2012

Financial results presentation

For the nine months ended 30 September 2012

Stanbic IBTC Bank

A member of Standard Bank Group

Contents

This presentation is based on the consolidated financial statements of Stanbic IBTC Bank PLC and its subsidiaries (herein referred to as "Group"). All financial results in this presentation are presented on an International Financial Reporting Standards(IFRS) basis.

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Operating environment

Sola David-Borha

Chief executive officer

Stanbic IBTC Bank

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Operating environment

Market was impacted by:

- Sustained monetary policy tightening by the Central Bank of Nigeria.
- Gradual recovery of the capital market in the third quarter as NSE ASI was up 25% in the first nine months of 2012.
- Slow growth in private sector credit and continued competition for better quality risk assets;
- Improved yield on investment securities.
- Rapidly changing regulatory environment.

Results reflect the following:

- High cost of funding due to monetary policy tightening.
- Increased transactional volumes and activities, with positive impact on revenues.
- Improved revenues from our capital market related businesses attributable to the bullish market especially in the third quarter of 2012.
- Increase in credit impairment charges and non-performing loans
- Growth in deposit liabilities and sustained growth in loan book
- Diversified business, strong capital and liquidity positions.

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Financial analysis

Ronald Pfende

Chief financial officer

Performance highlights

Continued growth in revenues and profitability

- Gross income; up 35% to N64.0 billion (September 2011: N47.4 billion)
- Net interest income; up 22% to N26.6 billion (September 2011:N21.8 billion)
- Non interest revenue; up 3% to N21.3 billion (September 2011: N20.8 billion)
- Total income; up13% to N47.9 billion (September 2011: N42.5 billion)
- Profit before tax; up 13% to N9.0 billion (September 2011: N8.0 billion)
- Profit after tax; up 23% to N7.0 billion (September 2011: N5.7 billion)

Continued growth in business operations

- Gross loans & advances of N273.9 billion (December 2011: N266.1 billion)
- Deposit liabilities of N315.8 billion (December 2011: N287.2 billion)
- Total assets of N634.2 billion ((December 2011: N554.5 billion)

Performance highlights – key ratios

Key performance indicators

- Net interest margin 5.6% (September 2011: 6.0%)
- Cost-to-income ratio 74.8% (September 2011: 73.4%)
- Annualised after- tax return on average equity 10.9% (Sept.2011:8.1%)
- Annualised after-tax return on average assets 1.6% (Sept. 2011: 1.4%)
- Annualised earnings per share 43 kobo (September 2011: 36 kobo)
- NPL/total loans 9.6% (December 2011: 6.7%)
- Credit loss ratio 1.5% (September 2011: 1.8%)
- Liquidity ratio 36.3% (regulatory minimum :30%)
- Capital adequacy 22.3% (statutory minimum: 10%)
- Price to book 1.5x (December 2011: 1.9x)

September 2012 group statement of comprehensive income

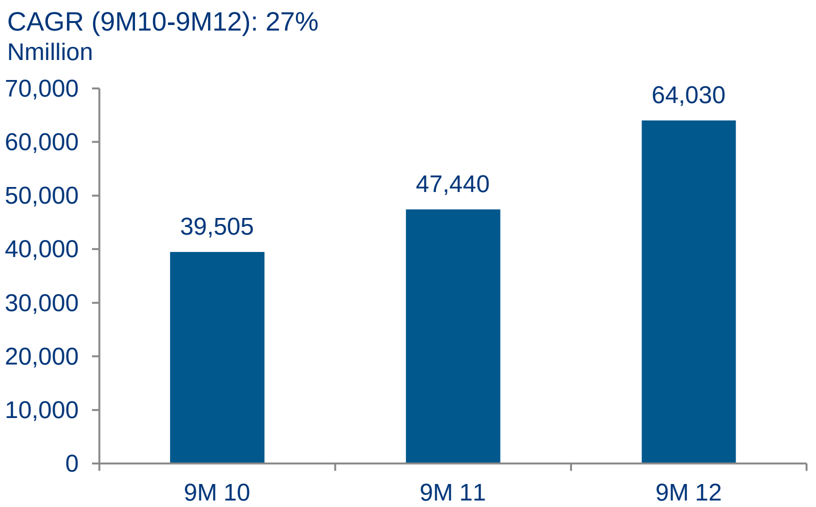
	9M 2012 Nmillion	change %	9M 2011 Nmillion
Interest income	42,535	61	26,419
Interest expense	(15,934)	>100	(4,669)
Net interest income	26,601	22	21,750
Non interest revenue:	21,318	3	20,758
Net fee & commission income	17,135	21	14,193
Trading income	4,045	(35)	6,271
Other income	138	(53)	294
Operating income	47,919	13	42,508
Less: Credit impairment charges	(3,075)	(8)	(3,340)
Operating expenses	(35,827)	15	(31,207)
Profit before tax	9,017	13	7,961
Tax	(2,020)	(11)	(2,258)
Profit after tax	6,997	23	5,703

Group quarterly normalised earnings

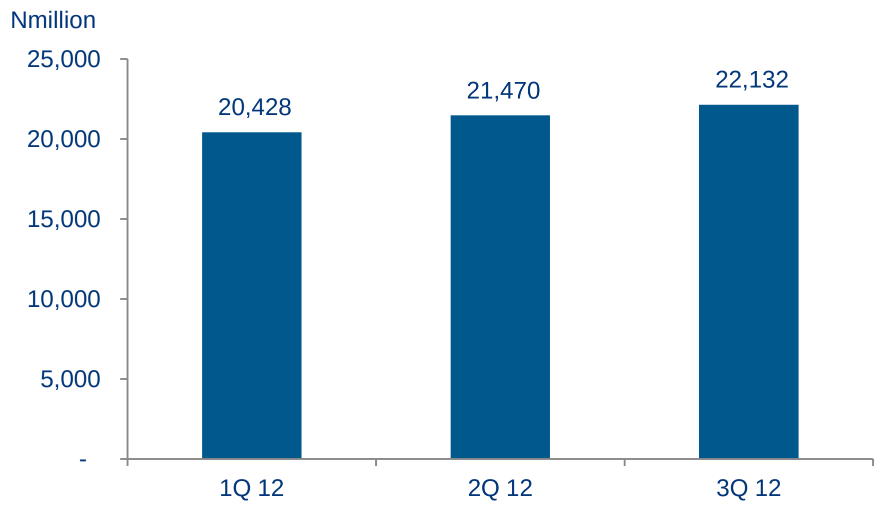
	3Q 2012 Nmillion	2Q 2012 Nmillion	1Q 2012 Nmillion
Interest income	**14,539**	14,075	13,921
Interest expense	**(5,168)**	(5,103)	(5,663)
Net interest income	**9,371**	8,972	8,258
Non interest revenue:	**7,500**	7,387	6,431
Net fee & commission income	**6,033**	6,024	5,078
Trading income	**1,459**	1,259	1,327
Other income	**8**	104	26
Operating income	**16,871**	16,359	14,689
Less: Credit impairment charges	**(1,785)**	(1,011)	(279)
Operating expenses	**(12,187)**	(12,687)	(10,953)
Profit before tax	**2,899**	2,661	3,457
Tax	**(895)**	(169)	(956)
Profit after tax	**2,004**	2,492	2,501
Net interest margin	**5.9%**	6.2%	4.9%

Revenue evolution

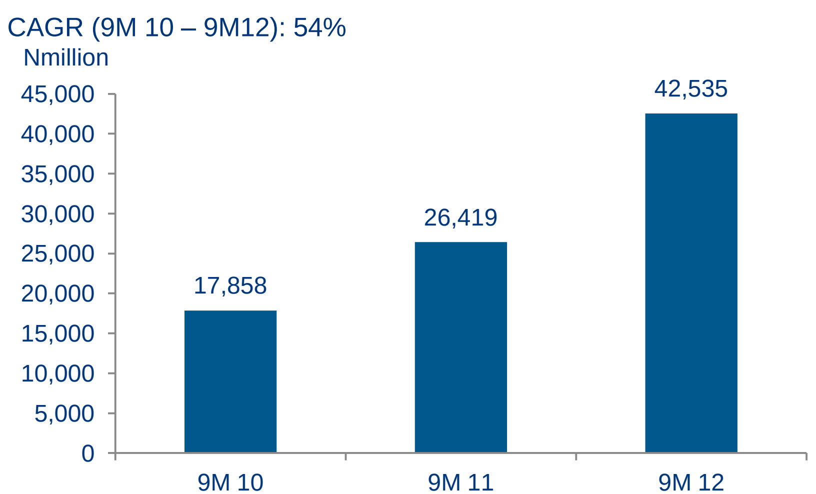
Gross income



Gross income QoQ



Interest income



- Gross earnings increased by 35% year-on-year (YoY) to N64.0 billion, benefitting from increased income from lending activities and growth in volume of transactions and activities. On quarter-on-quarter(QoQ) basis, gross income grew marginally by 3% to N22.1 billion. However, despite the marginal growth QoQ, the bank's profit before tax grew by 9% to N2.9 billion in Q3 as against N2.7 billion in Q2.

