

NIGERIAN BANKS

Cash is king

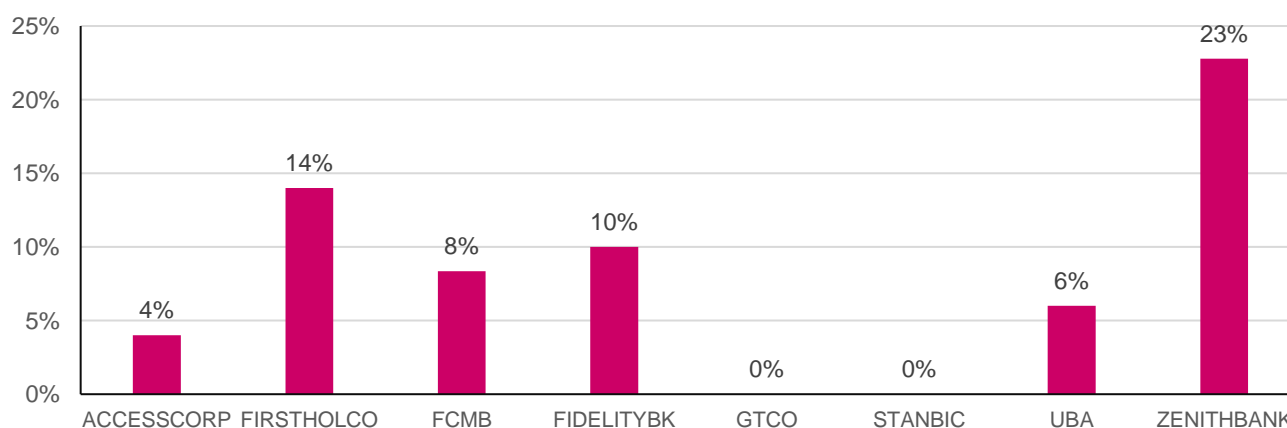
Six months after we called the end to regulatory forbearance, the CBN directed banks to boost provisions and strengthen capital buffers by suspending dividends, deferring management bonuses, and halting foreign investments. The move aligns with our view that the treatment of forbearance should shift to P&L provisions and equity charges. We also see this measure as solving a liquidity issue, not simply asset quality, by making cash profits a better gauge of bank health than accounting profits. We support the CBN's orthodox stance, and believe that this more rigid position on enforcement should provide a new policy standard on new directives; too often the market has expected a flip flop in policy or enforcement timing. We also argue that the CRR is too high and should be cut to ease pressure on banks.

CBN directs banks to bite the bullet

On June 13, 2025, the CBN directed banks to suspend dividend payments to shareholders temporarily, defer bonuses to directors and senior management staff, and halt investments in foreign subsidiaries or new offshore ventures to improve capital buffers and provisioning adequacy for their forbearance exposure and Single Obligor Limits (SOL). The temporary suspension is expected to remain in place until banks have fully provisioned and phased out their regulatory forbearance. As a result, we expect interim and final dividend payments for banks under our coverage with significant exposure to be paused until they have made adequate provisioning for their forbearance exposure.

Based on our estimates, ZENITHBANK, FIRSTBANK, and ACCESSBANK (banks within our coverage universe) have significant forbearance exposures of 23%, 14%, and 4%, respectively, of their gross loan books. Similarly, in line with our estimates, FIDELITYBK and FCMB, the two top tier-II banks, have forbearance exposures of 10% and 8% of their gross loan books, respectively. In contrast, STANBIC and GTCO have 0% forbearance exposure in their gross loans, based on our estimates. GTCO adequately provisioned and wrote off its forbearance exposures last year. Of note, our estimates for FIDELITYBK, FCMB, ACCESSCORP, GTCO, and UBA are based on recent engagements with management. However, our ZENITHBANK estimates are based on our last engagement with management in December 2024.

Figure 1: Estimated forbearance exposure as % of gross loans



Source: Renaissance Capital Africa estimates

Sector update Equity Research

16 June 2025

Banks
Nigeria

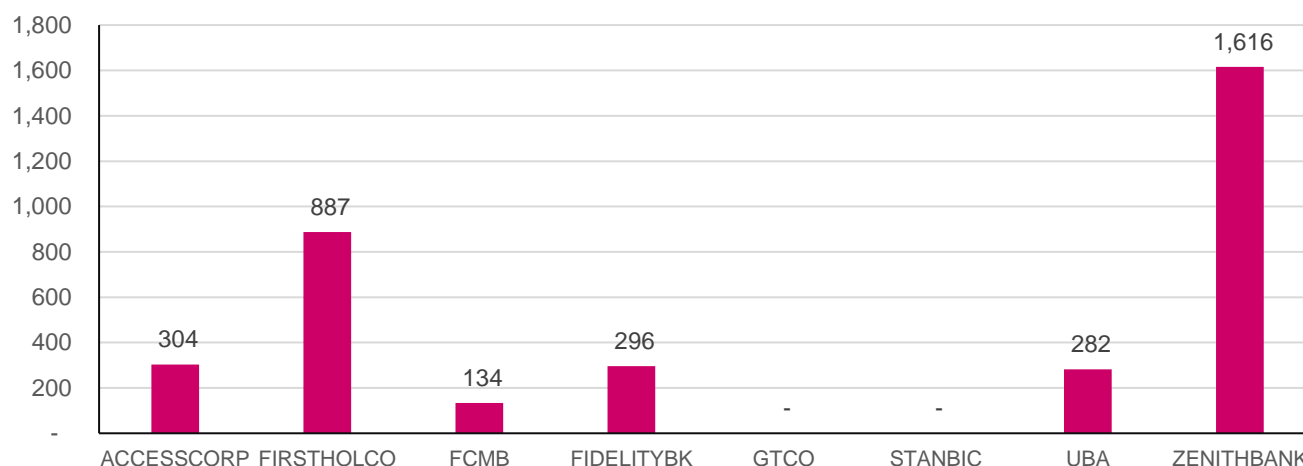
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Access Holdings Plc	
Bloomberg	ACCESSCO:NL
Target Price, NGN	24.19
Current Price, NGN	22.35
Upside potential, %	8%
Rating	HOLD
First Holdco Plc	
Bloomberg	FBNH:NL
Target Price, NGN	30.2
Current Price, NGN	28.2
Upside potential, %	7%
Rating	HOLD
Guaranty Trust Holding Company Plc	
Bloomberg	GTCO:NL
Target Price, NGN	111.25
Current Price, NGN	71.5
Upside potential, %	56%
Rating	BUY
United Bank for Africa Plc	
Bloomberg	UBA:NL
Target Price, NGN	40.09
Current Price, NGN	36.15
Upside potential, %	11%
Rating	HOLD
Zenith Bank Plc	
Bloomberg	ZENITHBA:NL
Target Price, NGN	54.96
Current Price, NGN	50.2
Upside potential, %	9%
Rating	HOLD

Source: Company data, Renaissance Capital Africa estimates

In absolute terms, we estimate regulatory forbearance exposures at \$304 million, \$887 million, \$134 million, \$296 million, \$282 million, and \$1.6 billion for ACCESSCORP, FIRSTHOLDCO, FCMB, FIDELITYBK, UBA, and ZENITHBANK, respectively.

Figure 2: Estimated forbearance exposure, \$'million



Source: Renaissance Capital Africa estimates

Based on our forbearance exposure estimates, we believe FIRSTHOLDCO, FIDELITYBK and ZENITHBANK could breach its SOL due to its estimated forbearance exposure. While forbearance exposures are not always tied to a single client, we believe they are predominantly concentrated in loans to a major Oil & Gas (O&G) counterparty (particularly in the upstream and refinery subsectors). Following our engagement with FCMB, we note that the Group remains compliant with its SOL, as its largest forbearance loan to a single client stands at \$68.1 million, below its SOL threshold of \$94 million.

Figure 3: Estimated Single Obligor Limits & Forbearance exposure, \$' million (unless otherwise stated)

Banks	Single Obligor Limit (SOL)	Forbearance exposure	Forbearance exposure as % of SOL
ACCESSCORP	318	304	96%
FIRSTHOLDCO	346	887	257%
FCMB	94	134	142%
FIDELITYBK	120	296	246%
GTCO	376	-	0%
STANBIC	98	-	0%
UBA	459	282	61%
ZENITHBANK	573	1,616	282%

Source: Renaissance Capital Africa estimates

Cash profits trump accounting profits

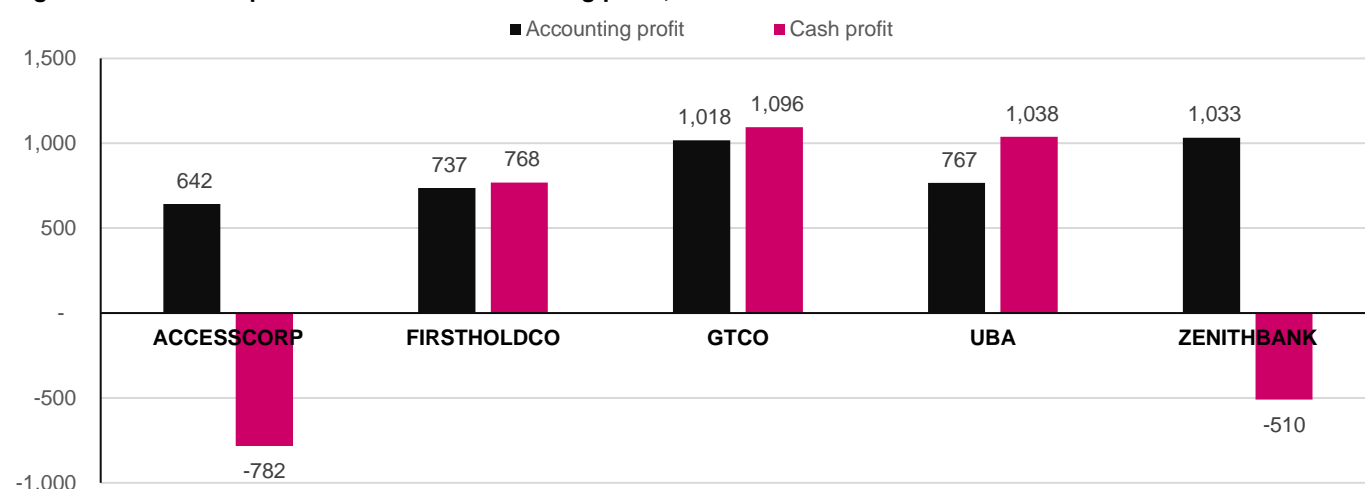
Following the recent CBN directive, FY24 and Q125 results, and final dividend declarations for FY24 from our coverage banks, we have computed their FY24 and Q125 cash profits. We believe investors should focus on cash profits rather than the accounting profits reported by Nigerian banks.

The reported accounting profits include one-off items that are largely unrealised in cash and fail to reflect the adverse effects of regulatory forbearances. Regulatory forbearances do not reflect in accounting profit because forbearance loans are predominantly classified as Stage 2 loans, and we observe a negative correlation between banks' forbearance exposures and their cash profits (i.e., the higher the forbearance exposure, the lower the cash profits). Under accounting standards, Interest Income on Stage 2 loans is recognized in the P&L when due, without a corresponding cash inflow. However, when Interest Income is not received on time, it indicates potential loan default and raises asset quality concerns.

The Stage 2 loan accounting reporting framework is why we believe accounting profits do not fully capture the negative impact of regulatory forbearances. Furthermore, since dividend payouts require actual cash, cash profits provide a more reliable basis for forecasting dividends than accounting profits. Among our coverage banks, three reported positive cash profits in FY24 (FIRSTHOLDCO, GTCO, and UBA), while two (ACCESSCORP and ZENITHBANK) recorded negative cash profits.

These cash profit figures explain why final dividend payouts fell below expectations for some banks and exceeded expectations for others. In particular, ACCESSCORP's negative cash profits appear to be driven by its forbearance exposure, as Interest Income received (₦1.9 trillion per cash flow statements) fell ₦1.5 trillion short of Interest Income earned (₦3.5 trillion per income statements) – the result of investment in its pan-African expansion.

