2018

Half Year Investors/Analysts Presentation

Guaranty Trust Bank plc | August 2018

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01

Macro-economic Review

Macro-economic Review (HY 2018)

Economic Performance

- The economy grew by 0.83% y/y in 2017 compared to the 1.58% y/y contraction recorded in 2016 largely as a result of improved oil prices and production output, improved FX availability as well as gradual pick up of economic activities.
- GDP continued its upward trend growing by 1.95%y/y in Q1 2018 relative to 2.1% y/y growth in Q4 2017 with the oil and non-oil sectors expanding by 14.8%y/y and 0.8%y/y respectively.

Oil Price and Oil Production Output

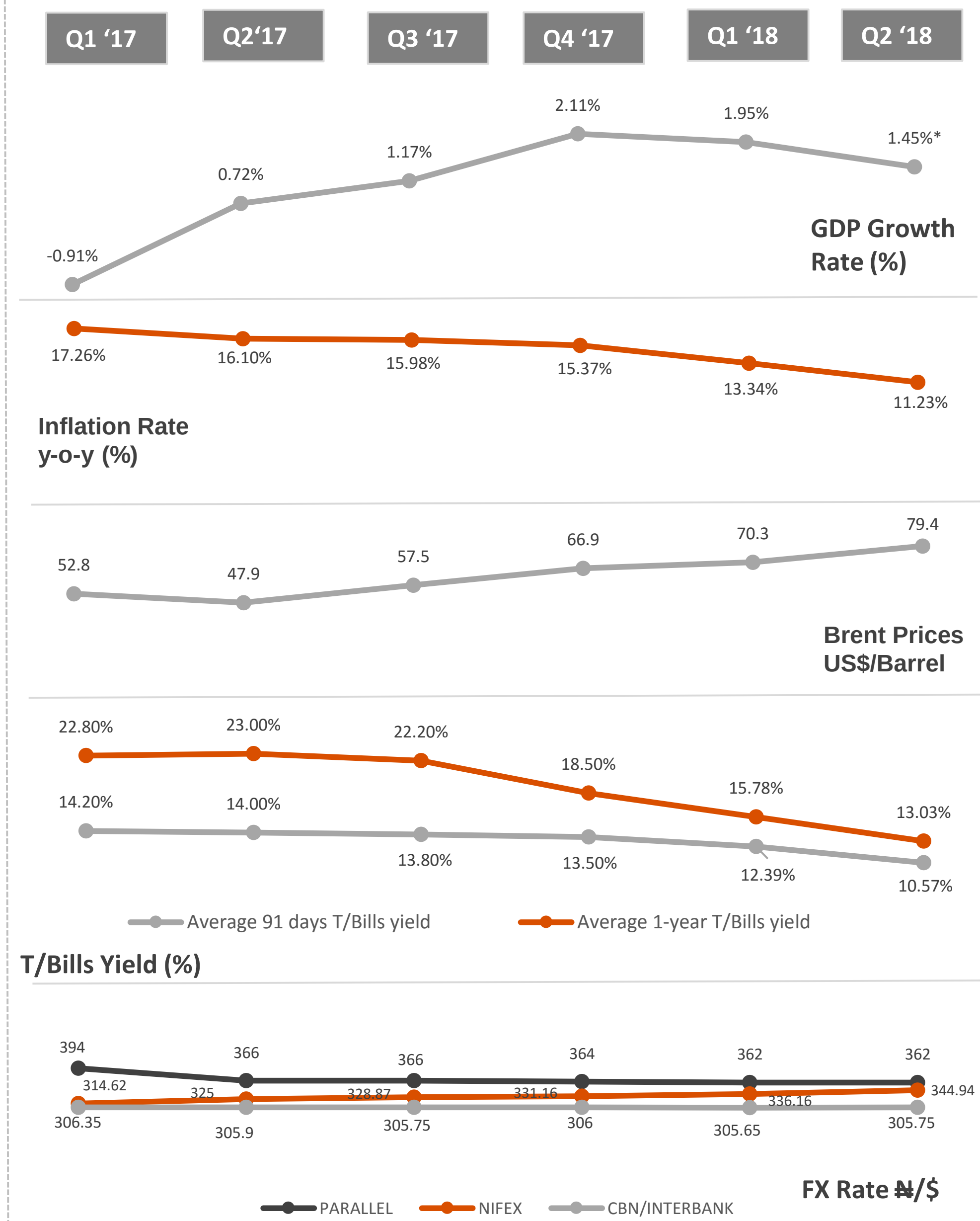
- Nigeria's oil production increased by 2% (32,000 bpd) to 1.66 mbpd in June 2018 from 1.63 mbpd reported in May 2018 following the reintroduction of sanctions on Iran by President Trump's led US.
- Brent Oil price touched US$79.80 pb, the highest since late 2014, during the May 23rd trading session on the back of Venezuelan production shortfall and potential supply loss from Iran.
- Oil price closed at US$79.44 pb on the last trading days of June 2018 and has continued to trend downwards on the back of concerns over escalating trade tensions between China and the US.

External Reserves and Capital Inflow

- After a reported inflow of US$12.2 bn in 2017, the growth in capital inflows continued in the first quarter of 2018 with total capital inflow of US$6.3 bn representing an increase of 594% y/y and 17.1% q/q, driven mainly by portfolio investment which accounted for 72.4% of total inflow for the period under review.
- Following the hike in interest rates by the US and UK coupled with the uncertainty surrounding the 2019 General Elections, portfolio investments have witnessed a continuous outflow from Nigeria and other emerging markets (EMs).
- External reserves grew by US$8.9 bn from US$38.9 bn on the first trading day of 2018 to US$47.8 bn on June 29, 2018.
- As at August 8 however, the external reserves had dipped by US$980 mm to US$46.8 bn from US$47.8 bn reported on June 29, 2018. This is not unrelated to the interest rate hike action of the US and UK which has seen portfolio investors exit most emerging markets.

Inflation, Interest Rate and Exchange Rate

- Headline inflation continued its downward trend improving to 11.6% y/y in May 2018 and dipped further to 11.2% y/y in June 2018 on back of improved FX liquidity and relative stability of the naira against the dollar.
- Fixed income yields declined by c.400 bps on the short end whilst rising 40 bps on the long end between Jan. and Jun. 2018. Whilst the redemption of local debt with Eurobond proceeds drove the downward trend on the short end, Investor apathy persisted on the long end of the yield curve.
- As at July 2018, yields had dipped c.100 bps on the back of a robust system liquidity.
- The introduction of the Investors' and Exporters' (I&E) window has proven to be the game changer for the country's FX policy as exchange rate has remained relatively stable since April 2017. The gradual daily increase in NiFEX rate suggests that the CBN might be looking to converge the NAFEX and NIFEX rates at around N360 – 362 before the end of 2018.



** Based on Analysts' forecast*

Sources: CBN, Bloomberg, National Bureau of Statistics,

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Overview of HY 2018

Overview of HY 2018

JANUARY

- CBN issued revised guidelines to commercial banks on internal capital adequacy and dividend pay-out policy.
- FGN banned open grazing to curb persistent herdsmen-farmers clashes
- CBN set a new target for Deposit Money Banks (DMBs) and all Microfinance
- Banks to achieve 80% financial inclusion target for the adult population in Nigeria by 2020.
- MPC meeting stalled over the inability of the committee to form a quorum following the Senate's refusal to confirm CBN nominees.
  Inflation declined to 15.13% in January 2017 from 15.37% in Dec. 2017.

FEBRUARY

- CBN revised the guidelines for Commercial Agriculture Credit Scheme (CACS) to include Non-Interest Financial Institutions (NIFIs).
- CBN abolished commissions charged by DMBs on retail foreign exchange transactions ie. Personal Travel Allowance (PTA), Medical and School Fees etc.
- CBN directed DMBs and Discount Houses with huge bad loans and low capital base to discontinue the payment of dividends to shareholders.
- The FGN announced the offering of US$2.5 billion aggregate principal amount of dual series notes under its Global Medium Term Note Programme.

MARCH

- CBN issued directive to all banks to comply with the statutory provisions of remitting 0.005% levy on all electronic transactions by the businesses specified in the national cyber security fund.
- CBN introduced the Non-oil Export Stimulation Facility (NESF) to stimulate growth in the non-oil sector of the economy.
- The senate passed the harmonised version of the Petroleum Industry Governance Bill (PIGB).
- The Senate confirmed the appointments of Two CBN deputy governors, three MPC members.
- CBN introduced guidelines for the regulation of bills payments aimed at protecting stakeholders in the system.

APRIL

- CBN issued regulatory framework of deposit money banks and mobile operators on the usage of USSD service to stem the risk in the usage of the channel for financial services.
- The IMF forecasted a growth of 2.1% for Nigeria in 2018.
- President Buhari approved the extension of the Voluntary Assets and Income Declaration Scheme (VAIDS) to June 30, 2018.
- CBN maintained status quo on all monetary indicators at the April MPC citing persistent uncertain economic conditions and high inflation.

MAY

- Headline Inflation drops for 16th consecutive month to 11.61% from 13.3% reported in April 2018.
- The CBN signed a currency swap deal worth US$2.5 billion with the People's Bank of China to facilitate trade between the two countries and enhance foreign reserve management.
- The CBN directed all commercial banks and Bureau de Changes (BDC) operators to sell foreign exchange to all eligible travellers irrespective of their customer status
- The CBN directed settlement banks to provide a clearing collateral of not less than N15 billion worth of treasury bills to enable them perform settlement roles.

JUNE

- The CBN postponed the Implementation of regulatory framework for the use of USSD to October 1, 2018.
- PENCOM introduced new Retirement Savings Account (RSA) multi-fund structure to create multiple asset allocation to different demographic/age profile and risk appetite.
- CBN issued regulations/framework to authorised dealers on bi-weekly bidding sessions for the Bilateral Currency Swaps Agreement (BCSA).
- President Buhari signed the 2018 Appropriation Bill into law.
- Headline inflation improved to 11.2% from 11.6% reported in May 2018

03

Half Year 2018 Financial Performance Review

Key Performance Ratios

	Twelve months ended December 31, 2017	Six months ended June 30, 2017	Six months ended June 30, 2018
Net Interest Margin	10.42%	10.42%	9.61%
Cost to Income	38.10%	40.15%	38.82%
Capital Adequacy	25.68%	23.10%	22.04%
Liquidity	47.56%	48.52%	50.33%
Loans to Deposits	67.49%	73.73%	54.53%
Return on Equity	30.17%	32.09%	34.07%
Return on Assets	5.27%	5.27%	5.54%
NPL to Total Loans	7.66%	3.71%	5.75%
Cost of Risk	0.76%	0.45%	0.14%
Coverage (with Reg. Risk Reserve)	119.63%	222.94%	167.49%

Balance Sheet Snapshot - Group

Total Assets (₦'Bn)

5.9%

HY 2018 – 3,548.9

FY 2017 – 3,351.1

Total Liabilities (N'Bn)

11.9%

HY 2018 – 3,051.8

FY 2017 – 2,725.9

Total Equity (N'Bn)

(20.5%)

HY 2018 – 497.1

FY 2017 – 625.2

Gross Loans and Advances (N'Bn)

(6.8%)

