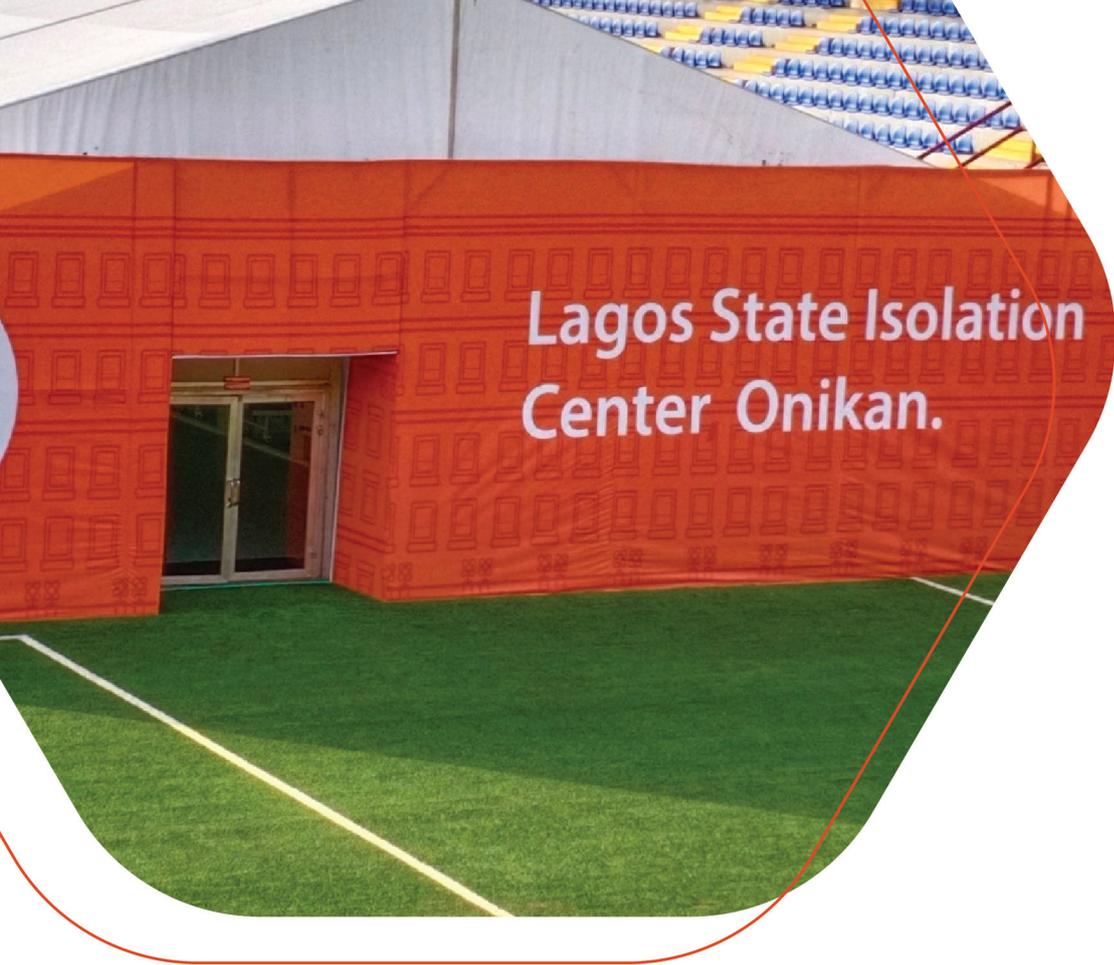




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Lagos State Isolation Center Onikan.

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MD's Statement

Dear Shareholders,

It is my pleasure to present our audited results for the first half of the 2020 financial year.

We live in unprecedented times. The global Covid-19 pandemic has brought about entirely new realities for many families, communities and businesses around the world. It has also been met with a remarkable demonstration of solidarity, and at GTBank, we are lending the full weight of our franchise to safeguard lives and livelihoods by committing resources and expertise to strengthening public health systems, shoring up businesses, large and small, and helping our customers thrive.