- Interest income benefitted from sustained growth in loan book and improved yield in investment securities. Interest income grew significantly by 61% YoY to N42.5 billion.

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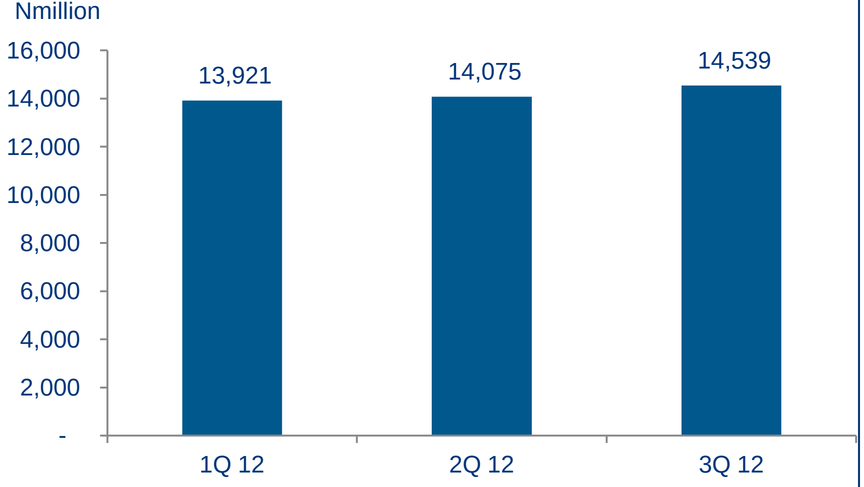
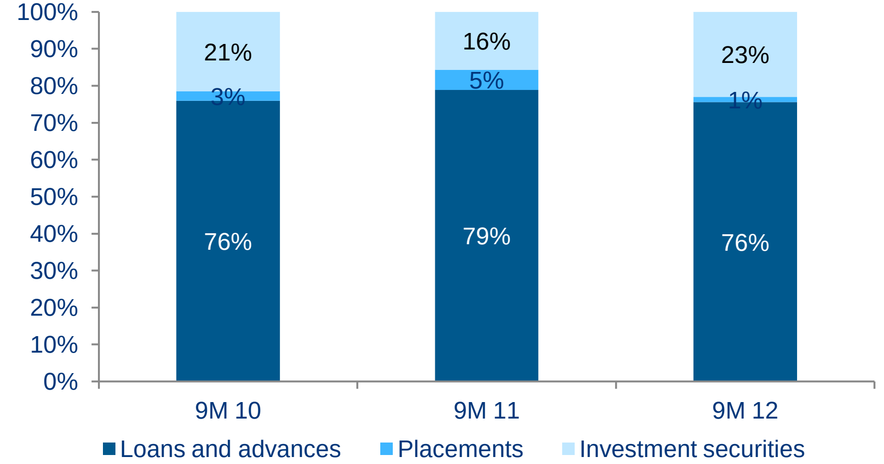
Revenue evolution

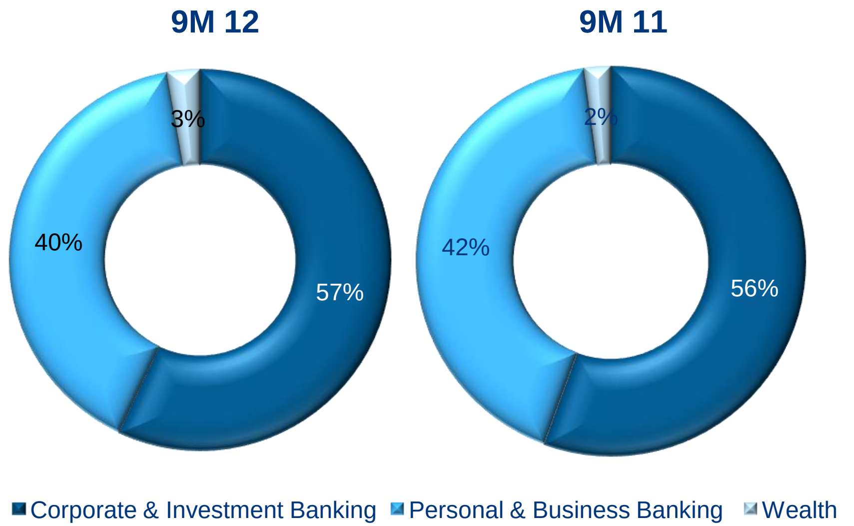
Interest income (QoQ)



Breakdown of interest income



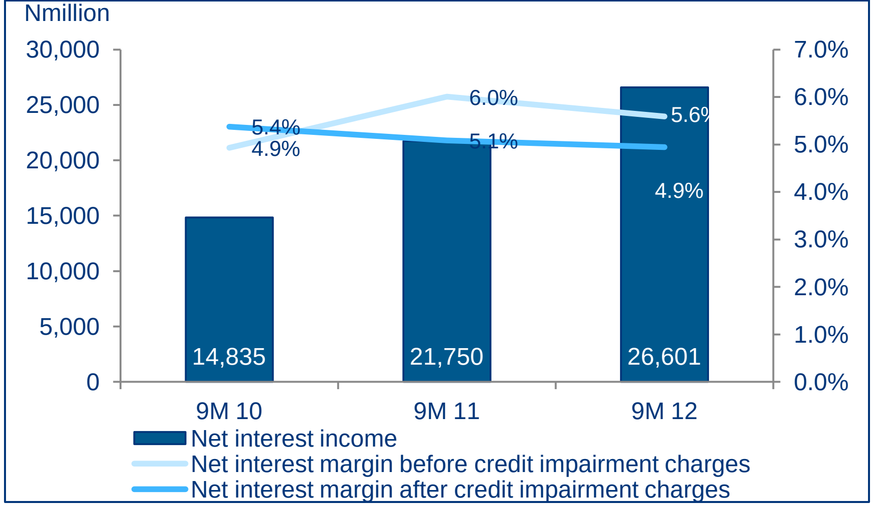
Interest income by business unit



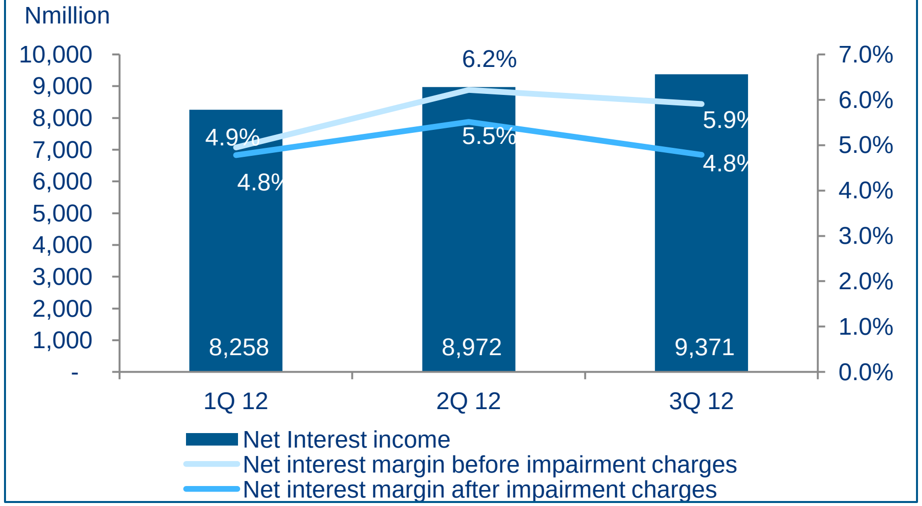
- Interest income in Q3 was up marginally by 3% to N14.5 billion on the back of subdued lending income occasioned by the sell down of N14 billion risk assets to accommodate the single obligor limit post HoldCo.
- Income from lending activities continued to contribute significantly to interest income. It accounted for 76% (9M11:79%) of interest income in 9M12. Growing customer relationships supported the growth in income from lending activities.
- Personal and business banking contributed 40% to interest income (9M11:42%), while Corporate and investment banking's contribution was 57% (9M11:56%). Wealth business accounted for the remaining 3% (9M 11:2%) .

