2020 Full Year Investors/Analysts Presentation

Guaranty Trust Bank plc | March 2021

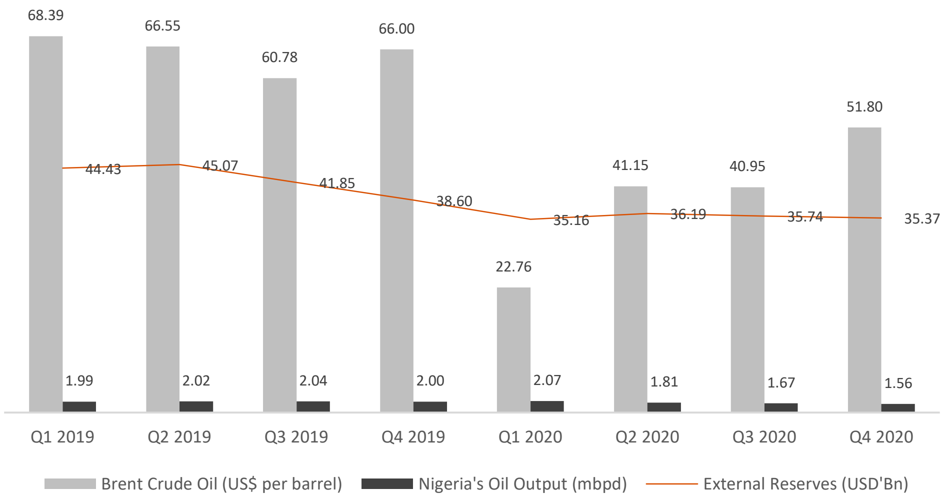
Outline

- Macro-economic Review for FY 2020
- Overview of FY 2020
- FY 2020 Performance Review
- Business Segments and Subsidiary Review
- Guidance and Plans for FY 2021

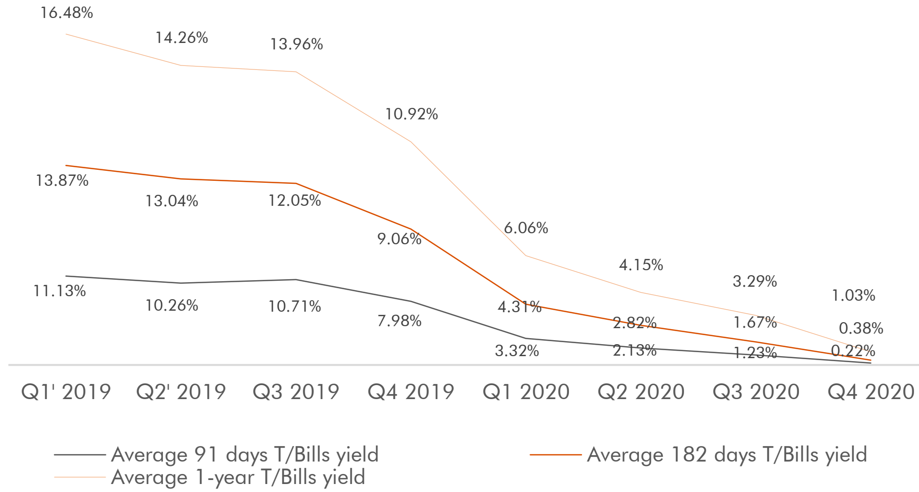
Macro-economic Review for FY 2020

Macro-economic Review (FY 2020)

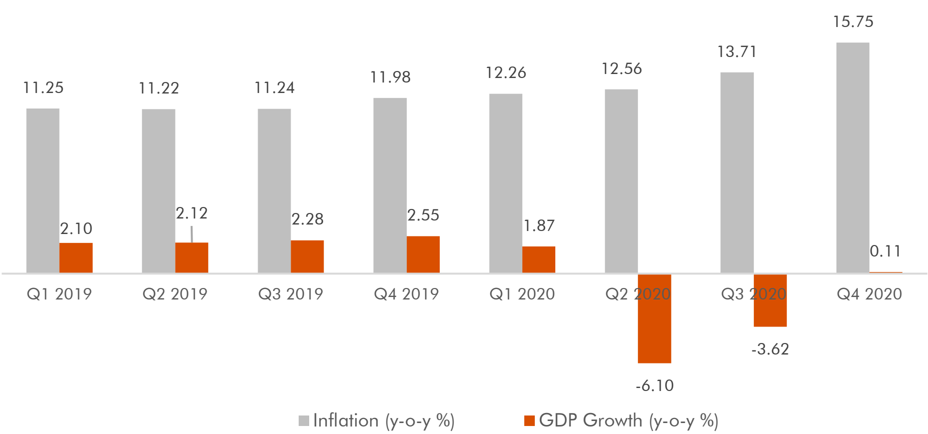
In view of the OPEC+ output cut deal and eased movement restriction from the covid-19 pandemic, oil prices rallied to US$60 pb levels from a low of US19.33 pb in April 2020. External reserves dropped marginally by 1.4% year-to-date from US$35.65 bn as of January 4, 2021 to US$35.14 bn as of February 25, 2021.



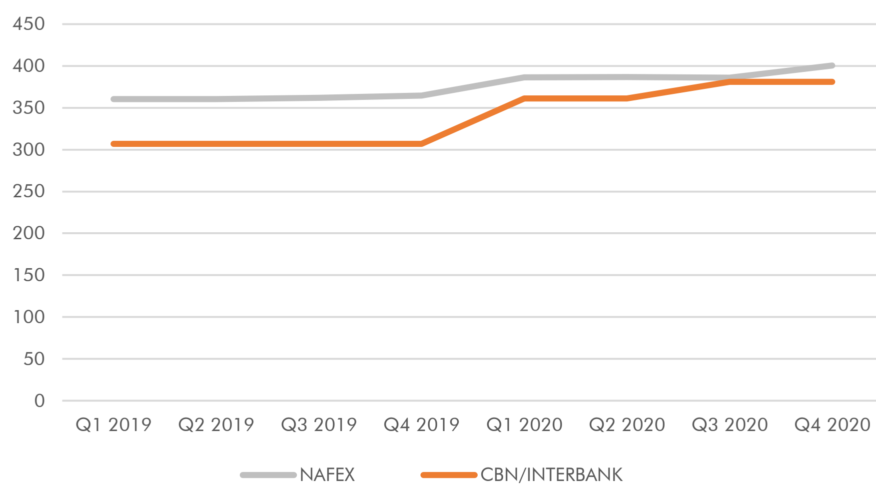
Yields across all tenures maintained a downward trend in the year following the restriction of OMO securities investment to banks and foreign investors as well as the CBN's decision to re-issue only a portion of the maturing OMO investment. This resulted in excess funds chasing limited investment outlets, thus resulting in declining yields on fixed income securities.



Headline inflation maintained an upward trend in 2020 and closed at 15.75% in December 2020 on the back of surging food prices and higher energy and utility costs. The economy made a surprise exit from recession in Q4 2020 expanding by 0.11% driven by gradual re-opening of the economy from the pandemic induced restrictions and uptick in the non-oil sector.



The CBN adjusted the currency two (2) times resulting in a 24% depreciation of the naira in 2020 largely driven by depressed capital inflows and reducing reserves. The recent rally in oil prices should increase FX supply and stabilize the value of the naira.

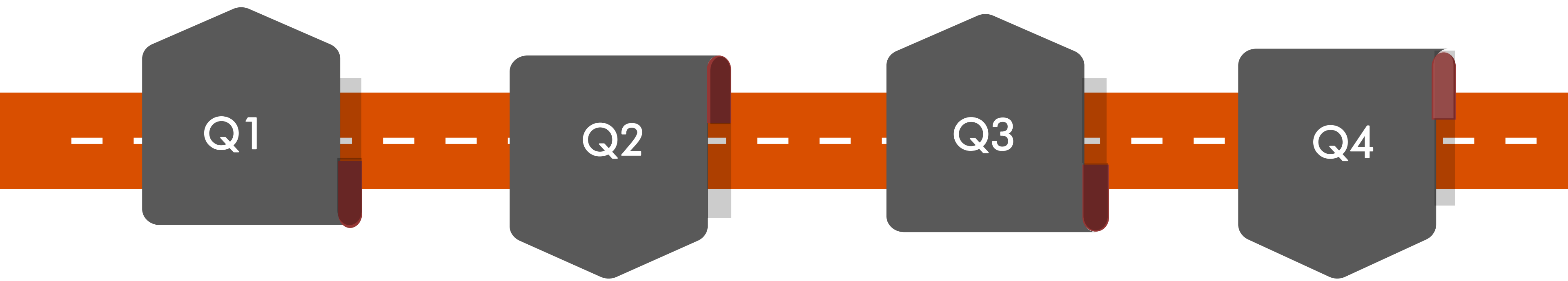


Overview of FY 2020

Overview of FY 2020

- CBN retains 65% Loan to Deposit Ratio (LDR) for Deposit Money Banks (DMB) and merchant banks, sustains penalty for defaulting banks.
- MPC leaves the Monetary Policy Rate (MPR) and other macro-economic indicators unchanged.
- CBN suspends sale of FX to Bureau de Change (BDCs) Operators until further notice.
- CBN approves regulatory forbearance for the restructuring of loans of DMBs.
- President Buhari locks down Lagos, Ogun, Abuja as COVID-19 cases rise to 111.

- President Buhari signs revised 2020 Appropriation Bill into law.
- CBN announces ₦50 billion special mechanism funds to revive ailing textiles industry.
- CBN imposes heavy sanctions on exporters who fail to repatriate foreign exchange proceeds from their international businesses.
- CBN releases a circular to Banks to reduce interest rates on savings account to a minimum of 10% of MPR effective September 1, 2020.
- CBN's MPC drops the monetary policy rate (MPR) from 12.5% to 11.5% and retains other macro-economic indicators.

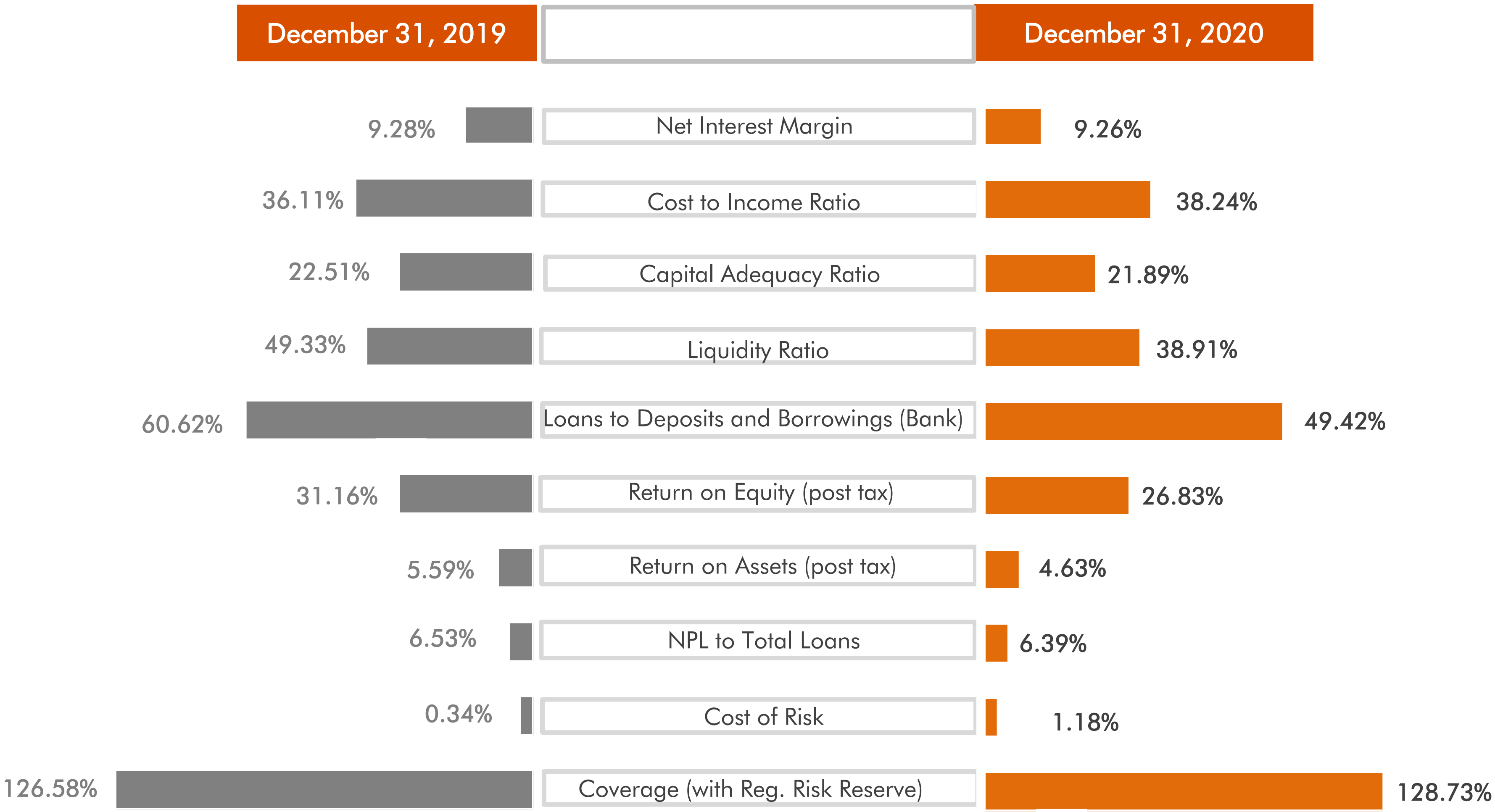


- President Buhari approves the suspension of interest payment on state government debts.
- MPC reduces MPR by 100 bps to 12.5% from 13.5%.
- CBN suspends intervention-loan repayment for one year and reduces pricing from 9% to 5%.
- CBN resumes FX supply for Invisibles & SMEs following gradual lockdown easing.
- CBN announces plans to create non-interest window for Intervention Funds

