GUARANTY TRUST HOLDINGS PLC

...Gross Earnings Grew by 9% Year-on-year

June 16, 2026. *Earnings Note*

Highlights

- Gross earnings jumped by 9% Year-on-year (YoY), N523.31 billion (Q1 2025) to N571.42 (Q1 2026).
- Net interest income increased by 12% (YoY), N318.17 billion (Q1 2025) to N356.29 billion (Q1 2026).
- Profit after tax (PAT) declined by 15% (YoY), N257.91 billion in Q1 2025 to N218.13 billion in Q1 2026.
- Earnings per share declined by 25% from N7.83k (Q1 2025) to N5.89k(Q1 2026).

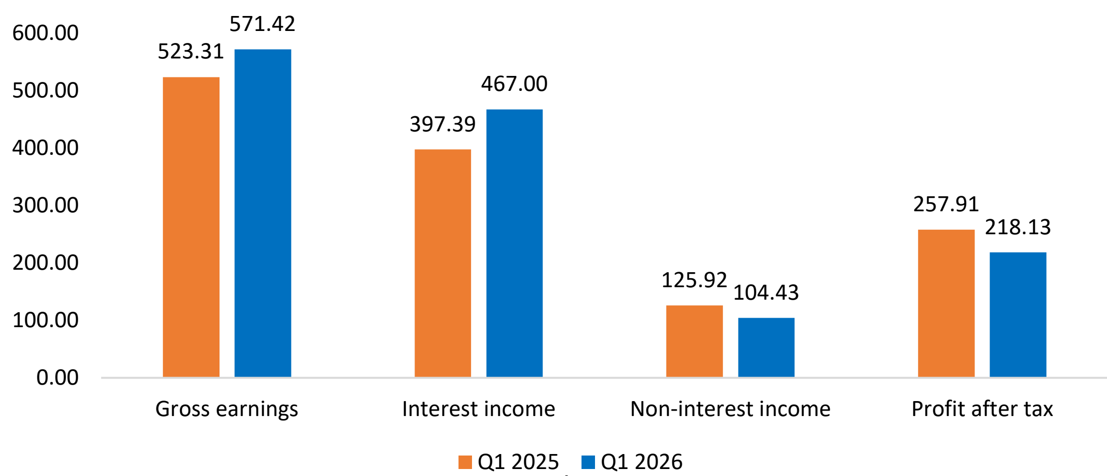
Income statement

Gross earnings increased by 9% YoY from N523.31 billion (Q1 2025) to N571.42 billion (Q1 2026), the growth is driven primarily by growth in interest income. Interest income rose by 18% YoY from N397.39 billion (Q1 2025) to N467.00 billion (Q1 2026). A deeper dive into GTCO's performance revealed interest income from loans grew by 25% YoY from N147.08 billion to N183.54 billion. Though, the loan and advances portion of their balance sheet has grown by 1% in the loan book YTD.

Investment securities at fair value through other comprehensive income (FVOCI) increased by 12% from N115.95 billion (Q1 2025) to N129.36 billion (Q1 2026). These include the likes of Treasury bills, Bonds, Eurobonds and US Treasury notes.

Approximately 96% of the total investment securities at FVOCI are US Treasury notes and Treasury bills, which increased by 20% YoY on the statement of financial position (Balance sheet) from N2.52 trillion (Q1 2025) to N3.02 trillion (Q1 2026). Interest in cash and cash equivalents grew by 31% YoY from N67.71 billion to N88.34 billion.

Income statement (N'Billion)



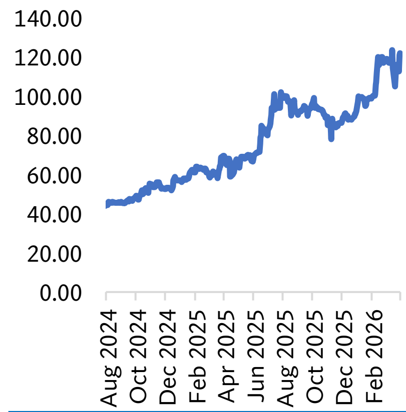
Source: Company Accounts, WSTC Research

Interest expense increased by 40% YoY from N79.22 billion (Q1 2025) to N110.71 billion (Q1 2026). This is a sign of an increase in cost of funds i.e. cost of retaining customer deposits within the bank. Although, customer deposits increased by 21% YoY from N10.89 billion (Q1 2025) to N13.21 billion (Q1 2026).

Fair Value Estimate: ₦158.50

Stock Data	
Current price (N)	135.65
Shares Outstanding (mn)	36,550
Market Cap (N'mn)	4,958,039
52-week high (N)	156.95
52-week low (N)	67.10
Trailing EPS (N)	23.35
Forward EPS (N)	31.27
Forward PE (X)	4.34
Justified PE Multiple (X)	5.08

Price Movement



Stock Data	FY 2024	FY 2025	FY 2026F
P/E	4.94x	5.82x	4.35x
P/BV	1.71x	1.42x	1.22x
PBT Margin	59%	57%	58%
PAT Margin	47%	40%	43%
RoE	48%	28%	30%
Dividend Yield	6%	9%	11%

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Net interest income grew by 12% YoY from ₦318.17 billion (Q1 2025) to ₦356.29 billion in Q1 2026. Loan impairment charges declined by 41% YoY from ₦13.48 billion (Q1 2025) to ₦7.95 billion (Q1 2026). This is a show of improvement in asset quality, i.e., loans disbursed. As a result, net interest income after impairment increased by 14% YoY from ₦304.69 billion (Q1 2025) to ₦348.34 billion (Q1 2026).