Revenue evolution

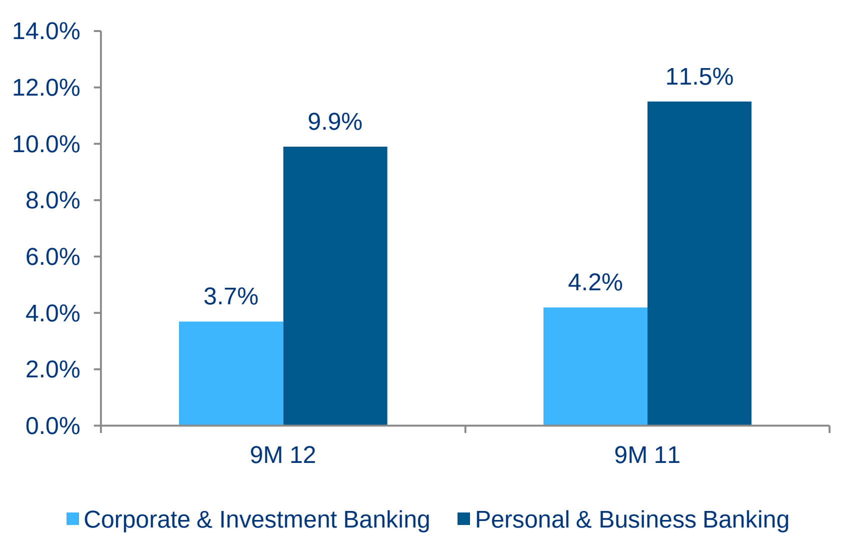
Net interest income and net interest margin



Net interest income and net interest margin (QoQ)



Net interest margin by business unit



- Net interest income grew by 22% YoY to N26.6bilion, benefitting from increase in net interest income on the back of increased in lending activities and positive yield in investment securities. However, interest expense continued to be adversely affected by the sustained high interest rate environment, with the resultant inability to fully offset cost of funding increases. Consequently, net interest margin fell from 6.0% to 5.6% in 9M 2012.
- On QoQ basis, net interest income in Q3 grew by 4% to N9.4 billion, thus benefitting from the positive yield in investment securities as well as marginal growth (1%) in interest expense as we continued to implement various initiatives to address the cost of funding issue.
- PBB and CIB business units witnessed reduction in net interest margin in 9M12 due to cost of funding pressure

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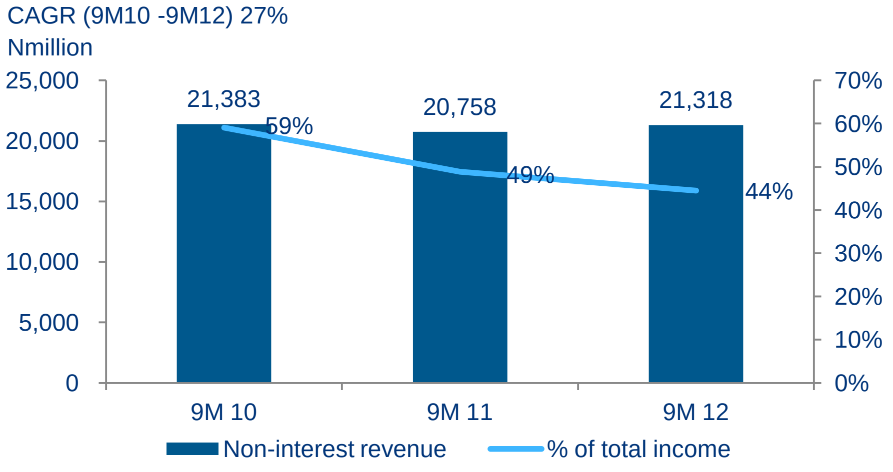
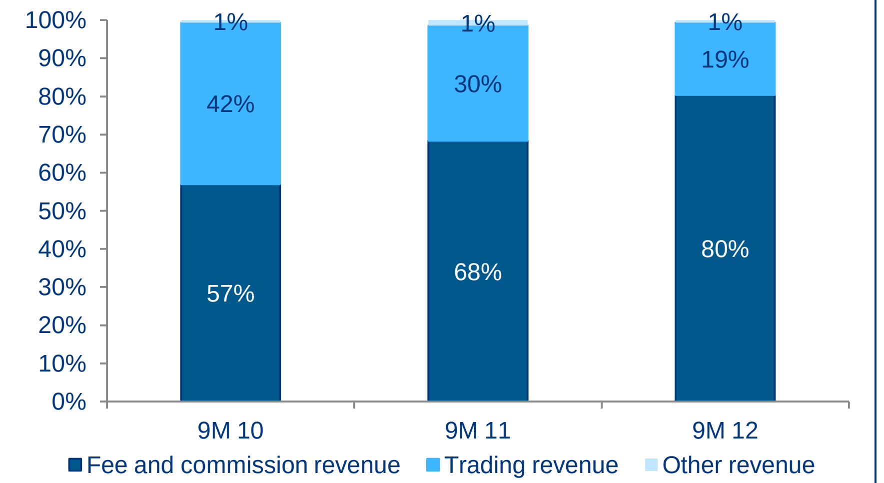
Revenue evolution

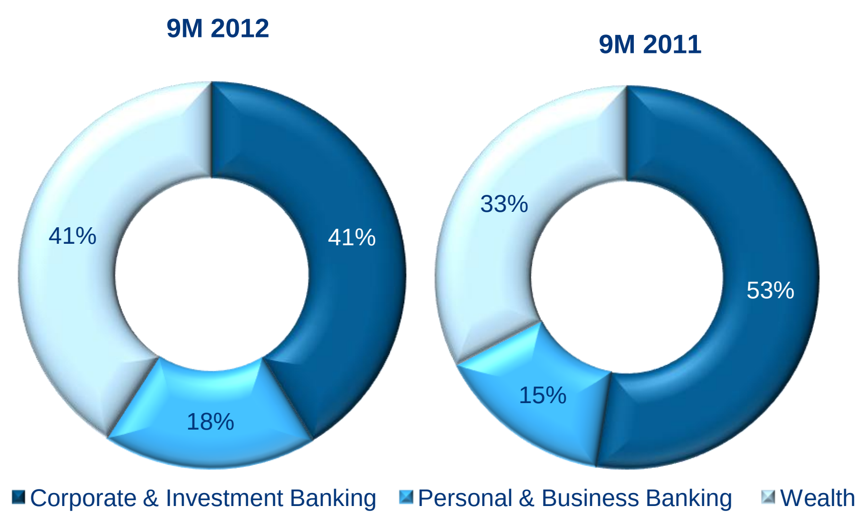
Non-interest revenue



Breakdown of non-interest revenue



Contribution to non-interest revenue by business unit



- Non-interest revenue (NIR) was up slightly by 3% YoY to N21.3 billion on the back of increased transactional volumes and value per transaction, steady growth within our wealth business, growth in our custody business and bullish trend in the capital market in Q3, which positively contributed to the 21% growth in net commission and fee revenue. However, the 35% reduction YoY in trading revenue as a result of absence of non-recurring currency swap transaction executed in 2011 did adversely affect non-interest revenue. NIR also increased by 2% QoQ.
- Increased contribution to non-interest revenue from the Wealth business driven by growth in assets under management and number of clients. PBB's NIR contribution improved to 18% from 15% in 9M 2011.

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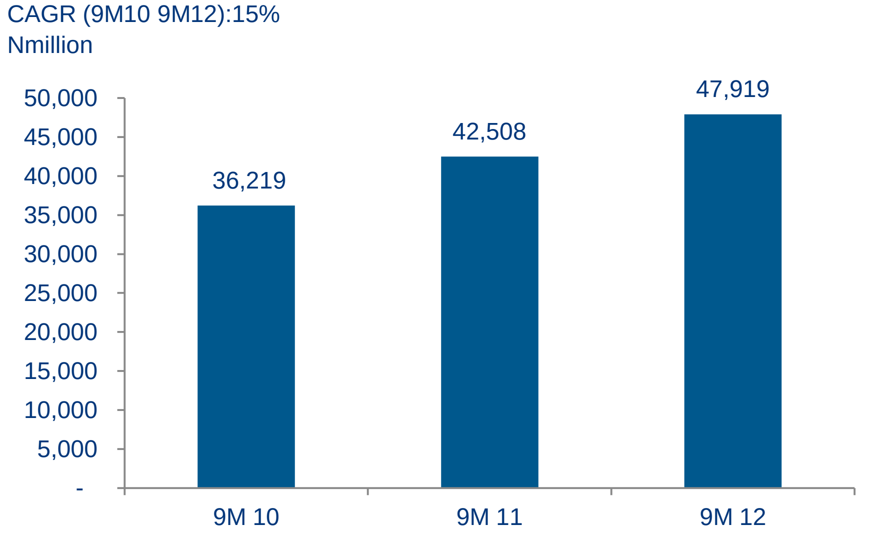
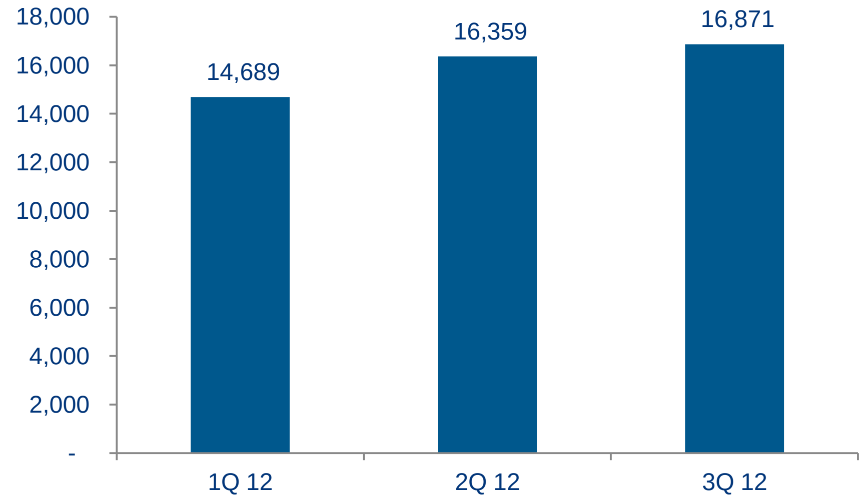
Revenue evolution

