



**Stanbic IBTC Holdings PLC (“Stanbic IBTC”)
Audited group results for the year ended 31 December 2021**

Stanbic IBTC records significant growth in core metrics supported by its robust capital, strong liquidity position and improved customer service

LAGOS, NIGERIA – 1 April 2022 – Stanbic IBTC, a member of Standard Bank Group, has announced its audited results for the year ended 31 December 2021.

Commenting on the results, Dr Demola Sogunle, Chief Executive Stanbic IBTC, said:

“The COVID-19 pandemic impacted global economic activities during 2021 in various ways. Although the year represented one of the most challenging periods in our history, we made considerable progress across our set financial targets outlined in the 2021 market guidance. We achieved double-digit growth in assets under management (AuM), loan book, and customer deposits during the year. Particularly, total AuM exceeded the ₦5.0 trillion mark, and we exceeded our guidance for loans and deposits growth. Gross customer loans grew by 44% to a record high of ₦946.3 billion. The non-performing loans ratio moderated to 2.1%, well within the acceptable limit of 5%, as the total non-performing loans decreased in value by 23% coupled with the responsible loan growth in line with our conservative credit risk management practices. This was funded by the 37% growth in customer deposits, which exceeded the ₦1.0 trillion mark. This further stabilized our earnings capabilities for the foreseeable future. The low-cost deposits ratio declined to 66.0% compared to our target of at least 75% due to accelerated growth in tenured deposits to fund risk asset growth. Thus, our loan-to-funding ratio was 72.1%, above the regulatory minimum of 65% as at 31 December 2021.

The Group’s profitability moderated year-on-year due to the significant decline in trading revenue as well as higher operating expenses resulting from increased regulatory costs, but this was compensated by the improvement in net fee and commission revenue and strong after write-off recoveries. The moderation in earnings resulted in the return on equity of 14.7%. The increased regulatory costs coupled with decreased revenue, resulted in an increase in the cost-to-income ratio to 62.3% from 47.0% in 2020. The decrease in provisions for credit losses driven by significant recoveries gave rise to a cost of risk of -0.1%, well below our guidance of 1.5%.

The Board declared final dividend of 200 kobo per share in line with our commitment to delivering value for shareholders.

We continue to invest in the growth and development of the communities in which we operate through our various corporate social initiatives. We delivered on our flagship corporate social initiative, Together4ALimb during 2021, identifying 10 new children



from different parts of the country to provide with prosthetic limbs and education trust until they turn 18 years of age, bringing the total number of beneficiaries to 50 since the initiative kicked off seven years ago. Furthermore, we took on the responsibility of providing scholarships to 200 qualifying undergraduate students who gained admission into Nigerian State or Federal universities. The Group also partnered with the Nigerian Football Federation via our group life insurance business to advance the football game and promote unity among Nigerian youth.

We demonstrated our commitment to achieving net-zero emission through series of sustainability initiatives such as the installation of solar energy solutions in 41 (22%) of our work locations, powering 97 (12%) automated teller machines by solar energy solutions, and recycling over 10 tonnes of waste papers during the year. We also deployed efficient waste sorting techniques across our head office locations.

We appreciate our valuable clients, colleagues, investors, regulators, and other stakeholders for contributing to these achievements in 2021.

Our overarching focus in 2022 is to drive scale and transactions velocity across our client segments, whilst enhancing user experience, all in a bid to deliver value to our esteemed stakeholders.”