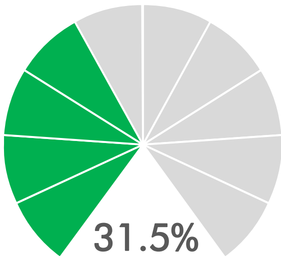
- FG inaugurates ₦75 billion MSME Survival Fund for 333,000 artisans and transporters.
- BOFIA 2020 authorizes the CBN and the Nigeria Deposit Insurance Corporation (NDIC) to establish fund to guarantee depositors' fund safety.
- FGN ratifies Nigeria's African Continental Free Trade Area (AfCFTA) membership and submits ratification instrument to the African Union (AU).
- National Pension Commission (PenCom) launches the transfer of Retirement Savings Account (RSA) between PFAs.
- President Buhari orders immediate re-opening of four (4) land borders (Seme, Maigatari, Ilela, Mfun).
- CBN sets ₦2 billion as minimum capital base for Payment service Banks (PSB) and other such financial institutions.

FY 2020 Financial Performance Review

Key Performance Ratios



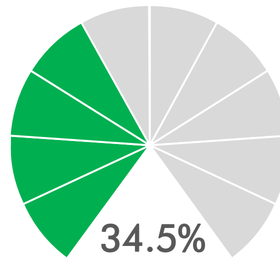
Balance Sheet Snapshot - Group



₦4,944.7 Bn
FY 2020

₦3,758.9 Bn
FY 2019

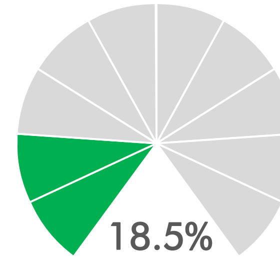
Total Assets



₦4,130.3 Bn
FY 2020

₦3,071.6 Bn
FY 2019

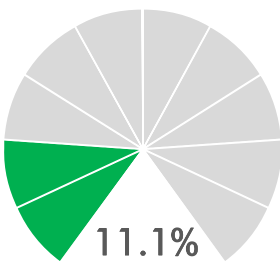
Total Liabilities



₦814.4 Bn
FY 2020

₦687.3 Bn
FY 2019

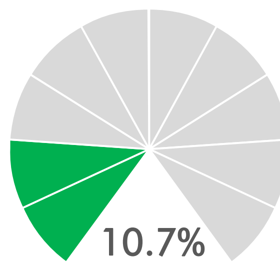
Total Equity



₦1,743.9 Bn
FY 2020

₦1,569.3 Bn
FY 2019

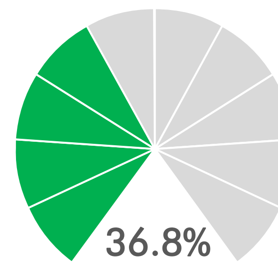
Gross Loans and Advances



₦1,662.8Bn
FY 2020

₦1,502.1 Bn
FY 2019

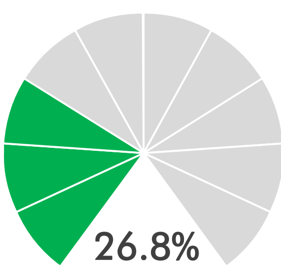
Net Loans and Advances



₦3,610.8 Bn
FY 2020

₦2,640.1 Bn
FY 2019

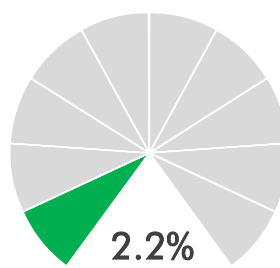
Total Deposits



₦1,042.4 Bn
FY 2020

₦822.1 Bn
FY 2019

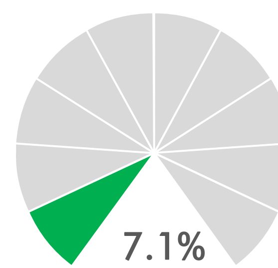
Investment Securities



711 Kobo
FY 2020

696 Kobo
FY 2019

Earnings Per Share (EPS)



300 Kobo
FY 2020

280 Kobo
FY 2019

Total Dividend

Balance Sheet (Group)

In thousands of Nigerian Naira	Group Dec-20	Group Dec-2019	% y-o-y change
Assets			
Cash and bank balances	745,557,370	593,551,117	26%
Financial assets held at fair value through profit or loss	67,535,363	73,486,101	(8%)
Derivative financial assets	26,448,550	26,011,823	2%
Investment securities:	1,042,428,640	822,074,702	27%
– Fair Value through profit or loss	3,273,771	33,084,367	(90%)
– Fair Value through other comprehensive income	693,371,711	585,392,248	18%
– Held at amortised cost	283,582,832	145,561,232	95%
Assets pledged as collateral	62,200,326	58,036,855	7%
Loans and advances to banks	99,043	1,513,310	(93%)
Loans and advances to customers	1,662,731,699	1,500,572,046	11%
Restricted deposits & other assets	1,226,481,116	577,433,006	112%
Property and equipment	148,782,835	141,774,863	5%
Intangible assets	19,872,523	20,245,232	(2%)
Deferred tax assets	4,716,154	2,256,570	109%
Total Assets	4,944,653,293	3,758,918,770	32%

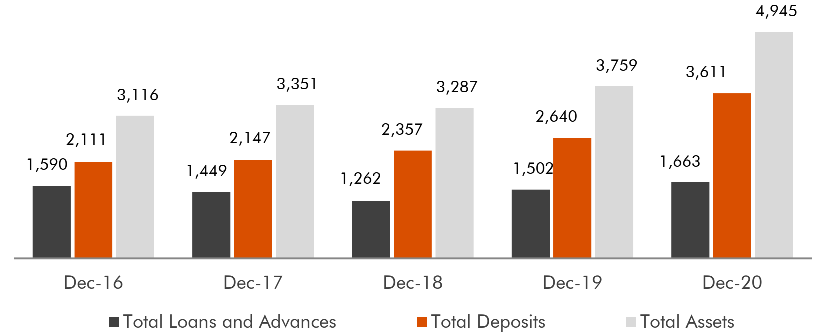
In thousands of Nigerian Naira	Group Dec-20	Group Dec-2019	% y-o-y change
Liabilities			
Deposits from banks	101,509,550	107,518,398	(6%)
Deposits from customers	3,509,319,237	2,532,540,384	39%
Financial liabilities at fair value through profit or loss	0	1,615,735	(100%)
Derivative financial liabilities	2,758,698	2,315,541	19%
Other liabilities	356,222,575	233,425,713	53%
Current income tax liabilities	21,592,016	20,597,088	5%
Other borrowed funds	113,894,768	162,999,909	(30%)
Deferred tax liabilities	24,960,772	10,568,534	136%
Total liabilities	4,130,257,616	3,071,581,302	34%
Equity			
Share capital	14,715,590	14,715,590	0%
Share premium	123,471,114	123,471,114	0%
Treasury shares	(6,928,103)	(6,531,749)	6%
Retained earnings	193,921,810	119,247,653	63%
Other components of equity	473,434,457	422,704,836	12%
Total equity attributable to owners of the Parent	798,614,868	673,607,444	19%
Non-controlling interests in equity	15,780,809	13,730,024	15%
Total equity	814,395,677	687,337,468	18%
Total equity and liabilities	4,944,653,293	3,758,918,770	32%

Balance Sheet Composition

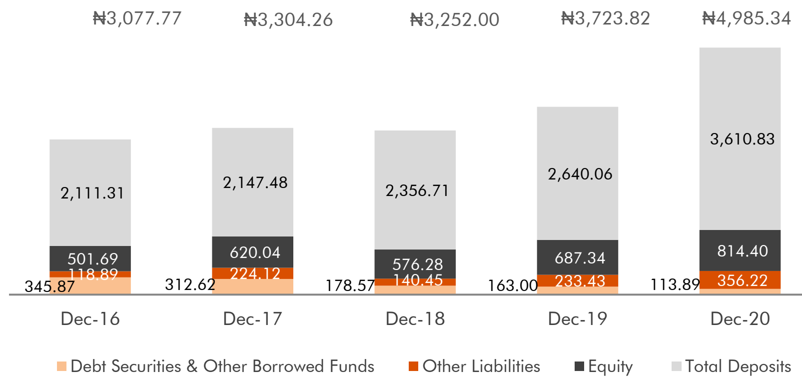
Balance Sheet Management

- The Group's Total Assets closed at ₦4.945tn as at FY 2020, a 32% growth from ₦3.759tn in FY 2019 and continues to maintain a well-structured and diversified Balance Sheet with Earning Assets constituting 59.5% of Total Assets. Loans and Advances, Fixed Income Securities and Money Market Placements accounted for 34%, 22% and 3% of Total Assets respectively.
- The strong growth in Earning Assets to ₦2.938tn in FY 2020 from ₦2.553tn in FY 2019 resulted from the Bank's well diversified funding base comprising Customer Deposits, Customers' Escrow Balances and Equity which enabled the achievement of the 15.1% growth in Earning Assets.
- The improved funding led to the growth recorded across key Earning Asset components; 23.9% (₦214.4bn) and 10.8% (₦162.2bn) growth in Fixed Income Securities (FIS) and Loans and Advances respectively. Growth noted on Non-earning Assets was principally driven by CBN's CRR net debits in the sum of ₦565.1bn closing ₦1.009trn in FY 2020.
- Customer Deposit liabilities grew by 38.6% (₦976.8bn) from ₦2.533tn in FY 2019 to ₦3.509tn in FY 2020. Low cost funds increased by 45.1% (₦970.7bn) from ₦2.152tn in FY 2019 to ₦3.123tn in FY 2020 leading to 400bps improvement in low cost deposit mix to 89% from 85% in FY 2019.
- The growth of 10.8% in the net loan book from ₦1.501tn in FY 2019 to ₦1.663tn in FY 2020 was primarily from the growth recorded on the naira loan book with a gross increase of ₦110.5bn compared with ₦51.6bn recorded on the FCY Loan Book. The increase in the LCY loan book was principally driven by increased credit flows to the Corporate (Manufacturing, Telecoms & Oil & Gas) and Retail segments.
- CRR increase of 127.4% (₦565.1bn), funded through improved Naira liquidity largely from OMO maturities impaired the Group's ability to take maximum advantage of opportunities to optimize its earnings potential. The Bank was however able to cushion the impact of CRR on earnings through optimization of its US$ liquidity and Revaluation Gains. The Bank benefitted from the US$1.15bn long position owing to devaluation of Naira against US$.
- In spite of all the challenges posed by the COVID 19 pandemic in terms of disruption to businesses and households as well as the impact of regulatory response by way of moratorium/interest rate reductions, the Bank was able to navigate efficiently, deploying appropriate strategies to deliver Post-tax Return on Average Assets of 4.98% and Post-tax Return on Average Equity of 27.24%. The Group delivered a Post-tax ROE of 26.83%, Post-tax ROA of 4.63% and NIM of 9.26%.

