



# 2020 Half Year Investors/Analysts Presentation

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Guaranty Trust Bank plc | August 2020

## Outline

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

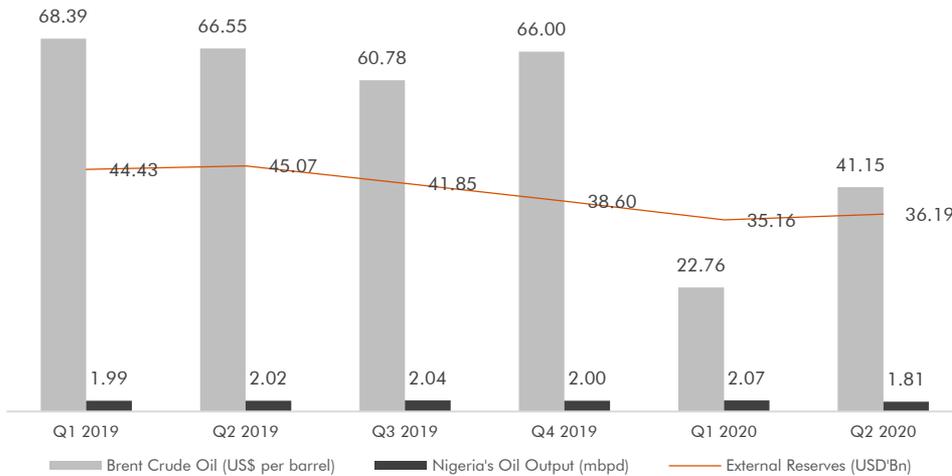


Macro-economic  
Review for HY 2020

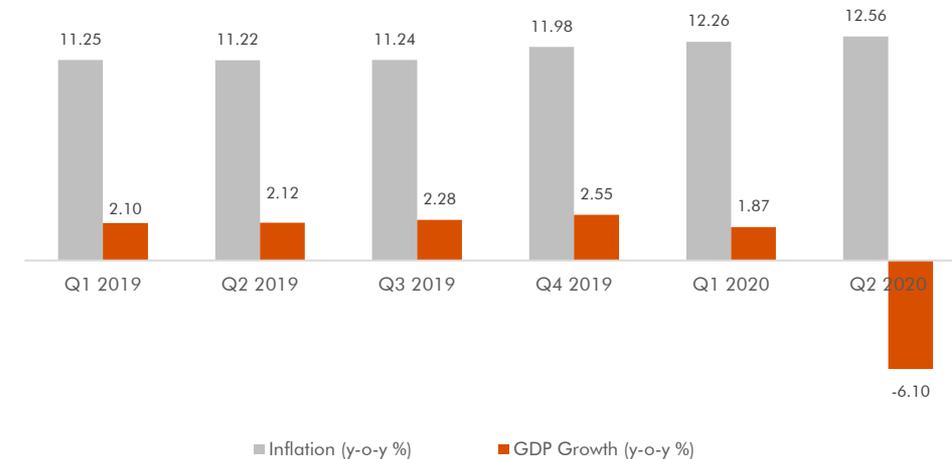


# Macro-economic Review (HY 2020)

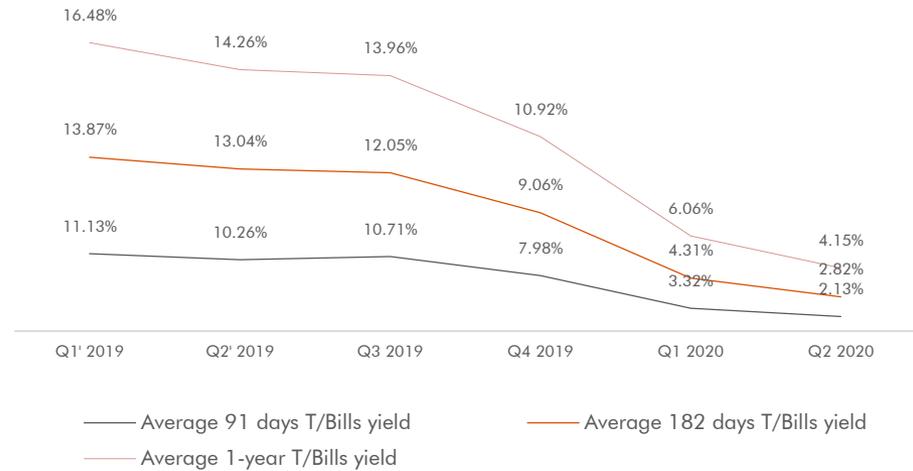
Following steep dip in global oil prices, oil demand as well as production output exacerbated by the outbreak of covid-19 pandemic, external reserves declined by 7.4% y-t-d from USD38.54 bn on the first trading day of 2020 to USD35.67 bn as at August 31, 2020.



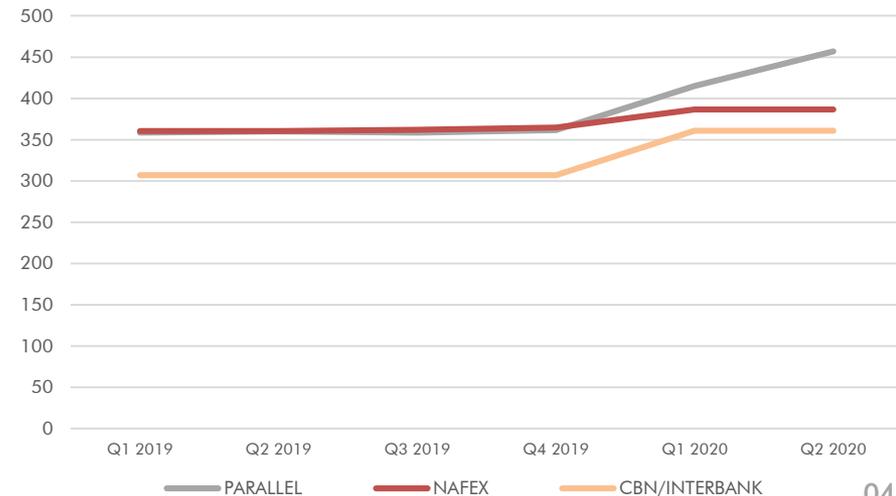
Headline inflation rose to 12.82% y-o-y in July 2020, the highest in 27 months from 12.56% y-o-y in June 2020 on the back of uptrend in food prices, re-emergence of FX liquidity constraints and widening supply gap with the land borders still closed. The economy contracted by 6.10% in Q2 2020 as a result of the slump in oil prices and the impact of the covid-19 pandemic on economic activity.



The restriction of OMO securities investment to banks and foreign investors alone coupled with the reduction in FX and/or OMO supply to maturing FPI investments have resulted in excess funds chasing limited investment outlets, thus resulting in declining yields on fixed income securities.



The CBN's pursuit of a unified exchange rate regime coupled with the effects of dwindling oil revenue aggravated by the Covid-19 pandemic, forced the apex bank to devalue the naira more than once in the review period.

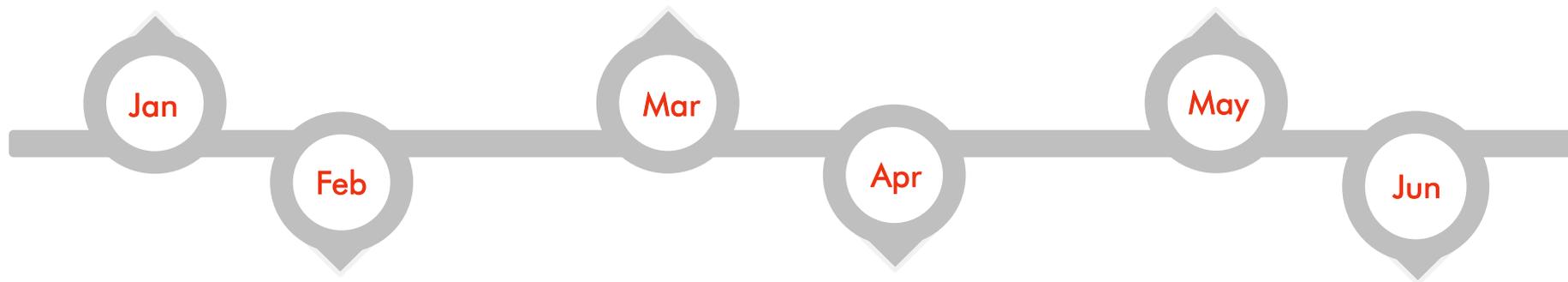


Macro-economic  
Review for HY 2020



# Overview of HY 2020

- CBN retains 65% Loan to Deposit Ratio (LDR) for commercial and merchant Banks, sustains penalty for defaulting banks.
- President Buhari signs the Finance Bill 2019 into law.
- MPC leaves the Monetary Policy Rate (MPR) and other macro-economic indicators unchanged.
- CBN reviews the Nigeria Uniform Bank Account Number (NUBAN) to include other finance institutions.
- CBN suspends sales of foreign exchange to operators of Bureau de Change (BDCs) until further notice.
- CBN approves regulatory forbearance for the restructuring of loans of Deposit Money Banks (DMBs).
- FGN slashes oil benchmark price from \$57 per barrel (pb) to \$30 pb as approved in the 2020 budget.
- President Buhari locks down Lagos, Ogun, Abuja as COVID-19 cases rise to 111.
- The FGN announces the removal of fuel subsidy across the country.
- MPC reduces the Monetary Policy Rate (MPR) by 100 bps to 12.5% from 13.5%.
- CBN assures manufacturers of its ability to meet their FX demands, cautions patronage of the parallel market.
- CBN resumes FX supply for Invisibles & SMEs following gradual lockdown easing.