Financial highlights

Financial position

- Total assets increased by 10% to ₦2.7 trillion (December 2020: ₦2.5 trillion)
- Gross loans & advances up 44% to ₦946.3 billion (December 2020: ₦655.3 billion)
- Non-performing loans decreased by 23% to ₦20.3 billion (December 2020: ₦26.5 billion)
- Non-performing loan to total loan ratio of 2.1% (December 2020: 4.0%)
- Customer deposits increased by 37% to ₦1.1 trillion (December 2020: ₦819.9 billion)
- Deposit mix moderated to 66.0% (December 2020: 82.8%) of current-and-savings-accounts deposits to total deposits

Income statement

- Gross earnings of ₦206.6 billion, representing 12% decrease (2020: ₦234.4 billion)
- Net interest income of ₦75.4 billion, up 2% (2020: ₦74.2 billion)
- Non-interest revenue of ₦95.8 billion, down 23% (2020: ₦124.7 billion)
- Total operating income of ₦171.1 billion, down 14% (2020: ₦198.9 billion)
- Profit before tax of ₦66.0 billion, down 30% (2020: ₦94.7 billion)
- Profit after tax of ₦57.0 billion, down 32% (2020: ₦83.2 billion)
- Cost to income ratio of 62.3% (2020: 47.0%)
- Return on average equity 14.7%
- Return on average assets 2.1%



Highlights across all the client segments

Consumer and High Net Worth Clients (“CHNW”) segment provides banking, pension fund administration, asset management, trust and fiduciary, life insurance and insurance brokerage services to retail and high net worth clients. *For the CHNW segment, gross income amounted to ₦79.1 billion, up 17% from prior year. Commenting on the performance, **Olumide Oyetan, Chief Executive Stanbic IBTC Pension Managers** said: “In line with our future ready transformation into a platform business, the legacy Wealth businesses (which provide pension fund administration, asset management, trust and fiduciary, life insurance and insurance brokerage services) morphed into the non-bank CHNW segment while the bank aspect of CHNW provides banking services to retail clients.*

The investment management businesses (asset management & pension fund administration) won several awards during the year with assets under management of ₦5.1 trillion. We launched several products in 2021, thereby expanding the investment outlets for our clients. In a bid to provide long term sustainable returns and make investments, which will have positive environmental impact, we launched the Stanbic IBTC Infrastructure Fund, a close-ended unit trust scheme designed for institutional investors such as Pension Fund Administrators, insurance companies, asset managers and high net worth individuals. During the year, the Infrastructure Fund provided funding for the construction of a 20,000-metric tonne Liquefied Petroleum Gas (LPG) storage terminal, the largest storage gas facility in Nigeria, an evidence of our commitment to Nigeria and her growth. We also launched the Stanbic IBTC Enhanced Short Term Fixed Income Fund with a minimum opening balance of ₦5,000, in a bid to provide investors with stable, low risk and more competitive returns as well as drive financial inclusion.

The bank CHNW segment supported our retail clients through several digital initiatives focused on improving client experience and providing an added and much needed financial cushion for individual clients. During the year, we re-engineered our lending solutions using behavioural science and transactional patterns to position our digital lending propositions to qualifying customers and provide instant loans to support their financial aspirations in a responsible manner. Accordingly, we recorded a 33% growth in retail loans. The Stanbic IBTC Super App was further enhanced with additional features to improve customer experience. Hence, digital transaction volume and value increased by 24% and 35% respectively year-on-year. Furthermore, in an effort to promote a savings culture amongst our customers, we kicked off the Reward4Savings Promo, rewarding new and existing customers for saving for a minimum period of 30 days. This resulted in a growth of over 95,000 new savings accounts opened for the 3-months duration with many customers qualifying for various rewards.

In all, CHNW achieved 16% growth in profit after tax to ₦20.1 billion, attributable to higher average yield on investments and loan portfolio coupled with increase in fees from AuM growth as well as new loan bookings.

Our priorities in 2022 include growing scale by enlarging our customer base, assets under management and lending portfolio; improving client retention through consistent client engagement and digitization; focusing on ecosystem to drive client growth and deepening relationships.”



