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Equity Research

September 23, 2026

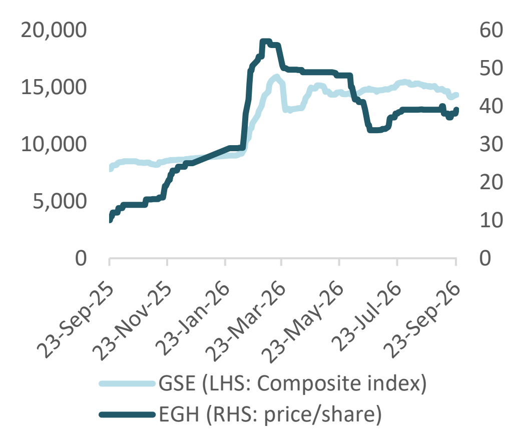
BUY

Stock data

Share price (GHS)	39.00
Target price (GHS)	52.05
Est. potential	33.45%
12M price range (GHS)	10.00 – 57.00
Market Cap. (GHS'mn)	12,579.50
Market Cap. (USD'mn)	1,089.13
Shares outstanding (mn)	322.55
Free float shares	1.5%
12M turnover (GHS'mn)	69.87
Avg daily turnover (GHS)	311,931
Dividend yield	3.10%
Fiscal year end	December
Sector	Financial
Sub-sector	Banking
Sector rating	Neutral
Bloomberg ticker	EGH GN
GSE ticker	EGH

	2023A	2024A	2025A	2026E
EPS (GHS)	1.92	5.23	5.56	5.86
BVPS (GHS)	11.17	16.52	21.93	26.59
P/E (x)	2.86	1.24	4.50	7.56
P/BV (x)	0.49	0.39	1.14	1.67
P/TBV (x)	0.64	0.47	1.25	1.81

12M Market Trend - GSE-CI & EGH Share Price



Data & Graph source: GSE, EGH financials & Laurus Africa Securities

Ecobank Ghana PLC – Earnings Report

A Well-delivered Half-Year Despite Low Interest Rate Environment

We affirm a "BUY" rating on EGH despite the moderation in our target price from GHS54.89 to GHS52.05 in line with prevailing interest rates and its impact on the business. Our target price translates to an upside potential of 33.45%. We now forecast EPS to grow at a 5-year CAGR of ~20% lower than the earlier 22% envisioned, while ROE is expected to average ~24% over 2026 – 2030. Overall, we expect continued earnings accretion to translate into sustained book value growth and attractive long-term shareholder value creation.

Our investment rationale

(1) Diversified pan-African franchise and strong deposit mobilization capabilities provide a sustainable funding advantage and earnings resilience
(2) Strategic balance sheet deployment across loans, investment securities, and treasury assets positions the bank to drive sustainable revenue mix
(3) Robust profitability growth and strong internal capital generation underpin long-term shareholder value creation and dividend potential
(4) Improving asset quality and disciplined risk management continue to strengthen earnings quality and reduce downside credit risks

Analysis of latest financial Results (Jun-2026)

Slower y/y growth in net interest income, largely underperformed our expectation for the period under review. EGH's Interest income was nearly flat on a quarterly basis in Q2-2026, while declining by 2.45% y/y to GHS1.45bn bringing the 1HY-2026 number to GHS2.91bn (+4.14% y/y). However, Net interest income (NII) recorded 7.58% q/q and 14.57% y/y increase to GHS1.21bn in Q2-2026, largely aided by 28% q/q and 44.66% y/y slump in interest expense to GHS236.39mn (-56.75% vs. our estimate). Accordingly, the Bank's NII stood at GHS2.34bn at the end of 1HY-2026, marking a 17.28% increase compared to 1HY-2026, while missing our estimate by 10.13%.

Operating profit largely powered by Non-Funded Income (NFI) in Q2-2026 and 1HY-2026. The bank's NFI consisting of revenue from services other than lending and investment recorded a combined growth of 86.42% y/y to GHS1.39bn (+44.89% vs. estimate) in 1HY-2026. Accordingly, this brings 1HY-2026 operating income to GHS3.73bn, reflecting 4.69% above our forecast and 36.10% expansion compared to 1HY-2025. Also, on a quarterly basis, operating income was largely in line with our forecast at GHS1.94bn in Q2-2026 (+7% q/q and 29.23% y/y).

