

STERLING BANK PLC CHART REPORT

2019



SECTION ONE

SUMMARY OF FINANCIAL PERFORMANCE

STERLING BANK FINANCIAL PERFORMANCE

Banking Sector

	2018	2019	YoY Growth Rate	3-Year Growth Rate	5-Year Growth Rate
Gross Earnings	NGN148.70B	NGN150.19B	1%	12.51%	36.30%
Net Interest Income	NGN55.28B	NGN64.69B	17.04%	28.95%	63.62%
EBIT	NGN9.48B	NGN10.67B	12.47%	31.67%	-3.13%
Tax Expense/ Credit	NGN271M	NGN70M	-74.17%	-17.65%	-90.33%
PAT	NGN9.21B	NGN10.60B	15.01%	32.19%	3.01%
Assets	NGN1.10Tr	NGN1.18Tr	7.23%	10.30%	47.94%
Liabilities	NGN1Tr	NGN1.06Tr	5.77%	9.68%	51.04%
Equity	NGN97.80B	NGN119.55B	22.25%	16.15%	25.11%

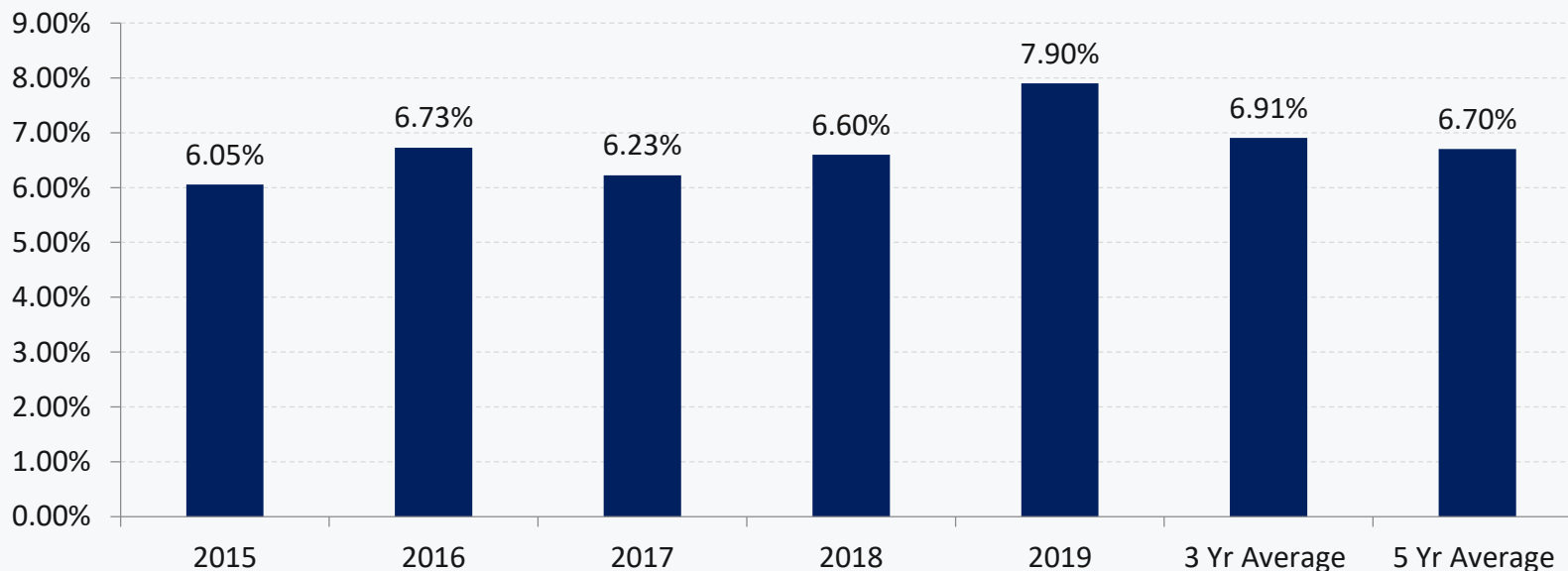
**The figure in red indicate a loss in relation to the years and a negative figure in relation to the growth rates

SECTION TWO

COMPANY PROFITABILITY RATIOS

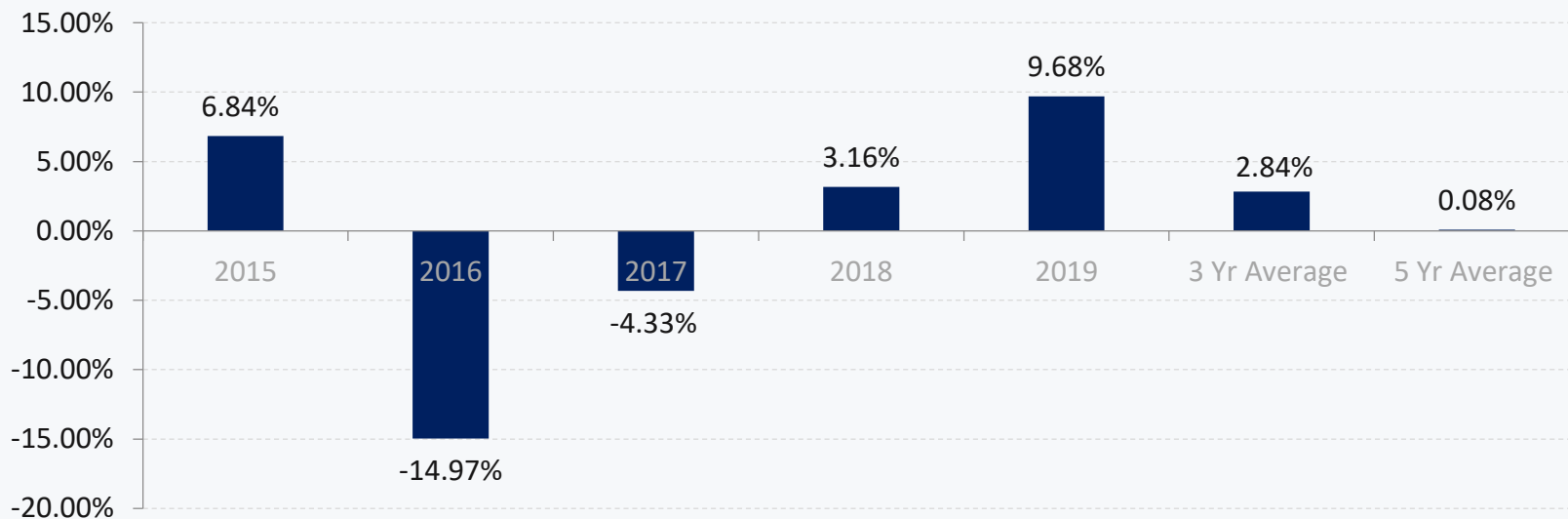
STERLING BANK NET INTEREST MARGIN (2015-2019)

Net interest margin (NIM) is a measurement comparing the net interest income a financial firm generates from credit products like loans and mortgages, with the outgoing interest it pays holders of savings accounts and certificates of deposit



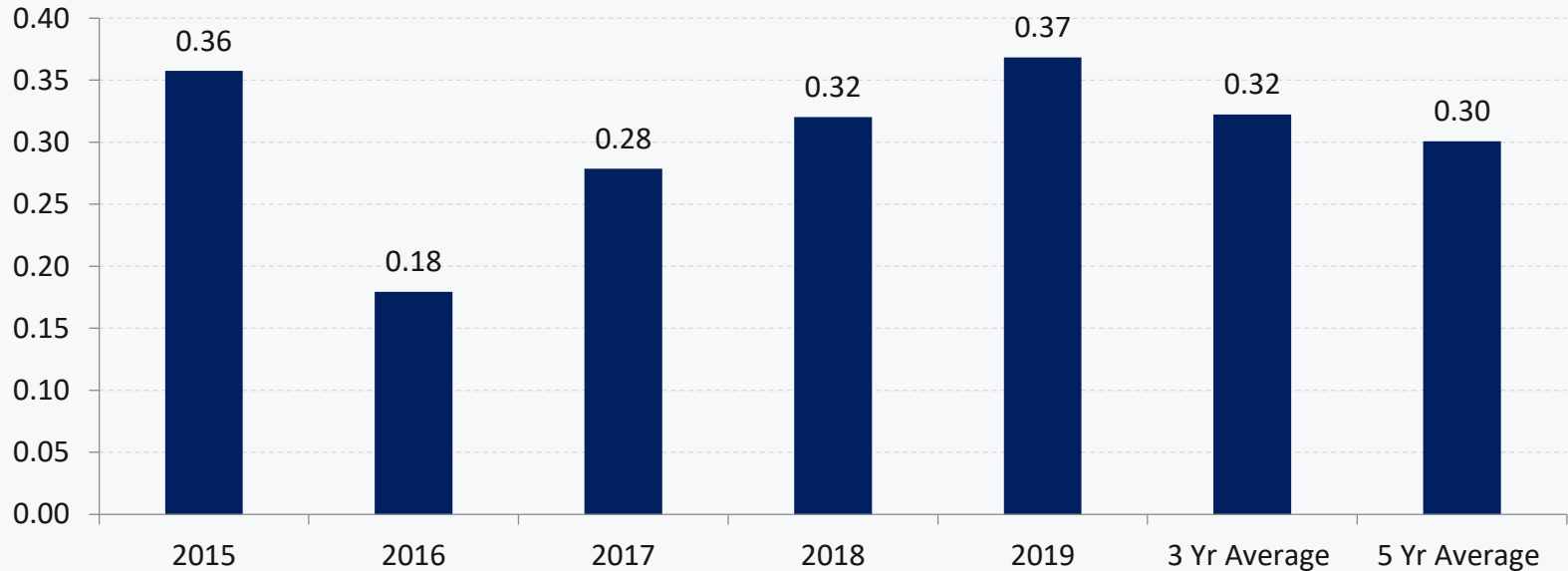
STERLING BANK CASH RETURN ON ASSET (2015-2019)

The cash return on assets ratio is used to compare a business's performance with that of other industry members. It is an efficiency ratio that rates actual cash flows to company assets without being affected by income recognition or income measurements.



