2023 Full Year

Investor Presentation

Guaranty Trust Holding Company Plc

April 2024

A Fully Fledged Financial Services Group

Outline

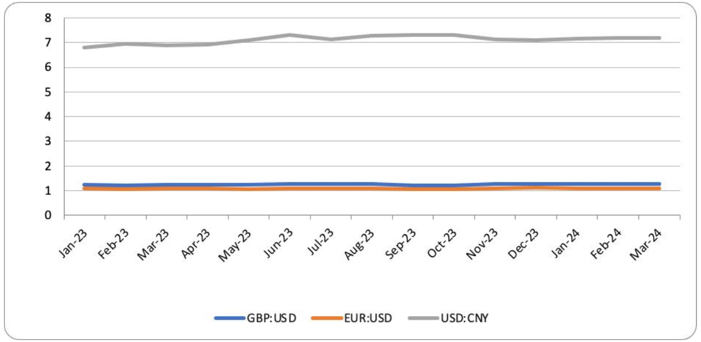
- Global Currency and Macro-economic Review
- Regulatory Overview
- FY 2023 Performance Review
- Banking Subsidiary Review
- Non-Banking Subsidiaries Review
  - Payment
  - Fund Managers
  - Pension Managers
- Guidance and Plans for FY 2024

Macro-economic Review

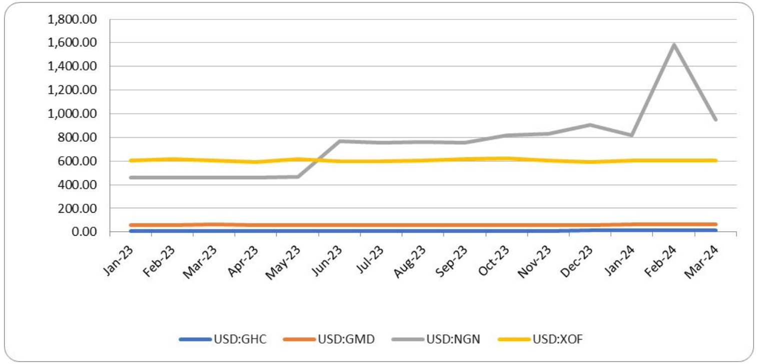
Global Currency Review

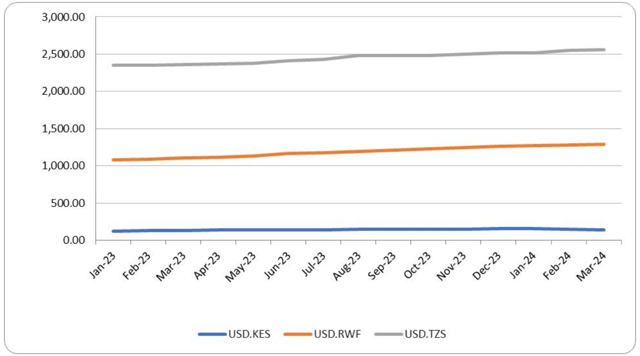
After a historic bull run last year, the U.S. Dollar Index declined off its highs while still maintaining fairly elevated levels as interest rates held steady globally. Lower gas prices and positive growth momentum in the euro-area boosted the euro's fortunes in 2023. Despite strengthening against the US dollar in the period, the pound is still being priced as an underperformer. The resilience of the US economy and country specific factors mean that markets will continue to be generally dollar positive.

UK, Eurozone, & China



West Africa





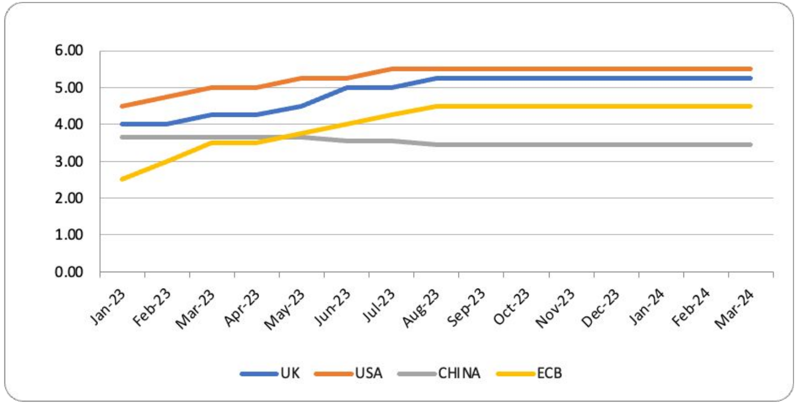
East Africa

Source: Bloomberg, GTCO IR analysis

Global Interest Rates and Inflation Highlights

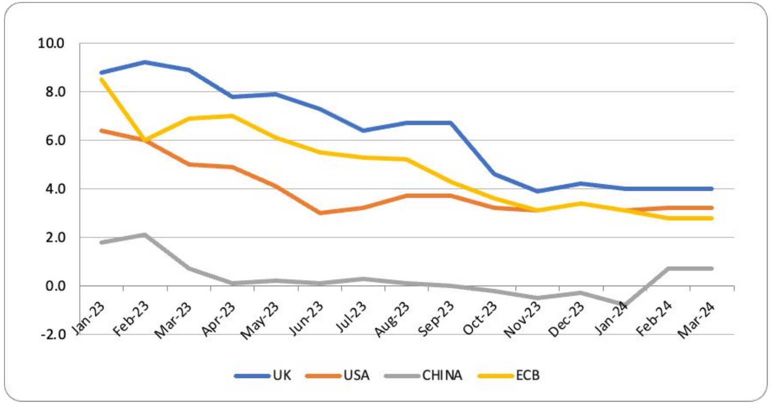
Interest Rate

Central banks favoured interest rate hikes as part of a monetary tightening strategy to curb inflation and align long-term target objectives. As the year progressed, inflation moderated, leading to the establishment of a more stable interest rate environment by year-end.



Inflation

Inflation remained above target but declined steadily from the high levels starting the year. Weakening in core goods inflation has been a crucial moderating factor, however, services prices remain elevated, reflecting still-tight labor markets and a general uptick in demand.

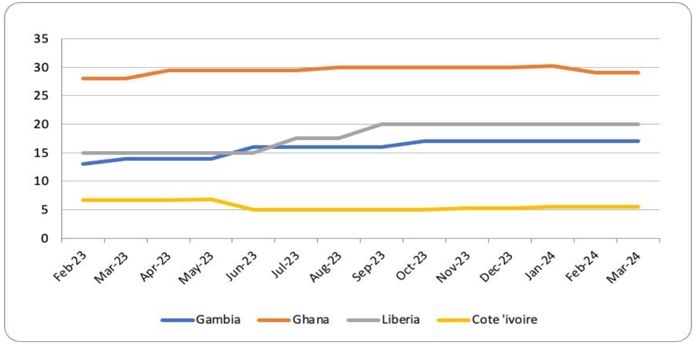


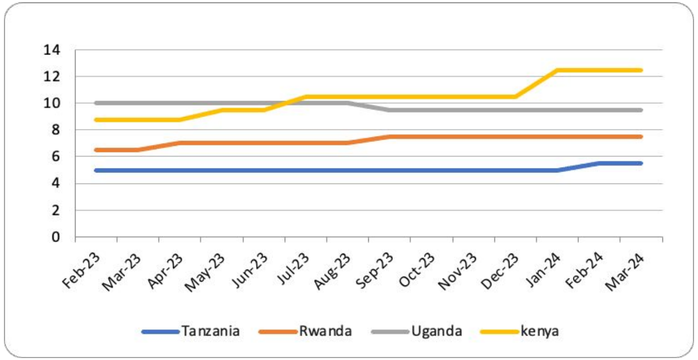
Source: Bloomberg, GTCO IR analysis

Sub-Saharan Africa Interest Rates and Inflation Highlights

Interest Rate

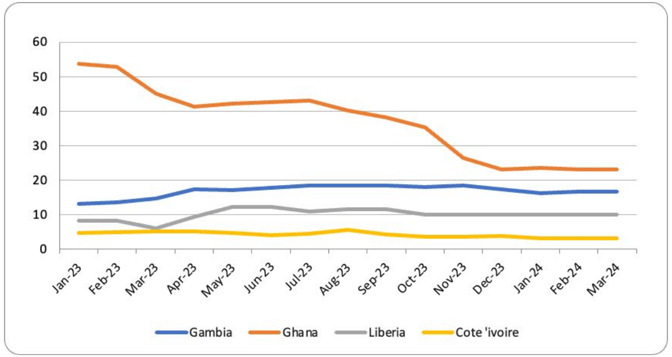
Countries in Sub-saharan Africa continue to grapple with elevated interest rates given downside risks from a significant global slowdown, tightened financial conditions, and sovereign vulnerabilities.

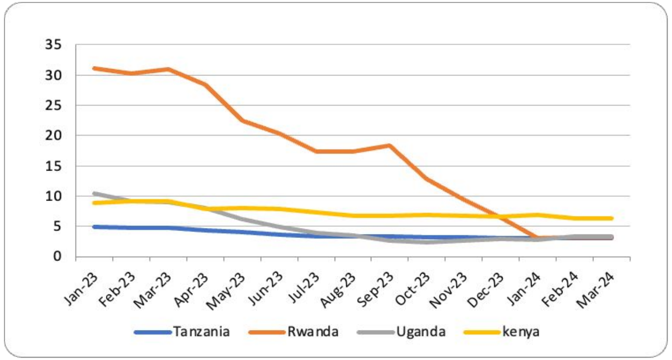




Inflation

The build-up of inflationary pressures in 2022 eased gradually through 2023 as monetary policy interventions gained traction, however, downside risks including prevailing structural weaknesses and exchange rate pass-through remain.

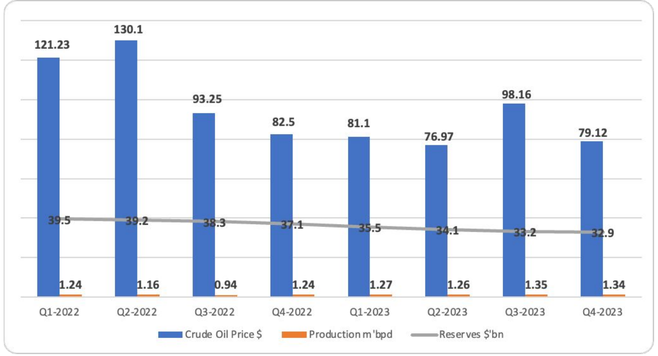




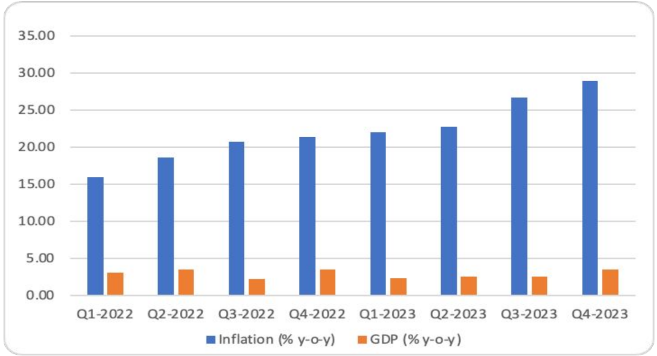
Source: Bloomberg, AfDB, GTCO IR analysis

Macro-economic Review (Nigeria)

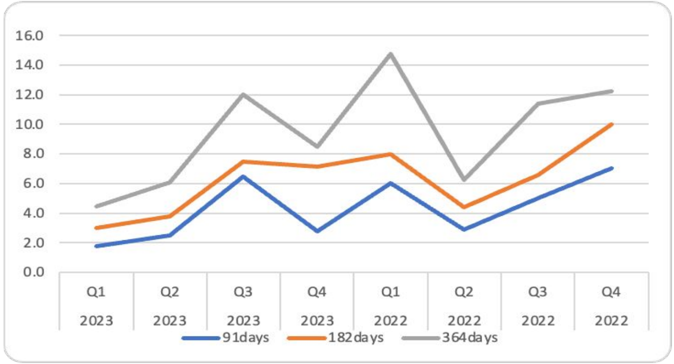
The slowdown in the prices of crude oil and sluggish growth in oil production had a negative impact on Nigeria's foreign exchange reserves. Brent crude oil price averaged $83 per barrel in 2023, down from $101 per barrel in 2022, as global markets adjusted to new trade dynamics, with crude oil from Russia finding destinations outside the EU, and lower than expected demand.



