2022 Half Year Investors/Analysts' Presentation

Guaranty Trust Holding Company Plc

September 2022

Proudly African, Truly International

Banking . Fund Managers . Pension Managers . Payments

GTCO

Outline

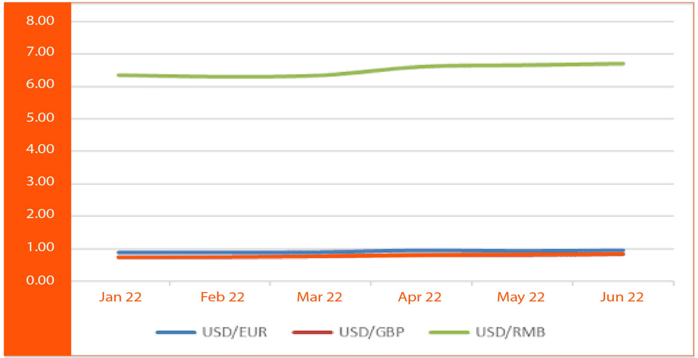
- Macro-economic Review for HY 2022
- Regulatory Overview of HY 2022
- HY 2022 Performance Review
- Update on Non-Banking Subsidiaries
- Business Segments and Banking Subsidiary Review
- Guidance and Plans for FY 2022

Macro-economic Review for HY 2022

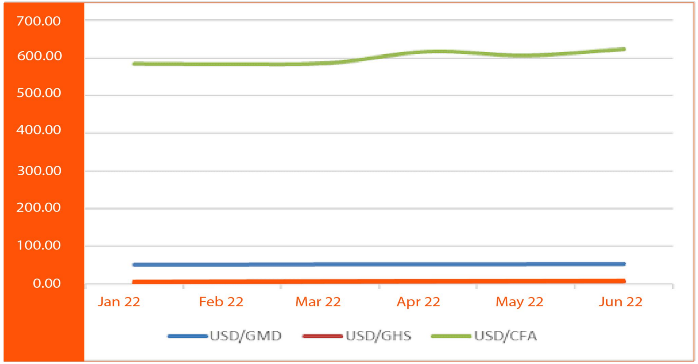
Global Currency Review

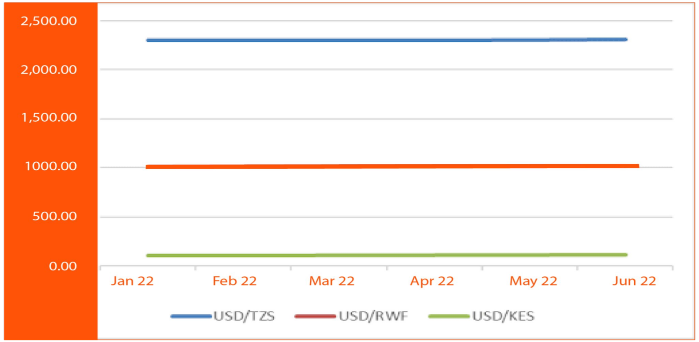
The Fed maintained its aggressive stance on raising interest rates, making the US dollar more attractive to hold and strengthening the US Dollar against most other major currencies. The 'safe haven' status of the US dollar has been buoyed by fears of global economic slowdown, challenging geopolitical situation and global inflationary pressure. The Euro fell to parity against the dollar for the first time in two decades.

UK, Eurozone, & China



West Africa



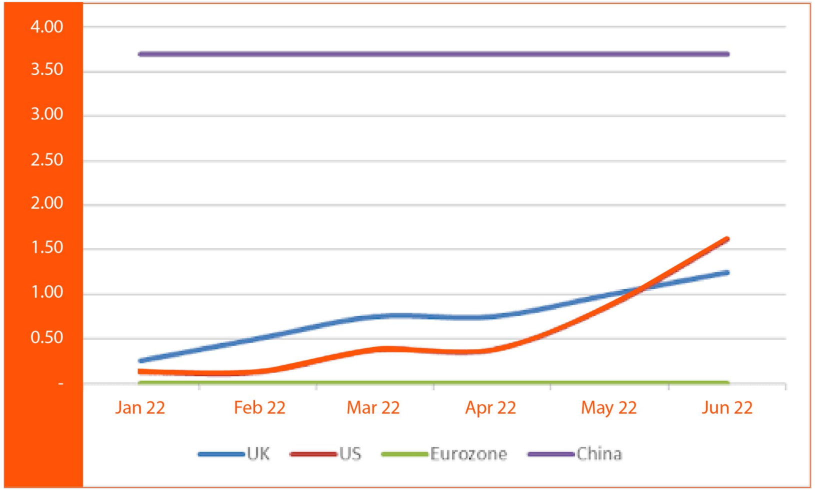


East Africa

Interest Rate and Inflation Highlights

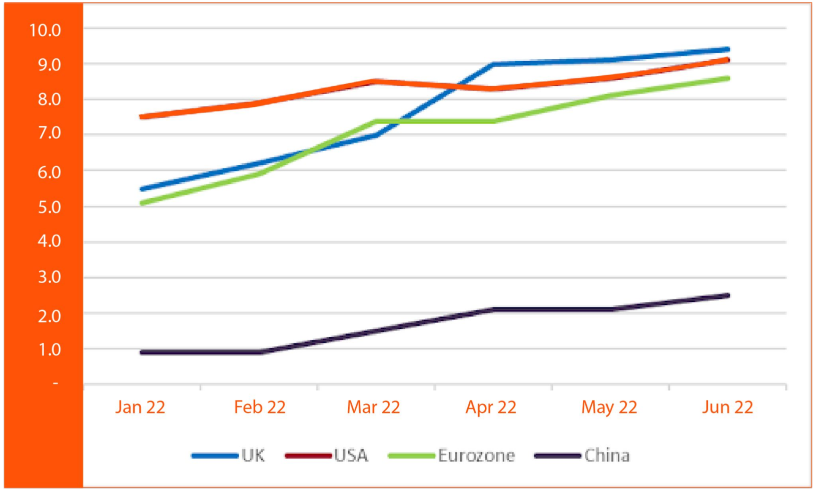
Interest Rate

Post COVID-19 pandemic, major global economies remain fragile. The first half of 2022 saw a slew of Central Bank rate hikes adopting monetary tightening measures amidst heightened inflationary pressures. China has adopted a precautionary stance against negative spillover from other Central Bank's actions.



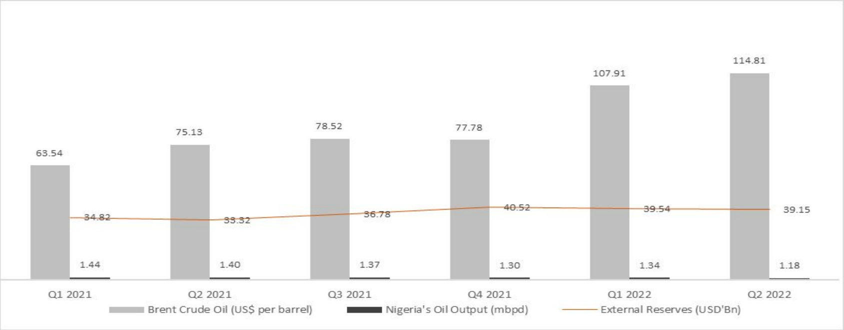
Inflation

Advanced economies are focused on curtailing inflationary pressures in the face of lingering supply-demand imbalance. Rising energy prices have adversely impacted the US, UK, and Eurozone with inflation trending to record highs. Inflation is expected to remain elevated.

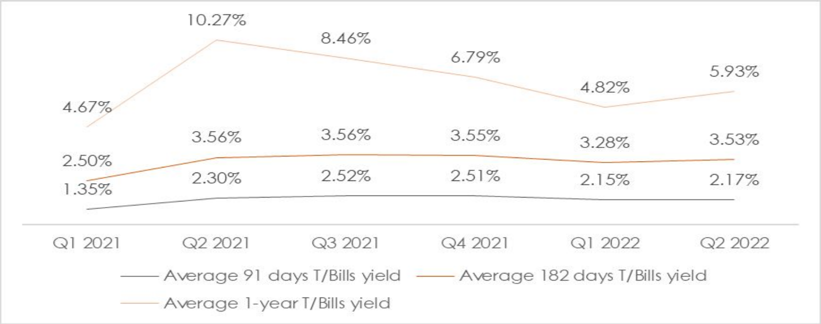


Macro-economic Review (Nigeria)

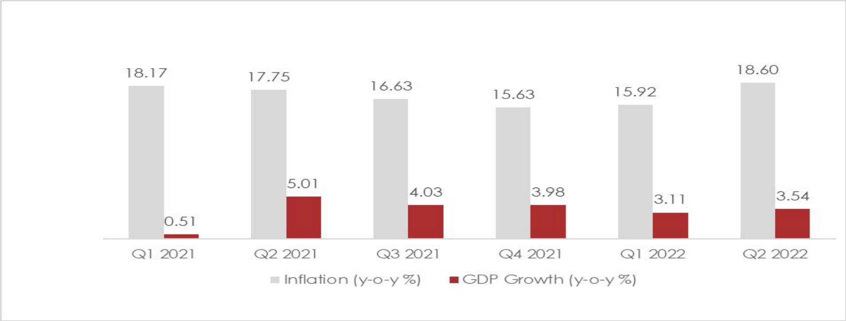
Nigeria's oil production remains significantly below approved quota amidst concerns of pipeline vandalization and infrastructural gaps as oil prices hover at close to US$100 per barrel. Notwithstanding favourable oil prices recorded, external reserves declined by 3.4% (US$1.37bn) from US$40.52bn on the last trading day of 2021 to US$39.15bn as of 30 June 2022.



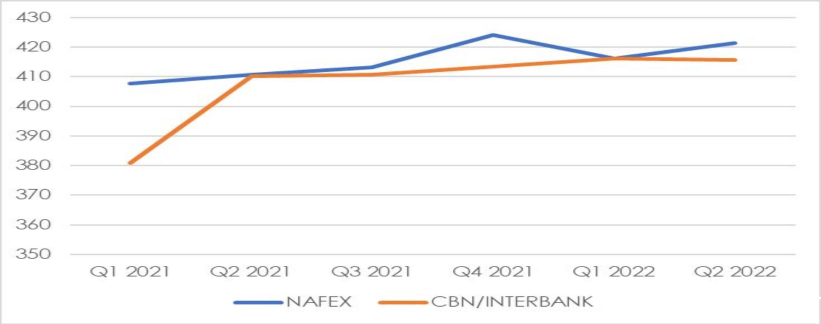
Effects of increasing fiscal deficit has crowded out the private sector from the Fixed-Income Securities (FIS) market. However, the DMO managed to sustain government's borrowing cost at moderate levels. We expect an uptick in yields in the FIS space through 2022 amidst declining system liquidity.