Operating expense largely below our estimate, supporting the double-digit expansion in bottom-line. Accordingly, the Bank posted a Q2-2026 PAT of GHS649.52mn (+11.05% q/q and +27.96% vs. Est.) which brings 1HY-2026 earnings to GHS1.23bn (+46.39% y/y and +15.55% vs. Est.).

Please view table on page 2 for detailed quarterly revenue insights.

Particularly, total operating expense was favorably below our 1HY-2026 forecast by 9.43% at GHS1.63bn (+20.49% y/y growth vs. 36.10% y/y growth in operating income). However, the lender wrote off GHS197.52mn financial asset impairment which dented earnings slightly.

Balance expansion already ahead of our FY-2026 estimate warranting a revision in our forecast. In the first six months of 2026 the Lender has added over GHS10bn in deposits, largely fueling the expansion in loan book (+105.27% y/y and +33.82% YTD) and investments (+23.39% y/y and 31.11% y/y). Due to efficient asset allocation and robust profit growth, the Bank continues to strengthen its equity position, shoring up its equity position by GHS1.01bn to GHS7.02bn. However, CAR moderated to 15.9% from 17.8% in Mar-2026 and 18.02% in Dec-2025, but well above the regulatory minimum of 13%.

Our views and outlook

Overall, we view the result as positive for the first six month of 2026, despite a challenging global financial climate. We attribute the mixed performance in interest income to lower interest rates environment, with money market rate below 10% for most part of 1HY-2026. However, we do not view this as a course for alarm as combined impact of cheaper deposit and lower interest rate will likely continue to cushion NII in the near term. Also, we believe the easing CAR is largely in-line with optimal allocation into loan-books and is still above the regulatory, thus providing ample capital buffer for the Lender. As interest rates correct upward in line with inflation, we believe the Bank is well positioned to meet our EPS target of GHS6.78 per share, which may likely warrant increased dividend payout.

Valuation and Rating

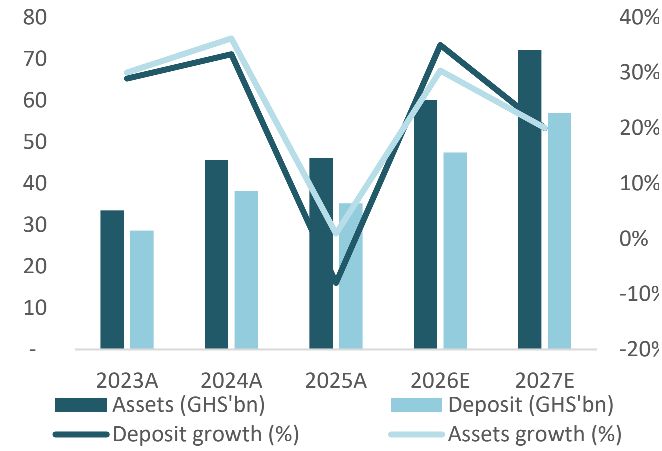
We maintain a "BUY" rating on EGH, with a moderated 12M target price of GHS52.05 per share (+33.45% upside), thus reflecting profitable core business combined with higher operating efficiency and eased cost pressures. Our valuation is based on a 60/40 blend of intrinsic and relative valuation methodologies, comprising a Residual Income Model (RIM) and sector-relative valuation using Price-to Earnings (P/E) and Price-to-Book (P/B) multiples. The RIM fair value is derived from our earnings, capital, and reserve projections, applying a cost of equity of approximately 19% and a terminal growth rate of 7.5%.