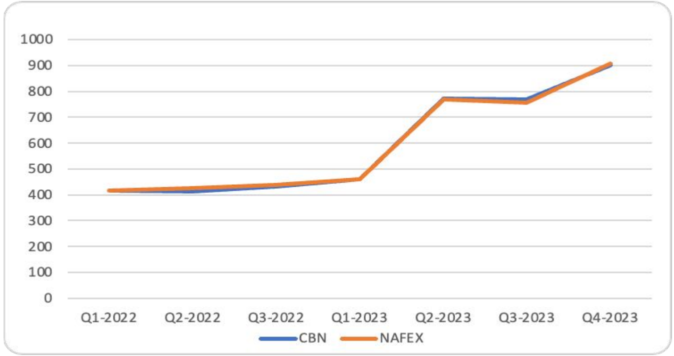
Headline inflation rose persistently throughout 2023, mainly driven by high food prices, a weak local currency, and rising cost of inputs. Although GDP growth was in positive territory through 2023, the rate was markedly below projections by the FGN (3.75%) and IMF (3.19%).



Rates across the Naira yield curve climbed on average around 128bps, driven by sell-offs across the entire curve and strong repricing on the one-year instruments (+350bps) following the sale of OMO bills at yields of 20-21% beginning in Q3.



The Naira depreciated sharply at the parallel market and I&E Window (now, NAFEM), immediately the newly elected Government announced the unification of exchange rates; (in favour of a market driven exchange rate policy) falling by 96.6% and 64% to ₦907.11 and ₦1,210.00 at the NAFEM and parallel market, respectively.



Source: NBS, CBN Data, OPEC, GTCO IR analysis

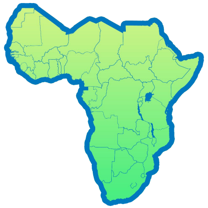
Macro-economic Review and Outlook

Global

Global recovery remains slow, with growing regional divergences amid tight monetary policy, restrictive financial conditions, and feeble global trade and investment. Global growth settled at an estimated 2.6% in 2023, with lower energy prices and fading supply chain pressures helping inflation to decline more quickly than anticipated. In the absence of further adverse supply shocks, cooling demand pressures should allow headline and core inflation to fall further in most economies.

Downside risks to global growth include an escalation of the ongoing conflict in the Middle East, possible trade fragmentation, and persistent inflation.

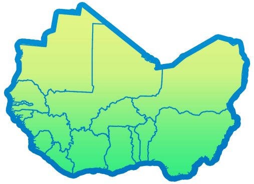
Sub-Saharan Africa



Growth in Sub-Saharan Africa (SSA) decelerated to an estimated 2.9%, as the region' economies were confronted by sluggish global growth, elevated inflation levels, debt sustainability issues, steep currency devaluation, and political tensions.

The macroeconomic performance of the region's biggest players mirrored the impacts of headwinds arising from ongoing economic and fiscal reforms, unstable power, and weakening external demand.

West Africa

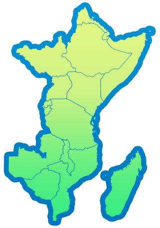


In Nigeria, the immediate effects of reforms implemented by the new administration weighed on economic performance in 2023. It is expected that the longer-term benefits of these reforms could outweigh the short-term market adjustment costs.

Growth in Ghana is projected to pick up from an estimated 1.5% in 2023 to 2.8% in 2024, reflecting ongoing fiscal consolidation efforts. However, high inflation will continue to weigh on household budgets.

Growth in the sub-region is projected to pick up to 4% in 2024, from an estimated 3.2% in 2023.

East Africa



While headwinds are still at work, East Africa is projected to grow by 5.1 percent this year with Kenya, Rwanda and Tanzania leading the region's economic momentum.

Two of the largest economies - Ethiopia and Kenya - are projected to average 7.1% and 5.2% GDP growth, respectively, in 2024, anchored by improved fiscal balances from key exports and a boost in services sector, particularly tourism and financial services.

Regulatory Overview

Regulatory Overview

H1 2023

- **CBN** abolishes segmentation in the Foreign Exchange Market. All segments are now collapsed into the Investors and Exporters (I&E) window.
- Re-introduction of the "Willing Buyer, Willing Seller" model at the I&E Window. All eligible transactions are permitted to access foreign exchange.
- Re-introduction of the Order Book to ensure transparency of orders and seamless execution of trades.

H2 2023

- **CBN** restricts banks and other financial institutions from operating accounts for cryptocurrency service providers.
- CBN reviews operational mechanism for Bureau de change operations in Nigeria.
- New corporate governance guidelines came into effect, stipulating that the tenure for executive and non executive directors of Banks cannot exceed 12 years.
- Revised regulatory framework for Bank Verification Number(BVN) and watch list for the Nigerian Banking industry. Making BVN and/or NIN mandatory for all bank accounts.

Q1 2024

- **CBN** discontinues daily Cash Reserve Ratio (CRR) debits and introduced an updated CRR mechanism.
- CBN reviews minimum capital requirements for commercial, merchant, and non interest banks in Nigeria; pegs capital base for commercial banks with international authorization to N500 billion and national banks to N200 billion
- CBN prohibits use of Foreign currency denominated collaterals for Naira loans except where the collateral is Eurobonds issued by the FRN or Guarantees of foreign banks.
- CBN reviews requirements for foreign currency cash pooling on behalf of International Oil Companies (IOC).

FY 2023 Financial Performance Review

Key Performance Ratios - Group

	December 31, 2022	December 31, 2023
Net Interest Margin	6.68%	7.88%
Cost to Income Ratio	48.03%	29.13%
Capital Adequacy Ratio	24.08%	21.94%
Liquidity Ratio	49.93%	31.08%
Loans to Deposits and Borrowings	42.89%	38.11%
Return on Equity (Post Tax)	18.65%	44.82%
Return on Assets (Post Tax)	2.28%	6.69%
NPL to Total Loans	5.19%	4.19%
Cost of Risk	0.62%	4.49%
Coverage (with Reg. Risk Reserve)	175.47%	191.14%

FY 2023 Group Balance Sheet Snapshot (₦ 'Billions)

50%

Total Assets

9,691.3
FY 2023

6,446.5
FY 2022

49%

Total Liabilities

8,214.1
FY 2023

5,515.3
FY 2022

59%

Total Equity

1,477.1
FY 2023

931.1
FY 2022

33%

Gross Loans and Advances

2,614.6
FY 2023

1,972.4
FY 2022

32%

Net Loans and Advances

2,480.3
FY 2023

1,885.9
FY 2022

64%

Total Deposits

7,546.9
FY 2023

4,610.3
FY 2022

102%

Investment Securities

2,469.3
FY 2023

1,225.0
FY 2022

221%

Earnings Per Share (EPS)

1907 Kobo
FY 2023

595 Kobo
FY 2022

3%

Total Dividend

320 Kobo
FY 2023

310 Kobo
FY 2022

Balance Sheet (Group)

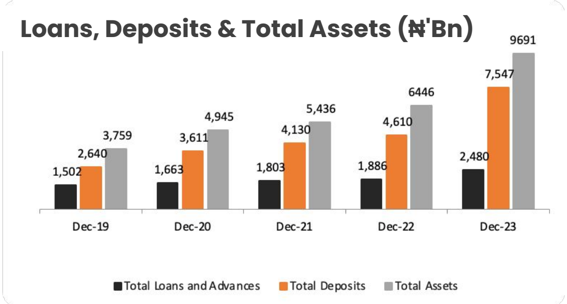
In thousands of Nigerian Naira	Group		
	Dec-23	Dec-22	y-o-y change (%)
Assets			
Cash and bank balances	2,309,618,698	1,621,101,169	42%
Financial assets held at fair value through profit or loss	28,066,613	128,782,374	-78%
Derivative financial assets	29,961,143	33,913,351	-15%
Investment securities:			
– Fair Value through profit or loss	3,947,850	3,904,458	1%
– Fair Value through other comprehensive income	894,064,002	357,704,355	150%
– Held at amortised cost	1,571,317,478	863,421,525	82%
Assets pledged as collateral	86,552,701	80,909,062	7%
Loans and advances to banks	66,935	54,765	22%
Loans and advances to customers	2,480,183,368	1,885,798,639	32%
Restricted deposits & other assets	2,012,815,346	1,232,611,251	63%
Property and equipment, and Right-of-Use Assets	224,298,652	197,860,484	13%
Intangible assets	33,076,038	29,411,898	12%
Deferred tax assets	18,285,854	10,983,098	66%
Total assets	**9,691,254,678**	**6,446,456,429**	50%

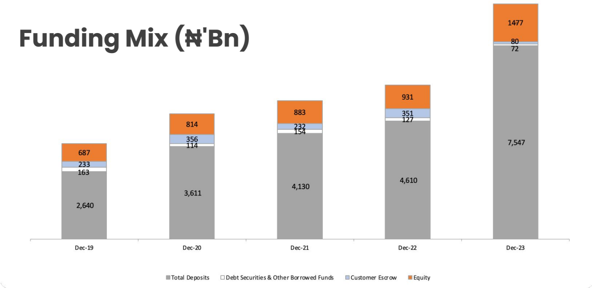
In thousands of Nigerian Naira	Group		
	Dec-23	Dec-22	y-o-y change (%)
Liabilities			
Deposits from banks	136,053,409	125,229,187	9%
Deposits from customers	7,410,834,190	4,485,113,979	65%
Financial liabilities at fair value through profit or loss	809,342	1,830,228	-56%
Derivative financial liabilities	-	4,367,494	-100%
Other liabilities	493,325,925	724,902,202	-32%
Current income tax liabilities	41,303,351	35,307,860	17%
Other borrowed funds	72,119,485	126,528,105	-43%
Deferred tax liabilities	59,680,905	12,028,172	396%
Total liabilities	**8,214,126,607**	**5,515,307,227**	49%
Equity			
Share capital	14,715,590	14,715,590	0%
Share premium	123,471,114	123,471,114	0%
Treasury shares	(8,125,998)	(8,125,998)	0%
Retained earnings	580,033,938	214,858,054	170%
Other components of equity	737,547,106	567,085,367	30%
Total equity attributable to owners of the Parent	**1,447,641,750**	**912,004,127**	59%
Non-controlling interests in equity	29,486,321	19,145,075	54%
Total equity	**1,477,128,071**	**931,149,202**	59%
Total equity and liabilities	**9,691,254,678**	**6,446,456,429**	50%

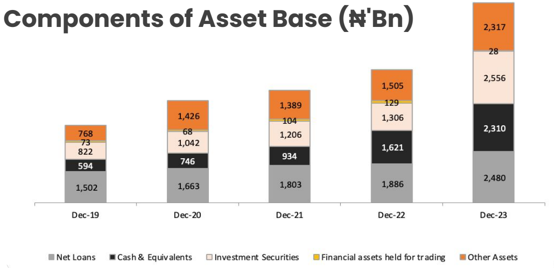
Balance Sheet Composition

- The Group closed FY-2023 with Total Asset of ₦9.7tn, a 50.3% growth over ₦6.45tn recorded in FY 2022, maintaining a well-structured and diversified balance sheet across its Banking and Non-Banking Business Verticals (Payments, Pension and Funds Management).
- The growth in Group's balance sheet was driven by an increase in the Asset base of GTBank Ltd as the Bank benefitted from the net effect of devaluation on its FCY denominated assets and liabilities (USD to Naira at the I&E Window closed $1/₦907.11 in FY-2023 vs $1/₦461.5 in FY-2022). Total Assets of the Non-banking subsidiaries increased significantly by 312% (₦265.3bn) to ₦350.2bn from ₦85.0bn in FY-2022, contributing 3.6% to the Group's Total Assets, up from 1.3% contribution in FY-2022.
- Earning Asset Mix improved by 6% to 66.4% in FY-2023 from 60.5% in FY-2022 on account of 65.0% growth in Earning Assets (₦6.435trn vs ₦3.900trn) which was underpinned by growth in deposit liabilities which grew 63.7% y-o-y (24.7% without devaluation. The synergy created by the Holding Company structure was pivotal to the increase and retention of funds.
- The Group continued to adopt a cautious approach to loan growth amidst uncertainty in the operating environments of the jurisdictions wherein it operates. Consequently, net Loans increased to ₦2.48tn in FY-2023 from ₦1.89tn in FY-2022, representing 31.5% growth (2.4% without devaluation).
- The Group increased its investments in risk free assets, leveraging improving yields in the Fixed Income (FIS) space*. FIS portfolio grew by 80.1% (₦1.149trn) to ₦2.584trn from ₦1.435trn and yield on the portfolio picked up 247bps**.
- Total sterilised funds with the CBN as at FY-2023 closed at ₦2.191trn with CRR accounting for 78.8% (₦1.596trn), Special Bills 32% (₦545.4bn) and SIR 2.3% (₦50.6bn). Consequently, CRR to Naira deposits ratio stood at 42.0% (CRR + Special Bills to Naira deposits closed at 57.7%) in FY-2023 from 34.4% and 56.3% in FY-2022 respectively, well above the 32.5% Cash Reserve Requirement (CRR now harmonized at 45% as at Q1-2024 by the Apex Bank).
- The funding base comprising customer deposits (77.9%), equity (15.2%), customer escrow balances (0.8% from 5.5%) and other borrowed funds (0.7% from 2.0% in FY-2022) remains very strong and well distributed. Customer deposit liabilities grew by 65.2%, from ₦4.485tn in FY-2022 to ₦7.411tn in FY-2023 , with low-cost funds growing by 68.1% (₦6.565tn vs ₦3.906tn) resulting in low-cost deposit mix of 89% from 87% in FY 2022.
- The Non-Banking Verticals posted strong growth in Assets Under Management and Transaction Processing volumes. Guaranty Trust Fund Managers (GTFM) recorded a growth in AUM of of 251% (₦379.9billion vs ₦108.3billion) between FY-2023 and FY-2022 and even stronger growth of 1,239% over post-acquisition AUM of ₦28.4billion. Total Assets under Management (AUM) of GTPFA increased by 34.3% from ₦59.4bn in FY-2022 to ₦79.8bn in FY-2023 (growth of 63..5% over post-acquisition AUM of ₦48.8bn).. Similarly, Total Payment value of Naira and Dollar transactions processed by the Group's Payment Business Vertical, HabariPay grew significantly to ₦12.1trillion and $2.3mn in FY-2023 from ₦139 billion and $175k in FY-2022 respectively.
- The Growth across the Group's Banking and Non-banking Businesses attests to the synergies in our Financial Services Group structure.
- The Group's performance remained resilient and responsive in the face of daunting challenges ranging from elevated inflation, heightened FX risks that characterised most of 2023 financial year. It adapted by deploying timely, appropriate, and efficient strategies to navigate the vagaries macros across its Jurisdiction of operations, posting post-tax Return on Average Assets of 6.7% and pre-tax Return on Average Equity of 44.8%.