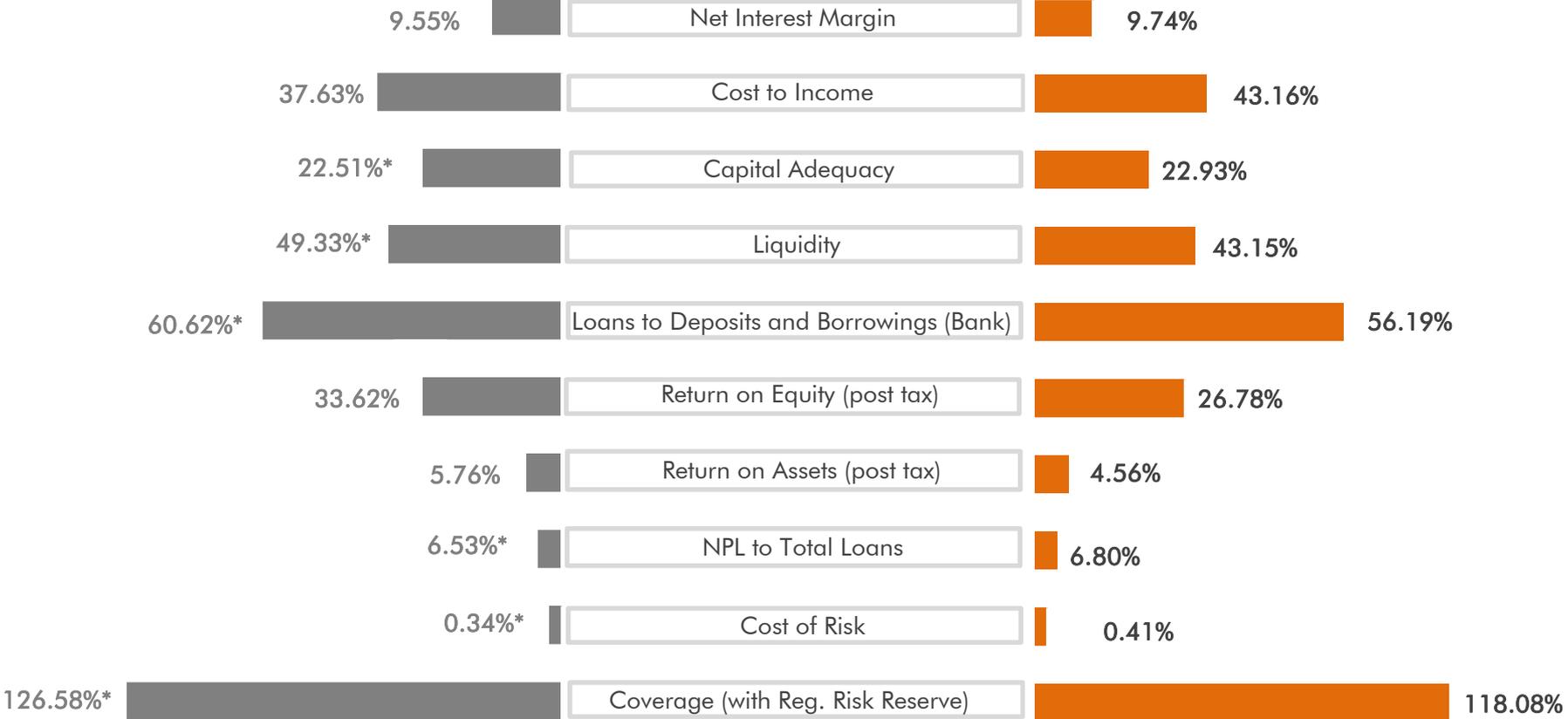


- The FGN begins the implementation of the 7.5% Value Added Tax (VAT) effective February 1st as stipulated in the Finance Law.
- The FGN drags 70,000 Kebbi farmers to court for failing to repay N17bn loan of the Anchor Borrowers.
- President Buhari approves the suspension of interest payment on debts owed by state governments.
- President Buhari extends Lockdown in Abuja, Lagos and Ogun for another 14 days in a bid to flatten the pandemic curve.
- The Financial Reporting Council of Nigeria (FRC) releases fresh guidelines on the impact of COVID-19 on financial reporting.
- CBN suspends supply of FX to SMEs and Invisibles.
- FGN accesses the IMF's US\$3.4 billion emergency aid to cushion the impact of the pandemic.
- CBN approves regulatory forbearance for the restructuring of loans of Other Financial Institutions ("OFIS") impacted by the outbreak of COVID-19.
- CBN confirms the Apex Bank's interest to pursue a unified exchange rate regime.
- CBN announces plans to create a framework to integrate non-interest window in all its Intervention programmes to support households and SMEs affected by the pandemic.
- FGN lifts ban on interstate travels, opens schools for graduating Students

HY 2020 Financial  
Performance Review

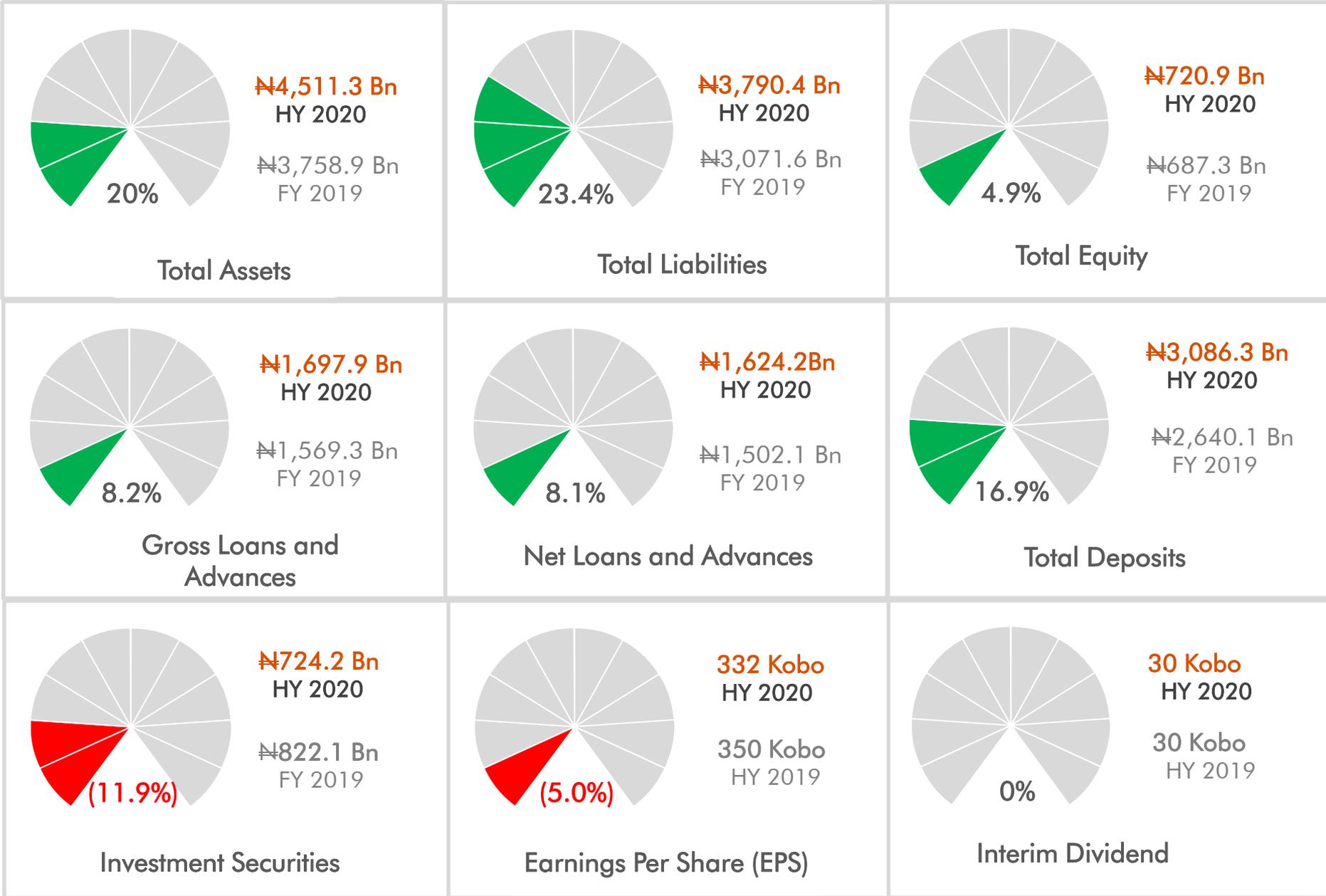


# Key Performance Ratios



\* FY 2019 figures

# Balance Sheet Snapshot - Group



# Balance Sheet (Group)

	Group	Group	
In thousands of Nigerian Naira	Jun-20	Dec-2019	% ytd change
<b>Assets</b>			
Cash and bank balances	758,814,019	593,551,117	28%
Financial assets held at fair value through profit or loss	140,798,445	73,486,101	92%
Derivative financial assets	34,843,563	26,011,823	34%
Investment securities:			
– Fair Value through profit or loss	3,250,000	33,084,367	-90%
– Fair Value through other comprehensive income	534,090,282	585,392,248	-9%
– Held at amortised cost	125,422,021	145,561,232	-14%
Assets pledged as collateral	61,426,454	58,036,855	6%
Loans and advances to banks	1,131,576	1,513,310	-25%
Loans and advances to customers	1,623,095,262	1,500,572,046	8%
Restricted deposits & other assets	1,054,274,948	577,433,006	83%
Property and equipment	149,558,875	141,774,863	5%
Intangible assets	20,520,197	20,245,232	1%
Deferred tax assets	4,097,967	2,256,570	82%
<b>Total assets</b>	<b>4,511,323,609</b>	<b>3,758,918,770</b>	<b>20%</b>

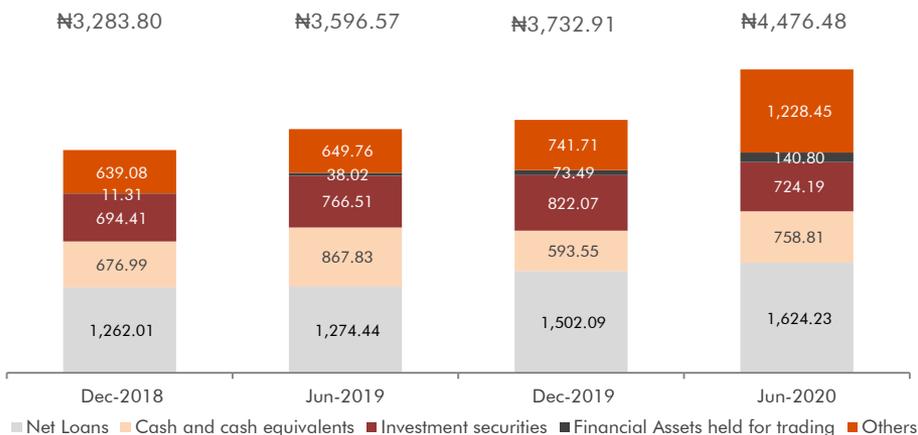
	Group	Group	
In thousands of Nigerian Naira	Jun-20	Dec-2019	% ytd change
<b>Liabilities</b>			
Deposits from banks	84,927,490	107,518,398	-21%
Deposits from customers	3,001,339,833	2,532,540,384	19%
Financial liabilities at fair value through profit or loss	0	1,615,735	-100%
Derivative financial liabilities	2,459,980	2,315,541	6%
Other liabilities	525,973,711	233,425,713	125%
Current income tax liabilities	9,499,710	20,597,088	-54%
Debt securities issued	0	0	0
Other borrowed funds	145,354,878	162,999,909	-11%
Deferred tax liabilities	20,834,140	10,568,534	97%
	<b>3,790,389,742</b>	<b>3,071,581,302</b>	<b>23%</b>
<b>Total liabilities</b>	<b>3,790,389,742</b>	<b>3,071,581,302</b>	<b>23%</b>
<b>Equity</b>			
Share capital	14,715,590	14,715,590	0%
Share premium	123,471,114	123,471,114	0%
Treasury shares	-6,531,749	-6,531,749	0%
Retained earnings	115,959,070	119,247,653	-3%
Other components of equity	458,698,803	422,704,836	9%
	<b>706,312,828</b>	<b>673,607,444</b>	<b>5%</b>
<b>Total equity attributable to owners of the Parent</b>	<b>706,312,828</b>	<b>673,607,444</b>	<b>5%</b>
<b>Non-controlling interests in equity</b>	<b>14,621,039</b>	<b>13,730,024</b>	<b>6%</b>
<b>Total equity</b>	<b>720,933,867</b>	<b>687,337,468</b>	<b>5%</b>
<b>Total equity and liabilities</b>	<b>4,511,323,609</b>	<b>3,758,918,770</b>	<b>20%</b>

