

October 20, 2026.



Earnings Note

Highlights

- Gross Earnings grew by 17% Year on Year (YoY) to ₦322.70 billion in Q2 2026, moderating from 39% growth in Q1 2026.
- Profit After Tax (PAT) increased by 37% YoY to ₦124.76 billion in Q2 2026.
- Cost-to-Income Ratio improved from 41% in Q2 2025 to 36% in Q2 2026.
- Interim Dividend of ₦4.50k was declared.

Income Statement

Stanbic IBTC’s earnings growth moderated in Q2 2026, with gross earnings increasing by 17% from ₦276.45 billion in Q2 2025 to ₦322.70 billion YoY, compared with the 39% growth recorded in Q1 2026. Despite the moderation, the Group’s performance benefited from a substantial increase in trading revenue and stronger fees and commission income, which more than offset the decline in net interest income. This shift in the earnings mix highlights the growing contribution of non-interest income to the Group’s overall performance.

The pressure on net interest income stemmed primarily from a decline in interest income. This revenue stream fell by 13% YoY from ₦199.14 billion (Q2 2025) to ₦172.78 billion in the corresponding period of 2026. This decline was largely attributable to lower interest income from loans and advances amid the easing interest rate environment, despite YoY growth in the loan book.

Conversely, interest expenses increased by 11% from ₦38.19 billion to ₦42.34 billion, this reflects the significant increase in customer and bank deposits, which rose from ₦3.70 trillion in H1 2025 to ₦5.73 trillion in H1 2026. Consequently, net interest income declined by 19% YoY from ₦160.94 billion to ₦130.45 billion, underscoring the pressure on the Group’s core interest earnings from lower asset yields and a higher deposit base.

However, the blow from the decline in net interest income was softened by strong growth in fees and commission income. Gross fees and commission income increased by 25% YoY from ₦59.88 billion to ₦74.97 billion, supported by higher brokerage, financial advisory fees, asset management fees, and custody transaction fees.

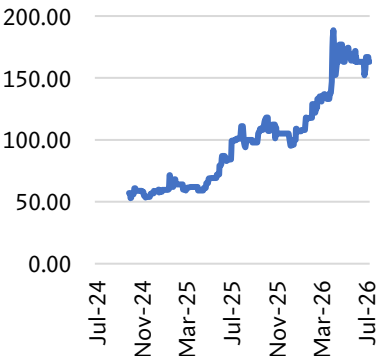
Meanwhile, fees and commission expenses declined by 12% to ₦5.15 billion from ₦5.86 billion. As a result, net fees and commission income rose by 29% from ₦54.02 billion to ₦69.82 billion from ₦54.02 billion, reinforcing the contribution of the Group’s non-interest revenue streams to earnings.

Beyond fee-based income, trading revenue recorded a particularly strong performance, surging from ₦6.12 billion in Q2 2025 to ₦71.19 billion in Q2 2026, representing an increase of approximately 1,064% YoY. This significant expansion coincided with a 222% increase in the Group’s trading assets, which rose from ₦897.54 billion in H1 2025 to ₦2.89 trillion in H1 2026 as it was fueled substantial gains in fixed income and currency trading. The growth in trading revenue was therefore a major contributor to the Group’s overall earnings performance, helping offset the weakness in net interest income.

Fair Value Estimate:
₦141.66

Stock Data	
Current price (N)	160.00
Shares Outstanding (mn)	15,902
Market Cap (N'mn)	2,544,283
52-week high (N)	188.55
52-week low (N)	94.60
Trailing EPS (N)	23.95
Forward EPS (N)	31.14
Forward PE (X)	5.14
Justified PE Multiple (X)	4.55

Price Movement



Stock Data	FY 2024	FY 2025	FY 2026F
P/E	3.16x	6.68x	5.14x
P/BV	1.06x	2.26x	1.69x
PBT Margin	37%	49%	49%
PAT Margin	27%	34%	34%
RoE	38%	42%	40%
Dividend Yield	9%	7%	6%

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In addition to stronger non-interest income, the Group benefited from a substantial reduction in impairment charges, which declined by 69% YoY from ₦14.55 billion to ₦4.48 billion. This improvement was largely attributed to recoveries on loans and advances previously written off, providing further support to profitability. Non-interest earnings as a composition of gross earnings grew 94% YoY from ₦77.28 billion to ₦149.92 billion. This is an additional arrow for growth in the quiver of Stanbic IBTC Holdings.