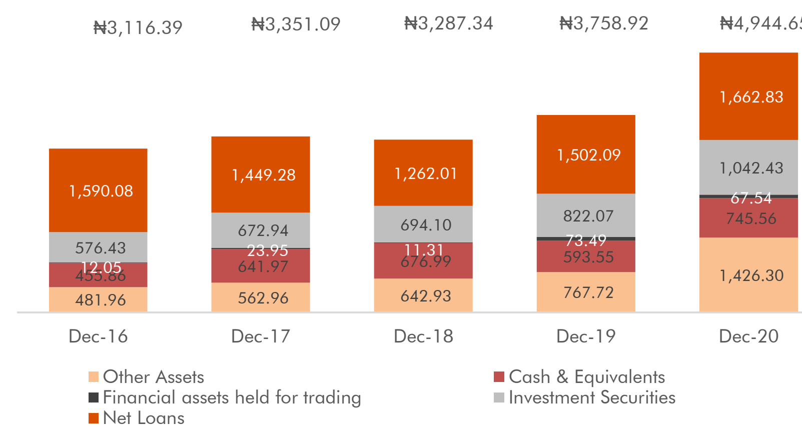
Loans, Deposits & Total Assets (₦'Bn)



Funding Mix (₦'Bn)

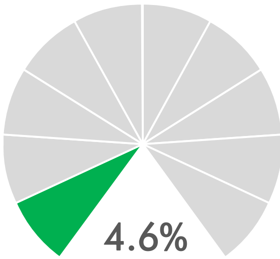


Components of Asset Base (₦'Bn)



* *Other Assets* include Investment properties, Property & Equipment, Intangible Assets, Deferred tax Assets and Restricted Deposits

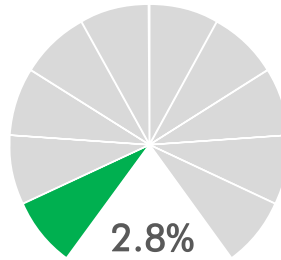
Income Statement Snapshot - Group



₦455.2 Bn
FY 2020

₦435.3 Bn
FY 2019

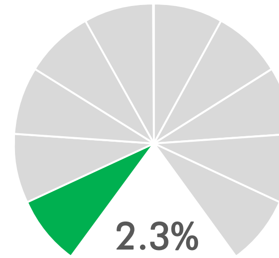
Gross Earnings



₦238.1 Bn
FY 2020

₦231.7 Bn
FY 2019

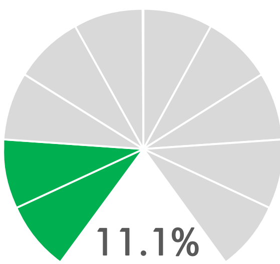
Profit Before Tax



₦201.4 Bn
FY 2020

₦196.9 Bn
FY 2019

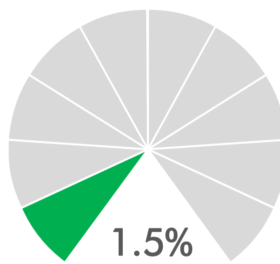
Profit After Tax



₦154.5 Bn
FY 2020

₦139.1 Bn
FY 2019

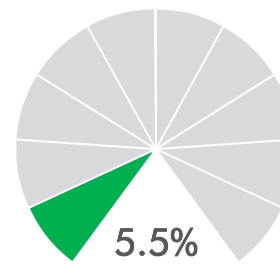
Non-Interest Income



₦300.7 Bn
FY 2020

₦296.2 Bn
FY 2019

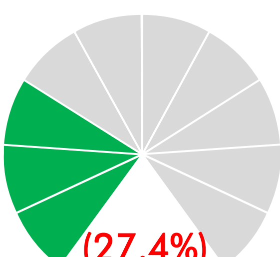
Interest Income



₦382.3 Bn
FY 2020

₦362.6 Bn
FY 2019

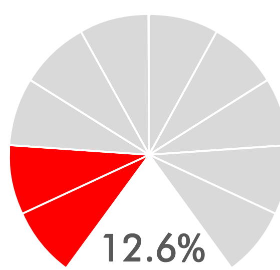
Operating Income



₦47.1 Bn
FY 2020

₦64.8 Bn
FY 2019

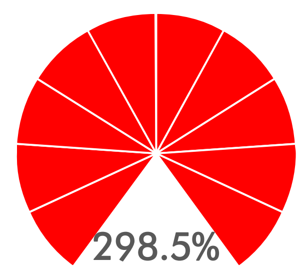
Interest Expense



₦147.4 Bn
FY 2020

₦131.0 Bn
FY 2019

Operating Expense



₦19.6 Bn
FY 2020

₦4.9 Bn
FY 2019

Loan Impairment

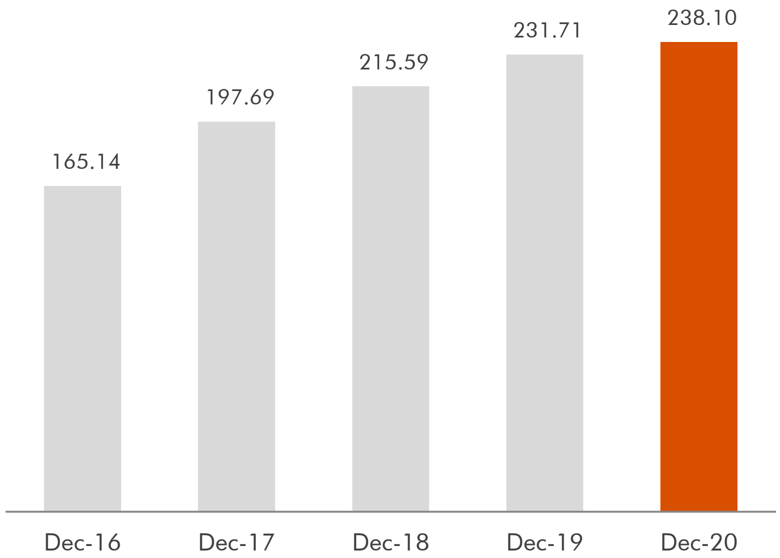
Income Statement - Group

	Group	Group	
In thousands of Nigerian Naira	Dec-20	Dec-19	% Change
Interest income calculated using effective interest rate	288,278,670	291,658,237	(1%)
Interest income on financial assets at fair value through Profit or loss	12,458,918	4,546,462	174%
Interest expense	(47,069,441)	(64,841,597)	(27%)
Net interest income	**253,668,147**	**231,363,102**	10%
Loan impairment charges	(19,572,893)	(4,911,666)	298%
Net interest income after loan impairment charges	**234,095,254**	**226,451,436**	3%
Fee and commission income	53,179,802	62,418,779	(15%)
Fee and commission expense	(6,244,554)	(2,975,272)	110%
Net fee and commission income	**46,935,248**	**59,443,507**	(21%)
Net gains on financial instruments classified as held for trading	24,486,177	20,889,849	17%
Other income	76,826,192	55,793,214	38%
Net impairment reversal/(loss) on financial assets	3,190,517	100,473	3075%
Personnel expenses	(37,606,138)	(37,284,204)	(1%)
Right-of-use asset amortisation	(2,108,645)	(2,114,007)	(0.3%)
Depreciation and amortization	(29,046,513)	(22,692,637)	28%
Other operating expenses	(78,677,022)	(68,879,797)	14%
Profit before income tax	**238,095,070**	**231,707,834**	3%
Income tax expense	(36,655,130)	(34,842,168)	5%
Profit for the year from continuing operations	**201,439,940**	**196,865,666**	2%
Loss for the year from discontinued Operations	-	(16,385)	0%
Profit for the year	**201,439,940**	**196,849,281**	2%

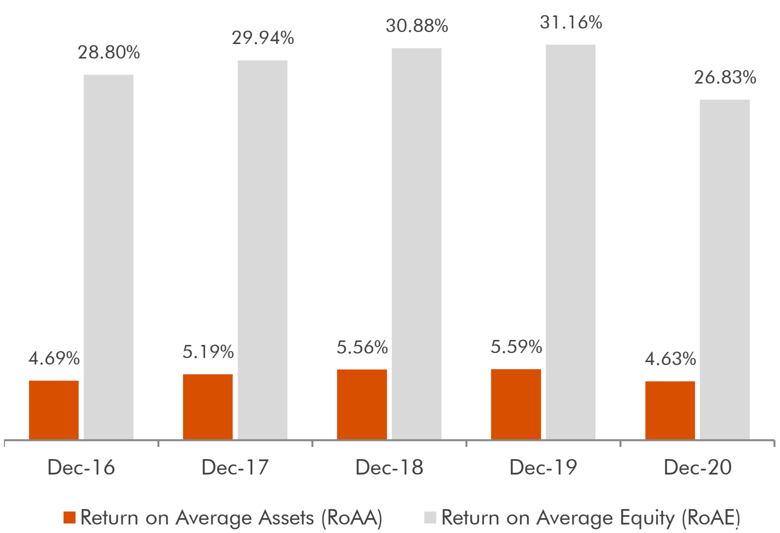
PBT Trend

- Interest Income recorded marginal growth of ₦4.5bn (1.5%) from ₦296.2bn in FY 2019 to ₦300.7bn in FY 2020. Interest Income grew amidst low interest rate environment that characterised most part of FY 2020 resulting in Asset yield compression of FIS and downward repricing of loan facilities.
- The impact of the declining yields was doused by the investment strategy employed in 2019 which include taking position in long tenured Treasury Bills.
- Also, the 11.1% growth in Gross Loans was adequate to completely offset the impact of 1.9% compression in Risk Asset yield (12.9% in FY 2019 to 11.0% in FY 2020) caused by a downward repricing of investment grade loans and measures adopted by the Apex bank in response to Covid 19 impact such as the reduction of interest rate on intervention loans from 9% to 5%).
- Fee and Commission Income dipped by 15% (₦9.2bn) from ₦62.4bn in FY 2019 vs ₦53.2bn in FY 2020 due to Covid-19 which caused disruption to businesses with attendant negative impact on fee-based transaction volumes. Also, the impact of CBN's revised guide to Bank charges which became effective Jan 1, 2020 restricted management fees to new loans and a maximum of 1% one-off charge and tiering of NIP transactions into bands.
- 15% growth in turnover volumes to ₦17.9trn led to 8% growth in AMC in FY 2020 helping to mitigate earnings from Fees and Commissions in FY 2020 and offset the drop in average Account Maintenance Charges (AMC) rate (₦0.57/Mille in 2020 vs ₦0.59/Mille in 2019).
- Interest Expense on Customers' deposits improved by 23.5% (₦12.5bn) from ₦53.1bn in FY 2019 to ₦40.6bn in FY 2020 largely due to drop in Cost of Funds to 1.2% from 2.3% on the back of reduction in interest paid on tenured deposits.
- The drop in cost of tenured deposits (7.8% in 2019 vs 3.0% in 2020) resulted in a drop in average volumes. The reduction in Interest Expense was helped by the revision on savings rate from 30% to 10% of MPR, moderating its growth to ₦1.7bn in spite of the significant growth in volume of ₦422.1bn (₦580.9bn in FY 19 vs. ₦1.003trn in FY 20).
- Loan Impairment charge increased by 298% from ₦4.9bn in FY 2019 to ₦19.6bn in FY 2020 due to management decision to increase the level of impairment on a single obligor owing to uncertainty regarding future outlook of the company.
- The Group's total operating expense grew by 12.6% (₦16.5bn) from ₦131.0bn in FY 2019 to ₦147.4bn in FY 2020 induced by regulatory charges (AMCON levy) and incremental depreciation charge arising from capital spend in 2019.
- Subsidiaries' contribution to the Group's PBT improved from 14.9% in FY 2019 to 15.3% in FY 2020.
- Overall, the Group closed FY 2020 financial year delivering a PBT of ₦238.1 bn better than its PBT target of ₦235 bn for the period under review.

