GUARANTY TRUST HOLDINGS PLC

...Growth Amidst Profit Dip

June 01, 2026. *Earnings Note*

Highlights

- GT HoldCo declared a total dividend of ₦12.76k per share for FY 2025 (Interim: ₦1.00 and Final: ₦11.76).
- Total Assets grew by 20% from ₦14.80 trillion in FY 2024 to ₦17.76 trillion in FY 2025.
- Total Liabilities grew by 12% from ₦12.08 trillion in FY 2024 to ₦14.35 trillion in FY 2025.
- Shareholders' fund increased by 26% from ₦2.71 trillion in FY 2024 to ₦3.41 trillion in FY 2025.
- Net Interest income improved by 19% from ₦1.06 trillion in FY 2024 to ₦1.26 trillion in FY 2025.
- Profit for the year declined by 15% from ₦1.02 trillion in FY 2024 to ₦865.75 billion in FY 2025

Statement of financial position

GT HoldCo ended FY 2025 with a larger balance sheet. The Group's total assets increased by 20% year-on-year from ₦14.80 trillion in FY 2024 to ₦17.76 trillion in FY 2025. This level of growth reflects continued expansion in the Group's operations. A major driver of this expansion was growth in customer funding as customer deposits rose by 25%, from ₦10.01 trillion in FY 2024 to ₦12.55 trillion in FY 2025. This is one of the most important indicators to watch in a banking result because deposit growth says a lot about customer confidence. It shows that individuals, corporates, and institutions continued to keep more money with the Group during the year.

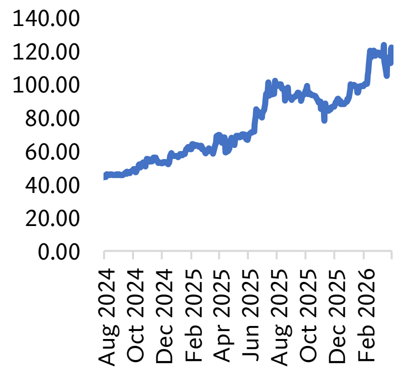
This aforementioned strengthens the bank's liquidity and improves funding flexibility. Cash and Cash balances grew by 17% to ₦5.46 trillion (FY 2024: ₦4.67 trillion), Investment securities grew by 34% to ₦5.54 trillion in FY 2025 (from ₦4.15 trillion to), and loans and advances to customers grew by 12% from ₦2.79 trillion to ₦3.13 trillion in FY 2025. The faster growth in investment securities compared to loans shows that the Group was more careful in how it deployed funds during the year. Rather than taking on too much lending risk, the bank placed more money in safer and more liquid assets. The increase in the cash balances also suggests that the Group maintained a strong liquidity buffer during the year, which gives it room to meet obligations and take advantage of yield opportunities in the market.

The Group also recorded a notable increase in shareholders' funds, which rose by 26% year-on-year from ₦2.71 trillion to ₦3.41 trillion. This growth was largely supported by the Group's profitability and retained earnings, as it grew by 30% to ₦1.72 trillion (FY 2024: ₦1.32 trillion).

Fair Value Estimate: ₦144.42

Stock Data	
Current price (N)	135.85
Shares Outstanding (mn)	36,550
Market Cap (N'mn)	4,965,349
52-week high (N)	137.00
52-week low (N)	66.60
Trailing EPS (N)	23.35
Forward EPS (N)	21.27
Forward PE (X)	6.39
Justified PE Multiple (X)	4.17

Price Movement



Stock Data	FY 2025	FY 2025	FY 2026F
P/E	4.98x	5.87x	4.38x
P/BV	1.72x	1.44x	1.23x
PBT Margin	59%	57%	58%
PAT Margin	47%	40%	4338%
RoE	48%	28%	30%
Dividend Yield	6%	9%	11%

