

GUARANTY TRUST HOLDINGS PLC

...Interest Income Remains a Key Earnings Driver



September 30, 2026.



Earnings Note

Highlights

- GT HoldCo declared an interim dividend of ₦1.00 per share.
- Gross earnings increased by 3% Year-on-year (YoY) YoY from ₦1.07 trillion in H1 2025 to ₦1.11 trillion in H1 2026.
- Net interest income increased by 3% YoY from ₦632.24 billion to ₦649.60 billion.
- Net fee and commission income declined by 9% YoY from ₦135.17 billion to ₦123.03 billion.
- Profit after tax (PAT) declined by 8% YoY from ₦449.01 billion to ₦414.19 billion
- Earnings Per Share (EPS) declined by 18% from ₦13.59 to ₦11.18.

Income Statement

GT HoldCo ("The Group") gross earnings increased 3% YoY from ₦1.07 trillion in H1 2025 to ₦1.11 trillion in H1 2026. Interest income drove this growth. Interest Income grew by 8% YoY from ₦812.36 billion to ₦873.39 billion and accounted for 79% of the total gross earnings.

A deeper dive into the group's performance on interest income revealed that interest from cash & cash equivalents was the major driver, as it grew by 55% YoY from ₦131.95 billion to ₦204.72 billion. WSTC Research's assumption is that this growth came from placements in money market-style instruments that can be redeployed quickly to drive value for the Group. As at the end of Q1 2026, GT HoldCo held about ₦4.69 trillion in money market-style instruments, and as at Q2 2026, it declined by ₦1.78 trillion to ₦2.91 trillion. Over the same period, investment in securities increased by about ₦1.62 trillion, and this suggests that the Group may have redeployed a significant portion of its short-term placements that matured or were redeemed into investment securities.

With respect to Investment in securities, a 5% YoY growth in interest income from investment in securities recognised under fair value through other comprehensive income (FVOCI) occurred in H1 2026, i.e., interest income from FVOCI grew from ₦234.23 billion to ₦244.84 billion YoY.

The Group recorded this level of growth in interest income despite the slowed growth in interest income from loans & advances to customers YoY (loans & advances to customers grew 0.1% YoY). From the growth above, it can be inferred that GT HoldCo takes a conservative approach to risk. For reference, the total growth in loans for GT HoldCo's balance sheet is 0.48% YTD. This pales in comparison to a 10.25% YTD growth in deposits from Customers and banks, as derived from their H1 2026 balance sheet.

Total interest expense increased by 24% YoY from ₦180.12 billion to ₦223.79 billion. This expense is higher than the 8% growth in interest income. Interest expense on customer deposits from customers grew by 40% YoY from ₦180.12 billion to ₦223.79 billion. This resulted in a 3% YoY increase in net interest income from ₦632.24 billion to ₦649.60 billion.

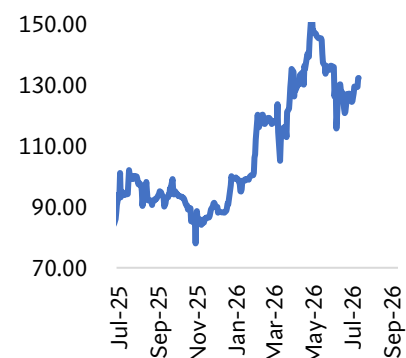
Fair Value Estimate:

₦153.59

Stock Data

Current price (N)	132.50
Shares Outstanding (mn)	36,550
Market Cap (N'mn)	4,842,905
52-week high (N)	156.95
52-week low (N)	132.90
Trailing EPS (N)	23.35
Forward EPS (N)	30.81
Forward PE (X)	4.30
Justified PE Multiple (X)	5.44

Price Movement



Stock Data

	FY 2024	FY 2025	FY 2026F
P/E	4.81x	5.67x	4.30x
P/BV	1.67x	1.39x	1.19x
PBT Margin	59%	57%	57%
PAT Margin	47%	40%	43%
RoE	48%	28%	30%
Dividend Yield	6%	10%	12%

