



Guaranty Trust Bank plc

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AUDITED FULL-YEAR GROUP RESULTS FOR THE YEAR ENDED DECEMBER 31, 2015 DECLARES A PBT OF ₦120.69BILLION

Lagos Nigeria – March 14, 2016 – Guaranty Trust Bank plc (“GTBank”), (Bloomberg: GUARANTY:NL/Reuters: GUARANT.LG), provider of diversified financial services, announces its Audited Financial Results, in accordance with IFRS, for the full year ended 31 December 2015 and declares a PBT of ₦120.69bn.

Commenting on the results, Mr. Segun Agbaje, Managing Director and CEO of Guaranty Trust Bank plc stated that “Despite an extremely challenging business environment and increasing regulatory headwinds, our Bank recorded growth across all key financial indices during the year. Gross earnings for the year grew by 8.4% to ₦301.9billion from ₦278.5billion reported for prior year. The Bank’s loan book grew by 7.5% from ₦1.276 Trillion recorded in December 2014 to ₦1.372 Trillion in December 2015. Total customer deposits declined slightly by 0.5% to ₦1.610trillion from ₦1.618trillion in December 2014 owing to deposit loss as a result of implementation of the Treasury Single Account (TSA) directive in Nigeria during the year.

He further stated that “**As a Bank, we will continue to actively partner with our customers and grow our business in a sustainable manner that is not only driven by profit objective, but with an increased focus on empowering our customers with a view to growing Nigerian economy. Also, we remain committed to maximising shareholders’ value and delivering superior and sustainable returns whilst actively expanding our franchise in select, high growth African markets where we believe we have a competitive advantage.**”

Financial Highlights

- Strong Earnings
 - **Profit before tax of ₦120.69bn** (31 Dec 2014: ₦116.39bn) an increase of 3.7% enhanced by 14.3% growth in interest income and 8.1% growth in Fee and commission income (compared to FY-2014).
 - **Profit after tax for the year of ₦99.44bn** (31 Dec 2014: ₦94.43bn)
 - Earnings per share of 351kobo (31 Dec 2014: 332kobo per share)
- Revenue
 - **Interest Income of ₦229.24bn** (31 Dec 2014: ₦200.60bn) up 14.3%. Growth driven by 7.5% growth in loan book from December 2014.
 - **Non-Interest Income of ₦72.61bn** (31 Dec 2014: ₦77.92bn) down 6.8%. The earnings from foreign exchange revaluation income in 2014 financial year did not recur in the 2015 financial year as exchange rate was relatively steady over the period.
 - **Net interest margin remained strong at 8.26%** (31 Dec 2014: 8.10%). NIM improved despite the upward pressure on cost of funding during the year due to optimization of the Loan Book.
- Balance Sheet
 - **Total assets and contingents of ₦3.089trn** (31 December 2014: ₦3.039trn)
 - **Total assets of ₦2.525trn** (31 December 2014: ₦2.356trn) up 7.16%
 - **Net loans and advances of ₦1.372trn** (31 December 2014: ₦1.276trn) growth of 7.5%.
 - **Total Deposits of ₦1.610trn** (31 December 2014: ₦1.618bn) down 0.5%.
- Credit Quality
 - **Non-performing loans to total loans of 3.21%** (31 December 2014: 3.15%)
 - **Coverage (with Regulatory risk reserves) at 186.73%** (31 December 2014: 143.22%)
 - **Cost of Risk at 0.91%** (31 Dec 2014: 0.61%).

- Continued focus on efficiency
 - Cost to income of 44.40%** (31 Dec 2014: 44.79%).
- Subsidiaries
 - Contribution to PBT from subsidiaries declined marginally to 6.88% from 7.15% in FY-2014

Full Year 2015 Financial Analysis and Ratios

Key Financials (N' billion)	FY-2015	FY-2014	Δ%
Interest Income	229.2	200.6	14.3%
Net Interest Income	159.9	142.4	12.3%
Operating Income	217.1	210.8	3.0%
Operating expenses	96.4	94.4	2.1%
Profit before tax	120.7	116.4	3.7%
Profit After Tax	99.4	94.4	5.3%
Earnings per share (₦:k)	3.51	3.32	5.5%

	FY-2015	FY-2014	Δ%
Total Assets	2,524.59	2,355.88	7.2%
Net Loans	1,371.93	1,275.68	7.5%
Total Deposits	1,610.35	1,618.21	-0.5%