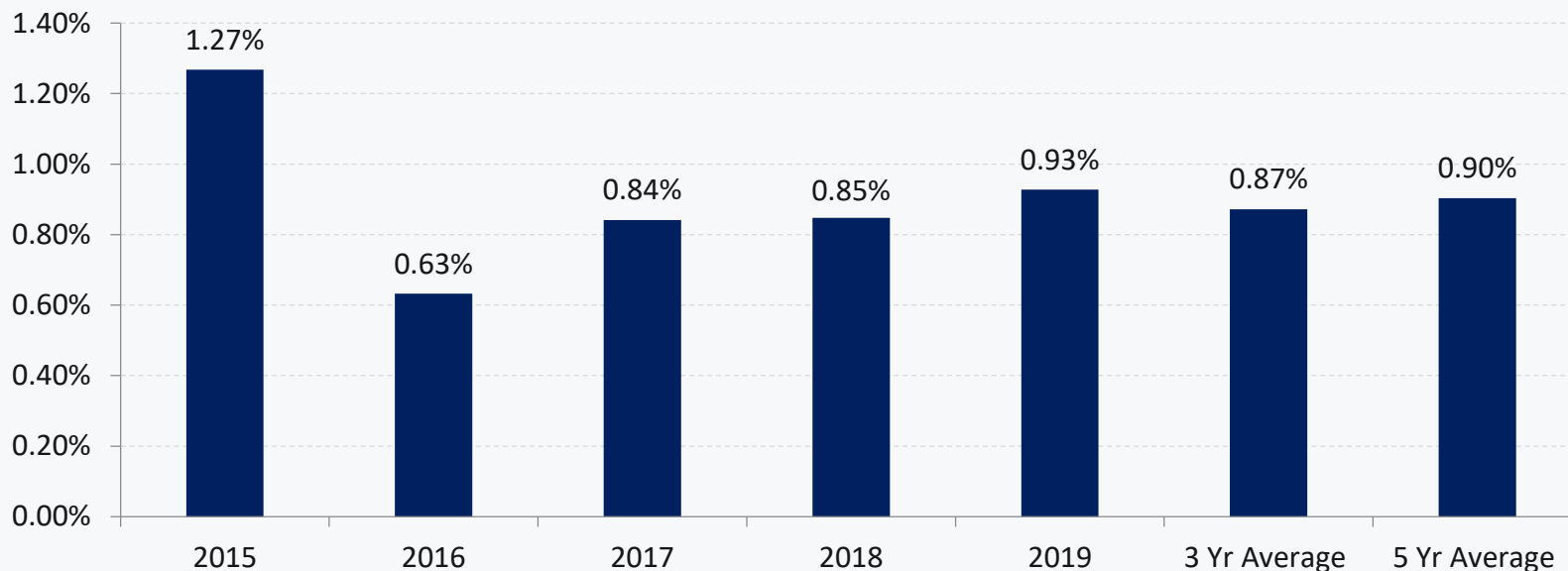
STERLING BANK EARNINGS PER SHARE (2015-2019)

Earnings per share is calculated as a company's profit divided by the total outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability.



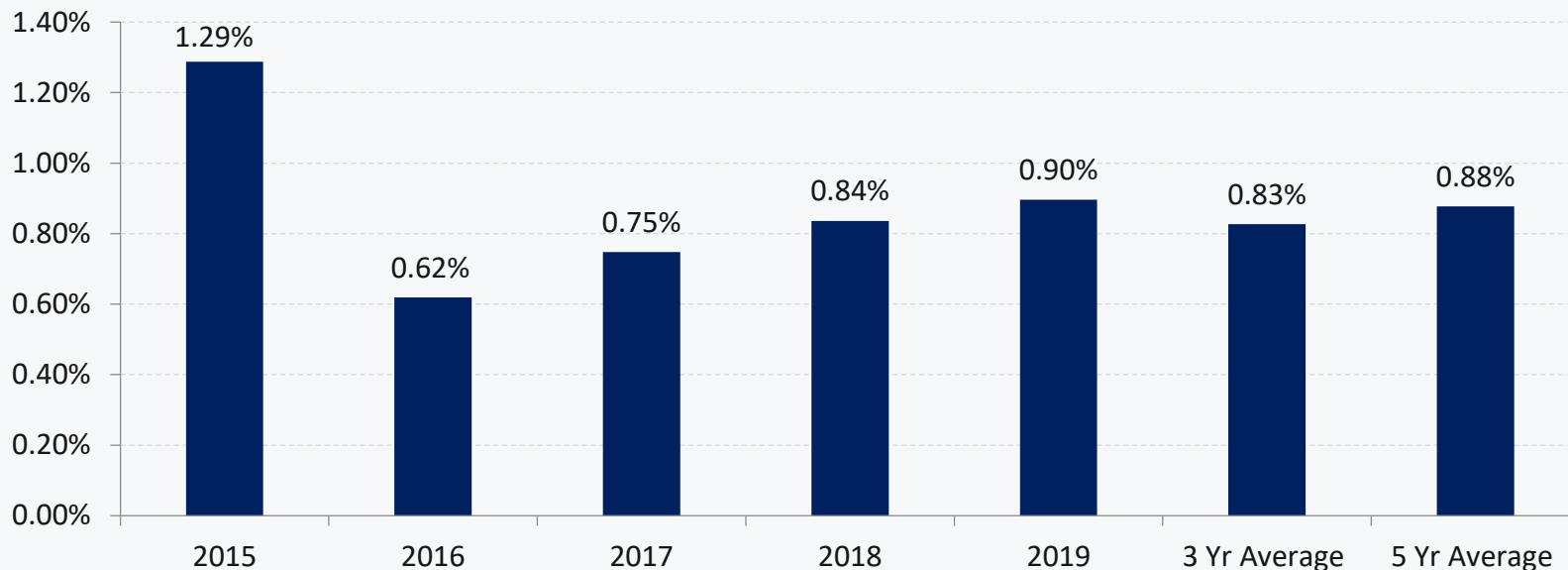
STERLING BANK RETURN ON AVERAGE ASSET (2015-2019)

Return on average assets (ROAA) is an indicator used to assess the profitability of a firm's assets, and it often used by banks and other companies as a means to gauge financial performance.



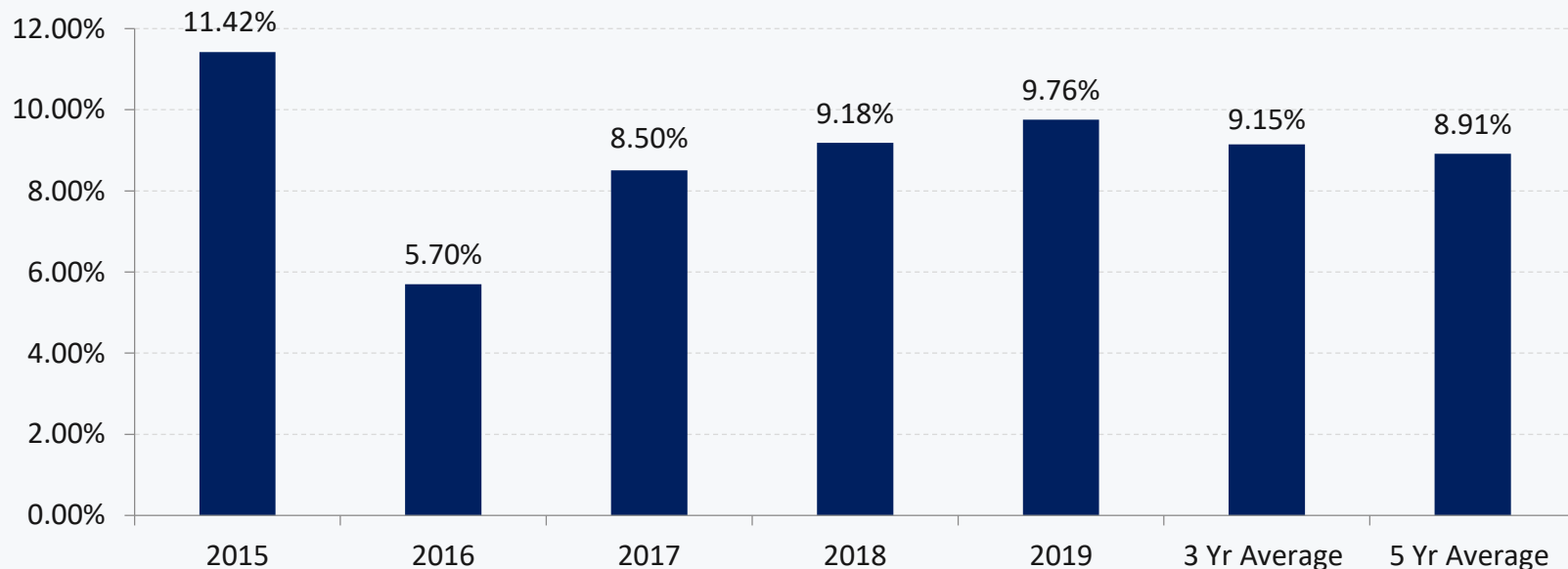
STERLING BANK RETURN ON ASSET (2015-2019)

Return on assets is a profitability ratio that provides how much profit a company is able to generate from its assets. In other words, return on assets (ROA) measures how efficient a company's management is in generating earnings from their economic resources



