



2022 Interim Report

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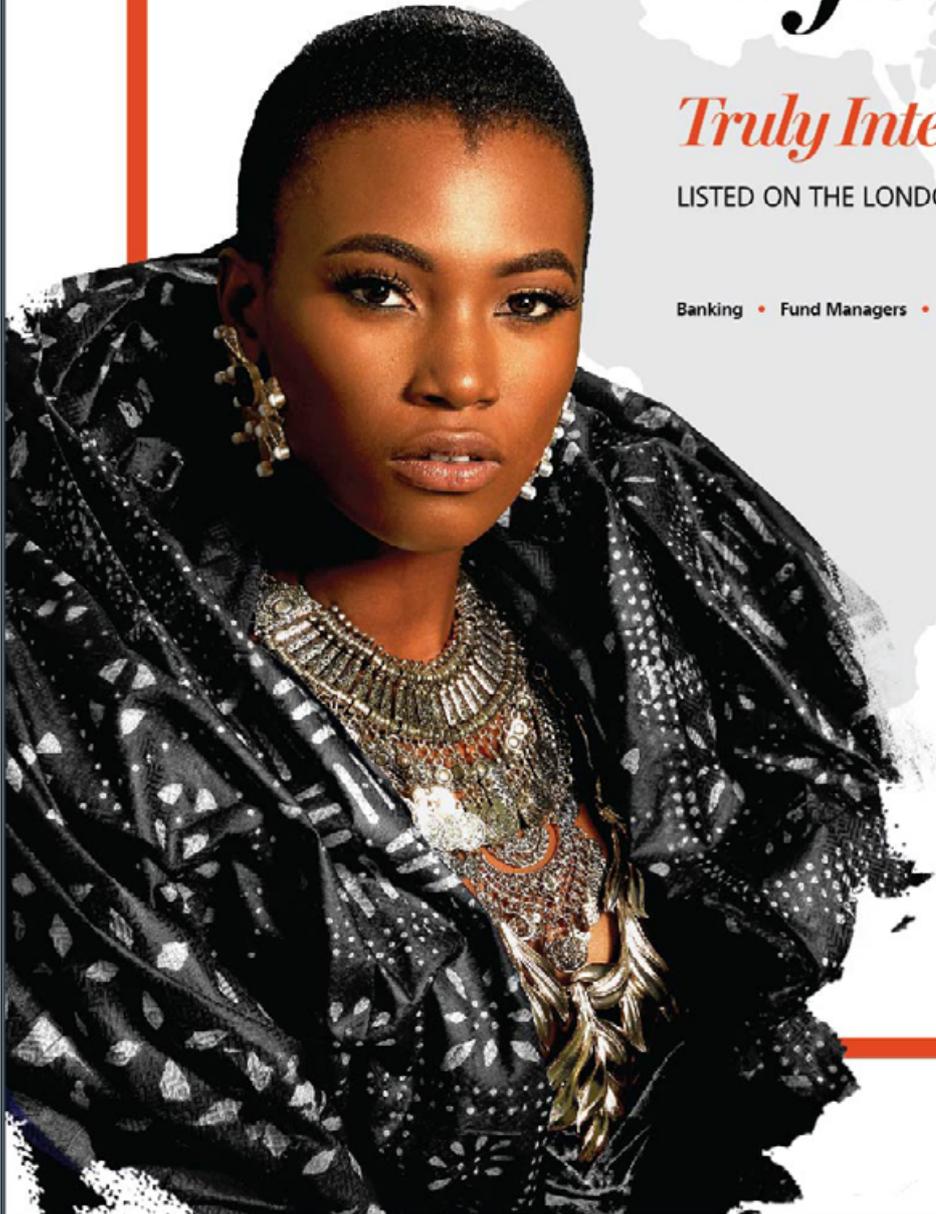
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Segun Agbaje

Group CEO's Letter to Shareholders

Dear Shareholders,

I am pleased to present our audited results for the first half of the 2022 financial year.

For many, the story of 2022 has centered around inflation, FX liquidity pressures, rising cost of living amongst other challenges. At Guaranty Trust, ours has been about serving our customers and delivering optimal returns to shareholders through all the uncertainty. We know that in these trying times, families and businesses look more keenly to the value we create and in the first half of the year, we strengthened our Group to deliver superior returns.