Analysts

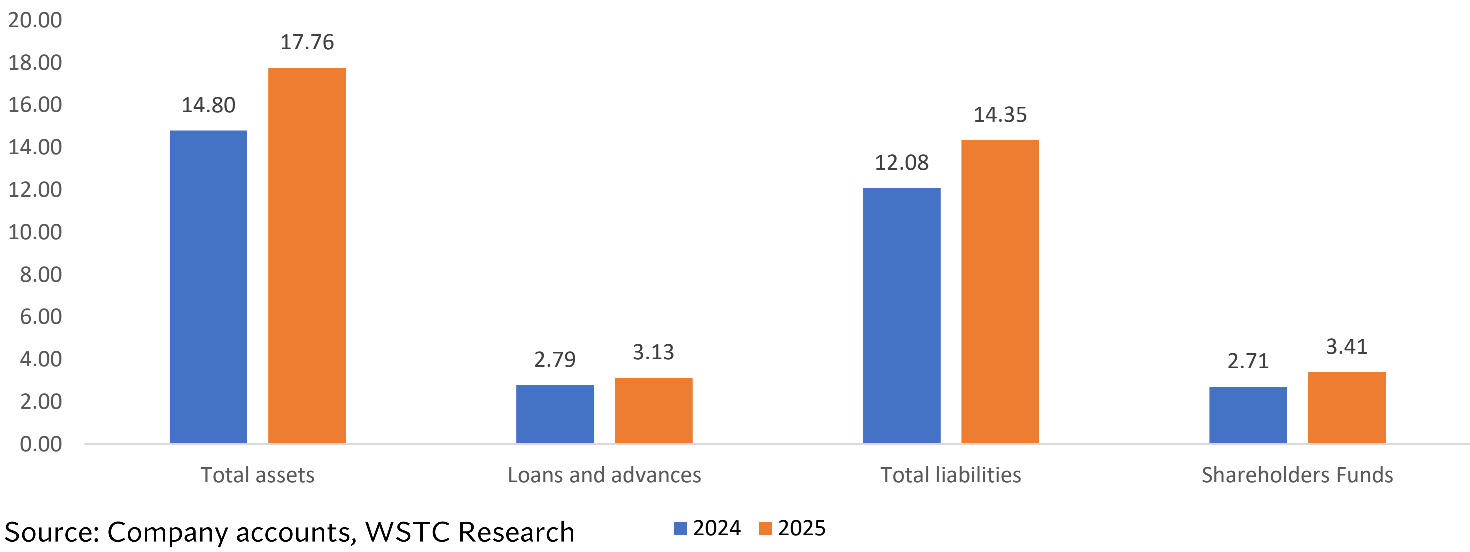
Habeeb Oladehinde
h.oladehinde@wstc.com.ng

Timehin Sesby-Banjoh
t.sesby@wstc.com.ng

Desmond Gabriel
d.gabriel@wstc.com.ng

Sylvia Ogwuru
S.Ogwuru@wstc.com.ng

Statement of financial position (N'Trillion)



Source: Company accounts, WSTC Research

Statement of financial performance

The result shows that the core banking business improved, but some of the earnings support that lifted the prior year result was not repeated in the same way. One of the notable parts of the FY 2025 performance was the growth in net interest income (core business operation), which rose by 19% year-on-year from ₦1.06 trillion in FY 2024 to ₦1.26 trillion in FY 2025. This indicates the Group generated more income from its lending and investment activities after accounting for funding costs, as interest income grew by 23% to N1.65 trillion (FY 2024: N1.34 trillion) and interest expense grew by 39% to N392.58 billion (FY 2024: N283.22 billion). The improvement is also attributable to the benefit of the high-interest-rate environment and continued efficient use of the balance sheet. This is an important line because it shows that GT HoldCo's core banking business remained strong. The bank was still able to earn more from the actual business of banking, which is a better sign than relying only on one-off gains.

The Group also recorded an increase in net fee and commission income, which rose by 29% from ₦189.7 billion in FY 2024 to ₦244.4 billion in FY 2025. This shows that customer activity remained healthy across GT HoldCo's digital channels, account services, and transfer services. This is a good sign because it shows that earnings were not driven by interest income alone, which supports a more diversified and stable income profile.

