STANBIC IBTC BANK PLC SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019



The Directors present the summary financial information of Stanbic IBTC Bank PLC ("the Bank") and its subsidiary companies (together "the Group") for the year ended 31 December 2019. This summary financial information is derived from the full consolidated and separate financial statements for the year ended 31 December 2019 and is not the full financial statements of the Bank and the Group. The full consolidated and separate financial statements, from which the summary financial information is derived, will be delivered to the Corporate Affairs Commission within the required deadline. The Bank's auditor issued an unqualified audit opinion on the full consolidated and separate financial statements for the year ended 31 December 2019 from which this summary financial information is derived.

Overview of Stanbic IBTC Holdings PLC ("The Group") financial results

Balance sheet analysis

The Group's total assets as at the end of 2019 stood at N1.88 trillion representing an increase of 13% (N213 billion) over 2018 closing position. The increase was primarily driven by growth in trading assets, loans and advances and pledged assets though partly cushioned by the significant decline in financial investments.

Loans and advances

Gross loans and advances grew by 21% year-on-year, of which CIB's loans to customers grew by 28% and PBB's loans grew by 11% amid intense market competition. The growth arose from new disbursements of term loans while mortgage lending, overdrafts and vehicle and asset finance declined over the period due to significant maturities and pricing challenges. The bank remained circumspect and selective in its loan disbursements in the challenging credit environment. Thus, credit quality remained robust with NPL ratio of 3.9%, still within the 5% regulatory guidance.

Deposit liabilities

Customer deposits contracted by 21% to close at N637.8 billion at the end of 2019. Majority of this contraction was due to the release of expensive term and call deposits while savings accounts grew. Consequently, the Group's deposit mix of current and savings deposits to total deposits improved to 71.1% from 56.8% in 2018.

Income statement analysis

Gross earnings stood at N233.8 billion up by 5% from prior year due to growth in trading revenue supported by improved activity in the money and fixed income markets; growth in fees and commission income following increased digital adoption and marginal growth in interest income though we witnessed margin compression due to competitive asset pricing.

Net interest income

Net interest income was relatively flat at N78 billion. Interest income increased by 2% driven by strong growth in loans and advances. This was dampened by lower yields following competitive pressure for loan creation while the 6% increase in interest expense is on account of interest costs arising from additional borrowings obtained during the year.

Non-interest revenue

Non-interest revenue grew by 6% supported by broad-based growth across all three underlying categories including increases in net fee and commission revenue (up 1%), trading revenue (up 16%) and other revenue (up 40%).

Growth in fees and commission income was largely due to increase in asset management fees stemming from strong growth in assets under management; increase in electronic banking fees and brokerage & financial advisory fees. Electronic banking fees increased by 65% in line with our customers increasing preference for convenient digital channels.

Trading revenue growth arose from improved FX flows from foreign investors and trades with corporate clients at the I&E FX market, following the successful completion of the presidential elections in the second quarter.

Credit impairment charge

Total credit impairment charge was N1.6 billion compared to a write-back of N2.9 billion in prior year, while gross loans and advances grew by 21%. This resulted in the credit loss ratio of 0.2%. The growth in provisions is mainly from the non-performing loan book where write-offs were recorded, and additional provisions made for new and existing non-performing loans. This was partly cushioned by some recoveries made during the period.

Operating expenses

Operating expenses were largely contained during the year. Total operating expenses decreased by 2%. Thus, cost-to-income ratio improved to 50.4% from 52.9% in 2018.

Staff cost was down 6% while ongoing prudent discretionary spend is reflected in other operating expenses growth of 2%.

Capital adequacy

The Group maintained adequate level of capital during the year. The Group's total capital adequacy ratio closed at 24.6% (Bank: 19.4%) which is significantly higher than the 10% minimum regulatory requirement.

Prospects

While we look to 2020 with great optimism, we are fully aware of the challenging macroeconomic and regulatory headwinds that we have to contend with as we enter a new decade. Nonetheless, our strategic journey towards becoming the leading end-to-end financial solutions provider by 2023 continues as we leverage on our universal capabilities whilst focusing on cost control, digitisation and client centricity in accelerating growth in 2020.

