Stanbic IBTC

Annual Report

For the year ended 31 December 2023

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GROWING TRUST

1 Overview

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 12th Annual General Meeting of Stanbic IBTC Holdings PLC will be held at the Grand Ball Room, Eko Hotel and Suites, Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos on Thursday, 16 May 2024 at 10.00 am to transact the following business:

Ordinary business:

1. To receive and consider the Report of the Directors and the Financial Statements for the year ended 31 December 2023 and the Auditors' Report thereon.
2. To declare a dividend.
3. To re-elect retiring Directors
4. To disclose the remuneration of the Managers of the Company.
5. To authorise the Directors to fix the remuneration of the Auditors for the ensuing year; and
6. To elect members of the Audit Committee.

Special business:

7. To consider and if thought fit pass the following as an ordinary resolution:

"That the directors' annual fees for the year ending 31 December 2024 be and is hereby fixed at ₦653,000,000.00"

8. To consider and if thought fit pass the following sub-joined resolutions as a Special Resolution:

(a) "That subject to receipt of any required regulatory approvals and pursuant to Article One of the Company's Articles of Association, the Directors be and are hereby authorised to establish a Debt Issuance Programme (the "Programme") in an amount of up to ₦400,000,000,000 (four hundred billion naira) or such foreign currency equivalent thereof as the Directors may consider appropriate, for the purpose of issuing debt securities (to include senior unsecured or secured, subordinated, convertible, preferred, equity linked or such other forms of debt obligations) by way of public offering, private placement, additional tier one or tier two capital raising, investments, book building process or any other method, in tranches of such amounts and at such dates, coupon or interest rates and upon such terms and conditions as may be determined by the Directors, subject to the grant of all required approvals from the relevant regulatory authorities

(b) That the Directors be and are hereby authorised to enter into and execute all such agreements, deeds, notices and documents as may be necessary for or incidental to the Company's ₦400 billion Programme and the Directors are also authorised to appoint all such professional parties necessary for or incidental to, the actualisation of the Programme, including, without limitation, complying with the directives of any regulatory authority."

9. To consider and if thought fit pass the following sub-joined resolutions as an ordinary resolution:

9.1 "That subject to receipt of any required regulatory approvals and pursuant to Clause Seven of the Company's Memorandum of Association:

a. The Directors be and are hereby authorised to raise additional equity capital of up to ₦150,000,000,000 (One Hundred and Fifty Billion Naira) by way of a Rights Issue or offer for subscription on such terms, tranches, conditions and dates as may be determined by the Directors;

b. In the event of an under-subscription to any Rights Issue or Offer for Subscription, the Directors are authorised to offer the unsubscribed shares first to interested existing shareholders; and where following such offer, any portion of the shares, remain unsubscribed, then the Directors are hereby authorised to offer such unsubscribed shares that may be outstanding, to interested investors on similar terms to the Rights Issue or Offer for subscription;

9.2 "That in accordance with Article Six of the Company's Articles of Association, the Board of Directors ("the Board") be and unconditionally authorised to exercise the power conferred on them by Article Six of the Company's Articles of Association as may from time to time be varied so that, to the extent and in the manner determined by the Directors, the holders of ordinary shares in the Company may be permitted to elect to receive new ordinary shares in the Company, credited as fully paid, instead of the whole or any part of any cash dividends (including interim dividends) paid by the Directors or declared by the Company in general meeting (as the case may be) from the date this resolution is passed until the earlier of five years from the date of the passing of this resolution and the date on which the annual general meeting of the Company to be held in 2029 occurs.

9.3 Directors be and are hereby authorised to issue such new Ordinary Shares and/or make such allotments of shares or approve any allotment proposals as may be deemed necessary and expedient to give effect to the above resolution, subject to obtaining the approvals of the relevant regulatory authorities.

9.4 That Directors be authorised to enter into any agreement and/or execute any document necessary to give effect to the above resolutions; and

9.5 That Directors be and are hereby authorised to appoint such professional parties and advisers and to perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority.

10. To consider and if thought fit pass the following sub-joined resolutions as an ordinary resolution:

10.1 "That following the completion of the additional equity capital raise as contemplated in Clause 9 above, the Issued and Paid Up Share Capital of the Company be increased from ₦6,478,498,581.50 (six billion, four hundred and seventy eight million, four hundred and ninety eight thousand, five hundred and eighty one Naira, fifty kobo) divided into 12,956,997,163 ordinary shares of 50 Kobo each to a maximum of up to ₦8,250,000,000.00 (Eight billion, two hundred and fifty million Naira) by the creation of up to 3,543,002,837 (Three Billion, five hundred and forty three million, two thousand eight hundred and thirty seven) Ordinary shares of 50 Kobo each; such new shares to rank pari passu in all respects with the existing ordinary shares in the capital of the Company;

10.2 "Any increases in share capital pursuant to such equity capital raise contemplated in Clauses 9 and 10.1 above, shall be registered with the Corporate Affairs Commission, in such incremental proportions or tranches as may be undertaken by the Company as the Board in its absolute discretion may deem necessary or desirable; and the Board is hereby authorised to issue on behalf of shareholders, such Resolutions as may be required by the Corporate Affairs Commission in order to effect the Registration of any tranche or proportion of the proposed Increase in share capital.

10.3 "That as a consequence thereof, Clause 6 of the Memorandum of Association of the Company shall be amended upon completion of each equity capital raise to reflect any new issued and paid up share capital as may be determined by Directors in their absolute discretion."

11. To consider, and, if thought fit, pass the following resolution as an ordinary resolution:

"That in compliance with the Rules of the Nigeria Exchange Limited regulation governing transactions with Related Parties or Interested Persons, the Company and its related entities (the Group) be and are hereby granted a General Mandate in respect of all recurrent transactions entered into with a related party or interested person provided such transactions are of a revenue or trading nature or are necessary for the Company's day-to-day operations {as specified in the General Mandate Circular sent to Shareholders along with the Annual Report}. This mandate shall commence on the date on which this resolution is passed and shall continue to operate until the date on which the next Annual General Meeting of the Company is held in 2025."

Dated this 24 day of April 2024
BY ORDER OF THE BOARD

Chidi Okezie
Company Secretary

Notes:

Proxies

Only members are entitled to be represented at the meeting. A member entitled to attend and vote may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company. For a proxy to be valid, it must be appropriately stamped (at the rate of ₦500) at the stamp duties office and deposited at the registered office of the company or the office of the Registrars (First Registrars and Investors Services Limited, 2 Abebe Village Iganmu Lagos) at least 48 hours before the time fixed for the meeting. A blank proxy form is forwarded with the notice of meeting.

Dividends

If the dividend recommended by the Directors is approved at the Meeting, the accounts of shareholders with the appropriate e-dividend mandate, will be credited on Friday, 17 May 2024 to shareholders whose names appear on the Register of shareholders at the close of business on Friday, 19 April 2024.

Closure of register

The Register of members was closed from Monday, 22 April 2024 to Friday, 26 April 2024.

Unclaimed dividends

Several dividends remain unclaimed or are yet to be presented for payment or returned to the Registrars for revalidation. A schedule of members who are yet to claim their dividends will be circulated to Shareholders along with the Annual Report and Financial Statements. Members affected are advised to write or call at the office of the Company's Registrars, First Registrars and Investors Services Limited, Plot 2, Abebe Village, Iganmu, Lagos during normal working hours.

E-dividend

Notice is hereby given to all shareholders to open bank accounts in order to take advantage of the E-dividend payment platform. A detachable application form for e-dividend and e-bonus is attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Registrars (First Registrars and Investors Services Limited) as soon as possible.

We request our shareholders to use the e-dividend payment portal that will serve as an on-line verification and communication medium for e-dividend mandate processing through the new E-Dividend Mandate Management System jointly introduced by the Central Bank of Nigeria, Securities and Exchange Commission, Nigeria Inter-Bank Settlement Systems PLC and the Institute of Capital Market Registrars.

Rights of Shareholders to ask Questions

Shareholders have a right to ask questions not only at the Meeting, but also in writing before the Meeting, and such questions must be submitted to the Company Secretary at the Head Office of the Company (Stanbic IBTC Towers, Walter Carrington Crescent, Victoria Island, Lagos) or by email to Chidi.Okezie@stanbicibtc.com or Remilekun.Ishola@stanbicibtc.com, on or before Friday, 10 May 2024.

Voting

Voting shall be by show of hands.

Voting By Interested Persons

In line with the provisions of Rule 20.8 (h) Rules Governing Related Party Transaction of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives or associates shall abstain from voting on resolution 11 above.

Audit Committee

In accordance with Section 404(6) of the Companies and Allied Matters Act 2020, any shareholder may nominate another shareholder for appointment to the Audit Committee. Such nomination shall be in writing and must reach the Company Secretary not less than 21 days before the date of the Annual General Meeting. The Companies and Allied Matters Act 2020, stipulates that all members of the audit committee shall be financially literate, and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. Also, the Securities and Exchange Commission's Code of Corporate Governance has indicated that members of the Audit Committee should have basic financial literacy and should be able to read financial statements.

Accordingly, we would therefore request that the nominations be accompanied by a copy of the nominee's curriculum vitae.

Re-election and election of directors

In accordance with the provisions of the Company's Articles of Association, the Directors to retire by rotation at the AGM are Mr. Basil Omiyi CFR, Mr. Adekunle Adedeji, Mrs. Nkemdilim Begho, and Mrs. Salamatu Suleiman. With the exception of Mr. Basil Omiyi CFR, who will not be seeking a re-election, the other three retiring Directors, being eligible, are offering themselves for re-election.

Stanbic IBTC Holdings PLC
RC 1018051

Proxy form for Stanbic IBTC Holdings PLC

12th Annual General Meeting to be held at Grand Ballroom, Eko Hotel and Suites, Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos on Thursday, 16 May 2024 at 10.00 am to transact the following business.

I, Mr or Mrs or Miss

Account number:

Shareholder's name:

Number of shares

being a member of Stanbic IBTC Holdings PLC hereby appoint

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or failing him or her the Chairman of the meeting as my Proxy to attend and vote for me and on my behalf at the Annual General Meeting of the Company to be held on Thursday, 16 May 2024 at 10.00 am and at any adjournment thereof.

Dated this _ _ _ _ _ _ _ _ _ _ **day of** _ _ _ _ _ _ _ _ _ _ _ _ _ _ **2024**

Signature(s) of Shareholder(s):

Name of Shareholder:

Number of Shares:			
Resolutions	**For**	**Against**	**Abstain**
To receive and consider the Report of the Directors and the Financial Statements for the year ended 31 December 2023 and the Auditors' Report thereon.			
To declare a dividend			
To re-elect the following retiring Directors: Mr Adekunle Adedeji Mrs. Nkemdilim Begho Dr. Salamatu Suleiman			
To authorise the Directors to fix the External Auditor's remuneration for the ensuing year.			
To elect members of the Audit Committee.			
To approve Directors' fees for the year ending 31 December 2024			
To approve Debt Issuance Programme			
To approve Increase in Share Capital and Consequential Amendments to Memart			
To grant the Company and its related entities ('the Group') a General Mandate in respect of all recurrent transactions entered into with a related party or interested person in respect of transactions of a revenue or trading nature			
Please indicate with an 'X' in the appropriate box how you wish your votes to be cast on the resolutions set out in the Notice of Meeting. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.			

Stanbic IBTC Holdings PLC
RC 1018051

Admission card

Please admit the Shareholder or his or her or its duly appointed Proxy to the 12th Annual General Meeting to be held at Grand Ballroom, Eko Hotel and Suites, Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos on Thursday, 16 May 2024 at 10.00 am.

Please tick 'I' in the appropriate box above before presenting this card for admission to the meeting

Shareholder ☐

Proxy shareholder ☐

Name of shareholders (in BLOCK LETTERS)

Account number

Number of shares

Shareholders name

Signature of the person attending

Number of shares

* BEFORE POSTING THE ABOVE FORM OF PROXY, PLEASE TEAR OFF THIS PART AND RETAIN IT.

Notes:
Only members are entitled to be represented at the meeting. A member entitled to attend, and vote may appoint one or more proxies to attend and vote instead of him/her. All instruments of proxy must be deposited at the Registered Office of the Company or the Office of the Registrars, First Registrars and Investor Services Limited, No 2, Abebe Village Road, Iganmu, Lagos not later than 48 hours before the time for holding the meeting.

Vision and values

To be the leading end-to-end financial solutions provider in Nigeria through innovative and customer-focused people.

Serving our customers

We do everything in our power to ensure that we provide our clients with the products, services and solutions to suit their needs, provided that everything we do for them is based on sound business principles.

Growing our people

We encourage and help our people to develop to their full potential and measure our leaders on how well they grow and challenge the people they lead.

Working in teams

We, and all aspects of our work, are interdependent. We appreciate that as teams we can achieve much greater things than as individuals. We value teams within and across business units, divisions and countries.

Constantly raising the bar

We have confidence in our ability to achieve ambitious goals and we celebrate success, but we are careful never to allow ourselves to become complacent or arrogant.

Delivering to our shareholders

We understand that we earn the right to exist by providing appropriate long-term returns to our shareholders. We try extremely hard to meet our various targets and deliver on our commitments.

Respecting each other

We have the highest regard for the dignity of all people. We respect each other and what Stanbic IBTC stands for. We recognise that there are corresponding obligations associated with our individual rights.

Being proactive

We strive to stay ahead by anticipating rather than reacting, but our actions are always carefully considered.

Upholding the highest levels of integrity

Our entire business model is based on trust and integrity as perceived by our stakeholders, especially our clients.

Results at a glance

Total assets

+70%

- **FY 2023: ₦5.15 trillion**
- **FY 2022: ₦3.03 trillion**

Customer deposits

+66%

- **FY 2023: ₦2.07 trillion**
- **FY 2022: ₦1.25 trillion**

Net customer loans

+69%

- **FY 2023: ₦2.03 trillion**
- **FY 2022: ₦1.20 trillion**

Cost-to-income ratio

- **FY 2023: 47.0%**
- **FY 2022: 53.8%**

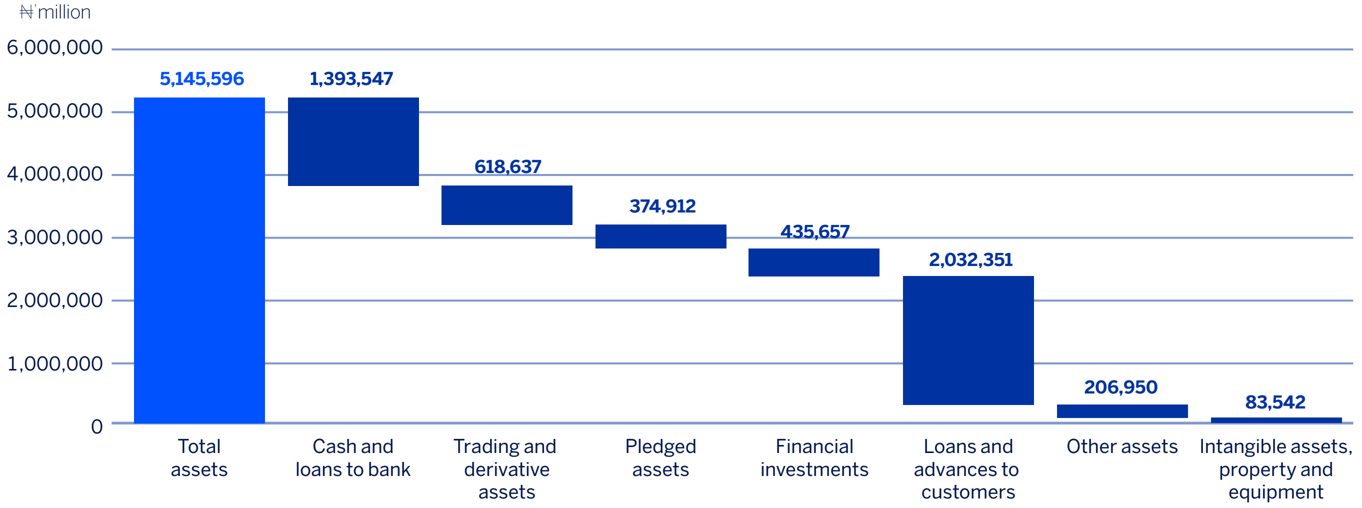
CASA ratio

- **FY 2023: 72.0%**
- **FY 2022: 71.7%**

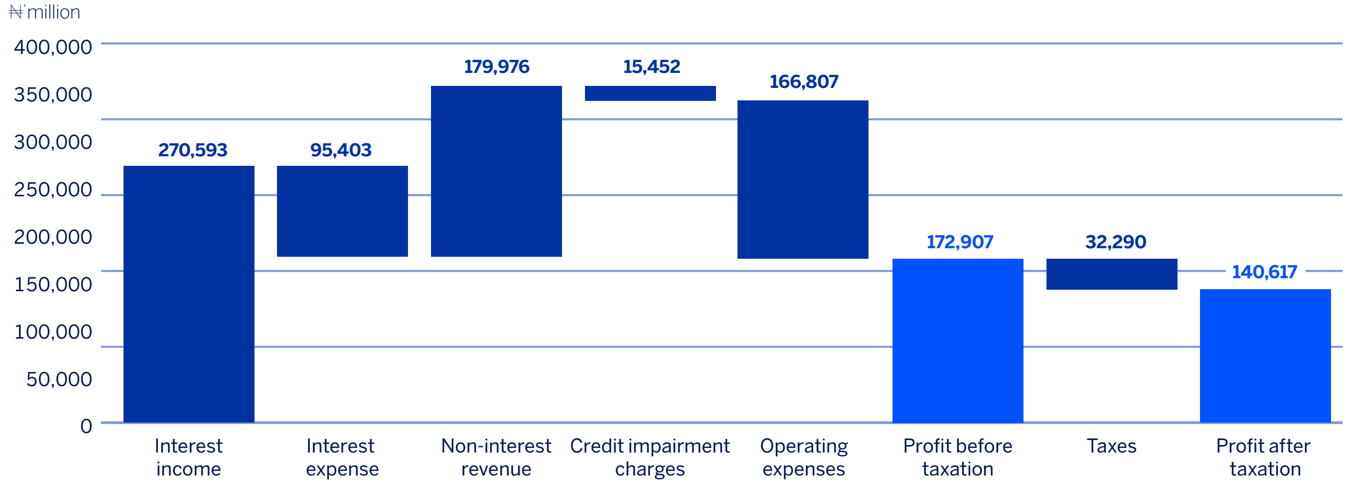
NPL ratio

- **FY 2023: 2.35%**
- **FY 2022: 2.38%**

Financial position



Results for the period



Board of Directors

Basil Omiyi CON

Chairman

B.Sc.; PGD

Appointed: 2015

Directorships:

David Michaels Nigeria Limited;
SEPLAT Energy PLC;
TAF Nigerian Homes Limited;
RIVTAF Nigeria Limited

Demola Sogunle

Chief Executive

MBA; PhD

Appointed: 2020

Directorships:

Stanbic IBTC Bank Limited; Stanbic IBTC Stockbrokers Limited; Stanbic IBTC Capital Limited; Stanbic IBTC Pension Managers Limited; Stanbic IBTC Asset Management Limited; Stanbic IBTC Trustees Limited; Stanbic IBTC Insurance Limited; Zest Payments Limited; Nigeria-South Africa Chamber of Commerce; Nigeria-South Africa Joint Ministerial Advisory Council on Industry, Trade and Investment, The Nigerian Economic Summit Group

Committee member:

Board IT Committee; Board Risk Management Committee; Board Legal Committee

Sola David-Borha

Non-Executive

B.Sc.; MBA

Appointed: 2020

Directorships:

Coca-Cola Hellenic Bottling Company;
Confident Women Encouragers Fellowship in Christ (NGO)

Committee member:

Board Nominations and Governance Committee;
Board Remuneration Committee

Lilian Ifeoma Esiri

Non-Executive

LLB; BL; LLM

Appointed: 2012

Directorships:

Stanbic IBTC Asset Management Limited; Podini International Limited; Ashbert Limited; Ashbert Beverages Limited; Ashbert Oil and Gas Limited; Childlifeline; Lilian Esiri and Co.; Zaccheus Onumba Dibiaezue Memorial Libraries Limited; Zarc Corporate Services Limited

Committee member:

Board Risk Management Committee,
Board Audit Committee, Board Legal Committee

Kunle Adedeji

Chief Financial Officer

B.Sc.; DBA; CFA

Appointed: 2019

Directorships:

Stanbic IBTC Stockbrokers Limited;
Stanbic IBTC Ventures Limited;
Zest Payments Limited

Committee member:

Board IT Committee;
Board Risk Management Committee

Prof. Fabian Ajogwu OFR SAN

Non-Executive

LL.B; B.L; LL.M; MBA; Ph.D.

Appointed: 2017

Directorships:

Urshday Limited (Owners of Novare Lekki Mall, Lagos) Nep Mall Limited (Owners of Novare Apo Mall, Abuja), Elysium Diem Nigeria Limited Owners of Novare Central Office Park Abuja),Novare Fund Manager Nigeria Limited (NPDN), Gray-Bar Alliance Limited (Owner of Novare Gateway Mall, Abuja), Guinness Nigeria PLC, Kenna Partners [Barristers and Solicitors], Pension Fund Operators of Nigeria, PZ Cussons Nigeria PLC, Lagos Business School, Board of Trustees, Wigwe University, AIFA Reading Society, Society for Corporate Governance Nigeria, Society for Art Collection, Grange School, Nigerian Institute of Chartered Arbitrators

Committee member:

Board Remunerations Committee; Board Legal Committee; Board Risk Management Committee;
Board Nomination and Governance Committee

Ballama Manu MFR

Non-Executive

B.Sc.; MSc

Appointed: 2015

Directorships:

Stanbic IBTC Insurance Limited,
Yobe State Education Trust Fund (Limited by Guarantee);
PZCN PLC

Committee member:

Statutory Audit Committee;
Board Risk Management Committee;
Board IT Committee; Board Audit Committee

Salamatu H. Suleiman

Independent Non-Executive

LLB, BL; LLM

Appointed: 2016

Directorships:

Flour Mills of Nigeria PLC; Primechoice Investments Limited; S and M Investments Limited; S and M Essential Units and Co.; Hussaini Suleiman and Co; Alkali Hussaini Foundation; NGX Regulation Limited, Peerless Concepts Limited, Board of Trustees Queen's College Old Girls Association, Board of Trustees Ahmadu Bello University Endowment Fund, Nigerian Human Rights Commission

Committee member:

Board Remuneration Committee; Board Legal Committee

Board of Directors (continued)

Nkemdilim Uwaje Begho

Non-Executive

B.Sc. (Hons.)

Appointed: 2019

Directorships:

Future Software Resources Limited; Anne Li Unique Ideas/Always Me International; Fucaire Lifestyle; Society for Corporate Governance Nigeria, Skillup Africa Limited, The Afara Development Initiative, Novare Fund Manager Nigeria Limited (NPDN); Global Leaders Today, Texas, USA , BudgIT Foundation; Lagos State Science Research and Innovation Council (LASRIC).

Committee member:

Board IT Committee

Babs Omotowa

Independent Non-Executive

B.Sc. (Hons.);MBA,MSc

Appointed: 2022

Directorships:

Nigerian University of Technology and Management; Chemical and Allied Products PLC; Montserrado Oil and Gas B.V; Pearlhill Technologies USA, Seplat Energy PLC, JT Omotowa Foundation

Committee member:

Board Audit Committee,
Board Remuneration Committee,
Statutory Audit Committee

Ndidi Nwuneli MFR

Independent Non-Executive Director

B.Sc.; MBA

Appointed: 2023

Directorships:

Rockefeller Foundation; AACE Food Processing and Distribution Limited; AGRA; Sahel Consulting Agriculture and Nutrition Limited; Godrej Consumer Products Limited. India; Young Global Leaders of the World Economic Forum; Bridgespan Group

Committee member:

Board IT Committee, Board Remuneration Committee,
Board Nomination and Governance Committee

Corporate profile

Stanbic IBTC Holdings PLC ("Stanbic IBTC") was incorporated as a Public Limited Liability Company on 14 March 2012. Stanbic IBTC is the holding company for the entire Stanbic IBTC Group and its subsidiaries. The Company was listed on the Floor of The Nigerian Exchange Limited (NGX formerly The Nigerian Stock Exchange) on 23 November 2012, following the delisting of Stanbic IBTC's erstwhile holding company, Stanbic IBTC Bank Limited ("the Bank"), pursuant to its compliance with the CBN Regulation on Banking and Ancillary Matters No. 3 of 2010.

The Bank on the other hand, was Investment Banking & Trust Company Limited ("IBTC"), a private limited liability company, on 02 February 1989. IBTC was granted a merchant banking license in February 1989 and commenced operations on 01 March 1989. IBTC's merchant banking license was converted to a universal banking license in January 2002, pursuant to the universal banking guidelines of the Central Bank of Nigeria ("CBN"). In 2005, IBTC became a public company, and its shares were listed on NGX.

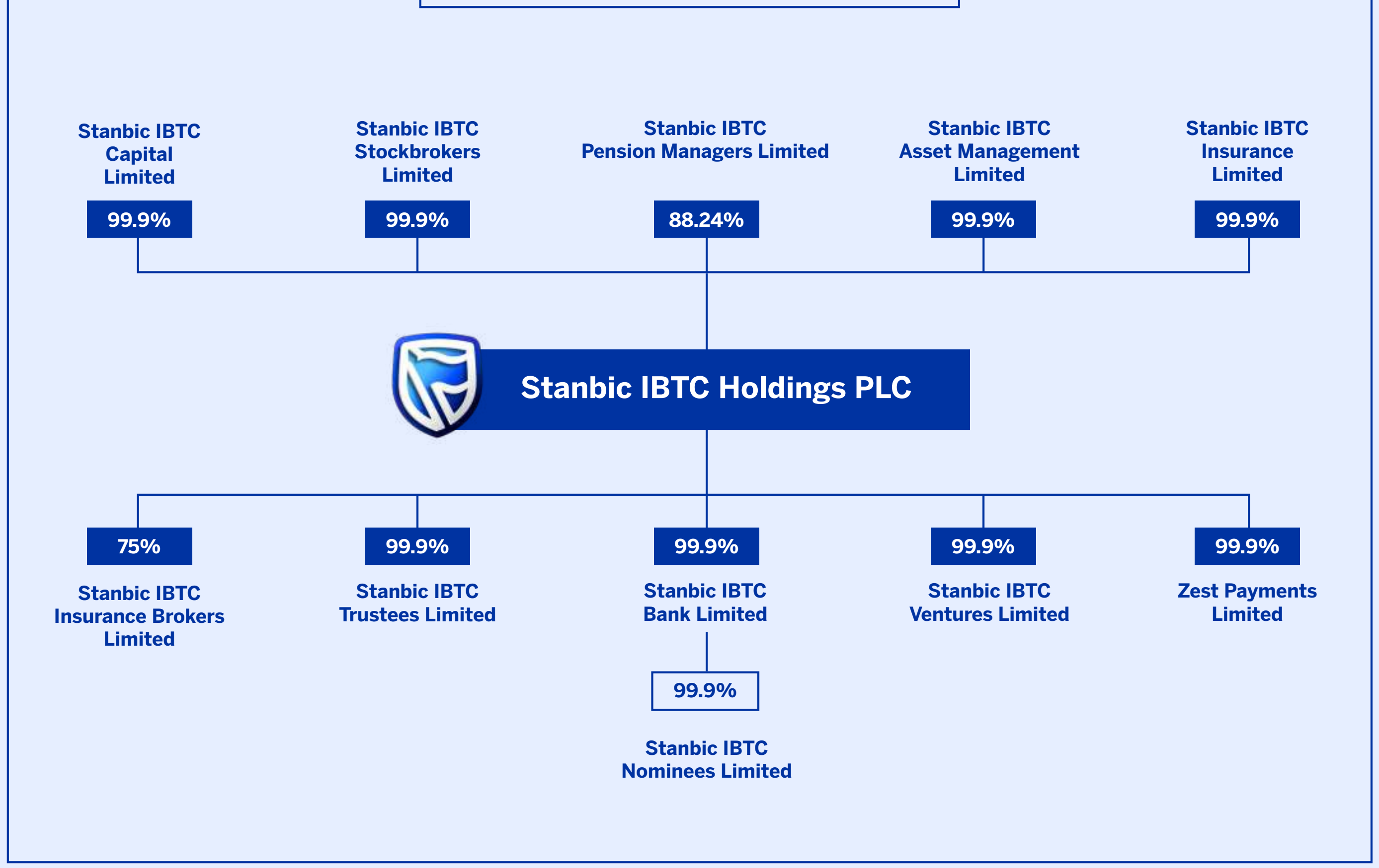
In December 2005, IBTC merged with Chartered Bank PLC and Regent Bank PLC and changed its name to IBTC Chartered Bank PLC ("IBTC Chartered") on 25 January 2006. On 24 September 2007, IBTC Chartered merged with Stanbic Bank Nigeria Limited ("Stanbic Bank"), a wholly owned subsidiary of Stanbic Africa Holdings Limited ("SAHL"), which in turn is a wholly owned subsidiary of Standard Bank Group Limited of South Africa. As part of the transaction that resulted in the combination of IBTC Chartered and Stanbic Bank, SAHL acquired a majority equity stake (50.1%) in the enlarged bank, which was named Stanbic IBTC Bank Limited.

On 01 November 2012, the Stanbic IBTC Group officially adopted a Holding Company ("Holdco") structure in compliance with CBN Regulation 3 of 2010, which requires banks to divest from non-core banking businesses or adopt a Holdco structure.

Under the current structure, the subsidiaries are: Stanbic IBTC Bank Limited, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Asset Management Limited, Stanbic IBTC Capital Limited, Stanbic IBTC Insurance Limited, Stanbic IBTC Stockbrokers Limited, Stanbic IBTC Ventures Limited, Stanbic IBTC Insurance Brokers Limited, Stanbic IBTC Trustees Limited, Zest Payments Limited and one indirect subsidiary, namely: Stanbic IBTC Nominees Limited.

On 31 October 2023, Stanbic IBTC Bank ceased to be a public company and is now being referred to as Stanbic IBTC Bank Limited. The bank remains a wholly owned subsidiary of Stanbic IBTC Holdings PLC and no change of ownership, shareholding structure, or business objects of the company occurred as a result of its re-registration as a private company. The re-registration is to ensure the proper alignment of the bank's entity status and eliminate the existing brand confusion as many investors and members of the public hitherto referred to the bank as the listed entity and not Stanbic IBTC Holdings PLC.

Corporate structure



List of shared services within the Stanbic IBTC Group

The list below highlights the shared services within Stanbic IBTC Group.

Corporate Functions:

- Company Secretary
- Country Head, Legal Services
- Security
- Real Estate Services
- Procurement
- Travel Desk
- Information Technology

The importance of shared services within the group are:

- It helps to improve the group's structure by streamlining the existing shared services to allow for better operational efficiency.
- Disclosure of the group's shared services on the website and the Annual report ensures that we are not in breach of CBN's financial holding company regulation.
- It fosters standardisation, proper alignment of value benefits and cost allocation.
- Reduction in the administrative overheads and increased efficiency.
- It also improves the speed and accuracy of services across the group.

Stanbic IBTC Group credit ratings

FitchRatings

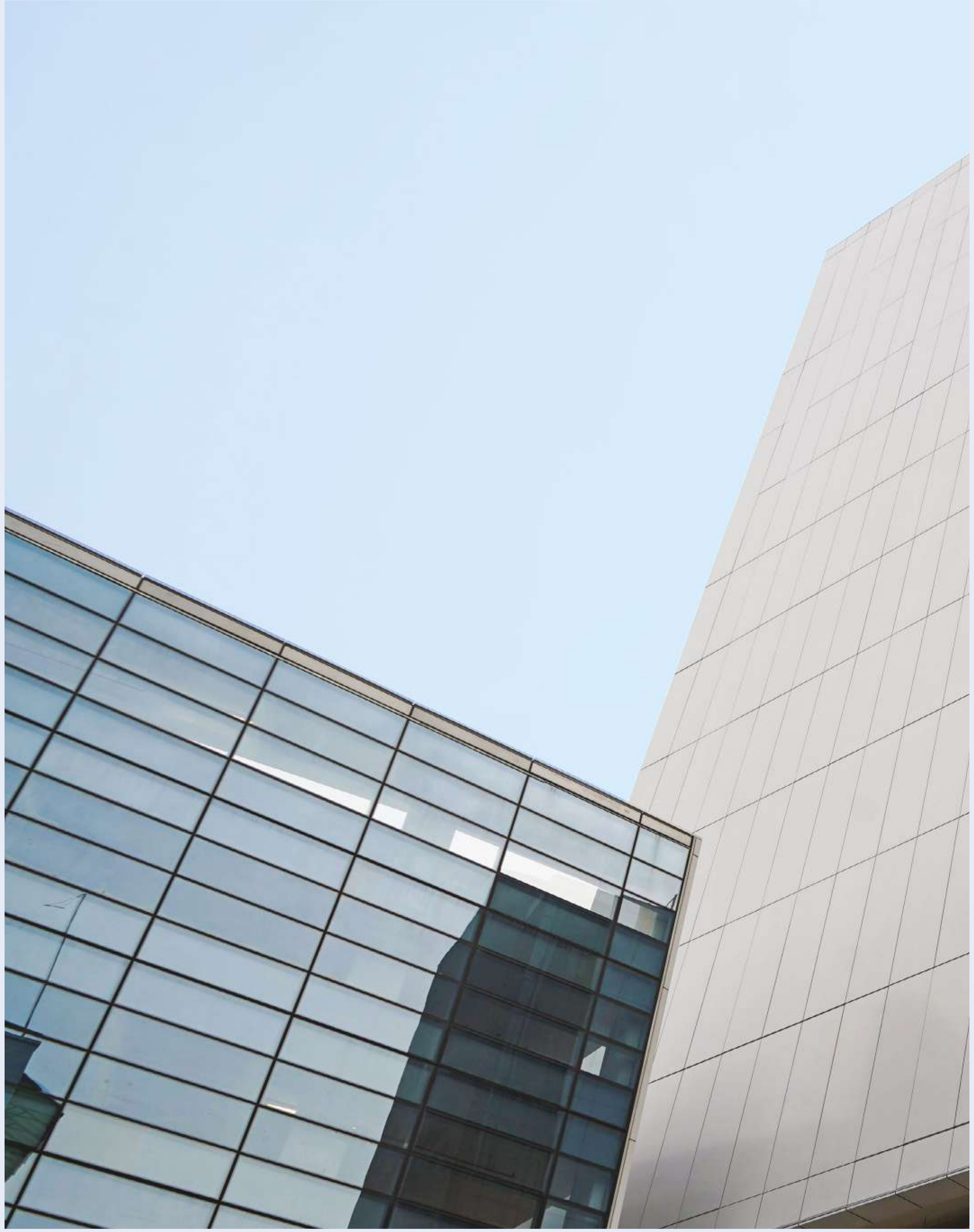
Entity	National	
	Long-Term	Short-Term
Stanbic IBTC Holdings PLC	AAA(nga)	F1+(nga)
Stanbic IBTC Bank Limited	AAA(nga)	F1+(nga)

S&P Global Ratings

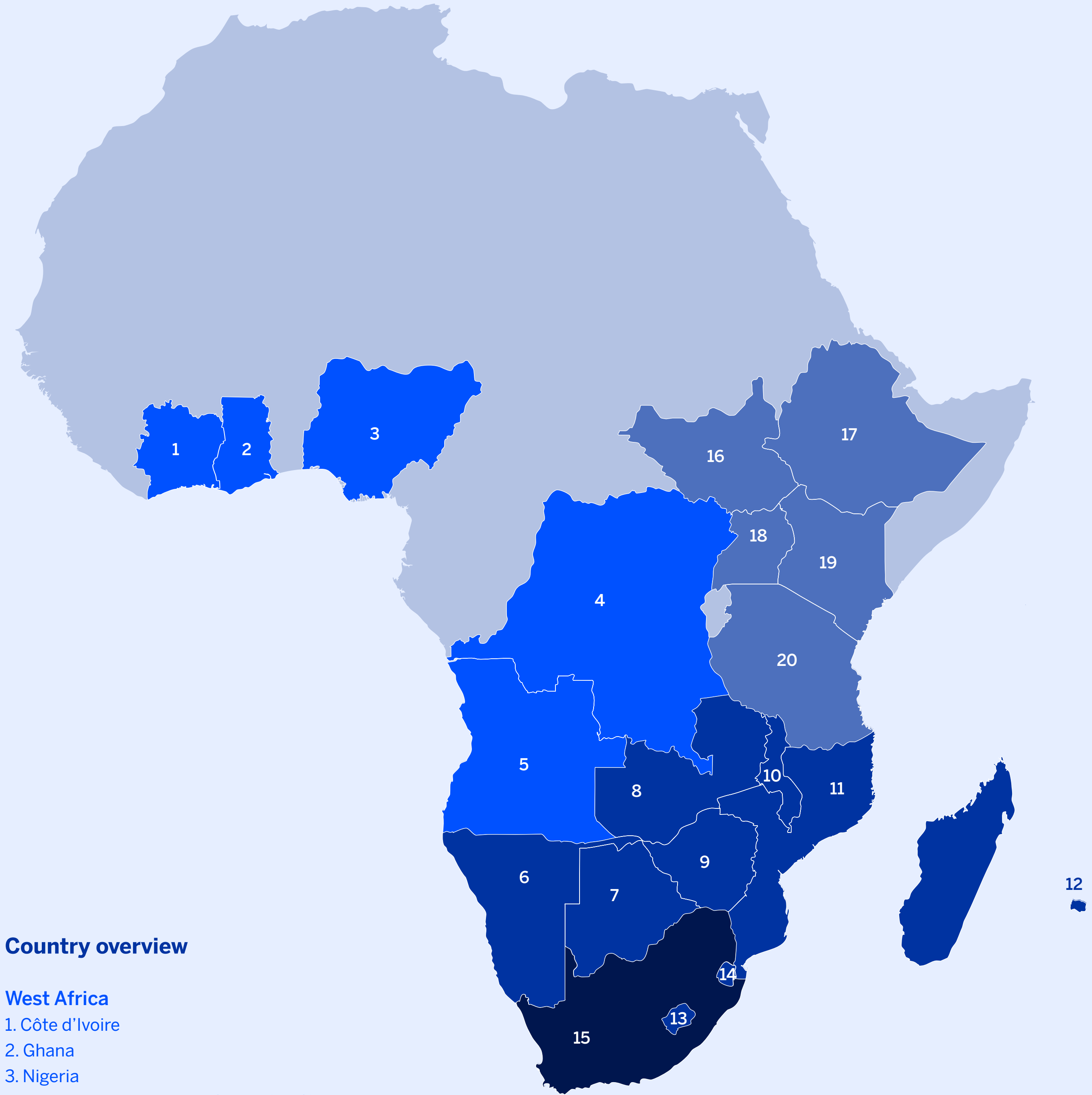
Entity	National		Issuer		
	Long-Term	Short-Term	Long-Term	Short-Term	Outlook
Stanbic IBTC Bank Limited	ngBBB	ngA-2	B-	B	Stable

GCR RATINGS

Entity	National		
	Long-Term	Short-Term	Outlook
Stanbic IBTC Bank Limited	AAA(NG)	A1+(NG)	Stable



Standard Bank Group network



Country overview

West Africa
1. Côte d'Ivoire
2. Ghana
3. Nigeria
4. Democratic Republic of Congo (DRC)
5. Angola

South and Central Africa
6. Namibia
7. Botswana
8. Zambia
9. Zimbabwe
10. Malawi
11. Mozambique
12. Mauritius
13. Lesotho
14. Eswatini

South Africa
15. South Africa

East Africa
16. South Sudan
17. Ethiopia (representative office)
18. Uganda
19. Kenya
20. Tanzania

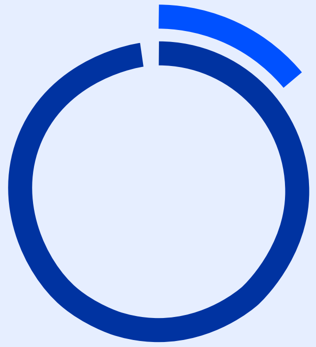
Presence in international markets

Beijing
Dubai
London
New York
Sao Paulo

International financial services

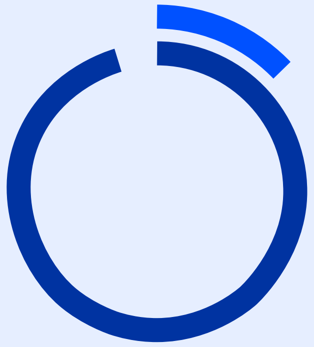
Isle of Man
Jersey
Mauritius

Nigeria overview



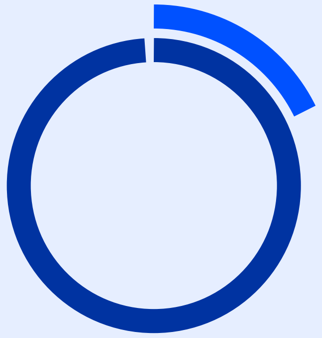
Lagos Island

15	Branches
96	ATMS



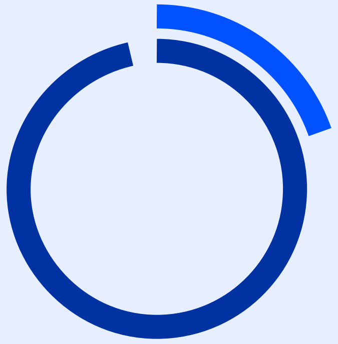
Lagos Mainland

31	Branches
224	ATMS



North Central

15	Branches
65	ATMS

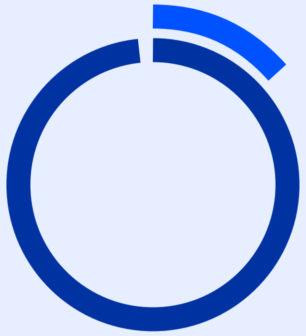


North West

18	Branches
85	ATMS

South

11	Branches
64	ATMS



South East

12	Branches
69	ATMS

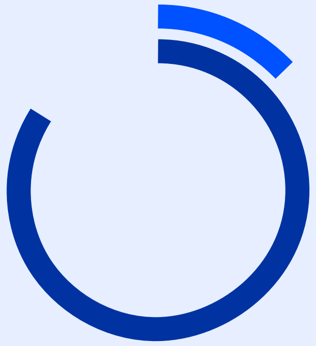
Group overview

Market capitalisation
R349 billion (USD18.8 billion)

Total assets
R3.1 trillion (USD166.4 billion)

Presence
in 20 Sub-Saharan African countries with operations in key financial centres outside Africa

50,451 employees (3,056 in Nigeria)
998 branches (130 in Nigeria)
6,014 ATMs (814 in Nigeria)



South West

20	Branches
151	ATMS

FCT Abuja

8	Branches
60	ATMS

Recognitions

Financial Derivative Awards
Stanbic IBTC Trustees
- Best Trust Company in Nigeria

Fitch Ratings
Stanbic IBTC Holdings
- AAA(nga)'/Stable

Stanbic IBTC Bank
- AAA(nga)'/Stable

Gender Leader Awards
Stanbic IBTC
- Company Leadership Gender Diversity Award
- Company Equality Champion Award

International Finance Awards
Stanbic IBTC Nominees
- Best Sub-Custodian Bank

The Industry Awards 2022
Stanbic IBTC Bank
- Best Company in Consumer Promotion
- Customer Friendly Bank of the year

Stanbic IBTC Bank at the Digital Banker's Global Transaction Banking Innovation Awards 2023
- Best Bank for Trade Finance in Nigeria
- Best Custodian Bank in Nigeria
- Outstanding Digital Transformation by a Transaction/Wholesale Bank in COVID-19
- Best ERP Integration Initiative

Stanbic IBTC Nominees at the Global Finance Awards
- Best Sub-Custodian in Nigeria for 2023 for the fifteenth time

Stanbic IBTC Capital at the EMEAFinance Awards
- Best Local Currency Bond House
- Best Equity House in Africa

Stanbic IBTC Capital at the EMEAFinance Awards
- Corporate Real Estate Finance Award - Winner, Gold Category

Global Banking and Finance Award
Stanbic IBTC Asset Management
- Asset Management Company of the Year Nigeria

Cosmopolitan The Daily Business Awards
Stanbic IBTC Trustees
- Fastest Growing Estate Planning and Administration Services Provider
- Best Cash Management Bank - Nigeria 2023
- Best Research House - Nigeria 2023

Marketing Edge Award
Stanbic IBTC Bank
- Outstanding Agric Supporting Bank of the year

HR People Magazine Awards
Stanbic IBTC Holdings
- 2023 Outstanding best Training, Learning and Development Strategy Award
- 2023 Outstanding Talent Management Strategy Award

Stanbic IBTC Asset Management
- Asset Management Company of the Year 2023

Global Brands Magazine
Stanbic IBTC Asset Management
- Best Asset Management Company, Nigeria 2023
- Best Mutual Funds Provider, Nigeria 2023

World Pension Summit
Stanbic IBTC Pension Manager- FUZE
- Judges' Choice Award for Communication and Engagement

2023 Businessday Banks and other financial institutions' (BAFI) awards
Stanbic IBTC Bank
- Custodian Bank of the Year

Nigerian Marketing Awards
Stanbic IBTC Bank
- Iconic Brand

2023 GRC and FinCrime Prevention Awards
Stanbic IBTC Pension Managers
- Excellence Award category for Pension Operators
- Chief Compliance Officer of the year
- Anti-Money Laundering (AML) Employer of the year

Best Cash Management Bank in Nigeria
Stanbic IBTC Bank
- The Asian Banker

Euromoney Real Estate Awards 2023
Stanbic IBTC Capital
- Best Bank in Nigeria

Euromoney Real Estate Awards 2023
Stanbic IBTC
- Financial Times Group the Banker Magazine Awards UK

Association of Issuing Houses of Nigeria
Stanbic IBTC Capital
- Association of Issuing Houses of Nigeria
- Best Investment Bank 2022
- Best Mergers and Acquisitions House of 2022
- Corporate Bond House 2022
- Equity Deal of 2022
- Best Equity house 2022
- Mergers and Acquisition Deal of 2022

Recognitions (continued)

World Business Outlook Awards 2023

Stanbic IBTC Capital

- Best Investment Bank Nigeria 2023

Stanbic IBTC Bank

- Most Innovative Digital Banking Services Nigeria 2023
- Agricultural Bank of the year Nigeria 2023

FMDQ Gold Awards

Stanbic IBTC Capital

- Most Active Securities Lodgment Sponsor on FMDQ 2023

Stanbic IBTC Bank

- FMDQ OTC FX Futures Bank 2023

International Finance Awards 2023

Stanbic IBTC Insurance

- Best Customer Service Insurance Company – Nigeria 2023
- Best Research House – Nigeria 2023

Stanbic IBTC Bank

- Best Pension Fund Management Company – Nigeria 2023

Stanbic IBTC Pension Managers

- Best Money Market Fund – (SIMM) – Nigeria 2023

Stanbic IBTC Trustees

- Fastest Growing Estate Planning and Administration Services Provider – Nigeria 2023

Stanbic IBTC Stockbrokers

- Best Online Trading Platform – Nigeria 2023

Stanbic IBTC Bank (Nominees)

- Best Custodian Bank – Nigeria 2023

Financial Times Award

Stanbic IBTC Bank

- Bank of the Year

ARCON Advertising Standards Panel Compliance Awards 2023

Stanbic IBTC

- Insurance and Pension Category

Africa Sustainability and CSR Awards 2023

Stanbic IBTC

- Best Company in Gender Equality and Women Empowerment

Risk Analyst Insurance Brokers Limited

Stanbic IBTC Insurance

- Award for outstanding performance on claims settlement for year 2023

European – Global Banking and Finance Awards 2023

Stanbic IBTC

- Best Investment Bank Nigeria 2023
- Best Digital Bank for Business Banking Solutions Nigeria 2023
- Best Corporate Governance Bank Nigeria 2023

Martech Excellence Awards

Stanbic IBTC (PPB)

- Best Email Campaign

AfriSAFE Awards

Stanbic IBTC Holdings

- Bank of the year

Africa Finance Awards

Stanbic IBTC stockbrokers

- Most trusted stockbroker of the year
- Most customers focused investment and finance CEO of the year

2023 KPMG Banking Industry Customer Experience Survey Result

Stanbic IBTC

- First in Retail Banking
- First in SME Banking
- Third in Corporate Banking

GROWING TOGETHER

2 Business review

Chairman's statement

"Transforming client experience, delivering sustainable growth and value."

