



# STANBIC IBTC HOLDINGS PLC

## HALF YEAR 2020 FINANCIAL RESULTS PRESENTATION

04 September 2020



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# BACKGROUND AND THE OPERATING ENVIRONMENT

**Stanbic IBTC** *ITCANBE*™

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## STRATEGIC FOCUS

**Mission**  
the reason we exist

Committed to solutions that drive your progress.

**Vision**  
what we aspire to be

To be the **leading** end-to-end financial solutions provider in **Nigeria** through **innovative** and **customer focused people**.

### IN EXECUTING OUR GROUP STRATEGY, OUR KEY FOCUS AREAS ARE



#### Client centricity

Deliver exceptional client experiences



#### Digitization

Leverage our digital platforms



#### Integration

Collaborate to deliver the Group

### WE MEASURE OUR PROGRESS USING FIVE STRATEGIC VALUE DRIVERS



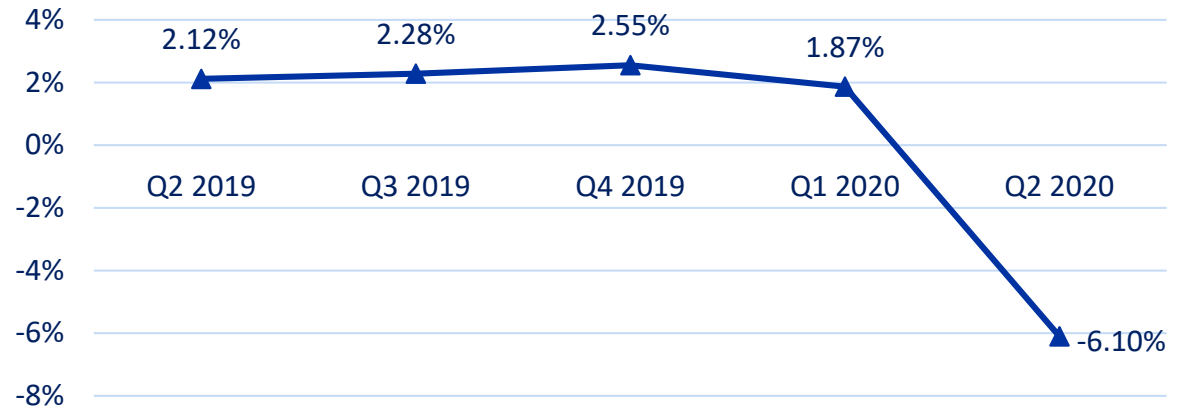
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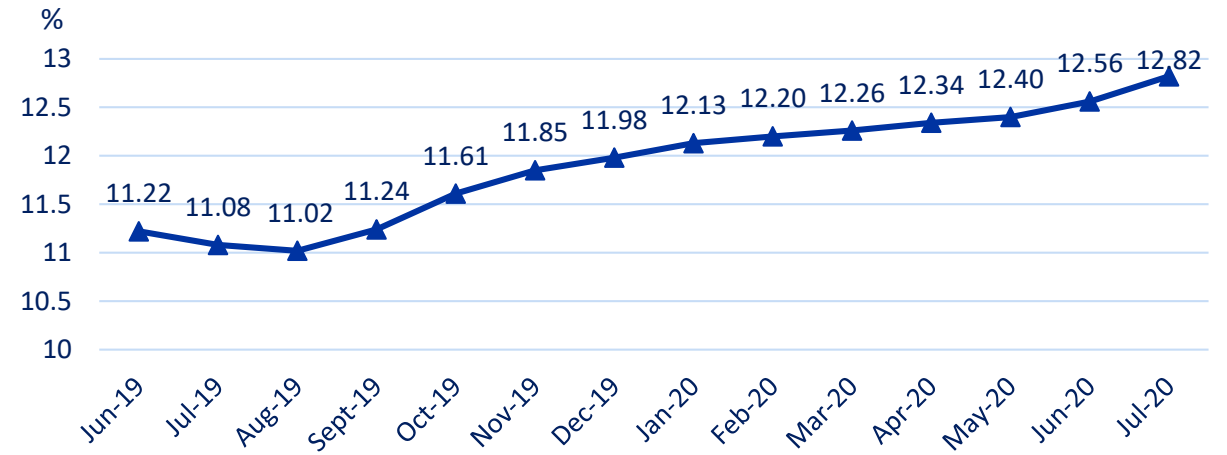
## MACRO-ECONOMIC AND OPERATING ENVIRONMENT

- ❖ Nigeria's economy contracted by 6.1% year-on-year in Q2 2020 due to disruption in economic activities resulting from the COVID-19 linked lockdown. The oil sector contracted by 6.6% year-on-year, other key non-oil sectors such as manufacturing, trade and construction sectors also contracted by 8.8%, 16.6% and 31.8% year-on-year respectively.
- ❖ The CBN's Monetary Policy Committee (MPC) upheld the Monetary Policy Rate (MPR) of 12.5% at its last meeting in July 2020 following the 100 basis point cut at its May 2020 meeting. Meanwhile, other policy parameters have remained constant. The CBN also recently cut the interest rate on savings account to 10% of MPR per annum from 30% previously.
- ❖ The bifurcation of local non-bank domestic players from the OMO market has ensured treasury bill rates remain low, currently at single digits.
- ❖ Headline inflation was on the upward trajectory in H1 2020, averaging 12.32% (H1 2019: 11.32%), owing to elevated food inflation and the uptick in core inflation. The uptick has further edged up to 12.82% in July 2020.

Real GDP Growth Rate



Inflation





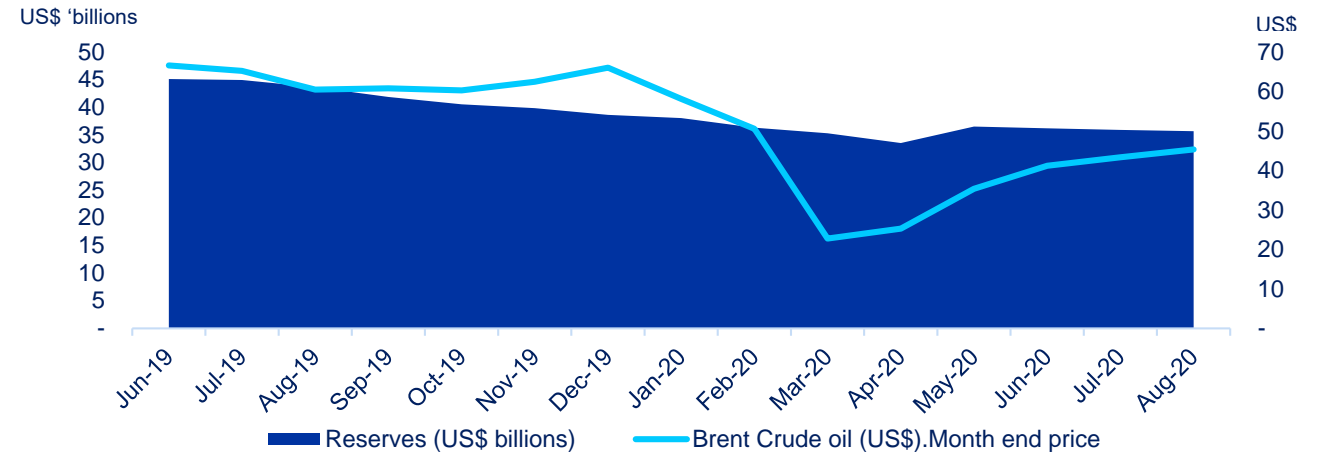
## MACRO-ECONOMIC AND OPERATING ENVIRONMENT (CONT'D)

❖ Oil prices were volatile in the first half of the year, largely impacted by factors such as the price war between Saudi Arabia and Russia, loss of demand due to the pandemic and, OPEC+ agreement to a production cut. Brent crude oil prices are now around \$45 bbl levels after falling below \$20 in April 2020.

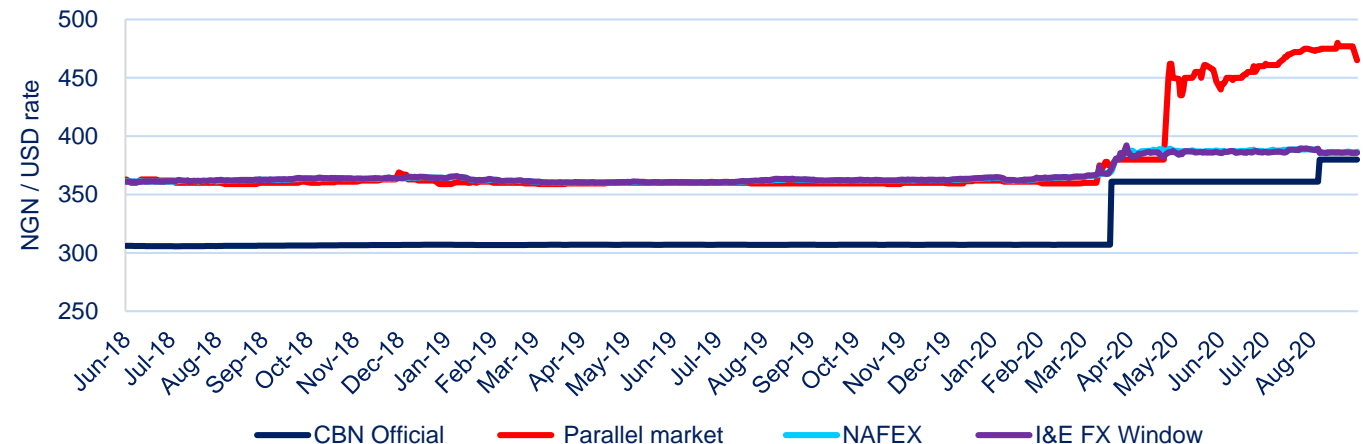
❖ The country's foreign reserves declined to a two-year low of \$33.5 billion in April 2020, but the receipt of the Emergency Fund from the IMF thereafter proved supportive for the reserves which rose to \$36 billion in May 2020, and it is at \$35 billion levels as of August 2020.

❖ Turnover in the IEFX window averaged \$44 million daily in Q2 2020, compared to \$345 million daily average in Q1 2020. The currency depreciated by about 6% in H1 2020, as rates in the IEFX window traded higher at ₦380/\$ - ₦390/\$, from ₦360/\$ - ₦365/\$. The IEFX rate averaged ₦387/\$1 in July 2020 while the official exchange rate is currently quoted at ₦380/\$1.

### Oil Prices and External reserves



### Exchange Rate Movement

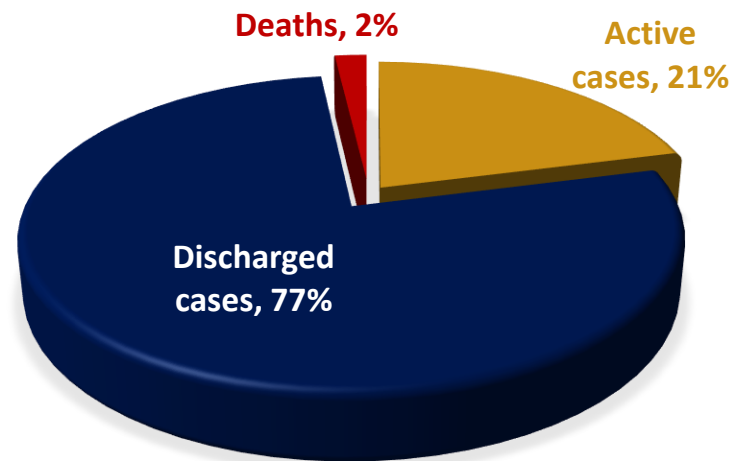
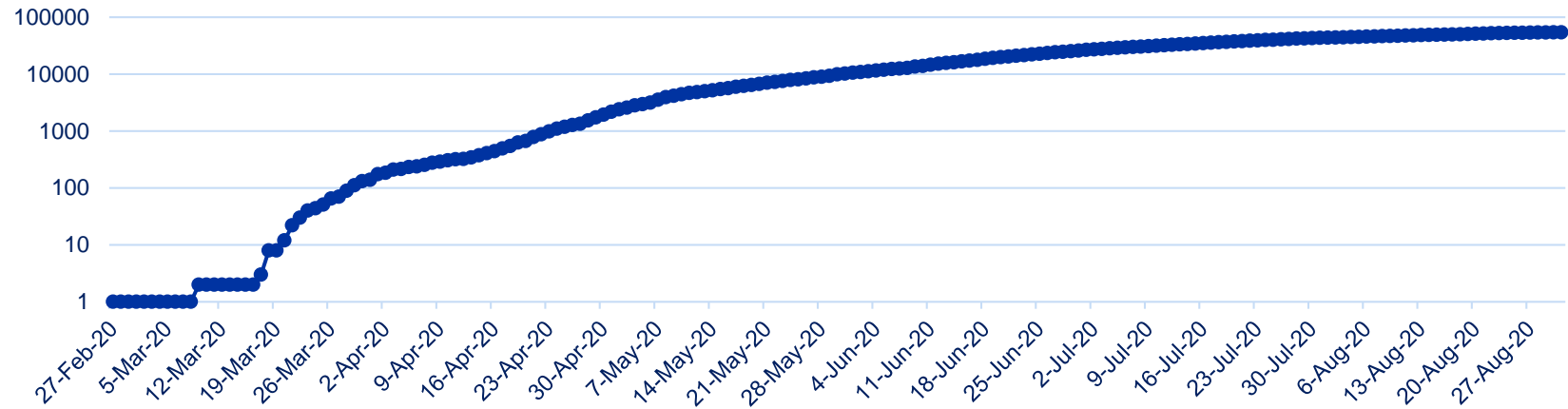




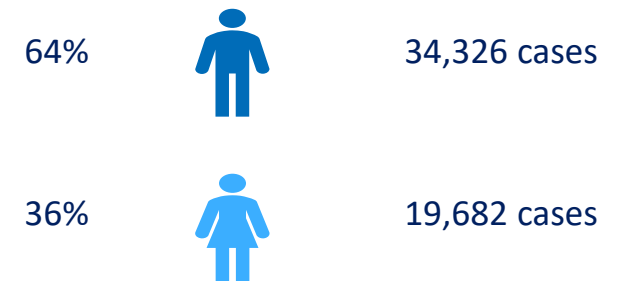
## COVID-19: STATUS IN NIGERIA

- ❖ Since the first COVID-19 reported case on 27 February 2020 in Nigeria, the number of reported cases has risen to 54,008 as at 31 August 2020. However, the daily confirmed cases have been on the decline recently. The authorities attributed the decline in daily positive cases to low sample collection and fatigue.
- ❖ Of the 54,008 reported cases, 41,638 recoveries and 1,013 fatalities have been recorded. Presently, all Nigerian States, have reported COVID-19 cases. Lagos State recorded the most COVID-19 positive cases in Nigeria, accounting for 34% of the total confirmed cases.
- ❖ The Country continues to implement physical preventive measures, in-line with the extended second phase of gradual easing.
- ❖ The Government recently extended the second phase of the gradual easing of restrictions for a further four weeks. In this phase, interstate passenger movement is permitted while nationwide curfew between 12 midnight to 4am and the ban on public gatherings remains effective.