HY 2018 – 1,413.3

FY 2017 – 1,517.1

Net Loans and Advances (N'Bn)

(10.8%)

HY 2018 – 1,293.2

FY 2017 – 1,449.3

Total Deposits (N'Bn)

10.4%

HY 2018 – 2,371.3

FY 2017 – 2,147.5

Investment Securities (N'Bn)

13.9%

HY 2018 – 766.3

FY 2017 – 672.9

EPS (Kobo)

14%

HY 2018 – 338

HY 2017 – 296

Interim Dividend (Kobo)

0%

HY 2018 – 30

HY 2017 – 30

Balance Sheet

	Group	Group	
In thousands of Nigerian Naira	**Jun-18**	**Dec-17**	**% ytd change**
Assets			
Cash and bank balances	830,978,252	641,973,784	29%
Financial assets held for trading	32,726,616	23,945,661	37%
Derivative financial assets	3,456,447	2,839,078	22%
Investment securities:			
– Fair value through other comprehensive income	576,893,252		0%
– Available for sale		517,492,733	0%
– Held at amortised cost	122,528,540		0%
– Held to maturity		96,466,598	0%
Assets pledged as collateral	66,857,956	58,976,175	13%
Loans and advances to banks	1,902,044	750,361	153%
Loans and advances to customers	1,291,258,229	1,448,533,430	-11%
Restricted deposits & other assets	499,759,508	444,946,897	12%
Investment in subsidiaries			
Property and equipment	106,030,951	98,669,998	7%
Intangible assets	14,854,871	14,834,954	0%
Deferred tax assets	1,624,095	1,666,990	-3%
	3,548,870,761	3,351,096,659	6%
Assets classified as held for sale			
Total assets	**3,548,870,761**	**3,351,096,659**	6%

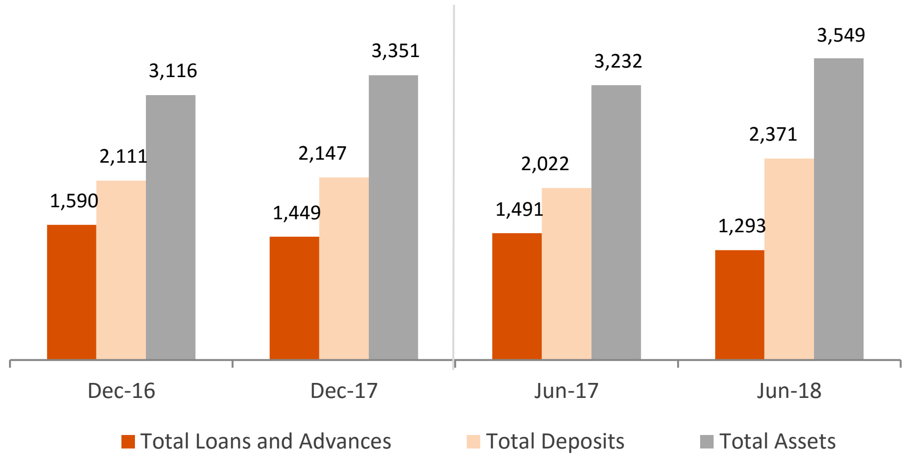
	Group	Group	
In thousands of Nigerian Naira	**Jun-18**	**Dec-17**	**% ytd change**
Liabilities			
Deposits from banks	102,567,738	85,430,514	20%
Deposits from customers	2,268,756,931	2,062,047,633	10%
Financial liabilities held for trading	6,213,914	2,647,469	135%
Derivative financial liabilities	3,144,806	2,606,586	21%
Other liabilities	333,046,876	218,349,244	53%
Current income tax liabilities	9,716,192	24,147,356	-60%
Debt securities issued	96,151,576	92,131,923	4%
Other borrowed funds	215,730,914	220,491,914	-2%
Deferred tax liabilities	16,459,821	18,076,225	-9%
	3,051,788,768	**2,725,928,864**	12%
Liabilities included in assets classified as held for sale			
Total liabilities	**3,051,788,768**	**2,725,928,864**	12%
Equity			
Share capital	14,715,590	14,715,590	0%
Share premium	123,471,114	123,471,114	0%
Treasury shares	(5,291,245)	(5,291,245)	0%
Retained earnings	46,367,529	128,386,206	-64%
Other components of equity	306,091,958	352,403,527	-13%
Total equity attributable to owners of the Parent	**485,354,946**	**613,685,192**	-21%
Non-controlling interests in equity	11,727,047	11,482,603	2%
Total equity	**497,081,993**	**625,167,795**	-20%
Total equity and liabilities	**3,548,870,761**	**3,351,096,659**	6%

Balance Sheet Composition

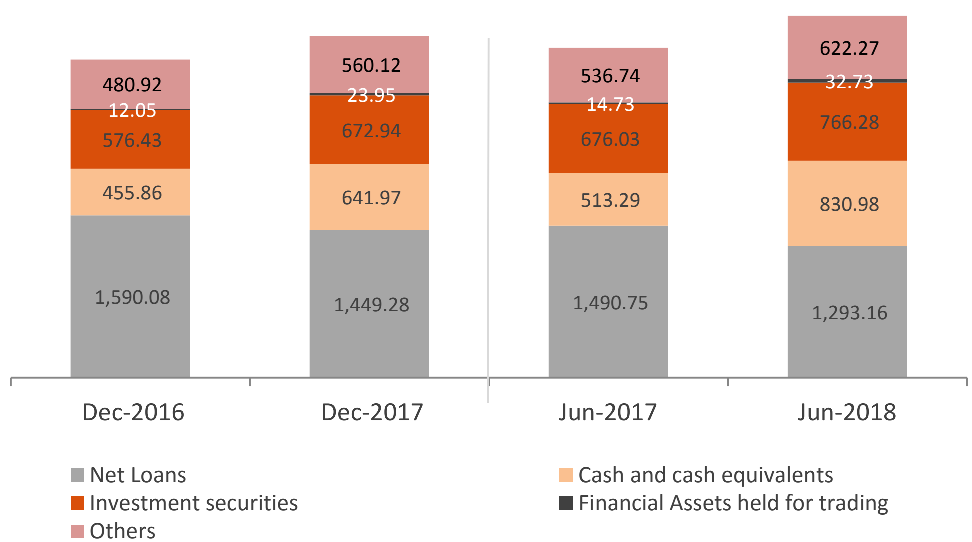
Balance Sheet Management

- Efficient and optimal balance sheet structure with strong earnings capacity. Interest earning assets and non-interest earning assets accounted for 70.3% and 29.7% respectively.
- Well diversified funding base and improved low cost deposits provided requisite headroom for Fixed Income Securities growth of 14.7% and improvement in contribution of Fixed Income Securities (FIS) to Total Assets from 20.7% in FY-2017 to 22.4% in H1-2018. The growth in FIS offset the dip in Loan book and compensated for the declining yield and associated Income loss.
- Best-in-class retail strategy coupled with our digital first customer centric focus provided the needed impetus for consistent low cost deposits mobilization resulting in 10% growth in Customers' Deposits with Low Cost Mix improving by 109 bps from 82.3% in FY-2017 to 83.4% in H1-2018.
- Loan Book contracted by 10.8% due to scheduled pay-downs by some FX loan customers on account of improved FX liquidity in the market as well as impact of IFRS 9 implementation. The USD loan repayments resulted in a 50.6% growth in Money Market Placements providing the Bank with sufficient FX liquidity for future quality risk assets creation.
- Strong liquid balance sheet backed by robust capital buffers with CAR of 22% well above regulatory requirement of 16%, despite the global shocks from transition to Expected Credit Losses (ECL) under IFRS 9 from Incurred Credit Losses (ICL) under IAS 39.
- In spite of capital pressures, declining yield regime and non-dissipating customers' taste for Treasury Bills investments, the Bank was able to deliver best-in-class ROEs, ROAs and NIMs.

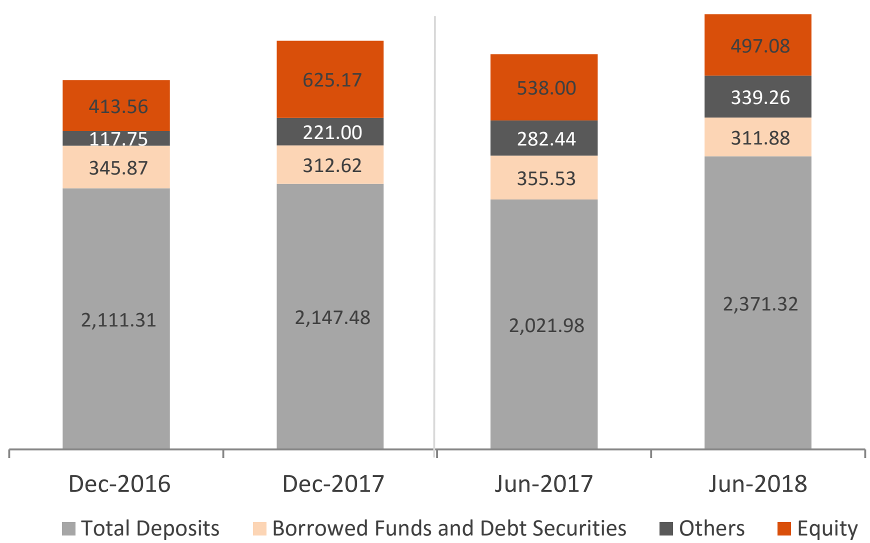
Loans, Deposits & Total Assets (₦'Bn)



Components of Asset Base (₦'Bn)



Funding Mix (₦'Bn)



