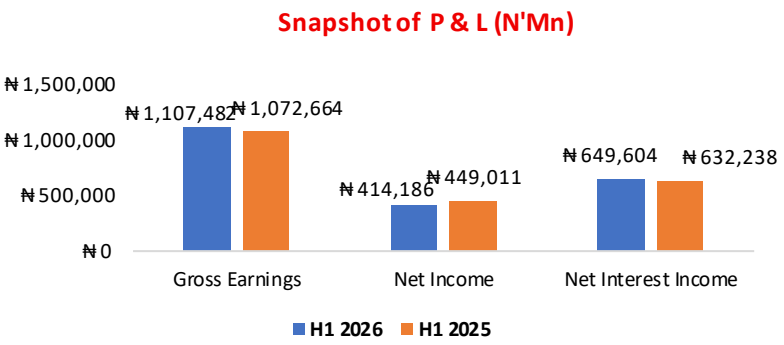
Guaranty Trust Holding Company Plc H1 2026 29 September 2026

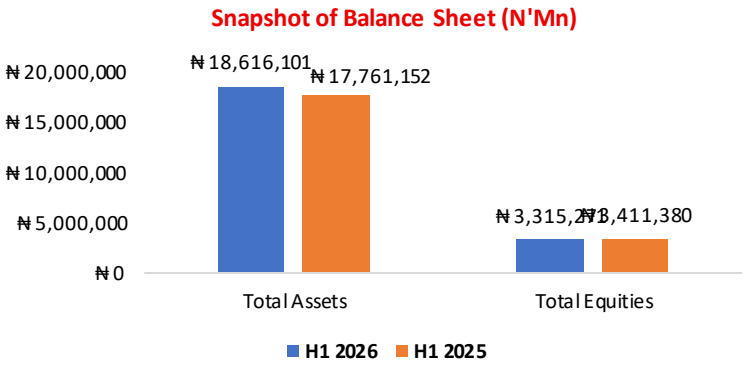
FINANCIAL PERFORMANCE

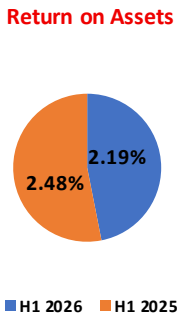
Guaranty Trust Holding Company Plc (GTCO) delivered a mixed H1 2026 performance, with gross earnings rising 3.25% y/y to N1.11tn, but profit after tax declining 7.76% to N414.19bn. The moderation at the bottom line was driven by weaker operating income and rising costs. Interest income grew 7.51% to N873.39bn, but a sharper 24.24% increase in interest expense to N223.79bn limited net interest income growth to 2.75% at N649.60bn. Meanwhile, net fee and commission income declined 8.98% to N123.03bn, while operating expenses rose 7.31% to N277.39bn, pushing the cost-to-income ratio higher to 32% from 29%. The earnings pressure was partly cushioned by a 65.94% decline in loan impairment charges to N18.72bn, although the benefit was offset by a 24.33% increase in income tax to N188.85bn. Consequently, EPS fell 17.73% to N11.18, while ROE moderated to 12.32% from 13%.

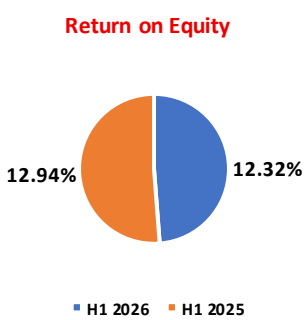
The balance sheet remained relatively solid, expanding 4.81% to N18.62tn, although its composition points to a cautious credit-growth strategy. Loans and advances increased only marginally by 0.48% to N3.15tn, while investment securities climbed 21.92% to N6.76tn, suggesting greater deployment towards securities amid an elevated interest-rate environment. Cash and cash balances declined 13.19% to N4.74tn, while managed funds grew 10.25% to N14.19tn, strengthening the group's funding base. The loan-to-deposit ratio consequently eased to 22% from 24%, while the loan-loss provision ratio improved sharply to 0.6% from 1.8%, underscoring contained credit risk. However, shareholders' equity declined 2.82% to N3.32tn despite balance-sheet expansion, while the cost of funds increased to 1.6% from 1.4%, highlighting the pressure that higher funding costs continue to exert on profitability.