Confirmed cases progression



Demographics of confirmed cases as of 31 August



Most affected age group





## COVID-19: NOTABLE RESPONSE MEASURES

### Fiscal

- ❖ ₦2.3 trillion stimulus package of the Nigeria Economic Sustainability Plan including the ₦500 billion COVID-19 Crisis Intervention Fund.
- ❖ Revised budget for 2020 – downward adjustment of revenue projections.
- ❖ Expansion of basic foods exempted from tax + VAT exemption on medical & pharmaceutical products.
- ❖ Tax rate for medium-sized companies reduced from 30% to 20%.
- ❖ Draw down on the REDISSE facility of the World Bank to meet COVID-19 emergency needs by States and the FCT.

### CBN / Monetary

- ❖ One-year extension of the moratorium on CBN intervention facilities.
- ❖ 400 basis point interest rate reduction to 5% on CBN intervention facilities.
- ❖ Regulatory forbearance to restructure terms of facilities in affected sectors.
- ❖ Creation of a ₦50 billion fund to support households and SMEs.
- ❖ Additional ₦100 billion intervention in healthcare loans and provision of ₦1 trillion to boost local production across critical sectors.
- ❖ Establishment of a ₦15 trillion Infrastructure Development Company (Infracore)

### Palliatives

- ❖ Announced palliative measures such as food distribution, cash transfers, and loan repayment waivers to ease the pains of the restrictive policies.
- ❖ Announced expansion of the Social Investment Program by 1 million households to 3.6 million to cushion the lockdown impact.
- ❖ Different privately sponsored initiatives across the States providing daily meals.
- ❖ Nigeria's private sector coalition against COVID-19 (CACOVID) launched the ₦23 billion food palliative for 1.7 million households and ordered the supply of 400,000 test kits.





## COVID-19: OUR RESPONSE MEASURES TO ENSURE BUSINESS CONTINUITY

### People & Systems

- ❖ Proactively activated remote working for most of our workforce.
- ❖ Empowered workforce with modern collaboration tools to work from their respective residences.
- ❖ Implemented additional security measures and safety protocols for the protection of the staff members on essential duty.
- ❖ Continued engagement of staff members through online sessions to help manage mental health and wellbeing.
- ❖ Reviewed third-party dependencies and confirmed their readiness to continue to provide services to our organisation remotely.

### Customers

- ❖ Implemented safety protocols across all of our service locations.
- ❖ Intensified communication and engagement with clients to identify those who expect or are in financial distress.
- ❖ Shared insights on the impact of the pandemic on micro and macro-economic indices via tailored webinars and Instagram Live sessions delivered by subject matter experts, to enable client decision making.

### Liquidity/Capital

- ❖ Reviewed our capital plan with revised estimates and forecasts in relation to projected earnings, loan growth and impairment losses from the pandemic.
- ❖ Conducted stress tests to measure the impact of the pandemic as well as foreign currency volatility on the Group.
- ❖ Our results showed that our capital and liquidity positions remained and are still well above regulatory limits.
- ❖ Increased focus on optimizing capital through specific monitoring of capital demands from loan portfolio.
- ❖ Retained the Fitch AAA rating of Stanbic IBTC and its banking subsidiary, which reflects the strongest capacity for timely payment of financial commitments.



## CLIENT FOCUS: ACTIONS TAKEN



### Loan Restructure

- ❖ Granted moratorium and extension to customers ranging from schools to small scale businesses and few corporates.
- ❖ Total value of loans restructured as a result of COVID-19 amounted to **₦30.7 billion** in H1 2020.



### Trade Tenor Extension

- ❖ Extension of the repayment period of trade obligations due to FX constraints and increased receivables period.
- ❖ Affected trade obligations amounted to **₦450 million** in H1 2020.



### Fee Waiver

- ❖ Implemented a waiver of certain payment charges on our digital platforms in April 2020.
- ❖ Total transaction charges refunded amounted to **₦17.7 million** for 908,793 transactions.



### Intervention Facilities

- ❖ Extended moratorium and reduced interest rate by 400 basis point on the on-lending funds in line with the CBN directive.
- ❖ Total value of the intervention facilities was **₦26 billion** as at June 2020 with net interest income impact of **₦506 million**.



# FINANCIAL REVIEW H1 2020



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## SUMMARY OF H1 2020 PERFORMANCE – INCOME STATEMENT

### Gross Earnings

H1 2020: N126.6bn

H1 2019: N117.4bn

### Earnings Per Share

H1 2020: 419kobo

H1 2019: 342kobo

### Profit After Tax

H1 2020: N45.2bn

H1 2019: N36.2bn

### Return on Equity

H1 2020: 28.3%

H1 2019: 28.5%

### Cost to Income

H1 2020: 45.2%

H1 2019: 53.2%

### Credit Loss Ratio

H1 2020: 2.2%

H1 2019: (0.3%)



## SUMMARY OF H1 2020 PERFORMANCE – FINANCIAL POSITION ITEMS

### Total Assets

H1 2020: N3.02trn

FY 2019: N1.88trn

### Customer Deposits

H1 2020: N769.3bn

FY 2019: N637.8bn

### Return on Asset

H1 2020: 3.8%

FY 2019: 4.2%

### Net Customer Loans & Advances

H1 2020: N573.9bn

FY 2019: N532.1bn

### Gross NPL Ratio

H1 2020: 4.9%

FY 2019: 3.9%

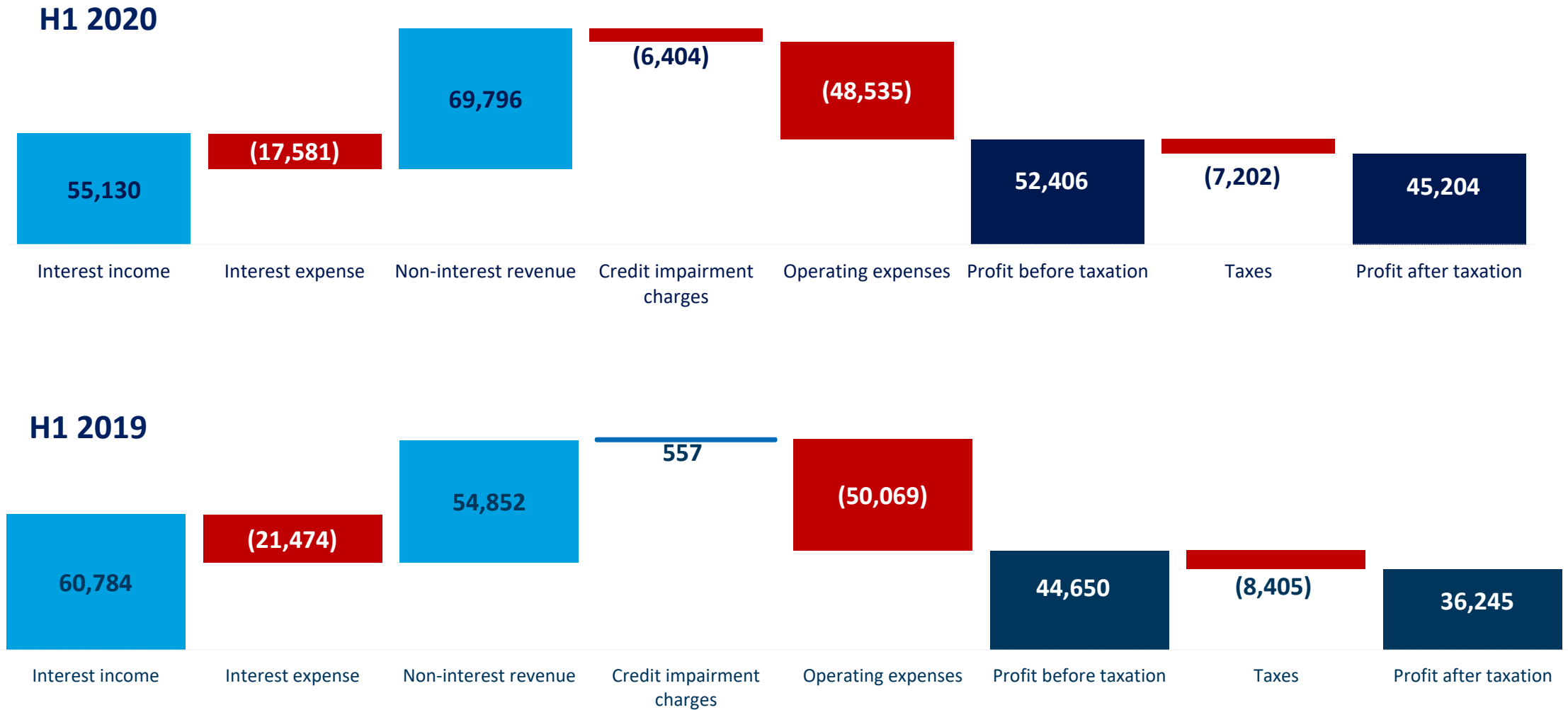
### CASA Ratio

H1 2020: 80.4%

FY 2019: 71.1%



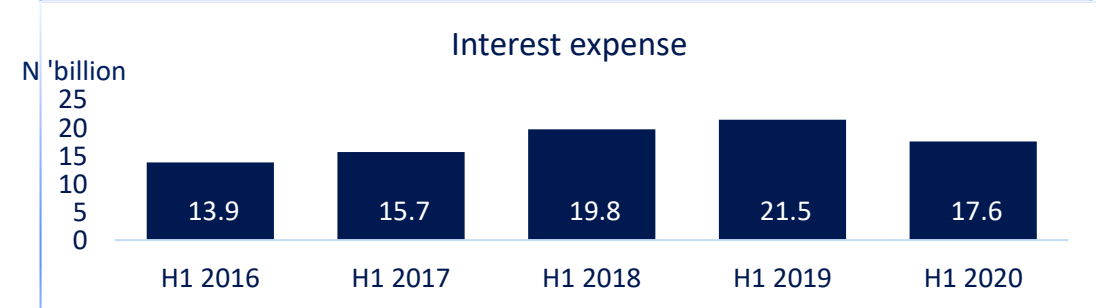
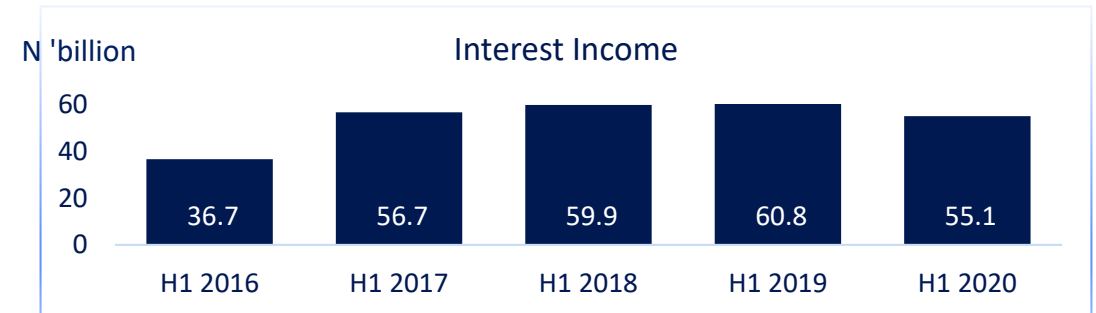
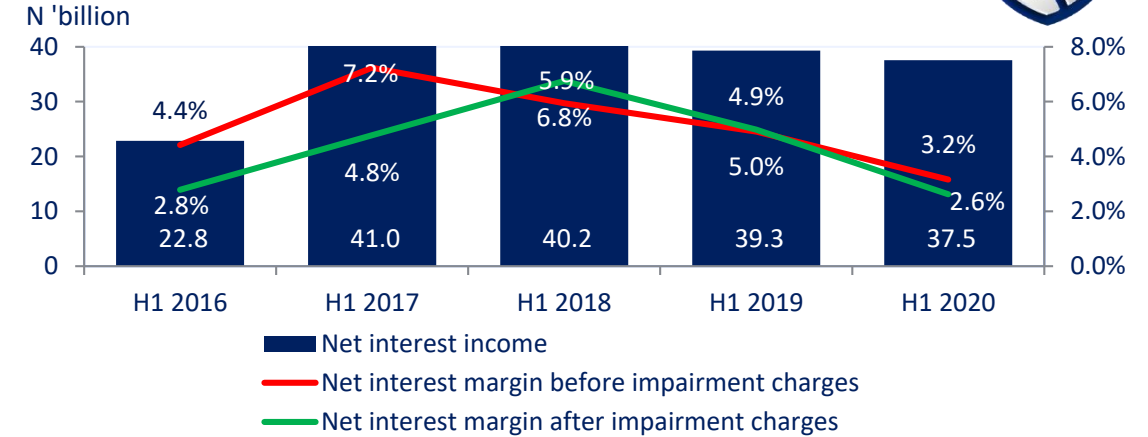
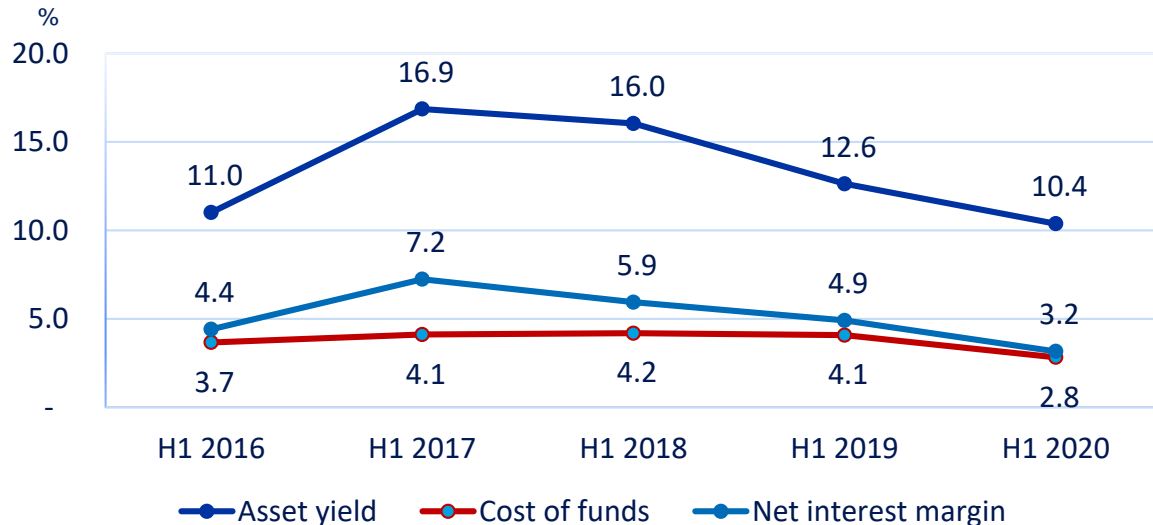
## OVERVIEW OF INCOME STATEMENT FOR H1 2020 VS H1 2019