Income Statement Snapshot - Group

Gross Earnings (₦'Bn)
5.9%
HY 2018 – 226.6
HY 2017 – 214.1

Profit Before Tax (₦'Bn)
8.4%
HY 2018 – 109.6
HY 2017 – 101.1

Profit After Tax (₦'Bn)
14.2%
HY 2018 – 95.6
HY 2017 – 83.7

Non-Interest Income (₦'Bn)
34.3%
HY 2018 – 64.8
HY 2017 – 48.2

Interest Income (₦'Bn)
(2.4%)
HY 2018 – 161.9
HY 2017 – 165.9

Operating Income (₦'Bn)
6.1%
HY 2018 – 179.2
HY 2017 – 168.9

Interest Expense (N'Bn)
20.9%
HY 2018 – 44.0
HY 2017 – 36.3

Operating Expense (N'Bn)
2.6%
HY 2018 – 69.6
HY 2017 – 67.8

Income Statement - Group

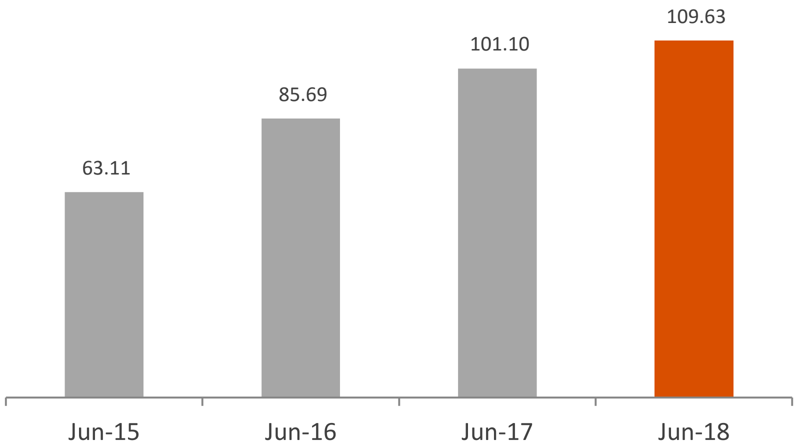
	Group	Group	
In thousands of Nigerian Naira	**Jun-2018**	**Jun-2017**	**% Change**
Interest income	161,880,719	165,884,856	-2%
Interest expense	(43,951,186)	(36,347,415)	21%
Net interest income	**117,929,533**	**129,537,441**	**-9%**
Loan impairment charges	(2,031,734)	(7,212,808)	-72%
Net interest income after loan impairment charges	**115,897,799**	**122,324,633**	**-5%**
Fee and commission income	27,356,320	23,715,006	15%
Fee and commission expense	(1,446,593)	(965,643)	50%
Net fee and commission income	**25,909,727**	**22,749,363**	**14%**
Net gains on financial instruments classified as held for trading	12,649,671	5,663,642	123%
Other income	24,745,351	18,834,075	31%
Net impairment loss on financial assets		(646,180)	
Personnel expenses	(18,576,247)	(16,368,191)	13%
Operating lease expenses	(801,684)	(749,535)	7%
Depreciation and amortization	(8,230,390)	(7,880,864)	4%
Other operating expenses	(41,961,610)	(42,826,433)	-2%
Profit before income tax	**109,632,617**	**101,100,510**	**8%**
Income tax expense	(14,051,037)	(17,421,102)	-19%
Profit for the period	**95,581,580**	**83,679,408**	**14%**

PBT Evolution

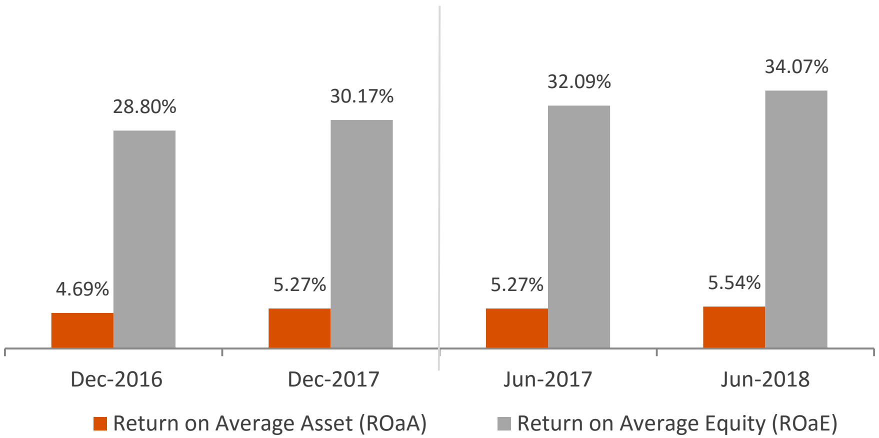
Robust HY 2018 PBT

- Growth in PBT largely driven by efficient balance sheet, growth in transactional volumes arising from effective delivery of financial services, strong asset quality and moderate OPEX growth.
- Consistent preservation of the PBT Margin closing at 48.4% in spite of the declining yield environment and other regulatory caps on Fees and Commissions. The strong margin stems from proactive decision to invest in long dated high Fixed Income Securities in prior year as well as 14.7% growth in Investment Securities volume on the back of strong deposit growth.
- Dealing room efficiency resulted in 123.3% growth in Gains on Financial Instruments held for Trading. The Bank benefitted from long positions maintained on its Trading & Banking book, this mitigated the impact of declining market yield regime and the attendant higher prices.
- Strengthened transactional base and improved traction recorded on our Alternative Channels and Digital Banking space delivered a growth of 15.4% on Fees and Commission income line.
- Moderate decline in funded income of 2.4% despite the declining yield environment and contraction of the Loan Book owing to scheduled pay-downs on the back of improved FX liquidity. The combined impact of declining yields and dip in Loan volume caused 143 bps drop in Asset yield from 14.5% in H1-2017 to 13.1% as at H1-2018. Tbills Portfolio yield dipped by 268 bps from 20.1% in H1-2017 to 17.4% in H1-2018.
- Interest Expense growth of 20.9% resulted from intense competition for deposits among Banks and other Financial Institutions and continued customers' appetite for Treasury Bills which remained above N360bn levels in both FY-2017 and H1-2018. The improved low cost mix of 83.4% helped curtail interest expense growth and helped moderate 60 bps rise in Cost of Fund from 2.5% in H1-2017 to 3.1% in H1-2018.
- Distinctive cost efficiency curtailed Opex growth at 2.6% for the period ended H1-2018 despite double digit inflation rate of 11.23% as at June 2018. The muted growth resulted in Cost to Income Ratio of 38.8%.
- Subsidiaries contribution improved by 260 bps Y-o-Y from 9.3% in H1-2017 to 11.9% in H1-2018 and complemented the decent performance at Parent level.
- Overall, the Bank delivered good financial performance across all key profitability metrics in H1-2018. With the PBT of N109.6 bn posted in first half of the year, the Bank is on course to meeting its PBT guidance of N205bn for 2018 FYE.

PBT (₦'Bn)



Return on Assets and Equity

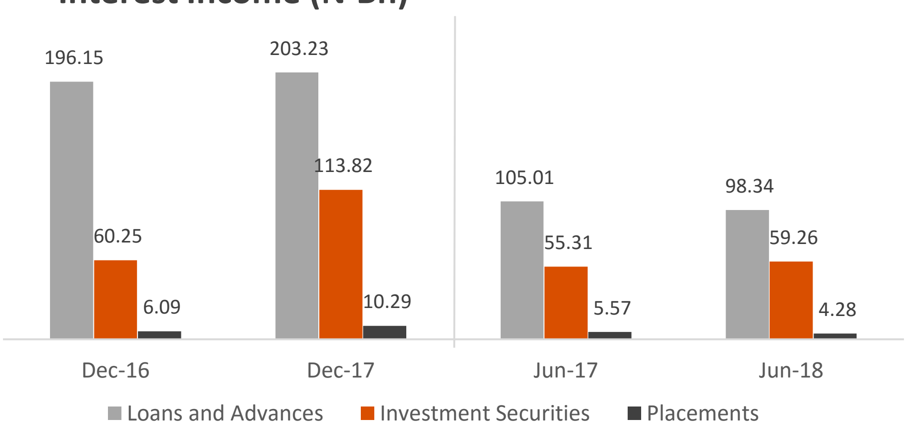


Revenue Generation

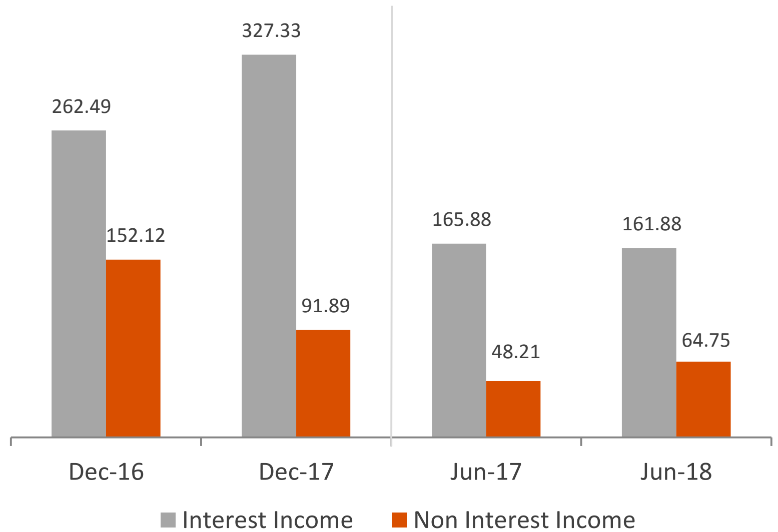
Strong Revenue

- Gross earnings improved by 5.9% largely as a result of growth in Non-Interest Income which compensated for the moderate drop recorded on Interest Income line.
- Interest Income declined by 2.4% as a result of:
  - Declining yield environment in 2018 when compared with corresponding period last year. Asset yield declined by 143 bps from 14.5% in H1-2017 to 13.1% in H1-2018.
  - Treasury Bills for 91, 182 and 364 days were sold at 10%, 10.3% and 11.5% respectively at Primary market auctions in June 2018 representing a decline of 350 bps, 720 bps and 715 bps from 13.5%, 17.5% and 18.6% respectively in June 2017.
  - Dip in loan volume largely from scheduled FCY repayments.
- Growth in Non-Interest Income compensated for the dip in Interest Income increasing 34.3% y/y. This growth stems from:
  - Marked growth of 123.3% on Income on Financial Assets held for Trading by judiciously utilizing our Naira and FCY liquidity to take appropriate positions in fixed income and FX market.
  - 15.4% growth in Fees and Commission on account of increases in advisory services and transactional volumes stemming from products and service offerings via our digital channels. These initiatives led to impressive showings on the Commission on FX transfers, Digital banking income and advisory fees income lines.
  - Gains from the long banking book position added to the 31.4% recorded on Other Income.

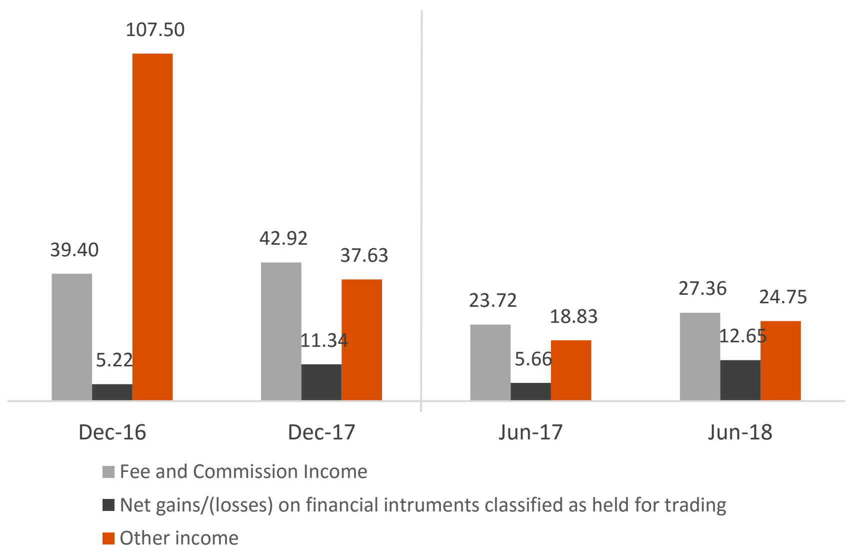
Interest Income (₦'Bn)



Revenue Mix (₦'Bn)



Non-Interest Income (₦'Bn)