Dear esteemed shareholders and distinguished ladies and gentlemen, I am delighted to extend a warm welcome to every one of you at the 2024 Annual General Meeting of Stanbic IBTC Holdings PLC. A profound sense of pride fills me as I reflect on the remarkable journey and outstanding accomplishments of Stanbic IBTC Holdings and its subsidiaries (the Group) in the year 2023.

In charting our course for 2023, we set an ambitious objective to enhance our range of services and products, all with the overarching goal to better serve our customers across the Group. As we make exploits in the expansive landscape through our product offerings, services, and solutions, we take pride in the tangible results arising from our concerted efforts and commitment to broadening our influence. This has significantly contributed to fortifying our position as a leading provider of financial services in Nigeria.

Our strategic vision remained decisively clear as we diligently pursued the objectives of 'transforming client experience,' 'executing with excellence,' and 'delivering sustainable growth and value'. These aspirations were realised through unwavering focus and dedication.

The journey to success was paved by our Future Ready Transformation Strategy and the commitment of our esteemed Board of Directors, the Group's executive management team and employees. Together, we have not only navigated the challenges of a dynamic global economic landscape but have also excelled in delivering exceptional financial results, creating enduring value for our cherished customers, and fostering sustainable growth.

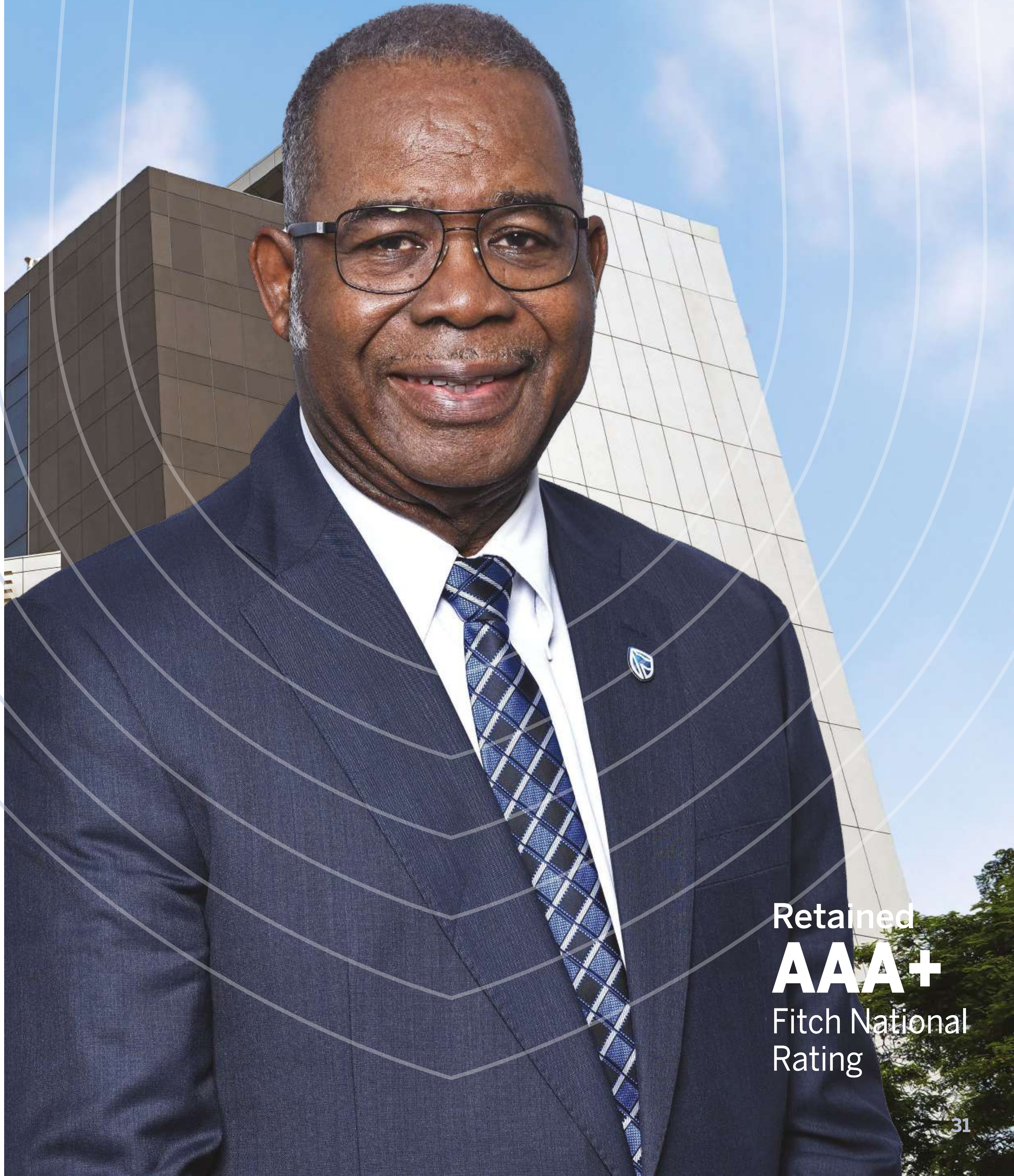
Macroeconomy

Major central banks worldwide increased interest rates and implemented other strategies to tighten monetary policies in response to elevated inflation in their respective markets. Consequently, in the United States, inflation decreased from 6.4% in January 2023 to 3.2% in December 2023. Similar trends of inflation reduction were observed in the Euro Area, Canada, China, and India, bringing inflation levels closer to those seen before the COVID-19 pandemic.

The elevated inflation was influenced by rising energy and food prices, as well as supply-chain disruptions caused by the COVID-19 pandemic. Other contributing factors included the disruptive effects of the Israeli-Palestinian conflict, the Russian-Ukrainian war, and trade tensions between the United States and China.

On the domestic front, 2023 brought significant levels of volatility, particularly following the presidential transition in May. The removal of the premium motor spirit (PMS) subsidy resulted in a substantial increase in PMS prices, impacting the purchasing power of a considerable portion of the population. In addition, the unification of the foreign exchange rate led to a significant devaluation of the official exchange rates, that presented challenges to many households and businesses operating in the country.

Inflation in the domestic market rose steadily throughout the year, peaking at


Retained **AAA+** Fitch National Rating

> **"Throughout the year, the Group undertook impactful initiatives to enhance energy efficiency, optimise the use of cleaner energy sources, and implement robust waste management practices."**

28.92% by December 2023. The Central Bank of Nigeria responded proactively by implementing measures to curb the rising inflation rate, which included making multiple adjustments to the monetary policy rates, reaching 18.75%. The Group's management stayed attuned to the challenges our valued stakeholders encountered amidst the complex macro-conditions. As a Group committed to driving Nigeria's growth and exceeding the expectations of our stakeholders, we took deliberate actions to craft creative win-win solutions for the stakeholders we engaged with. Stanbic IBTC Holdings remained steadfast, adapting to the evolving landscape with agility and strategic acumen. Our diversified business model enabled us to navigate through the challenging operating environment and make commendable progress.

Transforming client experience

In 2023, Stanbic IBTC won the notably acclaimed award of 'Bank of the Year for Nigeria' from The Banker magazine, an esteemed publication affiliated with the Financial Times. This recognition attests to Stanbic IBTC's Group prowess, and its unwavering commitment to delivering innovative financial services. Moreover, several of our subsidiaries secured numerous awards that further exemplify our dedication to excellence in the financial sector. Collectively, these accomplishments demonstrate our commitment to delivering unmatched financial solutions and fortify our standing as a leading force in the industry.

I am thrilled about the successful commercial launch of Zest Payments Limited (Zest), a subsidiary strategically designed to broaden the range of financial services available to our valued customers.

ESG strategies, sustainability and inclusiveness measures

In alignment with the Sustainable Development Goals (SDGs) for 2030, Stanbic IBTC has a dedicated sustainability team tasked with coordinating a comprehensive approach to implementing sustainability strategies. This ensures that the Group's business activities are in tandem with the SDGs. To guide these efforts, four sustainability pillars were devised: Building Environmental Resilience, Enhancing Social Relationships, Expanding Business Model and Innovation, and Strengthening Leadership for Sustainability Governance. These pillars serve as the foundation for the Group's Environmental, Social, and Governance (ESG) strategies, with the main goal of creating shared value for all stakeholders.

The Group identified seven areas that underscore its commitment to generating positive socio-economic impact. These areas encompass financial Inclusion, job creation and enterprise growth, education, health, infrastructure, Africa trade and investments, sustainable finance and climate change. Through these targeted areas, the Group aims at making meaningful contributions to sustainable development and address key societal challenges in Nigeria.

Stanbic IBTC's commitment to sustainability is deeply rooted in its core values, positioning the company as a pioneer in sustainable finance solutions and an ethical corporate citizen dedicated to shaping a promising future for its stakeholders. Fundamental to the Group's success is the delivery of positive impact while effectively managing associated Environmental, Social, and Governance (ESG) risks. The Group has seamlessly integrated social and environmental considerations into its operational framework.

Throughout the year, the Group undertook impactful initiatives to enhance energy efficiency, optimise the use of cleaner energy sources, and implement robust waste management practices. These initiatives not only underscore the Group's dedication to responsible business practices but also highlight its steadfast commitment to making a positive impact on society and the environment.

In September 2023, Stanbic IBTC announced its intention to attain certification as a Sustainability Certified Financial Institution under the Sustainability Standards and Certification Initiative (SSCI) of the European Organisation for Sustainable Development (EOSD). This strategic initiative positions Stanbic IBTC as a sustainability-focused organisation contributing significantly to the creation of a green, inclusive, and sustainable economy.

Governance, risk and conduct

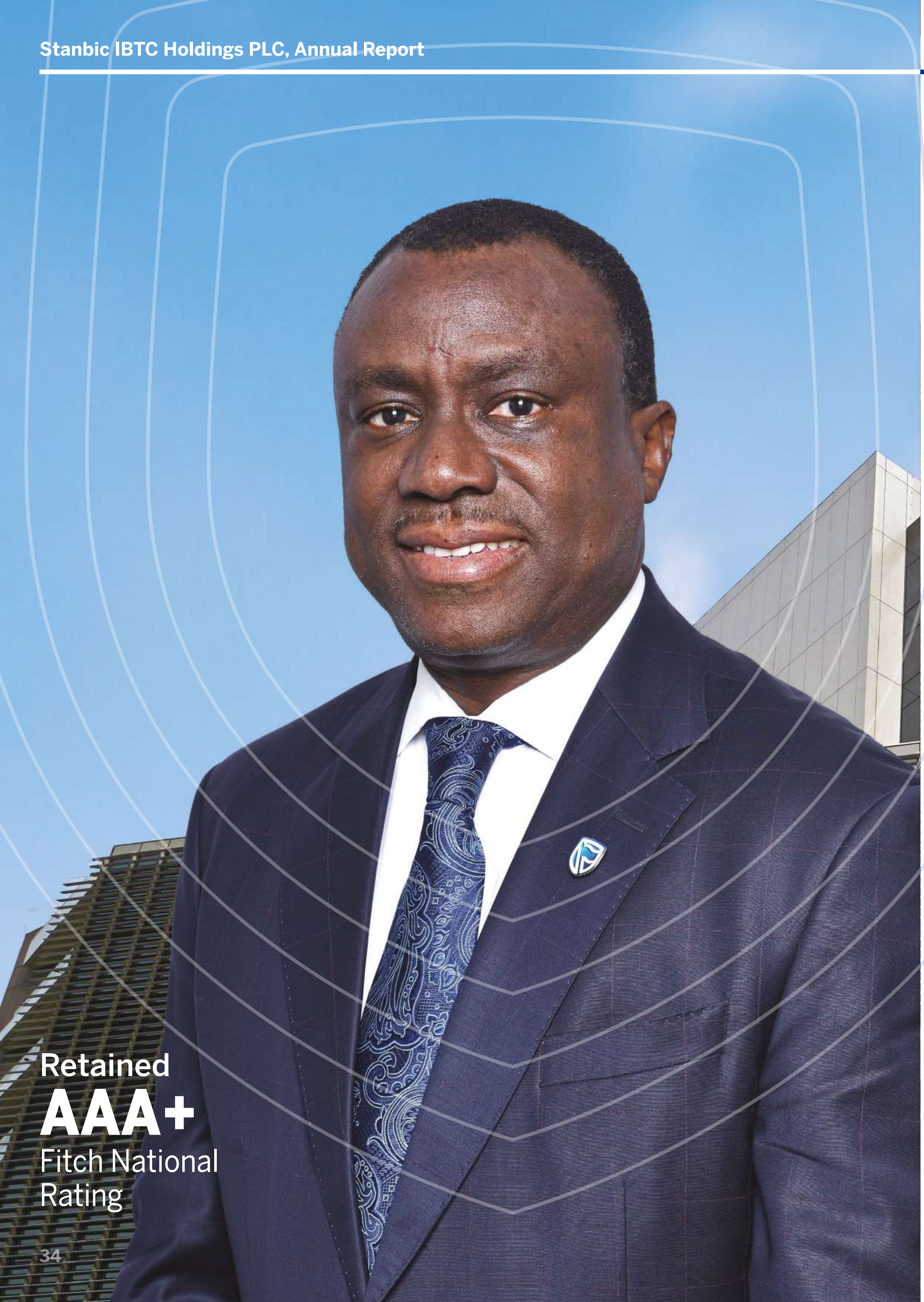
We have an unwavering commitment to uphold exceptionally high standards of corporate governance. We adhere to strict principles of integrity, ethics, and ensure prudence and discipline are exercised in our operations, risk management, and sustainability practices. Risk and Conduct are integral components within the framework of our strategic priorities, and the Board meticulously reviews and approves frameworks, standards, and policies to mitigate against unethical behaviours.

The Group embraces global best practices in corporate governance and risk management, aligning with the rules and regulations of the Federal Republic of Nigeria. Our commitment to stringent adherence to established rules and regulations is a fundamental characteristic that is crucial to the success of our business.

Conclusion

I want to emphasise the Board's commitment to our stakeholders and assure you that the Group is dedicated to maximising the synergies among our subsidiaries. Through the seamless integration of our diverse strengths and expertise, our goal is to establish a comprehensive financial hub that delivers exceptional value to our customers. Looking ahead, we remain steadfast in our pursuit of innovation, excellence, and customer satisfaction. We believe that collaborative efforts across our subsidiaries will not only improve the services we offer but also reinforce our standing as a one-stop financial destination. We sincerely appreciate your ongoing support, and we eagerly anticipate a future marked by shared success and creation of enduring value.

Basil Omiyi, CON
Chairman of the Board



Retained

AAA+

Fitch National Rating

Chief Executive's statement

> "Nigeria's growth, enhancing the well-being of numerous households."

In 2023, Stanbic IBTC (The Group) achieved remarkable milestones, broke profit records and reached notable social, economic, and environmental achievements. The exceptional outcomes not only highlighted the dedication of our employees but also underscored the strategic acumen demonstrated by the Group's management. The successes reflected the alignment of our values with operational endeavours, which solidified our position as a leading financial institution committed to delivering unparalleled value and excellence.

Describing 2023 as a challenging year would be an understatement, factors such as heightened inflation, infrastructure deficits, currency devaluation, and the removal of petroleum subsidies presented significant challenges for both our customers and our organisation. As a responsible corporate citizen, we supported our customers, offering necessary assistance to enable them to navigate the obstacles. Through strong and collaborative partnerships, we achieved positive outcomes, and contributed to the well-being and success of our diverse stakeholders.

In our effort to fulfil our role as a trusted partner, we aimed to consistently provide top-notch services to our valued customers. Our focus was centred on aiding clients to achieve their financial goals through our robust platform and digital finance tools tailored to their transaction needs. The Group's strategic emphasis on driving scale, enhancing user experience, and optimising transaction velocity yielded positive and desirable results.

As a result of our commitment to our customers, Stanbic IBTC Group won over sixty notable awards in 2023, including the recognition as 'Bank of the Year in Nigeria' by The Banker magazine, a publication of the Financial Times. Stanbic IBTC Bank ranked first in both Retail Banking and SME Banking, and third in Corporate Banking on KPMG's 2023 customer experience leader board.

We express sincere gratitude to our clients who have granted us the opportunity to serve, and for the trust placed in Stanbic IBTC. As we move forward, we reaffirm our commitment to delivering exceptional value in all facets of our operations.

Business performance

The Group attained a commendable profit before tax of ₦172.91 billion, marking a substantial increase from the prior year's ₦100.27 billion. The notable achievement that was realised amid challenging macro-economic conditions and market uncertainties, underscored the Group's resilience. The collective effort of our subsidiaries contributed to the improved revenue of ₦355.17 billion, a remarkable 48% improvement over the previous year.

In 2023, our customer base grew modestly. To stimulate the growth, we consistently scanned our value chain offerings against our stakeholders' ecosystem needs, hence we deepened existing business relationships, identified new prospects, and enhanced customer experience.

> "In 2023, we achieved a commendable 15% YoY reduction in energy consumption at a major campus location. Additionally, our focus on waste management resulted in the recycling of nearly twenty eight tons of wastepaper during the year."

We diligently scrutinised expenditures in strict adherence to principles of prudent financial management. Our objective was to ensure that each expenditure was purposeful and would yield the desired benefit or profit. These measures notably contributed to the enhancement of the Group's cost-to-income ratio, which experienced a substantial reduction from the 53.8% recorded in the prior year to the current level of 47.0%.

Gross loans and advances granted to customers grew by 69% to ₦2.09 trillion during the year. The growth was largely organic, and to a lesser extent due to the Naira devaluation. Assets under management grew by 28% to over ₦7.2 trillion and was due to the vibrant returns on assets generated by the Fund Managers and acquisition of new assets. Asset under custody grew by 88% during the year, as we continued to demonstrate good fate and instil confidence in both domestic and foreign investors.

The Personal and Private Banking segment made significant impacts in the lives of many, as it supported several retail customers in achieving their financial goals, including acquisition of homes through the pension-backed mortgage scheme. This marked another stride in our commitment to driving Nigeria's growth, ultimately enhancing the well-being of numerous households.

Our fintech subsidiary, Zest Payments, was officially launched in the year. It flagged-off with the purpose of executing a solution-driven platform orchestration strategy, aimed at serving consumers, businesses, application developers, and other financial services providers. Zest will play a central role in delivering innovative solutions, forging new partnerships, and enhancing experiences in the realms of payments and customised solution delivery.

Climate solutions

In collaboration with the Nigeria Conservation Foundation (NCF), the Group initiated a significant project aimed at planting over thirty thousand (30,000) trees across ten states in the country. This collaborative effort underscores our commitment to promoting a sustainable future and highlights Stanbic IBTC's dedication to supporting the restoration of Nigeria's forests, the preservation of biodiversity, and the protection of endangered species.

All our head office buildings were equipped with energy monitoring meters, contributing to heightened awareness of our consumption patterns and facilitating targeted reduction in energy usage. In 2023, we achieved a commendable 15% YoY reduction in energy consumption at one of our major campus locations. Additionally, our focus on waste management resulted in the recycling of nearly twenty eight tons of wastepaper during the year.

Furthermore, deliberate measures were taken to ensure that our recently completed Head Office towers were constructed with the aim of minimising energy consumption. The building received a notable 4-star rating from Green Building South Africa, affirming our commitment to environmentally conscious construction practices.

Corporate and social investment

At the ninth annual commemoration of our flagship corporate social initiative, #Together4ALimb, we extended assistance to an additional forty-five children who have endured limb losses, providing them with prostheses. The addition brought the cumulative number of beneficiaries to one hundred. The beneficiaries of periodic prosthetic replacements and continued support through our education trust until they reach 18 years of age. The initiative facilitates the seamless reintegration of these individuals into society and supports their holistic development. The associated awareness walk served to illuminate the challenges faced by children who have undergone limb loss.

The collaborative efforts of our workforce and the Group resulted in substantial funding committed to advancing socio-economic development in rural hinterlands across Nigeria. We anticipate that the outcome will benefit over seven million citizens through diverse initiatives that included hospital renovations, the provision of clean water, refurbishment of educational facilities, supply of educational resources, introduction of cleaner energy sources, youth empowerment programs, and food provision. Under the Stanbic IBTC Undergraduate Scholarship Scheme, we provided financial aid to four hundred undergraduates enrolled in Nigerian state and federal universities. Without any doubt, the Group remains resolute in its commitment to supporting education and is enthusiastic about assisting qualified Nigerian undergraduates who aspire to pursue higher education.

Demola Sogunle
Chief Executive

Economic review

Global economic environment

Global economic activities slowed in 2023, relative to 2022 levels as global central banks remain committed to their hawkish monetary policy stance, inflationary pressures remain high relative to historical levels, and lingering property sector weakness continue to undermine China's growth. Nonetheless, we highlight that resilient consumption expenditure amid the strong labour market conditions (particularly in the United States) supported the global growth in the review period. Other factors that shaped global growth in 2023 include slowdown in interest-rate sensitive manufacturing sectors, mixed activity in the tourism sector, and diminishing pandemic-era savings.

Global inflationary pressures have remained on a downward path, albeit still significantly high relative to pre-pandemic average inflation levels (2017-2019 average: 3.5%). While the high statistical base effect from the prior year remains the significant factor for the moderation in global inflationary pressures, key factors that have supported a relatively sticky inflation rate above central banks' medium-term targets include the pass-through impact of volatile energy and other commodity prices and resilient household consumptions partly driven by robust job markets amid easing supply chain constraints.

Although the global central banks remained committed to bringing inflation to their medium-term targets, we note that the pace of rate hikes in 2023 slowed considerably relative to 2022 as the monetary policymakers acknowledged the signs of some impact of high interest rates on inflationary pressures, job market, and momentum in the overall economy. Notably, the US Fed increased the federal funds rate by 100bps in 2023 (vs 2022: +425bps) while the Bank of England raised its bank rate by 175bps (2022: +325bps). Elsewhere, we highlight that the European Central Bank (ECB) increased its key policy rate by 200bps relative to 250bps increase in 2022. That said, we understand that the global central banks have reached the peak of their synchronous interest rate tightening cycle as the systemic monetary authorities started adopting a hold stance since October. Still, the monetary policymakers are not ruling out further rate hikes if actual economic outcomes deviate from their respective expectations.

The IMF projects the global economy to grow by 3.0% YoY in 2023 (vs 2022: 3.5% YoY) and slow further by 2.9% YoY in 2024. According to the IMF, the balance of risks remains tilted to the downsides, including increased volatility in commodity prices exacerbated by geopolitical tensions, stronger impact of tight monetary and credit conditions, and persistent real estate sector weakness in China.

Domestic growth

The non-oil sector remains Nigeria's overall growth engine since Q4:20 when the economy exited the COVID-19 induced recession. As of Q4:23, the domestic economy grew by 3.46% YoY relative to the 2.54% YoY growth recorded in Q3:23. Parsing through the breakdown provided by the National Bureau of Statistics (NBS), we highlight that the oil sector increased by 25.5% YoY (Q4-23: 12.11% YoY vs Q4-22: -13.38% YoY), on account of the higher crude oil production in the review period, synchronising neatly with the lingering impact of the government's fight against crude oil theft and vandalism. Notably, crude oil production averaged 1.55mb/d in Q4-23 (Q3-23: 1.45mb/d | Q4-22: 1.34mb/d).

The non-oil sector grew by 3.07% YoY (Q3:23: 2.75% YoY) amid the passthrough impact of currency and PMS subsidy reforms on the economy. Consequently, we are not surprised that the manufacturing (1.38% YoY vs Q3:23: 0.9% YoY) sector's growth weakened when compared to corresponding period of 2022. At the same time, the services sector's growth slowed to 3.98% YoY (Q3-23: 3.99% YoY) due to the slow growth across ICT (6.33% YoY vs Q3:23: 6.69% YoY), Trade (1.40% YoY vs Q3:23: 1.53% YoY) and Transportation (-19.05% YoY vs Q3:23: -35.85% YoY) even as FX revaluation gains propelled growth in Finance and insurance (29.78% YoY vs Q3:23: 28.21% YoY).

Finally, the agriculture sector grew by 2.10% YoY (Q3:23: 0.81% YoY) and we think the slow growth is structural given that the period is characterised by the lean season based on the country's agricultural calendar. Asides the lean season, we believe the moderate agriculture sector's growth reflects the lingering impact of security challenges and elevated input costs.

We forecast GDP growth to settle at 2.9% YoY (previously 3.4% YoY) due to renewed pressures on households and businesses arising from sharp currency depreciation, as well as unusually high food prices amid limited income levels. This may push non-oil sector growth down to 2.4% YoY in 2024, from 3.0% YoY in 2023. However, we see the oil sector growing by 11.6% YoY in 2024 (2023: -2.2% YoY) in line with our higher crude oil production expectations. The IMF and Federal Government (FG) expect the domestic economy to grow by 3.0% and 3.76% YoY, respectively in 2024.

Fiscal position

Surprisingly, the government's fiscal position improved, albeit still in deficit over 9M:23 as aggregate revenue overperformed the prorated budget while the government's expenditure underperformed the budget in the review period. More specifically, the FGN's aggregate revenue settled at ₦8.65 trillion in 9M:23 (+4.5% vs prorated budget: ₦8.28 trillion). To which, the improved revenue picture was largely supported by non-oil revenue (+35.0% overperformance to ₦2.50 trillion) and grants (₦1.04 trillion vs prorated budget: ₦32.27 billion), even as oil revenue (₦1.42 trillion vs prorated budget: ₦1.67 trillion) remained underwhelming. Meanwhile, aggregate expenditure (₦12.70 trillion) was 31.8% below the target (₦18.62 trillion) for the period on account of underperformance across recurrent non-debt (-32.4% below target) and capital (-75.3% underperformance) expenditure. Meanwhile, debt servicing (₦5.79 trillion vs prorated budget: ₦4.92 trillion debt service to revenue ratio: 66.9%) increased significantly in the review period because of higher domestic interest payments and interest on CBN's Ways and Means advance. Given the revenue and expenditure outturn, the fiscal deficit settled at ₦4.05 trillion (or 2.5% of GDP) in 9M:23, relative to ₦5.46 trillion (or 2.7% of GDP) in 2022.

We forecast growth to settle higher at 3.37% YoY in 2024 as the impact of reforms subside amid increased crude oil production. The IMF and Federal Government (FG) expect the domestic economy to grow by 3.10% and 3.76% YoY, respectively in 2024.

On the public debt profile, we note that it grew by 75.3% QoQ to ₦87.38 trillion as of Q2:23, raising concerns around the country's debt sustainability amidst limited revenue flows. The rapid growth in the debt profile reflects the combined impact of securitisation of the ₦22.71 trillion CBN's overdraft facility and exchange rate depreciation on the naira value of the external debt. That said, we believe that the country will continue to service its external debt obligations with ease over the short term, more so that there are no Eurobond maturities until November 2025 when USD1.12 billion outstanding bond will mature.

The FGN has presented the 2024 budget proposal to the National Assembly for approval, maintaining the January to December budget cycle. Based on the budget proposal, the government expects revenue to print ₦18.32 trillion in 2024 (+65.9% YoY vs 2023 budget: ₦11.05 trillion), supported by local currency depreciation, higher crude oil production estimates, and removal of PMS subsidy. At the same time, the FGN proposes a 10.8% YoY increase in aggregate expenditure to ₦27.50 trillion (2023 budget: ₦24.82 trillion). Consequently, the government expects fiscal deficit to settle at ₦9.18 trillion or 3.9% of GDP in 2024 (2023 budget: ₦13.78 trillion or 6.1% of GDP). Overall, we expect the 2024 fiscal deficit to rise significantly ahead of the government's projections. The preceding will likely induce higher domestic borrowing as external borrowing conditions remain tight amidst the prohibitively high interest rates.

Exchange rate and interest rate dynamics

Since the coming on board of a new administration, the CBN has been embarking on several FX reforms. On 14 June, the CBN abolished its multiple FX windows, collapsing all its various rates into the Investors and Exporters Window (I and E), now called the Nigerian Autonomous Foreign Exchange Market (NAFEM). In addition, the apex bank ceased the RT200 rebate and Naira4Dollar scheme, effective 30 June. Elsewhere, the CBN abolished the discretionary CRR debits and adopted a more equitable approach across the banks.

Similarly, in a circular dated 12 October, the CBN highlighted six measures, restating its commitment to boost liquidity in the Nigerian Autonomous Foreign Exchange Market (NAFEM). While most of these highlights are the CBN's restatement of commitments to previous communications, the most significant highlight is the CBN's removal of the ban on some items from accessing the NAFEM. Specifically, the CBN stated that importers of all the 43 items previously restricted by the 2015 Circular referenced TED/FEM/FPC/GEN/01/010 and its addendums can now purchase foreign exchange in the NAFEM. Based on these reforms, the local currency, which the CBN kept at an artificially overvalued level in the first five months of 2023, depreciated significantly since June, settling at ₦907.11/USD at the NAFEM as of 31 December 2023 (December 2022: ₦461.50/USD). Asides that, the gross FX reserves declined as FX inflows remain limited amid outflows to finance external obligations and support the FX market. Regarding FX inflows, crude oil exports remain low, capital importation continues to dry up, and the country cannot access the Eurobond market, given the prohibitively high interest rates.

On 01 November, the apex bank began clearing parts of its outstanding FX

Economic review (continued)

backlogs. On the expected one-off FX inflows, the Finance Minister recently stated that the government is working on some measures to boost near-term FX supplies.

Although local players have been the drivers of the volumes in the NAFEM since the beginning of the year, we started seeing some benign interest from offshore players beginning from 31 October. We suspect that the offshore interest is because of the OMO auctions and growing optimism on the news that the CBN has started to deliver some of the outstanding FX forwards.

Overall, we expect FX liquidity conditions to improve into 2024, as it appears the CBN has regained its momentum regarding FX reforms. Nonetheless, we expect foreign investors to be keenly watching the development in the FX space with regard to the expected FX inflows as guided by the policymakers, CBN's recent actions in clearing its FX backlogs, and firm direction on short-term interest rates.

On monetary policy, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) softened its interest rate hikes in 2023. Notably, the MPC increased the key policy rate by 225bps in 2023 – lower than the 500bps increase in 2022. More specifically, the Committee increased the MPR by 100bps in January, 50bps in March and May, and 25bps at the July meeting. This is as consumer price pressures remain unrelenting, rising to 28.92% YoY as of December – its highest point since August 2005 (28.21% YoY).

We believe that to maintain its price stability mandate, anchor inflation expectations, increase incentives for holding the naira, and boost FX inflows from foreign investors, the CBN will have to remain hawkish in its monetary policy decisions. Indeed, at the 58th Annual Bankers' Dinner held on 24 November, the CBN governor stated that with continued tightening measures for the next two quarters, the apex bank will be able to effectively manage inflation. All told, we think the MPC may opt for up to a 300bps increase in the MPR over H1:24 before keeping the rates steady by H2:23 as we do not expect the disinflationary process to be firm until July 2023.

Financial review

Operating environment

Overall, the private sector business conditions as indicated in the Stanbic IBTC Purchasing Managers Index (PMI) report worsened in 2023. According to the report, the headline PMI declined to 52.7% in December 2023 from 54.6% recorded in December 2022, indicating deterioration in business conditions within the Nigerian private sector, due to inflationary pressures affecting companies negatively. Both new orders and output dropped as higher prices weighed down consumer demands.

Headline inflation maintained an upward trend from the beginning of the year, increasing by 7.58% to 28.92% YoY in December 2023 from 21.34% in December 2022. The increase was across the food and non-food baskets due to higher food and energy prices.

The Central Bank of Nigeria (CBN) Monetary Policy Committee (MPC) increased the Monetary Policy Rate at various points during the year. The MPC initially increased the MPR by 100bps to 17.5% in January 2023. The cumulative rate hike of 225bps in 2023 is lower when compared to the cumulative 500bps rate hike in 2022 despite the rising inflation. This is because the MPC foresees some improvement in the efficacy of monetary policy tools. The CBN governor announced that in a bid to address the issue of excess naira liquidity, there will be an increase in Open Market Operations (OMO) and Treasury Bill (T-Bill) sales, coupled with the removal of the cap on the remunerable Standing Deposit Facility (SDF). A critical component of this strategy is the sustained implementation of Cash Reserve Requirement (CRR) debits, which has already proven effective in significantly reducing Naira liquidity in Nigeria's banking sector. Complementing these measures, the central bank has inaugurated a new Liquidity Management Committee, tasked with daily assessments of liquidity conditions to ensure their optimal management. The monetary policy committee narrowed asymmetric corridor to +100/-300 from +100/-700 and retained the Cash Reserve Ratio (CRR) at 32.5%.

Limited supply of foreign currency in the official market was a concern for banks in the first half of the year. Following the swearing in of a new government at the end of May 2023, the Central Bank of Nigeria (CBN) unified all foreign exchange ("FX") market segments, allowing eligible foreign currency transactions to be carried out at market-determined rates at the Investors and Exporters (I and E) Window. In November 2023, The CBN began clearing of foreign exchange backlog estimated at $6.7 billion which was a positive sign, expected to boost investor confidence and attract foreign portfolio investment. The CBN also lifted the ban on 43 items which were restricted from accessing foreign currency in the approved exchanges. (FX). The lifting of the ban was expected to promote orderliness and create a unified market for foreign currency exchanges with flexible and transparent pricing, while ensuring that market forces determine exchange rate on a willing buyer – willing seller principle. The USD/₦ exchange rate depreciated at the IEFX window by 97% from ₦461.50/$1 in January 2023, to ₦907.11/$1 by December 2023.

Following the devaluation of the Naira, several commercial banks recorded large revaluation gains which led to elevated profit levels in Naira terms. The Central Bank of Nigeria however issued a directive instructing commercial banks to refrain from utilising these foreign currency revaluation gains for dividend payment and operational expenditures. It emphasised that the revaluation gains should be used in reinforcing their capital reserves, thus enhancing the banking sector's capacity to endure volatility and economic shocks.

The external reserves contracted by 11% between December 2022 and December 2023, the decline in reserves is due to imbalance in foreign trade and lower foreign investor participation in the capital market.

The Nigerian bourse ended the year on a positive note as the ASI closed at 74,773.77 representing a gain of +45.90% for the year. Total market volume and value appreciated by 34.92% and 53.77% respectively YoY. The Banking Index was up by over 100%, the Consumer Goods Index was up by 90.39%, the Oil and Gas Index was up by over 100%, and the Industrial Index was up 12.86%. The year 2023 was a very busy year filled with events in both the political and macroeconomic environment that had significant impacts on the performance of the Nigerian Equities Market in 2023.

> The growth in net interest income is on the back of improved volume and average yield on cumulative risk assets while growing customer loans and advances by 69% in the year.

Financial highlights for year

The Group's business activities are segmented into, Personal and Private Banking (PPB), Business and Commercial Banking (BCB), Insurance and Asset Management (IAM) and Corporate and Investment Banking (CIB). The Personal and Private Banking Segment is responsible for managing consumer, affluent client relationships and the service channels through which we reach these clients. The Business and Commercial Banking Segment is responsible for managing business to-business relationships as well as service channels. The Insurance and Asset Management segment focuses on pension administration, private non-pension asset management, trusteeship and insurance while the CIB segment remains responsible for managing large scale corporate relationships.

Stanbic IBTC maintained a robust capital and liquidity position throughout the year. The group also retained its "AAA" national rating from Fitch and GCR with a stable outlook hinged on diversified income streams, strong capital buffers, and liquidity.

In terms of customer experience, Stanbic IBTC Bank retained its market leadership in delivering top notch customer experience to customers across all segments. The retail segment retained its number one position in terms of customer experience for the third consecutive time, the SME segment moved up five places to the first position, the Corporate and Investment Banking segment also ranked third position, according to the 2023 Nigeria Banking Industry Customer Experience Survey by KPMG.

Gross earnings grew YoY by 62%, due to 80% increase in trading revenue, above 100% growth in other revenues as well as the growth in net fees and commission revenue. These were slightly moderated by the 29% increase in operating expenses on the back of increased regulatory costs, impairment charge on loans and advances, staff costs and the impact of continuous growth in inflation on other expense lines.

All business segments reported exceptional performance for the year under review and contributed positively to the Group's headline earnings. The Private and Personal Banking (PPB) segment's loss position improved year on year, the business was impacted by 70% growth in impairment charges and 58% growth in operating expenses which led to a loss after tax of ₦3.4 billion.

Corporate and Investment Banking (CIB) achieved 81% growth in profit after tax due to sizable increase in non-interest revenue and net interest income. The increase in non-interest revenue was largely driven by the growth in trading income due to elevated trading activities and above 100% growth in other revenue. Although, operating expenses were elevated as a result of increased regulatory costs such as AMCON charge and deposit insurance premium on the back of growth in total assets and qualifying deposit liability, marketing and advertising cost, staff cost as well as premises and maintenance cost (partly attributable to removal of fuel subsidy, currency revaluation and the impact of inflation). Regardless, the business recorded strong growth in both customer deposits and loans and advances, which represents 44.5% and 72.3% of the Group's customers deposits and loans and advances respectively.

Business and Commercial Banking (BCB) reported 21% growth in profit after tax YoY from the ₦12.7 billion profit reported in 2022. The business benefitted from increased fees from loan growth, improved average yield on assets, increased transaction volumes. The credit provision was a charge resulting from new loans booked in the period.

Personal and Private Banking (PPB) recorded a loss after tax, although there was an improvement when compared to prior year due to above 100% increase in Net interest income (NII) and 26% growth in non-interest revenue. Total income grew by 100% year on year. However, the growth was muted by increase in operating cost and credit impairment charges.

Insurance and Asset Management (IAM) business segment reported a 28% growth in profitability in 2023 and retained its position as the leading wealth manager in Nigeria. Assets under Management (AuM) grew by 28% to close at ₦7.3 trillion, number of retirement savings accounts also grew by 4% to close at over two million accounts. The pension business contributed largely to the growth in this business segment.

The banking subsidiary remained the most profitable subsidiary of the Group accounting for about 76% of the Group's profit after tax while other subsidiaries of the Group collectively contributed about 24%.

Provisions for credit losses was a charge resulting from new loans and advances booked as well as additional provisioning on non-performing loans. The cost of doing business grew in the year due to growth in staff cost, premises and maintenance cost, information technology and regulatory induced costs including AMCON charge and NDIC premium.

The group reported very impressive results in 2023 despite the prevailing economic conditions. The year ended with a significant growth in earnings and profitability which is attributable to the increase in net interest income and growth in non-interest revenue. The growth in net interest income is on the back of improved volume and average yield on cumulative risk assets while

Financial review (continued)

growing customer loans and advances by 69% in the year. Also contributing to earnings is the increase in non-interest revenue which was driven by growth in trading revenue following an increase in trading activities as well as a growth in fees and commissions when compared to prior year.

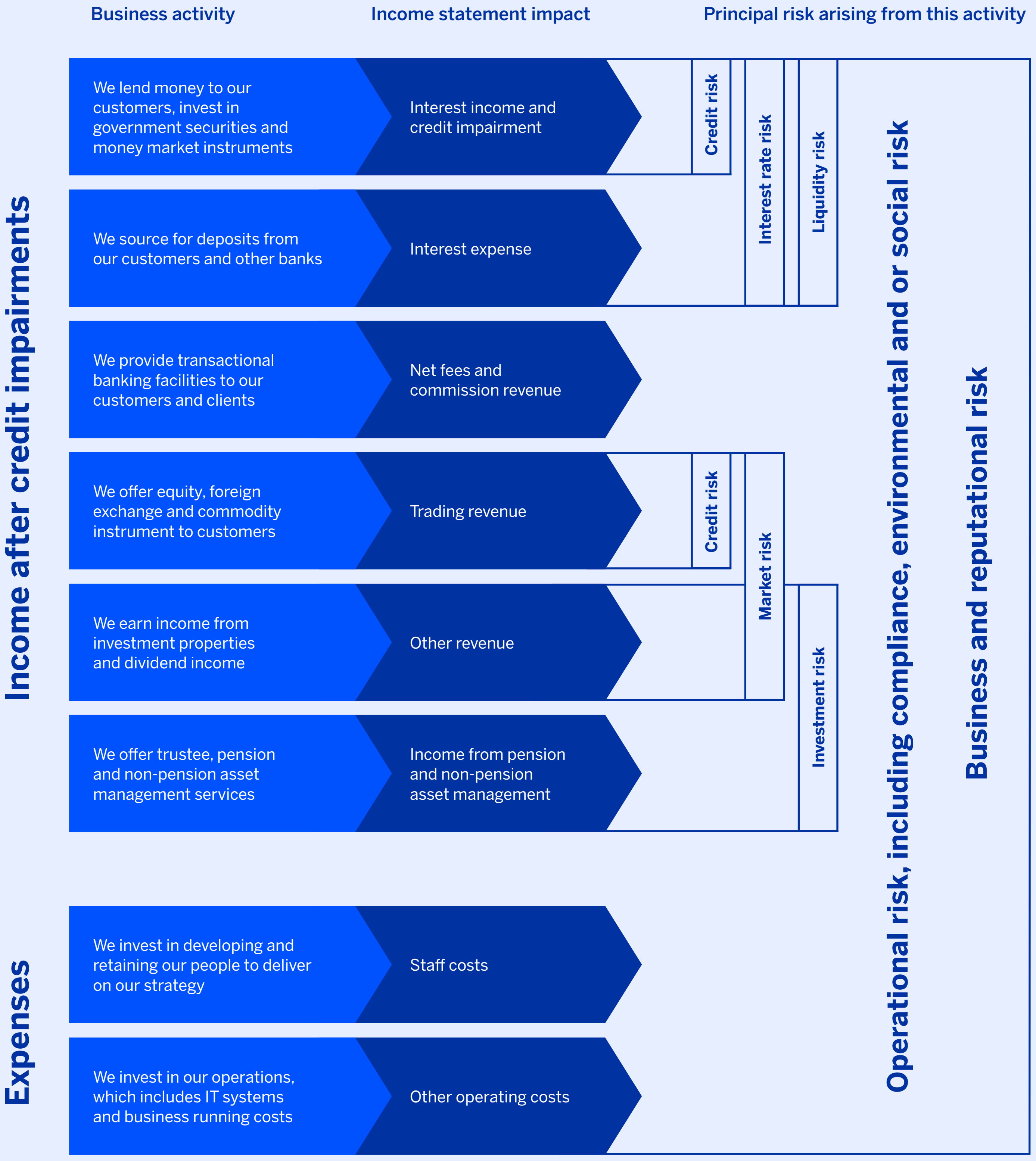
Looking ahead

The year 2024 is expected to be an improvement on the previous year due to the continuous implementation of the monetary and fiscal policies of the current administration which is expected to lead to the improvement of the economy. Some of these policies have already been implemented in 2023 and the resultant effect should also impact the macro-economic conditions in 2024.

Our key focus is to enhance client experience, execute with excellence and drive sustainable growth and value in the four business segments through partnerships and value creation. Our existing and potential clients will continue to remain at the core of our product designs, process automation and service digitisation.

We will remain an integral part of our customers' journeys across all customer segments, supporting and enhancing their growth by continuously providing value adding solutions. In line with our vision, we remain a one stop shop for all financial solutions. Growth in core areas will remain a priority for the Group, including loan portfolio and deposits as well as driving digital literacy and adoption across all channels to foster financial inclusion. Zest Payments Services has also commenced operations as planned and it has started to carve a niche for itself in the financial technology space by offering value adding payment services such as lifestyle solutions, seamless delivery of bill payment and a robust platform for airtime, data and other utilities.