## NET INTEREST INCOME

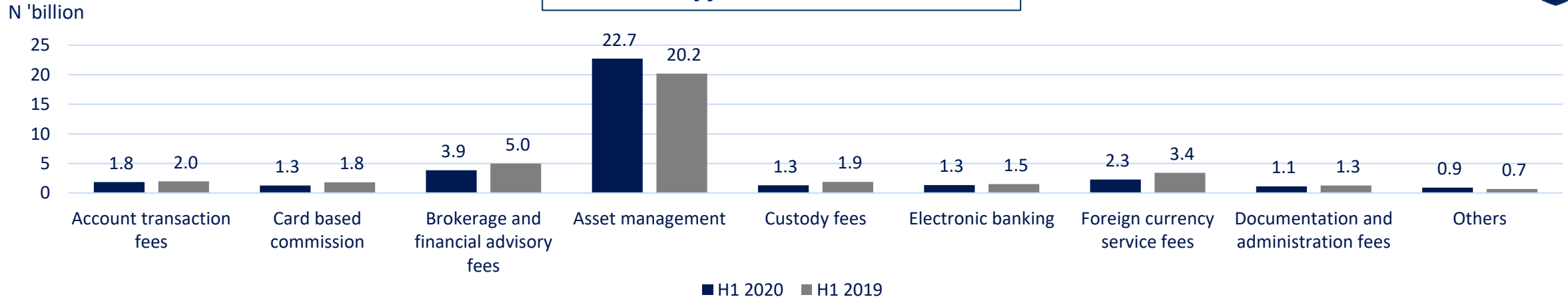
- ❖ Interest income declined by 9% to ₦55.1 billion in H1 2020 from ₦60.8 billion achieved in H1 2019 due to depressed asset yields despite the comparative growth recorded in loans year-on-year.
- ❖ Interest expense also declined by 18% following deposit repricing and improvement in deposit mix towards cheap funds as we continued to focus on replacing expensive term deposits with low cost deposits with cost of funds declining to 2.8% from 4.1% in the prior period.
- ❖ This resulted in a 4% decline in net interest income as the decreased interest expenses doused the impact of the contraction in interest income. Consequently, net interest margin declined to 3.2% (H1 2019: 4.9%).



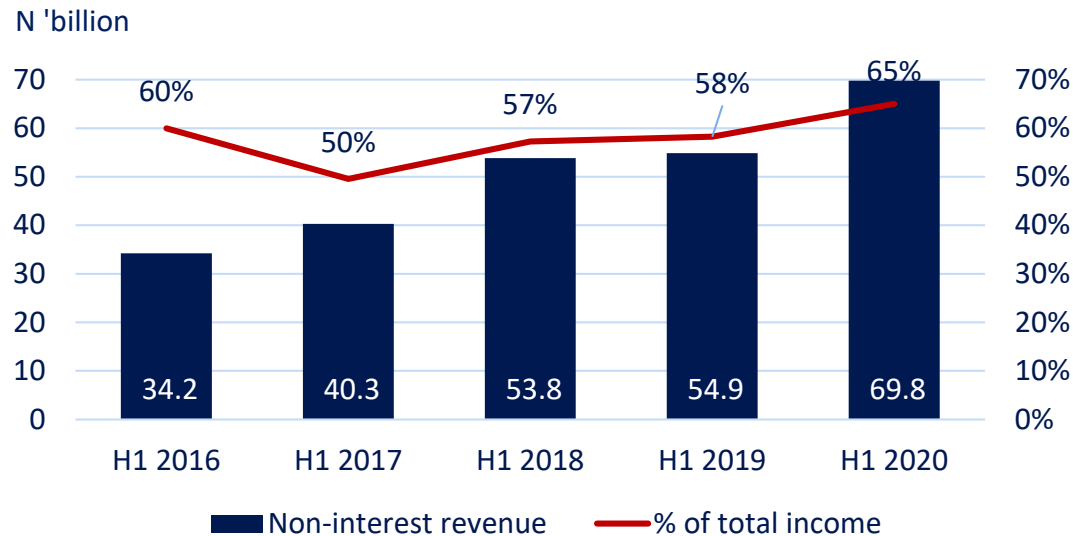


## NON-INTEREST REVENUE

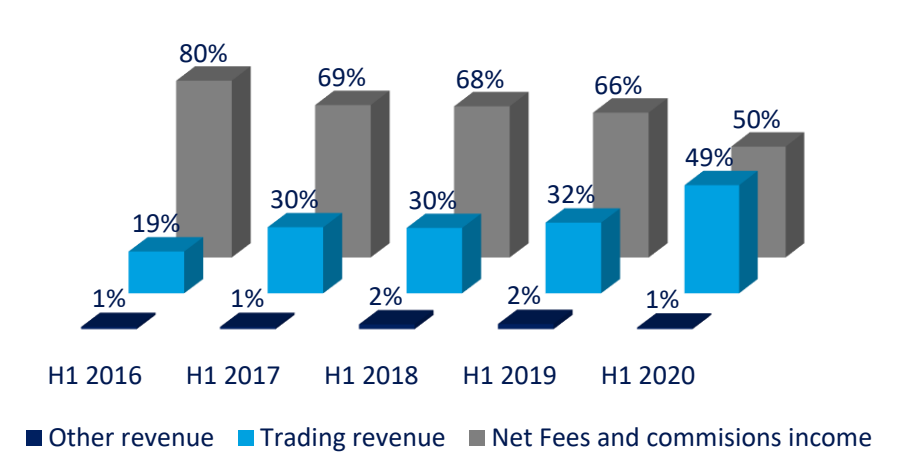
Break down of fees and commission income



❖ Non-interest revenue grew by 27% driven largely by a 95% year-on-year increase in trading income.



Break down of non-interest income by type



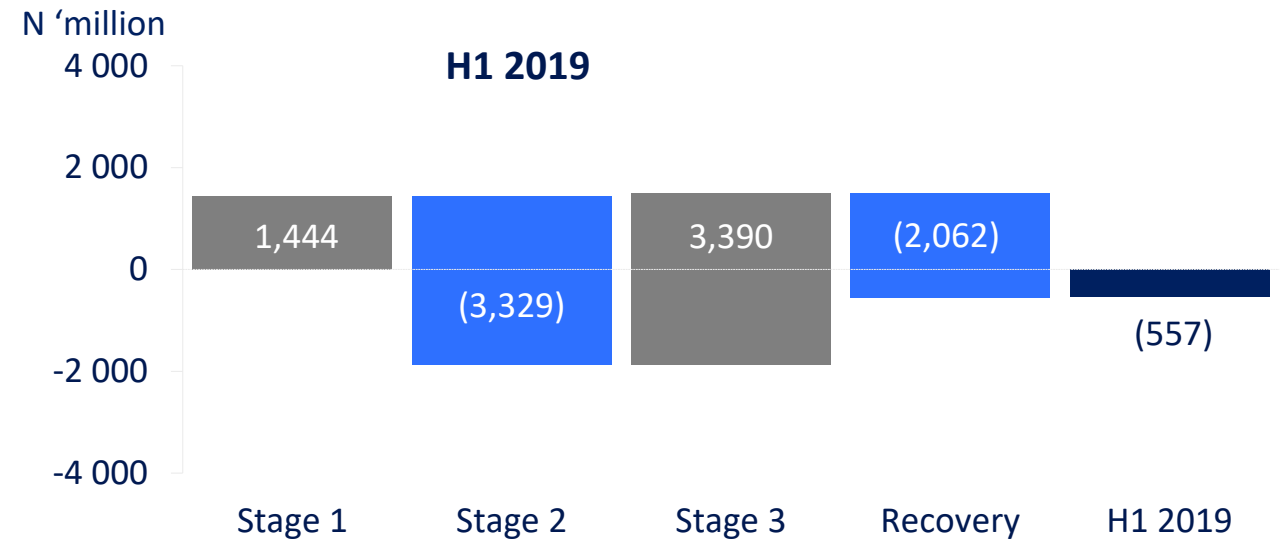
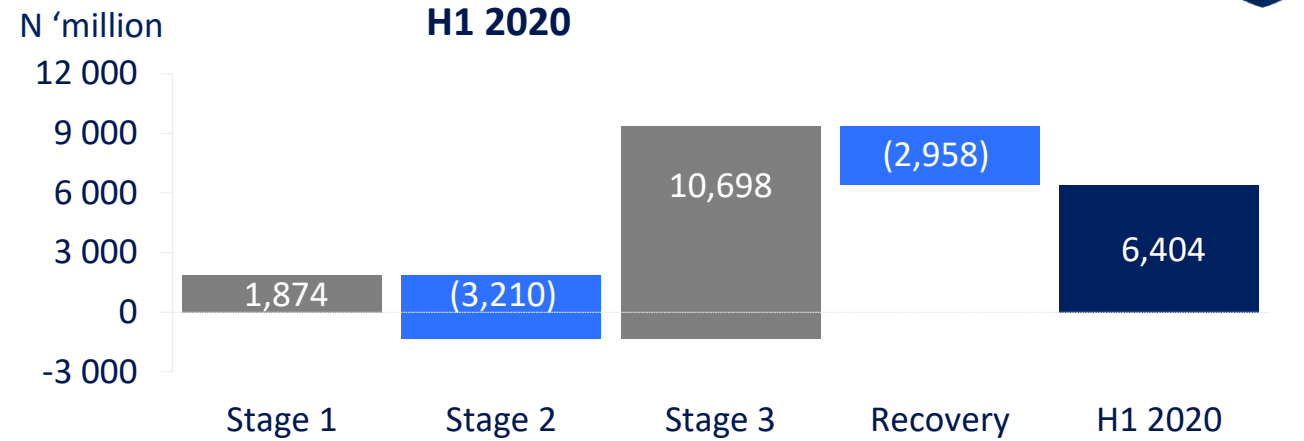
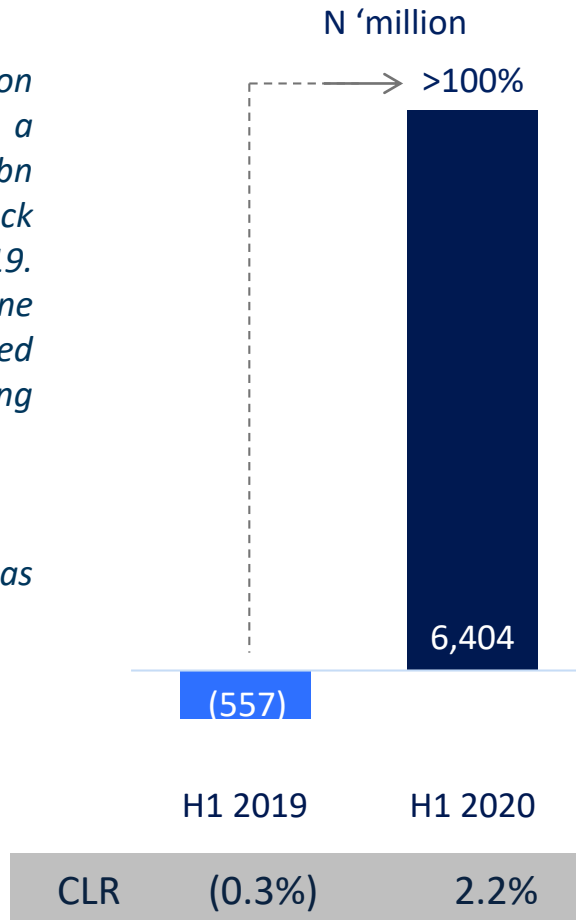




## INCOME STATEMENT - CREDIT IMPAIRMENT

❖ Credit impairment on financial assets was a charge of N6.4bn compared to a write back of N557mn in H1 2019. The outcome is in line with our disciplined approach to treating delinquent assets.