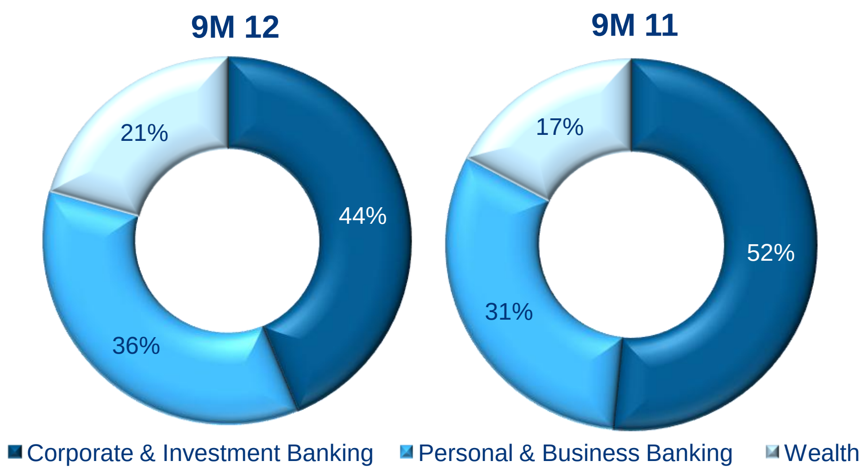
Total income



Total income QoQ



Business contribution to total income



- Total income recorded a 13% growth YoY with significant contribution from lending activities. On QoQ, total income increased by 3% on the back of 4% and 2% growth in net interest income and non-interest revenue respectively.
- Increased contribution to interest income by Personal & Business Banking unit driven by growth in volume of transactions. The unit's contribution grew from 31% in 9M 11 to 36%.
- The steady growth within our wealth business assisted by sustained growth in assets under management and related clients, ensured increased contribution to total income by Wealth business unit from 17% in 9M11 to 21%.

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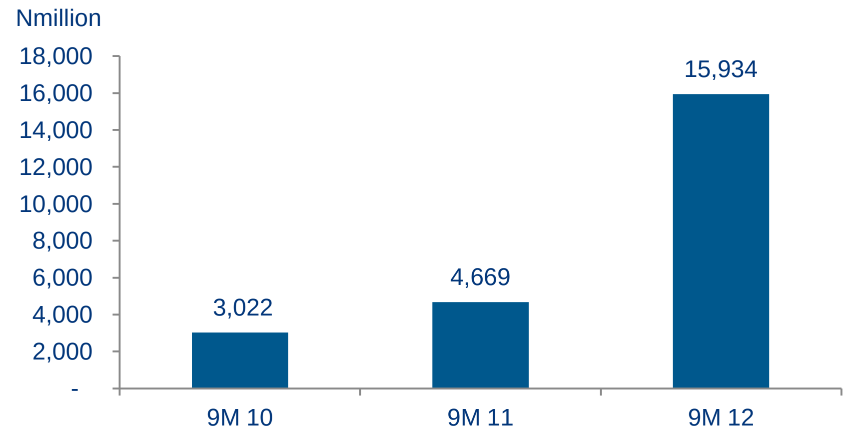
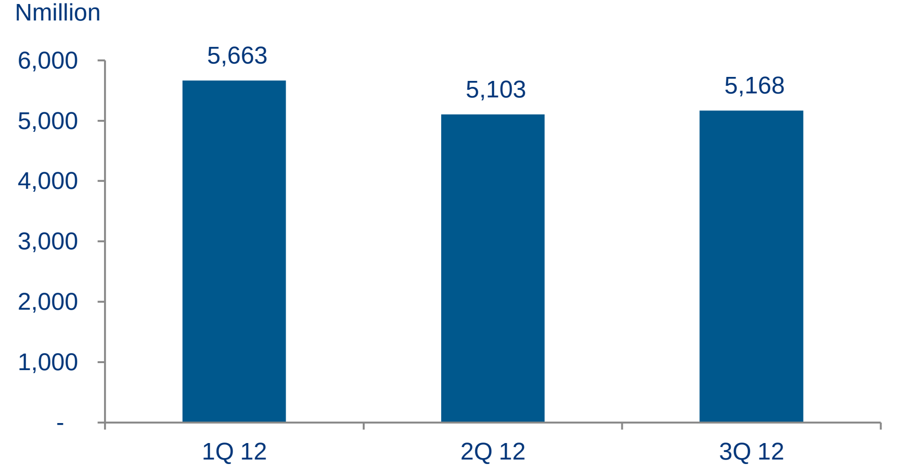
Expenses evolution

Interest expense

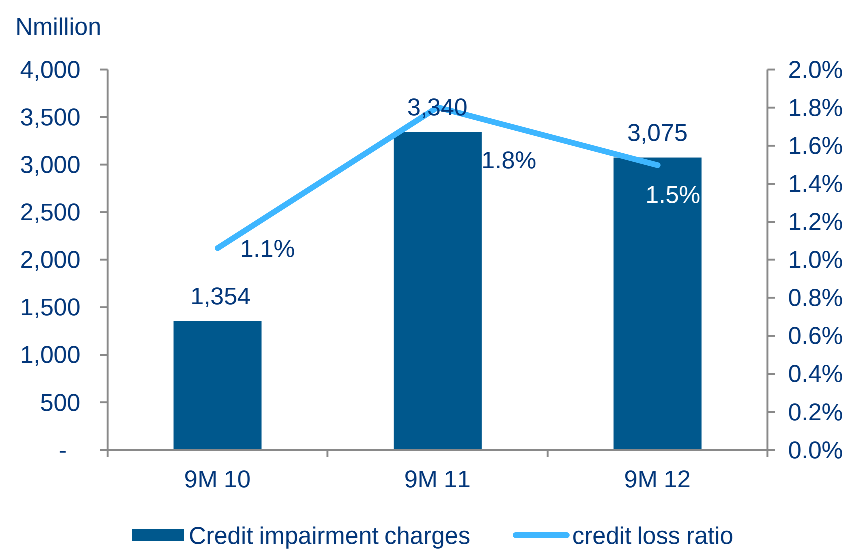
CAGR (9M10- 9M12):130%



Interest expense (QoQ)



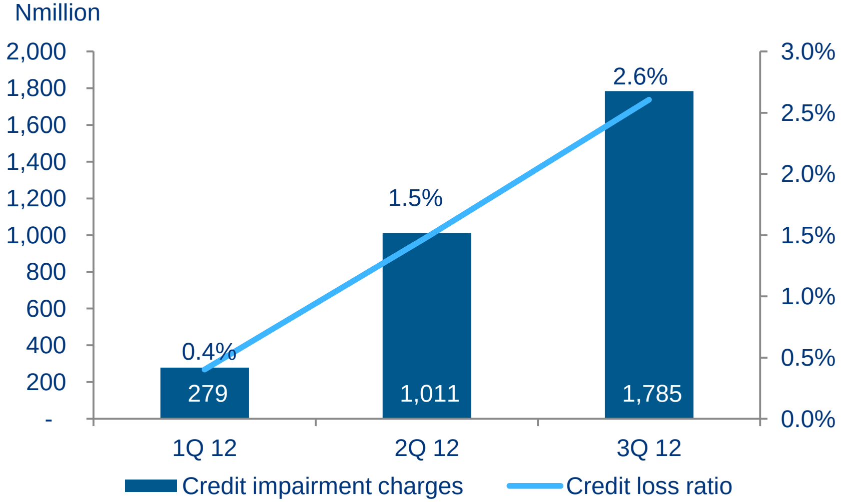
Credit impairment charges and credit loss ratio