PBT (₦'Bn)



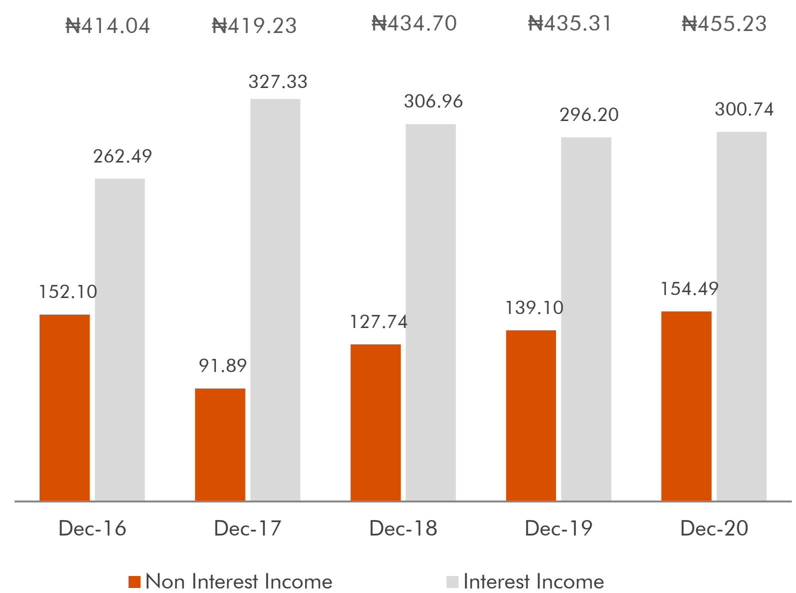
Return on Average Assets and Equity



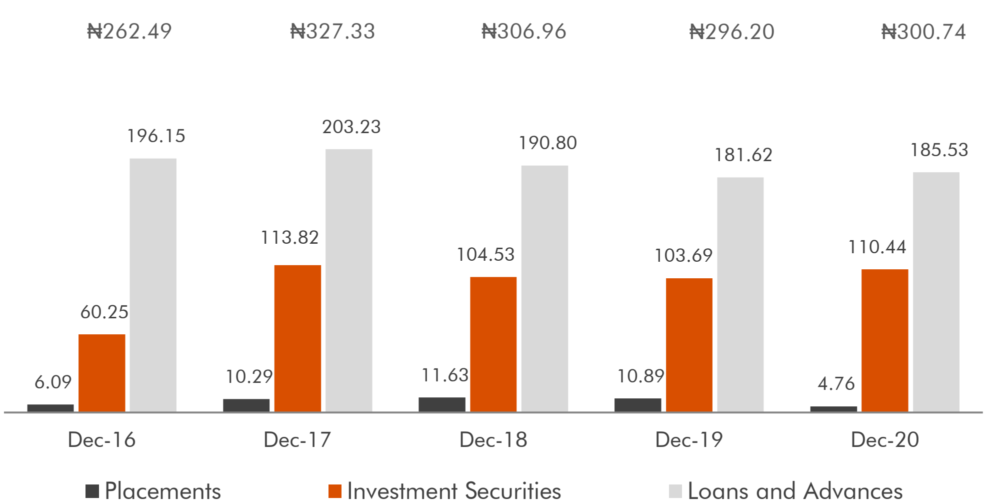
Revenue Generation

- Gross earnings grew by 4.6% from ₦435.3bn in FY 2019 to ₦455.2bn in FY 2020, growth driven largely by 11.1% increase in earnings from Non-Funded Income (₦139.1bn in 2019 vs ₦154.5bn in 2020) and marginal growth of 1.5% (₦296.2bn in 2019 vs ₦300.7bn in 2020) posted on Funded Income.
- Funded Income as a percentage of Gross earnings declined slightly to 66% in FY 2020 relative to 68% recorded in FY 2019 due to the lower yield on Earning Assets and reduction in Interest Income earned from Subsidiaries in 2020.
- Despite declining yields, pressure on pricing and preference of Large Corporates to raise funds through issuance of commercial papers, the Group managed to sustain its earnings from Interest income.
- The combination of efficient dealing room activities and the optimal management of the Group's long position resulted in a 17.2% and 231.9% growth in Net Trading Gains on Financial Instruments classified as held for Trading and Other Income respectively.
- The Group continued to benefit from the impact of Devaluation/Exchange Rate movement on its long US$1.15bn position (Ex-US$613mm SWAP positions).
- The benefit from the long FX position assisted in mitigating the impact of capped Credit Related Fees and reduced e-business charges brought about by revision to Bank Charges which caused ₦9.2bn decline in Fees and Commission Income from ₦62.4bn in FY 2019 to ₦53.2bn in FY 2020.

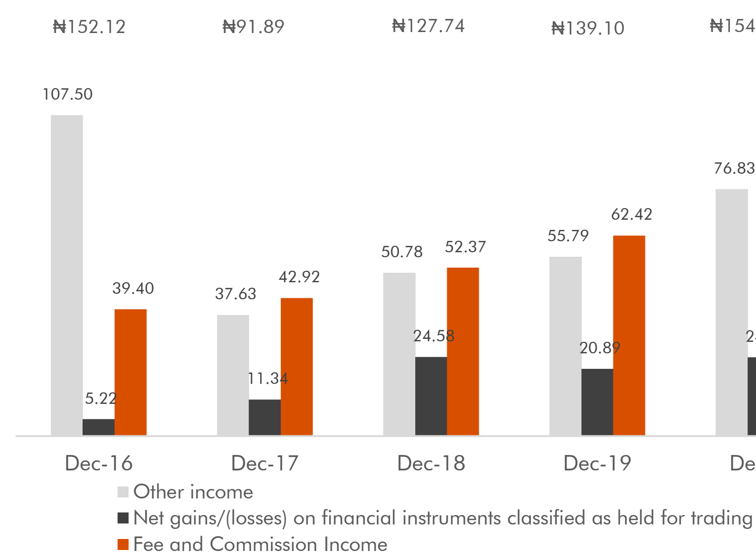
Revenue Mix (₦'Bn)



Interest Income (₦'Bn)



Non-Interest Income (₦'Bn)

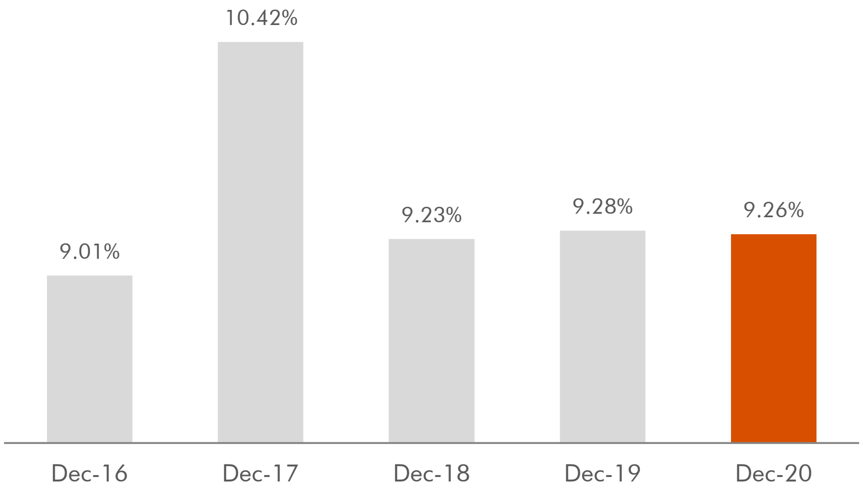


Margin Metrics

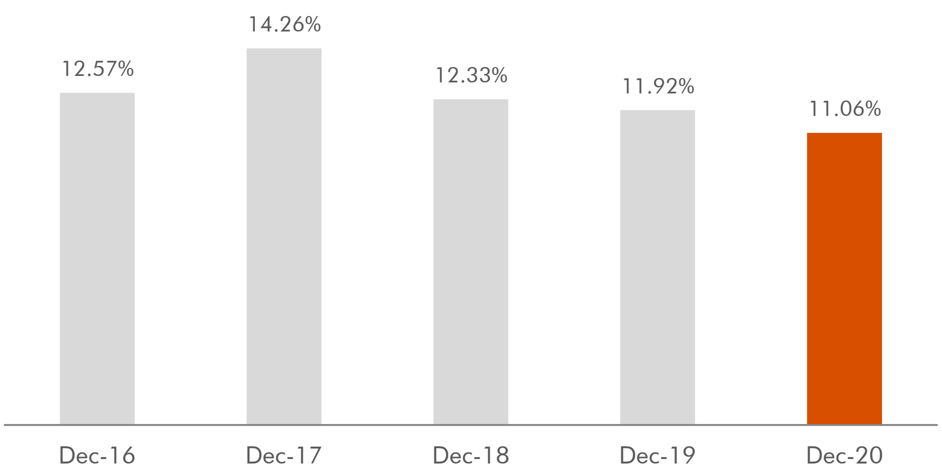
Sustained Competitive Margins

- NIM remained strong at 9.26% in FY 2020 as against 9.28% of FY 2019, gaining significantly from 111 bps drop in Cost of Funds (CoF) which adequately offset the 86 bps decrease in Asset yields.
- Sound Treasury Management weighed positively and limited the compression in Asset yield to 86 bps from 11.92% in FY 2019 to 11.06% in FY 2020.
- Sustained competitive cost advantage, well diversified funding base and optimal low-cost deposit mix led to 111 bps improvement in (CoF) from 2.30% in FY 2019 to 1.19% in FY 2020 and this sustained the Group's strong NIM position.

