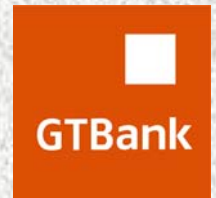


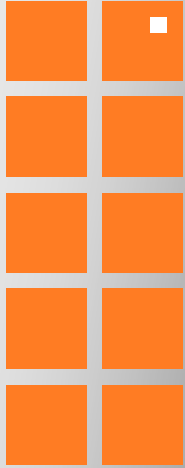
# Guaranty Trust Bank plc

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**Presentation to The London Stock Exchange**

June 2007

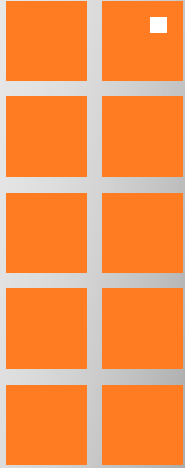




# Representatives of GTBank

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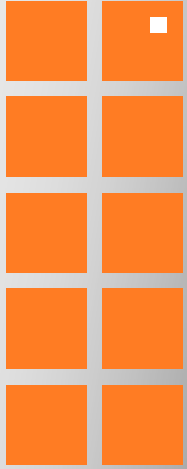
- **Tayo Aderinokun**
  - Chief Executive Officer/Managing Director
  
- **Segun Agbaje**
  - Deputy Managing Director
  
- **Lara Ogunlaja**
  - Assistant General Manager  
Corporate Finance Group
  
- **Lola Odedina**
  - Assistant General Manager  
Head, External Affairs and Communication



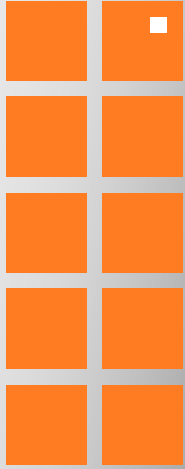
# Presentation Outline

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- **Introduction**
- **GTBank Highlights**
- **GTBank – Corporate Information**
  - Corporate History
  - Business Description
  - Asset Structure and Funding Base
  - Financial Performance
- **Medium Term Strategy**



# Introduction

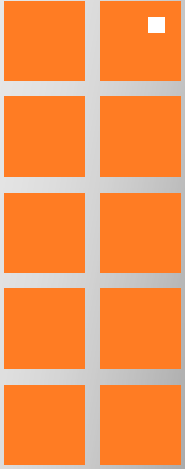


# Introduction

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**This presentation seeks to:**

- **Introduce Guaranty Trust Bank Plc (GTBank) to The London Stock Exchange and the select audience;**
- **Discuss the operating structure and financial performance of the Bank in recent years; and**
- **Present the business strategy and aspirations of the Bank in the short to medium-term**



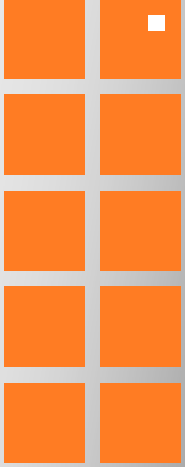
# GTBank Highlights



# GTBank Highlights

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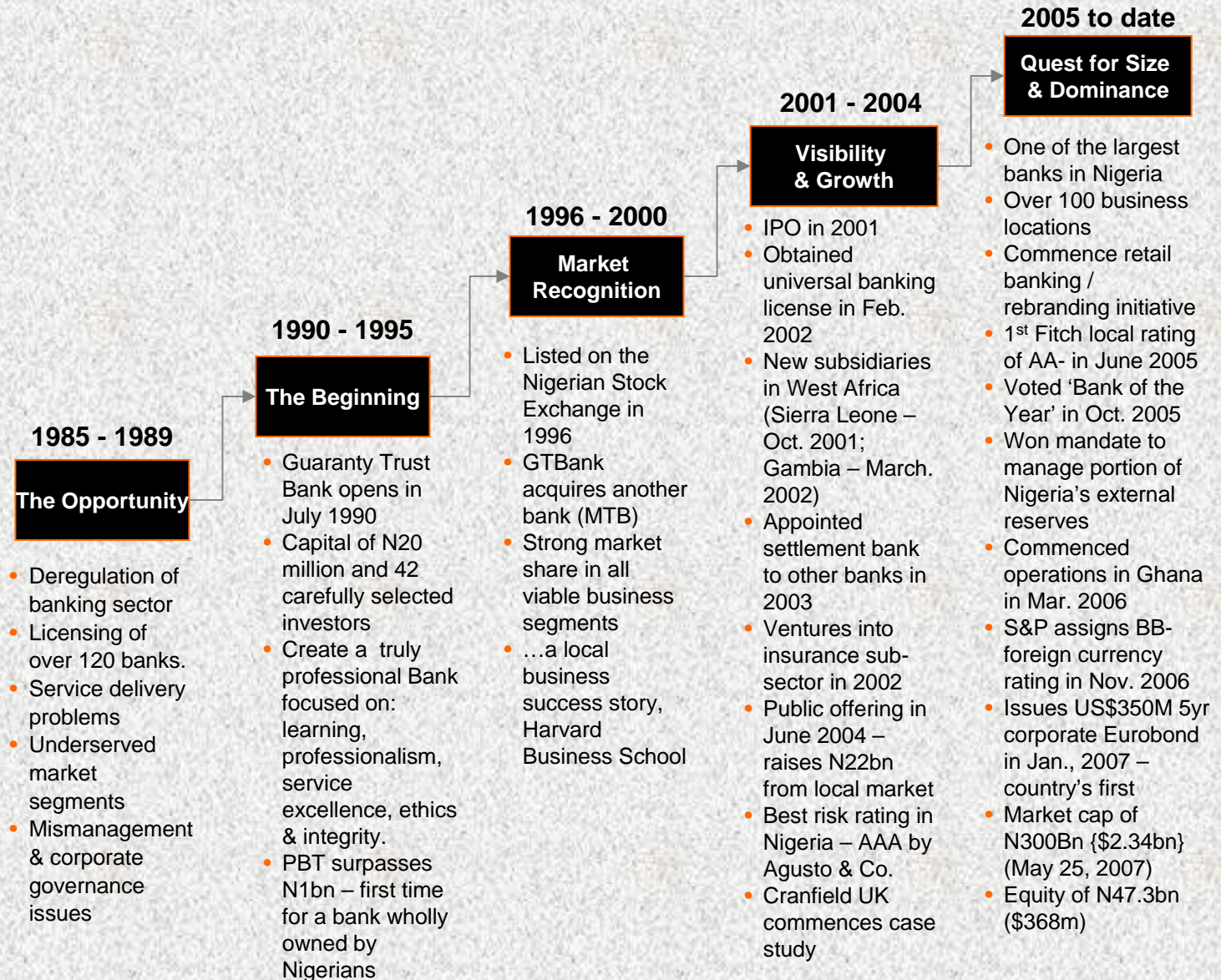
- **Leading West African financial services group with experienced management team**
- **One of the largest banks in Nigeria in terms of assets (N486.5bn, equivalent to US\$3.79bn), with ROE of 27.88% and Tier 1 capital ratio of 16.64%**
- **Diversified full service bank with strong focus on blue chip companies**
  - ❖ Business focused predominantly on large corporates and multinational companies in vital economic sectors, notably: Oil & Gas, Telecommunications, Manufacturing, Commodities Trading and Service sectors
- **Shareholders' funds of N47.3bn (US\$368m) and market capitalization of N300.6bn (US\$2.34bn). Diversified ownership structure (over 300,000 shareholders with no significant individual shareholder)**
- **Excellent Trade Finance, Treasury & cash management capabilities**
- **Strong funding profile (large and stable deposit base) and liquidity**
- **Strong relationship with, and growing access to foreign currency facilities from, multilateral agencies such as IFC, FMO, ADB, EIB**
- **High quality loan book (focused on high-end corporate market), with one of the lowest NPL to total loans ratio in the Nigerian banking sector**
- **Rated BB- by S&P and B+ by Fitch. Best rated bank in Nigeria**