In February, we put the final pieces to our holding company structure with the acquisition of 100% equity stake in Investment One Pension Managers and Investment One Fund Managers, now GT Pension Managers and GT Fund Managers respectively. Both acquisitions are a critical part of our plan to operate across the entire financial services value chain and consolidate our Group as a dominant player in the vital sub-sectors of Africa's financial services industry. By extending our offering to Funds and Pension Management, we have more bandwidth that will be essential in unlocking new opportunities across our Group and making financial services more accessible.

We opened new doors of business to Payments Services with the launch of "HabariPay" and led with its flagship product, SquadPOS - a payment solution that allows businesses accept card payments using their mobile phones with a simple tap. This is a game-changer for small businesses, many of which have long been limited or left out of the digital payments ecosystem due to the payment industry's dependence on physical POS terminals. It demonstrates how we are taking forward our mission to removing barriers to financial inclusion and making financial services accessible to everyone and every business.

We continued to bolster the capabilities of our banking franchise across all the countries we operate, with a focus on creating value for our customers and continuously improving service across all customer touchpoints. Taken together with all our new businesses, I am pleased to report

that we are making steady progress on the goals we set at the beginning of the year. Our group is more robust, and the diversification of our income base is gaining momentum. We are now better positioned to do more for our customers in ways that would create more sustainable long-term value for our shareholders in all the economies which we operate.

Today, our Group remains strong despite the challenges which characterized the operating environment and the attendant negative impact on businesses and households in H1-2022. The Group recorded a PBT of ₦103.3bn representing an increase of 11.0% from ₦93.1bn posted in H1-2021. PBT contributions from our Banking Entities ex-Nigeria improved to 32.8% in H1- 2022 from 25.5% in H1-2021 and Non-Banking Entities accounted for 0.6% of H1-2022 PBT. This performance is underpinned by a 15.1% increase in Gross Earnings to ₦239.3bn in H1-2022 from ₦207.9bn posted in H1-2021, primarily from the 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), Fees and Commission by 21.4% (₦46.48bn vs ₦38.28bn) and Net gains on Trading Instruments by 33.4% (₦23.59bn vs ₦17.69bn).

The Group's Balance sheet remains well-structured and diversified as we closed H1 2022 with a Balance Sheet size of ₦5.69tn representing a 4.6% growth over ₦5.44tn recorded in FY 2021. 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. Net Loans closed at ₦1.835tn in H1-2022 from ₦1.803tn in FY-2021 due to increased credit flows to the Corporate and Retail Sectors of up to ₦57.6bn. Customer Deposit Liabilities grew by 6.24% (₦250.3bn) from ₦4.012tn in FY 2021 to ₦4.263tn in H1 2022 driven by 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.

In terms of key financial metrics, the Group posted Pre-Tax Return on Equity (ROAE) of 23.9%, Pre-Tax Return on Assets (ROAA) of 3.7%, and Full Impact

Capital Adequacy Ratio (CAR) of 22.0%. Cost to Income Ratio (CIR) closed at 49.1% from 49.0% in H1-2021 despite inflationary pressures and impact of fixed-costs. We continued to focus on efficiency with Cost to income (CIR) closing at 49.1% (HY 2022: 49.0%).

Looking ahead, our new Payment Business will play a more significant role across our business operations. Over the years, our digital-first strategy made life easier for millions of our customers and propelled the digitization goals of our corporate and business customers, especially in Nigeria, where we have led in the Electronic Payment Incentive Scheme (EPIS) Efficiency Awards since it was created by the Central Bank of Nigeria (CBN) and the Nigeria Inter-Bank Settlement System (NIBSS). With Habari Pay, we are building on these legacies and radically reframing how to make payment services work (online and offline) for every type of business.

The sum of our businesses also speaks to the future that we see. We know that the successful financial institutions of tomorrow will be those who build the most robust synergies today. That is why we are making sure our customers can count on us, not only for seamless services, but for more rewarding ways to take care of their everyday needs and future plans. Businesses can turn to us not just for faster and more efficient transaction processes, but for innovative solutions to boost their bottom line. Ultimately, our Group can become not only a leading multifaceted multinational financial service provider, but an anchor for everyone seeking to thrive in this continent and in this new digital world.

