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ARM Research | Weekly Call

- ZENITHBANK - BUY (FVE: ₦29.82):** The Q122 performance was recently published revealing resilience in operating performance. We note growth in gross earnings and profits hinged on robust growth across interest and non-interest income sources. We see loan growth driving interest income higher and non-interest income maintaining steady growth. Hence, we maintain a **BUY** recommendation on ZENITH with a Target Price of ₦29.82, representing a potential upside of 21.98%.
- GTCO - BUY (FVE: ₦33.22):** The recently released Q122 results shows a recovery in interest income driving by loan growth and suspected repricing of loans. Non-interest Income also saw a 7% growth despite a decline in foreign exchange trading income. We expect the addition of the non-bank subsidiaries to increase shareholders' value by leveraging cross-selling opportunities in its banking business as we expect half-year performance to reflect this. Hence, we maintain a **STRONG BUY** rating on GTCO with a Target Price of ₦33.22, representing a potential upside of 42.0%.
- UBA- BUY (FVE: ₦10.80):** The lender is on course to hit our estimates for the year based on its first quarter performance. Both interest and non-interest income reported double-digit increases, and this reflected in bottom-line growth. We expect this performance to be sustained upon higher loan growth relative to 2021 and increased digital banking drive. Hence, we rate UBA a **BUY** with a Target Price of ₦10.80, representing a potential upside of 34.1%.

Sectors/Stocks	Rating	FVE (₦)	Price (₦)	Upside	YtD Return
ZENITHBANK	BUY	29.82	24.45	21.98%	-2.78%
GTCO	STRONG BUY	33.22	23.40	42.00%	-10.00%
UBA	BUY	10.80	8.05	34.10%	10.12%

Please read our [Ratings, Disclosure & Disclaimer](#) to understand how our analysts reach their views

Corporate Benefit Tracker

Next week

- Closure Date: **CADBURY** (13th May 2022)
- AGM: **WEMABANK** (10th May 2022)
- Payment Date: **WEMABANK** (10th May 2022)

TP - Target Price. **FVE** - Fair Value Estimate