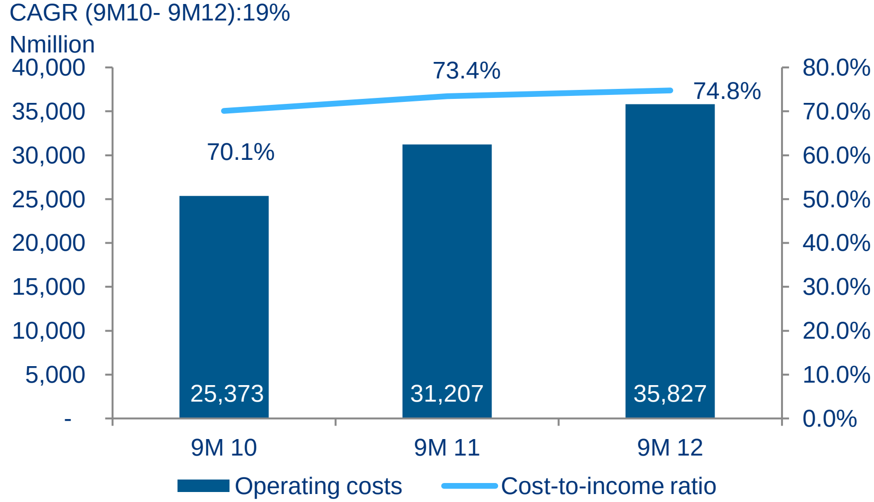
- Interest expense grew significantly to N15.9 billion from N4.7 billion in 9M11. The growth is attributable to monetary policy tightening with the resultant increase in cost of funding. On QoQ basis, net interest expense increased marginally by 1% to N5.2 billion from N5.1 billion in Q2. Interest costs remain flat in Q3 despite the significant growth in deposit liabilities in the quarter. This indicates that the bank's average cost of funds have started to decline.
- We have implemented some initiatives to reduce the adverse impact of the high interest rate regime on funding cost. Some of these initiatives include issuance of commercial papers and getting the best out of our retail network as we progress.

Expenses evolution

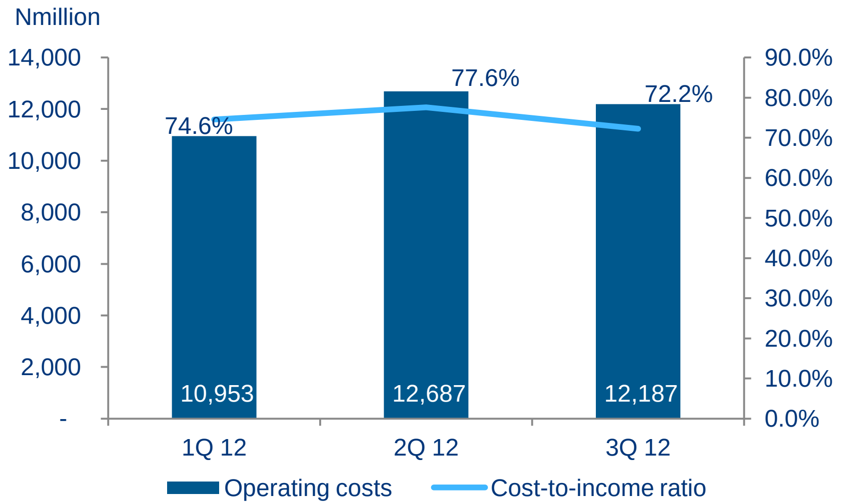
Credit impairment charges and credit loss ratio (QoQ)



Operating costs and cost-to-income ratio



Operating costs and cost-to-income ratio (QoQ)



- Credit impairment charges decreased by 8% YoY but increased by 77% QoQ. The QoQ growth is as a result of provision on two newly classified loans and our conservative stance to provisioning in PBB business due to the high interest rate environment.
- Operating cost grew by 15% to N35.8 billion YoY. However, on quarterly basis, operating expenses was down by 4%. Consequently, the cost to income ratio improved to 72.2% in Q3 from 77.6% in Q2.
- As we continue to leverage on our expanded footprint by growing our customer relationships and transaction volumes and activities, with the resultant positive impact on revenues, the cost-to-income ratio will continue to witness gradual decline.

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Group statement of financial position

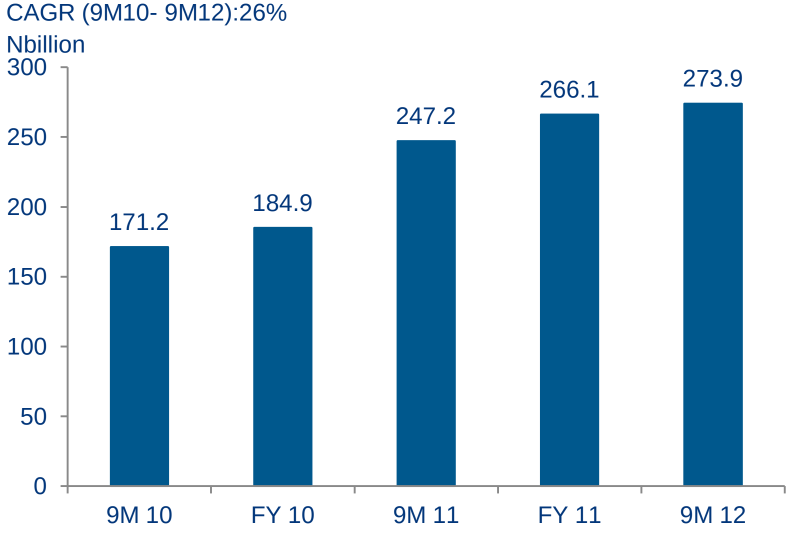
	3Q 12 Nmillion	Change %	FY 11 Nmillion
Assets			
Cash and balances with central banks	44,790	49	30,074
Derivative assets	1,461	(53)	3,081
Trading assets	157,091	>100	66,476
Pledged assets	24,118	24	19,501
Financial investments	64,963	(27)	88,877
Loans and advances	291,939	(4)	302,771
Loans and advances to banks	30,872	(33)	46,051
Loans and advances to customers	261,067	2	256,720
Current and deferred tax assets	2,905	9	2,668
Other assets	18,909	67	11,299
Intangible assets	3,791	(25)	5,036
Property and equipment	24,217	(2)	24,724
Total assets	634,184	14	554,507
Equities and liabilities			
Equity	89,430	9	81,778
Equity attributable to ordinary shareholders	87,452	9	79,867
Ordinary share capital	9,375	-	9,375
Ordinary share premium	47,469	-	47,469
Reserves	30,608	33	23,023
Non-controlling interest	1,978	4	1,911
Liabilities	544,754	15	472,729
Derivative liabilities	220	(71)	749
Trading liabilities	104,675	66	63,173
Deposit and current accounts	341,785	14	299,787
Deposits from banks	25,950	>100	12,545
Deposits from customers	315,835	10	287,242
Other borrowings	55,229	16	47,618
Current and deferred tax liabilities	2,999	(42)	5,187
Other liabilities	39,846	(29)	56,215
Total equity and liabilities	634,184	14	554,507

Group quarterly statement of financial position

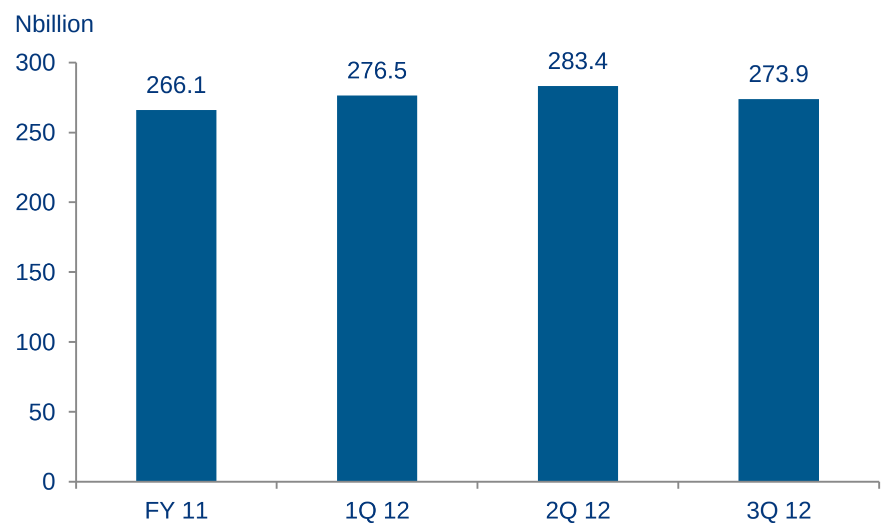
	3Q 12 Nmillion	2Q 12 Nmillion	1Q 12 Nmillion
Assets			
Cash and balances with central banks	44,790	36,391	41,895
Derivative assets	1,461	2,674	2,952
Trading assets	157,091	75,974	158,282
Pledged assets	24,118	25,228	20,930
Financial investments	64,963	71,159	74,872
Loans and advances	291,939	320,956	302,559
Loans and advances to banks	30,872	48,498	35,958
Loans and advances to customers	261,067	272,458	266,601
Current and deferred tax assets	2,905	2,881	2,663
Other assets	18,909	14,749	35,466
Intangible assets	3,791	3,827	3,879
Property and equipment	24,217	23,603	23,946
Total assets	634,184	577,442	667,444
Equities and liabilities			
Equity	89,430	86,682	85,210
Equity attributable to ordinary shareholders	87,452	85,132	83,054
Ordinary share capital	9,375	9,375	9,375
Ordinary share premium	47,469	47,469	47,469
Reserves	30,608	28,288	26,210
Non-controlling interest	1,978	1,550	2,156
Liabilities	544,754	490,760	582,234
Derivative liabilities	220	295	624
Trading liabilities	104,675	106,478	164,336
Deposit and current accounts	341,785	262,672	293,806
Deposits from banks	25,950	16,473	23,221
Deposits from customers	315,835	246,199	270,585
Other borrowings	55,229	53,960	40,584
Current and deferred tax liabilities	2,999	3,775)	6,034
Other liabilities	39,846	63,580)	76,850
Total equity and liabilities	634,184	577,442	667,444