Beyond starting up new ventures, we continued one of our critical initiatives for championing small businesses - The GTCO Food and Drink Festival. When, in 2020, the Covid-19 pandemic compelled us to pause on our consumer-focused fairs, we promised the thousands of entrepreneurs who look to our events to spur their businesses that we would be back, "stronger and better". During the first half of this year, we delivered on that promise. We held the 5th edition of our Food and Drink Festival in Lagos,

treating hundreds of thousands of guests to a three-day showcase of the ingenuity, entrepreneurial spirit and rich cultural diversity driving the retail end of Africa's food and agriculture industry.

We also debuted the first edition of the GTCO Chef Masters Competition in Côte d'Ivoire, providing an exciting platform for young and budding talent to showcase their skill on a global stage and connect with their peers and industry leaders from around the world. Both events underscored our commitment to growing small businesses as well as the power of our brand to inspire and enrich lives.

Indeed, our Brand continues to resonate deeply with millions across Africa and beyond, as reflected in the emergence of our banking subsidiary in four major categories of the 2022 rankings of the Top 100 Most Admired Brands in Africa. Our bank retained the number #1 spot as Most Admired Financial Services Brand in Africa, Most Admired Financial Services Brand in West Africa, Most Admired Financial Services Brand in Nigeria, and the Most Admired Nigerian Financial Services Brand.

The awards and recognitions we receive from around the world are primarily thanks to our teams of incredibly talented professionals whose dedication

and commitment propel our Group. During the first half of the year, we scaled up our investments in our workforce, training new hires, upskilling our existing staff and leveraging the expanded breadth of our organisation to harness the diverse passions, talents and skillsets that abound in our Group. Our goal is to help our people, in every part of our Group, find purpose and growth in our vision, not just as members of staff but as pioneers of a new chapter in the rich legacy of this Proudly African and Truly International institution.

We know that the challenges and uncertainties that dominated the first half of the year will persist, but so too will our commitment to helping our customers and all our stakeholders thrive. Our focus remains to bolster the capabilities within our Group in ways that add value to whole economic sectors and the lives and livelihoods which depend on them. We will continue to put a premium on building the solutions people need, improving the services they can rely on in their everyday lives, championing initiatives that make a difference in the communities where we operate and delivering the sustainable long-term growth that you, our shareholders, deserve.

Thank you for your continued support.



Guaranty Trust Bank Ltd
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The cube; the vision; our commitment to you; everything remains the same, but the name. We are now **Guaranty Trust Holding Company Plc**, and we are on a mission to make financial services cheaper, easily accessible and more rewarding for every person and business in Africa.

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Macroeconomic Review

The lingering effects of the Covid-19 pandemic and the impact of the ongoing Russia-Ukraine war have resulted in substantial economic slowdown with adverse spillover felt around the globe. The sanctions imposed on Russia by the US and other European countries coupled with lockdowns in China have placed a strain on the global supply chain culminating in supply-demand imbalances with attendant risks of stagflation and stunted economic growth across the World.

In response to the sanctions, Russia cut-off its exports of major manufactured goods including timber, food grains, and most importantly, gas supply across Europe, which the continent had depended on for years to run factories, generate electricity, and heat homes. This action has pushed European governments into a desperate scramble for new energy supplies in a bid to reduce reliance on Russian gas and lessen the impact on economic activities which has led to inflation and a cost-of-living crisis as households' disposable income worsen.

The economic slump and rising inflation have caused Central Banks across the world, especially in advanced economies, to hike policy interest rates in order to stabilise their domestic economies and lower price levels. This has proved positive, but it also puts considerable pressure on global markets as it impacts cost of borrowing, particularly for emerging economies where increased debt vulnerabilities and growing financing risks make it more expensive to service existing debt obligations and often trigger an outflow of capital investment. Consequently, most emerging markets have diversified into non-commodity export sectors, to better withstand the potential fallout of rate hikes and counter the impact of a slowing global economy.

In Nigeria, just like in other world economies, inflation continued its upward trajectory owing to a significant pick-up in the price of petroleum products,

particularly, diesel which recorded a spike in February 2022 due to scarcity and increased importation costs. The rise in energy prices also impacted the aviation sector as airlines rely on imported jet fuel.