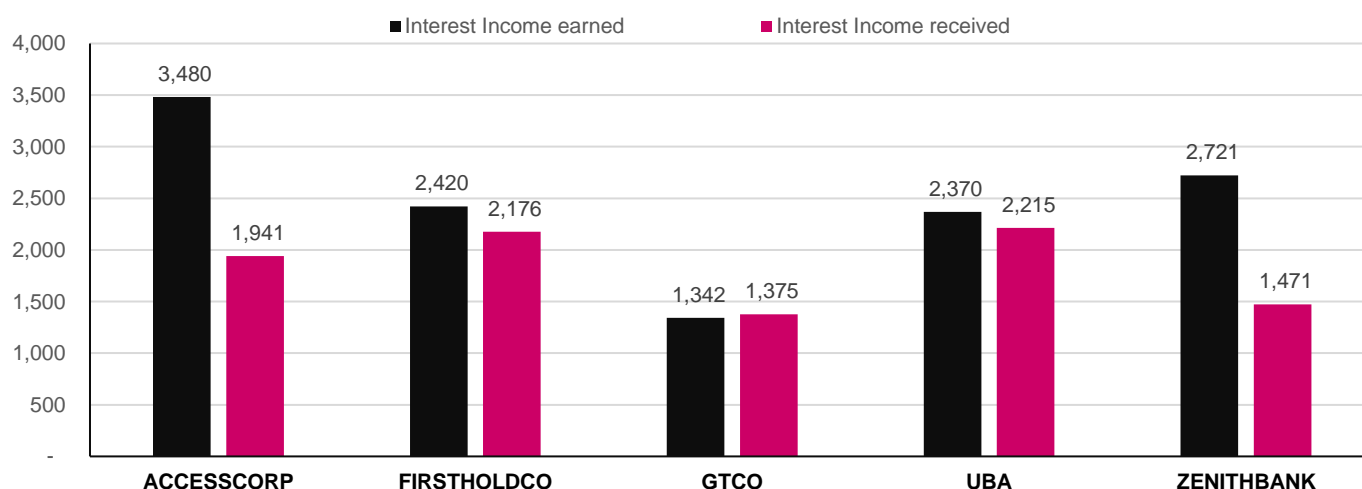
Figure 4: FY24 Cash profit estimates vs accounting profit, ₦' billion



Source: Company filings, Renaissance Capital Africa

Additionally, unrealised FX-related gains totalling ₦288.3 billion, stemming from the naira devaluation in 2024, contributed to the discrepancy between ACCESSCORP's accounting profit and cash profit. Similarly, ZENITHBANK's forbearance exposure negatively impacted its cash profits, as Interest Income received (₦1.5 trillion, per cash flow statements) fell ₦1.3 trillion short of Interest Income earned (₦2.7 trillion, per income statements). Furthermore, unrealised FX-related gains of ₦1.1 trillion, after being deducted from the bank's accounting profits, also weighed on its cash profitability.

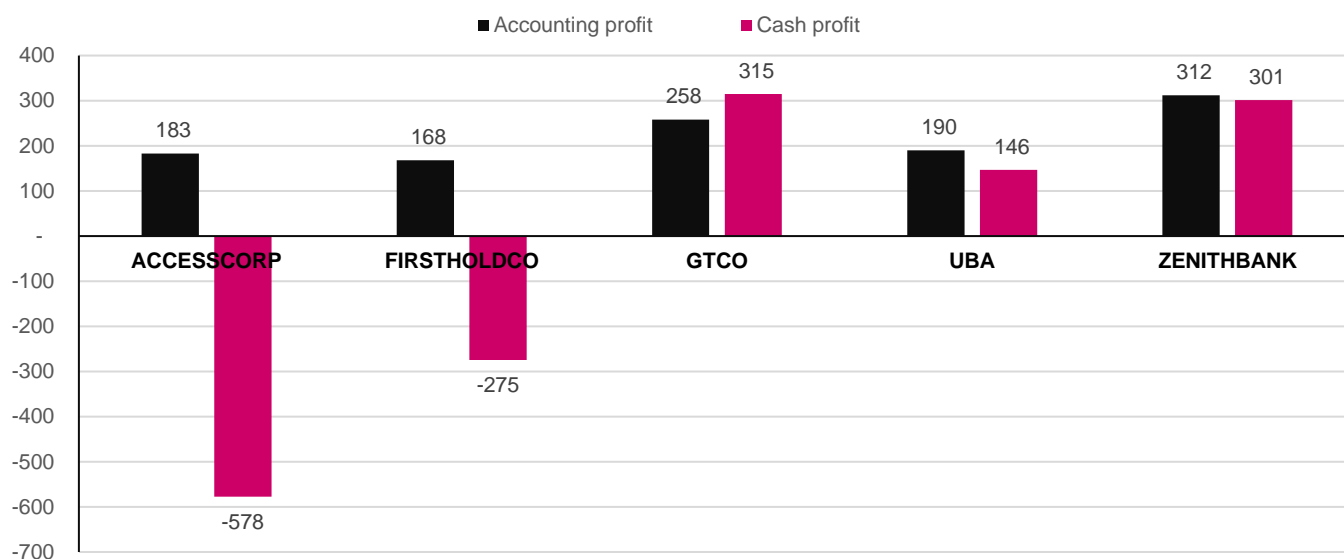
Figure 5: FY24 Interest Income earned and received, ₦' billion



Source: Company filings, Renaissance Capital Africa

Conversely, GTCO has sufficiently provisioned for its forbearance exposure, resulting in no material discrepancy between Interest Income earned and received. Similarly, UBA's forbearance exposure (5-6% of its loan book, per management disclosure) remains immaterial, with no meaningful divergence between Interest Income received and earned. FIRSTHOLDCO recorded no discrepancy as previously accrued, but unpaid Interest Income was settled during the period.

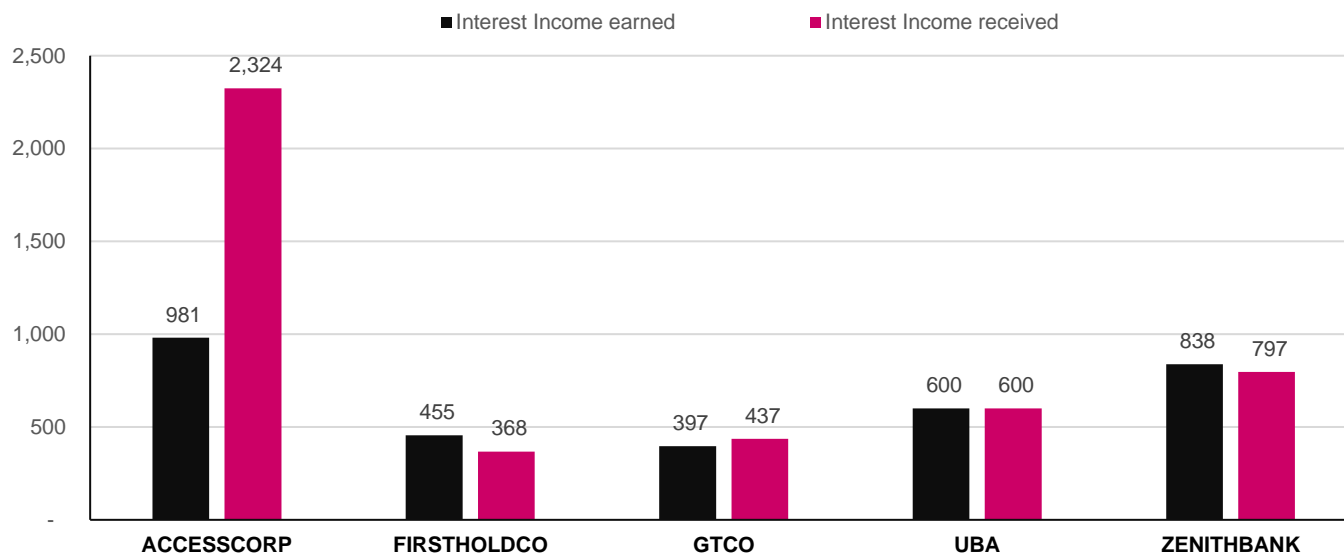
Figure 6: Q125 Cash profit estimates vs accounting profit, ₦' billion



Source: Company filings, Renaissance Capital Africa

In Q1 2025, ACCESSCORP reported negative cash profits for the same reasons outlined above. FIRSTHOLDCO similarly recorded negative cash profits, though we attribute this primarily to its single-obligor Non-Performing Loan (NPL) as disclosed by management. In contrast, ZENITHBANK posted positive cash profits, likely due to cash inflows from interest payments on its forbearance loans.

Figure 7: Q125 Interest Income earned and received, ₦' billion



Source: Company filings, Renaissance Capital Africa

We note that the forbearances granted by the CBN to banks have transitioned from being an asset quality issue to primarily a cash flow constraint. Significant growth in accounting profits without a corresponding increase in cash profits will impede banks' ability to meet day-to-day working capital needs and reward shareholders adequately.

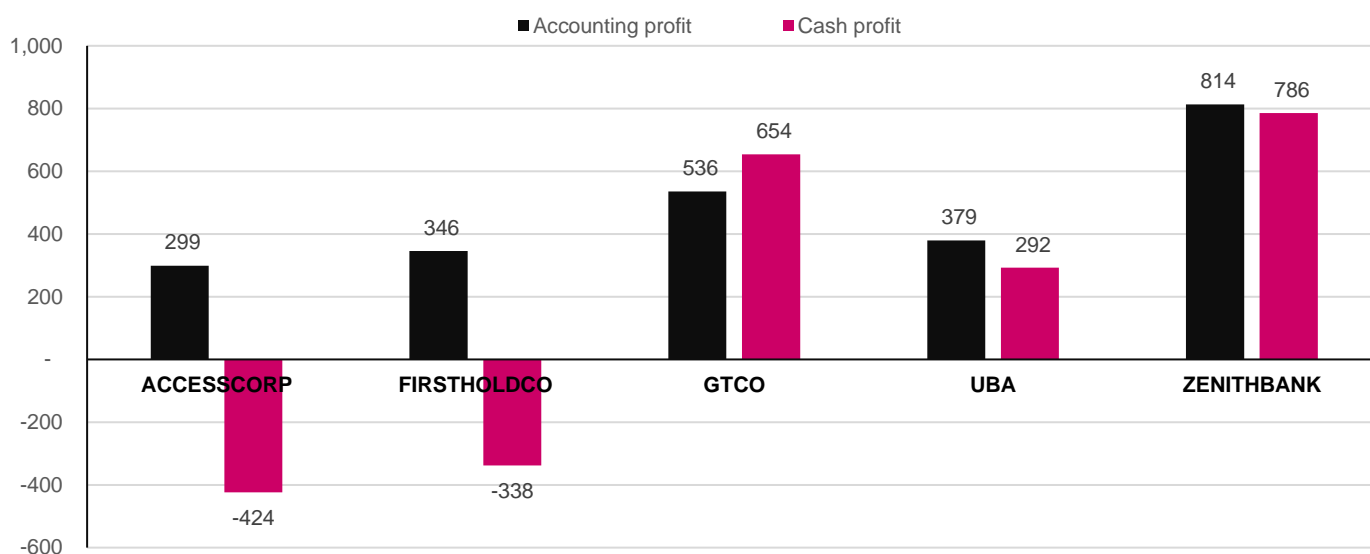
For Q125, ACCESSCORP reported negative cash profits for the same reasons highlighted previously. FIRSTHOLDCO also recorded negative cash profits, which we attribute mainly to its single-obligor Non-Performing Loan (NPL) as disclosed by management. In contrast, ZENITHBANK posted positive cash profits, likely due to cash inflows from interest payments on its forbearance loans.

Looking ahead to H125, based on our earnings forecasts, GTCO, UBA, and ZENITHBANK are expected to report positive cash earnings, while ACCESSCORP and FIRSTHOLDCO are projected to remain in negative territory.

GTCO and UBA should maintain positive cash profits given their negligible forbearance exposures (0% and 5%, respectively). For ZENITHBANK, management indicates the assets underlying its forbearance exposure are now performing, supporting our expectation of continued positive cash profits.

Conversely, ACCESSCORP's cash profits should improve but remain negative due to its Interest Expenses paid, which we expect to exceed incurred Interest Expenses by ₦1.9 trillion. Similarly, we anticipate FIRSTHOLDCO will report negative cash profits in H125 due to its single-obligor NPL, with an estimated ₦723.9 billion gap between Interest Income received and earned.

Figure 8: H125 Cash profit vs accounting profit forecast, ₦' billion



Source: Company filings, Renaissance Capital Africa

Dividend payments to largely resume in 2028

Following the CBN's directive, we expect the banking arms of ACCESSCORP, FIRSTHOLDCO, and ZENITHBANK to pause dividend payments until they have fully provided for their forbearance exposure and single obligor limit exposures. Specifically, we anticipate that the banking arms of ACCESSCORP, FIRSTHOLDCO and ZENITHBANK to potentially resume dividend payments in 2028. As such, we expect dividend payments henceforth to come from the non-banking subsidiaries of the above-mentioned Groups. Given that majority of these Group's income is primarily from their banking business, we do not see any substantial dividend payments from their non-banking subsidiaries.