Knock-on effects of the ongoing Russia-Ukraine war as well as structural deficiencies continue to put pressure on commodity prices. Russia and Ukraine combined account for about 30% of global wheat export, which is the 3rd most consumed grain in Nigeria. July 2022 headline inflation surged to a 17-year high of 19.64% y-o-y slowing GDP growth to 3.54% in Q2 2022, compared to 5.01% recorded in Q2 of 2021.



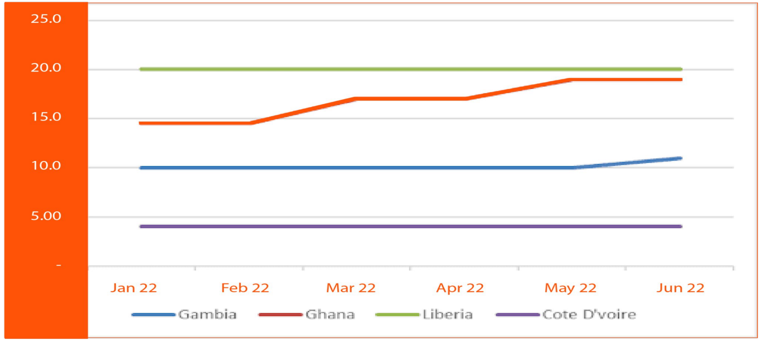
The value of the Naira mirrored the downward trend in reserves as the Naira depreciated in the I&E window and parallel market by 2.8% and 20%, respectively, in the first half of 2022 on the back of declining FX inflows and growing demand. We expect foreign exchange rate to remain under pressure.

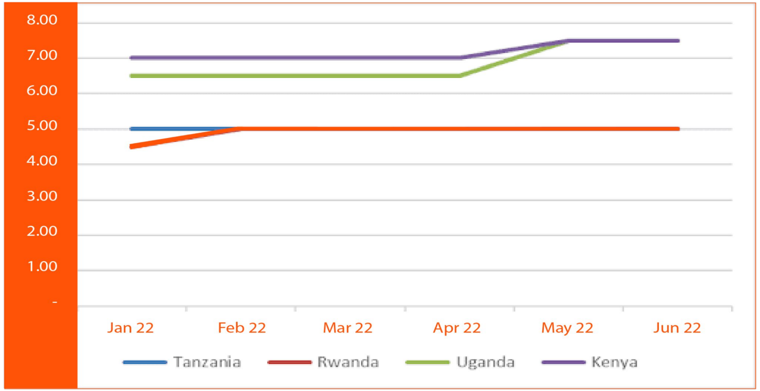


Sub-Saharan Africa Interest Rate and Inflation Highlights

Interest Rate

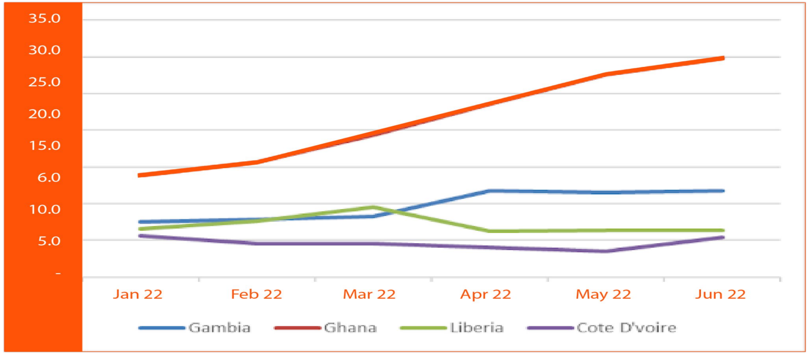
In response to happenings in major global economies, most African economies raised their benchmark rate to curb inflationary pressures.

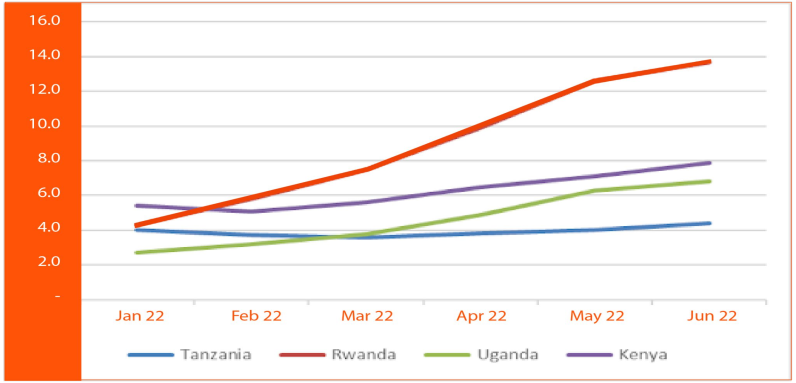




Inflation

Economic output is still below pre-pandemic levels this year. Inflation is expected to remain elevated in 2022 amidst supply chain disruptions and rising cost of living.





Macro-economic Review and Outlook

Global

The World economy is experiencing increased levels of inflation due to rising energy and food prices.

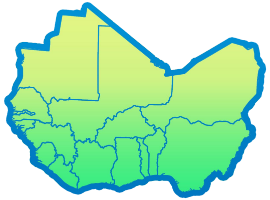
Global economy is projected to slow down to 2.9% in 2022 amidst heightening geo-political tensions, attendant supply chain disruptions and persistent high inflation.

Sub-Saharan Africa

The war in Ukraine has significantly impacted the region due to minimal policy response resulting in surging food prices, strained external and fiscal balances, etc.

The region's growth is expected to slow down to 3.8%. The relatively shallow nature of the markets in the region alongside increasing foreign currency denominated liabilities are key vulnerabilities with exchange rate pass-through on output and inflation.

West Africa

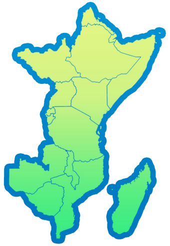


Economies in West Africa are projected to grow at a stable rate through 2022.

Nigeria's growth will decelerate as the country is not benefiting from current oil price levels. Inflation will remain elevated as power, social drawbacks, increased election spending and widespread insecurity continue to pose challenges.

Ghana, the other regional powerhouse, remains in a position where fiscal and debt risks will weigh on its credibility.

East Africa



East Africa's economy is set to expand by 4.7% on the back of sustained public spending and ongoing diversification efforts.

Kenya's GDP is projected to grow by 5.5% in 2022, a moderation from 2021's growth. A key risk to this outlook is a worsening of the current drought which is having adverse effects on food security and livelihoods.

GDP growth for Tanzania is projected at 5.0% driven by tourism and the reopening of trade corridors.

Regulatory Overview of HY 2022

Regulatory Overview – HY 2022

- **CBN** introduces e-Valuator and e-Invoice as part of documentation required for import and export transactions.
- CBN issues updated operating guidelines for RT200 Non-Oil Export Proceeds Repatriation Rebate Scheme. The RT200 (Race to US$200 billion in FX Repatriation) programme aims to stabilize sustainable FX inflows from non-oil exports.
- CBN cautions DMBs against depositing 'composed banknotes' and imposed a penalty of 400% of the value on defaulting DMBs.
- CBN extends the 9.0% per annum interest rate on all intervention facilities for one year. The forbearance applies to credit facilities impacted by Covid-19.
- The MPC raises key rate by 150bps to 13% in May 2022; first increase in almost 6 years. MPR currently stands at 14%.

- **SEC** mandates all CMOs to screen and verify all clients against proscribed groups and sanctions lists prior to onboarding and file STRs to the NFIU.
- SEC issues new rules on issuance, offering platforms and custody of digital assets.
- The Commission introduces processing fee for fairness of mergers takeovers and acquisitions or other forms of corporate restructuring.
- SEC reviews annual renewal fees for CMOS downward from 25% to 5%, payable annually not later January 31st.
- SEC introduces regulatory fee on FIxed Income (bonds) secondary market transactions.
- SEC introduces unique identifiers for capital market participants to improve security and automation aimed at strengthening data protection and curbing illegal and fraudulent transactions.

- **PenCom** publishes status of implementation of the contributory pension scheme by the 36 states of the Federation and the FCT.
- PenCom issues circular on procedures for the processing of temporary access from Retirement Savings Accounts for employees of Federal Government Treasury Funded Ministry, Department & Agencies, which allows these set of employees to access 25% of their contributions pending verification and enrollment.
- PenCom issues revised regulation on administration of Retirement and Terminal benefits.
- PenCOm releases framework for the establishment of the Pension Industry Non-Interest Advisory Committee. This framework was later suspended and pending further review.

HY 2022 Financial Performance Review

Key Performance Ratios

	June 30, 2021	June 30, 2022
Net Interest Margin	6.98%	6.51%
Cost to Income Ratio	48.98%	49.06%
Capital Adequacy Ratio	23.80%*	22.02%
Liquidity Ratio	38.26%*	38.85%
Loans to Deposits and Borrowings (Bank)	43.65%*	41.75%
Return on Equity	19.71%	23.89%**
Return on Assets	3.19%	3.71%**
NPL to Total Loans	6.04%*	6.18%
Cost of Risk	0.47%*	0.18%
Coverage (with Reg. Risk Reserve)	150.39%*	150.29%

* FY 2021

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

HY 2022 Group Balance Sheet Snapshot (₦ 'Billions)

Total Assets	4.6%	5,686.0 HY 2022	5,436.0 FY 2021
Total Liabilities	6.3%	4,840.3 HY 2022	4,552.8 FY 2021
Total Equity	(4.2%)	845.7 HY 2022	883.2 FY 2021
Gross Loans and Advances	1.7%	1,918.9 HY 2022	1,886.4 FY 2021
Net Loans and Advances	1.8%	1,834.7 HY 2022	1,802.7 FY 2021
Total Deposits	6.4%	4,394.4 HY 2022	4,130.3 FY 2021
Investment Securities	(3.2%)	1,167.0 HY 2022	1,206.1 FY 2021
Earnings Per Share (EPS)	(3.2%)	270 Kobo HY 2022	279 Kobo HY 2021
Interim Dividend	0%	30 Kobo HY 2022	30 Kobo HY 2021

Balance Sheet (Group)