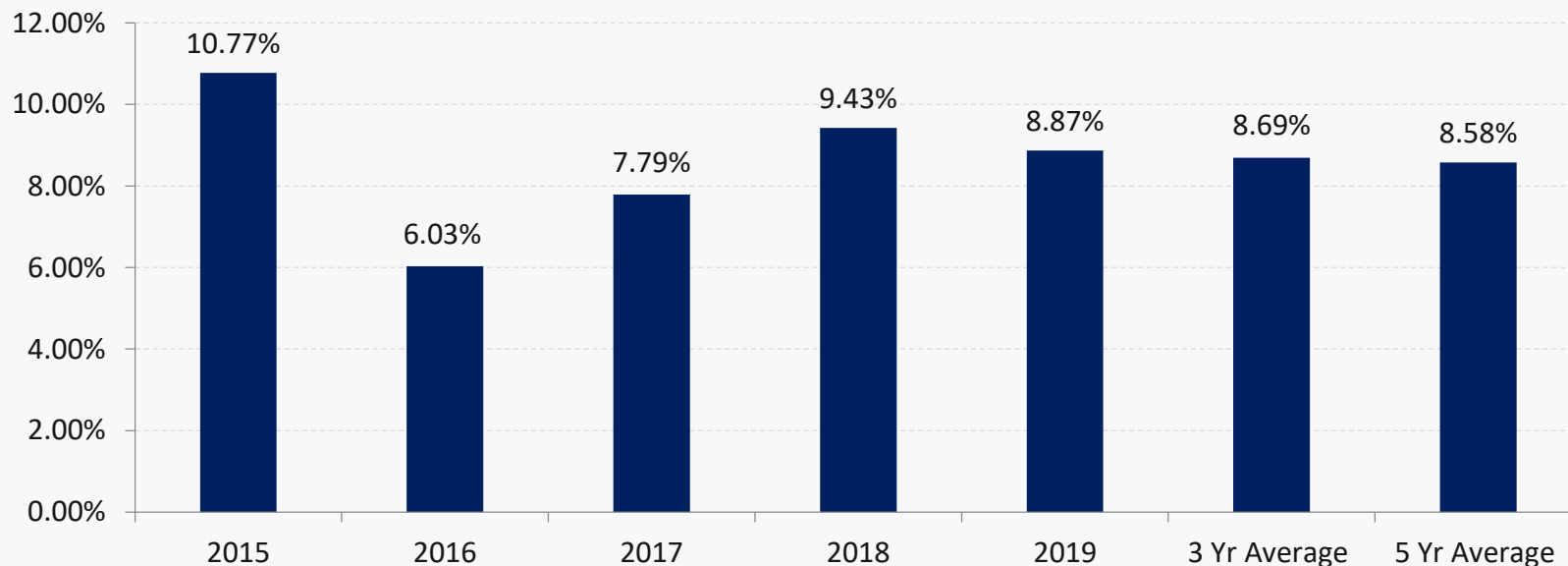
STERLING BANK RETURN ON AVERAGE EQUITY (2015-2019)

Return on average equity (ROAE) is a financial ratio that measures the performance of a company based on its average shareholders' equity outstanding.



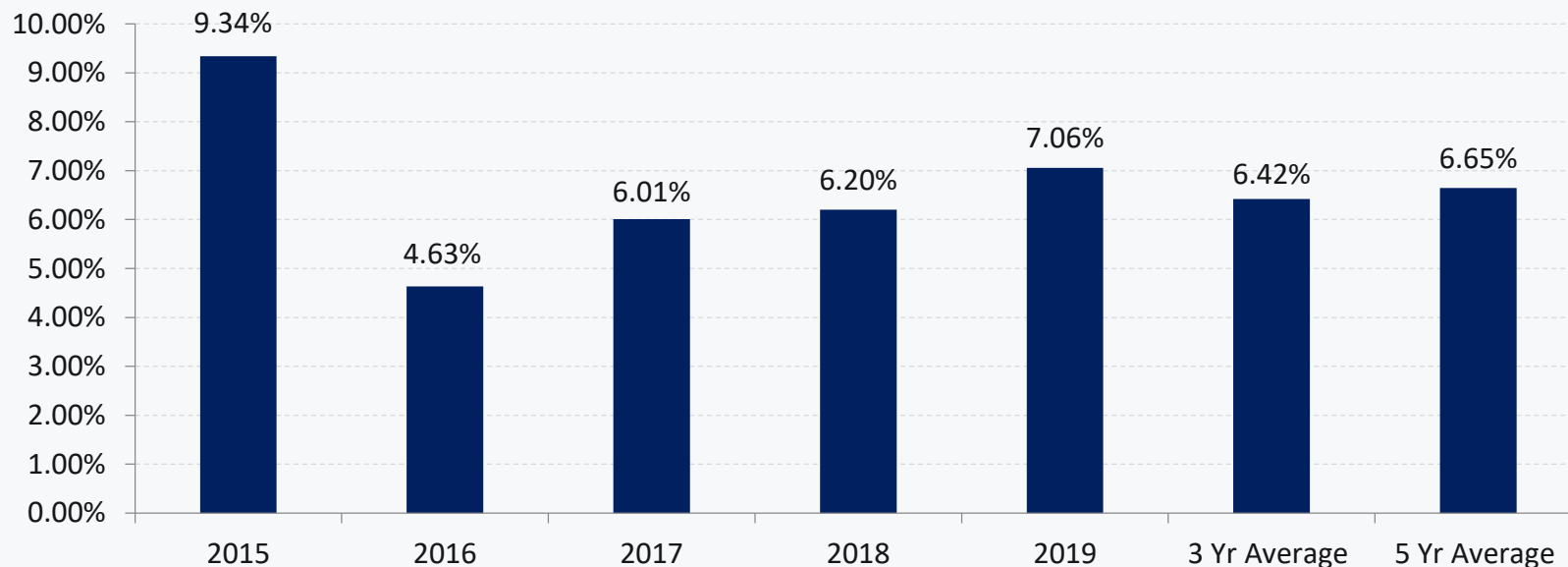
STERLING BANK RETURN ON EQUITY (2015-2019)

Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE is considered the return on net assets.



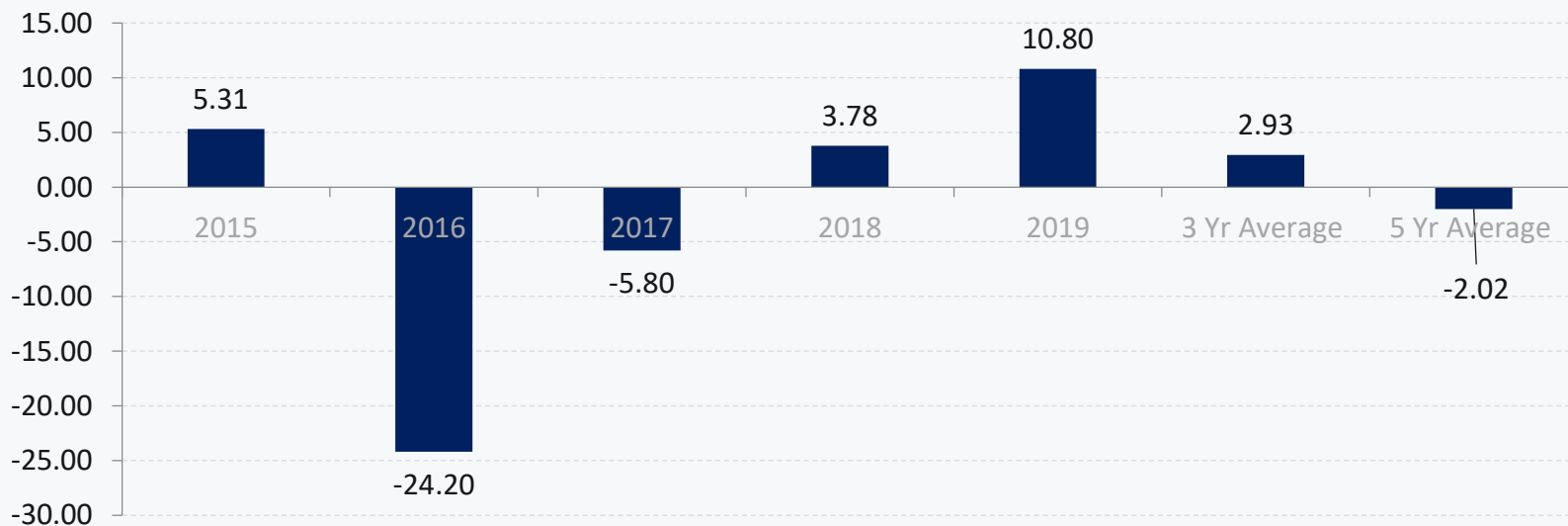
STERLING BANK NET PROFIT MARGIN (2015-2019)

Net profit margin is the ratio of net profits to revenue for a company. The net profit margin illustrates how much of each naira in revenue collected by a company translates into profit.