# Balance Sheet Composition

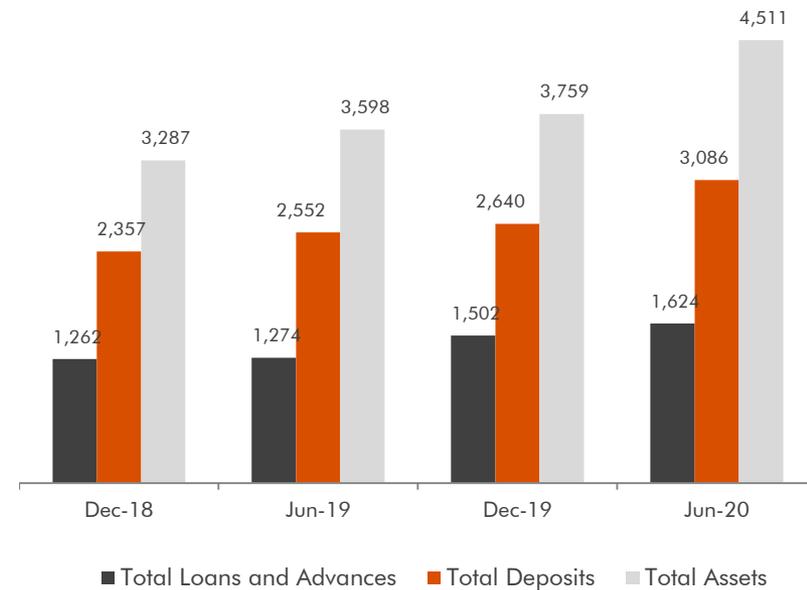
## Balance Sheet Management

- The Group continued to maintain a well-structured, efficient and diversified Balance sheet with strong earnings capacity. The Balance sheet Structure enabled the Group to withstand the negative impact of COVID-19 which virtually affected all the sectors of the economy. Earnings assets mix remains strong at 62% as of HY 2020 from 68% recorded in FY 2019.
- The 20% growth in Total Assets resulted from 8.2% growth in Net Loans and significant increase in Restricted Deposits and Other Assets balances. The Other Asset was largely driven by 98.7% growth in Cash reserve balances with the CBN (CRR).
- Loans and Advances grew by ₦122.5 bn as a result 16.7% and 3.3% increases recorded on the LCY and FCY Loan Book due to net disbursement of ₦92.6 bn and ₦26.7 bn in LCY and FCY Gross Loans respectively.
- Fixed Income Securities (FIS) dipped marginally by 3.4%. Consequently, its contribution to Total Assets reduced from 23.7% in FY 2019 to 19.1% in HY 2020.
- Deposit liabilities benefited from increase in the customer base from 18.5 million in FY 2019 to 19.8 million in HY 2020. The growth in customer base resulted from the implementation of the Group's well-articulated retail strategy with key focus on excellent customer service delivery, digital innovation and a well cut-out partnerships and collaborations strategy (SANEF etc.).
- In addition, savings deposits growth of 37.2% y-t-d led to low-cost deposits volume and customer deposits growth of 21.1% and 18.5% respectively. Low-cost deposit Mix improved by 180 bps from 84.9% in FY 2019 to 86.7% in HY 2020.
- The well diversified funding base of the Group (i.e. deposit liabilities and equity accounting for 68.9% and 16.1% respectively) helped to minimize the CRR impact and sustained the Group's earnings capacity and liquidity position.
- In spite of the impact of COVID 19 pandemic on transaction volumes and economic & market disruptions coupled with pressure on asset yield and revision to Bank Charges which impacted the non-interest Income line, the Group delivered a Post-tax ROE of 26.8%, Post-tax ROA of 4.6% and NIM of 9.7%.

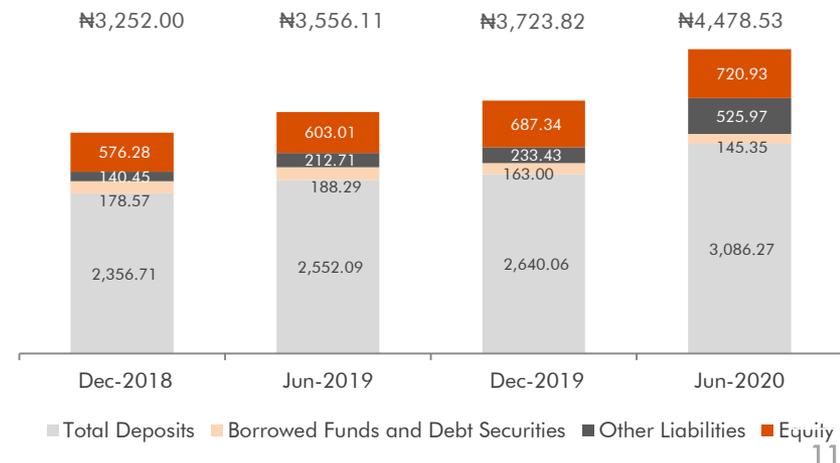
## Components of Asset Base (₦'Bn)



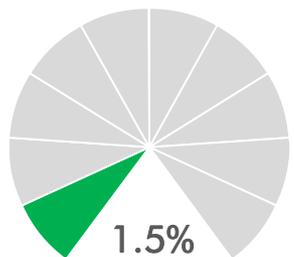
## Loans, Deposits & Total Assets (₦'Bn)



## Funding Mix (₦'Bn)



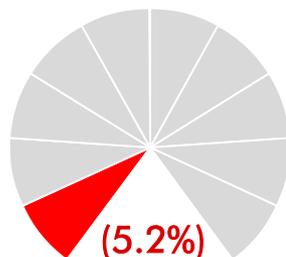
# Income Statement Snapshot - Group



¥225.1 Bn  
HY 2020

¥221.9 Bn  
HY 2019

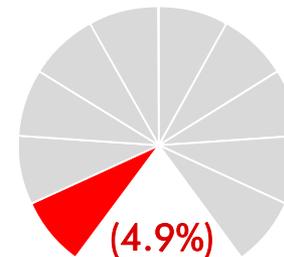
Gross Earnings



¥109.7 Bn  
HY 2020

¥115.8 Bn  
HY 2019

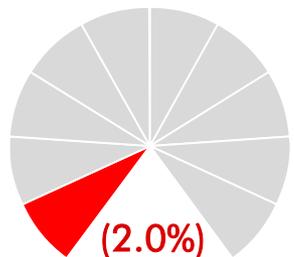
Profit Before Tax



¥94.3 Bn  
HY 2020

¥99.1 Bn  
HY 2019

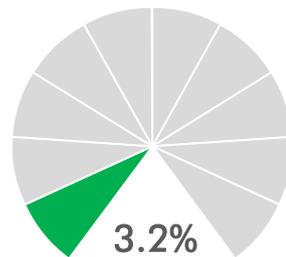
Profit After Tax



¥71.4 Bn  
HY 2020

¥72.9 Bn  
HY 2019

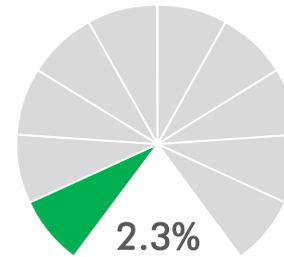
Non-Interest Income



¥153.7 Bn  
HY 2020

¥149.0 Bn  
HY 2019

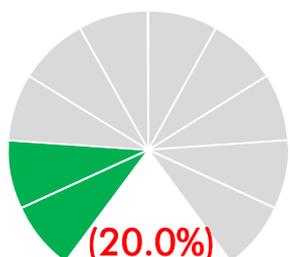
Interest Income



¥189.8 Bn  
HY 2020

¥185.6 Bn  
HY 2019

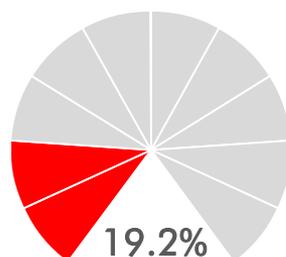
Operating Income



¥26.1 Bn  
HY 2020

¥32.6 Bn  
HY 2019

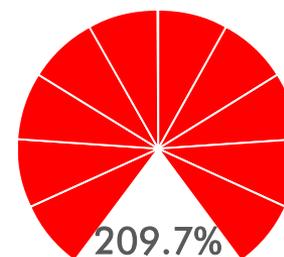
Interest Expense



¥83.3 Bn  
HY 2020

¥69.9 Bn  
HY 2019

Operating Expense



¥6.769 Bn  
HY 2020

¥2.186 Bn  
HY 2019

Loan Impairment

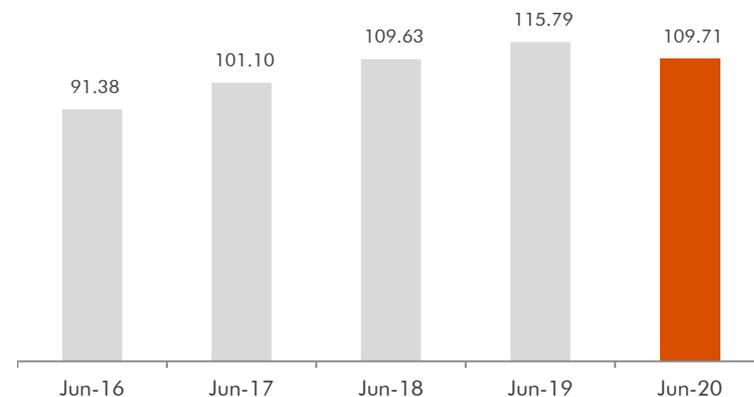
# Income Statement - Group

	Group	Group	
In thousands of Nigerian Naira	Jun-20	Jun-19	% Change
Interest income calculated using effective interest rate	150,486,443	146,448,905	3%
Interest income on financial assets at fair value through Profit or loss	3,222,038	2,543,759	27%
Interest expense	-26,093,017	-32,627,904	-20%
<b>Net interest income</b>	<b>127,615,464</b>	<b>116,364,760</b>	10%
Loan impairment charges	-6,769,093	-2,186,033	210%
<b>Net interest income after loan impairment charges</b>	<b>120,846,371</b>	<b>114,178,727</b>	6%
Fee and commission income	24,729,059	35,348,970	-30%
Fee and commission expense	-2,435,031	-1,505,138	62%
<b>Net fee and commission income</b>	<b>22,294,028</b>	<b>33,843,832</b>	-34%
Net gains on financial instruments classified as held for trading	10,791,307	9,488,464	14%
Other income	35,909,970	28,039,447	28%
Net impairment reversal/(loss) on financial assets	3,180,078	108,445	2832%
Personnel expenses	-18,775,719	-18,578,601	1%
Right-of-use asset amortisation	-958,621	-1,230,467	-22.1%
Depreciation and amortization	-14,024,670	-10,622,861	32%
Other operating expenses	-49,548,900	-39,439,644	26%
<b>Profit before income tax</b>	<b>109,713,844</b>	<b>115,787,342</b>	-5%
Income tax expense	-15,442,834	-16,654,105	-7%
<b>Profit for the year</b>	<b>94,271,010</b>	<b>99,133,237</b>	-5%