How we create value



	Business activity	Income statement impact	Principal risk arising from this activity
Income after credit impairments	We lend money to our customers, invest in government securities and money market instruments	Interest income and credit impairment	Credit risk Interest rate risk Liquidity risk Operational risk, including compliance, environmental and or social risk Business and reputational risk
	We source for deposits from our customers and other banks	Interest expense	Interest rate risk Liquidity risk
	We provide transactional banking facilities to our customers and clients	Net fees and commission revenue	
	We offer equity, foreign exchange and commodity instrument to customers	Trading revenue	Credit risk Market risk
	We earn income from investment properties and dividend income	Other revenue	Market risk Investment risk
	We offer trustee, pension and non-pension asset management services	Income from pension and non-pension asset management	Investment risk
Expenses	We invest in developing and retaining our people to deliver on our strategy	Staff costs	
	We invest in our operations, which includes IT systems and business running costs	Other operating costs	

= Net profit − Dividend to our shareholders / Tax to governments = Retained equity which is reinvested to sustain and grow our business

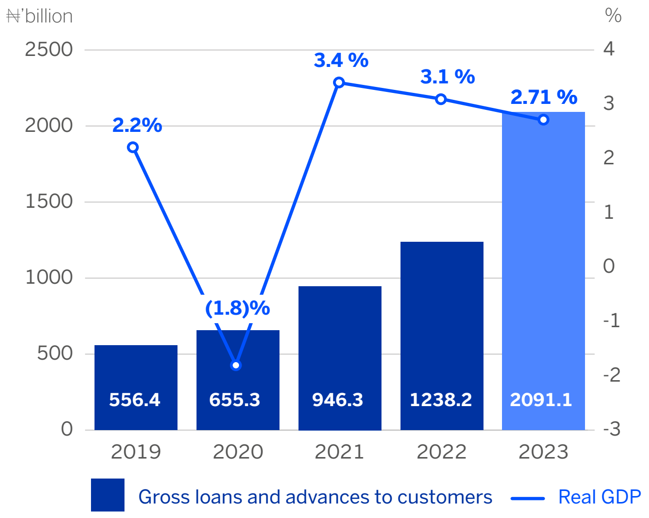
Financial review (continued)

Growth in loans and advances

Loans and advances represent 40% of total assets in the Group's statement of financial position. This asset class provides revenue to the Group in form of interest income, transaction fees charged as documentation and processing fees and the resultant insurance premiums arising from the insurance policies on the loans and pledged collateral. The Group is focused on growing this asset class within the accepted risk criteria.

Gross Domestic Product (GDP) growth and interest rate have a major impact on loan growth in the Nigerian economy as this impacts customers' ability to repay their loans.

The graph below shows a trend of GDP growth and growth in loans and advances to customers:



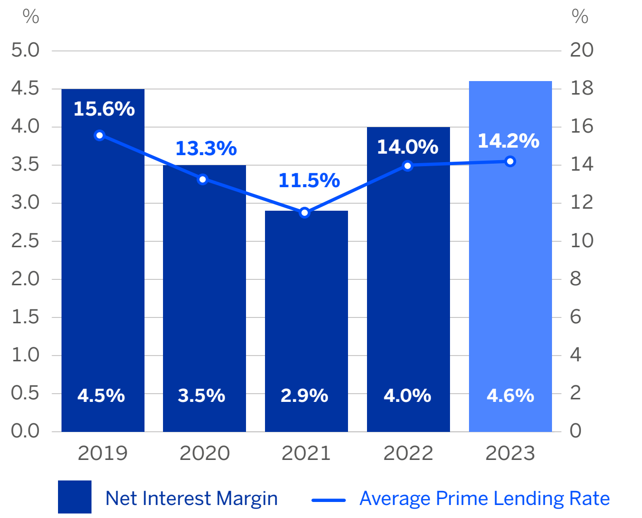
The Group recorded a 69% growth in loans and advances during the year as we continued to support our clients' aspirations across various sectors such as transportation and communication, oil and gas, electricity, gas and water supply, general commerce, agriculture manufacturing, government and others.

The Group will remain proactive whilst closely observing emerging trends in the economy in 2024 to explore emerging opportunities while optimising its risk management processes towards a stable and enhanced risk asset quality.

Net interest margin

Net interest margin is net interest income expressed as a percentage of average total assets excluding derivative assets. Net interest income is income earned from interest on loans, advances and investments less interest paid on customer deposits and other funding sources. The movement in benchmark lending rates such as the prime lending rate in Nigeria impacts significantly on the net interest margin.

The graph below shows the average prime lending rate and the group's net interest margin.



The interest rate charged on loans and advances are mostly linked to the Prime Lending Rate (PLR) for local currency loans and Secured Overnight Financing Rate (SOFR) for foreign currency loans.

The CBN Monetary Policy Committee (MPC) increased the Monetary Policy Rate (MPR) multiple times in 2023 from 17.5% in January 2023 to 18.75% before the end of the year. It also sustained the implementation of Cash Reserve Requirement (CRR) debits, which has already proven effective in significantly reducing naira liquidity in Nigeria's banking sector. Complementing these measures, the central bank also inaugurated a new Liquidity Management Committee, tasked with daily assessments of liquidity conditions to ensure their optimal management. The monetary policy committee narrowed asymmetric corridor to +100/-300 from +100/-700 and retained the Cash Reserve Ratio (CRR) at 32.5%.

The CBN's LDR policy continued to impact lending rates as competition for loans among banks intensified, thereby forcing lending rates further down.

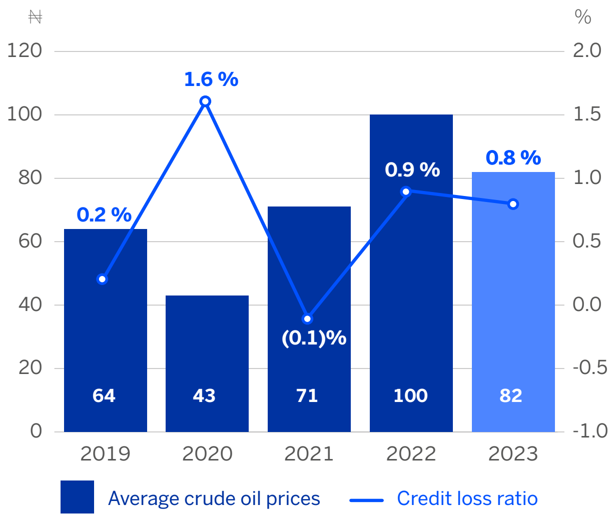
Credit loss ratio

The credit loss ratio is the credit impairment charged to the income statement expressed as a percentage of the average gross loans and advances balance. Credit impairment is the expected credit loss on loans and advances that is charged to the income statement as provision for bad loans. This is the cost of risk incurred by the bank from the customers' inability to repay their loans.

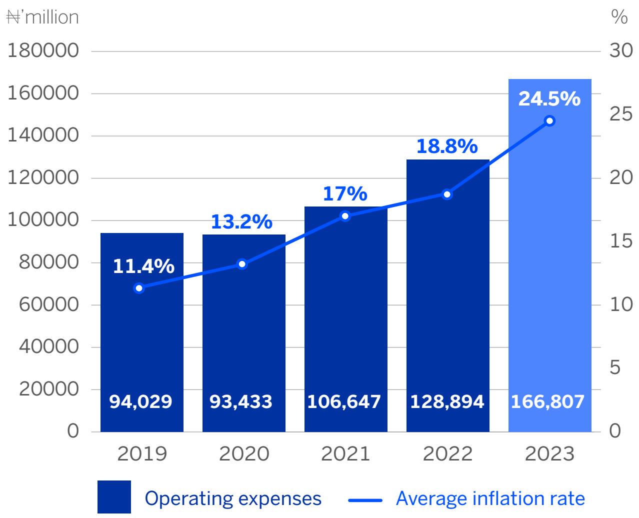
Net impairment loss on financial assets was a charge of ₦15.5 billion, a 50% growth over the ₦10.3 billion reported in 2022. The charge resulted from provisioning made on new loans and advances booked and additional provisions on non-performing loans in 2023 culminating in a credit loss ratio of 0.8%.

Financial review (continued)

Credit loss ratio and average crude oil prices



Operating expenses and average annual inflation rate



Growth in non-interest revenue

The two major components of non-interest revenue are net fees and commission and trading revenue. The growth or decline in non-interest revenue is largely induced by changes in these two variables.

Growth in net fees and commission revenue

This depends on growth in transaction volumes and activity across the service delivery channels, which are a function of economic activity. The growth in Fees and commission in 2023 was driven by increased asset management fees, electronic banking fees, foreign currency service, reflecting the improvement in business transactional activities and fees from new loan bookings. Card based commission declined slightly due to the cash crunch experienced pre-election season in 2023.

Growth in trading revenue

The trading revenue is basically income from trading in foreign currency, fixed income securities and equities. This revenue source is dependent on trading volumes and volatility in the market which impacts the spread made by traders. Trading revenue grew due to increase in fixed income trading activities, as well as equities.

Growth in operating expenses

Inflation is a major economic factor that drives cost growth in the Group. Headline inflation averaged 24.66% in 2023 versus 18.85% in prior year. Operating expenses increased due to increase in staff cost, growth in regulatory induced costs including AMCON charge and NDIC premium following the growth in the size of the balance sheet. We also achieved cost savings from energy efficiency initiatives, paper recycling, and new ways of working.

Effective tax rate

The Group's corporate effective tax rate declined from 19.5% in 2022 to 18.7% in the current year. The decline in effective tax rate is majorly driven by the devaluation of naira during the year which resulted in unrealised exchange gains which are not liable to tax based on the Nigeria tax laws.

The Federal Inland Revenue Service (FIRS) has revealed its plans to significantly increase tax revenue collection by 57% to N19.4 trillion in the year 2024. The FIRS aims to achieve this by restructuring its organisational framework and implementing additional automation measures to improve tax collection and widen the tax base.

Growth in revenue from pension and non-pension assets

The growth in revenue from managing pension and non-pension assets is dependent on equity market performance, money market interest rates and yields on government securities. Growth in equity market performance results in higher investment income on assets under management which in turn increases the net asset value of the funds. The revenue from the pension and non-pension asset management business is usually a percentage of the net assets value of the funds.

Ease of entrant into the pension and non-pension business, the recent transfer window and the level of unemployment affects the revenue from pension business. A decline in unemployment levels means that more people are getting employed and pension contributions will increase resulting in increased assets under management, while an increase in unemployment levels will have an adverse effect on the revenue of the pension business.

Revenue from the pensions business improved driven by the growth in asset under management and positive performance of the stock market in 2023.

Analysis of the Group's financial performance

Income statement analysis

The statement of profit or loss shows the income earned by the business and expenses incurred in generating the revenue for the year ended 2023. The profit for the year grew by 74% YoY.

Statement of Profit or Loss	Change %	2023 ₦'million	Restated 2022 ₦'million
Net interest income	55	175,190	113,119
Interest income	77	270,593	152,670
Interest expense	>100	(95,403)	(39,551)
Non-interest revenue	42	179,976	126,333
Net fees and commission revenue	21	110,277	91,059
Fees and commission revenue	23	117,839	96,065
Fees and commission expense	51	(7,562)	(5,006)
Income from life insurance activities	>100	(1,531)	(595)
Net insurance service result before reinsurance contracts held	>100	2,196	441
Net expense from reinsurance contracts held	>100	(670)	(307)
Net insurance finance expenses	>100	(2,285)	(561)
Fair value adjustments	>100	(772)	(168)
Trading revenue	80	62,506	34,687
Other revenue	>100	8,724	1,182
Total income	48	355,166	239,452
Net impairment loss on financial assets	50	(15,452)	(10,290)
Income after credit impairment charges	48	339,714	229,162
Operating expenses	29	(166,807)	(128,894)
Staff costs	29	(65,760)	(50,996)
Other operating expenses	30	(101,047)	(77,898)
Profit before tax	72	172,907	100,268
Tax	65	(32,290)	(19,535)
Profit for the year	**74**	**140,617**	**80,733**
Profit attributable to:			
Non-controlling interests	13	3,035	2,691
Equity holders of the parent	76	137,582	78,042
Profit for the year	**74**	**140,617**	**80,733**

Financial review (continued)

Net interest income

Net interest income (NII) increased by 55% YoY due to improved interest income which was largely driven by the increase in interest earned on loans and advances to customers and banks and interest income on investment securities.

The change in interest expense can be attributed to growth in customer deposit mostly from fixed deposit which grew by 95%, while savings account deposits also grew by 45%.

In CIB, net interest income was up by 48% on the back of the growth in interest income driven by increased yield on financial instruments and loans and advances. Interest expense more than doubled because of the continuous growth in the size of customer deposits.

BCB's net interest income also increased by 22% as a result of increased income from loan growth and improvement in average yield on assets also interest expense increased by above 100% due to the growth in term deposits and call deposit of the segment.

PPB's above 100% growth in net interest income is attributable to growth in loan and advances although, the Interest expense also increased by above 100% due to increased focus on generating customer deposits.

IAM reported a 45% growth in net interest income due to improved yields on investments.

Non-interest revenue

Non-interest revenue comprises mainly fees and commission and trading revenue. Fees and commission are dependent on transactional banking volumes and asset under management, which are a function of economic activity and of the competitive environment for banking services.

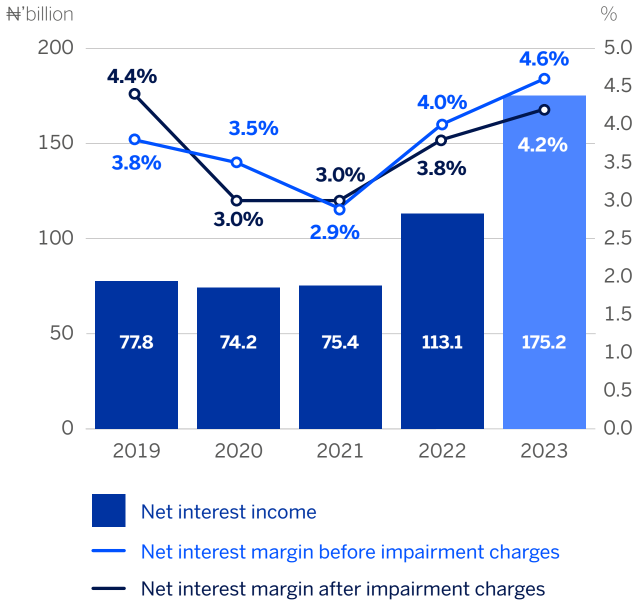
Non-interest revenue increased by 42% due to the appreciable growth in trading revenue to ₦62.5 billion (2022: ₦34.7 billion), 21% growth in net fees and commission. The growth in net fees and commission arose from growth in assets under management (AUM), foreign services transactions and corporate finance fees, new loan bookings and increased transaction volumes.

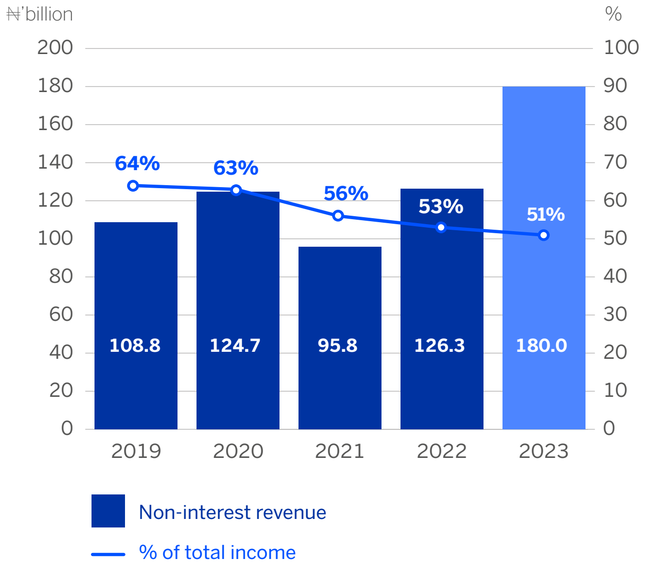
The BCB segment saw a 41% growth in non-interest revenue driven by significant increase in fees from new loan bookings and increased transaction volumes.

CIB business reported 72% increase in non-interest revenue largely driven by the growth in trading income due to high trading activities and increase in other revenues.

PPB business recorded 26% growth in non-interest revenue resulting from growth in fees from new loan bookings and other revenues.

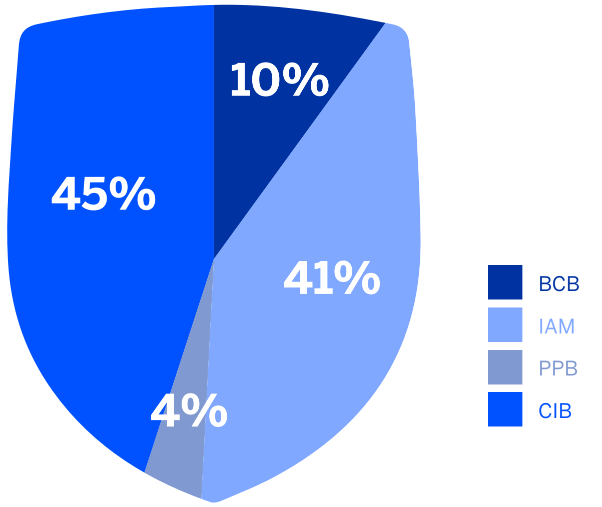
IAM business segment reported a 21% increase in non-interest revenue attributable to increase in AUM driven by higher net contribution and investment income.



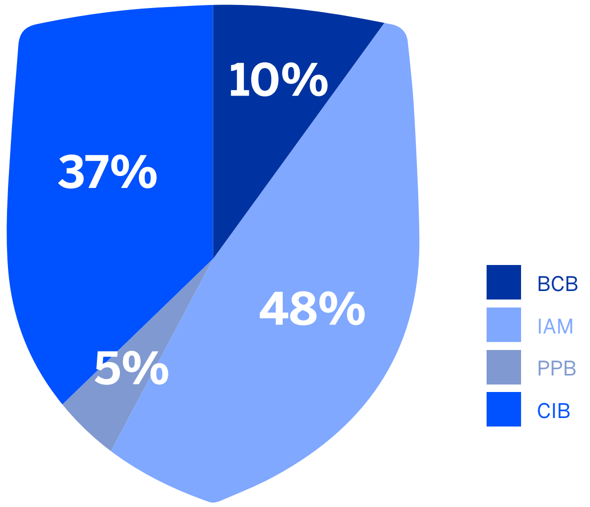


Non-interest revenue by business segment

2023



2022



Net impairment charges on financial assets

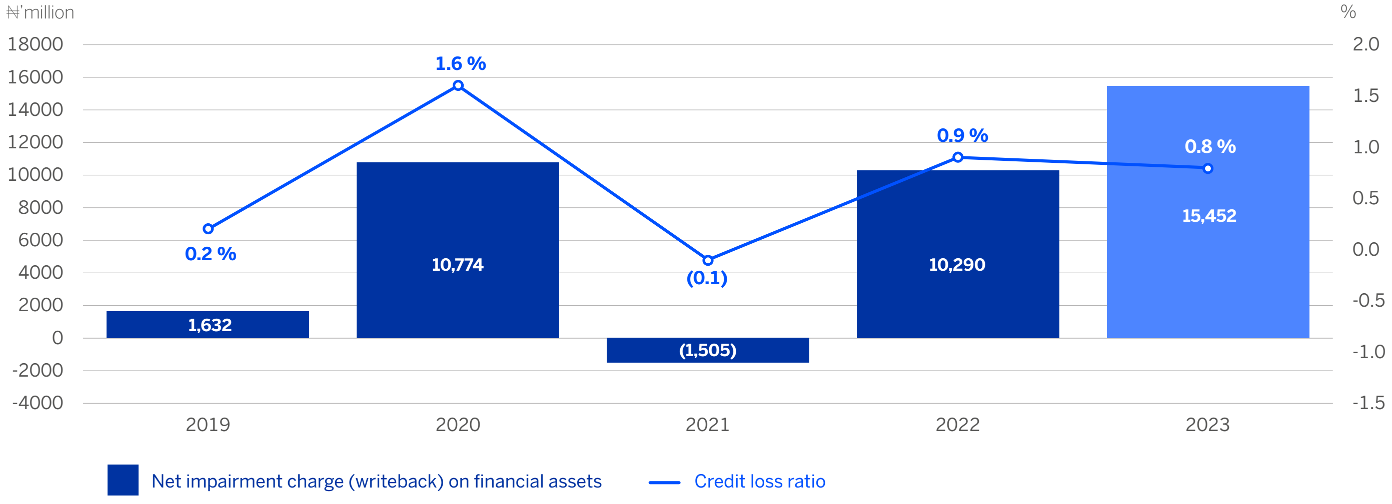
Net impairment on financial assets was a charge of ₦15.5 billion compared to the ₦10.3 billion charge in 2022.The charge resulted from provisions on newly booked loans and existing non-performing loans for the year.

CIB's net impairment was a charge of ₦922 million as against the charge of ₦3.9 billion in 2022, a significant improvement from prior year. Therefore, CIB's credit loss ratio for the year closed at 0.1% in 2023.

BCB's net impairment was ₦11.1 billion compared to ₦4.3 billion in 2022. This outcome is from additional impairment booked on delinquent names and the impact of rate movement on the FCY book. This resulted in a credit loss ratio of 2.8% as against the ratio of 1.4% in previous year.

Also, PPB's net impairment was a charge of ₦3.3 billion, compared to the ₦1.9 billion from prior year. The growth in impairment is premised on the increase in loans and advances to retail clients and additional provisioning on delinquent accounts.

Impairment charges and credit loss ratio



Financial review (continued)

Operating expenses

Operating expenses increased by 29% to ₦166.8 billion in 2023. Revenue grew at a faster rate compared to the operating cost which resulted in 6.8% improvement in cost-to-income ratio to 47% from 53.8% in prior year.

Staff costs also grew YoY by 29% due to increase in staff incentives provision, the Group's annual inflation adjustment to staff salaries, improved staff benefits in kind and off cycle adjustment of staff salaries carried out in the third quarter of 2023. Other operating expenses also increased by 30% due to growth in regulatory induced costs such as AMCON charge and NDIC premium following growth in total assets and value of total qualifying deposits, respectively. That said, the Group achieved cost savings from energy efficiency initiatives, paper recycling and new ways of working.

CIB's cost of doing business grew by 30% on the back of increased AMCON and NDIC charges from growth in total asset and deposits and higher information technology expenses. The segments cost-to-income ratio improved to 33.4% in 2023 from 40.7% reported in prior year following a faster income growth rate compared to the cost growth rate.

BCB's operating cost increased by 9% following the increase in premises expenses on account of higher diesel and electricity cost. That said, BCB's cost-to-income ratio improved to 54% in 2023 from 62.7% in 2022 due to the growth rate of total income.

PPB's operating expenses increased by 58% due to increases in marketing and premises expenses following the uptick in business activities and impact of inflation. However, the cost-to-income ratio improved to 99.2% (2022: 139.6%) as growth in revenue exceeded the increase in operating expenses.

IAM's operating cost increased by 18% year on year due to growth in pension administration expenses, premises and maintenance, training and marketing and advertising expenses. IAM's cost to income ratio improved slightly to 38.4% from 40.1% reported in 2022.

Breakdown of operating expenses	Change %	2023 ₦'million	2022 ₦'million
Staff costs	29	65,760	50,996
Other operating expenses:	30	101,047	77,898
Information technology	43	19,341	13,532
Communication expenses	44	2,557	1,781
Premises and maintenance	13	6,013	5,332
Depreciation expense	26	9,301	7,391
Amortisation of intangible assets	-	765	765
Deposit insurance premium	15	7,970	6,932
AMCON expenses	5	15,387	14,602
Other insurance premium	74	4,252	2,450
Auditors renumeration	16	570	490
Non-audit service fee	>100	35	28
Professional fees	23	2,919	2,375
Administration and membership fees	38	2,949	2,139
Training expenses	66	1,580	954
Security expenses	37	2,599	1,894
Travel and entertainment	86	3,033	1,628
Stationery and printing	4	1,464	1,410
Marketing and advertising	27	7,115	5,587
Commission paid	>100	425	158
Pension administration expense	>100	937	381
Penalties and fines	(22)	124	159
Donations	>100	794	312
Operational losses/(Gain)	42	210	148
Directors fees	60	1,496	935
Indirect tax (VAT)	11	2,676	2,408
Others	59	6,535	4,107
Total operating expenses	**29**	**166,807**	**128,894**

Statement of financial position analysis

The statement of financial position shows the position of the Group's assets, liabilities and equity as at 31 December 2023. The Group's assets increased by 70% to close at ₦5.1 trillion in 2023.

Significant movements over the year are discussed below:

Statement of financial position - Group	Change %	31 Dec. 2023 ₦'million	**Restated** 31 Dec. 2022 ₦'million
Assets			
Cash and cash equivalents	>100	1,384,879	664,450
Pledged assets	>100	374,912	127,990
Trading assets	(64)	67,917	190,431
Derivative assets	>100	550,720	42,134
Financial investments	(25)	435,657	582,019
Loans and advances	69	2,041,019	1,208,190
Loans and advances to banks	>100	8,668	3,404
Loans and advances to customers	69	2,032,351	1,204,786
Other assets	54	202,833	132,069
Property and equipment	25	76,683	61,548
Reinsurance assets	46	468	321
Intangible assets	(23)	2,471	3,223
Right of use assets	22	4,388	3,609
Deferred tax assets	(72)	3,649	13,042
Total assets	**70**	**5,145,596**	**3,029,026**
Equity and liabilities			
Equity	24	506,924	407,570
Equity attributable to ordinary shareholders	25	499,576	399,562
Ordinary share capital	-	6,479	6,479
Ordinary share premium	-	102,780	102,780
Reserves	34	390,317	290,303
Non-controlling interest	(8)	7,348	8,008
Liabilities	77	4,638,672	2,621,456
Trading liabilities	>100	480,465	220,971
Derivative liabilities	>100	446,993	26,099
Current tax liabilities	33	23,388	17,564
Deposit and current accounts	57	2,731,772	1,736,426
Deposits from banks	34	658,885	491,080
Deposits from customers	66	2,072,887	1,245,346
Other borrowings	>100	375,959	187,957
Debt securities issued	3	74,311	71,878
Provisions	29	11,314	8,758
Other liabilities	40	493,277	351,803
Deferred tax liabilities	>100	1,193	-
Total equity and liabilities	**70**	**5,145,596**	**3,029,026**

Financial review (continued)

Trading assets

Trading assets declined by 64% to ₦67.9 billion from ₦190.4 billion, the decline is from normal run-off of matured repo trade transactions with local counterparties.

Financial investments

Financial investments declined by 25% largely due to the liquidation of investment in Treasury bills and Bonds in order to meet our customers transactional activities.

Loans and advances

Total loans and advances to customers and banks increased by 69% to ₦2.04 trillion (2022: ₦1.21 trillion). Loans and advances to customers increased by 69% to ₦2.03 trillion, loans and advances to banks also increased by above 100% to close at ₦8.67 billion.

Whilst maintaining a cautious approach to lending, the bank granted additional facilities to support clients' aspirations across various sectors such as transportation and communication, manufacturing, oil and gas, general commerce, and government, amongst others.

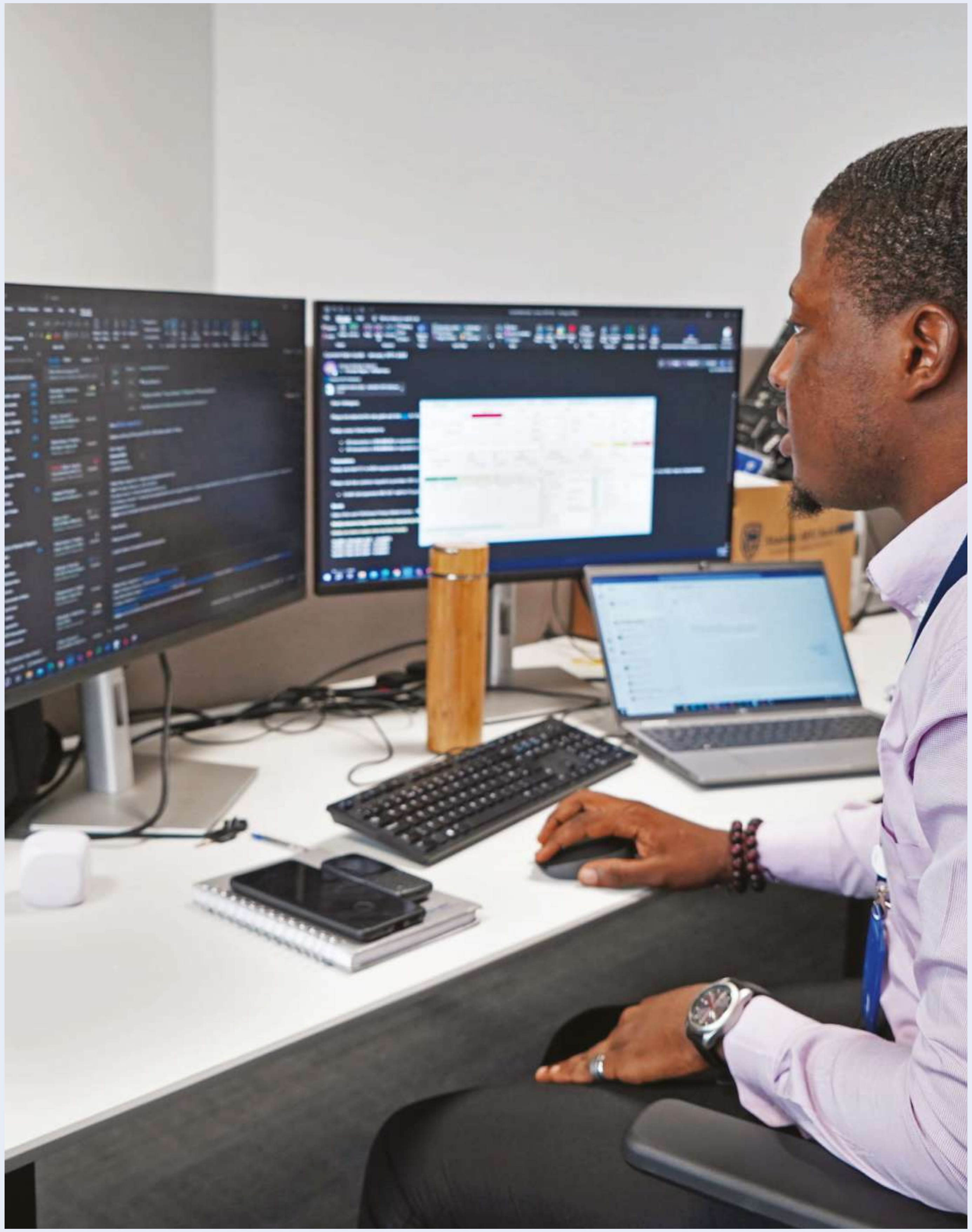
CIB, BCB and PPB grew their gross loan book by 86%, 35% and 45% respectively. This growth is across all product lines as the Bank continues to pursue its strategy of meticulously growing its loan and advances to customers.

Breakdown of gross customer loans and advances by business unit	Personal and Private Banking PPB ₦'million	Business and Commercial Banking BCB ₦'million	Corporate and Investment Banking CIB ₦'million	Total ₦'million
Overdrafts	5,891	69,002	65,905	140,798
Term loans	106,203	306,046	1,433,632	1,845,881
Instalment sale and finance leases	1,740	75,602	11,933	89,275
Mortgage loans	15,184	-	-	15,184
Total loans and advances	**129,018**	**450,650**	**1,511,470**	**2,091,138**

Deposit and current accounts

Total deposit increased by 57% to ₦2.73 trillion in 2023 when compared to prior year. Both customer deposits and deposits from banks increased.

Customer deposits closed at ₦2.1 trillion in 2023, an increase of 66% from ₦1.25 billion recorded in 2022. The current and savings accounts both grew by 67%, while call and term deposits also increased by 64% collectively. The growth in current and savings deposits resulted in the improvement of the CASA ratio to 72% in 2023 from 71.7% in 2022. This re-affirms the Group's strategy to grow CASA volumes. Customer deposits grew across all lines of businesses with the CIB business accounting for 44% of the total deposits.



Executive committee

Demola Sogunle
Chief Executive

Stanbic IBTC Holdings PLC

Wole Adeniyi
Chief Executive

Stanbic IBTC Bank Limited

Kunle Adedeji
Chief Financial Officer

Stanbic IBTC Holdings PLC

Kola Lawal
Executive Director, Risk

Stanbic IBTC Bank Limited

Olumide Oyetan
Chief Executive

Stanbic IBTC Pension Managers Limited

Bunmi Dayo-Olagunju
Executive Director,
Operations

Stanbic IBTC Bank Limited

Anthony Mogekwu
Head, Legal, Corporate and
Investment Banking

Stanbic IBTC Holdings PLC

Babatunde Akindele
Head, Coverage
Commercial Clients

Stanbic IBTC Bank Limited

Bridget Oyefeso-Odusami
Head, Brand and Marketing

Stanbic IBTC Holdings PLC

Eric Fajemisin
Executive Director, Corporate
and Transactional Banking

Stanbic IBTC Bank Limited

Remy Osuagwu
Executive Director, Business
and Commercial Banking

Stanbic IBTC Bank Limited

Olu Delano
Executive Director, Personal
and Private Banking

Stanbic IBTC Bank Limited

Abiodun Gbadamosi
Head, Internal Audit

Stanbic IBTC Bank Limited

Adegbite Adekola
Chief Compliance Officer

Stanbic IBTC Bank Limited

Akinjide Orimolade
Chief Executive

Stanbic IBTC Insurance Limited

Carol Olayi
Head, People and Culture

Stanbic IBTC Bank Limited

Charles Onwude
Head, Risk Management

Stanbic IBTC Bank Limited

Chidi Okezie
Head, Legal and Governance,
Nigeria

Stanbic IBTC Holdings PLC

Executive committee (continued)

Ezinne Anosike
Country Head, People and Culture

Stanbic IBTC Holdings PLC

Nwoke Okechukwu
Head, Information Technology

Stanbic IBTC Holdings PLC

Oladele Sotubo
Chief Executive

Stanbic IBTC Capital Limited

Isichei Funke
Head, Internal Control

Stanbic IBTC Bank Limited

Samuel Ocheho
Head, Global Markets, Nigeria

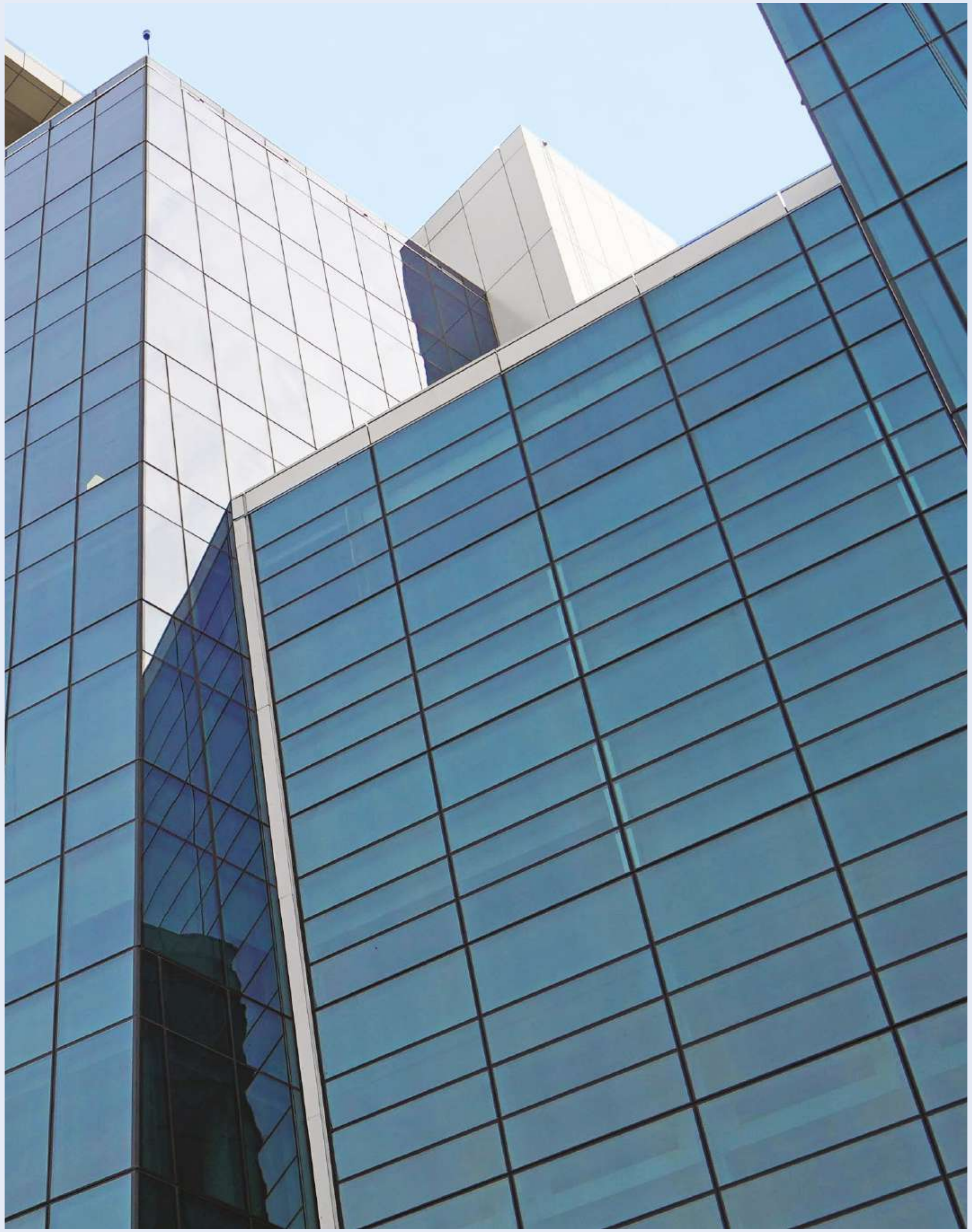
Stanbic IBTC Bank Limited

Jacob Stanley
Chief Executive

Zest Payments Limited

Tosin Leye-Odeyemi
Head, Risk, Sustainability and Capital Management

Stanbic IBTC Holdings PLC



Corporate and Investment Banking (CIB)

Introduction

Corporate and Investment Banking ("CIB") services are provided to large corporates, financial institutions, international counterparties, governments, and parastatals.

The CIB segment charted a course of remarkable achievements and strategic initiatives in 2023, underscoring our commitment to sustainable value creation and client-centric excellence. In tandem with our brand campaign, we took significant strides in enhancing our digital presence to accommodate the evolving needs of our clients. These digital initiatives not only exemplify our commitment to staying at the forefront of technological advancements but also reinforce our accessibility and transparency as a trusted partner.

Corporate and Investment Banking is comprised of four key business units - Client Coverage, Investment Banking, Global Markets, and Transaction Banking.

Client Coverage

The Client Coverage team is the core of Corporate and Investment Banking (CIB). The team builds and fosters relationships using the Client Engagement Model (CEM) to coordinate all corporate client relationships across Stanbic IBTC Group. The CEM is the centre of our strategy and defines how we offer value to clients. It begins from the first interaction with our potential client(s), to onboarding and continues through the client's life cycle with the goal of building long-term sustainable partnership(s). For the Client Coverage team, delivering exceptional client experience and superior value is the core of our service delivery.

The Client Coverage team is comprised of experienced sector experts, that use deep sector insights to lead and co-ordinate the development and effective implementation of individual client strategies. The team is also responsible for providing clients with a comprehensive suite of integrated financial solutions by leveraging on capabilities across product houses and business units within Stanbic IBTC Group and the Standard Bank Group. This is effectively driven in line with the CEM which has resulted in proven success in origination, business development, client engagement, solutioning and relationship building.

The resilience of many of our corporate clients can be attributed to the underlying strength of their balance sheets, and our unique ability to curate solutions required to navigate the largely challenging macroeconomic environment. In 2023, the Client Coverage team recorded remarkable growth and completed several landmark transactions across all sectors. The team continues to leverage the Standard Bank Group competitive advantage to execute transactions that create considerable value for clients, which protects and ultimately grow their business.

Investment Banking

The Investment Banking business unit continues to offer a complete suite of innovative advisory, corporate finance and debt financing solutions to domestic corporates, multinationals, supranational and government entities, through our wholly owned subsidiary; Stanbic IBTC Capital Limited.

The investment banking's advisory and capital markets offerings include private and public equity capital raises (initial public offerings, follow-on public offerings, and rights issues), mergers and acquisitions, divestitures, corporate restructurings, bonds, and commercial papers ("CP") issuances, and ratings advisory.

The debt solutions offerings include debt arranging and advisory, and optimal capital structure advisory across the energy and infrastructure, real estate, telecommunications, media and technology, consumer, financial institutions, and industrials sectors.

Our Investment Banking business affirmed its market leading position as evidenced by the underlisted industry awards:

FMDQ Gold Awards 2023

- Most Active Securities Lodgement Sponsor on FMDQ

Euromoney Real Estate Awards 2023

- Best Bank in Nigeria

Association of Issuing Houses of Nigeria ('AIHN") 2022

- Best Corporate Bond House
- Best M and A Deal
- Equity Deal
- Best Equity House
- Best Investment Bank

EMEA Finance Achievement Awards 2022

- Best Local Currency Bond House
- Best Equity House
- Best Oil and Gas Deal

DealMakers Africa Awards (West Africa)

- Private Equity Deal of the year in West Africa for Verod Capital and Medplus transaction
- Best Merger and Acquisition Financial Adviser in West Africa by deal flow
- Best General Corporate Finance Adviser in West Africa by transaction value.

Bonds, Loans and Sukuk Awards

- Best Local Currency Bond House

Others

- African Banker: Best Oil and Gas Deal
- Nigerian Institute of Estate Surveyors and Valuers: Corporate and Real Estate Finance Award

Global Markets

The Global Markets business offers a deep understanding of market dynamics in developing economies through an extensive range of treasury and risk management solutions across diverse asset classes in the financial markets (Foreign Exchange, Rates, and Equities).

Global Markets remains a pacesetter in the Nigerian Financial Markets with world-class Trading, Sales and Research teams which provide robust expertise in treasury offerings and value adding client solutions to meet the ever-changing needs across the value chain of an expanding client base.

The Global Markets business is well positioned to take advantage of various trade opportunities and deliver innovative, value creating, customised treasury solutions; utilising an excellent customer centric culture in collaboration with the rest of the group, to solve clients' pain points and meet their future growth ambitions.

Global Markets remains in the forefront of providing guidance to clients and other financial markets participants and continues to receive market–wide acknowledgement of its leading position as exemplified by the awards the business has consistently received.

Global Markets Research

The Global Markets Research team drives thought leadership for the Stanbic IBTC Group, as the insights developed by the team enhances client interaction and sets the group apart from peers. The team provides views and outlook on the Nigerian macroeconomic environment and presents specific sector and company outlook, which drives investment and corporate strategy for institutional and corporate clients.

Over the years, the Global Markets Research team has won multiple awards which is a market acknowledgement of the top-quality insights developed by the team.

FMDQ Gold Awards

1. Dealing Member of the Year Award FMDQ OTC FX Futures Bank

Financial Mail Top Analyst Awards

2. Best Equities Research Team in Sub Saharan Africa (* ex South Africa)

3. Best Macro Research in Sub Saharan Africa (* ex South Africa)

International Finance Awards 2023

4. Best Macro Research in Sub Saharan Africa (* ex South Africa)

Stanbic IBTC Stockbrokers Limited

Stanbic IBTC Stockbrokers Limited ("the Company") is a wholly owned subsidiary of Stanbic IBTC Holding PLC. and a member of the Standard Bank Group. We are set up to provide world class stockbroking services to local and foreign investors in the Nigerian Capital Market. Stanbic IBTC Stockbrokers is one of Nigeria's leading stockbroking firms with over a decade of stockbroking experience in the Nigerian financial market. Stanbic IBTC Stockbrokers is a member of The Nigerian Exchange Limited (NGX) and is licensed by The Securities and Exchange Commission (SEC) in Nigeria. The Company has a highly qualified and experienced workforce with impeccable customer service and integrity.

Notable transactions for the Year

During the year, Stanbic IBTC Stockbrokers played a critical role in the successful execution of leading equity capital markets deals. Most notable of these is:

- Stockbroker to the minority shareholders buyout and delisting of ARDOVA PLC.

Awards

- Stanbic IBTC Stockbrokers Limited was awarded the Most Trusted Stockbroker of the Year at the African Finance Awards 2023 in recognition of customer service excellence.

Transaction Banking

The Transaction Banking business of Stanbic IBTC provides exceptional services that enable efficient trade, treasury, and cash management for our corporate clients. Strong payment and collection options, adaptable liquidity management frameworks, and a variety of working capital and trade solutions are all part of our solution portfolio. These skills allow us to provide top-notch, reasonably priced transactional banking solutions that are tailored to our clients' requirements. Because of the team's wide range of skills and experience, we can adjust to shifting business realities and work with our clients' specific needs.

Despite difficulties with shifting market norms and business uncertainty, the Transaction Banking business saw significant accomplishments and positive results in 2023, making it a record-breaking year. Origination remained the team's top priority, and we relentlessly pursued and carried out certain client-centric projects that guaranteed we maintained our partnerships with customers and effectively managed business risks despite the challenging operating climate. The company's working capital and trade facilities for both new and current clients drove a very high growth in risk assets.

Throughout the year, majority of our clients used our comprehensive electronic banking platform, which encompasses our Trade, Cash Management, and Investor Services capabilities. This indicated that digitisation remained a top priority for the business. With the enhancements in channel performance and the notable increase in channel traffic, we were able to advance our digital bank journey even further. Our expertise encompasses both industry-specific and customised solutions, enabling our clients to attain expansion.

Corporate and Investment Banking (CIB) (continued)

Notable achievements and transactions for the year

- Executed the first commercial transaction on PAPSS in Nigeria representing the first commercial bank to accomplish this feat.
- Progressed our digital bank journey with the launch of the Lekki Port collection solution.
- Recorded number one ranking in industry awards.
- Best Cash Management Bank - Nigeria 2023 by Cosmopolitan-The Daily Business Awards 2023.
- Best Cash Management Bank in Nigeria 2023 by Asian Banker MEA regional awards.
- Global Transaction Banking Innovation Awards 2023.
- Outstanding digital transformation by a transaction/wholesale bank in COVID-19.
- Best ERP integration initiative.
- Best Bank for trade finance in Nigeria.

Stanbic IBTC Nominees Limited

Stanbic IBTC Nominees Limited maintained its market leadership in the year by driving thought leadership and advocacy initiatives. Its influence in various market forums has been instrumental in driving several market developments including successes in the Business Facilitation Act that now allows Pension Funds to participate in Securities Lending, creating a pathway to the shortening of the settlement cycle in the equities market from T+3 amongst other initiatives.

The business was adjudged the Best sub-custodian in Nigeria by Global Finance in 2023 for the fifteenth time in a row, Best custodian in Nigeria by the Digital Banker awards, Best Custodian in Nigeria by BusinessDay Banks and Other Financial Institutions (BAFI) Awards 2023, Best Custodian in Nigeria by International Finance magazine and the Best Sub custodian by Global Investor Survey for 2023.

Stanbic IBTC Nominees' custody business is very much pivotal and provides a key platform for Local, Foreign, and Institutional investors looking to invest in Nigeria. Its relevance is equally critical to the regulators in providing assurance to investors on the safety of their assets.