Nigeria's Inflation rate increased to 18.6% as at June 2022, 0.85% higher than the 17.75% recorded in June 2021 but still within the IMF's projection of between 18% and 22%. Food inflation also rose to 20.6% in June 2022 from 19.5% recorded in May 2022 due to disruption in the supply of food products caused by decline in farm labor, which is compounded by the country's dependence on Agricultural imports, on the back of worsening insecurity and spike in the cost of transportation driven by soaring energy prices.

Core inflation, which excludes the prices of volatile agricultural produce rose by 2.66% y.o.y to 15.75% in June 2022 from 13.09% reported in June 2021.

Consequently, the Central Bank of Nigeria took a contractionary monetary policy stance by increasing the benchmark interest rate (Monetary Policy Rate) to 14% from 13% in July 2022, having previously increased it from 11.5% to 13.0% in May 2022, to curb inflation and boost portfolio inflows. This action by the CBN signaled Deposit Money Banks to increase lending rates which is expected to be at least 300bps higher than deposit rates.

Stock prices were strongly bullish as all the indicators closed in the green at the end of May 2022. The All-Share Index showed that stocks trading on the Nigerian Exchange gained 28.12% in May, up from 16.2% in April 2022, which could be attributed to slow pick-up in Fixed Income Security (FIS) yields and the release of impressive corporate earnings by listed companies. The Nigerian All Share Index closed the first half of 2022 with a gain of 21.17% (YTD) making it one of the best-performing stock markets in the World although slightly down relative to May 2022 performance.

Generally, Nigeria's economy recorded improvements in Q1 2022 growing by 3.11%, and by 3.54% in Q2 2022. The rising prices of goods and falling oil production however adversely impacted on the overall Q2 2022 performance. The economy was largely buoyed by the non-oil sector which contributed 93.67% to growth while the oil sector accounted for 6.33%. In real terms, the non-oil sector grew by 4.77% in Q2 2022 which is lower by 0.97% compared to the growth recorded in Q2 2021. Information and communication (telecommunication) sectors which contributed 18.44% to GDP in Q2 2022 were the major drivers of growth in the non-oil sector. Others include trade (16.81%), agriculture (23.24%), finance and insurance (4.25%), and transport (1.84%).

According to CBN data, the price of bonny light dropped by \$14.72pbl to \$106.51pbl in April 2022 from \$121.23pbl recorded in March. The drop in April can be ascribed to lower demand and lower market volatility as fears of a worldwide oil scarcity gradually waned, lowering the high price risk premium. It is pertinent to note that the ban on the export of Russian oil in Europe as part of the sanctions placed on Russia for its invasion of Ukraine had initially contributed to the low supply and increased global oil prices.

The oil sector remains Nigeria's largest foreign exchange earner despite contracting in the review period and contributing only 6.33% to economic growth. Oil receipts are expected to rise but this turnaround is largely dependent on quick fix of the current oil theft and pipeline vandalism plaguing the Nigerian oil sector.

The local currency exchange rate appreciated against the US Dollar by 4.3%, (at the Investors' & Exporters' window) closing at ₦416.16/\$1 and ₦429.44/\$1 at the end of Q1 & Q2 2022, respectively, from ₦435/\$1 recorded in December 2021. We believe this appreciation is highly transitory as the exchange rate has closed higher post H1-2022. It is worth noting that the Naira depreciated from ₦416.16/\$1 to ₦435/\$1 in the last three days of 2021 and reverted to ₦416.16/\$1 in the first three days of 2022.

Outlook

As the 2023 elections draw nearer, the IMF has reviewed its growth projection for Nigeria to 3.4% in 2022 from the 2.7% earlier projected which shows that the economy is expected to remain on a sustained path of recovery. The improved prospect is premised on the optimistic outlook for higher crude oil prices which is expected to improve oil receipts together with a sustained recovery in economic activity to complement the growth in the non-oil sector.

The CBN's contractionary monetary policy is expected to curb inflation, ensure price stability, and boost economic recovery in H2-2022. The measures by the apex monetary authority might also lead to increase in the cost of borrowing, higher interest revenues, and increase in Banks' Net Interest Margin.

Also, we expect deposit growth to accelerate as interest rates pick-up which will likely reduce the pressure on demand for foreign currencies and strengthen the Naira.