In spite of operating in a very challenging business environment, coupled with the new realities imposed by the Covid-19 pandemic, we delivered a good performance in the first half of the year. The Bank's loan book grew by 8.1% from ₦1.502trillion recorded as at December 2019 to ₦1.624trillion in June 2020 and customer deposits increased by 18.5% to ₦3.001trillion from ₦2.533trillion in December 2019. Profit before Tax closed at ₦109.7billion, representing a decrease of 5.2% over ₦115.8billion recorded in the corresponding period of 2019.

The Bank closed the half-year ended June 30, 2020 with Total Assets of ₦4.511trillion and Shareholders' Funds of ₦720.9Billion. In terms of Asset quality, NPL ratio and Cost of Risk closed at 6.8% and 0.4% in June 2020 from 6.5% and 0.3% in December 2019 respectively. Overall, asset quality remains stable with adequate coverage of 118.1%, while Capital remains strong with CAR of 22.9%. On the backdrop of this result, Return on Equity (ROAE) and Return on Assets (ROAA) stood at 26.8% and 4.6% respectively. The Bank is proposing an interim

dividend of 30kobo per ordinary share of 50 kobo each for the period ended June 30, 2020.

Underpinning this financial performance are the strong relationships that we continue to build with our corporate customers, our thriving and robust retail business and the value we are creating for small businesses by deepening the role we play in promoting enterprise and boosting SME growth. Our actions and activities over the past six months have also demonstrated the fundamental promise of our organization as a platform for enriching lives. Faced with a pandemic that is placing an overwhelming strain on people, communities and institutions, we are helping our customers get by in these times of distress, supporting public authorities to curtail the outbreak and protecting our employees by ensuring that they work in a way that puts their health and well-being first.

Helping our customers get by in these difficult times requires not just the will, but the way. Digitization of all our banking processes, products and services means that we are able to serve our customers wherever they are and at any time, in spite of the lockdown across the Country, as a result of the global pandemic. Using any of our digital banking channels, our customers can send money to anyone, make payments anywhere, get a personal loan anytime and sort out any service issues seamlessly.

Beyond making it easier for customers to bank with us securely from anywhere, we are also making it safer to visit our branches. Along with ensuring adequate safety measures in our banking halls, we alternate the opening of our branches every week, so that in the event of an outbreak we have a backup to keep serving customers. We also keep customers informed about which set

of branches we open and, to help them adjust to the “new normal” of social distancing, we have launched an iRequire feature that allows customers to schedule their branch visits according to their convenience.

We are also putting our money where our heart is. Beyond keeping our QuickCredit facility available for customers, we granted small businesses a grace period of 90 days on all loan repayments in April. As the end of the 90-day moratorium drew near, and with the pandemic still in full swing, we extended the grace period on repayments of the principal for another three months.

We are also helping small businesses stay on the path of recovery and growth by offering one-on-one virtual meetings where we share expert advice on how to better understand and navigate the economic fallout of the pandemic. At the same time, we are ramping up our open-access online marketplace, Habari Shop, to continue to provide small businesses with an online storefront and a constant stream of customers to help them adapt to current realities and grow their businesses. We are only able to add value to customers’ lives because of the hard work and dedication of our employees. At GTBank, our people are our most valuable asset, and from the onset of the Covid-19 outbreak, we have undertaken very clear and consistent measures that put their health and safety first. For example, our Remote Work measures ensure that a significant number of our staff continue to work from home and those who need to come into the office only do so on a rotational system and in full observance of social distancing measures. Aware that Social Distancing measures can also affect the mental wellbeing of our staff, we regularly provide expert support in mental health and emotional wellbeing for employees whilst leveraging interactive digital tools to drive engagement activities that help everyone stay in touch and build productivity levels.

Safeguarding lives is just as important to us, within our organization, as it is in the communities where we operate. That is why we have been at the forefront of the fight

to beat back Covid-19 from the onset of the pandemic. Working with the Lagos State Government and private institutions across finance, health, construction and retail sectors, we set up a 110-bed facility complete with ICUs, a Pharmacy, Consultation Rooms, a Doctors Quarters and other healthcare essentials to take care of people with Covid-19.

