



2015

Half Year Investor & Analysts Presentation

#GTBankCares

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1.

Macro-economic Overview

Socio-Political

- Successful political transition following peaceful general elections.
- Federal cabinet yet to be formed – expected September 2015.

Oil Price and Reserves

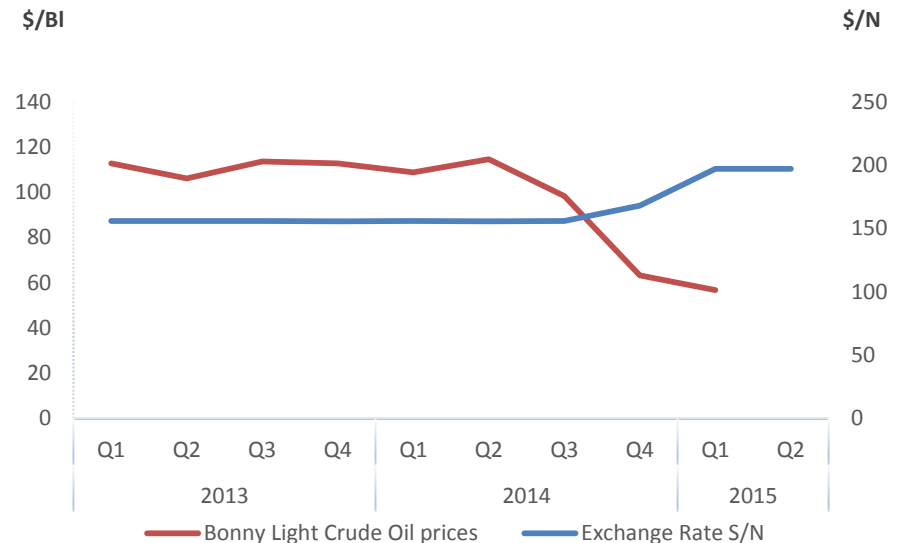
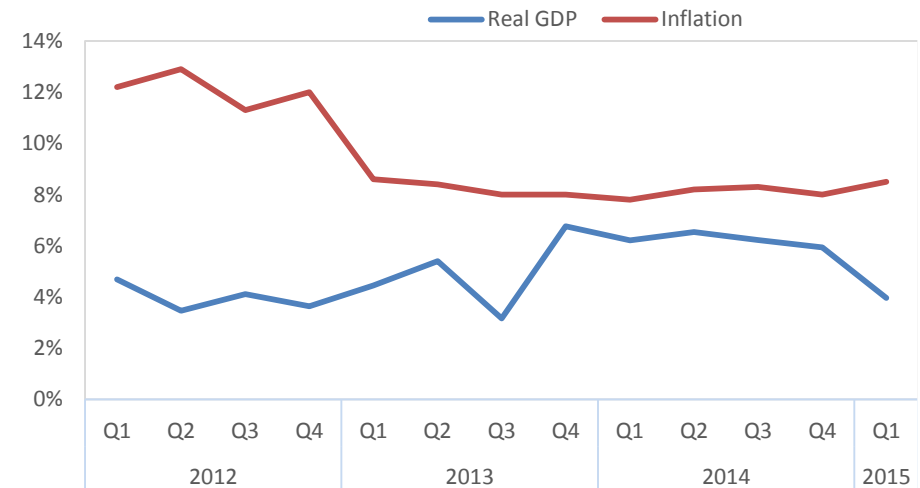
- Oil price decline continues in 2015.
- Weakening oil price weighs negatively on federation revenues.
- External reserves fell below US\$30bn to US\$29bn in June 2015 for the first time since 2005 (10 years).

Inflation and Exchange Rate

- Headline Inflation (y-o-y) trended upwards and exceeded CBN's target band of 6 – 9% in June as it touched 9.2% - highest since November 2014.
- Rise in inflation mainly attributable to delay of harvest season and fuel scarcity which impacted transportation cost.
- The rise in inflation was also partly due to the increase in exchange rate.
- Naira remained sticky at N196.50/\$1 following commencement of robust foreign exchange demand management policies by the CBN.
- Suspension of 41 items from all official fx markets triggered volatility in the parallel market.

Security and Reforms

- Change of guard at the top echelon on the Armed Forces.
- In line with campaign promise, President Buhari's anti-corruption drive gradually gaining momentum.



2.

Regulatory Environment

Regulatory Pronouncements in H1 2015

Overview

Regulatory Environment

Performance Review

Business Segments

Conclusion

1

January

- CBN Monetary Policy Committee maintained status quo on monetary policy tools.
- The CBN directs financial institutions to comply with Foreign Accounts Tax Compliance Act (FATCA).

2

February

- CBN introduces incremental averaging for the computation of Cash Reserve Ratio (CRR) on a fortnightly basis.
- CBN closes the RDAS Window and devalues Naira to ₦199/\$1.
- CBN commences fixed exchange rate regime with the introduction of trading restrictions around Naira.

3

March

- Implementation of the Treasury Single Account (TSA) commences across Federal Ministries, Departments and Agencies (MDAs).
- CBN extends deadline for the implementation of higher capital adequacy requirement (16%) for Systemically Important Banks (SIBs) to June 2016.

4

April

- CBN prohibits foreign currency for local transactions.
- CBN reviewed the limit on the usage of Naira denominated cards for international transactions downwards from \$150,000 to \$50,000 per card per annum and daily ATM withdrawal limit to \$300.

5

May

- CBN Monetary Policy Committee harmonises CRR to 31% for Private and Public sector deposits.
- Net incremental industry debit of ₦141bn as a result of harmonisation.

6

June

- The CBN restricts access to FX for 41 items including rice and cement, furniture and textiles from official FX markets.
- The CBN extends the deadline for Biometric Verification Number (BVN) registration from June 30 to October 31, 2015.
- The CBN extends cash-less policy to other states of the country.

3.

H1 2015 Performance Review

Financial Performance Highlights

Overview

Revenue

Gross Earnings:	₦153bn	(FY 2014: N132.99bn)	▲ 15.05%
Interest Income:	₦113.88bn	(FY 2014: N99.72bn)	▲ 14.20%
Non-Interest Income:	₦39.11bn	(FY 2014: N33.27bn)	▲ 17.55%

Regulatory Environment

Profitability

PBT:	₦63.11bn	(H1 2014: N53.99bn)	▲ 18.12%
PAT:	₦53.77bn	(H1 2014: N44.01bn)	▲ 21.27%

Performance Review

Balance Sheet

Loan Book (Net):	₦1,299.51bn	(FY 2014: N1,281.38bn)	▲ 1.41%
Total Deposits:	₦1,725.34bn	(FY 2014: N1,649.87bn)	▲ 4.57%

Business Segments

Earnings and Dividends

EPS:	188 Kobo	(H1 2014: 155 Kobo)	▲ 4.57%
Interim Dividend:	25 Kobo		

Conclusion

Snapshot of Balance Sheet

(N 'bn)	H1 2015	Growth	FY 2014
Total Assets	2,544.79	8.02%	2,355.88
Total Liabilities	2,159.80	9%	1,981.54
Investment Securities	468.57	9%	428.46
Loans and Advances	1,299.51	1.41%	1,281.38
Total Deposits	1,725.34	4.57%	1,649.87
Total Equity	385.00	2.85%	374.33