The Group will continue to maximise its synergies to take advantage of the opportunities presented by improving macroeconomic conditions to grow its earnings, improve profitability, and deliver decent returns to our esteemed shareholders.

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- Select 'Open account' on home screen

To Fund Account

- Choose 'Fund account'
- Select bank and the amount to generate your USSD code.
- Dial the USSD code with your GTBank registered phone

Awards & Recognition

WORLD FINANCE

- Best Banking Group - Nigeria
 - Most Innovative Bank - Nigeria
 - Banker of the Year - Segun Agbaje
-

WORLD BUSINESS OUTLOOK

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

brand AFRICA

- Most Admired Financial Services Brand in Africa
- Most Admired Financial Services Brand in West Africa
- Most Admired Financial Services Brand in Nigeria
- Most Admired Nigerian Financial Services Brand
- Africa Brand Leadership Excellence - Segun Agbaje



Corporate Social Responsibility Report



At Guaranty Trust, we are committed to implementing social initiatives that impact positively on the communities where we operate in line with our strategic pillars of Community Development, Education, Environment, and the Arts. This report highlights the various ways we have continued to build connections with people in our communities, foster engagements with our stakeholders, and deliver great experiences to everyone through CSR.

Fostering Cooperation Through Sports

Lagos International Polo Tournament

The Lagos International Polo Tournament is a fixture on the Nigerian sporting calendar. The prestigious tournament made a return to social circles in February 2022 after a two-year hiatus induced by the Covid-19 pandemic, and hosted some of the finest polo ponies, top athletes, and umpires at the Lagos Polo Club, Ikoyi.

A total of 30 teams competed in 4 major cup categories including the Silver Cup, Lagos Low Cup, Lagos Open Cup, and the tournament's most sought-after prize, the Majekodunmi Cup. The expanded tournament also featured 6 other subsidiary cups over a 3-week long display of high-class polo and entertainment.

Widely regarded as the "Sport of Kings", polo has continued to gain wide popularity in Africa with Nigeria emerging as a major polo destination. Our longstanding support for the Lagos International Polo Tournament demonstrates our commitment to the growth and advancement of the sport thus amplifying the great stories being told across the African continent and around the world.

2022 Nigerian University Games

The 26th edition of the Nigerian University Games (NUGA) held at the University of Lagos from March 16th to 27th, 2022. Over 5,000 athletes from 75 accredited universities competed in 16 sporting events including athletics, badminton, basketball, chess, cricket, football, handball, hockey, judo, scrabble, squash, swimming, table tennis, taekwondo, tennis, and volleyball. The event also featured exhibition sports like weightlifting, water sports, and rowing.

NUGA aims to foster unity amongst youths in Nigerian universities and encourage participation in sports in the spirit of friendship, solidarity, and fair play. Over the years, the Nigerian University Games have produced notable athletes who went on to represent Nigeria on the global stage in competitions like the Commonwealth Games and the Olympics. In supporting NUGA, GTCO continues to lead the line in sports advocacy as a way of promoting excellence and fair play whilst laying a solid foundation for talent development in the community.

Community Development and Health

Support for Women and Children

Women and children occupy a special place in society. While women contribute in no small measure to social and economic transformation, children represent the future. It is therefore crucial for women and children to be celebrated not just on special occasions but every day, and with each opportunity.

The 2022 International Women's Day was themed #BreakTheBias, highlighting the need for gender equality towards creating a world free of bias and discrimination against women. We backed several activities in support for 2022 IWD centered around inclusivity and care for women.

For 2022 Children's Day, we partnered with various schools nationwide to curate impactful extracurricular activities for the students.

Care for Pregnant Women with HIV

Our long-running partnership with St. Kizito Clinic, an accredited Prevention Mother to Child Transmission (PMTCT) Centre offering expert medical care to women and children affected by the Human Immunodeficiency Virus (HIV), serves to support the hospital in their efforts to stop mother-to-child transmission of HIV. On an annual basis, St Kizito Clinic provides clinical care for over 70,000 pregnant women living with HIV.

This year, we donated a Haematology Analyzer Mindray BC-3200 machine and reagents to the clinic which will provide free blood tests for white blood cell count, complete blood count, coagulation, and reticulocyte analysis as well as clinical screening (covering immunity, effectiveness of treatment and the collateral effects of drugs) of patients with Tuberculosis (TB).

