March 2022

2021 Full Year Investors/Analysts Presentation

Guaranty Trust Holding Company plc

Outline

- Macro-economic Review for FY 2021
- Regulatory Overview of FY 2021
- FY 2021 Performance Review
- Business Segments and Subsidiary Review
- Guidance for FY 2022

Same Orange
MORE RANGE

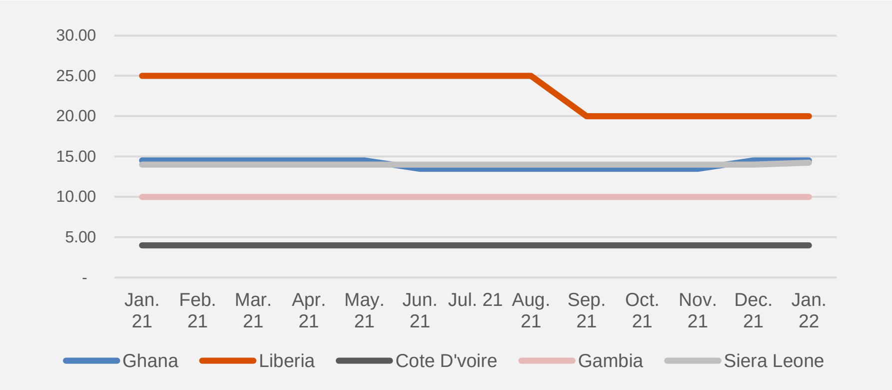
Macro-economic Review for FY 2021

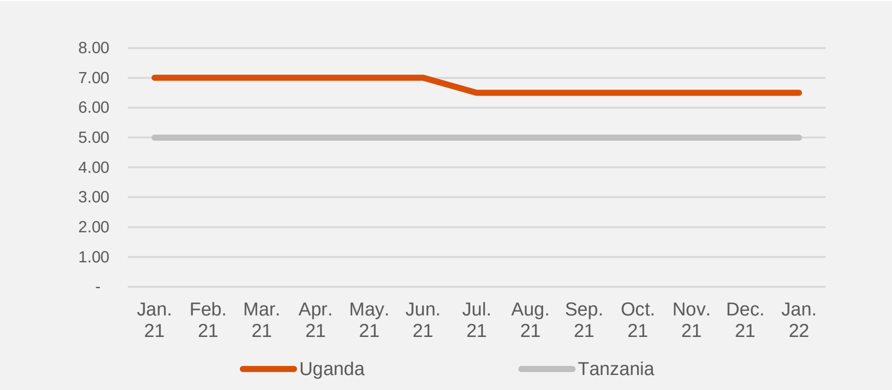
Same Orange
MORE RANGE

Sub-Saharan Africa Interest Rate and Inflation Highlights

Interest Rate

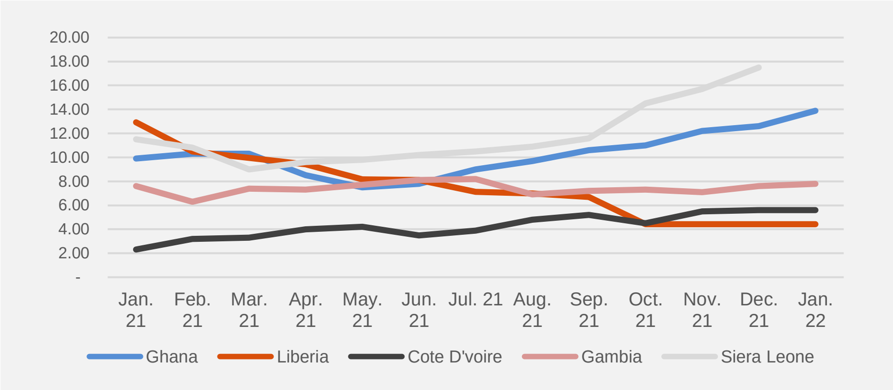
In line with major global economies, most African countries cut interest rates to spur growth to aid faster recovery from covid-19 induced economic slowdown.

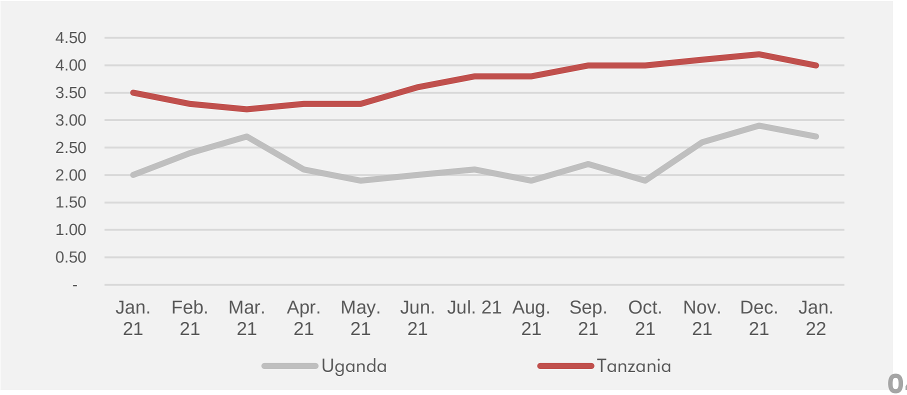




Inflation

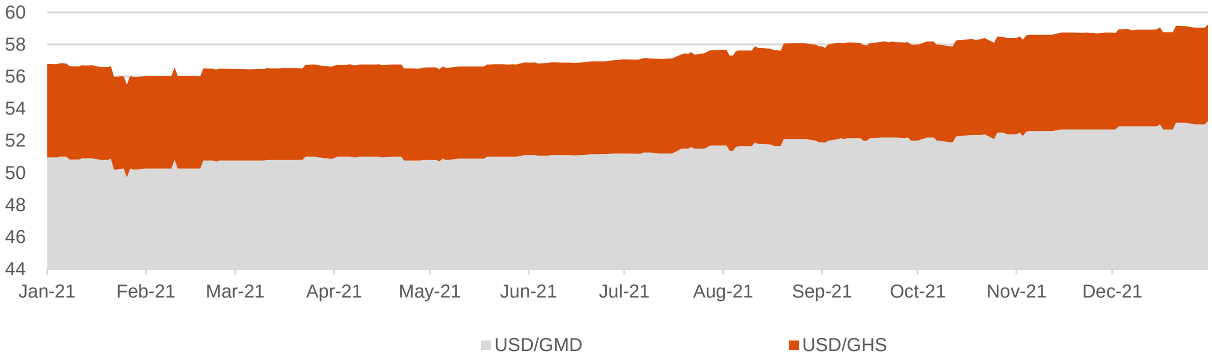
Most countries experienced record high inflation levels in 2021 driven by lingering supply chain disruptions. Inflation is expected to remain elevated in 2022.

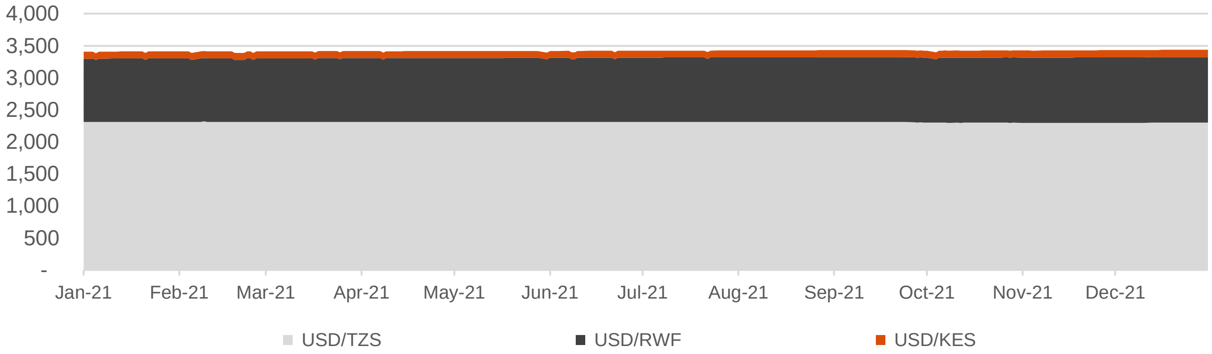




Sub-Saharan Africa Currency Review

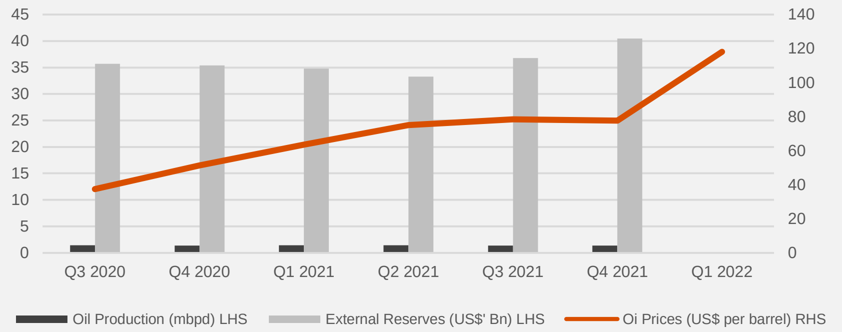
Whilst currencies in East Africa remained relatively stable throughout the year, most west African countries recorded a marked devaluation in their currencies with the second half of the year witnessing stronger depreciation against the Dollar relative to the first.