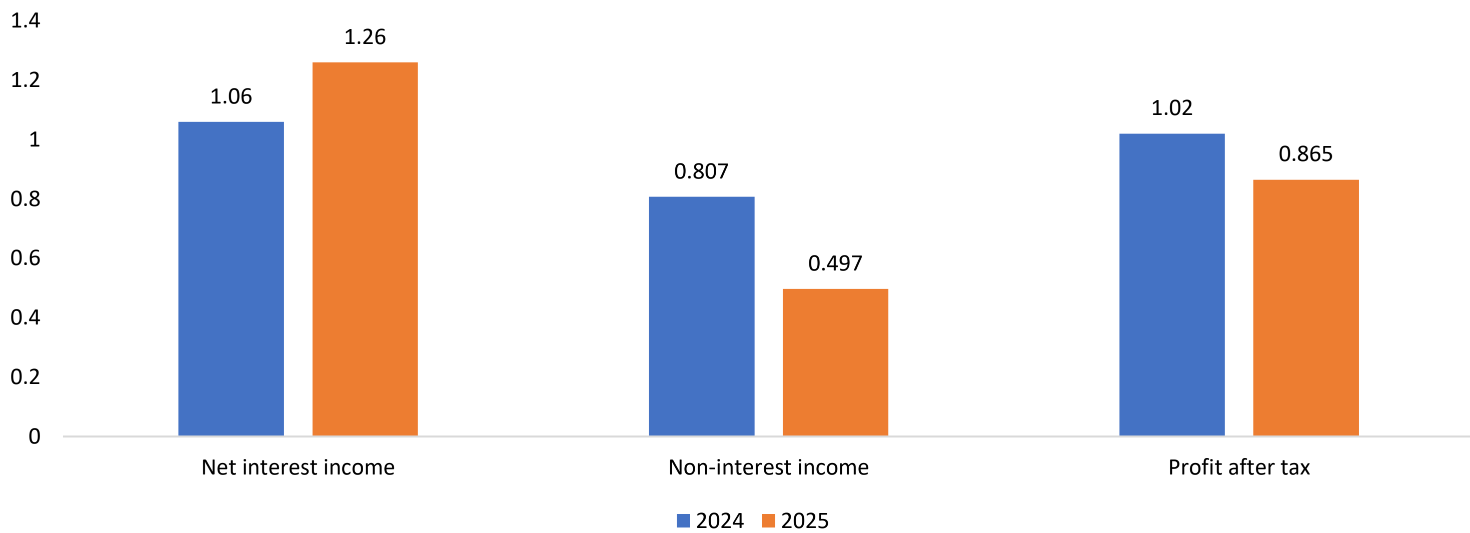
Another very important strength in the result was the improvement in credit quality. Net loan impairment charges declined by 278% from ₦27.67 billion charge in FY 2024 to ₦49.20 billion reversal in FY 2025. That tells us the loan book likely performed better, or credit risk was lower compared to FY 2024. This matters a lot because the Bank's earnings quality is not just about how much interest income was generated, but also about how much of that income was protected from credit losses.

However, the result was not without pressure. One of the biggest drags on earnings came from a decline in other income, which fell by 72% from ₦499.07 billion in FY 2024 to ₦139.96 billion in FY 2025. This line of income was a major support to earnings in the prior year, largely due to stronger fair value and market-related gains. This is one of the key reasons why the bottom line did not grow, despite the fact that the core business itself improved. In reality, this makes FY 2025 a more normalised year.

On the cost side, Personnel expenses increased by 18%, to ₦101.0 billion in FY 2025 (FY 2024: ₦85.4 billion), Depreciation and amortisation rose by 54% to ₦89.5 billion (FY 2024: ₦58.0 billion), while other operating expenses increased by 10% to ₦284.8 billion (FY 2024: ₦259.6 billion).

At the profit level, profit before tax declined by 3% from ₦1.27 trillion in FY 2024 to ₦1.23 trillion in FY 2025, while profit after tax declined by 15%, from ₦1.02 trillion in FY 2024 to ₦865.7 billion in FY 2025. Despite the decline in the Group's earnings per share to ₦25.43 from ₦35.44, management still declared a higher dividend of ₦12.76 per share (interim: ₦1.00K and Final: ₦11.76K), up from ₦8.03 (Interim: ₦1.00K and Final: ₦7.03K) per share in FY 2024.

Statement of financial performance (N'Trillion)



Source: Company accounts, WSTC Research

Statement of cash flows

GT HoldCo recorded a larger cash position in FY 2025, improved operating cash flow and continued growth in customer deposits. Net cash generated from operating activities increased by 57% year-on-year to ₦2.73 trillion in FY 2025 (FY 2024: ₦1.74 trillion). This was largely driven by customer deposits, which contributed ₦2.33 trillion during the year, compared to ₦524.16 billion in FY 2024, while interest received also rose by 22% to ₦1.67 trillion (FY 2024: ₦ 1.38 trillion).

On the investing side, the Group invested more during the year as net cash outflow increased by 25% from ₦1.18 trillion in FY 2024 to ₦1.48 trillion in FY 2025. This was mainly driven by continued investment in securities and lower redemption of securities. The Group spent ₦4.29 trillion on the purchase of investment securities during the year (FY 2024: ₦5.06 trillion), while ₦3.06 trillion was realised from redemptions (FY

2024: N4.06 trillion). The Group also spent ₦206.13 billion on property and equipment, up from ₦130.08 billion in FY 2024.

From a financing perspective, GT HoldCo recorded a net cash outflow of ₦373.84 billion in FY 2025, compared to a net cash inflow of ₦291.42 billion in FY 2024. This was mainly on the back of higher dividend payments and repayment of borrowings during the year. Dividend paid to shareholders rose by 152% to ₦274.12 billion (FY 2024: ₦108.90 billion), while repayment of long-term borrowings increased by 285% to ₦194.77 billion (₦50.54 billion). During the year, the Group also increased its ownership stake in GTBank Kenya from 76.90% to 100% at N51.74 billion.