Walk for Better Health

The Covid-19 pandemic exposed weaknesses in global healthcare systems especially as it relates to the poor and vulnerable in society. Simple lifestyle choices such as proper hygiene and moderate exercise proved effective in curbing the spread of the virus and maintaining good health. We supported the Monthly Health Walk organised by The Limi Hospital, Abuja, with the theme, "Walk Together for Better Health". The community outreach event also included free medical checkups and webinars aimed at combating the health implications of a sedentary lifestyle and promoting awareness on cardiovascular diseases.

Financial Education

Financial Literacy Day

To mark 2022 Financial Literacy Day, over 413 students in Osun, Plateau and Kwara States participated in various activities to promote financial literacy. The primary objective of this initiative as promoted by the Central Bank of Nigeria is to inculcate financial discipline in children and improve their ability to effectively understand and apply financial skills such as personal financial management, savings, investing, and budgeting, which will empower them for the future.

Promoting Enterprise

2022 GTCO Food and Drink Festival

Since inception in 2016, the GTCO Food and Drink Festival has served to showcase our diversity and industry as a people whilst delivering a sumptuous culinary experience.

For the 5th edition, the showpiece event which held from April 30th of April to the 2nd of May 2022, had over 150 free stalls with vendors exhibiting the very best of Nigerian street food and other culinary delights to thousands of food enthusiasts who thronged the GTCentre.

Regarded as the biggest food festival in Africa, the 2022 GTCO Food and Drink Festival featured a total of 14 Masterclasses facilitated by amazing chefs who combined elements of storytelling and culture to deliver compelling gastronomic experiences in a pleasant, lively ambience. The well-fitted play area served to add another layer of excitement for children at the event, keeping them meaningfully engaged. As part of the activities leading up to the 2022 GTCO Food and Drink Festival, a cooking competition tagged, "GTCO Chef Masters", premiered in Cote d' Ivoire. The winner of the competition, Debora Pangni, hosted a Masterclass on Ivorian cuisine.

With the annual GTCO Food and Drink Festival, we hope to give new impetus to the development of local food systems by providing a free platform for SMEs and retailers in the food value-chain to interact with food business experts and consumers from around the world.