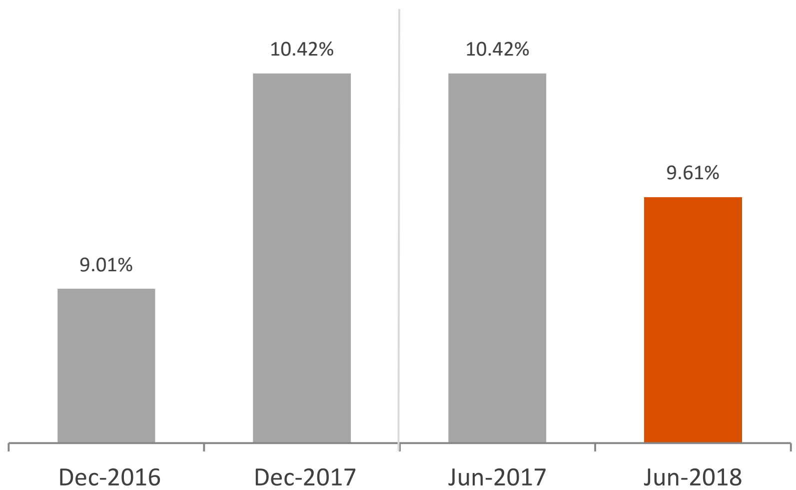


Margin Metrics

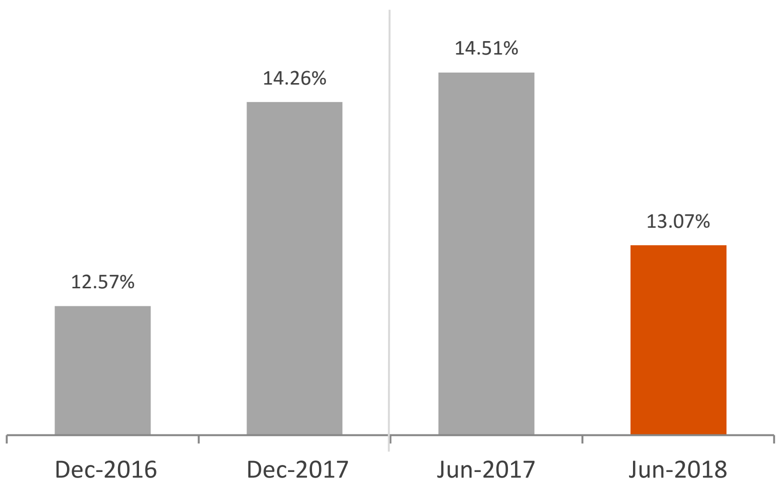
Sustained Competitive Margins

- 80 bps dip in NIM from 10.4% in H1-2017 to 9.6% in H1-2018 as a result of increased Cost of funds and declining asset yields.
- Sound Treasury Management weighed positively on asset yields thereby restricting the decline recorded in asset yield to 13.1% in H1-2018.
- Sustained competitive cost advantage and well diversified funding base coupled with optimal mix helped mitigate the persistent pressure on cost of fund (CoF) and protected NIMs at 9.61%.
- NIM remain strong, the Bank will be able to hold its 9% target as it continues to pursue cost optimization strategies and seek better opportunities for its FCY liquidity in the near to medium term.

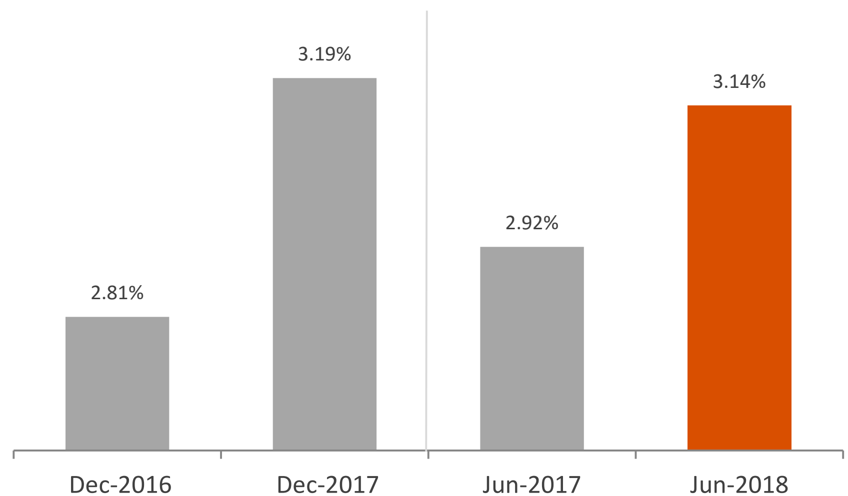
Net Interest Margin



Yields on Interest earning Assets



Cost of Funds

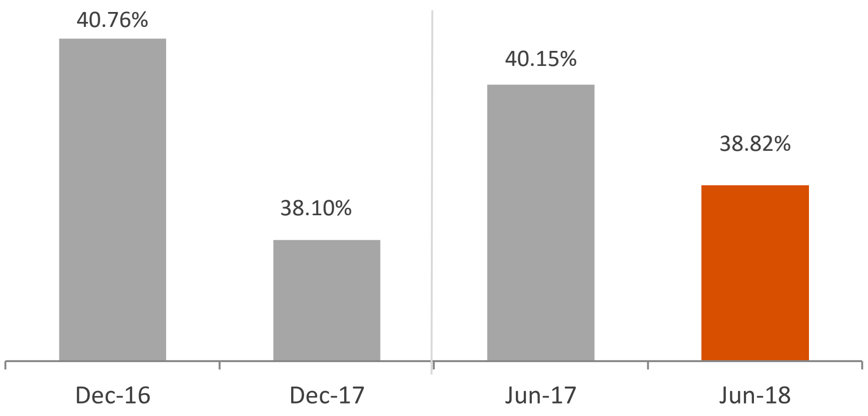


Effective Cost Management

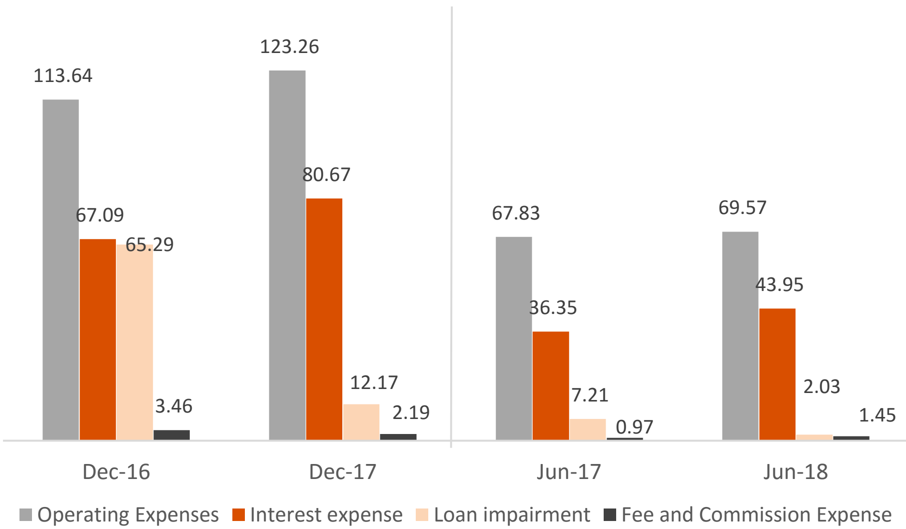
Cost Efficiency

- Consistent cost optimization assisted in curtailing OPEX growth at 2.6% well below inflation rate of 11.23%. Consequently, cost to income ratio remained strong at 38.8% representing an improvement of 133 bps from 40.2% in H1-2017.
- Moderate increase in Cost of Funds by 60 bps from 2.5% in H1-2017 to 3.1% as at H1-2018 despite the sustenance of customers' appetite for Treasury Bills which prevented the Bank from re-pricing its deposits downward.
- Improved low cost deposits mix to 83.4% in H1-2018 (Dec. 2017 : 82.3%) on the back of our efficient retail strategy.
- Cost efficiency complemented by customer acquisition drive and effective retail strategy delivered growth of 10% in our customer base from 11.9m customers in FY-2017 to 13.1m customers in H1-2018 as well as 11.5% growth in low Cost Funds.

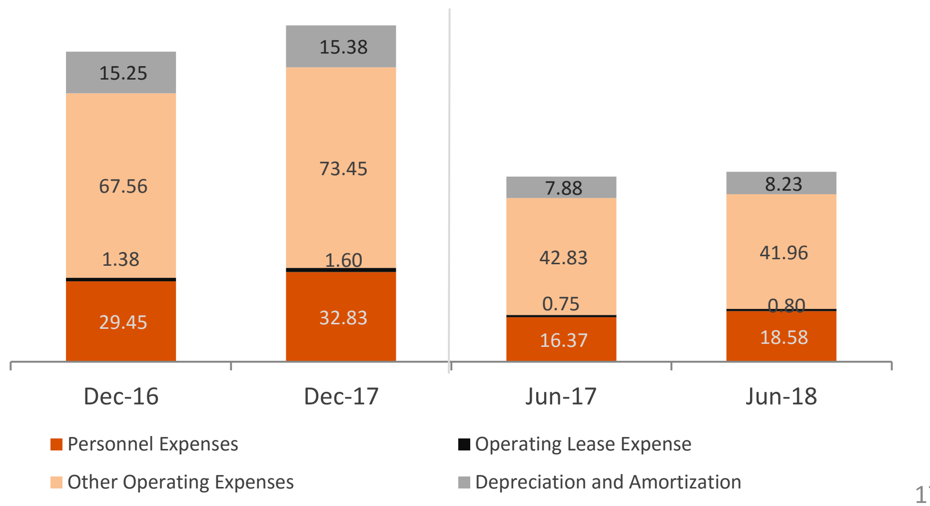
Cost to Income (CIR)



Overview of Expenses (₦'Bn)



Operating Expenses (OPEX) (₦'Bn)



OPEX Driver – Depreciation and Other Operating Expenses

In billions of Naira	Group Jun-2018	Group Jun-2017	Change (Y-o-Y)	% Change (Y-o-Y)
AMCON	14.1	13.1	1.0	7.6%
Deposit Insurance premium	3.95	3.87	0.08	2.1%
Other Insurance premium	0.623	0.621	0.002	0.3%
Occupancy Costs and Repairs & Maintenance	4.3	4.1	0.2	4.9%
Depreciation and Amortization	8.2	7.9	0.3	3.4%
Personnel Expenses	18.6	16.4	2.2	13.4%