Case study 01

GZ Industries Limited

Collaborating with GZ Industries Limited ("GZI") to finance the expansion of the company's manufacturing capacity

Company background
GZI is the largest aluminum beverage can manufacturer in West Africa and the second largest in Sub-Saharan Africa, with operations in Nigeria and South Africa. The company currently supplies cans to leading carbonated soft drinks, beer, and malt producers in the region including Heineken, Coca Cola and Diageo amongst others.

In Nigeria, the Company operates out of two plants; one in Agbara, Ogun State and the other in Aba, Abia State.

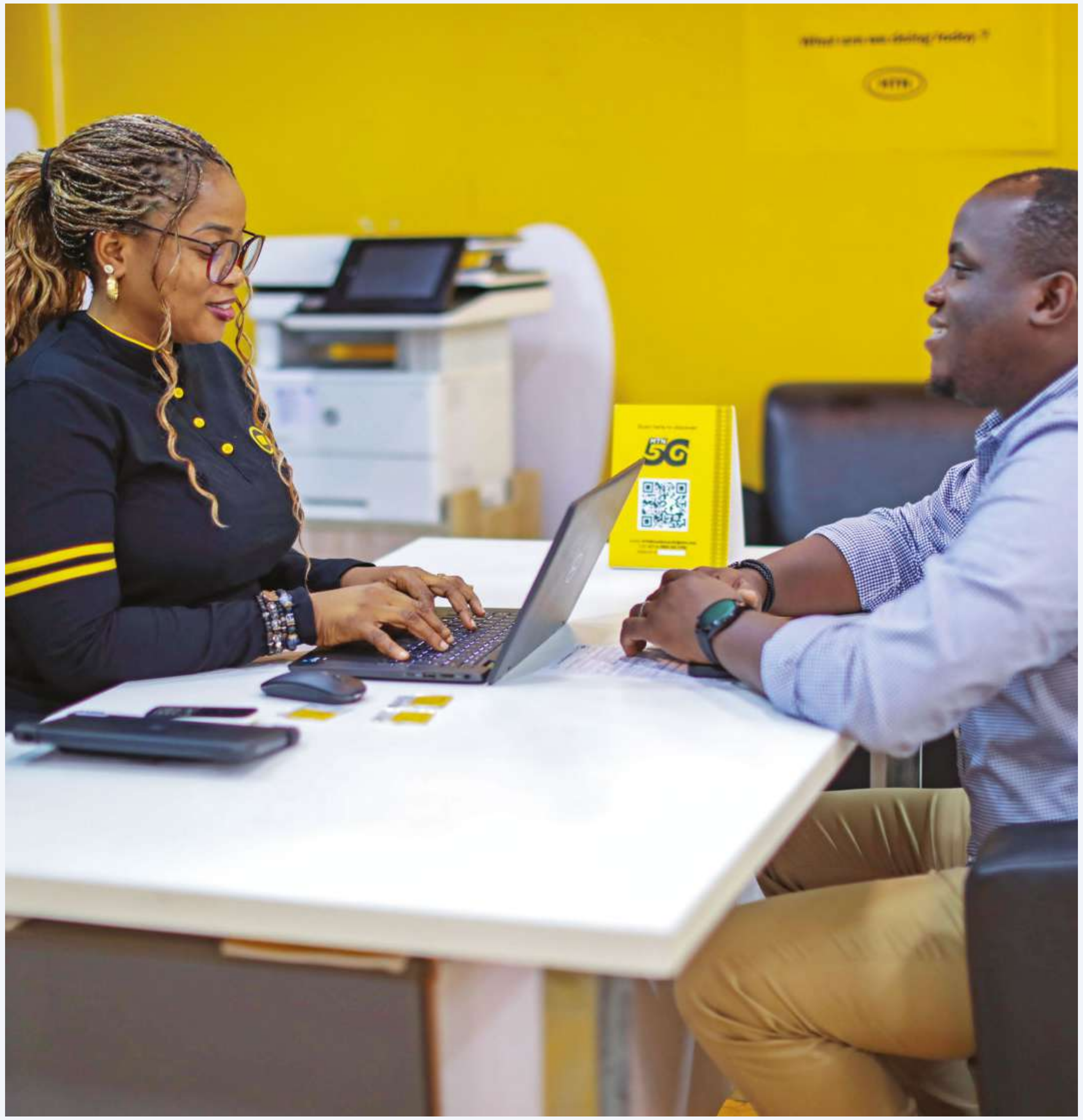
Relationship with Stanbic IBTC
Stanbic IBTC Holdings availed a term facility to GZI (the "Transaction") through a collaborative effort by its subsidiaries; Stanbic IBTC Capital Limited, acting as Arranger, Stanbic IBTC Bank acting as Lender and Stanbic IBTC Trustees Limited acting as the Security Trustee.

The facility will support the company in the expansion of its production capacity through the acquisition of additional manufacturing and ancillary equipment, to support its strategic growth initiative, aimed at continued import-substitution and cost savings. The project aligns with Stanbic IBTC's ESG framework of supporting initiatives with positive impacts on the environment, given the 100% recyclable nature of the company's product and minimal carbon dioxide (CO2) emissions during production.

The expansion will lead to the company having an increased production capacity allowing it to meet contractual demand volumes locally in addition to boosting its export potential.

Case study 02

MTN



Collaborating with MTN Nigeria Communication PLC in enhancing its network, transforming lives through digitalisation

Company background

MTN Nigeria Communication PLC is the Nigerian subsidiary of MTN Group, Africa's leading telecommunications company with operations in 19 countries in Africa and the Middle East. MTN Nigeria is the largest telecommunications services provider in Nigeria with approximately 80 million subscribers as at December 2023.

Relationship with Stanbic IBTC

The MTN Group maintains a pan-African relationship with Standard Bank Group, with SBG providing financial services to MTN in various geographies across the continent. This partnership aligns with SBG's principle of driving Africa's growth.

In 2023, Stanbic IBTC acted as Lead Arranger and Dealer for MTN Nigeria's Series four to 10 Commercial Paper issuances raising an aggregate of ₦375 billion – the funds were utilised by MTN Nigeria in meeting its short-term working capital requirements.

This contributed to MTN Nigeria's strong performance in 2023 - Revenue growth of 22.7% YoY and EBITDA of 12.3% YoY despite strong economic headwinds and significant currency devaluation. The company also reported growth in Voice and Data subscriber base in 2023. MTN Nigeria equally acquired additional spectrum license, along with increased network capacity and coverage which will enable the company to continue to address the challenges of digital and financial inclusion in the country - enriching and transforming lives through digitalisation.

Business and Commercial Banking (BCB)

The Business and Commercial Banking (BCB) segment serves small and medium enterprises as well as national corporates. BCB has demonstrated appreciable improvement and positive growth trends as evident in the segment's financial performance. This success is attributable to the segment's customer obsession focus with specific emphasis on increasing scale and velocity while improving user experience.

In 2023, the BCB segment reported a profit after tax of ₦15.37 billion, exhibiting resilience despite an economically challenging year. The Enterprise Banking business in the BCB segment became profitable and delivered a double-digit increase (18%) in risk assets, driven by growth in both new and existing client facilities, as well as a 7% growth in client deposits, yielding a 43% growth in total income. BCB's cost-to-income ratio improved to 54%, in line with the Bank's efforts to contain cost growth.

BCB is dedicated to supporting its clients and fostering the growth of their businesses. In 2023, the Bank organised the Blue Blossom conference and exhibition with over 5,000 registrations, 1,211 attendees, 30 exhibitors, 13 speakers, two Group Bloom Clinics and over 10,000 Blue Blossom Community members. We also launched the SME Collab initiative with a 360-degree campaign and executed market storms in twelve locations across four cities – Ibadan, Onitsha, Port Harcourt, and Abuja Nigeria. The market storms engaged 22,732 participants where 206 Tax Identification Numbers (TIN) were generated for businesses in those markets. In partnership with (Small and Medium Enterprises Development Agency of Nigeria) SMEDAN and Enterprise Development Center (EDC), we trained over 1,100 SMEs in Ibadan, Onitsha, Port Harcourt, and Abuja.

We executed a webinar focused on export in collaboration with the Nigerian Export Promotion Council and Nairametrics, where we generated leads that culminated in about four export transactions valued at over $340,000. We also held a campaign and webinar to drive awareness and uptake of the revamped Enterprise Online platform.

Our client-centric approach was recognised with prestigious industry awards throughout the year. These awards give us confidence that our actions are yielding results. Our achievements include:

- Outstanding Agric Supporting Bank of the Year Nigeria from Marketing Edge Awards 2023.
- Agricultural Bank of the Year Nigeria from World Business Outlook.
- Most Outstanding Bank supporting Women Owned Business from Women in Marketing and Communications Conference.
- #1 SME Bank in the 2023 KPMG Customer Experience Leader Survey.
- Best SME Bank in Nigeria from the 2023 International Finance Awards.

The following BCB TV commercial won awards at the Lagos Advertising International Festival (LAIF):

Award	Campaign	Category
Gold	There's nothing like a one-man business	Banking, investment, and other financial communications
Silver	SME Collab	Banking, investment, and other financial communications

The BCB segment, through its Corporate Social Investment (CSI) initiative is committed to playing a pivotal role in improving the quality of lives for Nigerians. In 2023, the BCB team carried out twelve impactful projects across eight states in Nigeria aimed at providing access to potable water, renovating healthcare centres and classrooms as well as providing an inverter solution for adequate lighting. The significant impact of these projects was not limited to renovating classrooms, constructing public conveniences, but also to provision of school uniforms, tricycles and learning materials to over 500 students with special needs and improving access to quality healthcare services for over 200,000 beneficiaries.

Case study 03

Torlowei Nigeria Limited

TORLOWEI

Torlowei Nigeria Limited is an indigenous fashion company which has operated for over 20 years since its establishment in Belgium before setting up in Nigeria. The company specialises in designing and producing sustainable, timeless and ethical pieces.

The business

The production line business services the mass production needs of Torlowei as well as take up production jobs for other high end fashion houses.

In 2019, the company shifted its focus from made-to-measure to a ready to wear (RTW) model which enabled them scale and become a household name. Their achievements in the past four years includes the following:

- Torlowei brand worn by top celebrities both locally and internationally including, Naomi Campbell, Tamu McPherson, Tiwa Savage, Tems, Asa, Kiki Layne and Sophia Roe.
- Finalist for Emerging Designer of Year Award at the 2022 CNMI (Camera Moda, Italian Fashion Council) Sustainable Fashion Awards in Milan.
- Fashion Week debut in September 2022, with an on-schedule presentation of their SS23 collection at Milan Fashion Week.
- Invited to stage an on-schedule digital presentation of their AW23 collection, at New York Fashion Week, in February 2023.
- Media appearances where their brand has featured includes: Seven music videos, Magazine features (Elle, Vogue, Cosmopolitan. 18+, and so on), TV Shows (Run the World, Insecure, three) and one film.

The company plans to translate the positive brand recognition generated over the past four years to cement their position as a truly international luxury brand by setting up a factory.

Relationship with Stanbic IBTC

Our partner for growth relationship with Torlowei commenced on 23 August 2023. We granted a medium-term loan to assist with the global launch of their 2024 collection, which was to particularly expand their production and marketing through public relations.

We have established a cordial and mutual relationship with the business, and we hope to strengthen the same over the coming years.

Our relationship with Torlowei has afforded us the opportunity to bank their directors, staff and offer insurance solutions, all within their ecosystem.

Business location and outlet

The client operates a showroom in Ikoyi, Lagos for its walk-in customers and given their ongoing contracts with renowned fashion houses such as Harrods UK, their wears are stocked by the British fashion house. The company's other outlets include Alàra (Nigeria) and The Lotte Accra (Ghana), whom they stock their wears with for walk in clients. Customers are also served via the clients website.

Business development and future prospects

The newly constructed factory is expected to ensure smoother operations and efficiency. The company is also expected to increase its footprint in 2024 by signing on more global fashion houses like Bergborff Goodman, McMullen, Selfridges and Anthropologies in addition to growing their ongoing relationships.

Case study 04

Cedarcrest Hospitals Limited

Established in 2008 by Dr. Felix Ogedegbe, Cedarcrest Hospitals Limited aimed to revolutionise healthcare accessibility in Nigeria, initially focusing on orthopaedic care but eventually expanding into various medical specialties, the hospital rapidly diversified its medical specialties to address a spectrum of health challenges.

The business

With a current customer base of over 300,000 active patients, the hospital's impact is amplified by the robust support received from Stanbic IBTC Bank.

Cedarcrest Hospitals is renowned for its world-class primary healthcare services, operating from multiple locations across Abuja, Lagos, and Niger States. Equipped with cutting-edge technology and staffed by over 600 clinical and non-clinical professionals, the hospital ensures 24-hour comprehensive support.

The hospital's offerings span a broad spectrum of healthcare services, encompassing urgent care, emergency transportation, laboratory and diagnostics, pharmaceuticals, paediatric care, dental and optometry services, telehealth, antenatal care, orthopaedics, home care, surgery, internal medicine, and paediatric care. Additionally, they provide diverse healthcare membership plans and responsive personnel tailored to the needs of clients and their families.

Relationship with Stanbic IBTC Bank Limited

The collaboration between Stanbic IBTC Bank and Cedarcrest Hospitals Limited commenced at a pivotal juncture in the company's growth trajectory, marking the beginning of their banking relationship in January 2023.

We provided support to facilitate the hospital's expansion initiatives, particularly in establishing a state-of-the-art, 55-bed multi-specialty hospital in Lagos State. A facility was extended to enhance the Lagos hospital's infrastructure and services to meet the increasing demand for medical services in Lagos and the larger clientele base.

This financial support is poised to augment Cedarcrest's capacity to address the rising demand for world-class healthcare services, simultaneously reducing the dependence on costly medical tourism, exacerbated by the weakening national currency.

Our relationship with Cedarcrest has afforded us the opportunity to bank their staff as well as offer other financial services such as pension, insurance, asset management solutions, all within their ecosystem.

Business development and future prospects

By bolstering Cedarcrest's capabilities, this financing initiative aligns with the hospital's vision to establish multiple world-class healthcare facilities across Nigeria. Ultimately, this collaborative effort aims to reduce the reliance on medical tourism and meet the escalating demand for top-notch healthcare services within the country.

Personal and Private Banking (PPB)

Who we are and what we offer our clients

The Personal and Private Banking (PPB) business segment is one of the four main business segments within the Stanbic IBTC Group. PPB segment is a critical part of Stanbic IBTC's promise of being a universal financial services organisation as well as an emerging platform business.

PPB provides end-to-end retail solutions to our customers - including lending, transactional banking, and card products.

Overview

PPB is divided into three business segments:

- Personal Clients Segment for all the Group's retail customers providing lifestyle solutions for our clients;
- Affluent Clients is a segment for high income individuals providing credit and other beyond banking services;
- High net worth Client segment caters to high-net-worth individuals for both Banking and Non-bank entities.

Also, within the PPB segment there is Coverage (distribution channels) through which we service our customers. These Coverage areas are:

- Client Coverage (Branch Network).
- Voice Branch.
- Digital and E-commerce.

2023 highlights

Customer focus

- To build a savings culture amongst our customers, we re-launched the Reward4Saving Promo and rewarded new and existing customers for saving for a minimum period of 30 days. Season three has consistently grown the number of savings accounts opened by over 59,000.
- We introduced the BluEdge savings account in 2023, to specifically address the banking needs of the youth, providing them with a tailored and superior banking experience.
- To drive customer entrenchment, we continued our nursery approach that engages clients at least four times within the first 30 days of account opening. This ensures that the clients are effectively onboarded with the right transaction channels and can self-service to leverage our product spectrum. The 0-2-7-Check/30 strategy has improved funding and digital uptake at onboarding.
- The Credit Card and UPL Top-up digitisation were successful.
- Our distribution channels have been optimised to deliver the PPB value proposition of increasing customer touch points, boosting transaction velocity, and growing scale while delivering best-in-class experience to our customers.

Employee engagement

Driving employee engagement and productivity is key to successfully executing our strategy and engaging with our employees in 2023. We did so in a variety of ways such as our wellness programs, building future fit capabilities, our virtual people tour sessions and employee events.

- Our flagship employee engagement metric, eNPS measured through our annual 'Are You A Fan?' survey was +65 from +47 in prior year for PPB. We focused our efforts on fundamentals such as career development, learning and development, values and culture amongst other themes.
- A staff ideathon challenge was organised, where participants brainstormed, discussed, and refined ideas to address specific challenges or opportunities in delivering value to our customers.
- Regional townhall meetings were held across various regions to appreciate the team and gear them up for the coming year.
- The People Tour remains one of our biggest employee engagement platforms where we receive feedback, concerns and suggestions from employees who are the heart of our organisation.

Positive SEE (Social, Economic and Environmental) impact

- We deployed renewable energy solutions to some of the branches across the country, replacing obsolete power generating equipment's with renewable options.
- To accelerate financial inclusion, we carried out several @ease campus ambassador campaign across various universities in Nigeria. This led to the opening of over 551,000 @ease accounts in 2023.

Key achievement

- Stanbic IBTC's retail segment (PPB) is currently ranked number one in the financial services sector in terms of customer experience for the third time, according to the 2023 Nigeria Banking Industry Customer Experience Survey by KPMG.
- Stanbic IBTC also received recognition for Best Email Campaign in the Personal and Private Banking customer segment at the Martech Excellence Awards 2023.

Enhancing customer experience through our suite of:

Digital lending solutions

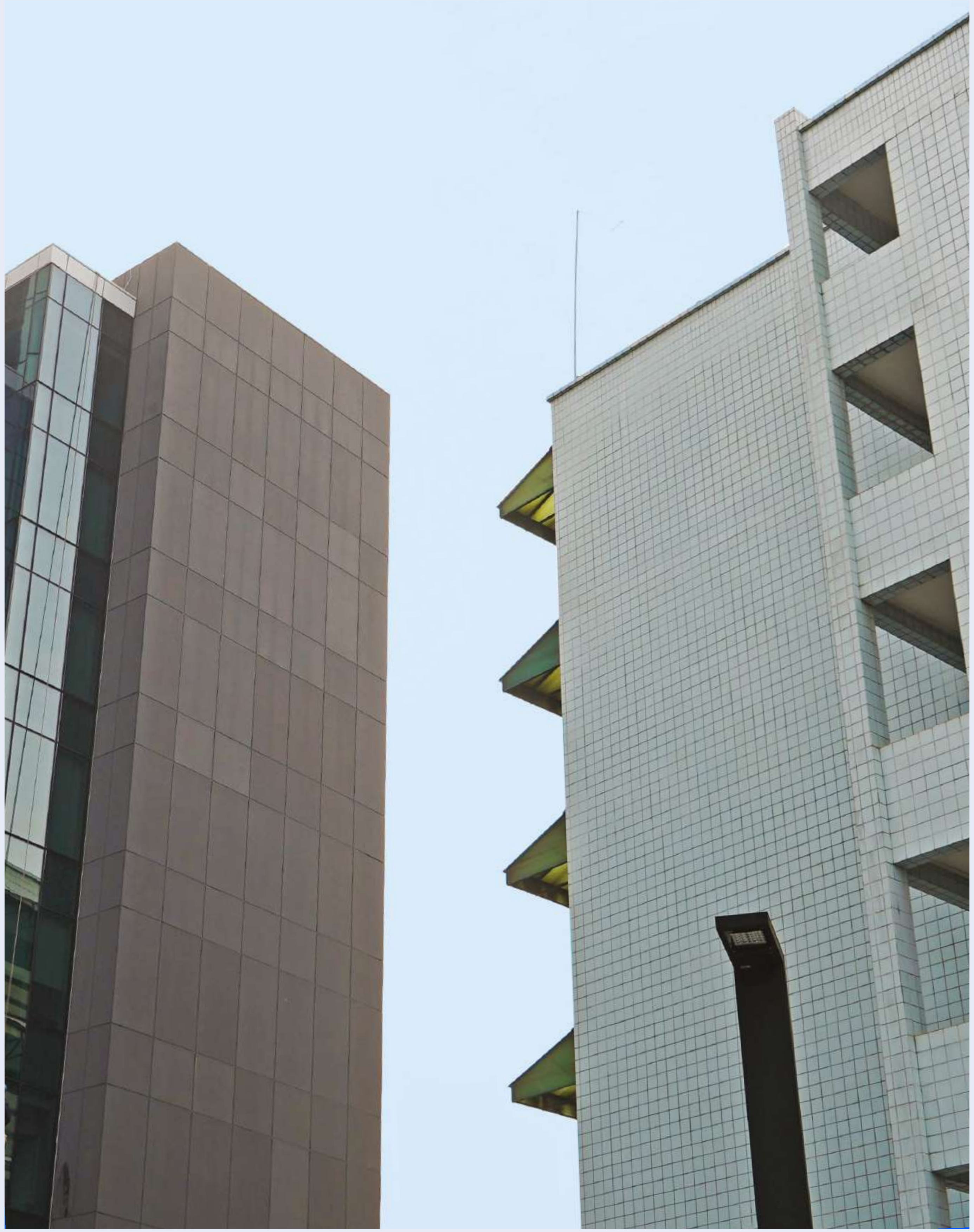
Our digital lending offerings has played a pivotal role in streamlining the process of obtaining affordable funding for personal needs, delivering unparalleled ease and convenience to our customers. These solutions were specifically designed to address the challenges our customers face in accessing financial support.

Identifying customer needs
We recognise the challenges Nigerians face when securing easy funding, and as a result, we introduced digital non-collateralised loans to our customers. Accessible through our power App, Website, *909# USSD service, and Internet Banking, our Digital Loans address the financial challenges of individuals and are available to both new and existing customers of Stanbic IBTC Bank. These non-collateralised loans provide customers various options to address their unique financial needs. The entire process is digitised end-to-end, enabling round the clock access from any location without needing branch visits or paperwork, and disbursement is within seconds.

Turning dreams into reality
In 2023, our digital loan solutions witnessed significant success, with over 170,000 customers using this platform to access about ₦35 billion to meet their financial needs, a testament to our customers' trust and confidence in us. This success is not just about numbers; it also aligns with our commitment to corporate social investment initiatives, where we prioritise economic empowerment to foster the growth of our customers and help them live a better life.

As part of our commitment to the financial well-being of our customers, we collaborate closely with our Stanbic IBTC Pension Managers arm to offer a unique opportunity for customers to access 25% of their pension as RSA-backed Mortgages digitally. This initiative has made homeownership achievable for our customers, and contributes to their long-term financial security.

At Stanbic IBTC Bank, we go beyond being a financial institution. We partner in every step of our customer's life and financial journey, helping them achieve their goals and building a secure and prosperous future for all.



Insurance and Asset Management (IAM)

Who we are and what we offer our clients

Insurance and Asset Management (IAM) is the new organisational nomenclature of the business segment following regulatory approval for the change of name from Consumer and High Net Worth (CHNW) Non-Bank. This segment operates within the Stanbic IBTC Group, aligning with the broader structure of Standard Bank Group providing pension fund administration, asset management, trust and fiduciary, life insurance, and insurance brokerage services to clients.

While each business operates uniquely in its respective line, however, together they provide wealth management solutions that help clients through their wealth creation journey of preservation, protection, and transfer to the next generation. Hence, the IAM business segment plays an integral role in fulfilling Stanbic IBTC Group's commitment of being a universal financial services organisation.

Overview

The legal entities within IAM generate annuity-type fee income streams and are mostly capital-light. These entities include:

- Stanbic IBTC Pension Managers Limited for the administration and management of pension assets.
- Stanbic IBTC Asset Management Limited for the management of non-pension assets. The Wealth and Investment team is embedded in this entity (experts who serve as advisors to high net-worth individuals).
- Stanbic IBTC Trustees Limited for trusteeship, estate management and institutional trust solutions.
- Stanbic IBTC Insurance Brokers Limited for insurance, reinsurance risks brokerage and advisory functions and;
- Stanbic IBTC Insurance Limited which offers life insurance solutions exclusively.

The IAM segment retained its position as the premier wealth manager in Nigeria with over ₦7.26 trillion in Asset Under Management (AUM) as of December 2023. Stanbic IBTC Trustees and Stanbic IBTC Insurance Brokers, supported by increased investment in digital platforms continued their strong growth paths. Stanbic IBTC Life business continued to increase its market share, steadily gaining momentum as it offered a wider array of products to clients.

2023 highlights

These have been classified based on our strategic value drivers:

Financial outcome

- The IAM business segment maintained its leading position as the largest institutional investment business and leading wealth manager in Nigeria with total AUM of ₦7.26 trillion as of 31 December 2023.
- Achieved an impressive 24% YoY growth in total revenue with most of the businesses growing their market share.
- Successfully curtailed cost escalation and recorded an impressive cost-to-income ratio of 38% despite the economic headwinds of inflation and exchange rate devaluation.
- Stanbic IBTC Trustees Limited continued its positive trajectory, gaining market share in the Institutional Trust and Estate planning segments and was able to successfully secure over 350 new mandates. Marking a year of significant achievements, they were appointed as Trustee to the first Securities and Exchange Commission (SEC) approved Commodities Fund the Marble Halal Commodities Fund and Trustee to the Nigeria Infrastructure Equity Fund (NIEF). Furthermore, Assets Under Administration (AUA) increased from ₦78.50 billion in 2022 to ₦137.28 billion in 2023 representing a 75% increase driven primarily by the equities portion of the AUA.
- Stanbic IBTC Insurance Limited reported insurance revenue of ₦6.4 billion (2022: ₦3.2 billion) while profit before tax closed at ₦384 million (2022: ₦310 million). The premium written within the year was ₦15 billion (2022: ₦17 billion) with a total of 112,238 policies written within the year. The adoption of IFRS 17, with its more conservative reserve methodology for long-tenured contracts impacting short-term profitability. Consequently, the business strategically prioritised increasing short-term policies across the overall portfolio. The company entered the top 10 life underwriters with its performance in premium income. The premium income from Annuity, Group Life, Credit life, and Individual life stood at ₦11.04 billion, ₦2.78 billion, ₦636 million, and ₦585 million, respectively.
- Stanbic IBTC Asset Management crossed the ₦1 trillion AUM mark in February 2023, consolidating its position as the leading wealth solutions provider in the industry. As of 31 December 2023, the AUM figure closed at ₦1.48 trillion, with the Collective Investment Scheme (CIS) AUM growing by 51% to ₦934 billion, representing a remarkable 43% of the industry's market share.
- Stanbic IBTC Insurance Brokers brokered a total of 10,548 policies as of December 2023 compared to 6,386 booked in prior year. This represented a 65% increase YoY.

Customer focus

- The Pension business hosted more than 2,600 active clients aged 45 years and older from diverse employers and sectors to pre-retirement seminars titled "Making the Extraordinary Happen in your Post Work-Life." These seminars took place in Benin, Jos, and Ibadan aimed to offer participants valuable insights into achieving a balanced financial well-being and effectively managing their health.
- The Pension business organised the third instalment of the women-led initiative, the Ladies at The Table Empowerment Series (LATTES), with the theme "The Woman of the Future." The event was broadcasted online, attracting over 5,000 views. The initiative primarily targeted female participants, providing support for both their personal and financial aspirations.
- Following the success of the first edition of the FUZE Festival organised by Stanbic IBTC Pension which earned the company the Judges' Choice award at the World Pension Summit in Hague, Netherlands. The second edition of the festival garnered impressive responses with over 4,000 entries for the talent show. The grand finale of the FUZE Talent Show held on 23 December 2023 after 28 contestants were taken through a two-week intensive boot camp, after which the top 12 contestants secured their spots in the thrilling finals. This platform was put together to ensure that youths in Nigeris who have talents in diverse areas, get the encouragement that they need to truly achieve the extraordinary in life.
- Stanbic IBTC Asset Management Infrastructure Fund's AUM closed at ₦49.54 billion, following the Securities and Exchange Commission (SEC) clearance of allotment for the Fund's Series III issue of ₦24.45 billion which was oversubscribed by over 22%. This resulted in the Fund's investors universe now including nine out of the 10 largest pension funds in Nigeria (Stanbic IBTC Pension Managers Limited is not an investor in the Fund). The Fund's portfolio of investments grew to include investments in power, health, and road infrastructure, creating over 600 direct and 1,400 indirect jobs during construction and is expected to add over 650 jobs upon completion. The investment in the power sector strengthens the energy transition theme of the government by increasing overall LPG Gas storage capacity of the country by over 20,000 metric tonnes.
- The Asset Management business enhanced its customer onboarding and redemption processes by providing additional touchpoints and digital service alternatives to improve convenience. Also, the overall turnaround time for redemption and onboarding reduced by about one hour and 24 hours, respectively.

Employee engagement

- An engaged workforce enables increased productivity, thereby driving business strategy delivery at the target levels. To drive engagement, we focused on a variety of initiatives – wellness, leadership development, people promise, building future fit capabilities, values and culture and employee events.
- The following are some of the employee engagement initiatives that have been successfully implemented with very impressive feedback from employees:
  - NextGen Manco – This was a mentorship initiative to groom junior and mid-level employees who are passionate about accelerating business growth and building their leadership capabilities.
  - Clash of The Titans – This was a sporting event for all employees and their families, to promote bonding and overall wellness.
  - Leadership Series – This were leadership sessions facilitated by top leadership experts for all line managers to continue to drive the right behaviours and leadership culture.
  - Annual People Tour – Human Capital open session with all employees to provide answers to pressing questions as well as receive feedback from employees.
  - The Annual Roadshow – This is a physical session that held in Lagos, Port Harcourt and Abuja and attended by all employees. The roadshow provides an opportunity for executive management to cascade business goals and the strategy for delivering expected outcome(s) for the subsequent year. It also provides a platform to thank employees for their contribution to the business success in a celebratory atmosphere.

Risk and conduct

- The Life Insurance business successfully concluded the technical review for the ISO 9001:2015 Quality Management Systems surveillance audit leading to the company's accreditation with the ISO 9001:2015 certificate. This accomplishment aligns the business with other businesses in the IAM segment that have previously obtained the certification. Additionally, all businesses who had earlier been certified underwent surveillance audits

Insurance and Asset Management (IAM) (continued)

to recertify their initial issued ISO 9001:2015 certificates.

- Stanbic IBTC Asset Management Limited maintained its Investment Manager rating of AA by Agusto and Co rating agency despite the challenging macroeconomic environment.

- Stanbic IBTC Insurance Limited was issued a BBB+ rating with a stable outlook by Agusto Rating Company in November 2023.

- In furtherance of digitisation drive, all IAM entities adopted the use of Risk Market Place (RMP) which is an Artificial Intelligence (AI) powered application that enables conscious risk management through predictive, purposeful, and real-time data.

Positive SEE (Social, Economic and Environmental) impact

- In 2023, almost a ₦100 billion was committed to sustainable investments, with key allocations including ₦48.04 billion in Sukuk notes, ₦27.72 billion in infrastructure funds, and ₦22.84 billion in Sukuk bonds. These investments actively contribute to positive change by supporting road construction, clean energy infrastructure, and social projects.

- As of December 2023, the Stanbic IBTC Infrastructure Fund experienced a significant expansion, with its asset under management increasing by over 100% to ₦49.54 billion. This growth was supported by the Securities and Exchange Commission's (SEC) approval of a ₦24.45 billion series III fundraise.

- As part of IAM's commitment to financial literacy and inclusion, the business segment delivered almost 300 financial planning sessions to over 14,000 participants across various economic sectors. These sessions were aimed at equipping participants with the knowledge and skills necessary to make informed financial decisions to achieve their long-term financial goals.

- During the year, Stanbic IBTC Pension hosted the LATTES event the third edition. This is a gathering focused on empowering women. This initiative aligns with our commitment to projecting Stanbic IBTC as a gender-inclusive organisation. The latest edition achieved notable success by reaching an even broader number of participants.

- As part of IAM's efforts towards improving the financial literacy and awareness of the upcoming generation, the pension business conducted the financial planning session for kids tagged #NewSchoolMoney event in Lagos, Abuja and Port Harcourt. Over 460 children attended in physical classrooms across the different age categories of 15-19 years, 10-14 years, and 6-9 years.

- As part of our sustainability initiatives, the business segment implemented renewable energy solutions, including solar and inverter systems, at the newly constructed Stanbic IBTC Pension Managers offices. Additionally, we initiated a programme to replace outdated power generating sets with renewable alternatives. The installation of waste segregation bins at select locations and the commencement of waste recycling efforts at the Wealth House campus underscore our commitment to environmental stewardship.

Our external recognition reflected through the number of awards won listed thus:

Asset Management

1. International Finance Awards:
   Best Money Market Fund – (SIMM) – Nigeria 2023

2. Global Banking and Finance Awards:
   Asset Management Company of the Year Nigeria

3. Global Brand Awards:
   Best Mutual Fund Provider, Nigeria 2023.
   Asset Management Company of the Year, Nigeria 2023.

Pension Managers

4. International Finance Awards:
   Best Pension Fund Management Company – Nigeria 2023.

5. World Pension Excellence and Innovation Awards:
   Judges Choice Award for the Communication and Engagement Category- FUZE.

6. GRC and Financial Crime Prevention Awards:
   Anti-Money Laundering Employer of the year 2023.

Trustees

7. International Finance Awards:
   Fastest Growing Estate Planning and Administration Services Provider – Nigeria 2023.

8. Cosmopolitan The Daily Business Award:
   Fastest Growing Estate Planning and Administration Services Provider Award.

9. Finance Derivative Awards:
   Best Trust Company in Nigeria for the year 2023.

Life Insurance

10. International Finance Awards
    Best Customer Service Insurance Company for the year 2023.

11. Risk Analyst Insurance Brokers Limited Annual Award 2023:
    Outstanding performance in Claims settlement for year 2023.

The IAM segment carried out some notable Corporate Social Initiatives as outlined below:

- Renovated and furnished a block of 5 classrooms at Community Secondary School, Orogwe, Imo State.

- Completed the renovation of two buildings at Government Day Secondary School, Fate, Ilorin.

- Successfully renovated a block of three classrooms at Daudu IDP Camp, Daudu, Benue State.

- Executed a project at Waziri Umaru Federal Polytechnic, Birnin Kebbi, Kebbi State, which included drilling a borehole, constructing a 10,000 litre capacity tank and tower powered by a solar pumping machine, and building concrete seating slabs.

Introducing

Zest Payments Limited (a subsidiary of Stanbic IBTC Holdings PLC)

Overview

Zest Payments Limited is the wholly owned fintech subsidiary of Stanbic IBTC Holdings PLC, licensed by the Central Bank of Nigeria to operate as a Payments Solutions Provider; the fintech subsidiary is positioned to lead innovation in financial technology, with focus on executing a platform orchestration strategy.

To achieve its strategic objectives, Zest has delivered multi-railed payment platforms to facilitate seamless digital transactions, embedded finance, e-commerce (customisable storefronts and marketplaces), Buy-Now-Pay-Later (BNPL) and value-added services.

The platform orchestration strategy of Zest is hinged on four major design principles:

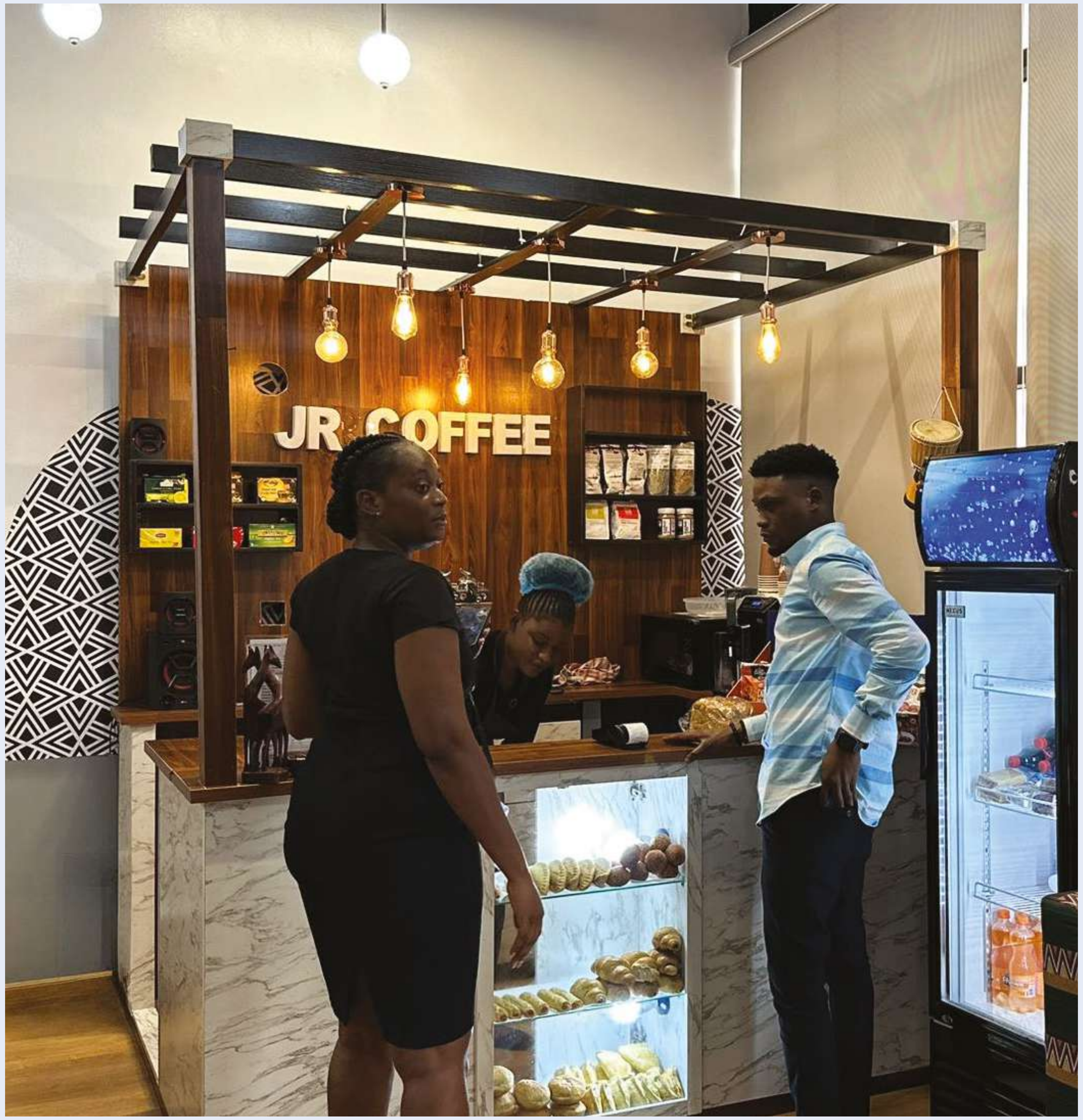
1. **Multi-rail platform strategy**, enabling businesses to collect payments in any form that the customer wants to pay, card rails, transfers, QR code, USSD, GooglePay, ApplePay and other forms of payments have been made available for customers, irrespective of where their bank account is domiciled.
2. **Human-centered design**, providing a seamless experience for businesses at every stage of their engagement, with an estimated onboarding time of 3 minutes, customers can create their secure profiles and transact seamlessly.
3. **Business growth powered by e-commerce** with this, businesses are enabled to sell online, whether they have a website or not, especially for nano, micro, small or medium enterprises (NMSMEs). Zest provides a robust dashboard, to enable businesses to make key decisions leveraging insights and data that we collate and represent on the platform. The e-commerce marketplace and storefront where businesses can showcase their products and services are offered for FREE and also supports social commerce across different social media platforms. The platforms offer flexible shipping options, businesses can choose to manage shipping by themselves, while consumers can now choose their preferred logistics provider, pricing and location of fulfilment.
4. **Operational excellence**, Zest being a part of Stanbic IBTC Holdings PLC, remains committed to uphold operational excellence, maintain regulatory compliance and operate at the highest standards of integrity.

Case study 05

JR FARMS

JR farms

...securing humanity's food future!



JR Farms, a leading agribusiness with operations in Nigeria, Rwanda, Zambia, and the Netherlands, is revolutionising agriculture in Africa through sustainable food production. With a focus on the cassava value chain in Nigeria, coffee production in Rwanda, and livestock feed in Zambia, JR Farms is embracing digital transformation to enhance its product and service distribution.

Impact of the Zest and JR Farms partnership

We partnered with JR Farms to digitise payments and business operations. The partnership involved leveraging Zest's suite of APIs to deploy an enterprise-ready Mobile App. This initiative was primarily aimed at creating a seamless experience for customers to access and purchase JR Farms' organic agro products online.

By integrating to Zest, customers can now fund their wallets on the JR Farms Mobile App and conveniently select products then proceed to make payments directly from the Mobile App. This had a transformative impact on JR Farms' operations by reducing waiting time at their coffee shops, improving operational efficiency and overall customer experience.

Future plans

Buoyed by the success of the digital integration, JR Farms envisions expanding its footprint by opening more coffee shops across key cities in Nigeria and beyond. The company also plans to intensify the use of its Mobile App, ensuring a sustained and enriched customer experience. The future holds exciting possibilities as JR Farms aims to capitalise on the digital infrastructure to grow its market presence and offer unparalleled convenience to its diverse customer base.

Case study 06

Chard pharmaceuticals

Chard pharmaceuticals owns a chain of pharmaceutical stores with six super outlets across Lagos, the company also serves as a distributor to over 200 pharmaceutical stores nationwide.

The business

Prior to establishing a relationship with Zest, Chard had set out to deploy an online marketplace as a route to strategic expansion and positioning to lead the tele-medicine space.

Impact of the Zest and Chard pharmaceuticals partnership

Following engagements, Chard opted to leverage the Zest eCommerce proposition which provides a storefront and access to the marketplace, putting on hold its earlier approach of deploying a proprietary online store.

Chard now has a wide range of products on the Zest marketplace, providing discounted pricing to consumers on the marketplace. The shift to digital was not just about convenience but also about accessing new network of customers. No doubt, the Zest platform orchestration approach, provided the desired flexibility and multiple payment options to deliver.

Future plans

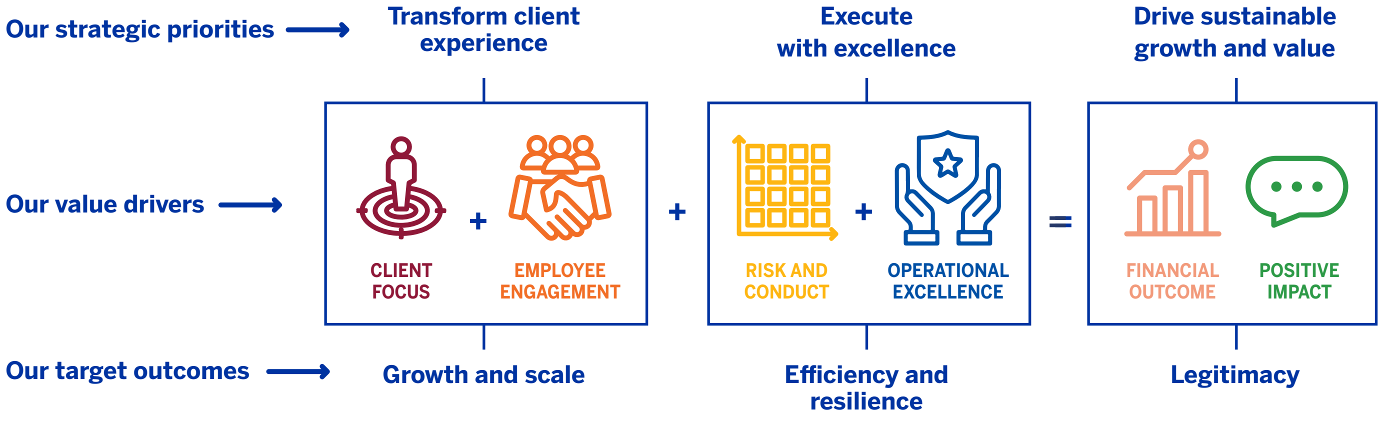
Chard looks ahead to more geographic coverage and cross-border expansion as a path to grow and expand its customer base exponentially. Zest is committed to playing a pivotal role towards making this a success.

Abridged sustainability report

Our approach to sustainability

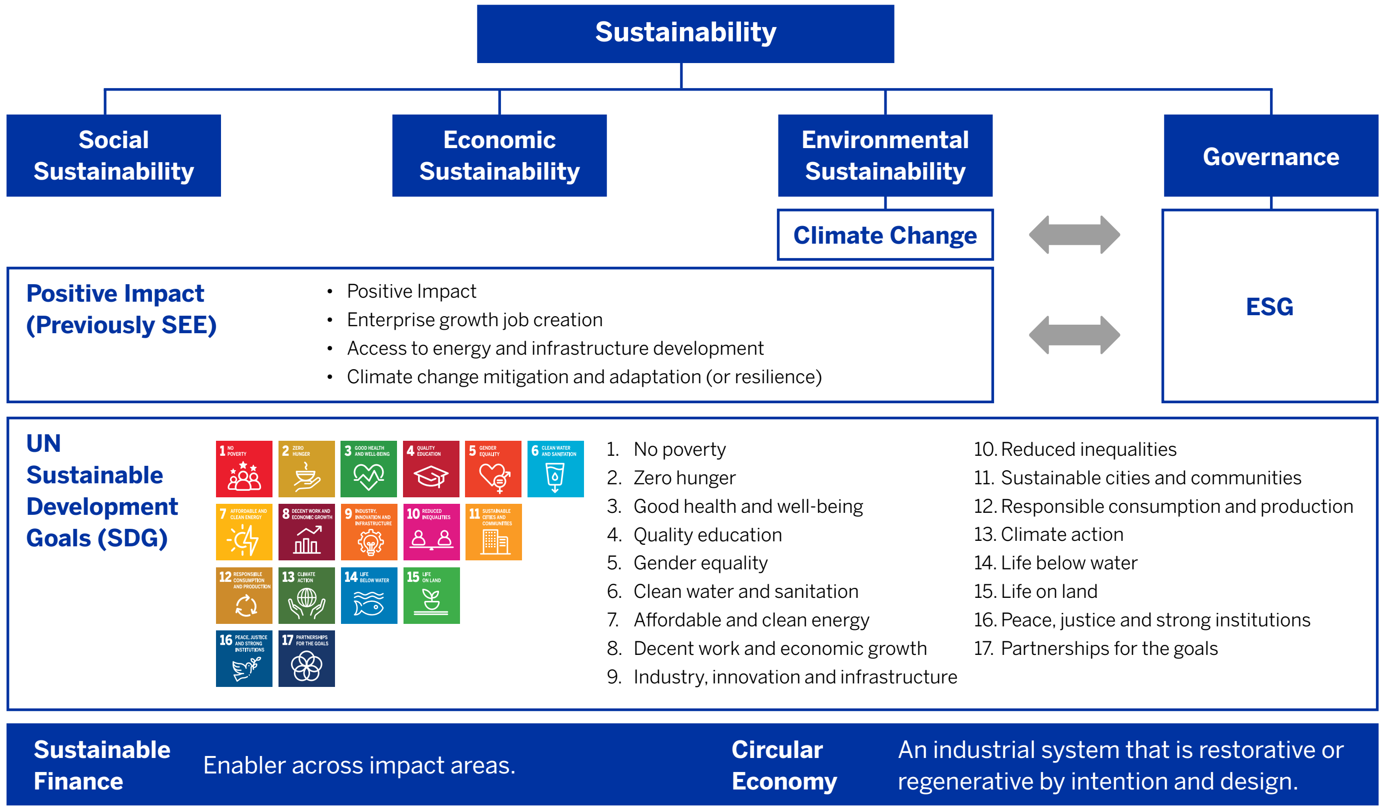
1. An integrated approach

At Stanbic IBTC, we recognise the interdependence between our organisational success and the prosperity of the communities and ecosystems in which we operate. Our commitment to sustainability is ingrained in our values and ethics, reflecting its significance to our stakeholders, clients, and customers. Aligned with this commitment, sustainability is integrated within our strategic priorities to drive sustainable growth and value specifically through the pivotal element of positive social, environmental and economic Impact. To operationalise this commitment, our positive impact areas serve as a critical metric, evaluating not just financial success but also our contributions to positive social, environmental, and economic outcomes.