Orange Ribbon Initiative

GTCO Autism Conference

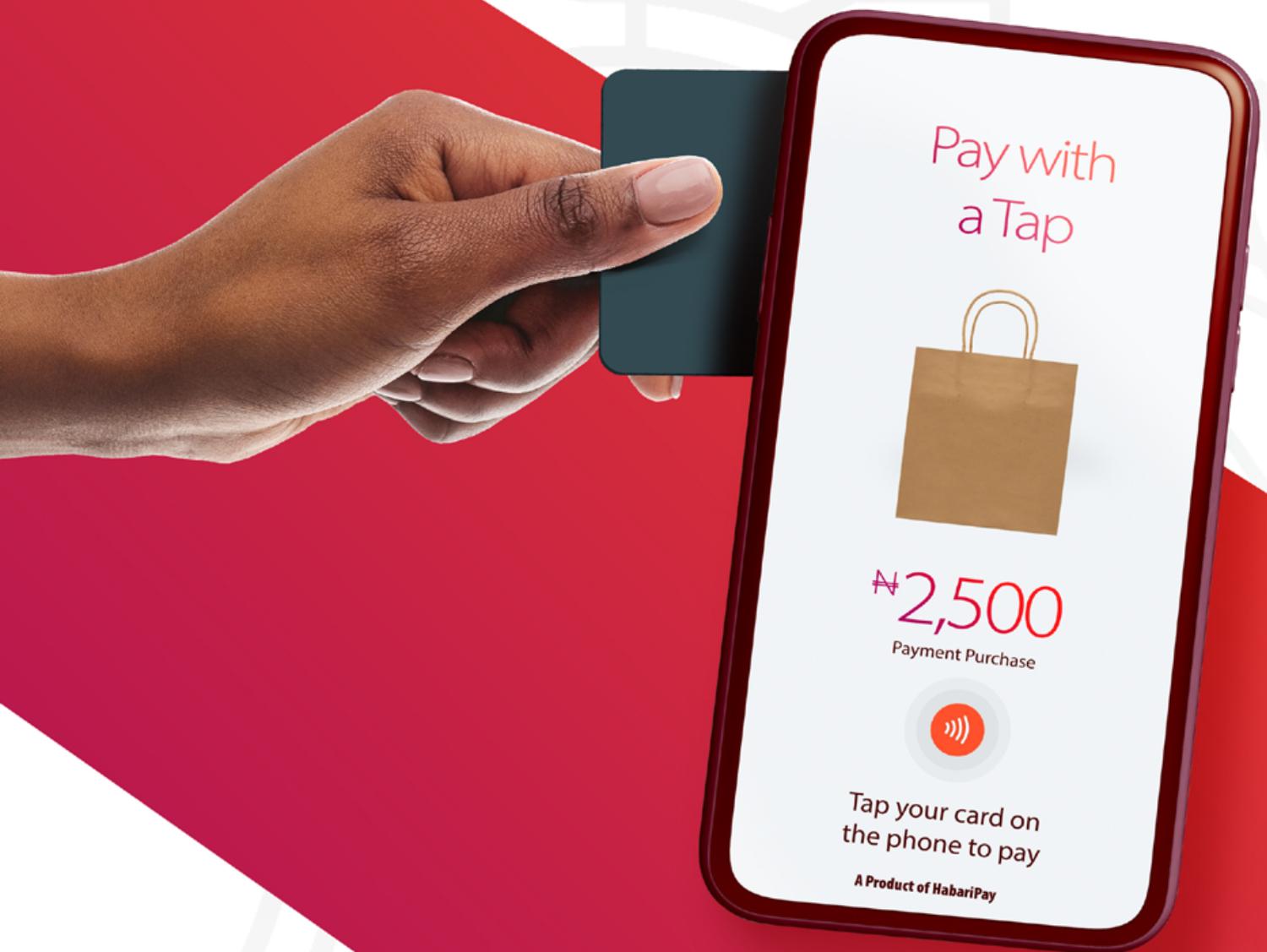
The Orange Ribbon Initiative is our flagship campaign for championing the cause of persons with disabilities with a focus on those with autism spectrum disorders (ASD). As a primary component of this initiative, the annual GTCO Autism Conference is aimed at giving voice to the challenges faced by people with ASD and providing practical assistance to help them integrate and function as much as possible as part of society. Over the years, more than 15,000 people with ASD and their families have benefited from the free one-on-one consultations with world-renowned specialists in autism treatment and management, provided along with topical presentations and panel discussions at the annual GTCO Autism Conference.

The theme for the 2022 Autism Conference: “Creating a Community of Awetism Advocates” highlights the issue of social isolation of persons with autism spectrum disorders whilst calling for everyone to do more in showing practical support for this special group of persons by adopting a mindset of inclusion. As an added feature of this year’s Autism Conference and to ensure more persons with developmental disorders can benefit from professional help, we made provision for specialist care to autistic children in the areas of speech and behaviour therapy, child psychology and psychiatry, as well as occupational development for adults living with autism via in-person consultations over a period of five days leading up to the two-day conference in Lagos.

For the first time, the GTCO Autism Conference was expanded to include clinical consultations for persons living with autism in Ghana. Over 156 families were attended to during the five-day exercise held in Accra, Ghana.



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Our Business Locations



Nigeria

Capital - Abuja
Official Language - English



Gambia

Capital - Banjul
Official Language - English



Sierra Leone

Capital - Freetown
Official Language - English



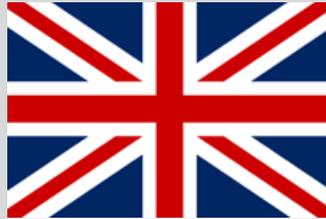
Ghana

Capital - Accra
Official Language - English



Liberia

Capital - Monrovia
Official Language - English



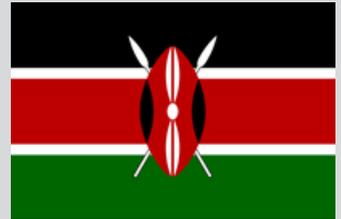
United Kingdom

Capital - London
Official Language - English



Cote D'Ivoire

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