We are also playing a leading role in the Private Sector Coalition against Covid-19, CACOVID, through which we work with the Federal Government, the Nigeria Centre for Disease Control (NCDC) and the World Health Organisation (WHO) to combat the pandemic in Nigeria. As part of CACOVID, we are equipping medical facilities across the country to ensure that Nigeria has an adequate distribution of testing, isolation and treatment facilities together with trained personnel dedicated to battling the pandemic and helping people recover from the virus.

Our leadership during these trying times has not gone unnoticed. We were recently awarded the Excellence in Leadership in Africa Award by the Euromoney Magazine in recognition of our role in addressing the impact of the pandemic on customers and communities. We were also named Nigeria’s Best Bank by the Euromoney Magazine for a record tenth time, reflecting our passion for excellence and commitment to adding value to customers’ lives. These accolades point not only to our leadership in these times but to the potential of our business to dominate the future of financial services in Africa.

Going forward, our focus is not just to survive this pandemic, but to thrive. These are undoubtedly tough and trying times for people, communities and economies the world over, but we remain confident in our individual and collective resilience to weather this temporary storm and emerge stronger from this global crisis. We also remain ardent believers in Africa’s growth potential. That is why we are going ahead with our plans to reimagine how we create value for all our stakeholders. We know that making financial services work for customers goes



beyond banking, and in line with our long-term strategy, we will seek to create and drive innovative financial solutions that go beyond banking.

Ultimately, we will remain steadfast in our commitment to always be there for our customers and communities as a beacon of hope, an engine of progress and a platform for enriching lives. In the short term, this means continuing to lead from the frontlines by protecting our employees, helping our customers and businesses make it through these uncertain times and supporting public authorities in combatting the pandemic. In the long-term, it means leveraging new technologies to grow the value of our business and creating cutting-edge financial solutions to deliver the sustainable growth that you, our shareholders, deserve.

I would like to thank you all for your trust and assure you of our commitment to building a Proudly African and Truly International institution.

Thank you for your continued support.

Segun Agbaje.

6

Months Performance

In the first half of the year, the outbreak of Covid-19 and the attendant lockdown measures put in place by various governments to contain the spread of the virus posed significant headwinds to the global economy. Industrial production in China, Europe and the US fell to unprecedented levels, creating disruptions to the global supply chain and a sharp decline in crude oil prices. Resultantly, the threats of a global recession escalated, risk sentiments declined significantly, and global equities plummeted to record-lows. To ease the pandemic-induced recessionary pressures, large-scale stimulus packages were implemented by fiscal and monetary authorities across the world.

As the pace of new infections and mortality slow down, more and more countries are relaxing lockdown measures and lifting restrictions on international travel and sporting and leisure activities. Business activities are picking up, major equity indices are rebounding, commodity prices are trending towards pre-Covid-19 levels and factory production is ramping up to meet increasing demand.

In Nigeria, business activities were impacted by the lockdown of the major commercial and administrative hubs of the Country. In addition, the slump in international crude oil prices, disruption in the global supply chain, capital reversals by foreign investors and dwindling remittances worsened the already challenging business environment. To subside the economic impact of the pandemic, the government rolled out palliative measures, which involved moratoriums on all federal government funded loans as well as the distribution of food items and

cash to vulnerable households. In addition, the apex bank released monetary stimulus packages that were aimed at providing credit to support small and medium-sized businesses and reducing the burden of loan repayments to companies in critical sectors of the economy.

The monetary stimulus packages involved the reduction of interest rates of Central Bank intervention loans from 9% to 5% per annum, an additional one-year moratorium to intervention loans and the creation of a ₦50 billion credit facility to finance small and medium-sized enterprises that were negatively impacted by the effect of the virus. In addition, the apex bank recommended that commercial banks could restructure the tenor of the loans of companies in the oil & gas, agriculture and manufacturing sectors and introduced a ₦1.1 trillion intervention fund to reduce the effects of the Coronavirus pandemic.