Overview

Regulatory Environment

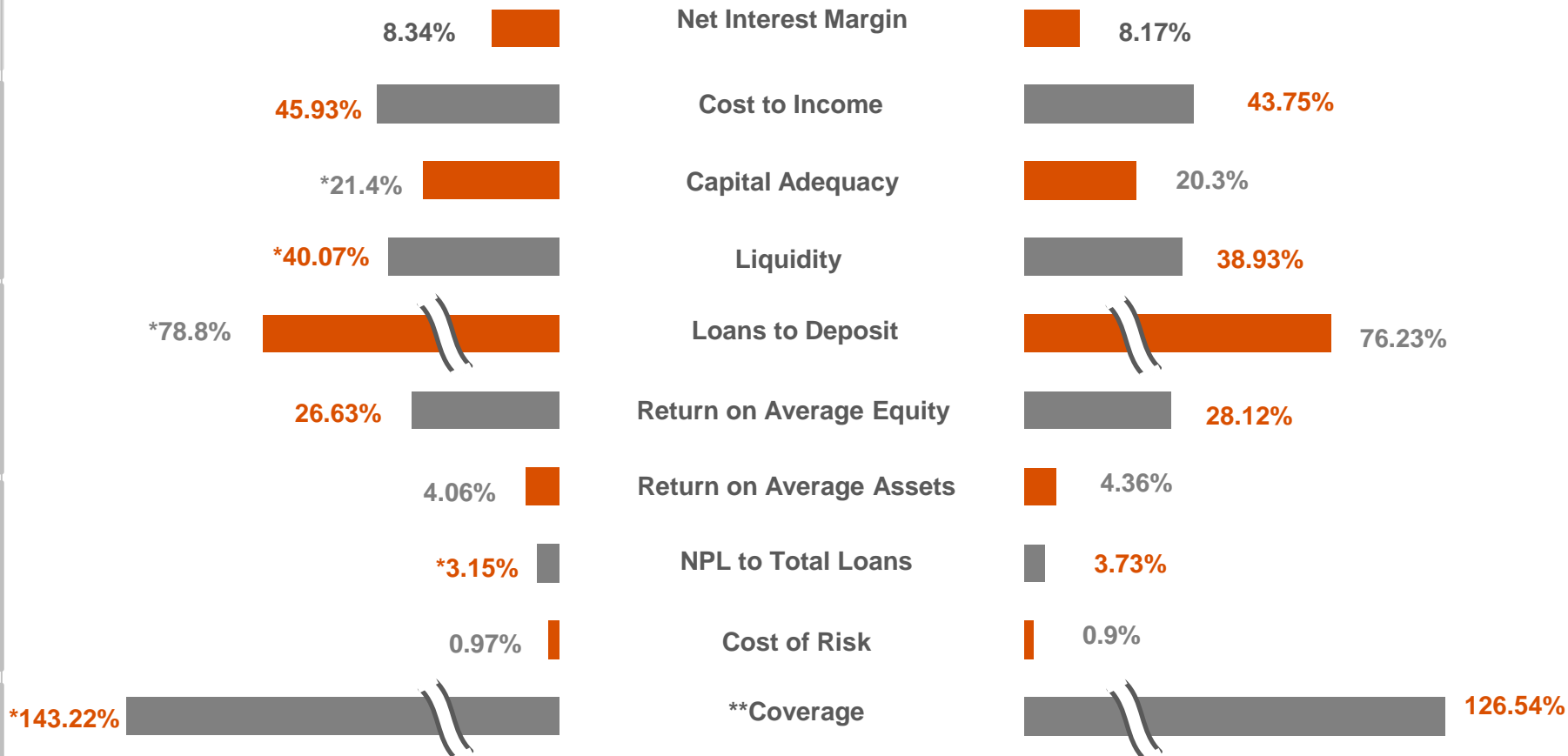
Performance Review

Business Segments

Conclusion

Six months ended June 30, 2014

Six months ended June 30, 2015



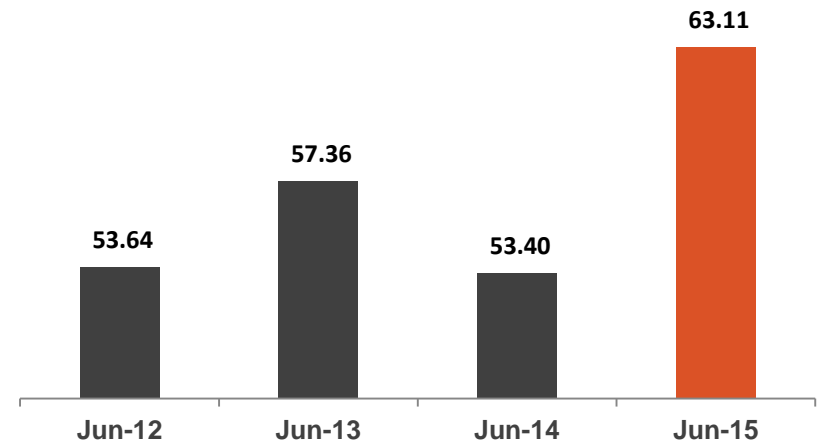
* Ratios as at Dec. 2014

** Coverage Ratio with Regulatory Risk Reserve

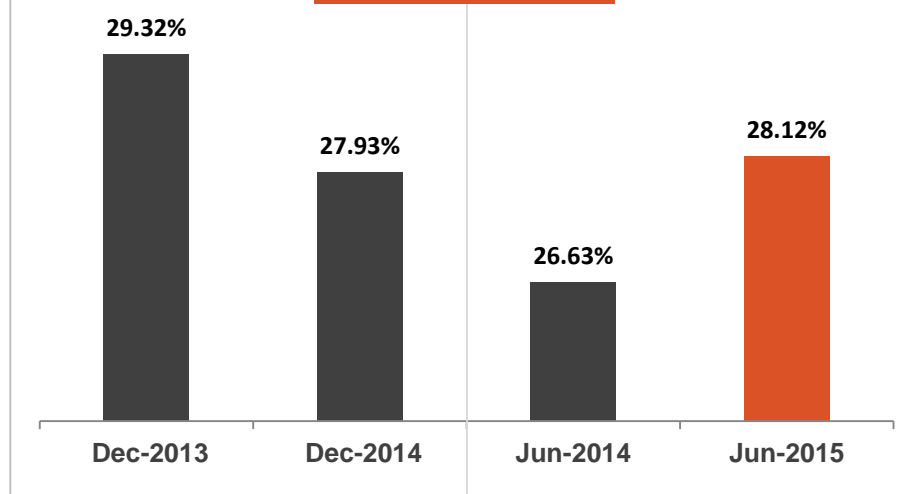
Strong H1 2015 Profit

- Strong growth of 15% in gross earnings for the six months to June 2015, more than double the growth (7.1%) in 1H2014 and highest increase since June 2013 in spite of tepid system liquidity in 1H2015.
- Revenue growth mainly attributable to ₦14.2bn increase in interest income, almost twice the growth of ₦7.7bn in H1 2014 in spite of CRR harmonization to 31% in May 2015.
- Increase of 17.6% (₦5.8bn) in non-interest revenue in spite of reduction in COT rate in 2015.
- Subsidiaries' contribution to PBT increased from 7.2% to 7.7%.
- Post-tax ROaE and ROaA of 28.12% and 4.36% respectively.