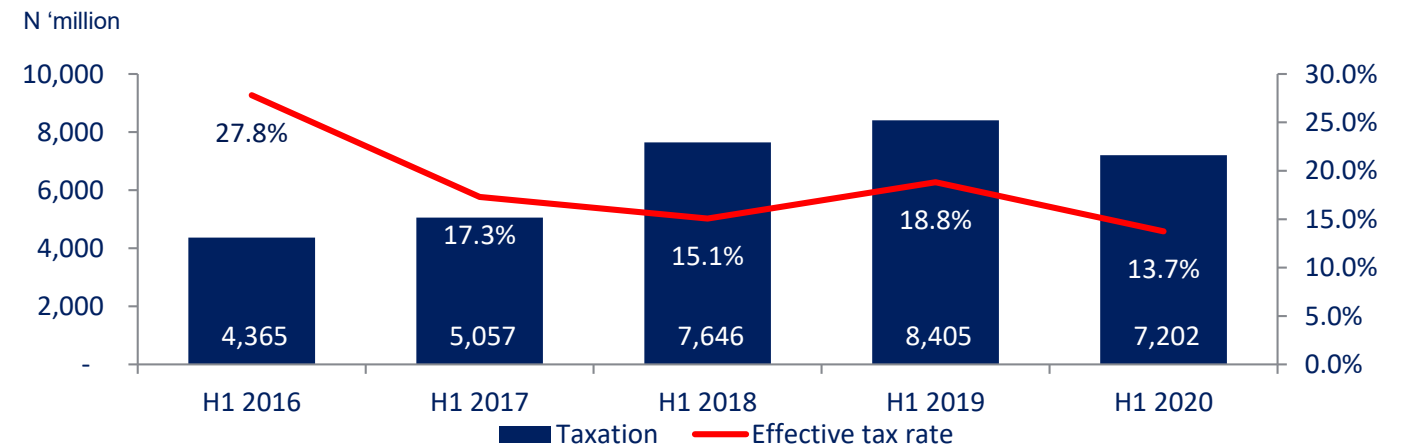
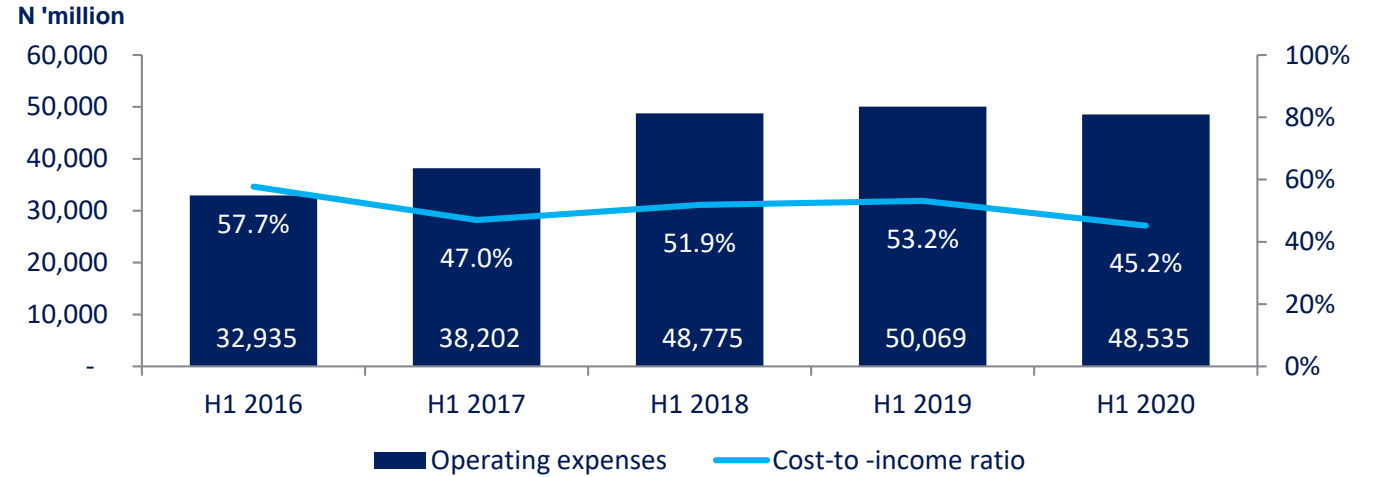
❖ Credit loss ratio was 2.2% for H1 2020.





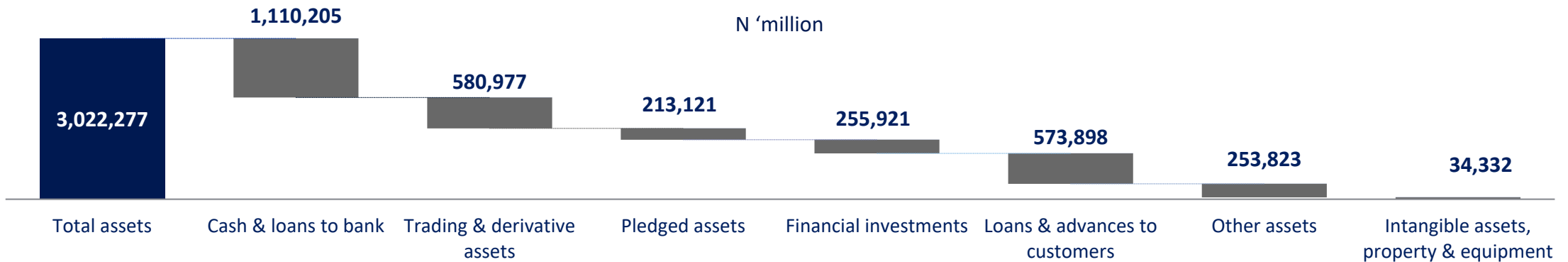
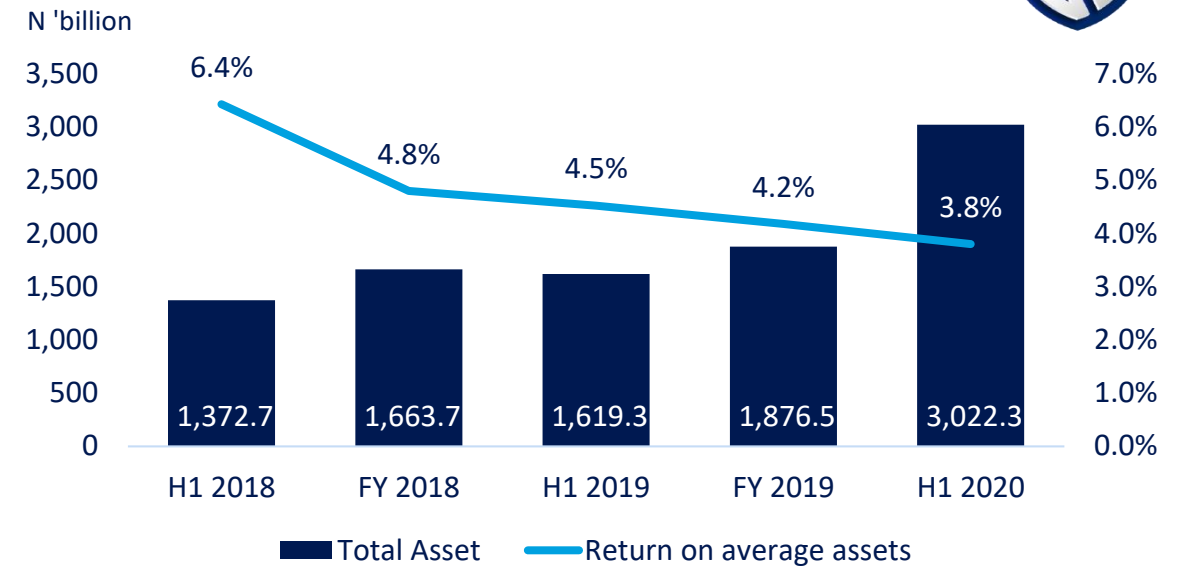
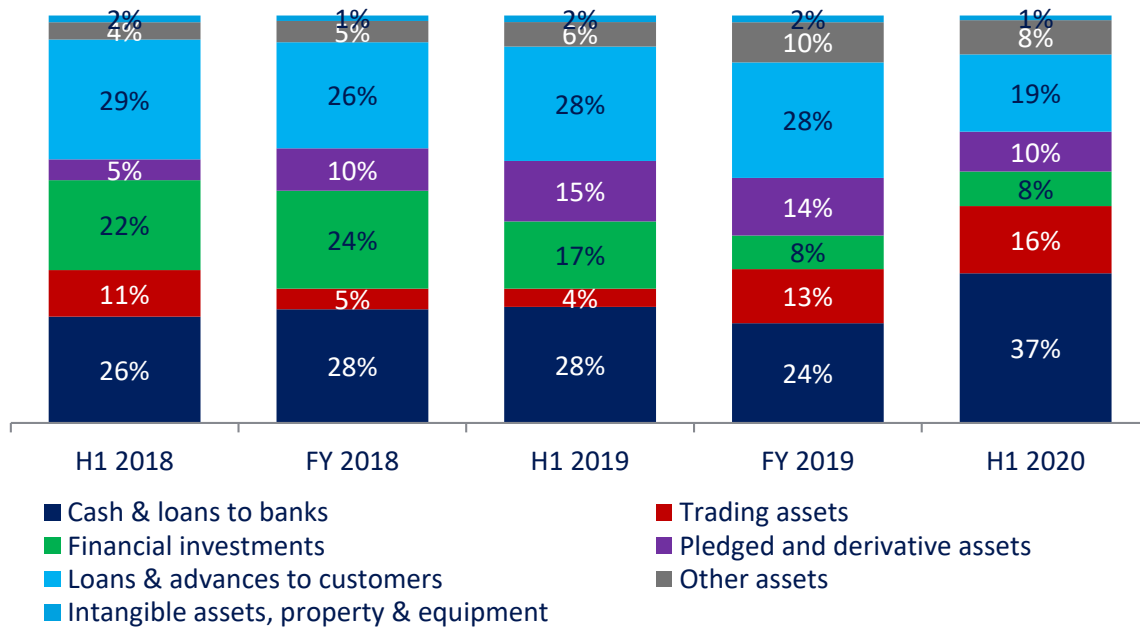
## OPERATING EXPENSES AND TAXATION

- ❖ *Operating expenses declined by 3% year-on-year.*
- ❖ *Staff cost was flat year-on-year due to lower long term incentives.*
- ❖ *Other operating expenses declined by 5% due to savings in premises and communication expenses.*
- ❖ *Cost-to-income ratio improved to 45.2% from 53.2% recorded in prior year.*
- ❖ *Effective tax rate decreased to 13.7% in H1 2020 from 18.8% in the prior year as a result of change in tax basis for the banking subsidiary.*





## TOTAL ASSETS



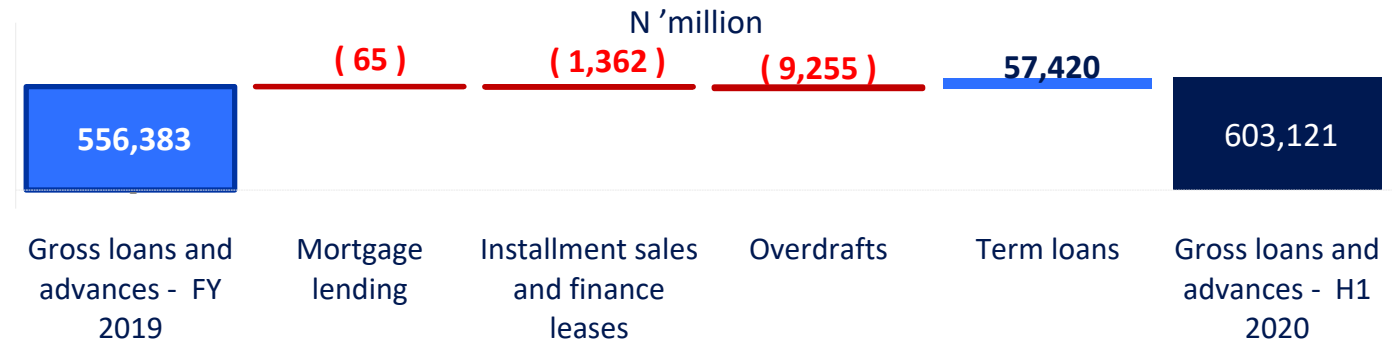
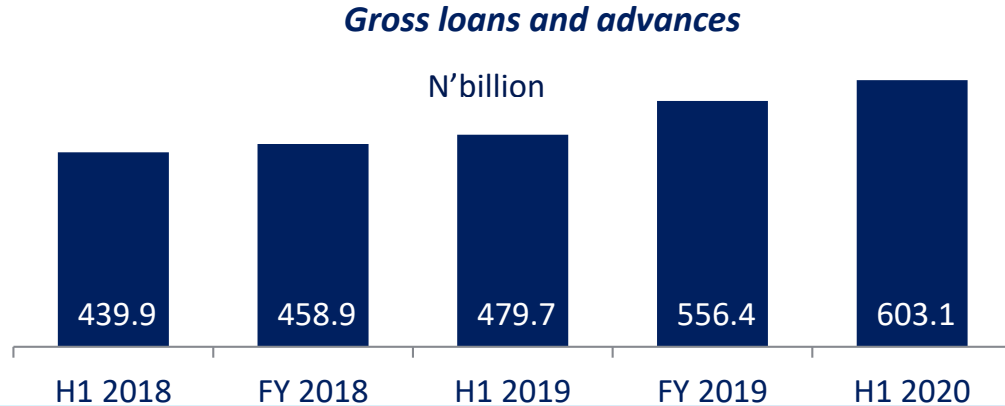


## GROSS LOANS AND ADVANCES

- ❖ PBB and CIB loan books grew by 5% and 11% respectively.
- ❖ LCY book grew by 0.4% and FCY book grew by 18.3%.
- ❖ Gross loans portfolio grew by 8% year-to-date as we continue to support our clients' businesses and aspirations.
- ❖ Loan-to-Deposit Ratio for H1 2020 averaged 66%.