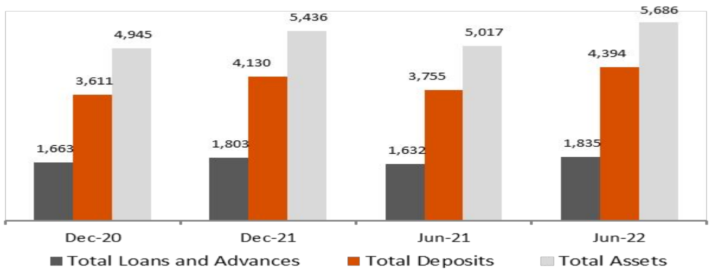
	Group		
In thousands of Nigerian Naira	Jun-22	Dec-21	% y-o-y change
Assets			
Cash and bank balances	1,038,773,906	933,591,069	11%
Financial assets held at fair value through profit or loss	262,320,001	104,397,651	151%
Derivative financial assets	14,289,305	24,913,435	-43%
Investment securities:	1,166,982,304	1,206,142,774	-3%
– Fair Value through profit or loss	3,904,458	3,904,458	0%
– Fair Value through other comprehensive income	273,662,395	276,041,190	-1%
– Held at amortised cost	766,157,451	846,923,2152	-10%
Assets pledged as collateral	123,258,000	79,273,911	55%
Loans and advances to banks	1,597,490	115,014	1,289%
Loans and advances to customers	1,833,097,144	1,802,587,381	2%
Restricted deposits & other assets	1,137,835,972	1,137,554,208	0%
Property and equipment, and Right-of-Use Assets	199,278,338	203,971,924	-2%
Intangible assets	29,103,787	19,573,604	49%
Deferred tax assets	2,720,129	3,187,937	-15%
Total assets	**5,685,998,376**	**5,436,034,997**	5%

	Group		
In thousands of Nigerian Naira	Jun-22	Dec-21	% y-o-y change
Liabilities			
Deposits from banks	131,799,616	118,027,576	12%
Deposits from customers	4,262,634,826	4,012,305,554	6%
Financial liabilities at fair value through profit or loss	1,614,361	-	-
Derivative financial liabilities	1,228,279	1,580,971	-22%
Other liabilities	316,277,220	231,519,271	37%
Current income tax liabilities	15,467,593	22,676,168	-32%
Other borrowed funds	99,961,020	153,897,499	-35%
Deferred tax liabilities	11,324,398	12,800,866	-12%
Total liabilities	**4,840,307,313**	**4,522,807,905**	6%
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	164,068,117	198,358,025	-17%
Other components of equity	532,375,954	535,938,145	-1%
Total equity attributable to owners of the Parent	**826,504,777**	**864,356,876**	-4%
Non-controlling interests in equity	19,186,286	18,870,216	2%
Total equity	**845,691,063**	**883,227,092**	-4%
Total equity and liabilities	**5,685,998,376**	**5,436,034,997**	5%

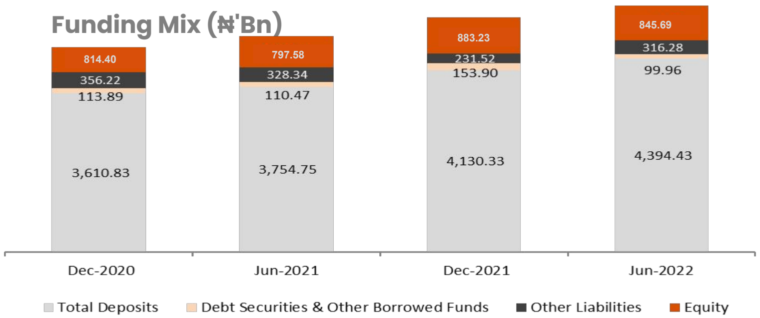
Balance Sheet Composition

- The Group closed H1 2022 with Balance Sheet size of ₦5.69tn representing a 4.6% growth over ₦5.44tn recorded FY 2021. Across all its jurisdictions of Operations (West Africa, East Africa and United Kingdom), the Group's Balance sheet remains well-structured and diversified. Earning Assets which constitute 63.1% of Total Assets grew by 4.1% to ₦3.58tn in H1 2022 from ₦3.44tn in FY 2021.
- The growth in Earning Assets resulted from improved funding base backed by the synergy created through the Holding Company i.e. multi-focused business approach and effective execution of the Group's retail strategy; which is underpinned by customer acquisition, deployment of innovative solutions, tailored product & service offerings and well-defined business segmentations.
- Growth in Customer Deposits, Customers' Escrow Balances was deployed across all the key Earning Asset Lines resulting in 8.32% (₦118.42bn) and 1.7% (₦32.0bn) growth in Fixed Income Securities (FIS) and Loans and Advances, respectively.
- Group's Net Loans closed at ₦1.835tn in H1-2022 from ₦1.803tn in FY-2021; the growth noted is from the ₦57.6bn increase in the loan book of Nigeria's operations, due to increased credit flows to the Corporate (Manufacturing and Telecoms) and Retail Sectors. The growth was adequate to offset the negative impact of the translation of Subsidiaries' Loan balances to Naira based on currency adjustment (₦425.05/$1 in H1-2022 vs ₦435/$1 in FY-2021).
- Management took a decision to de-risk its FCY Loan book and swapped two key obligor loans from FCY to LCY. This action led to marginal improvement in LCY/FCY Loan mix in H1-2022 to 59%:41% from 58%:42% in FY 2021.
- Customer Deposit Liabilities grew by 6.24% (₦250.3bn) from ₦4.012tn in FY 2021 to ₦4.263tn in H1 2022 as a result of low-cost funds which increased by 6.5% (₦224.2bn) from ₦3.438tn in FY 2021 to ₦3.662tn in H1 2022, resulting in low-cost deposit mix of 85.9% from 85.7% in FY 2021. Time Deposit Portfolio also grew by (₦26.1bn) in response to increased competition from FinTech's and Tier 2 Banks who offered higher interest rates, thereby contributing 14.1% to Total Deposits in H1-2022 from 14.3% in FY 2021. Strong execution of the Group's Retail strategy in the face of challenging operating environment was pivotal to deposit growth.
- In spite of the challenges and head winds which characterized the operating environment with attendant negative impact on businesses and households in H1-2022, the Group posted Pre-tax Return on Average Assets of 3.7% and Pre-tax Return on Average Equity of 23.9% on the back of efficient and timely deployment of appropriate strategies to deal with challenges as they arise.

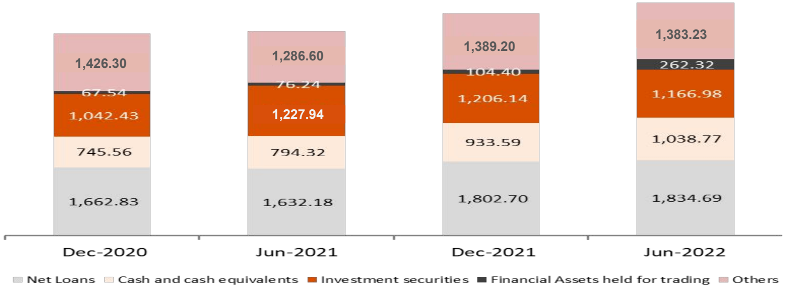
Loans, Deposits & Total Assets (₦'Bn)



Funding Mix (₦'Bn)



Components of Asset Base (₦'Bn)



HY 2022 Group Income Statement Snapshot (₦ 'Billions)

Gross Earnings
15.1%

239.3
HY 2022

207.9
HY 2021

Profit Before Tax
11.0%

103.2
HY 2022

93.1
HY 2021

Profit After Tax
(2.3%)

77.6
HY 2022

79.4
HY 2021

Non-Interest Income
12.5%

92.1
HY 2022

81.8
HY 2021

Interest Income
16.7%

147.2
HY 2022

126.1
HY 2021

Operating Income
10.9%

202.7
HY 2022

182.7
HY 2021

Interest Expense
38.4%

26.4
HY 2022

19.0
HY 2021

Operating Expense
11.3%

99.5
HY 2022

89.3
HY 2021

Loan Impairment
(25.4%)

3.5
HY 2022

4.7
HY 2021

Income Statement – Group

	Group		
In thousands of Nigerian Naira	**Jun-22**	**Jun-21**	**% Change**
Interest income calculated using effective interest rate	134,985,729	116,864,807	16%
Interest income on financial assets at fair value through Profit or loss	12,213,878	9,226,294	32%
Interest expense	(26,351,379)	(19,035,826)	38%
Net interest income	**120,848,228**	**107,055,275**	13%
Loan impairment charges	(3,519,038)	(4,714,675)	-25%
Net interest income after loan impairment charges	**117,329,190**	**102,340,600**	15%
Fee and commission income	46,479,355	38,284,192	21%
Fee and commission expense	(8,671,3478)	(1,428,928)	370%
Net fee and commission income	**65,650,793**	**36,855,264**	8%
Net gains on financial instruments classified as held for trading	23,598,680	17,685,428	33%
Other income	22,011,310	25,853,684	-15%
Net impairment reversal/(loss) on financial assets	(543)	(341,707)	-100%
Personnel expenses	(18,539,903)	(17,234,789)	8%
Depreciation and amortization	(17,345,473)	(17,761,788)	-2%
Other operating expenses	(63,569,791)	(54,340,633)	17%
Profit before income tax	**103,249,347**	**93,056,059**	11%
Income tax expense	(25,692,310)	(13,641,336)	88%
Profit for the year	**77,557,037**	**79,414,723**	-2%

PBT Trend

- The Group's Gross Earnings increased by 15.1% to ₦239.3bn in H1-2022 from ₦207.9bn in H1-2021 primarily from growth recorded on all revenue lines apart from the Other Income line which dipped by 14.9%. Interest Income increased by 16.7% (₦147.2bn vs ₦126.0bn), Fee and Commission by 21.4% (₦46.48bn vs ₦38.28bn) and Net gains on Trading Instruments by 33.4% (₦23.59bn vs ₦17.69bn) during the period.

- The growth in Interest Income was driven by the 17.0% growth in average volumes of Earning Assets. The marked reduction in yields on LCY Placements (7.7% vs 16.8%) doused the marginal pick up in yields on Loans (11.3% vs 10.5%) and Fixed Income Securities (4.7% vs 4.1%), resulting in a marginal dip of the yield on aggregate Assets to 8.0% in H1-2022 from 8.1% in H1-2021. 5% growth in Average volume of Gross Loans (1.7% actual) complemented by the 0.8% yield pick-up translate to a 13.5% growth in Interest earned on Loans and advances to ₦104.1bn in H1-2022 from ₦91.7bn in H1-2021 and played a significant role in aggregate growth of Interest Income.