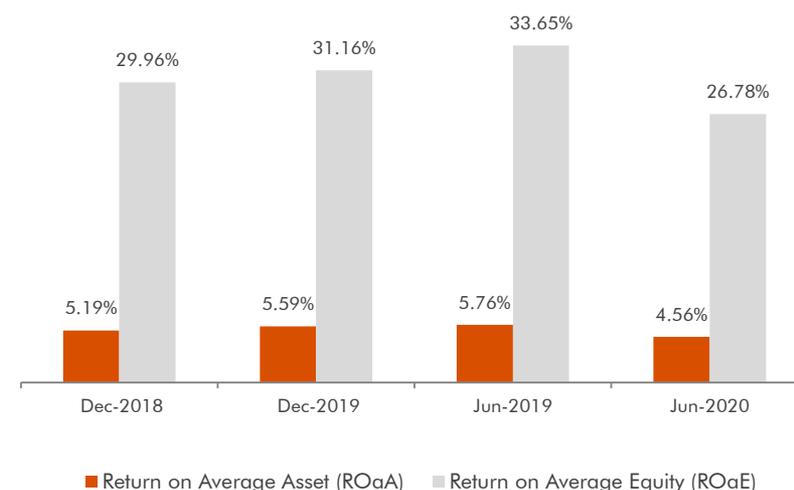
# PBT Trend

- The Group posted a PBT of ₦109.7 bn in HY 2020, a 5.2% reduction from ₦115.8 bn recorded in HY 2019. The dip was primarily due to relatively lower yield environment in 2020 and the implementation of CBN's revised Bankers' Tariff which became effective in January 1, 2020.
- Top line earnings remained resilient despite the pressure from the low yield environment. Interest income improved by 3.2% from ₦149.0 bn in HY 2019 to ₦153.7 bn in HY 2020 as the Group benefitted from its FIS long positions and the growth recorded in loan volumes which was sufficient to offset drop in T-Bills and loan portfolio yield from 15.6% and 13.2% in HY 2019 to 14.3% and 11.4% in HY 2020 respectively.
- Fees and commission income contracted by 30% due to the dual impact of revised Banks' Charges and decline in transaction volumes across our branch network, digital and other channels on account of the COVID-19 induced lockdown/restrictions across major cities where the Group operates.
- The contraction weighed negatively on credit related fees, e-business income and corporate finance fees which were down 48.9%, 32.2%, and 76.5% respectively. This decline was offset partly by activities within the dealing room as Net trading gains from FX deals improved by 13.7%.
- The 13.7% increase was as a result of 43.6% growth in FX Trading gains on G10 currencies and higher realized spreads on forward contracts. This growth was however dampened by the 24.5% reduction in Trading Gains on fixed income securities (FIS) due to reduced trading volumes and spread.
- A 210% growth in impairment charge reflected the heightened probability of default due to the impact of COVID 19 on macroeconomic variables which resulted in worsening forward-looking information which primarily drives IFRS 9 impairment numbers.
- Other income recorded a 28.1% growth, largely driven by the impact of devaluation of the Naira against USD (₦386.5 in HY 2020 v ₦364.5 in FY 2019) as the Group continued to maintain a long position in net financial assets of about \$1.1 bn.
- Interest expense improved by 20% y-o-y due to improvement in Cost of Funds which dipped to 1.5% in HY 2020 from 2.3% recorded in HY 2019. This decrease is directly linked to improvement in low-cost deposit mix from 84.9% in FY 2019 to 86.7% in HY 2020, repricing of deposit rates and exiting expensive tenured deposits.
- The Group's interest expense also gained from improved system liquidity due to the restriction of individuals and non-banking corporates from investing in OMO treasury bills and a flight to quality.
- Operating expense grew by 19.2% from ₦69.9 bn in HY 2019 to ₦83.3 bn in HY 2020. Consequently, the Group's Cost to Income ratio (CIR) worsened to 43.2% in HY 2020 from 37.6% recorded in HY 2019. The increase in CIR was due to rising inflation, increased regulatory cost (AMCON levy and NDIC) and increase in level of depreciation charge from the CAPEX spend on upscaling of its technology infrastructure in FY 2019.
- Subsidiaries' contribution to the Group's PBT improved from 16.1% in HY 2019 to 17.1% in HY 2020.
- Overall, the Bank closed the HY 2020 financial year delivering decent financial performance across all key profitability metrics. As normalcy returns, post-COVID-19, the Group remains committed to delivering its PBT target of ₦235 bn for FY 2020.

## PBT (₦'Bn)



## Return on Average Assets and Equity



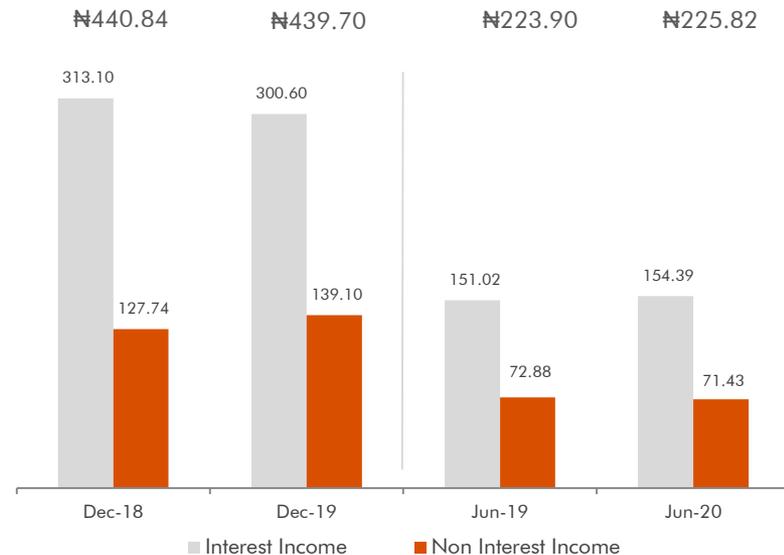
# Revenue Generation

- The Group's gross earnings improved by 1.5% due to the interplay of 3.2% growth in Funded Income and 2.0% dip in Non-Funded Income.
- Interest income as a percentage of Gross earnings improved to 68% in HY 2020 compared to 67% recorded in HY 2019 due to the Group's continued focus on core banking earnings.
- 3.2% improvement in interest income resulted from growth in the average volume of risk assets and FIS which offset the impact of declining yields, culminating in 5.2% (₦4.6bn) and 6.9% (₦3.7bn) increases in the interest earned from loans and FIS, doused partially by 57.4% dip in interest earned on money market placements.
- The Group sustained its interest earnings amidst declining yields on FIS, immense pricing pressure from competition for investment grade names and the decision of large corporates to raise funds directly from the market by way of commercial paper issuance.
- Treasury Bills yield contraction was a direct consequence of reduction in yields on primary auction from 9.8%, 12.6% and 13.7% for 91, 182 and 364 days Treasury Bills in HY 2019 to 1.8%, 2.1% and 3.9% respectively in HY 2020. Similarly, yield on OMO auctions also dipped correspondingly at short, mid and long tenors from 11.8%, 12.3% and 14.3% in HY 2019 to 5.0%, 8.1% and 9.8% respectively in HY 2020.
- The interplay of changes to the regulatory stance and intense pressures from competition ultimately led to yield on earning assets declining from 12.06% in HY 2019 to 11.86% in HY 2020.
- 2% decline in Non-Funded Income resulted from a combination of 30% reduction in Fees and commission Income owing to capped Credit Related Fees and impact of reduction in NIP charges on earnings from digital banking, all resulting in y-o-y decline of 48.9% and 32.2% on Fees and Commissions from these 2 income lines.
- Efficient dealing room activities and effective management of the Group's Foreign Currency Position led to 13.7% and 28.1% growth in Net gains on Financial instruments classified as held for trading and Other income largely constituting of FX revaluation gains, respectively.
- The impressive showing in Net trading Gains and Other Income lines curtailed the decline in Non-Funded Income to 2%.

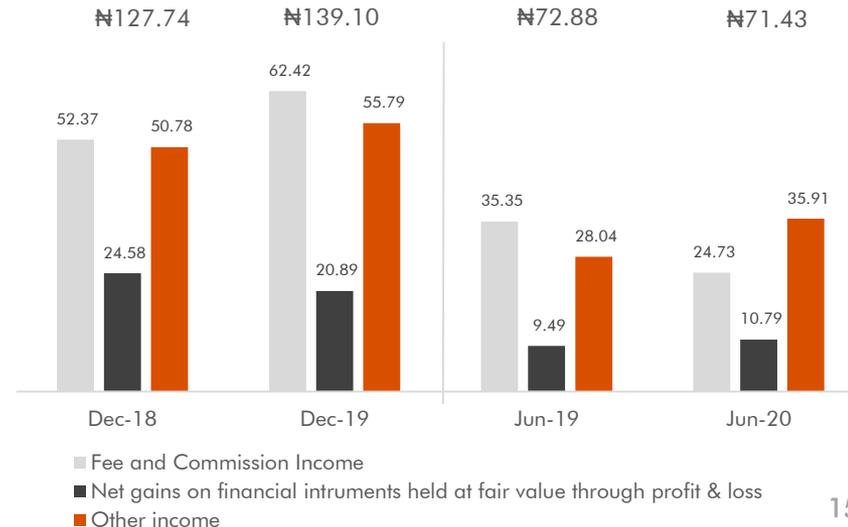
## Interest Income (₦' Bn)



## Revenue Mix (₦' Bn)



## Non-Interest Income (₦' Bn)

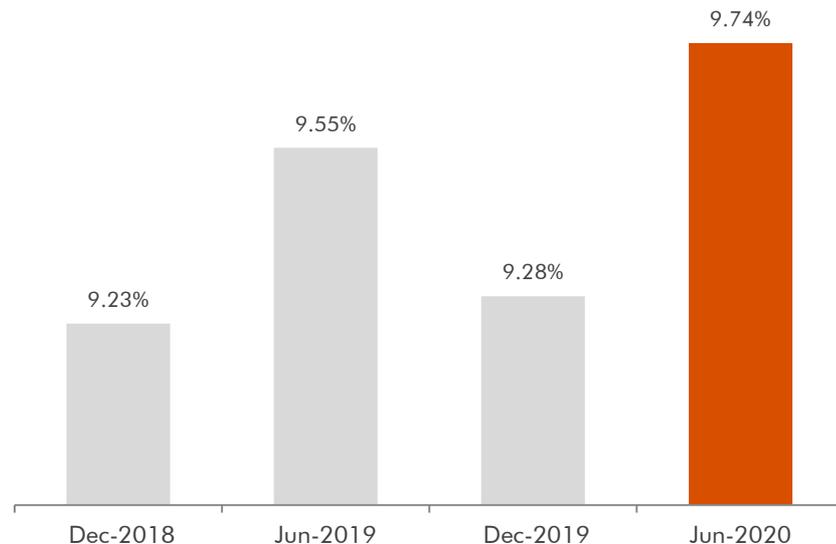


# Margin Metrics

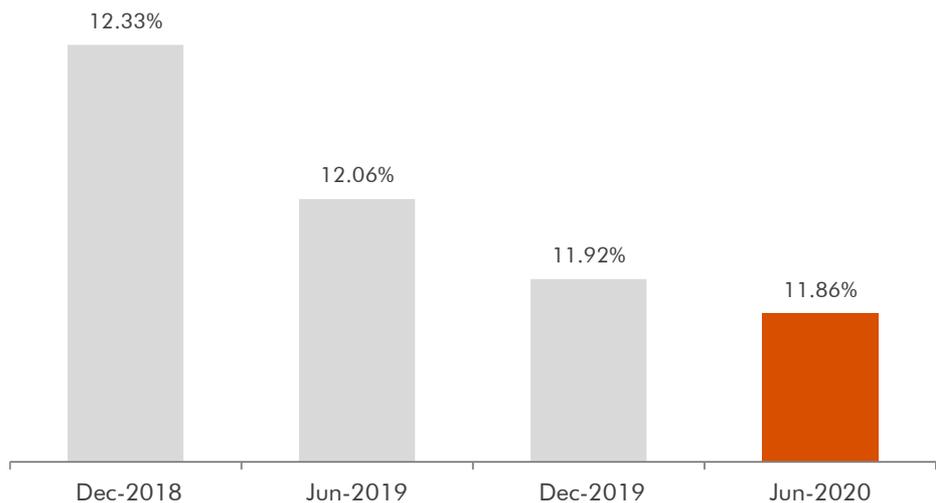
## Sustained Competitive Margins

- NIM remained strong, printing at 9.7% in HY 2020 as against 9.3% of FY 2019, gaining significantly from 79 bps drop in Cost of Funds (CoF) which adequately offset the 6 bps decrease in Asset yields.
- Sound Treasury Management weighed positively and limited the reduction in Asset yield to 6 bps from 11.92% in FY 2019 to 11.86% in HY 2020.
- Sustained competitive cost advantage, well diversified funding base and optimal low-cost deposit mix led to 79 bps improvement in (CoF) from 2.3% in FY 2019 to 1.5% in HY 2020 which helped immunize the Group's NIMs.