Operating expenses increased by 9% YoY from ₦89.02 billion to ₦97.47 billion, driven primarily by higher staff costs and AMCON (Asset Management Company of Nigeria) expenses. However, revenue growth and the stronger contribution from non-interest income more than offset the increase in operating costs, allowing the cost-to-income ratio to improve from 41% in Q2 2025 to 36% in Q2 2026.

Overall, Profit before tax (PBT) increased by 38% YoY from ₦127.33 billion in Q2 2025 to ₦176.21 billion in Q2 2026, while PAT rose by 37% to ₦124.76 billion from ₦91.37 billion, despite a 43% increase in income tax expense. The result highlights the Group's ability to attain profitable growth despite pressure on its core interest income, although the increasing contribution of trading activities warrants attention when assessing the sustainability of earnings.

Outlook

WSTC Research expect Stanbic IBTC's earnings to remain supported by its expanded trading portfolio, largely comprising Treasury bills and reverse repurchase agreements. This form of earnings tends to be of a lower credit risk in comparison with conventional lending and equity investments. The significant growth in trading assets provides scope for sustained trading income, although actual returns will depend on prevailing market yields, reinvestment rates and the effectiveness of risk management.

In the short term, WSTC Research expects the portfolios of trading assets to continue supporting earnings, particularly as pressure on net interest income persists in a declining interest rate environment.

With an improved capital adequacy ratio (CAR) of 25.1% as at H1 2026 (up from 18.5% at FY 2025). The strengthened capital position of Stanbic IBTC Holdings creates opportunity and greater capacity to expand risk-weighted assets, subject to regulatory requirements and internal risk limits. A measured expansion of the loan book could therefore support interest income generation and help offset the impact of lower lending yields.

With respect to shareholder returns, we expect the Group to maintain a dividend payout ratio of approximately 30%, in line with its assumed distribution policy. Having paid an interim dividend of ₦4.50 per share, we estimate a final dividend of around ₦4.84 per share, subject to full-year earnings. WSTC Research's total dividend assumption for Stanbic IBTC is ₦9.34 for FY 2026.

WSTC Research maintains a positive outlook on Stanbic IBTC, supported by its strong capital position, growing non-interest income, and improved operating efficiency. We consider the stock attractive for existing shareholders.

Q2 2026 Financial Performance

Income Statement (N'mn)	Q2 2026	Q2 2025	(%)
Gross earnings	322,700	276,451	17%
Interest income	172,783	199,136	-13%
Interest expense	(42,335)	(38,192)	11%
Net interest income	130,448	160,944	-19%
Net impairment loss	(4,484)	(14,553)	-69%
Net interest income after impairment	125,964	146,391	141%
Non-interest income	149,917	77,315	94%
Net fee and commission	69,817	54,020	29%
Fee and commission income	74,968	59,882	25%
Fee and commission expense	(5,151)	(5,862)	-12%
Income from insurance activities	5,392	3,782	43%
Net insurance service result before reinsurance contracts held	2,444	5,275	-54%
Net expense from reinsurance contracts held	(68)	(144)	-53%
Net insurance finance expenses	1,994	(7,694)	-126%
Net investment income from insurance	1,022	6,345	-84%
Trading revenue/(expense)	71,194	6,118	1064%
Other income/(loss)	1,311	6,040	-78%
Operating income	273,678	216,351	26%
Staff costs	(33,599)	(29,030)	16%
Other operating expenses	(63,872)	(59,992)	6%
Operating expenses	(97,471)	(89,022)	9%
Profit before tax	176,207	127,329	38%
Income tax	(51,446)	(35,960)	43%
Profit after tax	124,761	91,369	37%

