




# **STANBIC IBTC HOLDINGS PLC FY 2025**

## **Earnings Report Update**

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# Company Overview

Stanbic IBTC Holdings PLC is a diversified financial services group with core operations spanning banking, asset management, and insurance. Its primary business lines include corporate and investment banking, business and commercial banking, and personal financial services. The firm also has a strong presence in asset and pension fund management, alongside insurance and trusteeship services, positioning it as an integrated provider of financial solutions across retail, corporate, and institutional segments.

Billion NGN	FY 2024	FY 2025	YOY
Business & Commercial	126.80	130.12	2.62%
Corporate and Investment	353.14	558.55	58.17%
Personal and Private	64.29	67.36	4.78%
Insurance & Asset Manag.	115.64	155.49	34.46%

# Segment Performance

## Income Analysis

Billion NGN	FY 2023	FY 2024	FY 2025	YOY
Interest income	270.59	566.46	787.05	38.94%
Net interest income	175.19	410.45	585.01	42.53%
Non-Interest income	179.98	236.39	310.72	31.44%
Earnings before tax	172.91	303.80	551.76	81.62%
Net income	140.62	225.31	380.80	69.01%
Earnings per share (Kobo)	1,062	1,394	2,368	69.87%

Stanbic IBTC Holdings delivered a structurally strong earnings expansion, underpinned by both interest and non-interest income streams. Net interest income (NII) grew +42.5% YoY in 2025, moderating from the outsized +134.3% in 2024, but still reflecting sustained balance sheet expansion and yield repricing. Over the 2021–2025 horizon, NII has compounded aggressively, driven by interest income growth of +38.9% in 2025 (vs. +109.3% in 2024), indicating normalization after a high-rate environment boost.

Non-interest income maintained a steady upward trajectory, rising +31.4% YoY in 2025, supported by strong fee generation and trading income resilience. Importantly, earnings quality improved materially as credit costs normalized, with loan loss provisions declining -85.7% YoY, reversing the spike seen in 2024 (+543%). This drove a sharp expansion in net interest income after provisions (+83.5% YoY).

Profitability metrics remained robust, with profit before tax expanding +81.6% YoY, extending a multi-year trend of strong earnings growth (CAGR profile sustained since 2021). Net income grew +69.9% YoY, while margins continued to strengthen (net margin at 42.7%), reflecting improved operating leverage and a more efficient revenue mix.

## Cost Analysis

Billion NGN	FY 2023	FY 2024	FY 2025	YOY
Interest expenses	95.40	156.01	202.04	29.51%
Credit impairment	15.45	99.36	14.22	-85.69%
Operating expenses	166.81	243.69	329.75	35.31%
Income tax expenses	32.29	78.49	170.96	117.83%

Cost dynamics indicate rising operational intensity, albeit still lagging revenue growth. Total operating expenses increased +35.3% YoY in 2025, following a +46.1% increase in 2024, reflecting higher activity levels across segments.

Within this, staff costs rose +30.9% YoY, broadly in line with workforce scaling and compensation adjustments, while other operating expenses grew +37.8% YoY, driven by administrative, technology, and distribution-related costs.

Despite elevated cost growth, the bank maintained positive operating leverage, as revenue growth outpaced cost expansion. This is evidenced by continued improvement in profitability margins (EBT margin rising to 62.6%). However, the persistence of double-digit cost growth signals emerging efficiency pressures, particularly if revenue momentum normalizes in a less supportive macro environment.

## Balance Sheet and Cash Flow Summary

Billion NGN	FY 2023	FY 2024	FY 2025	YOY
Total assets	5,145.60	6,912.09	8,620.11	24.71%
Total liabilities	4,638.67	6,241.44	7,496.21	20.10%
Total equities	506.92	670.65	1,123.90	67.58%
Net cash from operations	-61.42	1,491.70	236.14	-84.17%
Net cash from financing	-83.60	-304.28	407.67	233.98%
Net cash from investing	-18.70	-427.67	-442.15	-3.39%
Net change in cash	-163.72	759.75	201.65	-73.46%

The firm delivered strong balance sheet expansion in FY-2025, with total assets rising 24.7% to ₦8.62 trillion, driven by aggressive credit growth and increased exposure to financial instruments. Loans and advances surged 60%, supported by corporate lending, while investments and trading assets expanded amid high yields. Deposits grew 46%, reinforcing funding stability, although higher term deposits and increased borrowings point to rising funding costs. Equity growth strengthened capital buffers but lagged asset expansion, indicating increased leverage.

However, cash flow dynamics present a more cautious outlook. Despite strong profitability, operating cash flow turned negative due to working capital absorption from rapid loan growth, highlighting weaker cash backing of earnings. This gap was offset by strong financing inflows driven by debt issuance, supporting liquidity but increasing reliance on external funding and exposing the bank to potential refinancing risks.

## Investor Concerns

Stanbic IBTC Holdings Plc exhibits weak cash flow conversion, with operating cash flow turning negative despite strong profitability, indicating earnings are largely driven by balance sheet expansion rather than realized cash generation.

Funding risks are also rising, as increased reliance on term deposits, borrowings, and debt issuance points to potential upward pressure on funding costs and margin compression. Rapid asset growth, particularly in loans and interbank placements, further heightens concerns around credit risk build-up and asset quality durability in a tightening macro environment.

Additionally, the bank's leverage profile is increasing, with liabilities outpacing internally generated cash flows, signaling greater dependence on external funding and exposure to refinancing risks. Liquidity flexibility is further constrained by high regulatory reserves, limiting deployable funds.

“ Stanbic IBTC Holdings PLC exhibits a strong earnings trajectory supported by aggressive balance sheet growth, diversified income streams, and improved credit performance, positioning it as a high-growth financial intermediary within Nigeria's banking sector. However, the disconnect between profitability and operating cash flows, alongside rising reliance on interest-bearing liabilities, introduces structural risks around liquidity and funding sustainability. Looking ahead, elevated inflationary pressures in Nigeria present a double-edged dynamic, while higher interest rates may sustain asset yields and support net interest income, they also increase funding costs, pressure borrowers' repayment capacity, and elevate credit risk, potentially reversing recent gains in asset quality. Consequently, the firm's ability to reprice assets efficiently, maintain low-cost deposits, and manage credit risk prudently will be critical in determining whether current performance momentum is sustainable in an inflationary macroeconomic environment. ”

## Our Insight

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