For UBA, we maintain a more optimistic outlook given its strong cash profit position and manageable forbearance exposure (6% of gross loans). We expect the Group to resume dividend payments by 2026 at the latest. GTCO remains the standout case, as we do not anticipate any pause in its dividend payments this year or in the foreseeable future. The bank's proactive provisioning for its forbearance exposure positions it favourably to maintain its dividend track record.

Banks to raise capital at less attractive market valuation

Following the expected pause in dividend payments across most of our coverage universe, this event will weigh on bank share prices as investors react negatively to the dividend suspension. Among our coverage, ACCESSCORP and ZENITHBANK have already completed their recapitalization exercises and thus won't be adversely impacted by this development. Similarly, GTCO and STANBIC should remain unaffected as we expect both groups to continue their dividend payments uninterrupted. We do not anticipate the dividend pause impacting FIRSTHOLDCO's recapitalisation efforts either, as dividend payments have minimal effect on its share price given its base of wealthy shareholders who can provide market support. We, however, see a potential adverse impact for UBA, FIDELITYBANK, and FCMB, as these banks still need to raise additional capital to meet the CBN's ₦500 billion minimum paid-in capital requirement for internationally licensed banks.

Given our expectation of an adverse market reaction, these institutions may be forced to issue additional shares at lower valuations to meet regulatory requirements. Consequently, we provide our estimates for the projected total shares outstanding upon completion of these banks' recapitalization exercises below based on multiple market valuation scenarios and their respective capital shortfalls. Specifically, FIDELITYBANK, FCMB, and UBA still need to raise ₦194.4 billion, ₦233.8 billion, and ₦144.8 billion, respectively, to meet regulatory requirements.

Figure 9: Estimated total outstanding shares post-recapitalisation based on different market valuation scenarios

FIDELITY						
% Fall in price	50%	40%	30%	20%	10%	0%
Share price (₦)	9.63	11.55	13.48	15.40	17.33	19.25
Additional Shares required	20,202	16,835	14,430	12,626	11,223	10,101
Total outstanding shares	70,402	67,035	64,630	62,826	61,423	60,301

FCMB						
% Fall in price	50%	40%	30%	20%	10%	0%
Share price (₦)	4.95	5.94	6.93	7.92	8.91	9.90
Additional Shares required	37,124	30,937	26,517	23,203	20,625	18,562
Total outstanding shares	76,730	70,542	66,123	62,808	60,230	58,168

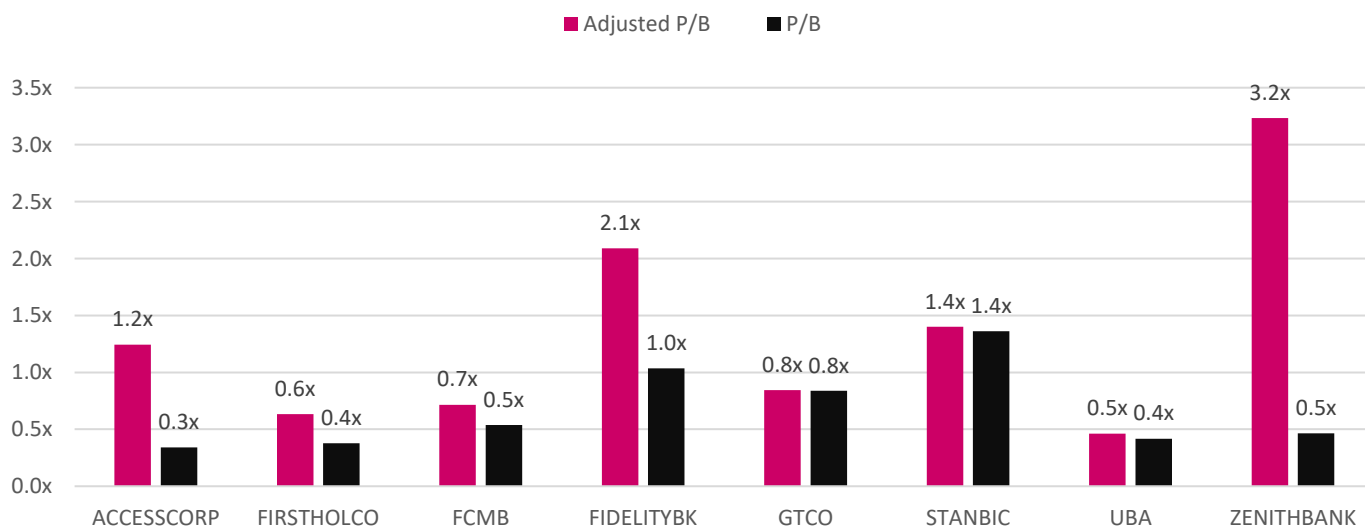
UBA						
% Fall in price	50%	40%	30%	20%	10%	0%
Share price (₦)	18.08	21.69	25.31	28.92	32.54	36.15
Additional Shares required	8,010	6,675	5,722	5,007	4,450	4,005
Total outstanding shares	49,050	47,715	46,761	46,046	45,490	45,045

Source: Renaissance Capital Africa estimates

Re-rating Nigeria banks, bullish to bearish in near-term

When we initially called the phasing-out of regulatory forbearance, we anticipated a gradual withdrawal rather than a one-off removal. Given the immediate phase-out, our near-term outlook (1–2 years) on Nigerian banks has turned partly bearish, as most banks' P/B valuations, adjusted for forbearance exposure (see below), are no longer as attractive. We, however, maintain a bullish stance over the long term (2+ years), as we expect the sector's resilience to drive a stronger recovery.

Figure 10: Relative valuation discounting the impact of forbearance loans



Source: Renaissance Capital Africa estimates

Post-recapitalisation, share reconstruction is not off the table

Post-recapitalisation, we could see Nigerian banks embarking on share reconstruction exercises to reduce their number of shares outstanding. Banks with a large number of shares (exceeding 50 billion shares) could restructure their shares to improve their EPS and DPS. The two major tier-II banks (FIDELITYBANK and FCMB) are more likely to embark on this to reduce their shares outstanding as they would have a material number of shares post-recapitalisation.

Frying pan to fire: World's highest CRR replaces arbitrary CRR

In our view, the CBN's decision to raise the Cash Reserve Ratio (CRR) to 50% while simultaneously mandating banks to recapitalise to support lending for a \$1 trillion economy by 2030 appears contradictory. While the recapitalisation directive aims to strengthen banks' capacity to lend, the 50% CRR severely restricts their ability to deploy funds, effectively undermining the policy's intent. The feasibility of the \$1 trillion GDP target is questionable, given that a core rationale for recapitalisation was to spur credit growth, an outcome now constrained by the CRR's liquidity drain.

With CRR at 50% and the liquidity ratio at 30%, banks are left with only 20% of customer deposits available for lending, well below the regulatory Loan-to-Deposit Ratio (LDR) benchmark of 50%. This structural limitation makes it challenging for banks to meet domestic lending targets, even with higher capital buffers. Notably, banks currently maintaining LDRs above 20% are likely doing so through deposits sourced from international operations, which remain unaffected by the CBN's domestic CRR policy. This policy mix creates conflicting incentives, while recapitalisation seeks to expand lending capacity, the CRR hike stifles liquidity, forcing banks to prioritize balance sheet management over credit expansion. Unless adjusted, these measures risk stifling the very growth they were designed to support.

Figure 11: Income lost/(gained) as result of additional CRR deductions, ₦' million

		2020	2021	2022	2023	2024
ACCESSCORP	Cash Reserve with the CBN	1,523,210	1,678,804	2,395,033	3,107,678	4,326,765
	NGN deposits	3,915,294	4,395,078	5,999,097	7,871,563	4,671,451
	Restricted bal./NGN deposits	39%	38%	40%	39%	93%
	Additional CRR with CBN for the year	674,364	155,594	716,229	712,645	1,219,087
	Asset yield	9.82%	9.76%	9.49%	11.43%	16.71%
	Income lost/(gain) at asset yield	66,208	15,189	67,973	81,446	203,681
FIRSTHOLCO	Cash Reserve with the CBN	1,271,810	1,296,730	1,478,550	2,037,000	3,595,000
	NGN deposits	2,771,289	3,947,751	4,764,102	5,693,588	7,242,011
	Restricted bal./NGN deposits	46%	33%	31%	36%	50%
	Additional CRR with CBN for the year	443,120	24,920	181,820	558,450	1,558,000
	Asset yield	7.2%	5.9%	7.3%	8.5%	14.8%
	Income lost/(gain) at asset yield	31,945	1,475	13,264	47,587	230,792
GTCO	Cash Reserve with the CBN	1,008,748	953,179	1,064,670	1,646,506	1,964,213
	NGN deposits	2,302,177	2,533,472	865,553	3,877,896	3,938,646
	Restricted bal./NGN deposits	44%	38%	123%	42%	50%
	Additional CRR with CBN for the year	565,111	(55,569)	111,490	581,837	317,707
	Asset yield	9.7%	7.2%	7.7%	9.8%	16.1%
	Income lost/(gain) at asset yield	54,773	(4,010)	8,551	57,290	51,031
UBA	Cash Reserve with the CBN	1,072,094	953,176	1,231,399	2,585,578	3,589,647
	NGN deposits	3,483,485	3,192,210	3,598,542	6,345,430	7,493,838
	Restricted bal./NGN deposits	31%	30%	34%	41%	48%
	Additional CRR with CBN for the year	256,116	(118,918)	278,223	1,354,179	1,243,390
	Asset yield	8.1%	7.1%	7.2%	8.8%	12.9%
	Income lost/(gain) at asset yield	20,630	(8,499)	20,139	118,564	160,309
ZENITHBANK	Cash Reserve with the CBN	1,289,930	1,194,512	1,614,217	3,758,248	4,906,659
	NGN deposits	3,483,784	4,062,040	6,185,521	8,364,360	9,996,787
	Restricted bal./NGN deposits	37.0%	29.4%	26.1%	44.9%	49.1%
	Additional CRR with CBN for the year	609,669	-95,418	419,705	2,144,031	1,426,482
	Asset yield	7.3%	6.0%	5.9%	9.6%	13.6%
	Income lost/(gain) at asset yield	44,658	(5,740)	24,610	206,049	194,365

Source: Company filings, Renaissance Capital Africa

Moreover, our estimates indicate that our covered banks incurred ₦840.2 billion in lost income during FY24 alone, compared to ₦862.1 billion in cumulative estimated losses during the FY20-FY23 period. This FY24 loss figure suggests that the 50% CRR regime is proving more detrimental to banks' profitability and liquidity than the previous discretionary CRR framework.

A possible solution, reduce CRR to give banks breathing space

Whilst we commend the CBN's overall regulatory stance, we view specific directives, particularly the 50% CRR requirement, as excessively stringent and potentially counterproductive to policy objectives. The CBN's recent measures requiring banks to pause dividend payments, defer management bonuses, and halt foreign subsidiary investments effectively force the banking sector to "bite the bullet". However, these institutions now require operational breathing space to implement these changes effectively.

From an operational perspective, a CRR reduction would enhance banking sector liquidity, reduce reliance on commercial paper issuance for liquidity management, and improve overall financial system efficiency.

A CRR reduction should be followed by more stringent non-performing loan disclosures. The CBN should take a leaf from the Bank of Ghana's recent policy directive on listing of individual defaulted loans in annual audited accounts, alongside other measures.

ACCESSCORP – HOLD; TP ₦24.19 (Previous: ₦45.70)

We revise our TP downward but maintain our BUY rating on the stock, with an implied FY25E P/B of 0.4x and FY25E P/E of 2.5x. ACCESSCORP currently trades at FY25E P/B of 0.3x and FY25E P/E of 1.7x, based on a 26.4% RoE. Our downward revision reflects expectations of paused dividend payments in FY25-FY27 from the bank, with resumption anticipated from FY28.

While ACCESSCORP's cash earnings have shown limited improvement historically, we project meaningful enhancement by 2026 as the Group's consolidation efforts begin yielding results.

In compliance with CBN guidelines, we expect material dividend payments to resume in FY28, as 2026 & 2027 cash earnings derived from its subsidiaries will be allocated to address regulatory forbearances and strengthen capital buffers.