Despite these stimulus packages, the real GDP growth rate declined to -6.1% (year-on-year) in the second quarter of the year, from 1.87% recorded in the first quarter of 2020. Critical sectors of the economy, including manufacturing, trade, real estate, construction recorded negative real growth rates of 8.87%, 16.6%, 22.0% and 31.8% respectively. However, few sectors reported positive growth rates, during the period. Financial institutions recorded a growth rate of 28.4% as lending to the real sector has been on the rise. The telecommunication sector, buoyed by the stay-at-home order and the consequent increase in the usage of telecom services, grew by 15.1%, while agriculture,

which accounts for a quarter of the total GDP, grew 1.6%. Consequently, the growth rate of the non-oil sector declined by 6.05% in the second quarter of the year.

Similarly, the growth rate of the oil sector was negative (-6.63%), as international crude oil prices plunged to record-low levels. This was exacerbated by declining crude oil demand, as factories temporarily shut down operations, international travels halted and the enforcement of lockdown in many countries restricted movement. Furthermore, the newly prescribed OPEC quota impacted domestic production, which ultimately led to a decrease in production to 1.81mbpd in the second quarter of the year, from 2.02mbpd in the same quarter of 2019.

The weakening crude oil exports was largely responsible for the reduction in the country's external reserves. This was aggravated by waning foreign investment inflows and capital reversals by foreign investors, as overall risk sentiments continued to decline, and led to portfolio reallocations to investments in safe-haven currencies. However, an increase in foreign borrowing doused the full impact of the decreasing oil export and capital reversals on external reserves. Consequently, the external reserves decreased from US\$38.6bn in December 2019 to US\$36.2bn as at June 2020.

The dwindling external reserves triggered pressures in the foreign exchange market and led to a downward adjustment in the exchange rate. However, these pressures were abated by sustaining intervention sales at all segments of the market. In addition, the central bank intensified efforts to ensure the convergence of the three main exchange rates in the country. The official exchange rate stood at ₦360.5/\$ in June 2020 from ₦306.5/\$ in December 2019, while the autonomous foreign exchange (NAFEX) weakened to ₦386.75/\$ in June 2019 from ₦364.18/\$ in December 2019.

The depreciation of the exchange rate precipitated cost-driven inflationary pressures, resulting in an uptick in headline inflation to 12.56% in June 2020 from 11.89% in December 2019. The disruptions in both domestic and international supply chains and the continued closure of the Nigerian land borders also created inflationary pressures. To contain the rising price levels, the government continued providing subsidized credit and agricultural inputs to farmers, while the central bank closely monitored the liquidity in the banking system, to keep money supply under control.

The monetary policy stance of the central bank was more accommodative, as the official policy rate was reduced to 12.5% from 13.5% in December 2019. The central bank also succeeded in reducing the yields on fixed income securities, to encourage private investments in the real sector. Furthermore, the monetary authorities ensured strict supervision of the newly prescribed loan-to-funding ratio of 65%, in a bid to spur private sector credit. Resultantly, the total credit to the private sector grew by 9.3% from ₦26.7trillion in December 2019 to ₦29.2trillion in June 2020, while credit to the government declined by 6.5% from ₦9.5trillion in December 2019 to ₦8.9trillion in June 2020.

On the fiscal side, the government attempted to boost fiscal revenue, by signing the Finance Bill into law (Finance Act, 2020). Other objectives of the Act are to mitigate instances of regressive taxation, align the Nigerian tax laws with global best practices, support small businesses, create additional tax incentives to promote investments, widen the tax net and amend expense deductibility rules to close loopholes. The value-added tax (VAT) rate was increased from 5% to 7.5% while small and medium scale enterprises with a turnover of less than ₦25million were exempted from company income taxes under the Act.

OUTLOOK

Overall, the impact of Covid-19 has thwarted the economy's path of recovery from the 2016 recession and the business environment is expected to remain challenging for the rest of the year.

The continuation of pessimistic outlook by consumers and businesses, with Consumer Confidence Index at -29.2 and Manufacturing Purchasing Managers Index at 41.1 as at June 2020 are key downsides to economic recovery. In addition, the possibility of a second wave of the Covid-19 pandemic and the renewed US-China trade tension poses threats to commodity prices and investment flows.