Summary consolidated and separate statement of financial position									
AS AT	Gro	oup	Bank						
	31-Dec-19 N'million	31-Dec-18 N'million	31-Dec-19 N'million	31-Dec-18 N'million					
Assets									
Cash and cash equivalents	446,551	451,666	446,551	451,666					
Pledged assets .	231,972	142,543	231,972	142,543					
Trading assets	248,909	84,276	248,909	`84,276					
Derivative assets	32,871	30,286	32,871	30,286					
Financial investments	99,233	357,574	99,101	357,456					
Loans and advances	535,170	441,261	535,170	441,261					
Loans and advances to banks	3,046	8,548	3,046	8,548					
Loans and advances to customers	532,124	432,713	532,124	432,713					
Other assets	156,019	64,687	155,741	64,516					
Equity investment in subsidiaries	-	-	100	100					
Property and equipment	23,988	18,004	23,985	18,001					
Intangible assets	5,232	819	5,232	819					
Right of use assets	2,500	-	2,500	-					
Deferred tax assets	10,248	8,398	10 188	8 321					
Total assets	1,792,693	1,599,514	1,792,320	1,599,245					
Equity and liabilities									
Equity	203,237	172,019	201,340	170,341					
Equity attributable to ordinary shareholders	203,237	172,019	201,340	170,341					
Share capital	1,875	1,875	1,875	1,875					
Share premium	42,469	42,469	42,469	42,469					
Reserves	158,893	127,675	156,996	125,997					
Liabilities	1,589,456	1,427,495	1,590,980	1,428,904					
Trading liabilities	250,203	125,684	250,203	125,684					
Derivative liabilities	4,343	4,152	4,343	4,152					
Current tax liabilities	7,812	3,217	7,390	2,866					
Deposits and current accounts	896,358	999,745	896,786	999,981					
Deposits from banks	248,902	160,272	248,902	160,272					
Deposits from customers	647,456	839,473	647,884	839,709					
Other borrowings	92,165	69,918	92,165	69,918					
Debt securities issued	106,658	60,595	106,658	60,595					
Provisions	4,148	8,980	4,148	8,980					
Other liabilities	227,769	155,204	229,287	156,728					
Total equity and liabilities	1,792,693	1,599,514	1,792,320	1,599,245					

Summary consolidated and separate statement of pr	ofit or loss				
	Gro	oup	Bank		
FOR THE YEAR ENDED	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	
	N'million	N'million	N'million	N'millio	
Gross earnings	178,259	169,273	178,828	169,20	
Net interest income	69,846	71,705	69,832	71,69	
Interest income	113,070	112,452	113,056	112,43	
Interest expense	(43,224)	(40,747)	(43,224)	(40,747	
Non-interest revenue	60,444	55,447	61,027	55,39	
Net fee and commission revenue	22,503	23,259	22,424	23,23	
Fee and commission revenue	27,248	24,633	27,169	24,60	
Fee and commission expense	(4,745)	(1,374)	(4,745)	(1,374	
Trading revenue	36,367	31,118	36,357	31,09	
Other revenue	1,574	1,070	2,246	1,07	
Income before credit impairment charges	130,290	127,152	130,859	127,08	
Net impairment (charges) and reversals on financial assets	(1,664)	2,988	(1,664)	2,98	
Income after credit impairment charges	128,626	130,140	129,195	130,07	
Operating expenses	(70,884)	(76,833)	(72,212)	(78,01	
Staff costs	(30,100)	(32,169)	(29,701)	(31,75	
Other operating expenses	(40,784)	(44,664)	(42,511)	(46,26	
Profit before tax	57,742	53,307	56,983	52,05	
Income tax	(5,233)	(2,517)	(4,696)	(2,146	
Profit for the year	52,509	50,790	52,287	49,91	
Profit attributable to:					
Equity holders of the parent	52,509	50,790	52,287	49,91	
Profit for the year	52,509	50,790	52,287	49,91	

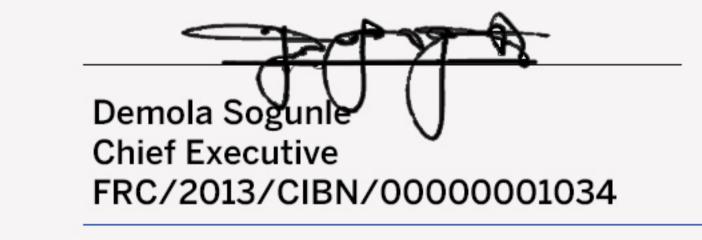
Consolidated and separate statement of profit or loss and other comprehensive income Bank Group **FOR THE YEAR ENDED** 31-Dec-19 31-Dec-18 **31-Dec-19** 31-Dec-18 **N'million** N'million N'million N'million 50,790 52,509 52,287 49,912 **Profit for the year** Other comprehensive income: Items that will never be reclassified to profit or loss Movements in equity instruments measured at fair 304 value through other comprehensive income 304 384 384 Net change in fair value Related income tax Items that are or may be reclassified subsequently to profit or loss: Movements in debt instruments measured at fair (2,559)(2,559)490 487 value through other comprehensive income Total expected credit loss (139)(139)44 Net change in fair value (1,819)1,871 (1,819)1,874