2. Sustainability and ESG framework

We view sustainability as a synergistic relationship with two facets: firstly, optimising our Positive Impact, and concurrently, addressing and managing Environmental, Social, and Governance (ESG) risks inherent in our business activities. This balanced approach helps us ensure that we operate as a responsible and resilient corporate citizen.



Positive Impact (Previously SEE)
- Positive Impact
- Enterprise growth job creation
- Access to energy and infrastructure development
- Climate change mitigation and adaptation (or resilience)

UN Sustainable Development Goals (SDG)

1. No poverty
2. Zero hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice and strong institutions
17. Partnerships for the goals

Sustainable Finance Enabler across impact areas.

Circular Economy An industrial system that is restorative or regenerative by intention and design.

3. Sustainability strategy

Our sustainability strategy is built upon four key pillars, which are Building Environmental Resilience, Enhancing Social Relationships, Expanding Business Model and Innovation and Strengthening Leadership for Sustainability Governance. They provide a structured approach to fostering positive impact while effectively managing associated Environmental, Social, and Governance (ESG) risks. Aligned with global objectives, our framework resonates with the UN Sustainable Development Goals, the African Union Agenda 2063, and the specific developmental needs of Nigeria and the broader African continent.

Building environmental resilience

The anchor for our carbon footprint management, waste management and efficient use of resources

Enhancing social relationships

Our focus on the creation of shared values for our employees, society and partners

Expanding business model and innovation

Our focus on growing business and driving sustainable socio-economic growth through sustainable innovation in products, services, and supply chain management

Strengthening leadership for sustainability governance

Our focus on leadership-led sustainability ambition resulting in compliance with sustainability frameworks and regulations

Abridged sustainability report
Our approach to sustainability (continued)

4. Our positive impact areas

Within our sustainability strategy, we have identified four positive impact areas that align with our overarching purpose of positively influencing society, the economy, and the environment. These areas serve as focal points where we believe our efforts can make the most significant and meaningful contributions.

Financial inclusion	We make accessible and affordable digital financial solutions for under-banked and unbanked individuals, entrepreneurs and small businesses. for example, @ease, EZ Cash and etcetera.	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Job creation and enterprise growth	We have improved access to a wide range of financial services for small enterprises and also support small enterprises to access value chains and markets.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Climate mitigation and adaptation (or resilience)	We support Nigeria's transition to a lower carbon economy, partner with clients to enable mitigation of climate change impacts and improve access to reliable and sustainable energy sources.	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Infrastructure development and energy transition	We invest in energy, water, transport and telecommunications infrastructure to facilitate economic growth and create opportunities for job creation and human development.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

5. Our net zero commitment

Our climate journey starts with our group purpose: Africa is our home, we drive her growth. As a member of the Standard Bank Group (SBG), we share the commitment to ambitious targets, aiming for net-zero carbon emissions from new facilities by 2030, existing operations by 2040, and a net-zero portfolio of financed emissions by 2050. We aim to support the just energy transition a market leader in sustainable finance in Nigeria.

6. Progress on our 2025 sustainability ambitions

Our overarching ambition is to be at the forefront of sustainable finance solutions and a leading responsible and ethical corporate citizen in the markets where we operate. We've established specific targets to propel our sustainability aspirations, and the progress outlined below aligns seamlessly with our sustainability pillars:

2023: Planted

30,000

tress planted in sponsorship of the Green Recovery Nigeria programme.

*Cumulative: 43,928 trees have been planted across Nigeria

2023: Invested

₦1.1 billion

in employee training and development.

*Cumulative: ₦1.3 billion invested in employee training and development

2023: Positively impacted

10 million

people through our CSIs, Donations and Sponsorships

*Cumulative: 10.3 million people impacted

2023: Facilitated sustainable loans valued at

₦10 billion

*Cumulative: ₦10 billion in sustainable loans facilitated

2023: Facilitated investment placements in sustainable bonds and sustainability linked notes valued at

₦98.66 billion

*Cumulative: ₦106.86 billion invested

Facilitated financing valued at

₦2.76 billion

for female operated businesses

*Cumulative: ₦2.99 billion facilitated

*Baseline: 2022

Abridged sustainability report

Sustainability governance structure

1. Board and executive leadership

The Stanbic IBTC Board of Directors holds ultimate responsibility for sustainability, encompassing environmental and social risk management. The board and executive leadership actively cultivates a sustainability culture grounded in good risk management practices, ethics, and conduct. They set the tone from the top, ensuring alignment of our values and standards with business operations. Their responsibility is to establish shared values for clients, society, and the environment. To execute oversight on sustainability matters, the board has delegated responsibilities to dedicated board and management committees.

2. Board Risk Management Committee (BRMC)

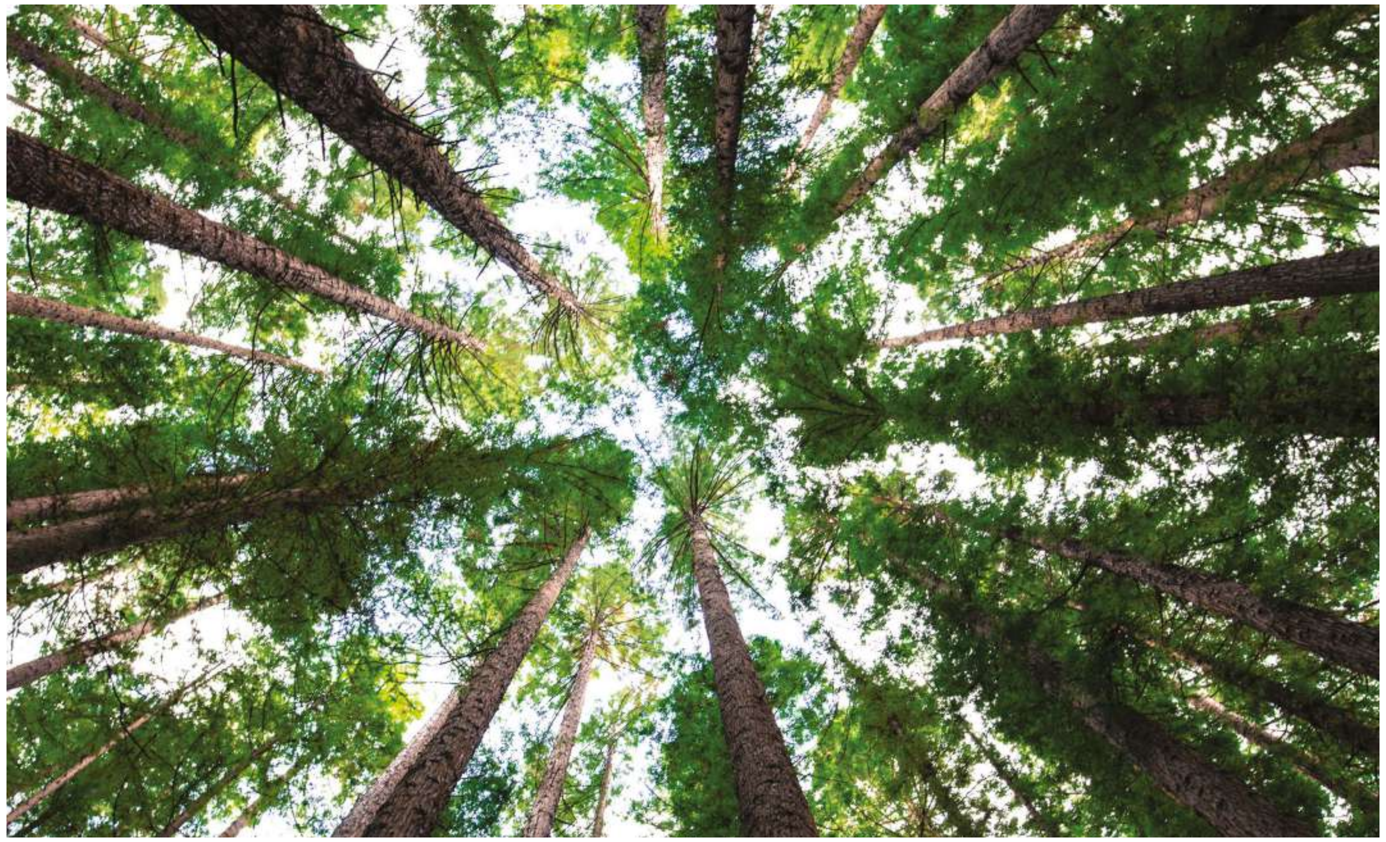
The BRMC plays a pivotal role by regularly reviewing and approving significant changes to the Group's policies, including sustainability, environmental and social risk, and compliance policies.

3. Executive Committee (EXCO)

The EXCO oversees the implementation of sustainability strategies, including the environmental and social risk governance framework. They report to relevant board committees, ensuring that governance structures, policies, procedures, and practices are in place to align the business with the sustainability culture.

4. Operational Risk and Compliance Committee (ORCC)

The ORCC conducts reviews on operational risk, cyber, information, fraud, and environmental and social risks and compliance risks. This committee also assesses relevant sustainability and risk policies, promoting Environmental, Social, and Governance (ESG) risk management culture across the group.



5. Credit committee

This committee is responsible for lending decisions. They carefully consider counterparty risks, including environmental and social risks associated with lending applications. This underscores our commitment to responsible and sustainable financing practices.

6. Sustainability Steering Committee (SSC)

In addition to the existing governance structure, we have established a dedicated Sustainability Steering Committee to further reinforce sustainable practices at the operational levels. This committee comprises of key stakeholders from various functions across the group, who serves as a driving force, fostering collaboration and innovation to enhance our impact on society, the economy, and the environment. The SSC is responsible for overseeing implementation of sustainable practices, reviewing progress on the four sustainability pillars and ensuring alignment with our overarching sustainability goals.

7. Sustainability champions

Sustainability is the responsibility of every staff in Stanbic IBTC. The Sustainability Champions initiative was thus instituted, to accelerate the sustainability drive within the Group. The initiative leverages the support of volunteer staff members across various departments in the organisation to drive effective execution of the Stanbic IBTC sustainability strategy.

The sustainability Champions Network is a dynamic group of individuals across our organisation who are passionate about driving positive change. These champions serve as ambassadors for sustainability, promoting awareness, and inspiring their colleagues to adopt sustainable practices. The Sustainability Champions play a crucial role in fostering a culture of environmental and social responsibility within our organisation, actively contributing to our overarching sustainability goals. Through their dedication and initiatives, they embody our commitment to making a meaningful impact on society and the environment. Sustainability Champions actively support sustainability awareness across the Group and accelerate the implementation of sustainability programmes within their circle of influence.

79

sustainability champions across 32 units within the Group.

Abridged sustainability report

Engaging our stakeholders and prioritising material issues

Engaging our stakeholders

We recognise that sustainability is integral to our operations, and this commitment extends to our internal and external stakeholders— customers, employees, shareholders and investors, business partners, suppliers, regulators, government, rating agencies, NGOs, media, and the communities where we operate. Our continuous engagement involves collaboration with stakeholders to understand their priorities and how we can respond effectively. Throughout the year, we maintained an ongoing dialogue, adapting our operations to align with efficient and sustainable business practices.

Employing a decentralised model, our stakeholder engagement framework empowers each business unit or corporate function to identify and engage with stakeholders within their respective domains. Effective stakeholder engagement is pivotal in preserving and reinforcing our legitimacy, renewing our social license to operate, and bolstering our reputation as a socially relevant and responsible corporate citizen.

Materiality assessment process

Our materiality assessment and mapping processes play a crucial role in prioritising and directing resources toward the most impactful Environmental, Social, and Governance (ESG) issues. Our determination of material sustainability issues for 2023 involves a comprehensive approach, integrating desk research, internal stakeholder engagement discussions, external surveys to identify material concerns, and leveraging insights from the Standard Bank Group materiality assessment. A key component of this process is a survey aimed at reviewing draft material issues identified by Standard Bank, ensuring their relevance, prioritisation, and identifying any potential gaps. This collaborative and multi-faceted approach ensures a thorough and inclusive assessment, enabling us to focus on ESG issues aligned with stakeholder priorities and our sustainability objectives.

Abridged sustainability report
Building environmental resilience

Green building stewardship

Our commitment to achieving net-zero emissions in our new facilities by 2030 is exemplified through our sustainable infrastructure stewardship. In 2023, we achieved a significant milestone by completing the construction of the Stanbic IBTC Towers, an additional green building certified structure. This complements our Sanusi Fafunwa Branch, which secured an IFC Edge certificate in 2022, recognising its use of environmentally friendly materials, indoor air quality, and sustainable site development. The Stanbic IBTC Towers, designed with sustainability as its core principle, has earned an impressive 4-star design stage green building rating from the Green Building Council of South Africa (GBCSA). This rating acknowledges our dedication to environmentally friendly construction and operational practices. By meeting stringent criteria, such as energy and water efficiency, innovation, social impact and environmentally responsible material usage, these green buildings showcase our leadership in sustainable infrastructure. This green building initiative not only minimises our environmental footprint but also sets industry benchmarks for sustainable construction. The Green Star SA rating system, employed by the GBCSA, evaluates various categories such as energy and water efficiency, materials and resources, indoor environmental quality, sustainable transportation, innovation, site selection and development, social and economic impact, and water and energy monitoring. Achieving a 4-star design stage rating requires a holistic and integrated approach, addressing environmental, social, and economic considerations. This comprehensive system encourages buildings to exceed basic sustainability practices and embrace innovative solutions for a greener future.

Sustainable features in the Stanbic IBTC Towers:

- Double glazed windows: Promotes energy conservation by reducing heat loss and minimising heat gain. This reduces the need for excessive cooling, the improved insulation increases the efficiency of cooling systems resulting in lower energy consumption and cost savings. A decrease in energy consumption decreases the associated carbon footprint contributing to reduced greenhouse gas emissions.

- Sensor controlled lighting: Lights activate only when motion is detected thereby reducing unnecessary energy consumption decreasing overall energy demand. This promotes energy efficiency.

- Onsite Waste segregation and compression plant: segregation of waste at the source promotes diversion of recyclable materials from landfills thereby reducing the environmental impact associated with landfill usage.

- Thermostat controlled cooling: Individual thermostat control in spaces allows occupants to vary their temperature according to their comfort preference; this prevents unnecessary heating and cooling of unoccupied spaces, reducing overall energy consumption. Lower energy consumption because of optimised thermostat control contributes to a reduction in carbon emissions. Compression of the waste at source also reduces its volume making transportation more efficient and lowers the energy required for transportation and decreases associated carbon emissions.

- Sensor controlled taps regulate the amount of water discharged reducing wastage and promoting water conservation.

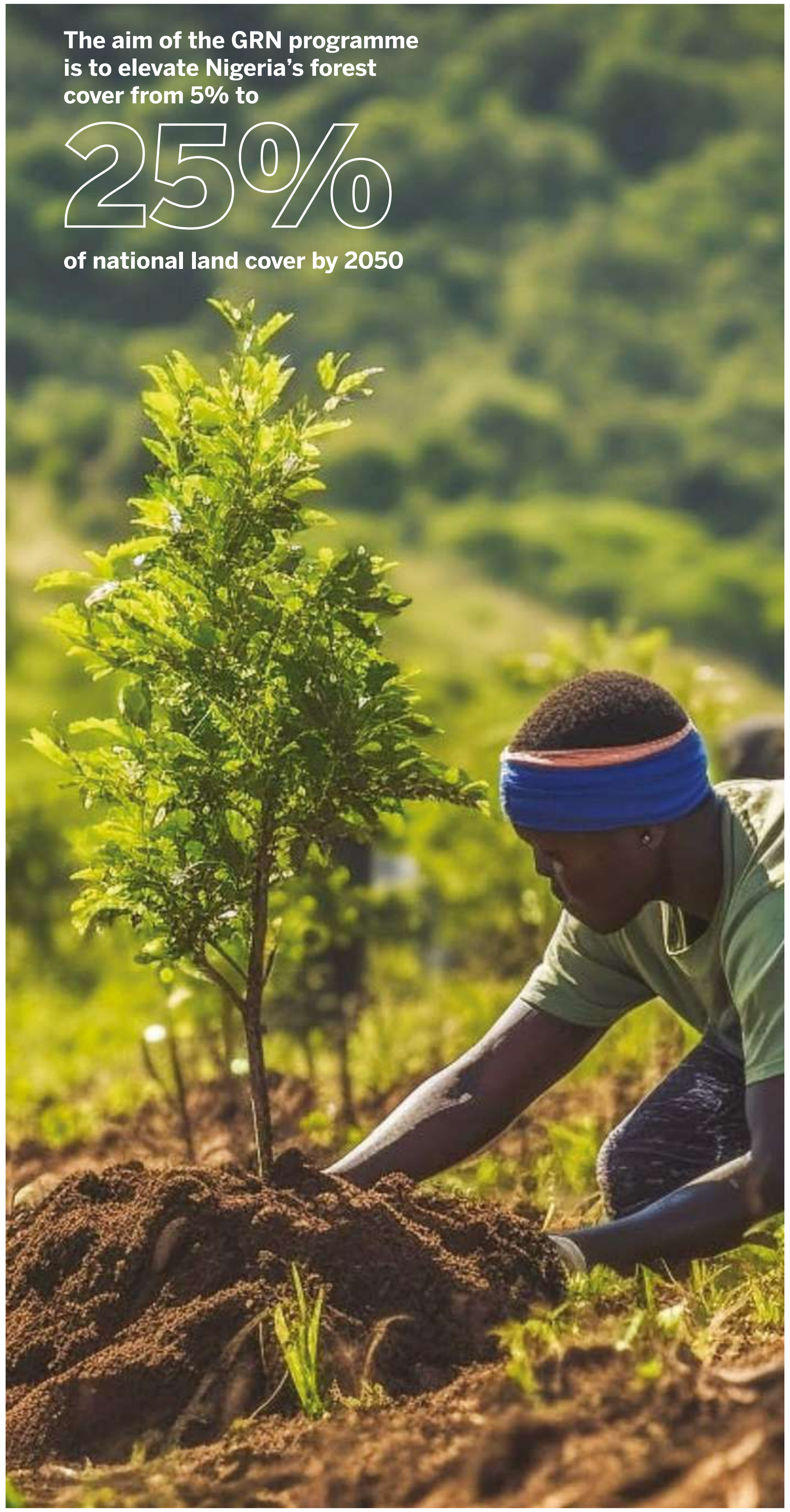
- Synchronised generator system: Provides onsite power generation that is synchronised with the building's energy needs, allows us to use only the energy we require per time leading to increased energy efficiency.

- Landscape and Greenery: Building design incorporates landscape and greenery features contributing to improved air quality by absorbing pollutants and increase oxygen released into the air. The introduction of landscaping provides a habitat for insects, birds and so on. which contributes to the balance of the eco-system and enhances overall sustainability of the environment. The absorption of carbon dioxide by trees and plants also helps to mitigate the impact of GHGs and climate change.

Abridged sustainability report
Building environmental resilience (continued)

Carbon offsetting initiatives

Green Recovery Nigeria Programme: Stanbic IBTC's commitment to environmental sustainability is exemplified through our extensive tree planting initiative. In 2023, Stanbic IBTC partnered with The Nigerian Conservation Foundation (NCF) to plant 30,000 trees across 10 states of the federation in support of the Green Recovery Nigeria (GRN) programme. The aim of the GRN programme is to elevate Nigeria's forest cover from 5% to 25% of national land cover by 2050, as recommended by the Food and Agriculture Organisation. Since the inception of our tree planting programme, we have successfully planted and nurtured 43,928 trees across the six geopolitical zones of Nigeria namely- Edo, Rivers, Cross River, Ebonyi, Katsina, Jigawa, Taraba, Yobe, Plateau and Ogun States. This effort extends beyond a numerical accomplishment; it signifies our dedication to mitigating the impact of deforestation and fostering green spaces. As we continue to contribute to environmental resilience, our tree planting achievements reinforces our role in creating a sustainable and ecologically balanced future.



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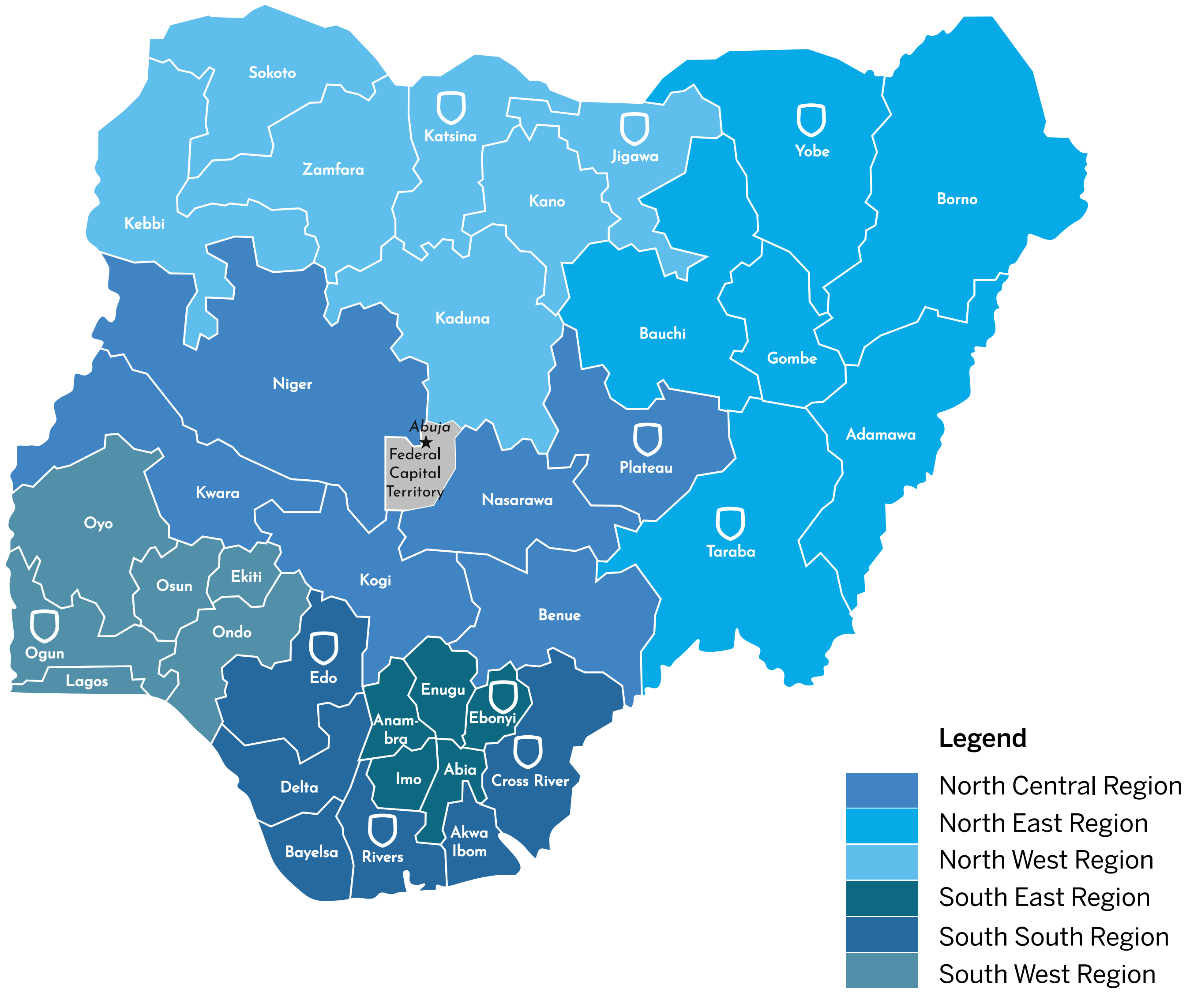


Abridged sustainability report

Building environmental resilience (continued)

Nigerian Montane Forest Project (NMFP):

Stanbic IBTC's collaboration with the Nigerian Montane Forest Project (NMFP) reflects our commitment to environmental conservation and education. With projects domiciled in the Gashaka Gumpti National Park (GGNP) located in the eastern provinces of Taraba and Adamawa states in Nigeria, this partnership has contributed to significant achievements in 2023, showcasing the NMFP's impact in science, forest conservation, and education. The project has facilitated connections with five PhD and two MSc students from three universities, fostering education and capacity building. Former interns and graduated postgraduate students are now actively contributing to the global discourse on biodiversity loss and climate change. Additionally, local communities near Ngel Nyaki Forest Reserve situated on the Mambilla Plateau in Northeast Nigeria are actively engaged in conservation efforts, planting trees, and learning about the value of the forest and its resources. Notable developments include the development of shea butter extracts for agroforestry and ongoing research on edible mushrooms which provides opportunities for job creation and food provision.

> We are accelerating carbon removal by collaborating with like-minded companies fostering rapid and impactful change at scale.

NMFP staff, field assistants and intern students at the Gashka Gumti National Park helping the A.P. Leventis Ornithological Research Institute (APLORI) team with their bird survey

NMFP field assistants and students conducting field and meteorological survey

Digital archive project

We proactively embraced environmental sustainability through various paper reducing and recycling initiatives. A significant achievement is the successful implementation of Digital Archive initiative during the year. As a result of this initiative, we recycled 27.8 tonnes of obsolete documents into 535 bales of tissue paper. This impactful measure not only mitigated our environmental footprint but also demonstrated our unwavering commitment to operational efficiency. Going beyond immediate cost savings, our wastepaper recycling endeavours align seamlessly with the overarching objectives of responsible resource management and environmental stewardship. Furthermore, our continued integration of the electronic signature process (EchoSign) exemplifies our dedication to reducing paper consumption by efficiently managing the signing of internal documents and memos. Additionally, we meticulously track and control paper usage from printing and photocopying on an ongoing basis, affirming our commitment to adopting responsible and sustainable practices.

In 2023,

27.8 tons

of wastepaper was recycled in exchange for 535 bales of tissue papers.

Abridged sustainability report

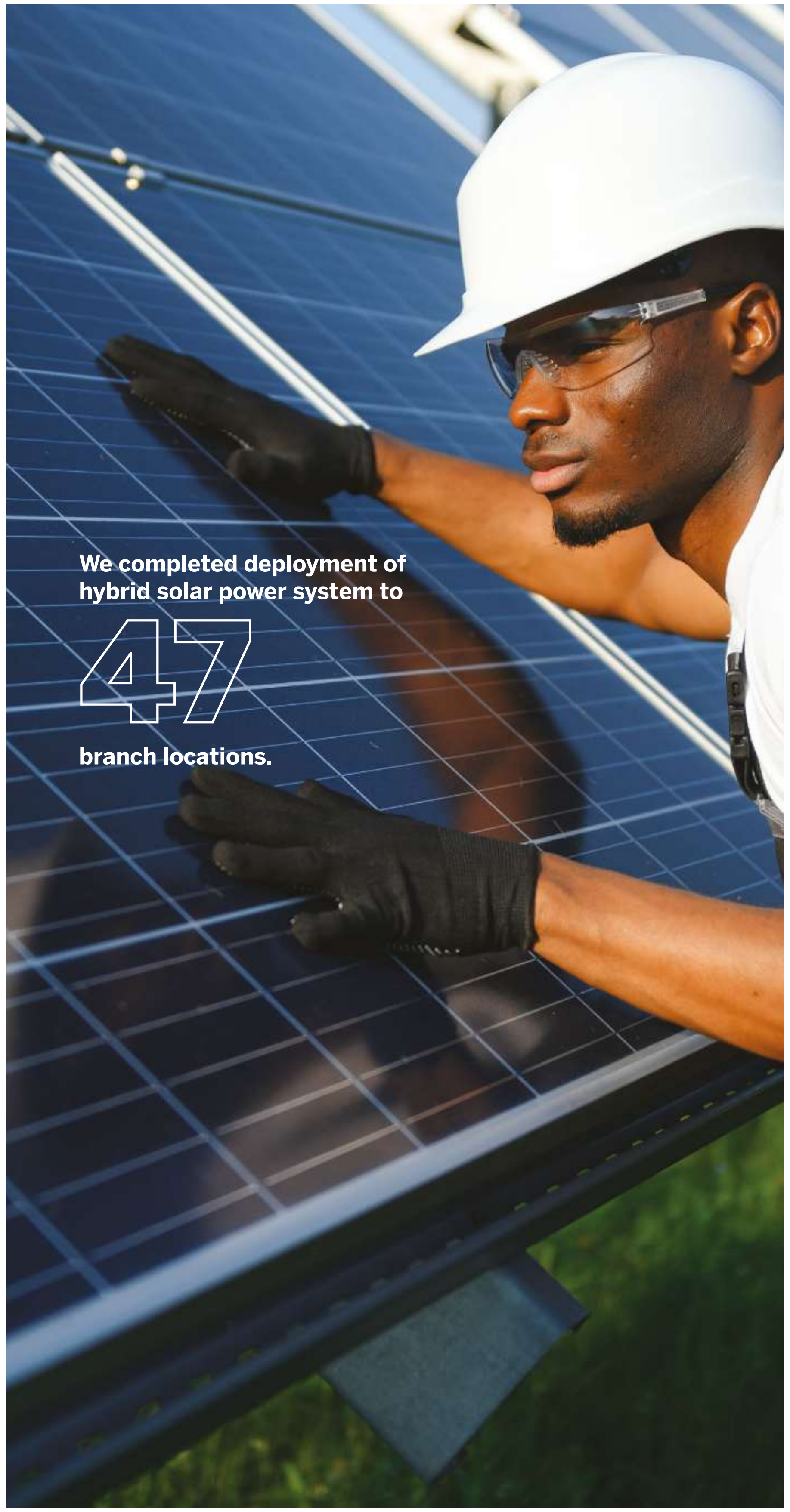
Building environmental resilience (continued)

Carbon emissions management and energy efficiency

Through the installation of energy monitoring meters in our head office buildings, we have realised a notable 14.2% YoY reduction in energy consumption, at one of our major campuses. This achievement surpasses our target by an impressive 800%. The implementation of these meters allows real-time monitoring of our energy usage.

In a strategic move to manage our scope one and scope two emissions, we have collaborated with a company to transition the Group's fleet and staff-owned vehicles to compressed natural gas and liquefied natural gas—providing a cost-effective and environmentally cleaner alternative. Furthermore, our commitment to sustainable practices extends to our branches and Stanbic IBTC Pensions Managers Limited locations.

As of December 2023, 35 bank branches and 12 Stanbic IBTC Pensions Managers Limited sites have successfully transitioned to solar-powered energy solutions.



We completed deployment of hybrid solar power system to

47

branch locations.

A remarkable

3%

YoY reduction in water consumption at one of our major campuses.

Water efficiency

Throughout 2023, our commitment to water conservation persists as we actively monitor water usage at our head office campuses and selected owned Stanbic IBTC Pensions Managers Limited locations. Smart water meters have been strategically installed to facilitate this ongoing monitoring. Moreover, in alignment with our dedication to water efficiency, we systematically replaced failed water fittings with water-efficient alternatives across all our facilities. This proactive measure reinforces our commitment to responsible water resource management.

Abridged sustainability report

Enhancing social relationships

Empowering our People and communities

Employee engagement

Our people are a critical measure of our success, and our employee value proposition ensures that we implement programmes and initiatives dedicated to promoting employee engagement and staff satisfaction.

In 2023, we deployed several staff surveys aimed at measuring employee satisfaction and promoting employee engagement. Responsibility was shared across business leaders and relevant staff to ensure sufficient participation and to drive completion rate in the confidential surveys. Key surveys carried out during the year include "Are You a Fan" (AYAF) staff satisfaction survey; Occupational Health and Safety Ergonomic survey and Internal Service Surveys (ISS).

Staff training and development

The importance of providing quality training and development opportunities to our employees cannot be over emphasised. We provide trainings to empower employees with knowledge and skills required to perform optimally in their roles, cultivate new skills, and improve their performance.

In 2023, our commitment to employee development was further reinforced through our bursary programme that provided financial assistance to 45 employees to acquire necessary qualifications relevant to their specific job responsibilities or other related tasks.

Sustainability induction sessions

In line with the organisation's drive to support and contribute to inclusive and sustainable growth, 42 Sustainability Training sessions were conducted for Five Hundred and Seventy-Seven (577) new hires including Graduate Trainees (GRTs) during the year. Participants were trained on the concept of sustainability within Stanbic IBTC during their Blue genes induction session.

₦1.1 billion

was spent on staff training and development across the group.

45

employees were supported under the bursary programme to acquire skills and qualifications relevant to their role.

577

new hires were trained on concept of sustainability within Stanbic IBTC.

30

Interns and

72

graduate trainees were onboarded in 2023.

Internship programme

The Internship programme is a strategic initiative of the organisation to build a long-term pipeline for the foundational pool. The internship programme is designed primarily to achieve the following objectives:

- Build a positive share of mind of the Stanbic IBTC employer brand in the Nigerian youth.
- Provide a long-term pipeline for our Graduate Trainee programme and entry-level roles.
- Create an avenue for deliberate national building and community development aligned with our sustainability agenda.

The Internship programme provides the interns with paid professional work experience in a structured international organisation. The programme helps the interns to build a professional network and help them make well-informed decision in their chosen fields.

A total of 30 Interns were onboarded in 2023. They were deployed to different parts of the Business which includes Information Technology, Commercial Banking, Investment Banking, International Business Centre, Enterprise Banking, Client Coverage, Asset Management, People and Culture, Global Market, and so on.

Graduate trainee programme

The Graduate Trainee Programme of Stanbic IBTC Group is designed to build capacity and create a sustainable talent pipeline within the Group. It is an intensive programme focused on developing fresh graduates by providing a blended learning experience of the industry and future fit competencies. The programme provides a unique opportunity for young graduates who are passionate about building a fast-tracked career and living the Stanbic IBTC Values.

A total of 72 (41 regular Graduate Trainees and 31 Graduate Trainee - DigiTAP) were recruited in 2023. The two streams ran between June to October 2023 consecutively.

Customer relationship and sales masterclass

The Stanbic IBTC Customer Relationship and Sales Masterclass was designed to build a pipeline of Relationship Managers (RM's) across our client segments. In line with the Group's talent acquisition and retention drive, the first stream of the Customer Relationship and Sales Masterclass commenced on 12 December 2023 with 39 participants. The programme ran from 12 December 2023 to 26 January 2024.

Blue women network

At Stanbic IBTC, we are committed to promoting workforce diversity and women empowerment. The Blue Women Network (BWN) is a platform specifically created for female employees in Stanbic IBTC to connect, inform and develop the Stanbic IBTC woman. BWN programmes that held during the year include the BWN Giving Back Initiative and BWN Annual Conference themed "Embrace equity". The annual conference held on 08 March 2023 which doubled as the International Women's Day.

Abridged sustainability report

Enhancing social relationships (continued)

Occupational Health and Safety ISO 45001 Occupational Health and Safety (OHS) certification

Stanbic IBTC has obtained an ISO 45001 Occupational Health and Safety (OHS) certification. The ISO 45001 certification demonstrates our commitment to providing a healthy and safe work environment for our employees, third-party service providers and clients.

Occupational Health and Safety (OHS) trainings and incidents.

In line with our commitment to best practice OHS standards, periodic OHS trainings are completed by staff members, to maintain awareness and drive good OHS culture across the group.

8,168

participants were trained on various OHS programmes during the year.

We maintain robust systems for efficient reporting of OHS incidents, to ensure that OHS risks associated with our operations are appropriately managed.

In 2023, 23 OHS incidents affecting about five employees were reported across the group. Below is a list of Incidents recorded in the year:

Date	Incident Time	Incident Type	Incident Place
03 January 2023	5:30 pm	Fire Incident	Lafia Branch
10 March 2023	Not available	Medical Case	Sango Ota 2 Branch
10 March 2023	12pm – 1pm	Fire Incident	Lekki 2 Branch
03 April 2023	3am	Vehicle Accident	Jakande, Lekki Axis
03 April 2023	Not available	Medical Case	Markurdi Branch
13 April 2023	12am	Vehicle Accident	Maryland
04 April 2023	12.28pm	Fire Incident	Sokoto Branch
08 April 2023	4:37pm	Fire incident	Pension office Herbert Macaulay Branch
01 June 2023	11:40pm	Motor incident	Salvation estate, Ajah
05 June 2023	6:26pm	Motor incident	Third mainland bridge
13 June 2023	Not available	Fire incident	Branch
13 June 2023	12am	Fire incident	Branch
19 July 2023	Not available	Thunderstorm Impacting Equipment	Branch
25 July 2023	7:43am	Fire incident	Branch
10 August 2023	9:48am	Fire incident	Kawo Mando Branch
15 August 2023	5:50pm	First aid case	Oko Oba Branch
05 October 2023	11pm	Medical case	IPC Ilupeju
10 October 2023	10:52am	Medical case	IPC Ilupeju
15 October 2023	12:31pm	Fire incident	Jos Branch
18 October 2023	2:30pm	Fire incident	Herbert Macaulay
23 October 2023	7am	Near miss	Mushin Branch
24 October 2023	4pm	Fire incident	Mararaba Branch
22 November 2023	10:45am	Medical case	Idejo

Abridged sustainability report

Enhancing social relationships (continued)

Employee health and wellness programmes

Stanbic IBTC continues to invest in comprehensive workplace wellbeing programmes aimed at promoting the health and wellbeing of its employees. Employees are enrolled with either of our partner Health Maintenance Organisations (HMO) – Total Health Trust and AXA Mansard Health to cater for their health needs.

In 2023, we conducted a Health Week specifically aimed at encouraging employees to build personal health resilience which enables them cope with challenging times. The weeklong programme included activities such as Health screening, Fruit of the Day Communication, Health Talk and Daily trivia, Health Week Daily Communication, "Exercise at your Desk with an Exco member "ending with the Grand Final- Together4ALimb walk.

In addition, Stanbic IBTC holds weekly Digital Aerobics classes and wellness sessions for staff periodically. Employees have access to an in-house medical consultant as well as confidential professional psycologists to cater to their mental health needs.

Our Corporate Social Investments (CSI) strategy focuses on Education, Health, Job Creation and Enterprise growth.

Empowering or communities

At Stanbic IBTC, our Corporate Social Investments (CSI) strategy is aligned with our positive impact value driver, with a focus on three main impact areas: Education, Health, Job Creation and Enterprise growth. Through our various CSI programmes, we aim to support access to good health and wellbeing, good quality education and decent work, and economic growth.

Abridged sustainability report

Enhancing social relationships (continued)

Employee Corporate Social Investment (E-CSI)

Employee Corporate Social Investment (E-CSI) is an integral part of our corporate social investment programme. This initiative encourages staff members in various departments across the organisation to voluntarily pool funds together for donation to worthy causes aligned to our CSI focus areas. The organisation provides an additional donation matching the total funds pooled by staff, and the combined amount is deployed towards the execution of the CSI project selected by staff. In 2023, staff members across 14 teams executed various employee CSI projects across Nigeria.

S/N	Team	Project Description	Location	Value*	CSI Pillar
1	Personal and Private Banking (PPB)	Solar panels installation at Ijara Isin Hospital, Isin-Ilorin in Kwara State. Renovation of blocks of classrooms at Azu-Iyiokwu Urban School one and two, Abakaliki and Model Girls' Comprehensive Secondary School, Ugwua-chara, Abakaliki, Ebonyi State	Kwara State Ebonyi State	43,296,198.06	Health and Education
2	Stanbic IBTC Pension Managers Limited- Operation Division, Compliance and Risk Management	Renovation of three classrooms, one laboratory building, an examination hall and two staff offices to enhance the learning activities for the Office at the Day Secondary School, Fate Ilorin, Ilorin East LGA	Kwara State	24,662,145.62	Education
3	Stanbic IBTC Operations	The project is the installation of solar panels and refurbishing of science lab at the Government Science School in Eggo Local Government, Nasarawa State	Nasarawa State	20,629,868.52	Education
4	Client Coverage, Investment Banking, and Stockbroking	Renovation of bad roofs, installation of marker boards, provision of tables and chairs in Rumuokwurushi, community secondary school, Port Harcourt	Rivers State	14,249,440.14	Education
5	Stanbic IBTC Pension Managers Limited- Business Development Directorate	Construction of a solar powered borehole, and Installation of concrete sitting slabs at the Primary Health Centre at Waziri Umaru Federal Polytechnic	Kebbi State	13,812,219.68	Health
6	Stanbic IBTC Asset Management Limited, Insurance Brokers Limited, Trustees Limited, and Insurance Limited	The renovation and furnishing of a block of five classrooms in Community secondary school Orogwe Imo state	Imo State	13,359,162.00	Education
7	Enterprise Risk Management team	Tree planting and nurturing of 2,200 tree seedlings in 30,000 trees at Afikpo Local Government Area, Ebonyi State	Ebonyi State	10,090,516.10	Environmental Conservation
8	Transactional Banking (TxB)	Renovation of Adewole Cottage maternity ward, tiling of nurses' rooms, drilling of the Borehole, raising of fence with barb wire at Ilorin	Kwara State	10,000,000.00	Health
9	Stanbic IBTC Compliance, People and Culture and Internal Control	Purchase of medical equipment and the renovation of Kwata Women and Children Welfare Clinic in Tsohuwar Kwata, Galadima Government	Zamfara State	10,000,000.00	Health
10	Stanbic IBTC Brand and Marketing, Internal Audit and Executive Office	Renovation of Mangu General Hospital maternity ward and donation of heath equipment	Plateau State	10,000,000.00	Health and Education
11	Stanbic IBTC Pension Asset Managers Limited Capital Team	Renovation of six classrooms in Government Secondary School Rumueme, and planting of 2,500 trees at Port Harcourt	River State	6,829,074.32	Education and Environmental Conservation
12	Stanbic IBTC Pension Managers Limited- Investment Division and Administration team	Final phase of school rehabilitation at Daudu IDP Camp, which commenced in 2021. Renovation and furnishing of a block of three classrooms	Benue State	5,000,558.36	Education
13	Stanbic IBTC Blue Women Network	Provision of breast and cervical cancer screenings for underprivileged women in Kaduna and Jigawa States. A coding workshop held for low-income secondary school girls in Kwara State	Jigawa state Kaduna State Kwara State	3,460,000.00	Health and Education
14	Legal Team CSI	Drilling and construction of one motorised borehole and renovation of the existing toilet facilities at Primary Health Centre, Gura Topp	Plateau State	3,433,471.76	Health
15	Global Market team	Provision of cardiac monitor and hospital supplies for the Mushin General Hospital, Lagos State	Lagos State	3,160,000.00	Health
16	Business and Commercial Banking (BCB)	Renovation and replacement of leaking roofs, broken ceilings, damaged floors, windows, water closet, hand basin and a facelift to the buildings and drilling of a borehole at the Orolodo Primary Health Care Center, Orolodo, Omu-Aran, Kwara State	Kwara State	7,822,250.00	Health
		Renovation of one block of five classrooms/laboratory and furnishing of a functional science laboratory with practical learning and a facelift to the buildings at Ishiagu Secondary school	Ebonyi State	7,809,500.00	Education
		Renovation of two blocks with seven classrooms, reconstruction of four public conveniences, purchase of school uniforms, tricycles and training mate-rials at the Zamfara State School of Special Education	Zamfara State	7,491,601.00	Education
		Renovation of classrooms, borehole construction and donation of wheel-chairs at the Inclusive secondary school Nwofe Agbaga Izzi LGA Ebonyi state	Ebonyi State	7,015,320.00	Health and Education
		Renovation of 3 blocks of classrooms to provide pupils with a safe and conducive learning environment at Danialu Primary School, Ilorin, Kwara State	Kwara State	6,710,450.00	Education

Abridged sustainability report

Enhancing social relationships (continued)

S/N	Team	Project Description	Location	Value*	CSI Pillar
16 (cont.)	Business and Commercial Banking (BCB)	Construction of a 180m motorised borehole and installation of 10,000-litre water storage tank at the Niger State School of Special Education, Bosso, Minna, Niger State	Niger State	5,367,500.00	Health and Education
		Construction of Borehole at Tudu Wada Community Market, Gusau, Zamfara State	Zamfara State	4,673,600.00	Health and Enterprise Growth
		Renovation and Solar power intervention at Ngwa Motherless Babies Home, Abia	Abia State	4,517,100.00	Health
		Renovation of the students' library at the Government Technical College, Rumukoro, Port Harcourt, Rivers State	Rivers State	4,042,850.00	Education
		Donation of academic textbooks to the school library to support the students' educational journey by providing access to essential resources to aid their learning and empower them to succeed academically. Project was done in collaboration with Hopes Alive Initiative	Ekiti State	3,000,000.00	Education
		Facelift and Food Supply to the Akpodim Rehabilitation Centre for the Disabled, Eziniihite, Mbaise, Imo State	Imo State	1,185,500.00	Health
		Fabrication of children's beds, supply of mattress, a wheelchair and household items to an orphanage in Port Harcourt.	Rivers State	738,700.00	Health
	Total CSI Donations			**252,357,025.56**	

A total of number of

160,000

women in Mangu community will be positively impacted by the revamped hospital facilities due to improved maternal care and reduced childbirth mortality.