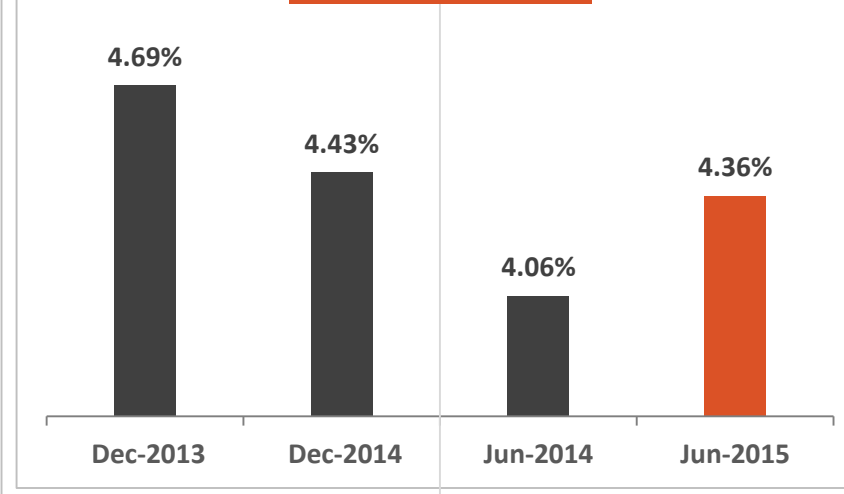
PBT



Return on Equity



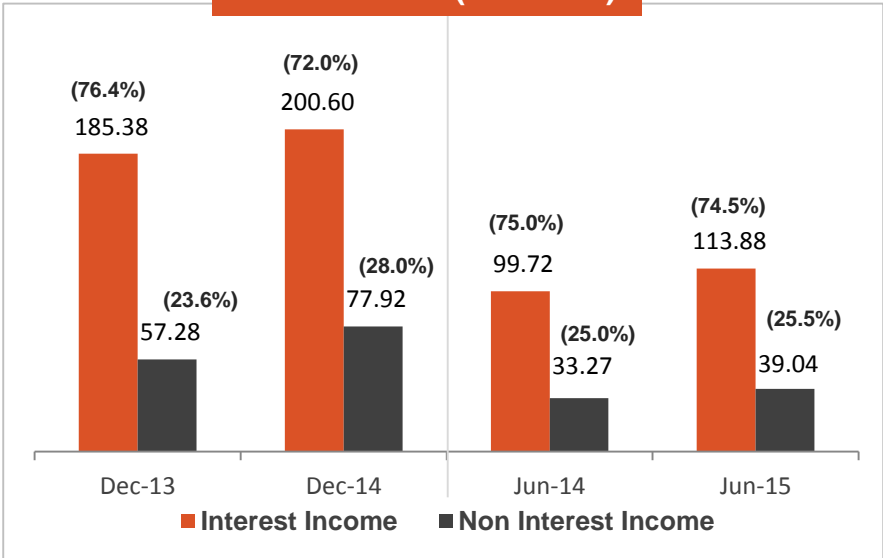
Return on Assets



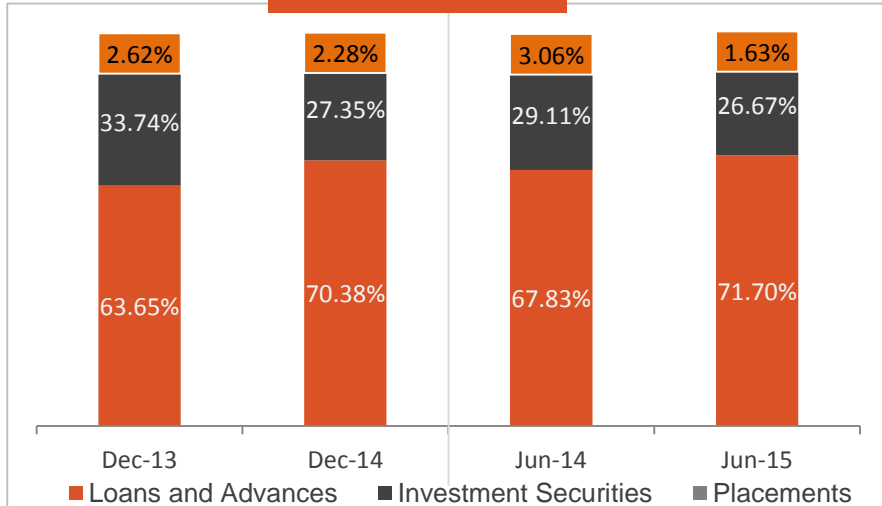
Strong Revenue

- Increase in interest income mainly driven by 25% growth in loan book (1H15: ₦1.30tn versus 1H2014: ₦1.04tn) and improvement in asset yield (1H15: 12.35% versus 1H2014: 11.35%).
- Fee and Commission income held at near 1H:2014 levels in spite of the decline in COT income as a result of the adoption of new tariff regime.
- Other Income comprising trading, revaluation gains & losses, dividend income and others grew by 70.5% to ₦14.5bn as the Group maximised opportunity provided by currency volatility during the review period. – Strongest growth in five years (Jun 2010: 70%).

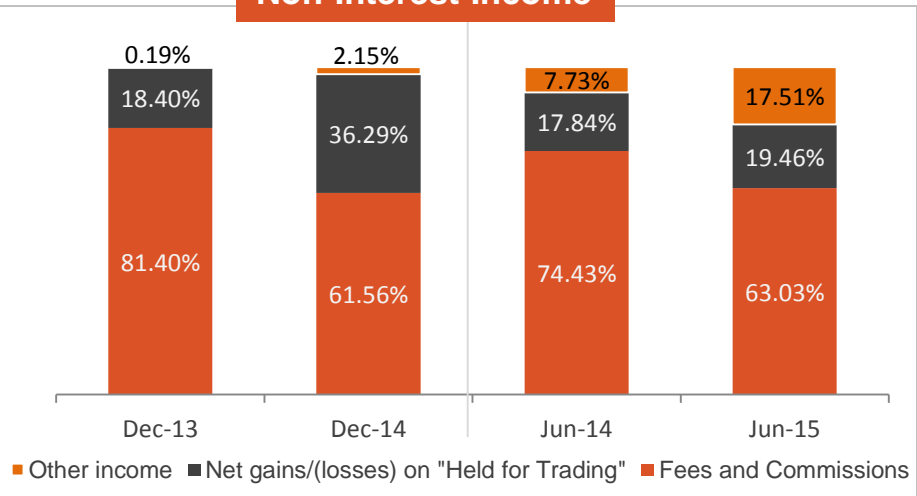
Revenue Mix (N'Billion)



Interest Income



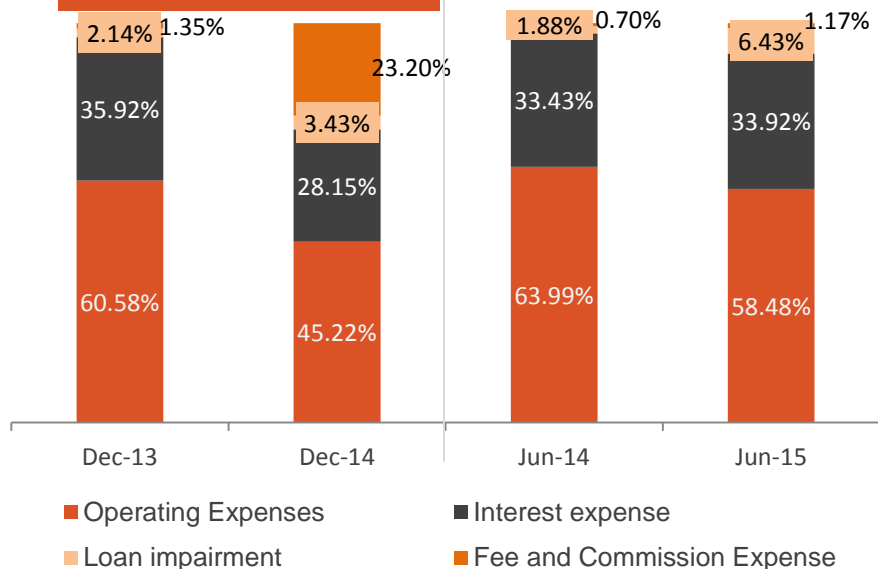
Non-Interest Income



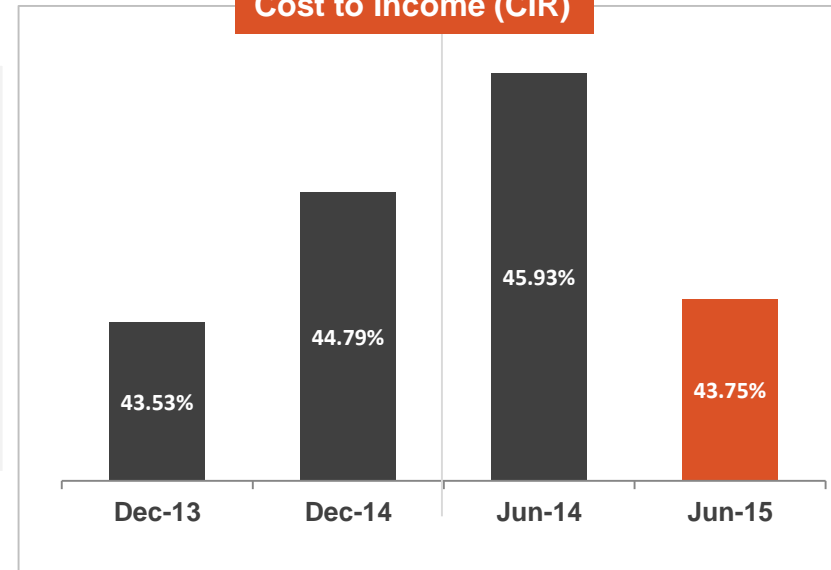
Cost Efficiency

- Cost to Income Ratio (CIR) improved to 43.75% relative to 45.93% in June 2014. Operating Expense grew by 8.09% to N49.1bn from N44.91bn in Jun.2014, below headline inflation rate of 9.2%
- CIR would have been much better save for increase in regulatory cost NDIC premium (N2.6bn to N3.02bn) and Amcon charges (N4.5bn to N5.3bn) which resulted from growth in the Bank's Deposit Liabilities and Total Assets respectively.
- Interest Expense also grew by 19.93% to N33.76bn from N28.15bn in June 2014 stemming from 5% and 64% growth in Deposits Liabilities and Other Borrowed funds respectively.

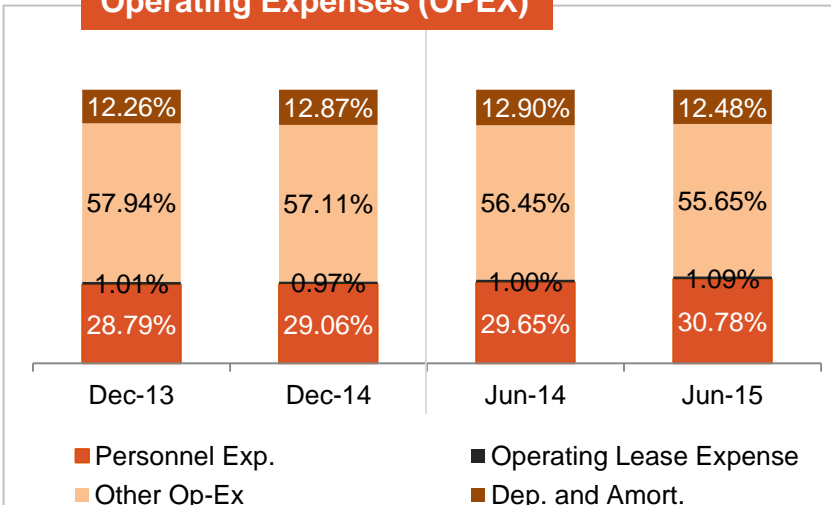
Overview of Expenses



Cost to Income (CIR)