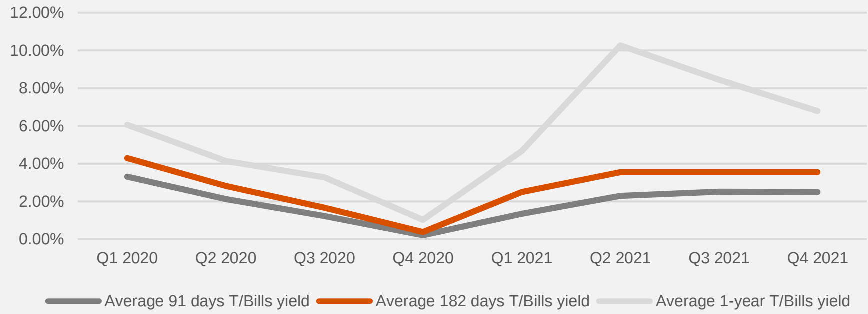


Macro-economic Review (Nigeria)

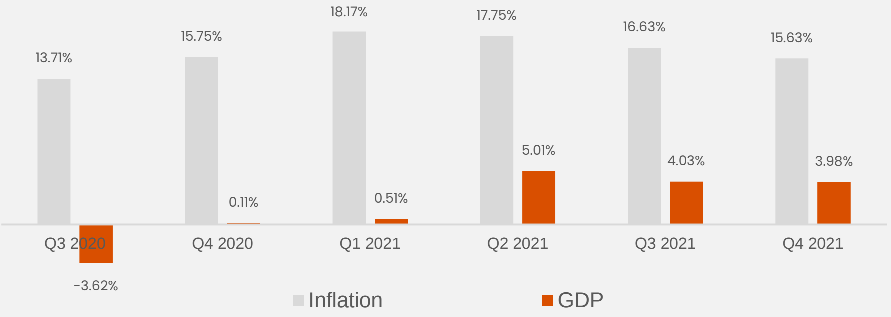
As the Russia-Ukraine war continues to drive crude oil prices northwards, Nigeria's oil production is expected to rise gradually in line with OPEC production agreement and minimal production interruptions. The recent CBN policies on FX repatriation for exporters is expected to improve FX liquidity and preserve external reserves in the medium to long-term.



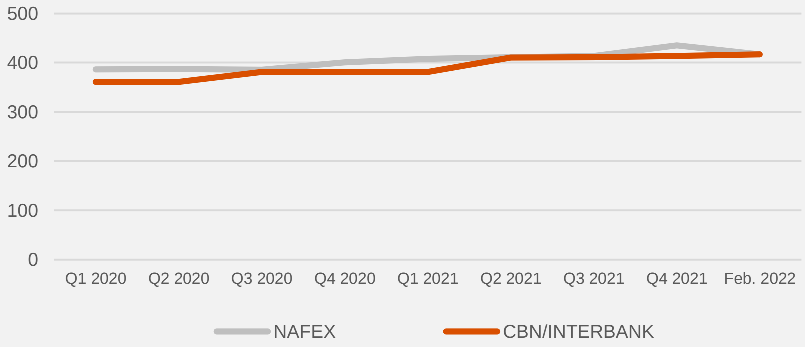
Yields improved in the first half of 2021 despite its downward trend in 2020. We do not expect a marked increase in yields on fixed income securities from 2021 levels despite government's plans to borrow more to finance it budget deficit. We also expect the CBN to continue to focus on alternates to improve FX inflows.



Headline inflation is expected to trend upwards as campaign spending commences and supply chain challenges continues to drive increase in food inflation and general price levels. Increased government spending and positive contribution of select non-oil sectors is expected to improve economic activities and spur positive economic growth.



The apex bank adopted NAFEX as the official exchange rate in the first half of 2021. This, coupled with the recent increase in oil prices and projected improvement in FX inflow into the country should result in a relatively stable naira in 2022.



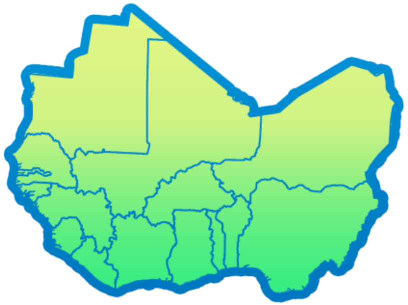
Macro-economic Review and Outlook

Global

After rebounding to an estimated growth of 5.5% in 2021, Global economic growth is projected to slow down to 4.1% in 2022 on the back of lingering supply chain bottlenecks and decelerating fiscal support.

The downside to this projection includes possible escalation of the Russia-Ukraine war and the resulting economic and humanitarian crisis amidst prolonged violence in Europe.

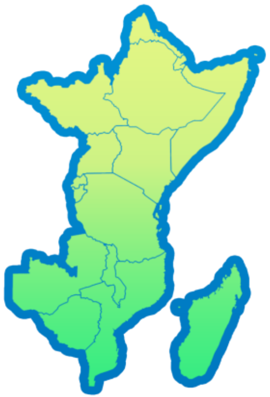
West Africa



Real GDP is projected to grow by 4.4% in 2022, which represents a 50 bps increase from 3.9% growth recorded in 2021.

Although most countries in the region are expected to witness divergent recovery paths, the interplay of resurging commodities prices, tourism as well as rising food inflation and increase in general price levels, is projected to be net positive for economic growth in the region.

East Africa



The East African region is projected to grow by 4.9% in 2022, consolidating on the positives recorded in 2021; the region is expected to have grown by 4.1% in 2021.

Despite the political fragility in some countries in the region, increasing poverty and limited economic diversification efforts, the region is expected to welcome more tourists in 2022.

Regulatory Overview of FY 2021

Same Orange
MORE RANGE

Regulatory Overview - Nigeria 2021

Q1

- The Central Bank of Nigeria (CBN) directs lending institutions to obtain borrowers' credit report from credit bureaus as part of their due diligence process in granting loans.
- CBN directs banks to open dollar bank accounts automatically for customers to facilitate remittances.
- CBN prohibits deposit money banks (DMB), non-banking institutions and other financial institutions from trading and dealing in cryptocurrency.
- CBN extends discounted interest rate for its intervention facilities by 12 months.
- CBN introduces "CBN Naira 4 Dollar" scheme to provide Nigerians in the diaspora with cheaper and more convenient means for remittances to Nigeria.
- CBN and Nigerian Communications Commission (NCC) announce a flat rate fee of N6.98 per transaction for USSD services.

Q2

- CBN plans to include sugar and wheat to the list of commodities banned from accessing foreign exchange (FX) from the official market.
- CBN licenses 10 additional International Money Transfer Operators (IMTO).
- CBN removes N379/USD rate from its website and makes NAFEX the default exchange rate, signalling gradual harmonisation of rates.
- CBN sets new capital requirements of N2 billion for Fintechs.
- CBN sets new standard and regulatory framework for non-bank acquirers.

Q3

- CBN halts FX sale and issuance of new licenses to Bureau De Change (BDC) operators, directs DMBs to sell FX directly to customers.
- CBN warns micro-finance banks (MFBs) against wholesale and FX transactions.
- President Buhari signs the Petroleum Industry Bill (PIB) into law, weeks after the Senate approved it.
- CBN directs DMBs to publish the names and BVN of customers who engage in fraudulent FX practices.
- CBN appoints Bitts Inc. as technical Partner for its proposed digital currency project; e-naira, set to be launched in October 2021.

Q4

- CBN launches a new forex repatriation scheme known as RT200 FX Programme (Race to US$200 billion in FX Repatriation) anchored on reaching a goal of US$200 billion in non-oil exports to improve FX repatriation over the next 3-5 years via non-oil exports revenue.
- CBN launches the digital currency project of the naira; e-Naira.
- CBN commences the Implementation of Basel III; the third set of regulations of the Basel Accord to guide reporting for Banks and will run concurrently with the existing Basel II for six (6) months period.
- Global financial markets transition from using LIBOR -the interest rate benchmark used in pricing - to Secured Overnight Financing Rate (SOFR).

FY 2021 Financial Performance Review

Same Orange
MORE RANGE

Key Performance Ratios

	December 31, 2020	December 31, 2021
Net Interest Margin	9.26%	6.74%
Cost to Income Ratio	38.24%	42.28%
Capital Adequacy Ratio	25.90%	23.80%
Liquidity Ratio	38.91%	38.26%
Loans to Deposits and Borrowings (Bank)	44.64%	42.08%
Return on Equity (post tax)	26.83%	20.60%
Return on Assets (post tax)	4.63%	3.37%
NPL to Total Loans	6.39%	6.04%
Cost of Risk	1.18%	0.47%
Coverage (with Reg. Risk Reserve)	128.73%	150.39%

Group Balance Sheet Snapshot (₦ 'Billions)

9.9%

Total Assets

5,436.0
FY 2021

4,944.7
FY 2020

10.2%

Total Liabilities

4,552.8
FY 2021

4,130.3
FY 2020

8.5%

Total Equity

883.2
FY 2021

814.4
FY 2020

8.2%

Gross Loans and Advances

1,886.4
FY 2021

1,743.9
FY 2020

8.4%

Net Loans and Advances

1,802.7
FY 2021

1,662.8
FY 2020

14.4%

Total Deposits

4,130.3
FY 2021

3,610.8
FY 2020

15.7%

Investment Securities

1,206.1
FY 2021

1,042.4
FY 2020

(13.6%)

Earnings Per Share (EPS)

614 Kobo
FY 2021

711 Kobo
FY 2020

0%

Total Dividend

300 Kobo
FY 2021

300 Kobo
FY 2020

Balance Sheet (Group)

	Group		
In thousands of Nigerian Naira	**Dec-21**	**Dec-20**	**% y-o-y change**
Assets			
Cash and bank balances	933,591,069	745,557,370	25%
Financial assets held at fair value through profit or loss	104,397,651	67,535,363	55%
Derivative financial assets	24,913,435	26,448,550	-6%
Investment securities:	1,206,142,774	1,042,428,640	16%
– Fair Value through profit or loss	3,904,458	3,273,771	19%
– Fair Value through other comprehensive income	276,041,190	693,371,711	-60%
– Held at amortised cost	846,923,215	283,582,832	199%
Assets pledged as collateral	79,273,911	62,200,326	27%
Loans and advances to banks	115,014	99,043	16%
Loans and advances to customers	1,802,587,381	1,662,731,699	8%
Restricted deposits & other assets	1,137,554,208	1,226,481,116	-7%
Property and equipment, and Right-of-Use Assets	203,971,924	148,782,835	37%
Intangible assets	19,573,604	19,872,523	-2%
Deferred tax assets	3,187,937	4,716,154	-32%
Total assets	**5,436,034,997**	**4,944,653,293**	10%

