



THINGS WE LIKE ABOUT THE RESULT

1. Decrease in Interest Expense YoY by 16.62% as the company took advantage of cheaper source of funds through Customer Deposits. However, this decrease was not sufficient to have a positive impact on Net Interest Income.
2. Increase in Net Fees and Commissions YoY by 58.38% driven by a significant increase in Electronic Banking Income and Account Maintenance Charges.
3. Decreases in Loan Impairment Charges on Financial Assets YoY by 40.92%.
4. Increase in Loans and Advances by 4.48% as the proportion of Loans & Advances to Total Asset remained the same compared to its proportion as of 31 Dec 2020.
5. Increase in Deposits by 8.02% as the company had a significant increase in deposits from Banks.

THINGS WE DID NOT LIKE ABOUT THE RESULT

1. Decrease in Net Interest Income YoY by 14.12% driven by a decline in Interest Income by 14.54%
2. Decline in Net gains on financial instruments YoY by 2.69% driven by significant decline in gains on Treasury Bill holdings.
3. Decreases in Net Operating Income, Profit Before Tax and Profit After Tax YoY by 0.36%, 9.23% and 9.05% respectfully.
4. Increase in Total Operating Expenses by 10.09% due to significant increases in Staff Welfare Costs and AMCON Expenses.
5. Increase in Cost to Income Ratio YoY by 10.49% to 0.45.
6. The company has only achieved c. 64% of FY 2020 PAT as of 9months 2021.

Kindly click [here](#) for the full financial statement.

Disclaimer

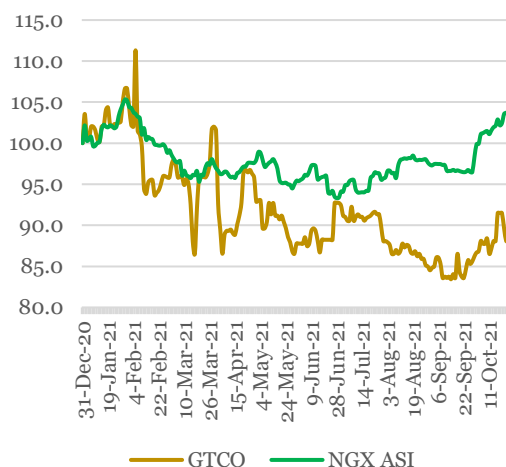
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TICKER	GTCO
Price (₦) at 26 Oct 2021	28.55
Shares Outstanding	29,431,179,224
P/E	4.03
Entry Price (₦)	28.00
Exit Price (₦)	32.00
Expected Return (%)	14.3%
Rating	HOLD

REMARKS

Despite the improvement in revenue, the high operating expenses kept a downward pressure on the bottom-line numbers.

REBASED PRICE MOVEMENT IN GTCO AND NGX ASI



Source: Bloomberg, Parthian Securities Research

Parthian Securities Limited (PSL) - Research



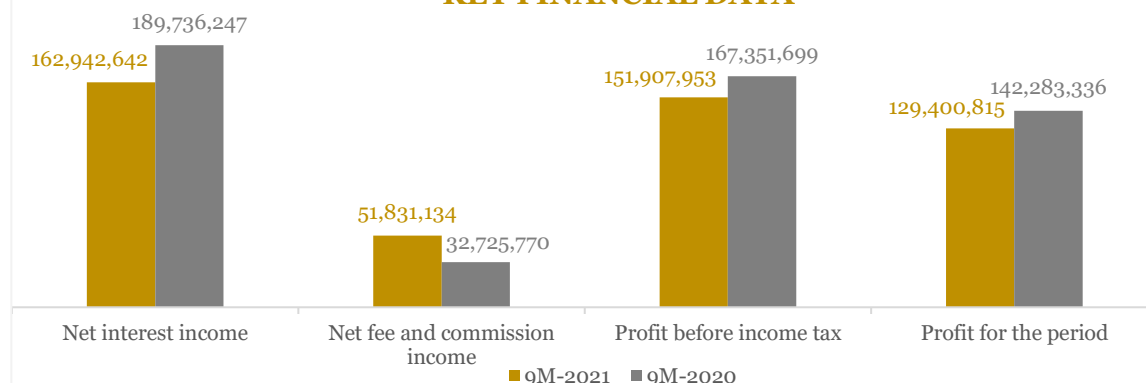
PARTHIAN
SECURITIES

9M-2021 EARNINGS UPDATE: GUARANTY TRUST HOLDING COMPANY

A Trading License Holder of the Nigerian Exchange Limited

INCOME STATEMENT	9M-2021	9M-2020	Change (%)
Net interest income	162,942,642	189,736,247	-14%
Loan impairment charges	(5,994,104)	(10,144,893)	-41%
Net interest income after loan impairment charges	156,948,538	179,591,354	-13%
Fee and commission income	56,602,647	37,400,729	51%
Fee and commission expense	(4,771,513)	(4,674,959)	2%
Net fee and commission income	51,831,134	32,725,770	58%
Net gains on financial instruments held at fair value through profit or loss	18,477,846	18,987,728	-3%
Other income	48,391,867	45,339,120	7%
Personnel expenses	(29,511,568)	(28,719,779)	3%
Depreciation and amortisation	(22,851,673)	(21,571,368)	6%
Other operating expenses	(67,363,866)	(60,072,141)	12%
Profit before income tax	151,907,953	167,351,699	-9%
Income tax expense	(22,507,138)	(25,068,363)	-10%
Profit for the period	129,400,815	142,283,336	-9%
BALANCE SHEET	9M-2021	Dec-2020	Change (%)
Cash and bank balances	781,594,681	745,557,370	5%
Financial assets at fair value through profit or loss	160,739,481	67,535,363	138%
Loans and advances to customers	1,737,207,363	1,662,731,699	4%
Restricted deposits and other assets	1,109,343,051	1,226,481,116	-10%
Total assets	5,143,766,339	4,944,653,293	4%
Deposits from banks	154,882,398	101,509,550	53%
Deposits from customers	3,745,433,481	3,509,319,237	7%
Other liabilities	249,021,132	356,222,575	-30%
Other borrowed funds	128,943,459	113,894,768	13%
Total liabilities	4,301,299,759	4,130,257,616	4%
CASH FLOW STATEMENT	9M-2021	Sept-2020	Change (%)
Net cash generated from operating activities	282,444,906	158,271,115	78%
Net cash used in investing activities	(140,050,325)	(74,097,285)	89%
Net cash used in financing activities	(66,018,260)	(103,630,109)	-36%
Cash and cash equivalents at end of period	757,750,277	592,659,995	28%

KEY FINANCIAL DATA



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