Figure 12: Cash profits analysis, FY22, FY23 & FY24, ₦'million

	FY22	FY23	FY24
Profit before income tax (A)	166,980	729,001	867,019
Adjustments for non-cash/operating items (B)			
Depreciation	30,583	45,159	80,533
Amortisation	13,838	18,804	31,707
Gain on disposal of property and equipment	(1,123)	(371)	(8,322)
Loss on lease modification	329	45	23,650
Profit on disposal of investment securities			
Fair value gain/loss on financial assets at FVPL	(3,628)	(193,175)	(348,003)
Gain on disposal of investment securities and non-pledged trading assets	(111,380)	(93,675)	(58,965)
Impairment on financial assets	197,790	139,528	245,319
Additional gratuity provision	5,769	687	7,022
Restricted share performance plan expense	1,871	1,713	2,790
Write-off of property and equipment	204	444	-
Write-off of intangible assets	1,040	135	8,745
Share of profit from associate	(513)	(914)	(1,322)
Gain on non-cash reserves			
Gain on bargain purchase from acquisition			
Net interest (income)/expenses	(359,631)	(695,360)	(1,268,028)
Gain on modification of loans	-	(3,569)	(2,256)
Fair value gain on investment property	-	(220)	(4,941)
Foreign exchange loss/(gain) on revaluation	(34,500)	(17,254)	(288,341)
Loss on derecognition of ROU assets	5,661	-	-
Fair value of derivative financial instruments excluding hedged portion	(166,296)	(225,512)	137,974
Loss on disposal of Investment property	-	-	(326,187)
Dividend income	(3,672)	(5,223)	(10,567)
Net loss/gain on fair value hedge (Hedging ineffectiveness)	(19,742)	(99,178)	141,530
Loss from discontinued operations	700	-	-
Loss on disposal of subsidiaries	397	-	-
Bargain purchase from acquisition	-	-	-
Loss on derecognition of ROU assets	-	-	8,387
Change arising from goodwill reassessment	(83)	7,848	3,750
Total	(442,386)	(1,120,088)	(1,625,525)
Add back net interest income received (C)			
Interest paid	(357,958)	(720,581)	(1,744,689)
Interest received	481,231	1,219,456	1,941,200
Total	123,273	498,875	196,511
Cash earnings/loss) before tax (A+B+C)	(152,133)	107,788	(561,995)
Income tax paid	(20,512)	(69,462)	(140,481)
Cash earnings/loss) after tax	(172,645)	38,326	(702,476)
Dividend paid	(47,275)	(74,645)	(79,978)
Cash earnings retained	(219,920)	(36,319)	(782,454)

Figure 13: ACCESSCORP's summary financials, ₦' billion (unless otherwise stated)

Balance Sheet	2024A	2025F	2026F	2027F
Cash	3,375	4,787	4,438	4,831
Interbank Placement	1,580	2,212	2,323	2,439
Investment Securities	12,870	20,592	25,740	30,888
Loans and Advances	11,488	15,977	20,532	26,009
Interest Earning Assets	29,582	43,336	53,378	64,358
Total Assets	41,498	60,930	71,165	83,108
Deposits	22,525	37,468	44,373	52,572
Interest Bearing Liabilities	35,340	52,897	61,295	71,243
Total Liabilities	37,738	56,428	65,174	75,507
Total Equity	3,760	4,503	5,991	7,601

Income statement	2024A	2025F	2026F	2027F
Interest income	3,480	4,489	6,259	7,012
Interest expenses	(2,212)	(3,441)	(3,613)	(3,792)
Net interest income	1,268	1,047	2,645	3,220
Net Fee Income	415	535	642	770
Trading Income	416	524	598	683
Other Income	466	536	617	709
Total Revenue	2,566	2,642	4,502	5,383
Staff Costs	(381)	(458)	(549)	(659)
Other Costs	(1,041)	(1,030)	(1,508)	(1,791)
Total Cost	(1,454)	(1,488)	(2,057)	(2,450)
Operating Profit	1,111	1,154	2,444	2,932
Provisioning Charge	(245)	(282)	(379)	(490)
Other pre-tax items	1	1	1	1
Pre-tax profit	867	873	2,067	2,444
Tax	(225)	(166)	(393)	(464)
Minorities	(7)	(8)	(18)	(21)
Other post-tax gains/losses	0	0	0	0
Net profit	635	700	1,656	1,958
Dividend on common shares	133	0	0	187
Dividend on pref shares	n/a	n/a	n/a	n/a

Key YoY growth rates (%)	2024A	2025F	2026F	2027F
Loans	42.92	39.08	28.51	26.68
Interest earnings assets	65.47	90.65	104.28	123.55
Deposits	47.00	66.34	18.43	18.48
Interest bearing liabilities	55.57	89.14	98.36	99.17
Assets	55.49	46.83	16.80	16.78
Fee income	85.29	30.00	20.00	20.00
Revenue	88.02	24.75	33.39	13.06
Costs	108.52	2.29	38.27	19.11
Operating profit	18.90	0.73	136.86	18.25
Net profit	3.70	10.15	136.65	18.23

Per share data	2024A	2025F	2026F	2027F
No of common shares	53,326	53,326	53,326	35,545
EPS (₦)	18.07	13.27	31.39	37.12
DPS (₦)	2.50	0.00	0.00	3.50
BVPS (₦)	66.46	79.59	105.89	134.35

Balance Sheet Ratios (%)	2024A	2025F	2026F	2027F
Loans/Assets	27.7	26.2	28.9	36.5
Deposits/Liabilities	59.7	66.4	68.1	69.6
Loans/Deposits	51.0	42.6	46.3	49.5
Equity/Assets	9.1	7.4	8.4	9.1

Capital Ratios (%)	2024A	2025F	2026F	2027F
Tier 1	14.0	15.0	15.0	15.0
Tier 2	4.6	5.0	5.0	5.0
Total	18.6	20.0	20.0	20.0

Asset quality	2024A	2025F	2026F	2027F
NPLs	348	412	428	552
NPL Reserve	279	496	882	1,570
NPLs/Gross Loans (%)	2.96	2.50	2.00	2.00
Reserves/NPLs (x)	0.80	1.20	2.06	2.85
Credit charge (%)	2.08	2.00	2.00	2.00

Margins (%)	2024A	2025F	2026F	2027F
Asset Margin	11.75	9.98	11.40	11.04
Liability Margin	3.85	2.64	3.16	3.25
MIM	5.34	2.87	5.47	5.47
Spread	7.05	4.51	6.61	6.19

Costs (%)	2024A	2025F	2026F	2027F
Cost/Income	56.69	56.31	45.70	45.52
Cost/Avge assets	4.27	2.91	3.11	3.18
Effective tax rate	0.19	0.19	0.19	0.19

Profitability ratios (%)	2024A	2025F	2026F	2027F
ROAE	22.47	17.97	33.49	30.57
ROAA	2.53	0.94	1.44	1.86

Other P&L ratios	2024A	2025F	2026F	2027F
Int Inc/Revenues	135.7	169.9	139.0	130.3
Fees/Revenues	10.5	11.0	9.9	10.5
Trading Income/Revenues	16.2	19.8	13.3	12.7
Fees/Staff costs	134.8	134.8	146.0	146.0
Fees/Total costs	134.8	146.0	146.0	146.0
Payout ratio (%)	14%	na	na	9%

No of:	2024A	2025F	2026F	2027F
Employees	27,360	27,360	27,360	27,360
Branches	743	743	743	743
Mini/Sub branches	na	na	na	na
ATM's	1,283	1,283	1,283	1,283

Figure 14: ACCESSCORP's summary financials, \$' million (unless otherwise stated)

Balance Sheet	2024A	2025F	2026F	2027F
Cash	2,200	3,121	2,893	3,149
Interbank Placement	1,030	1,442	1,514	1,590
Investment Securities	8,390	13,424	16,779	20,135
Loans and Advances	7,489	10,415	13,385	16,955
Interest Earning Assets	19,284	28,250	34,796	41,954
Total Assets	27,052	39,720	46,392	54,177
Deposits	14,684	24,425	28,927	34,271
Interest Bearing Liabilities	23,038	34,483	39,957	46,442
Total Liabilities	24,601	36,785	42,487	49,222
Total Equity	2,451	2,935	3,905	4,955

Income statement	2024A	2025F	2026F	2027F
Interest income	2,269	2,926	4,080	4,571
Interest expenses	(1,442)	(2,243)	(2,356)	(2,472)
Net interest income	827	683	1,724	2,099
Net Fee Income	271	349	418	502
Trading Income	271	341	390	445
Other Income	304	350	402	462
Total Revenue	1,672	1,722	2,935	3,509
Staff Costs	(249)	(298)	(358)	(430)
Other Costs	(679)	(672)	(983)	(1,168)
Total Cost	(948)	(970)	(1,341)	(1,597)
Operating Profit	724	753	1,593	1,912
Provisioning Charge	(160)	(184)	(247)	(319)
Other pre-tax items	1	1	1	1
Pre-tax profit	565	569	1,347	1,593
Tax	(147)	(108)	(256)	(303)
Minorities	(4)	(5)	(12)	(14)
Other post-tax gains/losses	0	0	0	0
Net profit	414	456	1,080	1,277
Dividend on common shares	87	0	0	122
Dividend on pref shares	n/a	n/a	n/a	n/a

Key YoY growth rates (%)	2024A	2025F	2026F	2027F
Loans	-11.49	39.08	28.51	26.68
Interest earnings assets	2.48	46.50	23.17	20.57
Deposits	-8.96	66.34	18.43	18.48
Interest bearing liabilities	55.57	49.68	15.88	16.23
Assets	-3.71	46.83	16.80	16.78
Fee income	23.76	28.77	20.00	20.00
Revenue	1.51	2.99	70.37	19.57
Costs	29.14	2.29	38.27	19.11
Operating profit	-20.70	3.91	111.74	19.96
Net profit	-36.46	10.15	136.65	18.23

Per share data	2024A	2025F	2026F	2027F
No of common shares	53,326	53,326	53,326	53,326
EPS (Cents)	1.13	0.83	1.96	2.32
DPS (Cents)	0.16	0.00	0.00	0.22
BVPS (Cents)	4.15	4.97	6.62	8.40

Balance Sheet Ratios (%)	2024A	2025F	2026F	2027F
Loans/Assets	88.5	139.1	128.5	126.7
Deposits/Liabilities	59.7	66.4	68.1	69.6
Loans/Deposits	51.0	42.6	46.3	49.5
Equity/Assets	9.1	7.39	8.4	9.1

Capital Ratios (%)	2024A	2025F	2026F	2027F
Tier 1	14.0	15.0	15.0	15.0
Tier 2	4.6	5.0	5.0	5.0
Total	18.6	20.0	20.0	20.0

Asset quality	2024A	2025F	2026F	2027F
NPLs	217	257	268	345
NPL Reserve	174	310	551	981
NPLs/Gross Loans (%)	2.96	2.50	2.00	2.00
Reserves/NPLs (x)	0.80	1.20	2.06	2.85
Credit charge (%)	2.08	2.00	2.00	2.00

Margins (%)	2024A	2025F	2026F	2027F
Asset Margin	11.77	10.36	11.73	10.90
Liability Margin	(6.26)	(6.51)	(5.90)	(5.32)
MIM	4.29	2.42	4.96	5.00
Spread	5.51	3.85	5.83	5.57

Costs (%)	2024A	2025F	2026F	2027F
Cost/Income	47.52	48.91	49.05	49.05
Cost/Avg assets	3.54	3.36	3.29	3.29
Effective tax rate	0.15	0.15	0.15	0.15

Profitability ratios (%)	2024A	2025F	2026F	2027F
ROAE	35.96	35.21	35.54	35.54
ROAA	2.53	1.17	1.77	1.77

Other P&L ratios	2024A	2025F	2026F	2027F
Int Inc/Revenues	79.6	78.6	77.0	77.0
Fees/Revenues	11.7	11.9	12.8	12.8
Trading Income/Revenues	10.5	11.2	12.1	12.1
Fees/Staff costs	157.0	157.0	157.0	157.0
Fees/Total costs	157.0	157.0	157.0	157.0
Payout ratio (%)	14.79	15.36	16.36	16.36

FIRSTHOLDCO – HOLD; TP ₦30.20 (Previous: ₦34.70)

We have revised our TP downward to ₦30.20 while maintaining our BUY rating, implying FY25E P/B of 0.3x and FY25E P/E of 1.5x. FIRSTHOLDCO currently trades at FY25E P/B of 0.3x and FY25E P/E of 1.4x, based on a 30.0% RoE. Our TP revision reflects expectations of paused dividend payments from the bank and concerns about its single-obligor NPL exposure.