	H1 2020			FY 2019		
	LCY loans	FCY loans	Total loans	LCY loans	FCY loans	Total loans
	N 'billion	N 'billion	N 'billion	N 'billion	N 'billion	N 'billion
<b>Personal &amp; Business Banking</b>	<b>169.3</b>	<b>38.6</b>	<b>207.9</b>	<b>162.5</b>	<b>36.3</b>	<b>198.8</b>
Mortgage	4.4	-	4.4	4.5	-	4.5
Instalment sale & finance leases	5.5	0.5	6.1	7.4	0.7	8.1
Overdrafts	28.8	2.9	31.7	26.9	3.1	30.0
Term loans	130.6	35.1	165.7	123.8	32.5	156.3
<b>Corporate &amp; Investment Banking</b>	<b>139.3</b>	<b>255.9</b>	<b>395.2</b>	<b>145.0</b>	<b>212.7</b>	<b>357.6</b>
Term loans	126.3	255.9	382.2	121.6	212.6	334.2
Overdrafts	11.6	-	11.6	22.6	-	22.6
Instalment sale and finance lease	1.4	-	1.4	0.8	-	0.8
<b>Total loans</b>	<b>308.6</b>	<b>294.5</b>	<b>603.1</b>	<b>307.5</b>	<b>248.9</b>	<b>556.4</b>
<b>Percentage (%)</b>	<b>51%</b>	<b>49%</b>	<b>100%</b>	<b>55%</b>	<b>45%</b>	<b>100%</b>

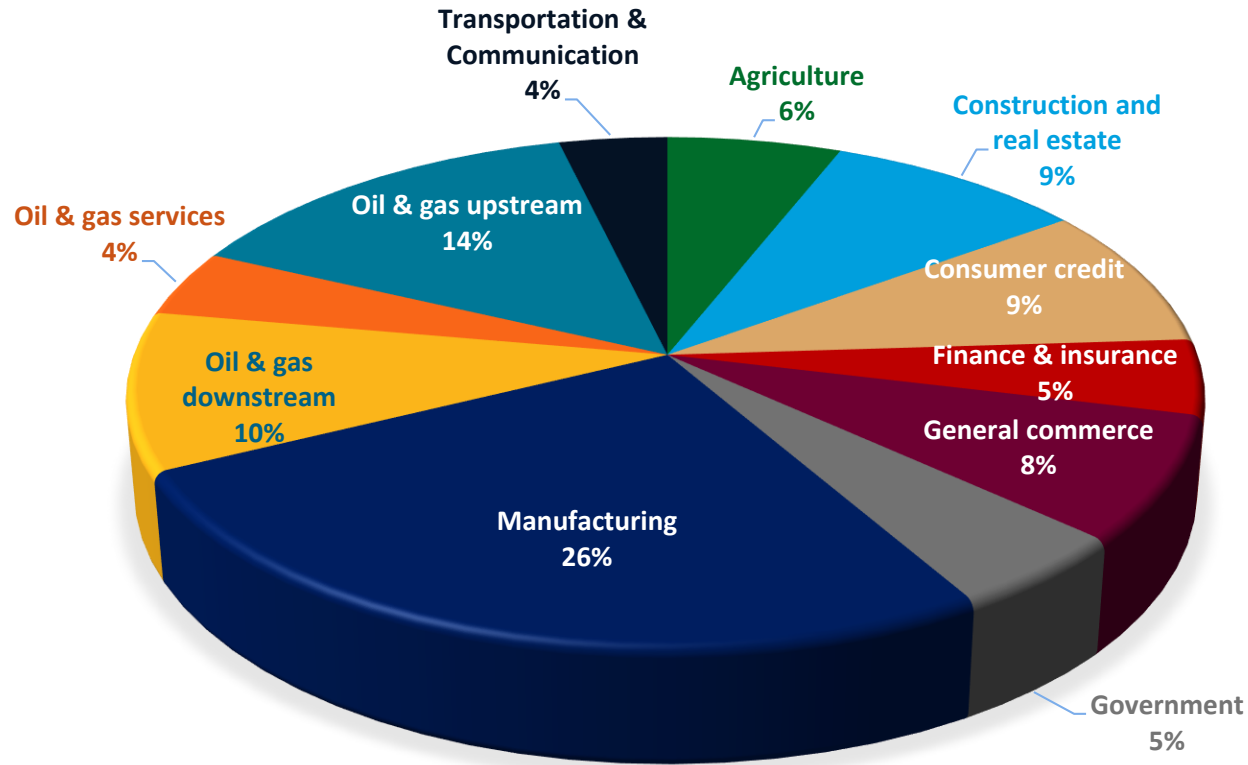
### Gross loans and advances



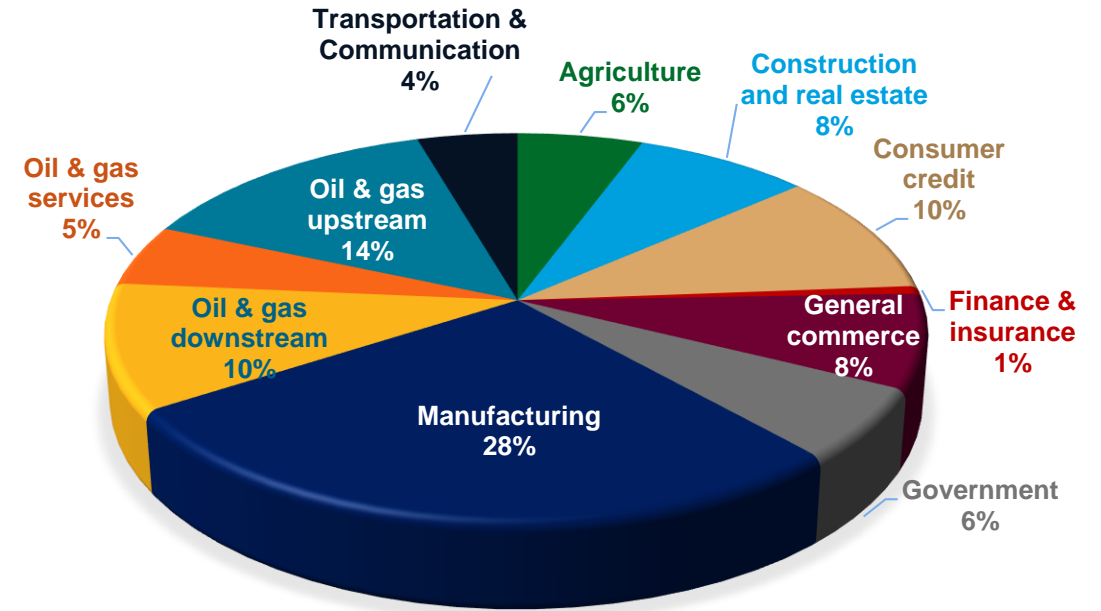


# LOANS AND ADVANCES BY SECTOR

## H1 2020



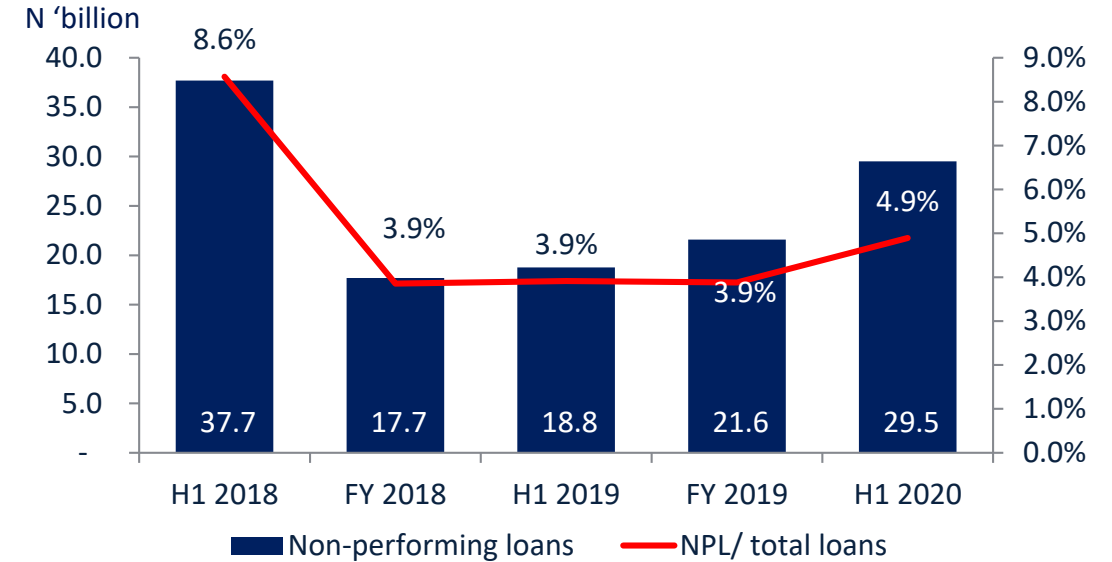
## FY 2019



## LOAN PERFORMANCE



Sector	H1 2020		FY 2019	
	% of Total NPL	NPL ratio (%)	% of Total NPL	NPL ratio (%)
Agriculture	33.5%	27.2%	41.0%	28.2%
Construction and real estate	29.9%	16.2%	15.9%	7.7%
Consumer credit	6.6%	3.6%	17.8%	6.8%
General commerce	3.1%	1.9%	5.6%	2.8%
Government	0.1%	0.1%	0.4%	0.3%
Manufacturing	1.7%	0.3%	0.3%	0.05%
Oil & gas services	3.0%	3.5%	3.9%	3.0%
Oil & gas Downstream	17.9%	8.7%	0.02%	0.01%
Transportation & Communication	4.2%	5.5%	15.1%	13.0%
<b>Grand Total</b>	<b>100%</b>	<b>4.9%</b>	<b>100.0%</b>	<b>3.9%</b>



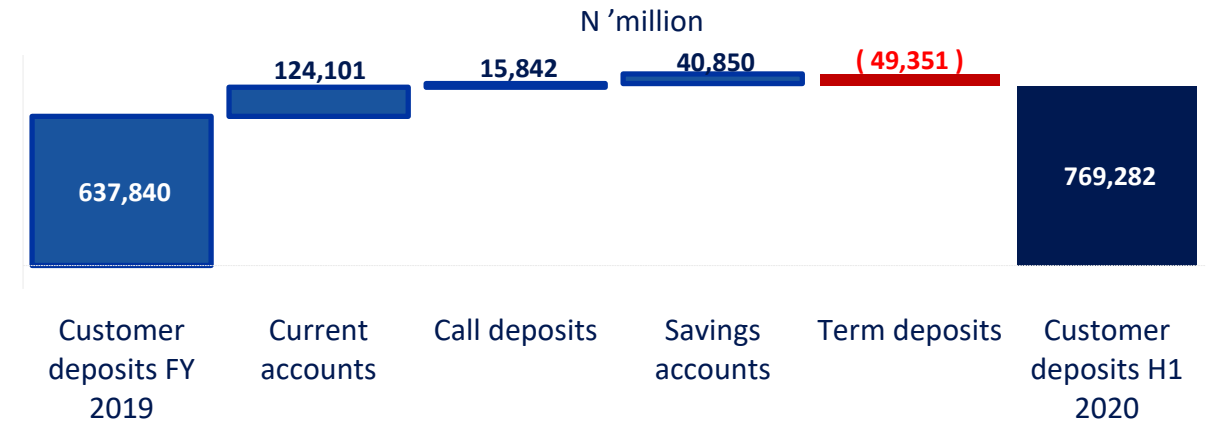
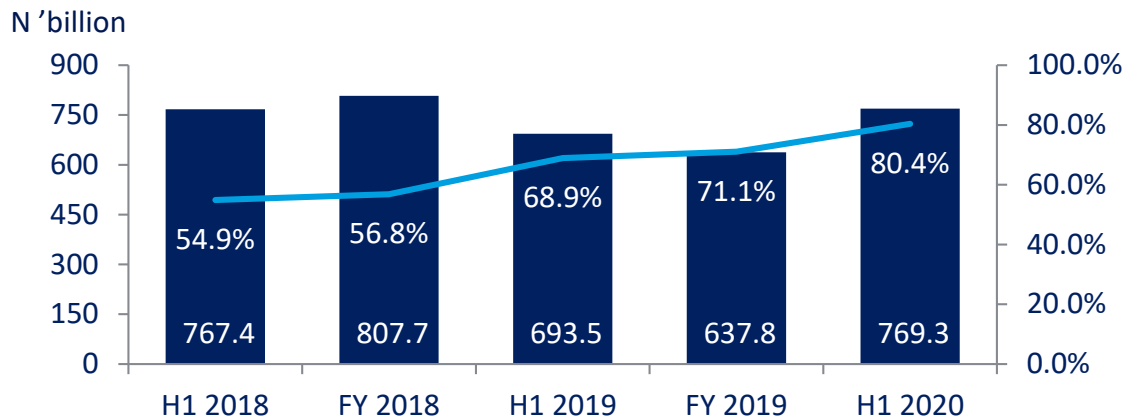
	H1 2020 (N 'million)	% of total NPLs	FY 2019 (N 'million)	% of total NPLs
Local currency	22,721	77%	15,343	71%
Foreign currency	6,797	23%	6,251	29%
<b>Total NPLs</b>	<b>29,519</b>	<b>100%</b>	<b>21,594</b>	<b>100%</b>