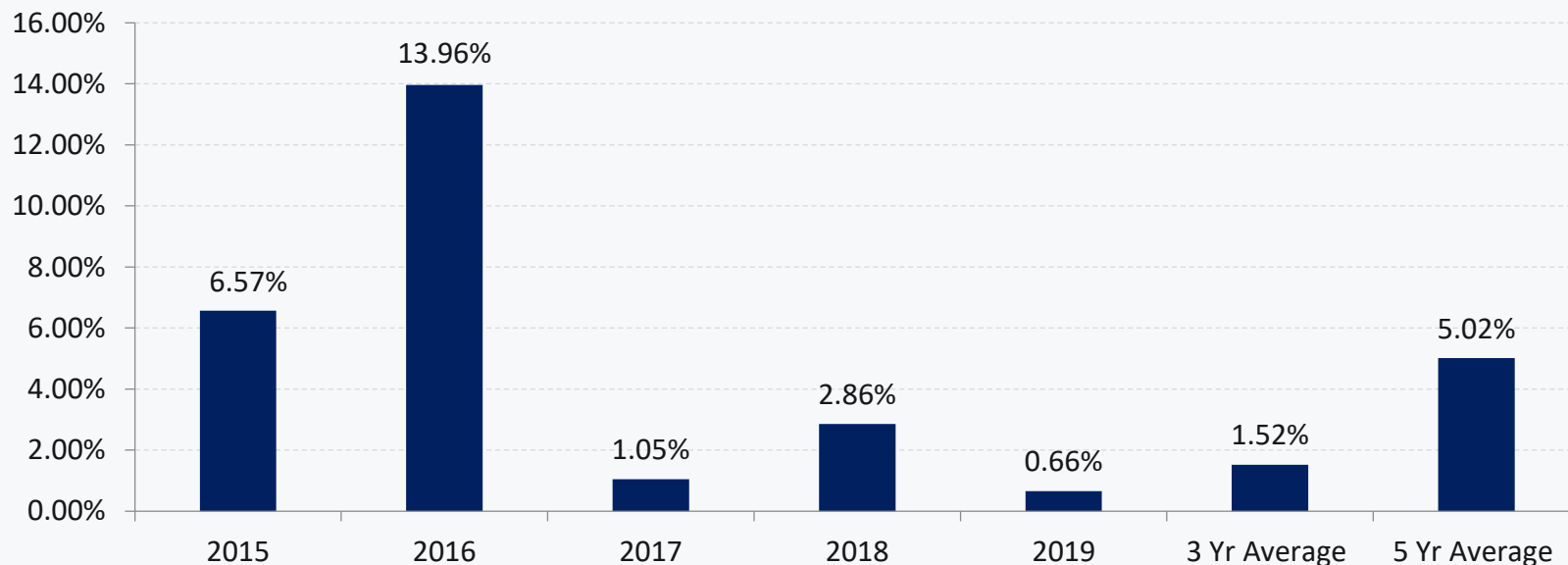
STERLING BANK FREE CASH FLOW TO PROFIT RATIO (2015-2019)

Cash flow from operating activities to net profit is a ratio that measures a company's total cash raised from its business activities relative to its profit after deduction of interest expense and tax.



STERLING BANK EFFECTIVE TAX RATE (2015-2019)

The effective tax rate is the average tax rate paid by a corporation. The effective tax rate measures the percentage of profit before tax is paid as taxes to the government. The lower the percentage the more effective a company is with its taxes.

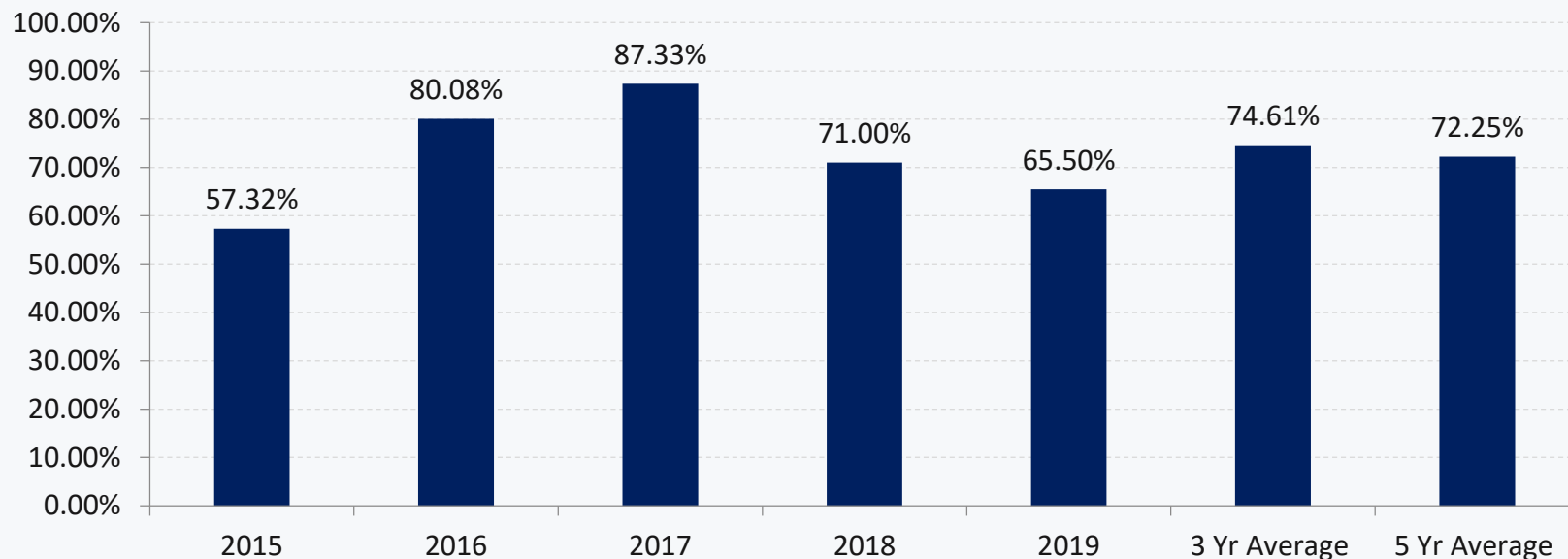


SECTION THREE

COMPANY LIQUIDITY RATIOS

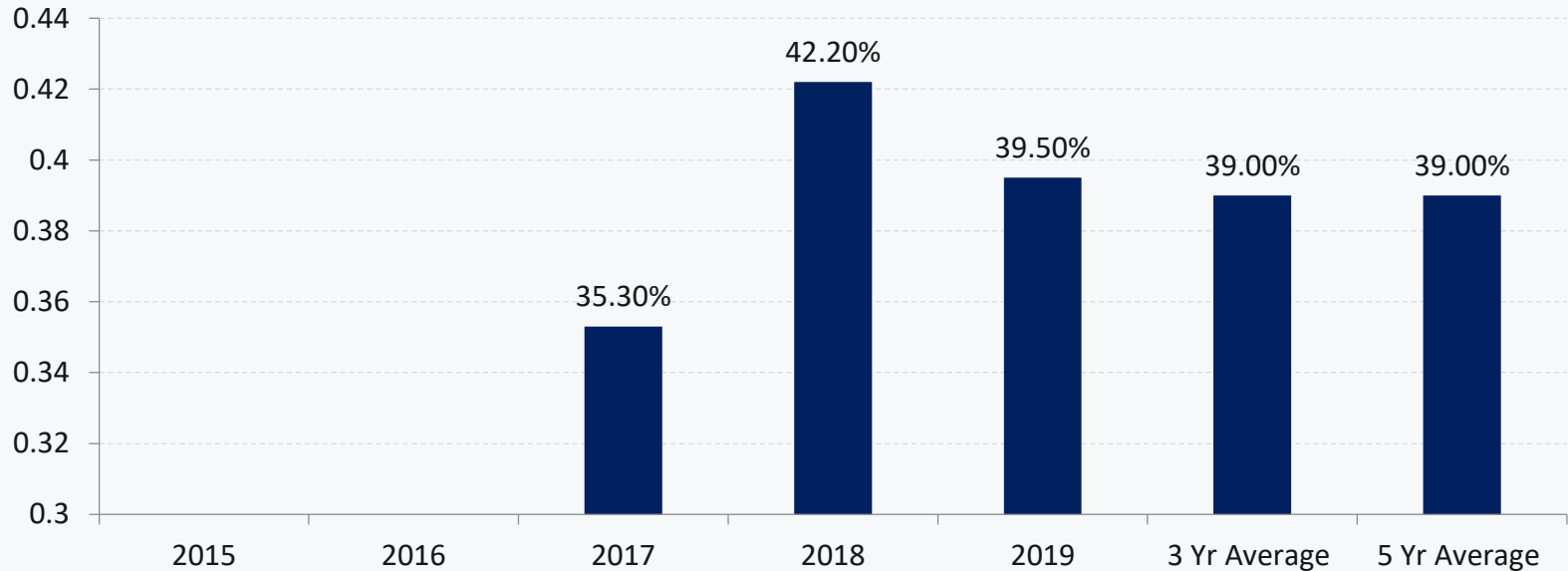
STERLING BANK LOAN TO DEPOSIT (2015-2019)

The loan-to-deposit ratio (LDR) is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period. The LDR is expressed as a percentage. If the ratio is too high, it means that the bank may not have enough liquidity to cover any unforeseen fund requirements



STERLING BANK LIQUIDITY RATIO (2015-2019)

Liquidity ratio is the ratio of a banks liquid assets to its liabilities. In other words, a banks cash balance plus assets that it can easily convert to cash to the total liabilities owed by the bank, which is typically your deposits.