Case study: Renovation of Mangu General Hospital maternity ward and donation of health equipment

Through the volunteerism programme, Stanbic IBTC's Brand and Marketing, Internal Audit, Executive and Governance Office teams embarked on the renovation of Mangu General hospital located in Mangu Community, Plateau State. The hospital had a maternity ward which required renovation and limited basic health equipment for maternal care. The teams renovated the maternity ward in its entirety, reconstructing toilets and shower stalls. In addition, the teams donated the following:

- Five Examination couches
- 16 Mackintosh
- One Incubator
- Two Oxygen concentrators
- One Photo-therapy unit
- One Resuscitaire
- 10 Bed side trolleys
- Two Suction machines
- Three Delivery set
- 10 IV stands
- Mosquito nets mattresses
- Pillows
- Bed side cupboards
- Ceilings fans
- Three Water tanks with a capacity of 3,000 liters

Images to left:
Staff of Stanbic IBTC donating medical equipments to Mangu General hospital located in Mangu Community, Plateau State.

Abridged sustainability report

Enhancing social relationships (continued)

Together4ALimb

Stanbic IBTC has continued its mission to support children living with limb loss through its Together for a limb initiative. Now in its ninth year, this programmestands as the organisation's flagship Corporate Social Investment (CSI) initiative, focusing on providing prosthetic limbs to children living with limb loss from congenital issues or birth defects, accidents, or mismanaged injuries in underserved communities. This initiative gives hope and transforms the lives of children living with limb loss across the country.

In 2023, Stanbic IBTC provided prosthetic limbs for 45 children from different communities in Nigeria making it a total of 100 beneficiaries in nine years who have received the support. The beneficiaries were also awarded Educational Trust worth ₦1.5 million each to access quality education.

On Saturday, 26 November 2023, Stanbic IBTC held the ninth annual Together4ALimb Walk to raise awareness for these children and drew attention to the plight and challenges of children living with limb loss. Being the first physical walk since 2019, management, staff and partners of the organisation walked over 800km in support of the cause whilst tracking their steps using the Mobile App "Steps' by Stanbic IBTC.

To further create awareness of the project's impact, two documentaries were launched in 2023. "Running Business with Humanity", which tells the story of Together4ALimb through the eyes of its stakeholder and. "A day in the life of the beneficiary" a serial documentary which tells the story of a day in the life of 16 beneficiaries of the initiative. Both productions can be found on the Stanbic IBTC YouTube Channel.


Chief Executive, Stanbic IBTC Holdings, Dr. Demola Sogunle with beneficiaries at 'Together-4-A-Limb' event held on 25 November 2023 in Lagos, Nigeria.


Chief Executive, Stanbic IBTC Bank, Mr Wole Adeniyi with beneficiaries at 'Together-4-A-Limb' event held on 25 November 2023 in Lagos, Nigeria.

Prosthetic limbs were provided for

45

children across different communities in Nigeria making it a total of

100

beneficiaries in nine years

2

documentaries were launched in 2023. "Running Business with Humanity", which tells the story of Together4ALimb through the eyes of its stakeholder and. " A day in the life of the beneficiary" a series documentary that tells the story of a day in the life of 16 beneficiaries of the initiative.

Beneficiaries were also awarded Educational Trust each worth

₦1.5 million

Donations and sponsorships

In addition to the employee CSI projects executed in 2023, donations and sponsorships executed during the year are provided below:

S/N	Projects	Value*	Impact Area
1	Together4ALimb prosthesis fitting and treatment	303,867,489	Health
2	Adopt-a-school CSI Programme (Ekiti, Sokoto and Akwa Ibom, Maidiguri States)	176,710,425	Education
3	Employee CSI Projects	126,180,097	Health, Education, Job creation and enterprise Growth
4	Stanbic IBTC University Scholarship programme	80,000,000	Education
5	Digital Skills Empowerment Programme (DiSEP) 2023	72,563,725	Job creation and Enterprise Growth
6	Ozumba Mbadiwe Median Beautification	52,478,000	Environmental conservation
7	Malaria Day Outreach	8,360,220	Health
8	Social Impact Donations	2,000,000	Health, Education, Job creation and enterprise Growth
9	Emotional intelligence and Skills Empowerment at Kurba Community Primary School.	1,500,000	Health and Education, Job creation and Enterprise growth
10	Donation to Human Development Initiative (HDI) for the purchase of feminine care items for females living with disability	1,000,000	Health
11	Donation of 2 HP Laptops, Hard drives and Anti-Virus Software to Department of Geography, University of Ibadan	767,000	Education
12	Purchase of HP LaserJet Pro M404dw Printer for Human Resource Management Directorate of the University of Lagos	656,288	Education
Total		₦826,083,244	

*Amount matched by the Stanbic IBTC

Abridged sustainability report
Enhancing social relationships (continued)

Stanbic IBTC 2023 CSI Projects

16
Departmental CSI projects

11
Group CSI projects

13
States impacted

27
Communities supported

₦826,083,244

10,000,000
People impacted

Stanbic IBTC scholarship programmes

In May 2023, Stanbic IBTC announced recipients of its prestigious University Scholarship Award. The ₦80,000,000 valued scholarship awarded will provide financial support to 200 outstanding Nigerian undergraduates who excelled in the University Tertiary Matriculation Examination (UTME) and satisfied other prerequisite conditions.

Abridged sustainability report

Enhancing social relationships (continued)

Capacity building and empowerment programmes

Digital Skills Empowerment Programme (DiSEP 3.0)

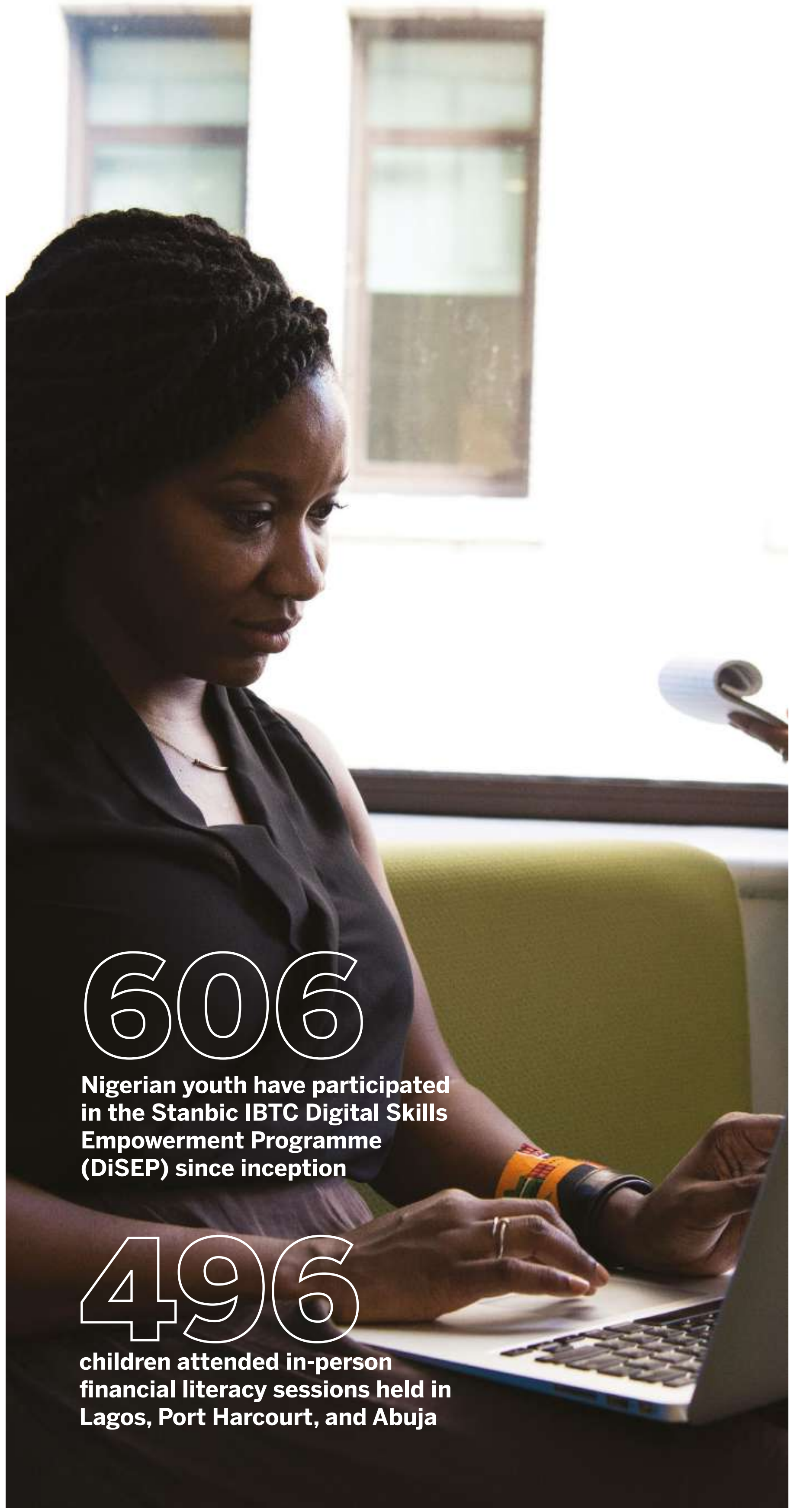
The Stanbic IBTC Digital Skills Empowerment Programme (DiSEP) is an initiative launched in 2021 to equip eligible unemployed graduates with digital skills to build their capabilities, broaden their digital scope and prepare these candidates for professional certifications in some of the most sought-after emerging technology skills. In 2023, being the third year of running the programme, we built a pipeline of digital talents and shortened resourcing timelines for digital skills, contributing to the digital market in Nigeria and increasing the overall employability of participants.

The 2023 programme kicked off with 205 Nigerian youth participants on Friday, 14 July 2023. Participants underwent professional training in the below courses:

- MS Azure Database Administrator
- AWS Certified Developer Associate
- DevOps Foundation
- Java Spring Boot Certified Professional
- C# programming language

New School Money

Stanbic IBTC Pension Managers yearly retention signature events has been valuable to clients. The financial literacy session held in August 2023 helped educate the children on money appreciation, savings culture, and budgeting. This year the event held in Port Harcourt, Lagos, and Abuja with a total of 496 children in attendance.



606

Nigerian youth have participated in the Stanbic IBTC Digital Skills Empowerment Programme (DiSEP) since inception

496

children attended in-person financial literacy sessions held in Lagos, Port Harcourt, and Abuja

Financial literacy sessions

In 2023, we conducted 611 financial literacy sessions aimed at improving financial awareness and knowledge on how to grow wealth sustainably, which positively impacted over 11,911 participants.

We also conducted about 287 financial planning sessions to improve the knowledge of participants on how to grow their wealth sustainably and had a total of 14,038 participants at these sessions.

Stanbic IBTC Pensions Managers Limited conducted 12 financial fitness sessions with over 723 participants from different sectors of the economy in attendance. These sessions aimed at equipping participants with the knowledge and skills necessary to make informed financial decisions helping them achieve their long-term financial goals.

Stanbic IBTC Bloom conference

The Stanbic IBTC Bloom conference and Exhibition was an event held to launch the revamped Blue Blossom proposition for women. The conference provided a platform for women to network, share experiences, and collaborate on business opportunities and projects. The event held in May 2023, featured the unveiling of the Blue Blossom TV commercial, three fireside chats as well as physical and virtual exhibition with over 1,500 attendees. The success of Blue Blossom demonstrates our passion for empowering women-owned businesses for growth.

Customer loyalty programmes

Reward4Saving 3.0

Stanbic IBTC continues to promote savings habit among Nigerians with the Reward4Saving 3.0 Promo. The promo aims to motivate customers to save money regularly by offering cash prices from ₦100,000, ₦1 million and ₦2 million on a quarterly basis.

11,911

participants engaged in 611 financial awareness sessions

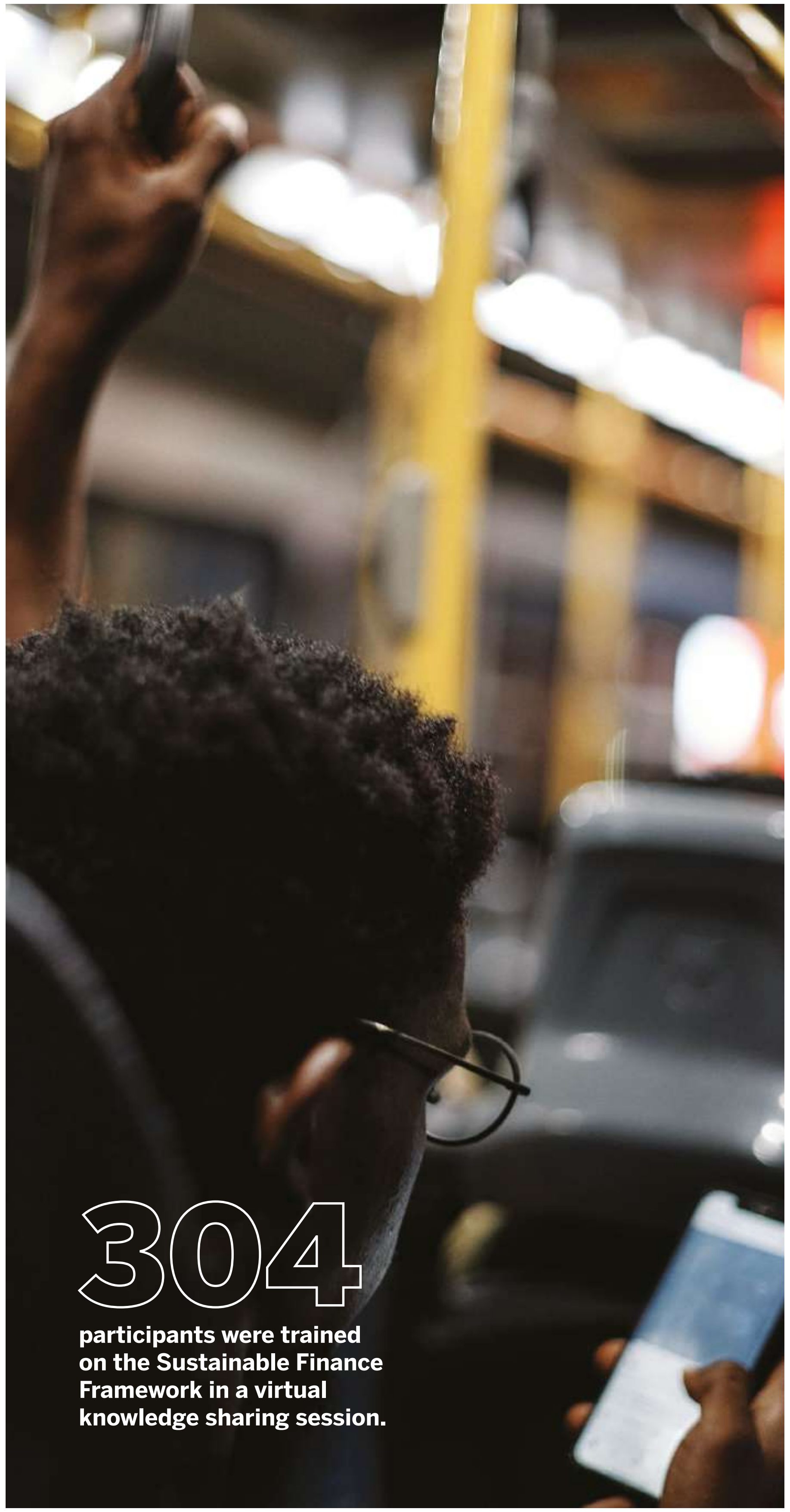
Abridged sustainability report
Expanding business model and innovation

Sustainable finance

Our sustainable finance and investment targets align with SBG's commitment to drive Africa's growth by financing just energy transition and to be a market leader in sustainable finance across the continent. In 2023, we facilitated sustainable loans valued at ₦108.66 billion demonstrating our dedication to sustainable finance by supporting the growth of the renewable energy sector, fostering economic development, job creation, pollution reduction, and the mitigation of climate change effects. During the year, investment placements of ₦108.66 billion was made on various funds, bonds and commercial papers. These funds were channeled towards construction of roads, hospital, and housing project as well as purchase of medical equipments.

Facilitated ₦108.66 billion in sustainable loans, sustainable bonds and sustainability linked notes

In line with SBG's sustainable finance framework introduced this year, we plan to implement a sustainable finance framework that will be applied locally in the coming year. The training initiatives for business unit executives have already commenced, with plans for increased engagement.



304

participants were trained on the Sustainable Finance Framework in a virtual knowledge sharing session.

Sustainable agriculture

In May 2023, Standard Bank Group held the Sustainable Agriculture Conference in Johannesburg, South Africa aimed at empowering Agribusiness Relationship Managers with the requisite knowledge and skills to support our clients on building climate-smart sustainable businesses that imbibe social and financial inclusion. The newly developed sustainable finance framework will provide support and guidance for our customers towards building sustainable businesses.

We are actively creating a sustainable market for smallholder farmers who produce nuts, grains and cereals (rice, soybean, shea nut and maize) through empowering off takers by providing finance to enable them build and run sustainable businesses, expand their capacity and storage and so on.

One million farmers have benefited indirectly from Sustainable Agriculture Conference in 2023. Credit facilities of over

₦154 billion

disbursed to support agricultural-related businesses.

Stanbic IBTC Infrastructure Fund

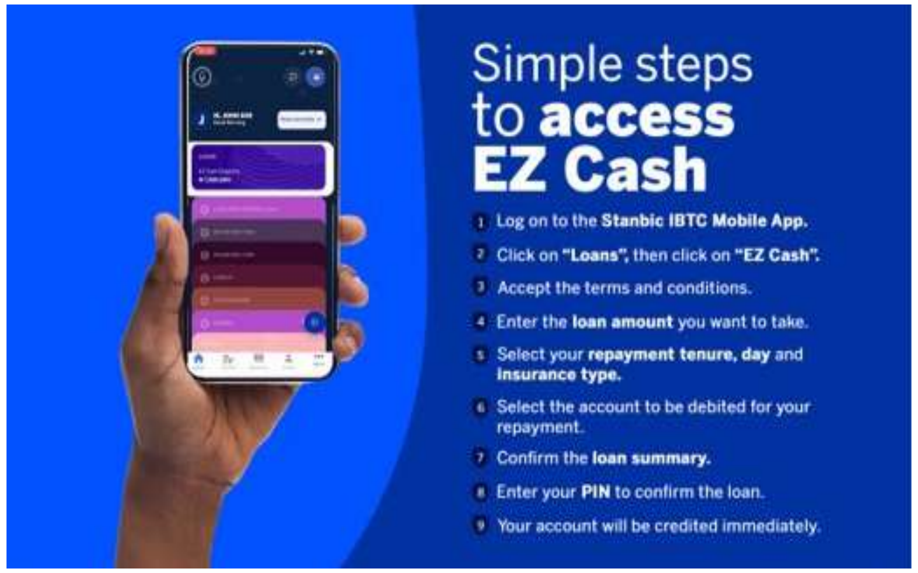
In 2023, Stanbic IBTC Infrastructure Fund experienced a significant expansion, with its asset under management increasing by over 115% to ₦49 billion. This growth was supported by the Securities and Exchange Commission's (SEC) approval of a ₦22.81 series fundraise. In the same period, the Stanbic IBTC Shariah Fixed Income Fund AUM was ₦8.38 billion.

Abridged sustainability report

Expanding business model and innovation (continued)

Enterprise academy workshops

Workshops were carried out in Abuja, Ibadan, Awka and Port Harcourt, in partnership with Enterprise Development Centre of the Pan African University and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). The workshops entailed trainings for SME business owners on how to promote their products and services, keep financial records, build business models and much more. A total of 1,132 SME business owners were in attendance. We also carried out virtual trainings of over 1,500 SMEs.



Simple steps to **access EZ Cash**

1. Log on to the **Stanbic IBTC Mobile App.**
2. Click on **"Loans"**, then click on **"EZ Cash"**.
3. Accept the terms and conditions.
4. Enter the **loan amount** you want to take.
5. Select your **repayment tenure, day** and **insurance type.**
6. Select the account to be debited for your repayment.
7. Confirm the **loan summary.**
8. Enter your **PIN** to confirm the loan.
9. Your account will be credited immediately.

In 2023

₦36.3 billion

in loan facility was disbursed to 4,886 SME clients.

More than

2,000

SME business owners participated in enterprise academy workshop.

₦537 million

in credit facilities was accessed by 318 blue blossom customers through the SME EZ Cash.

Small and Medium Scale Enterprises (SMEs) lending products and initiatives

Blue Blossom EZcash

As part of our commitment to bridge the financing gap for women in careers or businesses and promote women economic empowerment in line with the Central Bank of Nigeria's (CBN) Sustainable Banking Principles, the Blue Blossom account was created in 2021. This is a current account that caters for women in business with special focus on small and medium scale business.

To further cater for women in businesses and drive financial inclusion with females, we implemented a variant "Blue Blossom EZcash" by leveraging on an existing digital loan offering "SME EZ Cash". A digital loan that can be disbursed within four minutes via Mobile App and internet banking after routine satisfactory credit checks. The offering demonstrates our commitment to supporting the growth and sustainability of Women entrepreneurs in Nigeria. By providing quick access to finance using a digital platform, we are able to meet their financial needs efficiently. This is vital in promoting entrepreneurship and driving economic development. Since the implementation, we have recorded ₦537 million in value accessed by 318 blue blossom customers.

Olu Delano, Executive Director, Personal and Private Banking (PPB), Stanbic IBTC Bank, addressing students at the University of Lagos Campus.

SME COLLAB market storms

SME Collab Market storms were also conducted in 12 markets across four cities in Nigeria which included Ibadan, Abuja, Port Harcourt, and Onitsha, which attracted 22,732 participants with 206 tax identification number (TIN) generated at no cost to participants.

Financial inclusion solutions

Accelerating financial inclusion for all is one of our top priorities. To serve the underbanked and unbanked individuals, entrepreneurs, and small businesses, we have developed various digital solutions to meet their needs.

@ease campus ambassador campaign

Our @ease team visited University of Lagos on Tuesday, 28 November 2023 for the @ease campus ambassador campaign. Our Student Ambassadors are passionate, forward-thinking, and creative. We provide the right environment, programs, and opportunities to help them progress seamlessly to the next phase of their lives by helping them build strong social networking and leadership capabilities, and financial independence.

BluEdge savings account

In 2023, we launched the BluEdge savings account which is specifically designed to provide youth (aged 18-28) with the ultimate banking experience tailored to their everyday needs. BluEdge also strongly emphasises on gaining superior financial intelligence and building a goal-oriented savings culture.

The BluEdge Savings Account offers exciting perks such as

- Free debit card.
- Always-on interest rates.
- Zero opening balance.
- Networking opportunities via the Stanbic IBTC Youth community and so much more.

Over 551,347 @ease wallets were opened in 2023.

Abridged sustainability report

Expanding business model and innovation (continued)

Diaspora banking

In 2023, our "Remittance Made Easy Campaign" was in full swing, focusing on scaling our remittance business. This initiative is geared towards increasing inward remittances from the diaspora into Nigeria. We anticipate a positive impact on our remittance services through this target.

8,315

new clients were onboarded on the Future Me Plan in 2023, 65% of total onboarded were below 35 years and 47% were females.

We maintained

11,569

bank agents as of December 2023.

Our mutual funds have been designed to take in investments as low as

₦5,000

as we aim to achieve financial inclusion.

Future Me Plan

Stanbic IBTC successfully onboarded 8,315 clients onto the Future Me Plan (FMP) formerly known as the Micro Pension Plan (MPP), between 01 January and 14 December 2023. Aligning with our commitment to embrace equality and financial inclusion through the empowerment of women and youth, 65% of the total onboarded were below 35 years and 47% were females.

In addition, we engaged the staff of Federal Institute of Industrial Research, Oshodi (FIRO) on beneficial insurance solutions to cater for their needs upon retirement and for the protection of their assets.

> We received over ₦9.50 million from new and additional subscriptions of ₦5,000

Women empowerment programmes

Blue Blossom

Stanbic IBTC has a strong commitment to empowering women in business, leading us to create the innovative value proposition called Blue Blossom. This unique offering provides women in business comprehensive financial and non-financial benefits, empowering women to take control of their finances and future and live a fulfiling lifestyle. The Blue Blossom offering includes waived transaction fees (current account maintenance), competitive interest rates on loans, discounted loan fees, insure and investment solutions, invitations to financial fitness and niche events, capacity building, free risk advisory and claims management on home insurance and an exclusive invitation to Stanbic IBTC Trade Club. These solutions are aimed at fostering the growth and success of women entrepreneurs.

Go Bloom community

The Go Bloom community is an off-shoot of the Stanbic IBTC Blue Blossom value proposition, extending beyond banking services to banked and non-banked women. This proposition is rooted in the recognition that today's woman requires tailored non-financial solutions alongside comprehensive support to foster learning, connections, wellness, and personal development. The community since its launch in May 2023, has benefitted over 10,000 women from various initiatives. We service the non-financial needs of the community through strategic partnership with subject matter experts. These services are invaluable for the women given that the community provides a platform for women to network, share experiences and collaborate on business opportunities and projects.

The success of Blue Blossom serves as a compelling testament to the impact of our support on empowering women. It enables them to make significant strides in their businesses and invest with confidence in their personal growth. The Stanbic IBTC Bloom Conference and Exhibition was an event held to launch the revamped Blue Blossom proposition for women. The event which launched in May 2023 featured the unveiling of the Blue Blossom TV commercial, three fireside chats as well as physical and virtual exhibition with over 1,500 attendees.

Since the launch of the revamped offering, the product has enticed more than 6,000 women in business as it offers zero customer account maintenance fee to all customers on the product.

> Over 6,073 women are active Blue Blossom users, with overall risk asset raised from ₦353 million to ₦2.76 billion, and liability from ₦220 million to ₦4.03 billion in 2023

Abridged sustainability report

Expanding business model and innovation (continued)

Empowering women through Digital financial solutions

In May 2023, Stanbic IBTC partnered with The Women's World Banking (WWB), (a global non-profit organisation dedicated to empowering low-income women and addressing inequalities) in conjunction with the Bill and Melinda Gates foundation to develop and implement an initiative which provides digital financial solutions for low-income women. The initiative focused on empowering low-income women by facilitating their adoption of digital payment solutions, aiming to enhance savings practices and align with the evolving economic trends. The project strategically targeted women affiliated with various groups and associations, including the National Association of Hairdressers and Cosmetologists (NASHCO), Lagos State Council of Tradesmen and Artisans (LASCOTA), and Talk Love Africa, a women empowerment NGO.

The primary goal was to empower women economically by enabling them to leverage digital payment solutions for savings and financial transactions. About 40,000 women were successfully onboarded onto our @ease wallet platform, providing them with a user-friendly digital financial tool. As part of our commitment to fostering inclusivity, 70 women were onboarded as Stanbic IBTC @ease agents, becoming ambassadors for digital financial inclusion within their communities. Financial literacy also played a crucial role in this initiative, with 2,500 women receiving comprehensive training to enhance their understanding of financial management.

Aligned with the United Nations sustainable development Goal 5: Gender Equality, the project achieved significant outcomes by providing low-income women with the tools and knowledge to actively participate in the digital economy. Since our collaboration with WWB that began in June 2022, we remain committed to driving financial awareness and promoting the adoption of our savings and agency banking solutions among low-income women. Looking ahead, we plan to expand our impact by reaching women in different regions of the country, working closely with WWB to support their Women's Economic Empowerment goals. This ongoing partnership reflects our dedication to providing tailored financial tools and solutions, contributing to the broader objective of empowering vulnerable and low-income women in Nigeria. This initiative exemplifies our dedication to empowering women, promoting financial inclusion, and contributing to sustainable development by leveraging digital solutions to address the unique needs of diverse communities.

2,500
were trained on financial literacy

70
female SME business owners were onboarded as Stanbic IBTC @ease agents.

7,702
participants at the LATTES virtual events.

40,000
women were onboarded on our @ease wallet platform in 2023,

LATTES 3.0

During the year, Stanbic IBTC Pensions Managers Limited hosted The Ladies at The Table Empowerment Series (LATTES) virtual event focused on empowering Nigerian businesswomen with special focus on women in the pensions industry. This year's edition, aimed at projecting Stanbic IBTC as a gender-inclusive organisation with a remarkable success of 2,175 live viewers and an additional 5,527 watching the event's recordings on the same day, demonstrating the initiative's extensive reach and impact.

Participants at The Ladies at The Table Empowerment Series (LATTES) event held in July 2023

Abridged sustainability report

Expanding business model and innovation (continued)

Environmental and social risk management

Stanbic IBTC recognises the crucial role it plays in facilitating sustainable development and, as such, adopts a proactive stance in managing environmental and social risks associated with its business operations and financing activities. Environmental and Social (E and S) risks are defined as potential adverse impacts on society and the natural environment arising from business activities, encompassing factors like GHG emissions, waste pollution, resource depletion, and risks to communities' health, safety, livelihoods, and cultural heritage. Given the nature of its business, E and S risks could translate into credit, operational, business, and reputational risks. The bank maintains a robust Environmental and Social Management System (ESMS) focused on effective assessment and management of such risks throughout various business transactions.

E and S risks, within the context of the bank's operations and financing activities, entail the potential adverse impacts on both society and the natural environment. These encompass a spectrum of factors, ranging from greenhouse gas (GHG) emissions, waste pollution, and resource depletion to risks affecting communities' health, safety, livelihoods, and cultural heritage. Understanding the intricate interplay between its business operations and the broader societal and environmental context, Stanbic IBTC acknowledges that E and S risks can manifest in various forms, including credit, operational, business, and reputational risks. This recognition underscores the bank's commitment to a proactive stance in managing these risks. To systematically address these challenges, Stanbic IBTC has established a robust Environmental and Social Management System (ESMS).

The ESMS serves as the backbone of the bank's approach, facilitating the effective assessment and management of E and S risks across diverse business transactions. This comprehensive system spans the entire lifecycle of credit transactions, from their inception to post-financial close, ensuring a holistic evaluation and response to potential environmental and social impacts. By leveraging the ESMS, Stanbic IBTC aligns its operations with international best practices, utilising frameworks such as the IFC Performance Standards and the Equator Principles, and adhering to the Nigeria Sustainable Banking Principles (NSBPs).

Environmental and social risk monitoring

Ongoing monitoring of credit transactions ensures adherence to E and S commitments, with high-risk transactions receiving closer scrutiny. The Equator Principles guide project-related transactions, complemented by the application of IFC Performance Standards on Environmental and Social Sustainability (Performance Standards) and the World Bank Group Environmental, Health and Safety Guidelines ("EHS" Guidelines). Our Environmental and Social (E and S) screening of a transaction serve as a crucial determinant for the subsequent level of E and S risk due diligence applied. This additional due diligence may involve a spectrum of activities, including sector-specific considerations, direct engagement with the client, on-site visits, or the enlistment of an independent external consultant. Aligned with our Environmental and Social Management System (ESMS), the depth of due diligence correlates with the potential E and S risks associated with the transaction.

Human right violation risks

Integral to our E and S due diligence on transactions is the assessment of associated human rights risks. Our digital screening tool incorporates human rights considerations, and for Category A and relevant Category B transactions, human rights due diligence forms an integral part of the broader E and S risk due diligence. In cases where transactions fall outside these categories, our business teams and credit managers remain vigilant, identifying potential human rights issues through general monitoring of negative media and campaigns against clients.

100%

credit applications were screened for E and S risks

Environmental, Social and Governance (ESG) framework for investments

Stanbic IBTC Pension Managers Limited has operationalised an ESG framework for investments in corporate bonds and equity fostering responsible investing and supporting long-term sustainable value. We aim to use our leadership position in the industry to promote and champion inclusive and sustainable economic growth in Nigeria through responsible investing. The objective of this framework is to establish a systematic approach for evaluating practices of investee companies such that investments from funds are channelled to assets with long-term sustainable value for a wide range of stakeholders with consideration for the needs of future generations. We believe consideration for ESG principles is essential to long-term value creation and should be considered during investment decisions. The framework applies a standardised questionnaire in evaluating how each investment opportunity ranks among the major pillars of ESG.

The framework, employing a standardised questionnaire, categorises investee companies as Leaders (green), Average (yellow), or Laggards (red) based on their overall ESG performance. The systematic approach ensures investments align with ESG principles, promoting inclusive and sustainable economic growth.

Abridged sustainability report

Expanding business model and innovation (continued)

Sustainable procurement and supply chain practices

Stanbic IBTC integrates sustainability into decisions related to economic impacts in society, emphasising social and economic inclusion in its procurement and sales value chain. The bank recognises the importance of a sustainable supply chain and incorporates environmental and social assessments into its third-party onboarding procedures. Vendors are required to adhere to a vendor code of conduct, ensuring compliance with minimum standards related to ethics, anti-bribery, corruption, human rights, and environmental and social laws. Vendor evaluation processes prioritise transparency, and periodic monitoring is conducted to assess supplier performance. In 2023, 83% of onboarded vendors were local, showcasing a commitment to supporting local businesses.

Third-party onboarding process

Recognising the integral role of our supply chain in the sustainability journey, Stanbic IBTC places priority on embedding sustainability practices in our third-party onboarding procedures. Third-party service providers, as significant stakeholders, undergo environmental and social assessments, incorporating health, safety, and human rights evaluations into our comprehensive third-party risk assessment process. Vendors onboarded are mandated to adhere to a vendor code of conduct, outlining minimum standards encompassing ethics, anti-bribery and corruption, human rights, occupational health and safety, and compliance with environmental and social laws.

Our vendor evaluation and selection processes prioritise transparency, and to ensure the maintenance of best practice standards, we conduct periodic monitoring of our suppliers' performance. This rigorous approach underscores our commitment to sustainable and responsible business practices throughout our entire supply chain.

Vendor and supplier trainings

Trainings were held for suppliers on sustainable supply chain methods. The 2023 product day webinar held in September with over 100 vendors in attendance. They were trained on sustainable business practices amongst other topics.

83%
of onboarded vendors were local vendors

93%
of vendors engaged for specific services were local vendors

More than
100
vendors participated in annual product day webinar

Abridged sustainability report

Strengthening leadership for sustainability governance

Sustainability standards and certification initiative

In our pursuit of sustainability excellence, Stanbic IBTC proudly joined the Sustainability Standards and Certification Initiative (SSCI) of the European Organisation for Sustainable Development (EOSD) in the reporting year. This initiative plays a pivotal role in positioning our organisation as a sustainability-centric entity. SSCI aligns with our vision of creating a green, inclusive, and sustainable economy in the territories where we operate. By actively participating in SSCI, we engage with best practices, stay informed about evolving sustainability standards, and contribute to shaping a responsible and ethical business landscape. Our involvement in SSCI reflects our commitment to governance frameworks that uphold the highest sustainability standards.

Annual sustainability week

The 2023 Stanbic IBTC Sustainability Week, held from Monday, 25 September, to Friday, 29 September 2023, revolved around the theme "Think Smart, Act Green, Live Well." The week commenced with a goodwill message from the Group Chief Executive, featuring various activities, including the circulation of internal and social media communications to enhance sustainability awareness among stakeholders. On Thursday, 28 September 2023, Stanbic IBTC was formally welcomed into the Sustainability Standards and Certification Initiative. This virtual event saw the participation of Stanbic IBTC's board of directors, executive leadership, the Nigerian Sustainable Banking Principles Steering Committee, and the Group Chief Executive Officer of the Nigerian Exchange Group PLC, Mr. Oscar N. Onyema, OON, who served as the special guest of honour. The week concluded with the commemorative tree planting event of 30,000 trees in partnership with the Nigerian Conservation Foundation (NCF) at Lekki Conservation Centre (LCC) on 28 September 2023. This tree-planting initiative aligns with the Green Recovery Nigeria Programme, aiming to restore 25% of Nigeria's forest cover by 2050. The event featured notable speakers, including the Director-General of NCF, Dr. Joseph Onoja, the Chief Executive of Stanbic IBTC, Dr. Demola Sogunle, and Mr. Olabode Adeola, the Deputy Director of Conservation and Ecology, Ministry of Environment and Water Resources, representing the Lagos State Commissioner for Environment and Water Resources. The event garnered coverage from reputable media outlets, including Arise TV, Channels TV, STV, The Guardian, This Day Live, and Vanguard.

Sustainability awareness

Throughout 2023, we actively utilised our corporate mailers and social media platforms to observe significant international sustainability days. Our objective in commemorating these days was to enhance awareness of various sustainability issues among our staff, clients, and stakeholders. Notable days commemorated include World Environment Day, International Day of Education, International Literacy Day, International Women's Day, International Men's Day, International Day for the Preservation of the Ozone Layer, Zero-Emissions Day, International Day of the Girl Child, International Youth Day, and World Environmental Health Day, among others.

Through our social media channels, we spotlighted specific sustainability initiatives and projects undertaken by Stanbic IBTC during the year. Our distinctive initiative, "Sustainability Saturday with Stanbic IBTC," was designed to elevate public awareness of the United Nations Sustainable Development Goals (UN SDGs) and showcase tangible steps we have taken towards realising these goals.

Abridged sustainability report

Strengthening leadership for sustainability governance

Partnerships and collaborations

Nigerian Conservative Foundation (NCF):

The Nigerian Conservative Fund (NCF) is a non-governmental organisation dedicated to sustainable development and nature conservation. Some of the major activities of the NCF include environmental education, biodiversity conservation, policy advocacy, public sensitisation on environmental issues, mitigating environmental pollution and poverty reduction. During the year, Stanbic IBTC partnered with The Nigerian Conservation Foundation (NCF) to plant 30,000 trees across 10 states of the federation (Edo, Rivers, Cross River, Ebonyi, Katsina, Jigawa, Taraba, Yobe, Plateau and Ogun States). The commemorative tree-planting event took place at Lekki Conservation Centre (LCC) on Thursday, 28 September 2023 as part of the Sustainability week activities.

Head of Investigation and Fraud Risk, Stanbic IBTC Bank,Mrs Rekia Eletu (left); Deputy Director, Conservation and Ecology, LASG Ministry of Environment and Water Resources, Olabode Adeola; Chief Executive of Stanbic IBTC Holdings, Dr. Demola Sogunle; Director General, Nigerian Conservation Foundation (NCF), Dr. Joseph Onoja and Head of Sustainability, Stanbic IBTC Holdings, Mrs. Tosin Leye-Odeyemi at the commemorative event of 30,000 tree planting at Lekki Conservation Centre, Lagos.

Deputy Director, Conservation and Ecology, LASG Ministry of Environment and Water Resources, Olabode Adeola and Staff of Stanbic IBTC Holdings at the commemorative event of 30,000 tree planting at Lekki Conservation Centre, Lagos

Nigerian Montane Forest Project:

Stanbic IBTC's partnership with the Nigerian Montane Forest Project (NMFP), a dedicated NGO committed to conserving and sustainably managing montane forests through inclusive education and research, exemplifies our unwavering dedication to environmental preservation and education. Operating within the Gashaka Gumpti National Park (GGNP) located in the eastern provinces of Taraba and Adamawa states, Nigeria, this collaboration has achieved significant milestones in 2023. The project has facilitated funding for several master's and PhD students, fostering education and capacity building. Former interns and graduated postgraduate students are now actively contributing to the global discourse on biodiversity loss and climate change. Local communities are actively engaged in conservation efforts, planting trees, and gaining insights into the value of the forest and its resources. Other major achievements include a solar upgrade, increased global recognition through social media and documentaries, and the development of a biodiversity database. At Stanbic IBTC we believe in the power of collaboration to scale sustainable initiatives and positive environmental impact.

National advisory board, impact investors foundation:

Stanbic IBTC proudly serves as an institutional member of the National Advisory Board (NAB) of the Impact Investors Foundation (IIF). The IIF is dedicated to advancing the cause of impact investing in Nigeria by fostering collaboration with key stakeholders in the impact investing arena, aiming to mobilise capital for social investments in the country. In 2023, Stanbic IBTC actively participated in the inaugural Nigeria Gender Impact Investment Summit, themed "Closing the Gender Financing Gap in Nigeria" held on Thursday, 16 November 2023. This summit which brought together over 300 stakeholders provided a platform for crucial discussions among policymakers, investors, fund managers, and entrepreneurs, addressing the gender gap in accessing finance and emphasising the role of impact investing in promoting equitable financial opportunities.

> We are accelerating sustainable impact by collaborating with like-minded partners fostering rapid and impactful change at scale.

Alignment to international conventions, principles and standards

At Stanbic IBTC, our sustainability commitment aligns with regulatory guidelines, international best practices, and voluntary codes. We adhere to conventions like the United Nations Agenda for Sustainable Development 2015, UNFCCC Paris Agreement 2015, and African Union Agenda 2063. Additionally, we embrace principles and standards including the Equator Principle, IFC Performance Standards, UN Principles of Responsible Banking, IFC Environmental and Social Management System, World Bank Guidelines, UN Declaration of Human Rights, and International Labour Organisation Principles. We also comply with local regulations like the Nigeria Sustainable Banking Principles, NGX Sustainability Disclosure Guidelines, and SEC guidelines for Sustainable Financial Principles.

Abridged sustainability report

Awards and recognitions

Outstanding Agric Supporting Bank of the Year

Marketing Edge Awards 2023

Company Leadership Gender Diversity

NGX/IFC N2E
Gender Leader Awards 2023

Most Outstanding Bank Supporting Woman-Owned Business

WIMCAR Awards 2023

Woman Empowerment and Leadership

NGX/IFC N2E
Gender Leader Awards 2023

Gender Equality Champion

NGX/IFC N2E
Gender Leader Awards 2023

Best Company in Gender Equality and Woman Empowerment

Africa Sustainability/CRS (SERAS)
Awards 2023

Risk and capital management

Enterprise risk review

Overview

Risk Management's objective continues to align with the Group's strategic focus "to be the leading end-to-end financial solutions provider in Nigeria through innovative and customer focused people". Effective risk management is fundamental and essential to the achievement of the Group's strategic objectives. It is also one of the pillars of the institution's strategic value drivers which entails supporting our clients by doing the right business the right way and maintaining the highest possible standards of responsible business practice using frameworks that align with regulatory expectations and standard business practices as well as procedures.

The Risk function continues its oversight and advisory responsibilities by deploying a consistent, comprehensive and strategic approach to the identification, measurement, management and reporting of enterprise-wide risks across the Group. This is executed through proactive risk management practices which ensure that the business maintains the right balance in terms of the risk-return trade off whilst limiting the negative variations that could impact the Group's capital, earnings, risk assets and appetite levels in a constantly changing and dynamic operating environment. Furthermore, Risk continues to shape, drive and monitor activities relating to risk and conduct in the institution through various measures including strengthening the risk and control environment, monitoring risk appetite and governance standards across the institution and elevating risk awareness by deploying requisite compliance training programmes for all Stanbic IBTC employees with a standard process of monitoring and escalating deficiencies in meeting the required standards. This is also in line with the established code of conduct and ethics that all members of staff must adhere and attest to on an annual basis.

The Board sets the tone and risk appetite for the organisation including the tolerance levels for key risks and ensure the right risk culture is established across the institution. These risks are however managed in accordance with a set of governance standards, frameworks and policies which align with the global and industry best practices.

The Group's integrated risk management architecture, as outlined in the Enterprise Risk Management (ERM) framework, supports the evaluation and prioritisation of the risk exposures and mitigation activities in line with the Group's approved risk appetite, through prudent management of risk exposures in a way that balances the risk premium and return on equity.

The overarching approach to managing enterprise-wide risk is based on the "Three Lines of Defense" principle which requires the first line (Business risk owners) to appropriately demonstrate ownership and accountability for risks and manage same closest to the point of incidence; second line (including Risk, Compliance, and Internal Control) to review and challenge as well as provide oversight and advisory functions; and the third line (Internal Audit) to conduct assurance that control processes are fit for purpose, and are implemented in accordance with standard operating procedures, and operating effectively or as intended.

Risk management framework approach and structure

The Group's approach to risk management is based on governance processes that rely on both individual responsibility and collective oversight that is supported by a tailored Management Information System (MIS). This approach balances corporate oversight at senior management level with independent risk management structures in the business where the business unit heads, as part of the first line of defense, are specifically responsible for the management of risk within their businesses using appropriate risk management frameworks that meet required Group minimum standards.

An important element that underpins the Group's approach to the management of all risk is independence and appropriate segregation of responsibilities between Business and Risk. Risk officers report separately to the Head of Group Risk who reports to the Chief Executive Officer of Stanbic IBTC Group and also through a matrix reporting line to the Standard Bank Group (SBG).

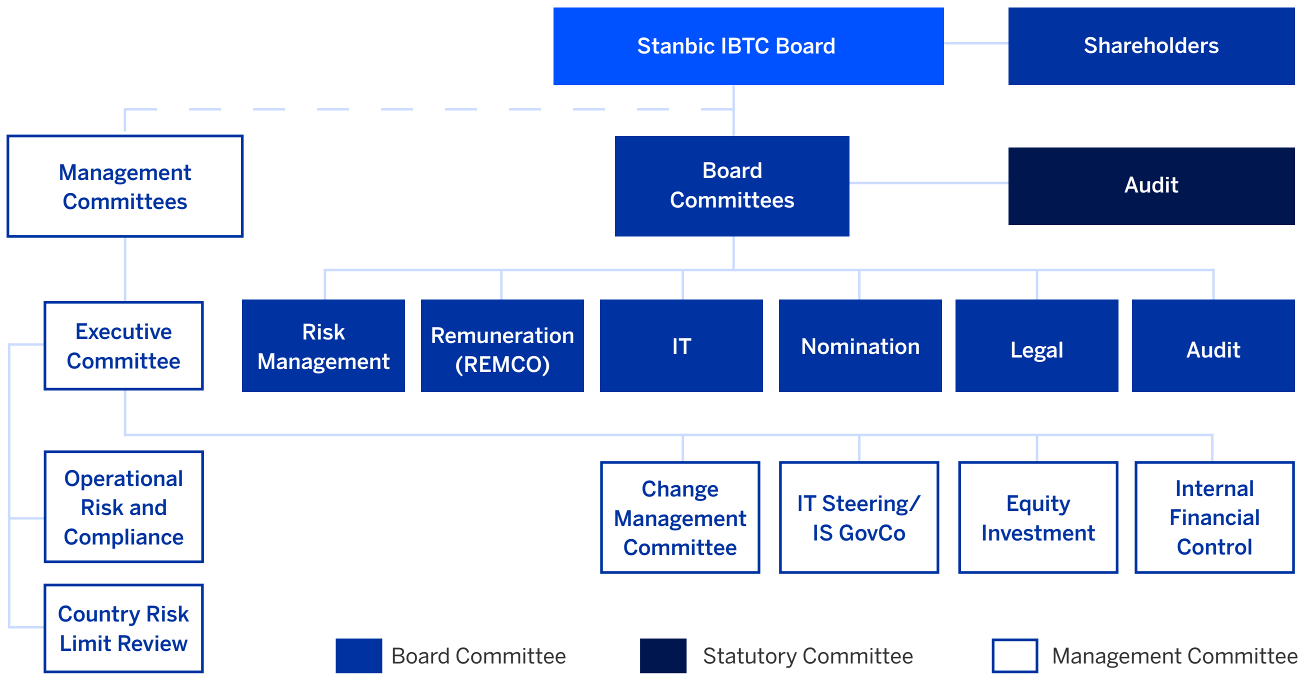
All principal risks are supported by the Risk department.