	Group		
In thousands of Nigerian Naira	**Dec-21**	**Dec-20**	**% y-o-y change**
Liabilities			
Deposits from banks	118,027,576	101,509,550	16%
Deposits from customers	4,012,305,554	3,509,319,237	14%
Derivative financial liabilities	1,580,971	2,758,698	-43%
Other liabilities	231,519,271	356,222,575	-35%
Current income tax liabilities	22,676,168	21,592,016	5%
Other borrowed funds	153,897,499	113,894,768	35%
Deferred tax liabilities	12,800,866	24,960,772	-49%
Total liabilities	**4,552,807,905**	**4,130,257,616**	10%
Equity			
Share capital	14,715,590	14,715,590	0%
Share premium	123,471,114	123,471,114	0%
Treasury shares	(8,125,998)	(6,928,103)	17%
Retained earnings	198,358,025	193,921,810	2%
Other components of equity	535,938,145	473,434,457	13%
Total equity attributable to owners of the Parent	**864,356,876**	**798,614,868**	8%
Non-controlling interests in equity	18,870,216	15,780,809	20%
Total equity	**883,227,092**	**814,395,677**	8%
Total equity and liabilities	**5,436,034,997**	**4,944,653,293**	10%

Balance Sheet Composition

- The Group closed FY 2021 with Total Assets of ₦5.44tn representing a growth of 9.9% from FY 2020 ₦4.95tn position. Across all its Banking jurisdictions in West Africa, East Africa and United Kingdom, the Group continues to maintain a well-structured and diversified Balance Sheet with Earning Assets constituting 63.2% of Total Assets whilst Loans and Advances, Fixed Income Securities and Money Market Placements accounted for 33%, 24% and 6% of Total Assets respectively.

- Earning Assets increased by 17% to ₦3.437tn in FY 2021 from ₦2.939tn in FY 2020. This strong growth is underpinned by the Group's well diversified and improved Funding base which comprises Customer Deposits, Customers' Escrow Balances and Equity.

- The improved funding was deployed across all the key Earning Asset Lines resulting in a growth in Loans and Advances by 8.4% (₦139.9bn) and growth in Fixed Income Securities (FIS) by 18.1% (₦199.9bn). The reduction in Non-earning Assets to ₦1.999tn in FY 2021 from ₦2.006tn in FY 2020 was due to an increase in the Special T-Bills position credited by the CBN from the Bank's CRR position leading to a net decrease of ₦56.5bn in the sterilized Naira deposits. Consequently, CRR closed at ₦952.3bn in FY 2021 from ₦1.009tn in FY 2020, resulting in effective CRR ratio of 37.6% from 44.33% in FY 2020 (with Special Bills, CRR closed 59.7%).

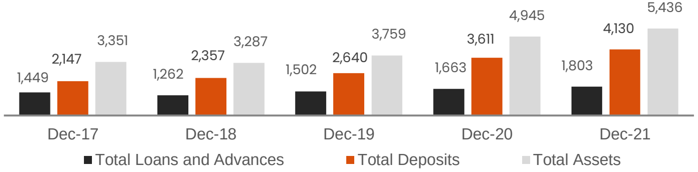
- Special Bills priced at 0.5% closed at ₦560.8bn in FY 2021 from ₦411.08bn in FY 2020, representing 43% and 61% of the Group's and Bank's Fixed Income Securities Portfolio respectively. The ₦149.7bn increase did not have any material impact on the Interest income line owing to its sub-optimal pricing; whereas the cost of funds of the underlying deposits far outweighs the yield on this Special Instrument issued to boost the Bank's Liquidity position.

- The Group's net Loans of ₦1.803Trn benefited from the depreciation of the naira, however, the growth in the Naira Loan book (with a gross increase of ₦113.1bn) exceeded the ₦26.7bn increase 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 Sectors. The LCY Loan growth and the impact of Management's decision to de-risk the FCY component of its Loan book (in view of the difficulty experienced by one key Obligor in meeting its repayment obligation) was significant to improve the LCY/FCY Loan mix to 51%:49% from 45%:55% recorded in FY 2020.

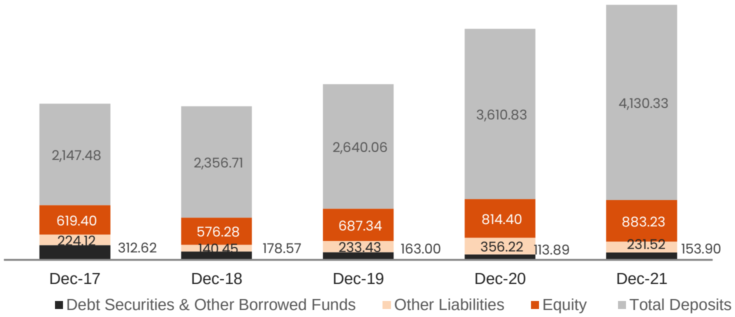
- Customer Deposit Liabilities grew by 14.3% (₦503.0bn) from ₦3.509tn in FY 2020 to ₦4.012tn in FY 2021. Low cost funds increased by 10.2% (₦318.2bn) from ₦3.120tn in FY 2020 to ₦3.438tn in FY 2021 resulting in Low cost deposit mix of 86% from 89% in FY 2020. The growth was underpinned by the articulate execution of the Group's Retail strategy in the face of a challenging operating environment and increased competition from Fintechs and Tier 2 Banks who offered higher interest rates. In response to the intense competition, the Group grew its Time Deposit Portfolio moving its contribution to 14.3% from 11.1% in FY 2020 (Bank – 13.3% from 9.5% in FY 2020).

- In spite of the challenges and head winds presented by the operating and regulatory environments in FY 2021 which affected businesses and households, the Group was able to navigate efficiently, deploying appropriate strategies to deliver Post-tax Return on Average Assets of 3.37% and Post-tax Return on Average Equity of 20.60%.

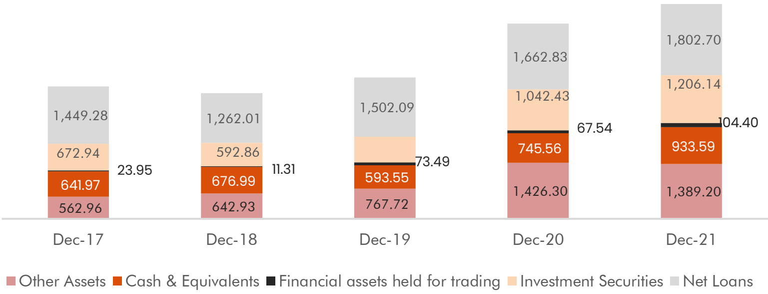
Loans, Deposits & Total Assets (₦'Bn)



Funding Mix (₦'Bn)



Components of Asset Base (₦'Bn)



Group Income Statement Snapshot (₦ 'Billions)

Gross Earnings
(1.6%)

447.8
FY 2021

455.2
FY 2020

Profit Before Tax
(7.0%)

221.5
FY 2021

238.1
FY 2020

Profit After Tax
(13.2%)

174.8
FY 2021

201.4
FY 2020

Non-Interest Income
17.1%

180.9
FY 2021

154.5
FY 2020

Interest Income
(11.3%)

226.9
FY 2021

300.7
FY 2020

Operating Income
(0.5%)

383.8
FY 2021

385.5
FY 2020

Interest Expense
(1.7%)

46.3
FY 2021

47.1
FY 2020

Operating Expense
10.1%

162.3
FY 2021

147.4
FY 2020

Loan Impairment
(56.4%)

8.5
FY 2021

19.6
FY 2020

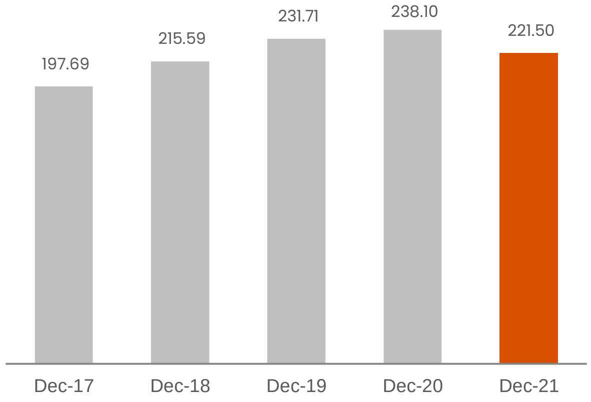
Income Statement – Group

	Group		
In thousands of Nigerian Naira	**Dec-21**	**Dec-20**	**% Change**
Interest income calculated using effective interest rate	251,466,260	288,278,670	-13%
Interest income on financial assets at fair value through Profit or loss	15,427,483	12,458,918	24%
Interest expense	(46,281,121)	(47,069,441)	-2%
Net interest income	**220,612,622**	**253,668,147**	-13%
Loan impairment charges	(8,531,155)	(19,572,893)	-56%
Net interest income after loan impairment charges	**212,081,467**	**234,095,254**	-9%
Fee and commission income	74,123,774	53,179,802	39%
Fee and commission expense	(8,472,981)	(6,244,554)	36%
Net fee and commission income	**65,650,793**	**46,935,248**	40%
Net gains on financial instruments classified as held for trading	22,390,669	24,486,177	-9%
Other income	84,402,399	76,826,192	10%
Net impairment reversal/(loss) on financial assets	(760,795)	3,190,517	-124%
Personnel expenses	(33,430,007)	(37,606,138)	11%
Right-of-use asset amortisation	0	(2,108,645)	100%
Depreciation and amortization	(35,300,097)	(29,046,513)	22%
Other operating expenses	(93,536,753)	(78,677,022)	19%
Profit before income tax	**221,497,676**	**238,095,070**	-7%
Income tax expense	(46,658,189)	(36,655,130)	27%
Profit for the year from continuing operations	**174,839,487**	**201,439,940**	-13%
Profit for the year	**174,839,487**	**201,439,940**	-13%