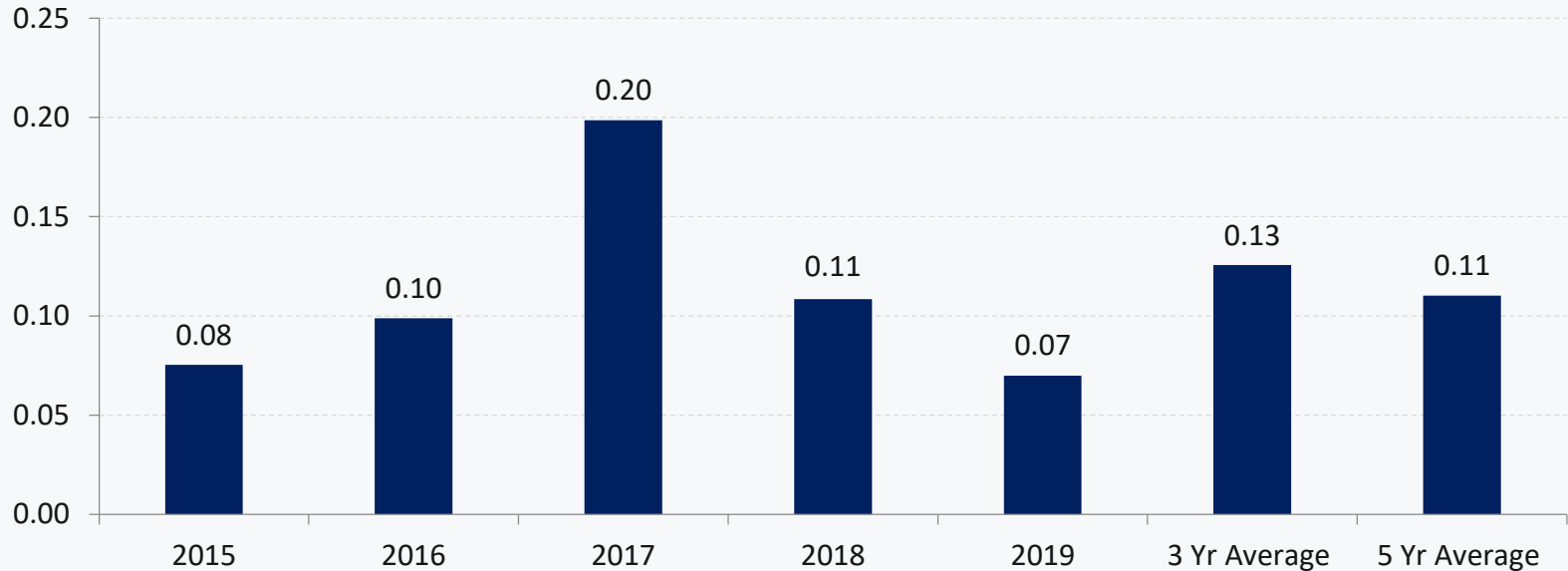


SECTION FOUR

COMPANY SOLVENCY RATIOS

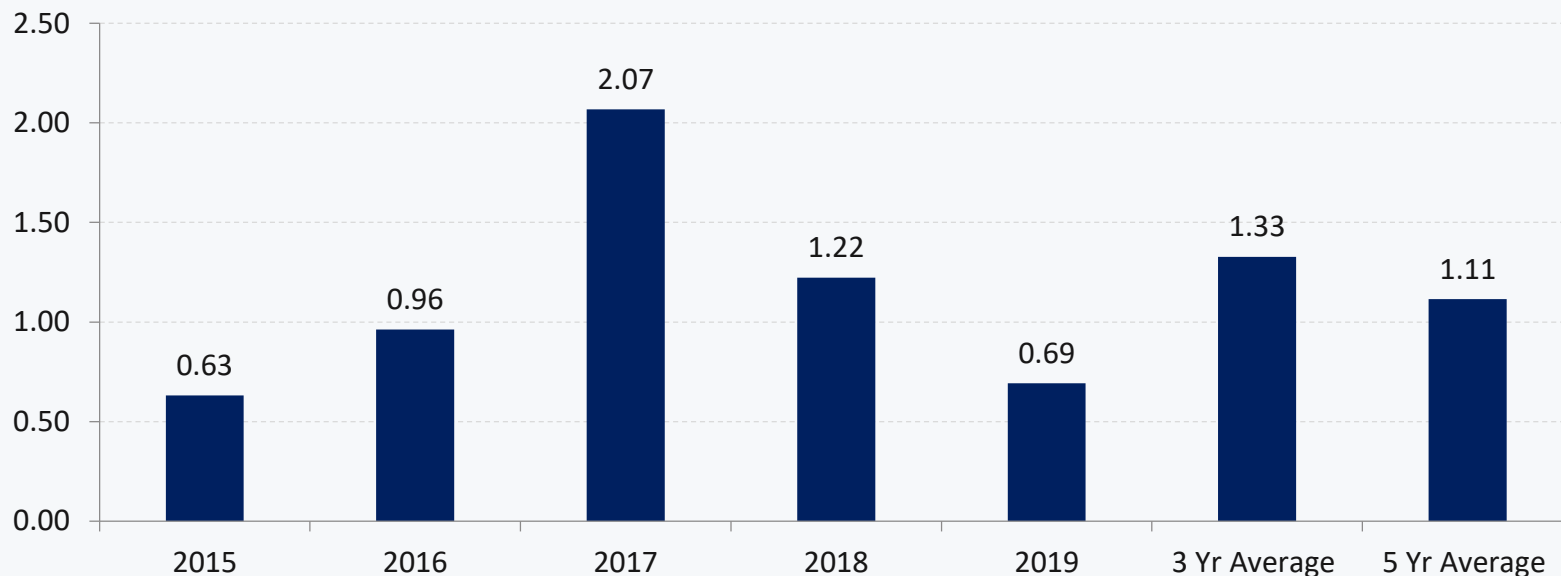
STERLING BANK DEBT TO TOTAL ASSET (2015-2019)

Total-debt-to-total-assets is a leverage ratio that defines the total amount of debt relative to assets owned by a company. This information can reflect how financially stable a company is, and consequently, the higher the risk of investing in that company.



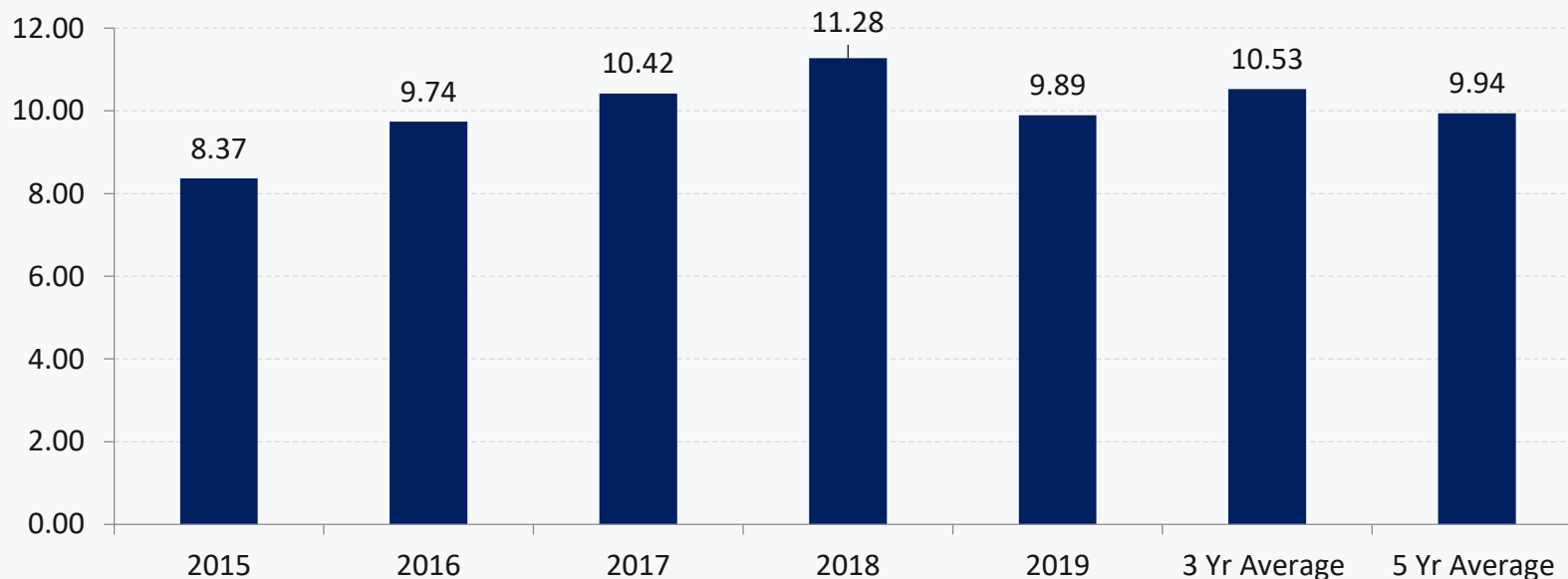
STERLING BANK DEBT TO EQUITY (2015-2019)

Debt here incorporates both short-term and long-term debts. The debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. These numbers are available on the balance sheet of a company's financial statements.



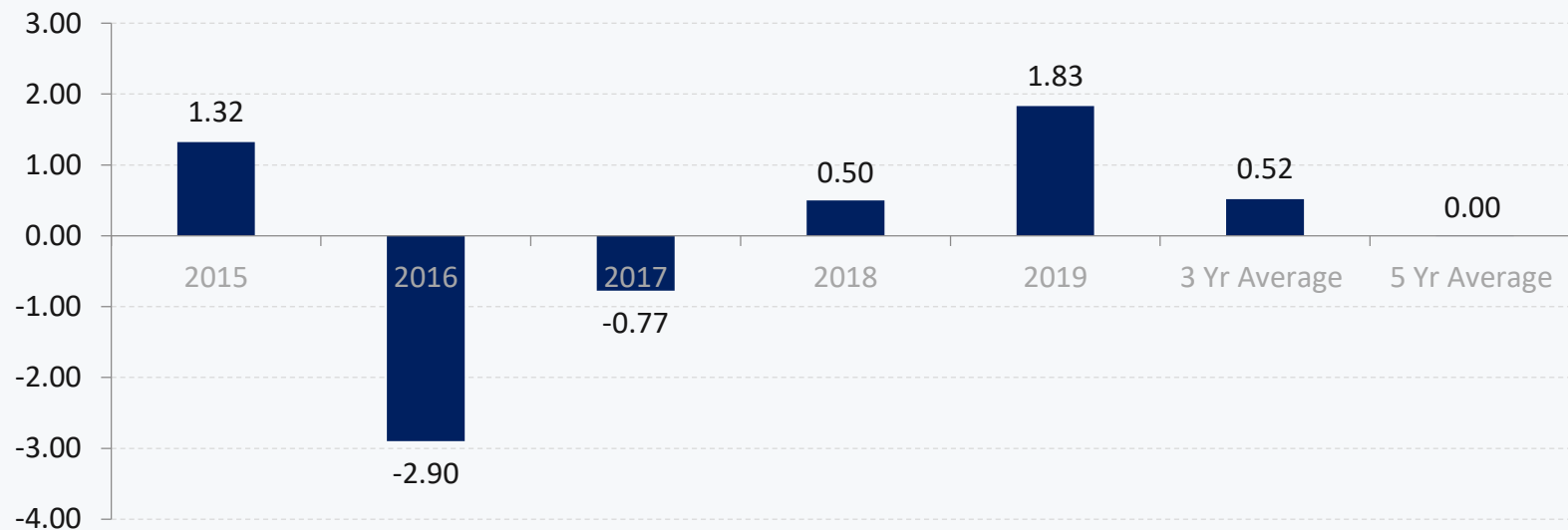
STERLING BANK FINANCIAL LEVERAGE (2015-2019)

The equity multiplier is a financial leverage ratio that measures the portion of company's assets that are financed by stockholder's equity. It is calculated by dividing a company's total asset value by total net equity.



