

The Bank is on a continuous basis, carrying out research into new banking products and services.

Human Resources

(1) Employment of disabled persons

The Bank operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Bank's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

In the event of any employee becoming disabled in the course of employment, the Bank is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the Bank has five persons on its staff list with physical disability.

(2) Health, Safety and Welfare of Employees

The Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Bank provides medical facilities to its employees and their immediate families at its expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

The Bank operates a Group Personal Account Accident and the Workmen's Compensation Insurance covers for the benefits of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004 as well as a terminal gratuity scheme for its employees.

Employee Involvement and Training

The Bank encourages participation of employees in arriving at decisions in respect of matters affecting their well being. Towards this end, the Bank provides opportunities where employees deliberate on issues affecting the Bank and employee interests, with a view to making inputs to decisions thereon. The Bank places a high premium on the development of its manpower. Consequently, the Bank sponsored its employees for various training courses, both locally and overseas, in the period under review.

BY ORDER OF THE BOARD



Olutola Omotola

Company Secretary

Plot 1669, Oyin Jolayemi Street

Victoria Island, Lagos

20 July, 2011

Statement of Directors' Responsibilities in Relation to the Financial Statements for the six month ended 30 June, 2011

The directors accept responsibility for the preparation of the annual financial statements set out on pages 43 to 152 that give a true and fair view in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act 1990 of Nigeria, the Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria regulations.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such, internal control as the directors determine, is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.


The directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Bank will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE DIRECTORS BY:



CATHY ECHEOZO

20 July, 2011



SEGUN AGBAJE

20 July, 2011

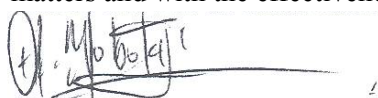
Report of the Audit Committee

For the period ended 30 June 2011

To the members of **Guaranty Trust Bank Plc**

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act 1990, the members of the Audit Committee of Guaranty Trust Bank Plc hereby report as follows:

- ◆ We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act, 1990 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- ◆ We are of the opinion that the accounting and reporting policies of the Bank and Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the period ended 30 June, 2011 were satisfactory and reinforce the Group's internal control systems.
- ◆ We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February, 2004 on "Disclosure of directors' related credits in the financial statements of banks", and hereby confirm that an aggregate amount of ₦9,255,461,000 (31 December, 2010: ₦13,028,752,000) was outstanding as at 30 June, 2011. The status of performance of insider related credits is as disclosed in Note 42(b)(i).
- ◆ We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Bank's system of accounting and internal control.



Mr. M.F. Lawal
Chairman, Audit Committee
18 July, 2011

Members of the Audit Committee are:

1. Mr. M.F. Lawal - Chairman
2. Alhaji M.A. Usman
3. Mrs. Sandra Mbagwu-Fagbemi
4. Mr Bode Augusto
5. Ibrahim Hassan
6. Andrew Alli

In attendance:
Mr. Tunde Dawodu - Secretary



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF GUARANTY TRUST BANK PLC

Report on the financial statements

We have audited the accompanying financial statements of Guaranty Trust Bank Plc (“the bank”) and its subsidiaries (together “the group”) which comprise the balance sheets as of 30 June 2011 and the profit and loss accounts and statements of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Directors’ responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nigerian Statements of Accounting Standards and with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act and for such internal control, as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the bank and the group as of 30 June 2011 and of their profits and cash flows for the period then ended in accordance with Nigerian Statements of Accounting Standards, the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act.

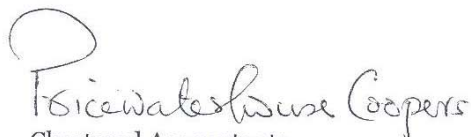
Other matter

The financial statements for the period ended 30 June 2010 and for the year ended 31 December 2010 were audited by another auditor who expressed an unmodified opinion on those financial statements on 21 July 2010 and on 21 March 2011 respectively.

Report on other legal requirements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the bank has kept proper books of account so far as appears from our examination of those books and we have received proper returns adequate for the purposes of our audit from branches not visited by us;
- iii) the bank's balance sheet and profit and loss account are in agreement with the books of account.
- iv) our examination of loans and advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria;
- v) related party transactions and balances are disclosed in Note 42 to the financial statements in accordance with the Central Bank of Nigeria Circular BSD/1/2004;
- vi) to the best of our information, the Bank has complied with the relevant provisions of the Banks and Other Financial Institutions Act and with other relevant circulars issued by the Central Bank of Nigeria.


Chartered Accountants
Lagos, Nigeria



27 July 2011

Statement of Significant Accounting Policies

A summary of the principal accounting policies, applied consistently throughout the current and preceding years is set out below

(a) **Basis of preparation**

These financial statements are the consolidated financial statements of Guaranty Trust Bank Plc, a company incorporated in Nigeria on 20 July, 1990, and its subsidiaries (hereinafter collectively referred to as "the Group"). The financial statements are prepared under the historical cost convention modified by the revaluation of certain investment securities, and comply with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board (NASB).

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(b) **Basis of consolidation**

(i) *Subsidiaries*

Subsidiary undertakings, which are those companies in which the Bank, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over their operations, have been consolidated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Bank. Separate disclosure is made for minority interest.

The consolidated financial statements combine the financial statements of Guaranty Trust Bank Plc ("the Bank") and its subsidiaries ("the Group") wherein there is majority shareholding and/or control of the Board of Directors and management. The consolidated subsidiaries are Guaranty Trust Assurance Plc, Guaranty Trust Bank (Gambia) Limited, Guaranty Trust Bank (Sierra Leone) Limited, Guaranty Trust Bank (Ghana) Limited, Guaranty Trust Bank (UK) Limited, GTB Registrars Limited, GT Homes Limited, GTB BV, GTB Liberia and GTB Asset Management Limited.

(ii) *Special purpose entities*

The financial statements of special purpose entities are included in the Group's financial statements where the substance of the relationship is that the Group controls the special purpose entity. The Group established GTB Finance B.V., Netherlands as a special purpose entity to raise its \$350 million and \$500 million Eurobond Guaranteed Notes. Accordingly, the financial statements of GTB Finance B.V. have been consolidated.

- (c) **Goodwill** represents the excess of the purchase consideration over the fair value of the Group's share of the separable net assets of subsidiaries acquired, at the date of the acquisition.

Goodwill is measured at "cost" less "accumulated impairment losses". Goodwill is tested for impairment annually or more frequently if events or circumstances indicate that it might have been impaired. Impairment losses are recognised in the profit and loss account in the year in which they arise.

- (d) **Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's business and geographical segments. The Group's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Bank's internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

- (e) **Foreign currency translation**

i. Reporting currency

The consolidated financial statements are presented in Nigerian Naira, which is the Bank's reporting currency.

ii. Transactions and balances

Transactions denominated in foreign currencies are translated into Naira at the rates of exchange ruling at the date of the transaction (or, where appropriate, the rate of exchange in related forward exchange contracts). Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the profit and loss account.

iii. Group companies

The results and financial position of all Group entities that have a currency different from the reporting currency are translated into the reporting currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date except for share capital and pre-acquisition reserves, which are translated at their historical rates;

- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions, in which case income and expenses are translated at the dates of the transactions); and
- all exchange differences arising on consolidation are recognised in the translation reserves.

On consolidation, exchange differences arising from the translation of the investment in foreign entities are taken to shareholders' funds. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale.

Goodwill and other adjustments (e.g. previously unrecognised deferred tax assets) arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

(f) **Income recognition**

Credits to the profit and loss account are recognised as follows:

- *Interest* – recognised on an accrual basis except for interest on non-performing credit facilities, which is recognised on a cash basis.
- *Non-credit-related fees* – recognised when the successful outcome of the assignment can be determined and the assignment is considered substantially completed.
- *Credit-related fees* – spread systematically over the tenor of the credit facility where they constitute at least 10% of the projected average annual yield of the facility, otherwise credited to the profit and loss account at the time of occurrence.
- *Income from advances under finance leases* is recognized on a basis that provides a constant yield on the outstanding principal over the lease term.
- *Income arising on investments held by the life business* is recognized in the life fund whilst income derived from investments held by the general business is credited to the profit and loss account.
- *Commissions and fees charged to customers for services rendered* - recognised at the time the service or transaction is effected.
- *Investment income* – recognised on an accrual basis and credited to the profit and loss account.
- *Dividend income* - recognised when the right to receive the dividend is established.

(g) **Loans and advances**

Loans and advances are stated net of provision for bad and doubtful loans. Provision is made in accordance with the Prudential Guidelines for Deposit Money Banks in Nigeria issued by the Central Bank of Nigeria for each account that is not performing in accordance with the terms of the related facilities.

Non-specialized Loans

Provision in respect of non-performing facilities other than specialized loans is as follows:

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

Specialized loans

Loans are treated as specialized loans in accordance with the criteria specified in the Prudential Guidelines for Deposit Money Banks in Nigeria. The classifications and provisioning for specialized loans take into consideration the cash flows and gestation periods of the different loan types. Specialized loans as defined by the Prudential Guidelines for Deposit Money Banks in Nigeria comprise:

- i. Agriculture Finance (including farm and non-farm credits)
- ii. Mortgage Loan
- iii. Margin Loan
- iv. Object Finance
- v. Project Finance
- vi. Income Producing Real Estate
- vii. Commercial Real Estate and
- viii. SME loan

Project financing			
Classification	% of repayment on outstanding obligation to amount due	Days past due for aggregate instalments	% of Provision on total outstanding balance
Watch list	Between 60% and 75%	> 180 days	0%
Substandard	< 60%	180 days to 2 years	25%
Doubtful	< 60%	2 years to 3 years	50%
Very Doubtful	< 60%	3 years to 4 years	75%
Lost	< 60%	more than 4 years	100%

Object Financing, Income Producing Real Estate and Commercial Real Estate Financing.			
Classification	% of repayment on outstanding obligation to amount due	Days past due for aggregate instalments	% of provision on total outstanding balance
Watch list	Between 60% and 75%	> 180 days	0%
Substandard	< 60%	180 days to 1 year	25%
Doubtful	< 60%	1 year to 2 years	50%
Very Doubtful	< 60%	2 years to 3 years	75%
Lost	< 60%	more than 3 years	100%

Mortgage loans		
Classification	Days past due for mark-up/interest for short term facilities	% of provision on outstanding balance
Watch list	> 90 days	0%
Substandard	>180 days	10%
Doubtful	> 1 year	The un-provided balance of mortgage loans classified as substandard does not exceed 50% of the estimated net realisable value of the related securities.
Lost	> 2 years	100%

The un-provided balance of mortgage loans classified as substandard does not exceed 50% of the estimated net realisable value of the related securities.

SME Financing – Short term loans		
Classification	Days past due for mark-up/interest or principal	% of Provision on outstanding balance
Watch list	90 days	0%
Substandard	90 days to 1 year	25%
Doubtful	1 year to 1.5 years	50%
Very Doubtful	1.5 year to 2 years	75%
Lost	> 2 years	100%

SME Financing - Long term loans		
Classification	Days past due for mark-up/interest or principal	% of Provision on outstanding balance
Watch list	90 days	0%
Substandard	90 days to 1 year	25%
Doubtful	1 to 2 years	50%
Very Doubtful	2 to 3 years	75%
Lost	> 3 years	100%

Classification	Days past due for mark-up/interest or principal	% of Provision on outstanding balance
Watch list	90 days	0%
Substandard	90 days to 1 year	25%
Doubtful	1 year to 1.5 years	50%
Very Doubtful	1.5 year to 2 years	75%
Lost	> 2 years	100%

Agricultural Financing - Long term loans		
Classification	Days past due for mark-up/interest or principal	% of Provision on outstanding balance
Watch list	90 days	0%
Substandard	90 days to 1 year	25%
Doubtful	1 to 2 years	50%
Very Doubtful	2 to 3 years	75%
Lost	> 3 years	100%

Margin Financing:

All margin facilities are included in performing loans balances and are assessed for impairment by marking the underlying securities to market. The excess of loan amounts above the market value of the underlying securities is charged to profit and loss account to accommodate actual and expected losses on the facility amounts and is reported in specific provisions for margin loans.

Hair cut adjustments:

The Bank adjusts both the amount of the exposure to counterparty and the value of any qualified collateral received in support of the counterparty to take account of any possible future fluctuations in the value of either, occasioned by market movement.

Haircut adjustments on qualified collateral are not provided for in line with the prudential guidelines' framework for haircut adjustments on lost facilities.

The following hair cut adjustments are applicable on all loan types classified as lost:

Description of Collateral	Haircut adjustments weightings
Cash collateral	0%
Treasury Bills and government securities e.g. bonds	0%
Quoted equities and other traded securities	20%
Bank Guarantees and Receivables of blue chip companies	20%
Residential legal mortgage	50%
Commercial legal mortgage	50%

Haircut adjustments on lost facilities are made for only one year. Thereafter, the collaterals are realised or the shortfall in provision is recognised.

General Provision

A minimum of 1% general provision is made on all loans and advances, which have not been specifically provided for.

Write-off

Bad debts are written off against the related provision for bad and doubtful debts when it is determined that they are uncollectible. Subsequent recoveries on bad debts written off are credited to the profit and loss account. A facility is written off only when full provision has been made on such a facility for at least one year.

(h) **Advances under finance leases**

Advances to customers under finance leases are stated net of unearned income. Lease finance income is recognised in a manner, which provides a constant yield on the outstanding net investment over the lease year.

(i) **Underwriting profits**

The Group conducts life assurance and non-life insurance business through its insurance subsidiary. The Group offers a full range of insurance underwriting services.

i. Underwriting profits for non-life insurance business

- The underwriting profits for non-life insurance business are determined on an annual basis whereby the incurred costs of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance, as follows:
- Premiums written related to risks assumed during the year, and include estimates of premium due but not yet received, less an allowance for cancellations.
- Unearned premiums represent the proportion of the premiums written in years up to the accounting date which relate to the unexpired terms of policies in force at the balance sheet date, and are calculated on the basis of time apportionment.
- Claims paid represent all payments made during the year, whether arising from events during that or earlier years. Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the balance sheet date, but not settled at that date. Outstanding claims are computed on the basis of the best information available at the time the records for the year are closed, and include provisions for claims incurred but not reported ("IBNR").

- Provisions for unexpired risks are the estimated amounts required over and above provisions for unearned premiums to meet future claims and related expenses on businesses in force at the end of the accounting year
- Expenses are allocated to the relevant revenue accounts as incurred in the management of each class of business.

ii. Underwriting profits for life assurance business

The underwriting profits for life assurance business are determined on a fund. The incurred costs of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance, as follows:

- Premiums written relate to risks assumed during the year, and include estimates of premiums due but not yet received, less an allowance for estimated lapses.
- Claims arising on maturity are recognised when the claim becomes due for payment. Death claims are accounted for on notification. Surrenders are accounted for on payment.
- Expenses and commissions are allocated to the life fund as incurred in the management of the life business.
- The life assurance contracts (accounted for in the life fund) are assessed at least once every three years by qualified consulting actuaries in accordance with Section 29 of the Insurance Act. Any resulting actuarial loss is made up by additional provisions charged to the Group's profit and loss account.

Actuarial surpluses are allocated between the shareholders and the policy holders. Any balance remaining is retained in the life fund and attributable to "with profit" policyholders as the date of actuarial valuation.

In accordance with Section 22 (1) of the Insurance Act 2003, an additional reserve (contingency reserves) of not less than 25% of the net written premium for every year between each valuation date is maintained.

(j) Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. Deferred acquisition costs represent a proportion of commission and other acquisition costs, which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium.

(k) Outstanding claims and provisions

Full provision is made for the estimated cost of all claims notified but not settled at the date of the balance sheet, less reinsurance recoveries, using the best information available at that time.

In non-life insurance business, a provision is also made for the cost of claims incurred but not reported (IBNR) until after the balance sheet date on the basis of 10% of claims notified but not settled in compliance with the provisions of Section 20 (1) (b) of the Insurance Act, 2003.

Similarly, provisions are made for "unallocated claims expenses" being the estimated administrative expenses that will be incurred after the balance sheet date in settling all claims outstanding as at that date, including IBNR. Differences between the provisions for outstanding claims at a balance sheet date and the subsequent settlement are included in the Revenue Account of the following year.

(l) Investments

The Group categorises its investments into the following categories: short-term investments, long-term investments and investments in subsidiaries. Investment securities (short-term and long-term investments) are initially recognized at cost and management determines the classification at initial investment. Debt and equity securities intended to be held for a period not exceeding one year or with an outstanding tenor to maturity not exceeding one year, and investments held for trading are classified as short-term investments.

Investments held-for-trading are those investments that the group acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short-term profit taking.

i. Short term investments

Short-term investments are investments held temporarily in place of cash and which can be converted into cash when current financing needs make such conversion desirable. In addition, management intends to hold such investment for not more than one year.

Short-term investments in treasury bills and other marketable securities are stated at net realisable value. The gain/loss on revaluation is credited/charged to profit and loss account during the year.

All other short-term investments are stated at the lower of cost and market value (quoted bid prices). The amount by which cost exceeds market value (unrealized loss) is charged to the profit and loss account during the year.

ii. Long term investments

Long-term investments are investments held over a long period of time to earn income. Long-term investments may include debt and equity securities.

Long term investments in marketable securities are stated at the lower of cost and net realizable value.

Net realizable value of unquoted securities is value based on Net asset valuation of the entities by the directors. Any discount or premium arising on acquisition of bonds is included in the original cost of the investment and is amortised over the period of purchase to maturity.

Interest earned whilst holding investment securities is reported as interest income. Dividends receivable are included separately in dividend income when a dividend is declared. A change in market value of investment securities is not taken into account unless it is considered to be permanent.

iii Investments in subsidiaries

Investments in subsidiaries are carried in the company's balance sheet at cost less provisions for impairment losses. Where, in the opinion of the Directors, there has been impairment in the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

(m). Trading properties

Trading properties are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of trading properties is determined on the basis of specific identification of their individual costs.

(n) Property and equipment

All property and equipment are initially recorded at cost. They are subsequently stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial year in which they are incurred.

Construction cost in respect of offices is carried at cost as capital work in progress. On completion of construction, the related amounts are transferred to the appropriate category of property and equipment.

Depreciation is calculated on a straight line basis to write down the cost of property and equipment to their residual values over their estimated useful lives as follows:

Leasehold improvements	-	Over the lease period
Buildings	-	50 years
Machinery and equipment	-	5 years
Computer hardware	-	3 years
Computer software	-	5 years
Furniture and fittings	-	5 years
Motor vehicles	-	4 years
Other transportation equipment	-	10 years

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell or the value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the profit and loss account for the year.

(o) Leases

The Group classifies a lease as a finance lease if the following conditions are met:

- (a) Lease is non-cancellable, and
- (b) any of the following is applicable
 - i. the lease term covers substantially (80% or more) the estimated useful life of the asset or,
 - ii. the net present value of the lease at its inception using the minimum lease payments and implicit interest rate is equal to or greater than the fair value of the leased asset or,
 - iii. the lease has a purchase option which is likely to be exercised.

A lease that does not qualify as a finance lease as specified above is treated as an operating lease.

A Group company can be a lessor or a lessee in either a finance lease or an operating lease.

i. A Group Company is the lessor

When assets are held subject to a finance lease, the transactions are recognized in the books of the Group at the net investments in the lease. Net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment is the sum of the minimum lease payments plus any residual value payable on the lease. The discount on lease is defined as the difference between the gross investment and the present value of the asset under the lease.

The discount is recognized as unearned in the books of the Group and amortized to income as they are earned over the life of the lease at a basis that reflects a constant rate of return on the Group's net investment in the lease.

Finance lease are treated as risk assets and the net investment in the lease are subject to the provisioning policy listed in note (g) above.

When assets are held subject to an operating lease, the assets are recognized as property and equipment based on the nature of the asset and the Group's normal depreciation policy for that class of asset applies.

Lease income is recognized on a straight line over the lease term.

All indirect costs associated with the operating lease are charged as incurred to the profit and loss account.

ii. A Group Company is the lessee

When the assets leased are subject to operating lease, the total payments made under operating leases are charged to profit and loss on a systematic basis in line with the time pattern of the user's benefit.

When the assets are subject to a finance lease, the Group accounts for it by recording the lease as an acquisition of an asset and the incurrence of a liability.

To capitalize the lease right, the Group determines the following:

- the initial value of the leased asset and the corresponding liability
- the amortization rate or amount, and
- the amount by which the lease liability is to be reduced.

At the beginning of the lease term, the Group records the initial asset and liability at amounts equal

to the fair value of the leased asset less the present value of an un-guaranteed or partially guaranteed residual value which would accrue to the lessor at the end of the term of the lease.

The discount factor to apply in calculating the present value of the un-guaranteed residual value accruing to the lessor is the interest rate implicit in the lease.

Where the Group cannot determine the fair value of the leased asset at the inception of the lease or is unable to make a reasonable estimate of the residual value of the lease without which the interest rate implicit in the lease could not be computed, the initial asset and liability are recorded at amounts equal to the present value

The leased asset is depreciated or the rights under the leased asset are amortized in a manner consistent with the Group's own assets.

The minimum lease payment in respect of each accounting year is allocated between finance charge and the reduction of the outstanding lease liability. The finance charge is determined by applying the rate implicit in the lease to the outstanding liability at the beginning of the year.

(p) Cash and cash equivalents

(i) Cash and balance with CBN

Cash comprises cash on hand and demand deposits denominated in Naira and foreign currencies and cash balances with Central Bank of Nigeria (CBN). Cash equivalents are short-term, highly liquid instruments which are:

- readily convertible into cash, whether in local or foreign currency; and
- so near to their maturity dates as to present insignificant risk of changes in value as a result of changes in interest rates.

(ii) Due from other banks

Due from other banks represents cash held in other banks in Nigeria and banks outside Nigeria.

(iii) Treasury bills

Short term investments in treasury bills held-for-trading are presented net of unearned discount. Unearned discount is deferred and amortised as earned.

Short term investments treasury bills which are carried at net realizable value. Gains or losses resulting from market valuation are recognised in the profit and loss account.

(q) **Provisions**

A provision is recognized where, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(r) **Off balance sheet transactions/contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events but is not recognised because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.

Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to eventuate.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is never recognised rather they are disclosed in the financial statements when they arise.

Transactions to which there are no direct balance sheet risks to the Group are reported and accounted for as off balance sheet transactions and comprise:

Acceptances

Acceptances are undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from customers.

Acceptances, which meet the conditions, set out in Central Bank of Nigeria (CBN) Guidelines on the treatment of bankers acceptances and commercial papers are accounted for and disclosed as contingent liabilities. The income and expense relating to these acceptances are recognised and reported net in the financial statements.

Guarantees and performance bonds

The Bank provides financial guarantees and bonds to third parties on the request of customers in the form of bid and performance bonds or advance payment guarantees. These agreements have

fixed limits and generally do not extend beyond the period stated in each contract.
The non-collaterized portion of bonds and guarantees are disclosed in financial statements.

Commissions and fees charged to customers for services rendered in respect of bonds and guarantees are recognized at the time the services or transactions are effected.

Commitments

Commitments to extend credit or deliver on sales or purchases of foreign exchange in future are recognized as off balance sheet engagements. Commissions and fees charged to customers for services rendered in respect of commitments are recognized at the time the service or transaction is effected.

Letters of credit

The Bank provides letters of credit to guarantee the performance of customers to third parties. These are accounted for as off balance sheet items. Commissions and fees charged to customers for the service are recognised at the time the service or transaction is effected.

(s) **Retirement benefits**

Pension costs

The Group operates a funded, defined contribution pension scheme for employees in Nigeria. The scheme is managed by external trustees and employees are entitled to join the scheme on confirmation of their employment. Employee and employer contributions are 7.5% and 10% respectively of the qualifying employee's salary in line with the provisions of Pension Reform Act 2004.

Gratuity scheme

The Group also operates a non-contributory, funded lump sum defined benefit gratuity scheme, which is managed by external trustees. Employees are entitled to join the scheme after completing 10 continuous full years of service. Employees' terminal benefits are determined by an independent actuarial valuation every year using the "projected benefit cost method".

Gains on actuarial valuation are immediately taken as deductions from current or future retirement costs while losses are treated as additions and charged to the profit and loss account.

The Bank ensures that adequate provisions are made to meet its obligations under the scheme.

(t) **Deferred taxation**

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. Currently enacted tax rates are used to determine deferred income tax.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unutilised tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) **Taxation**

Income tax expenses/credits are recognised in the profit and loss account. Current income tax is the expected tax payable on the taxable income for the year, using statutory tax rates at the balance sheet date.

(v) **Borrowings**

Borrowings are recorded at face value less amounts repaid. Direct issue costs are capitalised and amortised over the tenor of the underlying instrument. Interest costs are recognised in the income statement over the duration of the instrument.

(w) **Ordinary share capital**

Share issue Costs

Incremental costs directly attributable to the issue of new shares or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(x) **Dividends**

Dividends on ordinary shares are appropriated from retained earnings and recognised as a liability in the period in which they are declared. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

(y) **Sale of loans or securities**

A sale of loans or securities without recourse to the seller is accounted for as a disposal and the assets excluded from the balance sheet.

Profits or losses on sale of loans or securities without recourse to the seller are recognised by the seller when the transaction is completed.

The Group regards a sale of loans or securities as without recourse, if it satisfies all the following conditions. Any sale not satisfying these conditions will be regarded as with recourse.

- control over the economic benefits of the asset must be passed on to the buyer;
- the seller can reasonably estimate any outstanding cost; and

- there must not be any repurchase obligations

A sale or transfer of loans or securities with recourse where there is an obligation to, or an assumption of, repurchase is not treated as a sale, and the asset remains in the Group's balance sheet, with any related cash received recognised as a liability.

Profit arising from sale or transfer of loan or securities with recourse to the seller is amortised over the remaining life. However, losses are recognised as soon as they can be reasonably estimated.

Where there is no obligation to or assumption of repurchase, the sale should be treated as a disposal and the asset excluded from the balance sheet, and any contingent liability disclosed.

(z) Derivative financial instruments

A derivative is a financial instrument whose value changes in response to the change in an underlying variable. It requires little or no initial net investment relative to other types of contracts that have similar response to changes in market conditions and that is settled at a future date.

The Bank engaged in interest rate swap transactions with counterparties. The interest rate swaps are initially recognised in the balance sheet at fair value, with a corresponding debit or credit as applicable in the income statement. Any changes in fair value are recognised immediately in the income statement.

(aa) Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted number of ordinary shares outstanding during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted number of ordinary shares adjusted for any bonus shares issued.