Key Risk: Credit risk, FX risk, Interest rate risk, Cyber security risk to operations

Quarterly Earnings Analysis (Q2-2026)

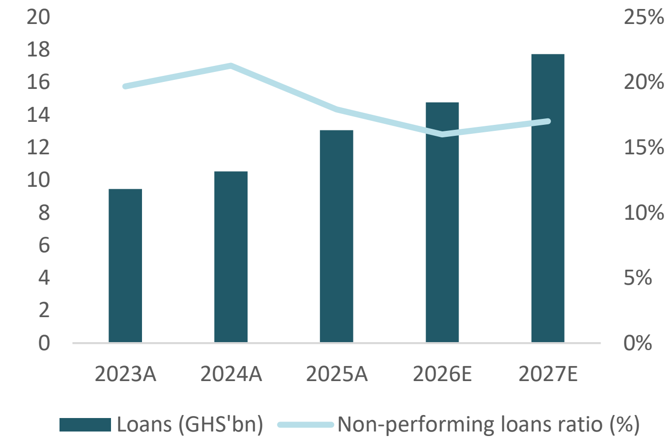
GHS'mn	Q2-2025	Q1-2026	Q2-2026	Y/Y	Q/Q	Q2-2026E	Variance
Net Interest Income	700	807	806	15%	0%	1,219	-34%
Net Fees & Commission	139	151	148	6%	-2%	111	33%
Net Trading income	226	145	206	-9%	42%	275	-25%
Operating income	1,155	1,110	1,202	4%	8%	1,747	-31%
Impairment	67	44	82	23%	86%	134	-39%
Operating expense	441	370	484	10%	31%	1,102	-56%
Tax expense	222	262	213	-4%	-19%	131	63%
Net Profit	425	434	423	-1%	-2%	380	11%
EPS (GHS/share)	1.32	1.34	1.31	-1%	-2%	1.18	11%

Figure 1: Total asset and deposit growth trend



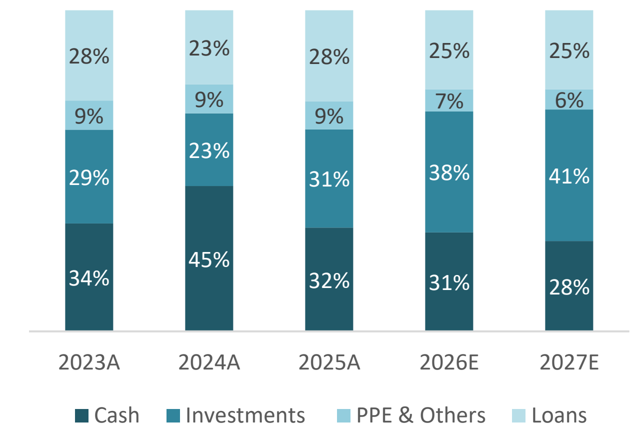
Source: EGH financials & Laurus Africa Securities

Figure 2: Loan book performance



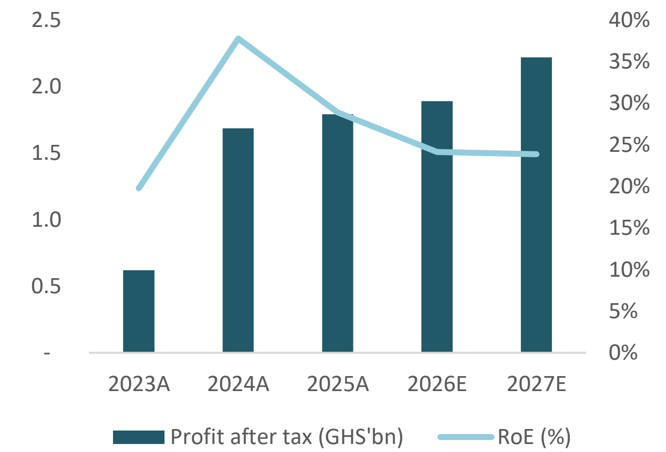
Source: EGH financials & Laurus Africa Securities

Figure 3: Asset mix



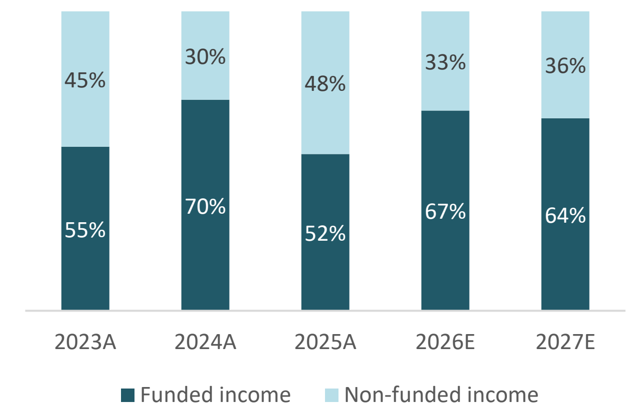
Source: EGH financials & Laurus Africa Securities