# **GTBank – Corporate Information**

# GTBank - Corporate History

## Leading West-African Financial Services Group



# Management Team

## Dynamic and experienced management...

### Tayo Adeninokun

- Managing Director and Chief Executive Officer
- **17 years at the Bank**
- Co-founded Guaranty Trust Bank plc with Fola Adeola in 1990, and was the Deputy Managing Director and Chief Operating Officer for 12 years before becoming Managing Director of the Bank in August 2002

#### Experience

- **Co-Founder, Deputy Managing Director and Chief Operating Officer Guaranty Trust Bank at its inception**
- Relationship Manager, Chase Merchant Bank Nigeria Ltd
- Head of Financial Services and Asst. General Manager Prime Merchant Bank
- Founder, First Marina Trust Ltd.

#### Education

- BA in Business Administration, University of Lagos
- MBA from the Graduate School of Management, University of California

### Segun Agbaje

- Deputy Managing Director and Divisional Head of Institutional Banking Division
- **15 years at the Bank**
- Helped develop the Interbank Derivatives market and introduced the Balance Sheet Management Efficiency System
- Instrumental in the introduction of Valucard (an electronic payment system) and Western Union Money Transfer;
- Project Director of Bank's Listing on NSE in 1996, Initial Public Offer of N2.5billion in 2001 and Public Offering of N10.6 billion in 2004

#### Experience

- Auditor, Ernst & Young, San Francisco
- Board Member, Guaranty Trust Assurance Limited

#### Education

- BA in Accountancy, University of San Francisco
- MBA from the University of San Francisco

### Jide Ogundare

- Executive Director and Head, Public Sector Group
- **15 years at the Bank**
- Oversees Abuja and North Central Division of the Bank
- Developed cognate experience in various groups and departments including Institutional banking, Funds Management, Commercial Banking, Public sector and Advantium
- Headed the Bank's 1<sup>st</sup> 3yr business strategy/growth roadmap

#### Experience

- Pioneer Board Member, Guaranty Trust Bank (Sierra Leone) Limited
- Appointed Chairman, Guaranty Trust Bank (Sierra Leone) Limited in 2006

#### Education

- LL.B, School of Oriental and African Studies, University of London
- MBA from Cardiff Business School, University of Cardiff

### Cathy Echeozo

- Executive Director and Head, Commercial Banking Group
- **14 years at the Bank**
- Extensive experience in Treasury Management, Credit Management, Systems and Control and Institutional Banking
- Pioneered the Bank's entry into personal Banking.
- Chairperson of Emerging Issues Sub Committee, on the Committee of Chief Inspectors of all Banks in Nigeria (1999-2000)

#### Experience

- Continental Merchant Bank, Nigeria
- Ecobank Nigeria Plc

#### Education

- BA in Accounting, University of Nigeria
- Fellow of the Institute of Chartered Accountants of Nigeria
- MBA from the University of Maryland, University College, USA



# Business Description

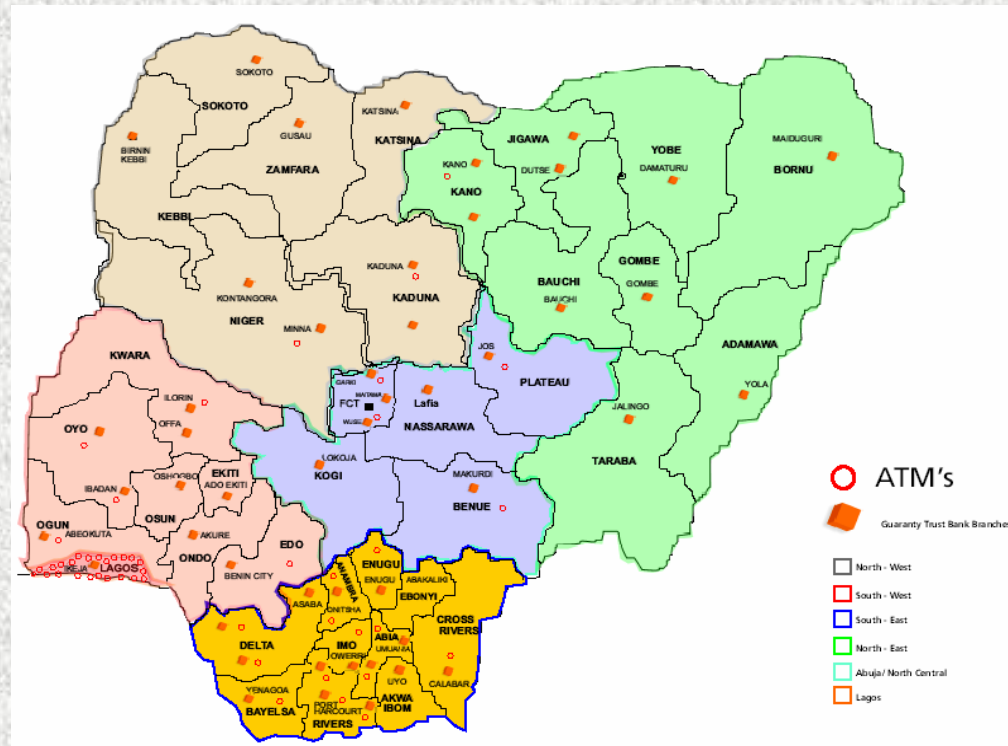
## Organized in 5 primary divisions:

<b>Institutional Banking</b>	<ul style="list-style-type: none"><li>▪ Focus on multinationals and large corporates, with turnover in excess of \$40mm</li><li>▪ Organized in 5 groups that provide tailored expert service based on industry segment: Energy, Telecoms, Corporate Banking (focused on 12 industries), Corporate Finance, and Treasury</li><li>▪ Dominant business in Treasury and Currency trading</li><li>▪ Significant market share of the corporate market sector (in loans and deposits)</li><li>▪ Accounts for approximately 32% of total deposits and 66% of total loans</li></ul>
<b>Commercial Banking</b>	<ul style="list-style-type: none"><li>▪ Focus on middle market players/small &amp; medium companies, with turnover between \$2m and \$40m</li><li>▪ Extensive product range and excellent relationship management</li><li>▪ Strong leverage on extensive distribution network nationwide</li><li>▪ Accounts for approximately 19% of total deposits and 27% of total loans</li></ul>
<b>Public Sector</b>	<ul style="list-style-type: none"><li>▪ Focus on government parastatals and government agencies</li><li>▪ Loans to contractors working on infrastructure projects for government agencies</li><li>▪ Accounts for approximately 21% of total deposits and 4% of total loans</li></ul>
<b>Retail Banking</b>	<ul style="list-style-type: none"><li>▪ Structured to promote retail business through e-channels</li><li>▪ Strong leverage on extensive distribution network nationwide and alternative distribution channels</li><li>▪ Wide range of deposit products and value added services</li><li>▪ Accounts for approximately 27% of total deposits and 2% of total loans</li></ul>
<b>Operations</b>	<ul style="list-style-type: none"><li>▪ Provides technical support and infrastructure to the rest of the Bank</li></ul>

# Business Description cont.

## Extensive Distribution Network and Growing Regional Presence...

- 104 branches nationwide
- Plans to increase network to 200 branches by FY 2012
- Established country's 1<sup>st</sup> fully integrated Interactive Call Center
- Other channels such as – ATMs, internet banking, mobile banking deployed nationwide
- Subsidiaries in other West African countries: Sierra Leone, Gambia and Ghana.
- 3<sup>rd</sup> most widespread distribution network in West Africa



# Business Description cont.

## Solid global network and credit rating...

- Only Nigerian Bank with 4 IFC Credit lines (\$75mm total)
- First financial institution in Nigeria to be assigned highest local risk rating, by an international rating agency (Fitch)

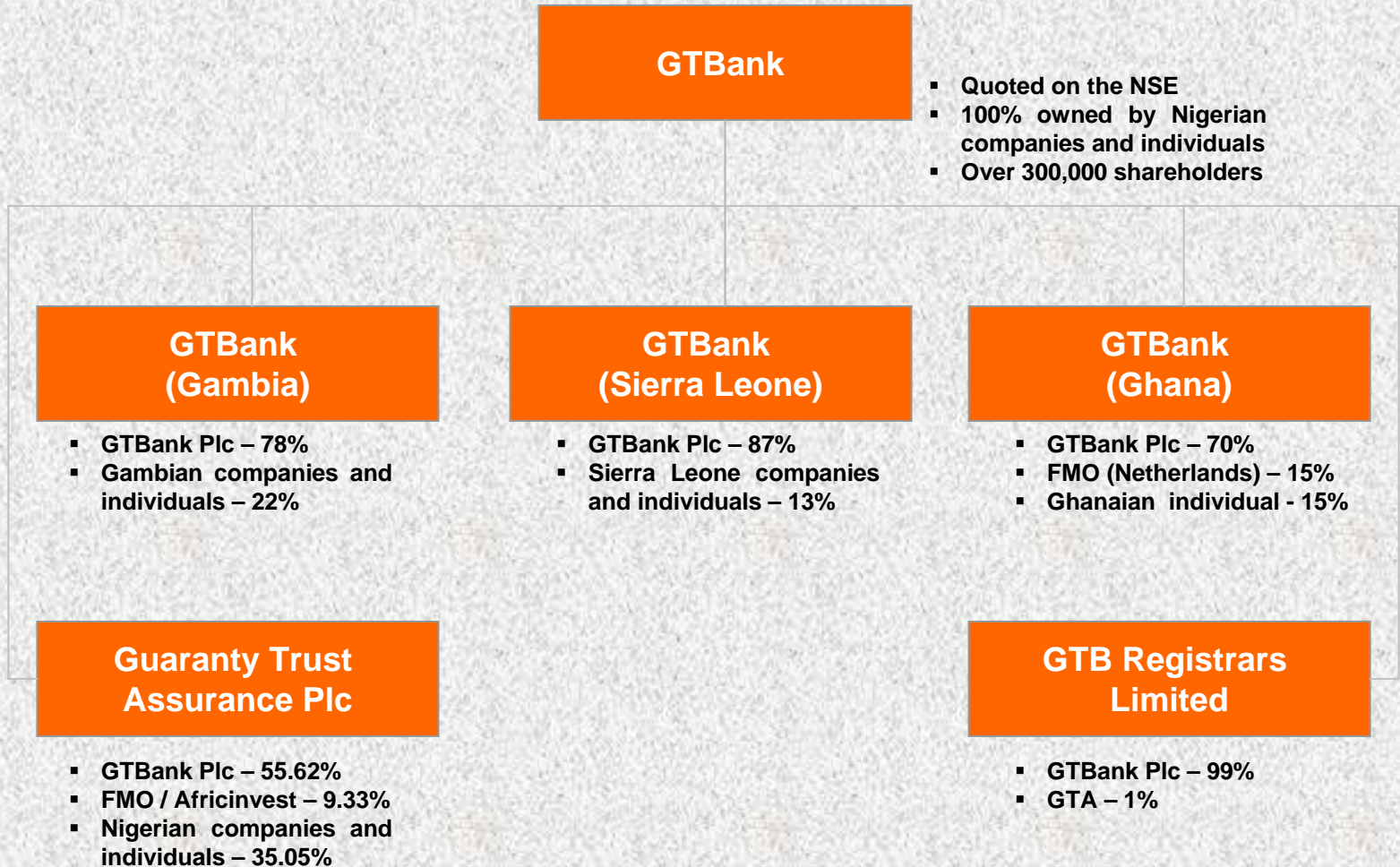
Fitch ratings	
GTBank	AA-
Zenith	A+
First Bank	A+
UBA	A+
Diamond Bank	A