(bb) Offsetting



Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Balance Sheets

As at 30 June 2011

	Notes	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
ASSETS					
Cash in hand and balances with CBN	12	71,427,575	28,855,906	68,474,459	27,017,683
Treasury bills	13	222,315,447	157,291,249	202,265,205	141,775,484
Due from other banks	14	296,110,054	250,180,751	253,180,139	206,463,631
Loans and advances to customers	15	627,333,505	593,463,860	590,387,580	563,383,562
Advances under finance lease	16	3,775	9,821	-	-
Insurance receivables	17	1,755,676	873,841	-	-
Investment securities	18	105,611,607	51,837,353	99,629,949	44,559,454
Investment in subsidiaries	19	-	-	30,115,862	30,115,862
Trading properties	21	7,102,812	7,349,815	-	-
Other assets	22	19,399,279	11,009,692	13,036,938	8,041,584
Deferred tax assets	32(b)	390,723	587,881	-	-
Property and equipment	23	52,907,891	50,597,029	47,614,616	45,815,129
Goodwill on consolidation	24	354,328	354,328	-	-
TOTAL ASSETS		1,404,712,672	1,152,411,526	1,304,704,748	1,067,172,389
LIABILITIES					
Customers' deposits	25	915,639,904	761,194,792	850,911,509	713,080,374
Due to other banks	26	18,932,220	17,943,922	7,863,225	3,320,059
Claims payable	27	1,160,278	727,653	-	-
Finance lease obligations	28	1,628,000	1,847,629	1,628,000	1,847,629
Liability on investment contracts	29	2,100,349	1,822,664	-	-
Liabilities on insurance contracts	30	3,994,127	2,198,669	-	-
Current income tax payable	11(b)	11,983,729	9,529,921	10,970,458	8,686,276
Other liabilities	31	64,922,792	54,107,363	53,131,752	43,652,714
Deferred tax liabilities	32(c)	3,915,674	4,337,046	3,771,338	4,160,684
Dividend payable	33	-	-	-	-
Retirement benefit obligations	34	160,415	36,699	144,755	35,785
Debt securities in issue	35	138,638,809	64,903,211	13,165,000	13,165,000
Other borrowings	36	20,938,995	22,936,267	148,423,886	74,056,061
TOTAL LIABILITIES		1,184,015,292	941,585,836	1,090,009,923	862,004,582
NET ASSETS		220,697,380	210,825,690	214,694,825	205,167,807
CAPITAL AND RESERVES					
Share capital	37(b)&(c)	14,573,241	11,658,594	14,573,241	11,658,594
Share premium	38	119,076,566	119,076,566	119,076,566	119,076,566
Translation reserve	39(a)&(b)	(91,111)	(392,596)	-	-
Retained earnings	39(a)&(b)	20,191,469	18,860,299	23,237,867	21,465,320
Other reserves	39(a)&(b)	61,008,471	55,592,287	57,807,151	52,967,327
EQUITY ATTRIBUTABLE TO EQUITY - HOLDERS OF THE PARENT		214,758,636	204,795,150	214,694,825	205,167,807
Non-controlling interest	40	5,938,744	6,030,540	-	-
TOTAL EQUITY		220,697,380	210,825,690	214,694,825	205,167,807
Guarantees and other commitments on behalf of customers	41(c)(i)	464,655,565	424,988,204	423,911,398	401,745,825

The financial statements were approved by the Board of Directors on 20 July, 2011 and signed on its behalf by:


 SEGUN AGBAJE)

 CATHY ECHEOZO) Directors

Profit and Loss Accounts
For the period ended 30 June 2011

	Notes	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
GROSS EARNINGS		91,842,724	82,962,639	84,070,320	75,398,147
Interest and similar income	3	62,888,312	61,071,790	58,398,375	56,068,095
Interest and similar expenses	4	(12,157,829)	(19,637,037)	(10,595,000)	(17,849,268)
<i>Net interest margin</i>		<u>50,730,483</u>	<u>41,434,753</u>	<u>47,803,375</u>	<u>38,218,827</u>
Fee and commission income	5	22,497,048	17,939,270	19,717,444	16,640,666
Fee and commission expense	6	(1,438,544)	(1,472,424)	(1,436,180)	(1,467,085)
<i>Net fee and commission income</i>		<u>21,058,504</u>	<u>16,466,846</u>	<u>18,281,264</u>	<u>15,173,581</u>
Net foreign exchange income	7	2,782,635	1,308,881	1,888,568	820,414
Underwriting profit	8	949,247	720,273	-	-
Income from investments	9	496,322	1,922,425	1,836,773	1,868,972
<i>Operating income</i>		<u>76,017,191</u>	<u>61,853,178</u>	<u>69,809,980</u>	<u>56,081,794</u>
Operating expenses	10	(36,008,590)	(33,075,058)	(31,450,794)	(29,281,023)
Loan loss expenses	15(p)	(8,024,303)	(2,892,173)	(7,889,009)	(2,796,976)
Diminution in other asset values	15(q)	(83,939)	(163,941)	-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		<u>31,900,359</u>	<u>25,722,006</u>	<u>30,470,177</u>	<u>24,003,795</u>
Taxation	11(a)	(6,646,661)	(7,497,416)	(5,684,429)	(7,080,479)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		<u>25,253,698</u>	<u>18,224,590</u>	<u>24,785,748</u>	<u>16,923,316</u>
Extra-ordinary item	11(c)	2,229,160	-	2,229,160	-
PROFIT AFTER TAX AND EXTRA-ORDINARY ITEM		<u>27,482,858</u>	<u>18,224,590</u>	<u>27,014,908</u>	<u>16,923,316</u>
Non-controlling interest	40(b)	(332,967)	(279,928)	-	-
<i>Profit attributable to equity holders of the Bank</i>		<u>27,149,891</u>	<u>17,944,662</u>	<u>27,014,908</u>	<u>16,923,316</u>
APPROPRIATIONS					
Transfer to statutory reserve	39(a)&(b)	8,680,832	5,484,972	8,104,472	5,076,995
Transfer to contingency reserve	39(a)&(b)	-	191,668	-	-
Transfer to retained earnings	39(a)&(b)	18,469,059	12,268,022	18,910,436	11,846,321
		<u>27,149,891</u>	<u>17,944,662</u>	<u>27,014,908</u>	<u>16,923,316</u>
Earnings per share (kobo) - Basic	44	86k	77k	85k	73k
Earnings per share (kobo) - Adjusted	44	86k	62k	85k	58k

The accompanying statement of significant accounting policies and explanatory notes form an integral part of these financial statements.

Statements of Cash Flows

For the period ended 30 June 2011

	Notes	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
OPERATING ACTIVITIES					
Net cash flow from operating activities	45	146,317,643	133,486,962	136,865,873	116,761,688
Income tax paid	11(b)	(4,373,656)	(1,003,227)	(3,789,593)	-
VAT paid		(186,022)	(658,805)	(186,022)	(658,805)
<i>Net cash flows from operating activities</i>		<u>141,757,965</u>	<u>131,824,930</u>	<u>132,890,258</u>	<u>116,102,883</u>
FINANCING ACTIVITIES					
Dividend paid	33	(17,487,889)	(13,990,312)	(17,487,889)	(13,990,312)
Borrowings					
- Inflow from debt securities issue	35(b)	73,601,093	-	-	-
- Inflow from other borrowings	36(b)	-	3,250,000	76,224,150	3,250,000
- Repayment of borrowings	36(b)	(2,077,751)	(1,866,246)	(2,016,061)	(1,258,495)
- Interest paid on borrowings	4(a)	(4,119,117)	(3,411,116)	(4,097,440)	(3,399,827)
- Finance lease repayment	28(b)	(224,298)	(189,345)	(224,298)	(189,345)
- Interest paid on finance lease		(141,891)	(173,098)	(141,891)	(173,098)
Inflow from non-controlling interest	40(b)	-	-	-	-
Dividend paid to non-controlling interest	40(b)	(312,693)	(115,040)	-	-
<i>Net cash flows from financing activities</i>		<u>49,237,454</u>	<u>(16,495,157)</u>	<u>52,256,571</u>	<u>(15,761,077)</u>
INVESTING ACTIVITIES					
Purchase of long term investments	18(h)	(30,324,560)	(647,800)	(33,097,978)	(100,000)
Sale of long term investments		2,600,000	-	2,600,000	-
Dividend income received	9	401,679	746,903	1,608,377	667,251
Purchase of property and equipment	23(a)&(b)	(6,598,139)	(5,383,805)	(5,543,673)	(4,226,675)
Proceeds from disposal of property and equipment		110,150	483,394	80,292	558,593
Additional investment in subsidiaries		-	-	-	-
Proceeds on disposal of interest in subsidiaries		-	700,268	-	700,268
Redemption of long term investments	18(h)	1,635,175	536,935	608,071	6,563
Purchase of trading properties	21(a)	(202,657)	(303,881)	-	-
Proceeds from disposal of trading properties		449,660	397,721	-	-
Contribution to gratuity and pension scheme	34(b)&(c)	(1,145,090)	(1,130,009)	(1,092,321)	(1,116,089)
<i>Net cash flows from investing activities</i>		<u>(33,073,782)</u>	<u>(4,600,274)</u>	<u>(34,837,232)</u>	<u>(3,510,089)</u>
<i>Net increase in cash and cash equivalents</i>		<u>157,921,637</u>	<u>110,729,499</u>	<u>150,309,597</u>	<u>96,831,717</u>
Analysis of changes in cash and cash equivalents					
Cash and cash equivalents, beginning of the period		(412,194,226)	(277,413,577)	(365,746,981)	(260,262,871)
Effect of exchange rate fluctuations on foreign cash held		(804,993)	1,051,887	-	-
Cash and cash equivalents, end of the period	46	<u>570,920,856</u>	<u>387,091,189</u>	<u>516,056,578</u>	<u>357,094,588</u>
<i>Net increase in cash and cash equivalents</i>		<u>157,921,637</u>	<u>110,729,499</u>	<u>150,309,597</u>	<u>96,831,717</u>

The accompanying statement of significant accounting policies and explanatory notes form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the period ended June 2011

1 General information

The Bank was incorporated as a private limited liability company on 20 July, 1990. It obtained a licence to operate as a commercial bank on 1 August, 1990, and commenced business on 11 February, 1991. It became a public limited company on 2 April, 1996, and its shares were listed on the Nigerian Stock Exchange on 9 September, 1996. The Bank was issued a universal banking licence by the Central Bank of Nigeria on 5 February, 2001.

The Bank has ten (10) subsidiaries as shown below:

	Country of Incorporation	Percentage holding Jun-2011	Percentage holding Dec-2010
Guaranty Trust Assurance Plc	Nigeria	67.68%	67.68%
GTB Asset Management Ltd	Nigeria	100.00%	100.00%
GT Homes Limited	Nigeria	75.11%	75.11%
GT Registrars Limited	Nigeria	99.99%	99.99%
GTB Finance, B.V. (Netherlands)	Netherlands	100.00%	100.00%
GTB (UK) Limited	United Kingdom	100.00%	100.00%
GTB (Liberia) Limited	Liberia	99.43%	99.43%
GTB (Sierra Leone) Limited	Sierra Leone	84.24%	84.24%
GTB (Gambia) Limited	Gambia	77.81%	77.81%
GTB (Ghana) Limited	Ghana	95.72%	95.72%

2 Segment analysis

(a) By geographical segment

The Group's business is organized along three (3) main geographical areas:

- (i) Nigeria
- (ii) Rest of West Africa
- (iii) Europe

Transactions between the business segments are on normal commercial terms and conditions.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged on these funds is based on the Group's cost of capital. There are no other material items of income or expense between the business segments.

Internal charges and transfer pricing adjustments have been reflected in the performance of each segment. Revenue sharing agreements are used to allocate external customer revenues to a segment on a reasonable basis.

2 (a) **Segment report by geographical location:**

	Nigeria		Rest of West Africa		Europe		Total	
	Jun-2011 N'000	Jun-2010 N'000	Jun-2011 N'000	Jun-2010 N'000	Jun-2011 N'000	Jun-2010 N'000	Jun-2011 N'000	Jun-2010 N'000
External revenue	82,711,766	76,885,576	6,078,414	5,638,388	823,384	438,675	89,613,564	82,962,639
Revenue from other segments	-	-	-	-	-	-	-	-
Interest and similar expenses	(10,810,173)	(17,993,226)	(1,359,985)	(1,665,750)	12,329	21,939	(12,157,829)	(19,637,037)
Fee and commission expenses	(1,436,180)	(1,472,424)	(2,364)	-	-	-	(1,438,544)	(1,472,424)
Operating income	70,465,413	57,419,926	4,716,065	3,972,638	835,713	460,614	76,017,191	61,853,178
Profit on ordinary activities before tax	30,129,174	24,518,518	1,707,640	1,421,306	63,545	(217,818)	31,900,359	25,722,006
Income tax expense	(6,144,094)	(7,059,853)	(502,567)	(437,563)	-	-	(6,646,661)	(7,497,416)
Profit after tax	23,985,080	17,458,665	1,205,073	983,743	63,545	(217,818)	25,253,698	18,224,590
	Jun-2011 N'000	Dec-2010 N'000	Jun-2011 N'000	Dec-2010 N'000	Jun-2011 N'000	Dec-2010 N'000	Jun-2011 N'000	Dec-2010 N'000
Assets and liabilities:								
Segment assets	1,293,446,572	1,077,166,223	75,457,079	51,665,920	35,454,693	23,225,055	1,404,358,344	1,152,057,198
Intangible assets	354,328	354,328	-	-	-	-	354,328	354,328
Total assets	1,293,800,900	1,077,520,551	75,457,079	51,665,920	35,454,693	23,225,055	1,404,712,672	1,152,411,526
Segment liabilities	970,297,973	867,657,652	59,408,414	48,672,133	154,308,905	25,256,051	1,184,015,292	941,585,836
Total liabilities	970,297,973	867,657,652	59,408,414	48,672,133	154,308,905	25,256,051	1,184,015,292	941,585,836
Other segment items								
Depreciation	3,361,569	6,115,225	327,383	593,959	62,350	116,428	3,751,302	6,825,612

2 (b) By business segment

The Group is divided into five main business segments on a worldwide basis:

- (b) (i) *Retail banking*
Retail banking incorporates private banking services, private customer current accounts, savings deposits, investment savings products, custody, credit and debit cards, customer loans and mortgages.
- (b) (ii) *Corporate banking*
Corporate banking incorporates direct debit facilities, current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products.
- (b) (iii) *Commercial banking*
Commercial banking incorporates direct debit facilities, current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products for medium-sized companies.
- (b) (iv) *Insurance*
Includes insurance transactions with individuals and corporate customers.
- (b) (v) *Asset management*
Includes portfolio and asset management transactions with individuals and corporate customers.

2 (b) Business segments:

	Corporate Banking		Retail		Commercial Banking		Insurance		Asset Mgt		Group	
	Jun-2011	Jun-2010	Jun-2011	Jun-2010	Jun-2011	Jun-2010	Jun-2011	Jun-2010	Jun-2011	Jun-2010	Jun-2011	Jun-2010
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Gross earnings:												
Derived from external customers	49,989,471	60,158,297	17,734,269	13,183,092	20,407,539	8,451,178	1,221,343	658,700	260,942	126,961	89,613,564	82,578,228
Derived from other business segments	(10,634,716)	273,256	12,361,124	70,922	(1,726,408)	40,233	-	-	-	-	-	384,411
	39,354,755	60,431,553	30,095,393	13,254,014	18,681,131	8,491,411	1,221,343	658,700	260,942	126,961	89,613,564	82,962,639
Interest and similar expenses	(4,113,959)	(10,276,996)	(5,711,870)	(5,668,091)	(2,273,388)	(3,654,912)	-	(21,887)	(58,612)	(15,151)	(12,157,829)	(19,637,037)
Fee and commission expenses	(616,538)	(1,082,966)	(444,643)	(237,321)	(377,363)	(152,138)	-	-	-	-	(1,438,544)	(1,472,425)
	34,624,258	49,071,591	23,938,880	7,348,602	16,030,380	4,684,361	1,221,343	636,813	202,330	111,810	76,017,191	61,853,177
Operating expense:												
Loan loss expenses/allowance on other assets	5,537,666	2,709,433	921,753	142,437	1,564,884	199,008	83,939	5,236	-	-	8,108,242	3,056,114
Depreciation	881,039	2,865,259	1,865,067	159,793	900,139	190,170	81,007	66,154	24,050	25,984	3,751,302	3,307,360
Other operating expenses	5,058,312	25,903,564	18,594,679	2,491,033	8,018,151	1,040,875	416,461	309,911	169,685	22,315	32,257,288	29,767,698
Total Cost	11,477,017	31,478,256	21,381,499	2,793,263	10,483,174	1,430,053	581,407	381,301	193,735	48,299	44,116,832	36,131,172
Profit on ordinary activities before taxation	23,147,241	17,593,335	2,557,381	4,555,339	5,547,206	3,254,308	639,936	255,512	8,595	63,511	31,900,359	25,722,005
Income tax expense											(6,646,661)	(7,497,416)
											25,253,698	18,224,589
	Jun-2011	Dec-2010	Jun-2011	Dec-2010	Jun-2011	Dec-2010	Jun-2011	Dec-2010	Jun-2011	Dec-2010	Jun-2011	Dec-2010
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Assets and Liabilities:												
Tangible segment assets	769,055,577	663,011,464	237,794,174	181,735,926	372,455,462	282,653,287	20,963,103	19,739,553	4,090,028	4,916,968	1,404,358,344	1,152,057,198
Intangible segment assets	354,328	354,328	-	-	-	-	-	-	-	-	354,328	354,328
Unallocated segment assets	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	769,409,905	663,365,792	237,794,174	181,735,926	372,455,462	282,653,287	20,963,103	19,739,553	4,090,028	4,916,968	1,404,712,672	1,152,411,526
Segment liabilities	312,071,819	310,092,099	618,992,435	434,711,671	235,398,189	181,639,539	9,830,018	7,520,442	2,593,069	(1,007,728)	1,178,885,530	932,956,023
Unallocated liabilities	3,581,536	5,034,820	692,687	3,270,120	855,539	324,873	-	-	-	-	5,129,762	8,629,813
Total liabilities	315,653,355	315,126,919	619,685,122	437,981,791	236,253,728	181,964,412	9,830,018	7,520,442	2,593,069	(1,007,728)	1,184,015,292	941,585,836
Net Assets	453,756,550	348,238,872	(81,890,948)	(256,245,865)	136,201,734	100,688,875	11,133,085	12,219,111	1,496,959	5,924,696	220,697,380	210,825,689

3 Interest and similar income

Interest and similar income was derived as follows:

(a) Source

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Placements	6,501,699	4,403,139	5,822,708	3,820,937
Treasury bills and investment securities	12,393,002	8,029,810	11,067,165	6,524,140
Loans and advances	43,993,086	48,638,819	41,508,502	45,722,996
Advances under finance lease	525	22	-	22
	<u>62,888,312</u>	<u>61,071,790</u>	<u>58,398,375</u>	<u>56,068,095</u>

(b) Geographical location

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Interest income earned in Nigeria	57,288,286	55,403,856	56,032,910	54,001,078
Interest income earned outside Nigeria	5,600,026	5,667,934	2,365,465	2,067,017
	<u>62,888,312</u>	<u>61,071,790</u>	<u>58,398,375</u>	<u>56,068,095</u>

4 Interest and similar expenses

Interest and similar expenses comprise:

(a) Source:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Current accounts	1,591,772	1,712,414	1,362,178	1,673,585
Savings accounts	577,310	540,305	492,127	475,626
Time deposits	5,577,591	13,838,113	4,459,963	12,294,511
Inter-bank takings	292,039	135,089	183,292	5,719
Borrowed funds	4,119,117	3,411,116	4,097,440	3,399,827
	<u>12,157,829</u>	<u>19,637,037</u>	<u>10,595,000</u>	<u>17,849,268</u>

(b) Geographical location:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Paid in Nigeria	7,669,543	14,583,050	7,378,894	14,408,718
Paid outside Nigeria	4,488,286	5,053,987	3,216,106	3,440,550
	<u>12,157,829</u>	<u>19,637,037</u>	<u>10,595,000</u>	<u>17,849,268</u>

Included in interest expense paid outside Nigeria is an amount of N3,053,269,000 (June 2010: N2,311,949,000) representing interest paid on Eurobond debt securities.

5 Fee and commission income

Fee and commission income comprises:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Commission on turnover	6,716,955	5,330,632	6,492,988	5,154,676
Commission on letter of credit transactions	1,992,087	1,486,587	1,410,271	1,189,491
Remittance fees	2,356,294	1,740,115	1,936,918	1,510,282
Facility management fees	7,968,581	7,102,780	7,543,729	6,846,514
Other fee and commissions	2,508,009	2,033,183	2,138,647	1,888,086
Other income	955,122	245,973	194,891	51,617
	<u>22,497,048</u>	<u>17,939,270</u>	<u>19,717,444</u>	<u>16,640,666</u>

6 Fee and commission expense

Fee and commission expense comprises:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Credit card expenses	728,943	928,414	728,943	928,414
Other fees and commission expense	709,601	544,010	707,237	538,671
	<u>1,438,544</u>	<u>1,472,424</u>	<u>1,436,180</u>	<u>1,467,085</u>

7 Net foreign exchange income

Net foreign exchange income comprises:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Foreign currency trading	2,227,993	1,747,798	1,345,777	1,623,707
Translation gain/(loss)	554,642	(438,917)	542,791	(803,293)
	<u>2,782,635</u>	<u>1,308,881</u>	<u>1,888,568</u>	<u>820,414</u>

8 Underwriting profit

(a) Underwriting profit comprises profit on general insurance and life assurance businesses, and were derived as follows:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
(i) <i>General insurance</i>				
Gross premium	4,585,416	1,378,931	-	-
Outward insurance premium	(1,211,236)	(1,019,332)	-	-
Increase in unexpired risks (see note 30(c))	(1,471,624)	-	-	-
Commission received	154,762	105,388	-	-
Claims incurred	(620,527)	(426,175)	-	-
Underwriting expenses	(482,525)	(302,845)	-	-
(ii) <i>Life assurance</i>				
(Loss)/profit from deposit administration	(13,278)	1,134,733	-	-
Decrease/(increase) in life funds (see note 30(b)(i))	8,259	(150,427)	-	-
Underwriting profit	<u>949,247</u>	<u>720,273</u>	<u>-</u>	<u>-</u>

9 Income from investments

Income from investments comprises:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Dividend income	401,679	746,903	1,608,377	667,251
Profit on sale of securities	(407,690)	4,449,131	(273,937)	4,298,986
Unrealised (loss)/gain on valuation of securities	502,333	(3,351,043)	502,333	(3,372,243)
Gain/(loss) on sale of trading properties	-	13,008	-	-
Profit on part-disposal of subsidiaries	-	64,426	-	274,978
	<u>496,322</u>	<u>1,922,425</u>	<u>1,836,773</u>	<u>1,868,972</u>

10 Operating expenses

(a) (i) Analysis of operating expenses:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Staff salaries and allowances	9,376,055	8,699,586	7,672,868	7,189,496
Other staff cost - gratuity (see note 34(c)(i))	666,565	602,029	660,000	600,000
Depreciation (see note 23(a) & (b))	3,751,302	3,307,360	3,216,847	2,894,881
Profit on disposal of property and equipment	(47,968)	(53,793)	(38,970)	(85,057)
Repairs and maintenance	1,802,197	2,347,840	1,695,863	2,286,722
Insurance	755,550	408,413	718,974	681,671
Professional fees	535,425	559,344	463,084	427,264
Directors' emoluments	271,480	389,144	197,059	361,666
Contract services	2,771,653	2,729,757	2,511,939	2,707,293
Deposit insurance premium	1,773,426	1,619,926	1,763,857	1,614,990
AMCON Expense	1,611,734	-	1,611,734	-
Lease finance charges	141,891	173,098	141,891	173,098
Operating lease expenses	330,274	288,587	234,694	252,016
Occupancy costs	1,977,761	2,240,980	1,664,490	1,432,969
Advertisement and promotion expenses	2,790,709	3,242,353	2,623,749	3,139,202
Auditor's remuneration (see note (a)(ii) below)	139,654	113,721	90,000	92,053
Stationery and postage	1,057,918	1,204,472	993,717	1,188,996
Business travel expenses	600,010	661,690	542,777	656,975
Other operating expenses	5,702,954	4,540,551	4,686,221	3,666,788
	36,008,590	33,075,058	31,450,794	29,281,023

(b) **Staff and executive directors' costs**

(i) Employee costs, including executive directors, during the year is shown below:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Wages and salaries	9,083,121	8,411,320	7,440,884	6,926,741
Pension cost : -				
Defined contribution plans	292,934	288,266	231,984	262,755
	9,376,055	8,699,586	7,672,868	7,189,496
Defined benefit plan (see note 34(c)(i))	666,565	602,029	660,000	600,000
	10,042,620	9,301,615	8,332,868	7,789,496

(ii) The average number of persons employed during the period was as follows:

	Group Jun-2011 Number	Group Jun-2010 Number	Bank Jun-2011 Number	Bank Jun-2010 Number
Executive directors	5	6	5	6
Management	162	445	63	70
Non-management	3,595	3,029	2,565	2,550
	<u>3,762</u>	<u>3,480</u>	<u>2,633</u>	<u>2,626</u>

(iii) The average number of persons in employment during the period is shown below:

	Group Jun-2011 Number	Group Jun-2010 Number	Bank Jun-2011 Number	Bank Jun-2010 Number
Abuja and north central	73	76	70	72
North east division	65	70	65	70
North west division	61	61	61	61
South east division	95	106	95	97
South west division	100	117	100	110
Lagos division	225	365	200	198
Financial control & strategy	46	39	33	33
General services and external affairs	224	196	165	94
Institutional banking division	250	218	217	185
Commercial banking	41	13	-	-
Retail	532	589	412	418
Management and corporate services	64	37	31	35
Payment and settlement	223	309	198	303
Risk management	71	60	61	58
Systems and control	109	82	88	80
Transaction services group	1,169	994	837	812
Public sector group	10	-	-	-
Others	404	148	-	-
	<u>3,762</u>	<u>3,480</u>	<u>2,633</u>	<u>2,626</u>

- (iv) Employees other than directors, earning more than ₦60,000 per month, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contributions and certain benefits) in the following ranges:

	Group Jun-2011 Number	Group Jun-2010 Number	Bank Jun-2011 Number	Bank Jun-2010 Number
₦720,001 - ₦1,400,000	767	447	-	13
₦1,400,001 - ₦2,050,000	43	12	15	2
₦2,190,001 - ₦2,330,000	66	5	-	-
₦2,330,001 - ₦2,840,000	40	618	-	618
₦2,840,001 - ₦3,000,000	16	3	-	-
₦3,130,001 - ₦3,830,000	720	3	675	-
₦3,830,001 - ₦4,530,000	45	752	-	747
₦4,530,001 - ₦5,930,000	564	521	532	452
₦6,300,001 - ₦6,800,000	508	313	487	311
₦6,800,001 - ₦7,300,000	10	-	-	-
₦7,300,001 - ₦7,800,000	373	210	370	210
₦7,800,001 - ₦8,600,000	295	-	276	-
₦8,600,001 - ₦11,800,000	112	194	90	171
Above ₦11,800,000	203	402	188	102
	3,762	3,480	2,633	2,626
	3,762	3,480	2,633	2,626

(c) **Directors' remuneration:**

- (i) Directors' remuneration excluding pension contributions and certain benefits was provided as follows:

	Group Jun-2011 ₦'000	Group Jun-2010 ₦'000	Bank Jun-2011 ₦'000	Bank Jun-2010 ₦'000
Fees as directors	73,864	44,550	42,500	42,500
Other allowances	197,616	344,594	154,559	319,166
	271,480	389,144	197,059	361,666
Executive compensation	241,846	186,543	229,674	186,543
	513,326	575,687	426,733	548,209
	513,326	575,687	426,733	548,209

(ii) The directors' remuneration shown above includes:

	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Chairman	12,001	30,535
Highest paid director	62,088	41,828

(iii) The emoluments of all other directors fell within the following ranges:

	Bank Jun-2011 N'000	Bank Jun-2010 N'000
N 6,500,001 - N11,000,000	3	-
N11,000,001 - N11,500,000	-	-
N11,500,001 - N12,000,000	1	-
N12,000,001 - N12,500,000	1	-
N12,500,001 - N13,000,000	-	-
N13,000,001 - N13,500,000	-	-
N13,500,001 - N22,500,000	2	4
Above N22,500,001	5	14
	12	18

11 Taxation

(a) *Tax charge*

The tax charge for the year comprises:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Company income tax	6,227,789	6,858,471	5,471,074	6,298,425
Education tax	383,685	493,880	375,326	485,598
NITDA levy	227,375	134,799	227,375	134,799
	6,838,849	7,487,150	6,073,775	6,918,822
Prior year under-provision (see note 11(b))	-	41,986	-	-
Deferred tax liability (credit)/charge (see note 32(b)&(c))	(389,346)	(126,270)	(389,346)	161,657
Deferred tax (charge)/credit (see note 32(b) & (c))	197,158	94,550	-	-
	6,646,661	7,497,416	5,684,429	7,080,479

(b) *Current income tax payable*

The movement on the current income tax payable account during the year was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	9,529,921	3,483,561	8,686,276	2,373,006
Exchange difference on translation	(11,385)	53,157	-	
Charge for the period (see note 11(a))	6,838,849	9,446,511	6,073,775	8,184,462
Payments during the period	(4,373,656)	(4,249,246)	(3,789,593)	(2,623,912)
Prior period under-provision (see note 11(a))	-	795,938	-	752,720
Balance, end of the period	<u>11,983,729</u>	<u>9,529,921</u>	<u>10,970,458</u>	<u>8,686,276</u>

11(c) **Extra-ordinary item**

(i) This represents net gain on the disposal and diminution in value of SMEEIS investment.

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Proceeds on disposal	2,600,000	-	2,600,000	-
Less cost of investment	(20,840)	-	(20,840)	-
Extra-ordinary income before taxation	2,579,160	-	2,579,160	-
Taxation (see note (ii) below)	-	-	-	-
Gain on disposal	2,579,160	-	2,579,160	-
Diminution in SMEEIS Investment	(350,000)	-	(350,000)	-
	<u>2,229,160</u>	<u>-</u>	<u>2,229,160</u>	<u>-</u>

(ii) Effective 1 January 1998, stocks and shares were exempted from capital gains tax. Accordingly, income on this sale is not subject to capital gains tax.

12 Cash in hand and balances with CBN

(a) Cash in hand and balances with regulatory bodies comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Cash in hand	25,074,599	21,200,955	22,121,483	19,370,403
Operating account held with the Central Bank of Nigeria (CBN)	46,352,976	1,465,193	46,352,976	1,457,522
	<u>71,427,575</u>	<u>22,666,148</u>	<u>68,474,459</u>	<u>20,827,925</u>
Mandatory reserve deposits with Central Bank of Nigeria (CBN)	-	6,189,758	-	6,189,758
	<u>71,427,575</u>	<u>28,855,906</u>	<u>68,474,459</u>	<u>27,017,683</u>

(b) Mandatory reserve deposits are not available for use in the Group's day-to-day operations. The Central Bank of Nigeria (CBN), in Circular No FPR/DIR/CIR/GEN/01/014 dated March 3, 2011 modified the framework for Cash Reserve Requirement. Banks compliance with the new Cash Reserve Requirement framework is measured by comparing the daily average balances in the bank's operating account (Not Cash Reserve Account) with the CBN throughout a maintenance period with the CRR as computed by the CBN. The bank maintains the required daily average in its CBN Operating Account in compliance with the CBN Circular.

(c) Included in Group's cash in hand is an amount of N5,950,340,000 and N600,815,000 (31 December 2010: N3,228,327,000 and N1,516,154,000) representing unclaimed dividend held in the accounts of GTB Registrars and GTB Asset Management Limited respectively. The corresponding balances are included in 'other liabilities. (See note 31).

13 Treasury bills

These comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Treasury bills (see note a) below	222,315,447	157,291,249	202,265,205	141,775,484
	<u>222,315,447</u>	<u>157,291,249</u>	<u>202,265,205</u>	<u>141,775,484</u>

- (a) (i) Included in treasury bills is ₦13,400,000,000 (31 December 2010: ₦13,400,000,000) pledged as collateral to the Central Bank of Nigeria, Nigeria Interbank Settlement System, Federal Inland Revenue Services, Bank of Industry, Interswitch Nigeria Limited and Valucard Nigeria Limited as at period end.
- (a) (ii) The original cost of treasury bills as at 30 June 2011 was ₦200,975,853,000 (31 December 2010: ₦141,755,364,000).