* Central Banks globally continued to raise interest rates to combat inflationary pressure.
** Yield pick up of 247bps doused by 0.5% offering on the ₦545.4bn holdings of CBN's Special Bills which constitute 21.1% of the Fixed Income Securities portfolio as at FY-2023







FY 2023 Group Income Statement Snapshot (₦ ‘Billions)

Gross Earnings

1,186.5
FY 2023

539.2
FY 2022

Profit Before Tax

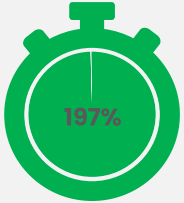
609.3
FY 2023

214.2
FY 2022

Profit After Tax

539.7
FY 2023

169.2
FY 2022



Non-Interest Income

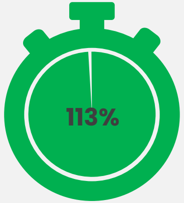
635.7
FY 2023

213.8
FY 2022

Interest Income

550.8
FY 2023

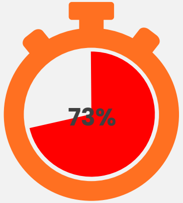
325.4
FY 2022



Operating Income

954.7
FY 2023

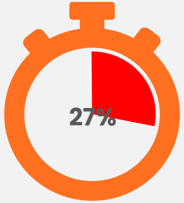
448.0
FY 2022



Interest Expense

114.0
FY 2023

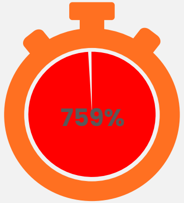
66.1
FY 2022



Operating Expense

250.4
FY 2023

197.9
FY 2022



Loan Impairment

103.0
FY 2023

12.0
FY 2022

Income Statement – Group

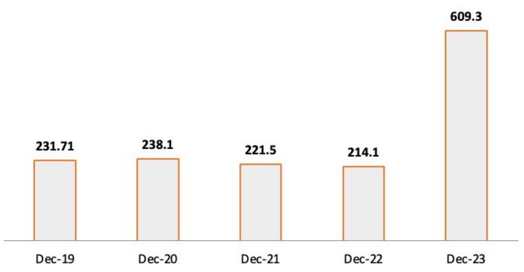
	Group		
In thousands of Nigerian Naira	**Dec-23**	**Dec-22**	**% Change**
Gross Earnings	**1,186,465,425**	**539,234,897**	**120%**
Interest income calculated using effective interest rate	531,017,544	295,122,190	80%
Interest income on financial assets at fair value through Profit or loss	19,737,584	30,277,472	-35%
Interest expense	(114,058,543)	(66,096,535)	73%
Net interest income	**436,696,585**	**259,303,127**	68%
Loan impairment charges	(102,953,282)	(11,986,545)	759%
Net interest income after loan impairment charges	**333,743,303**	**247,316,582**	35%
Fee and commission income	124,162,260	105,147,173	18%
Fee and commission expense	(14,733,765)	(13,155,560)	12%
Net fee and commission income	**109,428,495**	**91,991,613**	19%
Net gains on financial instruments classified as held for trading	62,201,192	40,282,341	54%
Other income	449,346,845	68,405,721	557%
Net impairment reversal/(loss) on financial assets	(94,992,377)	(35,944,565)	164%
Personnel expenses	(45,097,281)	(36,076,627)	25%
Depreciation and amortization	(39,095,443)	(35,467,168)	10%
Other operating expenses	(166,226,292)	(126,353,803)	32%
Profit before income tax	**609,308,442**	**214,154,094**	185%
Income tax expense	(69,653,768)	(44,980,657)	55%
Profit for the year	**539,654,674**	**169,173,437**	219%

PBT Trend

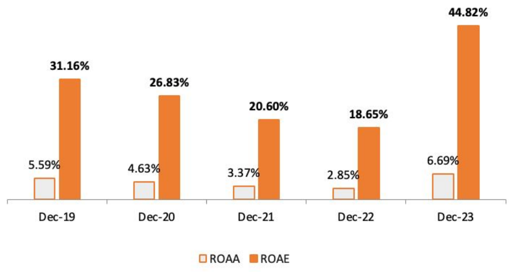
- The Group's gross earnings increased by 120.0% to ₦1.186trn in FY-2023 from ₦539.2bn in FY-2022 driven by a growth in core banking activities from increased transactional volumes and enhanced "Other Income".
- Interest earnings grew by 69.3% primarily as a result of growth in Banking Earning Assets (EA) volumes and improved yield in Interest earnings recorded by GTFM and GTPFA during the period. Average volumes of EA were up by 32.8% from increased funding; and earning asset yields improved y-o-y to 9.88% in FY-2023 from 8.53% in FY-2022.
- GTFM's Interest Income grew from ₦2.5bn in FY-2022 to ₦14.0bn in FY-2023 principally from earnings on GT Investment Note Funds while, GTPFA complemented the Group's Interest earnings posting ₦391mn (or 38%) growth (₦1.4bn vs ₦1.0bn) during the same period.
- The 69.3% growth in interest income (₦550.8bn vs ₦325.4bn) was further complemented by the 197.3% growth recorded in non-funded income (₦635.7bn vs ₦213.8bn) as discussed in the Revenue Section.
- Net interest income increased y-o-y by 68.4% (₦436.7bn vs ₦259.3bn). The key driver for the 72.6% increase in interest expense (₦114.1bn vs ₦66.1bn) was the 120bps pick up in the cost of savings account on the back of an increase in MPR; 18.75% in FY-2023 vs 16.5% in FY-2022*.
- The increase in interest rates in response to rising Inflationary pressures impacted interest paid on savings accounts, leading to an increase in the cost of funds from 1.2% in FY-2022 to 1.4% in FY-2023.
- The Group increased its loan impairment charges to ₦103.0bn in FY-2023 from ₦12.0bn in FY-2022 as a precautionary provision against the impact of unfavourable changes in macroeconomic variables on its Stage 2 Facilities as permitted under IFRS 9. The Group also recognised ₦95.0bn in FY-2023 as an impairment charge on other Financial Assets (FA) also by way of Management overlay as loss rate heightened on its other Financial Instruments whose underlying values are sensitive to adverse exchange rate movements, especially its investment in Ghanaian sovereign securities and other Contingents.
- The Group's total operating expenses (Opex) grew by 26.5% (₦52.5bn) to ₦250.4bn in FY-2023 from ₦197.9bn in FY-2022 primarily as a result of an increase in AMCON levy and NDIC premium, incremental depreciation charge arising from capital spending, increase in energy costs and upward salary reviews (salary review to cushion the effect of rising inflation). Opex growth was also impacted by translation as functional currencies in the Group's Jurisdiction of operation outside Nigeria also depreciated against the US Dollar in FY-2023.
- Overall, the Group leveraged synergies created through the Holding Company structure, its robust FX liquidity, efficient capital planning, well-crafted and executed retail strategy, well-structured and healthy balance sheet to post a 184.5% increase in PBT to ₦609.3bn in FY-2023 from ₦214.2bn in FY-2022 with the Nigerian operation accounting for 77.6%, West Africa – 17.3%, East Africa – 2.3%, UK – 1.9% and Non-Banking Entities – 0.9%.
- In FY-2024 and beyond, the Group expects revenue streams from all its Business verticals to continue to grow as the Financial Holding Structure continues to gain traction and consolidate on current achievements; specifically, it expects earnings from the non-banking Subsidiaries (i.e., Payments, PFA, and Asset Management) to strengthen and contribute 2-3% of the Group's performance by FY-2024.

* Interest on savings account is indexed to the Monetary Policy Rate (MPR).

PBT (₦'Bn)



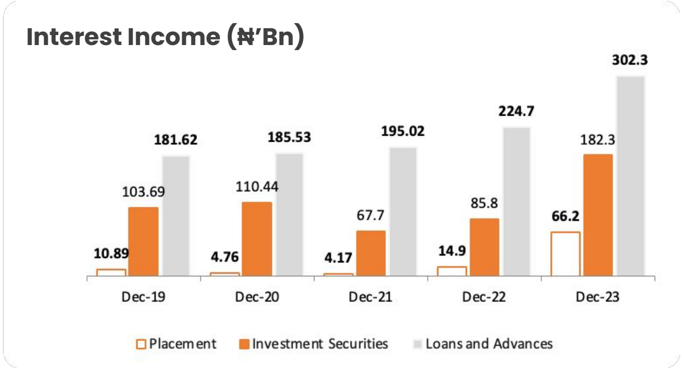
Return on Average Assets & Equity

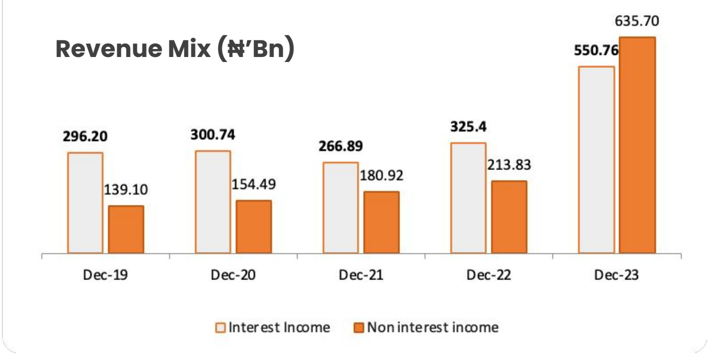


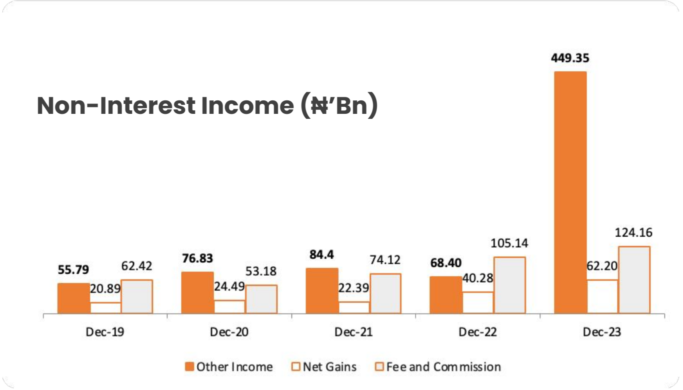
* Pre-tax profit expressed due to impact of Finance Act and expiration of CIT Exemption Order 2011 on tax

Revenue Generation

- Revenue growth remains strong, as gross earnings which comprises Funded Income (FI) and Non-Funded Income (NFI) increased by 120.0% to ₦1.186trn in FY-2023 from ₦539.2bn.
- Growth in earning asset volumes (32.8%) coupled with a 210 bps increase in yields on Fixed Income Securities (FY-2023: 7.5% vs. FY-2022: 5.0%) and loans and advances (FY-2023: 13.2% vs. FY-2022: 11.8%) led to a 69.3% growth in interest income; from ₦325.4bn in FY-2022 to ₦550.8bn in FY-2023. Notwithstanding the growth in interest income, Funded Income contribution to gross earnings dropped to 46.4% in FY-2023 from 60.3% in FY-2022 due to significant increase in Non-Funded Income driven by growth posted on Other income line.
- Non-Funded Income (NFI) which comprises Fees and Commission Income (19.5%), Other Income (70.7%), and Trading Income (9.8%) grew significantly by 197.3% to ₦635.7bn in FY-2023 from ₦213.8bn in FY-2022.
- Fee income from Banking and Non-Banking Business Verticals contributed to the 8.1% growth in fees and commission income (₦124.2bn vs. ₦105.1bn). Fees earned from the growth in AuM of GTFM, GTPM and Habari complemented fees arising from increased transactional volumes in the Digital space -E-Banking income (₦40.8bn vs. ₦37.7bn), growth in Credit-related fees -19.6% (₦9.1bn vs ₦7.6bn) and Commission on trade transactions- 70.3% (₦14.9bn vs ₦8.7bn).
- GTPFA's Fees and Commission income grew by 50% to ₦589mn principally from increase in AUM based Fees earned on all RSA Fund Types and AES from growth in AUM (₦79.8bn vs ₦59.4bn). GTFM grew it Fees marginally by 1% (₦422mn vs ₦416mn) as a result of the drop-in Fee Rates on the Money Market Fund from 1.5% p.a. to 1.0% p.a. HabariPay also grew its Fee income from revenues earned from Value Added Services (VAS) and Switching i.e., processing of transactions for Counterparties for a fee.
- The Group also posted impressive earnings from Global Markets activities, growing net trading income by 54.4% (₦62.2bn vs ₦40.3bn), complementing growth in Other Income. Growth in Other Income line was driven by earnings from discounts and rebates of ₦5.2bn and FX revaluation gains of ₦421.6bn posted by GTBank Ltd as a result of the effect of the devaluation of the naira on its Long Financial Instrument USD945mn Position. (₦461.5/$1 in December 2022 vs ₦907.11 in December 2023). The gains offset the MTM loss of ₦5.0bn recognized on FVPL T-Bills position owing to pick-up in market yields.