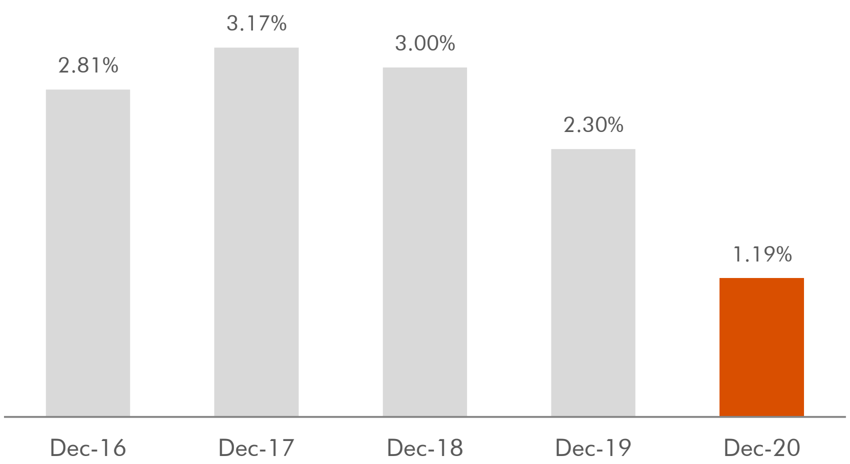
Net Interest Margin



Yields on Interest Earning Assets



Cost of Funds

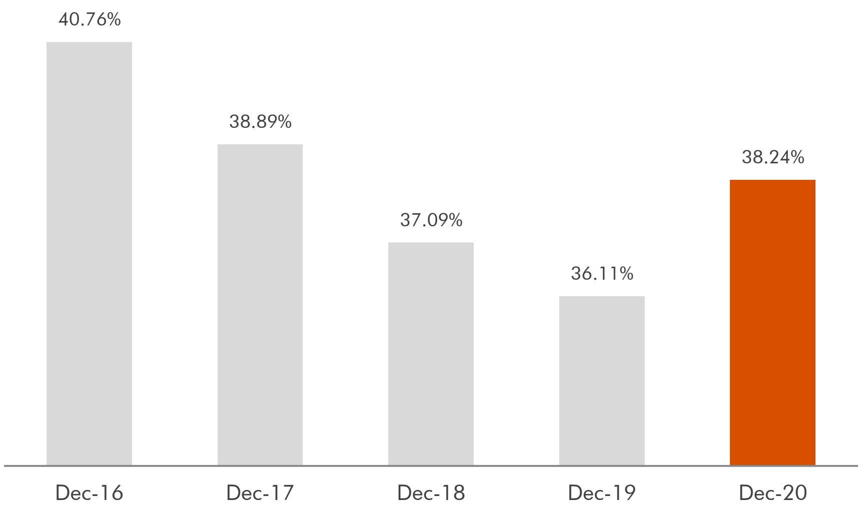


Cost Efficiency

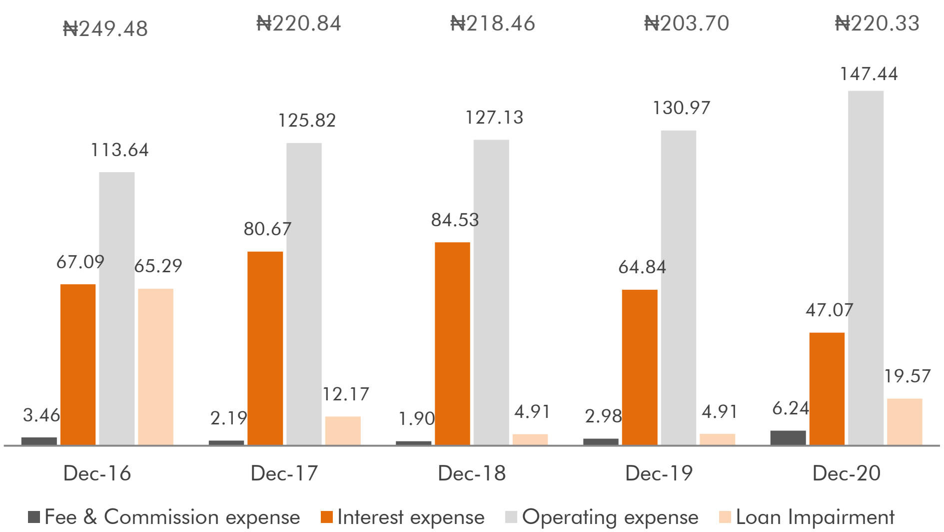
Efficient Cost Management

- Increase in VAT from 5% to 7.5% coupled with general increase in prices of energy and utility products, land border closure (eventually re-opened in December 2020), pushed up headline inflation, consequently OPEX increased by 12.6% from ₦131.0 billion in FY 2019 to ₦147.4 billion in FY 2020.
- Notably, the recorded increase in OPEX by 12.6% was below headline inflation which closed the year at 15.75% in December 2020.
- Operating cost in the year was impacted by increased Regulatory Costs - 11% growth in AMCON charge, 35.9% increase in Administrative Expenses from Covid 19 donations and ₦6.4 billion (28%) growth in Depreciation Expenses.
- Savings on interest cost from improved low cost deposit mix and Cost of Funds (CoF) helped to minimize the negative impact of OPEX growth. CoF improved by 111 bps from 2.30% in FY 2019 to 1.19% in FY 2020 while low cost deposit mix improved by 400 bps to 89% in FY 2020 from 85% in FY 2019.
- Overall, Cost containment remains an anchor of the Group's strategic objectives as the Group recorded a Cost to Income Ratio of 38.2% from 36.1% in FY 2019, well below the Group's FY 2020 guidance of 40%.

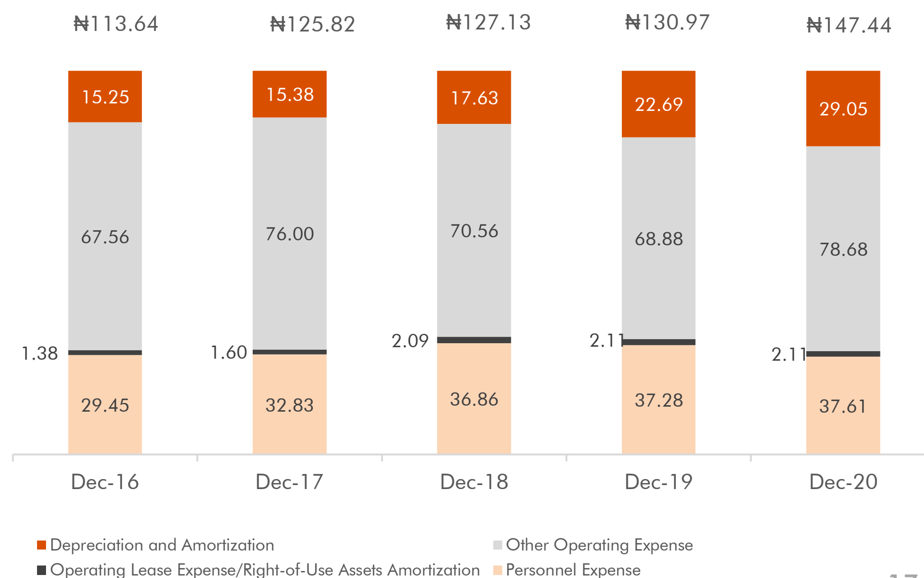
Cost to Income (CIR)



Overview of Expenses (₦'Bn)



Operating Expenses (OPEX) (₦'Bn)



OPEX Drivers

In billions of Naira	Group December 2020	Group December 2019	Change (Y-o-Y)	% Change (Y-o-Y)
Depreciation and Amortization	29.05	22.69	6.35	28.0%
AMCON Expenses	17.20	15.49	1.71	11.1%
Occupancy Costs and Repairs & Maintenance	12.86	10.31	2.56	24.8%
Deposit & Other Insurance premium	10.03	9.89	0.15	1.5%
Administrative Expenses	8.51	6.10	2.41	39.5%
Technology Communications Expenses	5.82	3.88	1.94	49.9%
Advert, Promotion and Corporate Gifts	5.15	4.05	1.10	27.1%
Customer Services related Expenses	3.14	1.79	1.35	75.5%

OPEX Drivers

- The Group recorded a 12.6% growth in Operating Expenses from ₦131.0 bn in FY 2019 to ₦147.4 bn in FY 2020.
- The growth was primarily driven by the following:

a. Depreciation and amortization which grew by 28% as a result of incremental charge on capital spend on expanding IT infrastructure in Q4 2019 as well as capitalization of amount spent on Furniture & Equipment, Computer Hardware and Software procured for Branches in prior year.

b. Increase in Regulatory Charges – AMCON Levy and Deposit and Other Insurance Premium. AMCON levy increased by 11% y-o-y due to the growth in Total Asset and Contingents to ₦3,440.1 bn in FY 2019 from ₦3,097.4 in FY 2018 (AMCON levy is computed as 0.5% of preceding year's Total Asset and Contingents). 36.8% y-o-y growth in Total Deposits resulted in 1.5% y-o-y increase in Deposit and Other Insurance Premium.

c. 24.8% growth in Occupancy Cost, Repairs and Maintenance expense from ₦10.3 bn in FY 2019 to ₦12.9 bn in FY 2020. Occupancy cost are expenses relating to cost of petrol, diesel, electricity and ground rates, most of which were impacted by the deregulation of the downstream sector (i.e. removal of fuel subsidy) leading to increase in pump price of petrol. Increase in electricity tariffs also triggered an increase in electricity bills in 2020 relative to 2019.

d. 39.5% growth in Administrative expenses was due to the impact of rising inflation, increased cost of cash movement and sorting during the lockdown, the translation of Subsidiaries balances to Naira on the weaker Naira to US$ conversion and Covid 19 donations in the sum of ₦1.7 bn.

e. Technology communications expenses which increased by 49.9% largely as a result of the increase in amount incurred in providing remote access for Staff (as 50% - 66% of the work force had to work from home at different periods due to the Pandemic). It also includes expenses on technology consumables which cannot be capitalized.

f. N1.1 bn increase in Adverts, Promotion and Corporate gifts was essentially due to rising prices stemming from inflation, increased sensitization across the Group and translation impact of converting expenses incurred at subsidiary level to Naira.

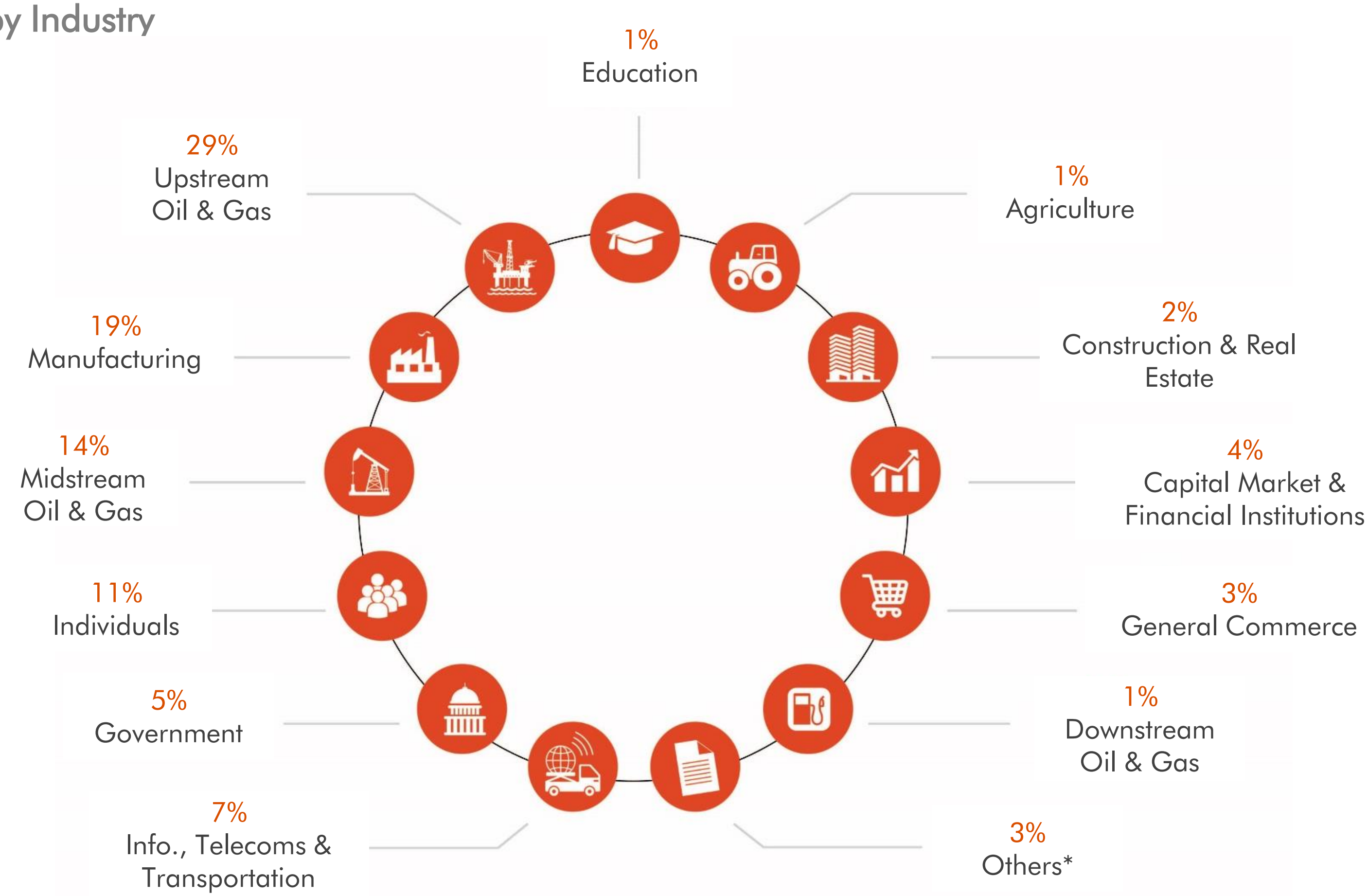
g. Customer Services-related Expense increased by 75.5% on the back of increased Remote On Us (ROU) and POS charges as volume of transactions consummated through online channels increased significantly as the Covid 19 pandemic pushed customers to online platforms.

Risk Asset Mix

Asset Diversification

- Well diversified Loan book with specific focus on quality risk assets across all our select business segments.
- Reduced exposure to Downstream Oil and Gas sector was due to scheduled paydowns and also in line with our intention to reduce our exposure to that sub-sector of the economy.
- The mix of Oil & Gas to the entire loan portfolio was largely driven by the impact of the 24% depreciation of the Naira against the US Dollar in the year under review.
- The Naira depreciation had more impact on the Oil & Gas portfolio as approximately 90% of the exposures within the Oil & Gas Sector are USD denominated.