Non-interest income declined by 17% YoY from ₦125.92 billion (Q1 2026) to ₦104.43 billion (Q1 2026), largely due to the absence of fair value gains on derivative trading instruments. Net fee and commission income increased by 4% YoY from ₦67.12 billion (Q1 2025) to ₦80.31 billion (Q1 2026), driven by credit-related fees and commission (54% YoY), account maintenance charges (42% YoY), E-business (69% YoY) and asset management fees (152% YoY).

Additionally, net gains on financial instruments measured at fair value through profit and loss (FVTPL) grew by 27% YoY from ₦20.25 billion (Q1 2025) to ₦25.69 billion (Q1 2026), majorly driven by the realised gains on trading foreign exchange, which recorded an increase of 31% YoY from N15.87 billion to N20.71 billion.

Despite the decline in non-interest income performance, operating income increased by 5% YoY from ₦422.74 billion to ₦442.26 billion, underpinned by the net interest income segment. Operating expenses rose by 14% YoY from ₦122.49 billion (Q1 2025) to ₦139.37 billion (Q1 2026), primarily driven by higher personnel costs, i.e wages and salaries (16% YoY) and increased depreciation & amortisation (48% YoY).

Profit before tax (PBT) remained relatively flat with an increase of 1% YoY from ₦300.26 billion (Q1 2025) to ₦302.89 billion (Q1 2026). After a tax expense of ₦84.77 billion, profit after tax (PAT) declined by 15% YoY from ₦257.91 billion (Q1 2025) to ₦218.13 billion (Q1 2026).

As a result, Earnings per share (EPS) declined by 25% from ₦7.83k to ₦5.89k. The decline in EPS is not because of poor operating performance of the business but more so, driven by the increase in shares outstanding post-recapitalisation and a higher tax bill relative to the same period last year. The weighted average number of ordinary shares was 32,476,383,000 in Q1 2025 and is now 36,550,230,000 units as at Q1 2026.

Outlook

We expect GT Holdco to continue to generate quality earnings throughout FY 2026. It has a capital adequacy ratio (CAR) of 43.82%, which means the bank is well capitalised and is currently above regulatory thresholds of 15%. This is the highest amongst all Tier 1 banks in Nigeria. This shows the Bank has the potential to raise its loan book at a rate higher than most while being prudent.

With expected strong earnings for FY 2026, we expect the organisation to continue to perform as a strong market player into Q2 2026. A strong candidate for any portfolio, be it short-term or long-term outlook.

Q1 2026 Financial Performance

Income Statement (N'mn)	Q1 2026	Q1 2025	(%)
Gross earnings	**571,423**	**523,312**	**9%**
Interest income	**466,998**	**397,391**	**18%**
Interest expense	(110,705)	(79,217)	40%
Net interest income	**356,293**	**318,174**	**12%**
Loan impairment charges	(7,949)	(13,484)	-41%
Net interest income after impairment	**348,344**	**304,691**	**14%**
Non-interest income	**104,426**	**125,921**	**-17%**
Fee and commission income	80,306	74,989	7%
Fee and commission expense	(10,509)	(7,868)	34%
Net fee and commission income	69,797	67,120	4%
Net gains on financial instruments held at FVTPL	25,692	20,248	27%
Other income	(1,571)	30,684	-105%
Operating income	**442,261**	**422,743**	**5%**
Personnel expenses	(31,887)	(27,482)	16%
Depreciation and amortization	(26,302)	(17,731)	48%
Net impairment reversal /(charge) on financial assets	(175)	(59)	196%
Other operating expenses	(81,006)	(77,215)	5%
Operating expense	**(139,369)**	**(122,487)**	**14%**
Profit before tax	**302,891**	**300,256**	**1%**
Income tax	(84,765)	(42,347)	100%
Profit after tax	**218,127**	**257,909**	**-15%**

Balance Sheet (N'mn)	Q1 2026	Q1 2025	(%)
Assets			
Cash & balances with CBN	6,628,659	4,245,121	56%
Loans and advances to banks	84	88	-5%
Loans and advances to customers	3,171,372	3,220,398	-2%
Investment securities	5,135,756	4,617,160	11%
Others	3,809,683	3,822,942	0%
Total Assets	**18,745,554**	**15,905,709**	**18%**
Liabilities			
Deposits from customers	13,208,421	10,892,268	21%
Deposits from banks	477,878	311,468	53%
Borrowings	16,509	276,836	-94%
Others	1,417,204	1,446,819	-2%
Total Liabilities	**15,120,012**	**12,927,391**	**17%**
Net Assets	**3,625,542**	**2,978,318**	**22%**

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)	(80,336)	(44,675)	(26,511)	(39,864)	(37,879)
Profit before tax	1,266,246	1,231,083	1,518,173	1,908,308	2,188,855	2,608,091	2,949,267
Net profit after tax	1,006,220	853,550	1,126,070	1,369,436	1,601,204	1,890,537	2,146,361
EPS (N)	29.47	23.35	30.81	37.47	43.81	51.72	58.72
DPS (N)	8.03	12.76	17.26	21.81	26.39	32.15	37.57

Balance Sheet (N'mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Gross loans	2,920,284	3,228,981	4,424,836	5,304,368	5,826,293	6,611,115	7,356,857
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	249,728	299,367	328,823	373,117	415,205
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	111.49	126.15	142.56	159.47	178.73

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%	42.9%	43.7%	45.0%	45.3%	45.9%
RoE	48.6%	28.3%	30.6%	32.0%	33.0%	34.7%	35.2%
RoA	9.9%	6.0%	6.3%	6.5%	6.6%	7.0%	7.0%
Cost / Income	24.1%	27.9%	28.3%	27.0%	26.8%	26.2%	25.9%
Loans / Deposit	28.1%	25.1%	28.4%	30.1%	29.2%	29.6%	29.4%

Source: Company Accounts, WSTC Research

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