

**Stanbic IBTC Holdings PLC (“Stanbic IBTC”)  
Six months audited group results for the period ended 30 June 2018**

Stanbic IBTC Group reports a 17% and a 79% growth in gross earnings and profit after tax, respectively in the first half of 2018.

LAGOS, NIGERIA – 16 August 2018 – Stanbic IBTC, a member of Standard Bank Group, has announced its six months audited results for the period ended 30 June 2018.

Speaking from the Group’s headquarters in Lagos, Yinka Sanni, Chief Executive of Stanbic IBTC, said:

*“The operating environment in the first half of the year was characterised by rising oil prices, stable oil production level leading to accretion to the country’s external reserves, improved foreign exchange liquidity with attendant interventions from the Central Bank of Nigeria and moderating inflation amid declining yields on money market securities.*

*Stanbic IBTC continued to deliver stellar performance over the course of the first half of the year. Profit before tax grew to N50.73 billion representing a 74% growth from prior year on the back of non-interest revenue growth and recoveries from delinquent assets previously impaired. Our credit impairment line has a write back of N5.5 billion as at June 2018 as we continue to intensify recovery efforts on previously classified loans. Interest income increased by 6% to N59.9 billion predominantly driven by loan growth. This was offset by increase in interest expense of 26% as a result of interest paid on maturing term deposits and other borrowings. We are making good progress on our drive to reduce cost of funds which has reduced by more than 100 basis points, manifesting in a 15% reduction in interest cost between Q1 2018 and Q2 2018.*

*The 34% growth in non-interest revenue is driven by strong growth in trading income and revenue earned from fees and commission. Trading revenue growth can be attributed to increased volume of trades in government securities and foreign exchange (“FX”). The growth in fees and commission is driven by growth in assets under management and custody as well as electronic banking transaction volumes across our digital channels. The increase in operating costs is attributable to the one-time adjustment to staff salary to cushion the effect of currency devaluation, AMCON charges as well as inflation-induced increases in other operating costs.*

*Customer deposits grew slightly by 2%, comprising a 14% growth in low-cost deposits and 10% reduction in term and call deposits as we strive to drive down cost of funds by replacing expensive term and call deposits with low cost deposits. Consequently, the ratio of current and savings accounts to total customer deposits improved to 54.9% from 49.2% in FY 2017. Net loans and advances grew by 8% following our strategic drive to grow quality risk assets.*

*We have seen significant growth in transaction volumes across our digital platforms. The volume of transactions via our mobile banking, SME internet banking, USSD platforms and ATMs have increased by over 100% each year-on-year as we continued to drive non-interest income growth. Also, we kicked off the initial stage of implementing a virtual banking proposition.*

*Our Africa-China Banking Center was recently launched and it aims to provide bespoke solutions and address the needs of business communities in both Nigeria and China while leveraging our relationship with Standard Bank and the Industrial & Commercial Bank of China (“ICBC”).*

*We remain focused on driving long-term value for our clients and shareholders through our balanced and diversified business model.*

*We thank our various stakeholders – customers, employees and regulators – for their contributions and support towards the achievement of these strong results”.*

## **Financial highlights**

### ***Income Statement***

- Gross earnings of N114.21 billion, an increase of 17% (June 2017: N97.20 billion)
- Net interest income of N40.17 billion, down 2% (June 2017: N41.04 billion)
- Non-interest revenue of N53.83 billion, up 34% (June 2017: N40.29 billion)
- Total income of N94.0 billion, an increase of 16% (June 2017: N81.32 billion)
- Profit before tax of N50.73 billion, up 74% (June 2017: N29.17 billion)
- Profit after tax of N43.08 billion, an increase of 79% (June 2017: N24.11 billion)
- Cost-to-income ratio of 51.9% (June 2017: 47.0%)
- Return on average equity (annualised) 43.3%
- Return on average assets (annualised) 6.4%

### ***Balance sheet***

- Total assets down slightly by 1% to N1.37 trillion (Dec. 2017: N1.39 trillion)
- Gross loans & advances to customers increased by 9% to N439.91 billion (Dec. 2017: N403.85 billion)
- Non-performing loans increased by 19% to N37.71 billion (Dec. 2017: N31.71 billion)
- Non-performing loans to total loans ratio of 8.6% (Dec. 2017: 7.9%)
- Customer deposits up slightly by 2% to N767.37 billion (Dec. 2017: N753.64 billion)
- Deposit mix improved to 54.9% (Dec. 2017: 49.2%) of low cost deposits to total deposits

## **Capital and liquidity**

Capital adequacy levels are significantly above the regulatory limit of 10%. The group's total capital adequacy ratio for the period closed at 27.4% (Bank: 23.0%) and Tier 1 capital adequacy ratio of 23.3% (Bank: 18.5%). The improvement in group capital adequacy ratio to 27.4% from 23.5% in December 2017 is as a result of the significant increase in retained profit. We remain well positioned to meet expected future capital requirements and growth.

The group's liquidity ratio closed at 122.7%, while the Bank's liquidity ratio was at 107.6% at the end of H1 2018. This ratio is significantly higher than the 30% regulatory minimum.



**FOR FURTHER INFORMATION:**

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***Notes to editors:***

**About Stanbic IBTC Holdings PLC**

Stanbic IBTC Holdings is a member of Standard Bank Group. Standard Bank Group is Africa's largest banking group ranked by assets and earnings and has been in business for over 150 years.

With a controlling stake of 64.45% in Stanbic IBTC Holdings PLC, Standard Bank employs over 54,000 people worldwide; operates in 20 African countries including South Africa and 13 countries outside Africa including key financial centres like Europe, United States and Asia.

Stanbic IBTC Holdings' strategy is to position itself as the leading end-to-end financial services solutions provider in Nigeria. The group offers expert services in three business areas - corporate and investment banking; personal and business banking and wealth management.

With a team of experienced and customer-focused staff, Stanbic IBTC offers services which include specialised finance, trade finance, stockbroking, trusteeship, global markets, custodial services, asset and pension management, foreign exchange, lending, savings and investment products.

More information can be found at [www.stanbicibtc.com](http://www.stanbicibtc.com)