Gross Loans by Industry

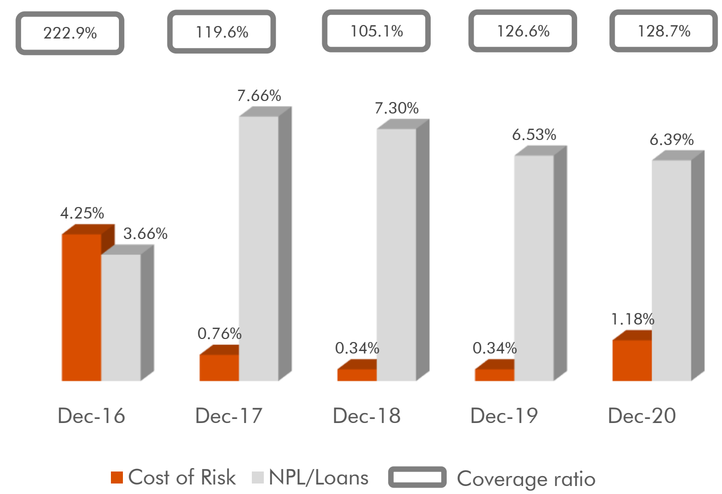


** Includes Fashion & Design, Religious Organizations, Hospitality, Clubs, co-operative societies, Unions, Engineering services etc.*

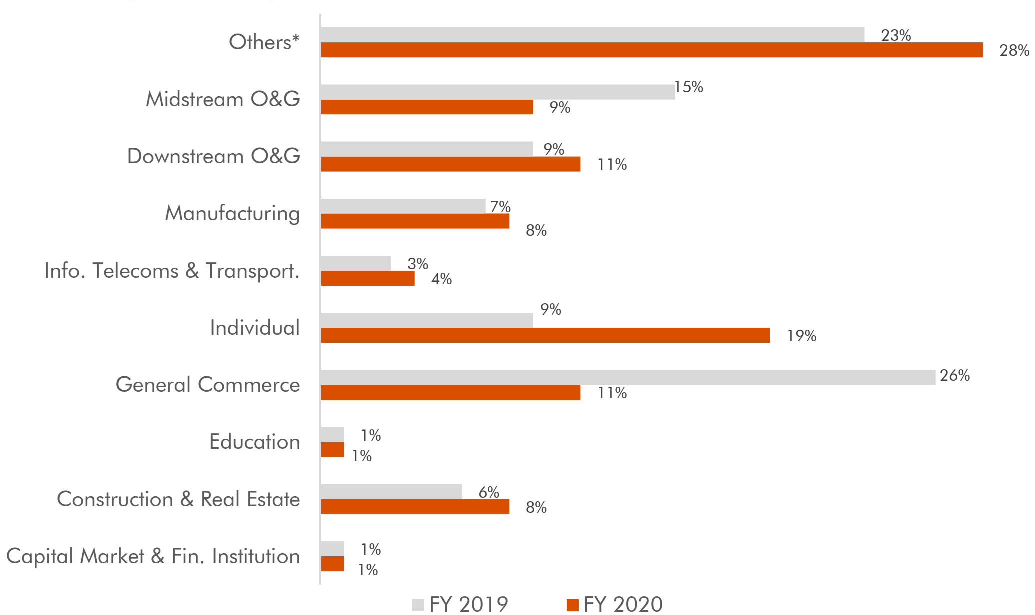
Asset Quality

- 70% of the increase in loan impairment charge in 2020 was due to the Bank's decision to increase the level of provisioning on one of its Obligors owing to the impact of worsening macros on the company's operations and financial condition. Also, increased Probability of Default (PD) from devaluation of the Naira to US$ led to an uptick in impairment charge recognized on Stage 2 and Stage 3 FCY loans.
- The Bank's decision regarding the referenced Obligor and Naira devaluation resulted in 298.5% increase in impairment charge from ₦4.9 bn in FY 2019 to ₦19.6 bn in FY 2020.
- NPL however improved marginally from 6.53% in FY 2019 to 6.39% in FY 2020 as the Group continues to strengthen controls around loan performance by proactively identifying vulnerable sectors with heightened PDs and put in measures to minimize default. These include, but not limited to, institution of hedges against exposures in Oil and Gas sector, reduction of interest rate in the Retail segment and deferral of principal repayment for SMEs.
- Implementation of the CBN's directive on moratorium of 1 year and reduction in interest rate granted on all CBN intervention facilities also helped to ameliorate the heightened PD on the businesses financed with the CBN intervention funds.
- In line with Group's guidance for NPL Coverage, FY 2020 Coverage ratio closed at 128.7% from 126.6% recorded in FY 2019.

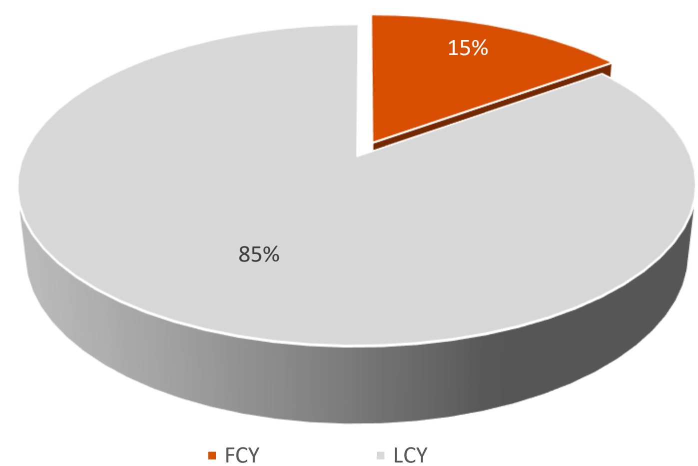
NPL and Coverage



NPL by Industry



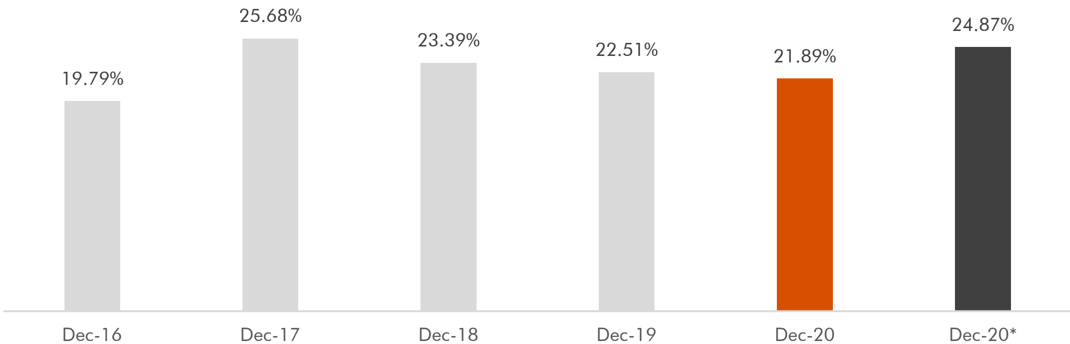
NPL by Currency



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

Strong Capital Ratios – Group and Parent

- The Group continued to maintain robust capital buffers with Full IFRS 9 impact and transitional IFRS 9 impact Capital Adequacy Ratio (CAR) of 21.9% and 24.9% respectively, creating a buffer which was adequate to meet the additional 1% higher Loss Absorbency required of Deposit Systemic Important Banks (DSIB).
- Full IFRS 9 impact capital adequacy ratio (CAR) closed at 21.9% well above the regulatory minimum of 15% while CAR based on the CBN's transitional arrangement came in stronger at 24.9%.
- Tier 1 capital remained a very significant component of the Group CAR standing at 21.2% representing 97% of the Group's Full IFRS 9 impact CAR of 21.9%.
- The robust capital position of the Group provides headroom and increased capacity for additional risk taking.



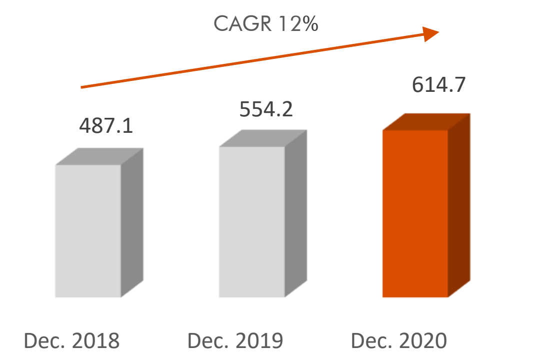
Capital Adequacy Computation (Basel II)

In Millions of Naira	Group			
	Transitional IFRS 9 Impact		Full IFRS 9 Imapct	
	Dec. 20**	Dec. 19	Dec. 20**	Dec. 19
Net Tier 1 Capital	696,180	638,806	596,134	538,760
Net Tier 2 Capital	18,598	15,390	18,598	15,390
Total Regulatory Capital	**714,778**	**654,196**	**614,732**	**554,150**
Risk Weighted Assets for:				
Credit Risk	2,272,857	1,979,578	2,207,366	1,914,087
Operational Risk	589,712	539,464	589,712	539,464
Market Risk	10,998	8,522	10,998	8,522
Aggregate Risk Weighted Assets	**2,873,567**	**2,527,564**	**2,808,076**	**2,462,073**
Capital Adequacy Ratio:				
Tier 1 Risk Weighted	24.23%	25.27%	21.23%	21.88%
Tier 2 Risk Weighted	0.65%	0.61%	0.66%	0.63%
Total Risk Weighted Capital Ratio	**24.87%**	**25.88%**	**21.89%**	**22.51%**

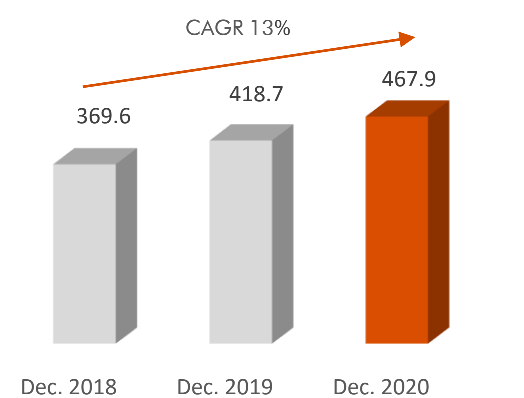
** Transitional Arrangement CAR (non-adoption of full Day 1 IFRS 9 Impact)*

*** The Capital Adequacy Ratio (CAR) for December 2020 has been computed using June 2020 Capital in line with the CBN's directive. Upon certification of our closing Capital post year end (Q1 2021) by the CBN, CAR for FY 2020 will be 25.90% under the Full Impact Assessment and 28.19% under the Transitional Arrangement.*

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



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

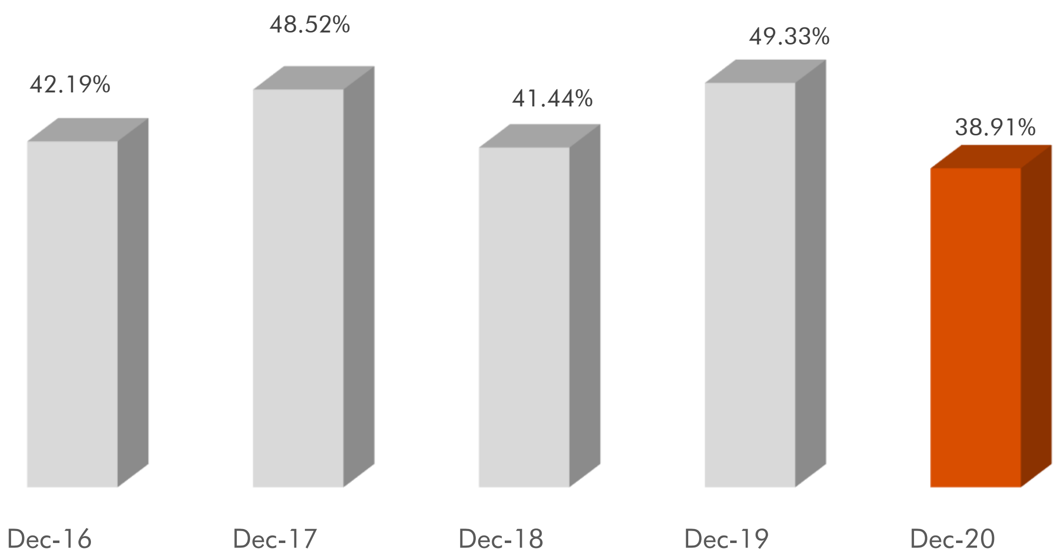


Liquidity Ratio

Strong Liquidity Position

- Liquidity ratio closed at 38.9% in FY 2020 (FY 2019: 49.3%) well above regulatory minimum of 30%.
- Despite the pressure from the covid-19 pandemic and the regulatory CRR debits, the Group maintained average liquidity ratio of 40.7% in FY 2020 (FY 2019: 44.4%) which speaks to the Group's robust liquidity profile.
- The Group's strong liquidity positions in both local and foreign currencies provide enough headroom to leverage opportunities for risk assets creation and other investments.