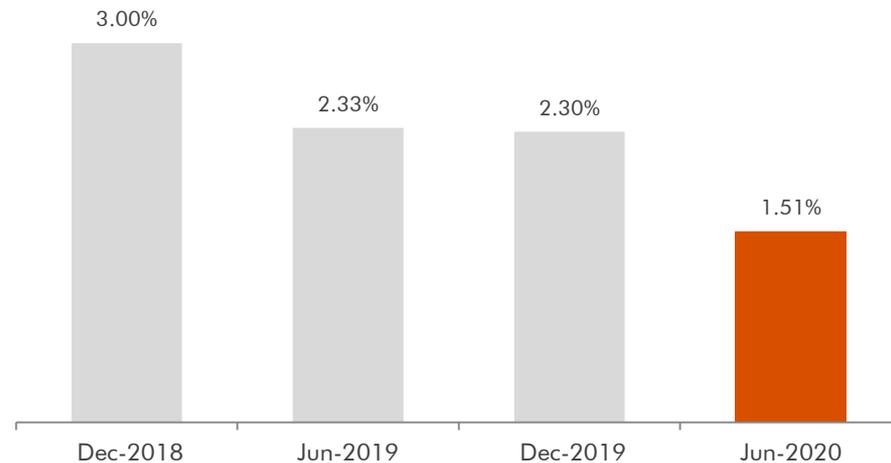
## Net Interest Margin



## Yields on Interest Earning Assets



## Cost of Funds

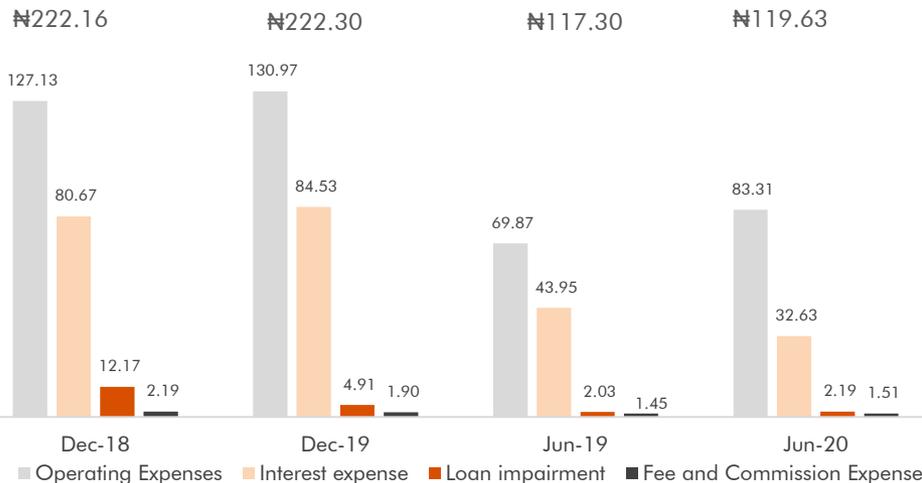


# Cost Efficiency

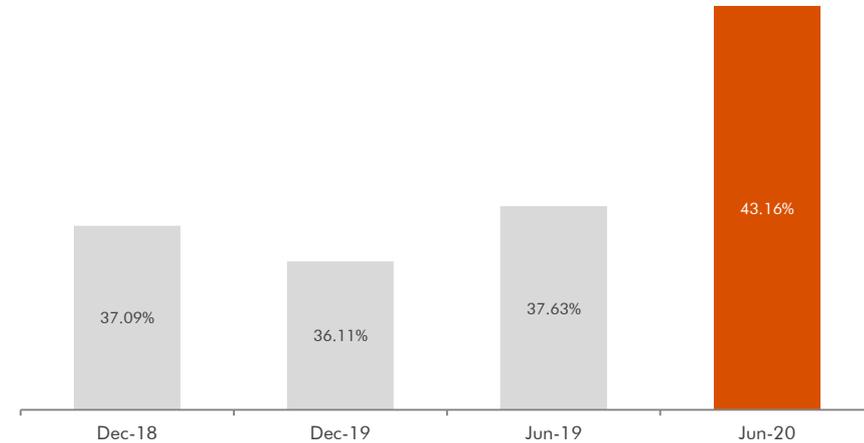
## Efficient Cost Management

- Cost containment remains pivotal in the achievement of the Group strategic objectives. Although Cost to Income Ratio (CIR) came in above its 40% target in HY 2020, the Group is confident of coming within plan by close of FY 2020.
- OPEX increased by 19.2% largely due to the impact of rising inflation occasioned by VAT rate increase from 5.0% to 7.5% effective February 2020, introduction of self-charge rule (self-account provision) under the new Finance Act resulting in increase in cost of imported services.
- Operating cost in HY 2020 was further negatively impacted by increased Regulatory Costs (AMCON and NDIC) and depreciation charge.
- Savings on Interest Cost however helped alleviate the impact of negative OPEX growth as Cost of Funds improved by 79 bps from 2.3% in FY 2019 to 1.5% in HY 2020.
- The growth in savings account complemented by increase in the demand deposit volume caused improvement in low-cost deposit mix by 180 bps to 86.7% in HY 2020 from 84.9% in FY 2019.
- Overall, the Group recorded a Cost to Income ratio of 43.2% from 37.6% in HY 2019, above the 40% guidance. The Group remains committed to staying within this guidance by FY 2020.

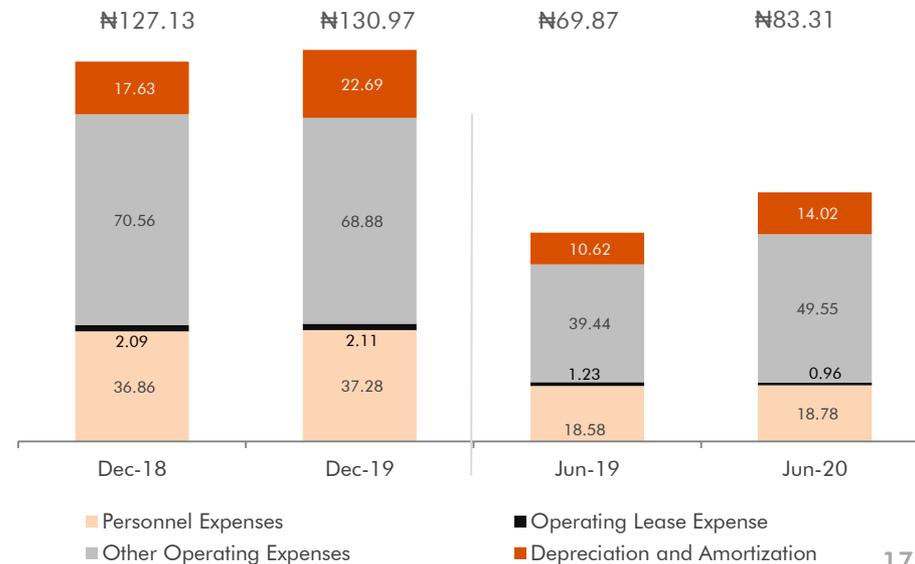
## Overview of Expenses (₦'Bn)



## Cost to Income (CIR)



## Operating Expenses (OPEX) (₦'Bn)



# OPEX Drivers

	Group	Group		
In billions of Naira	June 2020	June 2019	Change (Y-o-Y)	% Change (Y-o-Y)
AMCON Expenses	17.20	15.49	1.71	11%
Deposit & Other Insurance premium	8.26	4.03	4.23	105%
Occupancy Costs and Repairs & Maintenance	4.86	5.06	(0.20)	(3.9%)
Depreciation and Amortization	14.02	10.62	3.40	32%
Administrative Expenses	3.55	1.65	1.90	115.6%
Advert, Promotion and Corporate Gifts	3.26	1.77	1.49	84.1%
Communications and Sponsorship related Expense	2.49	1.54	0.96	62.1%

## OPEX Drivers

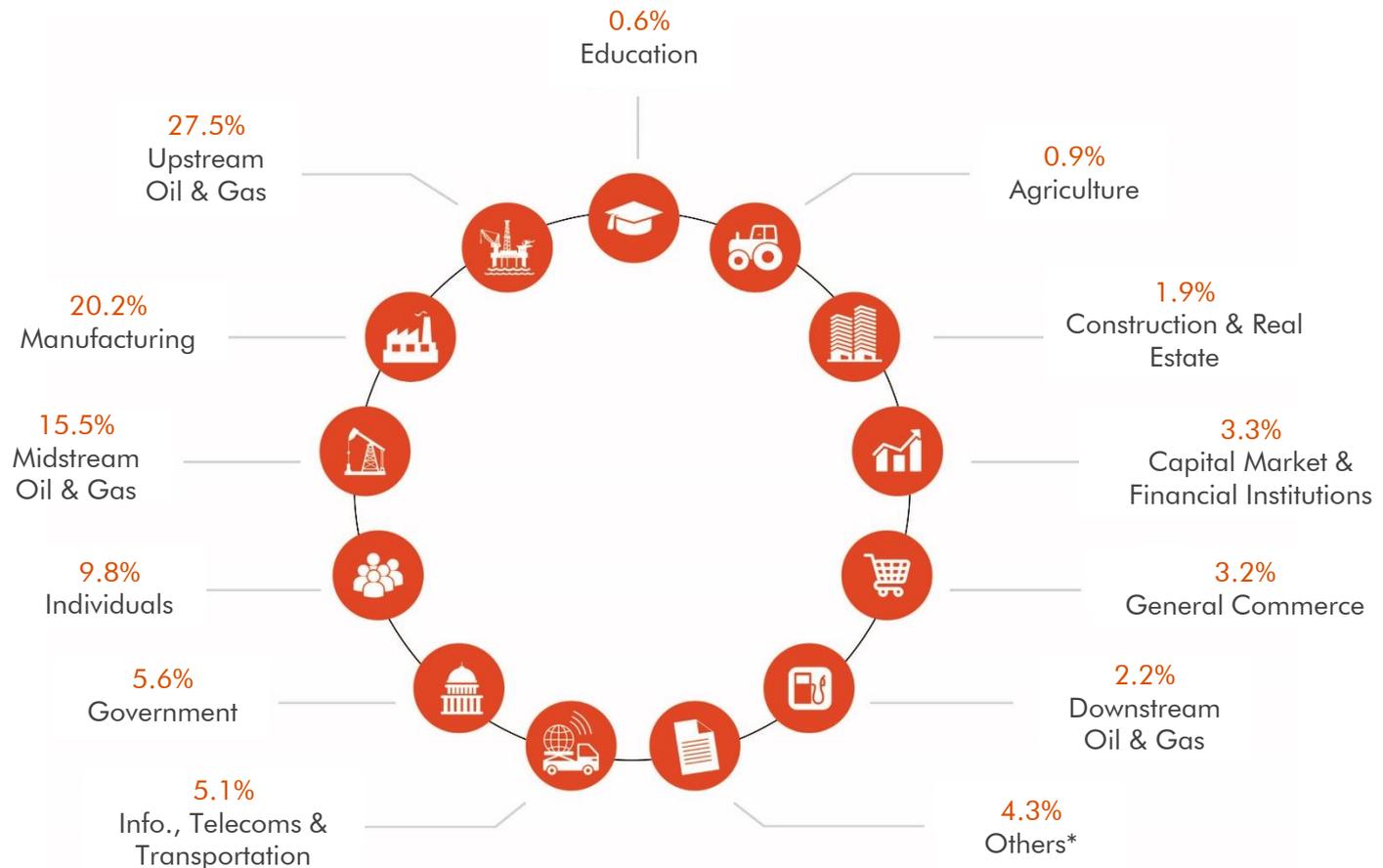
- The Group incurred ₦83.3 bn in HY 2020 on Operating Expense as against ₦69.9 bn in HY 2019 representing 19.2% y-o-y growth.
- The 19.2% growth was largely as a result of the following:
  - a. 11% y-o-y increase in AMCON expenses due to growth in the monetary value of the basis upon which AMCON levy is determined. AMCON levy is computed as 0.5% of preceding year's Total Asset and Contingent numbers which grew by 11.1% from ₦3,097.4 bn in FY 2018 to ₦3,440.1 bn in FY 2019.
  - b. 105% increase in Deposit and Other Insurance Premium due to 11.4% y-o-y growth in total deposits.
  - c. Depreciation and amortization recorded a growth of 32% largely reflecting the capital spend on Furniture & Equipment, Computer Hardware and Software in prior year. The capital spend was in accordance with our digitalization strategies in Nigeria and across the subsidiaries.
  - d. Administrative expenses also grew by 115.5% y-o-y due to impact of rising inflation, increased cost of cash movement during the lockdown and translation impact from Naira devaluation.
  - e. 84.1% increase in Adverts, Promotion and Corporate gifts was largely due to COVID-19 donation of ₦1.7 bn in line with our corporate social responsibility and in view of the need to assist our host communities cope with the devastating impact of the pandemic.
  - f. Communications and Sponsorship related expenses grew by 62.1% purely driven by rising inflation and impact of Naira devaluation.