Source: Company Accounts, WSTC Research

H1 2026 Financial Performance

Income Statement (N'mn)	H1 2026	H1 2025	(%)
Gross earnings	650,311	511,454	27%
Interest income	359,104	379,607	-5%
Interest expense	(92,826)	(68,773)	35%
Net interest income	266,278	310,834	-14%
Net impairment loss	(7,356)	(11,104)	-34%
Net interest income after impairment	258,922	299,730	141%
Non-interest income	291,207	131,847	121%
Net fee and commission	145,260	114,307	27%
Fee and commission income	158,110	123,656	28%
Fee and commission expense	(12,850)	(9,349)	37%
Income from insurance activities	4,231	3,017	40%
Net insurance service result before reinsurance contracts held	4,569	2,431	88%
Net expense from reinsurance contracts held	(268)	(88)	205%
Net insurance finance expenses	(4,688)	(5,111)	-8%
Net investment income from insurance	4,618	5,785	-20%
Trading revenue/(expense)	126,355	(856)	-14861%
Other income/(loss)	2,173	6,616	-67%
Operating income	536,941	422,814	27%
Staff costs	(60,041)	(53,629)	12%
Other operating expenses	(135,335)	(125,441)	8%
Operating expenses	(195,376)	(179,070)	9%
Profit before tax	341,565	243,744	40%
Income tax	(101,882)	(70,313)	45%
Profit after tax	239,683	173,431	38%
Balance Sheet (N'mn)	H1 2026	H1 2025	(%)
Assets			
Cash & balances with CBN	1,392,270	2,253,728	-38%
Loans and advances to banks	856,468	166,528	414%
Loans and advances to customers	2,585,614	2,329,226	11%
Trading assets	2,891,891	897,541	222%
Derivatives assets	70,351	60,901	16%
Investment securities	1,633,642	1,257,010	30%
Others	1,482,138	1,157,597	28%
Total Assets	10,912,374	8,122,531	34%
Liabilities			
Deposits from customers	4,629,776	3,428,070	35%
Deposits from banks	1,103,471	269,043	310%
Trading liabilities	1,862,727	1,764,607	6%
Derivatives liabilities	4,302	5,749	-25%
Borrowings	526,890	381,403	38%
Others	1,489,645	1,322,421	13%
Total Liabilities	9,616,811	7,171,293	34%
Net Assets	1,295,563	951,238	36%

Source: Company Accounts, WSTC Research

Financial Projection

Income Statement (N'mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Gross earnings	821,142	1,130,119	1,445,937	1,775,735	2,121,944	2,534,502	3,062,814
Interest income	566,462	787,052	888,314	1,018,793	1,135,886	1,256,391	1,376,141
Interest expense	-156,011	-202,044	-259,368	-282,090	-303,129	-323,447	-353,830
Net interest income	410,451	585,008	628,946	736,703	832,758	932,945	1,022,310
Non-interest income	236,393	310,716	512,575	691,857	900,601	1,170,350	1,540,953
Operating expense	-243,689	-329,747	-417,848	-513,153	-613,201	-732,422	-885,094
Impairment charge	-99,359	-14,220	-16,189	-17,993	-19,857	-21,771	-23,842
Profit before tax	303,796	551,757	707,483	897,415	1,100,301	1,349,101	1,654,327
Profit after tax	225,311	380,796	495,238	628,190	770,210	944,371	1,158,029
EPS (N)	17.39	23.95	31.14	39.50	48.43	59.39	72.82
DPS (N)	5.00	6.50	9.34	11.85	14.53	17.82	21.85
Balance Sheet (N'mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Gross loans	2,522,547	3,925,950	4,713,035	5,268,131	5,824,822	6,417,381	7,004,847
Net loans	2,400,232	3,841,749	4,611,953	5,155,144	5,699,895	6,279,746	6,854,612
Non-Performing Loans	103,496	83,640	146,888	138,211	167,178	176,274	196,728
Total assets	6,912,092	8,620,110	10,021,628	11,201,964	12,385,692	13,645,688	14,894,855
Customer deposits	3,009,862	4,371,784	5,070,569	5,669,356	6,093,144	6,541,241	7,534,140
Shareholder's funds	670,648	1,123,903	1,335,601	1,829,005	2,434,411	3,177,632	4,088,775
BV/Share	51.76	70.68	83.99	115.02	153.09	199.83	257.12
Ratio Analysis	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Net Interest Margin	8%	8%	7%	7%	8%	8%	8%
PAT margin	27%	34%	34%	35%	36%	37%	38%
RoE	38%	42%	40%	40%	36%	34%	32%
RoA	4%	5%	5%	6%	7%	7%	8%
Capital Adequacy Ratio	16%	18%	26%	30%	35%	41%	47%
Cost/Income	59%	46%	38%	39%	37%	37%	36%
Loans/Deposit	73%	80%	81%	81%	83%	85%	81%

Source: Company Accounts, WSTC Research



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- Hold Rating: estimated change in price is between -10% and 19% of current market price.
- Sell Rating: estimated change in price is $\leq -10\%$ of current market price.

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