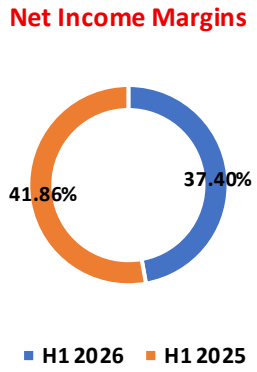
For H2 2026, the CBN's 350bps MPR cut to 23% could become a key catalyst for GTCO's earnings trajectory, particularly through lower funding costs, improved fixed-income valuations and potentially stronger credit demand. However, the transmission to earnings is unlikely to be immediate, and the group will need to demonstrate stronger loan growth, fee-income recovery and cost discipline to rebuild earnings momentum. At N137 per share, GTCO trades at 11.18x P/E and 1.38x P/B, significantly above its H1 2025 multiples of 5.98x and 0.77x, respectively, reflecting the substantial re-rating of the stock.

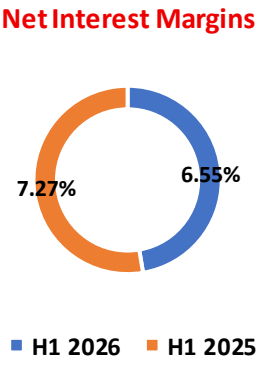












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MPR: 23.00%
Aug'26 Inflation Rate: 15.39%
Q2 2026 Real GDP: 4.43%

Guaranty Trust Holding Company Plc Statement of Profit or Loss	H1 26 (N'Mn)	H1 25 (N'Mn)	% Change
Gross Earnings	1,107,482	1,072,664	3.25%
Interest income	873,390	812,360	7.51%
Interest expense	(223,787)	(180,122)	24.24%
Net interest income	**649,604**	**632,238**	**2.75%**
Fee and commission income	142,439	151,461	5.96%
Fee and commission expense	(19,406)	(16,287)	19.15%
Net fee and commission	**123,033**	**135,174**	**8.98%**
Net gains/(losses) on financial instruments	47,305	37,920	24.75%
Foreign exchange revaluation gain/(loss)	9,047	19,571	53.77%
Other operating income	35,301	51,352	31.26%
Operating Income	**864,289**	**876,255**	**1.37%**
Staff expenses	(56,969)	(54,399)	4.72%
Depreciation and amortisation	(54,306)	(38,292)	41.82%
Other operating expenses	(166,112)	(165,799)	0.19%
Operating expenses	**(277,386)**	**(258,489)**	**7.31%**
Profit before impairment charges and tax	**586,903**	**617,766**	**5.00%**
Loan Provisions & Impairment Charges	(18,724)	(54,971)	65.94%
Net Impairment charge on other financial assets	34,855	38,106	8.53%
Loss/Profit before tax	**603,034**	**600,901**	**0.35%**
Income tax	(188,848)	(151,890)	24.33%
Loss/Profit after tax	**414,186**	**449,011**	**7.76%**
Basic Earnings per Share (in naira)	**11.18**	**13.59**	**17.73%**

Balance Sheet as at June 30, 2026	**30-Jun-2026**	**31-Dec-2025**	
Cash and cash balances	4,736,762	5,456,595	13.19%
Loans and advances	3,147,253	3,132,299	0.48%
Investment securities	6,755,247	5,540,715	21.92%
Pledged assets	109,520	119,009	7.97%
Property Plant and Equipment	435,983	465,569	6.35%
Other Assets	3,431,336	3,046,965	12.61%
Total Assets	**18,616,101**	**17,761,152**	**4.81%**
Managed funds	14,193,706	12,874,041	10.25%
Borrowed funds	15,606	82,236	81.02%
Current income tax liabilities	131,161	218,610	40.00%
Other liabilities	960,358	1,174,886	18.26%
Total Liabilities	**15,300,830**	**14,349,772**	**6.63%**
Total shareholders' equity	**3,315,271**	**3,411,380**	**2.82%**

Financial Statistics	
Share price	132.1
52 Week High/Low	N156.95/N77.5
Shares Outstanding (Bn)	**36.55**
Market Cap (Bn)	4,828.29

Key Ratios	**H1 26**	**H1 25**
P/E Ratio	11.18x	5.98x
P/B Ratio	1.38x	0.77x
Earnings Yield	8.9%	16.7%
Return on Equity (ROE)	12.32%	12.94%
Return on Assets (ROA)	2.19%	2.48%
Cost of Funds	1.6%	1.4%
Net Interest Margin (NIM)	6.55%	7.27%
Cost to Income	32%	29%
Loan-to-Deposit Ratio	22%	24%
Loan Loss Provision Ratio	0.6%	1.8%

Corporate Actions	
Final Dividend	₦1.00
Bonus	Nil
Qualification Date	12-Oct-26
Closure Date	13-Oct-26
Payment Date	20-Oct-26
AGM Date	N/A
Dividend Yield	0.76%

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