However, we expect the easing of the lockdown measures to ameliorate the current situation as economic activities gears towards pre-Covid levels. In addition, the continued implementation of expansionary monetary policies, which are aimed at stimulating private-sector lending, will facilitate a healthier private consumption and investment. Furthermore, the rebound in crude oil prices and demand has the potential to support a more accommodative fiscal stance and improve the country's trade balance position, which will ultimately subside the pressure on the exchange rate.

Notwithstanding the challenges we envisage, we remain resolute to end the 2020 financial year with a decent performance.



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| Airtime (3rd party) | *737*amount*phone no# |
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| Transfers (other bank) | *737*2*amount*acct no# |
| Cardless Withdrawals | *737*3# |
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| Account Balance | *737*6*1# |
| Card Status | *737*6*3# |
| Generate OTP | *737*7# |
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Awards & Recognition

In recognition of our collective effort towards building an enduring Proudly African and Truly International Bank, we received several local and international awards from reputable organizations for product and service innovation and sound corporate governance practices. Some of the awards we have received in the first half of the year include:



**Africa's Most
Admired
Finance Brand**

Brand Africa 100:
Africa's Best Brands



**Excellence in
Leadership
in Africa**
(For Covid-19 response)

Euromoney Awards
for Excellence 2020



**Best Bank in
Nigeria**

Euromoney Awards
for Excellence 2020



**Best Banking
Group, Nigeria**

World Finance
Banking Awards 2020



**Best Retail Bank,
Nigeria**

World Finance
Banking Awards 2020



**Best Customer
Service Provider
of the Year**
(Africa)

International Banker

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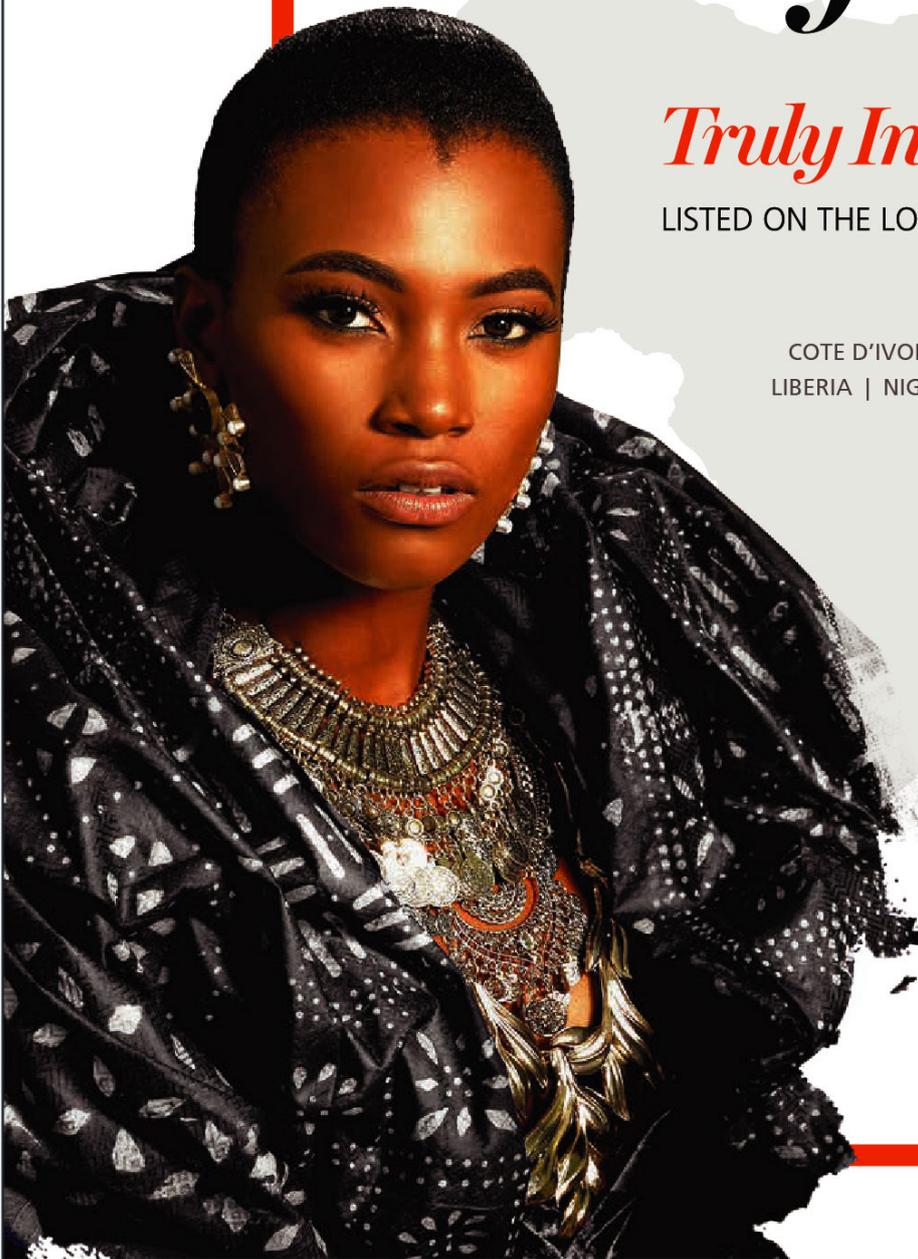
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Corporate Social Responsibility