OPEX Drivers

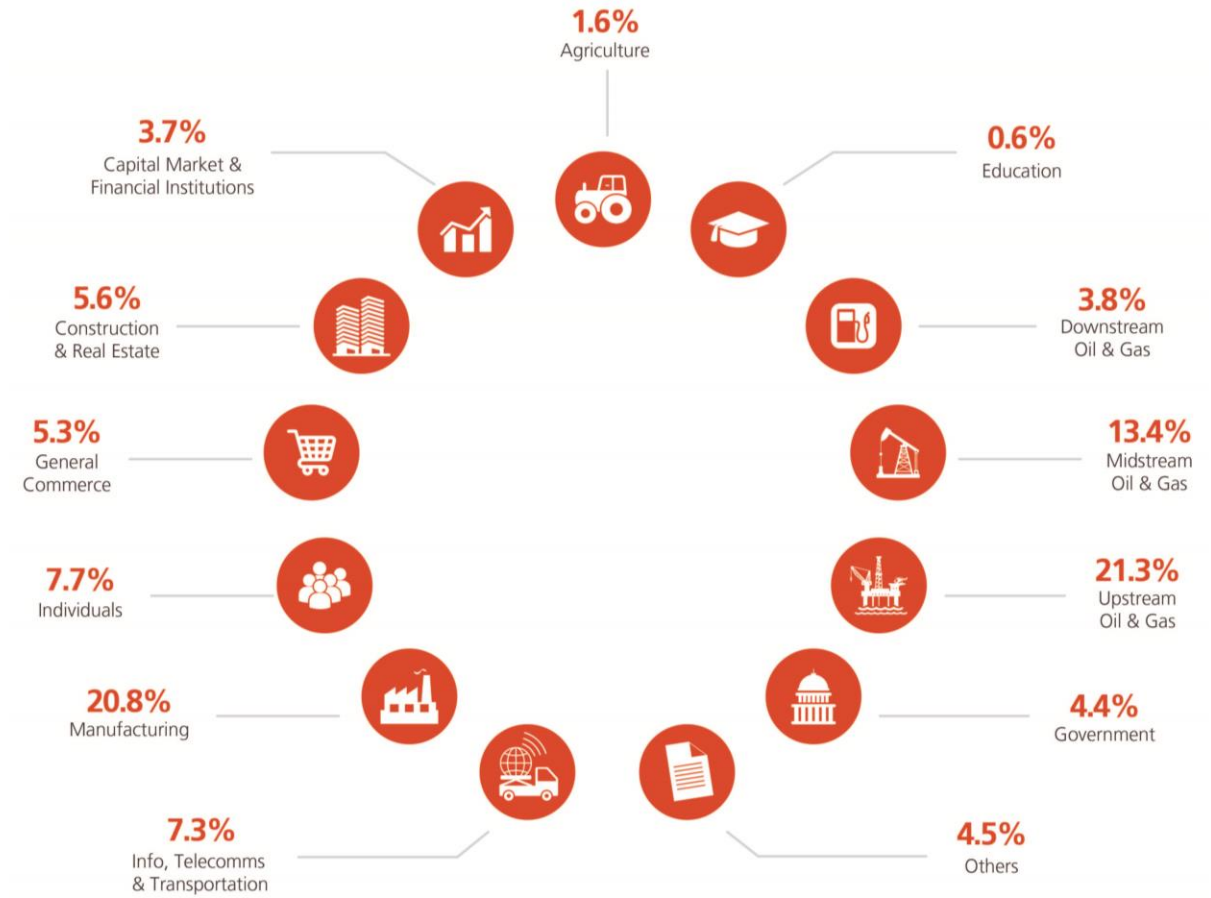
- Moderate Opex growth of 2.6% despite the pressure from regulatory cost. AMCON expenses increased 8% Y-o-Y.
- Personnel expenses increased by 13% largely from devaluation impact of translating the Subsidiaries Staff costs from their original currency to Naira (average rate of N337.2/$1 in H1-2018 vs N315.6/$1 in H1-2017) as well as impact of Salary Reviews in January 2018 in response to the country's double digit inflation rate.
- Depreciation and amortization recorded moderate growth of 4% as we continue to acquire Equipment and Software to pursue our digitalization strategies in Nigeria and across the subsidiaries.
- Occupancy Costs (i.e. costs incurred on Fuel, Diesel, Electricity and ground rates) increased by 6% as the economy is still battling with power, hike in diesel price occasioned by increase in global price of crude oil due to full deregulation of AGO, increase in electricity tariff and aggressive drive for revenue by State and Local Governments - water rates, tenement rates, land use charge etc.

Risk Asset Mix

Asset Diversification

- Well diversified Loan Book with specific focus on quality risk assets across all the select business sectors / segments.

Loans by Industry



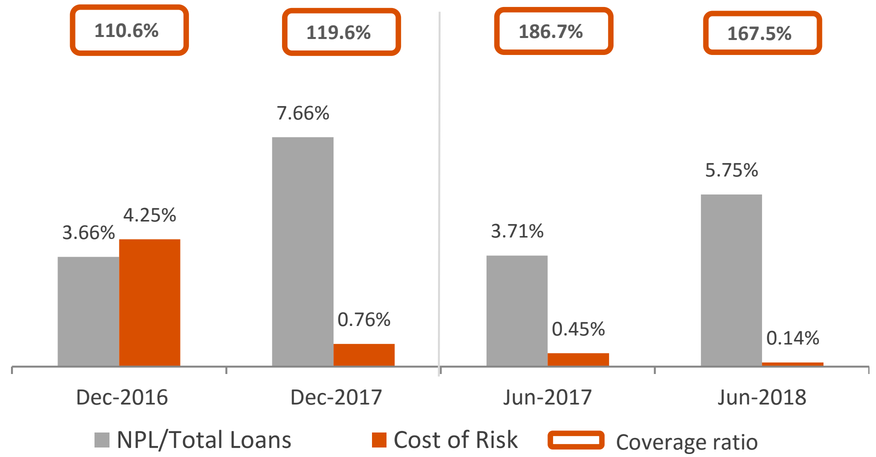
** Includes Engineering services, Fashion & Design, Religious Organizations, Hospitality, Clubs, co-operative societies, Unions etc.*

Asset Quality

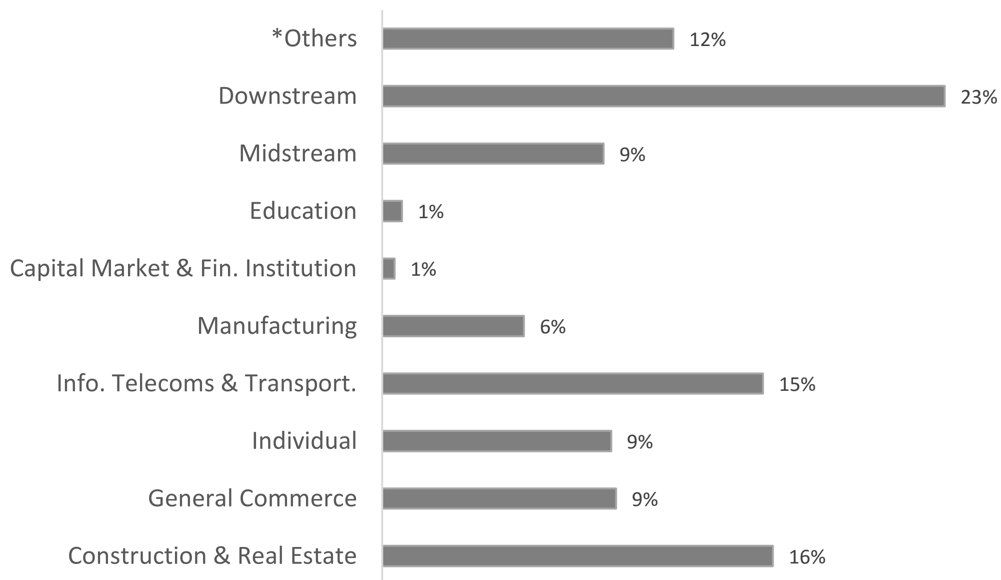
Asset Quality

- Improved Asset quality with very strong coverage for NPLs.
- NPL ratio improved from 7.7% in FY-2017 to 5.8% in H1-2018 on the back of assets de-recognition made possible by adequate provisioning and substantial credit risk buffers created in prior years, specifically in 2016 from the huge revaluation gains recorded during that period.
- Impairment charge for Stage 3/Lifetime Credit Impaired exposures increased by N31.7 bn under IFRS 9.
- Our prudent stance enabled us to absorb the increased charge with minimal impact on Equity.
- Adequate Coverage of 167.5% for NPLs, up from 119.6% in FY-2017.

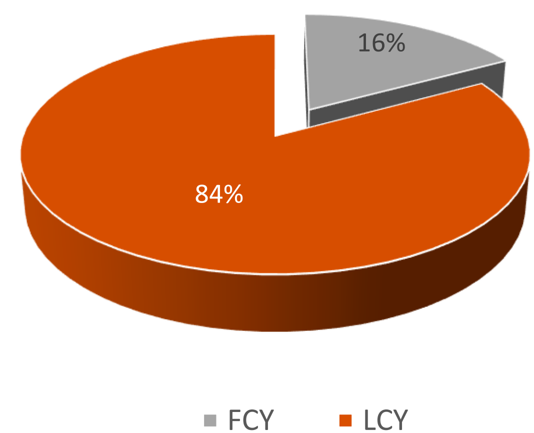
NPL and Coverage



NPL by Industry



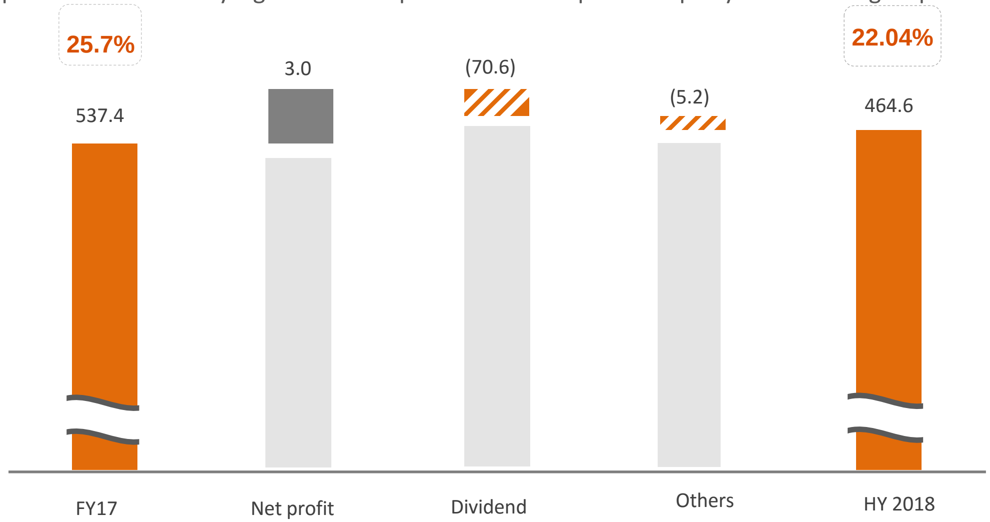
NPL by Currency



** Includes Engineering services, Fashion & Design, Religious Organizations, Hospitality, Clubs, co-operative societies, Unions etc.*

Strong Capital Ratios – Group and Parent

- The Group remains adequately capitalized with CAR of 22.04% which is well above the regulatory requirement of 15% (16% for DSIB) in spite of the implementation of IFRS 9.
- Tier 1 capital remained a very significant component of the capital adequacy ratio of the group at 21.4% which represents 96.9% of CAR.

