



UPDATE TO THE NIGERIAN STOCK EXCHANGE ON THE PUBLICATION OF STANBIC IBTC HOLDINGS PLC 2015 AUDITED FINANCIAL STATEMENTS

Stanbic IBTC Holdings PLC would like to give an update to The Nigerian Stock Exchange (NSE), its esteemed shareholders and stakeholders on the position regarding the publication of Stanbic IBTC Holdings PLC's 2015 audited financial statements.

On 24 March 2016, Stanbic IBTC Holdings PLC informed The NSE and our shareholders and stakeholders about the reporting challenges it was experiencing with the Financial Reporting Council of Nigeria (FRC) in respect of its 2015 financial statements, which led to our engaging with our External Auditors about the details of the appropriate presentation of certain items in our Financial Statements, which are the subject of the ongoing legal proceedings.

We also sought the approval of the NSE and the Securities and Exchange Commission (SEC) to file our 2015 audited financial statements outside the period specified by the Rules (31 March 2016) as we continued to work towards the timely finalization of our 2015 audited financial statements.

On 24 March 2016, Stanbic IBTC Holdings PLC obtained the approval of the NSE to a delay in filing our 2015 audited financial statements. The SEC however applied its regulatory sanction for late filing of financial statements by a listed entity. In addition, the challenges with the FRC have however unfortunately continued.

- On 15 March 2016, the FRC published on its website undated New Rules which the FRC said applied with immediate effect. This inferred that these rules would apply to all financial statements that had not been finalized as at 15 March 2016.
- On 29 March 2016, The NSE alerted the market in its circular NSE/LARD/LRD/CIR5/16/03/29 to the concessions that The NSE had agreed with the FRC regarding compliance with Rules 1 and 2 of the New FRC Rules for entities with an accounting reference period of 31 December 2015 or earlier. However, it was expressly stated that these concessions would not apply to entities that are in court with the FRC, which effectively excluded Stanbic IBTC Holdings PLC from enjoying the benefit of such concessions.
- On 19 January 2016, Stanbic IBTC Holdings PLC obtained injunctions restraining the FRC from interfering with or hindering or impeding Stanbic IBTC Holdings PLC and its subsidiaries from carrying on their businesses or enforcing the FRC's regulatory decision of 26 October 2015. FRC has however refused to comply with the injunctions on the basis that it has appealed the injunctions. It has continued to enforce its regulatory decision in violation of the extant injunctions and to obstruct Stanbic IBTC Holdings PLC and its subsidiaries from finalizing their 2015 audited financial statements.
- The FRC also informed Stanbic IBTC Holdings PLC's external auditors, KPMG, that as they are "privies" of FRC, it would sanction the firm if it issues an audit opinion in respect of the financial statements of Stanbic IBTC Holdings PLC or any of its subsidiaries.

- Stanbic IBTC Holdings PLC has prepared its 31 December 2015 financial statements in compliance with the undated New FRC Rules published on 15 March 2016 and all extant accounting standards. KPMG has however indicated that they will not be able to express an audit opinion in respect of the financial statements given the stance taken by the FRC on this issue.
- Stanbic IBTC Holdings PLC considers the position taken by the FRC with respect to the injunction and its 2015 financial statements erroneous and unfortunate and has alerted the Central Bank of Nigeria (CBN), its primary statutory regulator, as well as the Honorable Minister of Industry, Trade and Investment to the challenges posed by the FRC.
- The FRC has informed Stanbic IBTC Holdings PLC that it will not comply with the court orders or engage constructively with Stanbic IBTC Holdings PLC unless and until there is a non-appealable decision of a court of competent jurisdiction. It is pertinent to mention that only decisions of the Supreme Court of Nigeria are non-appealable.
- Stanbic IBTC Holdings PLC will continue to exercise its constitutional right to seek redress and protection through the legal process and the law courts.
- Stanbic IBTC Holdings PLC continues to engage with the CBN and its solicitors, Fidelis Oditah & Co, and to comply fully with all extant laws and regulations applicable to the conduct of its business.
- Stanbic IBTC Group remains well capitalised, liquid and continues to trade profitably.

**Signed
Management**

27 May 2016

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