- Growing access to foreign currency facilities from multilateral institutions i.e. IFC, ADB, EIB, FMO, Afrexim
- Extensive network of foreign correspondent banks – more than 16 banks globally



# Business Description cont.

## Ownership structure...

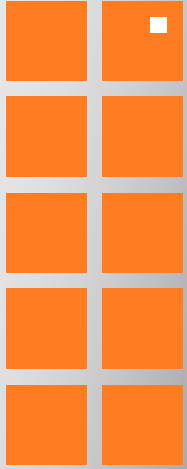


# Business Description cont.

## Recipient of several Awards and Accolades...

- **NSE President's Merit Award: 1996; 2000; 2003; 2005; and 2006**
- **Recipient of two Pearl Awards for companies listed on the Nigerian Stock Exchange in 2001**
- **Appointed Settlement Bank by Central Bank of Nigeria: 2003**
- **'Bank of the Year', 2005; 'Banker of the Year', 2006; at the 10<sup>th</sup> & 11<sup>th</sup> Annual ThisDay Awards, respectively**
- **Subject of case studies by Harvard Business School, Cranfield Business School, UK and Lagos Business School**
- **Named 'most respected financial institution' and 'second most respected company' in Nigeria by PricewaterhouseCoopers, in 2006**



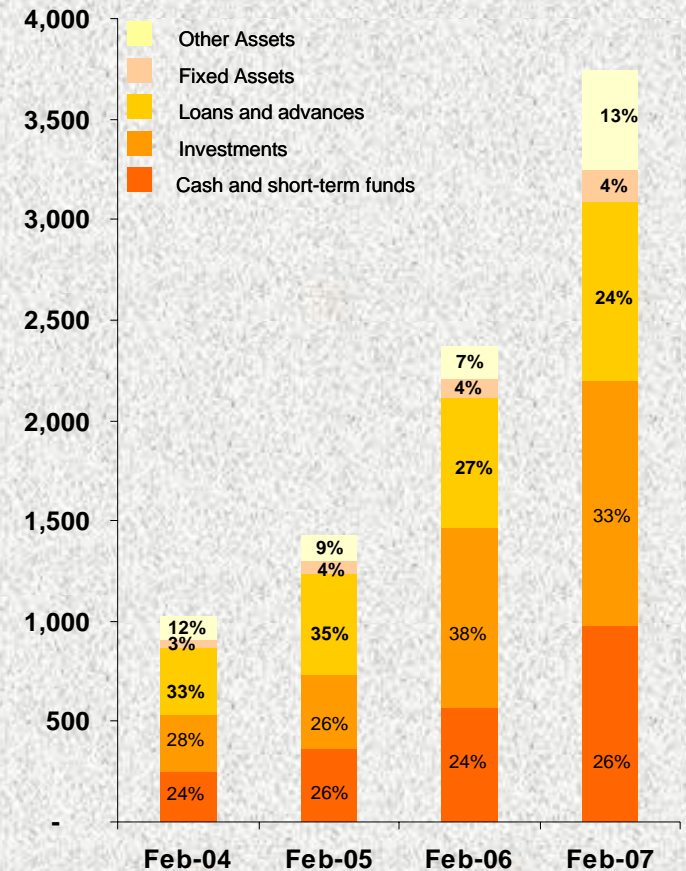


# Asset Structure and Funding Base

# Balance Sheet Composition

- **Total loans represent approximately 24% of assets**
  - ❖ Over 97% of loans to corporates (institutional, commercial banking and public sector), as of Feb. 2007
  - ❖ Conservative lending policy
  - ❖ Limited good lending opportunities
- **Investments in government securities account for approx. 33% of assets**
  - ❖ Channel surplus liquidity
  - ❖ Maintain profitability
- **Cash and short-term funds represent 26.18% of assets**
  - ❖ Deposits with the central bank
  - ❖ Interbank placements (collateralized by T-bills)
- **Overall, about 60% of the Bank's assets are liquid**
- **Deposits fully fund the Bank's loan portfolio by a ratio of more than 2.5 to 1**

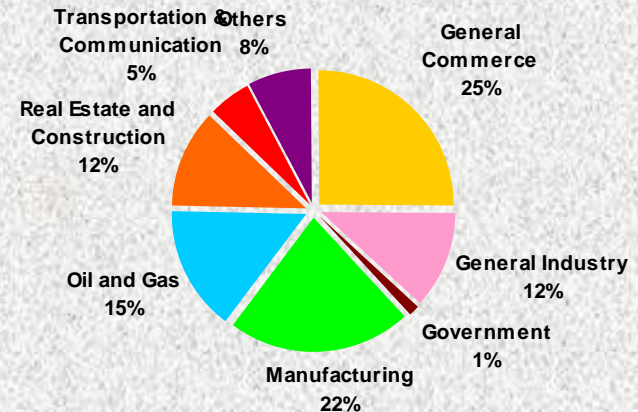
TOTAL ASSET BASE AND BREAKDOWN (US'MM)