Loans and advances

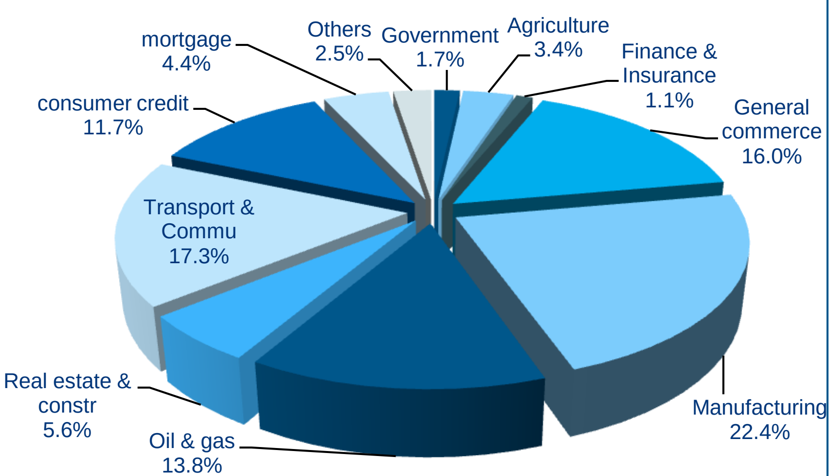
Gross loans and advances



Gross loans and advances (QoQ)



Loans and advances by industry



- Continued growth in loan book YoY and in the first nine months of 2012 despite increased competition for quality credit . Loan book grew by 12% YoY and 4% YTD
- However, loan porfolio declined marginally by 2% between Q2 and Q3 to N73.9 billion. The decline is attributable to sell down of some existing large exposures to comply with a reduced single obligor limit post the HoldCo restructuring. Total sell down amounted to N14 billion. None of the assets were sold at a loss.
- We continued to maintain a well diversified loan portfolio

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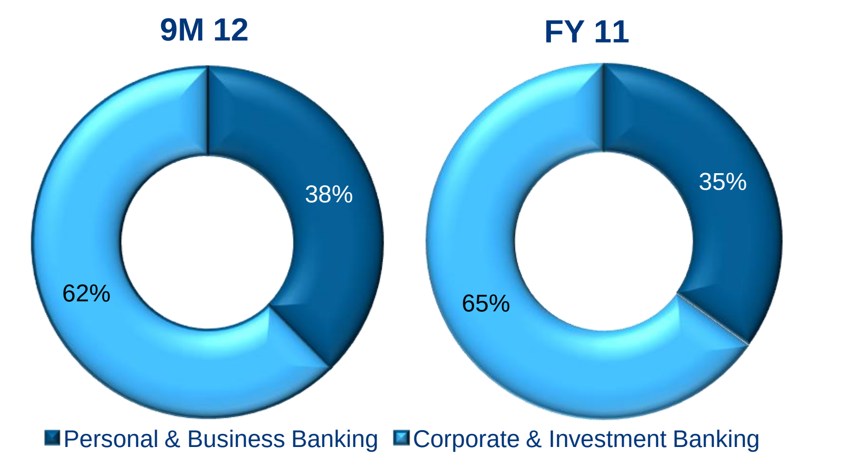
Loans and advances

Breakdown of loan book by business unit

	Personal & Business Banking			Corporate & Investment Banking		
	Change %	9M 12 Nmillion	FY 11 Nmillion	Change %	9M 12 Nmillion	FY 11 Nmillion
Overdrafts	29	16,183	12,592	41	21,610	15,309
Term loans	13	59,608	52,752	(7)	135,466	145,943
Vehicle and asset finance	18	17,422	14,733	23	13,753	11,171
Mortgage	(27)	9,866	13,582		-	-
Total loans and advance	10	103,080	93,659	(1)	170,829	172,423

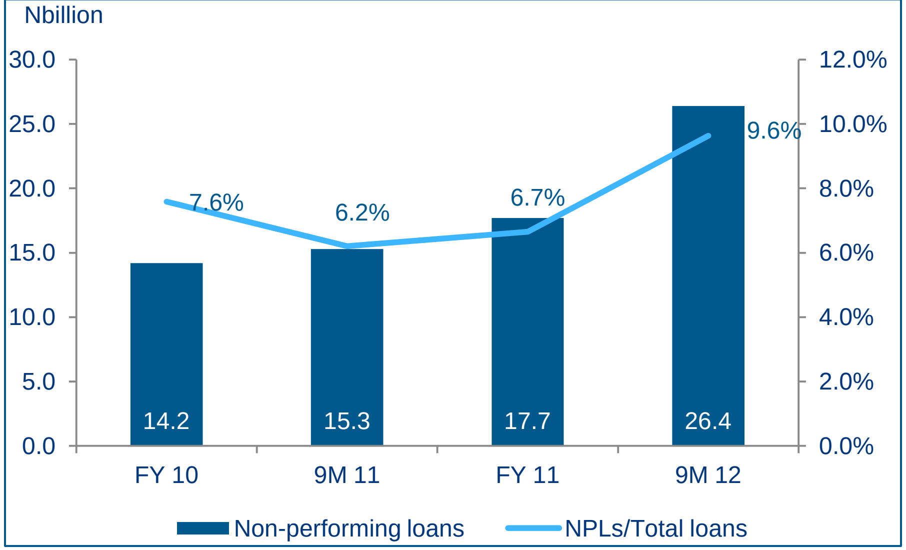
Loan book by business unit



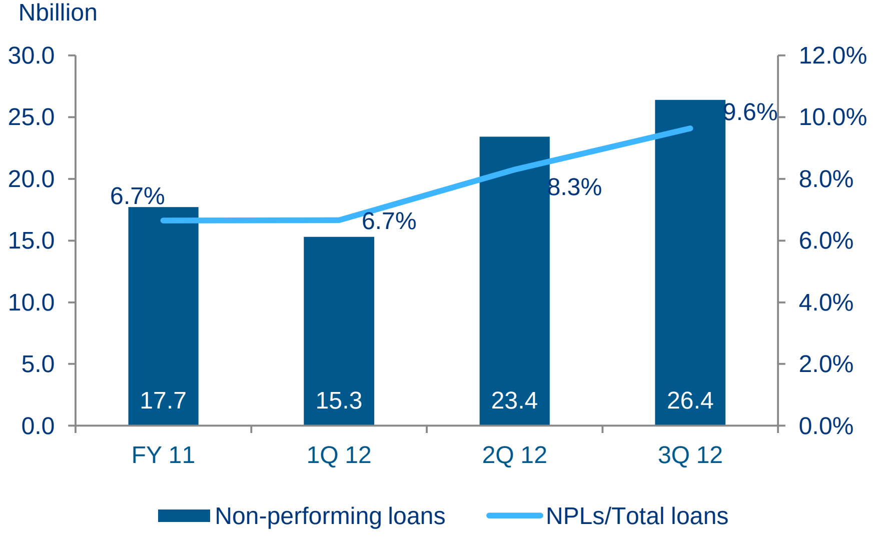
- Loan book increased by 10% in the Personal and Banking Business, while it decreased marginally by 1% in Corporate and Investment Banking space. The reduction in the CIB portfolio is largely attributable to sell down of some large exposures to accommodate the lower single obligor limit post the Holdco restructure..
- Potential increase in annuity income as medium to long term loan book accounted for over 71% of total loan portfolio.
- Increased contribution to total loan book by Personal and business banking business unit from 35% in FY 2011 to 38%.