Overall, cash and cash equivalents increased by 20% to ₦5.28 trillion in FY 2025 (FY 2024: ₦4.40 trillion).

Statement of cash flows (N'Trillion)

Cash Flows	2025	2024	Change
Net Operating Cash Flows	2.73	1.74	⇧
Net Investing Cash Flows	(1.48)	(1.18)	⇧
Net Financing Cash Flows	(0.37)	0.29	⇩
Cash & Cash Equivalents	5.28	4.40	⇧

Source: Company accounts, WSTC Research

Outlook

Looking ahead, GT HoldCo appears well-positioned for FY 2026. The Group entered the new year with a larger balance sheet and stronger deposits. The biggest support for earnings in FY 2026 should continue to come from the Group's core income lines (Net interest income). Even if the interest rate environment dropped slightly as expected in H2 2026, the Group is still expected to benefit from healthy yields on loans and investment securities on the back of booking more loans, with the available higher cash balances. The Group also plans to expand loans and advances with a focus on SMEs and retail, particularly the manufacturing sector, which is currently benefiting from the relatively stable macroeconomic environment. At the same time, continued transaction activity and digital banking usage should help sustain fee and commission income growth.

From a dividend perspective, the Group plans to maintain the dividend payout ratio above 50% as long as it keeps making quality earnings. One area investors will continue to watch closely is asset quality. The notable decline in impairment charges in FY 2025 was a positive signal. If credit quality remains stable, it is expected to continue to support earnings quality and reduce pressure on profitability.

FY 2025 Financial Performance

Income Statement (N'mn)	FY 2025	FY 2024	(%)
Gross earnings	**2,150,368**	**2,148,337**	**0%**
Interest income	**1,653,164**	**1,341,802**	**23%**
Interest expense	(392,577)	(283,215)	39%
Net interest income	**1,260,587**	**1,058,586**	**19%**
Loan impairment charges	(66,423)	(136,662)	-51%
Net interest income after impairment	**1,194,163**	**921,924**	**30%**
	0		
Non-interest income	**497,204**	**806,536**	**-38%**
Fee and commission income	278,505	221,231	26%
Fee and commission expense	(34,115)	(31,520)	8%
Net fee and commission income	244,390	189,711	29%
Net gains on financial instruments held at FVTPL	78,744	86,238	-9%
Other income	139,955	499,067	-72%
Operating income	**1,657,252**	**1,696,940**	**-2%**
Personnel expenses	(101,045)	(85,398)	18%
Depreciation and amortization	(89,521)	(58,033)	54%
Net impairment reversal /(charge) on financial assets	49,196	(27,668)	-278%
Other operating expenses	(284,800)	(259,595)	10%
Operating expense	**(426,171)**	**(430,694)**	**-1%**
Profit before tax	**1,231,081**	**1,266,246**	**-3%**
Income tax	(365,335)	(248,443)	47%
Profit after tax	**865,747**	**1,017,803**	**-15%**

Balance Sheet (N'mn)	FY 2025	FY 2024	(%)
Assets			
Cash & balances with CBN	5,456,595	4,673,048	17%
Loans and advances to banks	84	88	-5%
Loans and advances to customers	3,132,215	2,785,664	12%
Investment securities	5,540,715	4,148,296	34%
Others	3,631,543	3,188,611	14%
Total Assets	**17,761,152**	**14,795,707**	**20%**
Liabilities			
Deposits from customers	12,547,006	10,013,021	25%
Deposits from banks	327,035	388,420	-16%
Borrowings	82,236	310,021	-73%
Others	1,393,496	1,372,227	2%
Total Liabilities	**14,349,772**	**12,083,689**	**19%**
Net Assets	**3,411,380**	**2,712,018**	**26%**