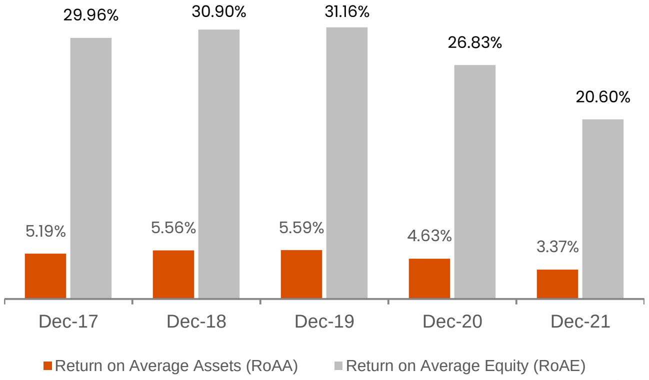
PBT Trend

- The Group's Gross Earnings dipped marginally by 1.6% to ₦447.8bn in FY 2021 from ₦455.2bn in FY 2020 primarily as a result of a reduction in Interest Income from ₦300.7bn to ₦266.9bn (11.3%), which was in turn partly offset by growth in Fees and Commissions (₦74.1bn vs ₦53.2bn) and Other Income (₦84.4bn vs ₦76.8bn) during the same period.
- The reduction in the Interest Income line was largely due to yield compression on the Earnings Assets portfolio notwithstanding the growth in average volumes of Earning Assets to ₦2.48tn from ₦2.22tn during the same period. Yields dropped to 8.0% in FY 2021 from 11.1% in FY 2020 on the back of a reduction in the yield earned on the Investment Securities Portfolio to 4.5% in FY 2021 from 12.8% in FY 2020 leading to a significant decrease of 39% (₦42.7bn) in Interest earned on FIS to ₦67.7bn in FY 2021 from ₦110.4bn in FY 2020.
- The 8.2% growth in Gross Loans offset the 0.5% decline in yields on same (10.5% in FY 2021 vs 11.0% in FY 2020) resulting in a 5.1% growth in Interest income on Loans and advances to ₦195.02bn in FY-2021 from ₦185.5bn in FY 2020 which was not adequate to completely mitigate the impact of the 39% fall in Interest income on FIS, therefore culminating into 11.3% reduction in the total Interest Income earned in FY 2021.
- The Group effectively improved its Cost of Funds to 0.9% from 1.2% during the same period to douse the impact of Earning Assets yield compression on Net Interest Income; improving Interest Expense by 1.7% (₦788.3mn) from ₦47.1bn in FY 2020 to ₦46.3bn in FY 2021 to achieve Net Interest Margin (NIM) of 6.74% in FY 2021 from 9.26% in FY 2020.
- In further response to the yield compression, the Group grew the volume of its fee based transactions resulting in a 39.4% (₦20.9bn) growth in Fee and Commission Income to ₦74.1bn in FY 2021 from ₦53.2bn in FY 2020. Fees and Commissions growth can be attributed to NIP volume expansion and other digital related transactions resulting in a 79% increase in e-Business related income to ₦21.1bn in FY 2021 from ₦11.7bn in FY 2020 and 34% growth noted on Current Account Maintenance Charge (CAMF) from ₦12.5bn to ₦16.7bn on the back of 38% growth in Turnover Volumes to ₦24.8trn from ₦17.9trn during the same period.
- Trading efficiencies sustained Trading gains at ₦22.4bn in FY 2021 from ₦24.5bn in FY 2020 whilst revaluation gains from the Group's US$1.2bn long position and Income on forward transactions; which comprised principally of Derivative gains, added ₦45.0bn to Other Income in FY 2021. This is however a drop from ₦56.6bn in FY 2020 due to the difference in the closing Naira Exchange rate against the US Dollars at the I&E Window in FY 2021 relative to FY 2020.
- Loan Impairment charges decreased by 56.4% from ₦19.6bn in FY 2020 to ₦8.5bn in FY 2021 due to the level of Risk reserves built up from previous years, improvement in the outlook of macro-economic variables used in the predictive ECL impairment model amidst waning effect of the Covid-19 pandemic and improvement in the quality of the loan book.
- The Group's total Operating expense (OPEX) grew by 10.1% (₦14.8bn) from ₦147.4bn in FY 2020 to ₦162.3bn in FY 2021 primarily from increased regulatory cost associated with Balance Sheet size i.e. AMCON levy and NDIC premium, incremental depreciation charge arising from Capital spend and impact of adverse exchange rate movement against the US Dollars across our jurisdiction of operations in FY 2021.
- PBT contributions from outside Nigeria improved from 15.3% in FY 2020 to 23.5% in FY 2021.
- Overall, the Group closed FY 2021 delivering a PBT of ₦221.5 bn representing a dip of 7.0% from ₦238.1 bn posted in FY 2020. As the Financial Holding Company takes shape, we expect that the revenue base will be further expanded and strengthened with income from Non-Banking Subsidiaries (i.e. Payments, PFA and Asset Management) with resultant improvement in profitability metrics.

PBT (₦'Bn)



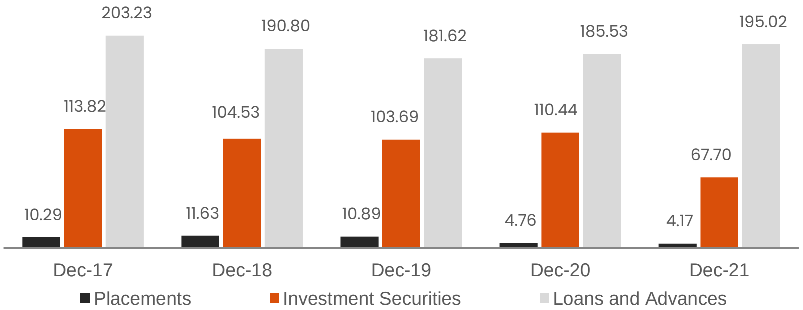
Return on Average Assets and Equity



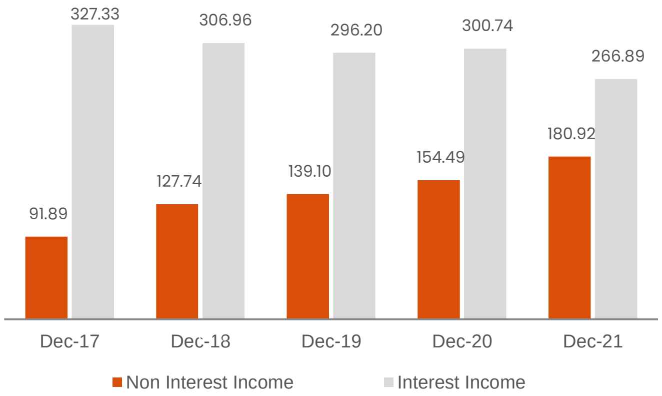
Revenue Generation

- Revenue continued to be challenged as Gross earnings which comprises Funded and Non-Funded Income dipped by 1.6% from ₦455.2bn in FY 2020 to ₦447.8bn in FY 2021.
- Yield compression on Earning assets impacted the Funded Income component causing a 11.3% reduction in earnings from this income line to ₦266.9bn in FY 2021 from ₦300.7bn in FY 2020. Consequently, its contribution to Gross earnings dropped to 59.6% in FY 2021 from 66.1% in FY 2020.
- Non-Funded Income (NFI) however grew by 17.1% to ₦180.9bn in FY 2021 from ₦154.5bn in FY 2020. NFI performance was boosted by Increased transactional volumes in the Digital and Non-Digital space stemming from the re-opening of the economy post Covid-19 induced lockdowns across all our jurisdictions. This was positive as e-Business income and Account maintenance charges improved by ₦9.3bn and ₦4.2bn respectively.
- Credit Related Fees, Income from Financial guarantees (i.e. LC commissions, BC commissions and commissions on Accepted guarantees) and commissions on other Account Services Fees also grew during the same period.
- Reduced spread on FIS trades resulted in 8.6% dip in Net gain on Trading of Financial Instruments during the period (₦22.4bn in FY 2021 vs ₦24.5bn in FY 2020).
- Other Income benefited from the growth in Loan Recoveries (₦9.6bn in FY 2021 vs ₦4.1bn in FY 2020) and non-recurrence of the modification loss of ₦3.0bn booked in FY 2020 in compliance with the requirement of the IFRS Standards. It was further enhanced by growth in Discounts and Recoverable earnings to ₦23.1bn in FY 2021 from ₦13.6bn in FY 2020 owing to improved income from non-vatable digital transactions and offshore rebates from correspondent banks.
- The growth in Other Income was however curtailed by reduced FX revaluation & Derivative gains (₦45.0bn in FY 2021 vs ₦56.6bn in FY 2020) largely as a result of the impact of the relative changes to Naira/USD exchange rate i.e. ₦435/$1 in 2021, ₦410.25/$1 in 2020 and ₦364.51/$1 in 2019) used in revaluing the Bank's US$1.2bn long position and the forward rate applied to value the US$613mm Swap positions.