Key Ratios	FY-2015	FY-2014
ROE(post-tax)	25.55%	27.30%
ROA(post-tax)	4.07%	4.24%
ROE (pre-tax)	31.02%	33.65%
ROA (pre-tax)	4.95%	5.22%
Net interest margin	8.26%	8.10%
Cost-to-income ratio	44.40%	44.79%

	FY-2015	FY-2014
Loans to deposits	83.89%	77.67%
Loans to deposits and borrowings	69.28%	67.14%
Liquidity ratio	42.21%	40.07%
Capital adequacy ratio	18.17%	17.50%
NPL/Total Loans	3.21%	3.15%
Cost of risk	0.91%	0.61%
Coverage (with Reg. Risk Reserves)	186.73%	143.22%

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Notes to the Editors:

Guaranty Trust Bank is a diversified financial services company with N2.525trillion in assets, providing commercial banking services through 224 local branches, 46 e-branches, 1,165 ATMs, 116 international subsidiary offices and the Internet (gtbank.com).

The Group operates as one of the leading Nigerian banks offering a wide range of commercial banking services and products throughout Nigeria and in the West and East African sub-region. The Bank is rated B+ by Standard and Poor's and B+ by Fitch, a reflection of the Bank's stability and reputation of being a well-established franchise with strong asset quality and consistently excellent financial performance.

The Bank has nine bank subsidiaries established outside of Nigeria —

- 1) Guaranty Trust Bank (Gambia) Limited ("GTB Gambia"),
- 2) Guaranty Trust Bank (Sierra Leone) Limited ("GTB Sierra Leone"),
- 3) Guaranty Trust Bank (Ghana) Limited ("GTB Ghana"),
- 4) Guaranty Trust Bank (Liberia) Limited ("GTB Liberia"),
- 5) Guaranty Trust Bank (United Kingdom) Limited ("GTB UK")
- 6) Guaranty Trust Bank (Cote D'Ivoire) ("GTB Cote D'Ivoire"),
- 7) Guaranty Trust Bank (Kenya) Limited ("GTB Kenya"),
- 8) Guaranty Trust Bank (Rwanda) Limited ("GTB Rwanda"),
- 9) Guaranty Trust Bank (Uganda) Limited ("GTB Uganda").

The Bank also has a non-bank GTB Finance B.V. ("GTB Finance"), a special purpose subsidiary incorporated in The Netherlands.

Extract of audited IFRS results for the full year ended 31 December 2015

Statements of Financial Position as at 31 December 2015	Group Dec 2015 ₦'million	Group ¹ Dec 2014 ₦'million	Group ¹ Jan 2014 ₦'million	Parent Dec 2015 ₦'million	Parent ¹ Dec 2014 ₦'million	Parent ¹ Jan 2014 ₦'million
ASSETS						
Cash and cash equivalents	254,633	246,940	307,396	173,133	161,779	228,610
Financial assets held for trading	34,626	9,416	17,224	25,076	5,676	13,747
Derivative financial assets	-	530	170	-	530	170
Investment securities:						
– Available for sale	364,180	344,702	374,673	327,586	317,750	364,056
– Held to maturity	29,408	35,161	84,742	3,210	4,511	46,682
Assets pledged as collateral	61,954	39,179	28,443	61,946	39,174	28,441
Loans and advances to banks	1,052	5,696	5,596	639	31	17
Loans and advances to customers	1,371,926	1,275,681	1,002,371	1,265,207	1,182,393	926,967
Investment in subsidiaries	-	-	-	41,906	40,130	40,130
Property and equipment	87,989	76,236	68,306	79,193	68,042	61,420
Intangible assets	12,471	12,516	11,214	2,493	2,418	2,257
Deferred tax assets	3,244	2,358	1,946	-	-	-
Restricted deposits and other assets	303,111	307,462	200,765	297,240	304,174	191,869
TOTAL ASSETS	2,524,594	2,355,877	2,102,846	2,277,629	2,126,608	1,904,366
LIABILITIES						
Deposits from banks	26,256	31,662	15,208	40	144	89
Deposits from customers	1,610,350	1,618,208	1,427,494	1,422,550	1,439,522	1,261,927
Derivative financial liabilities	-	253	4	-	253	4
Other liabilities	104,606	57,200	61,015	85,126	47,714	49,008