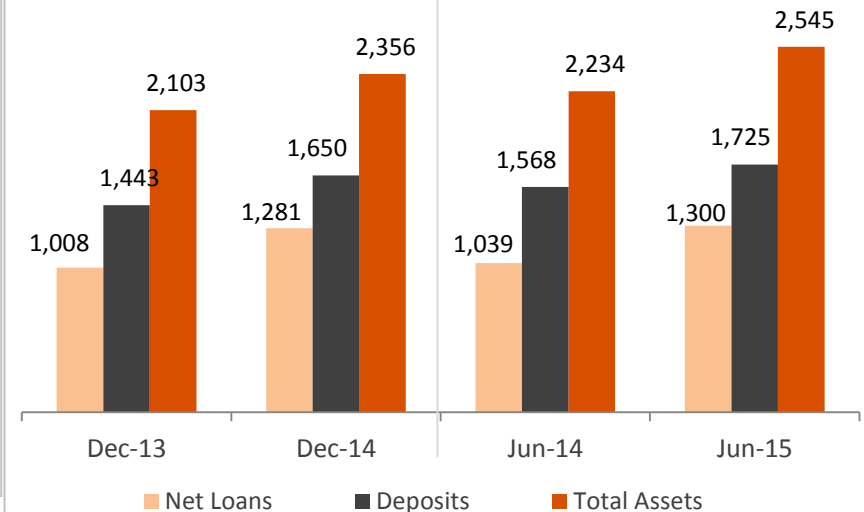
Operating Expenses (OPEX)



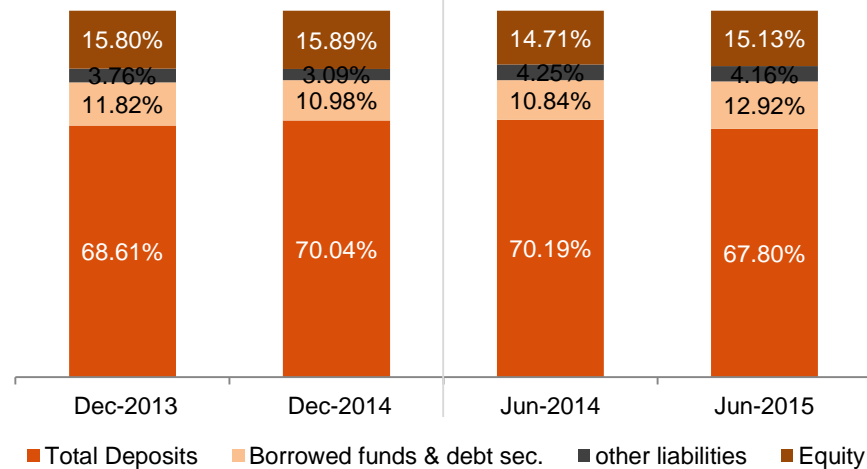
Balance Sheet Position

- Loan book up 1.4% to ₦1.30tn from Dec.2014
- Decent growth of 5.3% on Total Deposits to ₦1.725tn at end June-2015
- Loan-to-deposits at 76.2% well below the regulatory threshold of 80%. (Dec 2014: 79.2%)
- Liquidity ratio at end-June 2015: 38.93%
- Risk asset de-risking on account of oil price decline and weakening macro-economic fundamentals and currency volatility as Naira/FCY loan mix improves to 49%:51% from 48%:52% in December 2014.

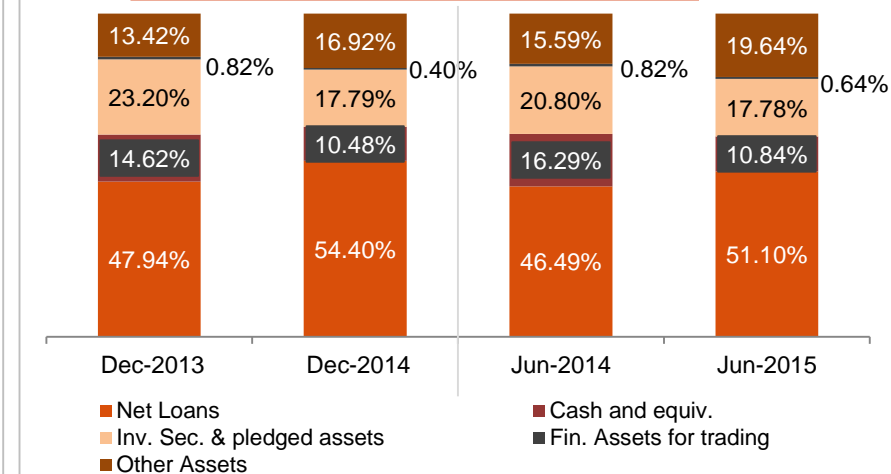
Loans, Deposits & Total Assets (NBn)



Diverse Funding Mix



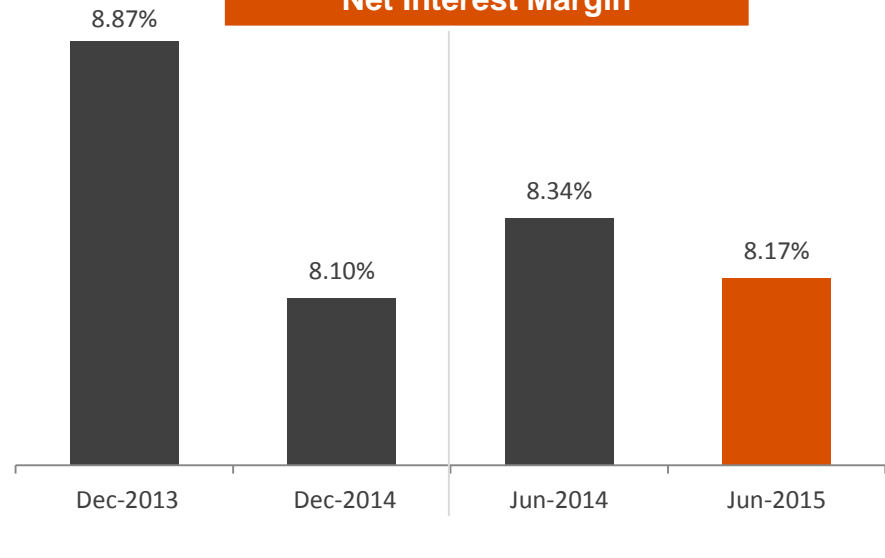
Components of Asset Base



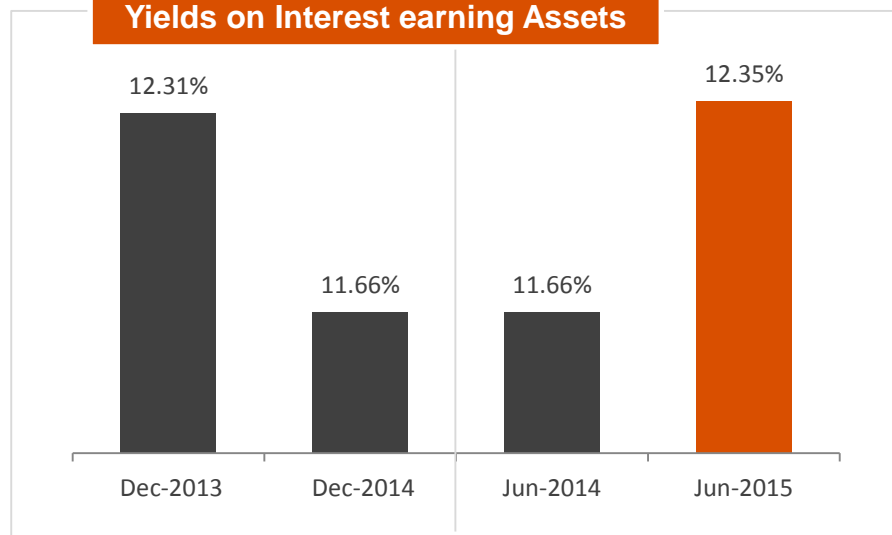
Sustained Competitive Margins

- Combined effect of risk asset re-pricing and de-risking led to improvement in asset yield to 12.35% from 11.66% in FY 2014.
- CRR harmonization to 31% led to sterilization of additional ₹70bn.
- Tight system liquidity and regulatory headwinds (CRR harmonization) weighed negatively on cost of funds, triggering an increase to 3.38% from 3.12% in FY 2014 and 3.18% in H1 2014.
- NIM still strong at 8.17% as increase in average asset yield neutralized negative impact of rise in cost of funds.