Business and Commercial Clients (“BCC”) segment provides broad based client solutions for a wide spectrum of small and medium sized enterprises as well as large commercial businesses. Gross income of ₦38.3 billion was recorded, representing a growth of 50%. Commenting on the BCC segment’s performance, **Remy Osuagwu, Executive Director Stanbic IBTC Bank** said: *“BCC reported significant growth in profit after tax to ₦6.9 billion from a loss position in prior year. The business benefitted from increased income from loan growth, improved average yield on assets and increased transaction volumes. The credit provision writeback resulting from recoveries during 2021 also contributed to improved profits.*

We launched the SME Lite loan product for the small and medium scale enterprises (Enterprise Banking) sub-segment to provide them with convenient access to required working capital. The disbursement process is automated such that the client’s eligibility and Credit Bureau checks are executed seamlessly without any need to visit other applications and loan requests are disbursed within 24 hours. Overall, BCC’s gross loans increased significantly by 56% to ₦284.2 billion in 2021. Customer deposits also grew by 22%.

We are encouraged by the various accolades received during the year in recognition of our deliberate, continued efforts at being obsessed over our customers, listening actively to their needs, and seeking to understand and address their pain points. Stanbic IBTC Bank received two prestigious awards in the banking sector, including the "Leading Commercial Bank Nigeria 2021" by Finance Derivative and “Commercial Bank Brand of the Year” at the Brand and Communication awards. In addition, Stanbic IBTC Bank, for the first time in 15 years, was rated the number one bank in Nigeria in the Retail and SME (Enterprise) segments according to the 2021 KPMG Banking Industry Customer Satisfaction Survey.

We are grateful to our customers for giving us the opportunity to be of service to them while acknowledging the collaborative efforts of our teams across the entire service value chain in achieving these strides. We are determined to sustain these achievements in 2022 and beyond as attaining customer satisfaction is a journey and not a destination. We are also focused on substantially growing our market share of client base, transactional velocity, quality loans and deposits through our digital strategy and improved operational efficiencies.”

Wholesale Clients (“WC”) segment provides banking and advisory services to larger corporates, financial institutions, and international counterparties. Gross income declined by 39% to ₦83.1 billion. **Eric Fajemisin, Executive Director Stanbic IBTC Bank** said: *“Amid several challenges, we did not relent in our commitment to serve customers. WC’s gross loans grew by 41% to ₦583.6 billion as we extended tenured facilities responsibly to support client expansion requirements while non-performing loans decreased by 39%. Similarly, the segment’s deposits grew by 95%.*

WC’s profitability moderated by 56% year-on-year largely due to the decline in both net interest income and non-interest revenue during the year. Net interest income growth was constrained by the continued pressure on loan yields despite increase in loan volume resulting in lower average yield on assets during 2021 compared to prior year. This was partly cushioned by the decline in interest expense. The decrease in non-interest revenue was due to the significant decline in trading revenue arising from low trading activities, as market volumes and foreign portfolio inflows were largely muted. This was compensated in part by



increased advisory fees from the Investment Banking space, fees from new loan bookings and commission on increased trade related assets.

In 2022, we are focused on growing quality loans while reducing the cost of funds to compensate for the persistent pressure on margins; and increasingly harnessing opportunities to deliver bespoke products for our clients through the best-in-class expertise and experience of our teams.”

Capital and liquidity

The Group maintained adequate level of capital during the period. The Group’s total capital adequacy ratio closed at 21.1% (Bank: 16.1%) which is significantly higher than the 10% minimum regulatory requirement.

The Group maintained a strong and diversified funding base throughout 2021. The Group’s liquidity ratio was 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 query, please do not hesitate to contact the undersigned on the numbers listed below:

FOR FURTHER INFORMATION:

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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 has been in business for over 158 years.

With a controlling stake of 67.51% in Stanbic IBTC Holdings PLC, Standard Bank Group employs over 49,000 people (including Liberty) worldwide; operates in 20 African countries including South Africa and has operations in five key financial centres outside Africa, including London, Sao Paulo, Dubai, New York 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 - Consumer and High Net Worth Clients; Business and Commercial Clients; and Wholesale Clients.

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, foreign exchange, asset and pension management, insurance brokerage, life insurance, lending, savings and investment products.

More information can be found at <https://www.stanbicibtc.com/>