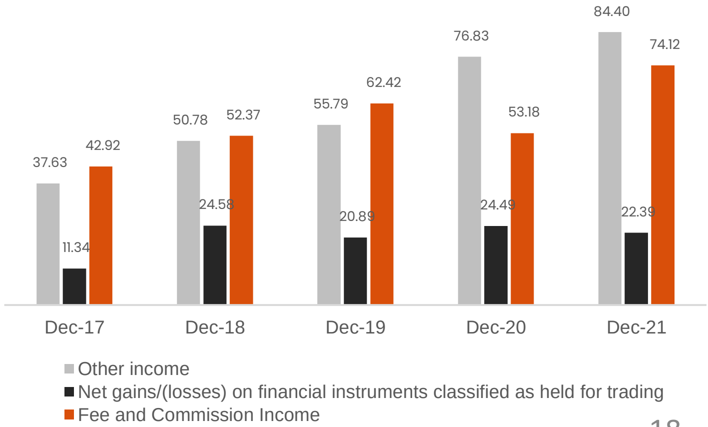
Interest Income (₦'Bn)



Revenue Mix (₦'Bn)



Non-Interest Income (₦'Bn)

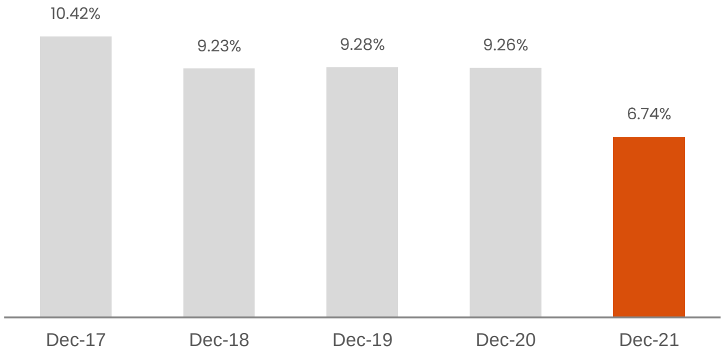


Margin Metrics

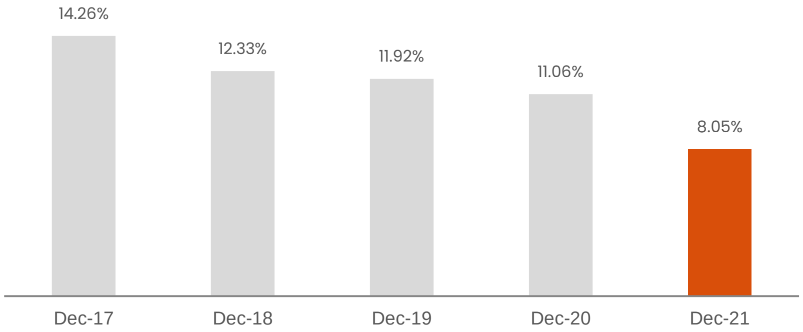
Sustained Competitive Margins

- NIM under pressure at 6.74% in FY 2021 as against 9.26% as of FY-2020 due to declining Asset Yields.
- Sound Treasury Management weighed positively and limited Asset yields compression by 302 bps to 8.05% in FY 2021 from 11.06% in FY 2020.
- The Group continues to implement its well-articulated retail strategy, diversified its funding base and played to the strength of its brand to gain enough market share in the retail space and maintain its strong low-cost mix position.
- Cost of Funds (CoF) improved by 31bps (from 1.19% in FY 2020 to 0.88% in FY 2021) following an improvement in low-cost deposit mix to 86%. This was however not adequate to offset the 302 bps decrease in Asset Yields.
- The low-cost deposit mix enabled the Group to navigate the low Interest rate environment and compete effectively on asset pricing and helped moderate the pick-up in cost of funds as the Group strives to sustain its liquidity position amidst intense competition from Fintechs and Tier 2 banks.
- The Group will continue to seek alternative yield optimization opportunities by taking advantage of its transition to a fully-fledged Financial Services Company.

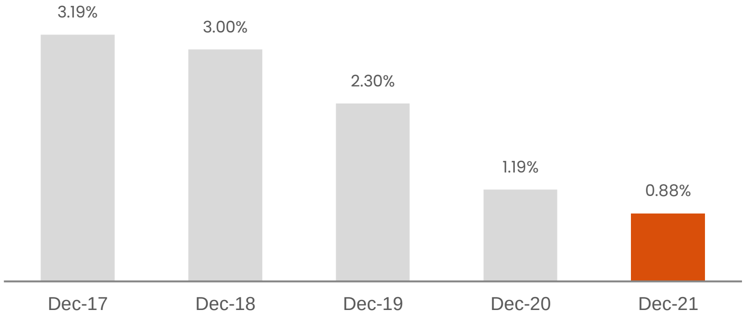
Net Interest Margin



Yields on Interest Earning Assets



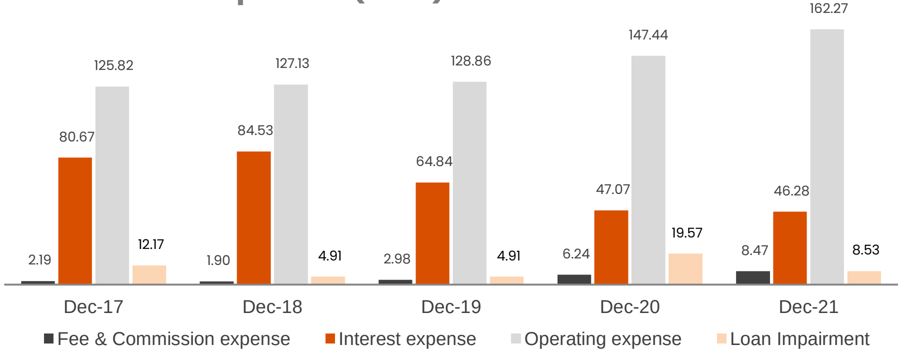
Cost of Funds



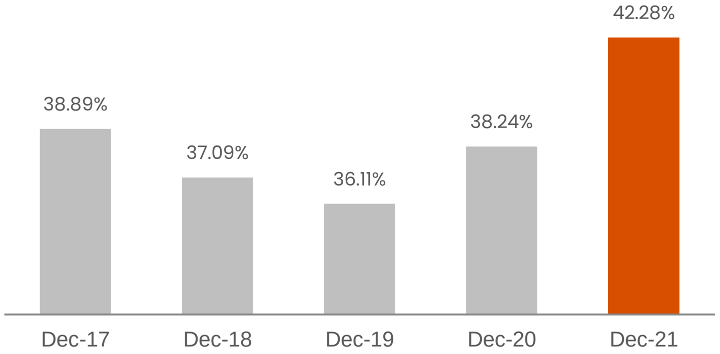
Efficient Cost Management

- OPEX grew by 10.1% from ₦147.4bn in FY 2020 to ₦162.3bn in FY 2021 due to the impact of rising headline inflation and exchange rate movement at the official market which precipitated an increase in general prices of goods and services.
- OPEX growth of 10.1% was below headline inflation which closed at 15.63% in December 2021.
- Operating cost was largely impacted by increased Regulatory Costs - 27.3% growth in AMCON expenses and 21.5% increase in Depreciation Expenses.
- 1.7% savings on Interest Expense was primarily driven by changes to interest rate paid on savings account deposit which is indexed to Monetary Policy Rate (MPR). CBN reduced MPR from 12.5% to 11.5% and interest rate paid on savings deposit from 30% to 10% of MPR in September 2020. The Group benefitted from the full impact of this change in FY 2021.
- Continued utilization of the Group's dollar liquidity enabled seamless repayment of maturing FCY borrowings thereby reducing pressure from exchange rate movement which would have led to increased interest expense from translation impact of depreciation of the Naira against USD as at December 2021. Repayment of FCY borrowings therefore contributed to the sustenance of Cost of Funds (CoF) at 0.88% in FY 2021.
- Overall, Cost to Income Ratio (CIR) closed at 42.3% in FY 2021 from 38.2% in FY 2020 which is above our 35% guidance owing to pressure on revenue which outweighed the gains from cost efficiency.
- The Group remains committed to effectively managing its cost despite inflationary and revenue pressures in order to remain within the FY 2022 guidance.

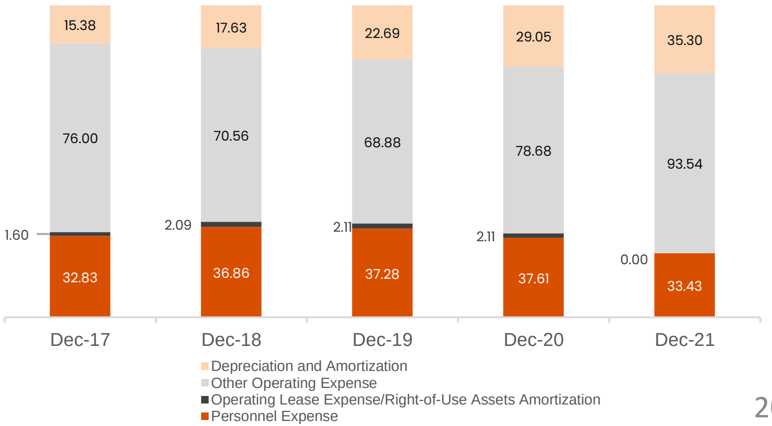
Overview of Expenses (₦'Bn)



Cost to Income (CIR)



Operating Expenses (OPEX) (₦'Bn)



OPEX

	Group	Group		
In billions of Naira	FY 2021	FY 2020	Change (Y-o-Y)	% Change (Y-o-Y)
Depreciation and Amortization	35.3	29.0	6.3	21.5%
AMCON Expenses	21.9	17.2	4.7	27.3%
Occupancy Costs and Repairs & Maintenance	9.6	12.9	(3.2)	(25.0%)
Deposit Insurance Premium	12.2	8.5	3.7	43.9%
General welfare Expenses	6.5	0.9	5.6	603.9%
Customer Service Related Expenses	1.7	3.1	(1.4)	(44.5%)
Communication, Tech. related & Admin. Expenses	18.5	14.3	4.1	28.9%
Advert, Promotion and Corporate Gifts	5.8	5.1	0.7	13.5%
Personnel Expense	33.4	37.6	(4.2)	(11.1%)

OPEX Drivers

The Group recorded a 10.1% growth in Operating Expenses from ₦147.4 bn in FY 2020 to ₦162.3 bn in FY 2021. The growth was primarily driven by the following:

a. Depreciation and amortization expenses which grew by 21.5% as a result of incremental charge on Capital spent on IT infrastructure in Q4 2020 as well as capitalization of balances in Work in Progress in respect of amount spent on Furniture & Equipment, Computer Hardware and Software procured for branches in prior year.

b. Increase in Regulatory Charges i.e. AMCON Levy and Deposit and Other Insurance Premium. AMCON levy increased by 27.3% due to the growth in Total Asset and Contingents at Bank level to ₦4.37trn in FY 2020 from ₦3.44trn in FY 2019 (AMCON levy is computed as 0.5% on preceding year's Total Asset and Contingents) while Deposit Insurance premium increased by 43.9% (₦12.2bn in FY 2021 vs ₦8.5bn in FY 2020) due to 39% increase in Customers' Deposits to ₦3.51trn in FY 2020 from ₦2.53trn in FY 2019 (Deposit Insurance Premium is calculated on preceding year's Customers' Deposits).

c. 59.1% growth in Administrative expenses was due to the impact of rising inflation, increased operational cost (especially cost of moving cash) due to full opening of all the Group's branches in 2021 compared to partial opening of branches in some months in 2020 due to Covid-19 induced lockdowns and the translation impact of Subsidiaries OPEX balances to Naira on the weaker Naira/US$ conversion.

d. 604% growth in General welfare expenses was due to changes in the valuation of loans granted to staff at contractual interest rates below market, increased training expenses and growth in other staff general welfare expenses in our Ghana and Kenya Subsidiaries.