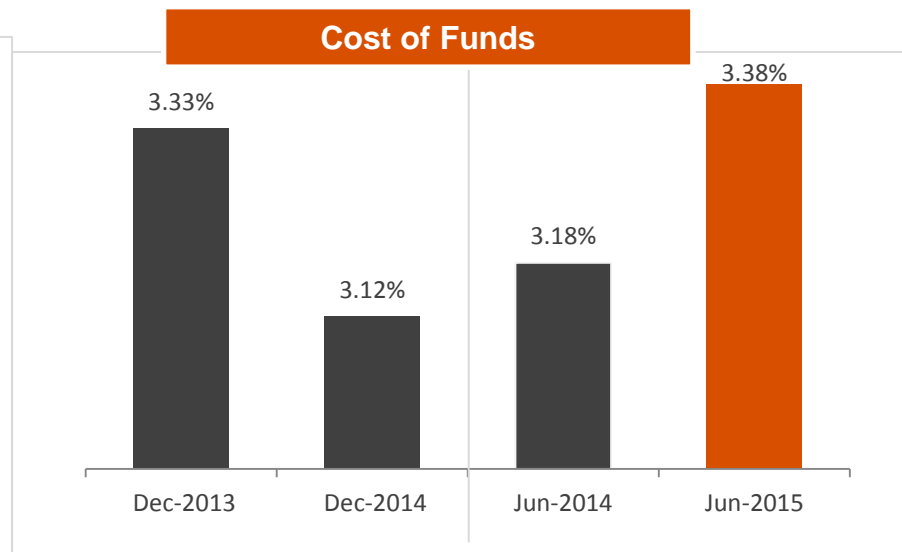
Net Interest Margin



Yields on Interest earning Assets



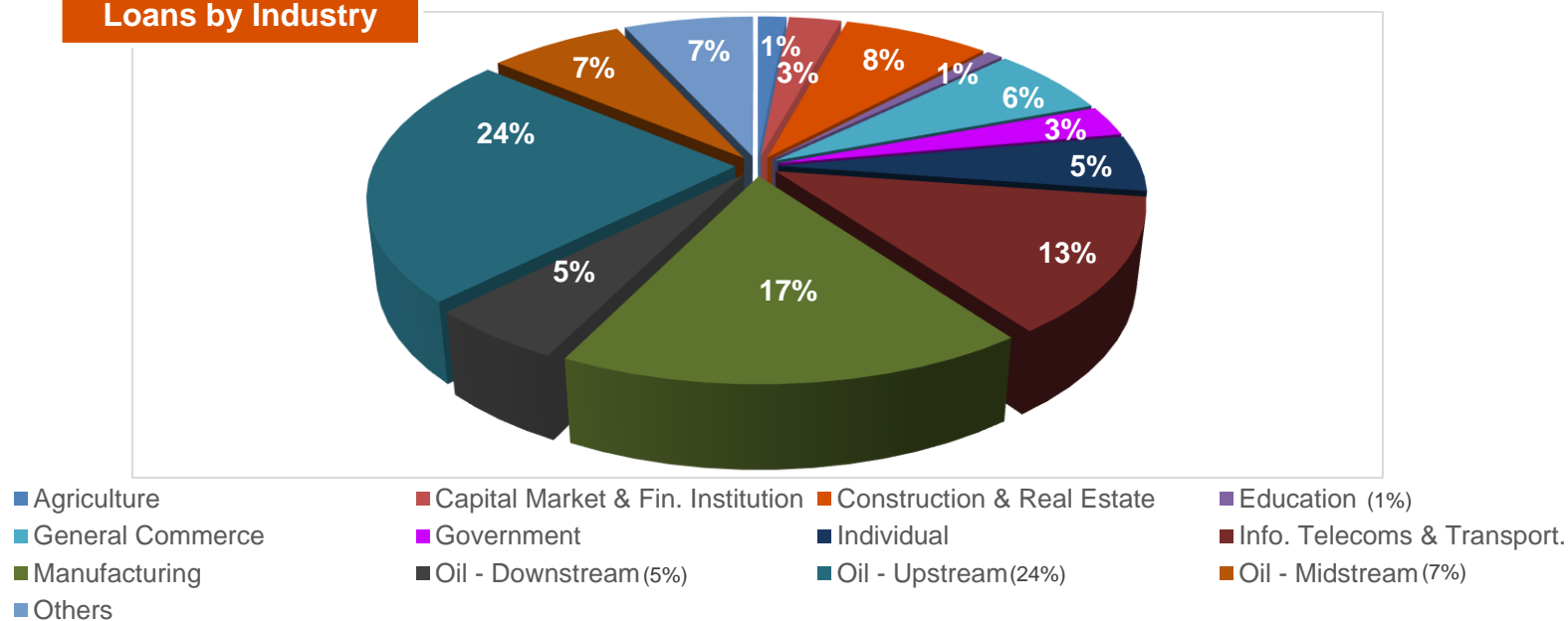
Cost of Funds



Asset Diversification

- Loan book well diversified across economic sectors.
- Manufacturing, agriculture and construction & real estate account for more than a quarter of loan book, thus reflecting strong support to the real sector (1H2015: 26.6%, FY2014:26.3%).
- Reduced exposure to government (1H2015: 2.8% versus 3.4% in Dec 2014) on account of prevailing fiscal challenges of national and sub-national governments.
- Earning assets as a percentage of total assets - 76% (Dec 2014: 77%).
- Loan book accounts for 51% (Dec 2014: 54%) of Total Assets and 68.4% of total earning assets.
- Headroom for risk assets growth as Loan to deposits and borrowings declined to 64% (Dec 2014: 68.3%).

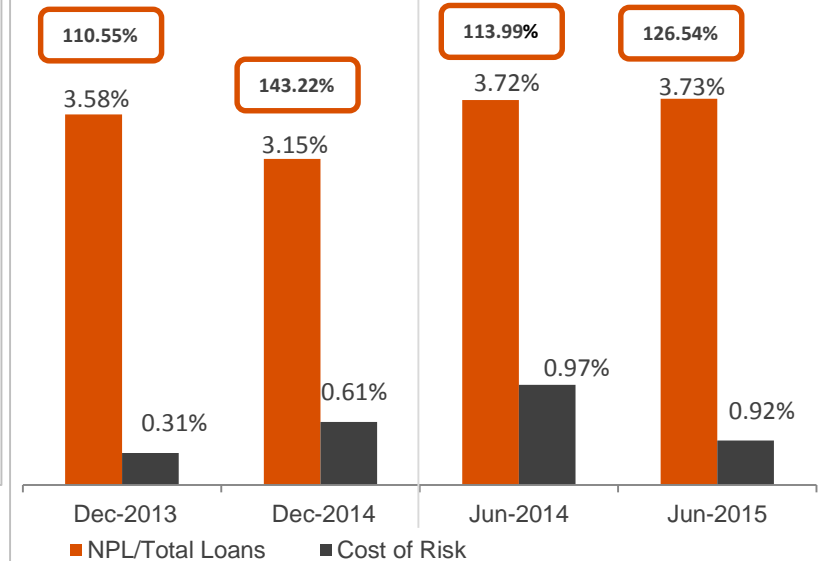
Loans by Industry



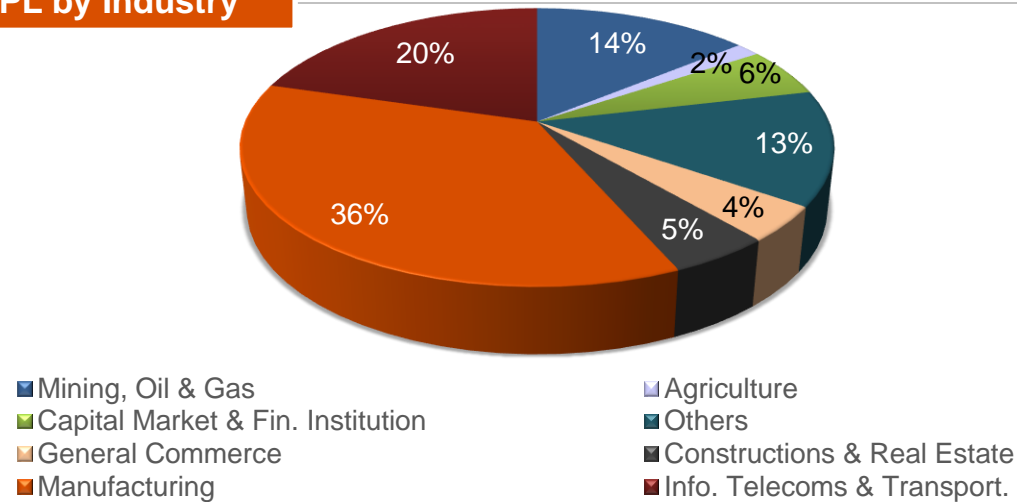
Asset Quality

- NPL ratio – 3.73% (Dec 2014: 3.15%) well below the regulatory threshold of 5% set by CBN.
- Adequate coverage levels for delinquent assets. Coverage with regulatory reserve – 126.5% (Dec 2014 143.2%).
- Cost of Risk – 0.9% (H1 2014: 0.97%) on account of additional impairment charge on a manufacturing name whose proprietor passed on in mid-2014. Aggressive recovery efforts underway.

