Stanbic IBTC Holdings PLC ("Stanbic IBTC")
Three months unaudited group results for the period ended 31 March 2019

Stanbic IBTC Group reports a resilient performance despite challenging market conditions.

LAGOS, NIGERIA – 26 April 2019 – Stanbic IBTC, a member of Standard Bank Group, has announced its three months unaudited results for the period ended 31 March 2019.

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

"The operating environment in the first quarter of this year was challenging evidenced by the slowdown in economic activities which were impacted by the socio-political environment leading to muted client activity. These factors affected the growth pace of our overall business volumes and earnings.

The Group achieved a resilient performance despite the declining interest rate environment causing a decline in asset pricing. Profits declined year-on-year due to the decrease in fees and commission revenue resulting from the regulatory induced reduction in asset management fees as previously guided, relatively quiet capital market activity and lower recoveries made from delinquent and previously written-off loans compared to the similar period in 2018. This was positively offset by the growth in interest income earned mainly from growth in investment securities; marginal growth in trading revenue arising from improved FX flows from foreign investors and well-managed expense levels. Total operating expenses were broadly unchanged reflecting the successful impact of our cost-saving initiatives.

The contraction in our loan book is due to significant repayments and pay-offs witnessed in the manufacturing and general commerce sectors, amongst others. This is in-spite of the new disbursements during the quarter which could not adequately compensate these portfolio run-offs. Non-performing loans ratio, however, remained below the regulatory guidance of 5% while the proportion of low-cost deposits improved to 65.5% from 56.8%.

Improved activity in the money and fixed income markets also supported the growth posted in trading revenue, quarter-on-quarter and year-on-year. We expect that the slightly improved operating environment and renewed investor appetite post-election should be sustained.

Overall, we continued to maintain solid business momentum and our capital and liquidity levels remained robust during the quarter.

We expect economic activities to improve over the rest of the year even as the election season is over, and we are strategically positioned to benefit from any improvement in the economic environment. We will continue to leverage our universal financial services capability to ensure delivery on our Guidance for 2019."

Financial highlights

Income Statement

- Gross earnings of N58.7 billion, representing 2% increase (March 2018: N57.4 billion)
- Net interest income of N20.2 billion, up 7% (March 2018: N18.9 billion)
- Non-interest revenue of N27.0 billion, down 3% (March 2018: N27.7 billion)
- Total operating income of N47.2 billion, up 1% (March 2018: N46.6 billion)
- Profit before tax of N23.5 billion, down 12% (March 2018: N26.7 billion)
- Profit after tax of N19.2 billion, down 17% (March 2018: N23.1 billion)
- Cost to income ratio of 53.1% (March 2018: 53.7%)
- After-tax return on average equity (annualised) 30.5%
- After-tax return on average assets (annualised) 4.7%

Balance sheet

- Total assets decreased by 5% to N1,579.5 billion (December 2018: N1,663.7 billion)
- Gross loans & advances down 4% to N439.9 billion (December 2018: N458.9 billion)
- Gross non-performing loans slightly improved to N17.5 billion (December 2018: N17.7 billion)
- Gross non-performing loan to total loan ratio at 3.99% (December 2018: 3.9%), as a result of the 4% contraction in loans and advances
- Customer deposits decreased by 8% to N739.3 billion (December 2018: N807.7 billion)
- Deposit mix improved to 65.5% (Dec. 2018: 56.8%) of current-and-savings-accounts deposits to total deposits

Capital and liquidity

The group maintained adequate level of capital during the period. The group's total capital adequacy ratio closed at 25.3% (Bank: 21.6%) which is significantly higher than the 10% minimum regulatory requirement.

The group maintained its strong liquidity position within approved risk appetite and tolerance limits. The group's liquidity ratio increased to 130.06% (December 2018: 110.68%), while the bank's liquidity ratio also increased to 112.31% (December 2018: 96.98%). This is above the regulatory minimum requirement of 30% and indicates the group's sound position to continue meeting its liquidity obligations in a timely manner.

If you have any queries, please do not hesitate to contact the undersigned on the numbers listed below.

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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 65.35% in Stanbic IBTC Holdings PLC, Standard Bank employs over 54,000 people worldwide; operates in 20 African countries including South Africa and has operations in 6 key financial centers outside Africa which includes London, Sao Paolo, Dubai, New York, Hong Kong and Beijing.

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 specialized finance, trade finance, stockbroking, investment banking, advisory, 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