

# Earnings Flash



Monday September 06, 2021

## STANBIC Plc. HY'2021 - Profit after tax declined by 50% to N22.54 billion

Stanbic Plc HY'2021 showed a decline in bottom-line result as profit for the period dropped by 50.13%. Interest income declined by 19.77% from N55.13 bn in HY'2020 to N44.23 bn in the current period. Net interest income went down by 12.44% from N37.55 bn in HY'2020 to N32.88 bn in HY'2021. Profit before tax declined by 52.85% from N52.41 bn in HY'2020 to N24.71 bn in the current period. The decrease in profit before tax is attributable to an 84% fall in trading income, and supported by rises in key expenditure line items, such as; the fees and commission expense and operating expense, which both went up by 110% and 14.07%, respectively. Profit after tax went down by 50.13% from N45.20 bn in HY'2020 to N22.54bn in the current period, despite a 69.95% decline in income tax expense. Consequently, Stanbic recorded a 54.18% decrease in earnings per share from N4.19 in HY'2020 to N1.92 in HY'2021. The company proposed an interim dividend of N1.00. Stanbic currently trades at N39.75.

### Financial Highlights

|                              | HY-2021      | HY-2020      |          |
|------------------------------|--------------|--------------|----------|
| Financials                   | (N' million) | (N' million) | % Change |
| <b>Gross Earnings</b>        | 93,592       | 126,570      | -26.06%  |
| Interest Income              | 44,229       | 55,130       | -19.77%  |
| Interest expense             | -11,350      | -17,581      | -35.44%  |
| <b>Net interest Income</b>   | 32,879       | 37,549       | -12.44%  |
| Fees and Commission Income   | 44,794       | 36,697       | 22.06%   |
| Fees and Commission Expenses | -3,454       | -1,644       | 110.10%  |
| Trading Income               | 5,473        | 34,260       | -84.03%  |
| Other revenue                | -904         | 483          | -287.16% |
| Net impairment reversal      | 1,284        | -6,404       | 120.05%  |
| Operating expenses           | -55,365      | -48,535      | 14.07%   |
| <b>Profit Before Tax</b>     | 24,707       | 52,406       | -52.85%  |
| Tax                          | -2,164       | -7,202       | -69.95%  |
| <b>Profit After Tax</b>      | 22,543       | 45,204       | -50.13%  |
| <b>Basic EPS</b>             | 1.92         | 4.19         | -54.18%  |

### Key Multiples/Ratios

|                                |               |
|--------------------------------|---------------|
| □ Book Value Per Share-        | N26.74        |
| □ Net Profit Margin-           | 24.09%        |
| □ Return on Equity -           | 6.51%         |
| □ Return on Asset-             | 0.93%         |
| □ Price to earnings ratio-     | 10.35x        |
| □ Price to book value-         | 1.49x         |
| □ Total Loan to Total Deposit- | 56.84%        |
| □ Current Shares Outstanding-  | 12.96 billion |

### Corporate Action

- Proposed Interim Dividend N1.00

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