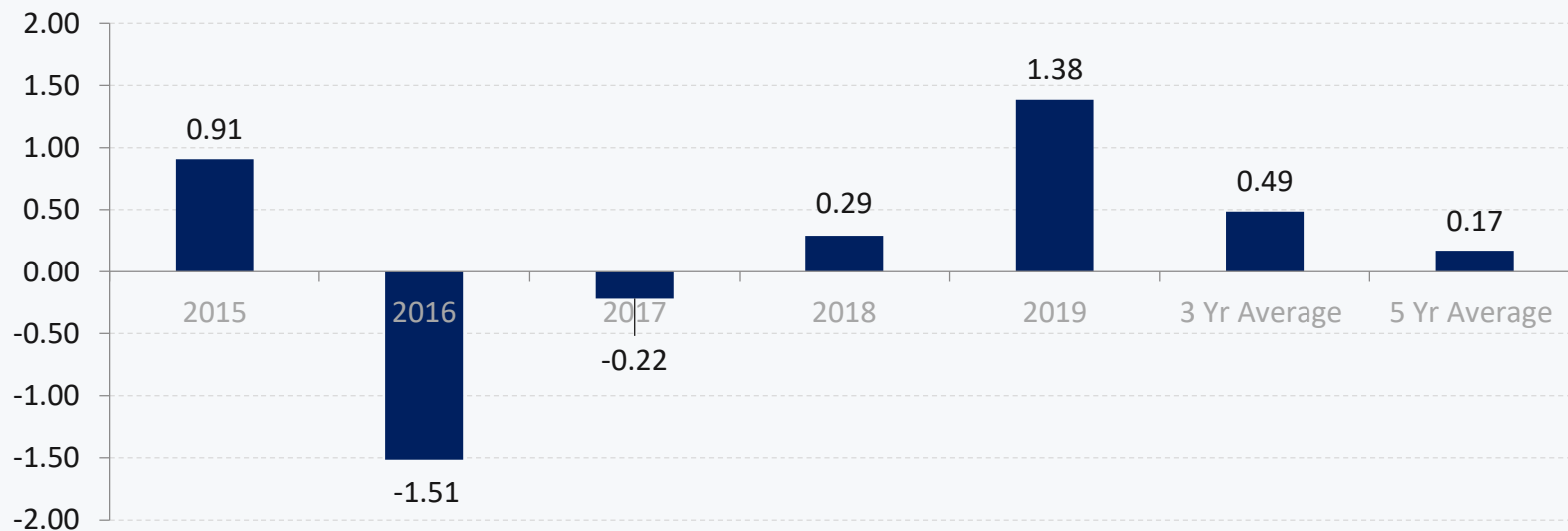
STERLING BANK CFO TO INTEREST (2015-2019)

The cash flow from operating activities to interest expense ratio is a measure of a company's cash from business activities relative to the company's interest expense. The higher interest expense are relative to CFO the lower the level of the company's solvency



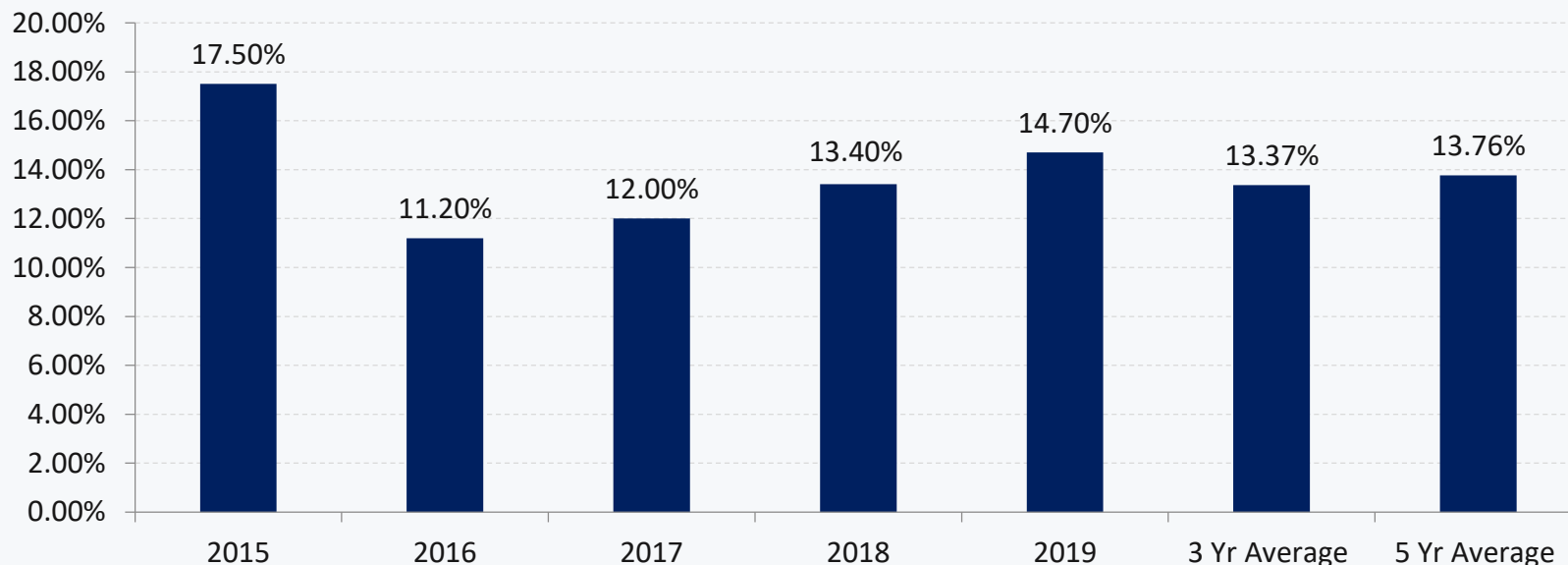
STERLING BANK CFO TO DEBT (2015-2019)

The cash flow-to-debt ratio is the ratio of a company's cash flow from operations to its total debt. This ratio is a type of coverage ratio and can be used to determine how long it would take a company to repay its debt if it devoted all of its cash flow to debt repayment



STERLING BANK CAPITAL ADEQUACY RATIO (2015-2019)

The capital adequacy ratio (CAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk-weighted credit exposures. CAR, also known as capital-to-risk weighted assets ratio (CRAR), is used to protect depositors and promote the stability and efficiency of financial systems around the world. The CAR is a ratio of a bank's equity as a percentage of its total risk assets.