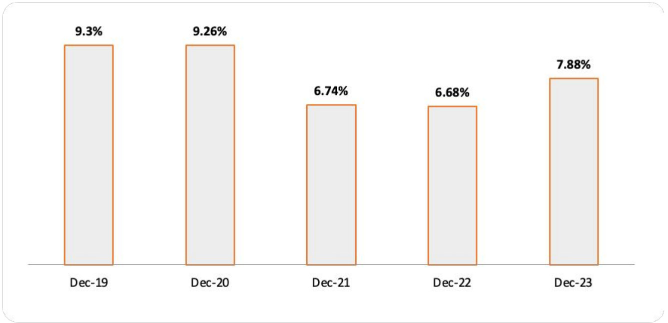


Margin Metrics

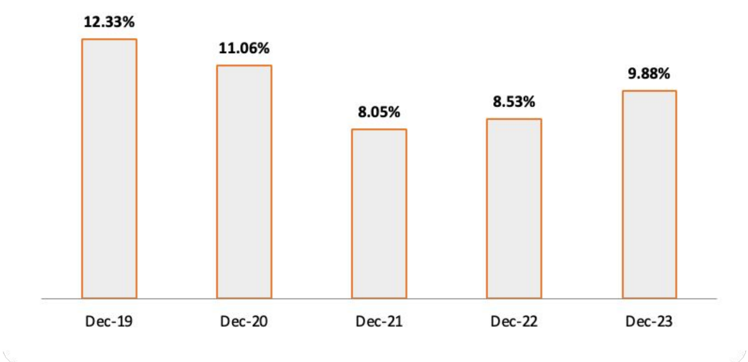
Sustained Competitive Margins

- NIM inched up by 120bps to 7.88% in FY-2023 from 6.68% as of FY-2022 due to an increase in yields offered on 364-day T-Bills, FCY placement and Loans. The uptick in yields weighed positively on the overall earnings portfolio and was sufficient to offset the corresponding increase in cost of funds.
- Total asset portfolio yield closed at 9.88% in FY-2023, an increase of 135bps on the 8.53% recorded in FY-2022.
- Cost of Funds (CoF) increased by 17bps from 1.24% in FY-2022 to 1.40% in FY-2023 due to an upward review of the MPR rate which is the primary driver of the interest rate paid on savings accounts. Cost of funds was moderated by the marginal improvement in low-cost deposit mix to 89% in FY-2023 from 87% in FY-2022.
- The Group will continue to sustain NIM through effective management of cost and yield optimization, leveraging technology to serve its growing customer base, intensifying low-cost deposits drive and deploying funds efficiently to investment-grade assets.

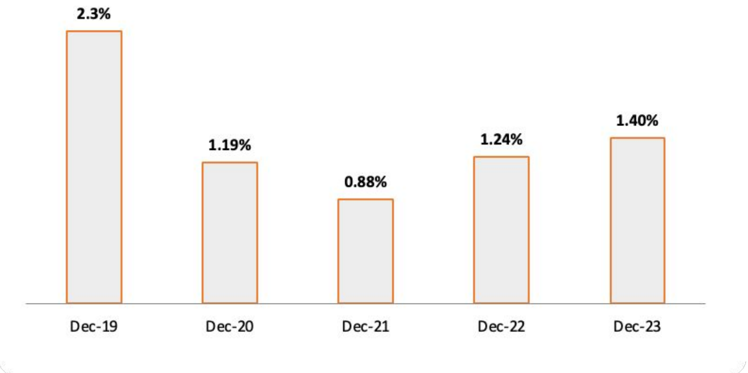
Net Interest Margin



Yields on Interest Earning Assets



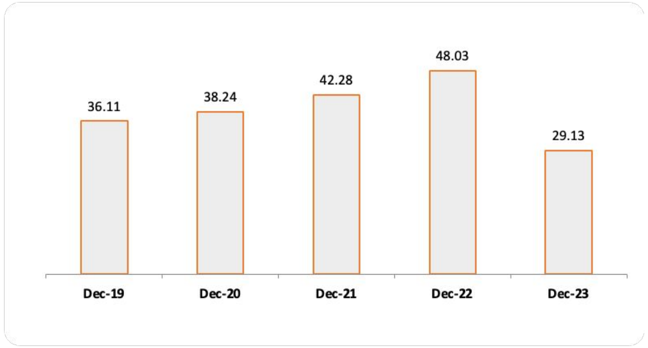
Cost of Funds



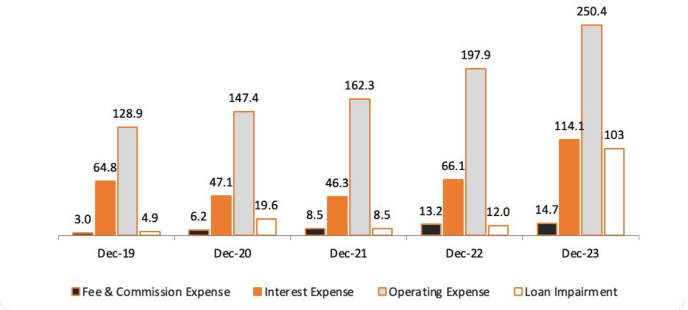
Efficient Cost Management

- The 26.5% growth in Operating Expenses (OPEX) recorded by the Group came in below headline inflation rate in Nigeria of 28.9% and average Inflation rate in Ghana of 40.3%; the two Jurisdictions that accounts for 81% and 88% of the Group's Balance sheet and PBT respectively as of December 2023.
- The 73% growth in interest expense was driven by an increase in Cost of Funds from 1.24% in FY-2022 to 1.40% in FY-2023 on account of increase in MPR which impacted Interest rate paid on Savings Accounts.
- The Group leveraged its FCY liquidity to fund all Customers' foreign currency-denominated transactions thereby making a saving from interest expense it would have had to pay on FCY borrowings..
- Increase in Operating expenses resulted from growth in Regulatory costs- Deposit Insurance Premium and AMCON expenses and the impact of depreciation of functional currencies across all Jurisdictions wherein it operates. In Nigeria, the twin impact of devaluation of the Naira and Fuel subsidy removal led to increased Technology, Repairs and maintenance cost and growth in the amount incurred on personnel cost and outsourced services.
- Overall, the Group was able to keep its Cost-to Income Ratio (CIR) at 29.1% (44.5% if net earnings are adjusted for impact of revaluation gains and exchange rate induced impairment charge), therefore coming slightly higher than the guidance of 40% owing to significant increase in general price levels. The Group however remains committed to effectively managing costs despite inflationary and revenue pressures.

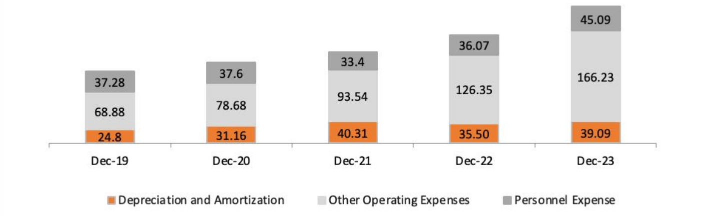
Cost to Income Ratio (CIR)



Overview of Expenses (₦'Bn)



Operating Expenses (OPEX) (₦'Bn)



OPEX

In billions of Naira	Group FY 2023	Group FY 2022	Change (Y-o-Y)	% Change (Y-o-Y)
Depreciation and Amortization	39.1	35.5	3.6	10%
AMCON Expenses	27.3	23.3	4.0	17%
Occupancy Costs and Repairs & Maintenance	19.1	15.1	3.9	26%
Deposit Insurance Premium	17.0	14.0	2.6	18%
Customer Service Related Expenses	1.3	4.1	(2.8)	131%
Communication, Tech. related & Admin. Expenses	50.2	42.4	7.8	18%
Advert, Promotion and Corporate Gifts	8.8	7.3	1.5	21%
Personnel Expense	45.1	36.1	9.0	25%

OPEX Drivers

The Group recorded a 26.5% growth from ₦197.9bn in FY-2022 to ₦250.4bn in FY-2023 with non-controllable cost mix improving to 33.3% of the total operating expenses in FY-2023 from 37.0% in FY-2022. The key Opex growth drivers are as follows:

a. Increase in regulatory charges - AMCON levy and Deposit Insurance Premium. AMCON levy increased by 17.3% to ₦27.4bn from ₦23.3bn due to growth in the underlying total asset and contingents base at the Bank level to ₦5.46tn in FY 2023 from ₦4.66tn in FY 2022 (AMCON levy is computed as 0.5% on preceding year's total asset and contingents base). Also, Deposit Insurance premium increased by 18.2% (₦17.0bn in FY-2023 vs. ₦14.4bn in FY-2022) due to a 9.7% increase in underlying customers' deposit volume to ₦3.55tn in FY- 2023 from ₦3.24tn in FY- 2022 (Deposit Insurance Premium is calculated on preceding year's customers' deposits).

b. 7.1% growth in occupancy costs to ₦9.8bn in FY-2023 vs ₦9.2bn in FY-2022 resulting from an increase in expenses relating to diesel, fuel, and general maintenance as well ground rates and water rates.

c. 26470% growth in provision for litigation to ₦9.8bn in FY-2023 as a result of reserves created against probable liabilities from cases pending in court against the Group.

d. 18.5% growth in communication, technological related & administrative expenses to ₦50.2bn in FY-2023 vs ₦42.4bn in FY-2022 was due to the impact of rising inflation, increased operational cost and the translation impact of Subsidiaries' Opex balances to Naira on the weaker Naira/US$ conversion.

e. 25% growth in personnel expenses to ₦45.1 in FY-2023 and 100.2% growth in the amount incurred on outsourcing services to ₦21.6bn in FY-2023 vs ₦10.8bn in FY-2022 is driven by increase in salaries of core and non-core employees across the Group's Banking and Non-Banking Entities to cushion the impact of inflationary pressures and rising cost of living.

Risk Asset Mix

- The Group continued to maintain a well-distributed loan book with a specific focus on asset quality across select business segments.
- Exchange rate movement from ₦461.5/$1 in FY-2022 to ₦907.11/$1 in FY-2023 resulted in an increase in the contribution of the oil & gas sector to the gross loan portfolio at bank level, from 41% to 49% in-spite of scheduled repayments and conscious effort at reducing the concentration risk within this sector.
- Exposures to the upstream, midstream, downstream, and natural gas oil & gas sector increased from 30%, 9%, 2%, and 0% to 31%, 14%, 3%, and 3%, respectively between FY-2022 and FY-2023.
- Contribution of other sectors aside from manufacturing which increased to 18% from 13% either declined or remained flat on account of the increased contribution of the oil & gas sector to the to the gross loan portfolio i.e., information, telecoms and transport sector contribution dropped to 6% from 8%, Individual to 9% from 13%, Government to 2% from 4%. Contribution of agriculture sector and real estate and construction sector remained flat at 8% and 1% respectively.
- 66.6% of the exposures in the oil & gas sector are USD-denominated and are significantly concentrated in the upstream oil and gas, thus subject to exchange rate volatility.
- The total restructured loans stood at ₦386.2bn in FY-2023 significantly influenced by Naira devaluation increasing from ₦280.5bn in FY-2022 and constituting 14.8% of the gross loan portfolio. 90% of the restructured loans relate to one obligor and all the restructured loans have been appropriately classified as Stage 2 Facilities.