Governance structure

The risk governance structure provides a platform for the board, executive and senior management through the various committees to evaluate and debate material existential and emerging risks which the Group is exposed to, and assess the effectiveness of risk responses through the risk profiles of the underlying business units and functional areas (please refer to the pictorial representation of the Group risk governance structure below).

The risk-focused board committees include the statutory audit committee, board credit committee, board IT committee, board legal committee, and board risk management committee, while executive management oversight at the subsidiary and Group levels is achieved through management committees that focus on specific risks. Each of the board and management committees is governed by mandates that set out the expected committee's terms of reference.

Governance structure*



*This is continuously evolving to meet changing needs.

Risk governance standards, policies and procedures

The Group has developed a set of risk governance standards for each principal risk including credit, market, operational, IT, liquidity and compliance risks. The standards define the acceptable conditions for the assumption of the major risks and ensure alignment and consistency in the manner in which these risks are identified, measured, managed, controlled and reported, across the Group.

All standards are supported by policies and procedural documents. They are applied consistently across the bank and are approved by the Board. It is the responsibility of the business unit executive management to ensure that the requirements of the risk governance standards, policies and procedures are implemented within the business units.

Risk appetite

Risk appetite is an expression of the amount, type and tenure of risk that the Group is prepared to accept in order to deliver its business objectives. It is the balance of risk and return as the Group implements business plans, whilst recognising a range of possible outcomes.

The Board establishes the Group's parameters for risk appetite by:

- providing strategic leadership and guidance;
- reviewing and approving annual budgets and forecasts for the Group and each subsidiary; and
- regularly reviewing and monitoring the Group's performance in relation to set risk appetite.

The risk appetite is defined by several metrics which are then converted into limits and triggers across the relevant risk types, at both entity and business line levels, through an analysis of the risks that impact them.

Stress testing

Stress testing serves as a diagnostic and forward looking tool to improve the Group's understanding of its credit; market, liquidity and operational risks profile under event based scenarios.

Management reviews the outcome of stress tests and selects appropriate mitigating actions to minimise and manage the impact of the risks to the Group.

Residual risk is then evaluated against the risk appetite.

Risk and capital management (continued)

The Group's enterprise risk management framework is designed to govern, identify, measure, manage, control and report on the principal risks to which the Group is exposed. The principal financial risks are defined as follows:

Credit risk

Credit risk arises primarily in the Group operations where an obligor or counterparty fails to perform in accordance with agreed terms or where the counterparty's ability to meet such contractual obligation is impaired.

Credit risk comprises counterparty risk, wrong-way risk, settlement risk, country risk and concentration risk.

Counterparty risk

Counterparty risk is the risk of loss to the Group as a result of failure by a counterparty to meet its financial and/or contractual obligations to the Group. It has three components

- Primary credit risk which is the exposure at default (EAD) arising from lending and related banking product activities, including their underwriting;
- Pre-settlement credit risk which is the EAD arising from unsettled forward and derivative transactions, arising from the default of the counterparty to the transaction and measured as the cost of replacing the transaction at current market rates; and
- Issuer risk which is the EAD arising from traded credit and equity products, and including their underwriting.

Wrong-way risk

Wrong-way risk is the risk that arises when default risk and credit exposure increase together. There are two types of wrong-way risk as follows: specific wrong way risk (which arises through poorly structured transactions, for example, those collateralised by own or related party shares) and general wrong way risk (which arises where the credit quality of the counterparty may for non-specific reasons be held to be correlated with a macroeconomic factor which also affects the credit quality of the counterparty).

Settlement risk

Settlement risk is the risk of loss to the Group from a transaction settlement, where value is exchanged, failing such that the counter value is not received in whole or part.

Country and cross border risk

Country and cross border risk is the risk of loss arising from political or economical conditions or events in a particular country which reduce the ability of counterparties in that particular country to fulfill their obligations to the Group.

Cross border risks is the risk of restriction on the transfer and convertibility of local currency funds, into foreign currency funds thereby limiting payment by offshore counterparties to the Group.

Concentration risk

Concentration risk refers to any single exposure or Group of exposures large enough to cause credit losses which threaten the Group's capital adequacy or ability to maintain its core operations. It is the risk that common factors within a risk type or across risk types cause credit losses or an event occurs within a risk type which results to credit losses.

Market risk

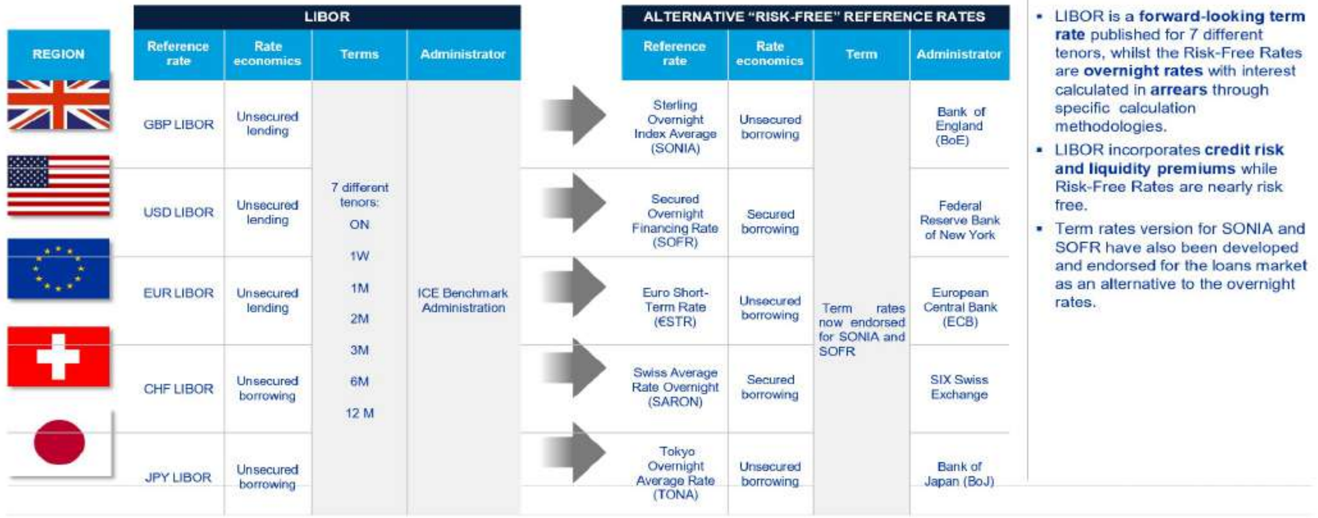
Market risk is defined as the risk of a change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse movements in market variables such as equity, bond and commodity prices, foreign exchange rates, interest rates, credit spreads, recovery rates, correlations and implied volatilities in the market variables. Market risk covers both the impact of these risk factors on the market value of traded instruments as well as the impact on the Group's net interest margin as a consequence of interest rate risk on banking book assets and liabilities.

Managing interest rate benchmark reform and associated risks

The Group adopted the interest rate benchmarks including the replacement of some interbank offered rates (IBORs) with alternative "risk-free" reference rates as part of its IBOR reform programme. The Group's main IBOR exposures as at 31 December 2021 were indexed to the Euro, GBP and USD LIBOR.

The alternative reference rates for Euro LIBOR adopted by the Group is the EURIBOR while the GBP and USD LIBOR alternative reference rates are the Sterling Overnight Index Average (SONIA) the Secured Overnight Financing Rate (SOFR) respectively.

Amendments to financial instruments with contractual terms indexed to the EUR and GBP LIBORs were transitioned such that they incorporate the new benchmark rates and the transitioning were completed by 31 December 2021. The transition of USD LIBOR exposures to the SOFR benchmark rate has been extended to 31 December 2023 by the Alternative Reference Rate Committee (ARRC). This only applies to certain USD LIBOR tenures such as (o/n, 01-month, 03-month, 06-month, 12-month).



	LIBOR				ALTERNATIVE "RISK-FREE" REFERENCE RATES			
REGION	Reference rate	Rate economics	Terms	Administrator	Reference rate	Rate economics	Term	Administrator
🇬🇧	GBP LIBOR	Unsecured lending	7 different tenors: ON 1W 1M 2M 3M 6M 12 M	ICE Benchmark Administration	Sterling Overnight Index Average (SONIA)	Unsecured borrowing	Term rates now endorsed for SONIA and SOFR	Bank of England (BoE)
🇺🇸	USD LIBOR	Unsecured lending			Secured Overnight Financing Rate (SOFR)	Secured borrowing		Federal Reserve Bank of New York
🇪🇺	EUR LIBOR	Unsecured lending			Euro Short-Term Rate (€STR)	Unsecured borrowing		European Central Bank (ECB)
🇨🇭	CHF LIBOR	Unsecured borrowing			Swiss Average Rate Overnight (SARON)	Secured borrowing		SIX Swiss Exchange
🇯🇵	JPY LIBOR	Unsecured borrowing			Tokyo Overnight Average Rate (TONA)	Unsecured borrowing		Bank of Japan (BoJ)

- LIBOR is a **forward-looking term rate** published for 7 different tenors, whilst the Risk-Free Rates are **overnight rates** with interest calculated in **arrears** through specific calculation methodologies.
- LIBOR incorporates **credit risk and liquidity premiums** while Risk-Free Rates are nearly risk free.
- Term rates version for SONIA and SOFR have also been developed and endorsed for the loans market as an alternative to the overnight rates.

In accordance with the transition provisions, the amendments have been adopted retrospectively to financial instruments only as the Group has no hedging transactions referencing these IBORs. Comparative amounts have not been restated, and there was no impact on the current year opening reserves amounts on adoption.

During the year, management established a steering committee, consisting of key finance, risk, IT, treasury, legal, marketing, credit, compliance and business segment personnel, to oversee the Group's LIBOR transition plan. This steering committee put in place a transition project for those contracts which reference LIBOR to transition them to the alternative reference rates, with the aim of minimising the potential disruption to business and mitigating operational and conduct risks and possible financial losses. This transition project considered changes to systems, processes, risk management and valuation models, as well as managing related tax and accounting implications.

Risk and capital management (continued)

As at 31 December 2023, changes required to systems, processes and models have been identified and have been largely implemented. There have been general communications with counterparties on the IBOR reform and specific changes to contracts as required by the IBOR transition plan have also been agreed with and executed by clients.

Financial instruments measured using amortised cost measurement

‘Phase 2’ of the amendments requires that, for financial instruments measured using amortised cost measurement (that is, financial instruments classified as amortised cost and debt financial assets classified as FVOCI), changes to the basis for determining the contractual cash flows required by the interest rate benchmark reform are reflected by adjusting their effective the interest rate. No immediate gain or loss is recognised. These expedients are only applicable to changes that are required by the interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change).

Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability does not meet the above criteria, the above practical expedient is first applied to the changes required by the interest rate benchmark reform, including updating the instrument’s effective interest rate. Any additional changes are accounted for in the normal way (that is, assessed for modification or derecognition, with the resulting modification gain or loss recognised immediately in profit or loss where the instrument is not derecognised).

Effect of IBOR reform

The Group’s exposure to the effects of IBOR reform on its financial assets and liabilities are as set out in the table below;

Statement of financial position category	Value of assets and liabilities subject to IBOR reform, yet to transition at reporting date (₦’million) USD SOFR
Loans and advances	434

Liquidity risk

Liquidity risk is defined as the risk that the Group, although balance-sheet solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due (as a result of funding liquidity risk), or can only do so at materially disadvantageous terms (as a result of market liquidity risk).

Funding liquidity risk refers to the risk that the counterparties, who provide the Group with funding, will withdraw or not roll-over that funding.

Market liquidity risk refers to the risk of a generalised disruption in asset markets that makes normal liquid assets illiquid and the potential loss through the forced-sale of assets resulting in proceeds being below their fair market value.

Credit risk

Principal credit standard and policies

The Group's Governance Standard, as reviewed regularly, sets out the broad overall principles to be applied in credit risk decisions and sets out the overall framework for the consistent and unified governance, identification, measurement, management and reporting of credit risk in the Group.

The Corporate and Investment Banking (CIB), Business and Commerical Banking (BCB) and Personal and Private Banking (PPB) Global Credit Policies have been designed to expand the Group Credit Risk Governance Standard requirements by embodying the core principles for identifying, measuring, approving, and managing credit risk. These policies provide a comprehensive framework within which all credit risk emanating from the operations of the bank are legally executed, properly monitored and controlled in order to minimise the risk of financial loss; and assure consistency of approach in the treatment of regulatory compliance requirements.

In addition to the Credit Risk Governance Standard, CIB, BCB and PPB Global Credit Policies, a number of related credit policies and documents have been developed, with contents that are relevant to the full implementation and understanding of the credit policies.

Methodology for risk rating

Internal counterparty ratings and default estimates that are updated and enhanced from time-to-time play an essential role in the credit risk management and decision-making process, credit approvals, internal capital allocation, and corporate governance functions. Ratings are used for the following purposes:

- Credit assessment and evaluation
- Credit monitoring
- Credit approval and delegated authority
- Economic capital calculation, portfolio and management reporting
- Regulatory capital calculation
- RARORC (Risk-Adjusted Return on Regulatory Capital) calculation
- Pricing: PDs, EADs, and LGDs may be used to assess and compare relative pricing of assets/facilities, in conjunction with strategic, relationship, market practice and competitive factors.

The starting point of all credit risk assessment and evaluation lies in the counterparty risk grading, which is quantified and calculated in compliance with the Group’s credit rating policy and using such Basel-2 compliant models as are in current use and which are updated or enhanced from time to time.

Credit risk quantification for any exposure or portfolio is summarised by the calculation of the expected loss (EL), which is arrived at in the following way:

- Based on the risk grading foundation which yields the counterparty’s probability of default (PD), the nature and quantum of the credit facilities are considered;
- A forward-looking quantification of the exposure at default (EAD) is determined in accordance with Group standard guidelines.
- Risk mitigants such as security and asset recovery propensities are then quantified to moderate exposure at default to yield the loss given default (LGD).
- Finally, the EL is a function of the PD, the LGD and the EAD.

These parameters are in turn used in quantifying the required regulatory capital reserving, using the Regulatory Capital Calculator developed, maintained and updated in terms of Basel 2, and the economic capital implications through the use of Credit Portfolio Management’s (CPM’s) Economic Capital tools. Furthermore, bearing in mind the quantum of the facility and the risk/reward thereof, an appropriate consideration of Basel 2 capital requirements (where applicable) and the revenue and return implications of the credit proposal.

Framework and governance

Credit risk remains a key component of financial risks faced by any bank given the very nature of its business. The importance of credit risk management cannot be over emphasised as consequences can be severe when neglected. The Group has established governance principles to ensure that credit risk is managed effectively within a comprehensive risk management and control framework.

In reaching credit decisions and taking credit risk, both the credit and business functions must consistently and responsibly balance risk and return, as return is not the sole prerogative of business neither is credit risk the sole prerogative of credit. Credit (and the other risk functions, as applicable) and business must work in partnership to understand the risk and apply appropriate risk pricing, with the overall aim of optimising the bank’s risk adjusted performance.

The reporting lines, responsibilities and authority for managing credit risk in the Group are clear and independent. However, ultimate responsibility for credit risk rests with the board.

Credit risk mitigation

Credit risk mitigation is defined as all methods of reducing credit expected loss whether by means of reduction of EAD (for example netting), risk transfer (for example guarantees) or risk transformation.

Guarantees, collateral and the transaction structures are used by the Group to mitigate credit risks both identified and inherent though the amount and type of credit risk is determined on a case by case basis. The Group’s credit policy and guidelines are used in a consistent manner while security is valued appropriately and reviewed regularly for enforceability and to meet changing business needs.

The credit policy establishes and defines the principles of risk transfer, transformation and reduction. The processes and procedures for accepting, verifying, maintaining, and releasing collateral are well documented in order to ensure appropriate application of the collateral management techniques.

Credit risk measurement

A key element in the measurement of credit risk is the assignment of credit ratings, which are used to determine expected defaults across asset portfolios and risk bands. The risk ratings attributed to counterparties are based on a combination of factors which cover business and financial risks:

The Group uses the PD Master Scale rating concept with a single scale to measure the credit riskiness of all counterparty types. The grading system is a 25-point scale, with three additional default grades.

Group's rating	Grade description	Standard and Poor's	Fitch
SB01 - SB12/SB13	Investment grades	AAA to BBB-	AAA to BBB-
SB14 - SB21	Sub Investment grades	BB+ to CCC+	BB+ to CCC+
SB22 – SB25	Cautionary grade	CCC to C	CCC to C

Risk and capital management (continued)

IFRS 7

The tables that follow analyse the credit quality of loans and advances measured in terms of IFRS 9.

Impairment model

IFRS 9 requires the recognition of expected credit losses (ECL) rather than incurred losses under the previous IAS 39. This applies to all financial debt instruments held at amortised cost, fair value through other commprehensive income (FVOCI), undrawn loan commitments and financial guarantees.

Staging of financial instruments

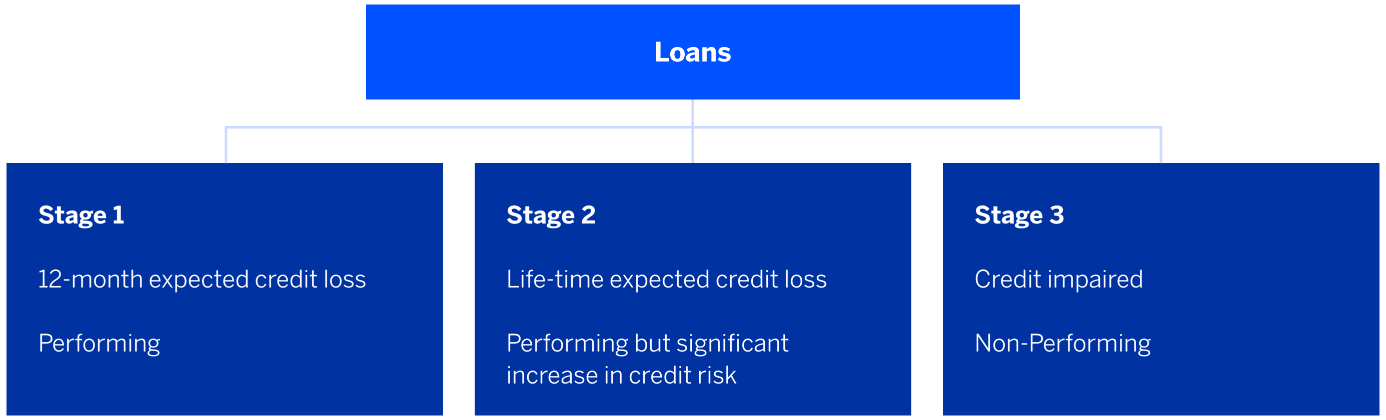
Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month expected credit loss allowance is recognised.

Instruments will remain in stage 1 until they are repaid, unless they experience significant credit deterioration (stage 2) or they become credit-impaired (stage 3).

Instruments will transfer to stage 2 and a lifetime expected credit loss allowance recognised when there has been a significant change in the credit risk compared with what was expected at origination.

Instruments are classified as stage 3 when they become credit-impaired.

The framework used to determine a significant increase in credit risk is set out below.



The accounting policies under IFRS 9 are set out in Note 4.3 Financial instruments. The main methodology principles and approach adopted by the Group are set out below;

Approach to determining expected credit losses

The accounting policies under IFRS 9 are set out in Note 4.3 Financial instruments. The main methodology principles and approach adopted by the bank are set out in the following table with cross references to other sections.

For portfolios that follow a standardised regulatory approach, the Group has developed new models where these portfolios are material.

Incorporation of forward looking information

The determination of expected credit loss includes various assumptions and judgements in respect of forward looking macroeconomic information.

Significant Increase in Credit Risk (SICR)

Expected credit loss for financial assets will transfer from a 12 month basis to a lifetime basis when there is a significant increase in credit risk (SICR) relative to that which was expected at the time of origination, or when the asset becomes credit impaired. On transfer to a lifetime basis, the expected credit loss for those assets will reflect the impact of a default event expected to occur over the remaining lifetime of the instrument rather than just over the 12 months from the reporting date.

SICR is assessed by comparing the risk of default of an exposure at the reporting date with the risk of default at origination (after considering the passage of time). 'Significant' does not mean statistically significant nor is it reflective of the extent of the impact on the Group's financial statements. Whether a change in the risk of default is significant or not is assessed using quantitative and qualitative criteria, the weight of which will depend on the type of product and counterparty.

The Group uses a mix of quantitative and qualitative criteria to assess SICR.

Assessment of credit-impaired financial assets

Credit-impaired financial assets comprise those assets that have experienced an observed credit event and are in default. Default represents those assets that are at least 90 days past due in respect of principal and interest payments and/or where the assets are otherwise considered unlikely to pay.

Unlikely to pay factors include objective conditions such as bankruptcy, debt restructuring, fraud or death. It also includes credit-related modifications of contractual cash flows due to significant financial difficulty (forbearance) where the bank has granted concessions that it would not ordinarily consider.

Modified financial assets

Where the contractual terms of a financial instrument have been modified, and this does not result in the instrument being derecognised, a modification gain or loss is recognised in the income statement representing the difference between the original cash flows and the modified cash flows, discounted at the original effective interest rate. The modification gain/loss is directly applied to the gross carrying amount of the instrument.

If the modification is credit related, such as forbearance or where the Group has granted concessions that it would not ordinarily consider, then it will be considered credit-impaired. Modifications that are not credit related will be subject to an assessment of whether the asset's credit risk has increased significantly since origination by comparing the remaining lifetime probability of default (PD) based on the modified terms with the remaining lifetime PD based on the original contractual terms.

Transfers between stages

Assets will transfer from stage 3 to stage 2 when they are no longer considered to be credit-impaired. Assets will not be considered credit-impaired only if the customer makes payments such that they are paid to current in line with the original contractual terms. In addition:

- Loans that were subject to forbearance measures must remain current for 12 months before they can be transferred to stage 2;
- Retail loans that were not subject to forbearance measures must remain current for 180 days before they can be transferred to stage 2 or stage 1.

Assets may transfer to stage 1 if they are no longer considered to have experienced a significant increase in credit risk. This will occur when the original PD based transfer criteria are no longer met (and as long as none of the other transfer criteria apply). Where assets were transferred using other measures, the assets will only transfer back to stage 1 when the condition that caused the significant increase in credit risk no longer applies (and as long as none of the other transfer criteria apply).

Governance and application of expert credit judgement in respect of expected credit losses

The determination of expected credit losses requires a significant degree of management judgement which is being assessed by the Credit Risk Management Committee (CRMC).

Risk and capital management (continued)

				Stage 1 and stage 2						Stage 3												
				Neither past due nor specifically impaired				Not specifically impaired		Specifically impaired loans												
				Performing						Non-performing loans			Non-performing loans									
				Normal monitoring ₦’million		Close monitoring ₦’million		Early Arrears ₦’million		Stage 3		Stage 3	Purchased/Originated as credit impaired			Total ₦’million	Securities and expected recoveries on specifically impaired loans ₦’million	Net after securities and expected recoveries on specifically impaired loans ₦’million	Balance sheet impairments for non-performing specifically impaired loans ₦'million	Gross specific impairment coverage %	Total non-performing loans ₦’million	Non-performing loans %
Maximum exposure to credit risk by credit quality December 2023	Notes	Total Loans and advances to customers ₦’million	Balance sheet impairments for performing loans ₦’million	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub-standard ₦’million	Doubtful ₦’million	Loss ₦’million	Sub-standard ₦’million	Doubtful ₦’million	Loss ₦’million							
Personal and Private Banking (PPB)		129,017	2,406	97,259	1,514	-	151	16,190	5,891	1,600	2,621	3,792	-	-	-	8,013	2,990	5,023	5,023	63	8,013	6.2
Mortgage loans		15,184	99	13,974	15		110	775	91	147	15	57	-	-	-	219	87	132	132	60	219	1.44
Instalment sale and finance leases		1,740	27	1,597	4		-	-	55	16	30	38	-	-	-	84	32	52	52	62	84	4.82
Card debtors		3,907	316	2,262	254		-	495	662	127	31	76	-	-	-	234	15	219	219	93	234	6.00
Other loans and advances		108,187	1,964	79,426	1,242		41	14,920	5,083	1,309	2,544	3,622	-	-	-	7,476	2,856	4,620	4,620	62	7,476	6.91
Business and Commercial Banking (BCB)		450,650	7,413	398,262	1,572	-	7,951	11,610	3,331	7,527	2,420	17,977	-	-	-	27,924	4,424	23,500	23,500	84	27,924	6.2
Mortgage loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sale and finance leases		75,602	1,472	74,335	297		394	221	191	16	10	138	-	-	-	165	22	143	143	87	165	0.22
Card debtors		16	1	16	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.45
Other loans and advances		375,031	5,940	323,912	1,275		7,558	11,388	3,140	7,511	2,410	17,838	-	-	-	27,759	4,402	23,357	23,357	84	27,759	7.40
Corporate and Investment Banking (CIB)		1,511,470	9,301	1,446,029	-			52,183				13,258	-	-	-	13,258	2,332	10,926	10,926	82	13,258	0.88
Corporate loans		1,511,470	9,301	1,446,029	-		-	52,183	-	-	-	13,258	-	-	-	13,258	2,332	10,926	10,926	82	13,258	0.88
Gross loans and advances		**2,091,138**	**19,120**	**1,941,551**	**3,087**	**-**	**8,102**	**79,982**	**9,221**	**9,127**	**5,040**	**35,027**	**-**	**-**	**-**	**49,195**	**9,746**	**39,449**	**39,449**	**80**	**49,195**	**2.35**
Less: Total expected credit loss for loans and advances at amortised cost																						
12-month ECL		(17,101)																				
Lifetime ECL not credit-impaired		(2,237)																				
Lifetime ECL credit-impaired		(39,449)																				
Purchased/originated credit impaired		-																				
Net loans and advances	12	**2,032,351**																				
Add the following other banking activities exposures:																						
Cash and cash equivalents	7	1,384,879																				
Derivatives	10.6	550,720																				
Financial investments (excluding equity)	11	431,533																				
Loans and advances to banks	12	8,668																				
Trading assets	9.1	67,917																				
Pledged assets	8	374,912																				
Other financial assets[1]		188,671																				
Total on-balance sheet exposure		**5,039,651**																				
Off-balance sheet exposure:																						
Letters of credit		171,275	151	171,275	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees		119,959	513	119,959	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan commitments		97,706	218	97,706	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to credit risk		**5,428,590**																				
Expected credit loss for off balance sheet exposures																						
12-month ECL		(678)																				
Lifetime ECL not credit impaired		-																				
Lifetime ECL credit impaired		-																				
Total exposure to credit risk on loans and advances at amortised cost		**5,428,835**																				

[1] Other assets presented in the table above comprise financial assets only. The following items have been excluded: prepayment, indirect / withholding tax receivable, and accrued income.

Risk and capital management (continued)

				Stage 1 and stage 2						Stage 3												
				Neither past due nor specifically impaired				Not specifically impaired		Specifically impaired loans												
				Performing						Non-performing loans			Non-performing loans									
				Normal monitoring ₦'million		Close monitoring ₦'million		Early Arrears ₦'million		Stage 3		Stage 3	Purchased/Originated as credit impaired			Total ₦'million	Securities and expected recoveries on specifically impaired loans ₦'million	Net after securities and expected recoveries on specifically impaired loans ₦'million	Balance sheet impairments for non-performing specifically impaired loans ₦'million	Gross specific impairment coverage %	Total non-performing loans ₦'million	Non-performing loans %
Maximum exposure to credit risk by credit quality December 2022	Notes	Total Loans and advances to customers ₦'million	Balance sheet impairments for performing loans ₦'million	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub-standard ₦'million	Doubtful ₦'million	Loss ₦'million	Sub-standard ₦'million	Doubtful ₦'million	Loss ₦'million							
Personal and Private Banking (PPB)		89,249	1,095	73,777	966	-	31	6,272	1,974	963	547	1,846	-	-	-	4,994	(29)	5,023	5,023	101	4,994	5.6
Mortgage loans		5,217	114	4,578	-		138	145	264	65	-	27	-	-	-	92	(40)	132	132	143	92	1.76
Instalment sale and finance leases		1,687	21	1,571	-		15	-	18	22	9	52	-	-	-	83	31	52	52	63	83	4.92
Card debtors		1,903	99	1,214	42		5	376	96	39	40	91	-	-	-	170	(49)	219	219	129	170	8.93
Other loans and advances		80,442	1,373	66,414	863		57	6,791	1,668	1,019	1,168	2,462	-	-	-	4,649	29	4,620	4,620	99	4,649	5.78
Business and Commercial Banking (BCB)		336,855	4,501	294,891	505	-	2,855	12,547	2,145	3,177	1,222	3,722	-	-	-	14,504	(8,996)	23,500	23,500	162	14,504	4.3
Mortgage loans		156	1	156	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sale and finance leases		45,579	1,082	41,506	89		1,062	145	2,450	156	90	81	-	-	-	327	184	143	143	44	327	0.72
Card debtors		1	1	1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans and advances		291,119	3,976	253,228	1,952		6,211	14,668	884	7,691	1,350	5,136	-	-	-	14,177	(9,180)	(23,357)	(23,357)	165	14,177	4.87
Corporate and Investment Banking (CIB)		814,291	6,123	765,691	933			37,725				5,988	-	-	-	9,087	(1,839)	10,926	10,926	120	9,087	1.12
Corporate loans		814,291	6,123	765,691	933		-	37,725	-	604	3,349	5,988	-	-	-	9,087	(1,839)	10,926	10,926	120	9,087	1.12
Gross loans and advances		**1,240,395**	**11,719**	**1,134,359**	**2,404**	**-**	**2,886**	**56,545**	**4,118**	**4,140**	**1,769**	**11,555**	**-**	**-**	**-**	**28,585**	**(10,864)**	**39,449**	**39,449**	**138**	**28,585**	**2.30**
Less: Total expected credit loss for loans and advances at amortised cost																						
12-month ECL		(17,101)																				
Lifetime ECL not credit-impaired		(2,237)																				
Lifetime ECL credit-impaired		(39,449)																				
Purchased/originated credit impaired		-																				
Net loans and advances	**12**	**1,181,608**																				
Add the following other banking activities exposures:																						
Cash and cash equivalents	7	1,384,879																				
Derivatives	10.6	550,720																				
Financial investments (excluding equity)	11	431,533																				
Loans and advances to banks	12	8,668																				
Trading assets	9.1	-																				
Pledged assets	8	374,912																				
Other financial assets[1]		188,671																				
Total on-balance sheet exposure		**4,120,991**																				
Off-balance sheet exposure:																						
Letters of credit		197,866	132	196,684	1,181	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees		104,418	644	103,963	455	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan commitments		114,374	206	114,374	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to credit risk		**4,537,650**																				
Expected credit loss for off balance sheet exposures																						
12-month ECL		(678)																				
Lifetime ECL not credit impaired		-																				
Lifetime ECL credit impaired		-																				
Total exposure to credit risk on loans and advances at amortised cost		**4,536,972**																				

[1] Other assets presented in the table above comprise financial assets only. The following items have been excluded: prepayment, indirect / withholding tax receivable, and accrued income.

Risk and capital management (continued)

Ageing of loans and advances past due but not specifically impaired

December 2023	Less than 31 days ₦'million	31-60 days ₦'million	61-89 days ₦'million	90-180 days ₦'million	More than 180 days ₦'million	Total ₦'million
Personal and Private Banking (PPB)	17,813	3,673	669	-	-	22,156
Mortgage loans	798	68	75	-	-	941
Instalment sales and finance lease	-	51	4	-	-	55
Card debtors	933	117	107	-	-	1,157
Other loans and advances	16,082	3,438	483	-	-	20,003
Business and Commercial Banking (BCB)	15,571	2,763	658	-	-	18,993
Mortgage loans	-	-	-	-	-	-
Instalment sales and finance lease	635	26	9	-	-	670
Card debtors	-	-	-	-	-	-
Other loans and advances	14,936	2,737	649	-	-	18,323
Corporate and Investment Banking (CIB)	52,183	-	-	-	-	52,183
Corporate loans	52,183	-	-	-	-	52,183
Total	**85,567**	**6,436**	**1,328**	**-**	**-**	**93,332**

December 2022	Less than 31 days ₦'million	31-60 days ₦'million	61-89 days ₦'million	90-180 days ₦'million	More than 180 days ₦'million	Total ₦'million
Personal and Private Banking (PPB)	8,318	777	390	-	-	9,485
Mortgage loans	224	218	29	-	-	471
Instalment sales and finance lease	13	18	2	-	-	33
Card debtors	412	50	15	-	-	477
Other loans and advances	7,669	491	344	-	-	8,504
Business and Commercial Banking (BCB)	16,141	450	423	-	-	17,015
Mortgage loans	-	-	-	-	-	-
Instalment sales and finance lease	405	129	48	-	-	582
Card debtors	-	-	-	-	-	-
Other loans and advances	15,736	322	375	-	-	16,433
Corporate and Investment Banking (CIB)	37,725	-	-	-	-	37,725
Corporate loans	37,725	-	-	-	-	37,725
Total	**62,184**	**1,229**	**813**	**-**	**-**	**64,225**

*This section relates to loans and advances in stage 1 and 2 with overdue balances

Renegotiated loans and advances

Renegotiated loans and advances are exposures which have been refinanced, rescheduled, rolled over or otherwise modified due to weaknesses in the counterparty's financial position, and where it has been judged that normal repayment will likely continue after the restructure. Renegotiated loans that would otherwise be past due or impaired amounted to ₦19.8 billion as at 31 December 2023 (December 2022: ₦11.7 billion).

Collateral

The table that follows shows the financial effect that collateral has on the Group's maximum exposure to credit risk. The table is presented according to Basel II asset categories and includes collateral that may not be eligible for recognition under Basel II but that management takes into consideration in the management of the Group's exposures to credit risk. All on- and off-balance sheet exposures which are exposed to credit risk, including non-performing assets, have been included.

Collateral includes:

- Financial securities that have a tradable market, such as shares and other securities;
- Physical items, such as property, plant and equipment and
- Financial guarantees, suretyships and intangible assets.

All exposures are presented before the effect of any impairment provisions.

In the retail portfolio, 48% (December 2022: 38%) is collateralised. Of the Group's total exposure, 82% (December 2022: 83%) is unsecured and mainly reflects exposures to well-rated corporate counterparties, bank counterparties and sovereign entities.

Risk and capital management (continued)

Collateral

							Total collateral coverage		
December 2023	Note	Total exposure ₦'million	Unsecured ₦'million	Secured ₦'million	Netting agreements ₦'million	Secured exposure after netting ₦'million	1%-50% ₦'million	50%-100% ₦'million	Greater than 100% ₦'million
Corporate		1,926,994	1,332,080	594,914	-	594,914	430,841	106,565	57,508
Sovereign		2,321,935	2,321,935	-	-	-	-		
Bank		377,759	377,759	-	-	-	-	-	-
Retail		739,857	382,500	357,356	-	357,358	116,981	103,069	137,308
Retail mortgage		15,184	-	15,184	-	15,185	6,674	2,587	5,924
Other retail		724,673	382,500	342,173	-	342,173	110,307	100,482	131,384
Total		**5,366,545**	**4,414,274**	**952,270**	**-**	**952,272**	**547,822**	**209,634**	**194,816**

Add: Financial assets not exposed to credit risk		17,266
Less: Impairments for loans and advances and IIS		(58,787)
Less: Unrecognised off balance sheet items		(284,905)
Total exposure		**5,040,119**
Reconciliation to statement of financial position:		
Cash and cash equivalents	7	1,384,879
Derivatives	10.6	550,720
Financial investments (excluding equity)	11	431,533
Loans and advances	12	2,041,019
Trading assets	9	67,917
Pledged assets	8	374,912
Reinsurance assets	17	468
Other financial assets		188,671
Total		**5,040,119**

Collateral

							Total collateral coverage		
December 2022	Note	Total exposure ₦'million	Unsecured ₦'million	Secured ₦'million	Netting agreements ₦'million	Secured exposure after netting ₦'million	1%-50% ₦'million	50%-100% ₦'million	Greater than 100% ₦'million
Corporate		1,048,547	727,030	321,517	-	321,517	49,009	271,592	916
Sovereign		1,349,940	1,349,940	-	-	-	-		
Bank		167,657	167,657	-	-	-	-	-	-
Retail		583,514	363,867	219,647	-	219,647	12,605	204,872	2,170
Retail mortgage		5,372	-	5,372	-	5,372	365	5,007	-
Other retail		578,142	363,867	214,275	-	214,275	12,240	199,865	2,170
Total		**3,149,658**	**2,608,494**	**541,164**	**-**	**541,164**	**61,614**	**476,464**	**3,086**

Add: Financial assets not exposed to credit risk		24,661
Less: Impairments for loans and advances and IIS		(33,409)
Less: Unrecognised off balance sheet items		(206,723)
Total exposure		**2,934,187**
Reconciliation to statement of financial position:		
Cash and bank balances	7	664,450
Derivatives	10.6	42,134
Financial investments (excluding equity)	11	578,376
Loans and advances	12	1,208,190
Trading assets	9	190,431
Pledged assets	8	127,990
Other financial assets		122,616
Total		**2,934,187**

Risk and capital management (continued)

Concentration of risks of financial assets with credit risk exposure

a) Geographical sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by geographical region as of 31 December 2023. For this table, the Group has allocated exposures to regions based on the region of domicile of our counterparties.

At December 2023	Trading assets ₦'million	Derivative assets ₦'million	Pledged assets ₦'million	Financial investments (excluding equity) ₦'million	Loans and advances to customers ₦'million	Loans and advances to banks ₦'million	Total ₦'million
South South	-	40	-	-	2,091,137	-	2,091,177
South West	9	-	-	59,121	34,573	-	93,703
South East	-	-	-	-	64,059	-	64,059
North West	-	-	-	-	65,039	-	65,039
North Central	67,908	544,036	374,912	373,335	1,881,703	-	3,241,894
North East	-	-	-	-	45,764	-	45,764
Outside Nigeria	-	6,644	-	-	-	8,670	15,314
Carrying amount	**67,917**	**550,720**	**374,912**	**432,456**	**4,182,275**	**8,670**	**5,616,950**

At December 2022	Trading assets ₦'million	Derivative assets ₦'million	Pledged assets ₦'million	Financial investments (excluding equity) ₦'million	Loans and advances to customers ₦'million	Loans and advances to banks ₦million	Total ₦'million
South South	-	3	-	-	42,235	-	42,238
South West	5	1,009	-	75,619	1,081,988	-	1,158,621
South East	-	1	-	-	27,331	-	27,332
North West	-	1	-	-	41,056	-	41,057
North Central	190,426	37,206	127,990	502,953	36,739	2,001	897,315
North East	-	-	-	-	8,845	-	8,845
Outside Nigeria	-	3,913	-	-	-	1,407	5,320
Carrying amount	**190,431**	**42,133**	**127,990**	**578,572**	**1,238,194**	**3,408**	**2,180,728**

Concentration of risks of financial assets with credit risk exposure

b) Industry sectors

At December 2023	Trading assets ₦'million	Derivative assets ₦'million	Pledged assets ₦'million	Financial investments (excluding equity) ₦'million	Loans and advances to customers ₦'million	Loans and advances to banks ₦'million	Total ₦'million
Agriculture	-	-	-	-	94,115	-	94,115
Business services	-	-	-	-	48,802	-	48,802
Communication	-	-	-	5,593	247,211	-	252,804
Community, social and personal services	-	-	-	-	-	-	-
Construction and real estate	-	-	-	-	112,949	-	112,949
Electricity	-	6,644	-	-	15,935	-	22,579
Financial intermediaries and insurance	-	543,866	-	54,802	25,172	8,670	632,510
Government (including Central Bank)	67,917	210	374,912	369,211	121,926	-	934,176
Hotels, restaurants and tourism	-	-	-	-	651,795	-	651,795
Manufacturing	-	-	-	2,850	419,587	-	422,437
Mining	-	-	-	-	137,424	-	137,424
Private households	-	-	-	-	58,793	-	58,793
Transport, storage and distribution	-	-	-	-	157,428	-	157,428
Wholesale and retail trade	-	-	-	-	2,091,138	-	2,091,138
Carrying amount	**67,917**	**550,720**	**374,912**	**432,456**	**4,182,275**	**8,670**	**5,616,950**
At December 2022							
Agriculture	-	2	-	-	57,179	-	57,181
Business services	-	182	-	-	44,105	-	44,287
Communication	-	-	-	5,487	84,272	-	89,759
Community, social and personal services	-	-	-	-	-	-	-
Construction and real estate	-	16	-	-	78,777	-	78,793
Electricity	-	4,304	-	-	9,012	-	13,316
Financial intermediaries and insurance	-	37,207	-	73,254	20,592	3,408	134,461
Government (including Central Bank)	190,431	219	127,990	499,311	80,764	-	898,715
Hotels, restaurants and tourism	-	-	-	-	319	-	319
Manufacturing	-	57	-	520	424,978	-	425,555
Mining	-	146	-	-	252,387	-	252,533
Private households	-	-	-	-	99,828	-	99,828
Transport, storage and distribution	-	-	-	-	22,294	-	22,294
Wholesale and retail trade	-	-	-	-	63,687	-	63,687
Carrying amount	**190,431**	**42,133**	**127,990**	**578,572**	**1,238,194**	**3,408**	**2,180,728**

Risk and capital management (continued)

Concentration of risks of financial assets with credit risk exposure
c) Analysis of financial assets disclosed above by portfolio distribution and risk rating

	AAA to A- ₦'million	BBB+ to BBB- ₦'million	Below BBB- ₦'million	Unrated ₦'million	Total ₦'million
As at December 2023	499,908	1,493,392	1,514,762	191,969	3,700,031
As at December 2022	2,456	1,052,786	980,970	144,516	2,180,728

Concentration of risks of off-balance sheet engagements
a) Geographical sectors

At December 2023	Loan commitment ₦'million	Bonds and guarantees ₦'million	Letters of credit* ₦'million	Total ₦'million
South South	1,973	449	342	2,764
South West	85,824	79,614	160,670	326,108
South East	1,307	185	3,934	5,426
North West	6,516	4,135	-	10,651
North Central	2,060	35,577	-	37,637
North East	26	-	-	26
Outside Nigeria	-	-	-	-
Total	**97,706**	**119,960**	**164,946**	**382,612**

At December 2022	Loan commitment ₦'million	Bonds and guarantees ₦'million	Letters of credit* ₦'million	Total ₦'million
South South	2,986	5,822	-	8,808
South West	136,352	48,487	119,264	304,103
South East	1,512	170	-	1,682
North West	12,915	4,908	41	17,864
North Central	17,984	27,734	297	46,015
North East	555	-	-	555
Outside Nigeria	-	-	-	-
Total	**172,304**	**87,121**	**119,602**	**379,027**

*Amount excludes letters of credit for which cash collateral has been received.

Concentration of risks of off-balance sheet engagements
b) Industry sectors

	31 December 2023				31 December 2022			
	Bonds and guarantees ₦'million	Letters of credit ₦'million	Loan commitment ₦'million	2022 Total ₦'million	Bonds and guarantees ₦'million	Letters of credit ₦'million	Loan commitment ₦'million	2021 Total ₦'million
Agriculture	2,127	9,898	11,068	12,025	3,177	2,900	15,940	6,077
Business services	3,843	308	952	4,151	2,497	3,567	3,274	6,064
Communication	3	6,477	5,310	6,480	798	12,055	1,062	12,853
Construction and real estate	13,230	-	-	13,230	4,793	29	16,870	4,822
Electricity	-	751	-	751	-	865	-	865
Financial intermediaries and insurance	4,485	-	43	4,485	11,555	-	93	11,555
Hotels, Restaurants and Tourism	751	-	500	751	801	-	192	801
Manufacturing	28,490	115,058	26,567	143,548	18,584	84,258	91,934	102,842
Mining, oil and gas	61,192	19,731	16,460	80,923	39,871	2,006	19,197	41,877
Private households	200	-	20,933	200	-	-	6,721	-
Transport, storage and distribution	340	-	210	340	-	335	150	335
Wholesale and retail trade	5,298	19,052	15,663	24,350	5,046	13,587	16,871	18,633
Carrying amount	**119,959**	**171,275**	**97,706**	**291,234**	**87,122**	**119,602**	**172,304**	**206,724**

Credit provisioning based on prudential guidelines

In accordance with the Prudential Guidelines issued by the Central Bank of Nigeria, provision against credit risk is as follows.

Non-performing accounts

Interest and/or principal outstanding for over:	Classification	Minimum provision
Pass due date but less than 90 days	Watchlist	0%
90 days but less than 180 days	Substandard	10%
180 days but less than 360 days	Doubtful	50%
Over 360 days	Lost	100%

When a loan is deemed uncollectible, it is written off against the related provision for impairments. Subsequent recoveries are credited to the provision for loan losses in the profit and loss account. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited as a reduction of the provision for impairment in the statement of profit or loss.

Performing accounts

A minimum of 2% general provision on performing loans is made in accordance with the Prudential Guidelines.

