

Guaranty Trust Holding Company Plc

RELEASES AUDITED FULL-YEAR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021; DECLARES PBT OF ₦221.5BILLION

Lagos Nigeria - 07 March 2022 - Guaranty Trust Holding Company Plc ("GTCO"), (Bloomberg: GUARANTY:NL/Reuters: GUARANT.LG), provider of diversified financial services, announces its Audited Financial Results for the year ended 31 December 2021 and declares a PBT of ₦221.5bn.

Speaking on the results, the Group Chief Executive Officer of Guaranty Trust Holding Company Plc, Mr. Segun Agbaje, said: "Our performance reflects the strength of our franchise and underscores our ability to deliver long-term value for our Stakeholders in spite of the challenges in the business environment and shifting economic conditions. As a Group, we have continued to explore newer ways to connect with our customers and better our communities by offering greater and more rewarding experiences."

He further added, "2021 presented a crucial opportunity as we took strategic steps to reorganise our business and advance our position as a leading financial services company. With the recent addition of Pension Fund and Wealth Management businesses to the Group, we are well on our way to rapidly scale our operations and strengthen our foothold in these key industry segments. Our goal is to consolidate our place at the top of Africa's financial services value chain by leveraging technology to provide end-to-end financial solutions to more people and businesses across Africa."

Financial Highlights

- Earnings
 - **Profit before tax of ₦221.5bn** (31 December 2020: ₦238.1bn) a decrease of 7.0%.
 - **Profit after tax** decreased by 13.2% **to ₦174.8bn** from ₦201.4bn as of 31 December 2020.
 - Earnings per share of 614kobo compared to 711kobo per share as of 31 December 2020.
 - Final dividend of 270kobo per share.

- Revenue
 - **Interest Income of ₦266.9bn** (31 December 2020: ₦300.7bn) down 11.3% largely due to 12.3% dip in interest income from cash and cash equivalents and 38.7% decline in interest earned on fixed income securities, the dip noted was doused partly by 5.1% increase in interest income from loans and advances.
 - **Non-interest income of ₦180.9bn** comprising of fee and commission income, net trading gains, and other income (31 December 2020: ₦154.5bn) up 17.1%. The non-interest income growth resulted largely from 39.4% growth in fees and commission income, 9.9% increase in other income which was partly offset by 8.6% decrease in net trading gains.
 - **Net interest margin of 6.7%** (31 December 2020: 9.3%).

- Balance Sheet
 - **Total assets of ₦5.436trn** (31 December 2020: ₦4.945trn) up 9.9%
 - **Net loans and advances of ₦1.802trn** (31 December 2020: ₦1.663trn) up 8.4%.
 - **Deposit liabilities of ₦4.130trn** (31 December 2020: ₦3.611trn) up 14.4%.

- Credit Quality
 - **Non-performing loans to total loans at 6.0% based on IFRS and 6.92% (based on CBN Prudential Guidelines)** (31 December 2020: 6.4% based on IFRS and 6.86% based on CBN Prudential Guidelines).
 - **Coverage for lifetime credit impaired loans at 150.4%** (31 December 2020: 128.7%)
 - **Cost of Risk at 0.5%** (31 December 2020: 1.2%).

- Continued Focus on Efficiency
 - **Cost to Income (CIR) closed at 42.3%, from 38.2% for the year ended 31 December 2020.**

- Subsidiaries

- Contribution to Group PBT from West Africa increased from 14.5% in December 2020 to 21.0% in December 2021, likewise, East Africa increased to 3.0% from 1.5% and United Kingdom cut its negative contribution from -0.7% to -0.5%. The improvement noted in West, East Africa and United Kingdom caused Nigeria to account for 79.5% of the Group's PBT in FY 2021 from 86.2% contribution in FY 2020 owing principally to 19.4% decrease in interest income from Fixed Income Securities (FIS) whose average yield dropped from 12.8% in FY 2020 to 4.5% in FY 2021 due to the lower yield offering of 0.5% on special bills which constitutes 60.6% of the FIS portfolio as at December 31, 2021.

December 2021 Financial Analysis and Ratios

Key Financials (N' billion)	FY-2021	FY-2020	Δ%
Interest income	266.9	300.7	-11.3%
Non-interest income	180.9	154.5	17.1%
Operating income	384.5	382.3	0.6%
Operating expenses	162.3	147.4	10.1%
Profit before tax	221.5	238.1	-7.0%
Profit after tax	174.8	201.4	-13.2%
Earnings per share (in Naira)	6.1	7.1	-13.6%
	FY-2021	FY-2020	Δ%
Total assets	5,436.0	4,944.7	9.9%
Net loans	1,802.7	1,662.8	8.4%
Deposit liabilities	4,130.3	3,610.8	14.4%

Key Ratios	FY-2021	FY-2020
ROAE (<i>post-tax</i>)	20.6%	26.8%
ROAA (<i>post-tax</i>)	3.4%	4.6%
ROAE (<i>pre-tax</i>)	26.1%	31.7%
ROAA (<i>pre-tax</i>)	4.3%	5.5%
Net Interest Margin	6.7%	9.3%
Cost-to-Income Ratio	42.3%	38.2%
	FY-2021	FY-2020
Net Loans to Deposits	43.6%	46.1%
Liquidity Ratio	38.3%	38.9%
Capital Adequacy Ratio	23.8%	25.9%
NPL/Total Loans (based on IFRS)	6.0%	6.4%
NPL/Total Loans (based on CBN Prudential Guidelines)	6.92%	6.86%
Cost of Risk	0.5%	1.2%
Coverage (with reg. risk reserves)	150.4%	128.7%

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Notes to the Editors:

Guaranty Trust Holding Company Plc is a fully-fledged financial services group with banking operations across West and East Africa and the United Kingdom as well as non-banking businesses in several key industry segments including Payment, Funds Management and Pension Fund Management.

With ₦5.436trillion and over 25 million customers, the Group remains one of the most profitable and best managed financial services companies out of Nigeria. GTCO Plc is rated B- by S&P, a reflection of the Group's long-term stability and reputation of being a well-established franchise with strong asset quality and consistent excellent financial performance.

GTCO Plc has the following Banking subsidiaries (including sub-subsidiaries) and non-banking subsidiaries within and outside of Nigeria:

- 1) Guaranty Trust Bank (Nigeria) Limited ("GTB Nigeria"),
- 2) Guaranty Trust Bank (Gambia) Limited ("GTB Gambia"),
- 3) Guaranty Trust Bank (Sierra Leone) Limited ("GTB Sierra Leone"),
- 4) Guaranty Trust Bank (Ghana) Limited ("GTB Ghana"),
- 5) Guaranty Trust Bank (Liberia) Limited ("GTB Liberia"),
- 6) Guaranty Trust Bank (United Kingdom) Limited ("GTB UK"),
- 7) Guaranty Trust Bank (Cote D'Ivoire) ("GTB Cote D'Ivoire"),
- 8) Guaranty Trust Bank (Kenya) Limited ("GTB Kenya"),
- 9) Guaranty Trust Bank (Rwanda) Plc Limited ("GTB Rwanda"),
- 10) Guaranty Trust Bank (Uganda) Limited ("GTB Uganda")
- 11) Guaranty Trust Bank (Tanzania) Limited ("GTB Tanzania")
- 12) Habari Pay (Nigeria) Limited