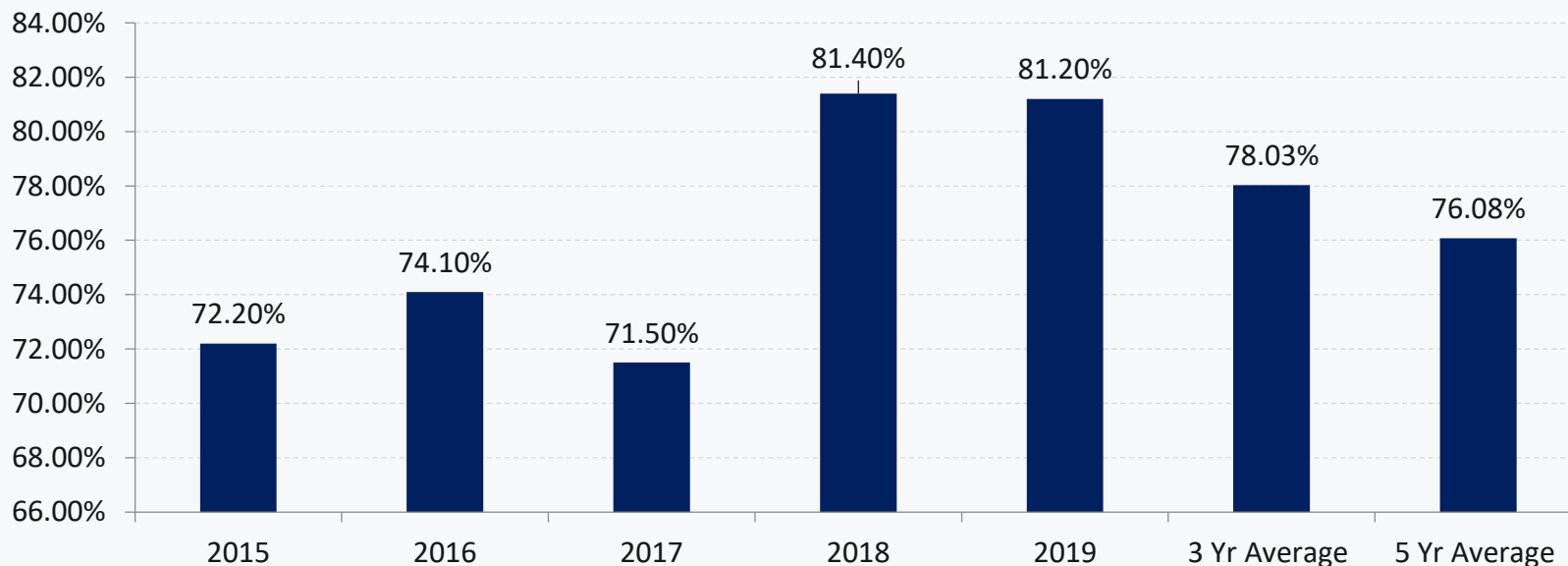


SECTION FIVE

COMPANY EFFICIENCY RATIOS

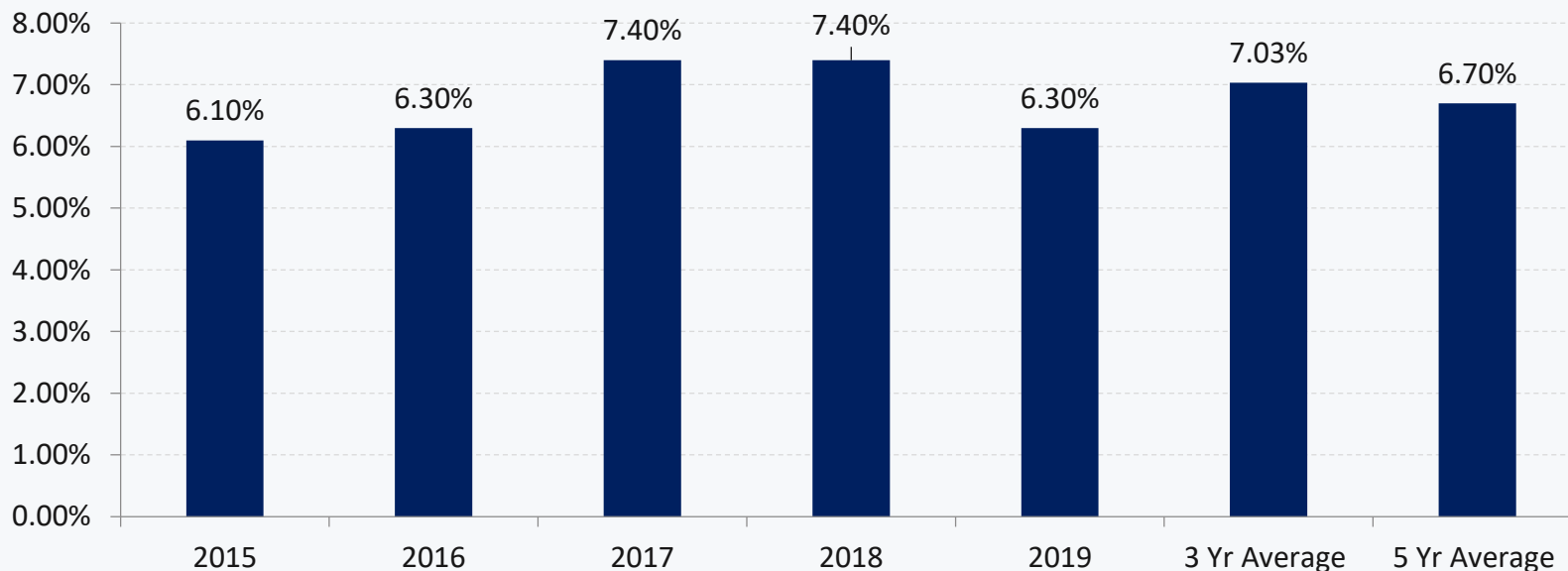
STERLING BANK COST TO INCOME RATIO (2015-2019)

Cost-to-income ratio is the measure of the costs of running a company in relation to its operating income. The higher the ratio, the greater the risk of zero profitability.



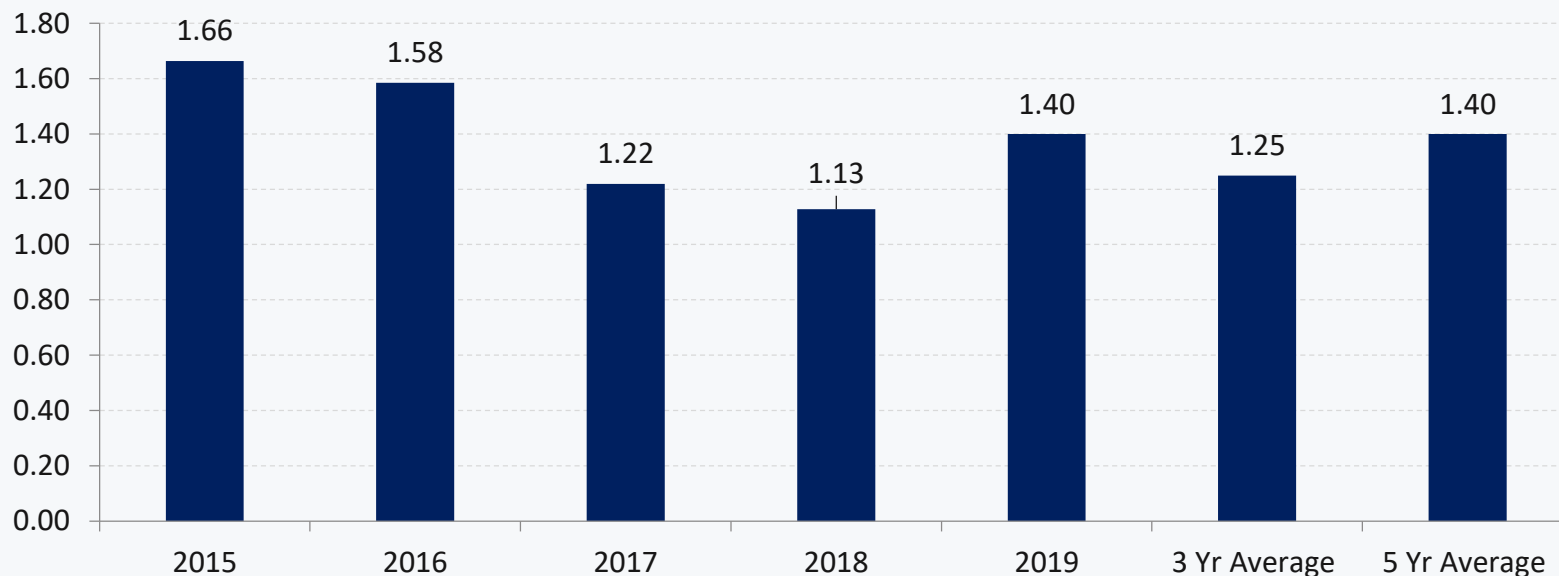
STERLING BANK COST OF FUNDS (2015-2019)

The cost to funds ratio measures the cost of running a bank relative to its borrowings cost. Borrowing costs refer to the expense of taking out a loan or interest paid for taking more from deposits from customers. The higher ratio the greater the risk



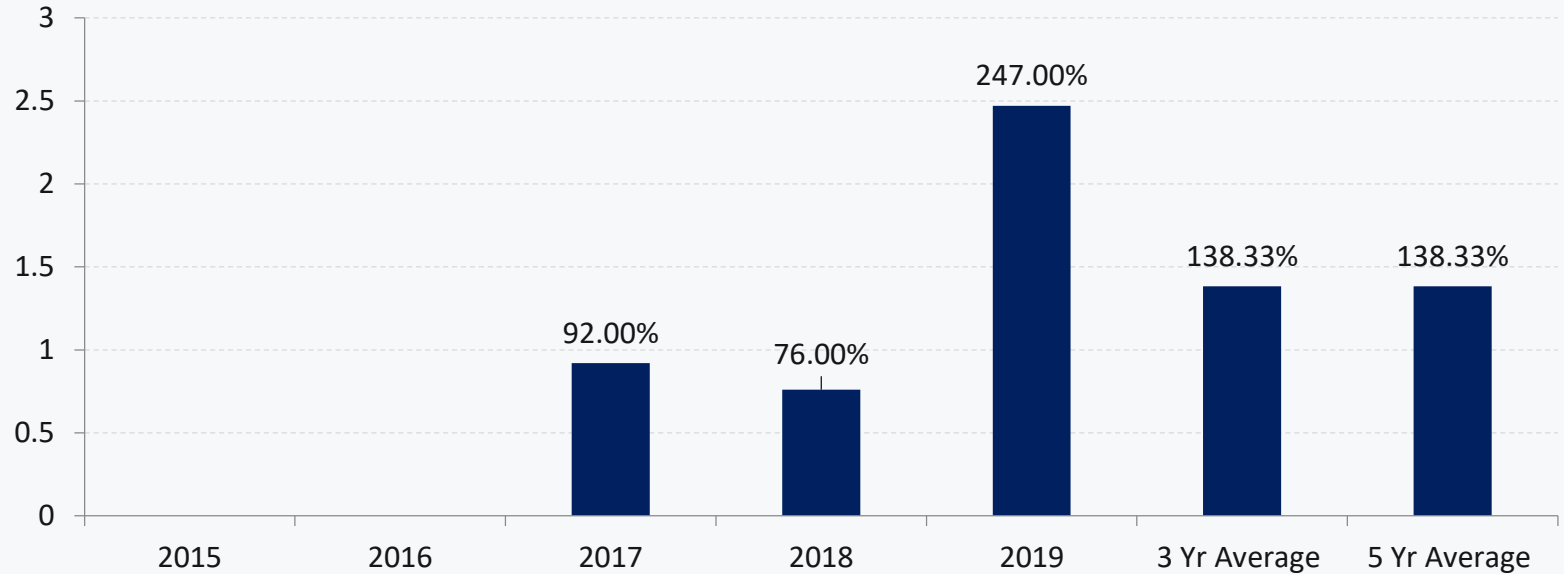
STERLING BANK TIMES INTEREST EARNED (2015-2019)

The times interest earned ratio is a measure of a company's ability to meet its debt obligations based on its current income. The formula for a company's TIE number is earnings before interest and taxes (EBIT) divided by the total interest payable on bonds and other debt.