# 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 Individuals was due to paydown and the impact of the pandemic which necessitated a slowdown in extension of loans to this sector in order to avert build-up of NPLs as retail and SME businesses are most vulnerable to the impact of the pandemic.
- The mix of Oil & Gas to the entire loan portfolio was largely driven by impact of the carry over effect of the depreciation of the Naira against the US Dollar, which was further exacerbated by further devaluation in HY 2020.
- 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

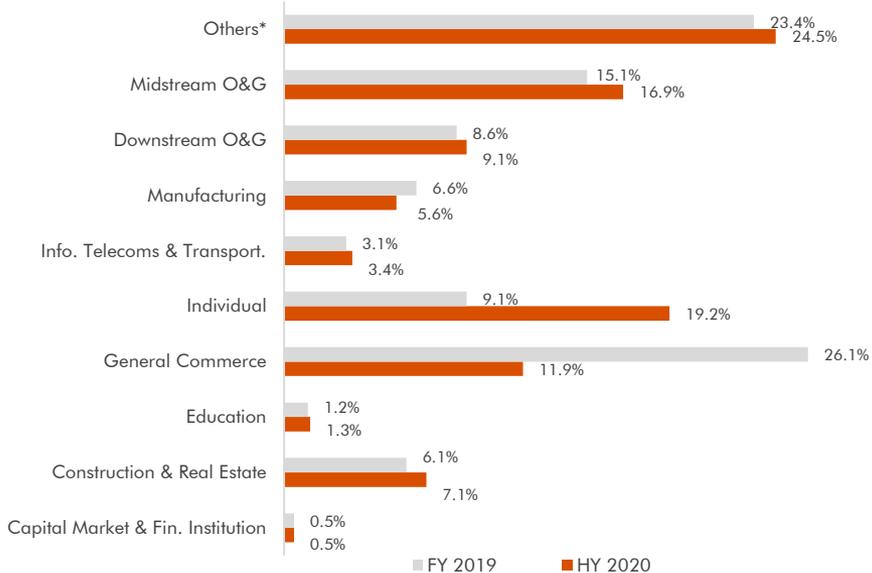


\* Includes Fashion & Design, Religious Organizations, Hospitality, Clubs, co-operative societies, Unions, Engineering services etc.

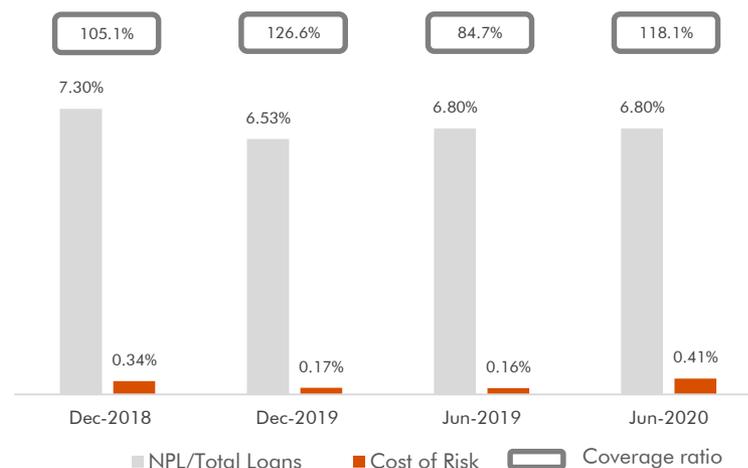
# Asset Quality

- The Group sustained its asset quality with NPL increasing marginally from 6.5% in FY 2019 to 6.8% in HY 2020.
- NPL is kept low owing to cautious approach to credit growth especially during the pandemic which weighed negatively on every segment of the economy.
- An integral part of the Group's strategy is the early identification of the vulnerable sectors, implementation of appropriate measures to manage and avert NPLs in the identified sectors.
- The Group had identified Individuals, Oil and Gas, SMEs, General Commerce as the most vulnerable sectors susceptible to the impact of the pandemic.
- Measures implemented include, but not limited to, Interest rate reduction on Loans to Individuals in January 2020, Insurance on Retail Loans, Deferrals of principal repayments for SMEs till September 2020.
- A significant portion of the Upstream Oil and Gas exposures have hedges executed against price risk and maintenance of Debt Service Reserve Account (DSRA) to serve as protection against declining oil prices.
- Implementation of the CBN directive on moratorium of 1 year and reduction in interest rate granted on all CBN intervention Facilities also helped to cushion the stress which would have resulted from impact of the Pandemic on the Business financed with intervention funds.
- Coverage for the Group's NPL, remained strong at 118.1%, down from 126.6% in FY-2020, this coverage is backed by sufficient collateral buffers for Stage 3 Loans in excess of 180.1%.

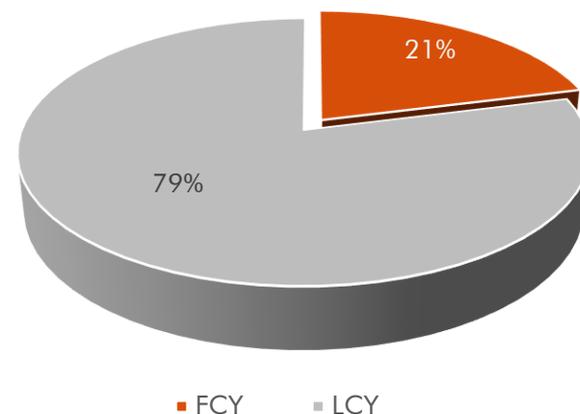
## NPL by Industry



## NPL and Coverage



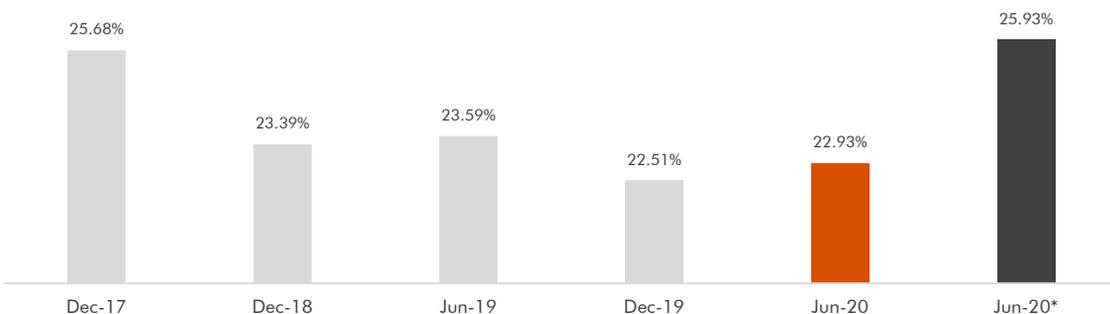
## NPL by Currency



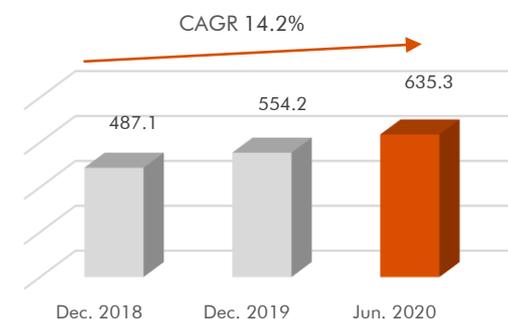
\* Includes Engineering services, Fashion & Design, Religious Organizations, Hospitality, Clubs, co-operative societies, Unions etc.

# Strong Capital Ratios – Group and Parent

- The Group continued to maintain robust capital position with capital buffers of 7.9% and 10.93% under both full IFRS 9 impact and transitional IFRS 9 impact. The buffer was also 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 22.9% well above the regulatory minimum of 15% while CAR based on the CBN's transitional arrangement came in stronger at 25.9%.
- Tier 1 capital remained a very significant component of the Group CAR standing at 21.9% representing 95.6% of the Group's Full IFRS 9 impact CAR of 22.9%.
- The robust capital position of the Group provides headroom and increased capacity for additional risk taking.



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



## Capital Adequacy Computation (Basel II)

In Millions of Naira	Group			
	Transitional IFRS 9 Impact		Full IFRS 9 Impact	
	Jun 20	Dec. 19	Jun 20	Dec. 19
Net Tier 1 Capital	707,113	638,806	607,067	538,760
Net Tier 2 Capital	28,257	15,390	28,257	15,390
<b>Total Regulatory Capital</b>	<b>735,371</b>	<b>654,196</b>	<b>635,325</b>	<b>554,150</b>
<b>Risk Weighted Assets for:</b>				
Credit Risk	2,236,348	1,979,578	2,170,857	1,914,087
Operational Risk	589,712	539,464	589,712	539,464
Market Risk	10,054	8,522	10,054	8,522
<b>Aggregate Risk Weighted Assets</b>	<b>2,836,113</b>	<b>2,527,564</b>	<b>2,770,623</b>	<b>2,462,073</b>
<b>Capital Adequacy Ratio:</b>				
Tier 1 Risk Weighted	24.93%	25.27%	21.91%	21.88%
Tier 2 Risk Weighted	1.00%	0.61%	1.02%	0.63%
<b>Total Risk Weighted Capital Ratio</b>	<b>25.93%</b>	<b>25.88%</b>	<b>22.93%</b>	<b>22.51%</b>

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



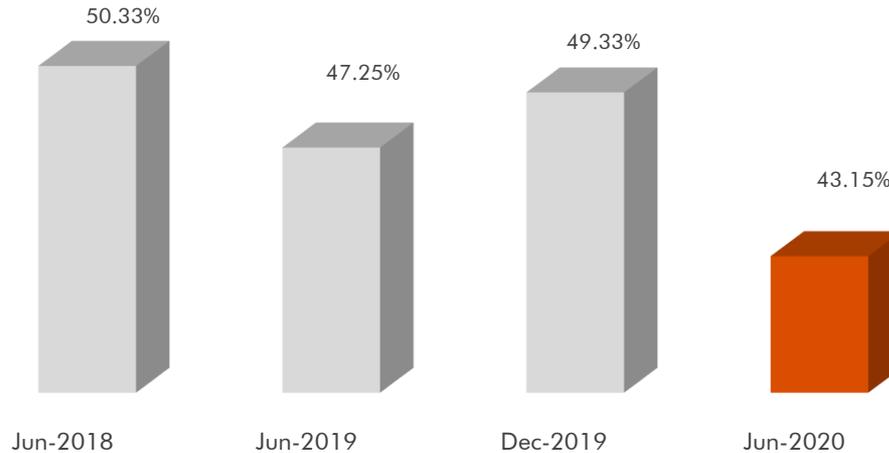
\* Transitional Arrangement CAR (non-adoption of full Day 1 IFRS 9 Impact)

# Liquidity Ratio

## Strong Liquidity Position

- Liquidity ratio closed at 43.2% in HY 2020 (FY 2019: 49.3%) which is well above regulatory minimum of 30%.
- The Group also maintained average liquidity ratio of 43.8% in HY 2020 (FY 2019: 44.4%). This reflects consistency and strength of the Group's liquidity profile despite pressure from the COVID-19 pandemic.
- The strong liquidity positions in Naira and Foreign Currency provide the Group with headroom to leverage opportunities for risk assets creation and other investments.