Risk Asset Mix

- Well diversified loan book with specific focus on quality risk assets across all our select business segments.
- Reduced exposure to the manufacturing sector was largely driven by scheduled paydowns and the slow recovery from significant disruptions caused by the impact of the Covid-19 Pandemic on businesses in this sector.
- Proportional mix of Oil & Gas to the entire portfolio also reduced due to conscious effort at reducing the concentration risk within this Sector.
- 93% of the exposures in the Oil & Gas sector are USD denominated
- The total restructured loans stood at ₦251.95billion constituting 17.9% of the gross loan portfolio. 80.2% of the restructured loans relates to two (2) Obligors.

Gross Loans by Industry

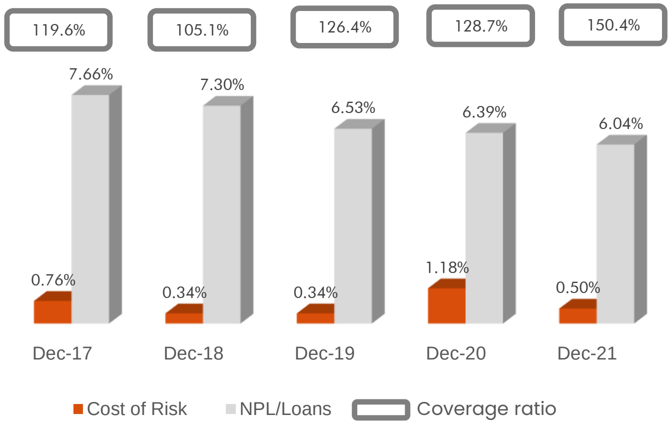
Gross Loans by Industry	December 31, 2021	December 31, 2020
Upstream Oil and Gas	28%	29%
Manufacturing	14%	19%
Midstream Oil and Gas	14%	14%
Individual	12%	11%
Information, Telecoms. and Transport.	8%	7%
Government	4%	5%
Others*	5%	3%
Agriculture	7%	1%
Capital Market and Fin. Institutions	3%	4%
General Commerce	2%	3%
Construction and Real Estate	2%	2%
Downstream Oil and Gas	0.5%	1%
Education	0.5%	1%

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

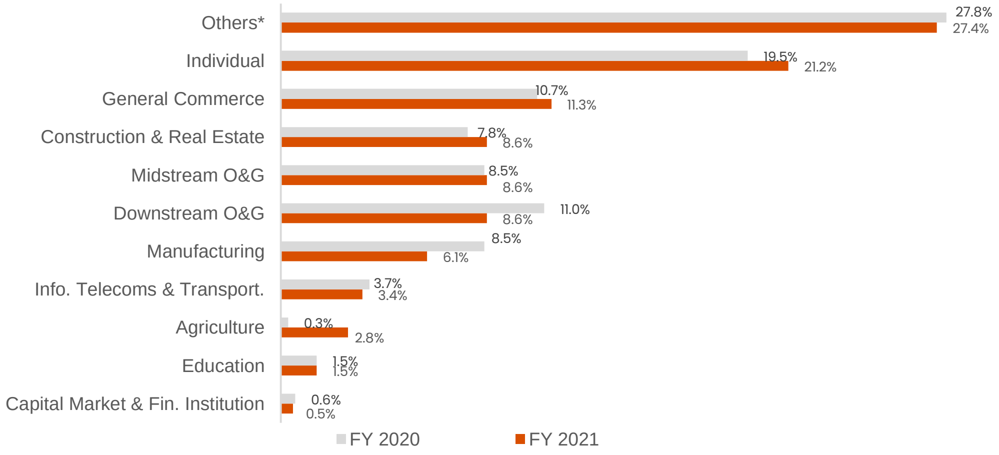
Asset Quality

- The Group improved its asset quality with IFRS 9 Stage 3 loans closing at 6.04% in FY 2021 from 6.39% in FY 2020.
- The marginal increase in prudential NPLs from 6.86% to 6.92% was as a result of stress noted with certain exposures within the Hospitality, Individuals, Clubs, Co-operative Societies and Unions as the Obligors within these sectors were severely impacted by Covid-19.
- Downstream sector benefitted from the ₦7.2billion write-off in FY 2021 as its NPLs improved to 8.6% in FY 2021 from 11.0% in FY 2020.
- IFRS 9 Stage 3 loans closed at ₦113.9bn as at FY 2021 increasing by 2.2% from ₦111.5bn in FY 2020. Balance Sheet Impairment Allowance for Stage 3/Lifetime Credit Impaired exposures closed at ₦57.5bn representing 50.5% coverage of Loans in this classification.
- In aggregate terms (including Regulatory Risk Reserves of ₦87.6bn), the Group has adequate coverage of 150.4% for its Stage 3 names/NPLs, this position is consistent with the Group's plan to maintain 100% coverage for its NPLs.

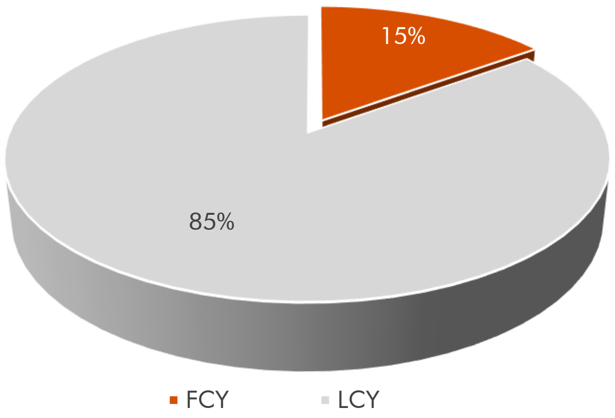
NPL and Coverage



NPL by Industry



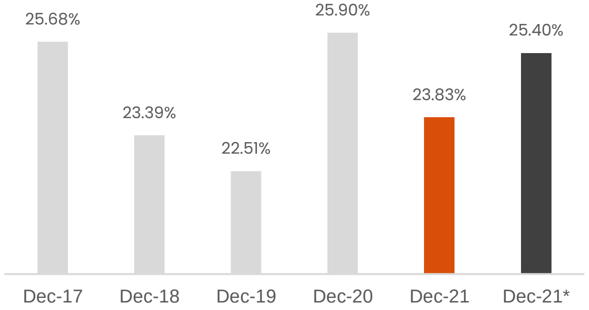
NPL by Currency



* 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 strong capital positions with Full and Transitional IFRS 9 impact Capital Adequacy Ratio (CAR) of 23.8% and 25.4% respectively, 883bps above the regulatory minimum of 15%.
- Tier 1 capital remained a very significant component of the Group's CAR standing at 23.0% representing 97% of the Group's Full IFRS 9 impact CAR of 23.8%
- The robust Capital position provides headroom for the Group to meet future expansion and capacity for additional risk taking.
- The Group's Capital has been sensitized for Basel III compliance and found robust enough to meet the requirements for additional capital for conservation and Counter cyclical buffers.

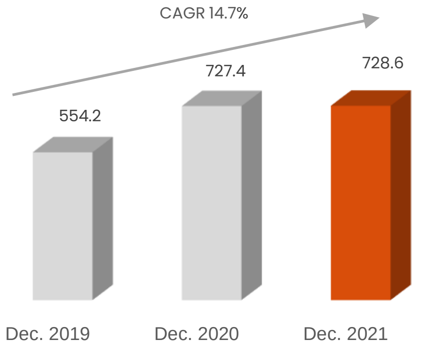


Capital Adequacy Computation (Basel II)

In Millions of Naira	Group			
	Transitional IFRS 9 Impact		Full IFRS 9 Impact	
	Dec. 21	Dec. 20	Dec. 21	Dec. 20
Net Tier 1 Capital	769,938	785,197	704,447	702,429
Net Tier 2 Capital	24,239	24,950	24,239	24,950
Total Regulatory Capital	**794,177**	**810,147**	**728,686**	**727,379**
Risk Weighted Assets for:				
Credit Risk	2,495,964	2,272,857	2,430,474	2,207,366
Operational Risk	612,312	589,712	612,312	589,712
Market Risk	15,214	10,998	15,214	10,998
Aggregate Risk Weighted Assets	**3,123,491**	**2,873,567**	**3,058,000**	**2,808,076**
Capital Adequacy Ratio:				
Tier 1 Risk Weighted	24.65%	27.32%	23.04%	25.01%
Tier 2 Risk Weighted	0.78%	0.87%	0.79%	0.89%
Total Risk Weighted Capital Ratio	**25.43%**	**28.19%**	**23.83%**	**25.90%**

** Transitional IFRS 9 Arrangement CAR*

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



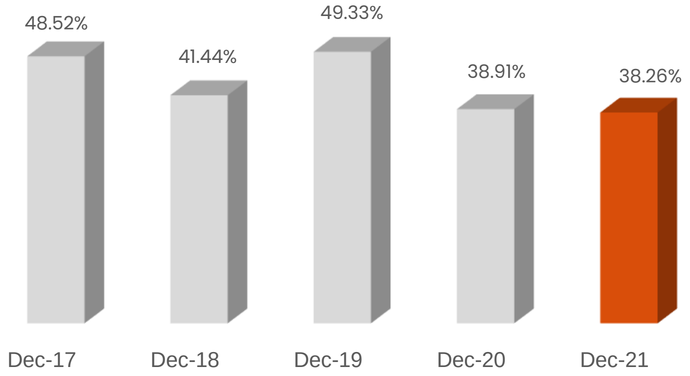
Liquidity Ratio

Strong Liquidity Position

- Liquidity ratio closed at 38.26% in FY 2021 (FY 2020: 38.91%) well above the regulatory minimum requirement of 30%

- Despite the pressure from intense competition and need to cover for regulatory debits, the Group maintained average liquidity ratio of 40.76%.