Figure 4: Profitability trend



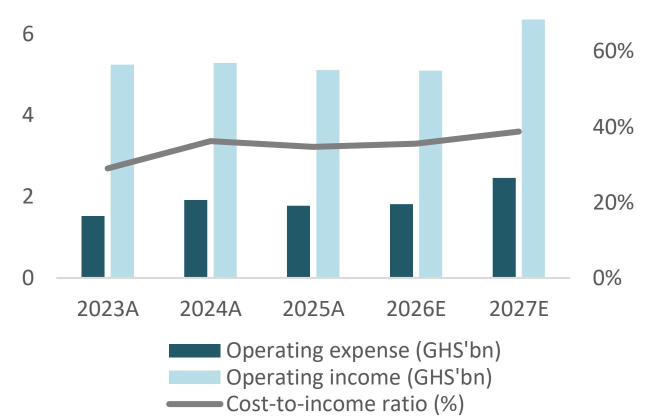
Source: EGH financials & Laurus Africa Securities

Figure 5: Operating income mix



Source: EGH financials & Laurus Africa Securities

Figure 6: Income vs. cost overview



Source: EGH financials & Laurus Africa Securities

Appendix:

Table 1: Income Statement

All amounts are in GHS million	2023A	2024A	2025A	2026E	2027E	2028E
Interest income	3,471	4,717	3,978	4,606	6,101	7,658
Interest expense	(595)	(998)	(1,304)	(1,201)	(2,020)	(2,423)
Net Interest income	**2,875**	**3,719**	**2,674**	**3,405**	**4,081**	**5,235**
Fees and commission income	575	671	643	803	884	972
Fees and commission expense	(156)	(308)	(118)	(161)	(177)	(194)
Net fees & commission income	**419**	**363**	**524**	**643**	**707**	**778**
Net trading income	**1,896**	**1,046**	**1,605**	**708**	**932**	**1,129**
Net revenue	**5,190**	**5,128**	**4,803**	**4,756**	**5,720**	**7,141**
Other operating income	56	150	308	335	629	828
Operating income	**5,246**	**5,279**	**5,111**	**5,091**	**6,349**	**7,969**
Net impairment charge	(1,822)	(1,029)	(355)	(373)	(473)	(567)
Modification loss	(938)	-	-	-	-	-
Personnel expenses	(636)	(667)	(801)	(815)	(1,079)	(1,355)
Depreciation and amortization	(79)	(87)	(87)	(93)	(97)	(95)
Finance cost on lease liabilities	(6)	(16)	(13)	(12)	(14)	(15)
Other operating expenses	(799)	(1,143)	(873)	(891)	(1,270)	(1,594)
Net profit before tax	**966**	**2,337**	**2,982**	**2,908**	**3,416**	**4,344**
Income tax expense	(346)	(650)	(1,190)	(1,018)	(1,196)	(1,520)
Net profit after tax	**619**	**1,687**	**1,792**	**1,890**	**2,221**	**2,823**