## CUSTOMER DEPOSITS

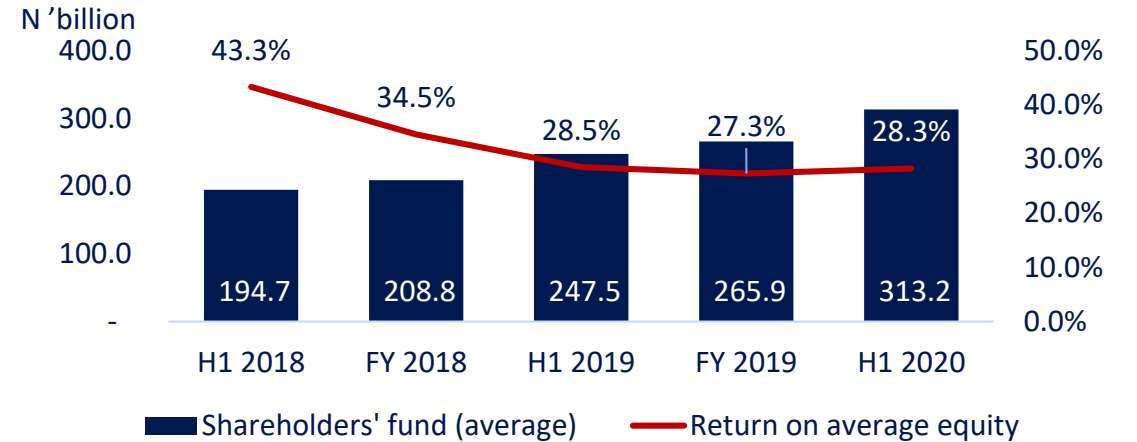
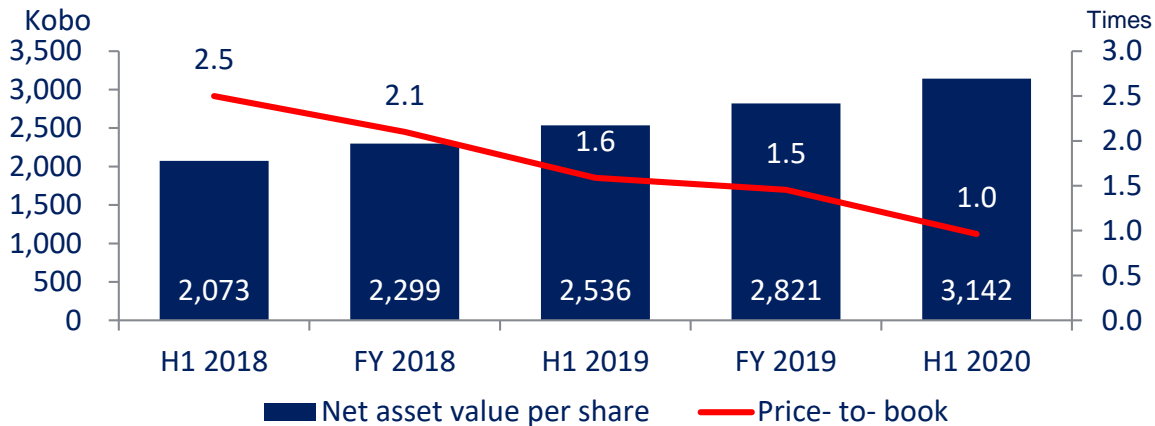
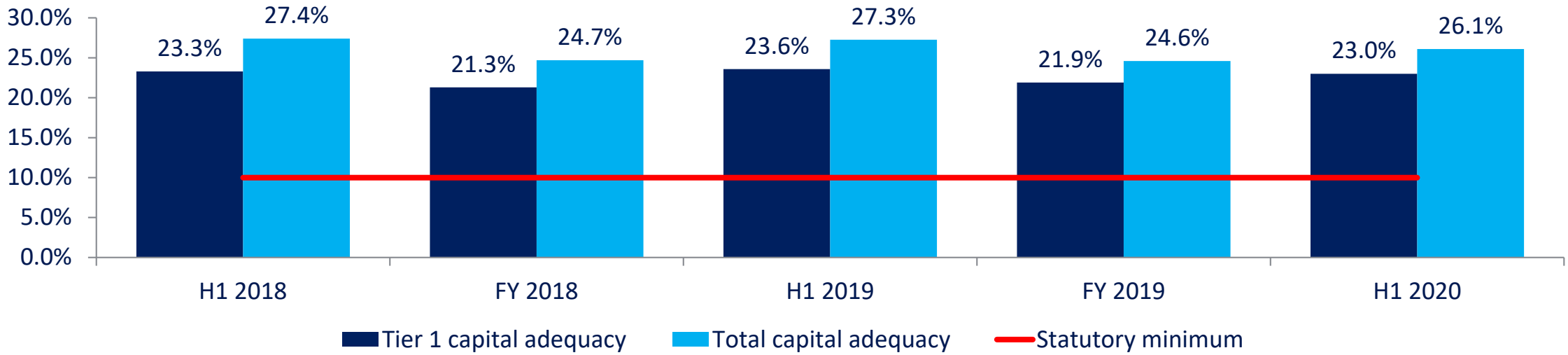
- ❖ Expensive term deposits were not rolled over.
- ❖ CASA ratio improved from 71.1% in FY 2019 to 80.4% in H1 2020.

	H1 2020			FY 2019		
	LCY	FCY	Total	LCY	FCY	Total
	N 'billion	N 'billion	N 'billion	N 'billion	N 'billion	N 'billion
<b>Personal &amp; Business Banking</b>	<b>361.4</b>	<b>166.4</b>	<b>527.8</b>	<b>302.4</b>	<b>167.5</b>	<b>470.0</b>
Current Accounts	199.4	142.6	342.0	163.3	143.4	306.8
Savings Accounts	127.5	-	127.5	87.4	-	87.4
Call Deposits	6.5	1.1	7.6	4.6	2.3	6.9
Term Deposits	28.1	22.6	50.7	47.1	21.8	68.9
<b>Corporate &amp; Investment Banking</b>	<b>151.6</b>	<b>90.0</b>	<b>241.6</b>	<b>96.5</b>	<b>71.4</b>	<b>167.9</b>
Current accounts	122.8	77.3	200.1	41.4	17.9	59.3
Call deposits	18.3	1.4	19.8	21.4	2.2	23.6
Term deposits	10.4	11.2	21.7	33.7	51.3	85.0
<b>Total deposits</b>	<b>513.0</b>	<b>256.4</b>	<b>769.3</b>	<b>398.9</b>	<b>238.9</b>	<b>637.8</b>
	<b>67%</b>	<b>33%</b>	<b>100%</b>	<b>63%</b>	<b>37%</b>	<b>100%</b>





## CAPITAL AND SHAREHOLDERS' FUND







# CORPORATE & INVESTMENT BANKING (CIB)

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## SUMMARY OF H1 2020 PERFORMANCE (CIB)

### Total Income

H1 2020: N61.0bn

H1 2019: N43.3bn

### Profit After Tax

H1 2020: N35.8bn

H1 2019: N24.0bn

### Gross Loans & Advances

H1 2020: N395.2bn

FY 2019: N357.6bn

### Customer Deposits

H1 2020: N240.7bn

FY 2019: N167.9bn

### Cost to Income

H1 2020: 33.1%

H1 2019: 41.4%

### Return on Equity

H1 2020: 41.0%

H1 2019: 38.1%

### NPL Ratio

H1 2020: 3.4%

H1 2019: 0.3%

### Credit Loss Ratio

H1 2020: 2.1%

H1 2019: (1.3%)



## CIB FINANCIAL ANALYSIS – H1 2020

- ❖ A good performance from our Global Markets business in the first half of 2020 as we were well positioned on the right side of the yield curve, despite the challenging operating environment.
- ❖ Proper mix in our liability book helped reduce our interest expense by 17% year-on-year which doused the 2% decline in interest income causing NII to grow by 12%.
- ❖ Credit impairments grew by over 100% as a result of provision made for impaired loans largely from oil & gas and construction sectors as well as non-impaired loans in anticipation of depressed economic environment.
- ❖ Cost-to-income ratio improved to 33.1% as a result of 6% savings in staff cost.
- ❖ Loan book growth was driven by opportunities to support our clients' aspirations.
- ❖ Deposit book grew with focus on low cost deposits.

### Performance highlights

	H1 2020	Change	H1 2019
<b>Income statement</b>	<b>N 'million</b>	<b>%</b>	<b>N 'million</b>
Net interest income	20,346	12	18,151
Non-interest revenue	40,685	62	25,148
<b>Total income</b>	<b>61,031</b>	<b>41</b>	<b>43,299</b>
Credit impairment charges	(3,930)	>(100)	1,962
Operating expenses	(20,192)	13	(17,905)
<b>Profit before tax</b>	<b>36,908</b>	<b>35</b>	<b>27,356</b>
<b>Profit after tax</b>	<b>35,772</b>	<b>49</b>	<b>23,969</b>
<b>Balance sheet</b>			
	<b>H1 2020</b>		<b>FY 2019</b>
Gross loans & advances	395,200	11	357,608
Deposit liabilities	240,719	43	167,883
<b>Key selected ratios</b>			
	<b>H1 2020</b>		<b>H1 2019</b>
Cost to income ratio %	33.1		41.4
CASA ratio %	62		39
Credit loss ratio %	2.1		(1.3)
NPL/total loan ratio %	3.4		0.3



- 1 Leverage our strength in FX
- 2 Optimize deposit mix to minimize cost of funds
- 3 Grow a resilient LCY loan book
- 4 Unlock the trade opportunity



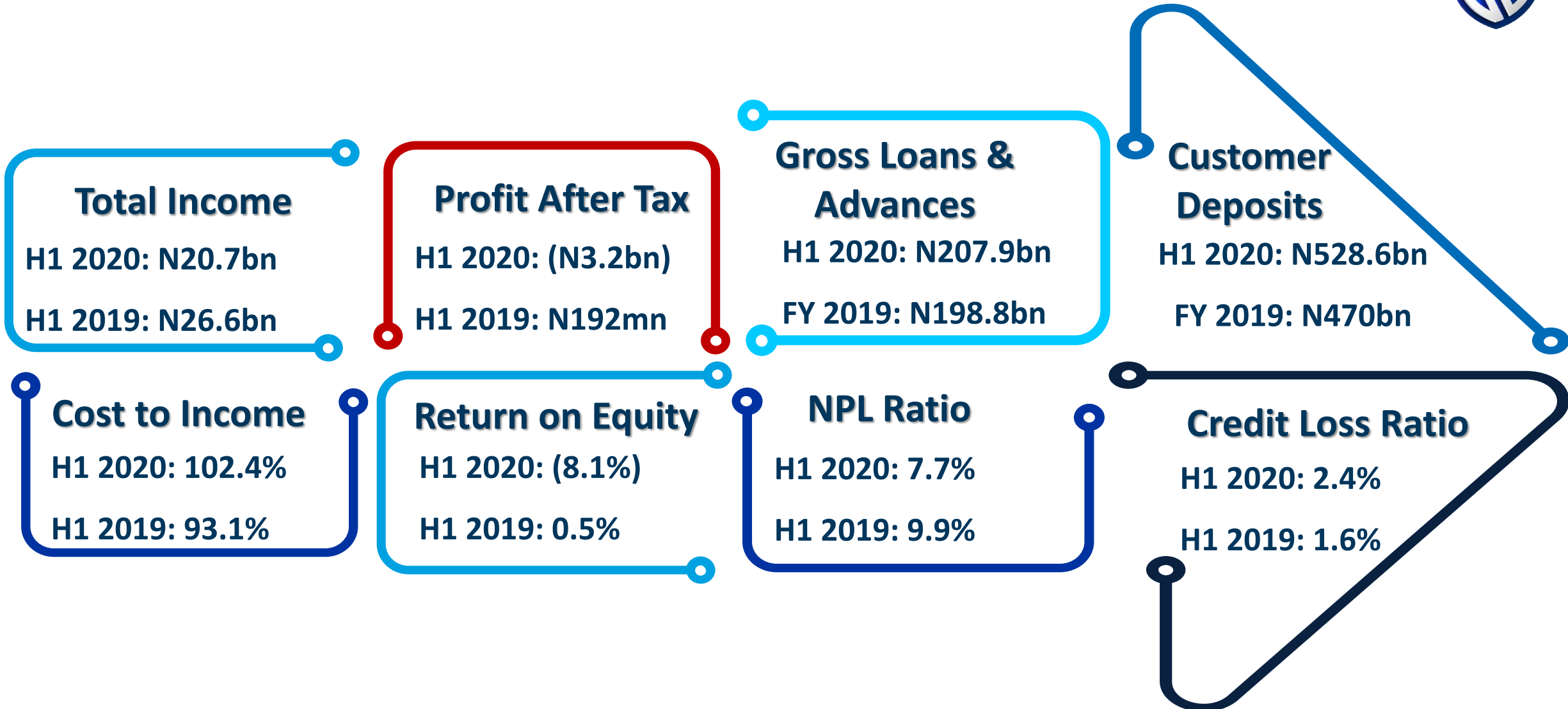
# PERSONAL & BUSINESS BANKING (PBB)

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## SUMMARY OF H1 2020 PERFORMANCE (PBB)





## PBB FINANCIAL ANALYSIS – H1 2020

- ❖ Net interest income decreased by 16% to ₦15.0 billion following the decline in interest income.
- ❖ Interest income was down by 17% to ₦18.8 billion (H1 2019: ₦22.8 billion) as a result of lower yields on loans and advances.
- ❖ The business however, benefited from the decline in interest expenses following accelerated growth in cheap deposits which helped reduce cost of funds. Interest expense declined by 23% to ₦3.9 billion from ₦5.0 billion in H1 2019.
- ❖ Credit impairment charges grew by 72% as provisions were made for impaired loans largely from agriculture sector as well as non impaired loans in anticipation of depressed economic environment.
- ❖ Operating expenses were down 14% year-on-year a result of 2% and 26% decline in staff cost and other operating expenses respectively.
- ❖ We continue to support our clients' business by availing them credit facility which saw gross loans and advances grow by 5%.
- ❖ Deposit book grew by 12% with focus on low cost deposits which saw CASA ratio improve to 89%.