Current income tax liabilities	17,740	20,827	18,431	19,379	22,276	17,990
Deferred tax liabilities	6,840	4,392	5,066	6,346	3,956	4,784
Debt securities issued	180,117	167,321	156,498	-	-	13,234
Other borrowed funds	165,123	91,299	92,135	338,580	252,831	233,040
TOTAL LIABILITIES	2,111,032	1,991,162	1,775,851	1,872,021	1,766,696	1,580,076
CAPITAL AND RESERVES						
Share capital	14,716	14,716	14,716	14,716	14,716	14,716
Share premium	123,471	123,471	123,471	123,471	123,471	123,471
Treasury shares	(4,754)	(3,988)	(2,047)	-	-	-
Retained earnings	51,089	51,425	49,848	46,048	48,824	49,722
Other components of equity	222,651	173,411	135,924	221,373	172,901	136,381
Capital and reserves attributable to equity holders of the parent entity	407,173	359,035	321,912	405,608	359,912	324,290
Non-controlling interests in equity	6,389	5,680	5,083	-	-	-
TOTAL EQUITY	413,562	364,715	326,995	405,608	359,912	324,290
TOTAL EQUITY AND LIABILITIES	2,524,594	2,355,877	2,102,846	2,277,629	2,126,608	1,904,366

¹Restated

Income Statements for the year ended 31 December 2015

	Group Dec 2015 ₤'million	Group ¹ Dec 2014 ₤'million	Parent Dec 2015 ₤'million	Parent ¹ Dec 2014 ₤'million
Interest income	229,237	200,603	206,479	179,984
Interest expense	(69,290)	(58,211)	(61,446)	(51,285)
Net interest income	159,947	142,392	145,033	128,699
Loan impairment charges	(12,408)	(7,098)	(11,769)	(6,184)
Net interest income after loan impairment charges	147,539	135,294	133,264	122,515
Fee and commission income	51,866	47,970	44,035	40,945
Fee and commission expense	(3,079)	(2,114)	(2,690)	(1,748)
Net fee and commission income	48,787	45,856	41,345	39,197
Net gains on financial instruments classified as held for trading	12,237	12,084	9,190	8,344
Other income	8,511	17,864	9,172	19,734
Net impairment charge on financial assets	-	(274)	-	(274)
Personnel expenses	(27,722)	(27,442)	(20,728)	(21,036)
Operating lease expenses	(1,125)	(913)	(675)	(561)
Depreciation and amortization	(12,595)	(12,152)	(10,787)	(10,590)
Other operating expenses	(54,937)	(53,931)	(47,754)	(46,961)
Profit before income tax	120,695	116,386	113,027	110,368
Income tax expense	(21,258)	(21,952)	(18,719)	(21,197)
Profit for the year	99,437	94,434	94,308	89,171
Profit attributable to:				
Equity holders of the parent entity	98,679	93,736	94,308	89,171
Non-controlling interests	758	698	-	-

	99,437	94,434	94,308	89,171
¹ Restated				

**Statements of other comprehensive
income for the year ended
31 December 2015**

	Group Dec 2015 N'million	Group Dec 2014 N'million	Parent Dec 2015 N'million	Parent Dec 2014 N'million
Profit for the year	99,437	94,434	94,308	89,171
Other comprehensive income not to be reclassified to profit or loss in subsequent years:				
Actuarial gains and losses	(1,343)	(796)	(1,343)	(796)
Income tax relating to actuarial gains and losses	403	239	403	239
Other comprehensive income to be reclassified to profit or loss in subsequent years:				
- Foreign currency translation differences for foreign operations	(1,653)	(1,453)	-	-
- Income tax relating to foreign currency translation differences for foreign operations	496	436	-	-
- Net change in fair value of available for sale financial assets	5,303	(4,601)	5,232	(4,711)
- Income tax relating to net change in fair value of available for sale financial assets	(1,420)	1,720	(1,399)	1,753
Other comprehensive income for the year, net of tax	1,786	(4,455)	2,893	(3,515)
Total comprehensive income for the year	101,223	89,979	97,201	85,656

Total comprehensive income attributable to:

Equity holders of the parent entity	100,410	89,097	97,201	85,656
Non-controlling interests	813	882	-	-
Total comprehensive income for the year	101,223	89,979	97,201	85,656
Earnings per share for the profit attributable to the equity holders of the parent entity during the year (expressed in naira per share):				
– Basic	3.51	3.32	3.35	3.03
– Diluted	3.51	3.32	3.35	3.03
Total impaired Loans and Advances (N'million)	45,061	41,309	36,611	32,616
Total impaired Loans and Advances to Loans and Advances (%)	3.21%	3.15%	2.83%	2.70%
Gross Earnings	301,851	278,521	268,876	249,007