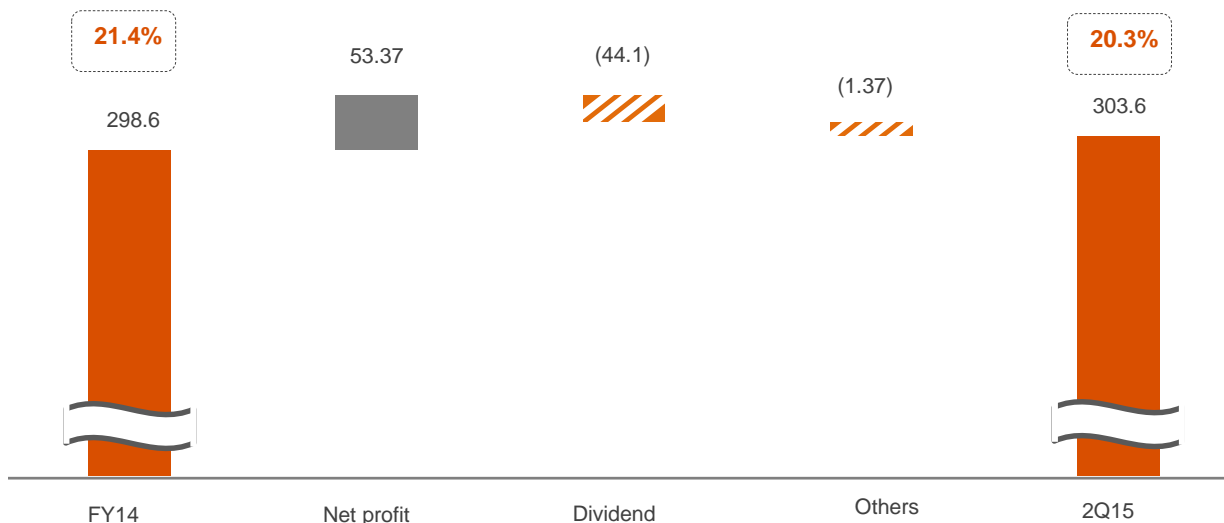
NPL and Coverage



NPL by Industry



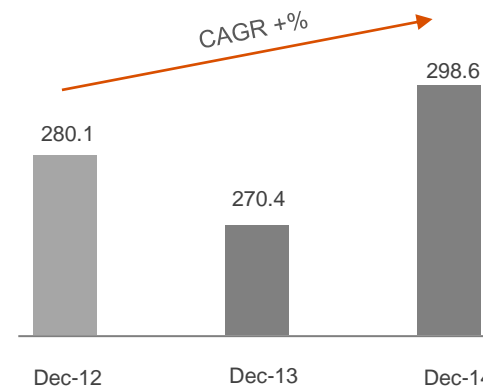
Capital Adequacy Ratio slightly down to 20.3% due to **₦44.1bn** dividend payment.



Figures in ₦ 'bn

- Capital Adequacy Ratio (CAR) remained strong at 20.3% in 2Q15 (Basel II calculation)
- CAR comfortably exceeds regulatory minimum of 15% (16% for SIB in 2016).
- Others comprise of change in Fair Value gains and losses and Foreign Currency Translation Reserves.

Improving regulatory capital (Tier 1 and 2).



Non-Financial Highlights for H1 2015

- Overview
- Regulatory Environment
- Performance Review
- Business Segments
- Conclusion

Employees



4,914
employees

Customers



Over **6.5**
million customers

Shareholders



337,845

Communities

CSR Projects in Schools



Principals Cup Masters' Cup

699 **29**
Schools Schools

Participated in the 2015 edition of the football tournament

Gender



55%



45%

International Branch network



333

EPS



188 Kobo

Annual Autism Seminar



200

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

Training



92%

employee received training in H1 2015

E-Branches & GT Express



42

e-branches and GTExpress locations in Nigeria

ATMs



Over **1,100**

Positioning



No.1

in Market Capitalization and Best in Class Returns

GTCrea8 eSavers Scholarship



30

university undergraduates in the six geo-political zones of Nigeria

Accolades



2009 - 2015



EFInA
Financial Inclusion
Award



Guaranty Trust Bank (SL) Limited
is 2015 recipient of the
**International Award for
Excellence and Leadership**

4.





Business Segment and Subsidiary Review

	Description	Key figures	Loans	Deposits	PBT
Institutional and Wholesale	<ul style="list-style-type: none"> Multinationals and large corporates (turnover ₦5bn) Comprises of six sectors: <ul style="list-style-type: none"> Energy Telecoms Maritime Wholesale Banking Corporate Banking E-Business 	<ul style="list-style-type: none"> Over 400 customers ₦945.3bn loans ₦459.3bn deposits ₦44.2bn PBT 	<p>72.7%</p> <p>FY 2014: 70.0%</p>	<p>26.6%</p> <p>FY 2014: 27.7%</p>	<p>69.4%</p> <p>H1 2014: 64.8%</p>
Commercial	<ul style="list-style-type: none"> Middle market companies (turnover between ₦500mm and ₦5bn) Extensive product range: tailor-made solutions and flexibility Custom E-commerce solutions 	<ul style="list-style-type: none"> Over 50,000 customers ₦183.5bn loans ₦300.2bn deposits ₦5.9bn PBT 	<p>14.1%</p> <p>FY 2014: 14.3%</p>	<p>17.4%</p> <p>FY 2014: 16.2%</p>	<p>9.3%</p> <p>H1 2014: 12.4%</p>
SME	<ul style="list-style-type: none"> Small and medium enterprises (turnover under ₦500mm) Products tailored to cater to small, fledgling and other types of fairly unstructured businesses 	<ul style="list-style-type: none"> Over 150,000 customers ₦14.2bn loans ₦147.1bn deposits ₦1.2bn PBT 	<p>1.1%</p> <p>FY 2014: 1.3%</p>	<p>8.5%</p> <p>FY 2014: 8.51%</p>	<p>1.9%</p> <p>H1 2014: 1.87%</p>
Retail	<ul style="list-style-type: none"> Deposit drive focus for retail customer-base Rapidly developing business line 216 branches, 58 e-branches & 1,141 ATMs Extensive leverage of all distribution channels 	<ul style="list-style-type: none"> Over 6.5mil. customers ₦119.3bn loans ₦724.4bn deposits ₦9.9bn PBT 	<p>9.2%</p> <p>FY 2014: 9.6%</p>	<p>42.0%</p> <p>FY 2014: 41.1%</p>	<p>15.6%</p> <p>H1 2014: 14.4%</p>
Public Sector	<ul style="list-style-type: none"> Focus on: <ul style="list-style-type: none"> Federal government State governments Local governments and customers Active in all government segments 	<ul style="list-style-type: none"> All tiers of government ₦37.3bn loans ₦94.0bn deposits ₦2.4bn PBT 	<p>2.9%</p> <p>FY 2014: 4.8%</p>	<p>5.4%</p> <p>FY 2014: 6.5%</p>	<p>3.8%</p> <p>H1 2014: 6.5%</p>

Description

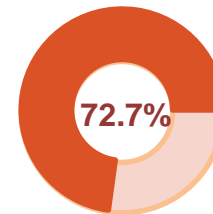
- This business segment caters to Multinationals and Large corporates with turnover of over N5billion per annum.
- Comprises six (6) sub-segments: Corporate Banking, Energy, Telecoms, E-business, Treasury and Corporate Finance.

Key Figures

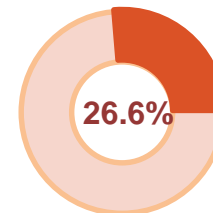
-  Customers - Over 400
-  Loans - N945.3bn up 5.5% (FY 2014: N896.4bn)
-  Total Deposits – N459.6bn up 0.8% (FY 2014:N456.2bn)
-  PBT N44.2bn up 31.0% (H1 2014: N33.7bn)

Key Development

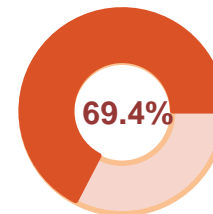
- The Institutional Banking Group remains the Bank's most profitable business segment with 69.4% contribution to the Group's PBT in June 2015.
- We built new relationships and explored new markets.
- We will continue to leverage technology to enhance service delivery and introduce more tailored-products and services.



Loans (70.0% in FY 2014)



Deposit (27.7% in FY 2014)







PBT (64.8% in H1 2014)

Description

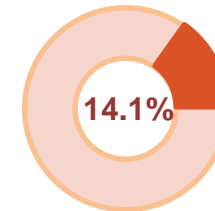
- Middle Market companies with annual turnover of between N50,000million and N5billion.
- Provides extensive product range, banking flexibility and e-commerce solutions.