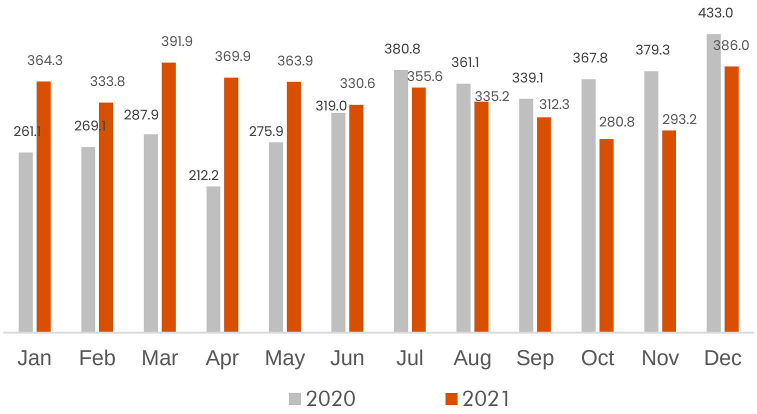
Liquidity Trend



Digital Banking Performance (USSD)

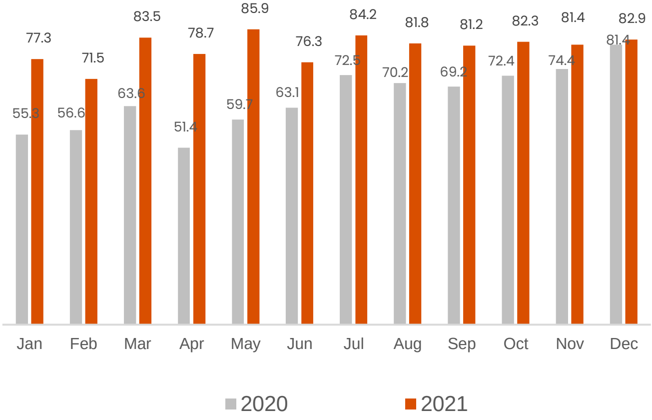
- Continuous growth in the level of adoption of digital banking both in volume and value.
- Total number of USSD unique users grew by 4.3% (300,000) from 6.9 million in Dec. 2020 to 7.2 million in Dec. 2021.
- The introduction of N6.98 flat fee on successful USSD transactions impacted the growth trajectory on this platform as more customers opted for mobile and internet banking platforms for their banking transactions.

USSD Value (in billions of Naira)



Total Value in FY 2021 : ₦4,117.5 billion
Total Value in FY 2020 : ₦3,886.03 billion
% Growth (y-o-y) : 6%

USSD Volume (in millions)

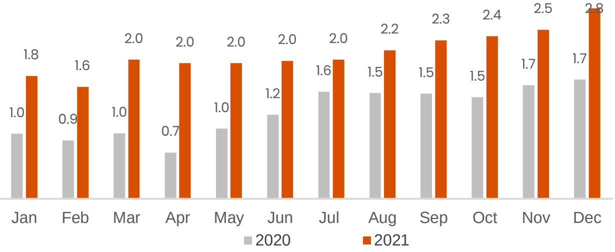


Total Volume in FY 2021 : 966.9 million
Total Volume in FY 2020 : 790.0 million
% Growth (y-o-y) : 22%

Digital Banking Performance (Mobile and Internet Banking)

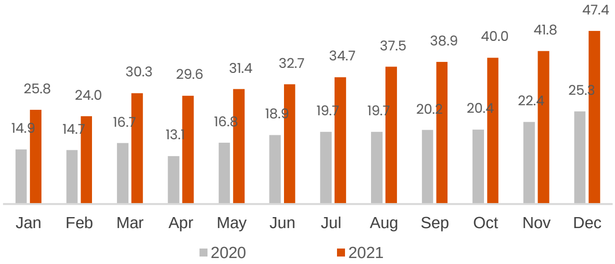
- The increase in transactions on the internet and mobile banking platforms was buoyed by the introduction of a Telco charge of ₦6.98 per successful USSD transaction which resulted in increased adoption of other electronic banking platforms.
- The 68% year-on-year growth in Mobile banking volumes resulted in a N10.38 trillion growth from N15.21 trillion in FY 2020 to N25.59 trillion in FY 2021.
- Similarly, the volume of internet banking transactions grew by 1.8% in FY 2021 from 10.9 million to 11.1 million. An 8.7% growth in value also translated to an increase of N221.5 million to N2,559.3 billion in FY 2021

Mobile Banking (Value in Trillions of Naira)



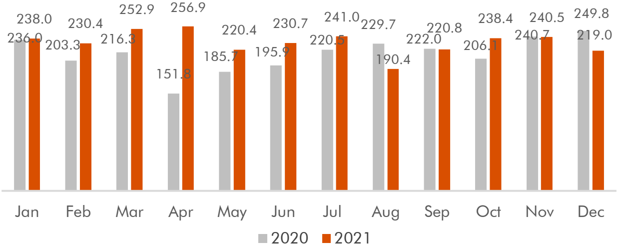
Total Value in FY 2021 : ₦25.59 trillion
Total Value in FY 2020 : ₦15.21 trillion
% Growth (y-o-y) : 68.2%

Mobile Banking (Volume in Millions)



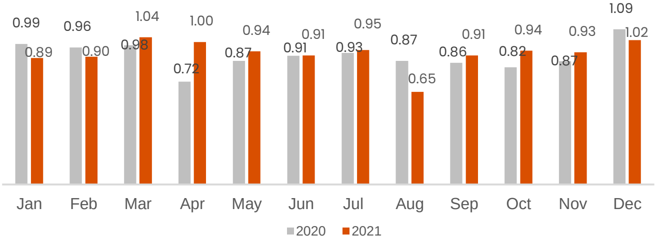
Total Volume in FY 2021: 414.2 million
Total Volume in FY 2020 : 222.7 million
% Growth (y-o-y) : 86%

Internet Banking (Value in Billions of Naira)



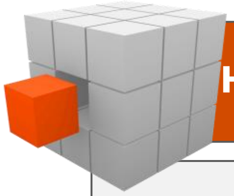
Total Value in FY 2021 : ₦2,779.3 billion
Total Value in FY 2020 : ₦2,557.8 billion
% Growth (y-o-y) : 8.7%

Internet Banking (Volume in Millions)



Total Volume in FY 2021 : 11.1 million
Total Volume in FY 2020 : 10.9 million
% Growth (y-o-y) : 1.8%

Update on our Holding Company Structure



Holding Company Structure

We started 2021 with our corporate re-organisation, and finished the year more robust and dynamic to consolidate our lead across the breadth of financial services.

As we leverage every single synergy inherent in our Holding Company structure, we are also bolstering our abilities to effectively and efficiently offer all the relevant financial services our customers may need.

Transaction Update

- Re-organization exercise was concluded and became effective August 1, 2021
- Guaranty Trust Holding Company Plc is the Parent company of Guaranty Trust Bank Ltd. and its other banking subsidiaries, as well as non-banking subsidiaries
- Acquisition of 100% stake in Investment One Fund Manager Ltd. and Investment One Pension Managers Ltd were concluded in February 2022
- Awaiting regulator's Substantive Approval for the commencement of operations of the payment company following the earlier receipt of the CBN's Approval-in – Principle (AIP)
- Integration of operations, rebranding and strategic planning exercise for both Pension and Fund Management Businesses currently ongoing

Business Segments & Subsidiary Review

Same Orange
MORE RANGE

Business Segmentation (Group) – FY 2021

Segment	Description			Loans	Deposits	PBT
 Institutional and Wholesale	2,100+ Customers ₦1,408.1 billion Loans	₦5 billion+ Turnover ₦1,022.8 billion Deposits	Large Corporates, Multinationals, Energy, Telecoms, Maritime etc. ₦137.7 billion PBT	78.1% 75.9%*	24.8% 24.2%*	63.3% 69.4%*
 Commercial	270,250+ Customers ₦101.5 billion Loans	above ₦500 million to ₦5 billion Turnover ₦429.9 billion Deposits	Tailor-made Solutions and Flexibility for Middle Market Companies ₦10.1 billion PBT	5.6% 6.4%*	10.4% 10.9%*	4.6% 3.3%*
 SME	1.29 million+ Customers ₦31.2 billion Loans	under ₦500 million Turnover ₦484.3 billion Deposits	Caters to small, fledging and fairly structured businesses ₦4.8 billion PBT	1.7% 1.7%*	11.7% 12.0%*	2.2% 1.9%*
 Retail	24.2 million+ Customers ₦192. billion Loans 235 Branches	Retail-focused Customer base ₦2,175.6 billion Deposits 60 GTExpress Outlets	Consumer Lending ₦62.8 billion PBT 33 e-branches & Cash Centres 1,361 ATMs	10.7% 10.0%*	52.7% 52.5%*	28.9% 24.1%*
 Public Sector	Federal, state & local governments ₦93.7 billion Loans	Ministries, Departments. & Agencies (MDAs) ₦17.7 billion Deposits	All segments of government ₦2.3 billion PBT	3.8% 6.0%*	0.4% 0.5%*	1.1% 1.2%*

* *FY 2020*

Geographical Presence – FY 2021

GTBank Ltd.