14 Due from other banks

- (a) Due from other banks comprise:

	Group Jun-2011 ₦'000	Group Dec-2010 ₦'000	Bank Jun-2011 ₦'000	Bank Dec-2010 ₦'000
Balances held with other local banks and discount houses				
- Current accounts	288,930	(2,979,235)	-	-
- Placements (see note (a)(i) below)	76,860,307	148,241,685	72,445,175	109,716,090
- Commercial bills	1,890,021	-	-	-
Mandatory reserve deposit with NAICOM (National Insurance Commission)	500,000	500,000	-	-
Balances and cash balances outside Nigeria				
- Balances held with Central Banks	4,376,878	9,022,065	-	-
- Balances held with other banks outside Nigeria (see note (a)(ii) below)	85,684,949	68,979,225	89,805,204	64,748,019
- Placements with foreign Banks (see note (a)(iii) below)	126,508,969	26,417,011	90,929,760	31,999,522
	<u>296,110,054</u>	<u>250,180,751</u>	<u>253,180,139</u>	<u>206,463,631</u>

- (a) (i) All placements with local banks in Nigeria are backed by CBN guarantees valid until 30 September 2011.
- (a) (ii) Included in balances held with other banks outside Nigeria is the Naira value of foreign currencies held on behalf of customers in various foreign accounts amounting to ₦29,482,152,000 (31 December 2010: ₦29,650,301,000) to cover letters of credit transactions. The corresponding liability for this amount is included in other liabilities (see Note 31). The amount is not available for the day-to-day operations of the Bank.

- (a) (iii) Included in balances with other banks outside Nigeria are restricted amounts totalling ₦3,508,046,000 (31 December 2010: ₦3,508,046,000).

15 Loans and advances to customers

- (a) Loans and advances to customers comprise:

	Group Jun-2011 ₦'000	Group Dec-2010 ₦'000	Bank Jun-2011 ₦'000	Bank Dec-2010 ₦'000
Overdrafts	153,560,605	149,275,060	140,282,356	140,098,022
Term loans	413,916,308	341,152,155	394,791,306	323,968,855
Others	84,416,951	145,243,206	77,939,281	140,032,425
	<u>651,893,864</u>	<u>635,670,421</u>	<u>613,012,943</u>	<u>604,099,302</u>
Less: allowances for bad and doubtful loans				
- specific allowance (see note (k) below)	(15,834,919)	(22,859,463)	(14,836,465)	(21,866,022)
- allowance for margin facilities (see note (l)(i) below)	(673,886)	(10,448,832)	(673,886)	(10,448,832)
- general allowance (see note (m)(i) below)	(5,780,313)	(211,512)	(5,534,832)	-
- Interest in suspense (see note (o) below)	(2,271,241)	(8,686,754)	(1,580,180)	(8,400,886)
	<u>627,333,505</u>	<u>593,463,860</u>	<u>590,387,580</u>	<u>563,383,562</u>

(b) Gross loans and advances by type comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Specialised loans (See Note (c) below)	87,929,614	84,440,879	79,188,917	84,440,879
Non-specialised (See Note (i) below)	563,964,250	551,229,542	533,824,026	519,658,423
Gross loan	651,893,864	635,670,421	613,012,943	604,099,302
Less: allowances for bad and doubtful loans				
i Specialised:				
- Interest in suspense (See note 15(d)(ii) below)	(32,831)	(645,062)	-	(645,062)
- Specific allowance	(3,916)	-	-	-
- General allowance	(818,399)	-	(771,106)	-
- Allowance for margin facilities (See note 15(d)(ii) below)	(673,886)	(10,448,832)	(673,886)	(10,448,832)
= b	(1,529,032)	(11,093,894)	(1,444,992)	(11,093,894)
ii Non specialised:				
- Specific allowance	(15,831,003)	(22,859,463)	(14,836,465)	(21,866,022)
- General allowance	(4,961,914)	(211,512)	(4,763,726)	-
- Interest in suspense	(2,238,410)	(8,041,692)	(1,580,180)	(7,755,824)
= c	(23,031,327)	(31,112,667)	(21,180,371)	(29,621,846)
Total provisions = (b+c)	(24,560,359)	(42,206,561)	(22,625,363)	(40,715,740)
Net loans and advances = (a-(b+c))	627,333,505	593,463,860	590,387,580	563,383,562

(c) Specialised loans comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Project finance	39,493,329	20,290,471	36,904,544	20,290,471
Object finance	15,454,155	17,109,755	15,454,155	17,109,755
Agriculture finance	2,899,218	6,174,033	2,899,218	6,174,033
Real estate finance	20,791,871	26,378,759	20,791,871	26,378,759
Mortgage finance	7,209,214	1,463,239	1,060,802	1,463,239
	85,847,787	71,416,257	77,110,590	71,416,257
Margin loans	2,081,827	13,024,622	2,078,327	13,024,622
	87,929,614	84,440,879	79,188,917	84,440,879

(d) (i) Classification of gross specialised loans by performance include:

Jun-2011

Group

	Project finance Jun-2011 N'000	Object finance Jun-2011 N'000	Agriculture finance Jun-2011 N'000	Real Estate finance Jun-2011 N'000	Mortgage finance Jun-2011 N'000	Total Jun-2011 N'000
Performing	39,305,061	15,454,155	2,456,980	20,434,205	7,122,990	84,773,391
Watchlist	21,006	-	-	-	43,361	64,367
	<u>39,326,067</u>	<u>15,454,155</u>	<u>2,456,980</u>	<u>20,434,205</u>	<u>7,166,351</u>	<u>84,837,758</u>
Other Classification:						
Substandard	103,596	-	3,222	-	6,565	113,383
Doubtful	63,666	-	-	356,102	-	419,768
Very doubtful	-	-	-	-	-	-
Lost	-	-	439,016	1,564	36,298	476,878
(a)	<u>167,262</u>	<u>-</u>	<u>442,238</u>	<u>357,666</u>	<u>42,863</u>	<u>1,010,029</u>
(b)	<u>39,493,329</u>	<u>15,454,155</u>	<u>2,899,218</u>	<u>20,791,871</u>	<u>7,209,214</u>	<u>85,847,787</u>
Percentage to total loans (a/b)	<u>0.004</u>	<u>-</u>	<u>0.153</u>	<u>0.017</u>	<u>0.006</u>	<u>0.012</u>

(d) (ii) The allowance for specialised loans comprises:

Group/Company

	Balance Jun-2011 N'000	Allowance Jun-2011 N'000
Project finance	39,493,329	408,472
Object finance	15,454,155	154,542
Agriculture finance	2,899,218	28,992
Real Estate finance	20,791,871	207,919
Mortgage finance	<u>7,209,214</u>	<u>55,221</u>
	<u>85,847,787</u>	<u>855,146</u>
Margin loans	2,081,827	673,886
	<u>87,929,614</u>	<u>1,529,032</u>

(d) (iii) Classification of gross specialised loans by performance include:

Dec-2010

Group	Project finance	Object finance	Agriculture finance	Real Estate finance	Mortgage finance	Total
	Dec-10	Dec-10	Dec-10	Dec-10	Dec-10	Dec-10
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Performing	15,737,832	17,109,755	6,174,033	26,378,759	1,463,239	66,863,618
Watchlist	4,552,639	-	-	-	-	4,552,639
	<u>20,290,471</u>	<u>17,109,755</u>	<u>6,174,033</u>	<u>26,378,759</u>	<u>1,463,239</u>	<u>71,416,257</u>
Other Classification:						
Substandard	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
Very doubtful	-	-	-	-	-	-
Lost	-	-	-	-	-	-
(a)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(b)	<u>20,290,471</u>	<u>17,109,755</u>	<u>6,174,033</u>	<u>26,378,759</u>	<u>1,463,239</u>	<u>71,416,257</u>
Percentage to total loans (a/b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(d) (ii) The allowance for specialised loans comprises:

Group/Company

	Balance Dec-2010 ₦'000	Allowance Dec-2010 ₦'000
Project finance	20,290,471	645,062
Object finance	17,109,755	-
Agriculture finance	6,174,033	-
Real Estate finance	26,378,759	-
Mortgage finance	1,463,239	-
	<u>71,416,257</u>	<u>645,062</u>
Margin facilities	13,024,622	10,448,832
	<u>84,440,879</u>	<u>11,093,894</u>

(d) (iv) Classification of gross specialised loans by performance include:

Jun-2011

Bank

	Project finance Jun-2011 N'000	Object finance Jun-2011 N'000	Agriculture finance Jun-2011 N'000	Real Estate finance Jun-2011 N'000	Mortgage finance Jun-2011 N'000	Total Jun-2011 N'000
Performing	36,904,544	15,454,155	2,456,980	20,434,205	1,024,504	76,274,388
Watchlist	-	-	-	-	-	-
	<u>36,904,544</u>	<u>15,454,155</u>	<u>2,456,980</u>	<u>20,434,205</u>	<u>1,024,504</u>	<u>76,274,388</u>
Other Classification:						
Substandard	-	-	3,222	-	-	3,222
Doubtful	-	-	-	356,102	-	356,102
Very doubtful	-	-	-	-	-	-
Lost	-	-	439,016	1,564	36,298	476,878
(a)	<u>-</u>	<u>-</u>	<u>442,238</u>	<u>357,666</u>	<u>36,298</u>	<u>836,202</u>
(b)	<u>36,904,544</u>	<u>15,454,155</u>	<u>2,899,218</u>	<u>20,791,871</u>	<u>1,060,802</u>	<u>77,110,590</u>
Percentage to total loans (a/b)	<u>-</u>	<u>-</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

(d) (v) The allowance for specialised loans comprises:

Group/Company

	Balance Jun-2011 N'000	Allowance Jun-2011 N'000
Project finance	36,904,544	369,045
Object finance	15,454,155	154,542
Agriculture finance	2,899,218	28,992
Real Estate finance	20,791,871	207,919
Mortgage finance	<u>1,060,802</u>	<u>10,608</u>
	<u>77,110,590</u>	<u>771,106</u>
Margin loans	2,078,327	673,886
	<u>79,188,917</u>	<u>1,444,992</u>

(d) (vi) Classification of gross specialised loans by performance include:

Dec-2010

Bank

	Project finance Dec-10 N'000	Object finance Dec-10 N'000	Agriculture finance Dec-10 N'000	Real Estate finance Dec-10 N'000	Mortgage finance Dec-10 N'000	Total Dec-10 N'000
Performing	15,737,832	17,109,755	6,174,033	26,378,759	1,463,239	66,863,618
Watchlist	4,552,639	-	-	-	-	4,552,639
	<u>20,290,471</u>	<u>17,109,755</u>	<u>6,174,033</u>	<u>26,378,759</u>	<u>1,463,239</u>	<u>71,416,257</u>
Other Classification:						
Substandard	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
Very doubtful	-	-	-	-	-	-
Lost	-	-	-	-	-	-
(a)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(b)	<u>20,290,471</u>	<u>17,109,755</u>	<u>6,174,033</u>	<u>26,378,759</u>	<u>1,463,239</u>	<u>71,416,257</u>
Percentage to total loans (a/b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(d) (vii) The allowance for specialised loans comprises:

Group/Company

	Balance Dec-10 N'000	Allowance Dec-10 N'000
Project finance	20,290,471	645,062
Object finance	17,109,755	-
Agriculture finance	6,174,033	-
Real Estate finance	26,378,759	-
Mortgage finance	1,463,239	-
	<u>71,416,257</u>	<u>645,062</u>
Margin facilities	13,024,622	10,448,832
	<u>84,440,879</u>	<u>11,093,894</u>

(e) (i) Gross loans and advances by security comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Secured against real estate	304,123,763	233,865,979	286,685,573	274,757,993
Secured by shares of quoted companies	15,310,828	47,855,060	15,307,328	30,775,538
Otherwise secured	322,810,632	292,472,127	301,447,639	291,421,389
Unsecured	9,648,641	61,477,255	9,572,403	7,144,382
	<u>651,893,864</u>	<u>635,670,421</u>	<u>613,012,943</u>	<u>604,099,302</u>

(e) (ii) Included in loans and advances is a total loan amount of N22,347,660,000 (December 2010: N8,799,049,000) secured by cash held in various deposit accounts on behalf of customers.

(f) The gross value of loans and advances by maturity is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Under 1 month	201,586,961	190,978,708	192,549,029	185,246,588
1 - 3 months	42,135,230	32,041,842	37,300,736	26,491,478
3 - 6 months	32,207,837	45,700,192	24,221,017	44,218,876
6 - 12 months	58,434,099	90,616,362	48,533,513	79,920,035
Over 12 months	317,529,737	276,333,317	310,408,648	268,222,325
	<u>651,893,864</u>	<u>635,670,421</u>	<u>613,012,943</u>	<u>604,099,302</u>

(g) The gross value of loans and advances by sector is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Activities of Extraterritorial Organizations and Bodies	2,271	27,408	2,270	27,408
Administrative and Support Service Activities	1,816,961	1,307,437	1,816,961	1,307,437
Agriculture, Forestry and Fishing	3,205,325	3,932,847	2,464,762	2,998,167
Arts, Entertainment and Recreation	318,737	318,683	318,737	318,683
Capital Market	16,587,258	23,962,422	16,584,758	23,658,377
Construction	24,788,068	41,061,082	24,788,068	35,261,843
Education	21,722,131	23,779,760	21,722,131	22,794,813
Finance and Insurance	12,371,411	22,182,597	11,712,322	9,894,133
General	55,515,938	38,389,313	50,730,018	35,810,813
General Commerce	81,978,240	69,089,863	63,117,585	69,089,863
Government	12,464,348	13,204,037	12,464,348	13,183,486
Human Health and Social Work Activities	7,606,339	6,793,970	7,606,339	6,793,970
Information and Communication	59,741,774	62,623,220	59,453,443	62,623,220
Manufacturing	114,575,586	116,912,839	110,582,271	113,264,258
Mining and Quarrying	1,350,263	1,233,937	358,002	359,591
Oil and Gas	173,113,056	137,891,807	170,120,895	135,706,922
Power and Energy	1,703	26,731	-	26,731
Professional, Scientific and Technical Activities	6,003,860	6,437,615	6,003,860	6,437,615
Real Estate Activities	30,748,003	38,547,046	27,216,341	38,525,007
Transportation and Storage	27,735,660	27,800,655	25,702,900	25,869,813
Water Supply, Sewage, Waste Management and Remediation Activities	246,932	147,152	246,932	147,152
	651,893,864	635,670,421	613,012,943	604,099,302

(h) The gross value of loans and advances by borrower is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Insider related loans (see note 42 (b))	10,849,705	13,028,752	9,255,461	13,028,752
Other loans	641,044,159	622,641,669	603,757,482	591,070,550
	651,893,864	635,670,421	613,012,943	604,099,302

(i) The analysis of non specialised loans by performance is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Performing	541,478,990	508,268,922	513,037,845	478,550,816
Non-performing (see note (j) below):				
- Principal	20,406,731	34,273,866	19,366,588	32,706,721
- Interest	2,078,529	8,686,754	1,419,593	8,400,886
	<u>563,964,250</u>	<u>551,229,542</u>	<u>533,824,026</u>	<u>519,658,423</u>

(j) The analysis of non-performing non specialised loans and advances is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
90-180 (sub-standard)	6,476,875	9,181,846	5,781,006	8,392,872
180-360 (doubtful)	9,962,737	7,263,692	9,804,048	7,030,404
Over 360 (lost)	4,012,379	17,828,328	3,781,534	17,283,445
Interest in suspense	2,033,269	8,686,754	1,419,593	8,400,886
	<u>22,485,260</u>	<u>42,960,620</u>	<u>20,786,181</u>	<u>41,107,607</u>

(k) The movements on specific loan loss allowance during the period was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of period	22,859,463	17,651,783	21,866,022	17,224,213
Exchange difference	(1,351)	(40,621)	35	3,189
Allowances made during the period (see (p) below)	11,701,842	7,817,045	11,441,065	7,124,139
Allowances written-off during the period	(12,571,605)	(196,563)	(12,452,445)	(185,262)
Allowances no longer required	(6,153,430)	(2,372,181)	(6,018,212)	(2,300,257)
Balance, end of period	<u>15,834,919</u>	<u>22,859,463</u>	<u>14,836,465</u>	<u>21,866,022</u>

(l) (i) The movement in margin loan allowance during the period is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of period	10,448,832	12,751,935	10,448,832	12,751,935
Allowances made during the period (see (p) below)	1,033,788	3,824,479	1,033,788	3,824,479
Allowances no longer required (see (p) below)	(497,116)	(1,348,095)	(497,116)	(1,348,095)
Allowances written-off during the period	(10,311,618)	(4,779,487)	(10,311,618)	(4,779,487)
Balance, end of period	<u>673,886</u>	<u>10,448,832</u>	<u>673,886</u>	<u>10,448,832</u>

(m) (i) The movement in general loan loss allowance during the period was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of period	211,512	230,981	-	-
Exchange difference	24,234	(5,721)	-	-
Allowances made during the period (see (p) below)	5,561,271	45,381	5,534,832	-
Write back of allowance during the period (see (p) below)	(16,704)	(59,129)	-	-
Balance, end of period	<u>5,780,313</u>	<u>211,512</u>	<u>5,534,832</u>	<u>-</u>

- (n) (ii) The Bank made a 1% general provision of N5,534,832,000 on loans and advances in the current period (2010: Nil).

The Bank did not make a 1% general provision in 2010 based on the waiver published by Nigeria Accounting Standards Board (NASB) at the request of the Central Bank of Nigeria (CBN) and dated March 2011.

The current 1% general provision was necessitated because the waiver granted by NASB had expired with effect from 31 December 2010.

- (o) The movements on interest-in-suspense during the year were as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of year	8,686,754	2,790,168	8,400,886	2,714,651
Exchange difference	1,805	(15,179)	333	
Interest suspended during the year	4,512,245	8,549,751	4,152,464	8,352,146
Interest recovered	(3,574,696)	(425,173)	(3,554,065)	(453,098)
Interest written off	(7,354,867)	(2,212,813)	(7,419,438)	(2,212,813)
Balance, end of year	<u>2,271,241</u>	<u>8,686,754</u>	<u>1,580,180</u>	<u>8,400,886</u>

(p) Loan loss expenses

The analysis of loan loss expense is shown below:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Specific allowances on risk assets (see (k) above)	11,701,842	5,847,391	11,441,065	5,757,225
Margin loan loss allowance (see (l)(i) above)	1,033,788	(692,113)	1,033,788	(692,113)
Margin loan loss allowance no longer required (see note (l)(1))	(497,116)	-	(497,116)	-
General allowance on loans and advances (see (m)(i) above)	5,561,271	5,031	5,534,832	-
Recovery on previously written-off accounts	(4,320,670)	-	(4,320,670)	-
Write-back of general allowance on loans and advances (see (m)(i) above)	(16,704)	(2,684)	-	-
Loan amounts written off	715,322	214,712	715,322	161,315
Specific loan loss allowances no longer required (see note (k) above)	(6,153,430)	(2,480,164)	(6,018,212)	(2,429,451)
	<u>8,024,303</u>	<u>2,892,173</u>	<u>7,889,009</u>	<u>2,796,976</u>

(q) Diminution in other asset values

This comprises:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Allowances on other assets (See note 22(d))	-	31,118	-	-
Allowance on insurance receivables (see note 17(b))	83,939	132,823	-	-
	<u>83,939</u>	<u>163,941</u>	<u>-</u>	<u>-</u>

16 Advances under finance lease

(a) Advances under finance lease comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Gross investment in finance lease	4,194	9,821	-	-
Less: Un-earned income	-	-	-	-
Net investment in finance lease	4,194	9,821	-	-
Less 1% general allowance (see note (a)(i) below)	(419)	-	-	-
Balance, end of year	3,775	9,821	-	-

(a) (i) The movement on general allowances for bad and doubtful advances under finance lease were as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of year	-	-	-	-
(Writeback)/allowance made during the year (see note 15(j)(ii) & 15(l))	419	-	-	-
Balance, end of year	419	-	-	-

(a) (ii) The maturity profile of the net investment in advances under finance lease is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Under 1 month	-	-	-	-
1 - 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	9,821	-	-
Over 12 months	4,194	-	-	-
	<u>4,194</u>	<u>9,821</u>	<u>-</u>	<u>-</u>

(a) (iii) The performance analysis of gross advance under finance lease is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Performing	4,194	9,821	-	-
Non performing	-	-	-	-
	<u>4,194</u>	<u>9,821</u>	<u>-</u>	<u>-</u>

17 Insurance receivables

(a) Insurance receivables comprise of:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Due from policy holders	1,971,956	1,106,190	-	-
Due from agents and brokers	102,246	50,013	-	-
Due from reinsurers	6,964	32,306	-	-
	<u>2,081,166</u>	<u>1,188,509</u>	<u>-</u>	<u>-</u>
Allowance for doubtful receivables (see (b) below)	(325,490)	(314,668)	-	-
	<u>1,755,676</u>	<u>873,841</u>	<u>-</u>	<u>-</u>

(b) Movement in allowance for doubtful insurance receivables is as follows:

	Group Jun-2011	Group Dec-2010	Bank Jun-2011	Bank Dec-2010
	N'000	N'000	N'000	N'000
Balance, beginning of the period	314,668	193,574	-	-
Additions during the period (see note 15(q) above)	83,939	177,468	-	-
Written off during the period	(73,117)	(56,374)	-	-
Balance, end of the period	<u>325,490</u>	<u>314,668</u>	<u>-</u>	<u>-</u>

18 Investment securities

Investment securities comprise:

	Group Jun-2011	Group Dec-2010	Bank Jun-2011	Bank Dec-2010
	N'000	N'000	N'000	N'000
(a) Investment securities - long term				
(a) (i) Unlisted debt securities				
- Federal Govt. bonds (see note (c)(i) below)	21,431,482	22,014,615	19,950,863	20,969,623
- State Government bonds	10,200,000	7,100,000	10,000,000	7,000,000
- Sovereign Debt Notes (see note (d) below)	-	3,663,576	-	3,663,576
- Corporate Bonds (see note (e) below)	3,211,650	3,204,301	6,887,246	3,000,000
- AMCON Bonds (see note (f) below)	31,969,610	1,727,278	31,969,610	1,727,278
(a) (ii) Unlisted equity securities - at cost				
- Kakawa Discount House Limited	34,100	34,100	34,100	34,100
- Valucard Nigeria Plc	90,153	90,153	90,153	90,153
- Nigeria Automated Clearing Systems	47,547	47,547	47,547	47,547
- Afrexim	14,131	14,131	14,131	14,131
- ICHL Nigeria Limited	264,201	264,201	264,201	264,201
- Africa Finance Corporation	636,048	636,048	636,048	636,048
- ARM Pension Managers Limited	-	38,625	-	-
- AP Limited	1,280,073	1,280,073	1,280,073	1,280,073
- Other diversified portfolio	954,337	-	-	-
- Other unquoted investments	1,580,252	1,392,308	-	-
- Small and medium industries investments (see note (g) below)	4,953,730	4,931,906	4,953,730	4,931,906
(a) (iii) Quoted equity investments	719,035	2,278,943	-	-
	<u>77,386,349</u>	<u>48,717,805</u>	<u>76,127,702</u>	<u>43,658,636</u>
Less: diminution in value of investment	(2,860,980)	(2,510,981)	(2,860,980)	(2,510,981)
	<u>74,525,369</u>	<u>46,206,824</u>	<u>73,266,722</u>	<u>41,147,655</u>

(b) **Investment securities- short term.**

(i) *Listed equity securities*

Proprietary investments (see note (j) below)	1,224,906	1,471,047	-	-
Investment in other funds	732,365	-	-	-

(ii) *Unlisted debt securities*

FGN Bonds- trading (see note (k) below)	26,822,787	4,159,482	26,363,227	3,411,799
Treasury bearer bonds	2,306,180	-	-	-

31,086,238	5,630,529	26,363,227	3,411,799
105,611,607	51,837,353	99,629,949	44,559,454

(c) (i) The analysis of FGN Bonds - held to maturity is as follows

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
3rd FGN Bond Series 3 (14.50%)	-	252,370	-	252,370
3rd FGN Bond Series 5 (14.50%)	-	358,071	-	358,071
4th FGN Bond Series 2 (9.50%)	52,290	52,283	52,290	52,283
4th FGN Bond Series 5 (9.23%)	4,921,207	4,993,940	4,921,207	4,993,940
4th FGN Bond Series 10 (9.5%)	10,563,571	10,780,462	10,563,571	10,780,462
4th FGN Bond Series 14 (15.5%)	-	-	-	-
5th FGN bond series 4 (10.50%)	-	569,522	-	-
6th FGN Bond Series 2 (10.50%)	4,413,795	4,858,352	4,413,795	4,532,497
6th FGN Bond Series 4 (7%)	467,093	-	-	-
6th FGN Bond Series 2 (10.5%)	457,660	-	-	-
6th FGN bond series 5 (8.50%)	211,642	149,615	-	-
7th FGN bond series 3 (10%)	50,000	-	-	-
7th FGN Bond Series 13 (5.50%)	294,224	-	-	-
	21,431,482	22,014,615	19,950,863	20,969,623

- (ii) Included in the FGN (Federal Government of Nigeria) bond is an amount ₦15,000,000,000 (December 2010: ₦15,000,000,000) representing the face value of FGN bonds pledged to the Central bank of Nigeria (CBN) discount office to act as settlement bank and also for its participation in clearing activities with the CBN.
- (iii) The market value of FGN Bonds held to maturity was ₦19,950,863,000 (31 December 2010: ₦21,705,317,000)
- (d) The amount represents the value of the Bank's investment in Federal Government Sovereign Debt Notes. These notes were bought at a discounted rate of 7.75%.
- (e) The amount represents the total value of the group's investment in the corporate bonds. Of this amount, the sum of ₦3,000,000,000 represents the value of Corporate Bonds issued by Flour Mills of Nigeria Plc to the Bank. These bonds are 12% Fixed Rate Senior Unsecured Bonds with a tenure of 5 years. Also included in bank's investment in corporate bond is Eurobond issued by GTBV bought by the bank at alms length in the sum of ₦3,887,279,000 (USD 25,499,000) during the period.
- (f) This represents Consideration Bonds issued by the Asset Management Corporation of Nigeria (AMCON) and fully guaranteed by the Federal Government of Nigeria. The Consideration Bonds are three year zero coupon with a yield to maturity of 11.989%. The Consideration Bonds were issued to banks in exchange for non-performing capital market loans as part of the Nigerian Government's policy measures to reduce the negative impact of market loans on the Nigerian banking industry and the economy as a whole. As at 30 June 2011, the bank received a total face value of ₦42,771,695,000 (Discount Value of ₦31,969,610,000) AMCON Bonds in consideration for loans with gross value of ₦46,956,068,000.

- (f) (i) The AMCON bonds comprise:

	Group Jun-2011	Group Dec-2010	Bank Jun-2011	Bank Dec-2010
	₦'000	₦'000	₦'000	₦'000
Face value	42,771,695	2,322,997	42,771,695	2,322,997
Unearned interest	(10,802,085)	(595,719)	(10,802,085)	(595,719)
	<u>31,969,610</u>	<u>1,727,278</u>	<u>31,969,610</u>	<u>1,727,278</u>

(g) Investment in SMEEIS

(i) The details of the investment are shown below:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Forrilon Translantic Ltd	1,080,851	1,080,851	1,080,851	1,080,851
Sokoa Chair Centre	61,288	61,288	61,288	61,288
TerraKulture ltd	289,999	289,999	289,999	289,999
Tinapa Business Resort	500,000	500,000	500,000	500,000
Iscare Nigeria Ltd	40,000	40,000	40,000	40,000
Ruqayya Integrated Farms	40,500	40,500	40,500	40,500
National E-Government Strategy	25,000	25,000	25,000	25,000
Interswitch Nigeria	-	20,840	-	20,840
Central Securities Clearing System	10,500	10,500	10,500	10,500
Patrick Speech & Language Centre Ltd	30,000	30,000	30,000	30,000
Bookcraft Ltd	20,000	20,000	20,000	20,000
3 Peat Investment Ltd	855,532	855,532	855,532	855,532
Shonga F.H. Nigeria Ltd	200,000	200,000	200,000	200,000
Safe Nigeria Ltd	350,000	350,000	350,000	350,000
CRC Credit Bureau	61,111	61,111	61,111	61,111
Cards Technology Limited	265,000	265,000	265,000	265,000
Thisday Events Center	500,000	500,000	500,000	500,000
HITV Limited	500,000	500,000	500,000	500,000
SCC Algon Ltd	42,664	-	42,664	-
Thai Farm International Limited	81,285	81,285	81,285	81,285
	<u>4,953,730</u>	<u>4,931,906</u>	<u>4,953,730</u>	<u>4,931,906</u>
Less: diminution in the value of investment	(1,415,426)	(1,065,426)	(1,415,426)	(1,065,426)
	<u><u>3,538,304</u></u>	<u><u>3,866,480</u></u>	<u><u>3,538,304</u></u>	<u><u>3,866,480</u></u>

(ii) Long term investments as at 30 June, 2011 have been valued by the directors of the Bank using the net assets valuation model.