- The Group's Interest Expense grew by 38.4% to ₦26.4bn in H1-2022 from ₦19.0bn in H1-2021 due to an increase in Cost of Funds to 1.0% in H1-2022 from 0.7% in H1-2021 and culminating in a dip in Net Interest Margin (NIM) to 6.5% in H1-2022 from 7.0% in H1-2021. Also, the Group grew the volume of its fee-based transactions resulting in a 21.4% (₦8.2bn) growth in Fee and Commission Income to ₦46.5bn in H1-2022 from ₦38.3bn in H1-2021. Fee and Commission growth can be attributed specifically to the growth in Corporate Finance Fees (₦5.3bn vs ₦1.6bn) and Current Account Maintenance Charge (CAMF) (₦9.4bn vs ₦7.8bn) on the back of 28% growth in Turnover Volumes to ₦14.7tn from ₦11.5tn during the same period.

- Efficient Dealing Room activities delivered a growth of 33.4% on Net Trading Gains which closed at ₦23.6bn in H1-2022 from ₦17.7bn in H1-2021. However, Other Income dipped by 14.9% (₦22.0bn to ₦25.9bn) on account of reduction in FX revaluation & Derivative gains (₦13.5bn vs ₦8.9bn) owing to an appreciation of the Naira at the I&E Window between the closing rate at H1-2022 and FY-2021.

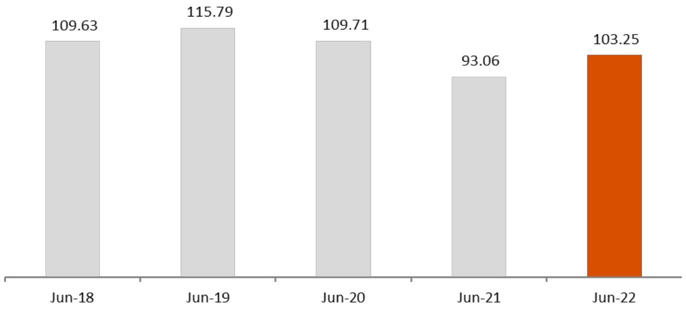
- Loan Impairment charges decreased by 25.4% to ₦3.5bn in H1-2022 from ₦4.7bn in H1-2021 due to the level of risk reserves built up from previous years. Positive outlook in terms of macroeconomic variable fed into the predictive ECL impairment model and sustained quality of the loan book.

- The Group's total Operating Expenses (OPEX) grew by 11.3% (₦10.1bn) to ₦99.5bn in H1-2022 from ₦89.3bn in H1-2021 primarily from increased regulatory cost associated with growth in Balance Sheet size i.e. AMCON levy and NDIC premium, incremental depreciation charge arising from capital spend, inflation hovering between 17% -18.6% for most part of H1-2022, effect of increase in energy costs and impact of adverse exchange rate movement against the US Dollar across our jurisdiction of operations outside Nigeria in H1-2022.

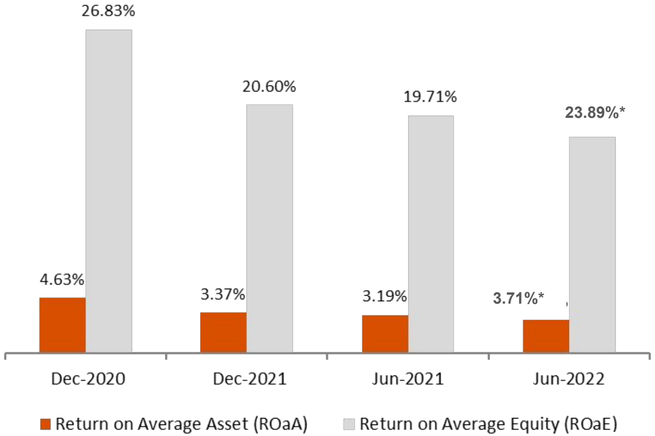
- Overall, the Group closed H1-2022 with a PBT of ₦103.3bn representing an increase of 11.0% from ₦93.1bn posted in H1-2021, with PBT contributions from Banking Entities ex-Nigeria improving to 32.8% in H1-2022 from 25.5% in H1-2021 and the non-Banking Entities accounting for 0.6% of the H1-2022 PBT.

- As the Financial Holding Company continues to gain traction, we expect the revenue base to become stronger and further diversified to withstand stress. We also expect income from Non-Banking Subsidiaries (i.e., Payments, PFA, and Asset Management) to strengthen the Group's performance with resultant improvement in profitability metrics.

PBT (₦'Bn)



Return on Average Assets and Equity

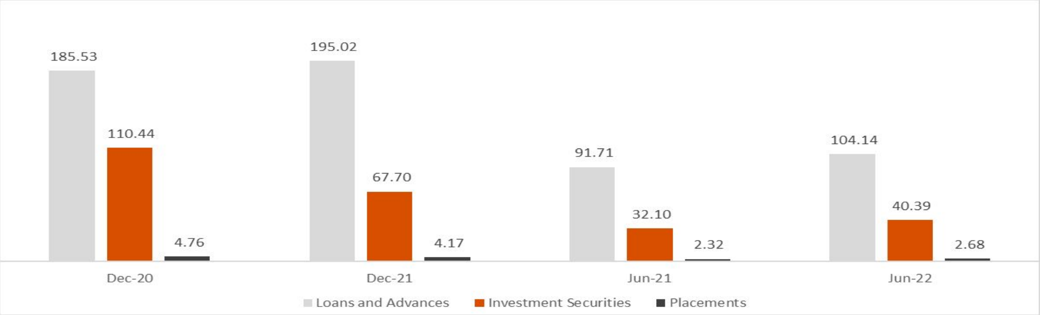


* Pre-tax profit expressed due to impact of Finance Act and expiration of CIT Exemption Order 2011 on tax

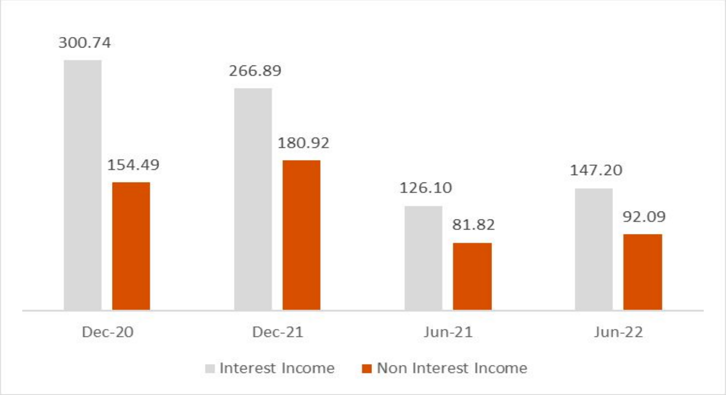
Revenue Generation

- Revenue continued to improve as Gross earnings which comprises Funded Income (FI) and Non-Funded Income (NFI) increased by 15.1% from ₦207.9bn in H1-2021 to ₦239.3bn in H1-2022.
- Growth of 4.1% in Earning Assets volume coupled with improvement in yields on Fixed Income Securities (H1-2022: 4.7% vs H1-2021: 4.1%) and Loans and Advances (H1-2022: 11.3% vs H1-2021: 10.5%) caused a 16.7% growth in Interest Income to ₦147.20bn in H1- 2022 from ₦126.09bn in H1-2021. Consequently, Funded Income contribution to Gross earnings inched up to 61.5% in H1-2022 from 60.6% in H1-2021.
- Non-Funded Income (NFI) grew by 12.5% to ₦92.1bn in H1-2022 from ₦81.8bn in H1-2021 due primarily to 21.4% and 33.4% growth in Fee and Commission Income and Net Trading Income, respectively. This growth was curtailed by 14.9% dip in Other Income resulting from Y-o-Y decrease of 39% in FX revaluation and derivative gain (H1-2022: ₦8.9bn vs H1-2021: ₦13.5bn).
- Fee and Commission performance was enabled by significant increase in fee based transaction volumes with consequent growth in earnings from Account Maintenance Charges, Account Services and Corporate Finance Fees by ₦1.6bn, ₦1.4bn and ₦3.7bn, respectively. As previously indicated, Net Trading Income benefitted from sustained Dealing Room efficiency.
- The dip in Other Income resulted largely from reduction in FX revaluation & derivative gains (₦8.9bn vs ₦13.5bn) largely as a result of appreciation in Naira against USD in the I&E Window during the period under review, i.e., the impact of exchange rate movements between the two relevant periods i.e., Naira/USD exchange rate between H1-2022 vs FY-2021 (₦425.05/$1vs ₦435/$1) and H1-2021 vs FY-2020 (₦411.5/$1 vs ₦410.25/$1) while revaluing the Bank's US$1.2bn net long position and the forward rate applied in valuing the US$613mm swap positions.

