

The banking sector of the Nigeria Stock exchange continue to lead as best performer with a year -to -date (YTD) return of 71.13% which has outperformed the NSE All Share Index of 43.02% YTD return which made this sector more predictable and stable and for investors that desire consistent dividend, banking stocks has always been a good choice .Even while the economy was faced with recession in 2016, banking stocks still posted impressive results and declared significant dividend and through this, the banking sector has been able to beat expectations as it is generally believed that banking stocks move alongside with the economy.

It will definitely not be a bad advice for value investors to take position in banking sector as there is strong indication that the economy is set for a major boom in the coming year, 2018 and obviously there is no reason to doubt a strong year end, 2017 earnings based on the 9Months performance so far and given the state of the economy which has seen the MPC deploy tools to support currency and manage inflation, interest rate supporting betterment of ease of doing business in the country.

So, rather than losing sleep over these banking stocks as regard their loan quality, spread between interest rate and funding costs, operating efficiency, etc. everything boils down to return on equity which measures an investors Investment growth i.e. how well your money has been well utilized for profitability and if this is high, it implies there is enough capital for business expansion or to deploy through dividend.

We have therefore ranked these banking stocks ROE over a nine month period.

FULL YR
2016

9M'17

STOCK	CURRENT PRICE	EPS	DPS	PAT'000	EQUITY'000	ROE	RANK	STOCK	EPS	PAT'000	EQUITY'000	ROE	RANK
GUARANTY	39.80	4.67	1.75	132,280,655	504,902,835	26.20%	1st	STANBIC	3.61	37672000	168851000	22.31%	1st
STANBIC	41.00	0.25	0.50	28,520,000	140,798,000	20.26%	2nd	GUARANTY	4.44	125577820	581908685	21.58%	2nd
ZENITH	25.70	4.12	1.77	129,652,000	704,465,000	18.40%	3rd	ZENITH	4.11	129235000	767690000	16.83%	3rd
UBA	10.40	2.04	0.55	72,264,000	448,069,000	16.13%	4th	UBA	1.74	60920000	507627000	12.00%	4th
ACCESS	10.40	0.25	0.40	71,439,347	454,494,580	15.72%	5th	ACCESS	1.97	56,395,869	505,242,646	11.16%	5th
FCMB	1.28	0.72	0.10	14,338,882	178,872,994	8.02%	6th	ETI	2.01	57954797	621953899	9.32%	6th
STERLING	1.00	0.18	0.00	5,162,365	85,660,023	6.03%	7th	FIDELITY	0.67	14450000	200600000	7.20%	7th
WEMA	0.50	0.70	0.00	2,560,579	48,470,733	5.28%	8th	FBNH	1.22	45002000	631051000	7.13%	8th
FIDELITY	2.24	0.34	0.14	9,734,000	185,402,000	5.25%	9th	STERLING	0.21	5905000	97332000	6.07%	9th
UNITYBK	0.50	0.19	0.00	2,183,798	83,106,980	2.63%	10th	WEMA	0.053	1529400	50000135	3.06%	10th
FBNH	8.74	0.39	0.20	12,243,000	582,575,000	2.10%	11th	FCMB	0.37	5468945	183082200	2.99%	11th
DIAMOND	1.43	0.15	0.00	3,498,965	226,707,963	1.54%	12th	UNITYBK	0.21	2448177	84015689	2.91%	12th
ETI	17.50	0.26	0.00	52,600,893	538,043,790	-9.78%	13th	DIAMOND	0.25	5,910,742	235,882,956	2.51%	13th
SKYEBANK	0.50	-0.30	0.00	40,726,000	104,183,000	-39.09%	14th	SKYEBANK					14th

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