Gross Loans by Industry

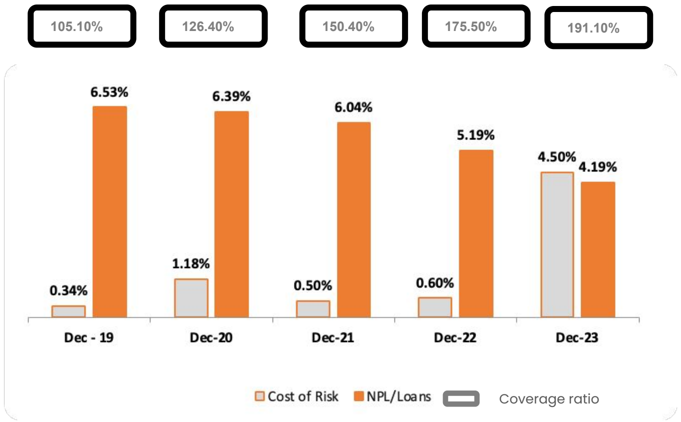
Gross Loans by Industry	December 31, 2023	December 31, 2022
Upstream Oil and Gas	31%	30%
Manufacturing	18%	14%
Midstream Oil and Gas	14%	9%
Individual	9%	13%
Information, Telecoms. and Transport.	6%	8%
Government	2%	4%
Others*	2%	5%
Agriculture	8%	8%
Capital Market and Fin. Institutions	1%	3%
General Commerce	3%	4%
Construction and Real Estate	1%	1%
Downstream Oil and Gas	3%	2%
Natural Gas	3%	0%

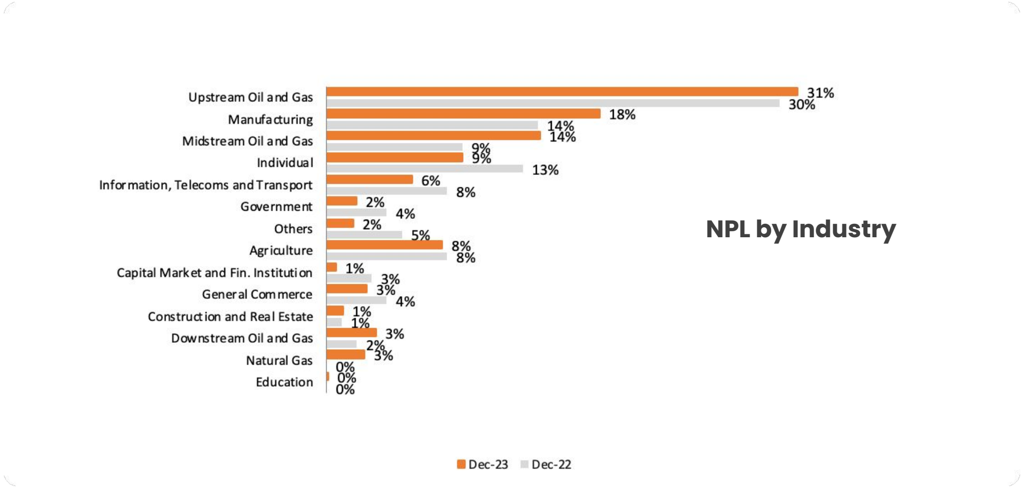
** Includes Fashion & Design, Religious Organizations, Hospitality, Clubs, co-operative societies, Unions, Engineering services, etc.*

Asset Quality

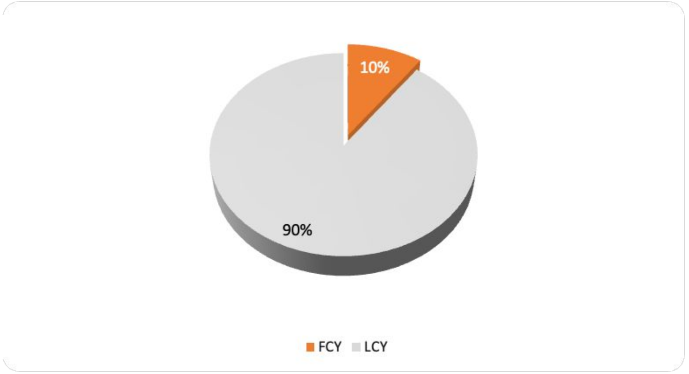
- The Group's IFRS 9 Stage 3 loans closed at 4.2% (Bank: 2.5%) in FY-2023 improving from 5.2% (Bank: 4.7%) position in FY-2022. Education and Others emerged as sectors with the highest NPLs i.e., 20.9% and 18.0%, respectively.
- IFRS 9 Stage 3 loans grew marginally to ₦109.6bn in FY-2023 from ₦102.4bn in FY-2022, primarily driven by exchange rate impact as the Group continued to deleverage in Nigeria, Ghana, and Kenya, and where possible, ensured derecognition of fully provided facilities off its loan book.
- The Group wrote off the sum of ₦129.1bn in FY-2023, to de-risk its balance sheet and improve asset quality, positioning the Group for recovery of delinquent facilities to bolster future earnings.
- On the back of the increased precautionary impairment charge booked by the Group occasioned by way of management overlay led to pick up in Cost-of Risk to 4.5% in FY-2023 from 0.6% in FY-2022.
- IFRS 9 balance sheet impairment allowance for Stage 3/lifetime credit impaired exposures closed at ₦63.5bn from ₦54.9bn in FY-2022, representing 57.9% coverage for loans in this classification.
- In aggregate terms including regulatory risk reserves of ₦75.1bn, the Group's coverage for its IFRS 9 Stage 3 loans/NPLs improved to 191.1% from 175.5% in FY-2022. The coverage is not only adequate, but it is also consistent with the Group's plan to maintain 100% coverage for its NPLs.

NPL and Coverage





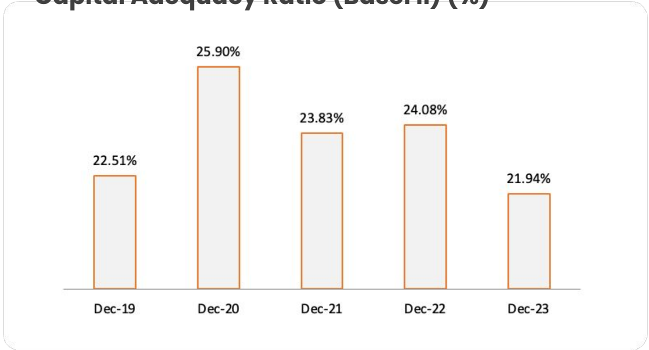
NPL by Currency



Strong Capital Ratios – Group and Parent

- The Group continued to maintain strong capital positions with Full IFRS 9 impact Capital Adequacy Ratio (CAR) of 21.9% (Bank: 21.0%) based on approved CBN June 2023 capital position, 690 bps above the regulatory minimum of 15% (590bps if adjusted for additional 1% loss absorbency ratio).
- Tier 1 capital constitutes a very significant component of the Group's CAR closing at 20.12% representing 92.5% (FY-2023 Capital Position - 92.1%) of the Group's CAR of 21.9% based on approved June 2023 capital position.
- CAR would have closed 29.6% (Bank: 28.2%) if it was permissible for the Group to use December 2023 capital position in its Capital Adequacy Ratio computation.
- The robust capital position provides the Group with the needed headroom required for future expansion and risk-taking.
- The Group's capital has also been sensitized for Basel III compliance at three levels of Naira devaluation: ₦1000, ₦1300, and ₦1500/$1 and is robust enough to meet the requirements of additional capital buffers for conservation and counter-cyclical events under Basel III and impact of the expected growth in the value of FCY risk-weighted assets.

Capital Adequacy Ratio (Basel II) (%)

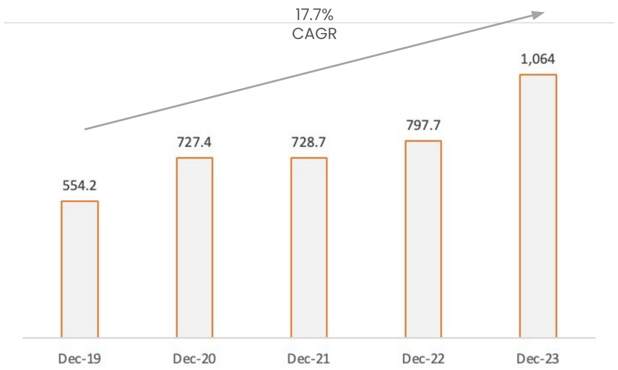


Capital Adequacy Computation (Basel II)

In Millions of Naira	Group	
	Full IFRS 9 Impact	
	Dec. 23	Dec. 22
Net Tier 1 Capital	983,797	790,005
Net Tier 2 Capital	80,211	7,717
Total Regulatory Capital	**1,064,008**	**797,722**
Risk Weighted Assets for:		
Credit Risk	3,981,737	2,614,159
Operational Risk	837,713	672,290
Market Risk	29,694	26,935
Aggregate Risk Weighted Assets	**4,849,144**	**3,313,384**
Capital Adequacy Ratio:		
Tier 1 Risk Weighted	20.29%	23.84%
Tier 2 Risk Weighted	1.65%	0.23%
Total Risk Weighted Capital Ratio	**21.94%**	**24.08%**

** Transitional IFRS 9 Arrangement CAR*

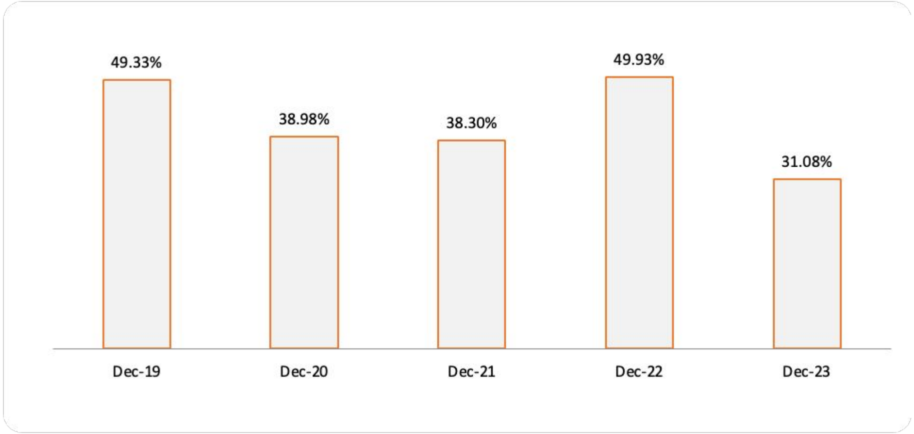
Regulatory Capital (Group) - Tier 1 & 2 (₦'Bn)



Liquidity Ratio

Strong Liquidity Position

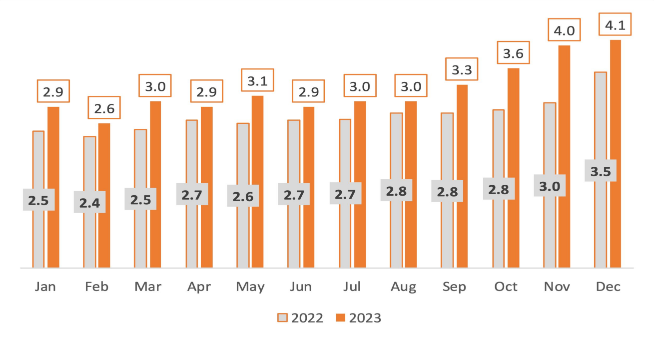
- Liquidity ratio closed at 31.1% in FY-2023 down from 49.9% in FY-2022 but above the regulatory minimum requirement of 30%.
- CRR increase of ₦632.2bn mapped under restricted deposits with Central Bank largely accounted for the y-o-y dip in liquidity ratio.
- Despite the pressure from competition and the need to cover for regulatory CRR debits, the Group maintained an average liquidity ratio of 36.1% during the period under review.



Digital Banking Performance (Mobile and Internet Banking)

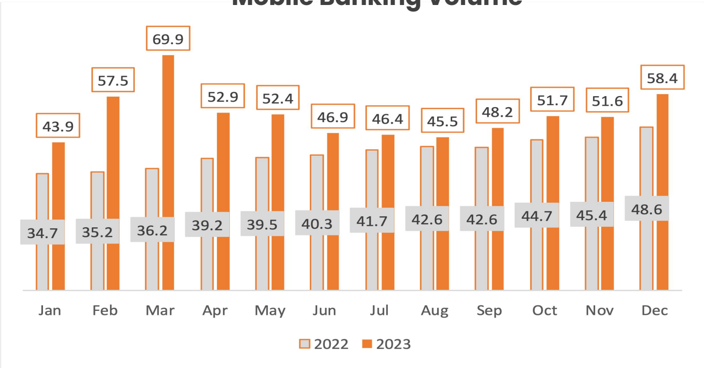
- Strong growth in both volume (27%) and value (17%) of Mobile Banking.
- Mobile Banking value grew from ₦32.8 trillion in 2022 to ₦38.4 trillion in 2023 on the back of an 27% increase in volume from ₦625.3 million to ₦490.6 million from increased adoption.
- Internet Banking continues to supplement mobile app usage with strong growth recorded in both value (₦3.33 trn vs ₦2.62 trn) and volume (₦10.9 mn vs ₦8.8 mn).