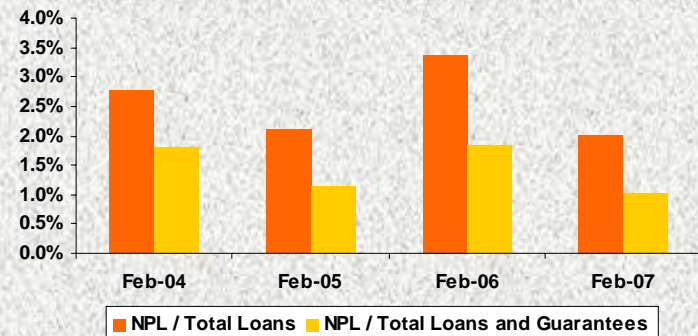
# Loan Portfolio Composition

- **Consistent growth in loans and advances**
  - ❖ Growth of 162.87% between Feb 2004/2007
- **Well diversified loan portfolio in terms of industry**
- **Focused on blue chip companies with sound credit status**
  - ❖ Over 60.41% of loans to large corporates
  - ❖ Top 10 borrowers account for about 20% of total exposure as of Feb. 2007
- **Strategically positioned in growth sectors of the economy**
- **One of the lowest NPL ratios in banking sector**
- **Efficient risk management system**

FEB. 2007  
LOAN PORTFOLIO BREAKDOWN



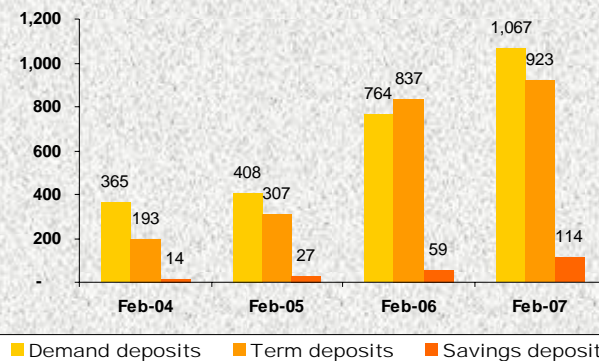
Asset Quality



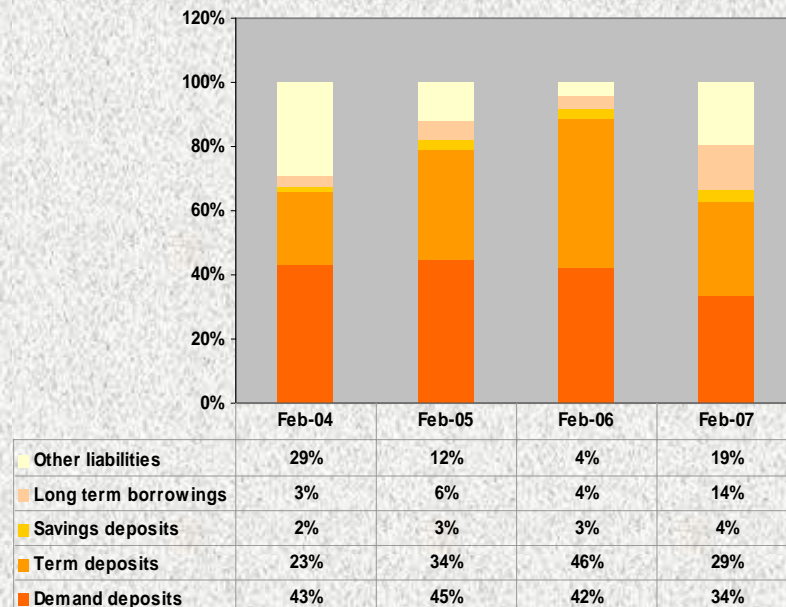
# Funding

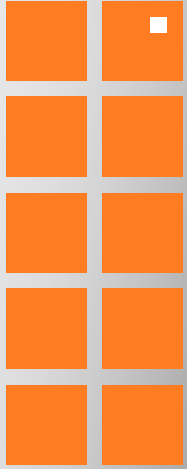
- **Strong funding profile (large and stable deposit base)**
- **Growth along all deposit lines**
  - ❖ Demand (193%), Term (377%) and Savings (724%) growth between Feb 2004/2007
  - ❖ High growth rate in retail and corporate deposits
- **Strong patronage from blue chips**
  - ❖ Est. 10% market share of corporate banking sector
- **Strong relationship with Multilateral agencies**
  - ❖ IFC, EIB, FMO, ADB
- **Growth brought about by**
  - ❖ Growth in Institutional Banking business / “flight to quality”
  - ❖ Leverage on extensive branch network / branch expansion
  - ❖ Marketing / development of alternative delivery channels

Breakdown of Deposits (\$'m)