At Guaranty Trust Bank, our commitment to helping our communities thrive stems from our passion for giving back and is rooted in our strong belief that building a socially responsible business is essential for long term success. Over the past 6 months, we have focused on leading the fight against the Covid-19 Pandemic, and in this report, you will find a summary of how we are helping to safeguard lives and livelihoods within our organization, the communities in which we operate and beyond.

COVID-19: Safeguarding Lives And Livelihoods

The COVID-19 pandemic has placed an overwhelming burden on healthcare systems, hampering business operations, disrupting our ways of life and driving millions of people into further socioeconomic difficulties. For us at GTBank, we also see the pandemic as a fundamental challenge to live up to our core values as a platform for enriching lives. Our response to the outbreak has been guided by our commitment to safeguarding lives and livelihoods, and underpinning this is our focus on protecting our employees, providing critical support for the public healthcare system and finding innovative and value-adding ways to support our customers in these difficult times.

Protecting our employees

At GTBank, our people are our most valuable asset, and from the onset of the COVID-19 outbreak, their health and safety have been our utmost concern. We also understand that with our customers and stakeholders counting on us to help them navigate the uncertainties caused by this outbreak, it is only by adequately protecting our staff that we can fulfil our duty of being there for our customers and the community. Hence, our measures to

protect staff has been three-pronged: enabling staff to work from home so as to curtail any potential outbreak, catering to their welfare so that they can better deal with the economic impact of the pandemic and safeguarding our workplaces by instituting all necessary precautionary measures so that those who to come into the office do so with the confidence that they are safe.

Although our work-from-home procedures kicked in following the lockdown directives of government authorities, we have continued to operate in the same framework even after the lockdown procedures were eased. At the moment, we operate a rotational system whereby only about 50 percent of our people come to the office at any time, whilst the rest continue to work from home. Aware that Social Distancing measures can also have an effect on the mental wellbeing of our staff, we regularly provide expert support in mental health and emotional wellbeing for employees whilst leveraging interactive digital tools to drive engagement activities that help everyone stay in touch and build productivity levels wherever they may be working from.

Supporting public healthcare systems

Recognizing that the COVID-19 pandemic would place a heavy burden on the public healthcare system, we partnered with the Lagos State Government to set up a 110-bed COVID-19 care facility complete with ICUs, a Pharmacy, Consultation Rooms, a Doctors Quarters and other healthcare essentials. To ensure that the facility was ready on time to take care of people with COVID-19, we worked round the clock with additional support from companies across finance, health, construction and the retail sector, to complete its construction within a week. The care facility commenced operations two weeks later

and continues to form a key part of the public health infrastructures dedicated to battling the pandemic and helping people recover from the virus.