Mobile Banking Value



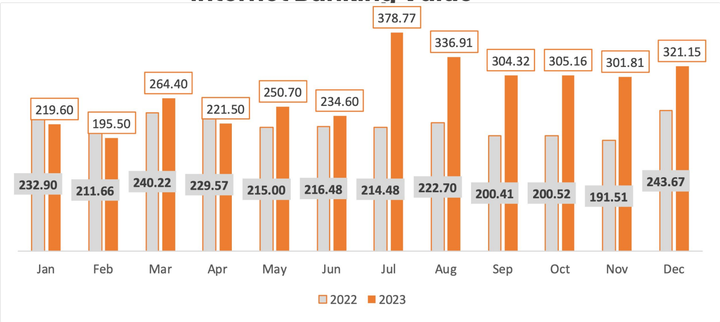
Total Value in FY 2023: ₦38.4 trillion
Total Value in FY 2022: ₦32.8 trillion
% Growth (y-o-y) : 17%

Mobile Banking Volume



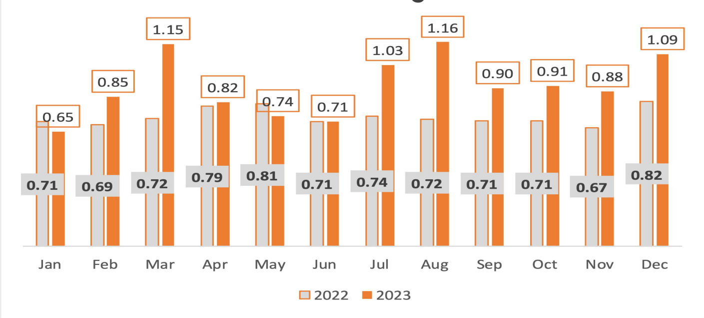
Total Volume in FY 2023: 625.3 million
Total Volume in FY 2022 : 490.6 million
% Growth (y-o-y) : 27%

Internet Banking Value



Total Value in FY 2023 : ₦3.33 trillion
Total Value in FY 2022 : ₦2.62 trillion
% Growth (y-o-y) : 27%

Internet Banking Volume

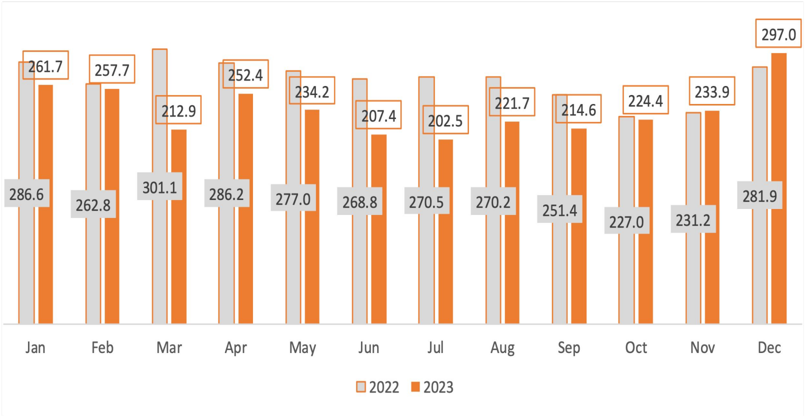


Total Volume in FY 2023 : 10.9 million
Total Volume in FY 2022 : 8.8 million
% Growth (y-o-y) : 23%

Digital Banking Performance (USSD)

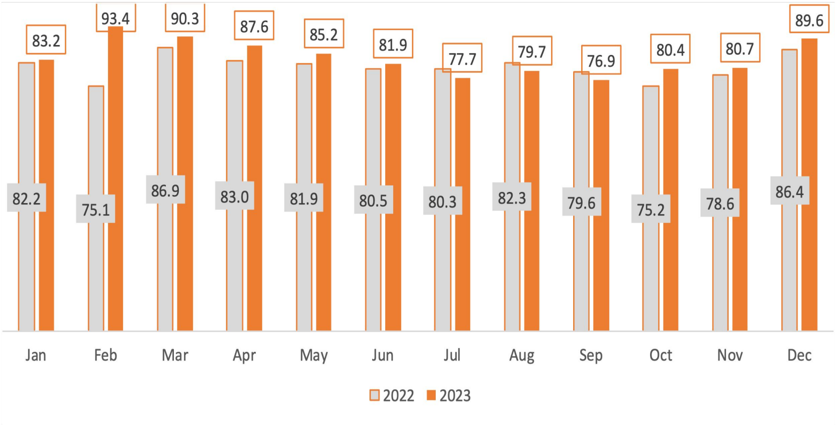
- Y-o-Y growth in USSD volume (₦1,007 mn vs ₦972 mn), while value dropped (₦2.82 trn vs ₦3.21 trn) reflecting customers' preference for mobile and internet banking for NIP and other transfers.

USSD Value (in billions of Naira)



Total Value in FY 2023 : ₦2.82 trillion
Total Value in FY 2022 : ₦3.21 trillion
% Growth (y-o-y) : (12%)

USSD Volume (in millions)



Total Volume in FY 2023 : 1,007 million
Total Volume in FY 2022 : 972 million
% Growth (y-o-y) : 4%

Banking and Non-Banking Subsidiary Overview – FY 2023

	Millions of Naira	Assets			Loans			Total Deposit			PBT		
		FY 2023	FY 2022	% Change	FY 2023	FY 2022	% Change	FY 2023	FY 2022	% Change	FY 2023	FY 2022	% Change
West Africa	Nigeria	6,947,904	5,208,577	33%	2,034,581	1,557,246	29%	5,266,607	3,551,299	48%	472,612	180,628	162%
	Ghana	857,014	383,836	123%	136,710	109,044	25%	688,088	302,957	127%	65,870	10,235	544%
	Cote D'Ivoire	285,652	104,688	173%	35,730	14,317	150%	224,728	82,495	172%	14,807	5,995	147%
	Liberia	250,673	109,692	129%	84,953	50,412	69%	220,411	95,795	130%	10,175	2,947	245%
	Gambia	185,336	82,455	125%	23,136	11,060	109%	153,652	72,227	113%	8,984	4,417	103%
	Sierra Leone	113,141	51,101	121%	8,677	8,718	0%	86,561	39,440	119%	5,754	2,676	115%
East Africa	Kenya Group	360,661	203,169	78%	83,517	76,128	10%	261,205	154,995	69%	13,739	7,352	87%
	Tanzania	26,232	13,427	95%	6,228	4,413	41%	18,372	9,313	97%	-26	-132	80%
-	United Kingdom	545,078	350,031	56%	66,719	34,514	93%	477,422	320,648	49%	11,380	-1,612	806%
Non-Banking Subsidiaries	Fund Managers	330,470	68,885	380%	-	-	-	327,298	68,008	381%	2,127	286	643%
	Pension Managers	13,043	12,014	9%	-	-	-	-	-	-	1,002	797	26%
	Habari Pay	6,728	4,071	65%	-	-	-	-	-	-	2,342	945	148%
	* Grand Total	9,691,255	5,436,035	50%	2,480,250	1,885,853	32%	7,546,888	4,610,343	64%	609,308	214,154	185%

% Contribution of Subsidiaries to Group

				Loans	Deposits	PBT
West Africa (ex. Nigeria)	₦288.2 billion Loans	₦1,373.4 billion Deposits	₦105.6 billion PBT	11.7%	18.2%	17.3%
East Africa	₦89.7 billion Loans	₦279.6 billion Deposits	₦13.7 billion PBT	3.6%	3.7%	2.3%
United Kingdom	₦66.7 billion Loans	₦477.4 billion Deposits	₦11.3 billion PBT	2.7%	6.3%	1.9%
Non-Banking Subsidiaries	₦0.00 billion Loans	₦327.3 billion Deposits	₦5.5 billion PBT	0.0%	4.3%	0.9%

*post elimination entries

Banking Subsidiary Review

Business Segmentation (Banking Group) – FY 2023

Segment	Description			Loans	Deposits	PBT
 Institutional & Wholesale	12,557+ Customers ₦2,146.1 billion Loans	above ₦20 billion+ Turnover ₦1,156.7 billion Deposits	Large Corporates, Multinationals, Energy, Telecoms, Maritime, etc. ₦426.8 billion PBT	86.5% 77.2%*	16.3% 16.7%*	71.0% 68.1%**
 Commercial	141,821+ Customers ₦68.4 billion Loans	under ₦20 billion Turnover ₦545.6 billion Deposits	Tailor-made solutions and flexibility for middle-market companies ₦28.2 billion PBT	2.8% 5.3%*	7.7% 8.6%*	4.7% 6.4%**
 Business Banking	200,036+ Customers ₦0.3 billion Loans	under ₦5 billion Turnover ₦202.9 billion Deposits	Mid-sized enterprises between the commercial and SME segments ₦3.7 billion PBT	0.0% 0.6%*	2.9% 3.0%*	0.6% 0.5%**
 SME	2.8 million+ Customers ₦25.2 billion Loans	under ₦1 billion Turnover ₦894.9 billion Deposits	Caters to small, fledging and fairly structured businesses ₦9.3 billion PBT	1.0% 2.9%*	12.6% 13.0%*	1.5% 1.0%**
 Retail	32.4 million+ Customers ₦188.0 billion Loans 237 Branches	Retail-focused Customer base ₦3,850.0 billion Deposits 47 GTExpress Outlets	Consumer Lending ₦120.0 billion PBT 33 e-branches & Cash Centres 1,361 ATMs	7.6% 10.1%*	54.4% 58.2%*	20.0% 23.6%**
 Public Sector	11,712+ Customers Federal, state & local governments ₦52.2 billion Loans	Ministries, Departments. & Agencies (MDAs) ₦433.5 billion Deposits	All segments of government ₦13.3 billion PBT	2.1% 3.9%*	6.1% 0.5%*	2.2% 0.4%**

*FY 2022, *FY 2023

Regional Performance (Banking Subsidiaries – FY 2023)

West Africa (ex. Nigeria)

- 80 branches, 1 e-branch
- FY 2023 Gross Earnings: ₦187.97 bn (FY 2022: ₦102.14 bn) 84% y-o-y
- FY 2023 PBT: ₦105.57 bn (FY 2022: ₦26.27 bn) 301.9% y-o-y
- ROAE: 37.7% (FY 2022: 16.5%)

East Africa

- 33 branches
- FY 2023 Gross Earnings: ₦35.53 bn (FY 2022: ₦24.80 bn) 43.2% y-o-y
- FY 2023 PBT: ₦13.71 bn (FY 2022: ₦7.222 bn) 89.9% y-o-y
- ROAE: 14.9% (FY 2022: 10.3%)

UK

- 1 branch
- FY 2023 Gross Earnings: ₦26.84 bn (FY 2022: ₦10.33 bn) 159.7% y-o-y
- FY 2023 PBT: (₦11.380 bn) (FY 2022: (₦1.16 bn)) 806% y-o-y
- ROAE: (34.1%) (FY 2022: (9.4%))

Non-Banking Subsidiaries Review

HabariPay - Financial Highlights

- Gross revenue increased by 198% to ₦4.905Bn in FY-2023 from ₦1.648Bn in FY-2022 underpinned by significant growth on all key income lines.
- Income from Value Added Services grew 149% driven by airtime vending revenue from direct integration with two (2) major Telcos as well as partnerships with VAS aggregators.
- Interest expense resulted from monthly overdraft charges on airtime purchase. We efficiently monitored airtime sales monthly and closed each end of month with credit balance on our overdraft account. 75% of Technology expenses comprises of Amazon Web Service (AWS) for payment gateway infrastructure.

