

# Earnings Flash

Thursday September 03, 2020



## STANBIC Plc. HY'2020- Profit after tax grew by 24.72% to N45.20 billion

Stanbic Plc HY'2020 showed an increase in bottom-line result as profit for the period grew by 24.72%. Interest income declined by 9.30% from N60.78 bn in HY'2019 to N55.13 bn in the current period. Net interest income went down by 4.48% from N39.31 bn in HY'2019 to N37.55 bn in HY'2020. Profit before tax advanced by 17.37% from N44.65 bn in HY'2019 to N52.41 bn in the current period. The increase in profit before tax is attributable to a 94.63% increase in trading income, and supported by declines in key expenditure line items, such as; the fees and commission expense and operating expense, which both went down by 5.41% and 3.06%, respectively. Profit after tax went up by 24.72% from N36.25 bn in HY'2019 to N45.20 bn in the current period, due to a 14.31% decline in income tax expense. Consequently, Stanbic recorded a 22.51% increase in earnings per share from N3.42 in HY'2019 to N4.19 in HY'2020. The company proposed an interim dividend of N0.40. Stanbic currently trades at N37.50.

### Financial Highlights

	HY-2020	HY-2019	
Financials	(N' million)	(N' million)	% Change
<b>Gross Earnings</b>	126,570	117,374	7.83%
Interest Income	55,130	60,784	-9.30%
Interest expense	-17,581	-21,474	-18.13%
<b>Net interest Income</b>	37,549	39,310	-4.48%
Fees and Commission Income	36,697	37,707	-2.68%
Fees and Commission Expenses	-1,644	-1,738	-5.41%
Trading Income	34,260	17,603	94.63%
Other revenue	483	1,280	-62.27%
Net impairment reversal	-6,404	557	1249.73%
Operating expenses	-48,535	-50,069	-3.06%
<b>Profit Before Tax</b>	52,406	44,650	17.37%
Tax	-7,202	-8,405	-14.31%
<b>Profit After Tax</b>	45,204	36,245	24.72%
<b>Basic EPS</b>	4.19	3.42	22.51%

### Key Multiples/Ratios

□ Book Value Per Share-	N32.03
□ Net Profit Margin-	35.71%
□ Return on Equity -	13.43%
□ Return on Asset-	1.50%
□ Price to earnings ratio-	4.47x
□ Price to book value-	1.17x
□ Year-to-Date Change-	-8.54%
□ Total Loan to Total Deposit-	47.54%
□ Current Shares Outstanding-	10.51 billion

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