Loans and advances performance

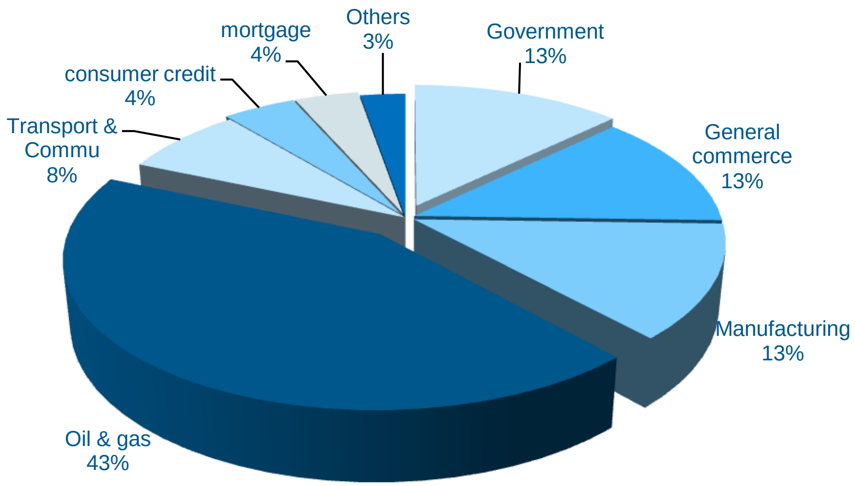
Non performing loans and NPL ratio



Non performing loans and NPL ratio (QoQ)



Non performing loans by industry



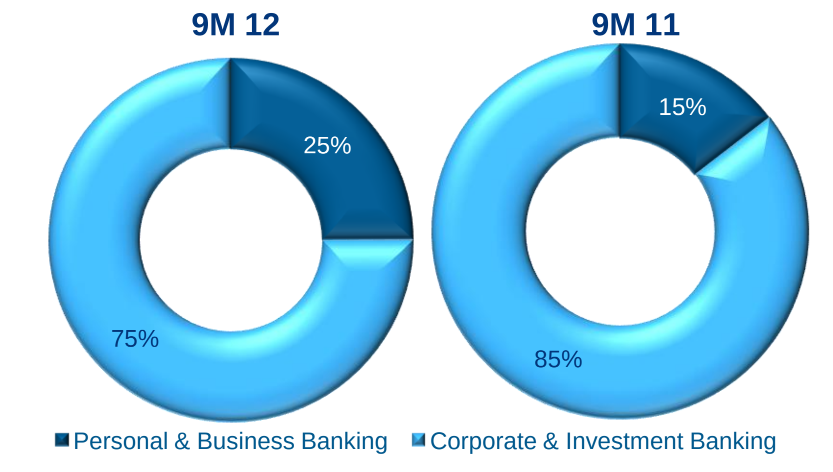
- The growth in NPL ratio from 6.7% in FY 11 to 9.6% is chiefly as a result of 2 newly classified NPL names - a government agency in Q2 and a new customer in Q3. The customer's business is being affected by the instability in North, 70% product sold in the region.
- The NPLs remain concentrated in five exposures, which account for 77% of total NPL book. Remedial action is in progress to resolve the NPL s.
- The NPL coverage ratio was 58% as at end of Q3 2012. This is slightly lower than 59% recorded in FY 11. However ,when the net present value (NPV) of security held is taking into consideration, the coverage ratio is 205%.

Loans and advances performance

Breakdown of non-performing loans by product and business unit

	Personal & Business Banking			Corporate & Investment Banking		
	Change %	9M 12 Nmillion	FY 11 Nmillion	Change %	9M 12 Nmillion	FY 11 Nmillion
Overdrafts	>100	1,104	541	(60)	605	1,513
Term loans	>100	3,390	1,159	67	18,142	10,894
Vehicle and asset finance	>100	1,051	258	(62)	1,041	2,724
Mortgage	66	1,025	619		-	-
Total loans and advances	>100	6,570	2,577	31	19,788	15,131

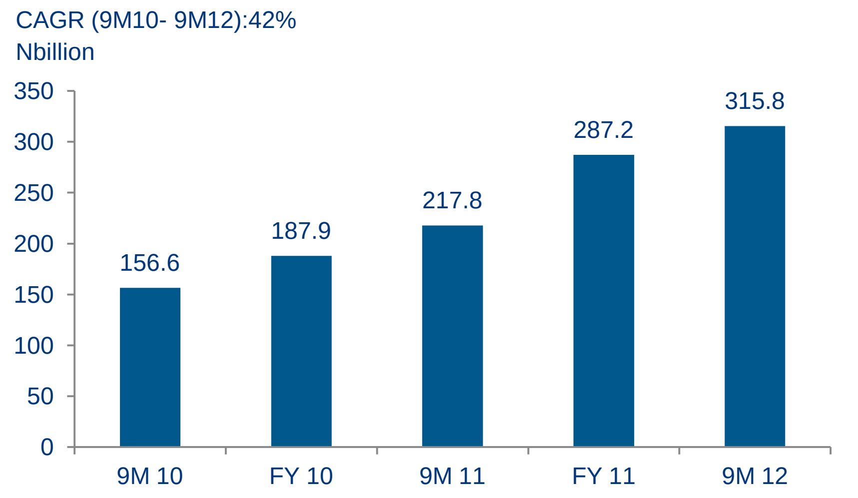
Non-performing loans by business unit



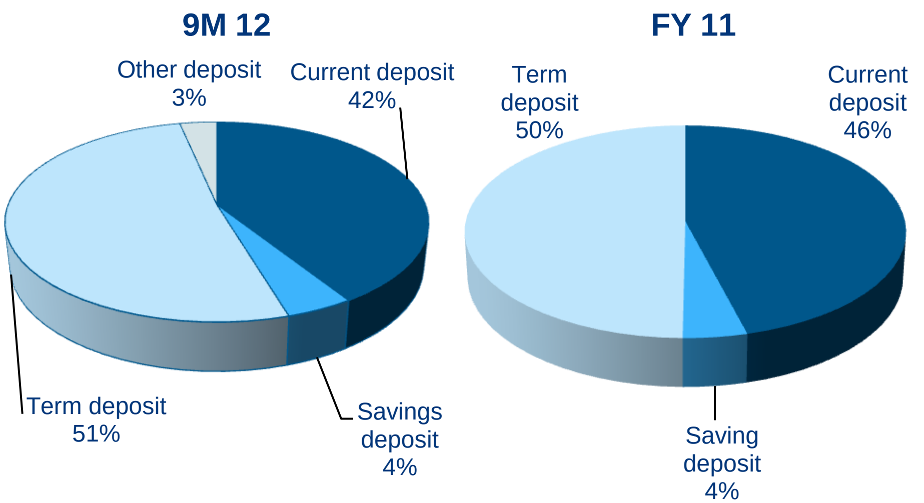
- The increase in Personal and Business Banking non-performing loans is attributable to the high interest rate environment, which is placing some strain on retail customers and we have taken a conservative approach to classification. PBB's NPL ratio of 6.4% in Q3 is still within our risk appetite of between 5 -7% for retail business.
- Corporate and Investment Banking non-performing loan book grew by 31% as a result of two newly classified NPLs during the period .
- PBB's share of total non-performing loan book increased to 25% in Q3 from 15% in FY 11

Deposit liabilities

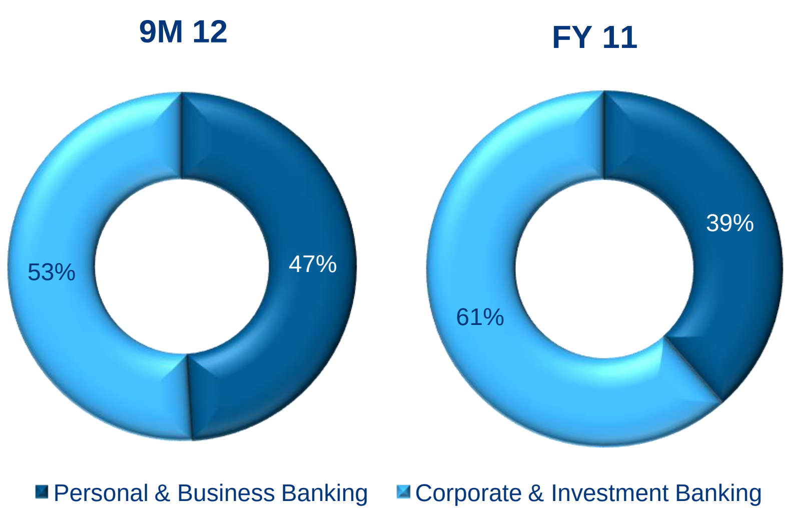
Deposit liabilities



Deposit liabilities by product



Contribution by business unit



- Deposit book grew by 45% to N315.8 billion YoY, 10% YTD and 28% QoQ.
- The continued tightening of the monetary policy exerted pressure on the deposit mix. The deposit mix in 9M 2012 was 46% in favour of low cost deposits as against 50% achieved in FY 2011.
- We will continue to leverage our expanded footprint, structure products that meet customers' needs and provide excellent service to grow our deposit s and also improve the deposit mix.
- Growing contribution to deposits and deposit mix by Personal and Business Banking.