In thousands of Nigerian Naira	Dec-23	Dec-22	y-o-y change (%)
Income Statement			
Revenue: merchant acquiring	154,983	4,095	3685%
Revenue: switching	852,642	12,506	6718%
Switching & processing	1,007,625	16,601	5969.7%
Revenue: Airtime vending	2,704,712	873,410	209.7%
Revenue: Bulk SMS	880,756	476,654	84.8%
Value Added Services	3,585,468	1,350,064	165.6%
Interest income	312,799	176,002	77.7%
Gross revenue	4,905,892	1,542,667	218.0%
Technology related expenses	240,716	57,252	320.5%
Sales and marketing	137,263	100,612	36.4%
Personnel cost	849,972	253,543	235.2%
Other operating expenses	1,131,260	131,863	757.9%
Operating expenses	2,359,212	543,270	334.3%
EBITDA	2,546,680	999,397	154.8%
Interest expense	139,974	-	0%
Depreciation and amortization	64,208	54,653	17.5%
Profit before tax	**2,342,498**	**944,744**	147.9%

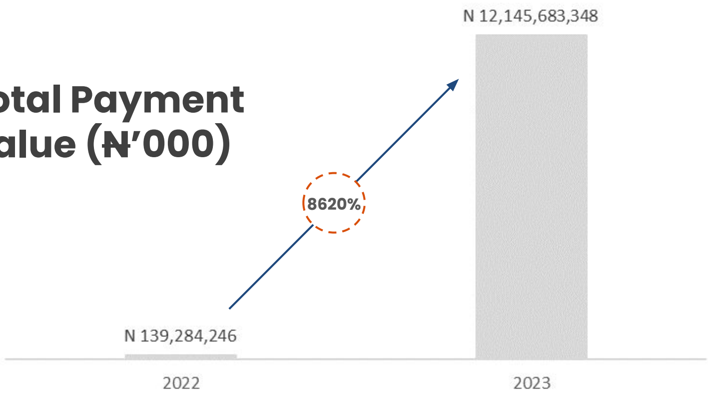
HabariPay - Performance Highlights (₦ 'Millions)

Metric	FY 2023	FY 2022	Change
TPV*	12,145,683.35	139,284.25	8620%
TPC**	415,661.44	1,438.03	2805%
Operating Expense	2,359.21	543.27	334.3%
Gross Earnings	4,905.89	1,542.67	218%
EBITDA	2,546.68	999.40	154.8%
PBT	2,342.49	944.74	147.9%

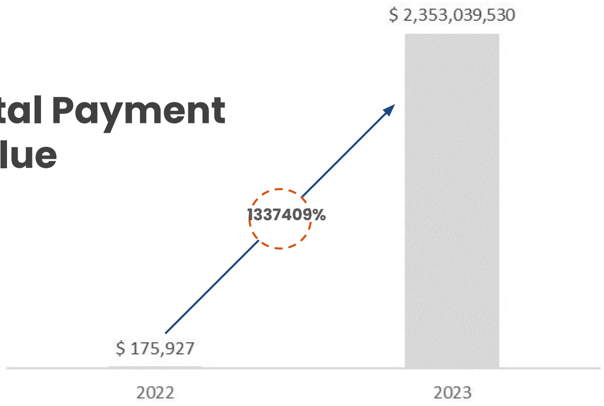
* Transaction Payment Value ** Transaction Payment Count

HabariPay – Transaction Growth

Total Payment Value (₦'000)

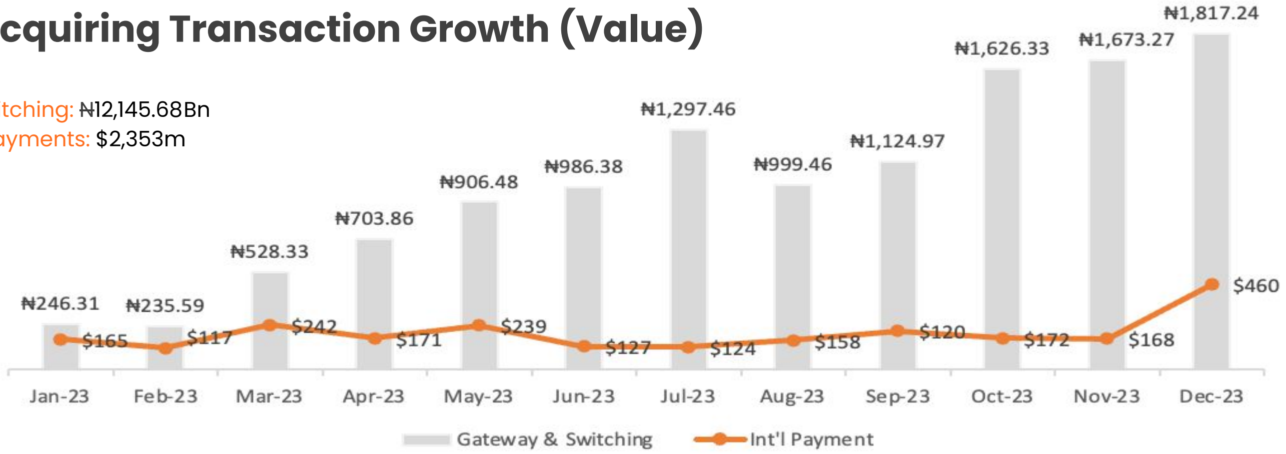


Total Payment Value



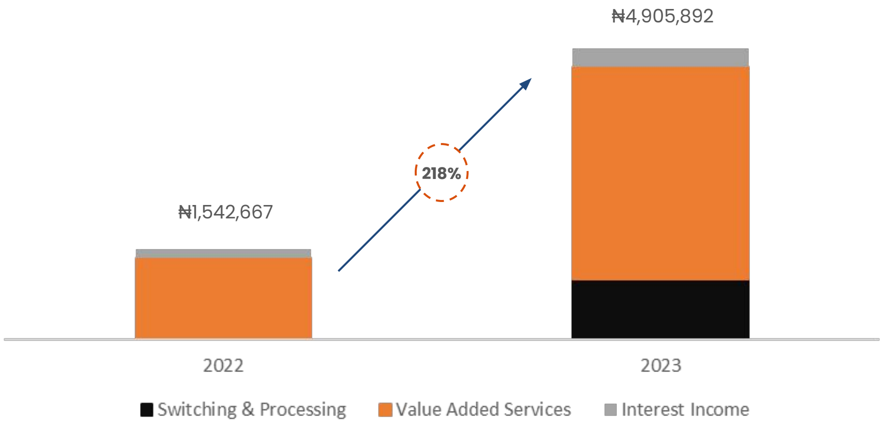
Merchant Acquiring Transaction Growth (Value)

- Gateway & Switching: ₦12,145.68Bn
- International Payments: $2,353m



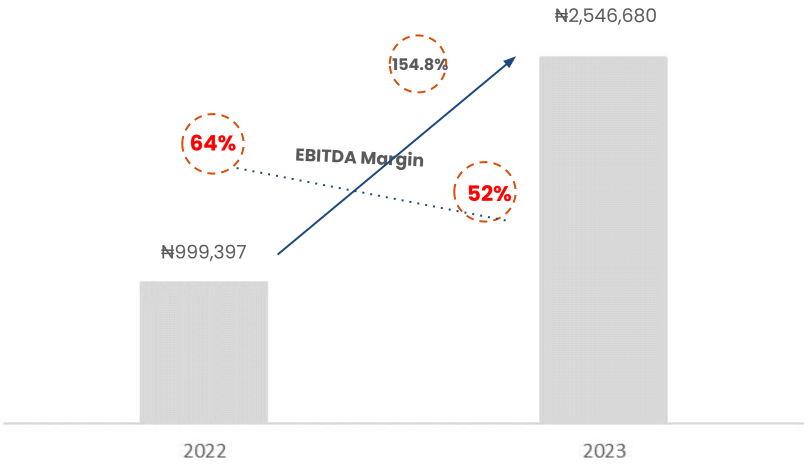
HabariPay – Revenue and EBITDA Performance

Revenue Mix Per Vertical



- 218% growth in revenue y-o-y.
- Switching and processing vertical displayed growth potential in 2023 (started in Oct - 2022).

EBITDA Growth



- EBITDA growth of 154.8% y-o-y .
- Strong EBITDA margin (maintained above 50%).

Your Investment Should be there for your future

Invest with **Guaranty Trust Fund Managers**

GTCO

Guaranty Trust Fund Managers Ltd

Guaranty Trust Fund Managers – Financial Highlights

- Recorded growth across all key lines, maintaining a well-structured and diversified balance sheet. Closing FY 2023 with a total assets of ₦330.5bn representing a 374.% growth over ₦69.65bn recorded in FY 2022..
- Revenue growth remains strong as gross earnings which comprises Funded Income (FI) and Non-Funded Income (NFI) increased by 181.1% to ₦672.6bn in FY-2023 from ₦239.3bn in FY-2022. Gross earnings increased by 361% to ₦3.065bn in 2023 from ₦664m in 2022 driven by growth in net interest income from increased transactional volumes and enhanced Other Income.
- The 361% growth in gross earnings was further supported by 4% growth in the fee and commission income
- OPEX growth of 26.2% reflected the impact of inflation. Operating cost was driven by the increase in personnel cost and outsourced services expenses on the back of salary reviews of both core and non-core employees. Overall, the Group was able to keep its Cost-to Income Ratio (CIR) at 27.7%.

In thousands of Nigerian Naira	Dec-23	Dec-22	y-o-y change (%)
Income Statement			
Interest income	14,000,086	2,515,328	457%
Interest expense	(11,680,352)	(2,276,970)	413%
Net interest income	2,319,735	238,358	873%
Expected credit loss	(282,164)	-	100%
Fee and commission income	483,443	424,444	9.3%
Fee and commission expense	(117,376)	(7,409)	1484%
Net fee and commission	366,067	435,035	-15.9%
Other income	581,163	1,941	29847%
Operating income	2,984,801	675,333	342%
Personnel expenses	(298,638)	(209,947)	43%
Depreciation and amortisation	(1,971)	(28,040)	-93%
Other operating expenses	(556,773)	(151,487)	268%
Operating expenses	(857,381)	(389,124)	120.3%
Profit before tax	**2,127,420**	**286,209**	643.3%

Balance Sheet	Dec- 23	Dec- 22	Y-o-y change (%)
Total assets	330,469,965	68,884,822	380%
Funds under management	327,297,771	68,583,516	377%
Equity	2,583,973	809,956	219%

Guaranty Trust Fund Managers Performance Highlights (₦ 'Millions)

380%

Total Assets

330.47
FY 2023

68.89
FY 2022

442.7%

Gross Earnings

15,964.69
FY 2023

2,941.71
FY 2022

206%

AUM

330.5
FY 2023

108.0
FY 2022

341.9%

Operating Income

2,984.8
FY 2023

675.3
FY 2022

120.3%

Operating Expense

857.38
FY 2023

389.12
FY 2022

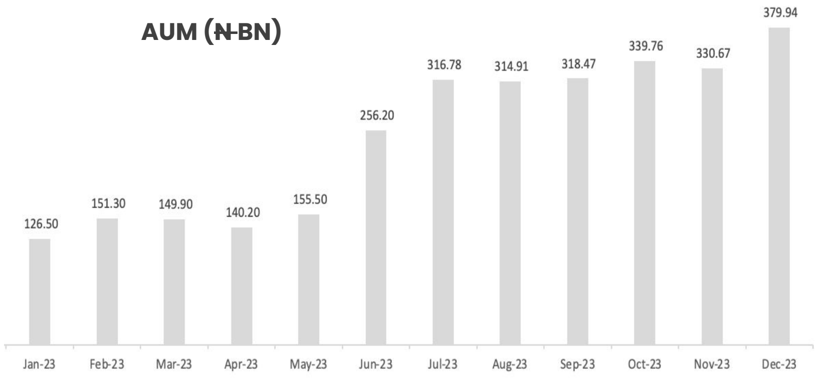
643.3%

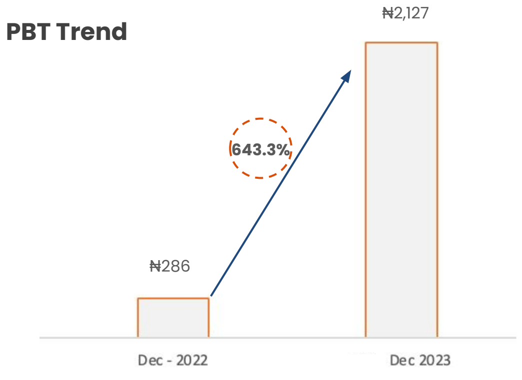
PBT

2,127
FY 2023

286.21
FY 2022

Guaranty Trust Fund Managers - AUM and PBT Trend



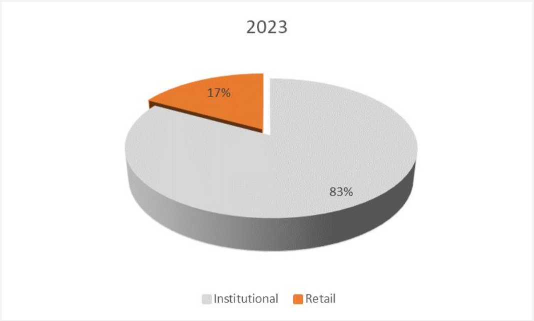


- Strong AUM growth of 250.7% y-o-y from organic customer acquisition.

- PBT growth of 643.3% y-o-y driven by strong revenue growth and increased operational efficiency.