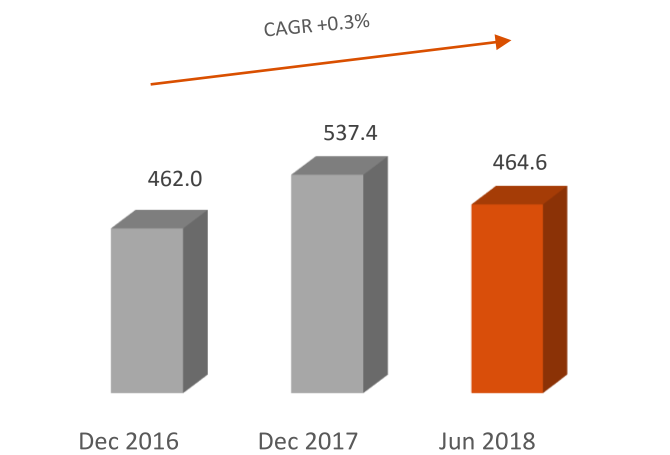


Figures in ₦ 'bn

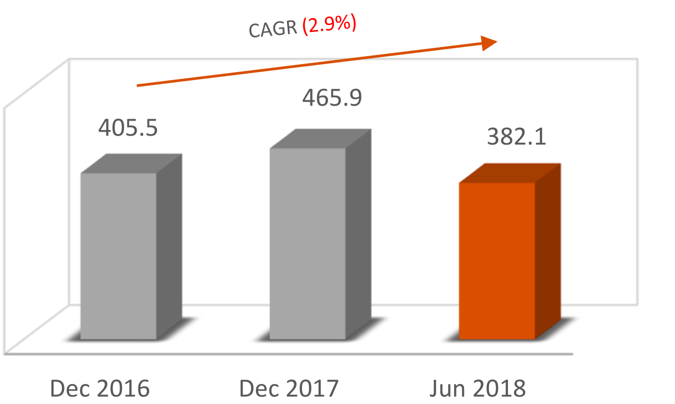
Capital Adequacy Computation (Basel II)

	Group		Bank	
In Millions of Naira	Jun-18	Dec-17	Jun-18	Dec-17
Net Tier 1 Capital	450,065	521,707	380,171	460,986
Net Tier 2 Capital	14,512	15,740	1,975	4,888
Total Regulatory Capital	**464,576**	**537,448**	**382,146**	**465,873**
Risk Weighted Assets for Credit Risk	1,593,572	1,626,093	1,319,555	1,453,392
Risk Weighted Assets for Operational Risk	506,541	458,408	423,793	371,127
Risk Weighted Assets for Market Risk	7,294	8,582	2,169	2,765
Aggregate Risk Weighted Assets	**2,107,407**	**2,093,084**	**1,745,517**	**1,827,284**
Capital Adequacy				
Tier 1 Risk Weighted Capital Ratio	21.36%	24.93%	21.78%	25.23%
Tier 2 Risk Weighted Capital Ratio	0.69%	0.75%	0.11%	0.27%
Total Risk Weighted Capital Ratio	**22.04%**	**25.68%**	**21.89%**	**25.50%**

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



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

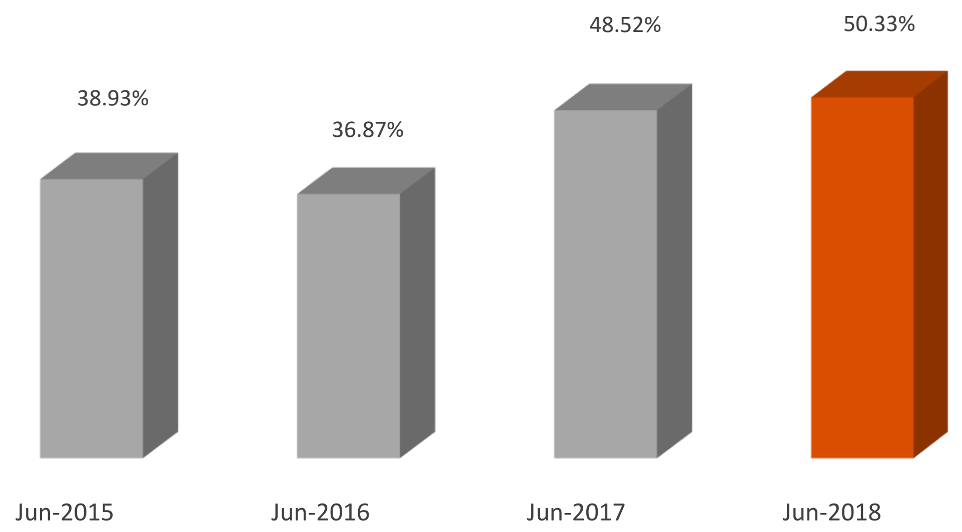


Liquidity Ratio

Strong Liquidity Position

- Liquidity ratio improved to 50.3% in H1-2018 (Dec.2017 : 47.6%) which is well above regulatory minimum of 30% as a result of strong deposit growth of 10%.
- Average Liquidity improved from 47.2% in FY-2017 to 51.5% in H1-2018 reflecting the consistency and strength of our liquidity profile over the period.
- Strong and unencumbered naira with ample buffers to leverage opportunities for risk assets creation.
- In addition to the strong naira liquidity, the Bank also has sufficient FX liquidity.

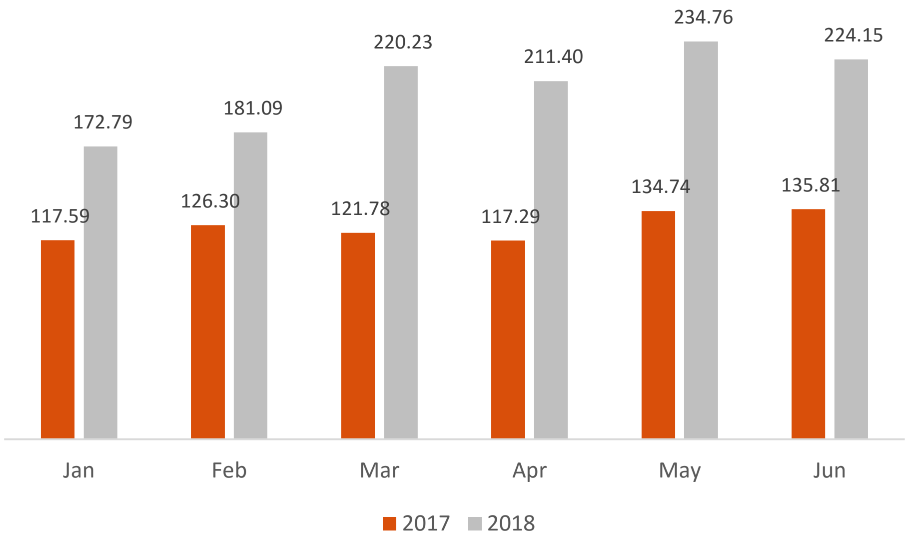
Liquidity Trend



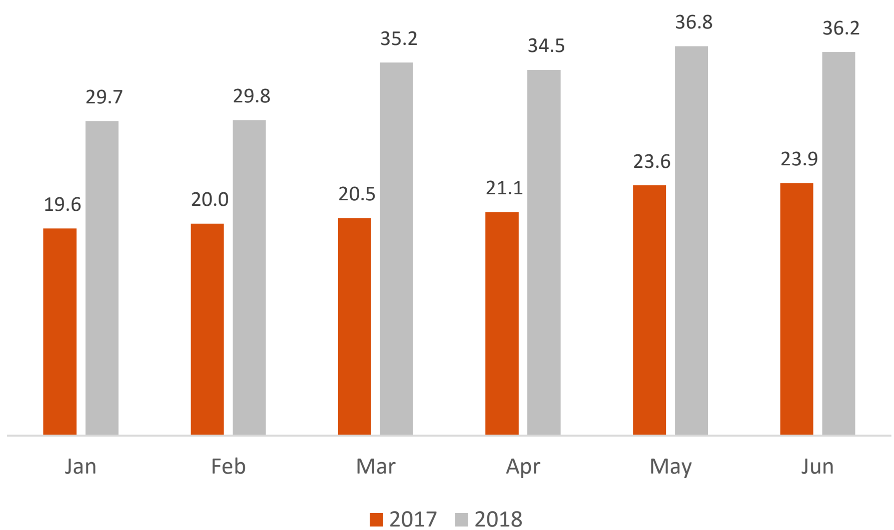
Digital Banking and USSD Banking Performance

- Continuous growth in the level of adoption of digital banking both in volume and value.
- With a total of 4.2 million USSD users, 3.4 million of them were reported as active Users as at June 2018.
- Total number of Active Users grew by 9.7% ytd from 3.1 million in FY 2017 to 3.4 million.

USSD Value (in billions of Naira)



USSD Volume (in millions)

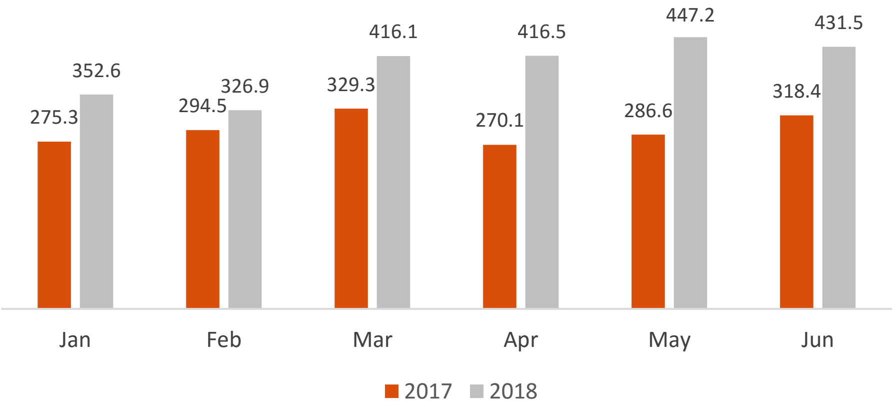


Total Value in HY 2018 – ₦1,244.4 billion
Total Value in HY 2017 – ₦753.5 billion
% Growth (y-o-y) – 65%

Total Volume in HY 2018 – 202.2 million
Total Volume in HY 2017 – 128.7 million
% Growth (y-o-y) – 57%

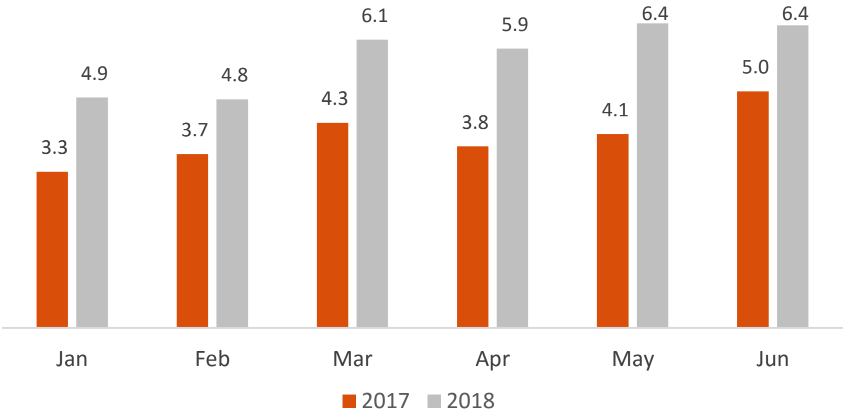
Digital Banking and USSD Banking Performance Contd.