Business segment review

Stanbic IBTC Bank
A member of Standard Bank Group

Corporate and Investment Banking

&

Personal and Business Banking

Sola David-Borha

Chief executive officer

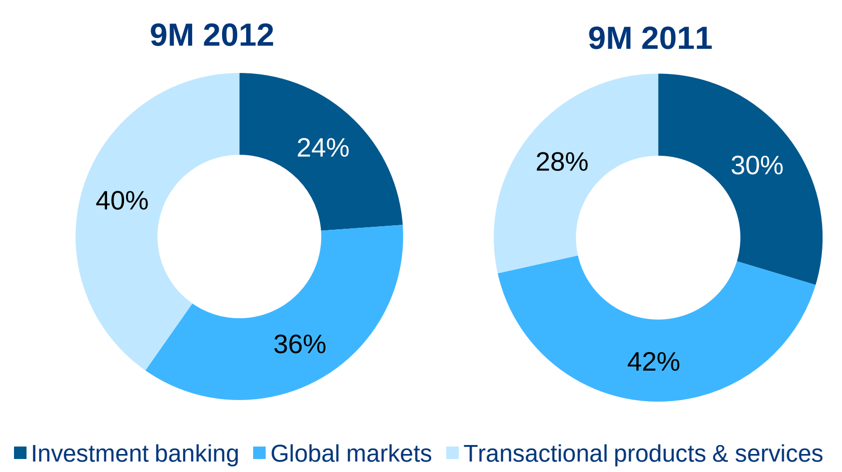
Stanbic IBTC Bank

A member of Standard Bank Group

CIB - Abridged financial statement and key ratios

	September 2012 Nmillion	change %	September 2011 Nmillion
Net interest income	12,153	10	11,007
Non-interest revenue	8,805	(19)	10,916
Total income	**20,958**	(4)	21,923
Credit impairment charges	(724)	(41)	(1,226)
Operating expenses	(12,563)	17	(10,764)
Profit before tax	**7,671**	(23)	9,933
Gross loans and advances	170,829	6	160,459
Deposit liabilities	167 694	48	113,649
Net interest margin (%)	3.7		4.2
Cost-to-income ratio (%)	59.9		50.6
NPL/total loan ratio (%)	11.6		6.7

Contribution to revenue by business segment

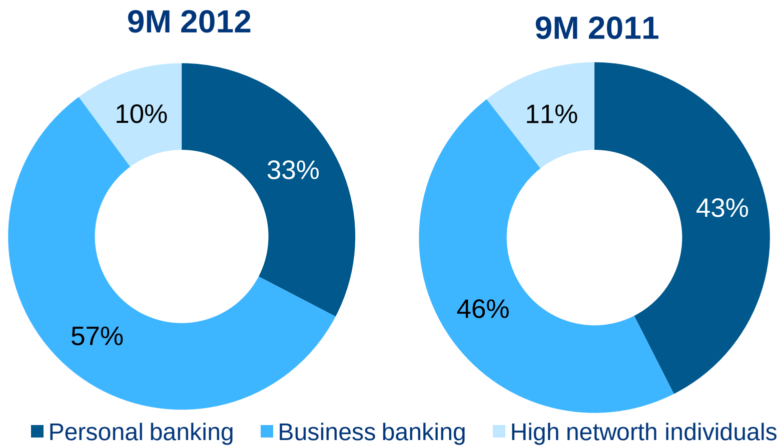


- Net interest income benefitted from growing loan book and improved yields in investment securities but was adversely affected by the increasing funding costs, with the resultant margin compression
- Non-interest revenue benefitted from growth in holdings under custody, improved performance of the capital market in Q3, which positively affected revenues of our custody and stock-broking business and increased transaction volumes and activities. However, the reduction in trading revenue adversely affected non-interest revenue
- Increased contribution from transactional products and services business unit to total revenue, a function of our growing relationships and increased transaction volumes.

PBB - Abridged financial statement and key ratios

	September 2012 Nmillion	change %	September 2011 Nmillion
Net interest income	13,275	31	10,167
Non-interest revenue	3,787	23	3,075
Total income	**17,062**	30	13, 242
Credit impairment charges	(2,351)	11	(2,114)
Operating expenses	(18,829)	9	(17,310)
Profit before tax	**(4,118)**	33	(6,182)
Gross loans and advances	103,080	20	86,037
Deposit liabilities	148,141	42	104,122
Net interest margins (%)	9.9		11.5
Cost-to-income ratio (%)	110.4		131.3
NPL to total loan ratio (%)	6.4		5.2

Contribution to revenue by business segment



- Total income was driven by growth in loan book and increased transaction volumes and activities, a function of our enlarged branch network.
- The high interest environment impacted margin negatively as it reduced to 9.9% from 11.5 % in 2011.
- Strong contribution to revenue from Business banking business segment.

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Wealth

Demola Sogunle

Chief executive officer,
Stanbic IBTC Pension Managers Limited

Stanbic IBTC Bank
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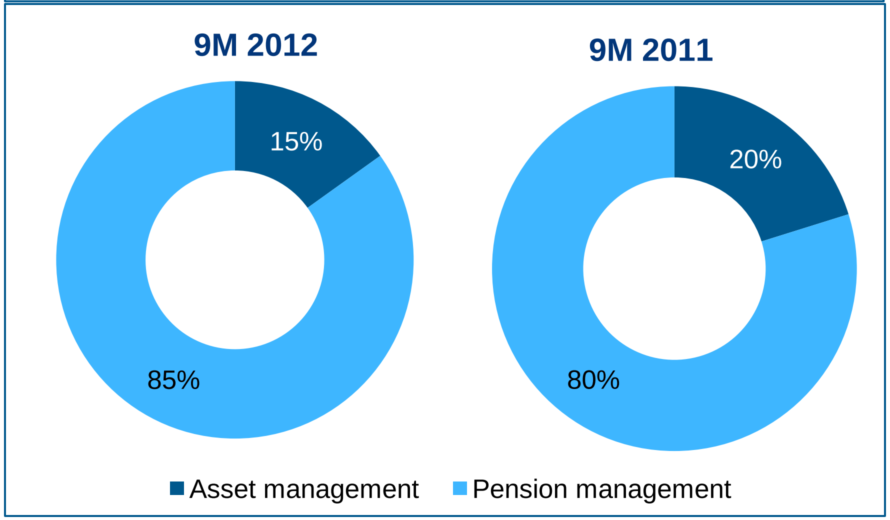
Wealth - Abridged financial statement and key ratios

	September 2012 Nmillion	change %	September 2011 Nmillion
Net interest income	1,173	>100	576
Non-interest revenue	8,726	29	6,767
Total income	**9,899**	35	7,343
Operating expenses	(4,435)	42	(3,133)
Profit before tax	**5,464**	30	4,210
Assets under management	911,780	44	633,220
Retirement savings accounts (number)	1,020,893	5	968,000
Cost-to-income ratio (%)	44.8		42.7

Contribution to revenue by business segment



- Sustained growth in revenues, assets under management and number of clients.
- One-off regulatory induced investment in technology adversely affected operating expenses in Q1 2012
- Reduced contribution to total revenue by the Asset Management arm of wealth business due to the bearish performance of the capital market in the first half of 2012.

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Update on new corporate structure

Sola David-Borha

Chief executive officer

Stanbic IBTC Bank

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Update on Stanbic IBTC Holdings Plc restructuring

- Shareholders' approval on the restructuring of the Bank was received at a Court Ordered Meeting held on 09 August 2012. We are also in receipt of an Order of the High Court sanctioning the Scheme of Arrangement between the Bank and its shareholders.

- Prior to the above Court Ordered Meeting of Shareholders, we had in line with the provisions of Regulation 3, applied to the

  - Central Bank of Nigeria ("CBN") for a new Commercial Banking license as well as approval of the Group's revised organizational structure post implementation.

  - Securities and Exchange Commission ("SEC") to register the new Holding Company Shares that will be listed on The Nigerian Stock Exchange.

- Delays in receiving the above approvals necessitated our seeking extension to comply with Regulation 3 from 30 September 2012 to 30 November 2012.

- On 12 October 2012, we received a letter from the CBN approving the grant of Commercial Banking License with National Authorization to Stanbic IBTC Bank PLC.

- We have received SEC's approval to register the new Holding Company shares on The Nigerian Stock Exchange.

- The CBN have also indicated that they have approved the revised internal organisational structure post implementation and would advise us shortly.

Prospect and outlook

Sola David-Borha
Chief executive officer

Stanbic IBTC Bank
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Prospect and outlook

Key focus in 4Q 2012

- Growing our low cost and stable deposits ratio by leveraging our enlarged footprint;
- Cross sell – maximizing our share of wallet from every client interaction;
- Cost optimization – getting maximum value from each naira we spend and focusing spend on those aspects that will assist in growing our franchise;
- Diversify revenue streams to increase contribution from transactional income; and
- Drive our mobile payment strategy .

We therefore expect:

- Margin to stabilise at 3Q 2012 level
- Cost to income ratio to stabilise and show signs of decline
- Loans and advances - slow down in growth rate due to high interest rate environment
- Deposit - maintain similar growth rate
- Our Wealth businesses to continue to be leading players in both the pension and non-pension fund management areas.

- We remain cautiously optimistic about the future.

Q & A