(iii) The Bank makes investments under the Small and Medium Enterprises Equity Investment Scheme (SMEEIS) per the Policy Guidelines for 2001 Fiscal Year (Monetary Policy Circular No. 35). Included in unlisted long term investments are the bank's investment under the Small and Medium Industries Equity Investment Scheme (SMIEIS). A total of ₦4,953,730,000 (31 December 2010: ₦4,931,906,000) has been so far invested under the scheme. Due to the effective percentage holding of the Bank in these companies, some of them qualify as subsidiaries and associates. However, they are not consolidated as the investments are held for sale. and the cost of the Bank's residual interest in the individual investee companies is not material.

(h) The movement in investment securities-long term is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	46,206,824	18,281,980	41,147,655	16,148,655
Investments purchased during the period	30,324,560	27,925,844	33,097,978	24,999,000
Disposal of long term investment	(20,840)	-	(20,840)	-
Redemption of long term investments	(1,635,175)	(1,000)	(608,071)	-
Provision for diminution	(350,000)	-	(350,000)	-
Balance, end of period	<u>74,525,369</u>	<u>46,206,824</u>	<u>73,266,722</u>	<u>41,147,655</u>

(i) The directors are of the opinion that the net realisable value of long term investments is not lower than their cost.

(j) Proprietary investments as at 30 June 2011, represent Guaranty Trust Assurance Plc's trading investment in quoted securities on the stock market. The cost of the investments as at that date was N1,317,493,000. (Dec. 2010: Market value N1,471,047,000, Cost N1,449,661,000).

(k) (i) FGN Bonds - trading comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
3rd FGN Bond Series 7 (12.5%)	-	431,400	-	431,400
3rd FGN Bond Series 14 (12.74%)	1,041,060	1,041,060	1,041,060	1,041,060
4th FGN Bond Series 3 (10.75%)	-	56,075	-	56,075
4th FGN Bond Series 9 (9.35%)	7,058	8,716	7,058	8,716
4th FGN Bond Series 10 (9.50%)	52,900	103,840	52,900	103,840
4th FGN Bond Series 11 (9.25%)	-	91,980	-	91,980
5th FGN Bond Series 1 (9.45%)	3,007,822	88,816	3,007,822	88,816
5th FGN Bond Series 2 (10.70%)	28,963	162,270	28,963	162,270
5th FGN Bond Series 3 (10.50%)	168,468	168,468	168,468	168,468
5th FGN Bond Series 4 (10.5%)	1,997,038	28,931	1,997,038	28,931
6th FGN Bond Series 1 (9.92%)	7,000,000	-	7,000,000	-
6th FGN Bond Series 2 (10.5%)	459,560	102,480	-	102,480
6th FGN Bond Series 3 (12.49%)	45,802	59,079	45,802	59,079
6th FGN Bond Series 4 (7%)	47,666	508,201	47,666	59,748
6th FGN Bond Series 5 (8.5%)	-	299,230	-	-
7th FGN Bond Series 1 (5.5%)	3,800,356	8,936	3,800,356	8,936
8th FGN Bond Series 1 (10.5%)	241,250	-	241,250	-
7th FGN Bond Series 2 (4%)	4,289,840	-	4,289,840	-
FMBN Mortgage Bonds (9.89%)	1,000,000	1,000,000	1,000,000	1,000,000
AMCON Bond	3,635,004	-	3,635,004	-
	26,822,787	4,159,482	26,363,227	3,411,799

(ii) The original cost of FGN bonds-trading as at 30 June 2011 was ₦26,375,235,000 (31 December 2010: ₦3,436,839,000).

19 Investment in subsidiaries

(a) Investment in subsidiaries comprises:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
GTB Gambia (see note (c) below)	-	-	574,277	574,278
GTB Sierra Leone (see note (d) below)	-	-	594,109	594,109
GT Assurance Plc (see note (e) below)	-	-	8,082,282	8,082,281
GTB Ghana (see note (f) below)	-	-	8,114,710	8,114,710
GTB Finance B.V. (See note (g) below)	-	-	3,220	3,220
GTB Registrars (see note (h) below)	-	-	50,000	50,000
GT Homes Limited (see note (i) below)	-	-	3,500,000	3,500,000
GTB UK Limited (see note (j) below)	-	-	5,000,000	5,000,000
GTB Asset Management Limited (see note (k) below)	-	-	2,250,000	2,250,000
GTB Liberia Limited (see note (l) below)	-	-	1,947,264	1,947,264
	-	-	30,115,862	30,115,862

- (b) (i) The subsidiary companies, country of incorporation, nature of business, percentage equity holding and period consolidated with the parent company is as detailed below:

	<i>Country of Incorporation</i>	<i>Company Name</i>	<i>Nature of Business</i>	<i>Percentage of equity capital held</i>	<i>Period end</i>
1	Gambia	GTB (Gambia) Limited	Banking	77.81%	30/06/2011
2	Sierra Leone	GTB (Sierra Leone) Limited	Banking	84.24%	30/06/2011
3	Nigeria	Guaranty Trust Assurance Plc	Insurance	67.68%	30/06/2011
4	Ghana	GTB (Ghana) Limited	Banking	95.72%	30/06/2011
5	Netherlands	GTB Finance, B.V. (Netherlands)	SPV	100.00%	30/06/2011
6	Nigeria	GT Registrars Limited	Registrar	99.99%	30/06/2011
7	Nigeria	GT Homes Limited	Mortgage	75.11%	30/06/2011
8	United Kingdom	GTB (UK) Limited	Banking	100.00%	30/06/2011
9	Nigeria	GTB Asset Management Ltd	Asset Mgt.	100.00%	30/06/2011
10	Liberia	GTB (Liberia) Limited	Banking	99.43%	30/06/2011

- (c) This represents the cost of the Bank's 77.81% equity holding in GTB Gambia. The company was incorporated in September 2001 and commenced operations in January 2002.
- (d) This represents the cost of the Bank's 84.24% equity holding in GTB Sierra Leone. It was incorporated in September 2001 and commenced operations in January 2002. During 2010, the bank ceded 0.46% of its shareholding in Guaranty Trust Bank Sierra Leone. The cost of ceded shares was ₦2,929,138. The proceeds of ₦25,177,007 resulted in a profit of ₦22,247,869.
- (e) This represents the cost of the Bank's 67.68% equity holding in Guaranty Trust Assurance Plc. The Company was incorporated on 23 June 1989 as Heritage Assurance Limited. However, the Bank acquired a majority shareholding in the Company in September 2004. In January 2010, 5% of the equity holding in the company was ceded for the purpose of listing the shares of the company on the floor of the Nigerian Stock Exchange. The cost of ceded shares was ₦425,289,000. The proceeds of ₦700,268,000 resulted in a profit of ₦274,978,000.
- (f) This represents the cost of the Bank's 95.72% equity holding in Guaranty Trust Bank Ghana. The Company was incorporated in October 2004 and commenced operations in March 2006.
- (g) This represents the cost of the Bank's 100% holding of the equity of GTB Finance B.V., Netherlands. GTB Finance B.V was incorporated in December 2006 and commenced operations in December 2006.
- (h) This represents the cost of the Bank's 99.99% holding of the equity of GTB Registrars. The Company was incorporated in February 2006 and commenced operations in September 2006.
- (i) This represents the cost of the Bank's 75.11% holding of the equity of GT Homes Limited. The Company was incorporated in 1992 as Citizens Savings and Loans Limited. Its name was changed to New Patriot Building Society in 1997. However, the Bank acquired majority shareholding in August 2007, consequent upon which the name was changed to GTHomes Limited. It commenced operations under this name in January 2008.
- (j) This represents the cost of the Bank's 100% holding of the equity of Guaranty Trust Bank (UK) Limited. It was incorporated in February 2007 and commenced operations in January 2008.
- (k) This represents the cost of the Bank's 100% holding in the equity of GTB Asset Management Company Limited. The Company provides security brokerage and asset management services and was incorporated on 14 January 2008 and commenced operations in April 2008.

- (l) This represents the cost of the Bank's 99.43% holding in the equity of Guaranty Trust Bank (Liberia) Limited. GTB (Liberia) Limited was incorporated in September 2008 and commenced operations in March 2009. During the year, the Bank took on the rights issue offered by the subsidiary by making an additional investment of US \$ 4.955 million in it. The rights issue was to enable the company meet the prescribed minimum capital requirements for all banks operating in Liberia, prescribed by the Central Bank of Liberia. Guaranty Trust Bank Liberia made a rights issue of 1 new share for every 2 existing shares.
- (m) The condensed financial statements of the consolidated subsidiaries are included in Note 20.

20 Condensed results of consolidated entities

(a) Condensed results of the consolidated entities as at 30 June 2011, are as follows:

<i>Subsidiary companies/parent company</i>	<i>Elimination</i>		<i>GTBank Plc</i>	<i>GTA Plc</i>	<i>GTB Asset Mgt</i>	<i>GT Registrars</i>	<i>GT Homes Ltd</i>	<i>GT Bank BV</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>
	<i>Group balance</i>	<i>Entries</i>											
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Condensed profit and loss													
Operating income	76,017,191	(1,362,420)	69,809,980	1,221,343	202,330	36,793	609,664	-	2,851,422	960,392	295,976	783,437	608,274
Operating expenses	(36,008,590)	-	(31,450,794)	(497,468)	(193,735)	(34,470)	(183,647)	-	(1,557,408)	(652,951)	(265,213)	(772,169)	(400,735)
Loan loss expenses	(8,024,303)	-	(7,889,009)	-	-	-	(3,177)	-	(85,814)	(3,094)	(3,434)	-	(39,775)
Diminution on other risk values	(83,939)	-	-	(83,939)	-	-	-	-	-	-	-	-	-
<i>Profit before tax and extra-ordinary item</i>	31,900,359	(1,362,420)	30,470,177	639,936	8,595	2,323	422,840	-	1,208,200	304,347	27,329	11,268	167,764
<i>Extra-ordinary Item</i>	2,229,160	-	2,229,160	-	-	-	-	-	-	-	-	-	-
Taxation	(6,646,661)	(197,158)	(5,684,429)	(128,766)	-	-	(133,740)	-	(361,307)	(85,897)	-	-	(55,364)
<i>Profit after tax</i>	27,482,858	(1,559,578)	27,014,908	511,170	8,595	2,323	289,100	-	846,893	218,450	27,329	11,268	112,400

June-2011

	<i>Elimination</i>		<i>GTBank Plc</i>	<i>GTA Plc</i>	<i>GTB Asset Mgt</i>	<i>GT Registrars</i>	<i>GT Homes Ltd</i>	<i>GT Bank BV</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>
	<i>Group balance</i>	<i>Entries</i>											
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Condensed financial position													
Assets													
Cash in hand and balances with CBN	71,427,575	-	68,474,459	65	80,142	4,183	88	-	679,920	573,858	418,651	104,664	1,091,545
Treasury bills	222,315,447	-	202,265,205	1,332,083	-	-	-	-	12,484,005	1,980,452	-	883,938	3,369,764
Due from other banks	296,110,054	(17,136,053)	253,180,139	3,788,232	2,851,902	89,005	1,079,679	762	18,032,784	2,174,504	2,071,355	28,816,452	1,161,293
Loans and advances to customers	627,333,505	(129,581,055)	590,387,580	-	8,290	-	4,502,393	129,552,852	16,987,954	3,337,056	2,056,467	6,909,305	3,172,663
Advances under finance lease	3,775	-	-	-	-	-	-	-	-	-	-	-	3,775
Insurance receivables	1,755,676	-	-	1,755,676	-	-	-	-	-	-	-	-	-
Investment securities	105,611,607	(4,107,246)	99,629,949	7,401,208	1,157,538	-	-	-	-	-	-	1,530,158	-
Investment in subsidiaries	-	(30,115,862)	30,115,862	-	-	-	-	-	-	-	-	-	-
Trading properties	7,102,812	-	-	4,639,198	-	-	2,463,614	-	-	-	-	-	-
Other assets	19,399,279	(2,856,107)	13,036,938	2,973,440	130,744	18,542	1,274,140	2,937,988	842,951	187,155	223,616	230,921	398,951
Deferred tax assets	390,723	-	-	4,705	-	-	386,018	-	-	-	-	-	-
Property and equipment	52,907,891	-	47,614,616	415,561	73,314	6,051	58,839	-	2,039,555	743,436	699,819	575,628	681,072
Goodwill on consolidation	354,328	354,328	-	-	-	-	-	-	-	-	-	-	-
<i>Total assets</i>	1,404,712,672	(183,441,995)	1,304,704,748	22,310,168	4,301,930	117,781	9,764,771	132,491,602	51,067,169	8,996,461	5,469,908	39,051,066	9,879,063

June-2011

	<i>Group balance</i>	<i>Elimination Entries</i>	<i>GTBank Plc</i>	<i>GTA Plc</i>	<i>GTB Asset Mgt</i>	<i>GT Registrars</i>	<i>GT Homes Ltd</i>	<i>GT Bank BV</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financed by:													
Customers' deposits	915,639,904	(8,473,479)	850,911,509	-	2,502,412	-	5,036,855	-	34,616,032	7,080,998	3,166,673	12,694,185	8,104,719
Due to other banks	18,932,220	(15,213,731)	7,863,225	-	-	-	-	-	2,679,854	-	270,920	23,331,952	-
Claims payable	1,160,278	-	-	1,160,278	-	-	-	-	-	-	-	-	-
Finance lease obligations	1,628,000	-	1,628,000	-	-	-	-	-	-	-	-	-	-
Liability on investment contracts	2,100,349	-	-	2,100,349	-	-	-	-	-	-	-	-	-
Liabilities on insurance contracts	3,994,127	-	-	3,994,127	-	-	-	-	-	-	-	-	-
Current income tax payable	11,983,729	-	10,970,458	663,360	-	(326)	144,503	-	84,313	82,024	4,649	-	34,748
Other liabilities	64,922,792	3,695,050	53,131,752	1,774,585	90,658	50,703	864,731	2,619,676	1,594,964	549,850	116,433	233,027	201,363
Deferred tax liabilities	3,915,674	-	3,771,338	137,318	-	1,761	-	-	-	5,257	-	-	-
Dividend payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	160,415	-	144,755	-	-	-	825	-	-	14,835	-	-	-
Debt securities in issue	138,638,809	(4,107,246)	13,165,000	-	-	-	-	129,581,055	-	-	-	-	-
Other borrowings	20,938,995	(129,581,055)	148,423,886	-	-	-	-	-	2,096,164	-	-	-	-
Equity and reserve	220,697,380	(29,761,534)	214,694,825	12,480,151	1,708,860	65,643	3,717,857	290,871	9,995,842	1,263,497	1,911,233	2,791,902	1,538,233
	<u>1,404,712,672</u>	<u>(183,441,995)</u>	<u>1,304,704,748</u>	<u>22,310,168</u>	<u>4,301,930</u>	<u>117,781</u>	<u>9,764,771</u>	<u>132,491,602</u>	<u>51,067,169</u>	<u>8,996,461</u>	<u>5,469,908</u>	<u>39,051,066</u>	<u>9,879,063</u>

June-2011

Subsidiary companies/parent company

	<i>Group balance</i>	<i>Elimination Entries</i>	<i>GTBank Plc</i>	<i>GTA Plc</i>	<i>GTB Asset Mgt</i>	<i>GT Registrars</i>	<i>GT Homes Ltd</i>	<i>GT Bank BV</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Condensed cash flow													
Net cash flow from operating activities	141,757,965	80,049,453	132,890,258	471,034	925,767	1,921	(49,069)	(76,089,645)	4,195,657	2,156,824	573,904	(3,433,914)	65,775
Net cash flow from investing activities	(33,073,782)	869,735	(34,837,232)	(320,766)	1,848,406	(7,839)	163,161	-	(516,716)	(295,169)	(74,100)	98,491	(1,753)
Net cash flow from financing activities	49,237,454	(75,329,594)	52,256,571	(900,000)	-	-	-	76,089,645	(832,744)	(80,981)	-	(1,965,443)	-
Increase in cash and cash equivalents	<u>157,921,637</u>	<u>5,589,594</u>	<u>150,309,597</u>	<u>(749,732)</u>	<u>2,774,173</u>	<u>(5,918)</u>	<u>114,092</u>	<u>-</u>	<u>2,846,197</u>	<u>1,780,674</u>	<u>499,804</u>	<u>(5,300,866)</u>	<u>64,022</u>
Cash balance, beginning of period	412,194,226	(7,511,916)	365,746,981	5,870,112	157,871	99,106	965,675	760	25,013,404	3,198,020	1,714,948	11,356,193	5,583,072
Effect of exchange difference	804,993	-	-	-	-	-	-	2	657,254	(249,880)	4,334	417,775	(24,492)
Cash balance, end of period	<u>570,920,856</u>	<u>(1,922,322)</u>	<u>516,056,578</u>	<u>5,120,380</u>	<u>2,932,044</u>	<u>93,188</u>	<u>1,079,767</u>	<u>762</u>	<u>28,516,855</u>	<u>4,728,814</u>	<u>2,219,086</u>	<u>6,473,102</u>	<u>5,622,602</u>

20 (b) Condensed results of the consolidated entities as at 30 June 2010, are as follows:

June-2010

<i>Subsidiary companies/parent company</i>	<i>Group balance</i>	<i>Elimination Entries</i>	<i>GTBank Plc</i>	<i>GTA Plc</i>	<i>GTB Asset Mgt</i>	<i>GT Registrars</i>	<i>GT Homes Ltd</i>	<i>GT Bank BV</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Condensed profit and loss													
Operating income	61,853,179	(505,657)	56,081,794	1,143,051	285,744	43,447	371,545	53,615	2,516,489	739,645	107,822	407,001	608,683
Operating expenses	(33,075,059)	245,071	(29,281,023)	(528,532)	(186,066)	(35,566)	(149,987)	(17,771)	(1,350,450)	(513,523)	(195,694)	(660,662)	(400,856)
Loan loss expenses	(2,892,173)	-	(2,796,976)	-	-	-	(4,388)	-	(42,685)	3,970	(8,612)	-	(43,482)
Diminution on other risk values	(163,941)	-	-	(164,119)	178	-	-	-	-	-	-	-	-
<i>Profit before tax</i>	25,722,006	(260,586)	24,003,795	450,400	99,856	7,881	217,170	35,844	1,123,354	230,092	(96,484)	(253,661)	164,345
Taxation	(7,497,416)	-	(7,080,479)	(74,968)	(5,043)	(3,413)	104,050	-	(369,163)	(67,324)	(1,076)	-	-
<i>Profit after tax</i>	18,224,590	(260,586)	16,923,316	375,432	94,813	4,468	321,220	35,844	754,191	162,768	(97,560)	(253,661)	164,345

December-2010

<i>Subsidiary companies/parent company</i>	<i>Group balance</i>	<i>Elimination Entries</i>	<i>GTBank Plc</i>	<i>GTA Plc</i>	<i>GTB Asset Mgt</i>	<i>GT Registrars</i>	<i>GT Homes Ltd</i>	<i>GT Bank BV</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Condensed financial position													
Assets													
Cash in hand and balances with CBN	28,855,906	-	27,017,683	52	191	1	7,706	-	717,652	302,613	426,540	104,974	278,494
Treasury bills	157,291,249	-	141,775,484	-	-	-	-	-	11,459,587	1,110,123	-	-	2,946,055
Due from other banks	250,180,751	(15,078,542)	206,463,631	5,870,060	157,680	99,105	969,650	760	12,836,165	3,331,289	1,288,408	31,884,022	2,358,523
Loans and advances to customers	593,463,860	(53,222,400)	563,383,562	-	-	-	4,157,749	53,194,268	13,515,485	3,548,887	1,262,131	3,980,973	3,643,205
Advances under finance lease	9,821	-	-	-	-	-	-	-	-	-	-	-	9,821
Insurance receivables	873,841	-	-	873,841	-	-	-	-	-	-	-	-	-
Investment securities	51,837,353	(1,864,363)	44,559,454	6,614,018	2,385,593	-	-	-	-	-	-	142,651	-
Investment in subsidiaries	-	(30,115,862)	30,115,862	-	-	-	-	-	-	-	-	-	-
Trading properties	7,349,815	-	-	4,420,954	300,000	-	2,628,861	-	-	-	-	-	-
Other assets	11,009,692	(2,156,920)	8,041,584	1,269,665	196,593	22,030	31,743	2,018,345	681,884	137,761	164,031	205,395	397,581
Deferred tax assets	587,881	-	-	7,478	-	-	529,656	-	50,747	-	-	-	-
Property and equipment	50,597,029	-	45,815,129	384,184	99,203	2,603	73,573	-	1,662,239	552,609	674,556	597,146	735,787
Goodwill on consolidation	354,328	354,328	-	-	-	-	-	-	-	-	-	-	-
Total assets	1,152,411,526	(102,083,759)	1,067,172,389	19,440,252	3,139,260	123,739	8,398,938	55,213,373	40,923,759	8,983,282	3,815,666	36,915,161	10,369,466

December-2010

<i>Group balance</i>	<i>Elimination</i>		<i>GTBank Plc</i>	<i>GTA Plc</i>	<i>GTB Asset Mgt</i>	<i>GT Registrars</i>	<i>GT Homes Ltd</i>	<i>GT Bank BV</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>
	<i>Entries</i>												
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financed by:													
Customers' deposits	761,194,792	(10,767,689)	713,080,374	-	-	-	4,340,915	-	28,269,792	4,911,989	1,779,301	11,538,654	8,041,456
Due to other banks	17,943,922	(7,566,626)	3,320,059	-	-	-	11,681	-	-	1,546,005	-	20,632,803	-
Claims payable	727,653	-	-	727,653	-	-	-	-	-	-	-	-	-
Finance lease obligations	1,847,629	-	1,847,629	-	-	-	-	-	-	-	-	-	-
Liability on investment contracts	1,822,664	-	-	1,822,664	-	-	-	-	-	-	-	-	-
Liabilities on insurance contracts	2,198,669	-	-	2,198,669	-	-	-	-	-	-	-	-	-
Current income tax payable	9,529,921	-	8,686,276	665,674	-	3,663	-	-	59,221	47,278	5,626	-	62,183
Other liabilities	54,107,363	2,587,560	43,652,714	1,002,429	1,429,454	54,995	441,052	1,700,836	851,369	1,240,097	151,000	164,215	831,642
Deferred tax liabilities	4,337,046	-	4,160,684	112,550	-	1,761	15,848	-	40,500	5,703	-	-	-
Dividend payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	36,699	-	35,785	-	-	-	914	-	-	-	-	-	-
Debt securities in issue	64,903,211	(3,379,889)	13,165,000	-	-	-	-	53,222,400	-	-	-	1,895,700	-
Other borrowings	22,936,267	(53,222,400)	74,056,061	-	-	-	-	-	2,102,606	-	-	-	-
Equity and reserve	210,825,689	(29,734,717)	205,167,806	12,910,613	1,709,806	63,320	3,588,528	290,138	9,600,273	1,232,209	1,879,739	2,683,789	1,434,185
	1,152,411,525	(102,083,761)	1,067,172,388	19,440,252	3,139,260	123,739	8,398,938	55,213,374	40,923,761	8,983,281	3,815,666	36,915,161	10,369,466

June-2010

Subsidiary companies/parent company

<i>Group balance</i>	<i>Elimination</i>		<i>GTBank Plc</i>	<i>GTA Plc</i>	<i>GTB Asset Mgt</i>	<i>GT Registrars</i>	<i>GT Homes Ltd</i>	<i>GT Bank BV</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>
	<i>Entries</i>												
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Condensed cash flow													
Net cash flow from operating activities	131,824,930	6,901,999	116,102,883	(245,652)	(142,344)	(661)	732,069	-	1,950,450	933,910	429,756	4,301,502	861,018
Net cash flow from investing activities	(4,600,274)	(580,024)	(3,510,089)	(340,197)	215,440	-	68,138	-	(271,314)	(117,480)	(109,994)	40,268	4,978
Net cash flow from financing activities	(16,495,157)	(2,011,705)	(15,761,077)	(400,000)	(23,421)	-	-	-	1,937,861	(129,175)	-	-	(107,640)
Increase in cash and cash equivalents	110,729,499	4,310,270	96,831,717	(985,849)	49,675	(661)	800,207	-	3,616,997	687,255	319,762	4,341,770	758,356
Cash balance, beginning of period	277,413,577	67,267,223	260,262,871	(8,574,673)	(53,730)	11,125	(1,066,888)	(2,098)	(15,714,898)	(1,589,818)	(1,001,871)	(19,911,621)	(2,212,045)
Effect of exchange difference	(1,051,887)	-	-	-	-	-	-	113	(705,386)	(71,789)	90,529	(343,959)	(21,395)
Cash balance, end of period	387,091,189	71,577,493	357,094,588	(9,560,522)	(4,055)	10,464	(266,681)	(1,985)	(12,803,287)	(974,352)	(591,580)	(15,913,810)	(1,475,084)

20 (c) The Central Bank of Nigeria's Regulation on the Scope of Banking Activities

Section 6(1) of the Central Bank of Nigeria Regulation on the Scope of Banking Activities and Ancillary Matters requires every bank currently operating under a universal banking licence to submit to the Central Bank of Nigeria for approval a compliance plan duly approved by the Bank's Board of Directors. The regulation requires banks to divest from all non-banking businesses and apply for a new type of banking license based on the decision of the Bank's Board of Directors.

At an extra-ordinary general meeting held in October, 2010, the shareholders authorized the divestment of the bank's equity interest in its non-banking subsidiaries. The divestment is in compliance with the new banking model approved by the CBN in September, 2010. The affected subsidiaries are **Guaranty Trust Assurance Plc**, **GTB Asset Management Limited** and **GTB Registrars Limited** (collectively the "Target Companies"). In January 2011, the bank obtained CBN's approval-in-principle ("AiP") of the divestment plan in accordance with the provisions of CBN regulations to this effect.

The Bank's compliance plan duly approved by the Board of Directors on 28 October 2010 involves the divestment from non-banking subsidiaries through a competitive process with the ultimate objective of ensuring the selection of credible investors to acquire the Bank's equity interest in the target companies.

- 20 (c) (i)** The financial position and performance of these subsidiaries have been consolidated as control still existed as at the balance sheet date. Total assets, net assets and profit before tax as of, and for the period ended, 30 June 2011 of the subsidiaries to be disposed and wound up are presented below:

	Guaranty Trust Assurance Plc N'000	GTB Asset Management Plc N'000	GTB Registrars Limited N'000
Total assets	22,310,168	4,301,930	117,781
Net assets	12,480,151	1,708,860	65,643
Profit before tax	639,936	8,595	2,323

21 Trading properties

- (a) This represents the cost of real estate properties held by the Bank's subsidiaries, which are designated for resale to customers. The movement on the trading properties account during the period was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of period	7,349,815	5,070,666	-	-
Additions	202,657	2,750,120	-	-
Disposals	(449,660)	(470,971)	-	-
Balance, end of period	7,102,812	7,349,815	-	-

22 Other assets

(a) (i) Other assets comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Prepayments (see (a)(iii) below)	11,976,625	8,297,969	10,243,552	6,555,773
Interest receivable	1,665,863	1,765,733	1,088,755	1,393,011
Other accounts receivable	6,412,050	1,763,513	2,665,302	1,053,471
Deferred acquisition cost (see (b) below)	305,412	145,043	-	-
	<u>20,359,950</u>	<u>11,972,258</u>	<u>13,997,609</u>	<u>9,002,255</u>
Allowances on other assets (see (c) below)	(960,671)	(962,566)	(960,671)	(960,671)
	<u>19,399,279</u>	<u>11,009,692</u>	<u>13,036,938</u>	<u>8,041,584</u>

(a) (ii) Treasury bills sold under repurchase agreement are classified as other assets balances in accordance with the Central Bank of Nigeria circular BSD/8/2003. The corresponding liability is recognised in other liabilities. (see note 30).

(a) (iii) The analysis of prepayments is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Under one year	4,341,009	2,622,815	3,689,362	1,424,686
Over one year	7,635,616	5,675,154	6,554,190	5,131,087
	<u>11,976,625</u>	<u>8,297,969</u>	<u>10,243,552</u>	<u>6,555,773</u>

(a) (iv) Operating leases

Included in prepayments are operating lease rentals in respect of land and buildings. The rents payable under these leases are subject to renegotiation at various intervals specified in the leases. The minimum annual lease rentals under the foregoing leases are as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Operating leases which expire				
- within one year	297,989	538,302	13,482	35,570
- after one year	5,467,363	4,084,964	5,147,461	4,776,247
	<u>5,765,352</u>	<u>4,623,266</u>	<u>5,160,943</u>	<u>4,811,817</u>

(b) This represents commission on unearned premium relating to the unexpired period of risks.