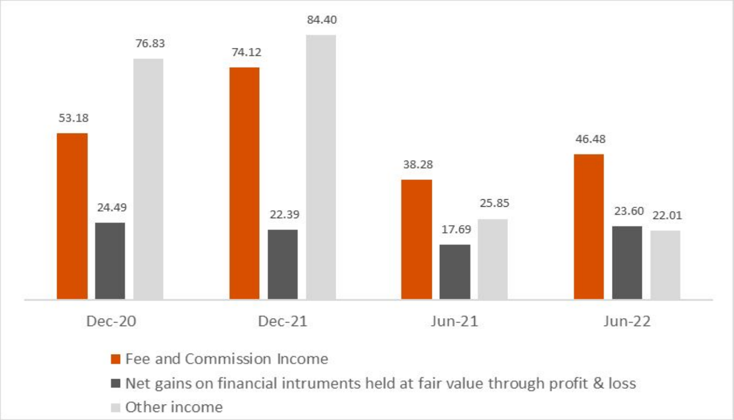
Interest Income (₦'Bn)



Revenue Mix (₦'Bn)



Non-Interest Income (₦'Bn)

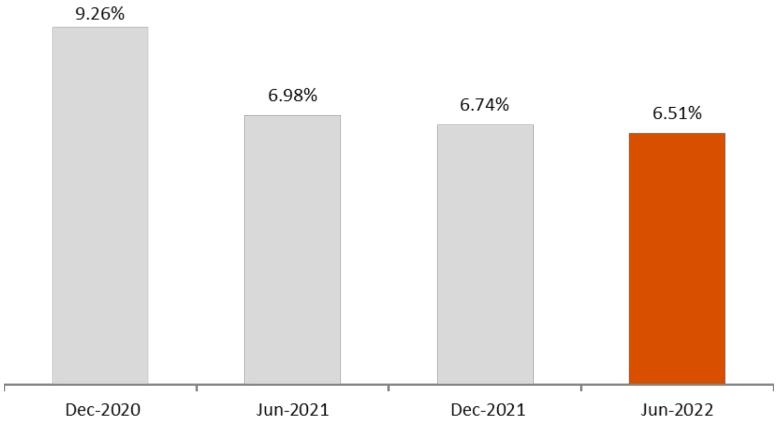


Margin Metrics

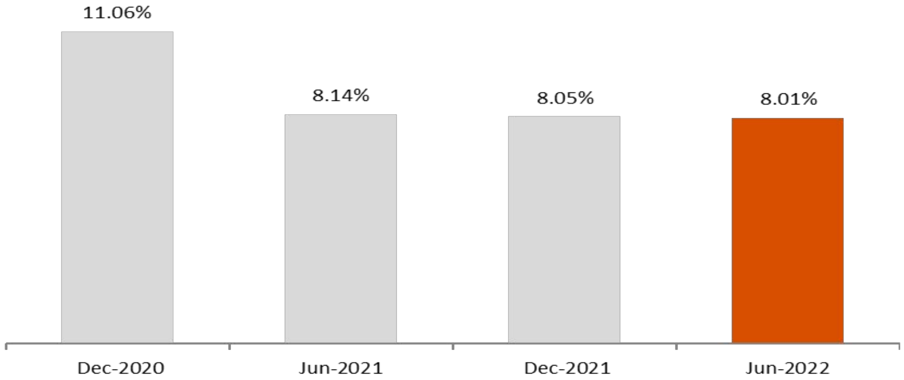
Sustained Competitive Margins

- NIM under pressure at 6.5% in H1-2022 as against 7.0% as of H1-2021 largely due to Increase in cost of funds and marginal dip in assets yield.
- Total Asset Yield was at 8.0% in H1-2022, a reduction of 10bps from 8.1% in H1-2021.
- The Group continues to implement its well-articulated retail strategy, leveraged its multi-layered businesses, diversified its funding base and played to the strength of its brand to gain market share in the retail space and maintain its strong low-cost mix position.
- Cost of Funds (CoF) increased by 30bps (from 0.7% in H1-2021 to 1.0% in H1-2022) due to the increased interest rate environment and intense competition from FinTechs and Tier 2 banks. The Group recorded a marginal improvement in its low-cost deposit mix to 85.9% in H1-2022 from 85.7% in FY-2021.
- The Group will continue to seek alternative yield optimization opportunities by taking advantage of its transition to a fully-fledged Financial Services Company.

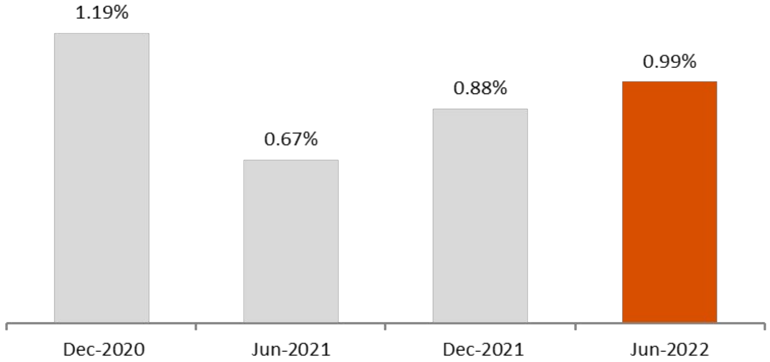
Net Interest Margin



Yield on Interest Earning Assets



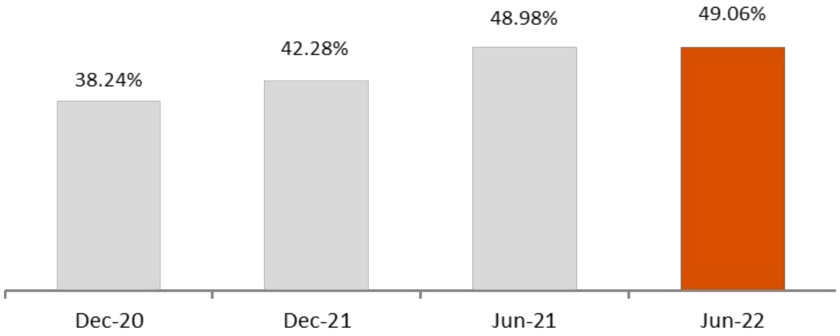
Cost of Funds



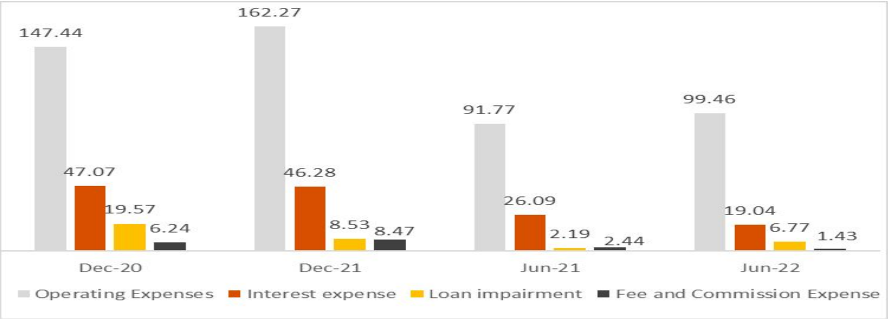
Efficient Cost Management

- OPEX grew by 11.3% from ₦89.3bn in H1-2021 to ₦99.5bn in H1-2022 due to the impact of rising inflation and exchange rate movement at both the official & parallel market which precipitated an increase in the general prices of goods and services.
- OPEX growth of 11.33% was below headline inflation which closed at 18.6% in June 2022. Operating cost was significantly impacted by increased Regulatory Costs – 20.4% growth in Deposit Insurance Premium and 6.39% growth in AMCON Expenses.
- 38.4% growth in Interest Expense was primarily driven by increase in Cost of Funds from 0.7% in H1-2021 to 1.0% in H1-2022 on account of demand for higher interest rate by depositors.
- The Group made cost savings from Interest saved on FCY borrowings due to continuous utilization of the Group's dollar liquidity to repay maturing FCY borrowings.
- Overall, the Group was able to keep its Cost to Income Ratio (CIR) at 49.1% from 49.0% in H1-2021, though, higher than the guided 35% ratio owing to Inflation induced growth in variable and fixed costs element. The Group remains committed to effectively managing its cost despite inflationary and revenue pressures in order to remain within the FY 2022 guidance.

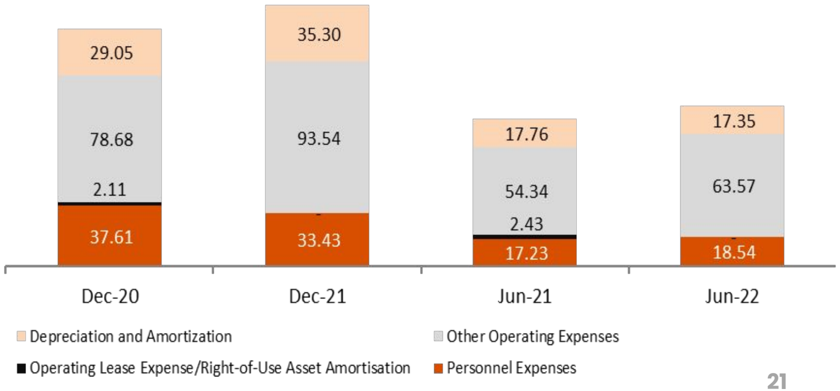
Cost to Income (CIR)



Overview of Expenses (₦'Bn)



Operating Expenses (OPEX) (₦'Bn)



OPEX

In billions of Naira	Group HY 2022	Group HY 2021	Change (Y-o-Y)	% Change (Y-o-Y)
Depreciation and Amortization	17.35	17.76	(0.42)	(2.3%)
AMCON Expenses	23.3	21.9	1.4	6.4%
Occupancy Costs and Repairs & Maintenance	6.4	4.3	2.1	48.2%
Deposit Insurance Premium	7.1	5.9	1.2	20.0%
General welfare Expenses	4.2	3.9	0.29	7.4%
Customer Service Related Expenses	1.8	1.4	0.42	30.6%
Communication, Tech. related & Admin. Expenses	9.3	6.9	2.5	36.1%
Advert, Promotion and Corporate Gifts	2.5	1.7	0.89	53.8%
Personnel Expense	18.5	17.2	1.3	7.6%

OPEX Drivers

The Group recorded a 11.3% growth in Operating Expenses from ₦89.3bn in H1-2021 to ₦99.5bn in H1- 2022. The growth was primarily driven by the following:

a. Increase in regulatory charges i.e., AMCON Levy and Deposit Insurance Premium. AMCON levy increased by 6.4% due to growth in the underlying Total Asset and Contingents Base at Bank level to ₦4.66tn in FY 2021 from ₦4.37tn in FY 2020 (AMCON levy is computed as 0.5% on preceding year's Total Asset and Contingents base). Also, Deposit Insurance premium increased by 20.04% (₦7.1bn in H1-2022 vs ₦5.9bn in H1-2021) due to 14.3% increase in underlying Customers' Deposits volume to ₦4.01tn in FY 2021 from ₦3.51tn in FY 2020 (Deposit Insurance Premium is calculated on preceding year's Customers' Deposits).

b. 48.2% growth in Occupancy Costs and Repairs & Maintenance resulting from increase in expenses relating to diesel (on account of global rise in crude oil price), fuel, electricity cost as well as ground rates and water rates.

c. 39.06% growth in Administrative Expenses was due to the impact of rising inflation, increased operational cost (especially cost of moving cash) and the translation impact of Subsidiaries OPEX balances to Naira on the weaker Naira/US$ conversion.