FIRSTHOLDCO's cash earnings have improved significantly in recent years, supported by core banking income growth and better asset quality. We, however, remain cautious given its regulatory forbearance exposure, particularly as Q1'25 cash profits turned negative.

Figure 15: cash earnings analysis, FY22, FY23 & FY24

	FY22	FY23	FY24
Profit before income tax (A)	157,589	357,943	866,313
Adjustments for non-cash/operating items (B)			
Depreciation and amortisation	28,050	42,878	60,794
(Profit)/Loss from disposal of property and equipment	(1,249)	(7)	(53)
Profit from disposal of investment subsidiaries	-	-	(4,725)
Foreign exchange losses/gains	(9,105)	334,230	62,598
Net gains from sale of investment securities	-	(34,848)	40,293
Profit from investment securities	(22,425)	-	-
Net (gains)/ loss from financial assets at fair value through profit or loss	(10,790)	(681,551)	(622,678)
Impairment on loans and advances	61,434	210,773	359,755
Impairment on other financial assets	6,181	5,903	35,869
Impairment on financial assets	909	8,950	4,390
Impairment on off balance sheet	-	(678)	10,796
Share of (loss)/profit from associates	(175)	-	-
Dividend income	(3,166)	(5,742)	(9,864)
Interest income	(551,937)	(936,682)	(2,420,420)
Interest expense	188,688	390,394	1,028,678
Total	(313,585)	(666,380)	(1,454,567)
Add back net interest income received (C)			
Interest paid	(161,707)	(329,120)	(764,319)
Interest received	414,267	1,270,348	2,175,932
Total	252,560	941,228	1,411,613
Cash earnings/loss) before tax (A+B+C)	96,564	632,791	823,359
Income tax paid	(13,053)	(31,458)	(55,504)
Cash earnings/loss) after tax	83,511	601,333	767,855
Dividends paid	(17,948)	(14,358)	-
Cash earnings retained	65,564	586,975	767,855

Figure 16: FIRSTHOLDCO's summary financials, ₦' billion (unless otherwise stated)

Balance Sheet	2024A	2025F	2026F	2027F
Assets				
Interbank	4,647	5,576	6,692	8,030
Securities	2,349	2,373	2,396	2,420
Net Loans	8,786	11,965	14,027	16,495
Gross loans	9,263	11,070	13,193	15,733
Interest Earning Assets	19,347	23,658	27,046	31,073
Total Assets	26,373	30,363	35,034	40,764
Liabilities				
Interbank	2,968	3,265	3,592	3,951
Securities	1,560	1,716	1,887	2,076
Deposits	17,288	19,719	22,569	25,835
Interest Bearing Liabilities	21,816	24,699	28,048	31,862
Total Liabilities	24,003	27,121	30,796	35,279
Shareholders Equity	2,504	3,199	4,182	5,413
Income statement	2024A	2025F	2026F	2027F
Interest Income	2,420	2,778	3,161	3,312
Interest Expense	(1,029)	(1,216)	(1,012)	(956)
Net interest income	1,392	1,562	2,150	2,356
Net Fee income	239	287	344	413
Trading Income	(103)	80	89	97
Other Income	711	21	35	45
Total Revenues	2,239	1,950	2,618	2,912
Staff Costs	(320)	(293)	(340)	(349)
Other Costs	(626)	(641)	(1,067)	(1,050)
Total Costs	(947)	(933)	(1,407)	(1,400)
Operating Profit	1,292	1,017	1,211	1,512
Provisioning Charge	(411)	(203)	(61)	(72)
Other pre tax items	0	1	1	1
Pre-tax profit	882	814	1,151	1,441
Tax	(126)	(119)	(168)	(210)
Minorities	0	0	0	0
Other post tax gains/losses	2	0	0	0
Net profit	758	695	983	1,231
Dividend on Ordinary Shares	22	0	0	0
Dividend on Pref Shares	n/a	n/a	n/a	n/a
Key YoY growth rates (%)	2024A	2025F	2026F	2027F
Loans	39.4	19.5	19.2	19.3
Interest Earning Assets	45.1	22.3	14.3	14.9
Deposits	59.0	14.1	14.5	14.5
Interest bearing liabilities	58.7	13.2	13.6	13.6
Assets	56.1	15.1	15.4	16.4
Fee income	39.2	20.0	20.0	20.0
Revenues	104.1	-12.9	34.2	11.2
Costs	77.1	-1.4	50.7	-0.5
Operating profit	129.8	-21.3	19.1	24.9
Net Profit	71.6	-8.3	41.4	25.2
EPS	138	-6	41	25
Per share data	2024A	2025F	2026F	2027F
No of common shares	35,895	35,895	35,895	35,895
EPS	20.59	19.38	27.39	34.29
DPS	0.60	0.00	0.00	0.00
BVPS	70.72	90.31	118.06	152.81
Balance Sheet Ratios (%)	2024A	2025F	2026F	2027F
Loans/Assets	33.3	39.4	40.0	40.5
Deposits/Liabilities	72.0	72.7	73.3	73.2
Loans/Deposits	50.8	60.7	62.2	63.8
Equity/Assets	9.5	10.5	11.9	13.3
Capital Ratios (%)	2024A	2025F	2026F	2027F
Tier 1	17.0	21.4	25.2	29.8
Tier 2	2.7	2.6	2.3	2.4
Total	19.72	24.02	27.58	32.17
Asset Quality	2024A	2025F	2026F	2027F
NPLs (NGN m)	278	332	396	472
NPL Reserves (NGN m)	-692	-895	-834	-762
NPLs/Gross Loans (%)	3.0	3.0	3.0	3.0
Reserves/NPLs (x)	-248.9	-269.5	-210.8	-161.4
Credit Charge (%)	5.16	2.00	0.50	0.50
Margins (%)	2024A	2025F	2026F	2027F
Asset Margin	14.8	12.9	12.5	11.4
Liability margin	5.8	5.2	3.8	3.2
NIM	9	7	8	8
Spread	9.0	7.7	8.6	8.2
Costs (%)	2024A	2025F	2026F	2027F
Cost/Income	42.3	47.9	53.7	48.1
Cost/Avg Assets	4.4	3.3	4.3	3.7
Effective Tax rate	14.25	14.57	14.57	14.57
Profitability Ratios (%)	2024A	2025F	2026F	2027F
ROAE	35.3	24.4	26.6	25.7
ROAA	3.4	2.5	3.0	3.2
Other P&L ratios (%)	2024A	2025F	2026F	2027F
Int Inc/Revenues	108.1	142.4	120.8	113.7
Fees/Revenues	10.7	14.7	13.2	14.2
Trading Income/Revenues	-4.6	4.1	3.4	3.3
Fees/Staff Costs	74.7	98.1	101.2	118.3
Fees/Total Costs	25.3	30.7	24.5	29.5
Payout Ratio (%)	2.9	0.0	0.0	0.0
No of:	2024A	2025F	2026F	2027F
Employees	8800	8800	8800	8800
Branches	740	740	740	740
Mini/Sub branches	na	na	na	na
ATMs ('000)	13,180	13,180	13,180	13,180

Figure 17: FIRSTHOLDCO's summary financials, \$' million (unless otherwise stated)

Balance Sheet	2024A	2025F	2026F	2027F
Assets				
Interbank	2,904	3,485	4,182	5,019
Securities	1,468	1,483	1,498	1,513
Net Loans	5,491	7,478	8,767	10,309
Gross loans	5,789	6,919	8,245	9,833
Interest Earning Assets	12,092	14,786	16,904	19,421
Total Assets	16,483	18,977	21,896	25,478
Liabilities				
Interbank	1,855	2,041	2,245	2,469
Securities	975	1,072	1,179	1,297
Deposits	10,805	12,324	14,106	16,147
Interest Bearing Liabilities	13,635	15,437	17,530	19,914
Total Liabilities	15,002	16,951	19,248	22,049
Shareholders Equity	1,565	2,000	2,614	3,383
Income statement	2024A	2025A	2026F	2027F
Interest Income	1,513	1,736	1,976	2,070
Interest Expense	(643)	(760)	(632)	(598)
Net interest income	870	976	1,344	1,473
Net Fee income	149	179	215	258
Trading Income	(64)	50	55	61
Other Income	444	13	22	28
Total Revenues	1,399	1,219	1,636	1,820
Staff Costs	(200)	(183)	(213)	(218)
Other Costs	(391)	(401)	(667)	(656)
Total Costs	(592)	(583)	(879)	(875)
Operating Profit	808	636	757	945
Provisioning Charge	(257)	(127)	(38)	(45)
Other pre tax items	0	0	0	0
Pre-tax profit	551	509	719	901
Tax	(79)	(74)	(105)	(131)
Minorities	0	0	0	0
Other post tax gains/losses	1	0	0	0
Net profit	474	435	615	769
Dividend on Ordinary Shares	13	0	0	0
Dividend on Pref Shares	n/a	n/a	n/a	n/a
Key YoY growth rates (%)	2024A	2025A	2026F	2027F
Loans	-21.6	19.5	19.2	19.3
Interest Earning Assets	-18.4	22.3	14.3	14.9
Deposits	-10.5	14.1	14.5	14.5
Interest bearing liabilities	-10.7	13.2	13.6	13.6
Assets	-12.2	15.1	15.4	16.4
Fee income	-21.7	20.0	20.0	20.0
Revenues	14.8	-12.9	34.2	11.2
Costs	-0.4	-1.4	50.7	-0.5
Operating profit	29.3	-21.3	19.1	24.9
Net Profit	-3.5	-8.3	41.4	25.2
EPS	34.1	-5.9	41.4	25.2
Balance Sheet Ratios (%)	2024A	2025F	2026F	2027F
Loans/Assets	33.3	39.4	40.0	40.5
Deposits/Liabilities	72.0	72.7	73.3	73.2
Loans/Deposits	50.8	60.7	62.2	63.8
Equity/Assets	9.5	10.5	11.9	13.3
Capital Ratios (%)	2024A	2025A	2026F	2027F
Tier 1	17.0	21.4	25.2	29.8
Tier 2	2.7	2.6	2.3	2.4
Total	19.72	24.02	27.58	32.17
Asset Quality	2024A	2025A	2026F	2027F
NPLs (NGN m)	0	0	0	0
NPL Reserves (NGN m)	-0	-1	-1	-0
NPLs/Gross Loans (%)	0.0	0.0	0.0	0.0
Reserves/NPLs (x)	-248.9	-269.5	-210.8	-161.4
Credit Charge (%)	5.16	2.00	0.50	0.50
Margins (%)	2024A	2025A	2026F	2027F
Asset Margin	11.2	12.9	12.5	11.4
Liability margin	4.4	5.2	3.8	3.2
NIM	6.5	7.3	8.5	8.1
Spread	6.8	7.7	8.6	8.2
Costs (%)	2024A	2025A	2026F	2027F
Cost/Income	42.3	47.9	53.7	48.1
Cost/Avg Assets	3.4	3.3	4.3	3.7
Effective Tax rate	14.25	14.57	14.57	14.57
Profitability Ratios (%)	2024A	2025A	2026F	2027F
ROAE	35.3	24.4	26.6	25.7
ROAA	3.4	2.5	3.0	3.2
Other P&L ratios (%)	2024A	2025A	2026F	2027F
Int Inc/Revenues	108.1	142.4	120.8	113.7
Fees/Revenues	10.7	14.7	13.2	14.2
Trading Income/Revenues	-4.6	4.1	3.4	3.3
Fees/Staff Costs	-74.7	-98.1	-101.2	-118.3
Fees/Total Costs	-25.3	-30.7	-24.5	-29.5
Payout Ratio (%)	2.9	0.0	0.0	0.0
No of:	2024A	2025A	2026F	2027F
Employees	8100.0	8800.0	8800.0	8800.0
Branches	739.00	740.00	740.00	740.00
Mini/Subbranches	na	na	na	na
ATM's ('000)	12,060	13,180	13,180	13,180
Per share data	2024A	2025A	2026F	2027F
No of common shares	35,895	35,895	35,895	35,895
EPS	0.01	0.01	0.02	0.02
DPS	0.00	0.00	0.00	0.00
BVPS	0.04	0.06	0.07	0.10

GTCO – BUY; TP ₦111.25

We maintain our Target Price (TP) at ₦111.25 and our BUY rating, implying FY25E P/B of 0.9x and FY25E P/E of 2.9x. GTCO currently trades at FY25E P/B of 0.7x and FY25E P/E of 2.2x, based on a 37.0% RoE. Our unchanged TP reflects the bank's adequate provisioning for its forbearance exposure.

