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BLOOMBERG: STANBIC NL

STANBIC IBTC HOLDINGS PLC

NIR remains the primary earnings driver

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In its unaudited 9M'26 results, Stanbic IBTC Holdings Plc (NGX: STANBIC; TP: UR*) reported a 33.0% YoY rise in Profit After Tax (PAT) to N370.4 billion, primarily driven by a significant jump in trading revenue (8.8x YoY).

Non-interest revenue (NIR, +109.9% YoY) remained the primary earnings driver, buoyed by trading revenue, which surged 8.8x YoY to N210.0 billion. Robust growth in net fees and commissions (+26.5% YoY) also contributed to performance, anchored by increases in asset management fees (+30.8% YoY), brokerage & financial advisory fees (+26.9% YoY), and custody fees (+41.8% YoY).

Net interest income declined by 14.9% YoY as interest expense rose 27.6% YoY to N165.6 billion, driven by higher costs on term deposits (+48.8% YoY) and on borrowed funds (+42.7%). Interest income also declined, reflecting a 5.7ppts YoY moderation in asset yields to 14.1%, masking the reported 15.4% YoY expansion in interest-earning assets (IEA), as interest on loans to customers fell to N315.2 billion (vs N357.8 billion in 9M'25). Net interest margin then settled at 9.8% (-5.6 ppts YoY).

Elsewhere, significantly lower impairment charges supported performance, with net credit impairment charges dropping by 95.6% YoY to N0.5 billion, driven by a N14.4 billion net write-back on customer loans and a 57.5% YoY increase in recoveries of loans previously written off to N15.3 billion (9M'25: N9.7 billion). The group also reported an 11.5% YoY expansion in gross loans to N2.7 trillion, with the NPL ratio at 2.6% (FY'25: 2.7%).

Operating expenses (OPEX) grew 14.3% YoY to N285.4 billion (9M'25: N249.7 billion), primarily driven by higher staff costs (+25.3% YoY to N103.9 billion) and elevated AMCON levies (+22.7% YoY to N44.7 billion). Cost-to-income ratio (CIR), however, improved by 3.2ppts to 34.9% (9M'25: 38.1%) as the increase in operating income (+24.8% YoY to N817.8 billion) outpaced OPEX.

Overall, performance translated into a 33.0% YoY growth in EPS to N23.03 (9M'25: N17.31). Annualised ROAA and ROAE printed at 5.4% (9M'25: 4.9%) and 38.7% (9M'25: 42.8%), respectively.

9M'26 Earnings Breakdown

N'billion	9M'26	9M'25	YoY
Gross Earnings	**1,001.1**	**802.8**	**24.7%**
Interest income	545.4	576.2	-5.4%
Interest expense	(165.6)	(129.7)	27.6%
Net interest income	379.8	446.5	-14.9%
Net impairment charges on financial assets	(0.5)	(11.6)	-95.6%
Non-interest income	438.0	208.7	109.9%
Operating Expenses	(285.4)	(249.7)	14.3%
Profit before tax	**531.9**	**393.8**	**35.0%**
Income tax expense	(161.5)	(115.4)	40.0%
Profit for the period	**370.4**	**278.5**	**33.0%**
Ratio Analysis			
Net-interest margin	9.8%	15.4%	
Cost-of-risk (CoR)	0.7%	0.6%	
Cost to income (CIR)	34.9%	38.1%	
Annualized ROAA	5.4%	4.9%	
Annualized ROAE	38.7%	42.8%	
EPS (N)	23.03	17.31	
P/B	1.8x		
10-yr average P/B	1.6x		

Q3'26 Earnings Breakdown

N'billion	Q3'26	Q3'25	YoY	Q2'26	QoQ
Gross Earnings	**346.2**	**282.2**	**22.7%**	**320.5**	**8.0%**
Interest income	186.3	196.6	-5.3%	172.8	7.8%
Interest expense	(72.7)	(60.9)	19.4%	(42.3)	71.8%
Net interest income	113.5	135.6	-16.3%	130.4	-13.0%
Net impairment charges on financial assets	6.8	(0.5)	NM	(4.5)	NM
Non-interest income	160.0	85.6	86.8%	147.7	8.3%
Operating Expenses	(90.0)	(70.6)	27.5%	(97.5)	-7.7%
Profit before income tax	**190.3**	**150.1**	**26.8%**	**176.2**	**8.0%**
Income tax expense	(59.6)	(45.0)	32.4%	(51.4)	15.9%
Profit for the period	**130.7**	**105.0**	**24.4%**	**124.8**	**4.7%**

**UR- Under Review*

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Sources: S&P Capital IQ, Company financials, CardinalStone Research

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