

Stanbic IBTC Bank PLC
Full-year audited group results for the year ended 31 December 2011

STANBIC IBTC BANK REPORTS ROBUST EARNINGS GROWTH SUPPORTED BY STEADY LOANS AND DEPOSITS GROWTH FOR THE YEAR ENDED 31 DECEMBER 2011

LAGOS, NIGERIA – 29 March 2012 – Stanbic IBTC Bank, a member of Standard Bank Group, has announced its audited results for the year ended 31 December 2011.

Speaking from the Bank's headquarters in Lagos, **Sola David-Borha, CEO** of Stanbic IBTC Bank, said:

"As expected our operating performance in 2011 was in line with our strategy of building a franchise which can generate sustainable risk adjusted returns to our shareholders. Our continued investment in building a cost efficient and customer friendly branch network combined with our innovative and attractive bouquet of banking products and our growing base of stronger customer relationships yielded very pleasing loan and deposit growth in 2011 despite the testing operating environment. We continued to responsibly grow our lending book. The loan book grew by 42%, well ahead of the overall market growth rates, and our deposit book by a significant 57%. These results demonstrate that our strategy is bearing fruit and positions us towards realising our objective of being the leading end-to-end financial solutions provider in Nigeria. We continue to mitigate our exposure to unforeseen shocks by prioritising asset quality through our diligent and systematic approach to risk management. A precautionary risk charge in Q4 2011 impacted our bottom line for the year and put us on a very healthy footing to drive return on equity in 2012. Our signature capital strength is intact, while our healthy liquidity position and our access to an extensive berth of experience from within the bank and our parent company put us in an enviable position to generate growing value for shareholders in 2012.

Financial highlights

Profit and loss accounts

- Gross earnings of N67.4 billion, representing 19% growth compared with the prior year (N56.7 billion December 2010)
- Net interest income of N29.8 billion, up 13% (N26.4 billion December 2010)
- Non-interest revenue of N26.7 billion, up 21% (N22.0 billion December 2010)
- Total operating income of N56.5 billion, an increase of 17% (N48.4 billion December 2010)
- Profit before tax of N11.2 billion, down 17% (N13.5 billion December 2010)
- Profit after tax of N7.4 billion, a decrease of 21% (N9.5 billion December 2010)
- Cost to income ratio of 71.8% (70.8% December 2010)

Balance sheets

- Total assets up 44% to N554.2 billion (N384.5 billion December 2010)
- Gross loans & advances to customers up 42% to N266.6 billion (N187.1 billion December 2010)
- Non-performing loans of N18.5 billion (N14.2 billion December 2010)
- Non-performing loan to total loan ratio of 7.0% (7.6% December 2010)
- Customer deposits, up 57% to N292.3 billion (N186.4 billion December 2010)
- Pre-tax return on average equity of 13.5% with strong capital adequacy ratio of 22.9%
- Proposed dividend of 10 kobo per share

Sustained earnings across all three divisions

- **Personal and Business Banking (PBB)** (Banking and other financial services for individuals and small-to-medium sized enterprises): Gross earnings of N21.1 billion, up 47% (December 2010: N14.3 billion). Commenting on performance, **Obinnia Abajue, head of the division** said: *“The Personal and Business Banking business had a pleasing year in 2011. Significant investment in expanding our footprint has further grown our branch network by 21% to 171 in 2011. As a result of this investment and our continued focus on excellent customer service, the number of customers, volume, and value of transactions on our ATMs grew by 16%, 26% and 91% respectively. Total income grew significantly by 57% to N19.2 billion, benefiting from increased transaction volumes and activities, which resulted in an 85% growth in net interest income and a 10% growth in non-interest revenue. Our commitment to deliver exceptional services to customers through our products and services positions us to continuously create value. We intend to maintain and improve on this in 2012.”*
- **Corporate and Investment Banking** (Corporate and investment banking services to larger corporate, financial institutions and international counterparties): Gross earnings of N36.4 billion up 8% (December 2010: N33.7 billion). Commenting on performance **Kayode Solola executive director** in charge of the division said: *“Our signature strength in corporate and investment banking has maintained its yield of positive results in 2011. Despite the challenging operating environment, we continued to witness strong growth in our loan and deposit book. However, the monetary policy tightening during the year and the bearish trend of the capital markets did exert some pressure on our revenue. Our ability to structure foreign exchange solutions for our corporate customers combined with increased transaction volumes impacted positively on our fx trading revenue. Total income was stable at N27.2 billion (2010: N27.5 billion), benefitting chiefly from a 34% growth in non-interest revenue. A number of international awards were received by the division in the year. In 2012, we intend to focus on growing our risk assets and further deploying our varied portfolio of products across the country to maximise revenue streams”.*