Risk Asset Mix

- The Group continued to maintain a well diversified Loan book with specific focus on quality of risk assets across all our select business segments.
- Reduced exposure to the Agriculture sector was largely driven by scheduled paydowns on Anchor Borrowers' Fund (Intervention Loans).
- Proportional mix of Oil & Gas to the entire portfolio also reduced due to conscious effort at reducing the concentration risk within this Sector.
- 89% of the exposures in the Oil & Gas sector are USD denominated.
- The total restructured loans stood at ₦244.88bn, constituting 12.8% of the gross loan portfolio. 90.8% of the restructured loans relates to two (2) Obligors.

Gross Loans by Industry

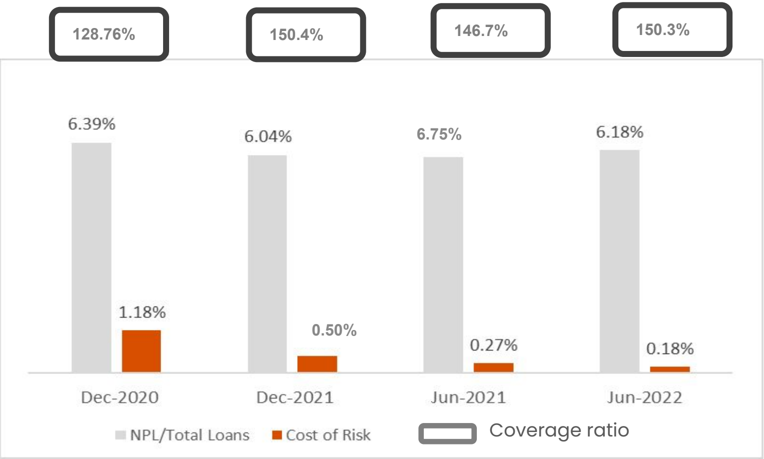
Gross Loans by Industry	June 30, 2022	December 31, 2021
Upstream Oil and Gas	29.9%	28%
Manufacturing	15.6%	14%
Midstream Oil and Gas	9.4%	14%
Individual	12.3%	12%
Information, Telecoms. and Transport.	8.6%	8%
Government	3%	4%
Others*	3.7%	5%
Agriculture	4.9%	7%
Capital Market and Fin. Institutions	3.5%	3%
General Commerce	5.2%	2%
Construction and Real Estate	2%	2%
Downstream Oil and Gas	1.6%	0.5%
Education	0.3%	0.5%

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

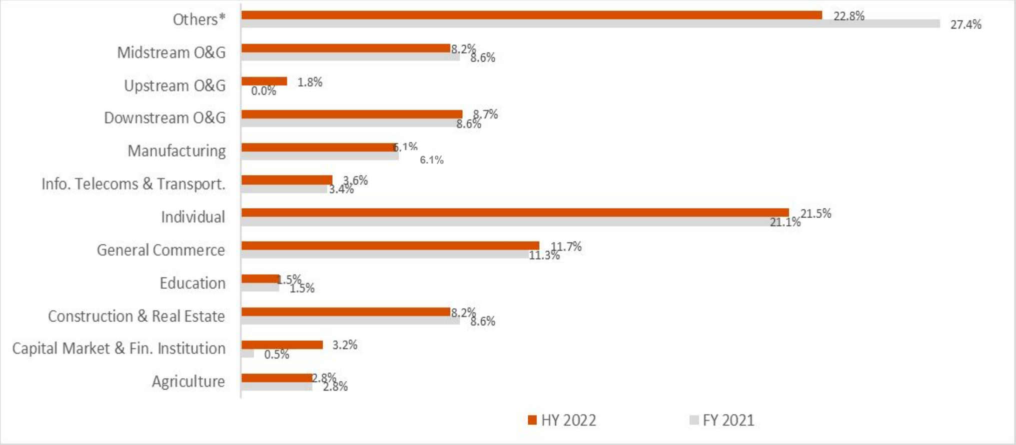
Asset Quality

- The Group's IFRS 9 Stage 3 loans closed at 6.2% in H1-2022 from 6.0% in FY 2021.
- The marginal increase in NPL was as a result of stress noted with certain exposures within the Hospitality, Individuals, Clubs, Co-operative Societies and Unions as the Obligors within these Sectors are yet to fully recover from impact of COVID 19.
- IFRS 9 Stage 3 loans closed at ₦118.5bn in H1-2022 increasing by 4.06% from ₦113.9bn as at FY 2021. Balance Sheet Impairment Allowance for Stage 3/Lifetime Credit Impaired exposures closed at ₦84.2bn representing 71.1% coverage of Loans in this classification.
- In aggregate terms (including Regulatory Risk Reserves of ₦93.9bn) the Group has adequate coverage of 150.3% for its IFRS 9 Stage 3 loans /NPLs, this position is consistent with the Group's plan to maintain 100% coverage for its NPLs.

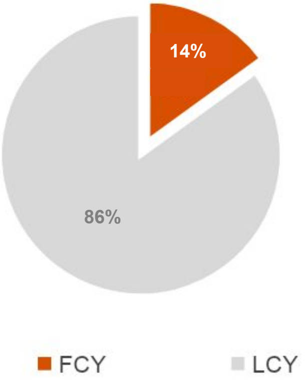
NPL and Coverage



NPL by Industry



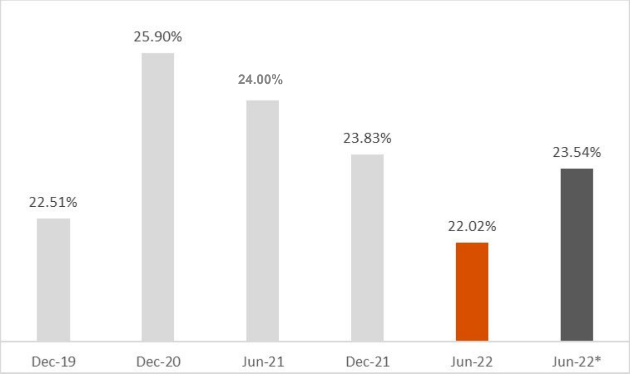
NPL by Currency



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

Strong Capital Ratios – Group and Parent

- The Group continued to maintain strong capital positions with Full IFRS 9 impact Capital Adequacy Ratio (CAR) of 22.02%; 702bps above the regulatory minimum of 15%.
- Tier 1 capital remained a very significant component of the Group's CAR closing at 21.9% representing 99.6% of the Group's Full IFRS 9 impact CAR of 22.02%.
- The robust capital position is a plus to the Group as it provides the needed headroom required for future expansion and increases its capacity to take on risk.
- The Group's Capital has been sensitized for Basel III compliance and found robust enough to meet the requirements for additional capital provision for conservation and counter-cyclical buffers.

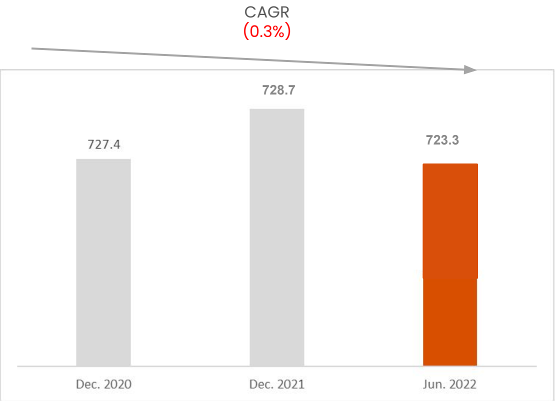


Capital Adequacy Computation (Basel II)

	Group			
In Millions of Naira	**Transitional IFRS 9 Impact**		**Full IFRS 9 Impact**	
	Jun. 22	**Dec. 21**	**Jun. 22**	**Dec. 21**
Net Tier 1 Capital	786,062	769,938	720,571	704,447
Net Tier 2 Capital	2,717	24,239	2,717	24,239
Total Regulatory Capital	**788,779**	**794,177**	**723,288**	**728,686**
Risk Weighted Assets for:				
Credit Risk	2,678,712	2,495,964	2,613,221	2,430,474
Operational Risk	632,084	612,312	632,084	612,312
Market Risk	39,428	15,214	39,428	15,214
Aggregate Risk Weighted Assets	**3,350,224**	**3,123,491**	**3,284,733**	**3,058,000**
Capital Adequacy Ratio:				
Tier 1 Risk Weighted	23.46%	24.65%	21.94%	23.04%
Tier 2 Risk Weighted	0.08%	0.78%	0.08%	0.79%
Total Risk Weighted Capital Ratio	**23.54%**	**25.43%**	**22.02%**	**23.83%**

** Transitional IFRS 9 Arrangement CAR*

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



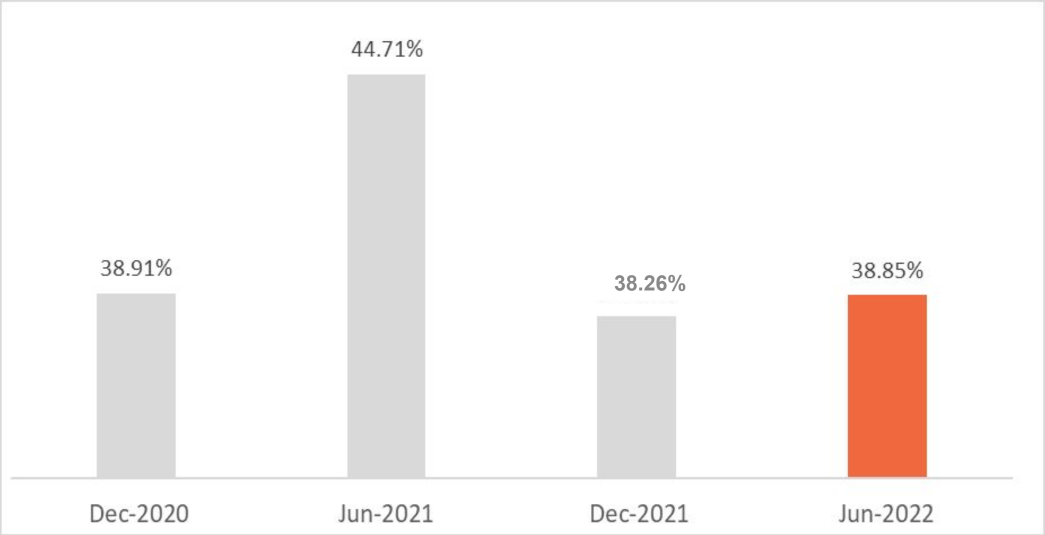
Liquidity Ratio

Liquidity Trend

Strong Liquidity Position

- Liquidity ratio closed at 38.85% in FY 2022 (FY 2021: 38.26%) well above the regulatory minimum requirement of 30%.