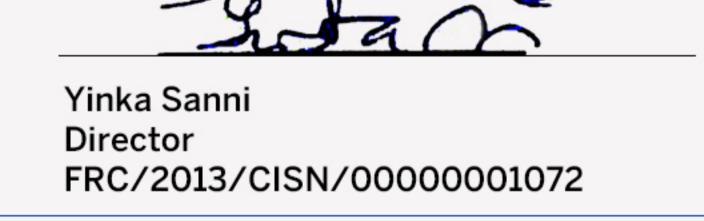
Realised fair value adjustments transfered to profit or loss (1245)(783)(1 245) (783)Related income tax (2,255)**871** (2,255)874 Other comprehensive income for the year, net of tax Total comprehensive income for the year 53,380 48,535 53,161 47,657 Total comprehensive income attributable to: **Equity holders of the parent** 47,657 53,380 48,535 53,161

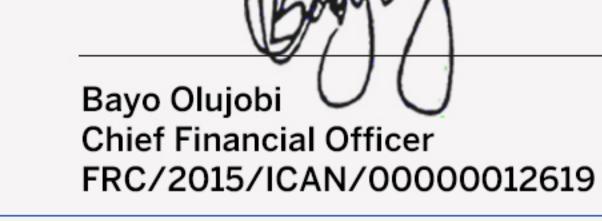
Customer complaints and resolution analysis

	Number		Amount Claimed N'000		Amount Refunded N'000	
	Dec '19	Dec '18	Dec '19	Dec '18	Dec '19	Dec '18
Pending complaints at start of year	690	54	9,703	257	N/A	N/A
Complaints received	332,831	161,609	3,557,395	9,444,165	N/A	N/A
Complaints resolved	329,754	161,268	3,533,528	9,434,718	1,201,589	668,775
Unresolved complaints escalated to CBN for intervention	1	5	-	-	N/A	N/A
Unresolved complaints pending with the bank at end of the year	3,771	690	33,571	9,703	N/A	N/A

The full consolidated and separate annual financial statements which can be accessed via http://reporting.stanbicibtc.com/resultsreports.php were approved by the Board of Directors on 06 February 2020 and signed on its behalf by:







Board of Directors

* South African

Ben Kruger*(Chairman) , Demola Sogunle (Chief Executive), Wole Adeniyi (Executive),

** Zimbabwean

Andrew Mashanda** (Executive), Bunmi Dayo-Olagunju (Executive), M.Essien (SAN) , Zweli Manyathi*, Simon Ridley*, Ms.Rabi Isma, Yinka Sanni

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stanbic IBTC Bank PLC

Report on the Summary Financial Information Opinion

The summary financial information, which comprise the consolidated and separate statements of financial position as at 31 December 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, are derived from the audited consolidated and separate financial statements of Stanbic IBTC Bank PLC ("the Bank") and its subsidiary companies (together "the Group") for the year ended 31 December 2019.

In our opinion, the accompanying summary financial information is consistent, in all material respects, with the audited consolidated and separate financial statements of Stanbic IBTC Bank PLC and its subsidiary companies, in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Banks and other Financial Institutions Act, Cap B3, Laws of the Federation of Nigeria, 2004.

Summary Financial Information

The summary financial information do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011 and the Banks and Other Financial Institutions Act, Cap B.3, Laws of the Federation of Nigeria 2004 and other relevant Central Bank of Nigeria guidelines and circulars. Reading the summary financial information and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and seperate financial statements in our report dated 11 February 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and seperate financial statements of the current period.

Directors' Responsibility for the Summary Financial Information

The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, and the Banks and Other Financial Institutions Act, Cap B.3, Laws of the Federation of Nigeria 2004.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial information is consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Report on Other Legal and Regulatory Requirements

Compliance with Section 27 (2) of the Banks and Other Financial Institutions Act , Cap B.3, Laws of the Federation of Nigeria 2004 and Central Bank of Nigeria circular BSD/1/2004

i. The Group and Bank paid penalties in respect of contraventions of the Central Bank of Nigeria guidelines during the year ended 31 December 2019.

ii. Related party transactions are disclosed in the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Signed:
Kabir O. Okunlola, FCA
FRC/2012/ICAN/00000000428
For: KPMG Professional Services
Chartered Accountants

11 February 2020

Lagos, Nigeria



The above summary financial statements and report of the independent auditors are published in accordance with the requirements of S.27 of the Banks and Other Financial Institutions Act.