Mobile Banking (Value in Billions of Naira)



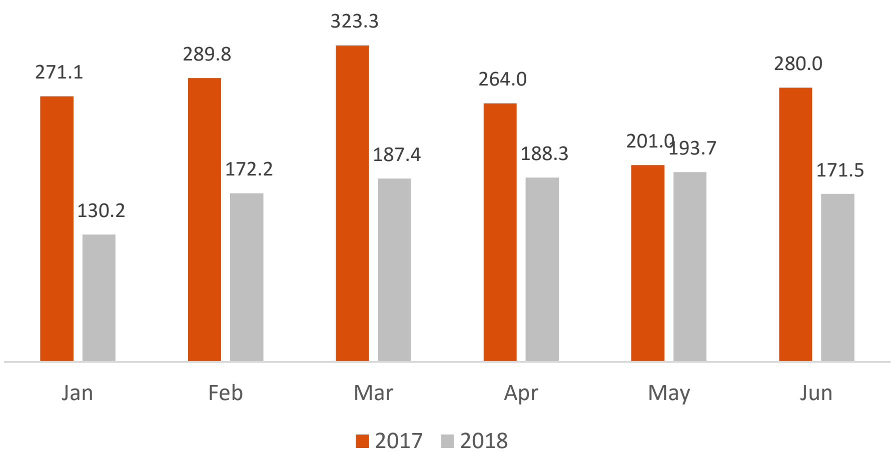
Total Value in HY 2018 – ₦ 2,390.8 billion
Total Value in HY 2017 – ₦ 1,774.3 billion
% Growth (y-o-y) – 35%

Mobile Banking (Volume in Millions)



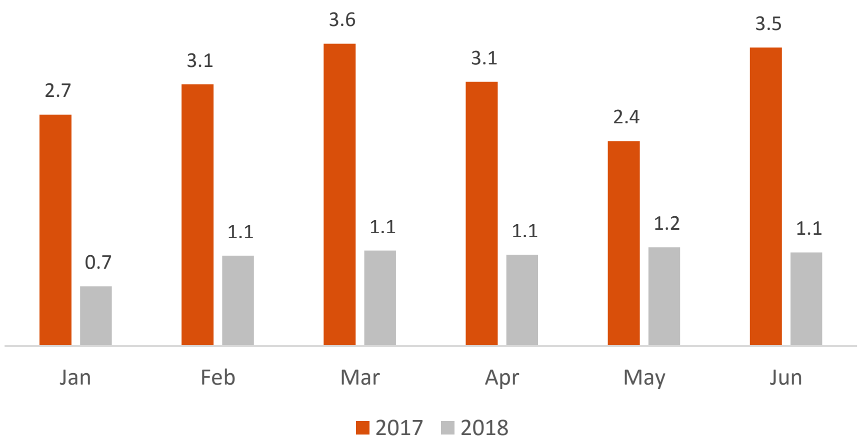
Total Volume in HY 2018 – 34.4 million
Total Volume in HY 2017 – 24.2 million
% Growth (y-o-y) – 42%

Internet Banking (Value in Billions of Naira)



Total Value in HY 2018 – ₦ 1,043.2 billion
Total Value in HY 2017 – ₦ 1,629.3 billion
% Growth (y-o-y) – (36%)

Internet Banking (Volume in Millions)



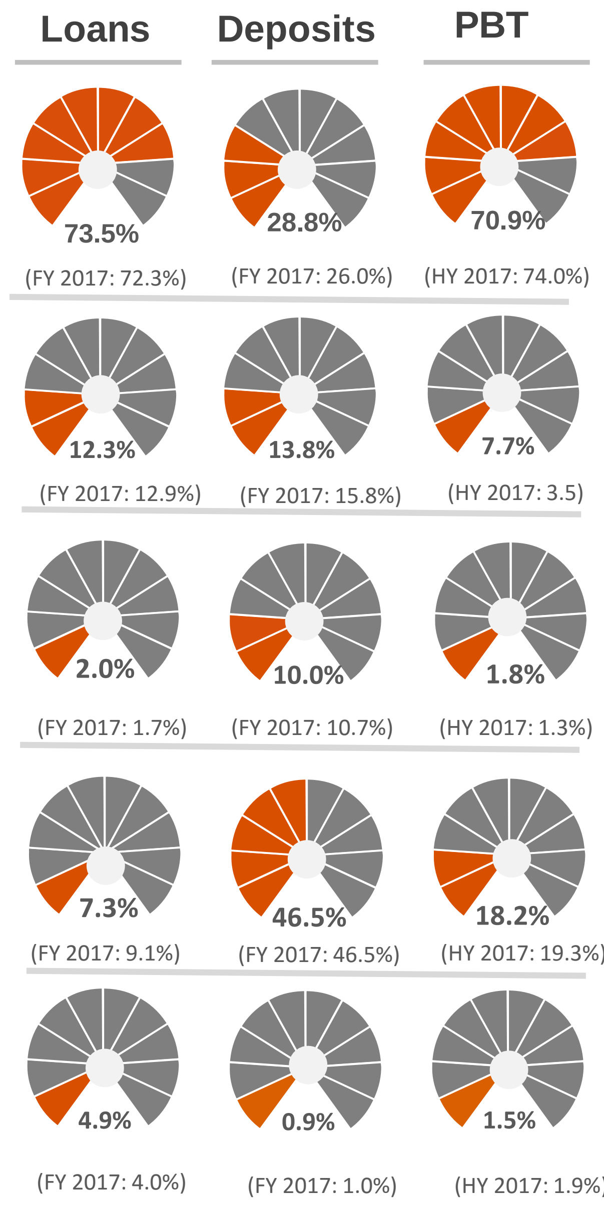
Total Volume in HY 2018 – 6.3 million
Total Volume in HY 2017 – 18.6 million
% Growth (y-o-y) – (66%)

04

Business Segments and Subsidiary Review

Business Segmentation (Group) – HY 2018

Segment	Description	Key figures
Institutional and Wholesale	• Multinationals and large corporates (turnover ₦5bn) • Energy • Telecoms • Maritime • Wholesale Banking • Corporate Banking	Over 1000 Customers • **Loans** – ₦949.6bn • **Deposits** - ₦653.8bn • **PBT** – ₦77.2bn
Commercial	• Middle market companies (turnover between ₦500mm and ₦5bn) • Extensive product range: tailor-made solutions and flexibility • Customized e-commerce solutions	Over 110,000 Customers • **Loans** – ₦158.4bn • **Deposits** – ₦313.8bn • **PBT** – ₦8.4bn
SME	• Small and medium enterprises (turnover under ₦500mm) • Products tailored to cater to small, fledgling and other types of fairly unstructured businesses	Over 600,000 Customers • **Loans** – ₦25.3bn • **Deposits** – ₦226.5bn • **PBT** – ₦1.9bn
Retail	• Deposit drive focus for retail customer-base • Rapidly developing business line • 218 branches, 54 GTExpress, 17 e-branches & 1,254 ATMs • Extensive leverage of all distribution channels	Over 12.6 mil. Customers • **Loans** – ₦94.5bn • **Deposits** – ₦1,054.3bn • **PBT** – ₦19.8bn
Public Sector	• Focus on: • Federal government • State governments • Local governments and customers • Active in all government segments	All tiers of government) • **Loans** – ₦63.5bn • **Deposits** – ₦20.4bn • **PBT** – ₦1.6bn



Geographical Presence – HY 2018

United Kingdom

- Established in 2008
- 100% owned by parent
- 1 branch
- ₦9.6bn invested by parent
- HY 2018 PBT: ₦701.48mm
- ROE: 7.6%

Gambia

- Established in 2002
- 77.81% owned by parent
- 16 branches
- ₦574.28mm invested by parent
- HY 2018 PBT: ₦637.42mm
- ROE: 19.6%

Sierra Leone

- Established in 2002
- 84.24% owned by parent
- 15 branches
- ₦594.11mm invested by parent
- HY 2018 PBT: ₦2.02bn
- ROE: 36.4%

Liberia

- Established in 2009
- 99.43% owned by parent
- 9 branches
- ₦1.95bn invested by parent
- HY 2018 PBT: ₦1.38bn
- ROE: 30.3%

Cote D'Ivoire

- Established in 2012
- 100% owned by parent
- 4 branches
- ₦5.08bn invested by parent
- HY 2018 PBT: ₦315.8m
- ROE: 10.5%

GTBank plc

- Parent Company
- Established in 1990
- 218 branches, 17 e-branches & 54 GTExpress
- ₦448bn in SHF (Parent)
- HY 2018 PBT: ₦96.54bn (Parent)
- ROE: 33.4% (Parent)

Kenya

- Acquired in 2013
- 70% owned by parent
- 9 branches
- ₦17.13bn invested by parent
- HY 2018 PBT: ₦838.71bn
- ROE: 4.3% (Parent : 4.1%)

Uganda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 8 branches
- ROE: (12.7%)

Rwanda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 13 branches
- ROE: 9.8%

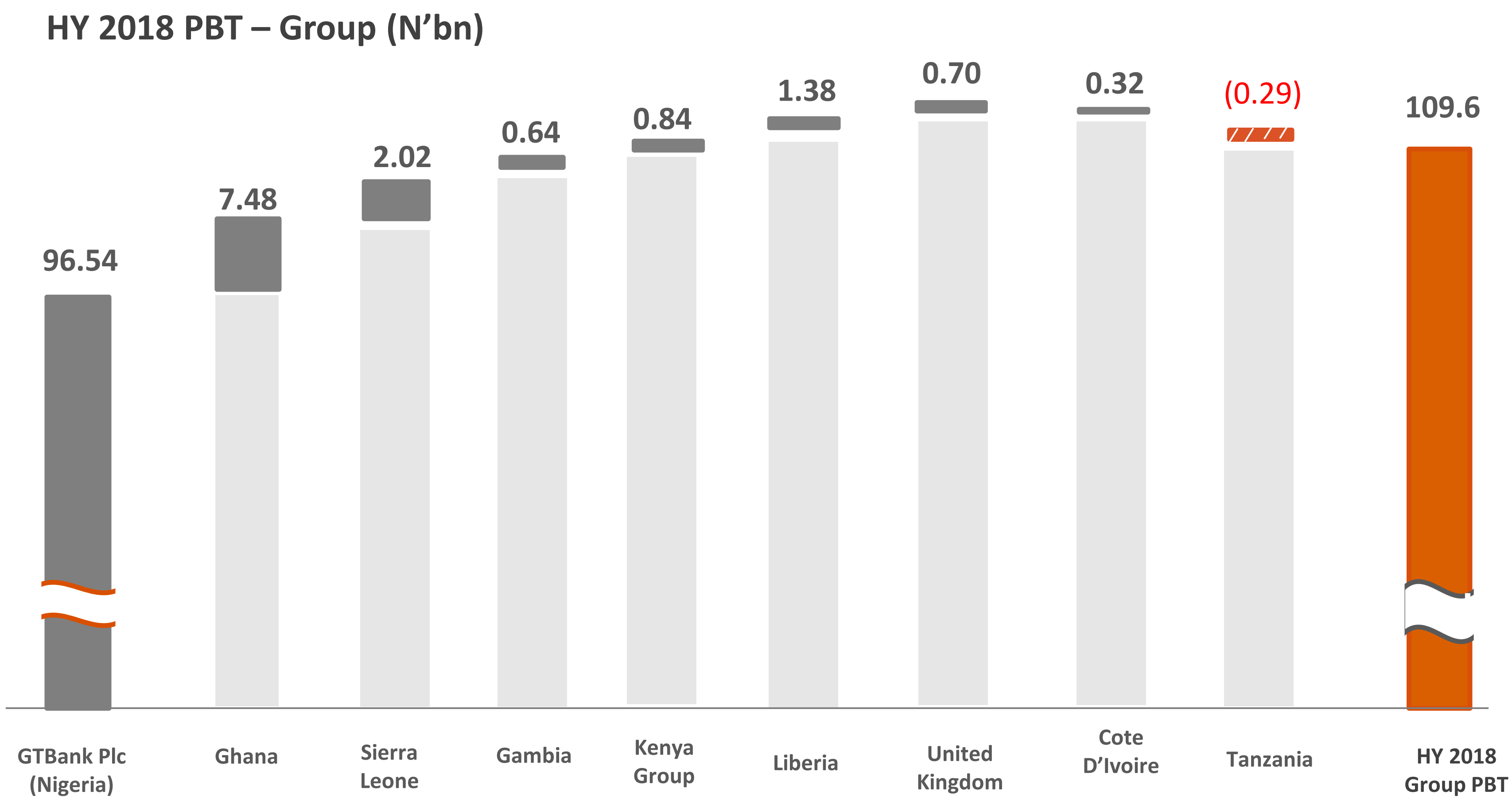
Tanzania

- Established in Dec. 2017
- 70% owned by Parent
- 1 branch
- ₦2.24bn invested by parent
- HY 2018 PBT: (₦285.18mm)
- ROE: (20.8%)