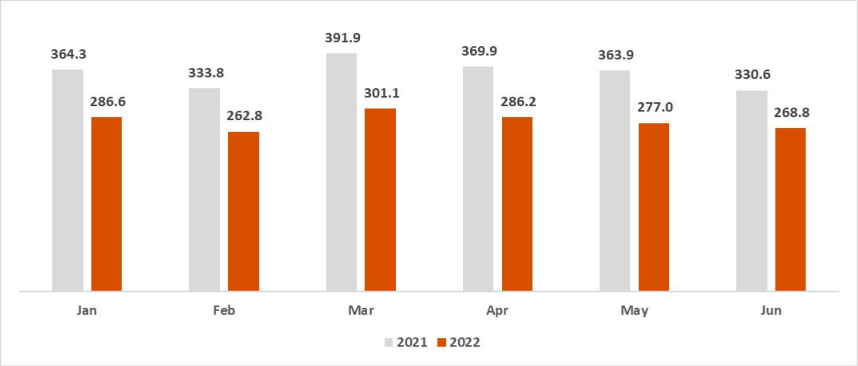
- Despite the pressure from intense competition and need to cover for regulatory debits, the Group maintained average liquidity ratio of 39.44% during the Period under review.



Digital Banking Performance (USSD)

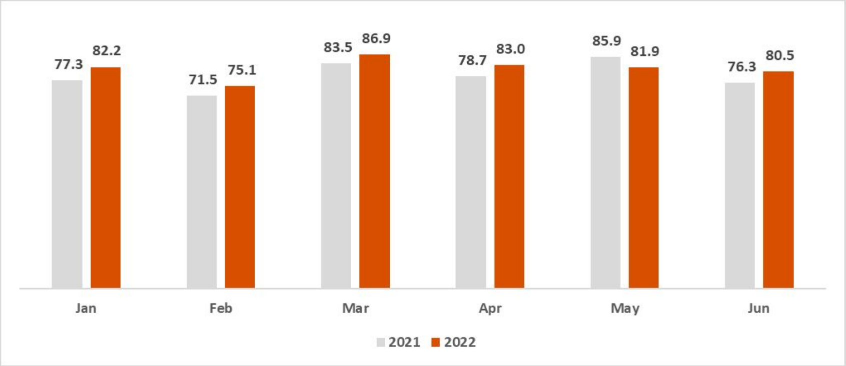
- Continuous growth in the adoption of digital banking platforms both in transaction volume and value with over 2 million users on GTWorld and Mobile Banking.
- Impact of N6.98 flat fee applied on successful USSD transactions sustained. Volume of transactions remained strong showing a marginal growth of 3.5% from same period in 2021.

USSD Value (in billions of Naira)



Total Value in HY 2022 : ₦1.68 trillion
Total Value in HY 2021 : ₦2.15 trillion
% Growth (y-o-y) : (22%)

USSD Volume (in millions)

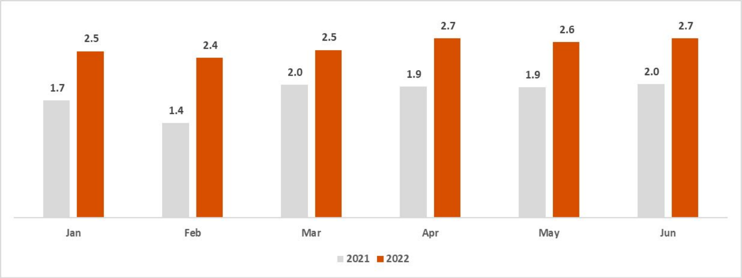


Total Volume in HY 2022 : 489.7 million
Total Volume in HY 2021 : 473.2 million
% Growth (y-o-y) : 3.5%

Digital Banking Performance (Mobile and Internet Banking)

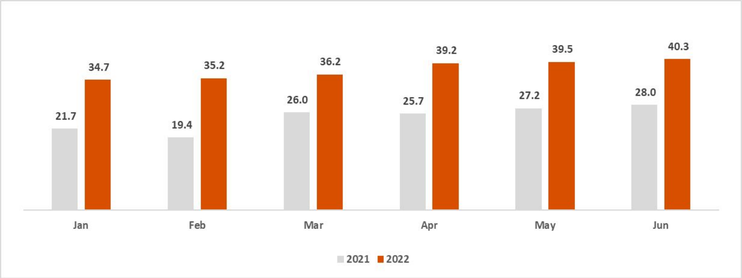
- Increased adoption of electronic banking platforms with strong growth in both volume and value of Mobile Banking.
- The 52% year-on-year growth in Mobile Banking volumes was on the back of 274,625 unique users recorded for the period and resulted in a ₦4.2 trillion growth from ₦11 trillion in HY 2021 to ₦15.2 trillion in HY 2022.
- The decline in Internet Banking Volume indicates customers' preference for Mobile Banking channels.
- Value of Internet Banking transactions remained strong at ₦1.35 trillion.

Mobile Banking Value (in trillions of Naira)



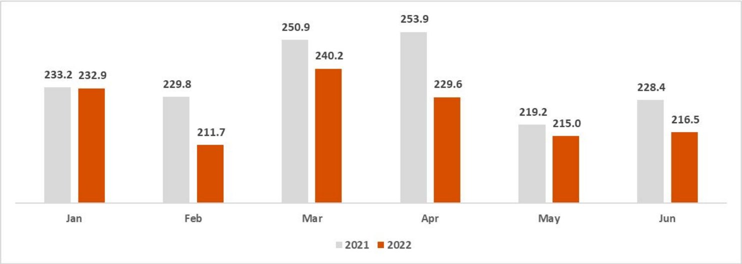
Total Value in HY 2022: ₦15.2 trillion
Total Value in HY 2021 : ₦11 trillion
% Growth (y-o-y) : 38%

Mobile Banking Volume (in millions)



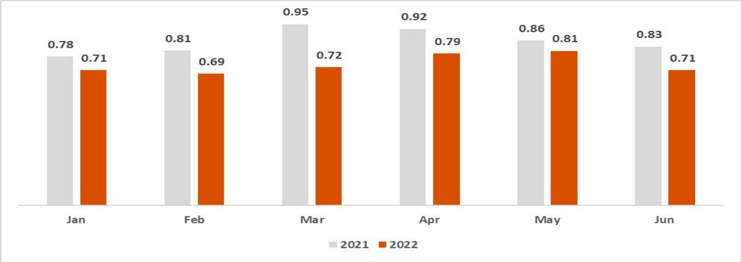
Total Volume in HY 2022: ₦225 million
Total Volume in HY 2021 : ₦148 million
% Growth (y-o-y) : 52%

Internet Banking Value (in billions of Naira)



Total Value in HY 2022 : ₦1.35 trillion
Total Value in HY 2021 : ₦1.42 trillion
% Growth (y-o-y) : (4.9%)

Internet Banking Volume (in millions)



Total Volume in HY 2021 : ₦4.44 million
Total Volume in HY 2020 : ₦5.16 million
% Growth (y-o-y) : (14%)

Update on Non-Banking Subsidiaries

HabariPay

- **Flagship Product**: Squad, launched 01 June 2022
- **Services:** Online & offline merchant acquiring; ecommerce
- **Target Segments:** Techstars, Digital Sellers, Anchors, Kiosks Traders

GT Fund Managers

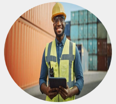
- **AUM:** ₦73.8 billion (pre-acquisition: ₦28.3 billion)
- **Active Unit Holders**: 14,357 (pre-acquisition: 12,463)
- **Business Locations**: Lagos, Port Harcourt, Abuja

GT Pension Managers

- **AUM**: ₦54.36 billion (pre-acquisition: ₦48.7 billion)
- **RSA Count**: 87,043 (pre-acquisition: 84,838)
- **Business Locations**: Lagos, Abuja, Port Harcourt, Kano

Business Segments & Banking Subsidiary Review

Business Segmentation (Banking Group) – HY 2022

Segment	Description				Loans	Deposits	PBT
 Institutional & Wholesale	9,369+ Customers ₦1,445.1 billion Loans	above ₦20 billion+ Turnover ₦1,096.4 billion Deposits	Large Corporates, Multinationals, Energy, Telecoms, Maritime, etc. ₦64.7 billion PBT		78.8% 78.1%*	24.9% 24.8%*	65.1% 64.5%**
 Commercial	135,634+ Customers ₦115.6 billion Loans	under ₦20 billion Turnover ₦355.6 billion Deposits	Tailor-made solutions and flexibility for middle-market companies ₦4.7 billion PBT		6.3% 5.6%*	8.1% 10.4%*	4.8% 4.9%**
 Business Banking	191,128+ Customers ₦1.5 billion Loans	under ₦5 billion Turnover ₦117.5 billion Deposits	Mid-sized enterprises between the commercial and SME segments ₦0.24 billion PBT		0.1% N/A*	2.7% N/A%*	0.2% N/A%**
 SME	1.4 million+ Customers ₦29.6 billion Loans	under ₦1 billion Turnover ₦512.5 billion Deposits	Caters to small, fledging and fairly structured businesses ₦2.9 billion PBT		1.6% 1.7%*	11.7% 11.7%*	2.9% 1.1%**
 Retail	26.2 million+ Customers ₦184.7 billion Loans 235 Branches	Retail-focused Customer base ₦2,273.4 billion Deposits 47 GTExpress Outlets	Consumer Lending ₦25.7 billion PBT 33 e-branches & Cash Centres	1,361 ATMs	10.1% 10.7%*	51.7% 52.7%*	25.9% 27.5%**
 Public Sector	11,363+ Customers Federal, state & local governments ₦58.2 billion Loans	Ministries, Departments. & Agencies (MDAs) ₦38.9 billion Deposits	All segments of government ₦0.97 billion PBT		3.2% 3.8%*	0.9% 0.4%*	1.0% 2.0%**

*FY 2021, ** HY 2021

Geographical Presence – HY 2022

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
- HY 2022 PBT: ₦69.57 bn
- ROE: 19.1%

Cote D'Ivoire

- Established in 2012
- 100% owned by GTBank Ltd.
- 4 branches
- N5.08bn invested by GTBank Ltd.
- HY 2022 PBT: ₦2.78 bn
- ROE: 40.6%

Sierra Leone

- Established in 2002
- 83.74% owned by GTBank Ltd.
- 16 branches
- N594.11m invested by GTBank Ltd.
- HY 2022 PBT: ₦2.66 bn
- ROE: 26.6%