(c) The movement on the allowance on other assets during the period was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of period	962,566	914,045	960,671	909,230
Allowance made during the period (see note 15(m))	-	51,442	-	51,441
Recoveries during the period	(1,895)	(2,921)	-	-
Balance, end of period	<u>960,671</u>	<u>962,566</u>	<u>960,671</u>	<u>960,671</u>

23 Property and equipment

(a) **Group:**

The movement in these accounts during the period was as follows:

	Leasehold improvements/ land and buildings	Machinery & equipment	Computer & accessories	Furniture & fittings	Motor vehicles	Other transportation equipment	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
(a) (i) Cost								
Balance, beginning of the period	24,416,401	9,010,508	12,906,528	4,258,871	6,827,006	2,545,136	15,250,666	75,215,116
Exchange difference	20,135	(3,295)	3,906	3,281	(9,505)	-	(1,914)	12,608
Additions	900,553	1,304,521	530,450	(526,850)	754,300	-	3,635,165	6,598,139
Disposals	-	(27,960)	(47,913)	(14,302)	(311,061)	-	-	(401,236)
Reclass from other assets	-	-	-	-	-	-	-	-
Reclass to other assets	-	-	-	-	(2,731)	-	(503,534)	(506,265)
Transfers	2,500,474	303,468	1,578,853	178,336	6,080	-	(4,567,211)	-
Balance, end of the period	<u>27,837,563</u>	<u>10,587,242</u>	<u>14,971,824</u>	<u>3,899,336</u>	<u>7,264,089</u>	<u>2,545,136</u>	<u>13,813,172</u>	<u>80,918,362</u>
(a) (ii) Accumulated depreciation								
Balance, beginning of the period	3,336,327	5,178,364	9,264,092	2,434,756	3,450,122	954,426	-	24,618,087
Exchange difference	(3,889)	(6,431)	(2,672)	(189)	(6,684)	-	-	(19,865)
Charge for the period	503,934	1,067,081	1,275,258	(5,083)	782,855	127,257	-	3,751,302
Disposals	-	(22,163)	(45,103)	(6,765)	(265,022)	-	-	(339,053)
Balance, end of the period	<u>3,836,372</u>	<u>6,216,851</u>	<u>10,491,575</u>	<u>2,422,719</u>	<u>3,961,271</u>	<u>1,081,683</u>	<u>-</u>	<u>28,010,471</u>
(a) (iii) Net Book Value								
End of period	<u>24,001,191</u>	<u>4,370,391</u>	<u>4,480,249</u>	<u>1,476,617</u>	<u>3,302,818</u>	<u>1,463,453</u>	<u>13,813,172</u>	<u>52,907,891</u>
Beginning of the period	<u>21,080,074</u>	<u>3,832,144</u>	<u>3,642,436</u>	<u>1,824,115</u>	<u>3,376,884</u>	<u>1,590,710</u>	<u>15,250,666</u>	<u>50,597,029</u>

(a) (iv) Leased assets amounting to ₦1,463,453,000 (31 December 2010: ₦1,590,710,000) are included in other transportation equipment. The maturity profile of the lease obligation is shown in Note 28(a).

(a) (v) The Group had capital commitments of ₦679,078,000 (31 December 2010: ₦841,399,000) as at the balance sheet date in respect of authorized and contracted capital projects.

(a) (vi) Capital work in progress represents construction costs in respect of new offices. On completion of construction, the related amounts are transferred to other categories of property and equipment.

23 (b) **Bank:**

The movement on these accounts during the year was as follows:

	Leasehold improvements/ land and buildings	Machinery & equipment	Computer & accessories	Furniture & fittings	Motor vehicles	Other transportation equipment	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
(b) (i) Cost								
Balance, beginning of the period	21,595,455	8,594,622	11,527,647	3,017,772	5,771,697	2,545,136	14,936,305	67,988,634
Additions	226,078	501,441	430,168	145,067	639,117	-	3,601,802	5,543,673
Disposals	-	(23,716)	(34,785)	(6,506)	(277,199)	-	-	(342,206)
Reclass from other assets	-	-	-	-	-	-	-	-
Reclass to other assets	-	-	-	-	-	-	(486,017)	(486,017)
Transfers	2,451,343	303,468	1,578,698	178,336	-	-	(4,511,845)	-
Balance, end of the period	<u>24,272,876</u>	<u>9,375,815</u>	<u>13,501,728</u>	<u>3,334,669</u>	<u>6,133,615</u>	<u>2,545,136</u>	<u>13,540,245</u>	<u>72,704,084</u>
(b) (ii) Accumulated depreciation								
Balance, beginning of the period	3,014,570	4,984,240	8,390,688	1,900,920	2,928,661	954,426	-	22,173,505
Charge for the period	373,652	699,014	1,126,413	237,694	652,817	127,257	-	3,216,847
Disposals	-	(20,675)	(34,112)	(6,301)	(239,796)	-	-	(300,884)
Balance, end of the period	<u>3,388,222</u>	<u>5,662,579</u>	<u>9,482,989</u>	<u>2,132,313</u>	<u>3,341,682</u>	<u>1,081,683</u>	<u>-</u>	<u>25,089,468</u>
Net Book Value								
End of period	<u>20,884,654</u>	<u>3,713,236</u>	<u>4,018,739</u>	<u>1,202,356</u>	<u>2,791,933</u>	<u>1,463,453</u>	<u>13,540,245</u>	<u>47,614,616</u>
Beginning of the period	<u>18,580,885</u>	<u>3,610,382</u>	<u>3,136,959</u>	<u>1,116,852</u>	<u>2,843,036</u>	<u>1,590,710</u>	<u>14,936,305</u>	<u>45,815,129</u>

(b) (iv) Leased assets amounting to N1,463,453,000 (31 December 2010: N1,590,710,000) are included in other transportation equipment. The maturity profile of the lease obligation is shown in Note 28(a).

(b) (v) The Group had capital commitments of N679,078,000 (31 December 2010: N841,399,000) as at the balance sheet date in respect of authorized and contracted capital projects.

(b) (vi) Capital work in progress represents construction costs in respect of new offices. On completion of construction, the related amounts are transferred to other categories of property and equipment.

24 Goodwill on consolidation

(a) The movement on goodwill on consolidation is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of period	354,328	354,328	-	-
Goodwill arising during the period	-	-	-	-
Balance, end of period	<u>354,328</u>	<u>354,328</u>	<u>-</u>	<u>-</u>

(b) Goodwill on consolidation was derived from the following entities:

	Group Jun-2011 N'000	Group Dec-2010 N'000
GTB (Sierra Leone) Limited	49,975	49,975
GTB (Gambia) Limited	948	948
Guaranty Trust Assurance Plc	303,405	303,405
Balance, end of year	<u>354,328</u>	<u>354,328</u>

25 Customers' deposits

(a) Customers' deposits comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Demand:				
- Current	390,395,951	300,737,572	365,766,872	286,396,254
- Domiciliary	145,633,866	106,834,328	136,457,210	104,870,888
Time	250,462,031	246,498,055	231,037,332	225,146,073
Savings	129,148,056	107,124,837	117,650,095	96,667,159
	915,639,904	761,194,792	850,911,509	713,080,374

(b) The maturity profile of customers' deposits is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Under 1 month	805,404,559	674,139,388	769,621,677	649,214,450
1 - 3 months	90,095,389	78,943,316	73,388,250	61,649,742
3 - 6 months	17,101,889	6,124,844	7,827,855	2,216,164
6 - 12 months	2,915,447	1,969,218	67,107	18
Over 12 months	122,620	18,026	6,620	
	915,639,904	761,194,792	850,911,509	713,080,374

26 Due to other banks

(a) Due to other banks comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Items in the course of collection	7,863,225	3,155,885	7,863,225	3,155,885
Current balances of banks	11,068,995	14,788,037	-	164,174
	18,932,220	17,943,922	7,863,225	3,320,059

(b) Items in the course of collection represents the credit balances outstanding in favour of banks for which the Group serves as the clearing and settlement banks.

27 Claims payable

Outstanding claims on insurance contracts comprise :

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
General insurance policies	597,201	633,675	-	-
Life assurance policies	563,077	93,978	-	-
	<u>1,160,278</u>	<u>727,653</u>	<u>-</u>	<u>-</u>

28 Finance lease obligations

(a) The analysis of the obligations under finance lease is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Falling due within one year				
- 2011	367,734	733,611	367,734	733,611
Falling due over one year				
- 2012	735,465	733,611	735,465	733,611
- 2013	735,465	733,611	735,465	733,611
- 2014	183,866	183,404	183,866	183,404
	<u>2,022,530</u>	<u>2,384,237</u>	<u>2,022,530</u>	<u>2,384,237</u>
Less: future interest	(394,530)	(536,608)	(394,530)	(536,608)
	<u>1,628,000</u>	<u>1,847,629</u>	<u>1,628,000</u>	<u>1,847,629</u>

(b) The movement on the lease obligation during the period was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Net obligation balance, beginning of the period	1,847,629	2,211,130	1,847,629	2,211,130
Additions during the period	-	-	-	-
Repayments during the period	(224,298)	(400,321)	(224,298)	(400,321)
Exchange loss on lease obligations	4,669	36,820	4,669	36,820
Net obligation balance, end of period	<u>1,628,000</u>	<u>1,847,629</u>	<u>1,628,000</u>	<u>1,847,629</u>

29 Liability on investment contracts

(a) Liability on investment contracts comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Deposit administration funds (see note(b) below)	2,100,349	1,822,664	-	-
	<u>2,100,349</u>	<u>1,822,664</u>	<u>-</u>	<u>-</u>

(b) (i) Movement in deposit administration funds:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	1,822,664	1,115,094	-	-
Additions	800,998	656,082	-	-
Withdrawals	(552,222)	-	-	-
Interest payable on life fund	28,909	51,488	-	-
Balance, end of the period	<u>2,100,349</u>	<u>1,822,664</u>	<u>-</u>	<u>-</u>

(b) (ii) Deposit administration funds arose from investment contracts of the insurance subsidiary of the Group. Holders of such contracts are guaranteed their funds plus a guaranteed interest rate for the tenor of the contract. These contracts have additional benefits - life assurance cover and death benefits.

30 Liabilities on insurance contracts

(a) Liabilities on insurance contracts comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Life fund (see (b)(i) below)	950,820	626,986	-	-
Provision for unexpired risks (see (c)(i) below)	3,043,307	1,571,683	-	-
	<u>3,994,127</u>	<u>2,198,669</u>	<u>-</u>	<u>-</u>

(b) (i) The movement in life fund is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	626,986	298,518	-	-
Decrease in life funds (See 8(a)(ii))	(8,259)	(26,050)	-	-
Transfer from revenue account to shareholders	332,093	354,518	-	-
Balance, end of the period	<u>950,820</u>	<u>626,986</u>	<u>-</u>	<u>-</u>

(b) (ii) An actuarial valuation has been performed on the long term life policies, thus an excess has been transferred to the profit and loss account. Whilst section 29(1) of the Insurance Act of 2003, requires an actuarial valuation at least once every three years, the Group performs life actuarial valuations on a yearly basis.

(c) The movement in provision for unexpired risk was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	1,571,683	827,493	-	-
Increase in unexpired risks premium (See 8(a)(i))	1,471,624	744,190	-	-
Balance, end of the period	<u>3,043,307</u>	<u>1,571,683</u>	<u>-</u>	<u>-</u>

31 Other liabilities

Other liabilities comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Customers' deposits for letter of credit (see note 14(a)(ii))	29,483,198	29,635,301	29,482,152	29,635,301
Certified cheques	8,075,794	7,589,756	7,829,586	7,536,242
Unearned interest and discount	919,558	350,676	663,586	296,473
Interest payable	3,079,552	2,153,304	2,736,806	2,148,983
Other current liabilities	9,357,079	4,801,226	8,223,193	2,339,522
Other accounts payable	7,241,021	3,482,121	3,987,142	1,596,851
Deposit for shares	215,435	1,350,498	209,287	99,342
Unclaimed dividend	6,551,155	4,744,481	-	-
	<u>64,922,792</u>	<u>54,107,363</u>	<u>53,131,752</u>	<u>43,652,714</u>

32 Deferred taxation

(a) Deferred taxation comprises:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Deferred tax assets (see note (b)(i) below)	390,723	587,881	-	-
Deferred tax liabilities (see note (c)(ii) below)	(3,915,674)	(4,337,046)	(3,771,338)	(4,160,684)
	<u>(3,524,951)</u>	<u>(3,749,165)</u>	<u>(3,771,338)</u>	<u>(4,160,684)</u>

(b) (i) Deferred tax assets

The movement on this account during the period was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	587,881	410,864	-	-
Translation difference	-	(3,318)	-	-
Credit to profit and loss account during the period (see note (11a))	-	126,270	-	-
Reversal during the period	(197,158)	54,065	-	-
Balance, end of the period	390,723	587,881	-	-

(b) (ii) Recognised deferred tax assets are attributable to the following:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Fixed assets	6,893	13,737	-	-
Unrelieved losses	383,830	574,144	-	-
	390,723	587,881	-	-

(c) (i) Deferred tax liabilities

The movement on the deferred tax account during the period was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	4,337,046	4,346,591	4,160,684	4,134,454
Translation difference	(32,026)	(2,592)	-	-
(Credit)/Charge to profit and loss account for the	(389,346)	(6,953)	(389,346)	26,230
Balance, end of the period	3,915,674	4,337,046	3,771,338	4,160,684

(c) (ii) The recognised deferred tax liabilities are attributable to the following:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Fixed assets	5,206,855	5,500,316	5,156,827	5,323,954
General provisions	(1,660,450)	-	(1,660,450)	
Gratuity provisions	-	(195,000)	-	(195,000)
Unrealised gain on short term investments	239,751	-	150,700	-
Unrealised exchange loss	162,836	-	162,836	(968,270)
Unrelieved losses	(38,575)	(968,270)	(38,575)	-
Other provisions	5,258	-	-	-
	<u>3,915,675</u>	<u>4,337,046</u>	<u>3,771,338</u>	<u>4,160,684</u>

(d) The Bank's exposure to deferred tax (which relates primarily to timing differences in the recognition of depreciation and capital allowances on fixed assets, gratuity provision, other assets, other provisions and general provisions) has been fully provided for in the financial statements.

33 Dividend payable

(a) The movement on this account during the period was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	-	-	-	-
Final dividend declared	17,487,889	13,990,313	17,487,889	13,990,313
Interim dividend declared	-	5,829,297	-	5,829,297
Payment during the period	(17,487,889)	(19,819,610)	(17,487,889)	(19,819,610)
Balance, end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (b) Unclaimed dividends amounting to ~~N~~6,551,155,000 (31 December 2010: ~~N~~4,744,481,000) have been included in other liabilities (see note 31).

34 Retirement benefit obligations

- (a) Retirement benefit obligations comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Defined contribution schemes (see note (b) below)	42,298	36,699	41,473	35,785
Defined benefit schemes (see note (c)(i) below)	118,117	-	103,282	-
	<u>160,415</u>	<u>36,699</u>	<u>144,755</u>	<u>35,785</u>

- (b) *Defined contribution schemes*

The movement in defined contribution liability recognised was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	36,699	115,976	35,785	115,976
Charge for the period	602,241	950,520	541,291	946,133
Contribution remitted	(596,642)	(1,029,797)	(535,603)	(1,026,324)
Balance, end of the period	<u>42,298</u>	<u>36,699</u>	<u>41,473</u>	<u>35,785</u>

The Group and its employees make a joint contribution of 15% of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominal Pension Fund Administrators. The amount not yet transferred as at period end of N42,298,000 (December 2010: N36,699,000) was settled subsequent to that date.

(c) (i) *Defined benefit schemes*

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	-	137,099	-	124,835
Charge for the period (see note 10(b))	666,565	650,000	660,000	650,000
Contribution remitted	(548,448)	(787,099)	(556,718)	(774,835)
Balance, end of the period	<u>118,117</u>	<u>-</u>	<u>103,282</u>	<u>-</u>

The Group operates a defined benefit scheme where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period of 10 years and gross salary on date of retirement. During the period, the Bank transferred additional obligations due to the scheme held by a pension fund administrator.

(c) (ii) The defined benefit obligation at the end of period represents the balance as actuarially determined by Alexander Forbes Consulting Actuaries Nigeria Limited. The Bank ensures that adequate provisions are made to meet its obligations under the scheme.

(c) (iii) The principal actuarial assumptions used were as follows:

	Group Jun-2011	Group Dec-2010	Bank Jun-2011	Bank Dec-2010
- discount rate	14%	12%	14%	12%
- average rate of inflation	11% - 12%	11% - 12%	11% - 12%	11% - 12%
- future salary increases	9% - 10%	9% - 10%	9% - 10%	9% - 10%

35 Debt securities in issue

(a) (i) Debt securities in issue comprise:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Corporate bonds (see note (a)(ii) below)	12,945,000	11,680,811	13,165,000	13,165,000
Eurobond debt security (see note (a)(iii) below)	125,693,809	53,222,400	-	-
	<u>138,638,809</u>	<u>64,903,211</u>	<u>13,165,000</u>	<u>13,165,000</u>

- (a) (ii) The amount of ₦13,165,000,000 represents fixed rate senior unsecured non-convertible bonds issued by the Bank in December 2009. The debt security is redeemable in December 2014 and coupon is payable half yearly at 13.5% per annum. The amount represents the first tranche of a ₦200 billion debt issuance programme.
- (a) (iii) The amount of ₦125,693,776,000 (USD 824,501,000) represents the outstanding balance on two dollar guaranteed notes issued by GTB B.V., Netherlands. The first note in the sum of USD 350,000,000, with an outstanding balance of ₦49,469,626,000 (USD 324,501,000) was issued in January 2007 for a 5 year period at an interest rate of 8.5% per annum payable semi-annually, while the second note of ₦76,224,150,000 (USD 500,000,000) was issued in May 2011 for a period of 5 years at 7.5% per annum also payable semi-annually.

- (b) The movement on debt securities in issue during the period was as follows:

	Group Jun-2011 ₦'000	Group Dec-2010 ₦'000	Bank Jun-2011 ₦'000	Bank Dec-2010 ₦'000
Balance, beginning of period	64,903,211	65,485,550	13,165,000	13,165,000
Issued during the period	73,601,093	-	-	-
Exchange difference	134,505	(582,339)	-	-
Payment during the period	-	-	-	-
Balance, end of period	<u>138,638,809</u>	<u>64,903,211</u>	<u>13,165,000</u>	<u>13,165,000</u>

- (c) The maturity profile of debt securities is as follows:

	Group Jun-2011 ₦'000	Group Dec-2010 ₦'000	Bank Jun-2011 ₦'000	Bank Dec-2010 ₦'000
Below 1 year	53,356,905	-	-	-
Between 1 - 7 years	85,281,904	64,903,211	13,165,000	13,165,000
	<u>138,638,809</u>	<u>64,903,211</u>	<u>13,165,000</u>	<u>13,165,000</u>

36 Other borrowings

- (a) Borrowings comprise:

	Group Jun-2011 ₦'000	Group Dec-2010 ₦'000	Bank Jun-2011 ₦'000	Bank Dec-2010 ₦'000
Due to IFC (see note (a) (i) below)	6,056,923	7,195,821	6,056,923	7,195,821
Due to ADB (see note (a) (ii) below)	2,235,908	2,787,840	2,235,908	2,787,840
Due to FMO (see note (a) (iii) below)	2,096,164	2,102,606	-	-
Due to BOI -intervention fund (see note (a)(iv) below)	6,600,000	6,600,000	6,600,000	6,600,000
CACS on lending (see note (a)(v) below)	3,950,000	4,250,000	3,950,000	4,250,000
Due to GTB B.V. (see note (a)(vi) below)	-	-	129,581,055	53,222,400
	<u>20,938,995</u>	<u>22,936,267</u>	<u>148,423,886</u>	<u>74,056,061</u>

- (a) (i) The amount of N6,056,923,000 (USD 39,731,000) represents the outstanding balances on various facilities granted by the International Finance Corporation (IFC) between may 2005 and April 2007, repayable over 7 years at interest rates varying from 3.21% to 7.75% above LIBOR rates.
- (a) (ii) The amount of N2,235,908,000 (USD14,666,666.66) represents the outstanding balance on a dollar facility of \$40,000,000 granted by the African Development Bank (ADB) in May 2006 for a period of 7 years. The principal amount is repayable in 12 equal instalments after a moratorium of 1 year, while interest is payable half yearly at a rate per annum determined by the Bank to be the sum of LIBOR or its successor rate for such interest periods plus 245 basis points per annum.
- (a) (iii) The amount of N2,096,164,000 (USD13,572,000) represents the outstanding balance on the term loan facility of USD15,000,000 granted by FMO (an entrepreneurial development bank of the Netherlands) in December 2009 for a period of 4 years. The principal is repayable at maturity in January 2014 while the interest is repayable quarterly over the tenure of the facility at 4.5% above LIBOR rates.
- (a) (iv) The amount of N6,600,000,000 represents the outstanding balance on a naira facility granted by the Bank of the Industry (BOI) in August 2010 for a period of 15 years. The facility (an on-lending loan) is an initiative of the Central Bank of Nigeria to unlock the credit market in the country through the revamping of power projects and the refinancing and restructuring of banks. The principal amount is repayable in quarterly instalments as specified against each beneficiary customer's in the schedule attached to the offer letter. There is no interest repayable on the facility
- (a) (v) The amount of N3,950,000 represents the outstanding balance on a facility granted by the Debt Management Office in tranches between April and August 2010 for 7 years. It is an initiative of Central Bank of Nigeria and Federal Ministry of Agriculture and Water resources aimed at the growth and development of commercial agriculture enterprise in Nigeria. The funds are made available to participating banks at zero cost, for on lending to commercial agriculture enterprise at a maximum rate of 9.00% p.a.
- (a) (vi) The amount of N129,581,055,000 (USD 850,000,000) represents the balance on two facilities granted to the bank by GTB B.V. The first facility in the sum of N53,356,905,000 (USD 350,000,000) was granted in January 2007 for a 5 year period at an interest rate of 8.5% per annum payable semi-annually, while the second facility of N76,224,150,000 (USD 500,000,000) was granted in May 2011 for a period of 5 years at 7.5% per annum also payable semi-annually. The principal amount on the loan are both repayable at the end of the tenor.

(b) The movement on other borrowings during the period was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	22,936,267	12,332,568	74,056,061	65,554,968
Additions during the period	-	12,952,606	76,224,150	10,850,000
Payments during the period	(2,077,751)	(2,554,270)	(2,016,061)	(2,554,270)
Exchange loss	80,479	205,363	159,736	205,363
Balance, end of the period	<u>20,938,995</u>	<u>22,936,267</u>	<u>148,423,886</u>	<u>74,056,061</u>

(c) The maturity profile of other borrowings is as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Below 1 year	(3,499,527)	-	49,469,659	
Between 1 - 7 years	24,438,522	22,936,267	98,954,227	74,056,061
	<u>20,938,995</u>	<u>22,936,267</u>	<u>148,423,886</u>	<u>74,056,061</u>

37 Share capital

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
(a) Authorised: 50,000,000,000 Ordinary shares of 50 kobo each (31 December 2010: 50,000,000,000 of 50k each)	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
(b) (i) Issued and fully-paid: 29,146,482,209 Ordinary shares of 50 kobo each (31 December 2010: 23,317,185,766 Ordinary shares of 50k each)	<u>14,573,241</u>	<u>11,658,594</u>	<u>14,573,241</u>	<u>11,658,594</u>
(ii) Issued and fully paid-up shares comprise:				
	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
25,359,499,772 ordinary shares of 50k each (31 December 2010: 20,276,401,166)	12,679,750	10,138,202	12,679,750	10,138,202
3,786,982,437 ordinary shares (GDR) of 50k each (31 December 2010: 3,040,784,600)	1,893,491	1,520,392	1,893,491	1,520,392
	<u>14,573,241</u>	<u>11,658,594</u>	<u>14,573,241</u>	<u>11,658,594</u>

(c) The movement on the issued and fully paid share capital account during the period was as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Balance, beginning of the period	11,658,594	9,326,875	11,658,594	9,326,875
Bonus shares capitalized (see note 39(a) & (b))	2,914,647	2,331,719	2,914,647	2,331,719
Balance, end of the period	<u>14,573,241</u>	<u>11,658,594</u>	<u>14,573,241</u>	<u>11,658,594</u>

(d) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Bank. All ordinary shares and GDR shares rank pari-passu with the same rights and benefits at meetings of the Bank.

38 Share Premium

Share premium is the excess paid by shareholders over the nominal value for their shares

Balance, beginning of period	119,076,566	119,076,566	119,076,566	119,076,566
Proceeds from share Issue	-	-	-	-
Transfer to Share Capital	-	-	-	-
Share issue expenses	-	-	-	-
	<u>119,076,566</u>	<u>119,076,566</u>	<u>119,076,566</u>	<u>119,076,566</u>

39 Reserves

(a) (i) Group

	Statutory Reserves N'000	Contingency Reserves N'000	SMEEIS Reserves N'000	Translation Reserves N'000	Bonus Reserves N'000	Retained Earnings N'000	Total N'000
Balance, beginning of the year - 1/1/2010	36,154,586	544,295	4,232,479	12,200	2,331,719	15,424,515	58,699,794
Dividend paid (see note 33(a))	-	-	-	-	-	(19,819,610)	(19,819,610)
Transferred from profit and loss account (see note c and d below)	11,621,393	124,886	-	-	2,914,648	23,255,394	37,916,321
Transferred to retained earnings	-	-	-	-	-	-	-
Translation gain/(loss) during the year	-	-	-	(404,796)	-	-	(404,796)
Transferred to share capital (see note 37(c))	-	-	-	-	(2,331,719)	-	(2,331,719)
<hr/>							
Balance, beginning of the period - 1/1/2011	47,775,979	669,181	4,232,479	(392,596)	2,914,648	18,860,299	74,059,990
Final dividend declared and paid (see note 33(a))	-	-	-	-	-	(17,487,889)	(17,487,889)
Transferred from profit and loss account (see note c and d below)	8,680,832	-	-	-	-	18,469,059	27,149,891
Transferred to retained earnings	-	-	(350,000)	-	-	350,000	-
Translation gain/(loss) during the period	-	-	-	301,485	-	-	301,485
Transferred to share capital (see note 37(c))	-	-	-	-	(2,914,648)	-	(2,914,648)
<hr/>							
Balance, end of the period	<u>56,456,811</u>	<u>669,181</u>	<u>3,882,479</u>	<u>(91,111)</u>	<u>-</u>	<u>20,191,469</u>	<u>81,108,829</u>

- (a) (ii) As required by insurance regulations, a contingency reserve is maintained for both the non-life insurance and life insurance contracts underwritten by the Group. The appropriation to contingency reserve for non-life underwriting contracts is calculated in accordance with section 21(2) and 22(1)(b) of the Insurance Act 2003. The reserve is calculated at the higher of 3% of gross premium and 20% of net profits of the business for the year. The appropriation of contingency reserve for life underwriting contracts is calculated at the higher of 1% of the gross premium and 10% of net profits of the business for the year. The appropriations are charged to the life fund. The contingency reserve for the Group, is the post acquisition portion of the Group's holding in the contingency reserve of Guaranty Trust Assurance Plc as at period end.

39 (b) Bank

	Statutory Reserves N'000	SMEEIS Reserves N'000	Bonus Reserves N'000	Retained Earnings N'000	Total N'000
Balance, beginning of the year - 1/1/2010	34,866,711	4,232,479	2,331,719	18,641,439	60,072,348
Dividend paid (see note 33(a))	-	-	-	(19,819,610)	(19,819,610)
Transferred from profit and loss account (see note c and d below)	10,953,489	-	2,914,648	22,643,491	36,511,628
Transferred to retained earnings	-	-	-	-	-
Transferred to share capital (see note 37(c))	-	-	(2,331,719)	-	(2,331,719)
<hr/>					
Balance, beginning of the period - 1/1/2011	45,820,200	4,232,479	2,914,648	21,465,320	74,432,647
Final dividend declared and paid (see note 33(a))	-	-	-	(17,487,889)	(17,487,889)
Transferred from profit and loss account (see note c and d below)	8,104,472	-	-	18,910,436	27,014,908
Transferred to retained earnings	-	(350,000)	-	350,000	-
Transferred to share capital (see note 37(c))	-	-	(2,914,648)	-	(2,914,648)
<hr/>					
Balance, end of the period	<u>53,924,672</u>	<u>3,882,479</u>	<u>-</u>	<u>23,237,867</u>	<u>81,045,018</u>

(c) Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory is greater than the paid up share capital. However, the Bank transferred 30% of its profit after tax to statutory reserves as at period end.

(d) The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by a CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax.

However, this is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable.

40 Non-controlling interest

(a) The analysis of non-controlling interest is shown below:

	Group Jun-2011 N'000	Group Dec-2010 N'000
GTB (Gambia) Limited	341,363	316,668
GTB (Sierra Leone) Limited	199,067	199,125
GT Assurance Plc	4,034,091	4,131,396
GTB (Ghana) Limited	427,918	490,069
GT Homes Limited	925,475	893,282
GTB (Liberia) Limited	10,830	-
	5,938,744	6,030,540

(b) The movement in the non-controlling interest account during the period is shown below:

	Group Jun-2011 N'000	Group Dec-2010 N'000
Balance, beginning of the period	6,030,540	5,141,794
Cash paid by non-controlling interest	-	-
Retained earnings for the period	332,967	430,302
Increase/dilution in non-controlling interest	(107,999)	638,203
Effect of exchange differences	(4,071)	(64,719)
Dividend paid to minority interest	(312,693)	(115,040)
	5,938,744	6,030,540

41 Guarantees and other commitments on behalf of customers

Contingent liabilities, guarantees and other commitments on behalf of customers

(a) *Litigations and claims*

The Bank, in its ordinary course of business, as at June 30, 2011 is presently involved in 250 cases as a defendant (31 December 2010: 233) and 89 cases as a plaintiff (31 December 2010: 70). The total amount claimed in the 250 cases against the Bank is estimated at N154,536,094,773 and \$125,406,293 (31 December 2010: N184,245,033,499 and \$124,919,188) while the total amount claimed in the 89 cases instituted by the Bank is N41,513,538,239 and \$10,477,341 (31 December 2010: N24,864,498,703 and \$10,477,341).

