

Earnings Flash

Friday September 10, 2021



GTCO Plc. HY'2021- Profit after tax dips by 15.76% to N79.41billion

GTCO Plc HY'2021 showed that interest income declined by 17.97% from N153.71 bn in HY'2020 to N126.09 bn in the current period. Net interest income went down by 16.11% from N127.62bn in HY'2020 to N107.06 bn in HY'2021. The decrease in the net interest income was driven by the drop in interest income, despite a 27.05% decline in interest expense. Profit before tax also declined by 15.18% from N109.71 bn in HY'2020 to N93.06 bn in the current period. The decline in profit before tax is attributable to a 7.24% increase in operating expense and supported by declines in net gains on financial instrument, net impairment reversal and other income which declined by 3.35%, 110.75% and 3.14% respectively. Profit after tax went down by 15.76% from N94.27 bn in HY'2020 to N79.41 bn in the current period. Consequently, GTCO recorded a 16% fall in earnings per share from N3.32 in HY'2020 to N2.79 in HY'2021. The company proposed an interim dividend of N0.30. GTCO currently trades at N27.10

Financial Highlights

	HY-2021	HY-2020	
Financials	(N' 000)	(N' 000)	% Change
Interest Income	126,091,101	153,708,481	-17.97%
Interest expense	(19,035,826)	(26,093,017)	-27.05%
Net interest Income	107,055,275	127,615,464	-16.11%
Impairment Charges	(4,714,675)	(6,769,093)	-30.35%
Fees and Commission Income	38,284,192	26,457,209	44.70%
Fees and Commission Expenses	(1,428,928)	(2,435,031)	-41.32%
Net gains on financial instruments	10,430,087	10,791,307	-3.35%
Other income	33,109,025	34,181,820	-3.14%
Net impairment reversal/(charge)	(341,707)	3,180,078	-110.75%
Operating expense	(89,337,210)	(83,307,910)	7.24%
Profit Before Tax	93,056,059	109,713,844	-15.18%
Tax	(13,641,336)	(15,442,834)	-11.67%
Profit After Tax	79,414,723	94,271,010	-15.76%
Basic EPS	2.79	3.32	-15.96%

Key Multiples/Ratios

□ Book Value Per Share-	N28.43
□ Net Profit Margin-	62.98%
□ Return on Equity -	9.96%
□ Return on Asset-	1.58%
□ Price to earnings ratio-	4.85x
□ Price to book value-	0.95x
□ Total Loan to Total Deposit-	43.47%
□ Current Shares Outstanding-	28.06 billion

Corporate Action

- Proposed Interim Dividend N0.30

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