- 100% owned by GTCO
- Established in 1990
- 235 branches, 16 e-branches, 14 cash centres & 60 GTExpress
- N138.19 bn invested by GTCO
- FY 2021 PBT: ₦176.12 bn
- ROE: 20.2%

Habari Pay

- Established in Aug. 2021
- 100% owned by GTCO
- 1 branch
- N3.62bn invested by GTCO
- FY 2021 PBT: Nill

United Kingdom

- Established in 2008
- 100% owned by GTBank Ltd.
- 1 branch
- N9.60bn invested by GTBank Ltd.
- FY 2021 PBT: (₦1.16 bn)
- ROE: 6.3%)

Liberia

- Established in 2009
- 99.43% owned by GTBank Ltd.
- 10 branches
- N1.95bn invested by GTBank Ltd.
- FY 2021 PBT: ₦2.65 bn
- ROE: 19.3%

Cote D'Ivoire

- Established in 2012
- 100% owned by GTBank Ltd.
- 4 branches
- N5.08bn invested by GTBank Ltd.
- FY 2021 PBT: ₦2.78 bn
- ROE: 22.3%

Kenya

- Acquired in 2013
- 70% owned by GTBank Ltd.
- 9 branches
- N17.13bn invested by GTBank Ltd.
- FY 2021 PBT: ₦6.90 bn
- ROE: 12.3% (Parent : 5.9%)

Sierra Leone

- Established in 2002
- 83.74% owned by GTBank Ltd.
- 16 branches
- N594.11m invested by GTBank Ltd.
- FY 2021 PBT: ₦3.54 bn
- ROE: 19.2%

Rwanda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 14 branches
- ROE: 201.2%

Gambia

- Established in 2002
- 77.81% owned by GTBank Ltd.
- 15 branches & 1 e-branch
- N574.28m invested by GTBank Ltd.
- FY 2021 PBT: ₦3.75 bn
- ROE: 31.6%

Ghana

- Established in 2006
- 98.32% owned by GTBank Ltd.
- 35 branches
- N18.14bn invested by GTBank Ltd.
- FY 2021 PBT: ₦33.84 bn
- ROE: 27.5%

Uganda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 8 branches
- ROE: 11.9%

Tanzania

- Established in Dec. 2017
- 76.2% owned by GTBank Ltd.
- 1 branch
- N3.84bn invested by GTBank Ltd.
- FY 2021 PBT: (₦276.94 mn)
- ROE: (7.6%)

Banking and Non-Banking Subsidiary Overview – FY 2021

	Millions of Naira	Assets			Loans			Total Deposit			PBT		
		FY 2021	FY 2020	% Change	FY 2021	FY 2020	% Change	FY 2021	FY 2020	% Change	FY 2021	FY 2020	% Change
West Africa	**Cote D'Ivoire**	72,334	54,403	33%	15,666	15,428	2%	56,837	40,218	41%	2,785	1,203	132%
	Gambia	85,857	66,300	29%	8,213	7,598	8%	73,353	55,451	32%	3,749	2,337	60%
	Ghana	370,830	290,757	28%	119,445	75,322	59%	276,090	213,336	29%	33,842	26,356	28%
	Liberia	74,288	58,483	27%	38,258	29,444	30%	61,502	43,515	41%	2,651	1,764	50%
	Sierra Leone	70,918	61,982	14%	13,438	13,314	1%	53,189	48,044	11%	3,540	2,880	23%
East Africa	**Kenya Group**	210,109	182,681	15%	94,334	80,269	18%	157,202	140,919	12%	6,895	4,010	72%
	Tanzania	10,827	7,008	54%	3,747	2,321	61%	6,618	3,016	119%	-277	-416	33%
	Nigeria	4,357,033	4,061,544	7%	1,475,789	1,410,617	5%	3,236,260	2,881,699	12%	176,121	205,131	-14%
	United Kingdom	287,667	258,119	11%	33,813	28,458	19%	267,308	235,938	13%	-1,158	-1,617	28%
	Habari Pay	3,625	0		0	0		0	0		0	0	
	*** Grand Total**	**5,436,035**	**4,944,653**	**10%**	**1,802,587**	**1,662,732**	**8%**	**4,130,334**	**3,610,829**	**14%**	**221,498**	**228,095**	**-3%**

% Contribution of Subsidiaries to Group

				Loans	Deposits	PBT
West Africa (excluding Nigeria)	**₦195.0 billion** Loans	**₦521.0 billion** Deposits	**₦46.6 billion** PBT	10.8%	12.6%	21.0%
East Africa	**₦98.1 billion** Loans	**₦163.8 billion** Deposits	**₦6.6 billion** PBT	5.4%	4.0%	3.0%
United Kingdom	**₦33.8 billion** Loans	**₦267.3 billion** Deposits	**(₦1.16 billion)** PBT	1.9%	6.5%	(0.5%)

*post elimination entries

Regional Performance – FY 2021

East Africa

- 32 branches
- FY 2021 Gross Earnings: ₦23.50 bn (FY 2020: ₦19.19 bn) 22.5% y-o-y
- FY 2021 PBT: ₦6.61 bn (FY 2020: ₦3.59 bn) 84.1% y-o-y
- ROE: 10.5% (FY 2020: 7.2%)

West Africa (excluding Nigeria)

- 80 branches, 1 e-branch
- FY 2021 Gross Earnings: ₦87.83 bn (FY 2020: ₦68.04 bn) 29.1% y-o-y
- FY 2021 PBT: ₦46.57 bn (FY 2020: ₦34.54 bn) 35% y-o-y
- ROE: 25.7% (FY 2020: 25.7%)

Non-Financial Highlights for FY 2021

CUSTOMERS

- **25.7mm+** Customers
- **30** e-Branches and Cash Centres
- **21,613+ Active** POS Terminals
- **348** International Branch Network
- **1,361** Automated Teller Machines
- **60** GT Express Locations
- **885,570+** Unique Users
- **500mm+** Unique Transactions
- **5.8mm+** active cards

EMPLOYEES

- **6,388** Employees
- **55.1%** Male
- **44.9%** Female
- **96%** of employee received training in FY 2021

SHAREHOLDERS

- **328,859** Shareholders
- **614 Kobo** EPS
- **2nd** Most Capitalized Financial Services company and Best-in-Class Returns

RATINGS

GTBank Nig. Ltd.

FitchRatings	B
S&P Global Ratings	B -

COMMUNITIES

Masters Cup 2021 (Season 9)

35 Schools participated in the 2021 editions of the Masters Cup

Guaranty Trust Annual Autism Conference 2021

- **1,619+** Zoom Participants
- **14,375+** Youtube views
- **740+** Physical Attendees
- **1,762+** Online Registration

International Women's Day Campaign 2021

1000+ Self-employed women provided with 1 year free health insurance coverage

2021 Financial Literary Day

- **405+** Students benefitted from the initiative
- **19+** Volunteers
- **4** states visited (Enugu, Plateau, Osun and Niger)

ACCOLADES

Euromoney Awards for Excellence 2021
- ✓ Africa's Best Bank
- ✓ Nigeria's Best Bank

World Finance Banking Awards 2021
- ✓ Africa's Most Innovative Bank
- ✓ African Banker of the Year (Segun Agbaje)
- ✓ Nigeria's Best Retail Bank and Banking Group

Brand Africa 100 – Africa's Best Brands 2021
- ✓ Africa's Most Admired Financial Services Brand
- ✓ Nigeria's Most Admired Financial Services Brand

Global Finance Best Bank Award 2021
- ✓ Nigeria's Best Treasury and Cash Management Bank

World Business Outlook
- ✓ Nigeria's Best Digital Bank
- ✓ Nigeria's Best Mobile Banking App

FY 2022 Guidance

Same Orange
MORE RANGE

FY 2022 Guidance

	FY 2020	FY 2021	FY 2022 Guidance
PBT	₦238.1 bn	₦221.5 bn	₦243 bn
Deposit Growth	36.8%	14.4%	25%
Loan Growth	10.7%	8.4%	10%
Coverage (with Reg. Risk Reserve)	128.7%	150.4%	100%
Cost of Risk	1.18%	0.50%	1%
NPL to Total Loans	6.4%	6.00%	6%
Return on average Assets	4.6%	3.4%	5%
Return on average Equity	26.8%	20.60%	25%
Loans to Deposits and Borrowings (Bank)	49.4%	43.60%	50%
Liquidity Ratio	38.9%	38.30%	38%
Capital Adequacy Ratio	26.52%	23.80%	23%
Cost to Income Ratio	38.2%	42.30%	35%
Net Interest Margin	9.26%	6.70%	8%
Banking (Nigeria) Contribution to PBT	84.7%	76.5%	70%
Banking (Ex-Nigeria) Contribution to PBT	15.3%	23.5%	28%
Non-Banking Contribution to PBT	0%	0%	2%

Disclaimer

This presentation is based on Guaranty Trust Holding Company Plc (“**GTCO**” or “**Group**”)’s audited financial results for the full year ended December 31, 2021 prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB). The Group has also obtained certain information in this presentation from sources it believes to be reliable. Although GTCO has taken all reasonable care to ensure that such external information are accurate and correct, the Group makes no representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information.

Furthermore, GTCO makes no representation or warranty, express or implied, that its future operating, financial or other results will be consistent with results implied, directly or indirectly, by information contained herein or with GTCO's past operating, financial or other results. Any information herein is as of the date of this presentation and may change without notice. GTCO undertakes no obligation to update the information in this presentation. In addition, some of the information in this presentation may be condensed or incomplete, and this presentation may not contain all material information in respect of GTCO.

This presentation may also contain “forward-looking statements” that relate to, among other things, GTCO’s plans, objectives, goals, strategies, future operations and performance. Such forward-looking statements may be characterised using words such as “estimates,” “aims,” “expects,” “projects,” “believes,” “intends,” “plans,” “may,” “will” and “should” and other similar expressions which are not the exclusive means of identifying such statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause GTCO’s operating, financial or other results to be materially different from the operating, financial or other results expressed or implied by such statements. Furthermore, GTCO makes no representation or warranty, express or implied, that the operating, financial or other results anticipated by such forward-looking statements will be achieved. Such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. GTCO undertakes no obligation to update the forward-looking statements in this presentation.

Thank You

Same Orange
MORE RANGE