GTCO's cost leadership position continues to support its sector premium valuation. The Group has demonstrated consistent improvement in cash earnings, driven by core banking income growth and enhanced asset quality. We expect this to sustain robust dividend payouts in FY25.

Figure 18: Cash profits analysis, FY22, FY23 & FY24, ₦'million

	FY22	FY23	FY24
Profit before income tax (A)	214,154	609,308	1,266,246
Adjustments for non-cash/operating items (B)			
Depreciation of property and equipment	29,366	31,401	49,776
Amortisation of intangible assets	6,101	7,695	8,257
Gain/loss) on disposal of property and equipment	(83)	(12)	(188)
Impairment on financial assets	47,931	197,946	164,330
Restoration cost of lease liabilities	95	23	(27)
Litigation Claims Provision	(35)	9,100	1,577
Net interest income	(259,303)	(436,697)	(1,058,586)
Unrealised Fair Value Gain on Financial Instrument	-	-	39,721
Unrealised Foreign exchange gains	(57,937)	(441,791)	1,948
Unrealised Gain on forward transactions	(6,213)	585	(517,500)
Fair value changes for assets at FVTPL	1,763	4,952	(431)
Dividend income	(293)	(248)	(0)
Income tax expense	-	-	248,443
Total	(238,608)	(627,046)	(1,062,680)
Add back net interest income received (C)			
Interest received	323,342	532,658	1,375,412
Interest paid	(54,502)	(116,090)	(249,684)
Total	268,840	416,568	1,125,729
Cash earnings/loss) before tax (A+B+C)	244,386	398,830	1,329,294
Income tax paid	(26,934)	(82,673)	(124,321)
Cash earnings/loss) after tax	217,452	316,157	1,204,973
Dividends paid	(86,917)	(94,180)	(109,342)
Cash earnings retained	130,534	221,977	1,095,631

Figure 19: GTCO's summary financials, ₦' billion (unless otherwise stated)

Balance Sheet (NGN bn)	2024A	2025F	2026F	2027
Assets				
Interbank	0	970	989	1,009
Securities	7,052	7,805	9,240	10,191
Net Loans	2,786	3,594	4,471	6,001
Gross Loans	2,920	3,795	4,758	6,399
Interest Earning Assets	9,838	12,368	14,700	17,201
Total Assets	14,796	18,003	20,781	24,076
Liabilities				
Interbank	388	408	428	450
Securities	-	-	-	-
Deposits	10,013	11,703	13,590	15,810
Interest Bearing Liabilities	10,711	12,467	14,468	16,875
Total Liabilities	12,084	14,423	16,521	19,031
Shareholders Equity	2,655	3,509	4,213	4,990
Income Statement (NGN bn)	2024A	2025F	2026F	2027
Interest Income	1,342	1,799	1,809	2,017
Interest Expense	(283)	(361)	(314)	(353)
Net interest income	1,059	1,437	1,495	1,664
Net Fee income	190	281	375	450
Trading Income	86	30	60	86
Other Income	499	22	24	27
Total Revenues	1,834	1,770	1,955	2,227
Staff Costs	(85)	(119)	(130)	(147)
Other Costs	(318)	(346)	(389)	(434)
Total Costs	(403)	(464)	(519)	(581)
Operating Profit	1,431	1,306	1,436	1,646
Provisioning Charge	(164)	(67)	(86)	(112)
Other pretax items	-	-	-	-
Pre-tax profit	1,266	1,239	1,350	1,534
Tax	(248)	(194)	(209)	(235)
Minorities	-	-	-	-
Other post tax gains/losses	-	-	-	-
Net profit	1,018	1,045	1,142	1,299
Dividend on Ordinary Shares	269	415	461	538
Dividend on Pref Shares	-	-	-	-
Key YoY Growth Rates (%)	2024A	2025F	2026F	2027
Loans	12%	29%	24%	34%
Interest Earning Assets	43%	26%	19%	17%
Deposits	35%	17%	16%	16%
Interest bearing liabilities	43%	26%	19%	17%
Assets	53%	22%	15%	16%
Fee income	73%	48%	34%	20%
Revenues	73%	-3%	10%	14%
Costs	61%	15%	12%	12%
Operating profit	77%	-9%	10%	15%
Net Profit	89%	3%	9%	14%
EPS	89%	3%	9%	14%
Per Share data (NGN)	2024A	2025F	2026F	2027
No of ordinary shares (m)	34,139	38,431	38,431	38,431
EPS	29.5	28.2	30.3	34.2
DPS	8.0	10.8	12.0	14.0
BVPS	77.8	102.8	109.6	129.8
Balance Sheet Ratios (%)	2024A	2025F	2026F	2027F
Loans/Assets	19%	20%	22%	25%
Deposits/Liabilities	83%	81%	82%	83%
Loans/Deposits	28%	31%	33%	38%
Equity/Assets	18%	19%	20%	21%
Capital Ratios (%)	2024A	2025F	2026F	2027
Tier 1	40%	47%	47%	47%
Tier 2	3%	3%	2%	2%
Total	43%	50%	50%	49%
Asset Quality	2024A	2025F	2026F	2027
NPLs (NGN m)	123	201	228	282
NPL Reserves (NGN m)	134	202	287	399
NPLs/Gross Loans (%)	4%	5%	5%	4%
Reserves/NPLs (x)	1.09	1.00	1.26	1.42
Credit Charge (%)	-1.48	-1.22	-0.39	-0.38
Margins (%)	2024A	2025F	2026F	2027
Asset Margin	16.06	16.20	13.36	12.64
Liability margin	-3.09	-3.12	-2.33	-2.25
NIM	12.67	12.94	11.04	10.43
Spread	12.97	13.08	11.03	10.39
Costs (%)	2024A	2025F	2026F	2027
Cost/Income	44.57	49.50	44.57	46.96
Cost/Avg Assets	-3.29	-2.83	-2.68	-2.59
Effective Tax rate	19.62	15.68	15.45	15.34
Profitability Ratios (%)	2024A	2025F	2026F	2027
ROAE	37.90	30.91	27.65	26.34
ROAA	49.0	35.2	30.2	28.6
Other P&L ratios (%)	2024A	2025F	2026F	2027
Int Inc/Revenues	57.73	81.18	76.48	74.71
Fees/Revenues	10.35	15.85	19.20	20.22
Trading Income/Revenues	4.70	1.72	3.08	3.87
Fees/Staff Costs	222.15	236.46	289.40	306.38
Fees/Total Costs	-47.07	-60.46	-72.34	-77.49
Payout Ratio (%)	26.47	39.72	40.40	41.41
No of:	2024A	2025F	2026F	2027
Employees	5,803	5,803	5,803	5,803
Branches	352	354	356	358
Mini/Subbranches	na	na	na	na
ATM's	1,283	1,283	1,283	1,283

Figure 20: GTCO's summary financials, \$' million (unless otherwise stated)

Balance Sheet (USD m)	2024A	2025F	2026F	2027F
Assets				
Interbank	0	632	645	657
Securities	4,594	5,085	6,019	6,639
Net Loans	1,815	2,341	2,913	3,909
Gross Loans	1,902	2,472	3,100	4,169
Interest Earning Assets	6,409	8,058	9,577	11,206
Total Assets	9,639	11,728	13,538	13,538
Liabilities				
Interbank	253	266	279	293
Securities	-	-	-	-
Deposits	6,523	7,624	8,854	10,300
Interest Bearing Liabilities	6,978	8,122	9,425	10,994
Total Liabilities	7,872	9,396	10,763	12,398
Shareholders' Equity	1,730	2,286	2,745	2,745
Income Statement (USD m)	2024A	2025F	2026F	2027F
Interest Income	874	1,172	1,178	1,314
Interest Expense	(185)	(235)	(204)	(230)
Net interest income	690	936	974	1,084
Net Fee income	124	183	245	293
Trading Income	56	20	39	56
Other Income	325	14	16	17
Total Revenues	1,195	1,153	1,273	1,451
Staff Costs	(56)	(77)	(84)	(96)
Other Costs	(207)	(225)	(254)	(254)
Total Costs	(263)	(302)	(338)	(338)
Operating Profit	932	851	935	935
Provisioning Charge	(107)	(44)	(56)	(73)
Other pretax items	-	-	-	-
Pre-tax profit	825	807	880	880
Tax	(162)	(127)	(136)	(136)
Minorities	-	-	-	-
Other post tax gains/losses	-	-	-	-
Net profit	663	681	744	744
Dividend on Ordinary Shares	176	270	300	351
Dividend on Pref Shares	-	-	-	0
Key YoY Growth Rates (%)	2024A	2025F	2026F	2027F
Loans	-34%	29%	24%	34%
Interest Earning Assets	-16%	26%	19%	17%
Deposits	-21%	17%	16%	16%
Interest bearing liabilities	-16%	26%	19%	17%
Assets	-10%	22%	15%	15%
Fee income	2%	48%	34%	20%
Revenues	2%	-3%	10%	14%
Costs	-6%	15%	12%	12%
Operating profit	4%	-9%	10%	10%
Net Profit	11%	3%	9%	9%
EPS	11%	3%	9%	9%
Per Share data (USD)	2024A	2025F	2026F	2027F
No of ordinary shares (m)	34,139	38,431	38,431	38,431
EPS	0.02	0.02	0.02	0.02
DPS	0.00	0.01	0.01	0.01
BVPS	0.05	0.06	0.07	0.07
Balance Sheet Ratios (%)	2024A	2025F	2026F	2027F
Loans/Assets	19%	19%	19%	19%
Deposits/Liabilities	83%	81%	82%	83%
Loans/Deposits	28%	31%	33%	38%
Equity/Assets	18%	18%	18%	18%
Capital Ratios (%)	2024A	2025F	2026F	2027F
Tier 1	40%	40%	40%	40%
Tier 2	3%	3%	3%	3%
Total	43%	43%	43%	43%
Asset Quality	2024A	2025A	2026A	2027A
NPLs (NGN m)	75	122	138	171
NPL Reserves (NGN m)	81	122	174	242
NPLs/Gross Loans (%)	4%	5%	4%	4%
Reserves/NPLs (x)	1.09	1.00	1.26	1.42
Credit Charge (%)	-2.29	-1.22	-0.39	-0.38
Margins (%)	2024F	2025F	2026F	2027F
Asset Margin	12.45	16.20	13.36	12.64
Liability margin	-2.39	-3.12	-2.33	-2.25
NIM	9.82	12.94	11.04	10.43
Spread	10.06	13.08	11.03	10.39
Costs (%)	2024A	2025A	2026A	2027A
Cost/Income	44.57	49.50	44.57	46.96
Cost/Avge Assets	-2.57	-2.57	-2.57	-2.57
Effective Tax rate	-19.62	-15.68	-19.62	-19.62
Profitability Ratios (%)	2024A	2025A	2026A	2027A
ROAE	37.90	37.90	37.90	37.90
ROAA	49.0	49.0	49.0	49.0
Other P&L ratios (%)	2024A	2025A	2026A	2027A
Int Inc/Revenues	0.58	0.81	0.76	0.75
Fees/Revenues	0.10	0.16	0.19	0.20
Trading Income/Revenues	0.05	0.02	0.03	0.04
Fees/Staff Costs	-2.22	-2.36	-2.89	-3.06
Fees/Total Costs	-0.47	-0.60	-0.47	-0.47
Payout Ratio (%)	0.26	0.40	0.26	0.26
No of:	2024A	2025A	2026A	2027A
Employees	5,803	5,803	5,803	5,803
Branches	352	352	352	352
Mini/Subbranches	na	na	na	na
ATM's	1,283	1,283	1,283	1,283

UBA – HOLD; TP ₦40.09 (Previous: ₦60.25)

We maintain our BUY rating on UBA while revising our TP downward to ₦40.09, implying FY25E P/B of 0.4x and FY25E P/E of 1.9x. UBA currently trades at FY25E P/B of 0.3x and FY25E P/E of 1.8x, based on a 26.8% RoE.

We expect the bank to pause dividend payments in FY25 before resuming in FY26. UBA's cash earnings have improved significantly, driven by core banking income growth. We anticipate the Group will allocate FY25 earnings to address its forbearance exposure.