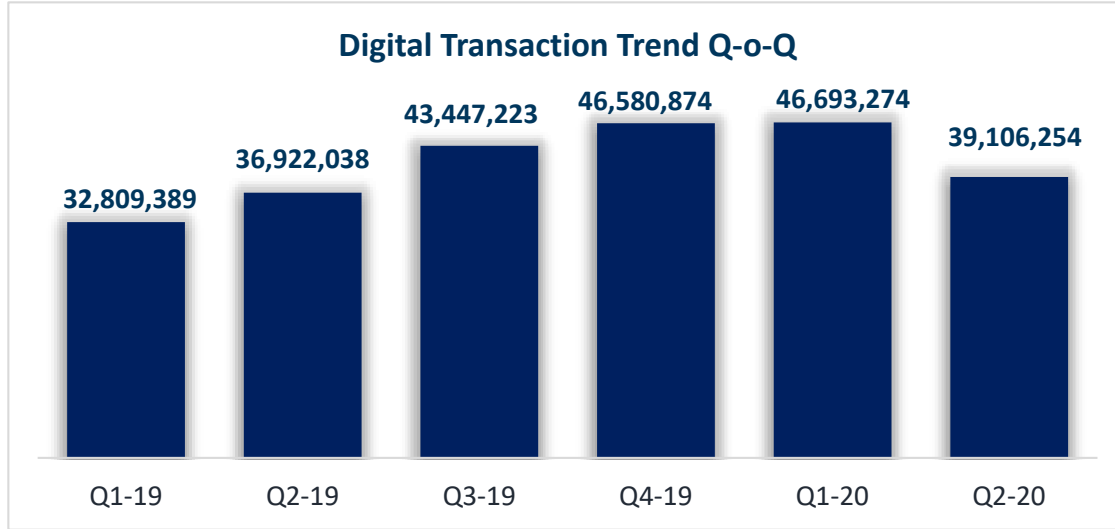
### Performance highlights

	H1 2020 N 'million	Change %	H1 2019 N 'million
<b>Income statement</b>			
Net interest income	14,971	(16)	17,726
Non-interest revenue	5,745	(35)	8,851
<b>Total income</b>	<b>20,716</b>	<b>(22)</b>	<b>26,577</b>
Credit impairment charges	(2,470)	72	(1,440)
Operating expenses	(21,220)	(14)	(24,731)
<b>Profit before tax</b>	<b>(2,974)</b>	<b>&gt;(100)</b>	<b>406</b>
<b>Profit after tax</b>	<b>(3,215)</b>	<b>&gt;(100)</b>	<b>192</b>
<b>Balance sheet</b>	<b>H1 2020</b>		<b>FY 2019</b>
Gross loans & advances	207,921	5	198,775
Deposit liabilities	528,563	12	469,957
<b>Key selected ratios</b>	<b>H1 2020</b>		<b>H1 2019</b>
Cost to income ratio %	102.4		93.1
CASA ratio %	89		83
Credit loss ratio %	2.4		1.6
NPL/total loan ratio %	7.7		9.9

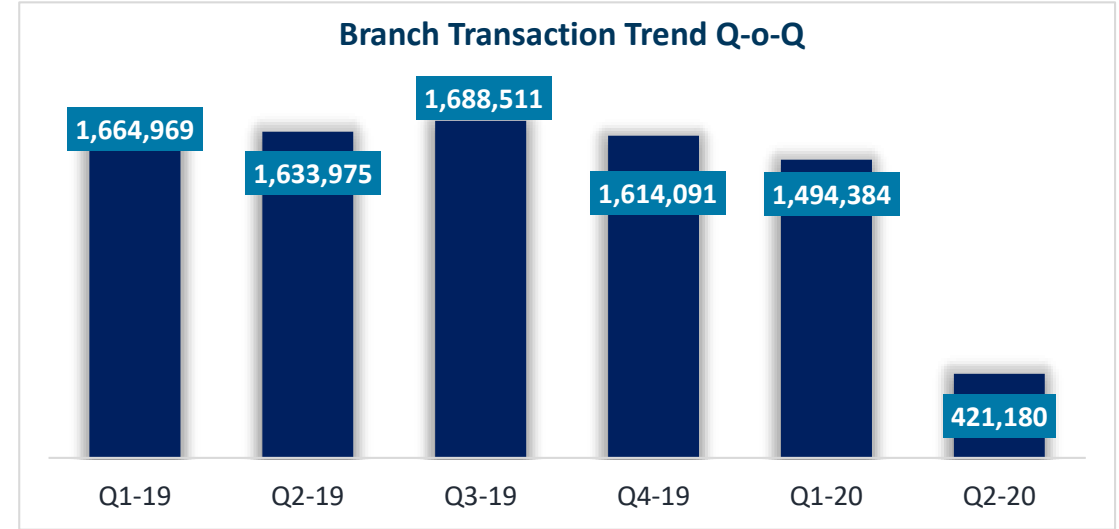


## DIGITAL CHANNELS

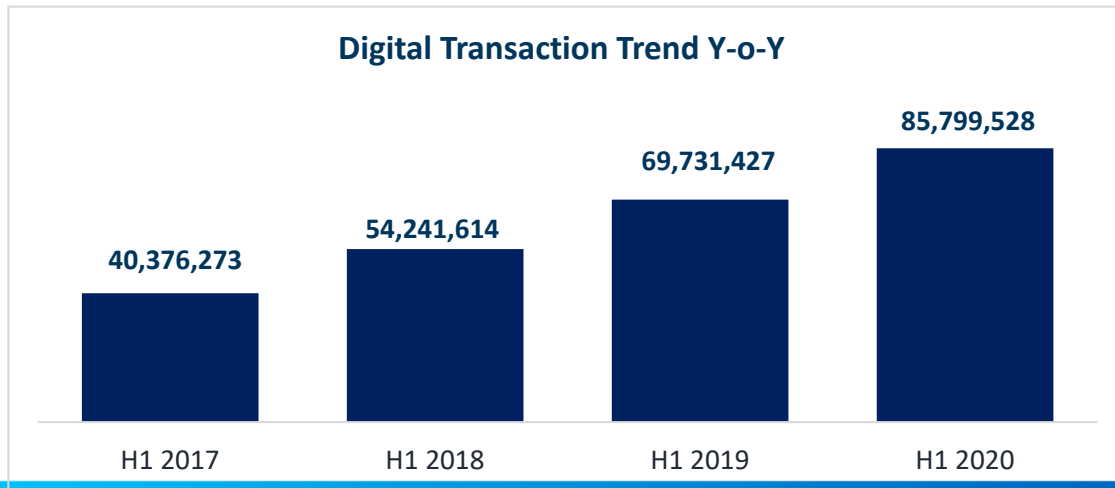
### Digital Transaction Trend Q-o-Q



### Branch Transaction Trend Q-o-Q



### Digital Transaction Trend Y-o-Y



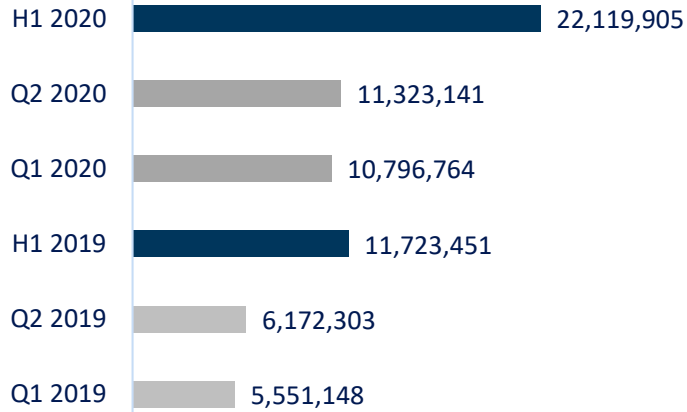
*Digital banking continues to be a major focus for PBB. The total digital transactions grew by 26% year on year.*



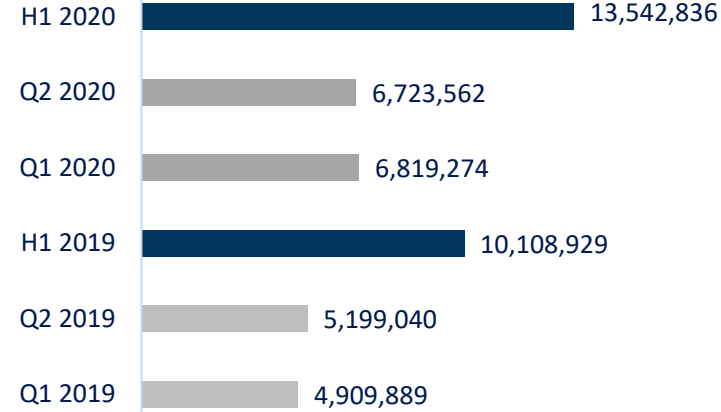


## DIGITAL CHANNELS

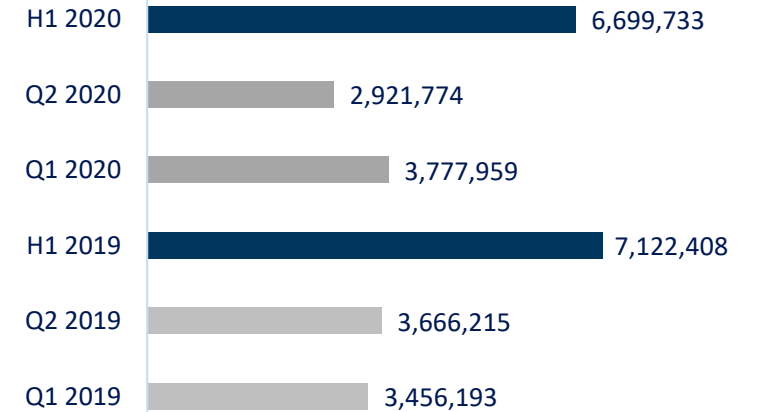
### USSD Banking



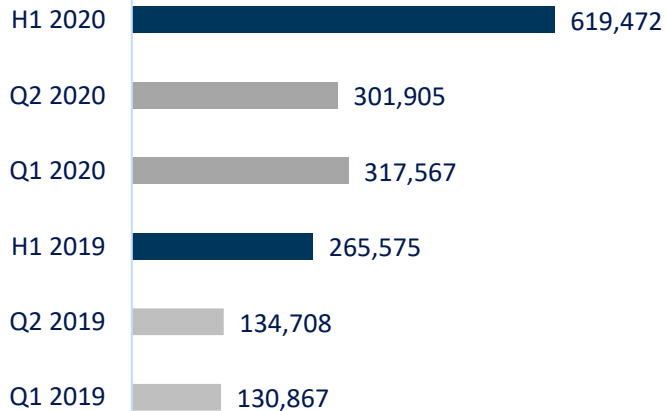
### Mobile Banking



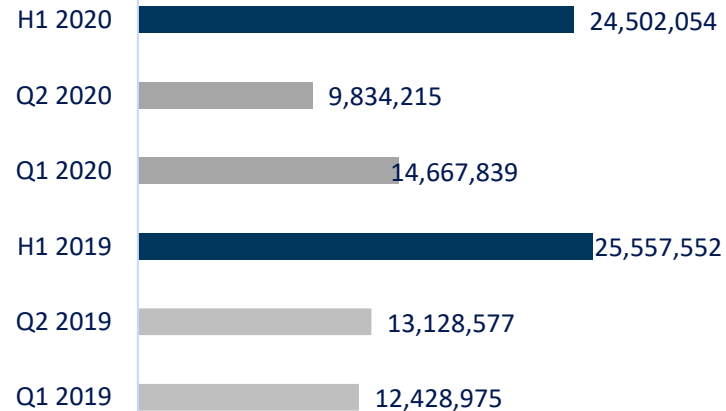
### POS



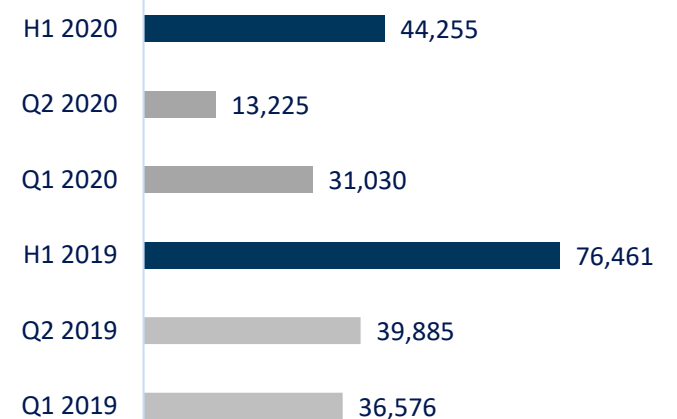
### SME Internet Banking



### ATM



### BNA





1



- Improve operational efficiency through effective channel management and implementation of more cost reduction initiatives.