- **Wealth** (Investment management in the form of asset management, pension fund administrations and trustee and estate planning services): Gross earnings of N10 billion (December 2010: N8.7 billion). *“The Wealth division continued to maintain its strong performance in 2011, growing assets under management by 21% to N699.8 billion, with 104,875 new customers signing on to our pension product during the year. These translated into a 16% increase in our total income and a 33% growth in our profit before tax. We will leverage on our strong brand and expanding footprint within Nigeria to attract more customers and continue to grow our wealth business and maintain our leadership position.”* said **Demola Sogunle, chief executive officer** of Stanbic IBTC Pension Management Limited.

Capital and liquidity

The group continued its policy of maintaining a diversified funding base throughout 2011, with total deposits and current accounts, up 57% to N292.3 billion and representing 53% of total funding. The group’s balance sheet continued to remain very liquid at 71.4% liquidity ratio at year-end.

The group maintained its signature capital base strength with Tier 1 capital adequacy of 22.2% and total capital adequacy of 22.9% (2010: 32.2%). The ratio is significantly higher than the regulatory minimum of 10%. Group capital is deemed adequate to drive business growth and support business risks and contingencies for the foreseeable future.

Operational and reporting highlights

- Named the best Investment Bank and Brokerage House in Nigeria by EMEA Finance magazine. Also, best Investment Bank by Euromoney and best Sub-Custodian by Global Finance in 2011;
- Received approval from the central bank to offer mobile payment solutions;
- Received approval from the central bank for non interest banking
- Received approval from the central bank to adopt a holding company structure to enable us keep our non-bank units compliant with new universal banking regime;
- Branch and ATM continued to achieve excellent uptime in excess of 99%;
- Upward pressure on costs consistent with investment in the network but strong focus on limiting the growth of other operational expenses; and
- Enhanced the level of information provided in the financials report and accounts provided to shareholders and investors on an annual and quarterly basis.

Conference call and audio webcast for results

Stanbic IBTC Bank (Bloomberg: IBTCCB NL) will be hosting a webcast and teleconference call for analysts and investors on **Wednesday 04 April 2012** at 1pm Lagos (1pm London / 8am New York / 2pm Johannesburg) with its senior management to announce Stanbic IBTC Bank plc's unaudited results for the 12 month period ended 31 December 2011. There will be an opportunity at the end of the call for management to take questions from investors and analysts.

Participants can log on to the link below to access the webcast:

<http://event.on24.com/r.htm?e=447724&s=1&k=9BEBA965E52A8FF789DF5F650F72FED5>

Alternatively, please find below teleconference call dial in details to access the presentation being given by management:

+44(0)20 7806 1951	in the UK and Internationally
+27 11 019 7075	in South Africa

And then quoting the following access code: **2147134**

Participants should register for the call/log on at least five minutes before the start of the presentation. The presentation will also be posted to Stanbic IBTC's website on the morning of the 04 April 2012 at www.stanbicibtc.com.

If you have any queries please do not hesitate to contact Africa Practice or Financial Dynamics on the contact numbers listed below.

FOR FURTHER INFORMATION:

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Notes to editors:

About Stanbic IBTC Bank PLC

Stanbic IBTC Bank is a universal bank and offers its clients the full range of corporate, investment, wealth, personal and commercial banking products and solutions. With more than 171 branches across the country and 2,400 dedicated staff, the bank, established in 1989, has grown quickly since 2007 when it became a member of the Standard Bank Group of South Africa. The Standard Bank Group, which now has a controlling stake of 52.8% in Stanbic IBTC, has been in business for 150 years and is Africa's largest banking group ranked by assets and earnings.

Stanbic IBTC has consolidated its position in Nigeria as a diversified business with a strong capital and liquidity positions and proven track record. The bank has leveraged its excellent Nigerian pedigree while exploiting the skills, economies of scale and synergies that come from being part of an international group.

More information can be found at www.stanbicibtc.com