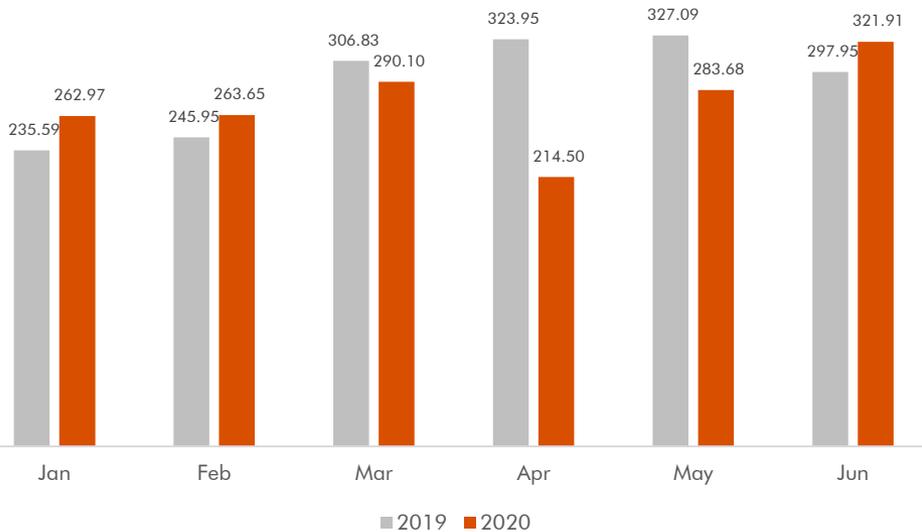
## Liquidity Trend



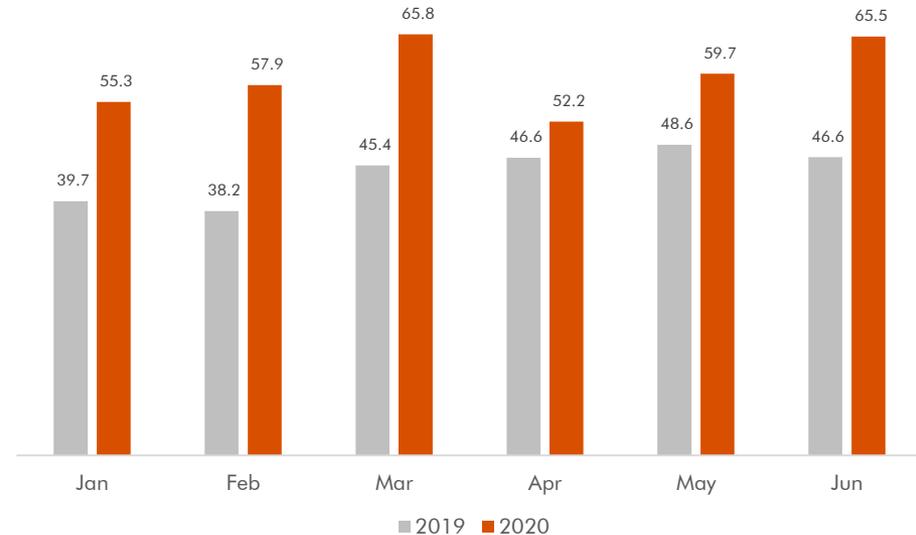
# Digital Banking and USSD Banking Performance

- Total number of USSD unique Users grew by 10% y-t-d from 6.1 million in Dec. 2019 to 6.7 million in June 2020.
- Total number of active Users on the USSD platform also increased by 600,000 users (13% y-t-d) from 4.8 million in Dec. 2019 to 5.4 million in June 2020.

## USSD Value (in billions of Naira)



## USSD Volume (in millions)

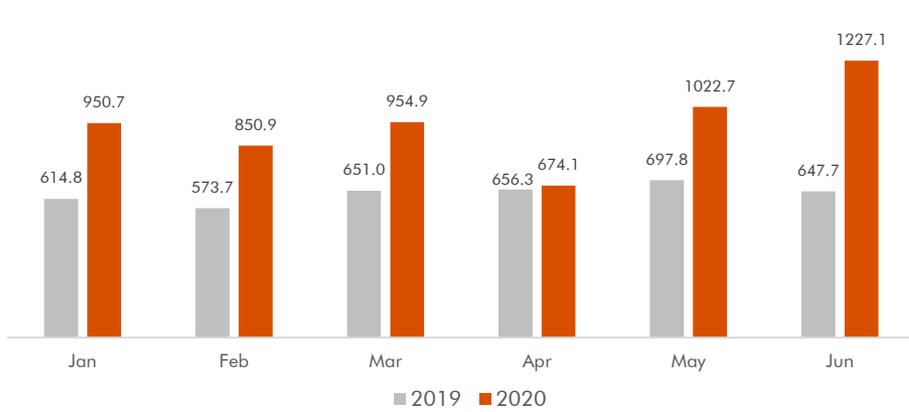


**Total Value in HY 2020** : ₦1,636.8 billion  
**Total Value in HY 2019** : ₦1,737.4 billion  
**% Growth (y-o-y)** : (6%)

**Total Volume in HY 2020** : 356.4 million  
**Total Volume in HY 2019** : 265.1 million  
**% Growth (y-o-y)** : 34%

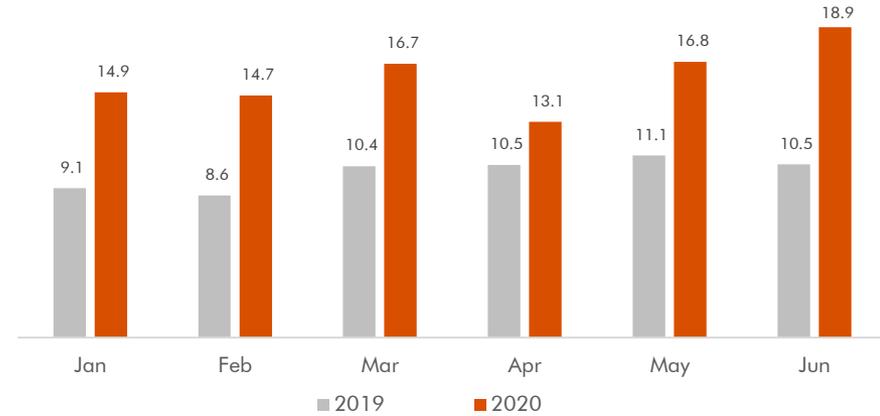
# Digital Banking and USSD Banking Performance Contd.

## Mobile Banking (Value in Billions of Naira)



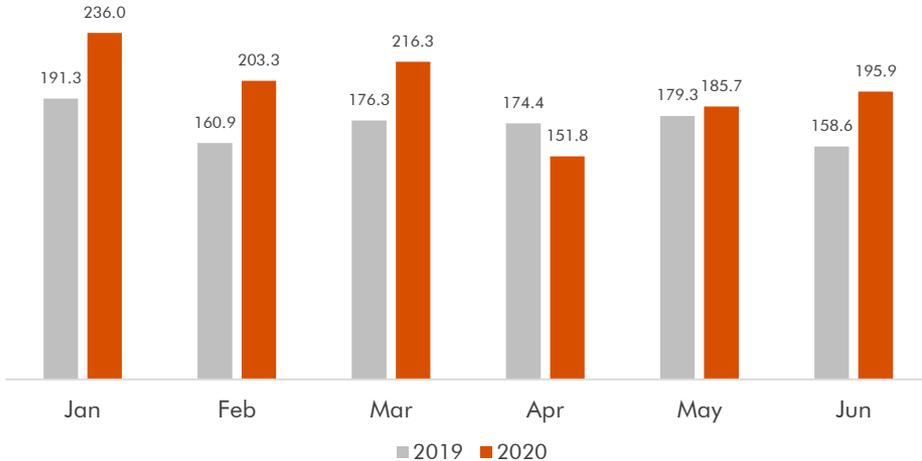
**Total Value in HY 2020 :** ₦ 5,680.5 billion  
**Total Value in HY 2019 :** ₦ 3,841.3 billion  
**% Growth (y-o-y) :** 48%

## Mobile Banking (Volume in Millions)



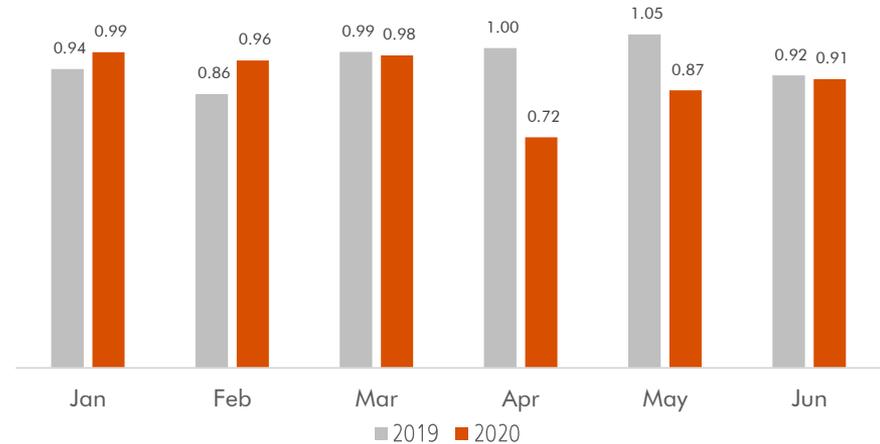
**Total Volume in HY 2020 :** 95.0 million  
**Total Volume in HY 2019 :** 60.3 million  
**% Growth (y-o-y) :** 58%

## Internet Banking (Value in Billions of Naira)



**Total Value in HY 2020 :** ₦ 1,189.1 billion  
**Total Value in HY 2019 :** ₦ 1,040.8 billion  
**% Growth (y-o-y) :** 14%

## Internet Banking (Volume in Millions)

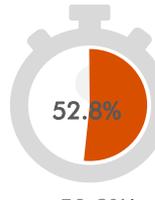


**Total Volume in HY 2020 :** 5.4 million  
**Total Volume in HY 2019 :** 5.8 million  
**% Growth (y-o-y) :** (6%)

Business Segments  
& Subsidiary Review



# Business Segmentation (Group) – HY 2020

	Description			Loans	Deposits	PBT
 <b>Institutional and Wholesale</b>	<b>1,900+</b> Customers	<b>₹5 billion+</b> Turnover	<b>Large Corporates, Multinationals, Energy, Telecoms, Maritime etc.</b>			
	<b>₹1,243.7 billion</b> Loans	<b>₹727.2 billion</b> Deposits	<b>₹75.7 billion</b> PBT			
 <b>Commercial</b>	<b>174,000+</b> Customers	<b>from ₹500 million and ₹5 billion</b> Turnover	<b>Tailor-made Solutions and Flexibility for Middle Market Companies</b>			
	<b>₹110.1 billion</b> Loans	<b>₹333.2 billion</b> Deposits	<b>₹5.4 billion</b> PBT			
 <b>SME</b>	<b>949,000+</b> Customers	<b>under ₹500 million</b> Turnover	<b>Caters to small, fledging and fairly structured businesses</b>			
	<b>₹29.6 billion</b> Loans	<b>₹368.7 billion</b> Deposits	<b>₹2.6 billion</b> PBT			
 <b>Retail</b>	<b>18.7 million+</b> Customers	<b>Retail-focused Customer base</b>	<b>Consumer Lending</b>			
	<b>₹146.9 billion</b> Loans  <b>230</b> Branches	<b>₹1,628.2 billion</b> Deposits  <b>60</b> GTEExpress Outlets	<b>₹22.5 billion</b> PBT  <b>30</b> e-branches & Cash Centres <b>1,356</b> ATMs			
 <b>Public Sector</b>	<b>Federal, state &amp; local governments</b>	<b>Ministries, Departments. &amp; Agencies (MDAs)</b>	<b>All segments of government</b>			
	<b>₹94.0 billion</b> Loans	<b>₹29.0 billion</b> Deposits	<b>₹1.5 billion</b> PBT			

\* FY 2019  
\*\* HY 2019

# Geographical Presence – HY 2020

## GTBank plc

- Parent Company
- Established in 1990
- 227 branches, 16 e-branches, 14 cash centres & 60 GTExpress
- ₦623.8bn in SHF (Parent)
- HY 2020 PBT: ₦91.30bn (Parent)
- ROE: 25.99% (Parent)

## Sierra Leone

- Established in 2002
- 83.74% owned by parent
- 13 branches
- ₦594.11m invested by parent
- HY 2020 PBT: ₦1.46bn
- ROE: 18.93%

## Gambia

- Established in 2002
- 77.81% owned by parent
- 15 branches
- ₦574.28mm invested by parent
- HY 2020 PBT: ₦1.14bn
- ROE: 27.10%

## Ghana

- Established in 2006
- 98.32% owned by parent
- 32 branches
- ₦18.14bn invested by parent
- HY 2020 PBT: ₦13.06bn
- ROE: 31.48%