Source: Company Accounts, WSTC Research

Financial Projection

Income Statement (N' mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Gross earnings	2,148,337	2,150,369	2,669,140	3,179,604	3,601,363	4,225,829	4,736,722
Interest income	1,341,802	1,653,165	2,070,367	2,466,009	2,794,313	3,247,616	3,633,653
Interest expense	(283,215)	(392,577)	(419,656)	(487,649)	(540,928)	(600,870)	(660,782)
Net interest income	1,058,586	1,260,588	1,650,711	1,978,360	2,253,384	2,646,746	2,972,870
Non-interest income	778,868	546,400	588,421	730,857	821,021	994,452	1,121,237
Operating expense	(403,026)	(475,367)	(597,898)	(705,344)	(801,376)	(926,224)	(1,031,977)
Impairment charge	(136,662)	(66,423)	(61,796)	(45,450)	(26,971)	(40,556)	(38,536)
Profit before tax	1,266,246	1,231,083	1,536,713	1,907,533	2,188,395	2,607,400	2,948,610
Net profit after tax	1,006,220	853,550	1,140,040	1,368,871	1,600,863	1,890,029	2,145,876
EPS (N)	29.47	23.35	31.30	37.58	43.95	51.89	58.91
DPS (N)	8.03	12.76	15.65	18.79	21.97	25.94	29.46

Balance Sheet (N'mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Gross loans	2,921,560	3,285,002	4,501,604	5,396,396	5,927,375	6,725,814	7,484,493
Net loans	2,785,752	3,132,299	4,292,348	5,145,546	5,651,843	6,413,166	7,136,578
Non-performing loans	151,152	160,465	254,061	304,561	334,528	379,590	422,408
Total assets	6,446,456	9,691,255	14,795,707	17,761,152	21,215,816	24,006,742	27,129,550
Customer deposits	4,485,114	7,410,834	10,013,021	12,547,006	15,199,641	17,199,143	19,436,416
Shareholder funds	912,004	1,447,642	2,655,258	3,377,644	4,041,180	4,577,233	5,177,030
BV/Share (N)	79.44	93.33	111.87	126.59	143.05	160.02	179.34

Ratio Analysis	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Net interest margin	11.1%	9.6%	10.5%	10.8%	10.9%	11.4%	11.4%
PAT margin	47.4%	40.3%	43.4%	43.7%	45.0%	45.3%	45.9%
RoE	48.6%	28.3%	30.9%	32.0%	33.0%	34.7%	35.2%
RoA	9.9%	6.0%	6.4%	6.5%	6.6%	7.0%	7.0%
Cost / Income	24.1%	27.9%	28.0%	27.0%	26.8%	26.2%	25.9%
Loans / Deposit	28.1%	25.5%	28.9%	30.6%	29.7%	30.2%	29.9%

Disclaimer & Disclosures

The value of any investment is subject to fluctuations, i.e. may rise and fall. Past performance is no guide to the future. The rate of exchange between currencies may cause the value of an investment to increase or decrease. Hence investors may not get back the full value of their original investment.

Investment Recommendation
WSTC uses a 3-tier recommendation system for stocks under coverage: Buy, Hold, and Sell.

- Buy Rating: estimated fair value is ≥20% above current market price.
- Hold Rating: estimated change in price is between -10% and 19% of current market price.
- Sell Rating: estimated change in price is ≤ -10% of current market price.

This document is not an offer to buy or sell any security. This document does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The appropriateness of a particular investment will depend on an investor's circumstances and objectives. The investments and shares referred to in this document may not be suitable for all investors.

This document is based on information WSTC Securities Limited (WSTC Securities) received from publicly available reports and industry sources. WSTC Securities may not have verified all of this information with third parties. Neither WSTC Securities nor its shareholders, directors, employees or advisors can guarantee the accuracy, reasonableness or completeness of the information received from any sources consulted for this publication; and neither WSTC Securities nor its shareholders, directors, employees or advisers accept any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document. This document is not to be relied upon and should not be a substitute for the exercise of independent judgment.

This document includes certain statements, estimates and projections concerning the anticipated future performance of securities listed on the Nigerian Exchange and as to the market for these shares. Such statements, estimates and projections are based on information that we consider reliable and may reflect various assumptions made concerning anticipated economic developments, which have not been independently verified and may or may not prove correct. No representation or warranty is made as to the accuracy of such statements, estimates and projections or as to their appropriateness for the purpose intended and it should not be relied upon as such. Opinions expressed are current opinions as of the date appearing on this material only and may change without notice. Other third parties may have issued other reports that are inconsistent with and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them.

This document is for information purposes only and private circulation. No portion of this document may be reprinted, sold or redistributed without the written consent of WSTC Securities.

Additional information on recommended securities/instruments is available on request.

WSTC Securities Limited is a Trading License Holder of the Nigerian Exchange Limited (NGX) and is registered with the Securities & Exchange Commission (SEC) as a Broker/Dealer to conduct Securities Brokerage & Dealing in Nigeria. Therefore, we may deal in any securities listed on the NGX.

WSTC Securities Limited has its registered office at 2, Maitama Sule Street, South-West Ikoyi, Lagos, Nigeria.

Email: research@wstc.com.ng
Website: www.wstc.com.ng