



Guaranty Trust Bank plc  
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## Guaranty Trust Bank Plc

### **AUDITED HALF-YEAR GROUP RESULTS FOR THE PERIOD ENDED JUNE 30, 2021: DECLARES PBT OF ₦93.1BILLION**

Lagos Nigeria – 09 September 2021 – Guaranty Trust Bank Plc (“**GTBank**” or “**the Group**”), now known as Guaranty Trust Holding Company Plc (Bloomberg: GTCO:NL/Reuters: GTB.LG), multinational provider of diversified financial services, announces its audited financial results for the period ended 30 June 2021 and declares a PBT of ₦93.1bn.

A review of the results shows a decent performance across key financial metrics against the challenging business environment. This performance reaffirms GTBank’s ability to cope effectively in depressed times, and as one of the most profitable and well managed financial institutions in Nigeria. The Group reported profit before tax of ₦93.1billion, representing a dip of 15.2% compared to ₦109.7billion recorded in the corresponding period of June 2020. However, the Group’s transactional income maintained an upward trajectory as shown in fees and commission income which grew by 44.7% from ₦26.5billion in H1 2020 to ₦38.3billion in H1 2021.

The structure and earning capacity of the Group’s balance sheet remains resilient with total assets closing at ₦5.017trillion, primarily driven by a 4% increase in deposit liabilities from ₦3.611trillion in December 2020 to ₦3.755trillion in June 2021 and a slight dip in loans (net) by 1.8% from ₦1.663trillion as at December 2020 to ₦1.632trillion in June 2021. However, the dip in profit can be attributed to the present realities of the operating environment.

Commenting on the financials, Mr Segun Agbaje, Group Chief Executive Officer of Guaranty Trust Holding Company Plc said; “The results reflect our commitment to building on our track record of solid financial performance, and our capability to constantly innovate will ensure we stay ahead of the curve at all times. We are counting on the enduring support of our loyal customers and the hard work of our dedicated staff to continually make end-to-end financial services easily accessible to everyone and to create the best outcomes for all our customers and the communities in which we operate.”

He further stated that; “Looking forward, we are focused on bringing to bear the full benefits of our new corporate structure by consolidating our leading position in all the economies where our franchise operates. We will also diversify our earnings from core banking, continue to empower businesses across Africa and beyond, and generate long-term returns for our shareholders.”

### **Financial Highlights**

- Earnings
  - **Profit before tax of ₦93.1bn** (30 June 2020 ₦109.7bn) a decrease of 15.2%.
  - **Profit after tax** declined by 15.8% **to ₦79.4bn** from ₦94.3bn as of 30 June 2020.
  - Earnings per share of 279kobo compared to 332kobo per share of 30 June 2020.
- Revenue
  - **Interest income of ₦126.1bn** (30 June 2020: ₦153.7bn) down 18.0% largely as a result of 2.2% dip in interest income on loans and advances and 61.7% dip in interest income on investment securities as portfolio yield on treasury bills closed at 4.1% in H1-2021 from 14.2% in H1-2020.
  - **Non-interest income of ₦81.8bn** comprising of fee and commission income, net trading gains, and other income (30 June 2020: ₦71.4bn) up 14.5%. The non-interest income growth resulted largely from 44.7% increase in fee and commission income primarily driven by improved digital earnings and partly offset by 3.3% dip in trading gains and 3.1% dip in other income.

- **Net interest margin of 7.0%** (30 June 2020: 9.7%).
- Balance Sheet
  - **Total assets of N5.017trn** (31 December 2020: N4.945trn) up 1.5%
  - **Net loans and advances of N1.632trn** (31 December 2020: N1.663trn) down 1.8%.
  - **Deposits liabilities of N3.755trn** (31 December 2020: N3.611trn) up 4.0%.
- Credit Quality
  - **Non-performing loans to total loans at 6.0% based on IFRS and 6.8% (based on CBN Prudential Guidelines)** (31 December 2020: 6.4% based on IFRS).
  - **Coverage for Lifetime Credit Impaired Loans at 146.7%** (31 December 2020: 128.7%)
  - **Cost of risk at 0.3%, 0.2% at Bank level** (31 December 2020: 1.2%, 1.0% at Bank level).
- Continued focus on efficiency
  - **Cost to Income (CIR) of 49.0%** (30 June 2020: 43.2%). Increase in CIR was influenced by rise in inflation rate.
- Subsidiaries
  - Contribution to profit before tax from subsidiaries increased to 25.5% from 17.1% in June 2020.