## United Kingdom

- Established in 2008
- 100% owned by parent
- 1 branch
- ₦9.60bn invested by parent
- HY 2020 PBT: (~~₦379.67mn~~)
- ROE: (6.52%)



## Liberia

- Established in 2009
- 99.43% owned by parent
- 10 branches
- ₦1.95bn invested by parent
- HY 2020 PBT: ₦957.41mn
- ROE: 14.31%

## Cote D'Ivoire

- Established in 2012
- 100% owned by parent
- 4 branches
- ₦5.08bn invested by parent
- HY 2020 PBT: ₦612.10mn
- ROE: 50.29%

## Kenya

- Acquired in 2013
- 70% owned by parent
- 8 branches
- ₦17.13bn invested by parent
- HY 2020 PBT: ₦2.09bn
- ROE: 9.69% (Parent : 4.70%)

## Uganda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 8 branches
- ROE: 7.66%

## Rwanda

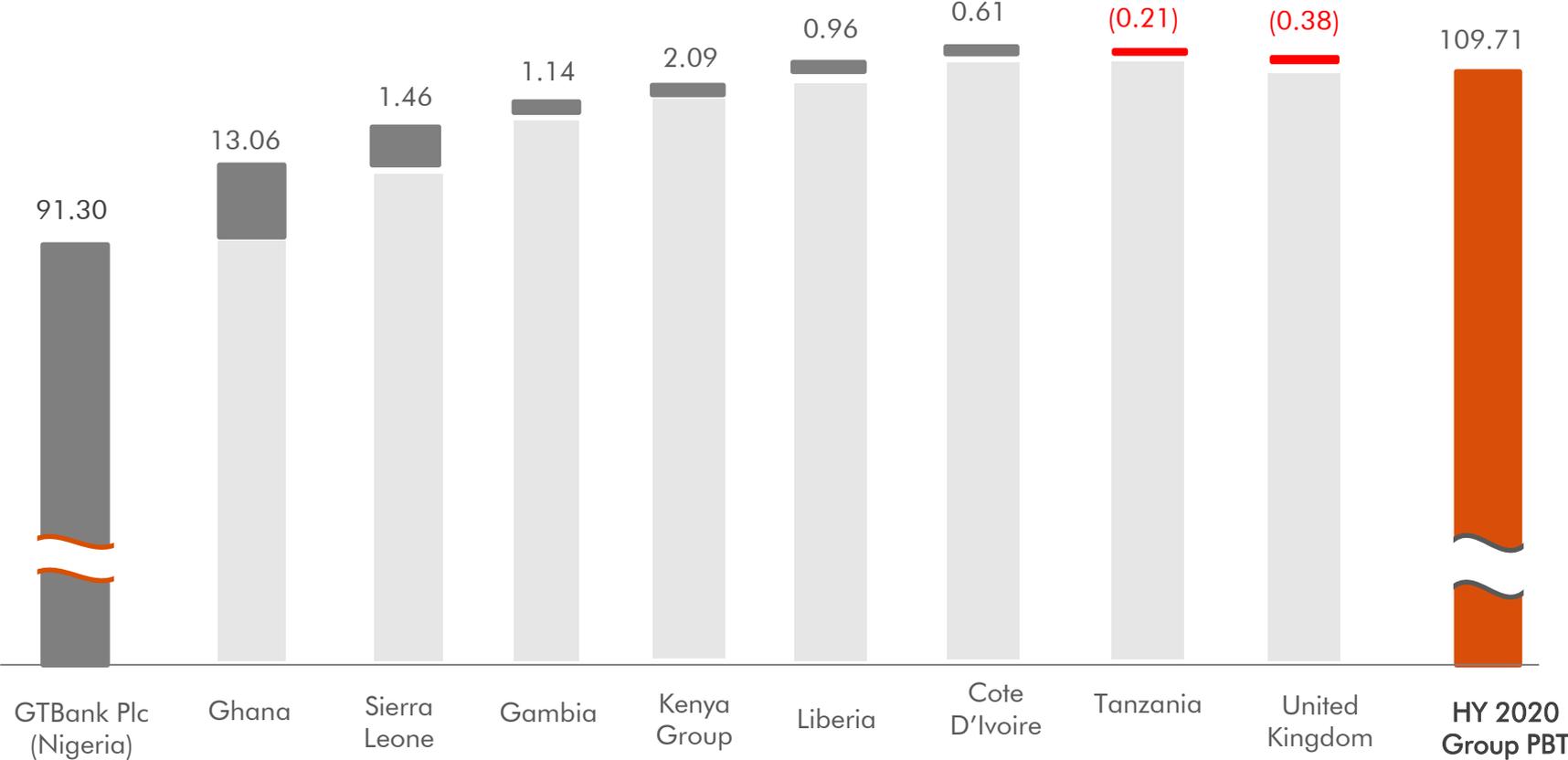
- Acquired in 2013
- Subsidiary of GTB Kenya
- 14 branches
- ROE: 17.43%

## Tanzania

- Established in Dec. 2017
- 76.2% owned by Parent
- 1 branch
- ₦3.84bn invested by parent
- HY 2020 PBT: (~~₦208.92mn~~)
- ROE: (13.19%)

# Group PBT Breakdown

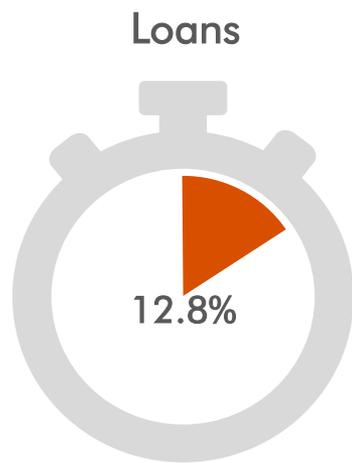
HY 2020 PBT – Group (N'bn)



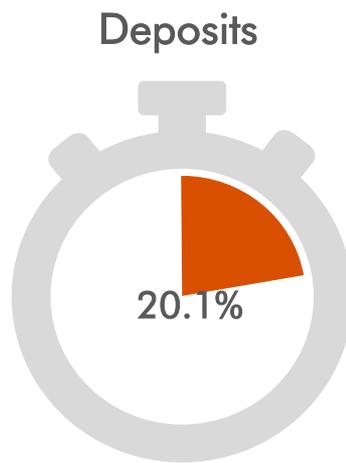
# Parent and Subsidiary Highlights

Millions of Naira	Assets			Loans			Total Deposit			PBT		
	HY 2020	FY 2019	% Change	HY 2020	FY 2019	% Change	HY 2020	FY 2019	% Change	HY 2020	HY 2019	% Change
Cote D'Ivoire	40,688	30,364	34%	10,878	8,162	33%	28,588	20,379	40%	612	567	8%
Gambia	56,824	49,735	14%	8,183	7,714	6%	46,475	42,422	10%	1,137	901	26%
Ghana	242,632	215,376	13%	43,059	37,516	15%	174,172	157,458	11%	13,057	12,434	5%
Kenya Group	156,581	153,060	2%	71,552	74,435	-4%	120,215	118,797	1%	2,087	1,539	36%
Liberia	48,089	40,841	18%	26,573	24,262	10%	35,392	29,484	20%	957	991	-3%
Sierra Leone	51,719	45,170	14%	17,028	16,778	1%	38,077	33,240	15%	1,462	2,028	-28%
Tanzania	6,150	5,196	18%	2,877	2,621	10%	2,168	2,455	-12%	-209	-295	29%
United Kingdom	196,221	202,596	-3%	27,229	30,546	-11%	176,390	183,144	-4%	-380	485	-178%
Nigeria	3,786,579	3,097,248	22%	1,416,849	1,300,893	9%	2,493,686	2,086,825	19%	91,304	97,138	-6%
<b>* Grand Total</b>	<b>4,511,324</b>	<b>3,773,636</b>	<b>20%</b>	<b>1,624,227</b>	<b>1,490,457</b>	<b>9%</b>	<b>3,086,267</b>	<b>2,666,889</b>	<b>16%</b>	<b>109,714</b>	<b>115,787</b>	<b>-5%</b>

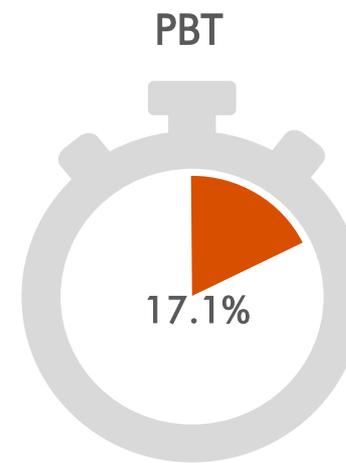
## % Contribution of Subsidiaries to Group



(FY 2019 – 13.6%)



(FY 2019 – 22.0%)



(HY 2019 – 16.1%)

# Non-Financial Highlights for HY 2020

## EMPLOYEES

  
**6,887**  
Employees

**54%** Male  **46%** Female 

  
**92%**  
of employee  
received training in  
HY 2020

## CUSTOMERS

  
**19.8mm+**  
Customers



**336**  
International Branch  
Network



**706,780+**  
Unique Users



**30**  
e-Branches and  
Cash Centres



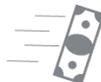
**1,356**  
Automated Teller  
Machines



**356mm+**  
Unique  
Transactions



**17,410+**  
active POS Terminals



**60**  
GT Express  
Locations



**5.37mm+**  
active cards

## SHAREHOLDERS



**327,802**  
Shareholders



**332 Kobo**  
EPS



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

## RATINGS

FitchRatings **B**

S&P Global  
Ratings **B**

## ACCOLADES

INTERNATIONAL  
**Banker**

Best Customer Service Provider in Africa  
(2020)



Africa's Most Admired Finance Brand



Best Bank in Nigeria

Excellence in Leadership in Africa  
(Covid-19 Response)

## COMMUNITIES

2020



GTBank  
MASTERS  
CUP

**35**

Schools participated in  
the 2020 editions of the  
Masters Cup



**110**

bed fully-equipped  
Covid-19 Isolation and  
treatment centre in  
Onikan, Lagos State.

**7 days**

the time it took to  
build and equip the  
facility



**10<sup>TH</sup> ANNUAL AUTISM  
CONFERENCE**

**1<sup>st</sup>**  
Virtual  
Conference

**9,270+**  
Registered for  
the Conference

**1,619+**  
Zoom Participants

**7,621+**  
Youtube views  
(within the first  
12 hours)

The background of the slide is a stylized illustration. It features a central point from which four large, green leaves with detailed vein patterns radiate outwards. The leaves are set against a dark red, swirling, and textured background that resembles marbled paper or a liquid-like pattern. The overall composition is symmetrical and organic.

Guidance and  
Plans for FY 2020

# FY 2020 Guidance

	FY 2019	HY 2020	FY 2020 Guidance
PBT	¥231.7 bn	¥109.7 bn	¥235bn
Deposit Growth	12%	16.9%	12%
Loan Growth	19%	8.1%	13%
Coverage (with Reg. Risk Reserve)	126.6%	118.1%	100%
Cost of Risk	0.34%	0.41%	Below 1%
NPL to Total Loans	6.5%	6.8%	Below 5%
Return on average Assets	5.6%	4.6%	5%
Return on average Equity	31.2%	26.8%	Min. 25%
Loans to Deposits and Borrowings (Bank)	60.6%	56.2%	63%
Liquidity Ratio	49.3%	43.2%	40%
Capital Adequacy Ratio	22.5%	22.9%	22%
Cost to Income Ratio	36.1%	43.2%	40%
Net Interest Margin	9.3%	9.7%	8%

# Disclaimer

This presentation is based on Guaranty Trust Bank Plc (“**GTBank**” or “**Bank**”)’s audited financial results for the half year ended June 30, 2020 prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (IASB). The Bank has also obtained certain information in this presentation from sources it believes to be reliable. Although GTBank has taken all reasonable care to ensure that such external information are accurate and correct, the Bank makes no representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information.

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Thank You