Ghana

- Established in 2006
- 97.97% owned by parent
- 34 branches
- ₦9.04bn invested by parent
- HY 2018 PBT: ₦7.48bn
- ROE: 38.1%

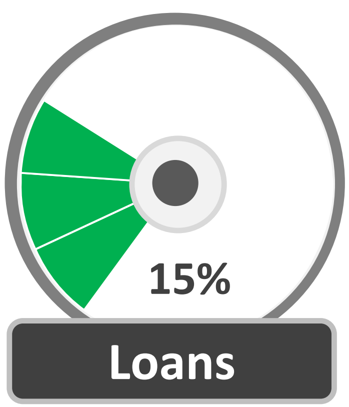
Group PBT Breakdown



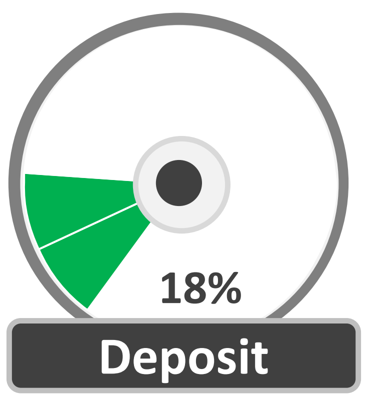
Parent and Subsidiary Highlights

Millions of Naira	Assets			Loans			Deposit			PBT		
	HY 2018	FY 2017	% Change	HY 2018	FY 2017	% Change	HY 2018	FY 2017	% Change	HY 2018	HY 2017	% Change
Cote D'Ivoire	22,404	18,350	22%	6,614	6,924	-4%	14,871	12,053	23%	316	18	1656%
Gambia	41,404	35,086	18%	4,746	5,005	-5%	34,183	28,812	19%	637	1,049	-39%
Ghana	169,399	140,581	20%	28,609	29,743	-4%	126,256	110,066	15%	7,479	4,753	57%
Kenya Group	135,279	129,080	5%	69,513	65,895	5%	100,944	88,485	14%	839	825	2%
Liberia	40,981	36,523	12%	26,184	24,565	7%	27,757	27,483	1%	1,379	1,287	7%
Sierra Leone	41,160	37,883	9%	16,984	13,870	22%	31,210	27,097	15%	2,024	1,393	45%
Tanzania	3,460	-	0%	63	-	0%	674	-	0%	(285)	-	0%
United Kingdom	233,777	204,772	14%	36,098	37,988	-5%	75,855	70,535	8%	701	329	113%
Nigeria	2,948,850	2,824,929	4%	1,102,935	1,265,972	-13%	1,857,053	1,697,561	9%	96,543	94,558	2%
* Grand Total	3,548,871	3,351,097	6%	1,291,258	1,448,533	-11%	2,268,757	2,062,047	10%	109,633	101,101	8%

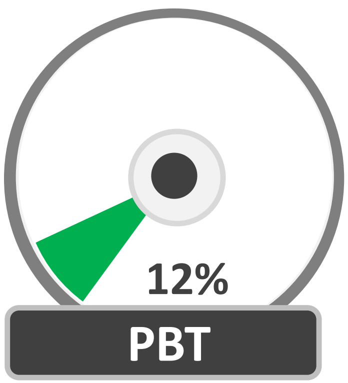
% Contribution of Subsidiaries to Group



FY 2017 – 13 %



FY 2017 – 18%



HY 2017 – 9.3%

post elimination entries

Non-Financial Highlights for HY 2018

EMPLOYEES

6,636
Employees

55% Male | 45% Female

96%
of employee received training in HY 2018

CUSTOMERS

Over 13mm
Customers

17
E-Branches

11,777
active POS Terminals

328
International Branch Network

1,254
Automated Teller Machines

54
GT Express Locations

307,000+
Unique Users

200mm+
Unique Transactions

4.7mm+
active cards

RATINGS

FitchRatings	B+
S&P Global Ratings	B

SHAREHOLDERS

326,071
Shareholders

338Kobo
EPS

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

ACCOLADES

Digital Wallet and Best Mobile Payment Service of the Year

Best Banking Group (Nigeria)

Best Retail Bank (Nigeria)

Managing Director of the Year (Nigeria)

Best Banking Group Lagos, Nigeria

Best Customer Experience

USSD Channel Champion

2017 CEO of the Year

African Bank of the Year

Nigeria's Best Bank

Best Digital Bank

COMMUNITIES

747 | 21
Schools participated in the 2018 edition of the Principals' and Masters cup

276
Children benefited from the annual autism child assessment and conference

36
University undergraduates benefitted from the GTCrea8 eSavers Scholarship in the six geo-political zones of Nigeria

2018 GTBANK FOOD AND DRINK

250,000+
Participants

140+
Vendors

2017 GTBANK FSHN WKND

60,000+
Participants

83+
Vendors

04

Guidance and Plans for 2018

FY 2018 Guidance

	FY 2017	HY 2018	FY 2018 Guidance
PBT	N200 bn	N109.6 bn	N205 bn
Deposit Growth	4%	10%	12%
Loan Growth	(9%)	(11%)	10%
Coverage (with Reg. Risk Reserve)	119.6%	167.49%	Above 100%
Cost of Risk	0.8%	0.14%	Below 1%
NPL to Total Loans	7.7%	5.75%	Below 5%
Return on average Assets	5.3%	5.54%	Above 5%
Return on average Equity	30.2%	34.07%	Above 25%
Loans to Deposits and Borrowings	58.9%	48.19%	70%
Liquidity Ratio	48.5%	50.33%	40%
Capital Adequacy Ratio	25.7%	22.04%	22%
Cost to Income Ratio	38.1%	38.82%	40%
Net Interest Margin	10.4%	9.61%	9%

Disclaimer

This presentation is based on Guaranty Trust Bank Plc (“**GTBank**” or “**Bank**”)’s audited financial results for the half year ended June 30, 2018 prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (IASB). The Bank has also obtained certain information in this presentation from sources it believes to be reliable. Although GTBank has taken all reasonable care to ensure that such external information are accurate and correct, the Bank makes no representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information.

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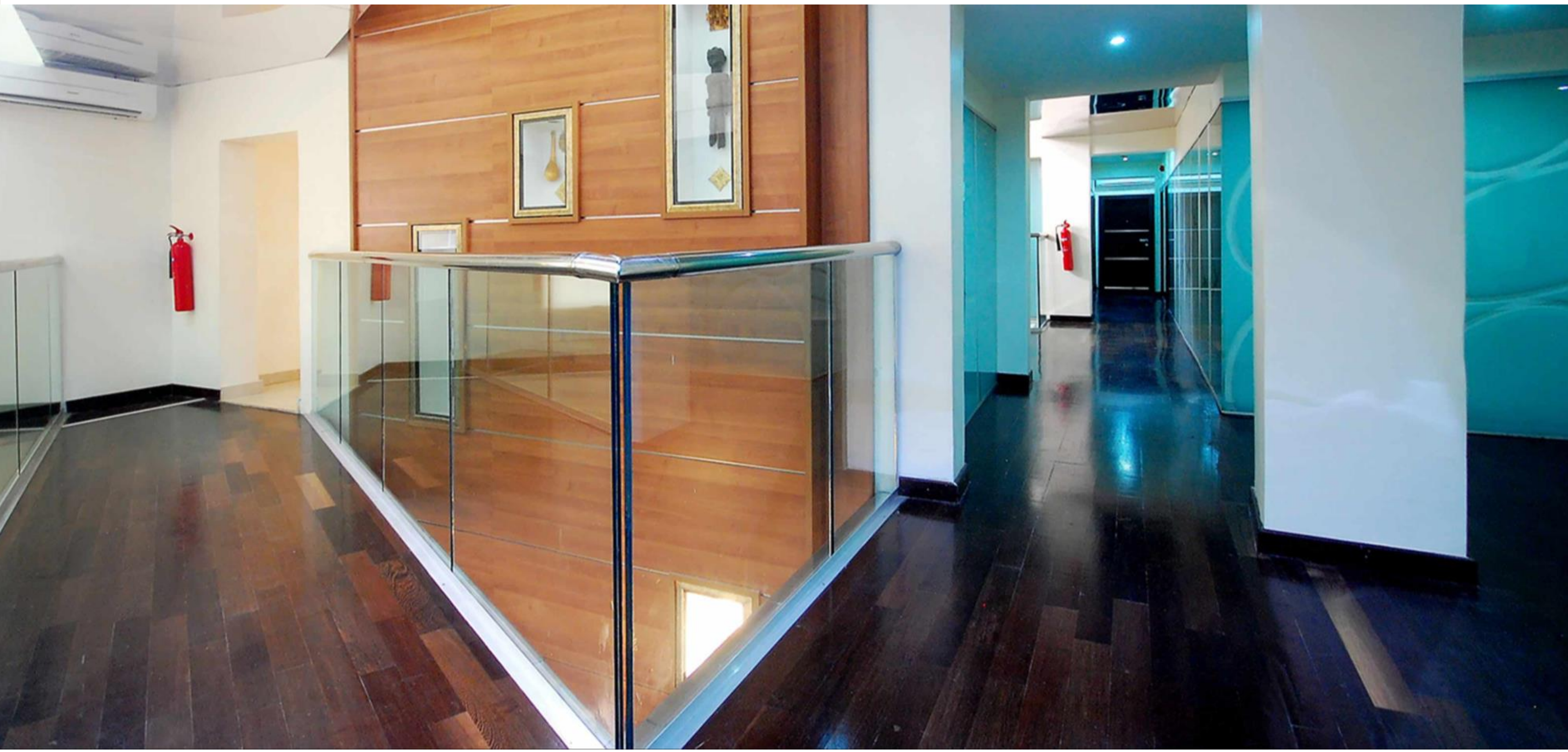

Thank You