However, the solicitors of the Bank are of the view that the probable liability arising from the cases pending against the Bank is not likely to exceed N48,700,000 and US \$22,000 (31 December 2010: N28,734,053 and \$22,000). The amounts have been fully provided for in the financial statements.

Based on the advice of the solicitors, the Directors of the Bank are of the opinion that none of the aforementioned cases is likely to have a material adverse effect on the Bank and they are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

(b) *Operating lease commitments:*

The future minimum lease payments under non-cancellable rental operating leases are disclosed in note 21(a)(iii).

(c) (i) *Guarantees and other commitments on behalf of customers.*

In the normal course of business, the Group is party to financial instruments with off-balance sheet risk. The instruments are used to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments are:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Transaction-related bonds and guarantees (see note (c)(ii))	316,121,850	319,570,824	313,724,328	317,312,515
Guaranteed commercial papers and bankers acceptances	-	15,094,944	-	-
Clean-line facilities & irrevocable letters of credit	107,903,499	74,917,884	72,684,395	69,368,436
Commitments on foreign exchange contracts	16,239,873	6,108,844	16,239,873	6,108,844
Other commitments	1,385,446	339,678	-	
Guaranteed facilities	23,004,897	8,956,030	21,262,802	8,956,030
	<u>464,655,565</u>	<u>424,988,204</u>	<u>423,911,398</u>	<u>401,745,825</u>

(c) (ii) All the bonds and guarantees are fully collateralised. The cash component out of the balance was N59,322,712,000 (31 December 2010: N19,470,930,805).

42 Related party transactions

(a) A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits, placements and off balance sheet transactions. The volumes of related-party transactions, outstanding balances at the period-end was as follows:

(b) (i) Risk assets outstanding 30 June 2011
 During the period, the Bank granted various credit facilities to companies whose directors are also directors of Guaranty Trust Bank Plc at rates and terms comparable to other facilities in the Bank's portfolio. An aggregate of ₦9,255,461,000 (31 December 2010: ₦13,028,752,000) was outstanding on these facilities at the end of the period. The status of performance of each facility is as shown below:

<i>Name of company /individual</i>	<i>Relationship</i>	<i>Facility type</i>	<i>₦'000</i>	<i>Status</i>	<i>Nature of Security</i>
Main One Cable Ltd.	Director related	Term Loan	4,954,722	Performing	Mortgage Debenture/Shares
Augusto Enterprises	Director related	Overdraft	9,960	Performing	Equitable Mortgage
Enwereji Nneka Stella	Director related	GT Mortgage	25,200	Performing	Legal Mortgage
Payless Butchers and Supermart	Director related	Overdraft/Term Loan	17,764	Performing	Tripartite Legal Mortgage
Shade Ogundare & Co.	Director related	Overdraft/GT Auto	12,752	Performing	Equitable Mortgage/Chattle Mortgage
Sleeves Limited	Director related	Overdraft/Term Loan	22,921	Performing	Tripartite Legal Mortgage/Cash
Yewande Ogundare	Director related	GT Auto	2,286	Performing	Chattle Mortgage
Jumoke Ogundare	Director related	GT Auto	5,362	Performing	Chattle Mortgage
Jaykay Pharmacy Ltd	Director related	Overdraft/Term Loan	78,250	Performing	Asset Debenture/Real Estate
Richardson Oil and Gas	Director related	Term Loan/Overdraft/BA	156,992	Performing	Equitable Mortgage
International Travel Express	Director related	Bankers Acceptance/Overdraft	586,619	Performing	Domiciliation
Emzor Pharmaceuticals	Director related	IFF/Overdraft	339,614	Performing	Tripartite Legal Mortgage
IBFC Agosto	Director related	Overdraft	4,177	Performing	All Asset Debenture
Adesanya A. Bandele	Ex-Director	Overdraft/Term Loan	29,274	Performing	Tripartite Equitable Mortgage
Osibodu V.G	Ex-Director	Overdraft	5,997	Performing	Shares
Fola Adeola	Director related	Term Loan	1,041,317	Performing	Shares/Equitable Mortgage
Titilayo Adejo	Ex-Director related	Overdraft	1,588	Performing	Cash backed
The Rock Montessori	Ex-Director related	Overdraft/Term Loan	141,555	Performing	Legal Mortgage
Matterson Nigeria	Ex-Director related	Term Loan	289,652	Performing	Tripartite Legal Mortgage
Matterson Properties	Ex-Director related	Term Loan	120,000	Performing	Tripartite Legal Mortgage
Global Utilities	Ex-Director related	Overdraft/Term Loan	276,887	Performing	Tripartite Legal Mortgage
Noblevine Timber Ind. Ltd	Ex-Director related	Term Loan/ Overdraft	26,754	Performing	All Asset Debenture
Olubukunola O. Adeniran	Ex-Director related	Overdraft	702	Performing	Cash backed
Osibodu Olufunke Iyabo	Ex-Director related	Term Loan	69,745	Performing	Shares
Rockwool Products Nig. Ltd	Ex-Director related	Overdraft/Term Loan	39,848	Performing	Shares
Vigeo Limited	Ex-Director related	Overdraft/Term Loan	862,887	Performing	Equitable Mortgage/Shares
Jegade Fehintola O.	Insider related	Max Advance	9,172	Performing	Salary Domiciliation
Adam and Eve Nigeria Ltd.	Insider related	Overdraft	10,139	Performing	Tripartite Legal Mortgage
Broadway Loteza	Insider related	Term Loan	2,396	Performing	Shares
Omobolanle Kalejaiye	Insider related	Term Loan	44,007	Performing	Legal Mortgage
Olanrewaju Kalejaiye	Insider related	GT Mortgage	66,923	Performing	Legal Mortgage
Total			9,255,461		

(b) (ii) Included in loans and advances to customers is ₦10,939,268,000 (December 2010: ₦9,949,806,000) which represents facilities to small and medium enterprises in which the Bank has more than 50% shareholding. The facility type and balance outstanding as at period end are as follows:

<i>Company</i>	<i>Facility Type</i>	<i>Status</i>	<i>Jun-2011 ₦'000</i>	<i>Dec-2010 ₦'000</i>
Forillon Transatlantic Limited	Term Loan	Performing	7,500,000	7,500,000
Forillon Transatlantic Limited	Overdraft	Performing	1,373,387	625,038
3 Peat Investment Limited	Term Loan	Performing	1,981,828	1,824,768
3 Peat Investment Limited	Overdraft	Performing	84,053	-
			10,939,268	9,949,806

(c) Included in placements held in Banks outside Nigeria is ₦ 6,234,037,000 held by GTB UK as at period end (December 2010: ₦5,808,678,000). Interest receivable on the placement as at 30 June 2011 was ₦ 3,466,436,000 (December 2010: ₦6,672,000).

(d) Deposits outstanding as at 30 June 2011.

(i) Director/insiders related deposit liabilities

<i>Name of company/Individual</i>	<i>Relationship</i>	<i>Type of Deposit</i>	Jun-2011 N'000	Dec-2010 N'000
Agusto & Co. Limited	Director related	Demand and Time Deposits	17,685	14,949
Alliance Consulting	Director related	Demand Deposits	871	371
Comprehensive Project Mgt.Ser	Director related	Demand and Time Deposits	29,153	55,264
Cubic Contractors Limited	Director related	Demand Deposits	43,754	21,620
Eterna Plc	Director related	Demand and Time Deposits	23,812	35,279
F & C Securities Limited	Director related	Demand and Time Deposits	4,777	11,835
First Marina Trust Limited	Director related	Demand and Time Deposits	1,584,499	1,256,776
IBFC Agusto Training	Director related	Demand Deposits	114	2,924
IBFC Limited	Director related	Demand and Time Deposits	8	7
Jaykay Pharmacy Limited	Director related	Demand and Time Deposits	28	2
Kresta Laurel Limited	Director related	Demand and Time Deposits	119,342	58,593
Livingold Limited	Director related	Demand and Time Deposits	181	181
Main One Cable Company Ltd	Director related	Demand Deposits	248,943	2,661
Mayfield Finance Company	Director related	Demand Deposits	400	152
Mayfield Ventures Limited	Director related	Demand Deposits	11	11
Payless Butchers & Supermart Ltd	Director related	Demand Deposits	1,979	995
Shade Ogundare And Company	Director related	Demand Deposits	320	312
Sikilu Petroleum & Gas Co Ltd	Director related	Demand Deposits	5	-
Sleeves Limited	Director related	Demand Deposits	49	29
WSTC Financial Services Ltd	Director related	Demand and Time Deposits	140,915	105,184
WSTC Nominee Limited	Director related	Demand Deposits	431	431
Zito Phranzlo Int'L Limited	Director related	Demand Deposits	7,703	2,534
International Travel Express Ltd	Director related	Demand Deposits	88	122
Broadway Loteza Enterprises	Director related	Demand Deposits	50	-
Afren Onshore Ltd	Director related	Demand Deposits	1	1
Afren Resources Limited	Director related	Demand Deposits	17,242	29,363
			2,242,361	1,599,596

(ii) Subsidiaries' deposit account balances

<i>Name of company/Individual</i>	<i>Relationship</i>	<i>Type of Deposit</i>	Jun-2011	Dec-2010
			A	A
Guaranty Trust Assurance Plc	Subsidiaries	Demand Deposit	606,741	98,270
Guaranty Trust Assurance Plc	Subsidiaries	Domiciliary	169,735	131,556
Guaranty Trust Assurance Plc	Subsidiaries	Time Deposit	-	303,635
GT Homes Limited	Subsidiaries	Demand Deposit	18,856	1,208
GT Homes Limited	Subsidiaries	Time Deposit	161,460	72,901
GTB Asset Management Ltd	Subsidiaries	Demand Deposit	359,241	3,999,530
GTB Asset Management Ltd	Subsidiaries	Domiciliary	132,656	412,772
GTB Asset Management Ltd	Subsidiaries	Time Deposit	1,081,676	638,052
GT Registrars Limited	Subsidiaries	Demand Deposit	6,463,358	835,980
GT Registrars Limited	Subsidiaries	Domiciliary	212,703	11,560
GT Registrars Limited	Subsidiaries	Time Deposit	89,085.00	88,177
GTB Sierra Leone	Subsidiaries	Domiciliary	564.00	563
GTB Ghana	Subsidiaries	Demand Deposit	906.00	996
GTB Ghana	Subsidiaries	Domiciliary	4,976.00	3,650
GTB Ghana	Subsidiaries	Time Deposit	-	11,027
			<u>9,301,957</u>	<u>6,609,877</u>

43 Dividend per share

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Dividend declared and paid during the period N0.75 (30 June.2010:N0.75) per share.	17,487,889	13,990,312	17,487,889	13,990,312
Number of ordinary shares qualifying for above payments	23,317,188	18,653,750	23,317,188	18,653,750
Declared dividend during the period	75k	75k	75k	75k

44 Earnings per share

Earnings per share (EPS) has been computed based on profit after taxation and the weighted average number of number of ordinary shares of 29,146,482,209 (31 December 2010: 23,317,186,000) in issue during the period.

Adjusted earnings per share has been computed based on 29,146,482,209 ordinary shares as at 30 June 2011.

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Profit attributable to group shareholders before extra-ordinary income	24,920,731	17,944,662	24,785,748	16,923,316
Number of ordinary shares in issue as at period end	29,146,482	23,317,188	29,146,482	23,317,188
Weighted average number of ordinary shares for purpose of adjusted EPS	29,146,482	23,317,188	29,146,482	23,317,188
Basic earnings per share	86k	77k	85k	73k
Adjusted earnings per share	86k	62k	85k	58k

45 Net cash flow from operating activities

Reconciliation of profit before tax to cash generated from operating activities:

	Group Jun-2011 N'000	Group Jun-2010 N'000	Bank Jun-2011 N'000	Bank Jun-2010 N'000
Profit on ordinary activities after tax	25,253,698	18,224,590	24,785,748	16,923,316
Add back: taxation charge	6,646,661	7,497,416	5,684,429	7,080,479
	<u>31,900,359</u>	<u>25,722,006</u>	<u>30,470,177</u>	<u>24,003,795</u>
Adjustments to reconcile profit before tax to net cash flow from operating activities:				
Allowance for bad and doubtful loans	11,629,651	2,677,460	11,494,357	2,635,661
Loans written off	715,322	214,712	715,322	161,315
Allowance for other assets	-	31,118	-	-
Allowance for insurance receivables	83,939	132,823	-	-
Reversal of allowance on doubtful other assets	(73,117)	(38,310)	-	-
Loss on disposal of trading properties	-	(15,729)	-	-
Depreciation of property and equipment	3,751,302	3,307,360	3,216,847	2,894,881
Gain on disposal of property and equipment	(47,968)	(53,793)	(38,970)	(85,057)
Increase in foreign currency translation reserve	301,485	949,606	-	-
Unrealised exchange loss on other borrowings (see note 36(b))	80,479	21,924	159,736	21,924
Unrealised exchange loss on debt securities issued (see note 35(b))	134,505	92,855	-	92,855
Unrealised exchange loss on finance lease obligations (see note 28(b))	4,669	3,922	4,669	3,922
Unrealised exchange gain on subordinated loan	-	-	-	88,172
Allowance for investments	-	-	-	-
Gratuity provisions (See note 34 (c)(i))	666,565	914,313	660,000	911,940
Defined contribution scheme (See note 34 (b))	602,241	-	541,291	-
Dividend income from equity investments	(401,679)	(746,903)	(1,608,377)	(667,251)
Interest paid on borrowings	4,119,117	3,411,116	4,097,440	3,399,827
Interest paid on finance lease	141,891	173,098	141,891	173,098
Profit on disposal of shares in subsidiary	-	(64,426)	-	(274,978)
Net cash flow from operating activities before changes in operating assets	<u>53,608,761</u>	<u>36,733,152</u>	<u>49,854,383</u>	<u>33,360,104</u>

(Increase)/decrease in operating assets:

Cash reserve balances	6,189,758	(198,422)	6,189,758	(198,422)
Loans and advances	(45,868,684)	111,320	(39,213,697)	2,948,942
Advances under finance leases	6,003	(7,222)	-	1,288
Insurance receivables	(965,774)	(511,932)	-	-
Investment securities - short term	(25,450,461)	63,634,551	(22,951,428)	64,476,271
Interest receivable and prepayments	(3,578,786)	(4,485,993)	(3,383,523)	2,212,893
Other asset receivables	(4,890,232)	2,883,543	(1,125,815)	(3,508,745)
	<u>(74,558,176)</u>	<u>61,425,845</u>	<u>(60,484,705)</u>	<u>65,932,227</u>

Increase/(decrease) in operating liabilities:

Customers deposits	153,692,387	37,900,128	137,831,135	33,376,007
Customers' deposit for foreign currency denominated obligations	(152,103)	(11,895,346)	(153,149)	(16,226,272)
Investment contract liabilities	277,685	(381,532)	-	-
Insurance contract liabilities	1,795,458	1,876,963	-	-
Interest payable and unearned income	-	1,216,547	-	25,519
Other liabilities	11,221,006	6,376,361	9,818,209	294,103
Outstanding claims	432,625	234,844	-	-
	<u>167,267,058</u>	<u>35,327,965</u>	<u>147,496,195</u>	<u>17,469,357</u>

Net cash flow from operating activities

	<u>146,317,643</u>	<u>133,486,962</u>	<u>136,865,873</u>	<u>116,761,688</u>
--	--------------------	--------------------	--------------------	--------------------

46 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents include cash, treasury bills and other eligible bills, operating account with other banks, amounts due from other banks and short-term government securities.

	Group Jun-2011	Group Jun-2010	Bank Jun-2011	Bank Jun-2010
	N'000	N'000	N'000	N'000
Cash in hand and balances with CBN (less restricted balances) (see note 12(a))	71,427,575	31,471,605	68,474,459	26,611,552
Treasury bills (see note 13)	222,315,447	85,948,870	202,265,205	71,079,264
Due from other banks (see note 14)	296,110,054	289,939,122	253,180,139	262,884,342
Due to other banks (see note 26(a))	(18,932,220)	(20,268,408)	(7,863,225)	(3,480,570)
	<u>570,920,856</u>	<u>387,091,189</u>	<u>516,056,578</u>	<u>357,094,588</u>

47 Compliance with banking regulations

The Bank did not pay any penalty in respect of contravention of the regulations of the Banks and Other Financial Institutions Act 1991 or relevant circulars issued by the Central Bank of Nigeria.

48 Comparatives

Certain prior year corresponding balances have been reclassified to conform with the current period presentation format and enhance comparability.

50 Financial Risk Management

For the period ended 30 June 2011

Risk Management Overview

Guaranty Trust Bank operates a robust and functional Enterprise-wide Risk Management (ERM) Division that manages all aspects of risk – including threats and opportunities. The risk management infrastructure therefore encompasses a holistic, comprehensive and integrated approach to identifying, managing and reporting (i) the 3 main inherent risk groups – Credit, Market and Operational; (ii) residual risks such as Settlement and Legal risks; (iii) additional core risks being Reputational and Strategy risks; and (iv) monitoring of the Bank's subsidiaries' risks.

In addition to this, in compliance with the Central Bank of Nigeria's 'Risk-based Supervision' guidelines, and also to align with Basel II Capital Accord / best global practices, we are in the process of incorporating a strategic framework for even more efficient measurement and management of the bank's risks and capital. To this end, we have gone through the process of engaging with appropriate solution providers and plan, to commence implementation of Basel II recommended capital measurement approaches (and the modeling and data collation required for these), economic capital to cope with unexpected losses, and other qualitative and quantitative measures that will assist us with enhancing our risk management workflows and creating a platform for more efficient risk-adjusted decision-making based on our aggregate exposures.

Risk Management Outlook

In the 2007/2008 financial year, Guaranty Trust Bank commissioned a firm of risk management consultants, who worked with various in-house committees to carry out a thorough diagnostic review of its risk management processes. The objective of the exercise was to implement an integrated risk management system that adopts a risk portfolio approach to managing risk as opposed to managing risks in silos.

The outcome of the process was a designed Enterprise-wide Risk Management framework (ERM), meant to position the Bank as a reference point in risk management in the industry. The designed ERM framework covers specific risk areas such as Credit, Market, Operational, Strategy Risks and Capital Management as well as the Risk-Based Internal Audit.

ERM Vision:

Guaranty Trust Bank's Enterprise-wide Risk Management vision is:

“to enhance shareholder value by creating and maintaining a culture of intelligent risk-taking”

Guaranty Trust Bank will adopt the following risk principles to actualize the above stated vision:

- The Bank will not take any action that will compromise its integrity.
- We shall adhere to the risk management cycle of identifying, measuring, managing, controlling and reporting risk.
- We will not avoid risk but manage it. Risk control will not constitute an impediment to the achievement of our strategic objective.
- We will always comply with all government regulations and uphold international best practice
- The Bank integrates risk management into its strategy setting; so that an enterprise-wide approach to managing risks becomes an integral part of our DNA.
- The Bank will only assume risks that fall within its risk acceptance criteria and offer commensurate returns.

Risk Management Philosophy

The risk management philosophy of Guaranty Trust Bank Plc is drawn from its mission and vision statements and seeks to achieve maximum optimization of the risk – return trade off, while ensuring strong commitment to the following key indices:

- Excellent service delivery across business segments
- Sound performance reporting (financial and non financial)
- Sound corporate governance
- Consistent appreciation in shareholders' value

Risk Management Framework

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, to monitor risks and adherence to limits. This policy is subject to review at least once a year. More frequent reviews may be conducted if in the opinion of the Board, changes in laws, market conditions or the Bank's activities are material enough to impact on the continued adoption of existing policies. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework via its committees – The Board Risk Committee and Board Credit Committee. These committees are responsible for developing and monitoring risk policies in their specified areas and report regularly to the Board of Directors on their activities.

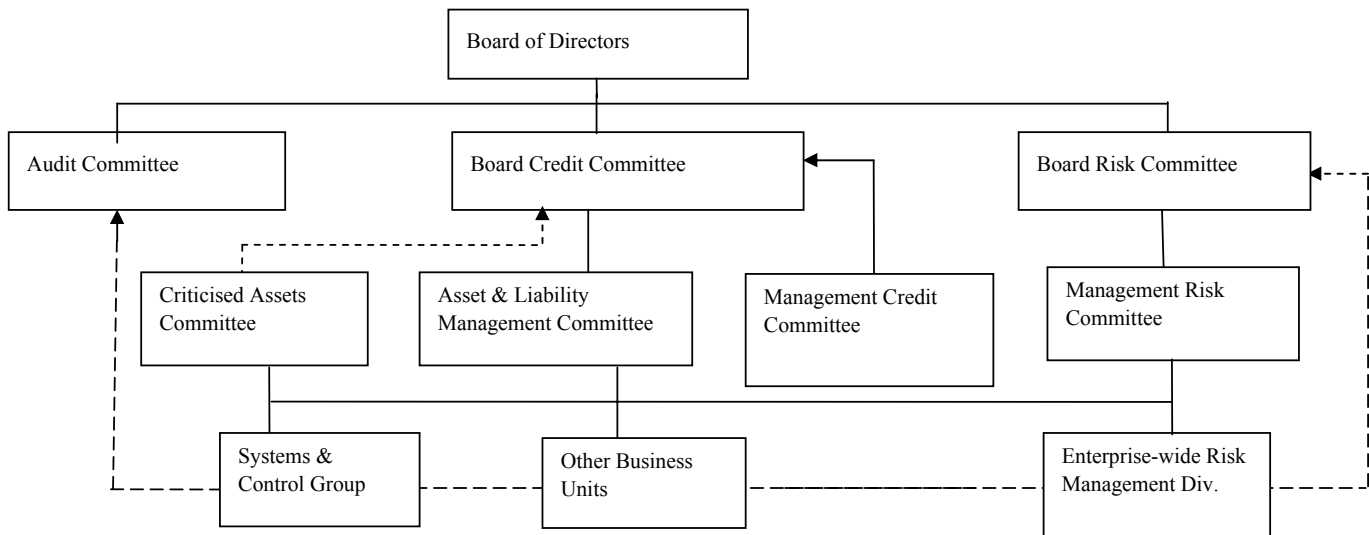
The Board Committees are assisted by the various Management Committees in identifying and assessing risks arising from day to day activities of the Bank. These committees are:

- Management Credit Committee
- Criticized Assets Committee
- Asset and Liability Management Committee (ALMAC)
- Management Risk Committee
- IT Steering Committee
- Other Ad-hoc Committees

These committees meet on a regular basis while others are set up on an ad-hoc basis as dictated by the circumstances.

The Bank's Audit Committee is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Bank. The Audit Committee is assisted by the Internal Audit department, in carrying out these functions. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Risk Management Organogram of the Bank is as follows:



Risk Management Methodology

Guaranty Trust Bank recognizes that it is in the business of managing risks to derive optimal satisfaction for all procedures, which include the following:

- Credit Policy Guide
- ERM policies
- Human Resources Policy Manual
- Quality Manual
- Standard Operating Procedures

To ensure adherence to the policies and procedures, several exception reports on customers and activities of the Bank are generated by the various audit control units for management’s decision making. These include:

- Monthly Management Profitability Reports (MPR) for the marketing teams
- Monthly Operations Performance Reports (OPR) for the support teams
- Quarterly Business Profitability Review
- Annual Bank-wide performance appraisal systems

Our Risk Appetite

Risk appetite defines the risk capacity or quantum of risk Guaranty Trust Bank is willing to accept in pursuit of its business strategy. The Bank analyses its activities to determine the level of risk inherent in them. We will take appropriate risk response based on careful analysis of the implication of such risk to our strategic goal and our operating environment.

Our risk appetite shall be expressed in qualitative and quantitative terms. The Bank’s response to risk is to remain moderate with commensurate calculated Earnings-at-Risk. It is a deliberate strategy for the Bank to remain moderate, maintain the local AAA rating, and improve the rating by International rating agencies.

CREDIT RISK MANAGEMENT

Credit Risk

Guaranty Trust Bank defines credit risk as the risk that a counterparty will fail to honour its payment obligations to the Bank, leading to financial loss. Credit risk is the most critical risk for the Bank as credit exposures, arising from lending activities account for the major portion of the Bank's assets and source of its revenue. Thus, the Bank ensures that credit risk related exposures are properly monitored, managed and controlled. The Credit Risk Management Group is responsible for identifying, controlling, monitoring and reporting credit risk related issues.

The Bank's Credit Risk Management Group is responsible for managing the Bank's credit exposures, which arise as a result of the bank's lending and investment activities as well other unfunded credit exposures that have default probabilities; such as off-balance sheet financial instruments. The Group also serves as the secretariat for the Management Credit Committee.

For credit risk capital adequacy computation, under Basel II Pillar 1, the Bank will commence with the use of the **Standardized Approach** for credit risk measurement.

Credit Risk Measurement

(a) *Loans and Advances*

Guaranty Trust Bank undertakes lending activities after careful analysis of the borrowers' character, capacity to repay, cashflow, credit history, industry and other factors. The Bank acknowledges that there are diverse intrinsic risks inherent in the vagaries of its business segments and, as a result, applies different parameters to adequately dimension the risks in each business segments.

In line with international best practices and in compliance with BASEL II requirements, the bank standardized its rating grades, in the last quarter of 2010, by increasing the rating buckets from 6 to 10. Like the previous rating grades, the new rating grades deals with all credit risk counterparties and this covers all the Bank's credit exposure to corporate, commercial, retail and public sectors. However the new grades reflect more granularity. The rating is handled by Account Officers and Relationship Managers with further check by Credit Risk Management Group.

The Rating Grid with description is as follows:

Rating Grade	Description	Characteristics
1	Exceptional Credit	<ul style="list-style-type: none"> ● Unquestionable credit quality ● Obligor with overwhelming capacity to meet obligation ● Top multinationals / corporations ● Good track record ● Strong brand name ● Strong equity and assets ● Strong cash flows ● Fully cash coverage

2	Watch List	<ul style="list-style-type: none"> ● Very high credit quality ● Exceptionally high cash flow coverage, historical and projected ● Very strong balance sheets with high liquid assets ● Excellent asset quality ● Access to global capital markets ● Typically large national corporates in stable industries and with significant market share
3	Minimal Risk	<ul style="list-style-type: none"> ● Low end or high quality borrowers ● Good asset quality and liquidity positions ● Strong debt capacity and coverage ● Very good management ● Though credit fundamentals are strong. It may suffer some temporary setback if any of them are adversely affected ● Typically in stable industries
4	Above Average	<ul style="list-style-type: none"> ● Satisfactory asset quality and liquidity ● Good debt capacity but smaller margins of debt service coverage ● Reasonable management in key areas ● Temporary difficulties can be overcome to meet debt obligations ● Good management but depth may be an issue ● Satisfactory character of owner ● Typically good companies in cyclical industries
5	Average	<ul style="list-style-type: none"> ● Satisfactory asset quality and liquidity ● Good debt capacity but smaller margins of debt service coverage ● Reasonable management in key areas ● Temporary difficulties can be overcome to meet debt obligations ● Good management but depth may be an issue ● Satisfactory character of owner ● Typically good companies in cyclical industries
6	Acceptable Risk	<ul style="list-style-type: none"> ● Limited debt capacity and modest debt service coverage ● Could be currently performing but susceptible to poor industry conditions and operating difficulties ● Declining collateral quality ● Management and owners good or passable ● Typically borrowers in declining markets or small market share and operating in cyclical industries
7	Watchlist	<ul style="list-style-type: none"> ● Eliciting signs of deterioration as a result of well defined weaknesses that may impair repayment ● Typically start-ups / declining markets/deteriorating industries high industry risk ● Financial fundamentals below average ● Weak management ● Poor information disclosure

8	Substandard Risk	<ul style="list-style-type: none"> ● Well- defined weaknesses though significant loss unlikely ● Orderly liquidation of debt under threat ● Continued strength is on collateral or residual repayment capacity of obligor ● Partial losses of principal and interest possible if weaknesses are not promptly rectified ● Questionable management skills
9	Doubtful Risk	<ul style="list-style-type: none"> ● High probability of partial loss ● Credit fundamentals very weak and makes full debt liquidation in serious doubt ● Factors exist that may mitigate the potential loss but awaiting appropriate time to determine final status ● Demonstrable management weaknesses, poor repayment weaknesses and poor repayment profile
10	Loss	<ul style="list-style-type: none"> ● A definite loss of principal and interest ● Lack of capacity to repay unsecured debt ● Bleak economic prospects ● Though it is still possible to recover sometime in the future, it is imprudent to defer write - offs

Risk Limit Control and Mitigation Policies

Guaranty Trust Bank applies limits to control credit risk concentration and ensure proper diversification of its risk assets portfolio. The Bank maintains limits for individual borrowers and groups of related borrowers, as well as industries. Obligor limits are set by the regulators and it is currently at 20% of the Bank's shareholder's funds. The obligor limit covers exposures to counterparties and related parties.

Although the Bank is guided by this regulatory limit, we apply additional parameters internally in determining the suitable limits that an individual borrower should have. These include: obligor rating, position in the industry and perceived requirements of key players (e.g. import finance limit may be determined by the customer's import cycle and volume during each cycle), financial analysis, etc.