Key Figures

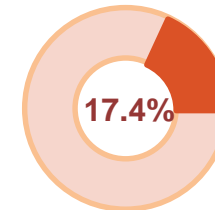
-  Customers - Over 50,000
-  Loans - N183.5bn down 0.1% (FY 2014: N183.6bn)
-  Total Deposits – N300.2bn up 12.2% (FY 2014: N267.5bn)
-  PBT N5.9bn down 7.9% (H1 2014: N6.5bn)

Key Development

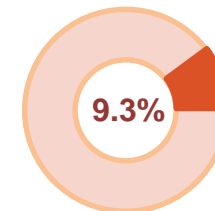
- In light of the prevailing macro-economic realities, we are presently reviewing our strategy for the middle market business segment.



Loans (14.3% in FY 2014)



Deposit (16.2% in FY 2014)







PBT (12.4% in H1 2014)

Description

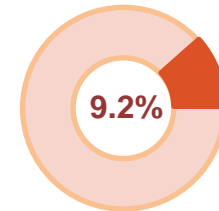
- Focus on individuals and High Network Individuals (HNI)

Key Figures

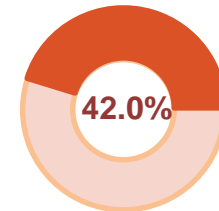
-  Customers - Over 6.5 million
-  Loans - N119.3bn down 3.5% (FY 2014: N123.6bn)
-  Total Deposits – N724.4bn up 6.8% (FY 2014: N678.2bn)
-  PBT N9.9bn up 32.7% (H1 2014: N7.5bn)

Key Developments

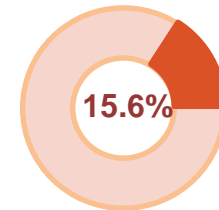
- In order to drive the CBN's financial Inclusion strategy, we launched GTEasy Savers Account, in partnership with Etisalat Nigeria.
- Our USSD Banking continues to enjoy wide acceptance following the introduction of the USSD fund transfer (*737*Transfer).
- The GTCrea8 Campus Storms held at 19 Universities and Polytechnic to enhance our deposit mobilization drive.
- In commemoration of the 10 year Anniversary of our **SKS account**, we launched several prize-winning competitions for account holders. These competitions include **The little Picasso contest**, **In your Mother tongue contest** among others.



Loans (9.6 in FY 2014)



Deposit (41.1% in FY 2014)







PBT (14.4% in H1 2014)

Description

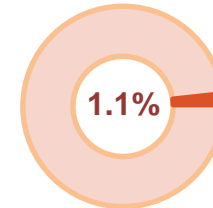
- This business segment caters to Micro, Small and Medium Scale enterprises with turnover under N500million per annum.

Key Figures

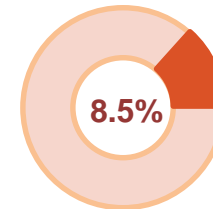
-  Customers - Over 150,000
-  Loans - N14.2bn down 14.6% (FY 2014: N16.76bn)
-  Total Deposits – N147.1bn up 4.7% (FY 2014: N140.6bn)
-  PBT N1.2bn up 25.4% (H1 2014: N0.98bn)

Key Development

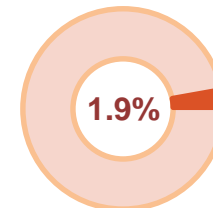
- With over 10,000 Merchants signed on, the GTBank SME Markethub has provided our esteemed SME customers with increased visibility to showcase the products and services to millions of online customers.



Loans (1.3% in FY 2014)



Deposit (8.51% in FY 2014)







PBT (1.87% in H1 2014)

Description

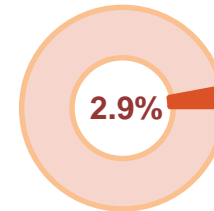
- Banks state and local governments, ministries, departments and agencies (MDAs).

Key Figures

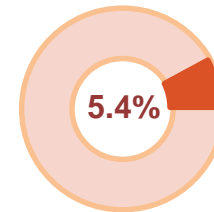
-  Customers - Over 50,000
-  Loans - N37.3bn down 39.1% (FY 2014: N61.1bn)
-  Total Deposits – N94.0bn down 12.5% (FY 2014:N107.5bn)
-  PBT N2.4bn down 28.7% (H1 2015: N3.4bn)

Key Developments

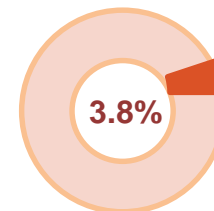
- Customers are typically all tiers of government.
- In light of the implementation of the Treasury Single Account (TSA), Management is reviewing the operating model/strategy for the public sector business.



Loans (4.8% in FY 2014)



Deposit (6.5% in FY 2014)



PBT (6.5% in H1 2014)

GTB UK



- Established in 2008
- 100% owned by parent
- 1 branch
- ₦7.82bn invested by parent
- H1 2015 PBT: ₦95.36mm
- ROE: 2.27%

GTB Gambia



- Established in 2002
- 77.81% owned by parent
- 17 branches
- ₦574.28mm invested by parent
- H1 2015 PBT: ₦463.57mm
- ROE: 32.40%

GTB Sierra Leone



- Established in 2002
- 84.24% owned by parent
- 13 branches
- ₦594.11mm invested by parent
- H1 2015 PBT: ₦908.36mm
- ROE: 38.41%

GTB Liberia



- Established in 2009
- 99.43% owned by parent
- 8 branches
- ₦1.95bn invested by parent
- H1 2015 PBT: ₦245.4mm
- ROE: 15.37%

GTB Cote D'Ivoire



- Established in 2012
- 98.98% owned by parent
- 4 branches
- ₦3.49bn invested by parent
- H1 2015 PBT: (₦203.83mm)
- ROE: -17.99%

GTBank plc



- Parent Company
- Established in 1991
- 213 branches, 46 e-branches
- ₦385.00bn in SHF (Parent)
- H1 2015 PBT: ₦59.20bn (Parent)
- ROE: 27.23% (Parent)

GTB Kenya



- Acquired in 2013
- 70% owned by parent
- 15 branches
- ₦17.13bn invested by parent
- H1 2015 PBT: ₦735.50mm
- ROE: 6.65%