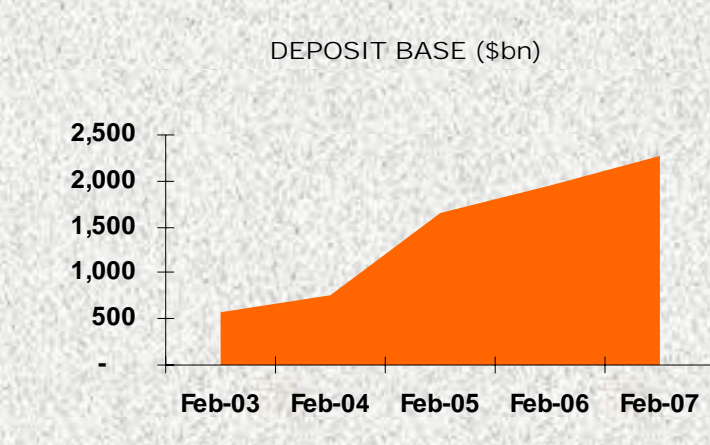
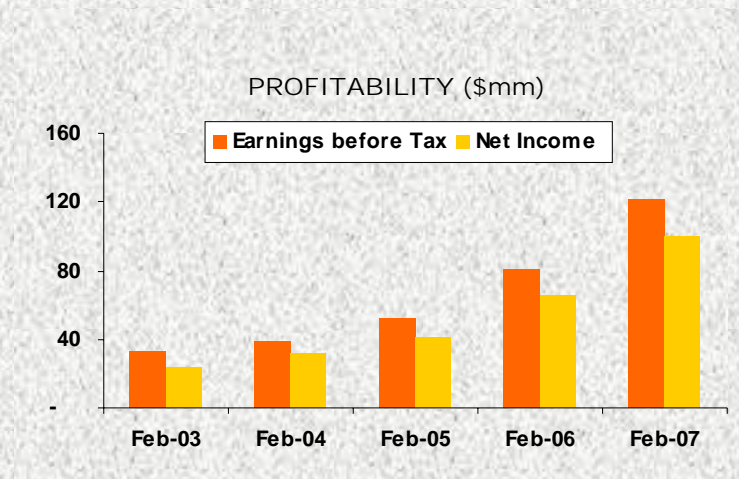
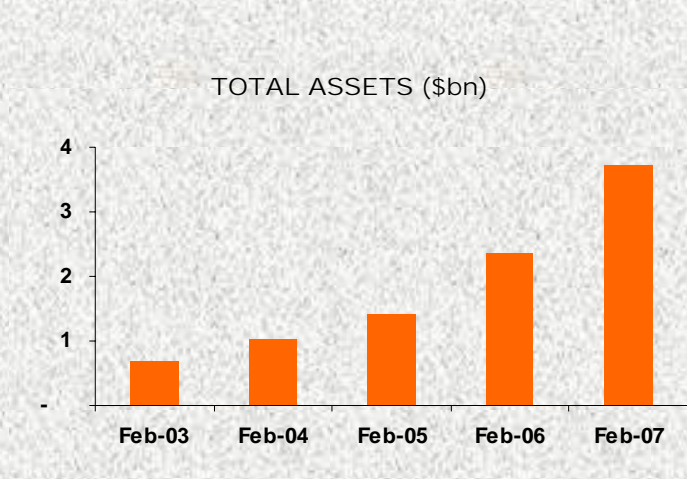
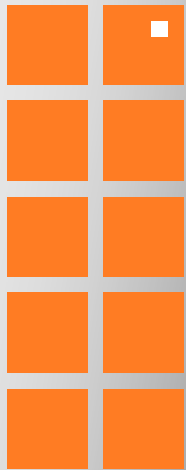
Breakdown by Funding Sources





# Financial Performance

# Financial Indicators



**Note: All FYE figures for 2003, 2004, 2005, 2006 and 2007 included throughout the presentation are for the Group;**

**Except where indicated, all figures in US\$ converted at N130: US\$1**

# Risk Management

- Effectively working committee system: Management Credit Committee, Criticized Assets Committee (CAC), ALMAC, etc
- Conservative lending policy. Non-performing loans/loans one of the lowest in the banking sector

<p><b>Monitoring</b></p>	<ul style="list-style-type: none"> <li>• Defined Divisional &amp; Group Heads</li> <li>• Industry Specialists</li> </ul>	<ul style="list-style-type: none"> <li>• Approval Limits</li> <li>• Due Diligence Checklist</li> <li>• Customer ratings</li> <li>• Moody's</li> </ul>	<ul style="list-style-type: none"> <li>• Regional &amp; Sector focused RM's</li> <li>• SYSCON (Internal Audit &amp; compliance)</li> <li>• BASIS</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management</li> <li>• CAC</li> <li>• Auditors</li> <li>• BCC, BCEC, CBN &amp; NDIC examiners</li> </ul>
<p><b>Credit Process</b></p>	<p><b>Marketing</b></p>	<p><b>Analysis &amp; Structuring</b></p>	<p><b>Relationship Management</b></p>	<p><b>Credit Administration</b></p>
<p><b>Documentation</b></p>	<ul style="list-style-type: none"> <li>• Call Memo's</li> <li>• Proposals</li> <li>• Client Presentation</li> </ul>	<ul style="list-style-type: none"> <li>• Optix</li> <li>• Offer letter</li> <li>• Loan Agreements</li> <li>• Prudential Guidelines</li> <li>• CBN Circulars</li> </ul>	<ul style="list-style-type: none"> <li>• Credit files</li> <li>• CP List</li> <li>• Call memo's</li> </ul>	<ul style="list-style-type: none"> <li>• Reports</li> <li>• Central liability</li> <li>• Facility review</li> <li>• Risk rating</li> <li>• Documentation status</li> <li>• Deferral schedules</li> <li>• Criticized loans</li> </ul>

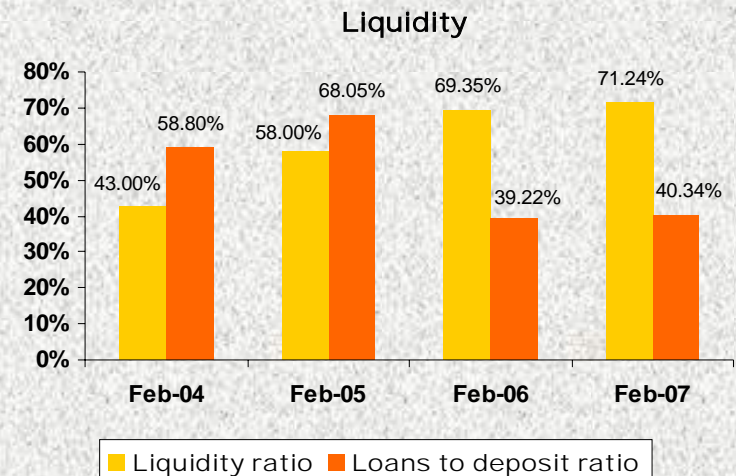
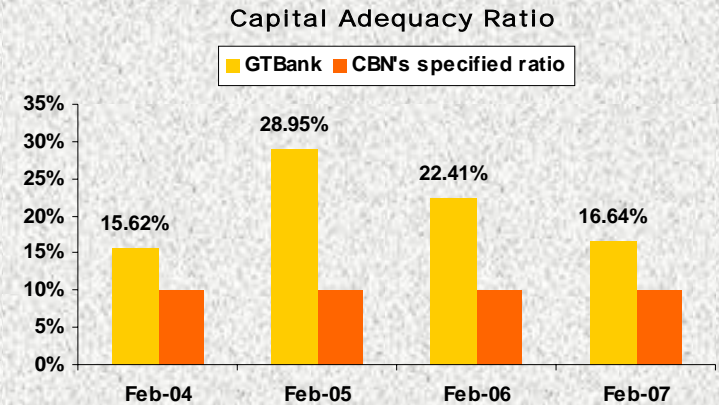
# Capital Adequacy and Liquidity