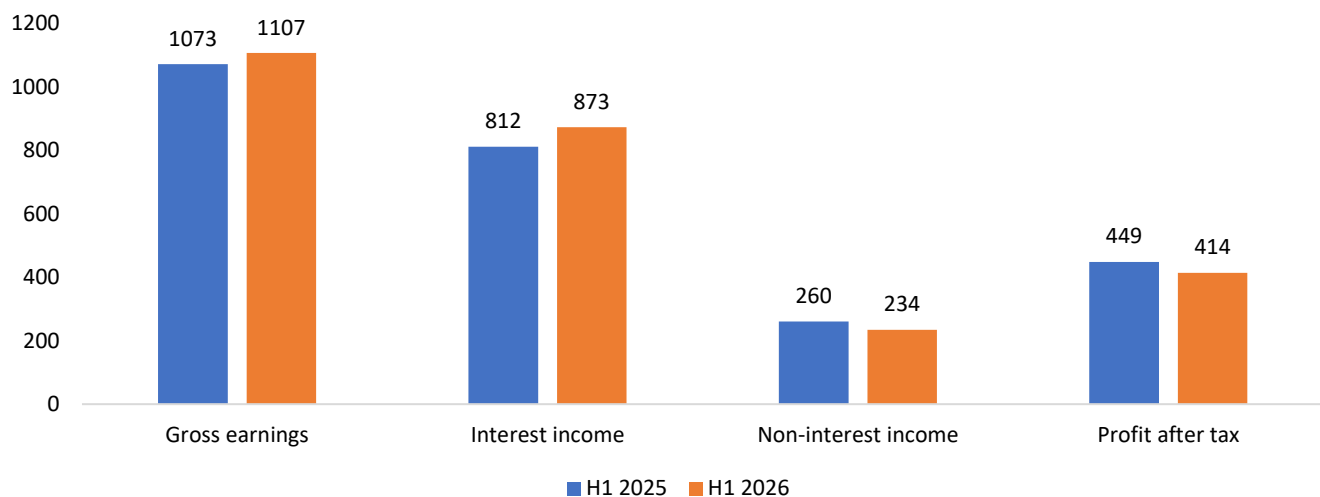
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**Income statement (₦ billion)**

Source: Company Accounts, WSTC Research

Loan impairment charges declined by 66% YoY from ₦54.97 billion to ₦18.72 billion. This decline in loan impairment is a testament to the credit assessment policy of the Group. The improvement can also be ascribed to the 6% YoY decline in customer loans, which reflects a cautious approach to loan growth for the period under review. As a result, net interest income after impairment increased by 9% YoY from ₦577.27 billion to ₦630.88 billion.

Non-interest income declined 10% YoY from ₦260.30 billion to ₦234.09 billion. Net fee and commission income declined by 9% YoY from ₦135.17 billion to ₦123.03 billion. Fee income declined by 6% YoY. Fee expenses increased by 19%.

The decline in fee income was mainly driven by a decline in commissions from touchpoints (touchpoints include service delivery channels e.g. ATM, POS, GT World App), which fell by about 90% YoY from ₦24.0 billion to ₦2.3 billion. WSTC Research has drawn an inference from analysing the financial statements and information in the most recent earnings call that the decline in the commission income is due to a 0% fee on transactions at POS systems under ₦7.5 million. GT HoldCo's fintech division, Habari Pay, processes such transactions. For Context, in FY 2025, Habari Pay processed a total transaction value of ₦80.90 trillion.

However, the decline was partly offset by an increase in net gains on financial instruments measured at FVTPL (debt instruments and realised gains from FX), which rose by 25% YoY from ₦37.92 billion to ₦47.31 billion.

As a result, operating income increased by 3% YoY from ₦821.28 billion to ₦845.57 billion. This shows that the Group's earnings growth during the period was driven more by its core interest-earning operations rather than earnings from its non-interest income segment. Operating expenses increased by 10% YoY from ₦220.38 billion to ₦242.53 billion as personnel expenses increased by 5% YoY.

At the bottom line, Profit Before Tax (PBT) remained flat YoY, with a marginal increase of 0.4% YoY. From ₦600.90 billion in H1 2025 to ₦603.03 billion in H1 2026. With a 24% YoY increase in tax expense from ₦151.89 billion to ₦188.85 billion (with an effective tax rate of 31%), profit after tax (PAT) declined by 8% YoY from ₦449.01 billion to ₦414.19 billion.

**Outlook**

GT HoldCo has shown its ability to sustain predictable earnings over time. A key driver of its earnings (Interest Income) is premised on investment in securities, i.e. fixed income instruments. This is a sign of a strong financial institution with a conservative risk approach. In a declining interest rate environment, margins may suffer from such a strategy. GT Bank, alongside The Group, may consider loosening the wallet and increasing the portion of loan book relative to its ability to lend (deposits from customers and banks) to avoid a decline in profitability margins.

However, in line with The Group's historical actions, WSTC Research is of the view that an increase in allocation to investment in securities may be the preferred choice. This is a more risk-averse approach and allows The Group to continue to add value to its shareholders with minimal volatility in earnings.

Overall, WSTC Research is of the view that GT HoldCo is a suitable addition to any investor seeking a predictable dividend and long-term capital appreciation of initial capital invested.