We have also continued to bolster the government's capacity to deal with the pandemic by playing a leading role in the Private Sector Coalition against COVID-19, also known as CACOVID, which works in partnership with the Federal Government, the Nigeria Centre for Disease Control (NCDC) and the World Health Organization (WHO) to combat the pandemic in Nigeria. As part of CACOVID, we are equipping medical facilities across the country to ensure that Nigeria has an adequate distribution of testing, isolation and treatment facilities that are fully equipped with medical supplies and trained personnel to cater to anyone who may become infected by the virus.

While it is still too early to fully assess the impact of the COVID-19 pandemic in Nigeria, we see in the strengthened public response to the pandemic, the critical role that our support is having in helping to pull our communities out of this crisis with the least loss of lives and livelihoods.

Helping small businesses pull through

Helping our communities during the COVID-19 pandemic also requires providing very robust support for small businesses who are among the hardest hit economically. In April, we granted a grace period of 90 days on all loan repayments by small businesses. As the end of the 90-day freeze drew near, and with the pandemic still in full swing, we extended the grace period on repayments of the principal for another three months. We are also helping small businesses stay on the path of recovery and growth by offering one-on-one virtual meetings where we share expert advice on how to better understand and navigate the fallout of the COVID-19 pandemic.

Keeping Customers Safe In Our Banking Halls

Just as we look out for customers as they keep safe at

home or on the go, we are also looking out for them when they visit our branches. Since the easing of lockdown procedures, we have operated our branches in a way that ensures customers are always safe when they visit by redesigning our physical spaces to enable social distancing, providing adequate sanitation for personal protection, alternating the opening of branches on a weekly basis and rapidly instituting a process that allows customers book their branch visits ahead of time to reduce high number of footfalls at the same time.

Beyond the large scale and material support that we continue to provide to our customers and communities, we are also finding little but effective ways to inspire people through constant engagement across our digital touch-points. One example is our Stories Worth Sharing Newsletter, a weekly roundup of positive stories of courage, dedication and resilience during this pandemic, which we share via our social media and email platforms to millions of customers to lift spirits and keep people looking on the bright side. This newsletter has since become increasingly popular with customers and the public who find it inspiring in these times when all seems to be doom and gloom.

Ultimately, no organization succeeds in the long term without recognizing the integral role it plays in society. This is the mindset that drives us to continue to lead the fight against the Covid-19 pandemic for our employees, our customers, the communities in which we operate and the society at large.

Championing education by rekindling the culture of reading

We are committed to bringing about a world where everyone has access to quality education, regardless of their socioeconomic status. In the first half of the year, we continued to intervene in education by constantly encouraging young people to read and connecting them with authors around the world through our YouRead Initiative. As part of this initiative, we organized a Book

Reading Session with Jumoke Adenowo, the author of the critically acclaimed novel “Beyond My Dreams.” This was the author’s first Book Reading Session in Nigeria, and her debut session proved to be a particularly inspiring and exciting opportunity for book lovers to connect with her as well as learn more about writing and the importance of the African narrative.

Nurturing the next generation of football talents

We are excited by the role our sports education programme continues to have in identifying and grooming young talents as well as promoting the values of excellence and fair play among youths in their most formative years. This year, we began the 9th edition of the GTBank Masters Cup with the same enthusiasm, providing 50 teams from over 40 schools –the highest number ever – with an opportunity to showcase their football talent whilst competing for the prestigious trophy in male and female categories. As a result of the Covid-19 pandemic, we have had to put the competition on hold and prioritize the safety and health of our young stars. We cannot wait to get the ball rolling again and raise the next generation of sporting stars, once the pandemic is over.

Our Business Locations



Nigeria

Capital - Abuja

Official Language - English



Gambia

Capital - Banjul

Official Language - English



Sierra Leone

Capital - Freetown

Official Language - English



Ghana

Capital - Accra

Official Language - English



Liberia

Capital - Monrovia

Official Language - English



United Kingdom

Capital - London

Official Language - English



Cote D'Voire

Capital - Yamousoukro

Official Language - French



Kenya

Capital - Nairobi

Official Language - English, Swahili



Rwanda

Capital - Kigali

Official Language - Kinyarwanda, French, English



Uganda

Capital - Kampala

Official Language - English, Swahili



Tanzania

Capital - Dodoma

Official Language - English, Swahili