Table 2: Statement of Financial Position

All amounts are in GHS million	2023A	2024A	2025A	2026E	2027E	2028E
Assets						
Cash and cash equivalents	11,255	20,647	14,871	18,538	20,248	24,505
Loans and advances to customers	9,444	10,534	13,059	14,773	17,728	21,273
Non-pledged trading assets	209	432	1,645	1,041	1,532	2,178
Non-trading assets	9,779	10,299	14,102	22,570	29,546	35,456
Other assets	718	1,474	420	809	711	623
Current income tax asset	-	96	69	69	69	69
Deferred income tax asset	747	653	485	485	485	485
Investment in subsidiaries	23	23	23	23	23	23
Right-of-use-assets	62	92	91	109	130	142
Intangible assets	6	7	4	16	10	8
Property and equipment	1,259	1,255	1,295	1,562	1,521	1,627
Non-current assets held for sale	18	140	13	69	80	80
	33,521	**45,651**	**46,076**	**60,063**	**72,082**	**86,470**
Liabilities						
Deposits from banks	3,010	7,010	4,764	6,431	7,718	9,261
Deposits from customers	25,642	31,199	30,397	41,037	49,244	59,093
Borrowings	149	394	456	580	752	884
Other liabilities	873	1,464	3,276	3,209	4,082	5,031
Provisions	151	151	9	113	110	71
Current income tax liability	37	-	-	-	-	-
Lease liabilities	54	104	100	116	135	154
	29,917	**40,323**	**39,002**	**51,486**	**62,040**	**74,494**
Shareholders' Equity & Reserves						
Stated capital	417	417	417	417	417	417
Retained earnings	1,627	3,131	4,290	5,506	6,604	8,080
Statutory reserve	713	924	1,148	1,384	1,662	2,015
Credit risk reserve	124	96	395	447	536	642
Revaluation surplus	735	735	743	743	743	743
Other reserve	(13)	25	80	80	80	80
	3,604	**5,329**	**7,074**	**8,577**	**10,041**	**11,977**
	33,521	**45,651**	**46,076**	**60,063**	**72,082**	**86,470**

Key Financial Metrics

	2023A	2024A	2025A	2026E	2027E	2028E
Cash/Deposits	39.28%	54.04%	42.29%	39.05%	35.55%	35.85%
Cash/Assets	33.58%	45.23%	32.28%	30.86%	28.09%	28.34%
Total Loans/Total Deposits	32.96%	27.57%	37.14%	31.12%	31.12%	31.12%
Cash/Total earning assets	58.55%	99.11%	54.75%	49.64%	42.83%	43.20%
Non interest inc. /Total Income	45.19%	29.55%	47.68%	33.12%	35.73%	34.31%
Deposits/ Equity	795.09%	717.04%	497.07%	553.45%	567.27%	570.73%
Equity /Total Assets	10.75%	11.67%	15.35%	14.28%	13.93%	13.85%
Tot. Assets/Equity	930.18%	856.69%	651.36%	700.30%	717.85%	721.99%
Total Liabilties/Total Assets	89.25%	88.33%	84.65%	85.72%	86.07%	86.15%
Investments/Earning Assets	50.87%	49.44%	51.92%	60.44%	62.50%	62.50%
Debt/Equity	4.14%	7.39%	6.45%	6.77%	7.49%	7.38%
Loans/ total earning assets	49.13%	50.56%	48.08%	39.56%	37.50%	37.50%
Core operating Expense/Revenue	27.76%	35.61%	35.12%	36.10%	41.32%	41.49%
Operating Margin (%)	18.41%	44.27%	58.35%	57.11%	53.81%	54.51%
Interest Spread	15.98%	20.03%	10.94%	9.80%	9.36%	9.95%
Net Interest Margin (%)	14.96%	17.85%	9.85%	9.12%	8.63%	9.23%
Return on average assets	1.85%	3.70%	3.89%	3.15%	3.08%	3.27%
Return on average equity	17.19%	31.66%	25.34%	22.04%	22.12%	23.57%
Cost / Income	28.98%	36.24%	34.70%	35.55%	38.75%	38.37%
Avg Yield on earning assets	18.06%	22.64%	14.65%	12.33%	12.91%	13.50%
Avg. cost of funds	2.08%	2.61%	3.71%	2.53%	3.55%	3.55%
Capital Adequecy Ratio (CAR)	13.49%	17.03%	21.23%	15.18%	16.31%	16.65%
CAR (Regulatory minimum)	10.00%	13.00%	13.00%	13.00%	13.00%	13.00%
NPL Ratio	19.68%	21.27%	17.85%	14.00%	12.00%	10.00%
Liquid Ratio	54.97%	85.40%	100.47%	63.02%	70.89%	74.95%

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Important Disclosures and Disclaimer:

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Hold: Based on our valuation and subjective view (if any), the expected upside on the stock's close price over the next twelve month is likely range within -10.00% and 20.00%.

Sell: Based on our valuation and subjective view (if any), the expected upside on the stock's close price over the next twelve month is likely return below -10.00%.

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