GTB Uganda



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

GTB Rwanda

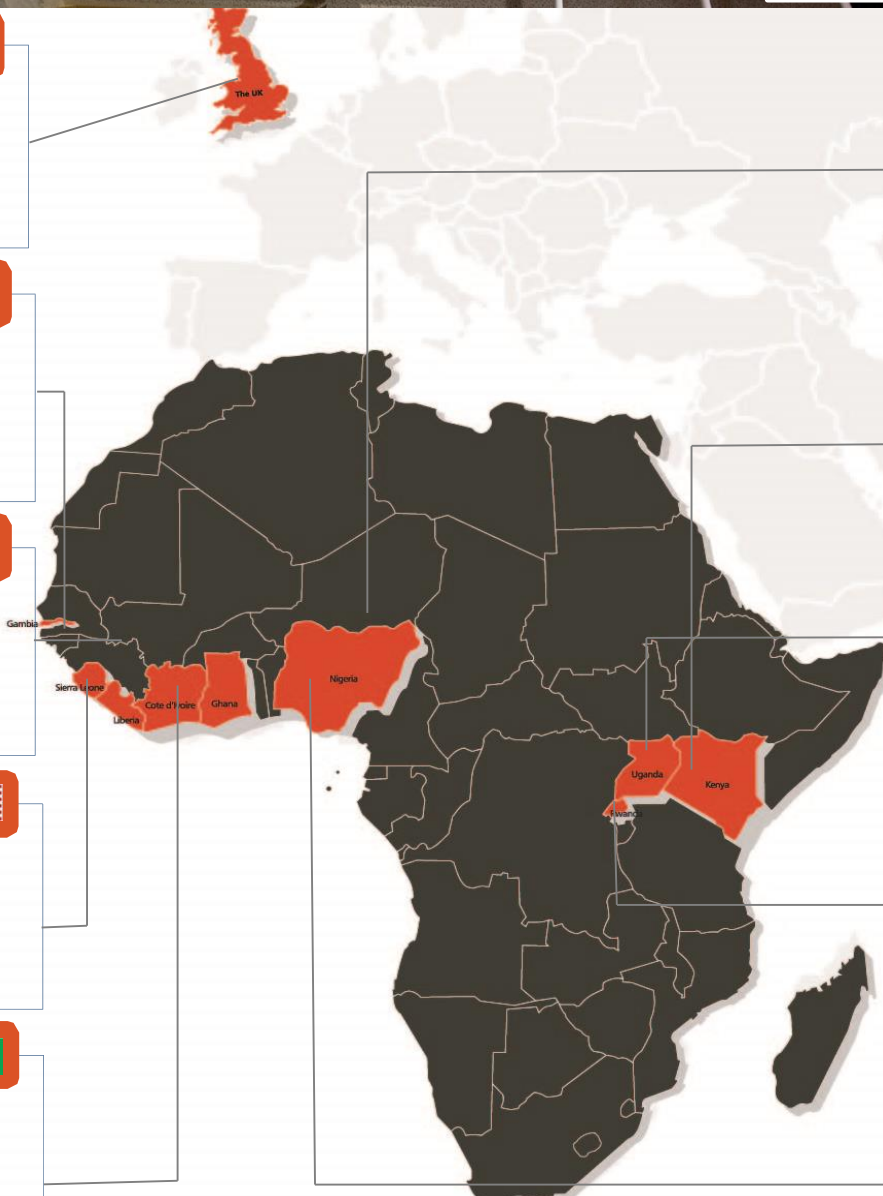


- Acquired in 2013
- Subsidiary of GTB Kenya
- 18 branches

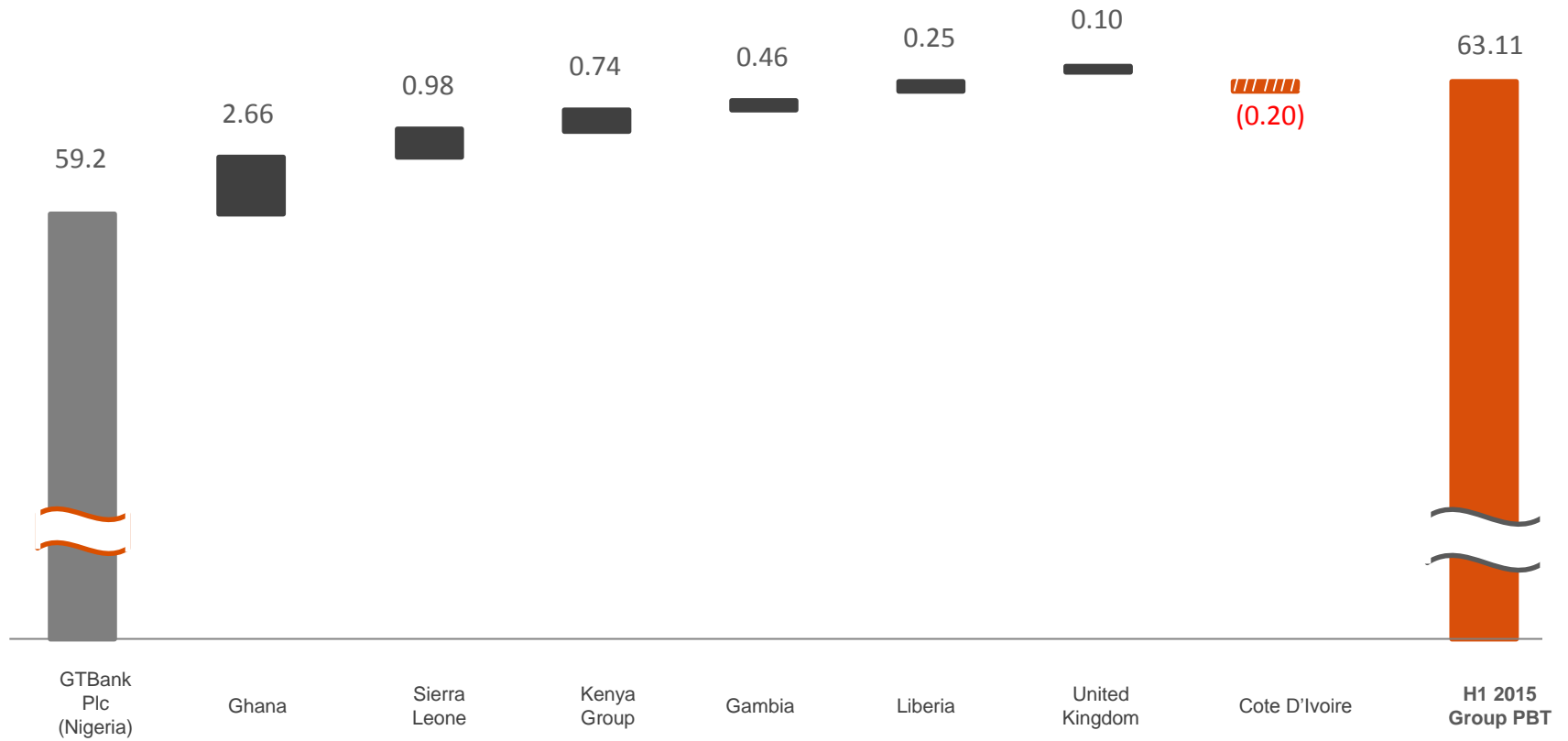
GTBank Ghana



- Established in 2006
- 95.37% owned by parent
- 31 branches
- ₦8.57bn invested by parent
- H1 2015 PBT: ₦2.66bn
- ROE: 33.99%



H1 2015 PBT – Group (N'bn)

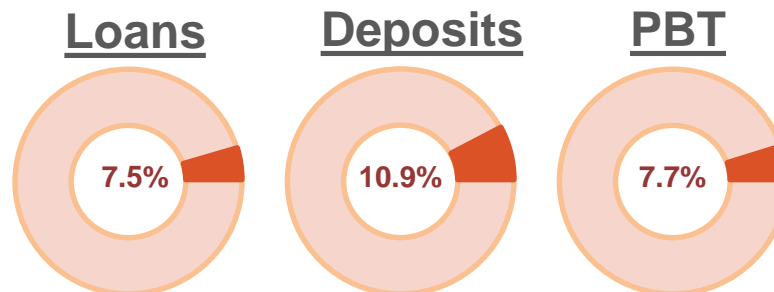


- Overview
- Regulatory Environment
- Performance Review
- Business Segments
- Conclusion

Millions of Naira

	% change vs FY 2014						%change vs H1 2014	
	Assets	% change	Loans	% change	Deposits	% change	PBT	% change
Cote D'Ivoire	5,468	-2.2%	1,533	110.5%	2,763	9.1%	-204	5.5%
Gambia	20,565	45.5%	4,824	-11.7%	14,411	24.1%	464	25.8%
Ghana	62,068	-8.1%	27,442	-0.6%	45,785	-0.1%	2,660	17.2%
Liberia	17,611	19.0%	5,228	9.1%	10,828	7.5%	245	44.2%
Sierra Leone	24,125	10.7%	6,971	28.1%	19,269	6.5%	908	51.0%
United Kingdom	87,910	18.0%	35,026	-15.0%	37,933	26.0%	95	581.2%
Kenya	83,192	-11.5%	36,659	-7.5%	54,826	-9.3%	736	-3.7%
Group	2,307,638	8.5%	1,203,253	1.8%	1,518,861	5.5%	59,202	16.0%
Nigeria								
Grand Total*	2,544,793	8.0%	1,299,508	1.4%	1,704,669	5.3%	63,112	18.2%

Subsidiary Contribution to Group



*post elimination entries

5.

H2 2015 Outlook

Sustainable Profitability and Returns

- ROE above 25%.
- PBT of N120 billion by FY 2015.

Quality Credits

- NPL below 5%.

Alignment to Global Practices

- Remain the best-run bank in the industry.
- Corporate governance and compliance policies.

Operating Cost Efficiency

- Cost-to-Income ratio below 45%.
- Leverage technological advancement to keep cost low.

Committed to Growing Retail Business

- Lowering cost of funds and improving margins.

Subsidiaries

- Increase subsidiaries' contribution to Group's PBT.
- Focusing on optimizing revenue and minimizing cost of all subsidiaries.

COMPASS STATEMENTS

Overall
Aspiration

To be
one of the top three banks in Africa
by 2016 (absolute profitability)

Our
Strategic
Pillars

**Dominate our
chosen Markets**

Aggressively grow
market share in our
chosen/priority sectors

**African
Expansion**

Scale up our
franchise in Africa

**Talent
Management &
Leadership**

Knowledgeable and highly
driven staff with deep industry
skills

**Leverage
Technology**

Scalable, fit for purpose
technology platform

**Competitive
Cost
Containment**

Continue to win on the basis
of cost

**Enhanced
Risk
Management**

Strong risk management
competencies in our key
markets

Enablers

Deep Market Knowledge

Products and Solutions

Strategic Relationships

This presentation is based on Guaranty Trust Bank Plc (“**GTBank**” or “**Bank**”)’s audited financial results as of and for the half year ended June 30, 2015 prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as promulgated by the International Accounting Standards Board. The Bank has also obtained certain information in this presentation from sources it believes to be reliable. Although GTBank has taken all reasonable care to ensure that such external information are accurate and correct, the Bank makes no representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information.

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Thank You