- **Strong capitalisation of N47.3bn (\$368m), with capital adequacy of 16.64% as of Feb. 2007**

- ❖ All Tier I capital
- ❖ Well above regulatory requirement

- **Strong liquidity position**

- ❖ 71.24% as of Feb. 2007; 31.24% above CBN's specified ratio
- ❖ Loan to deposit ratio of 40.34% as of Feb. 2007



\*Liquidity ratio refers to the ratio of liquid assets to total deposits liabilities

# Earnings

- **Strong and consistent earnings growth**

- ❖ growth in interest income by 229.55% between Feb. 2004/2007
- ❖ growth in non-interest income by 111.31% between Feb 2004/2007

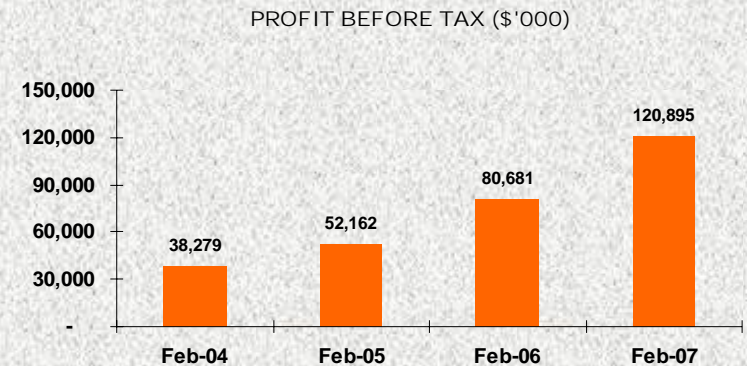
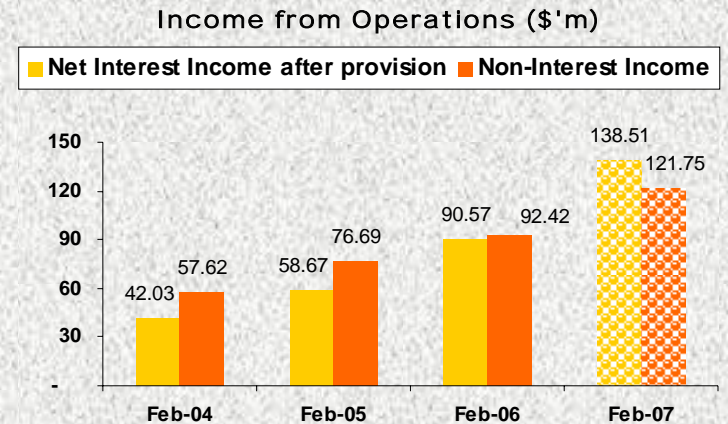
- **Income further strengthened by earnings from**

- ❖ T-bills, government bonds, loans and advances, fees and commission;

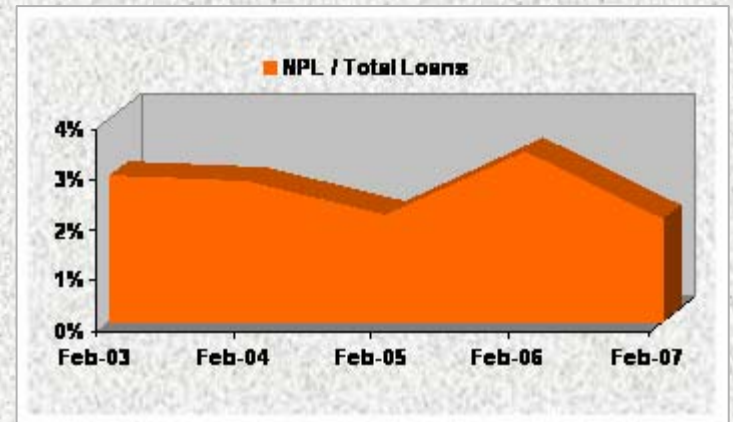
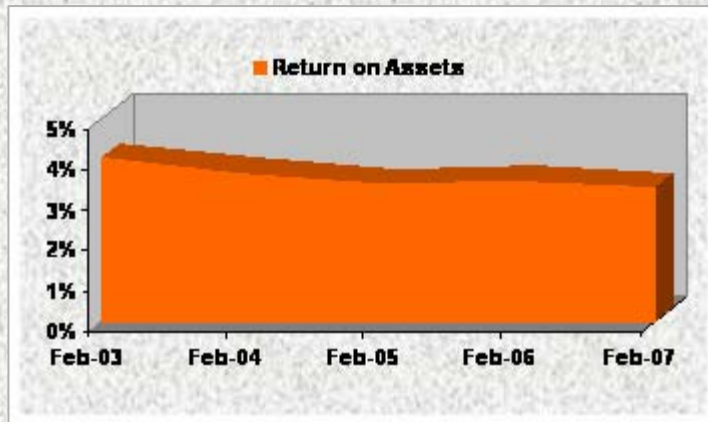
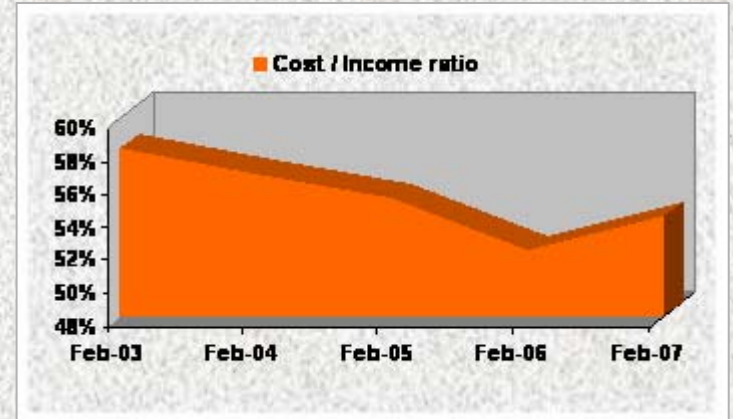
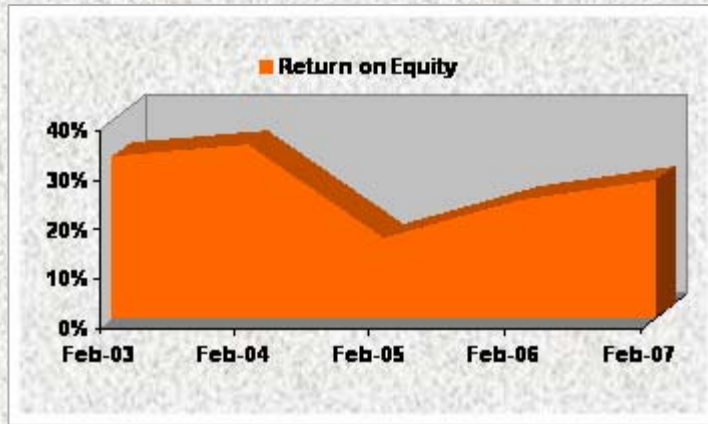
- **Underlines strong market share of institutional banking sector**