Gambia

- Established in 2002
- 77.81% owned by GTBank Ltd.
- 15 branches & 1 e-branch
- N574.28m invested by GTBank Ltd.
- HY 2022 PBT: ₦2.10 bn
- ROE: 34.2%

Habari Pay

- Established in Aug. 2021
- 100% owned by GTCO
- 1 business location
- N3.10bn invested by GTCO

GT Fund Managers

- Established in Feb. 2022
- 100% owned by GTCO
- 3 business locations
- N4.04bn invested by GTCO

GT Pension Manage

- Established in Feb. 2022
- 100% owned by GTCO
- 13 business locations
- N17.63bn invested by GTCO

Ghana

- Established in 2006
- 98.32% owned by GTBank Ltd.
- 35 branches
- N18.14bn invested by GTBank Ltd.
- HY 2022 PBT: ₦19.73 bn
- ROE: 29.8%

United Kingdom

- Established in 2008
- 100% owned by GTBank Ltd.
- 1 branch
- N9.60bn invested by GTBank Ltd.
- HY 2022 PBT: ₦0.15 bn
- ROE: 1.7%

Uganda

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

Liberia

- Established in 2009
- 99.43% owned by GTBank Ltd.
- 10 branches
- N1.95bn invested by GTBank Ltd.
- HY 2022 PBT: ₦2.43 bn
- ROE: 19.3%

Kenya

- Acquired in 2013
- 70% owned by GTBank Ltd.
- 9 branches
- N17.13bn invested by GTBank Ltd.
- HY 2022 PBT: ₦4.07 bn
- ROE: 14.6% (Parent : 5.9%)

Rwanda

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

Tanzania

- Established in Dec. 2017
- 76.2% owned by GTBank Ltd.
- 1 branch
- N3.84bn invested by GTBank Ltd.
- HY 2022 PBT: (₦31.54 mn)
- ROE: (2.0%)

Banking and Non-Banking Subsidiary Overview – HY 2022

	Millions of Naira	Assets			Loans			Total Deposit			PBT		
		HY 2022	FY 2021	% Change	HY 2022	FY 2021	% Change	HY 2022	FY 2021	% Change	HY 2022	HY 2021	% Change
West Africa	**Cote D'Ivoire**	83,564	72,334	16%	14,414	15,666	-8%	61,569	56,837	8%	2,778	1,113	150%
	Gambia	84,659	85,857	-1%	10,143	8,213	23%	74,913	73,353	2%	2,097	1,740	21%
	Ghana	362,896	370,830	-2%	104,445	119,445	-13%	272,605	276,090	-1%	19,734	16,468	20%
	Liberia	87,631	74,288	18%	39,717	38,258	4%	72,750	61,502	18%	2,432	1,154	111%
	Sierra Leone	62,410	70,918	-12%	11,083	13,438	-18%	43,064	53,189	-19%	2,665	1,407	89%
East Africa	**Kenya Group**	198,552	210,109	-6%	87,287	94,334	-7%	144,926	157,202	-8%	4,070	3,058	33%
	Tanzania	10,865	10,827	0%	4,023	3,747	7%	6,978	6,618	5%	-32	-142	78%
	Nigeria	4,598.198	4,357,033	6%	1,533,365	1,475,789	4%	3,494,257	3,236,260	8%	69,571	75,421	-8%
	United Kingdom	330,593	287,667	15%	30,218	33,813	-11%	312,762	267,308	17%	153	-1,057	115%
	Habari Pay	3,488	3,625	-4%	-	-	-	-	-	-	377	-	100%
	Fund Managers	7,241	-	100%	-	-	-	6,562	-	100%	77	-	100%
	Pension Managers	11,390	-	100%	-	-	-	-	-	-	186	-	100%
	*** Grand Total**	**5,685,998**	**5,436,035**	**4.6%**	**1,834,695**	**1,802,702**	**1.8%**	**4,394,434**	**4,130,333**	**6.4%**	**103,249**	**93,056**	**11%**

% Contribution of Subsidiaries to Group

				Loans	Deposits	PBT
West Africa (ex. Nigeria)	**₦179.8 billion** Loans	**₦524.9 billion** Deposits	**₦29.7 billion** PBT	9.8%	11.9%	28.8%
East Africa	**₦91.3 billion** Loans	**₦151.9 billion** Deposits	**₦4.0 billion** PBT	5.0%	3.5%	3.9%
United Kingdom	**₦30.2 billion** Loans	**₦312.8 billion** Deposits	**₦0.15 billion** PBT	1.6%	2.9%	0.1%
Non-Banking Subsidiaries	**₦0.00 billion** Loans	**₦6.6 billion** Deposits	**₦0.64 billion** PBT	0.0%	0.1%	0.6%

**post elimination entries*

Regional Performance (Banking Subsidiaries – HY 2022)

East Africa

- 32 branches
- HY 2022 Gross Earnings: ₦12.05 bn (HY 2021: ₦10.84 bn) 11.2% y-o-y
- HY 2022 PBT: ₦4.04 bn (HY 2021: ₦2.92bn) 38.4% y-o-y
- ROE: 13.2% (HY 2021: 10.7%)

West Africa (ex. Nigeria)

- 80 branches, 1 e-branch
- HY 2022 Gross Earnings: ₦50.38 bn (HY 2021: ₦ 42.43bn) 18.7% y-o-y
- HY 2022 PBT: ₦29.71 bn (HY 2021: ₦21.88 bn) 35.8% y-o-y
- ROE: 31.4% (HY 2021: 25.1%)

UK

- 1 branch
- HY 2022 Gross Earnings: ₦3.34 bn (HY 2021: ₦2.18 bn) 53.2% y-o-y
- HY 2022 PBT: ₦0.15 bn (HY 2021: (₦1.06 bn)) 114.5% y-o-y
- ROE: 1.7% (HY 2021: (11.7%))

Non-Financial Highlights for HY 2022

CUSTOMERS

28mm+	Customers
30	e-Branches and Cash Centres
14,533+	Active POS Terminals
350	International Branch Network
1,371	Automated Teller Machines
47	GT Express Locations
2mm+	Active Users (GTWorld)
6.9mm+	Active Users (BANK *737#)
6.7mm+	Active cards

EMPLOYEES

5,245	Employees
56%	Male
44%	Female
92%	of employee received training in HY 2022

SHAREHOLDERS

330,803	Shareholders
270 Kobo	EPS
2nd	Most Capitalized Financial Services company and Best-in-Class Returns

RATINGS

GTBank Nig. Ltd.

FitchRatings	B
S&P Global Ratings	B -

COMMUNITIES

Lagos Int'l Polo Tournament

2022 NUGA Games

5000+
athletes from 75 accredited schools participated in the 26th edition of the Nigerian Universities Games held in Unilag

2022 GTCO Food & Drink Festival

14
Masterclasses

150+
free stalls

Guaranty Trust Annual Autism Conference 2022

12th ANNUAL AUTISM CONFERENCE

8,814+
YouTube views

1,312+
Participants

1,905+
Online Registration

2022 Financial Literacy Day

413+
Students benefitted from the initiative

21+
Volunteers

3
states visited (Osun, Plateau and Kwara States)

ACCOLADES

EUROMONEY MARKET LEADERS

- ✔ CSR
- ✔ Corporate Banking
- ✔ SME Banking
- ✔ Digital Solutions
- ✔ ESG

WORLD FINANCE BANKING AWARDS 2022

- ✔ Best Banking Group- Nigeria
- ✔ Most Innovative Bank – Nigeria
- ✔ Banker of the Year (Africa) – Segun Agbaje

brand AFRICA – AFRICA'S BEST BRANDS 2022

- ✔ Most Admired Financial Services Brand - Africa, West Africa & Nigeria
- ✔ Most Admired Nigerian Financial Services Brand
- ✔ Africa Brand Leadership Excellence (Segun Agbaje)

WORLD BUSINESS OUTLOOK

- ✔ Leading Digital Bank in Nigeria
- ✔ Most Socially Responsible Bank
- ✔ Outstanding Contribution to Banking Sector – Segun Agbaje

FY 2022 Guidance and Plans

FY 2022 Guidance

	FY 2021	HY 2022	FY 2022 Guidance
PBT	₦221.5 bn	₦103.3 bn	₦243 bn
Deposit Growth	14.4%	6.4%	25.0%
Loan Growth	8.4%	1.8%	10.0%
Coverage (with Reg. Risk Reserve)	150.4%	150.3%	100.0%
Cost of Risk	0.5%	0.2%	1.0%
NPL to Total Loans	6.00%	6.20%	6.00%
Return on average Assets	3.4%	3.71%*	5.0%
Return on average Equity	20.60%	23.89%*	25.00%
Loans to Deposits and Borrowings (Bank)	43.60%	42.70%	50.00%
Liquidity Ratio	38.30%	38.90%	38.00%
Capital Adequacy Ratio	23.80%	22.00%	23.00%
Cost to Income Ratio	42.30%	49.10%	35.00%
Net Interest Margin	6.7%	6.5%	8.0%
Banking (Nigeria) Contribution to PBT	76.5%	67.4%	70.0%
Banking (Ex-Nigeria) Contribution to PBT	23.5%	32.8%	28.0%
Non-Banking Contribution to PBT	0.00%	0.60%	2.00%

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

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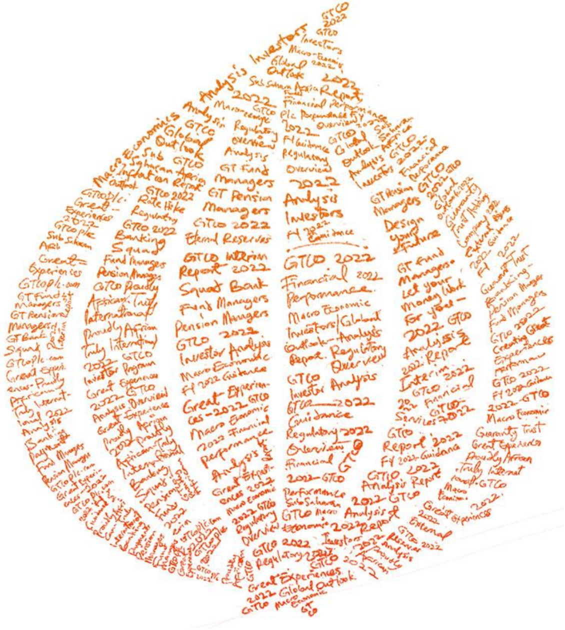

Thank You