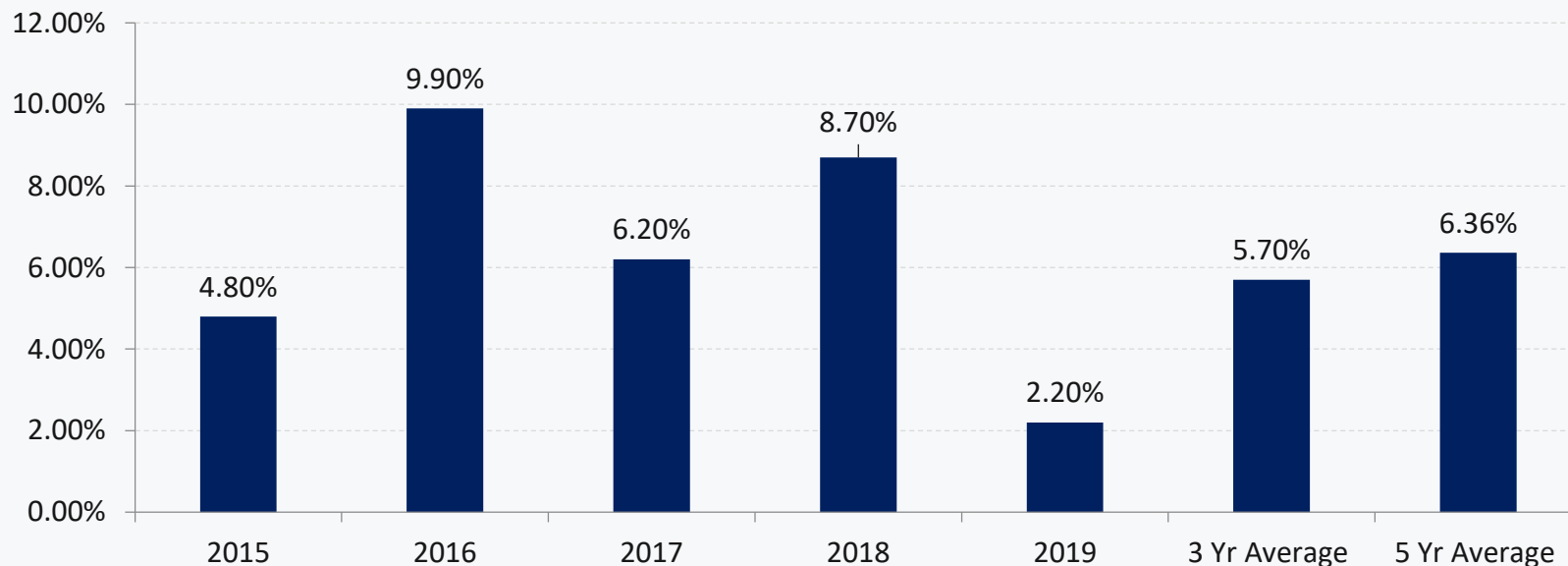
STERLING BANK NON-PERFORMING LOANS COVERAGE RATIO (2015-2019)

The non-performing loan coverage ratio measure of a bank's ability to absorb potential losses from its non-performing loans. Formula: $(\text{Loans} - \text{Reserve balance}) / \text{Total amount of non-performing loans}$.



STERLING BANK NON-PERFORMING LOANS RATIO (2015-2019)

This ratio measures the percentage of the total loans given by a bank that is not been repaid as at when due. A non-performing loan (NPL) is a loan in which the borrower is in default due to the fact that they have not made the scheduled repayments for a specified period on a loan they have taken .

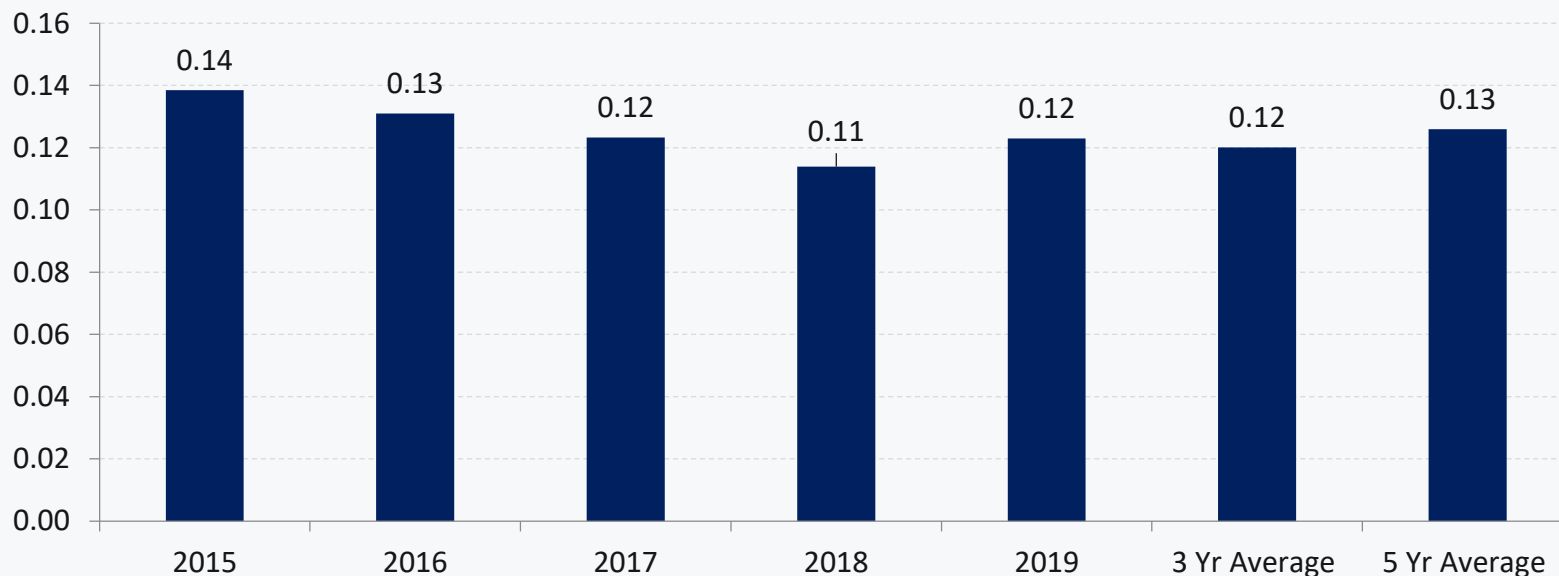


SECTION SIX

COMPANY ACTIVITY RATIOS

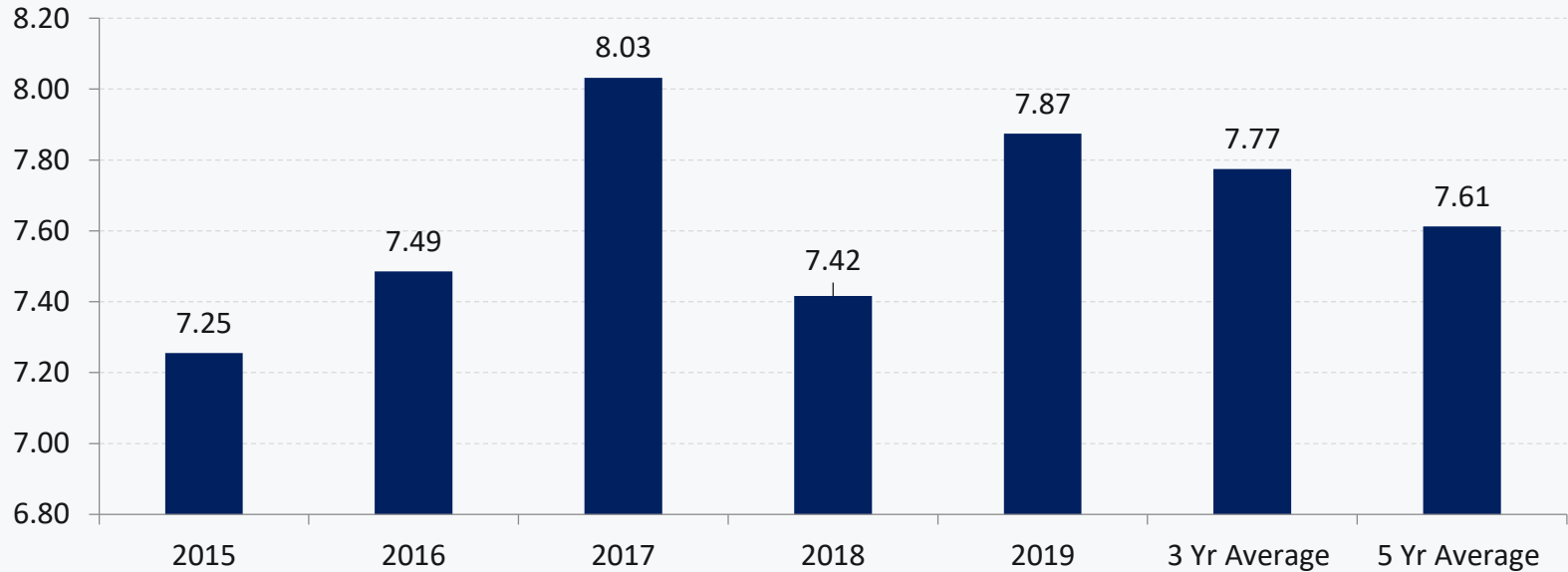
STERLING BANK FIXED ASSET TURNOVER (2015-2019)

This efficiency ratio compares net sales (income statement) to fixed assets (balance sheet) and measures a company's ability to generate net sales from its fixed-asset investments, namely property, plant, and equipment (PP&E).



STERLING BANK ASSET TURNOVER (2015-2019)

The asset turnover ratio measures the value of a company's sales or revenues relative to the value of its assets. The asset turnover ratio can be used as an indicator of the efficiency with which a company is using its assets to generate revenue.



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