### Cost Management

2



- Grow NIR via growth in transactional velocity for clients in all business segments.

### Transactional Velocity Growth

3



- Accelerate customer growth through new-to-bank acquisition.

### Growing Scale

4



- Grow the balance sheet in a sustainable manner by focusing on resilient sectors within our risk appetite.

### Risk Asset Growth



**WEALTH**

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## SUMMARY OF H1 2020 PERFORMANCE (WEALTH)

### Asset under Mgt.

H1 2020: N4.2trn

FY 2019: N3.9trn

### Total Income

H1 2020: N25.6bn

H1 2019: N24.3bn

### Profit After Tax

H1 2020: N12.6bn

H1 2019: N12.1bn

### Return on Equity

H1 2020: 44.2%

H1 2019: 54.4%

### Cost to Income

H1 2020: 27.8%

H1 2019: 30.6%



## WEALTH FINANCIAL ANALYSIS – H1 2020

- ❖ Wealth business reported a total income of ₦25.6 billion in H1 2020, an increase of 5% compared to H1 2019.
- ❖ Non-interest revenue (NIR), resulting from fund management fees and other income, increased by 12% to ₦23.4 billion (H1 2019: ₦20.9 billion). NIR growth is on account of growth in assets under management driven by investment returns and continued savings by our clients albeit muted by the impact of the multi-year RSA management fee reduction regime.
- ❖ Asset under Management grew by 9% year-to-date.
- ❖ Operating expenses declined by 4%, driven by 20% decline in other operating expenses and muted by 15% growth in staff cost. Consequently, Cost-to-income ratio improved to 27.8% from 30.6% in the prior period.

### Performance highlights

	H1 2020 N'million	Change %	H1 2019 N'million
<b>Income statement</b>			
Net interest income	2,232	(35)	3,433
Non-interest revenue	23,366	12	20,853
<b>Total income</b>	<b>25,598</b>	<b>5</b>	<b>24,286</b>
Gain / (loss) on financial assets	(4)	(>100)	35
Operating expenses	(7,123)	(4)	(7,433)
<b>Profit before tax</b>	<b>18,471</b>	<b>9</b>	<b>16,888</b>
<b>Profit after tax</b>	<b>12,646</b>	<b>5</b>	<b>12,084</b>
	<b>H1 2020</b>		<b>FY 2019</b>
Asset under Management (N 'million)	4,204,417	9	3,856,720
	<b>H1 2020</b>		<b>H1 2019</b>
<b>Key selected ratios</b>			
Cost to income ratio %	27.8		30.6



## Collaboration

1

Collaborate with regulators and other stakeholders to develop initiatives that will entrench best practice, support industry growth and improve customer experience. We will continue to leverage the Stanbic IBTC ecosystem to deliver value adding services to our clients.

2

## Employee Engagement

Focus on employee engagement to ensure improved employee value proposition and increased productivity. We will also continue to develop the capacity of our employees to make them ready for the future of work.

3

## Customer Experience

Leverage emerging technology to deliver unique value propositions and experiences for our clients. We will focus on increasing our distribution network to conveniently serve our customers.

4

## Digitization

Focus on data quality improvement initiatives as well as increasing levels of digitization to improve transactional and processing efficiencies across our businesses.



**GUIDANCE**

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## 2020 GUIDANCE VS H1 2020 ACTUAL



	2020 Initial Guidance	H1 2020 Actual	2020 Updated Guidance
AuM Growth	15% - 20%	+9%	15% - 20%
Return on Equity	25% - 30%	28.3%	25% - 30%
Cost to Income	50% - 55%	45.2%	50% - 55%
Net Interest Margin	4% - 5%	3.2%	3% - 4%*
Cost of Risk	≤ 2%	2.2%	≤ 3%*
CASA Ratio	>65%	80.4%	>75%*
NPL Ratio	<5%	4.9%	<5%
Deposit Growth	10% - 15%	21%	15% - 20%*
Loan Growth	15% - 20%	8%	10% - 15%*

\* Revised guidance

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QUESTIONS

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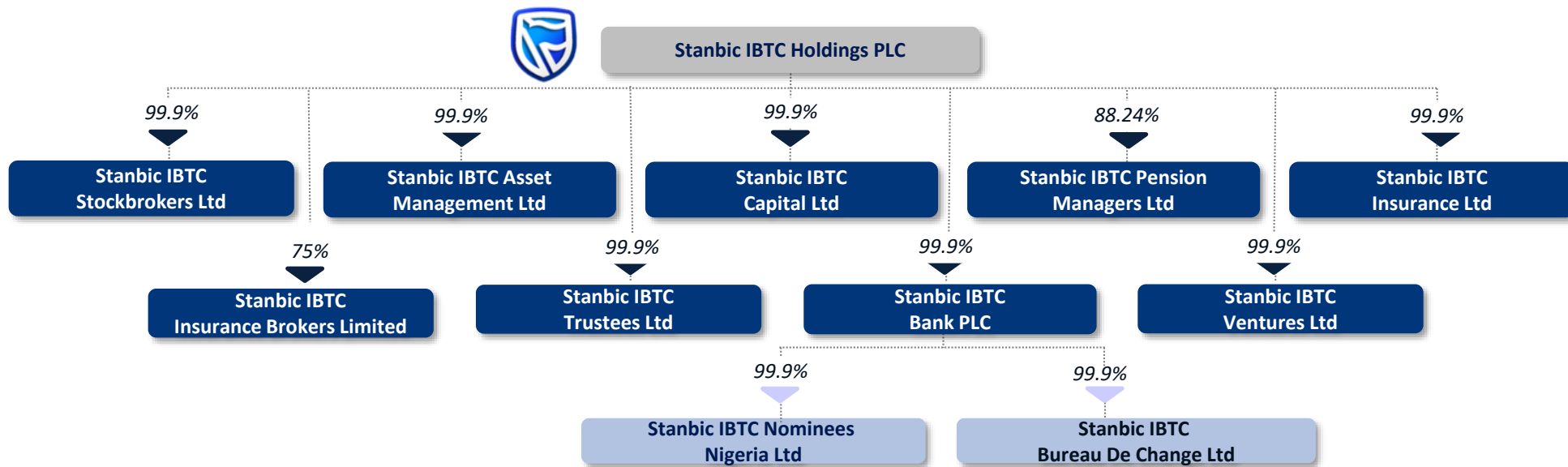
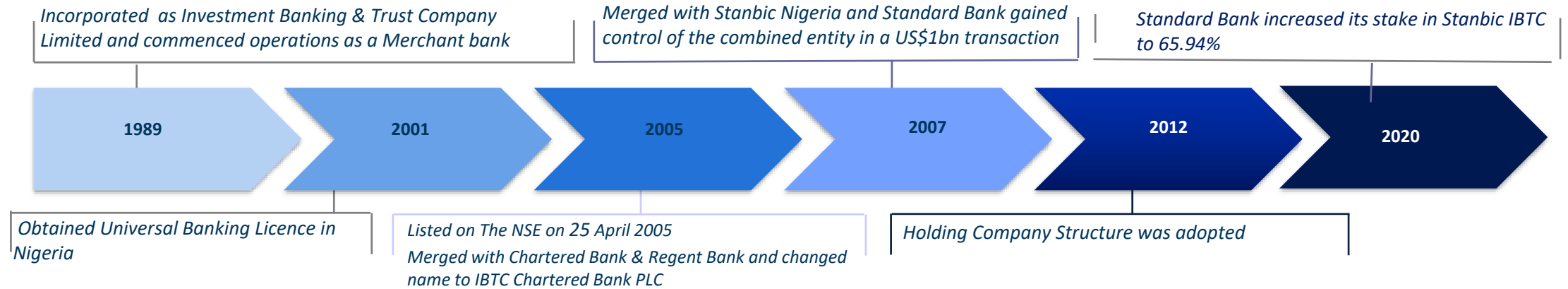
# APPENDIX

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## ABOUT STANBIC IBTC HOLDINGS PLC





## GROUP INCOME STATEMENT

	Change %	H1 2020 Nmillion	H1 2019 Nmillion
<b>Gross earnings</b>	8	126,570	117,374
<b>Net interest income</b>	(4)	37,549	39,310
Interest income	(9)	55,130	60,784
Interest expense	(18)	(17,581)	(21,474)
<b>Non-interest revenue</b>	27	69,796	54,852
Net fees and commission revenue	(3)	35,053	35,969
Fees and commission revenue	(3)	36,697	37,707
Fees and commission expense	(5)	(1,644)	(1,738)
Trading revenue	95	34,260	17,603
Other revenue	(62)	483	1,280
<b>Total income</b>	14	107,345	94,162
Credit impairment charges	(>100)	(6,404)	557
<b>Income after credit impairment charges</b>	7	100,941	94,719
<b>Operating expenses</b>	(3)	(48,535)	(50,069)
Staff costs	0	(19,907)	(19,885)
Other operating expenses	(5)	(28,628)	(30,184)
<b>Profit before taxation</b>	17	52,406	44,650
Direct taxation	(14)	(7,202)	(8,405)
<b>Profit for the period</b>	25	45,204	36,245

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## GROUP QUARTERLY INCOME STATEMENT

	QoQ Change %	Q2 2020 N'million	Q1 2020 N'million	H1 2020 N'million
<b>Gross income</b>	6	65,152	61,418	126,570
Net interest income	3	19,032	18,517	37,549
Interest income	1	27,671	27,459	55,130
Interest expense	(3)	(8,639)	(8,942)	(17,581)
<b>Non-interest revenue</b>	14	37,157	32,639	69,796
Net fee and commission revenue	(4)	17,145	17,908	35,053
Fee and commission revenue	(9)	17,469	19,228	36,697
Fee and commission expense	(75)	(324)	(1,320)	(1,644)
Trading revenue	38	19,843	14,417	34,260
Other revenue	(46)	169	314	483
<b>Total income</b>	10	56,189	51,156	107,345
Credit impairment charges	(>100)	(4,437)	(1,967)	(6,404)
<b>Income after credit impairment charges</b>	5	51,752	49,189	100,941
<b>Operating expenses</b>	(4)	(23,759)	(24,776)	(48,535)
Staff costs	1	(9,993)	(9,914)	(19,907)
Other operating expenses	(7)	(13,766)	(14,862)	(28,628)
<b>Profit before taxation</b>	15	27,993	24,413	52,406
Taxation	11	(3,390)	(3,812)	(7,202)
<b>Profit for the period</b>	19	24,603	20,601	45,204



## GROUP STATEMENT OF FINANCIAL POSITION

	YTD Change %	H1 2020 N 'million	FY 2019 N 'million
<b>Assets</b>			
Cash and cash equivalents	>100	1,104,622	456,396
Pledged assets	(8)	213,121	231,972
Trading assets	>100	498,671	248,909
Derivative assets	>100	82,306	32,871
Financial investments	65	255,921	155,330
Loans and advances	8	579,481	535,170
Loans and advances to banks	83	5,583	3,046
Loans and advances to customers	8	573,898	532,124
Other assets	42	239,862	168,689
Property and equipment	6	29,434	27,778
Intangible assets	52	4,898	5,232
Right of use asset	(40)	3,148	3,217
Deferred tax assets	(1)	10,813	10,892
<b>Total assets</b>	<b>61</b>	<b>3,022,277</b>	<b>1,876,456</b>

	YTD Change %	H1 2020 N 'million	FY 2019 N 'million
<b>Equity and liabilities</b>			
<b>Equity</b>	11	336,523	302,229
Equity attributable to ordinary shareholders	11	330,054	296,302
Ordinary share capital	-	5,252	5,252
Ordinary share premium	-	88,181	88,181
Reserves	17	236,621	202,869
Non-controlling interest	9	6,469	5,927
<b>Liabilities</b>	71	2,685,754	1,574,227
Trading liabilities	73	432,121	250,203
Derivative liabilities	>100	54,939	4,343
Current tax liabilities	(25)	14,339	19,230
Deposit and current accounts	37	1,218,938	886,743
Deposits from banks	81	449,656	248,903
Deposits from customers	21	769,282	637,840
Other borrowings	(8)	84,806	92,165
Debt securities issued	8	115,298	106,658
Provisions	11	9,817	8,860
Other liabilities	>100	755,496	206,025
Deferred tax liabilities	-	-	-
<b>Total equity and liabilities</b>	<b>61</b>	<b>3,022,277</b>	<b>1,876,456</b>



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