The Bank imposes industry/economic sector limits to guide against concentration risk as a result of exposures to sets of counterparties operating in a particular industry. The industry limits are arrived at after rigorous analysis of the risks inherent in the industry. The limits are usually recommended by the Bank's Portfolio Management Unit under Credit Risk Management Group. The limits are presented for approval at any of the following meetings:

- Corporate planning and review meetings
- Annual Budget meetings
- Monthly Performance Review (MPR) meetings
- Quarterly Business Review meetings
- Management Risk Committee meetings
- Criticised Assets Committee meetings
- Assets and Liability Management Committee meetings

The limits set for each industry or economic sector depend on the historical performance of the sector as well as the intelligence report on the outlook of the sector. During the year, limits can be realigned (outright removal, reduction or increase) to meet the exigencies of the prevailing macroeconomic events.

The Bank also sets internal credit approval limits for various levels of officers in the credit process. Approval decisions are guided by the Bank's strategic focus as well as the stated risk appetite and the other limits established by the board or regulatory authorities such as Aggregate Large Exposure Limits, Single Obligor Limits, Geographical Limits, Industry/Sectoral limits etc.

The lending authority in the Bank flows through the management hierarchy with the final authority residing with the Board of Directors as indicated below:

Board of Directors	Up to Bank's one Obligor limit as advised by Central Bank of Nigeria from time to time but currently put at 20% of shareholders' funds
Management Credit Committee	Up to ₦500 Million
Managing Director	Up to ₦200 Million
Deputy Managing Director	Up to ₦150 Million
Other Approving Officers	as delegated by The Managing Director

The above limits are subject to the following exceptional approvals:

- Except where a facility is cash collateralized, all new facilities below ₦10million require the approval of the Credit Committee.
- The deposit required for all cash collateralized facilities (with the exception of bonds, guarantees and indemnities) must be 125% of the facility amount to provide a cushion for interest and other charges.
- Totally new facilities require one-up approval i.e. approval at a level higher than that of the person that would ordinarily approve it.

The amount being approved must be within the appropriate authority limit; otherwise the credit goes to the next level of lending authority or consultative forum such as the Management Credit Committee (MCC) or the Board, for review and approval as required. New products are also presented to the MCC for review and approval.

Some other specific control and mitigation measures are outlined below:

(a) ***Collateral policies***

The Bank ensures that each credit is reviewed and granted based on the strength of the borrowers' cashflow. However, the Bank also ensures its credit facilities are well secured as a second way out. The policies that guide collateral for facilities are embedded within the Bank's credit policy guide. These include the following policy statements amongst others:

- (i) Loans to individuals or sole proprietors must be secured by tangible, marketable collateral that has a market value that is supported by a valuation report from a registered estate valuer who is acceptable to the Bank. The collateral must also be easy to check and easy to dispose of. This collateral must be in the possession of, or pledged to, the Bank.
- (ii) Client's account balances must be within the scope of cover provided by its collateral.
- (iii) All collateral offered must have the following attributes:
 - There must be good legal title.
 - The title must be easy to transfer.
 - It should be easy and relatively cheap to value.
 - The value should be appreciating or at least stable.
 - The security must be easy to sell.

All collateral must be protected by insurance. Exceptions include cash collateral, securities in safe keeping, indemnity or guarantees, or where our interest is general (for instance in a negative pledge). The insurance policy has to be issued by an insurer acceptable to the Bank.

All cash collateralized facilities shall have a 20% margin to provide cushion for interest and other charges i.e. only 80% of the deposit or cash collateral may be availed to an obligor.

The main collateral types acceptable to the Bank for loans and advances include:

- (i) Mortgages over residential properties.
- (ii) Charges over business premises, fixed and floating assets as well as the inventory.
- (iii) Charges over financial instruments such as equities, treasury bills etc.

The Bank ensures that other financial assets, aside from loans and advances, such as Bank placements, are secured with treasury bills or a Central Bank of Nigeria guarantee.

(b) ***Off-balance sheet engagements***

These instruments are contingent in nature and they carry the same credit risk as loans and advances. As a policy, the Bank ensures that all its off-balance sheet exposures are subjected to the same rigorous credit analysis, like that of the on-balance sheet exposures, before availment. The major off-balance sheet items in the Bank's books are Bonds and Guarantees, which the Bank will only issue where it has full cash collateral or a counter indemnity from a first class bank, or another acceptable security.

(c) ***Placements***

The Bank has placement lines for its Bank counterparties. The lines cover the settlement risks inherent in our activities with these counterparties. The limits are arrived at after conducting fundamental analysis of the counterparties and must be presented to and approved by the Bank's Management Credit Committee. The lines are monitored by Credit Risk Management Group. As a rule, the Bank's placements with local Banks are backed with treasury bills or guarantees of the Central Bank of Nigeria. However, the exposures must be within the Bank's one obligor position.

Provisioning policies

The Credit Risk Management Group of the Bank conducts detailed review of the risk assets portfolio and applies objective and subjective criteria in classifying loans with repayment difficulties. The classification and the attendant provisioning is derived from the statutory requirement for non-performing loans as prescribed by the Central Bank of Nigeria. The Bank's provisioning benchmarks are detailed in its statement of significant accounting policies

No of Days Overdrawn	Classification	% Provision taken
90 – 180	Substandard	10%
180 – 360	Doubtful	50%
Over 360	Lost	100%

In addition, immediately an account is classified as non-performing, the interest is accounted for on non-accrual basis i.e. interest is not recognized as income but suspended.

Furthermore, if the occurrence of a loss event is certain, appropriate provisions will be made regardless of the fact that such loan does not fall into any of the above categories.

Risk Assets (Loans and Advances, Advances under Finance Leases, off-balance sheet, direct credit substitutes etc)

Loans and advances are summarised as follows:

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Performing	628,334,208	592,709,801	591,390,560	562,991,695
Non-Performing				
Substandard	6,573,353	9,181,846	5,777,262	8,392,872
Doubtful	10,843,565	7,263,692	10,049,034	7,030,404
Lost	4,385,065	18,473,390	4,215,907	17,928,507
Interest in suspense	1,757,673	8,041,692	1,580,180	7,755,824
TOTAL	<u>651,893,864</u>	<u>635,670,421</u>	<u>613,012,943</u>	<u>604,099,302</u>

Performing but Past Due Loans

Loans and advances less than 90 days past due are considered performing, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers that were past due but performing were as follows:

Group

As at 30 June 2011

	Corporate N'000	Public Sector N'000	Retail N'000	Commercial N'000	Total N'000
Past due 0 - 30 days	2,575	7,119	362,854	451,342	823,890
Past due up to 30 - 60 days	700,000	-	984,024	550,782	2,234,806
Past due up to 60 - 90 days	297,292	-	37,961	306,600	641,853
	<u>999,867</u>	<u>7,119</u>	<u>1,384,839</u>	<u>1,308,724</u>	<u>3,700,549</u>

Group

As at 31 December 2010

	Corporate N'000	Public Sector N'000	Retail N'000	Commercial N'000	Total N'000
Past due 0 to 30 days	60,956	-	56,786	239,349	357,091
Past due up to 30 - 60 days	4,961	-	1,020,559	883,923	1,909,443
Past due up to 60 - 90 days	256,336	4,688	52,555	131,499	445,078
	<u>322,253</u>	<u>4,688</u>	<u>1,129,900</u>	<u>1,254,771</u>	<u>2,711,612</u>

Bank

As at 30 June 2011

	Corporate N'000	Public Sector N'000	Retail N'000	Commercial N'000	Total N'000
Past due 0 - 30 days	2,575	7,119	54,497	443,052	507,243
Past due up to 30 - 60 days	-	-	28,225	162,860	191,085
Past due up to 60 - 90 days	38,177	-	37,961	306,600	382,738
	<u>40,752</u>	<u>7,119</u>	<u>120,683</u>	<u>912,512</u>	<u>1,081,066</u>

Bank

As at 31 December 2010

	Corporate N'000	Public Sector N'000	Retail N'000	Commercial N'000	Total N'000
Past due 0 to 30 days	60,956	-	33,974	239,349	334,279
Past due up to 30 - 60 days	-	-	-	25,657	25,657
Past due up to 60 - 90 days	-	4,688	-	4,452	9,140
	<u>60,956</u>	<u>4,688</u>	<u>33,974</u>	<u>269,458</u>	<u>369,076</u>

Non-Performing Loans by Industry

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Activities of Extraterritorial Organizations and Bodies	-	1,013	-	1,013
Administrative and Support Service Activities	2,201	-	2,201	-
Agriculture, Forestry and Fishing	545,514	1,319,355	442,238	1,232,466
Arts, Entertainment and Recreation	-	11,665	-	11,665
Capital Market	12,023,015	3,316,689	12,023,015	3,316,689
Construction	724,836	12,865,670	724,836	12,729,970
Education	861,611	614,337	861,611	614,337
Finance and Insurance	2,364,102	4,356,667	1,677,981	3,412,257
General	1,012,253	5,381,613	642,228	5,092,031
General Commerce	3,148,098	5,543,034	2,835,849	5,302,323
Government	471,252	512,603	471,252	512,603
Human Health and Social Work Activities	280,403	120,430	280,403	120,430
Information and Communication	142,442	3,470,888	142,442	3,470,888
Manufacturing	165,508	661,187	160,454	661,187
Mining and Quarrying	64,616	146,615	56,735	146,615
Oil and Gas	310,885	1,167,849	310,885	1,098,232
Power and Energy	-	5,734	-	5,734
Professional, Scientific and Technical Activities	236,088	790,532	236,088	790,532
Real Estate Activities	748,954	1,964,698	368,533	1,964,698
Transportation and Storage	457,878	710,041	385,632	623,937
Water Supply, Sewage, Waste Management and Remediation Activities	-	-	-	-
TOTAL	<u>23,559,656</u>	<u>42,960,620</u>	<u>21,622,383</u>	<u>41,107,607</u>

Non-Performing Loans by Geography

	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
Abuja & North Central	885,798	4,777,134	873,321	4,777,134
Lagos	7,337,327	26,436,778	7,132,707	26,408,857
North East	279,581	670,966	279,581	670,966
North West	2,498,179	2,241,089	2,498,179	2,241,089
South East	2,198,951	5,479,171	2,198,951	5,479,171
South West	8,660,650	1,530,390	8,639,644	1,530,390
Rest of West Africa	1,699,170	1,825,092	-	-
Europe	-	-	-	-
TOTAL	23,559,656	42,960,620	21,622,383	41,107,607

Concentration of risks of financial assets with credit risk exposure

(a) Geographical Sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by geographical region as of 30 June 2011. For this table, the Group has allocated exposures to regions based on the region of domicile of our counterparties.

Group

As at 30 June 2011

	Due from banks N'000	Loans N'000	Advances under finance lease N'000	Debt instruments N'000	Total N'000
Abuja & North Central	-	40,576,708	-	63,407,713	103,984,421
Lagos	55,816,678	435,294,116	-	24,116,655	515,227,449
North East	-	9,531,870	-	-	9,531,870
North West	-	20,261,171	-	-	20,261,171
South East	-	86,541,855	-	3,000,000	89,541,855
South West	-	25,401,944	-	-	25,401,944
Rest of west africa	48,014,920	27,405,098	4,194	-	75,424,212
Europe	143,256,623	6,881,102	-	3,887,246	154,024,971
Others	49,021,833	-	-	1,530,095	50,551,928
	296,110,054	651,893,864	4,194	95,941,709	1,043,949,821

Group

As at 31 December 2010	Due from banks N'000	Loans N'000	Advances under finance lease N'000	Debt Instruments N'000	Total N'000
Abuja & North Central	-	33,682,654	-	29,772,276	63,454,930
Lagos	101,338,754	426,301,409	-	6,954,325	534,594,488
North East	-	10,496,356	-	-	10,496,356
North West	-	18,791,130	-	-	18,791,130
South East	-	85,681,817	-	-	85,681,817
South West	969,650	33,412,813	-	5,000,000	39,382,463
Rest of west africa	23,594,118	23,384,578	9,821	-	46,988,517
Europe	104,170,196	1,862,118	-	142,651	106,174,965
Others	20,108,033	2,057,546	-	-	22,165,579
	<u>250,180,751</u>	<u>635,670,421</u>	<u>9,821</u>	<u>41,869,252</u>	<u>927,730,245</u>

Bank

As at 30 June 2011	Due from banks N'000	Loans N'000	Advances under finance lease N'000	Debt Instruments N'000	Total N'000
Abuja & North Central	-	40,576,708	-	63,257,713	103,834,421
Lagos	65,143,999	430,699,395	-	25,025,987	520,869,381
North East	-	9,531,870	-	-	9,531,870
North West	-	20,261,171	-	-	20,261,171
South East	-	86,541,855	-	3,000,000	89,541,855
South West	-	25,401,944	-	-	25,401,944
Rest of west africa	29,207,945	-	-	-	29,207,945
Europe	109,806,362	-	-	3,887,246	113,693,608
Others	49,021,833	-	-	-	49,021,833
	<u>253,180,139</u>	<u>613,012,943</u>	<u>-</u>	<u>95,170,946</u>	<u>961,364,028</u>

Bank

As at 31 December 2010	Due from banks N'000	Loans N'000	Advances under finance lease N'000	Debt Instruments N'000	Total N'000
Abuja & North Central	-	33,574,271	-	29,772,276	63,346,547
Lagos	99,950,000	426,268,233	-	5,000,000	531,218,233
North East	-	10,496,356	-	-	10,496,356
North West	-	18,791,130	-	-	18,791,130
South East	-	85,681,817	-	-	85,681,817
South West	-	29,287,495	-	5,000,000	34,287,495
Rest of west africa	3,779,732	-	-	-	3,779,732
Europe	74,566,889	-	-	1,895,700	76,462,589
Others	26,271,310	-	-	-	26,271,310
	<u>204,567,931</u>	<u>604,099,302</u>	<u>-</u>	<u>41,667,976</u>	<u>850,335,209</u>

Group

Industry Sectors

As at 30 June 2011	Due from banks	Loans	Advances under finance lease	Debt Instruments	Total
	N'000	N'000	N'000	N'000	N'000
Activities of Extraterritorial Organizations and Bodies	-	2,271	-	-	2,271
Administrative and Support Service Activities	-	1,816,961	-	-	1,816,961
Agriculture, Forestry and Fishing	-	3,205,325	-	-	3,205,325
Arts, Entertainment and Recreation	-	318,737	-	-	318,737
Capital Market	-	16,587,258	-	-	16,587,258
Construction	-	24,788,068	-	-	24,788,068
Education	-	21,722,131	-	-	21,722,131
Finance and Insurance	293,935,550	12,371,411	-	22,697,254	329,004,215
General	2,174,504	55,515,938	-	-	57,690,442
General Commerce	-	81,978,240	-	-	81,978,240
Government	-	12,464,348	-	70,202,805	82,667,153
Human Health and Social Work Activities	-	7,606,339	-	-	7,606,339
Information and Communication	-	59,741,774	-	-	59,741,774
Manufacturing	-	114,575,586	-	3,041,650	117,617,236
Mining and Quarrying	-	1,350,263	-	-	1,350,263
Oil and Gas	-	173,113,056	-	-	173,113,056
Power and Energy	-	1,703	-	-	1,703
Professional, Scientific and Technical Activities	-	6,003,860	-	-	6,003,860
Real Estate Activities	-	30,748,003	-	-	30,748,003
Transportation and Storage	-	27,735,660	-	-	27,735,660
Water Supply, Sewage, Waste Management and Remediation Activities	-	246,932	4,194	-	251,126
	<u>296,110,054</u>	<u>651,893,864</u>	<u>4,194</u>	<u>95,941,709</u>	<u>1,043,949,821</u>

Group

As at 31 December 2010

	Due from banks N'000	Loans N'000	Advances under finance lease N'000	Debt Instruments N'000	Total N'000
Activities of Extraterritorial Organizations and Bodies	-	27,408	-	-	27,408
Administrative and Support Service Activities	-	1,307,437	-	-	1,307,437
Agriculture, Forestry and Fishing	-	3,932,847	-	-	3,932,847
Arts, Entertainment and Recreation	-	318,683	-	-	318,683
Capital Market	-	23,962,422	-	-	23,962,422
Construction	-	41,061,082	-	-	41,061,082
Education	-	23,779,760	-	-	23,779,760
Finance and Insurance	250,180,752	22,182,597	-	2,096,976	274,460,325
General	-	38,389,313	9,821	-	38,399,134
General Commerce	-	69,089,863	-	-	69,089,863
Government	-	13,204,037	-	36,772,276	49,976,313
Human Health and Social Work Activities	-	6,793,970	-	-	6,793,970
Information and Communication	-	62,623,220	-	-	62,623,220
Manufacturing	-	116,912,839	-	3,000,000	119,912,839
Mining and Quarrying	-	1,233,937	-	-	1,233,937
Oil and Gas	-	137,891,807	-	-	137,891,807
Power and Energy	-	26,731	-	-	26,731
Professional, Scientific and Technical Activities	-	6,437,615	-	-	6,437,615
Real Estate Activities	-	38,547,046	-	-	38,547,046
Transportation and Storage	-	27,800,655	-	-	27,800,655
Water Supply, Sewage, Waste Management and Remediation Activities	-	147,152	-	-	147,152
	<u>250,180,752</u>	<u>635,670,421</u>	<u>9,821</u>	<u>41,869,252</u>	<u>927,730,246</u>

Bank					
(b) Industry Sectors					
As at 30 June 2011	Due from banks	Loans	Advances under finance lease	Debt Instruments	Total
	N'000	N'000	N'000	N'000	N'000
Activities of Extraterritorial Organizations and Bodies	-	2,270	-	-	2,270
Administrative and Support Service Activities	-	1,816,961	-	-	1,816,961
Agriculture, Forestry and Fishing	-	2,464,762	-	-	2,464,762
Arts, Entertainment and Recreation	-	318,737	-	-	318,737
Capital Market	-	16,584,758	-	-	16,584,758
Construction	-	24,788,068	-	-	24,788,068
Education	-	21,722,131	-	-	21,722,131
Finance and Insurance	253,180,139	11,712,322	-	23,748,236	288,640,697
General	-	50,730,018	-	-	50,730,018
General Commerce	-	63,117,585	-	-	63,117,585
Government	-	12,464,348	-	68,422,710	80,887,058
Human Health and Social Work Activities	-	7,606,339	-	-	7,606,339
Information and Communication	-	59,453,443	-	-	59,453,443
Manufacturing	-	110,582,271	-	3,000,000	113,582,271
Mining and Quarrying	-	358,002	-	-	358,002
Oil and Gas	-	170,120,895	-	-	170,120,895
Power and Energy	-	-	-	-	-
Professional, Scientific and Technical Activities	-	6,003,860	-	-	6,003,860
Real Estate Activities	-	27,216,341	-	-	27,216,341
Transportation and Storage	-	25,702,900	-	-	25,702,900
Water Supply, Sewage, Waste Management and Remediation Activities	-	246,932	-	-	246,932
	<u>253,180,139</u>	<u>613,012,943</u>	<u>-</u>	<u>95,170,946</u>	<u>961,364,028</u>

Bank

As at 31 December 2010

	Due from banks N'000	Loans N'000	Advances under finance lease N'000	Debt Instruments N'000	Total N'000
Activities of Extraterritorial Organizations and Bodies	-	27,408	-	-	27,408
Administrative and Support Service Activities	-	1,307,437	-	-	1,307,437
Agriculture, Forestry and Fishing	-	2,998,167	-	-	2,998,167
Arts, Entertainment and Recreation	-	318,683	-	-	318,683
Capital Market	-	23,658,377	-	-	23,658,377
Construction	-	35,261,843	-	-	35,261,843
Education	-	22,794,813	-	-	22,794,813
Finance and Insurance	204,567,931	9,894,133	-	1,895,700	216,357,764
General	-	35,810,813	-	-	35,810,813
General Commerce	-	69,089,863	-	-	69,089,863
Government	-	13,183,486	-	36,772,276	49,955,762
Human Health and Social Work Activities	-	6,793,970	-	-	6,793,970
Information and Communication	-	62,623,220	-	-	62,623,220
Manufacturing	-	113,264,258	-	3,000,000	116,264,258
Mining and Quarrying	-	359,591	-	-	359,591
Oil and Gas	-	135,706,922	-	-	135,706,922
Power and Energy	-	26,731	-	-	26,731
Professional, Scientific and Technical Activities	-	6,437,615	-	-	6,437,615
Real Estate Activities	-	38,525,007	-	-	38,525,007
Transportation and Storage	-	25,869,813	-	-	25,869,813
Water Supply, Sewage, Waste Management and Remediation Activities	-	147,152	-	-	147,152
	<u>204,567,931</u>	<u>604,099,302</u>	<u>-</u>	<u>41,667,976</u>	<u>850,335,209</u>

Analysis by Portfolio Distribution and Risk Rating

Risk rating	Group Jun-2011 N'000	Group Dec-2010 N'000	Bank Jun-2011 N'000	Bank Dec-2010 N'000
	Rating 1	71,544,242	40,453,764	57,346,213
Rating 2	71,564,232	46,544,316	71,093,766	44,237,298
Rating 3	206,332,541	139,650,650	190,920,609	132,728,719
Rating 4	177,528,337	230,958,678	170,195,885	219,510,969
Rating 5	43,518,854	83,852,505	43,441,690	79,696,268
Rating 6	58,422,955	51,850,849	57,311,330	49,280,807
Rating 7	1,120,985	388,323	1,081,067	369,075
Rating 8	6,281,439	8,830,569	6,281,439	8,392,873
Rating 9	10,595,030	7,397,046	10,595,030	7,030,404
Rating 10	4,985,249	25,743,721	4,745,914	24,404,258
Total	<u>651,893,864</u>	<u>635,670,421</u>	<u>613,012,943</u>	<u>604,099,302</u>

MARKET RISK MANAGEMENT

Market Risk is the probability that changes in financial market prices could adversely affect the Bank's financial condition. The Bank measures and monitors all its market risk factors such as interest rate risk, exchange rate risk, liquidity risk, Investment risk and market volatilities in its trading and banking books.

The Bank separates its exposure to market risk between trading and non-trading portfolios. The Treasury holds trading portfolio, including positions arising from market making and proprietary position taking, together with financial assets and liabilities. The portfolio is managed on a fair value basis.

With the exception of translation risk arising on the Bank's net investment in its foreign operations, Treasury monitors foreign exchange risk within the Bank. Accordingly, the foreign exchange position is treated as part of the Bank's trading portfolio for risk management purposes.

Overall authority for the management and reporting of market and liquidity risks inherent in our businesses across the Bank is vested in the Market Risk Management Committee. However, the Market Risk Management group within the ERM Division is responsible for the development of market risk management policy and monitors specific market and liquidity risks inherent in our business. The group is also responsible for ensuring that any exposure is efficiently identified, measured, monitored and managed.

The Market risk reports to Management appropriately address potential exposures to yield curve changes and other factors relevant to the institution's holdings.

The Bank makes use of limit monitoring, as well as Sensitivity Analyses (including Value-at-Risk and other stress testing techniques) as the principal tools to measure and control the market risk exposures within its trading portfolio and risk assets or deposit liabilities. Specific limits have been set (eg. open position limits, placement limits, etc.) The Market Risk Management group ensures that these limits are adhered to by the Bank.

For market risk capital adequacy computations under Basel II Pillar I, the Bank will commence with the use of the ***Standardized Approach*** for Market Risk Measurement.

OPERATIONAL RISK MANAGEMENT

Guaranty Trust Bank defines Operational Risk as “direct/indirect loss resulting from inadequate and/or failed internal process, people, and systems or from external events. This definition captures events such as technology problems, defects in organisational structure, failure of internal control systems, human error, fraud and external threat or any other risks that the Bank deems fit on an ongoing basis, whilst keeping a bird’s eye view on Reputational and Strategy risks”.

The following tools and methodologies are being utilized:

- Business Continuity Management (BCM);
- Documentation of a detailed and comprehensive Business Continuity Plan (BCP);
- Risk & Control Self Assessments (RCSAs);
- Key Risk Indicators;
- Risk Register for cataloguing ORM events;
- Occupational Health and Safety procedures and initiatives;
- Information Risk Management Awareness;
- Fraud Risk Management initiatives;
- Compliance and Legal Risk Management;
- A Loss Incident Reporting facility to be available on the intranet for collation of operational risk loss events.

Reports are sent out on a monthly and quarterly basis to Management and various stakeholders.

For Operational Risk Capital Adequacy computation under Basel II Pillar I, the Bank will commence with the use of the **Basic Indicator Approach** for Operational Risk Measurement.

The bank has also commenced management of its Reputational and Strategy risks.

STRATEGY RISK MANAGEMENT

Strategy risk is defined as the possibility that the Bank’s strategy may be inappropriate to support long-term corporate goals such as sustainable growth, due to the inadequacy of its strategic planning and/or decision-making process, or the inadequate implementation of such strategies. This could include the risk that the strategy is unclear, clear but not viable or clear and viable but badly implemented, or strategy failure due to unexpected circumstances.

In conclusion, Guaranty Trust Bank Plc is currently implementing the ERM framework as explained above, under a two-year migration plan. As part of the implementation process, the Bank has started putting in place appropriate structures including recruitment of personnel for the identified key risk areas, risk acculturation, and software selection.

Foreign exchange risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange rate risk at 30 June. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by currency.

Group						
As at 30 June 2011	Naira N'000	Dollar N'000	GBP N'000	Euro N'000	Others N'000	Total N'000
Assets:						
Cash and balances with central banks	68,556,201	807,399	411,363	144,591	1,508,021	71,427,575
Treasury bills	203,597,288	146,917	737,040	-	17,834,202	222,315,447
Due from other banks	74,584,439	166,428,185	20,682,282	28,164,420	6,250,728	296,110,054
Loans and advances to customers	434,747,591	172,739,049	4,640,034	155,588	15,051,243	627,333,505
Advances under finance lease	-	-	-	-	3,775	3,775
Trading properties	7,102,812	-	-	-	-	7,102,812
Insurance receivables	1,755,676	-	-	-	-	1,755,676
Investment securities	103,883,790	1,727,817	-	-	-	105,611,607
Other assets	15,568,841	2,306,539	162,648	9,265	1,351,986	19,399,279
Deferred tax asset	390,723	-	-	-	-	390,723
Property and equipment	48,168,383	699,819	575,383	-	3,464,306	52,907,891
Goodwill on consolidation	354,328	-	-	-	-	354,328
Total financial assets	958,710,072	344,855,725	27,208,750	28,473,864	45,464,261	1,404,712,672
Liabilities:						
Customer deposits	723,798,753	126,180,528	13,145,996	16,500,492	36,014,135	915,639,904
Due to other banks	7,863,225	3,737,713	4,022,273	629,186	2,679,823	18,932,220
Claims payable	1,160,278	-	-	-	-	1,160,278
Finance lease obligations	-	1,628,000	-	-	-	1,628,000
Liability on investment contract	2,100,349	-	-	-	-	2,100,349
Liability on insurance contract	3,994,127	-	-	-	-	3,994,127
Current income tax	11,777,995	4,649	-	-	201,085	11,983,729
Other liabilities	22,906,927	28,196,444	1,416,864	10,320,088	2,082,469	64,922,792
Deferred tax liabilities	3,910,417	-	-	-	5,257	3,915,674
Retirement benefit obligations	145,580	-	-	-	14,835	160,415
Debt securities in issue	13,165,000	125,473,809	-	-	-	138,638,809
Other borrowings	10,550,000	10,388,995	-	-	-	20,938,995
Total liabilities	801,372,651	295,610,138	18,585,133	27,449,766	40,997,604	1,184,015,292
Net on-balance sheet financial position	157,337,421	49,245,587	8,623,617	1,024,098	4,466,657	220,697,380
Off balance sheet	276,707,378	164,035,832	417,569	17,449,582	6,045,204	464,655,565
31-December-2010	Naira N'000	Dollar N'000	GBP N'000	Euro N'000	Others N'000	Total N'000
Total financial assets	821,057,512	194,374,681	23,273,439	17,224,032	96,481,862	1,152,411,526
Total financial liabilities	668,880,660	153,145,361	20,527,738	15,390,566	83,641,511	941,585,836
Net on-balance sheet financial position	152,176,852	41,229,320	2,745,701	1,833,466	12,840,351	210,825,690
Off balance sheet	267,914,326	133,432,075	9,000,700	9,921,220	4,719,883	424,988,204

Bank

Concentrations of currency risk – on- and off-balance sheet financial instruments

As at 30 June 2011	Naira N'000	Dollar N'000	GBP N'000	Euro N'000	Others N'000	Total N'000
Assets:						
Cash and balances with central banks	68,474,459	-	-	-	-	68,474,459
Treasury bills	202,265,205	-	-	-	-	202,265,205
Due from other banks	67,024,135	146,913,981	12,563,213	26,465,635	213,175	253,180,139
Loans and advances to customers	430,236,907	160,144,405	5,347	879	42	590,387,580
Investment securities	95,742,703	3,887,246	-	-	-	99,629,949
Investment in subsidiaries	30,115,862	-	-	-	-	30,115,862
Other assets	11,171,974	1,855,691	8	9,265	-	13,036,938
Property and equipment	47,614,616	-	-	-	-	47,614,616
Total financial assets	952,645,861	312,801,323	12,568,568	26,475,779	213,217	1,304,704,748
Liabilities:						
Customer deposits	716,259,486	112,543,408	6,528,010	15,579,358	1,247	850,911,509
Due to other banks	7,863,225	-	-	-	-	7,863,225
Finance lease obligations	-	1,628,000	-	-	-	1,628,000
Current income tax	10,970,458	-	-	-	-	10,970,458
Other liabilities	20,128,991	21,417,935	1,249,872	10,309,507	25,447	53,131,752
Deferred tax liabilities	3,771,338	-	-	-	-	3,771,338
Retirement benefit obligations	144,755	-	-	-	-	144,755
Debt securities in issue	13,165,000	-	-	-	-	13,165,000
Other borrowings	10,550,000	137,873,886	-	-	-	148,423,886
Total liabilities	782,853,253	273,463,229	7,777,882	25,888,865	26,694	1,090,009,923
Net on-balance sheet financial position	169,792,608	39,338,094	4,790,686	586,914	186,523	214,694,825
Off balance sheet	276,370,853	128,520,613	267,459	17,423,290	1,329,185	423,911,400
31-December-2010						
	Naira N'000	Dollar N'000	GBP N'000	Euro N'000	Others N'000	Total N'000
Total financial assets	822,621,656	214,140,619	13,872,221	13,850,520	2,687,373	1,067,172,389
Total financial liabilities	660,953,334	175,127,780	11,819,014	12,447,248	1,657,206	862,004,582
Net on-balance sheet financial position	161,668,322	39,012,839	2,053,207	1,403,272	1,030,167	205,167,807
Off balance sheet	264,750,656	128,548,555	77,100	7,831,035	538,478	401,745,825

Liquidity risk

Liquidity risk is the current and future risk to the Bank's earnings and capital arising from its inability to meet its financial obligations and commitments as and when due and at a reasonable price

Liquidity risk management process

The Bank's liquidity risk management process is primarily the responsibility of the Market Risk Management Group within the ERM Division. A brief overview of the bank's liquidity management processes includes the following:

- Maintenance of minimum levels of liquid and marketable assets above the regulatory requirement of 25%. The Bank has also set for itself more stringent in-house limits above this regulatory requirement to which it adheres.
- Monitoring of its cash flow and balance sheet trends. The Bank also makes forecasts of anticipated deposits and withdrawals to determine their potential effect on the Bank.
- Regular measurement & monitoring of its liquidity position/ratios in line with regulatory requirements and in-house limits
- Regular monitoring of non-earning assets
- Monitoring of deposit concentration
- Ensure diversification of funding sources
- Monitoring of level of undrawn commitments
- Maintaining a contingency funding plan.