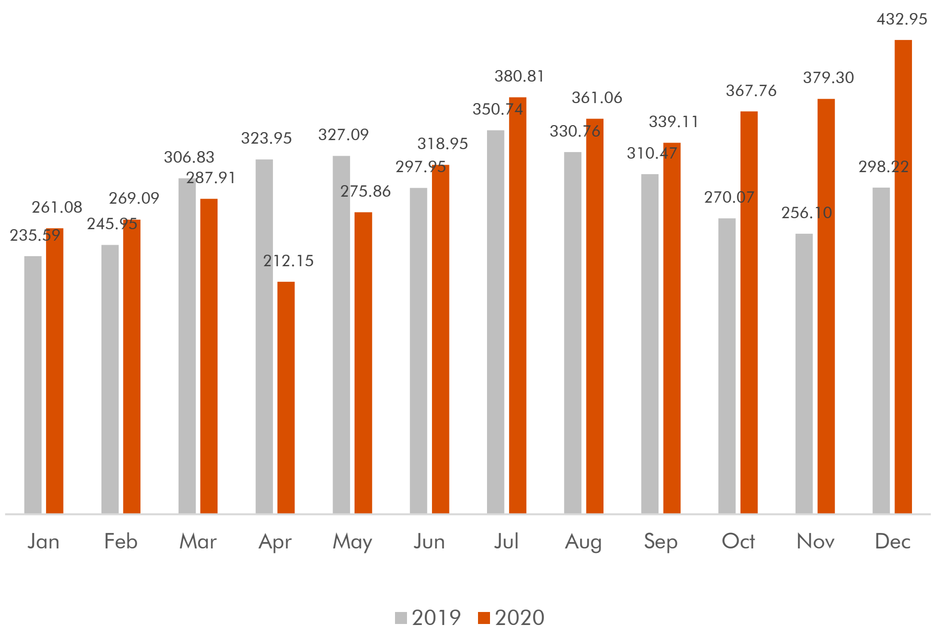
Liquidity Trend



Digital Banking Performance (USSD)

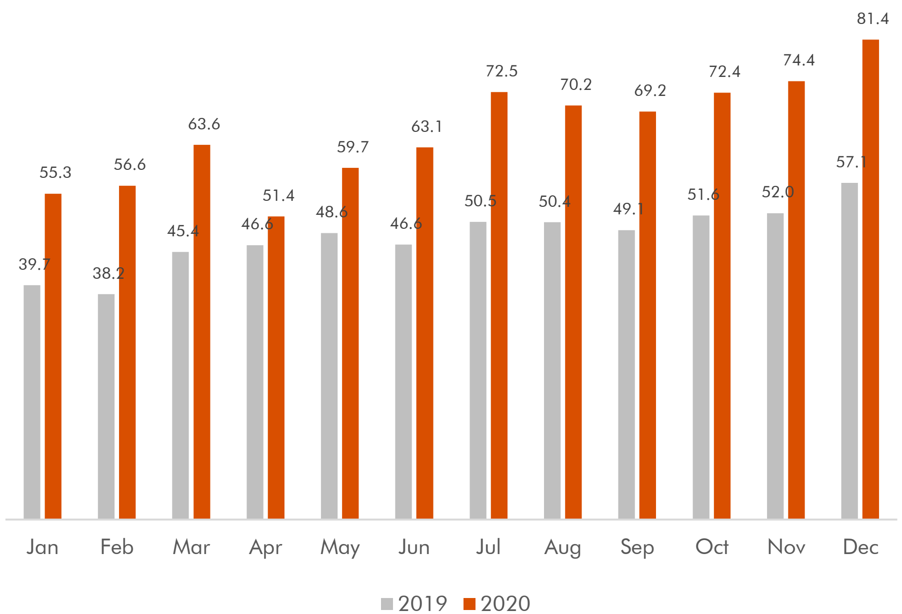
- Total number of USSD unique Users grew by 13.1% y-o-y from 6.1 million in Dec. 2019 to 6.9 million in Dec. 2020.
- Total number of active Users on the USSD platform also increased by 900,000 users (18.8% y-o-y) from 4.8 million in Dec. 2019 to 5.7 million in Dec. 2020.

USSD Value (in billions of Naira)



Total Value in FY 2020 : ₦3,886.0 billion
Total Value in FY 2019 : ₦3,553.7 billion
% Growth (y-o-y) : 9.4%

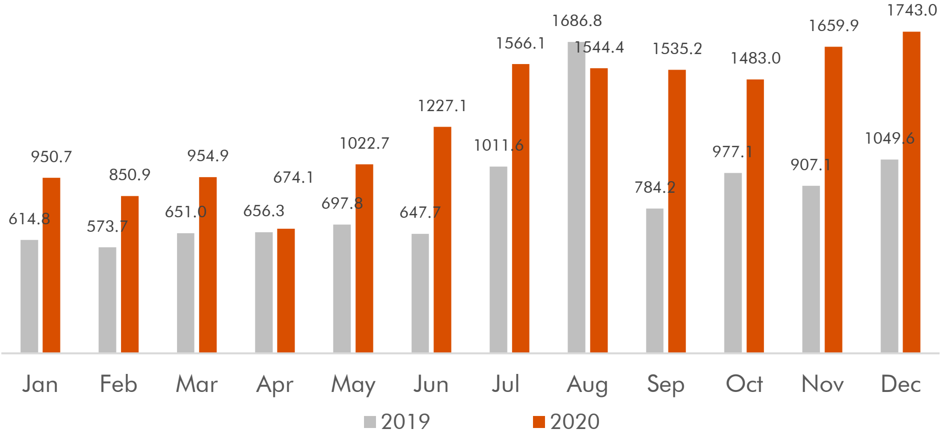
USSD Volume (in millions)



Total Volume in FY 2020 : 790.0 million
Total Volume in FY 2019 : 575.8 million
% Growth (y-o-y) : 37.2%

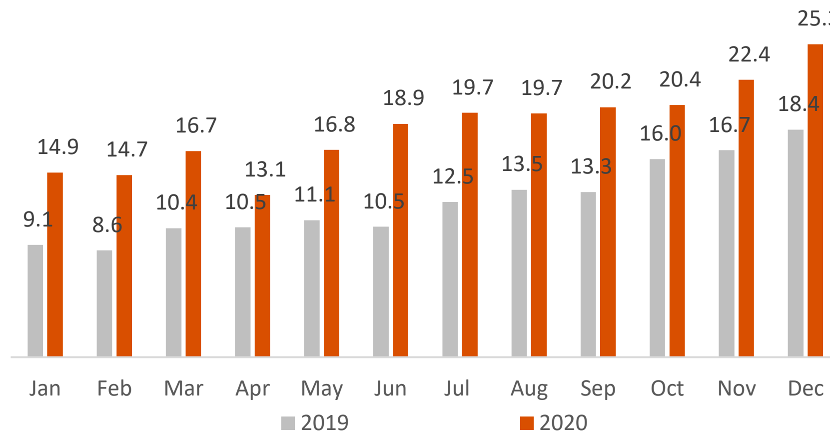
Digital Banking Performance (Mobile and Internet Banking)

Mobile Banking (Value in Billions of Naira)



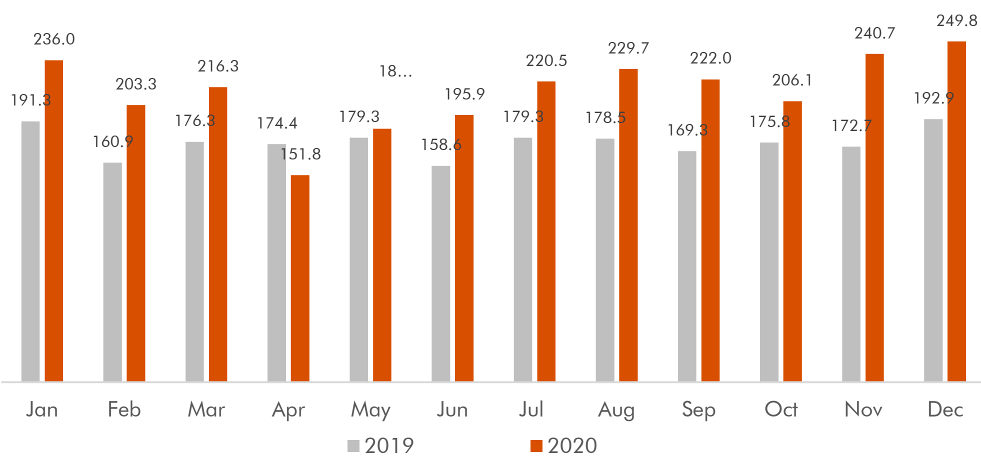
Total Value in FY 2020 : ₦15,212.1 billion
Total Value in FY 2019 : ₦10,212.1 billion
% Growth (y-o-y) : 48.3%

Mobile Banking (Volume in Millions)



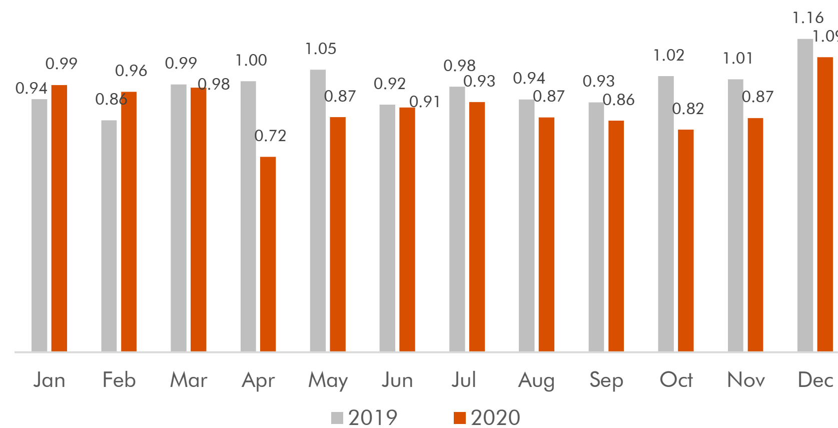
Total Volume in FY 2020: 222.7 million
Total Volume in FY 2019 : 150.8 million
% Growth (y-o-y) : 48%

Internet Banking (Value in Billions of Naira)



Total Value in FY 2020 : ₦ 2,557.8 billion
Total Value in FY 2019 : ₦ 2,109.4 billion
% Growth (y-o-y) : 21.3%

Internet Banking (Volume in Millions)



Total Volume in FY 2020 : 10.9 million
Total Volume in FY 2019 : 11.8 million
% Growth (y-o-y) : (7.8%)

Business Segments & Subsidiary Review

Business Segmentation (Group) – FY 2020

	Description			Loans	Deposits	PBT
 Institutional and Wholesale	2,000+ Customers ₦1,262.3 billion Loans	₦5 billion+ Turnover ₦874.8 billion Deposits	Large Corporates, Multinationals, Energy, Telecoms, Maritime etc. ₦164.1 billion PBT	75.9% 74.8%*	24.2% 26.7%*	69.4% 70.6%*
 Commercial	209,790+ Customers ₦106.1 billion Loans	from ₦500 million and ₦5 billion Turnover ₦392.5 billion Deposits	Tailor-made Solutions and Flexibility for Middle Market Companies ₦7.9 billion PBT	6.4% 7.5%*	10.9% 10.1%*	3.3% 3.0%*
 SME	1.05 million+ Customers ₦28.6 billion Loans	under ₦500 million Turnover ₦432.5 billion Deposits	Caters to small, fledging and fairly structured businesses ₦4.6 billion PBT	1.7% 2.1%*	12.0% 11.5%*	1.9% 0.2%*
 Retail	20.6 million+ Customers ₦166.4 billion Loans 232 Branches	Retail-focused Customer base ₦1,894.6 billion Deposits 60 GTExpress Outlets	Consumer Lending ₦57.0 billion PBT 30 e-branches & Cash Centres 1,366 ATMs	10.0% 10.2%*	52.5% 50.8%*	24.1% 25.2%*
 Public Sector	Federal, state & local governments ₦99.5 billion Loans	Ministries, Departments. & Agencies (MDAs) ₦16.3 billion Deposits	All segments of government ₦2.9 billion PBT	6.0% 5.4%*	0.5% 1.0%*	1.2% 1.1%*