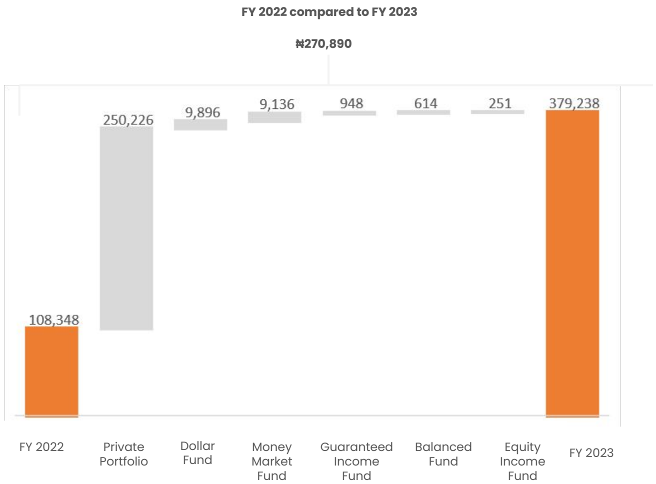
Guaranty Trust Fund Managers – AUM COMPOSITION

AUM Mix by Client



- **Improved mix due to growth of retail customer base.**

AUM Mix by Fund (₦'Bn)



Guaranty Trust Pension Managers - Financial Highlights

- Closed FY-2023 with a total asset of ₦13.04bn representing a growth of 9.5% over ₦11.92bn posted in FY 2022; maintaining a well-structured and adequately capitalised Pension Fund Administration with Shareholders fund of ₦12.06bn. (The minimum capital requirement of a PFA being ₦5bn).
- The business vertical grew across all income lines with 50% Y_o_Y growth in management fees from ₦392m in 2022 to ₦589m in 2023. This is attributable to the 34% growth in Asset Under Management from circa ₦60bn as at December, 2022 to ₦80bn in December, 2023
- Investment income grew by 39% Y-o-Y from ₦1.03bn in 2022 to ₦1.44bn in 2023 benefiting from improved funding base driven by the synergy created through the Holding Company structure.

In thousands of Nigerian Naira	Dec-23	Dec-22	y-o-y change (%)
Income Statement			
Interest income	1,424,309	1,033,123	38%
Fee and commission income	589,092	392,837	50%
Net fee and commission	589,092	392,837	50%
Other income	70,208	3,184	2105%
Operating income	2,086,609	1,429,144	46%
Personnel expenses	(621,319)	(380,856)	63%
Depreciation and amortisation	(112,908)	(25,196)	348%
Other operating expenses	(327,317)	(225,860)	54%
Operating expenses	(1,081,544)	(631,912)	71%
Profit before tax	**1,002,065**	**797,232**	26%

Balance Sheet	Dec- 23	Dec- 22	Y-o-y change (%)
Total Assets	13,042,637	12,013,508	9%
Funds under management	79,988	59,569	34%
Equity	12,606,240	11,936,774	6%

Guaranty Trust Pension Managers Performance Highlights (₦ 'Millions)

9%

Total Assets

13.04
FY 2023

12.01
FY 2022

34.3%

AUM

79.98
FY 2023

59.56
FY 2022

46%

2,086.61
FY 2023

1,429.14
FY 2022

46%

Operating Income

2,086.61
FY 2023

1,429.14
FY 2022

71.2%

Operating Expense

1,081.54
FY 2023

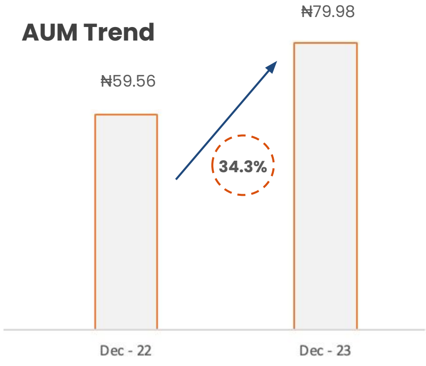
631.91
FY 2022

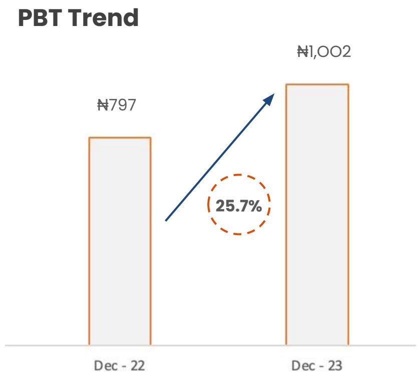
26%

PBT

1,002.06
FY 2023

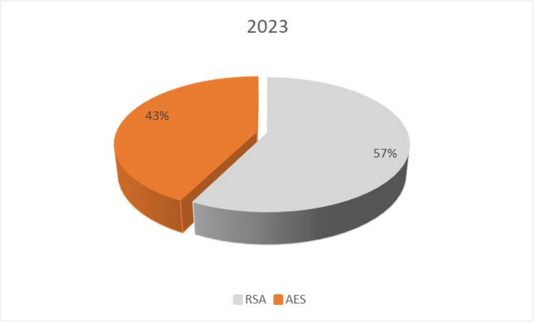
797.23
FY 2022

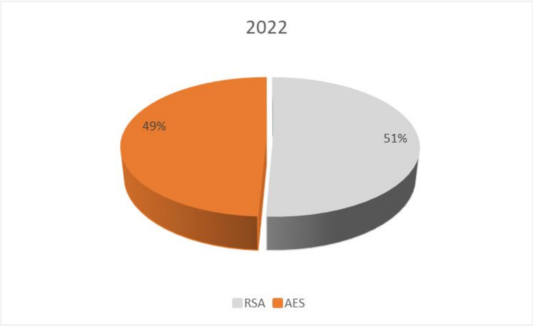




Guaranty Trust Pension Managers - AUM COMPOSITION

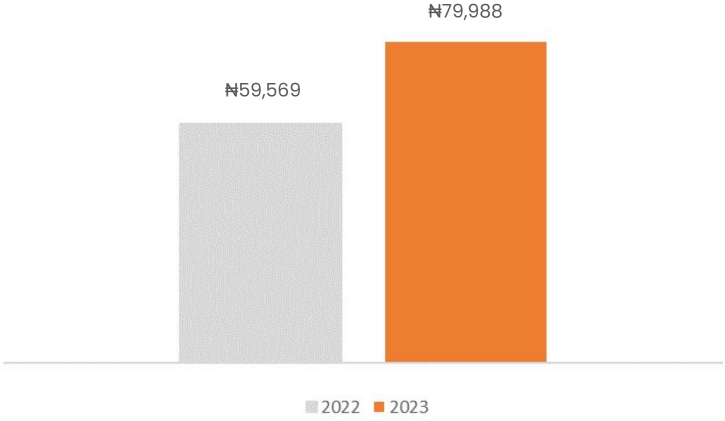
AUM Mix by Client





- Improved mix due to growth of RSA customer base.

Total AUM



Non-Financial Highlights for FY 2023

CUSTOMERS

- **39mm+** Customers
- **30** e-Branches and Cash Centres
- **28,671+** Active POS Terminals
- **350** International Branch Network
- **1,312** Automated Teller Machines
- **47** GT Express Locations
- **2.1mm+** Active Users
- **6mm+** Active Users
- **7.7mm+** Active Cards

EMPLOYEES

- **5,487** Employees
- **51%** Male
- **49%** Female
- **98%** of employee received training in HY 2023

SHAREHOLDERS

- **331,875** Shareholders
- **1,907 Kobo** EPS
- **#1** most capitalized financial services company and best-in-class returns

RATINGS

FitchRatings	B
S&P Global Ratings	B -

CSR

Lagos Int'l Polo Tournament

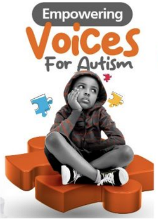
Passion for Literature

YOU READ
A GTBANK CSR INITIATIVE

Promoting Enterprise

- **12** Runway shows
- **204+** free stalls
- **12** Masterclasses
- **140+** free stalls
- **5** Masterclasses

Orange Ribbon Initiative



13th Annual Autism Conference

- **2,107+** Participants
- **5,524+** YouTube views

Financial Literacy

- **570+** Students
- **27+** Volunteers
- **3** states

AWARDS & RECOGNITIONS

EUROMONEY Awards for Excellence 2023 – Nigeria Best Bank

- ✔ Nigeria's Best Bank
- ✔ Best Bank for CSR in Nigeria

World Finance Banking Awards 2023

- ✔ Best Banking Group in Nigeria
- ✔ Best Retail Bank in Nigeria
- ✔ Most Innovative Bank in Africa

Global Finance

- ✔ Best Bank in Nigeria 2023
- ✔ Best Cash Management Bank in Nigeria

The Banker

- Top 1000 Banks in the World
- Top 100 Banks in Africa

Our Geographical Presence

GTBank Ltd.

- 100% owned by GTCO
- Established in 1990
- 237 branches, 16 e-branches, 14 cash centres & 47 GTExpress locations
- N138.19 bn invested by GTCO
- FY 2023 PBT: ₦472.61 bn
- ROE: 45.3%

Habari Pay

- Established in Aug. 2021
- 100% owned by GTCO
- 2 business locations
- N3.10bn invested by GTCO
- FY 2023 PBT: ₦2.342 mn
- ROE: 43.3%

United Kingdom

- Established in 2008
- 100% owned by GTBank Ltd.
- 1 branch
- N9.60bn invested by GTBank Ltd.
- FY 2023 PBT: 11.38 bn
- ROE: 34.1%

Liberia

- Established in 2009
- 99.43% owned by GTBank Ltd.
- 10 branches
- N1.95bn invested by GTBank Ltd.
- FY 2023 PBT: ₦10.18 bn
- ROE: 58.7%

Cote D'Ivoire

- Established in 2012
- 100% owned by GTBank Ltd.
- 4 branches
- N5.99bn invested by GTBank Ltd.
- HY 2023 PBT: ₦14.81 bn
- ROE: 37.9%

GT Fund Managers

- Established in Feb. 2022
- 100% owned by GTCO
- 3 business locations
- N4.04bn invested by GTCO
- FY 2023 PBT: ₦2.127 bn
- ROE: 102.3%

Kenya

- Acquired in 2013
- 70% owned by GTBank Ltd.
- 9 branches
- N17.13bn invested by GTBank Ltd.
- FY 2023 PBT: ₦13,74 bn
- ROE: 16.1% (Parent : 10.1%)*

Sierra Leone

- Established in 2002
- 83.74% owned by GTBank Ltd.
- 16 branches
- N594.11m invested by GTBank Ltd.
- FY 2023 PBT: ₦5.75 bn
- ROE: 23.7%

GT Pension Manage

- Established in Feb. 2022
- 100% owned by GTCO
- 13 business locations
- N17.63bn invested by GTCO
- FY 2023 PBT: ₦1.002 bn
- ROE: 3.6%

Rwanda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 14 branches
- ROE: 18.9%

Gambia

- Established in 2002
- 77.81% owned by GTBank Ltd.
- 15 branches & 1 e-branch
- N574.28m invested by GTBank Ltd.
- FY 2023 PBT: ₦8.96 bn
- ROE: 35.8%

Ghana

- Established in 2006
- 98.32% owned by GTBank Ltd.
- 35 branches
- N18.14bn invested by GTBank Ltd.
- FY 2023 PBT: ₦65.87 bn
- ROE: 37.3%

Uganda

- Acquired in 2013
- Subsidiary of GTB Kenya
- 8 branches
- ROE: 6.5%

Tanzania

- Established in Dec. 2017
- 76.2% owned by GTBank Ltd.
- 1 branch
- N3.84bn invested by GTBank Ltd.
- FY 2023 PBT: -25.79 mn
- ROE: -0.7%

FY 2024 Guidance and Plans

FY 2024 Guidance

	FY 2023 Guidance	FY 2023 Actual	FY 2024 Guidance
PBT	₦280.0 bn	₦609.3 bn	₦806.0 bn
Deposit Growth	25.0%	64.0%	45.0%
Loan Growth	15.0%	32.0%	30.0%
Coverage (with Reg. Risk Reserve)	150.0%	191.10%	180.0%
Cost of Risk	<1.0%	4.5%	0.8%
NPL to Total Loans	4.9%	4.20%	4.5%
Return on average Assets	4.0%	7.60%*	7.5%
Return on average Equity	25.00%	50.60%*	40.00%
Loans to Deposits	50.00%	39.81%	50.00%
Liquidity Ratio	40.00%	31.08%	40.00%
Capital Adequacy Ratio	23.00%	21.08%	24.50%
Cost to Income Ratio	40.00%	29.10%	40.00%
Net Interest Margin	7.0%	7.88%	11.0%
Banking (Nigeria) Contribution to PBT	65.0%	77.60%	75.0%
Banking (Ex-Nigeria) Contribution to PBT	33.0%	21.50%	23.0%
Non-Banking Contribution to PBT	2.00%	0.90%	2.00%

* Pre-tax profit expressed due to impact of Finance Act and expiration of CIT Exemption Order 2011 on tax

Disclaimer

This presentation is based on Guaranty Trust Holding Company Plc ("**GTCO**" or the "**Group**")'s audited consolidated financial results for the period ended December 31, 2023, 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.

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Thank You


EUROMONEY
AWARDS FOR EXCELLENCE
2023
Best Bank
in Nigeria
Guaranty Trust Bank