### **June 2021 Financial Analysis and Ratios**

<b>Key Financials (N' billion)</b>	<b>H1-2021</b>	<b>H1-2020</b>	<b>Δ%</b>
<b>Interest income</b>	<b>126.1</b>	<b>153.7</b>	<b>-18.0%</b>
<b>Net interest income</b>	<b>107.1</b>	<b>127.6</b>	<b>-16.1%</b>
<b>Operating income</b>	<b>182.7</b>	<b>189.8</b>	<b>-3.7%</b>
<b>Operating expenses</b>	<b>89.3</b>	<b>83.3</b>	<b>7.2%</b>
<b>Profit before tax</b>	<b>93.1</b>	<b>109.7</b>	<b>-15.2%</b>
<b>Profit after tax</b>	<b>79.4</b>	<b>94.3</b>	<b>-15.8%</b>
<b>Earnings per share (in Naira)</b>	<b>2.8</b>	<b>3.3</b>	<b>-16.2%</b>
	<b>H1-2021</b>	<b>FY-2020</b>	<b>Δ%</b>
<b>Total assets</b>	<b>5,017.3</b>	<b>4,944.7</b>	<b>1.5%</b>
<b>Net loans</b>	<b>1,632.2</b>	<b>1,662.8</b>	<b>-1.8%</b>
<b>Customer deposits</b>	<b>3,625.2</b>	<b>3,509.3</b>	<b>3.3%</b>

<b>Key Ratios</b>	<b>H1-2021</b>	<b>H1-2020</b>
<b>ROAE (post-tax)</b>	<b>19.7%</b>	<b>26.8%</b>
<b>ROAA (post-tax)</b>	<b>3.2%</b>	<b>4.6%</b>
<b>ROAE (pre-tax)</b>	<b>23.1%</b>	<b>31.2%</b>
<b>ROAA (pre-tax)</b>	<b>3.7%</b>	<b>5.3%</b>
<b>Net interest margin</b>	<b>7.0%</b>	<b>9.7%</b>
<b>Cost-to-income ratio</b>	<b>49.0%</b>	<b>43.2%</b>
	<b>H1-2021</b>	<b>FY-2020</b>
<b>Net loans to deposits</b>	<b>43.5%</b>	<b>46.1%</b>
<b>Liquidity ratio</b>	<b>44.7%</b>	<b>38.9%</b>
<b>Capital adequacy ratio</b>	<b>24.0%</b>	<b>21.9%</b>

<b>NPL/Total loans (based on IFRS)</b>	<b>6.0%</b>	<b>6.4%</b>
<b>NPL/Total loans (based on Prudential Guidelines)</b>	<b>6.8%</b>	<b>6.4%</b>
<b>Cost of risk</b>	<b>0.3%</b>	<b>1.2%</b>
<b>Coverage (with Reg. Risk Reserves)</b>	<b>146.7%</b>	<b>128.7%</b>

09 September 2021

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## Notes to the Editors:

Guaranty Trust Bank Plc, now known as Guaranty Trust Holding Company Plc, is a multinational financial services group headquartered in Lagos, Nigeria, providing a broad range of market-leading financial services through 232 local branches, 30 e-branches & Cash Centres, 60 GTExpress locations, 1,374 ATMs, our international subsidiary offices and the Internet (gtbank.com).

Following its corporate reorganisation to a holding company structure in July 2021, Guaranty Trust Holding Company Plc is the parent company of the Group's banking franchise serving over 24million customers and employs more than 12,000 professionals across Nigeria, West and East African sub-regions as well as the United Kingdom. As part of its strategic thrust, the Group is looking to explore other growth areas including Payments, Asset Management and Pension Fund Administration. The Group is rated B- and B by S&P and Fitch respectively, which reflects its long-term stability and reputation of being a well-established franchise with strong asset quality and consistent excellent financial performance.

Presently, Guaranty Trust Holding Company Plc comprises the following subsidiaries:

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