- ❖ particularly in Oil & Gas, Manufacturing, Construction and General Commerce which are major growth areas

- **Efficient cost management structure**



# Profitability



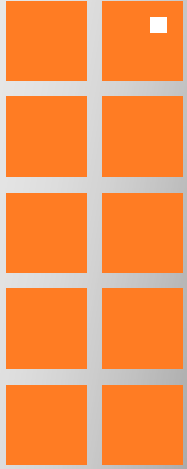


# Main Financial Indicators

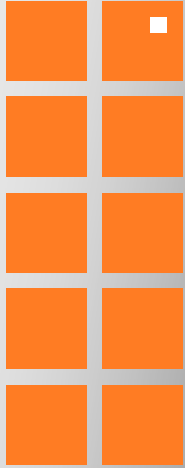
	<b>Feb. 2004</b> \$mm	<b>Feb.2005</b> \$mm	<b>Feb. 2006</b> \$mm	<b>Feb. 2007</b> \$mm
<b>Total Assets</b>	1,029.5	1,424.2	2,372.4	3,742.2
<b>Shareholders Funds</b>	90.42	258.8	279.6	364.03
<b>Earnings before Tax and Minority Interest</b>	38.28	52.16	80.68	120.89
<b>Net Income</b>	31.37	41.24	65.74	99.95
<b>Deposits from Customers</b>	579.14	749.58	1,659.8	2,265.74
<b>Loans to Customers</b>	338.7	503.96	647.7	890.35

# Financial Ratios

	Feb. 2004	Feb.2005	Feb. 2006	Feb. 2007
<b>PERFORMANCE RATIOS</b>				
Return on Assets (ROA)	3.68%	3.41%	3.48%	3.32%
Return on Equity (ROE)	35.10%	16.15%	23.63%	27.88%
Net Interest Margin	6.71%	6.44%	6.16%	5.40%
Cost/Income Ratio	56.54%	55.16%	52.01%	54.01%
<b>BALANCE SHEET RATIOS</b>				
Loans to Customers/ Deposits Ratio	60.56%	69.54%	40.68%	40.34%
Capital Adequacy Ratio	15.62%	28.95%	22.41%	16.64%
<b>ASSET QUALITY RATIOS</b>				
NPL/Total Loans	2.77%	2.11%	3.37%	2.00%
Provisions for Loan Losses/NPL	123.64%	157.25%	120.59%	127.60%



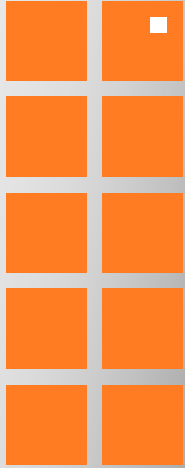
# Medium Term Strategy



# Medium Term Strategy

## Continuing on the path of sustainable growth....

<b>Our Strategic Goals</b>	<ul style="list-style-type: none"><li>■ To become a dominant player in the Nigerian financial services industry:</li><li>■ Specifically top three in the country in terms of Assets and ROE, by year 2012</li><li>■ Continue to be recognised as the preferred bank for discerning customers</li><li>■ Best people, Best service &amp; Socially responsible</li></ul>
<b>How?</b>	<ul style="list-style-type: none"><li>■ Increase market share in growth sectors:<ul style="list-style-type: none"><li>- Oil and Gas, Hospitality, Telecommunications &amp; Power</li></ul></li><li>■ Continuous branch expansion in viable and strategic locations</li><li>■ Develop liability-end of retail banking business, through aggressive marketing and product innovation</li><li>■ Leverage on Information technology to deliver “anywhere, anytime, multiple channel banking” (24/7)</li><li>■ Build first class Investment Bank through strategic partnerships and alliances</li><li>■ Dominance in life and composite insurance through <b><u>Bancassurance</u></b> model</li><li>■ Deploy requisite information technology to manage costs effectively</li><li>■ Measured Regional expansion</li></ul>

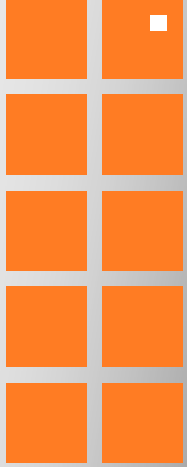


# Medium Term Strategy

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## Bright future for the Nigerian banking industry...

- The Nigerian economy presents varied opportunities for the continued growth of the Guaranty Trust Brand;
- We believe our focused approach to taking advantage of these opportunities will see us emerging as the dominant player to be reckoned with;
- We remain resolute in being the preferred financial service provider whilst adding value to all stakeholders



**Thank You!**