

- ✓ After completing its reorganization to a Holding Company Structure to strengthen its long-term competitiveness and growth prospect, one of Nigeria biggest lenders, **Guaranty Trust Holding Plc (GTCO)**, has been reporting declines in its Gross Earnings both in H1'2021 and 9M'2021 to ₦207.91Billion and ₦318.5Billion, respectively following declines in its Interest Income.
- ✓ According to the 9M'2021 Financial Report posted on the Nigeria Exchange Limited, the Group recorded a 3.47% decline in its Gross Earnings from ₦329.96Billion in 9M'2020 to ₦318.51Billion in 9M'2021 as a result of a 14.54% decrease in Interest Income to ₦195.04Billion.
- ✓ Meanwhile, the Interest Expenses dipped by 16.62% from ₦38.49Billion in 9M'2020 to ₦32.09Billion in 9M'2021 following the decline in Deposits from Customers by 13.52% to ₦28.79 Billion in 9M'2021.
- ✓ Furthermore, Operating Expenses (OPEX) rose to ₦123.74Billion in 9M'2021, 13.22% higher than ₦109.29Billion in 9M'2020. This was a result of the uprise in Personnel Expenses, Right-of-Use of Asset Depreciation, Depreciation & Amortization and Other Operating Expenses by 2.76%, 97.01%, 5.94% and 12.14%, respectively.
- ✓ Consequently, the Group plunged in Profit-Before-Tax (PBT) and Profit-After-Tax (PAT) by 9.23% and 9.05%, respectively to ₦151.91Billion in 9M'2021 (vs ₦167.35Billion in 9M'2020) and ₦129.40Billion in 9M'2021 (vs ₦142.28Billion in 9M'2020). Subsequently, this resulted in a 9.56% decline in investors' Earnings Per Share (EPS) to ₦4.54 per share.
- ✓ **However, the Group compensated the investors in H1'2021 with an interim dividend of ₦0.30 per share. Hence, to retain investors' confidence, we expect the Group to maintain its dividend-paying policy by paying a final dividend of ₦2.70 from the 2021 financial year, which will result in a 10.57% dividend yield as against the closing price of ₦25.55 as of Monday, 10th January 2022.**
- ✓ **Zenith Bank Plc (ZENITHBANK)**, another leader in the Nigeria Banking sector in its 9M'2021 Financial Result, increased both in Gross Earnings and Profit-After-Tax (PAT) by 1.91% and 0.80%, respectively.
- ✓ Accordingly, the bank upsurged its Gross Earnings by 1.91% from ₦508.96Billion in 9M'2020 to ₦518.67Billion in 9M'2021, despite the 3.13% decline in Interest Income to ₦308.84Billion on the back of dipped interest income on Treasury Bills, placement with banks and discount houses and promissory notes.

Guaranty Trust Holding Company Plc (GTCO)

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|------------------------------------|-----------------------|
| Sector | Banking |
| Share Outstanding (Million) | 29,432.18 |
| Current Price | ₦25.55 |
| 9M'2021 PAT | ₦129.41Billion |
| 9M'2021 EPS | ₦4.54 |
| FY'2021 E'EPS | ₦5.40 |
| E' Full Year Dividend | ₦2.70 |
| Expected Dividend Yield | 10.57% |

- ✓ However, Interest Expenses plummeted significantly by 20.87% to ₦74.10Billion in 9M'2021, compared to ₦93.64Billion, as a result of the decline in all its line-items such as Interest expenses on Current and Savings account, time deposit and Borrowed funds.
- ✓ Meanwhile, the bank's Operating Expenses grew by 11.53% to ₦218.91Billion in 9M'2021 as against the ₦196.28Billion. This was a result of the increase in Personnel Expenses, Other Operating Expenses and Depreciation and Amortization following the high inflation rate and high foreign exchange rate.
- ✓ Despite the increase in expenses, the bank rose in Profit-Before-Tax (PBT) and Profit-After-Tax (PAT) by 1.43% and 0.80%, respectively to ₦179.81Billion in 9M'2021 (vs ₦177.28Billion in 9M'2020) and ₦160.59Billion in 9M'2021 (vs ₦159.32Billion in 9M'2020). As a result, Investors' Earnings Per Share rose by 0.79% to ₦5.11 from ₦5.07 per share in 9M'2020.
- ✓ ***In conclusion, the bank compensated the investors in H1'2021 by an interim dividend of ₦0.30 per share. Hence, we expect the bank to maintain its dividend-paying policy by paying a final dividend of ₦2.70 from the 2021 financial year, which will be a 10.65% dividend yield as against the closing price of ₦25.35 as of Monday, 10th January 2022.***
- ✓ **United Capital Plc (formerly UBA Capital Plc)**, a leader in the Nigerian financial service sector, with principal activities in investment banking services, portfolio management services, securities trading and trusteeship.
- ✓ In the Group's 9M'2021 Financial Report, the Group increased its revenue by 60.26% to ₦11.34Billion compared to ₦7.07Billion in 9M'2020. This was a result of 112.12% growth in Fees & Commission Income and a 43.44% upsurge in Investment Income to ₦4.77Billion and ₦6.29Billion, respectively.
- ✓ Meanwhile, the Total Expenses rose by 43.84% (slower than the revenue growth rate) to ₦4.24Billion in 9M'2021 as against the ₦2.95Billion in 9M'2020 following an increase in Personnel Expenses - 10.13%, Impairment Charges for Credit Losses - 105.94%, Other Operating Expenses - 61.13% (to ₦2.14Billion) on the back of general price increase in goods and services within the period.
- ✓ In that regard, the Profit-Before-Tax (PBT) and Profit-After-Tax (PAT) rose significantly by 72.00% and 72.23% to ₦7.09Billion and ₦5.97Billion, respectively. Consequently, the investor's Earnings' Per Share (EPS) surged to ₦1.33 per share by 72.73% from ₦0.77 per share in 9M'2021.

Zenith Bank Plc (ZENITHBANK)

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|------------------------------------|----------------------------|
| Sector | Banking |
| Share Outstanding (Million) | 31,396.49 |
| Current Price | ₦25.35 |
| 9M'2021 PAT | ₦160.59 Billion |
| 9M'2021 EPS | ₦5.11 |
| FY'2021 E'EPS | ₦7.52 |
| E' Full Year Dividend | ₦2.70 |
| Expected Dividend Yield | 10.65% |

United Capital Plc (UCAP)

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|--|-------------------------------------|
| Sector | Other Financial Services |
| Share Outstanding (Million) | 6,000.00 |
| Current Price | ₦11.30 |
| 9M'2021 PAT | ₦5.97Billion |
| 9M'2021 EPS | ₦1.33 |
| FY'2021 E'EPS | ₦1.58 |
| E' Full Year Dividend | ₦1.20 |
| Expected Dividend Yield | 10.62% |

- ✓ **Meanwhile, the Group was able to pay the shareholders ₦0.70 final dividend in 2021. This was 90.91% and 53.85% of ₦0.77 EPS in 9M'2020 and ₦1.30 EPS in FY'2020, respectively. Hence, if the payment percentage policy is maintained, we expect a dividend of ₦1.20 in 2022, which will be a 10.62% dividend yield, compared to ₦11.30 share price as of Monday 10th January 2022.**

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