Figure 21: Cash earnings analysis, FY22, FY23 & FY24

	FY22	FY23	FY24
Profit before income tax (A)	200,876	757,680	803,726
Adjustments for non-cash/operating items (B)			
Depreciation of property and equipment	17,717	23,795	32,382
Amortisation of intangible assets	4,881	5,422	7,733
Depreciation of right-of-use assets	3,620	7,379	8,493
Impairment charge on loans to customers	23,348	153,764	246,890
Impairment charge on investment securities	17,979	25,438	17,771
Impairment (writeback)/charge on investment securities- FVOCI		9,600	(18,960)
Impairment charge on off-balance sheet items	1,232	17	(240)
Impairment charge on loans to banks	(1)	148	11,703
Impairment charge on placements	-	1,495	(596)
Write-off of loans and advances	4,874	6,028	13,015
Impairment charge on other assets	3,086	36,202	19,578
Net fair value gain on derivative financial instruments	(6,509)	(457,188)	342,205
Foreign currency revaluation gain	(5,743)	(26,582)	(293,085)
Dividend income	(4,042)	(19,260)	(16,884)
Net (gain)/loss on disposal of property and equipment	(21)	(121)	(107)
Write-off of property and equipment & Intangible assets	974	1,633	798
Net amount transferred to the profit or loss	(1,299)	(1,006)	(2,033)
Net interest income	(379,489)	(707,540)	(1,530,787)
Share of profit of equity-accounted investee	(311)	-	-
Net monetary loss on hyperinflation	-	-	10,163
Recoveries on loans written-off	-	-	-
Impairment charge on contingent liabilities	-	-	-
Total	(319,704)	(940,776)	(1,151,961)
Add back net interest income received (C)			
Interest paid	(128,715)	(191,305)	(558,808)
Interest received	527,522	1,046,796	2,214,758
Total	398,807	855,491	1,655,950
Cash earnings/(loss) before tax (A+B+C)	279,979	672,395	1,307,715
Income tax paid	(31,733)	(80,166)	(122,770)
Cash earnings/(loss) after tax	248,246	592,229	1,184,945
Dividends paid	(37,619)	(95,757)	(147,058)
Cash earnings retained	210,627	496,472	1,037,887

Figure 22: UBA's summary financials, ₦' billion (unless otherwise stated)

Balance Sheet (NGN bn)	2024A	2025E	2026E	2027E
Assets				
Interbank	556	196	205	205
Securities	6,754	8,875	16,869	16,651
Net Loans	6,955	8,330	10,060	12,577
Gross Loans	7,275	8,730	10,476	13,096
Interest Earning Assets	20,764	25,388	28,814	32,683
Total Assets	30,323	36,051	41,588	47,384
Liabilities				
Interbank	2,756	3,032	3,184	3,343
Borrowings	1,395	1,465	1,538	1,615
Deposits	21,895	26,022	30,347	34,935
Interest Bearing Liabilities	26,046	30,519	35,069	39,892
Total Liabilities	26,905	31,494	36,169	41,136
Shareholders Equity	3,317	4,421	5,257	6,061
Income Statement (NGN bn)	2024A	2025E	2026E	2027E
Interest Income	2,370	2,536	2,737	2,824
Interest Expense	(839)	(1,021)	(1,272)	(1,346)
Net interest income	1,531	1,515	1,465	1,478
Net Fee income	355	406	488	585
Trading Income	182	182	200	220
Other Income	46	51	56	61
Total Revenues	2,114	2,154	2,208	2,344
Staff Costs	(315)	(362)	(398)	(438)
Other Costs	(611)	(582)	(596)	(633)
Total Costs	(1,046)	(1,075)	(834)	(889)
Operating Profit	814	999	1,278	1,338
Provisioning Charge	(254)	(80)	(96)	(118)
Other pretax items	-	-	-	-
Pre-tax profit	814	999	1,278	1,338
Tax	(37)	(150)	(192)	(201)
Minorities	(23)	(35)	(44)	(46)
Other post tax gains/losses	0	0	0	0
Net profit	753	815	1,042	1,091
Dividend on Ordinary Shares	171	-	205	287
Dividend on Pref Shares	0	0	0	0
Key YoY Growth Rates (%)	2024A	2025E	2026E	2027E
Loans	33.0	19.8	20.8	25.0
Interest Earning Assets	29.8	22.3	13.5	13.4
Deposits	47.0	18.9	16.6	15.1
Interest bearing liabilities	43.0	17.2	14.9	13.8
Assets	46.8	18.9	15.4	13.9
Fee income	87.8	14.5	20.0	20.0
Revenues	33.0	1.9	2.5	6.2
Costs	67.5	2.7	(22.3)	6.5
Operating profit	7.4	22.8	27.9	4.7
Net Profit	24.5	8.2	27.9	4.7
EPS	22.9	-8.6	27.9	4.7
Per Share data (NGN)	2024A	2025E	2026E	2027E
No of ordinary shares (m)	34,199	41,039	41,039	41,039
EPS	21.73	19.85	25.39	26.58
DPS	5.0	0.0	5.0	7.0
BVPS	99.96	133.24	132.05	152.23
Balance Sheet Ratios (%)	2024A	2025E	2026E	2027E
Loans/Assets	23%	23%	24%	27%
Deposits/Liabilities	81%	83%	84%	85%
Loans/Deposits	32%	32%	33%	36%
Equity/Assets	11%	12%	13%	13%
Capital Ratios (%)	2024A	2025E	2026E	2027E
Tier 1	24%	31%	34%	35%
Tier 2	7%	6%	5%	4%
Total	31%	37%	39%	39%
Asset Quality	2024A	2025E	2026E	2027E
NPLs (NGN m)	438	524	419	393
NPL Reserves (NGN m)	321	401	417	519
NPLs/Gross Loans (%)	6.02%	6.00%	4.00%	3.00%
Reserves/NPLs (x)	0.73	0.77	0.99	1.32
Credit Charge (%)	-4.0%	-1.0%	-1.0%	-1.0%
Margins (%)	2024A	2025E	2026E	2027E
Asset Margin	38.91	33.18	29.77	24.95
Liability margin	-3.79	-3.61	-3.88	-3.59
NIM	8.33	6.56	5.40	4.81
Spread	35.11	29.57	25.89	21.36
Costs (%)	2024A	2025E	2026E	2027E
Cost/Income	49.5	49.9	37.8	37.9
Cost/Avg Assets	0.0	3.8	2.3	2.1
Effective Tax rate	4.6	15.0	15.0	15.0
Profitability Ratios (%)	2024A	2025E	2026E	2027E
ROAE	29.04	21.95	22.44	20.09
ROAA	3.01	2.56	2.80	2.56
Other P&L ratios (%)	2024A	2025E	2026E	2027E
Int Inc/Revenues	44.52	72.42	70.34	66.33
Fees/Revenues	11.90	16.80	18.87	22.09
Trading Income/Revenues	41.48	8.60	8.44	9.05
Fees/Staff Costs	103.42	112.82	112.31	122.52
Fees/Total Costs	-30.28	-33.93	-37.82	-58.45
Payout Ratio (%)	22.70	0.00	19.69	26.33
No of:	2024A	2025E	2026E	2027E
Employees	26,017	26,033	26,050	26,050
Branches	1,000	1,000	1,000	1,000
Mini/Subbranches	na	na	na	na
ATM's	2,366	2,366	2,366	2,366

Figure 23: UBA's summary financials, \$' million (unless otherwise stated)

Balance Sheet (USD m)	2024A	2025E	2026E	2027E
Assets				
Interbank	361	127	133	133
Securities	4,386	5,763	10,954	10,813
Net Loans	4,516	5,409	6,532	8,167
Gross Loans	4,724	5,669	6,803	8,504
Interest Earning Assets	13,483	16,486	18,710	21,223
Total Assets	19,690	23,410	27,005	30,769
Liabilities				
Interbank	1,790	1,969	2,067	2,171
Borrowings	906	951	999	1,048
Deposits	14,217	16,898	19,706	22,685
Interest Bearing Liabilities	16,913	19,817	22,772	25,904
Net Fee income	17,471	20,451	23,486	26,712
Shareholders' Equity	2,154	2,871	3,414	3,936
Income Statement (NGN m)	2024A	2025E	2026E	2027E
Interest Income	1,539	1,646	1,777	1,834
Interest Expense	(545)	(663)	(826)	(874)
Net interest income	994	984	951	960
Net Fee income	231	264	317	380
Trading Income	118	118	130	143
Other Income	30	33	36	40
Total Revenues	1,372	1,399	1,434	1,522
Staff Costs	(204)	(235)	(258)	(284)
Other Costs	(397)	(378)	(387)	(411)
Total Costs	(679)	(698)	(542)	(577)
Operating Profit	528	649	830	869
Provisioning Charge	(165)	(52)	(62)	(77)
Other pretax items	0	0	0	0
Pre-tax profit	528	649	830	869
Tax	(24)	(97)	(124)	(130)
Minorities	(15)	(22)	(29)	(30)
Other post tax gains/losses	0	0	0	0
Net profit	489	529	677	708
Dividend on Ordinary Shares	111	-	133	187
Dividend on Pref Shares	0	0	0	0
Key YoY Growth Rates (%)	2024A	2025E	2026E	2027E
Loans	(22.3)	19.8	20.8	25.0
Interest Earning Assets	(24.2)	22.3	13.5	13.4
Deposits	(14.1)	18.9	16.6	15.1
Interest bearing liabilities	(16.4)	17.2	14.9	13.8
Assets	(14.2)	18.9	15.4	13.9
Fee income	9.7	14.5	20.0	20.0
Revenues	(22.3)	1.9	2.5	6.2
Costs	(2.1)	2.7	(22.3)	6.5
Operating profit	(37.2)	22.8	27.9	4.7
Net Profit	(27.2)	8.2	27.9	4.7
EPS	-28.2	-8.6	27.9	4.7
Per Share data (NGN)	2024A	2025E	2026E	2027E
No of ordinary shares (m)	34,199	41,039	41,039	41,039
EPS	0.01	0.01	0.02	0.02
DPS	0.00	0.00	0.00	0.00
BVPS	0.06	0.09	0.09	0.10
Balance Sheet Ratios (%)	2024A	2025E	2026E	2027E
Loans/Assets	23%	23%	24%	27%
Deposits/Liabilities	81%	83%	84%	85%
Loans/Deposits	32%	32%	33%	36%
Equity/Assets	11%	12%	13%	13%
Capital Ratios (%)	2024A	2025E	2026E	2027E
Tier 1	24%	31%	34%	35%
Tier 2	7%	6%	5%	4%
Total	31%	37%	39%	39%
Asset Quality	2024A	2025E	2026E	2027E
NPLs (NGN m)	0	0	0	0
NPL Reserves (NGN m)	0	0	0	0
NPLs/Gross Loans (%)	0.01%	0.01%	0.00%	0.00%
Reserves/NPLs (x)	0.73	0.77	0.99	1.32
Credit Charge (%)	-3.0%	-1.0%	-1.0%	-1.0%
Margins (%)	2024A	2025E	2026E	2027E
Asset Margin	29.81	33.18	29.77	24.95
Liability margin	-2.93	-3.61	-3.88	-3.59
NIM	6.36	6.56	5.40	4.81
Spread	26.87	29.57	25.89	21.36
Costs (%)	2024A	2025E	2026E	2027E
Cost/Income	49.5	49.9	37.8	37.9
Cost/Avg Assets	3.1	3.0	2.3	2.1
Effective Tax rate	4.6	15.0	15.0	15.0
Profitability Ratios (%)	2024A	2025E	2026E	2027E
ROAE	22.57	21.06	21.53	19.28
ROAA	2.29	2.45	2.68	2.45
Other P&L ratios (%)	2024A	2025E	2026E	2027E
Int Inc/Revenues	44.52	72.42	70.34	66.33
Fees/Revenues	11.90	16.80	18.87	22.09
Trading Income/Revenues	41.48	8.60	8.44	9.05
Fees/Staff Costs	103.42	112.82	112.31	122.52
Fees/Total Costs	-30.28	-33.93	-37.82	-58.45
Payout Ratio (%)	22.70	0.00	19.69	26.33
No of:	2024A	2025E	2026E	2027E
Employees	26,000	26,000	26,000	26,000
Branches	1,000	1,000	1,000	1,000
Mini/Subbranches	na	na	na	na
ATM's	2,366	2,366	2,366	2,366

ZENITH – HOLD; TP ₦54.96 (Previous: ₦80.89)

We revise our TP downward to ₦54.96, implying FY25E P/B of 0.6x and FY25E P/E of 2.1x. ZENITHBANK currently trades at FY25E P/B of 0.3x and FY25E P/E of 1.3x, based on a 32.7% RoE. Consequently, we downgrade our rating to HOLD.