* FY 2019

Geographical Presence – FY 2020

GTBank plc

- Parent Company
- Established in 1990
- 232 branches, 16 e-branches, 14 cash centres & 60 GTExpress
- ₦702.4 bn in SHF (Parent)
- FY 2020 PBT: ₦205.1 bn (Parent)
- ROE: 27.24% (Parent)

Sierra Leone

- Established in 2002
- 83.74% owned by parent
- 13 branches
- ₦594.11m invested by parent
- FY 2020 PBT: ₦2.88 bn
- ROE: 18.63%

Gambia

- Established in 2002
- 77.81% owned by parent
- 15 branches
- ₦574.28mm invested by parent
- FY 2020 PBT: ₦2.34 bn
- ROE: 25.61%

Ghana

- Established in 2006
- 98.32% owned by parent
- 32 branches
- ₦18.14bn invested by parent
- FY 2020 PBT: ₦26.36 bn
- ROE: 29.52%

United Kingdom

- Established in 2008
- 100% owned by parent
- 1 branch
- ₦9.60bn invested by parent
- FY 2020 PBT: (₦1.62 bn)
- ROE: (9.21%)

Liberia

- Established in 2009
- 99.43% owned by parent
- 10 branches
- ₦1.95bn invested by parent
- FY 2020 PBT: ₦1.76 Bn
- ROE: 12.48%

Cote D'Ivoire

- Established in 2012
- 100% owned by parent
- 4 branches
- ₦5.08bn invested by parent
- FY 2020 PBT: ₦1.20 bn
- ROE: 23.71%

Kenya

- Acquired in 2013
- 70% owned by parent
- 9 branches
- ₦17.13bn invested by parent
- FY 2020 PBT: ₦4.01 bn
- ROE: 9.17% (Parent : 3.76%)

Uganda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 8 branches
- ROE: 7.62%

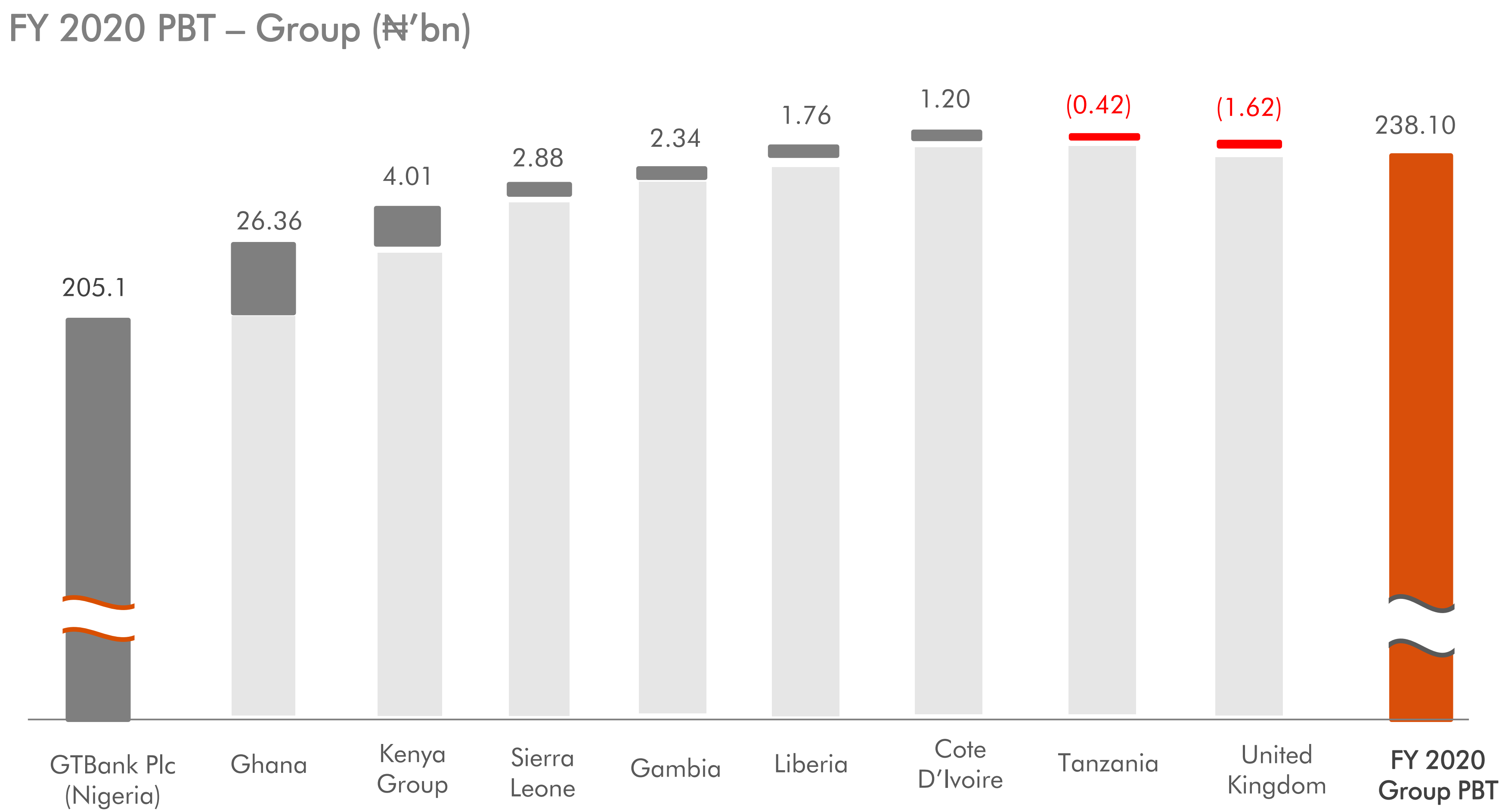
Rwanda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 14 branches
- ROE: 18.04%

Tanzania

- Established in Dec. 2017
- 76.2% owned by Parent
- 1 branch
- ₦3.84bn invested by parent
- FY 2020 PBT: (₦415.46 mn)
- ROE: (13.12%)

Group PBT Breakdown

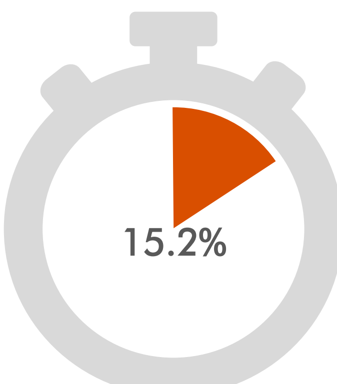


Parent and Subsidiary Highlights

Millions of Naira	Assets			Loans			Total Deposit			PBT		
	FY 2020	FY 2019	% Change	FY 2020	FY 2019	% Change	FY 2020	FY 2019	% Change	FY 2020	FY 2019	% Change
Cote D'Ivoire	54,403	30,364	79%	15,428	8,162	89%	40,218	20,379	97%	1,203	1,313	-8%
Gambia	66,300	49,735	33%	7,598	7,714	-2%	55,451	42,422	31%	2,337	1,519	54%
Ghana	290,757	215,376	35%	75,322	37,516	101%	213,336	157,458	35%	26,356	22,580	17%
Kenya Group	182,681	153,060	19%	80,269	74,435	8%	140,919	118,797	19%	4,010	2,972	35%
Liberia	58,483	40,841	43%	29,444	24,262	21%	43,515	29,484	48%	1,764	1,954	-10%
Sierra Leone	61,982	45,170	37%	13,314	16,778	-21%	48,044	33,240	45%	2,880	3,707	-22%
Tanzania	7,008	5,196	35%	2,321	2,621	-11%	3,016	2,455	23%	-415	-573	28%
United Kingdom	258,119	202,596	27%	28,517	30,546	-7%	235,938	183,144	29%	-1,617	985	-264%
Nigeria	4,061,544	3,097,248	31%	1,410,617	1,300,893	8%	2,881,699	2,086,825	38%	205,131	200,178	2%
* Grand Total	4,944,653	3,758,919	32%	1,662,831	1,502,085	11%	3,610,829	2,640,059	37%	238,095	231,708	3%

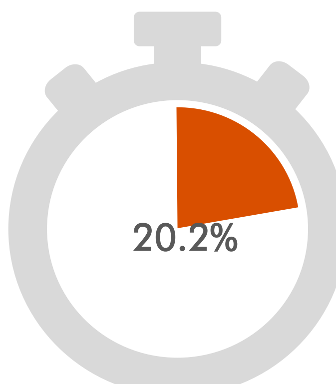
% Contribution of Subsidiaries to Group

Loans



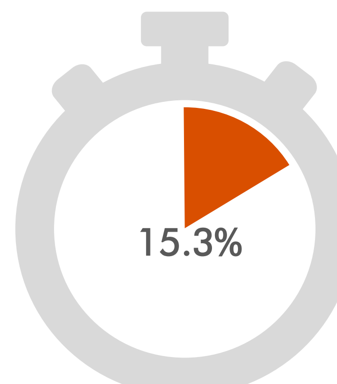
(FY 2019 – 13.5%)

Deposits



(FY 2019 – 22.2%)

PBT



(FY 2019 – 14.9%)

*post elimination entries

Non-Financial Highlights for FY 2020

EMPLOYEES

6,637
Employees

54.6% Male | 45.4% Female

99%
of employee received training in HY 2020

CUSTOMERS

21.9mm+
Customers

30
e-Branches and Cash Centres

24,115+
active POS Terminals

339
International Branch Network

1,366
Automated Teller Machines

60
GT Express Locations

GTWorld
854,620+
Unique Users

BANK *737#
575mm+
Unique Transactions

5.43mm+
active cards

SHAREHOLDERS

327,420
Shareholders

711 Kobo
EPS

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

RATINGS

FitchRatings	B
S&P Global Ratings	B -

COMMUNITIES

COVID-19 SAFETY MEASURES

GTBank Cares

110
bed fully-equipped Covid-19 Isolation centre in Onikan, Lagos state

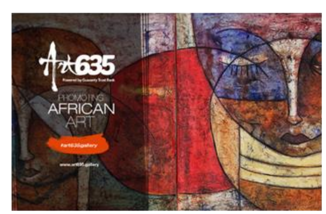
3-6 months
Grace period for all SME loans to support businesses hit hardest by the pandemic

50-50
rotational work arrangement for staff


Art635 Inspired Digital Art Auction

19+
Artists

30+
Artworks



10TH ANNUAL AUTISM CONFERENCE

1st
Virtual Conference

9,270+
Registered Attendees

23+
Number of participating Countries

1,619+
Zoom Participants

9,610+
Youtube views

2020 GTBank MASTERS CUP
35
Schools participated in the 2020 editions of the Masters Cup

ACCOLADES

EUROMONEY AWARDS FOR EXCELLENCE 2020
Best Bank in Nigeria
Excellence in Leadership in Africa (Covid-19 response)

INTERNATIONAL Banker
Best Customer Service provider in Africa (2020)

brand AFRICA 100 AFRICA'S BEST BRANDS 2020
Africa's Most Admired Finance Brand

BEST BANK AWARD 2020 GLOBAL FINANCE
Treasury and Cash Management Award

WORLD FINANCE BANKING AWARDS 2020
Best Retail Bank (Nigeria)

TAB THE ASIAN BANKER
Best Managed Bank During Covid-19 (Nigeria)

Guidance and Plans for FY 2021

FY 2021 Guidance

	FY 2019	FY 2020	FY 2021 Guidance
PBT	₦231.7 bn	₦238.1 bn	₦243 bn
Deposit Growth	12%	36.8%	25%
Loan Growth	19%	10.7%	10%
Coverage (with Reg. Risk Reserve)	126.6%	128.7%	100%
Cost of Risk	0.34%	1.18%	1%
NPL to Total Loans	6.5%	6.4%	6%
Return on average Assets	5.6%	4.6%	5%
Return on average Equity	31.2%	26.8%	25%
Loans to Deposits and Borrowings (Bank)	60.6%	49.4%	50%
Liquidity Ratio	49.3%	38.9%	38%
Capital Adequacy Ratio	22.5%	21.9%	23%
Cost to Income Ratio	36.1%	38.2%	35%
Net Interest Margin	9.28%	9.26%	8%

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Thank You