Funding approach

The Bank's overall approach to funding is as follows:

- (i) Generation of large pool of low cost deposits.
- (ii) Maintenance of efficiently diversified sources of funds along product lines, business segments and also regions.

The table below analyses assets and liabilities of the bank into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the bank. It is unusual for banks ever to be completely matched since business transacted is often of uncertain terms and of different types.

The maturity of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the bank and its exposure to changes in interest rates.

Maturity Profile - On Balance Sheet

Group	Up to 1	1 - 3	3 - 6	6 - 12	1 - 5	Over 5	Total	Carrying value
As at 30 June 2011	month	months	months	months	years	years		
Assets:	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and balances with central banks	71,402,236	25,339	-	-	-	-	71,427,575	71,427,575
Treasury bills and other eligible bills	22,830,504	86,958,385	86,384,651	24,809,824	1,332,083	-	222,315,447	222,315,447
Due from other banks	262,524,423	16,103,031	7,194,771	6,690,778	3,597,051	-	296,110,054	296,110,054
Loans and advances to customers	286,020,332	19,670,379	65,616,640	29,895,264	245,203,841	5,487,408	651,893,864	627,333,505
Advances under finance lease	-	-	-	-	4,194	-	4,194	3,775
Trading properties	2,568,145	988,457	1,082,596	-	2,463,614	-	7,102,812	7,102,812
Insurance receivables	1,139,691	180,805	435,180	-	-	-	1,755,676	1,755,676
Investment securities	21,559,616	204,243	-	14,574,538	64,456,628	7,677,562	108,472,587	105,611,607
Investment in subsidiaries	-	-	-	-	-	-	-	-
Deferred tax assets	659	2,023	2,023	-	386,018	-	390,723	390,723
Other assets	4,091,025	2,979,198	1,181,960	4,439,751	7,623,489	44,527	20,359,950	19,399,279
Property and equipment	621,413	1,864,058	1,731,410	3,125,370	12,169,259	33,396,381	52,907,891	52,907,891
Goodwill on consolidation	-	-	-	-	-	354,328	354,328	354,328
Total assets	672,758,044	128,975,918	163,629,231	83,535,525	337,236,177	46,960,206	1,433,095,101	1,404,712,672
Liabilities								
Customer deposits	797,082,822	99,122,079	15,828,386	2,783,441	823,176	-	915,639,904	915,639,904
Due to other banks	16,204,501	156,583	-	-	114,336	2,456,800	18,932,220	18,932,220
Claims payable	533,728	208,850	232,056	185,644	-	-	1,160,278	1,160,278
Finance lease obligations	49,333	98,667	148,000	296,000	1,036,000	-	1,628,000	1,628,000
Liability on investment contract	966,160	378,063	420,070	336,056	-	-	2,100,349	2,100,349
Liability on insurance contract	1,837,299	718,943	798,825	639,060	-	-	3,994,127	3,994,127
Debt securities in issue	-	-	-	53,356,905	85,281,904	-	138,638,809	138,638,809
Borrowings	-	-	195,680	192,014	20,551,301	-	20,938,995	20,938,995
Current income tax	180,215	297,551	285,245	11,086,903	133,815	-	11,983,729	11,983,729
Other liabilities	36,565,111	10,487,213	14,433,013	3,318,273	119,182	-	64,922,792	64,922,792
Deferred tax liabilities	19,224	59,047	59,047	3,778,356	-	-	3,915,674	3,915,674
Retirement benefit obligations	-	-	-	-	144,755	15,660	160,415	160,415
Total liabilities	853,438,393	111,526,996	32,400,322	75,972,652	108,204,469	2,472,460	1,184,015,292	1,184,015,292
Gap	180,680,349	(17,448,922)	(131,228,909)	(7,562,873)	(229,031,708)	(44,487,746)	(249,079,809)	(220,697,380)

Bank									
As at 30 June 2011	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	Total	Carrying value	
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Assets:									
Cash and balances with central banks	68,474,459	-	-	-	-	-	68,474,459	68,474,459	68,474,459
Treasury bills and other eligible bills	22,830,492	72,623,726	83,529,988	23,280,999	-	-	202,265,205	202,265,205	202,265,205
Due from other banks	232,743,417	3,982,118	6,255,780	6,690,778	3,508,046	-	253,180,139	253,180,139	253,180,139
Loans and advances to customers	275,816,800	15,242,466	56,773,609	21,379,780	238,312,880	5,487,408	613,012,943	590,387,580	590,387,580
Advances under finance lease	-	-	-	-	-	-	-	-	-
Investment securities	20,029,457	-	-	14,274,538	60,509,372	7,677,562	102,490,929	99,629,949	99,629,949
Investment in subsidiaries	-	-	-	-	-	30,115,862	30,115,862	30,115,862	30,115,862
Other assets	980,284	1,639,746	383,140	3,788,856	7,205,583	-	13,997,609	13,036,938	13,036,938
Property and equipment	591,785	1,094,004	1,565,911	2,794,372	10,052,704	31,515,840	47,614,616	47,614,616	47,614,616
Total assets	621,466,694	94,582,060	148,508,428	72,209,323	319,588,585	74,796,672	1,331,151,762	1,304,704,748	1,304,704,748
Liabilities:									
Customer deposits	769,621,677	73,388,250	7,827,855	67,107	6,620	-	850,911,509	850,911,509	850,911,509
Due to other banks	7,863,225	-	-	-	-	-	7,863,225	7,863,225	7,863,225
Finance lease obligations	49,333	98,667	148,000	296,000	1,036,000	-	1,628,000	1,628,000	1,628,000
Debt securities in issue	-	-	-	-	13,165,000	-	13,165,000	13,165,000	13,165,000
Borrowings	-	-	-	55,929,470	92,494,416	-	148,423,886	148,423,886	148,423,886
Current income tax	-	-	-	10,970,458	-	-	10,970,458	10,970,458	10,970,458
Other liabilities	27,869,784	9,269,636	13,617,277	2,375,055	-	-	53,131,752	53,131,752	53,131,752
Deferred tax liabilities	-	-	-	3,771,338	-	-	3,771,338	3,771,338	3,771,338
Retirement benefit obligations	-	-	-	-	144,755	-	144,755	144,755	144,755
Total liabilities	805,404,019	82,756,553	21,593,132	73,409,428	106,846,791	-	1,090,009,923	1,090,009,923	1,090,009,923
Gap	(183,937,325)	11,825,507	126,915,296	(1,200,105)	212,741,794	74,796,672	241,141,839	214,694,825	214,694,825

Group								
31 December 2010	Up to 1	1 - 3	3 - 6	6 -12	1 - 5 years	Over 5	Total	Carrying value
Maturity Profile - On Balance Sheet	month	months	months	months		years		
Assets:	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and balances with central banks	22,340,737	-	-	-	-	6,515,169	28,855,906	28,855,906
Treasury bills and other eligible bills	37,748,806	47,782,305	48,604,975	23,155,163	-	-	157,291,249	157,291,249
Due from other banks	225,600,149	12,009,030	8,435,156	529,265	3,607,151	-	250,180,751	250,180,751
Loans and advances to customers	190,978,708	32,041,842	45,700,192	90,616,362	199,107,918	77,225,399	635,670,421	593,463,860
Advances under finance lease	-	-	-	9,821	-	-	9,821	9,821
Trading properties	-	-	-	7,349,815	-	-	7,349,815	7,349,815
Insurance receivables	-	-	-	873,841	-	-	873,841	873,841
Investment securities	1,661,807	252,370	6,440,397	286,110	36,998,721	8,708,929	54,348,334	51,837,353
Deferred tax assets	-	-	-	7,478	580,403	-	587,881	587,881
Other assets	1,980,308	670,851	1,678,492	3,157,926	1,907,461	2,577,220	11,972,258	11,009,692
Property and equipment	737,943	21,079	45,436	386,244	11,573,478	37,832,849	50,597,029	50,597,029
Goodwill on consolidation	-	-	-	-	-	354,328	354,328	354,328
Total assets	481,048,458	92,777,477	110,904,648	126,372,025	253,775,132	133,213,894	1,198,091,634	1,152,411,526
Liabilities								
Customer deposits	674,139,388	78,943,316	6,124,844	1,969,218	8,547	9,479	761,194,792	761,194,792
Due to other banks	15,632,799	2,311,123	-	-	-	-	17,943,922	17,943,922
Claims payable	-	727,653	-	-	-	-	727,653	727,653
Finance lease obligations	-	101,994	101,994	203,988	1,439,653	-	1,847,629	1,847,629
Liability on investment contract	-	-	-	-	1,822,664	-	1,822,664	1,822,664
Liability on insurance contract	-	-	-	-	2,198,669	-	2,198,669	2,198,669
Debt securities in issue	-	-	-	-	64,903,211	-	64,903,211	64,903,211
Borrowings	-	-	-	-	22,936,267	-	22,936,267	22,936,267
Current income tax	127,029	501,814	-	8,897,415	3,663	-	9,529,921	9,529,921
Other liabilities	32,388,548	8,980,893	6,315,570	2,671,760	3,631,123	119,469	54,107,363	54,107,363
Deferred tax liabilities	40,499	-	-	118,254	4,178,293	-	4,337,046	4,337,046
Retirement benefit obligations	36,699	-	-	-	-	-	36,699	36,699
Total liabilities	722,364,962	91,566,793	12,542,408	13,860,635	101,122,090	128,948	941,585,836	941,585,836
Gap	241,316,504	(1,210,684)	(98,362,240)	(112,511,390)	(152,653,042)	(133,084,946)	(256,505,798)	(210,825,690)

Bank
Maturity Profile - On Balance Sheet
31 December 2010

	Up to 1 month N'000	1 - 3 months N'000	3 - 6 months N'000	6 -12 months N'000	1 - 5 years N'000	Over 5 years N'000	Total N'000	Carrying value N'000
Assets:								
Cash and balances with central banks	20,827,924	-	-	-	-	6,189,759	27,017,683	27,017,683
Treasury bills and other eligible bills	36,945,005	34,820,587	47,509,042	22,500,850	-	-	141,775,484	141,775,484
Due from other banks	186,533,993	6,531,121	9,361,206	529,265	3,508,046	-	206,463,631	206,463,631
Loans and advances to customers	185,246,588	26,491,478	44,218,876	79,920,035	193,582,187	74,640,138	604,099,302	563,383,562
Advances under finance lease	-	-	-	-	-	-	-	-
Investment securities	1,280,073	252,371	4,453,047	168,468	35,204,154	5,712,322	47,070,435	44,559,454
Investment in subsidiaries	-	-	-	-	-	30,115,862	30,115,862	30,115,862
Other assets	3,570,187	499,422	335,740	1,042,258	1,354,263	2,200,385	9,002,255	8,041,584
Property and equipment	2,154	21,079	45,436	386,242	9,933,660	35,426,558	45,815,129	45,815,129
Total assets	434,405,924	68,616,058	105,923,347	104,547,118	243,582,310	154,285,024	1,111,359,781	1,067,172,389
Liabilities:								
Customer deposits	649,214,451	61,649,742	2,216,164	17	-	-	713,080,374	713,080,374
Due to other banks	3,320,059	-	-	-	-	-	3,320,059	3,320,059
Finance lease obligations	-	101,994	101,994	203,988	1,439,653	-	1,847,629	1,847,629
Debt securities in issue	-	-	-	-	13,165,000	-	13,165,000	13,165,000
Borrowings	-	-	-	-	74,056,061	-	74,056,061	74,056,061
Current income tax	-	501,814	-	8,184,462	-	-	8,686,276	8,686,276
Other liabilities	28,599,034	6,638,725	4,847,616	1,044,106	2,523,233	-	43,652,714	43,652,714
Deferred tax liabilities	-	-	-	-	4,160,684	-	4,160,684	4,160,684
Retirement benefit obligations	35,785	-	-	-	-	-	35,785	35,785
Total liabilities	681,169,329	68,892,275	7,165,774	9,432,573	95,344,631	-	862,004,582	862,004,582
Gap	246,763,405	276,217	(98,757,573)	(95,114,545)	(148,237,679)	(154,285,024)	(249,355,199)	(205,167,807)

Maturity profile - Off Balance Sheet

(a) Financial guarantees and other financial facilities

This comprises performance bonds, guarantees and other guaranteed facilities

(b) Contingent letters of credit

This comprises letters of credit (Import-time and cash margin) and D- and C-lines

(c) Bankers Acceptances

This is made up of off-balance sheet bankers acceptances. The Bank had no off-balance sheet bankers acceptances as at period-end 30 June 2011.

(d) Guaranteed Commercial Papers

This is made up of off-balance sheet commercial papers. The Bank had no off-balance sheet commercial papers as at period-end 30 June 2011.

(e) Operating lease commitments

The Bank had no operating lease commitments as at year-end.

(f) Capital commitments

The Group had capital commitments of N679,078,000 (31 December 2010: N841,399,0000) as at the balance sheet date.

(g) Other commitments

This comprises commitments on foreign exchange contracts

The age analysis of contingent liabilities is presented below:

Group 30-June-2011	Up to 1 month N'000	1 - 3 months N'000	3 - 6 months N'000	6 -12 months N'000	1 - 5 years N'000	Over 5 years N'000	Total N'000
Performance bonds and financial guarantees	7,485,578	23,358,924	29,084,220	80,775,596	53,552,880	121,864,652	316,121,850
Contingent letters of credit	47,001,265	38,194,566	20,426,665	1,758,121	522,882	-	107,903,499
Bankers' acceptances	-	-	-	-	-	-	-
Guaranteed commercial papers	-	-	-	-	-	-	-
Other commitments	35,478,515	3,076,839	828,695	902,898	343,269	-	40,630,216
	<u>89,965,358</u>	<u>64,630,329</u>	<u>50,339,580</u>	<u>83,436,615</u>	<u>54,419,031</u>	<u>121,864,652</u>	<u>464,655,565</u>

Group
31-December-2010

	Up to 1 month N'000	1 - 3 months N'000	3 - 6 months N'000	6 -12 months N'000	1 - 5 years N'000	Over 5 years N'000	Total N'000
Performance bonds and financial guarantees	17,695,187	71,790,163	29,848,527	43,910,440	68,006,558	88,319,949	319,570,824
Contingent letters of credit	9,299,511	42,818,524	12,037,819	10,723,243	38,787	-	74,917,884
Bankers' acceptances	15,062,678	16,199	16,067	-	-	-	15,094,944
Other commitments	6,354,426	7,763,156	1,017,595	194,647	74,728	-	15,404,552
	<u>48,411,802</u>	<u>122,388,042</u>	<u>42,920,008</u>	<u>54,828,330</u>	<u>68,120,073</u>	<u>88,319,949</u>	<u>424,988,204</u>

Bank
30-June-2011

	Up to 1 month N'000	1 - 3 months N'000	3 - 6 months N'000	6 -12 months N'000	1 - 5 years N'000	Over 5 years N'000	Total N'000
Performance bonds and financial guarantees	7,485,502	22,506,203	28,795,089	79,907,114	53,165,768	121,864,652	313,724,328
Contingent letters of credit	22,346,161	27,630,566	20,426,665	1,758,121	522,882	-	72,684,395
Bankers' acceptances	-	-	-	-	-	-	-
Guaranteed commercial papers	-	-	-	-	-	-	-
Other commitments	35,322,046	2,180,629	-	-	-	-	37,502,675
	<u>65,153,709</u>	<u>52,317,398</u>	<u>49,221,754</u>	<u>81,665,235</u>	<u>53,688,650</u>	<u>121,864,652</u>	<u>423,911,398</u>

Bank
31-December-2010

	Up to 1 month N'000	1 - 3 months N'000	3 - 6 months N'000	6 -12 months N'000	1 - 5 years N'000	Over 5 years N'000	Total N'000
Performance bonds and financial guarantees	16,810,594	71,334,893	29,708,223	43,444,442	67,694,414	88,319,949	317,312,515
Contingent letters of credit	8,647,157	42,521,133	11,485,117	6,715,029	-	-	69,368,436
Other commitments	6,110,200	7,762,474	1,012,500	179,700	-	-	15,064,874
	<u>31,567,951</u>	<u>121,618,500</u>	<u>42,205,840</u>	<u>50,339,171</u>	<u>67,694,414</u>	<u>88,319,949</u>	<u>401,745,825</u>

Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the balance sheet, are:

- a. To comply with the capital requirements set by the regulators of the banking markets where the entities within the Group operate;
- b. To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- c. To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Central Bank of Nigeria (CBN), for supervisory purposes. The required information is filed with the CBN on a monthly basis. Auditors to the Group are also required to render an annual certificate to the Nigerian Deposit Insurance Corporation (NDIC) that includes the computed capital adequacy ratio of the Group.

The CBN requires each bank to:

- (i) Hold the minimum level of the regulatory capital of ₦25 billion, and
- (ii) Maintain a ratio of total regulatory capital to the risk-weighted asset at or above the minimum of 10%. In addition, those individual banking subsidiaries or similar financial institutions not incorporated in Nigeria are directly regulated and supervised by their local banking supervisor, which may differ from country to country.

The Group's regulatory capital as managed by its Financial Control and Treasury Units is divided into two tiers:

- a. Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 capital; and
- b. Tier 2 capital: preference shares, minority interests arising on consolidation, qualifying debt stock, fixed assets currency revaluation reserves, general provisions subject to maximum of 1.25% of risk assets and hybrid instruments – convertible bonds.

Investments in unconsolidated subsidiaries and associates are deducted from Tier 1 and Tier 2 capital to arrive at the regulatory capital.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with – each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarises the composition of regulatory capital and the ratios of the Group for the periods ended 30 June and 31 December. During these two periods, the individual entities within the Group and the Group complied with all of the externally imposed capital requirements to which they are subject.

	Group Jun-2011 N'000	Group Dec-2010 N'000
Tier 1 capital		
Share capital	14,573,241	11,658,594
Share premium	119,076,566	119,076,566
Statutory reserves	56,456,811	47,775,979
SMIEIS reserve	3,882,479	4,232,479
Bonus issue reserve	-	2,914,648
Contingency reserve	669,181	669,181
Retained earnings	20,191,469	18,860,299
Less: goodwill and intangible assets	-	-
Total qualifying Tier 1 capital	<u><u>214,849,747</u></u>	<u><u>205,187,746</u></u>
Tier 2 capital		
Preference shares	-	-
Non controlling interest	5,938,744	6,030,540
Convertible bonds	-	-
Revaluation reserve - fixed assets	-	-
Revaluation reserve – investment securities	-	-
Translation reserve	(91,111)	(392,596)
General provision	5,780,313	211,512
Total qualifying Tier 2 capital	<u><u>11,627,946</u></u>	<u><u>5,849,456</u></u>
Total regulatory capital	<u><u>226,477,693</u></u>	<u><u>211,037,202</u></u>
Risk-weighted assets:		
On-balance sheet	822,776,107	739,003,464
Off-balance sheet	92,931,113	84,997,641
Total risk-weighted assets	<u><u>915,707,220</u></u>	<u><u>824,001,105</u></u>
Risk weighted Capital Adequacy Ratio (CAR)	24.73%	25.61%

Value Added Statement

For the period ended 30 June 2011

Group:

	Jun-2011		Jun-2010	
	N'000	%	N'000	%
Gross earnings	91,842,724		82,962,639	
Interest expense:				
- Local	(7,669,543)		(14,583,050)	
- Foreign	(4,488,286)		(5,053,987)	
	<u>79,684,895</u>		<u>63,325,602</u>	
Loan Loss expense/diminution in other risk assets	<u>(8,108,242)</u>		<u>(3,056,114)</u>	
	71,576,653		60,269,488	
Bought in materials and services				
- Local	(24,319,777)		(22,540,536)	
- Foreign	-		-	
Value added	<u><u>47,256,876</u></u>	<u>100</u>	<u><u>37,728,952</u></u>	<u>100</u>
Distribution				
Employees				
- Employees wages, salaries and pensions	9,376,055	20	8,699,586	23
Government				
- Taxation	6,646,661	14	7,497,416	20
Retained in the Group				
- For replacement of fixed assets (depreciation)	3,751,302	8	3,307,360	9
- Profit for the year (including minority interest, statutory and bonus share reserves)	27,482,858	58	18,224,590	48
	<u><u>47,256,876</u></u>	<u>100</u>	<u><u>37,728,952</u></u>	<u>100</u>

Value Added Statement
For the period ended 30 June 2011

Bank:

	Jun-2011		Jun-2010	
	<u>N'000</u>	%	<u>N'000</u>	%
Gross earnings	84,070,320		75,398,147	
Interest expense:				
- Local	(7,378,894)		(14,408,718)	
- Foreign	(3,216,106)		(3,440,550)	
	<u>73,475,320</u>		<u>57,548,879</u>	
Loan Loss expense/diminution on other risk assets	<u>(7,889,009)</u>		<u>(2,796,976)</u>	
	65,586,311		54,751,903	
Bought in materials and services				
- Local	(21,997,259)		(20,663,731)	
- Foreign	-		-	
Value added	<u><u>43,589,052</u></u>	<u>100</u>	<u><u>34,088,172</u></u>	<u>100</u>
Distribution				
Employees				
- Employees as wages, salaries and pensions	7,672,868	18	7,189,496	21
Government				
- Taxation	5,684,429	13	7,080,479	21
Retained in the bank				
- For replacement of fixed assets (depreciation)	3,216,847	7	2,894,881	8
- Profit for the year (including statutory and bonus share reserves)	27,014,908	62	16,923,316	50
	<u><u>43,589,052</u></u>	<u>100</u>	<u><u>34,088,172</u></u>	<u>100</u>

Three Year Interim Financial Summary Group

	Jun-2011 N'000	Jun-2010 N'000	Jun-2009 N'000
ASSETS			
Cash in hand and balances with CBN	71,427,575	37,430,801	27,043,606
Treasury bills	222,315,447	85,948,870	17,645,346
Due from other banks	296,110,054	289,939,122	246,358,429
Loans and advances to customers	627,333,505	560,484,672	572,814,825
Other facilities	-	13,292	-
Advances under finance lease	3,775	1,226,965	8,925
Insurance receivables	1,755,676	72,669,943	-
Investment securities	105,611,607	-	105,880,351
Deferred tax assets	390,723	4,992,555	8,566
Trading properties	7,102,812	17,349,369	3,798,319
Other assets	19,399,279	537,134	12,793,919
Property and equipment	52,907,891	47,466,989	44,175,325
Goodwill on consolidation	354,328	354,328	390,671
TOTAL ASSETS	1,404,712,672	1,118,414,040	1,030,918,282
LIABILITIES			
Share capital	14,573,241	11,658,594	9,326,875
Share premium	119,076,566	119,076,566	119,076,565
Reserves	81,108,829	59,934,644	43,559,810
Non-controlling interest	5,938,744	5,732,532	5,128,745
Customers' deposits	915,639,904	720,981,030	625,981,164
Due to other banks	18,932,220	20,268,408	2,705,816
Claims payable	1,160,278	585,475	-
Finance lease obligations	1,628,000	2,025,707	1,952,039
Liability on investment contracts	2,100,349	733,562	-
Liabilities on insurance contracts	3,994,127	3,002,974	-
Current income tax payable	11,983,729	10,129,172	7,342,611
Other liabilities	64,922,792	80,490,053	149,638,066
Deferred tax liabilities	3,915,674	4,441,293	817,063
Retirement benefit obligations	160,415	37,379	-
Debt securities in issue	138,638,809	64,970,654	51,825,900
Other borrowings	20,938,995	14,345,997	13,563,628
TOTAL LIABILITIES	1,404,712,672	1,118,414,040	1,030,918,282
Guarantees and other commitments on behalf of customers	464,655,565	369,938,198	324,343,585

Three Year Interim Financial Summary Cont'd

Group

	Jun-2011	Jun-2010	Jun-2009
PROFIT AND LOSS ACCOUNT	N'000	N'000	N'000
Net operating income	78,246,351	61,853,178	64,073,650
Operating expenses	(36,008,590)	(33,075,058)	(28,320,316)
Allowance for loan loss & other risk assets	(8,108,242)	(3,056,114)	(27,427,611)
Profit on ordinary activities before tax	34,129,519	25,722,006	8,325,723
Taxation	(6,646,661)	(7,497,416)	432,607
Profit on ordinary activities after tax	27,482,858	18,224,590	8,758,330
Extra-ordinary income	2,229,160	-	-
Profit after taxation and extra- ordinary income	29,712,018	18,224,590	8,758,330
Non-controlling interest	(332,967)	(279,928)	274,123
Profit attributable to shareholders	29,379,051	17,944,662	9,032,453
Earnings per share (Unadjusted)	86k	77k	48k

Three Year Interim Financial Summary

Bank

	Jun-2011	Jun-2010	Jun-2009
	N'000	N'000	N'000
ASSETS			
Cash in hand and balances with CBN	68,474,459	32,570,748	26,543,483
Treasury bills	202,265,205	71,079,264	9,639,237
Due from other banks	253,180,139	262,884,342	213,861,717
Other facilities	-	-	-
Loans and advances to customers	590,387,580	532,391,651	556,379,383
Advances under finance lease	-	-	8,925
Investment securities	99,629,949	69,655,986	101,039,876
Investment in subsidiaries	30,115,862	29,349,528	29,774,817
Deferred tax assets	-	-	-
Other assets	13,036,938	10,774,585	10,611,412
Equipment on lease	-	-	-
Property and equipment	47,614,616	42,143,733	39,751,082
TOTAL ASSETS	1,304,704,748	1,050,849,837	987,609,932
LIABILITIES:			
Share capital	14,573,241	11,658,594	9,326,875
Share premium	119,076,566	119,076,566	119,076,565
Reserves	81,045,018	60,673,632	47,353,727
Customers' deposits	850,911,509	695,637,033	596,666,707
Due to other banks	7,863,225	3,480,570	2,705,816
Finance lease obligations	1,628,000	2,025,707	1,952,039
Current income tax payable	10,970,458	9,291,828	6,698,719
Other liabilities	53,131,752	64,718,627	137,816,309
Deferred tax liabilities	3,771,338	4,296,111	623,647
Dividend payable	-	-	-
Retirement benefit obligations	144,755	36,662	-
Debt securities in issue	13,165,000	65,608,510	51,825,900
Other facilities	-	-	-
Other borrowings	148,423,886	14,345,997	13,563,628
TOTAL LIABILITIES	1,304,704,748	1,050,849,837	987,609,932
Guarantees and other commitments on behalf of customers	423,911,398	348,298,714	312,985,901

Three Year Interim Financial Summary Cont'd

Bank

PROFIT AND LOSS ACCOUNT	<u>Jun-2011</u> N'000	<u>Jun-2010</u> N'000	<u>Jun-2009</u> N'000
Net operating income	72,039,140	56,081,794	57,931,652
Operating expenses	(31,450,794)	(29,281,023)	(21,271,867)
Allowance for loan loss & other risk assets	(7,889,009)	(2,796,976)	(26,641,401)
Profit on ordinary activities before tax	32,699,337	24,003,795	10,018,384
Taxation	(5,684,429)	(7,080,479)	1,111,057
Profit on ordinary activities after tax	27,014,908	16,923,316	11,129,441
Extra-ordinary income	2,229,160	-	-
Profit after taxation and extra- ordinary income	<u>29,244,068</u>	<u>16,923,316</u>	<u>11,129,441</u>
Earnings per share (Unadjusted)	<u>85k</u>	<u>73k</u>	<u>60k</u>