ZENITHBANK's cash earnings remained positive through FY24 but turned negative in our current analysis. We expect the bank to pause dividend payments in FY25, with resumption anticipated in FY28 as it provisions for forbearance exposures in compliance with CBN directives.

Figure 24: cash earnings analysis, FY22, FY23, & FY24, ₦' million

	FY22	FY23	FY24
Profit before income tax (A)	284,650	795,962	1,326,851
Adjustments for non-cash/operating items (B)			
Net impairment loss on financial and nonfinancial instruments	123,252	409,616	658,805
Unrealised fair value change in trading bond, bills and derivatives	(90,046)	(149,278)	(261,785)
Depreciation of property and equipment	26,630	29,857	44,228
Amortisation of intangible assets	3,679	3,469	8,318
Dividend income	(2,223)	(5,661)	(8,645)
Foreign exchange revaluation gain	(25,201)	(111,748)	(1,099,619)
Interest income	(540,166)	(1,144,674)	(2,828,801)
Interest expense	173,539	408,492	993,011
Gain on sale of property and equipment	(2,563)	(189)	994
Gain on lease derecognition	(2,028)	(14)	-
Net monetary loss arising from hyperinflationary economy	-	13,225	33,783
Recognition of utilized withholding tax	-	-	(8,866)
Gain/(loss) on modification of financial asset	-	-	42,518
Total	(335,127)	(546,905)	(2,426,059)
Add back net interest income received (C)			
Interest paid	(143,859)	(413,961)	(639,393)
Interest received	354,722	804,259	1,471,304
Total	210,863	390,298	831,911
Cash earnings/loss) before tax (A+B+C)	160,386	639,355	(267,297)
Income tax paid	(24,247)	(127,862)	(101,135)
Cash earnings/loss) after tax	136,139	511,493	(368,432)
Dividends paid	(100,467)	(125,584)	(141,284)
Cash earnings retained	35,672	385,909	(509,716)

Figure 25: ZENITH's summary financials, ₦' billion (unless otherwise stated)

Balance Sheet (NGN bn)	2024A	2025E	2026E	2027E
Assets				
Interbank	4,936	5,182	5,442	5,714
Securities	7,777	10,136	13,177	14,494
Net Loans	9,965	11,837	15,316	20,931
Gross Loans	10,994	13,731	17,841	24,086
Interest Earning Assets	22,945	27,449	34,257	41,495
Total Assets	29,957	36,247	44,064	52,779
Liabilities				
Interbank	-	-	-	-
Borrowings	2,045	963	1,083	1,346
Deposits	21,959	26,351	9,136	11,626
Interest Bearing Liabilities	21,284	26,666	32,048	38,134
Total Liabilities	25,928	10,907	11,918	14,250
Shareholders Equity	4,027	5,352	6,979	8,851
Income Statement (NGN bn)	2024A	2025E	2026E	2027E
Interest Income	2,721	3,914	4,008	4,434
Interest Expense	(992)	(1,102)	(1,089)	(1,067)
Net interest income	1,729	2,812	2,919	3,368
Net Fee income	207	291	378	454
Trading Income	1,100	330	340	350
Other Income	- 207	- 207	- 217	- 228
Total Revenues	2,829	3,226	3,420	3,943
Staff Costs	(204)	(226)	(222)	(355)
Other Costs	(328)	(452)	(479)	(552)
Total Costs	(843)	(861)	(895)	(1,137)
Operating Profit	1,327	1,499	1,893	2,178
Provisioning Charge	(659)	(865)	(631)	(629)
Other pre tax items	-	-	-	-
Pre-tax profit	1,327	1,499	1,893	2,178
Tax	(294)	(195)	(265)	(305)
Minorities	-	-	-	-
Other post tax gains/losses	-	-	-	-
Net profit	1,033	1,304	1,628	1,873
Dividend on Ordinary Shares	196	0	0	0
Dividend on Pref Shares	-	-	-	-
Key YoY Growth Rates (%)	2024A	2025E	2026E	2027E
Loans	52.0	18.8	29.4	36.7
Interest Earning Assets	55.8	19.6	24.8	21.1
Deposits	44.8	20.0	(65.3)	27.3
Interest bearing liabilities	63.8	25.3	20.2	19.0
Assets	47.1	21.0	21.6	19.8
Fee income	89.3	40.6	30.0	20.0
Revenues	70.9	14.0	6.0	15.3
Costs	87.6	2.1	3.9	27.0
Operating profit	66.7	13.0	26.3	15.0
Net Profit	52.6	26.3	24.8	15.0
EPS	25.2	31.8	39.6	45.6
Per Share data (NGN)	2024A	2025E	2026E	2027E
No of ordinary shares (m)	41,069	41,069	41,069	41,069
EPS	25.15	31.76	39.64	45.60
DPS	5.0	0.0	0.0	0.0
BVPS	98.05	130.32	169.94	215.51
Balance Sheet Ratios (%)	2024A	2025E	2026E	2027E
Loans/Assets	33%	33%	35%	40%
Deposits/Liabilities	85%	242%	77%	82%
Loans/Deposits	45%	45%	168%	180%
Equity/Assets	13%	15%	16%	17%
Capital Ratios (%)	2024A	2025E	2026E	2027E
Tier 1	21%	31%	36%	41%
Tier 2	5%	4%	4%	4%
Total	26%	35%	41%	45%
Asset Quality	2024A	2025E	2026E	2027E
NPLs (NGN m)	345	431	560	756
NPL Reserves (NGN m)	1,028	1,894	2,525	3,154
NPLs/Gross Loans (%)	3.13%	3.14%	3.14%	3.14%
Reserves/NPLs (x)	2.98	4.40	4.51	4.17
Credit Charge (%)	-7.3	-7.0	-4.0	-3.0
Margins (%)	2024A	2025E	2026E	2027E
Asset Margin	32.94	35.90	29.52	24.47
Liability margin	-5.79	-4.60	-3.71	-3.04
NIM	9.18	11.16	9.46	8.89
Spread	27.15	31.30	25.81	21.43
Costs (%)	2024A	2025E	2026E	2027E
Cost/Income	-29.8	-26.7	-26.2	-28.8
Cost/Avg Assets	-3.1	-2.8	-3.4	-2.6
Effective Tax rate	-22.2	-13.0	-14.0	-14.0
Profitability Ratios (%)	2024A	2025E	2026E	2027E
ROAE	32.52	27.79	26.39	23.65
ROAA	4.10	3.94	4.05	3.87
Other P&L ratios (%)	2024A	2025E	2026E	2027E
Int Inc/Revenues	44.48	61.11	87.16	85.35
Fees/Revenues	6.60	7.31	9.01	11.05
Trading Income/Revenues	34.26	38.88	10.23	9.94
Fees/Staff Costs	87.86	101.32	128.78	170.07
Fees/Total Costs	-24.32	-24.53	-33.77	-42.24
Payout Ratio (%)	18.94	0.00	0.00	0.00
No of:	2024A	2025E	2026E	2027E
Employees	5,507	5,527	5,547	5,482
Branches	352	354	356	358
Mini/Sub branches	na	na	na	na
ATM's	1,283	1,283	1,283	1,283

Figure 26: ZENITH's summary financials, \$' million (unless otherwise stated)

Balance Sheet (USD mn)	2024A	2025E	2026E	2027E
Assets				
Interbank	3,085	3,239	3,401	3,571
Securities	4,861	6,335	8,235	9,059
Net Loans	6,228	7,398	9,572	13,082
Gross Loans	6,871	8,582	11,151	15,053
Interest Earning Assets	14,341	17,155	21,411	25,934
Total Assets	18,723	22,655	27,540	32,987
Liabilities				
Interbank	-	-	-	-
Borrowings	1,278	602	677	841
Deposits	13,725	16,470	5,710	7,266
Interest Bearing Liabilities	13,302	16,666	20,030	23,834
Total Liabilities	16,205	6,817	7,449	8,906
Shareholders Equity	2,517	3,345	4,362	5,532
Income Statement (USD mn)	2024A	2025E	2026E	2027E
Interest Income	1,701	2,446	2,505	2,771
Interest Expense	(620)	(689)	(681)	(667)
Net interest income	1,081	1,757	1,824	2,105
Net Fee income	129	182	236	284
Trading Income	688	206	212	219
Other Income	- 129	- 129	- 136	- 142
Total Revenues	1,105	1,260	1,336	1,540
Staff Costs	(128)	(141)	(139)	(222)
Other Costs	(205)	(282)	(299)	(345)
Total Costs	(527)	(538)	(559)	(710)
Operating Profit	829	937	1,183	1,361
Provisioning Charge	(412)	(541)	(395)	(393)
Other pre tax items	0	0	0	0
Pre-tax profit	829	937	1,183	1,361
Tax	(184)	(122)	(166)	(191)
Minorities	-	-	-	-
Other post tax gains/losses	-	-	-	-
Net profit	646	815	1,018	1,171
Dividend on Ordinary Shares	122	0	0	0
Dividend on Pref Shares	-	-	-	-
Key YoY Growth Rates (%)	2024A	2025E	2026E	2027E
Loans	(14.5)	18.8	29.4	36.7
Interest Earning Assets	(12.4)	19.6	24.8	21.1
Deposits	(18.6)	20.0	(65.3)	27.3
Interest bearing liabilities	(7.9)	25.3	20.2	19.0
Assets	(17.3)	21.0	21.6	19.8
Fee income	6.4	40.6	30.0	20.0
Revenues	(45.9)	14.0	6.0	15.3
Costs	5.5	2.1	3.9	27.0
Operating profit	(6.2)	13.0	26.3	15.0
Net Profit	(14.2)	26.3	24.8	15.0
EPS	0.0	0.0	0.0	0.0
Per Share data (USD)	2024A	2025E	2026E	2027E
No ordinary shares (m)	41,069	41,069	41,069	41,069
EPS	0.02	0.02	0.02	0.03
DPS	0.00	0.00	0.00	0.00
BVPS	0.06	0.08	0.11	0.13
Balance Sheet Ratios (%)	2024A	2025E	2026E	2027E
Loans/Assets	33%	33%	35%	40%
Deposits/Liabilities	85%	242%	77%	82%
Loans/Deposits	45%	45%	168%	180%
Equity/Assets	13%	15%	16%	17%
Capital Ratios (%)	2024A	2025E	2026E	2027E
Tier 1	20.64	30.92	36.27	40.60
Tier 2	4.96	4.40	4.36	4.25
Total	25.60	35.32	40.63	44.84
Asset Quality	2024A	2025E	2026E	2027E
NPLs (NGN m)	215	269	350	472
NPL Reserves (NGN m)	643	1,184	1,578	1,971
NPLs/Gross Loans (%)	3.13	3.14	3.14	3.14
Reserves/NPLs (x)	2.98	4.40	4.51	4.17
Credit Charge (%)	-5.60	-7.00	-4.00	-3.00
Margins (%)	2024A	2025E	2026E	2027E
Asset Margin	11.08	15.53	12.99	11.71
Liability margin	-4.47	-4.60	-3.71	-3.04
NIM	7.04	11.16	9.46	8.89
Spread	6.61	10.94	9.28	8.67
Costs (%)	2024A	2025E	2026E	2027E
Cost/Income	-0.48	-0.43	-0.42	-0.46
Cost/Avg Assets	-0.03	-0.03	-0.02	-0.02
Effective Tax rate	-0.22	-0.13	-0.14	-0.14
Profitability Ratios (%)	2024A	2025E	2026E	2027E
ROAE	32.52	27.79	26.39	23.65
ROAA	4.1	3.9	4.1	3.9
Other P&L ratios (%)	2024A	2025E	2026E	2027E
Int Inc/Revenues	97.78	139.46	136.57	136.64
Fees/Revenues	11.70	14.42	17.69	18.41
Trading Income/Revenues	62.21	16.37	15.90	14.21
Fees/Staff Costs	101.32	128.78	170.07	127.82
Fees/Total Costs	-24.53	-33.77	-42.24	-39.91
Payout Ratio (%)	18.94	0.00	0.00	0.00
No of:	2024A	2025E	2026E	2027E
Employees	5,487	5,487	5,487	5,487
Branches	352	354	356	358
Mini/Sub branches	na	na	na	na
ATM's	1,283	1,283	1,283	1,283

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