H1 2026 Financial Performance

Income Statement (N'mn)	H1 2026	H1 2025	(%)
Gross earnings	1,107,482	1,072,664	3%
Interest income	873,390	812,360	8%
Interest expense	(223,787)	(180,122)	24%
Net interest income	649,604	632,238	3%
Loan impairment charges	(18,724)	(54,971)	-66%
Net interest income after impairment	630,880	577,267	9%
Non-interest income	234,091	260,304	-10%
Fee and commission income	142,439	151,461	-6%
Fee and commission expense	(19,406)	(16,287)	19%
Net fee and commission income	123,033	135,174	-9%
Net gains on financial instruments held at FVTPL	47,305	37,920	25%
Other income	44,348	70,923	-37%
Operating income	845,565	821,284	3%
Personnel expenses	(56,969)	(54,399)	5%
Depreciation and amortization	(54,306)	(38,292)	42%
Net impairment reversal on financial assets	34,855	38,106	-9%
Other operating expenses	(166,112)	(165,799)	0%
Operating expense	(242,531)	(220,382)	10%
Profit before tax	603,034	600,901	0%
Income tax	(188,848)	(151,890)	24%
Profit after tax	414,186	449,011	-8%
Balance Sheet (N'mn)	H1 2026	H1 2025	(%)
Assets			
Cash & balances with CBN	4,736,762	4,786,082	-1%
Loans and advances to banks	55	84	-35%
Loans and advances to customers	3,147,199	3,357,921	-6%
Investment securities	6,755,247	4,794,275	41%
Others	3,976,839	3,753,727	6%
Total Assets	18,616,101	16,692,089	12%
Liabilities			
Deposits from customers	13,967,544	11,877,730	18%
Deposits from banks	226,162	250,377	-10%
Borrowings	15,606	211,328	-93%
Others	1,091,518	1,358,041	-20%
Total Liabilities	15,300,830	13,697,476	12%
Net Assets	3,315,271	2,994,614	11%

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	2,604,715	3,003,009	3,326,991	3,816,291	4,244,896
Interest income	1,341,802	1,653,165	2,095,465	2,371,041	2,627,991	2,985,271	3,314,425
Interest expense	-283,215	-392,577	-401,444	-444,566	-475,612	-515,809	-560,903
Net interest income	1,058,586	1,260,588	1,694,021	1,926,475	2,152,379	2,469,462	2,753,522
Non-interest income	778,868	546,400	498,772	648,565	712,139	845,947	947,044
Operating expense	-403,026	-475,367	-605,146	-678,181	-753,677	-851,403	-941,314
Impairment charge	-136,662	-66,423	-21,823	-51,562	474	-33,776	-21,287
Profit before tax	1,266,246	1,231,083	1,522,582	1,796,368	2,057,083	2,368,625	2,669,567
Net profit after tax	1,006,220	853,550	1,032,464	1,231,641	1,406,799	1,622,640	1,826,023
EPS (N)	29.47	23.35	28.25	33.70	38.49	44.39	49.96
DPS (N)	8.03	12.76	14.12	19.31	22.83	27.17	31.46
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	3,272,855	4,287,974	4,278,641	4,943,611	5,362,703
Net loans	2,785,752	3,132,299	3,174,859	4,159,584	4,150,531	4,795,590	5,202,133
Non-performing loans	151,152	160,465	184,713	242,004	241,477	279,007	302,659
Total assets	6,446,456	9,691,255	14,795,707	17,761,152	19,439,701	21,348,990	23,177,233
Customer deposits	4,485,114	7,410,834	10,013,021	12,547,006	14,121,577	15,508,541	16,836,631
Shareholder funds	912,004	1,447,642	2,655,258	3,377,644	3,700,042	4,066,759	4,417,909
BV/Share (N)	79.44	93.33	102.15	112.19	121.80	134.79	149.37
Ratio Analysis	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Net interest margin	11.1%	9.6%	11.3%	11.7%	11.9%	12.5%	12.6%
PAT margin	47.4%	40.3%	40.3%	41.7%	42.9%	43.1%	43.7%
RoE	48.6%	28.3%	29.4%	31.9%	33.4%	35.1%	35.7%
RoA	9.9%	6.0%	5.9%	6.3%	6.6%	7.0%	7.1%
Cost / Income	24.1%	27.9%	28.4%	27.4%	26.8%	26.4%	26.1%
Loans / Deposit	28.1%	25.1%	22.6%	27.0%	24.8%	25.9%	25.3%

Source: Company Accounts, WSTC Research



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- Hold Rating: estimated change in price is between -10% and 19% of current market price.
- Sell Rating: estimated change in price is $\leq -10\%$ of current market price.

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