Risk and capital management (continued)

Prudential guidelines disclosures

Had the Prudential Guidelines been employed in the preparation of these financial statements, the impairments for loans and advances to customers as well as related disclosures, would have been made as follows:

	Group	
	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Prudential disclosure of loan and advances to customers		
Gross customer exposure for loans and advances	2,091,138	1,238,195
Mortgage loans	15,184	5,373
Instalment sale and finance leases	77,342	45,066
Card debtors	3,923	1,904
Overdrafts and other demand loans	483,218	371,561
Other term loans	1,511,471	814,291
Interest in suspense	(7,399)	(3,447)
Credit impairments for loans and advances	(85,631)	(45,417)
Specific provision	(44,807)	(21,437)
General provision	(40,824)	(23,980)
Net loans and advances to customers	**1,998,108**	**1,189,331**
Prudential disclosure of loan classification		
Performing	2,041,943	1,209,176
Non performing loans	49,194	29,437
Substandard	9,127	9,596
Doubtful	5,040	6,005
Loss	35,027	13,836
Total performing and non performing loans	2,091,137	1,238,613
Adjustment for Interest in suspense and below-market interest staff loans	(7,399)	(3,447)
Customer exposure for loans and advances	2,083,738	1,235,166
Non-performing loans ratio (Regulatory)	2.35%	2.38%

Liquidity risk

Framework and governance

The nature of banking and trading activities results in a continuous exposure to liquidity risk. Liquidity problems can have an adverse impact on the Group's earnings and capital and in extreme circumstances, may even lead to the collapse of the Group which is otherwise solvent.

The Group's liquidity risk management framework is designed to measure and manage the liquidity position at various levels of consolidation such that payment obligations can be met at all times, under both normal and considerably stressed conditions. Under the delegated authority of the board of Directors, the Asset and Liability Committee (ALCO) sets liquidity risk policies in accordance with regulatory requirements, international best practice and SBG stated risk appetite.

Tolerance limits, appetite thresholds and monitoring items are prudently set and reflect the Group's conservative appetite for liquidity risk. ALCO is charged with ensuring ongoing compliance with liquidity risk standards and policies. The Group must, at all times, comply with the more stringent of Standard Bank imposed tolerance limits or regulatory limits.

Liquidity and funding management

A sound and robust liquidity process is required to measure, monitor and manage liquidity exposures. The Group has incorporated the following liquidity principles as part of a cohesive liquidity management process:

- structural liquidity mismatch management;
- long-term funding ratio;
- maintaining minimum levels of liquid and marketable assets;
- depositor restrictions;
- local currency loan to deposit ratio;
- foreign currency loan to deposit ratio;
- interbank reliance limit;
- intra-day liquidity management;
- collateral management;
- daily cash flow management;
- liquidity stress and scenario testing;
- funding plans; and
- liquidity contingency planning

The cumulative impact of these principles is monitored, at least monthly by ALCO through a process which is underpinned by a system of extensive controls. The latter includes the application of purpose-built technology, documented processes and procedures, independent oversight and regular independent reviews and evaluations of the effectiveness of the system.

The Group ensures that the banking entity (Stanbic IBTC Bank Limited) is within the regulatory liquidity ratio of 30% on a daily basis.

Liquidity ratio	December 2023	December 2022
Minimum	47.10%	85.04%
Average	77.52%	114.98%
Maximum	99.68%	138.32%
As at year end	47.10%	85.04%

The minimum, average and maximum liquidity ratios presented in the table above are derived from the daily liquidity ratio computations.

Structural liquidity mismatch management

The mismatch principle measures the Group's liquidity by assessing the mismatch between its inflow and outflow of funds within different time bands on a maturity ladder. The structural liquidity mismatch is based on behaviourally-adjusted cash flows which factors a probability of maturity into the various time bands. As expected cash flows vary significantly from the contractual position, behavioural profiling is applied to assets, liabilities and off-balance sheet items with an indeterminable maturity or drawdown year.

A net mismatch figure is obtained by subtracting liabilities and netting off-balance sheet positions from assets in each time band. The Group's liquidity position is assessed by means of the net cumulative mismatch position, while its liquidity mismatch performance is an aggregation of the net liquidity position in each successive time band expressed as a percentage of total funding related to deposits.

Maintaining minimum levels of liquid and marketable assets

Minimum levels of prudential liquid assets are held in accordance with all prudential requirements as specified by the regulatory authorities. The Group needs to hold additional unencumbered marketable assets, in excess of any minimum prudential liquid asset requirement, to cater for volatile depositor withdrawals, draw-downs under committed facilities, collateral calls, and so on.

The following criteria apply to readily marketable securities:

- prices must be quoted by a range of counterparties;
- the asset class must be regularly traded;
- the asset may be sold or repurchased in a liquid market, for payment in cash; and
- settlement must be according to a prescribed, rather than a negotiated, timetable.

Depositor concentration

To ensure that the Group does not place undue reliance on any single entity as a funding source, restrictions are imposed on the short dated (0 – 3 months term) deposits accepted from any entity. These include:

- the sum of 0 – 3 month deposits and standby facilities provided by any single deposit counterparty must not, at any time, exceed 10% of total funding related liabilities to the public; and the aggregate of 0 – 3 month deposits and standby facilities from the 10 largest single deposit counterparties must not, at any time, exceed 20% of total funding related liabilities to the public.
- the aggregate of 0 – 3 month deposits and standby facilities from the 10 largest single deposit counterparties must not, at any time, exceed 20% of total funding related liabilities to the public.

Concentration risk limits are used to ensure that funding diversification is maintained across products, sectors, and counterparties. Primary sources of funding are in the form of deposits across a spectrum of retail and wholesale clients. As mitigants, the Group maintains marketable securities in excess of regulatory requirements in order to create a buffer for occasional breaches of concentration limits.

Risk and capital management (continued)

Loan to deposit limit

A limit is put in place, restricting the local currency loan to deposit ratio to a maximum specified level, which is reviewed annually. Similarly, in order to restrict the extent of foreign currency lending from the foreign currency deposit base, a foreign currency loan to deposit limit, which is also referred to as own resource lending, is observed. As mitigants, the Group maintains high levels of unencumbered marketable and liquid assets in excess of regulatory benchmark. The CBN requires all Bank to maintain a minimum loan to deposit ratio of 65% by December 2022. The Bank subsidiary LDR as at 31 December 2023 was 85.68% (Dec 2022 82.60%).

Intra-day liquidity management

The Group manages its exposures in respect of payment and settlement systems. Counterparties may view the failure to settle payments when expected as a sign of financial weakness and in turn delay payments to the Group. This can also disrupt the functioning of payment and settlement systems. At a minimum, the following operational elements are included in the Group's intra-day liquidity management:

- capacity to measure expected daily gross liquidity inflows and outflows, including anticipated timing where possible;
- capacity to monitor its intra-day liquidity positions, including available credit and collateral;
- sufficient intra-day funding to meet its objectives;
- ability to manage and mobilise collateral as required;
- robust capacity to manage the timing of its intra-day outflows; and
- readiness to deal with unexpected disruptions to its intra-day liquidity flows.

Daily cash flow management

The Group generates a daily report to monitor significant cash flows. Maturities and withdrawals are forecast at least three months in advance and management is alerted to large outflows. The report, which is made available to the funding team, ALM and market risk also summarises material daily new deposits as well as the interbank and top depositor reliance (by value and product).

The daily cash flow management report forms an integral part of the ongoing liquidity management process and is a crucial tool to proactively anticipate and plan for large cash outflows.

Interbank reliance

Interbank funding traditionally is seen as the most volatile and least stable source of funding, easily influenced by market sentiment and prone to flight under stress situations. Consequently, to ensure prudent liquidity management is enforced, the Group restricts the local currency interbank funding as a proportion of the local currency funding base to a maximum of 15% of the total currency funding base.

Liquidity stress testing and scenario testing

Anticipated on- and off-balance sheet cash flows are subjected to a variety of the Group specific and systemic stress scenarios in order to evaluate the impact of unlikely but plausible events on liquidity positions. Scenarios are based on both historical events, such as past emerging markets crises, past local financial markets crisis and hypothetical events, such as an entity specific crisis. The results obtained from stress testing provides meaningful input when defining target liquidity risk positions.

Maturity analysis of financial liabilities by contractual maturity

The tables below analyse cash flows on a contractual, undiscounted basis based on the earliest date on which the Group can be required to pay (except for trading liabilities and trading derivatives) and may therefore not agree directly to the balances disclosed in the consolidated statement of financial position.

Derivative liabilities are included in the maturity analysis on a contractual, undiscounted basis when contractual maturities are essential for an understanding of the derivatives' future cash flows. All other derivative liabilities are treated as trading instruments and are included at fair value in the redeemable on demand stage since these positions are typically held for short periods of time.

Maturity analysis of financial liabilities by contractual maturity

The following tables also include contractual cash flows with respect to off-balance sheet items which have not yet been recorded on-balance sheet. Where cash flows are exchanged simultaneously, the net amounts have been reflected.

December 2023	Redeemable on demand ₦'million	Maturing within 1 month ₦'million	Maturing between 1-6 months ₦'million	Maturing between 6-12 months ₦'million	Maturing after 12 months ₦'million	Total gross undiscounted cashflow ₦'million
Financial liabilities						
Derivative financial instruments	-	-	-	417,627	29,366	446,993
Trading liabilities	-	286,933	193,752	2,600	5,745	489,030
Deposits and current accounts	1,587,594	199,195	270,071	15,942	658,970	2,731,772
Debt securities issued	-	-	-	-	74,311	74,311
Other borrowings	2	30,646	218,422	54,225	95,895	399,190
Other financial liabilities	488,515	-	-	-	-	488,515
Total	**2,076,111**	**516,774**	**682,245**	**490,394**	**864,287**	**4,141,296**
Unrecognised financial instruments						
Letters of credit	-	10,411	128,743	25,792	-	164,946
Guarantees	10,916	610	52,968	43,198	12,267	119,959
Loan commitments	-	12,701	77,610	6,046	1,348	97,706
Total	**10,916**	**23,722**	**259,321**	**75,036**	**13,615**	**382,611**

December 2022	Redeemable on demand ₦'million	Maturing within 1 month ₦'million	Maturing between 1-6 months ₦'million	Maturing between 6-12 months ₦'million	Maturing after 12 months ₦'million	Total gross undiscounted cashflow ₦'million
Financial liabilities						
Derivative financial instruments	-	68,333	155,444	84,248	52,444	360,469
Trading liabilities	-	25,869	176,715	11,673	4,955	219,212
Deposits and current accounts	998,207	116,654	92,072	38,407	982,166	2,227,506
Debt securities issued	-	-	-	1,000	70,878	71,878
Other borrowings	-	-	123,984	16,716	70,857	211,557
Other financial liabilities	348,126	-	-	-	-	348,126
Total	**1,346,333**	**210,856**	**548,215**	**152,044**	**1,181,300**	**3,438,748**
Unrecognised financial instruments						
Letters of credit	-	18,642	90,033	10,927	-	119,602
Guarantees	1,183	1,123	26,560	16,024	42,230	87,120
Loan commitments	-	12,701	152,208	6,046	1,348	172,304
Total	**1,183**	**32,466**	**268,801**	**32,997**	**43,578**	**379,026**

Risk and capital management (continued)

Liquidity contingency plans

The Group recognises that it is not possible to hold sufficiently large enough quantity of readily available liquidity to cover the least likely liquidity events. However, as such events can have devastating consequences, it is imperative to bridge the gap between the liquidity the Group chooses to hold and the maximum liquidity the Group might need.

The Group's liquidity contingency plan is designed to, as far as possible, protect stakeholder interests and maintain market confidence in order to ensure a positive outcome in the event of a liquidity crisis. The plan incorporates an extensive early warning indicator methodology supported by a clear and decisive crisis response strategy. Early warning indicators span Group specific crises, systemic crises, contingency planning, and liquidity risk management governance and are monitored based on assigned frequencies and tolerance levels. The crisis response strategy is formulated around the relevant crisis management structures and addresses internal and external communications, liquidity generation, operations, as well as heightened and supplementary information requirements.

Foreign currency liquidity management

A number of indicators are observed to monitor changes in either market liquidity or exchange rates. Foreign currency loans and advances are restricted to the availability of foreign currency deposits.

Funding strategy

Funding markets are evaluated on an ongoing basis to ensure appropriate Group funding strategies are executed depending on the market, competitive and regulatory environment. The Group employs a diversified funding strategy, sourcing liquidity in both domestic and offshore markets, and incorporates a coordinated approach to accessing capital and loan markets across the Group.

Concentration risk limits are used within the Group to ensure that funding diversification is maintained across products, sectors, geographic regions and counterparties.

Primary funding sources are in the form of deposits across a spectrum of retail and wholesale clients, as well as long-term capital and loan markets. The Group remains committed to increasing its core deposits and accessing domestic and foreign capital markets when appropriate to meet its anticipated funding requirements.

Depositor concentrations

	Dec 2023 %	Dec 2022 %
Single depositor	6	4
Top 10 depositors	24	18

Market risk

The identification, management, control, measurement and reporting of market risk is categorised as follows:

Trading market risk

These risks arise in trading activities where the bank acts as a principal with clients in the market. The Group's policy is that all trading activities are contained within the bank's Corporate and investment banking trading operations.

Banking book interest rate risk

These risks arise from the structural interest rate risk caused by the differing re-pricing characteristics of banking assets and liabilities.

Foreign currency risk

These risks arise from the structural interest rate risk caused by the differing re-pricing characteristics of banking assets and liabilities.

Equity investment risk

These risks arise from equity price changes in unlisted investments, and managed through the equity investment committee, which is a sub-committee of the executive committee.

The primary objective of the Group's investment in equity securities is to hold the investments for the long term in furtherance of strategic purposes. Management is assisted by external advisers in this regard. All the Groups investments are designated as at FVOCI, as they are not held for making short term profit.

Framework and governance

The board approves the market risk appetite and standards for all types of market risk. The board grants general authority to take on market risk exposure to the asset and liability committee (ALCO). ALCO sets market risk policies to ensure that the measurement, reporting, monitoring and management of market risk associated with operations of the bank follow a common governance framework. The bank's ALCO reports to EXCO and also to the board risk management committee.

The in-country risk management is subject to SBG oversight for compliance with Group standards and minimum requirements.

The market risk management unit which is independent of trading operations and accountable to ALCO, monitors market risk exposures due to trading and banking activities. This unit monitors exposures and respective excesses daily, report monthly to ALCO and quarterly to the board risk management committee.

Market risk measurement

The techniques used to measure and control market risk includes:

- daily foreign currency trading position
- daily VaR;
- back-testing;
- PV01; and
- annual net interest income at risk.

Daily foreign currency trading position

The board on the input of ALCO, sets limits on the level of exposure by currency and in aggregate for overnight positions. The latter is also aligned to the foreign currency trading position limit as specified by the regulators, which is usually a proportion of the Groups' capital.

Daily value-at-risk (VaR)

VaR is a technique that estimates the potential losses that may occur as a result of market movements over a specified time period at a predetermined probability.

VaR limits and exposure measurements are in place for all market risks the trading desk is exposed to. The bank generally uses the historical VaR approach to derive quantitative measures, specifically for market risk under normal market conditions. Normal VaR is based on a holding period of one day and a confidence level of 95%. Daily losses exceeding the VaR are likely to occur, on average, 13 times in every 250 days. .

The use of historic VaR has limitations as it is based on historical correlations and volatilities in market prices and assumes that future prices will follow the observed historical distribution. Hence, there is a need to back-test the VaR model regularly.

VaR back-testing

The Group and the banking business back-test its foreign currency, interest rate and credit trading exposure VaR model to verify the predictive ability of the VaR calculations thereby ensuring the appropriateness of the model. Back-testing exercise is an ex-post comparison of the daily hypothetical profit and loss under the one-day buy and hold assumption to the prior day VaR. Profit or loss for back-testing is based on the theoretical profits or losses derived purely from market moves both interest rate and foreign currency spot moves and it is calculated over 250 cumulative trading-days at 95% confidence level.

Stress tests

Stress testing provides an indication of the potential losses that could occur in extreme market conditions.

The stress tests carried out include individual market risk factor testing and combinations of market factors on individual asset classes and across different asset classes. Stress tests include a combination of historical and hypothetical simulations.

PV01

PV01 is a risk measure used to assess the effect of a change of rate of one basis point on the price of an asset. This limit is set for the fixed income, money market trading, credit trading, derivatives and foreign exchange trading portfolios.

Other market risk measures

Other market risk measures specific to individual business units include permissible instruments, concentration of exposures, gap limits, maximum tenor and stop loss triggers. In addition, only approved products that can be independently priced and properly processed are permitted to be traded.

Pricing models and risk metrics used in production systems, whether these systems are off-the-shelf or in-house developed, are independently validated by the market risk unit before their use and periodically thereafter to confirm the continued applicability of the models. In addition, the market risk unit assesses the daily liquid closing price inputs used to value instruments and performs a review of less liquid prices from a reasonableness perspective at least fortnightly. Where differences are significant, mark-to-market adjustments are made.

Annual net interest income at risk

A dynamic forward-looking annual net interest income forecast is used to quantify the banks' anticipated interest rate exposure. This approach involves the forecasting of both changing balance sheet structures and interest rate scenarios, to determine the effect these changes may have on future earnings. The analysis is completed under both normal market conditions as well as stressed market conditions.

Analysis of Value-at-Risk (VaR) and actual income

The table below highlights the historical diversified normal VaR across the various trading desks. The minimum and maximum trading diversified normal VaR stood at ₦113 million and ₦1,708 million respectively with an annual average of ₦772 million which translates to a conservative VaR limit utilisation of 36.8% on average.

Diversified Normal Var Exposures (₦'million)

Desk	Maximum	Minimum	Average	31-Dec-22	31-Dec-21	Limit
Bankwide	1,708	113	772	660	171	2,100
FX Trading	946	25	185	391	32	950
Money markets trading	590	43	190	132	93	600
Fixed income trading	185	3	43	26	22	488
Credit trading	4.17	0.00	0.03	0.00	-	118
Derivatives	5.31	0.02	1.14	3.12	-	40
CVA	601	51	308	191	156	450

Risk and capital management (continued)

Analysis of PV01

The table below shows the PV01 of the money markets banking and the individual trading books as at period end. The money markets trading book PV01 exposure increased to ₦1.34 million from that of the previous year mainly due to increased T-bills position, the money markets banking book PV01 exposure stood at ₦11.65 million lower than that of the previous year, while the fixed income trading book PV01 exposure decreased to ₦0.76 million from that of previous year. Overall trading PV01 exposure was ₦2.1 million against a limit of ₦26 million thus reflecting a very conservative exposure utilisation.

PV01 (₦'000)	31 Dec 23	31 Dec 22	Limit
Money market trading book	1,337	915	20,476
Fixed income trading book	763	2,926	5,000
Credit trading book	-	-	1,032
Derivatives trading book	-	-	405
Total trading book	2,100	3,841	26,913
Money market banking book	11,645	9,897	18,150

Interest rate risk in the banking book

Interest rate risk in the banking book (IRRBB) can be defined as the reduction in banking book net interest income due to changes in interest rates arising from the different re-pricing characteristics of banking book assets and liabilities. IRRBB is further divided into the following sub-risk types:

- Repricing risk refers to the timing differences in the maturity (fixed rate) and repricing (floating rate) of assets and liabilities.
- Yield curve risk arises when unanticipated shifts in the yield curve have adverse effects on the Group's income.
- Basis risk arising from the imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics.
- Optionality risk arising from the options embedded in bank asset and liability portfolios, providing the holder with the right, but not the obligation, to buy, sell, or in some manner alter the cash flow of an instrument or financial contract.
- Endowment risk referring to the interest rate risk exposure arising from the net differential between interest rate insensitive assets such as non-earning assets and interest rate insensitive liabilities such as non-paying liabilities and equity.

Approach to managing interest rate risk on positions in the banking book

Banking-related market risk exposure principally involves the management of the potential adverse effect of interest movements on banking book earnings (net interest income and banking book mark-to-market profit or loss).

The Group's approach to managing IRRBB is governed by prudence and is in accordance with the applicable laws and regulations, best international practice and the competitive situation within which it operates in financial markets. Interest rate risk is transferred to and managed within the bank's treasury operations under supervision of ALCO.

The table below summarises the Group's interest rate gap position:

At December 2023	Note	Carrying amount	Rate Sensitive	Non-rate sensitive
Assets ₦'million				
Cash and balances with central banks	7	1,384,879	-	1,384,879
Pledged assets	8	374,912	-	374,912
Derivative assets	10.6	550,720	-	550,720
Financial investment	11	435,657	-	435,657
Loans and advances to banks	12	8,670	-	8,670
Loans and advances to customers (Gross)	12	2,091,138	901,609	1,189,529
Other financial assets		188,671	-	188,671
		5,034,647	**901,609**	**4,133,038**
Liabilities				
Derivative liabilities	10.6	446,993	-	446,993
Trading liabilities	9.2	480,465	-	480,465
Deposits from banks	23	658,885	-	658,885
Deposits from customers	23	2,072,887	-	2,072,887
Debt securities issued	25	74,311	69,348	4,963
Other borrowings	24	375,959	361,152	14,807
Other liabilities (see (b) below)		488,515	-	488,515
		4,598,015	**430,500**	**4,167,515**
Total interest repricing gap		**436,632**	**471,109**	**(34,477)**

Risk and capital management (continued)

Measurement of IRRBB

The analytical technique used to quantify IRRBB is an earnings based approach. A dynamic, forward-looking net interest income forecast is used to quantify the bank's anticipated interest rate exposure. Desired changes to a particular interest rate risk profile are achieved through the restructuring of on-balance sheet repricing or maturity profiles. All assets and liabilities are allocated to gap intervals based on either their repricing or maturity characteristics. However, assets and liabilities for which no identifiable contractual repricing or maturity dates exist are allocated to gap intervals based on behavioural profiling.

The impact on net interest income due to interest rate changes cover 12 months of forecasting and allows for the dynamic interaction of payments, new business and interest rates. The analyses are done under stressed market conditions in which the banking book is subjected to an upward 300 basis points and downward 300 basis points (2022: 300 basis points) parallel rate shocks for local currency and 100 basis points upward and downward parallel rate shocks for foreign currency positions. The table below shows the sensitivity of the bank's net interest income in response to standardised parallel rate shocks.

31 December 2023		NGN	USD	Other	Total
Increase in basis points		300	100	100	
Sensitivity of annual net interest income	₦'million	19,205	2,511	196	21,912
Decrease in basis points		300	100	100	
Sensitivity of annual net interest income	₦'million	(18,285)	(5,226)	5	(23,506)

31 December 2022		NGN	USD	Other	Total
Increase in basis points		300	100	100	
Sensitivity of annual net interest income	₦'million	19,205	2,511	196	21,912
Decrease in basis points		300	100	100	
Sensitivity of annual net interest income	₦'million	(18,285)	(5,226)	5	(23,506)

Hedging of endowment risk

IRRBB is predominantly the consequence of endowment exposures, being the net exposure of non-rate sensitive liabilities and equity less non-rate sensitive assets. The endowment risk is hedged using marketable liquid instruments in the same currency as the exposure as and when it is considered appropriate. Hedge decisions are made by ALCO following careful consideration of the interest rate views to be hedged against, including magnitude, direction, timing and probability, and the exposure to be hedged.

Market risk on equity investment

The Group's equity and investment risk committee (SEIRC) has governance and oversight of all investment decisions. The committee is tasked with the formulation of risk appetite and oversight of investment performance. In this regard, a loss trigger is in place for the non-strategic portion.

Exposure to currency risks

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The board sets limits on the level of exposure by currency and in aggregate for both overnight and intra day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange risk as at 31 December 2023.

Concentrations of currency risk – on- and off-balance sheet financial instruments

At December 2023	Naira ₦'million	US Dollar ₦'million	GBP ₦'million	Euro ₦'million	Others ₦'million	Total ₦'million
Financial assets						
Cash and bank balances	989,574	394,025	560	674	46	1,384,879
Trading assets	29,327	38,590	-	-	-	67,917
Pledged assets	315,941	58,971	-	-	-	374,912
Derivative assets	549,351	1,369	-	-	-	550,720
Financial investments	428,253	7,404	-	-	-	435,657
Loans and advances to banks	5,984	2,684	-	-	-	8,668
Loans and advances to customers	751,797	1,140,557	7,585	110,171	22,241	2,032,351
Other financial assets	65,461	122,892	318	-	-	188,671
	3,135,688	**1,766,492**	**8,463**	**110,845**	**22,287**	**5,043,775**
Financial liabilities						
Trading liabilities	200,869	279,596	-	-	-	480,465
Derivative liabilities	445,442	1,551	-	-	-	446,993
Deposits and current accounts from banks	338,621	302,655	405	14,521	2,683	658,885
Deposits and current accounts from customers	1,111,987	907,322	20,005	29,533	4,040	2,072,887
Other borrowings	14,807	361,152	-	-	-	375,959
Debt securities issued	4,963	69,348	-	-	-	74,311
Other financial liabilitiies	336,546	133,386	825	12,375	5,383	488,515
	2,453,235	**2,055,010**	**21,235**	**56,429**	**12,106**	**4,598,015**
Net on-balance sheet financial position	682,453	(288,518)	(12,772)	54,416	10,181	445,760
Off balance sheet	37,943	214,541	857	850	37,042	291,233

Risk and capital management (continued)

Concentrations of currency risk – on- and off-balance sheet financial instruments

December 2022	Naira ₦'million	US Dollar ₦'million	GBP ₦'million	Euro ₦'million	Others ₦'million	Total ₦'million
Financial assets						
Cash and bank balances	519,987	143,874	77	183	329	664,450
Trading assets	161,607	28,824	-	-	-	190,431
Pledged assets	89,796	38,194	-	-	-	127,990
Derivative assets	40,463	1,671	-	-	-	42,134
Financial investments	578,249	3,770	-	-	-	582,019
Loans and advances to banks	2,001	1,403	-	-	-	3,404
Loans and advances to customers	598,840	523,090	1,927	55,353	25,576	1,204,786
Other financial assets	(49,343)	178,448	479	(3,761)	(3,207)	122,616
	1,941,600	**919,274**	**2,483**	**51,775**	**22,698**	**2,937,830**
Financial liabilities						
Trading liabilities	27,289	193,682	-	-	-	220,971
Derivative liabilities	24,851	1,248	-	-	-	26,099
Deposits and current accounts from banks	361,499	110,027	57	3,650	15,847	491,080
Deposits and current accounts from customers	831,140	392,193	9,181	10,076	2,756	1,245,346
Debt securities issued	20,841	167,116	-	-	-	187,957
Other financial liabilitiies	30,947	40,931	-	-	-	71,878
Other borrowings	177,055	161,697	420	5,642	3,312	348,126
	1,473,622	**1,066,894**	**9,658**	**19,368**	**21,915**	**2,591,457**
Net on-balance sheet financial position	467,978	(147,620)	(7,175)	32,407	783	346,373
Off balance sheet	215,602	121,129	655	38,326	3,314	379,026

Exchange rates applied

Year-end spot rate*	December 2023	December 2022
US Dollar	951.79	461.10
GBP	1,212.63	556.43
Euro	1,053.54	492.55

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar, GBP or Euro against Naira at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit / loss		Equity, net of tax	
Effect in ₦'million	Strengthening	Weakening	Strengthening	Weakening
At 31 December 2023				
USD (20% movement)	(57,704)	57,704	(40,393)	40,393
GBP (10% movement)	(1,277)	1,277	(894)	894
EUR (5% movement)	2,721	(2,721)	1,905	(1,905)
At 31 December 2022				
USD (20% movement)	(29,524)	29,524	(20,667)	20,667
GBP (10% movement)	(718)	718	(502)	502
EUR (5% movement)	1,620	(1,620)	1,134	(1,134)

Risk and capital management (continued)

Basel II framework

The Basel II framework stipulates a minimum level of capital that banks must maintain to ensure that they can meet their obligations, cover unexpected losses; and can, very importantly, promote public confidence. It also specifies comprehensive disclosure requirements for banks operating under the framework.

The Basel II framework is based on three pillars:

- Pillar I - Minimum Capital Requirements. This details various approaches to measure and quantify capital required for the three major risk components that a bank faces: credit risk, market risk and operational risk. Stanbic IBTC has adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk.
- Pillar II - Supervisory Review. This is structured along two separate but complementary stages; the Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation process (SREP). The bank conducts a self-assessment of its internal capital requirements via the ICAAP whilst the Central Bank of Nigeria (CBN) conducts its assessment of the bank via the SREP.
- Pillar III – Market Discipline allows market participants access information on risk exposure and risk management policies and procedures through disclosures. The bank through this Pillar III Disclosures report provides an overview of its risk management practices in line with the CBN Guidance Notes on Pillar III Disclosures.

The Pillar III Disclosures Report is published and made available through the bank's website at www.stanbicibtcbank.com.

Capital management

Capital adequacy

The Stanbic IBTC Group manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth and depositor confidence and providing competitive returns to shareholders. The capital management function is designed to ensure that Stanbic IBTC Group and its principal subsidiaries are capitalised in line with the Group's risk appetite and target ratios, both of which are approved by the board for legal and regulatory compliance purposes. The Group ensures that its actions do not compromise sound governance and appropriate business practices and it eliminates any negative effect on payment capacity, liquidity and profitability.

The regulatory capital requirement for entities within the Group are as follows:

SN	Name of Entity	Primary Regulator	Minimum Capital Requirement
1	Stanbic IBTC Holdings	Central Bank of Nigeria	₦38.57 billion*
2	Stanbic IBTC Bank	Central Bank of Nigeria	₦25 billion
2.1	Stanbic IBTC Nominees Limited	Central Bank of Nigeria	Nil
3	Stanbic IBTC Pension Managers Limited	National Pension Commission	₦5 billion
4	Stanbic IBTC Asset Management Limited	Securities and Exchange Commission	₦155 million
5	Stanbic IBTC Capital Limited	Securities and Exchange Commission	₦400 million
6	Stanbic IBTC Trustees Limited	Securities and Exchange Commission	₦300 million
7	Stanbic IBTC Stockbrokers Limited	Nigerian Stock Exchange	₦300 million
8	Stanbic IBTC Insurance Brokers Limited	National Insurance Commission	₦5 million
9	Stanbic IBTC Insurance Limited	National Insurance Commission	₦3 billion
10	Stanbic IBTC Ventures Limited	-	Nil
11	Zest Payments Limited	Central Bank of Nigeria	₦100 million

*Sum of the stakes of Stanbic IBTC Holdings PLC in the minimum paid up capital of all the subsidiaries

The Central Bank of Nigeria (CBN) on 29 August 2014 issued Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria ("Guidelines"). According to the Guidelines, a financial holding company shall have a minimum paid up capital which shall exceed the sum of the minimum paid up capital of all its subsidiaries, as may be prescribed from time to time by the sector regulators. A review of the capital level as at the end of the year shows that Stanbic IBTC Holdings is in compliance with the regulation of having minimum paid up capital which exceeds the aggregate of the minimum paid up capital of all its subsidiaries;

Figures in ₦'million	Minimum Share Capital	% Holding	Holdco Share
Bank	25,000	100%	25,000
Pension	5,000	88.24%	4,412
Asset Management	155	100%	155
Capital	400	100%	400
Trustees	300	100%	300
Stockbroking	300	100%	300
Insurance Brokers*	5	75%	4
Insurance	8,000	100%	8,000
Ventures	-	100%	-
Payments	100	100%	100
	39,260		**38,671**
Holdco Company (Share Capital and Reserves)			**125,236**
Surplus/(Deficit)			**86,565**

*Stanbic IBTC Holdings has 75% direct and 25% indirect shareholdings in Stanbic IBTC Insurance Brokers Limited.

Risk and capital management (continued)

The Group's capital management aims to facilitate the allocation and use of capital, such that it generates a return that appropriately compensates shareholders for the risks incurred. Capital is actively managed and forms a key component of the Group's budget and forecasting process. The capital plan is also tested under a range of stress scenarios as part of the Group's recovery plan and the Internal Capital Adequacy Assessment Process (ICAAP) for the bank. The ICAAP is an extensive internal assessment of the quality and robustness of the bank's governance, risk management, capital management and financial planning frameworks, and an assessment of the resilience of the bank's business model under stress. Monitoring and reporting of risks also occurs at the Group level to ensure compliance with Group standards.

The Group's capital management function is governed primarily by the Asset and Liability Committee (ALCO), a management level sub-committee that oversees the risks associated with capital management. It is also governed at the board level through the Board Risk Management Committee (BRMC). The principal governance document is the capital management framework.

The Group manages its capital levels to support business growth, maintain depositor and creditor confidence, create value for shareholders and ensure regulatory compliance.

Regulatory capital

The Central Bank of Nigeria (CBN) adopted the Basel III capital framework with effect from 01 November 2021. The Group and its banking subsidiary have established processes and necessary measures to ensure full compliance with the requirements of the Basel III capital framework since it was adopted.

Regulatory capital is divided into two tiers:

- Tier 1 capital which comprises Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1) capital.

  CET1 includes share capital, share premium, retained earnings and reserves created by appropriations of retained earnings. Deferred tax asset, intangible assets and total investment in subsidiaries are deductible in arriving at CET1 capital. AT1 capital is made up of perpetual non-cummulative preference shares, perpetual non-callable bonds and related instruments.

- Tier 2 capital which includes subordinated debts and other comprehensive income. 50% of total investment in subsidiaries is deductible in arriving at Tier 2 capital. Subordinated debt at the end of the year is described as follows:

  - Tier 2 capital which includes subordinated debt and other comprehensive income. The subordinated debt at the end of year is a USD denominated term subordinated non-collaterised facility of USD70 million obtained from Standard Bank of South Africa effective 05 February 2021. The facility expires on 05 February 2031 and is repayable at maturity. Interest on the facility is payable semi-annually at SOFR (Secured Overnight Financing Rate) plus 4.82%.

Total eligible Tier 2 Capital as at 31 December 2023 was ₦32.15 billion (December 2022: ₦19.64 billion).

Investment in unconsolidated subsidiaries and associates are deducted from Tier 1 and 2 capital to arrive at total regulatory capital.

Capital adequacy

The Group's capital adequacy is measured by both regulatory capital and economic capital. Economic capital measures and reports all quantifiable risks on a consistent risk-adjusted basis.

Regulatory capital adequacy is measured based on Pillar 1 of the Basel II capital framework. Capital adequacy ratio is calculated by dividing the capital held by total risk-weighted assets. Risk weighted assets comprise computed risk weights from credit, operational and market risks associated with the business of the Group. Notional risk weighted asset for market risk is calculated using the standardised approach while operational risk is determined using the basic indicator approach. Management monitors the capital adequacy ratio on a proactive basis.

Throughout the year under review, the banking subsidiary operated above its capital adequacy ratio risk appetite limit and well over the minimum regulatory capital adequacy ratio of 10% as mandated by CBN.

Leverage ratio

This is non-risk based capital measure introduced in the CBN Basel III guidelines to act as a supplementary measure to the risk-based capital requirements. The leverage ratio is calculated as capital measure divided by exposure measure and is expressed as a percentage. The capital measure is the Tier I capital of banks while the exposure measure comprises on-balance sheet exposures, derivatives, securities financing transactions and off-balance sheet exposures. Banks are required to maintain a minimum leverage ratio of 4% at all times.

Capital management - BASEL II regulatory capital

	Basel II	*Basel III - Adjusted for impact of IFRS 9 transitional adjustment	Basel II	**Basel II - Adjusted for impact of IFRS 9 transitional adjustment
	Group		Group	
Stanbic IBTC Group	31 Dec 2023 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2022 ₦'million
Tier I	474,052	481,400	375,809	368,506
Paid-up share capital	6,479	6,479	6,479	6,479
Share premium	102,780	102,780	102,780	102,780
General reserve (retained profit)	288,279	288,279	187,535	187,535
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEIS reserve	19,983	19,983	14,476	14,476
Statutory reserve	55,492	55,492	55,492	55,492
Other reserves	-	-	-	-
IFRS 9 Transitional Adjustment Relief	-	-	-	-
Non controlling interests	-	7,348	8,008	705
Less: regulatory deduction	6,120	6,120	16,265	16,265
Goodwill	-	-	-	-
Deferred tax assets	3,649	3,649	13,042	13,042
Other intangible assets	2,471	2,471	3,223	3,223
Current year losses	-	-	-	-
Under impairment	-	-	-	-
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-	-	-
Investment in the capital of banking and financial institutions	-	-	-	-
Investment in the capital of financial subsidiaries	-	-	-	-
Excess exposure(s) over single obligor without CBN approval	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same group	-	-	-	-
Eligible common equity Tier I capital	**467,932**	**475,280**	**359,544**	**352,241**

*Capital adequacy ratio stood at 19% under Basel II and Basel III guidelines. The Basel III guidelines were released on 02 September 2021 by the CBN to further strengthen the resilience of Nigerian banks by increasing the minimum requirement for high quality capital which can absorb losses on a going concern basis, and by requiring banks to build up additional capital buffers to cushion against future unexpected losses. The implementation of the Basel III guidelines commenced with a parallel run with the Basel II guidelines effective from November 2021.

Risk and capital management (continued)

Capital management - BASEL II regulatory capital (Group continued)

	Basel II	*Basel III - Adjusted for impact of IFRS 9 transitional adjustment	Basel II	**Basel II - Adjusted for impact of IFRS 9 transitional adjustment
	Group		Group	
Stanbic IBTC Group	31 Dec 2023 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2022 ₦'million
Additional Tier I captial				
Instruments issued by consolidated subsidiaries and held by third parties	42	42	-	34
Eligible Tier I capital	**467,974**	**475,322**	**359,544**	**352,275**
	80,319	80,319	22,154	22,154
Hybrid (debt/equity) capital instruments	208	208	-	-
Subordinated term debt	69,348	69,348	19,071	19,071
Other comprehensive income (OCI)	10,763	10,763	3,083	3,083
Less: regulatory deduction	-	-	-	-
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-	-	-
Investment in the capital of banking and financial institutions	-	-	-	-
Investment in the capital of financial subsidiaries	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same Group	-	-	-	-
Eligible Tier II capital	**80,319**	**80,319**	**22,154**	**22,154**
Total regulatory capital	**548,251**	**555,599**	**381,698**	**374,395**
Risk weighted assets:				
Credit risk	2,461,312	2,461,312	1,417,470	1,417,470
Operational risk	381,317	381,317	348,878	348,878
Market risk	46,755	46,755	35,576	35,576
Total risk weighted assets	**2,889,384**	**2,889,384**	**1,801,924**	**1,801,924**
Total capital adequacy ratio	**19.0%**	**19.2%**	**21.2%**	**20.8%**
Tier I capital adequacy ratio	**16.2%**	**16.5%**	**20.0%**	**19.5%**
Common Equity Tier I capital adequacy ratio	**16.2%**	**16.4%**	**20.0%**	**19.5%**
Leverage:				
Total exposure measure	N/A	475,322	N/A	352,274
Capital measure	N/A	5,622,943	N/A	3,182,737
Leverage ratio	N/A	8.5%	N/A	11.1%

*Capital adequacy ratio stood at 19% under Basel II and Basel III guidelines. The Basel III guidelines were released on 02 September 2021 by the CBN to further strengthen the resilience of Nigerian banks by increasing the minimum requirement for high quality capital which can absorb losses on a going concern basis, and by requiring banks to build up additional capital buffers to cushion against future unexpected losses. The implementation of the Basel III guidelines commenced with a parallel run with the Basel II guidelines effective from November 2021.

Capital management - BASEL II regulatory capital

	Basel II	*Basel III - Adjusted for impact of IFRS 9 transitional adjustment	Basel II	**Basel II - Adjusted for impact of IFRS 9 transitional adjustment
Stanbic IBTC Bank Limited	31 Dec 2023 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2022 ₦'million
Tier I	350,005	350,005	257,726	257,726
Paid-up share capital	20,000	20,000	1,875	1,875
Share premium	42,469	42,469	42,469	42,469
General reserve (Retained Profit)	186,656	186,656	134,532	134,532
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEEIS reserve	19,983	19,983	14,476	14,476
Statutory reserve	79,858	79,858	63,335	63,335
Other reserves	-	-	-	-
IFRS 9 Transitional Adjustment Relief	-	-	-	-
Non controlling interests	-	-	-	-
Less: regulatory deduction	5,984	5,984	15,575	15,575
Goodwill	-	-	-	-
Deferred tax assets	3,542	3,542	12,368	12,368
Other intangible assets	2,442	2,442	3,207	3,207
Investment in the capital of financial subsidiaries	-	-	-	-
Excess exposure(s) over single obligor without CBN approval	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same Group	-	-	-	-
Unsecured lending to subsidiaries within the same Group	-	-	-	-
Eligible Tier I capital	**344,021**	**344,021**	**242,151**	**242,151**

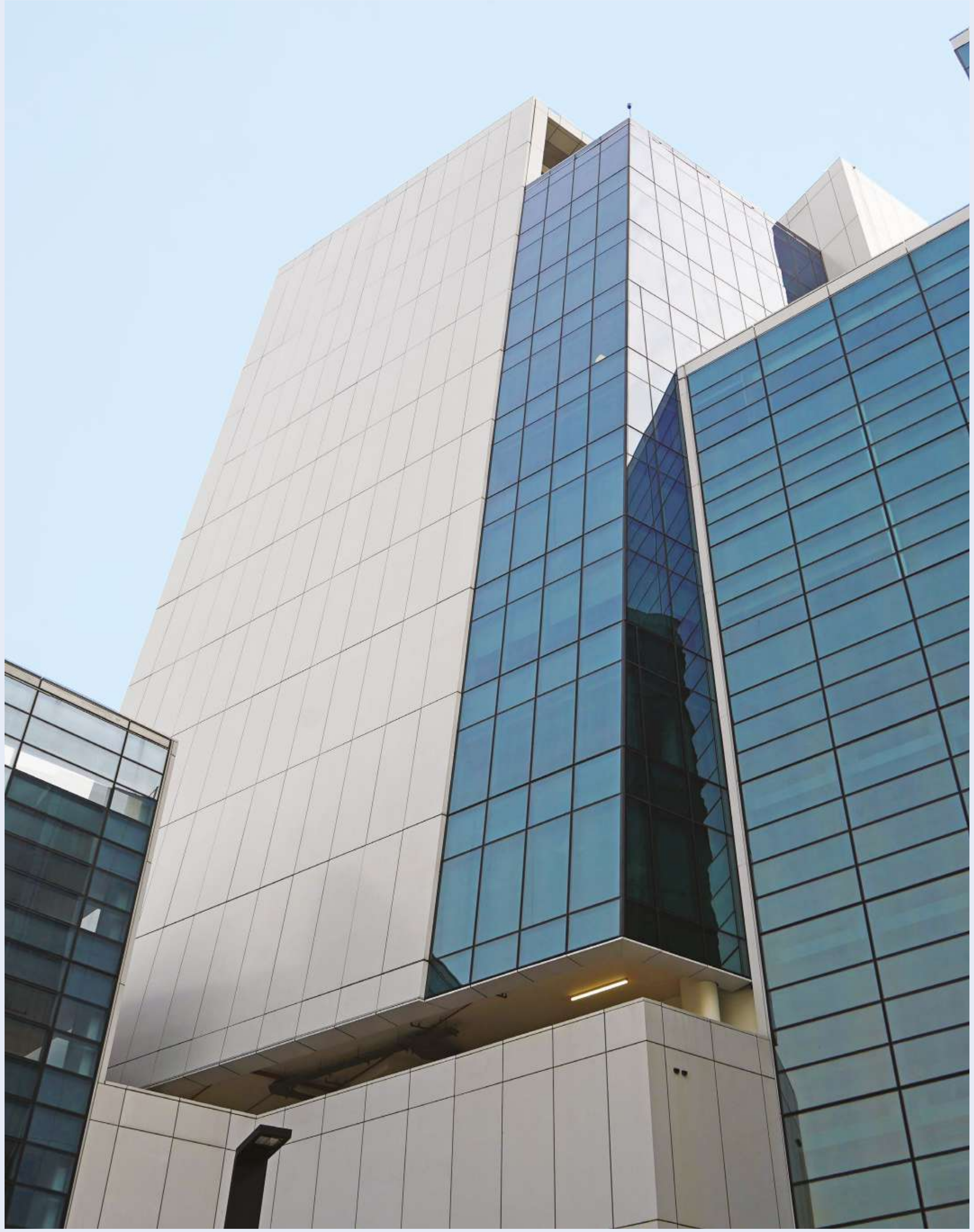
*Capital adequacy ratio stood at 19% under Basel II and Basel III guidelines. The Basel III guidelines were released on 02 September 2021 by the CBN to further strengthen the resilience of Nigerian banks by increasing the minimum requirement for high quality capital which can absorb losses on a going concern basis, and by requiring banks to build up additional capital buffers to cushion against future unexpected losses. The implementation of the Basel III guidelines commenced with a parallel run with the Basel II guidelines effective from November 2021.

Risk and capital management (continued)

Capital management - BASEL II regulatory capital (Bank continued)

	Basel II	*Basel III - Adjusted for impact of IFRS 9 transitional adjustment	Basel II	**Basel II - Adjusted for impact of IFRS 9 transitional adjustment
Stanbic IBTC Bank Limited	31 Dec 2023 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2022 ₦'million
Tier II	76,331	76,331	19,641	19,641
Hybrid (debt/equity) capital instruments	-	-	-	-
Subordinated term debt	69,348	69,348	19,641	19,641
Other comprehensive income (OCI)	6,983	6,983	-	-
	-	-	-	-
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-	-	-
Investment in the capital of banking and financial institutions	-	-	-	-
Investment in the capital of financial subsidiaries	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same group	-	-	-	-
Eligible Tier II capital	76,331	76,331	19,641	19,641
Total regulatory capital	**420,352**	**420,352**	**261,792**	**261,792**
Risk weighted assets:				
Credit risk	2,345,409	2,341,287	1,276,363	1,276,363
Operational risk	259,174	259,174	237,015	237,015
Market risk	32,952	32,952	31,739	31,739
Total risk weighted assets	**2,637,535**	**2,633,413**	**1,545,117**	**1,545,117**
Total capital adequacy ratio	**15.9%**	**16.0%**	**16.9%**	**16.9%**
Tier I capital adequacy ratio	**13.0%**	**13.1%**	**15.7%**	**15.7%**
Common Equity Tier I capital adequacy ratio	**13.0%**	**13.1%**	**15.7%**	**15.7%**
Leverage:				
Capital measure	N/A	344,021	N/A	242,150
Total exposure measure	N/A	5,453,587	N/A	3,008,993
Leverage ratio	N/A	6.3%	N/A	8.0%

*Capital adequacy ratio stood at 19% under Basel II and Basel III guidelines. The Basel III guidelines were released on 02 September 2021 by the CBN to further strengthen the resilience of Nigerian banks by increasing the minimum requirement for high quality capital which can absorb losses on a going concern basis, and by requiring banks to build up additional capital buffers to cushion against future unexpected losses. The implementation of the Basel III guidelines commenced with a parallel run with the Basel II guidelines effective from November 2021.



GROWING FUTURE

3

Annual report and financial statements

Directors' report

The Directors present their annual report on the affairs of Stanbic IBTC Holdings PLC ("the Company") and its subsidiaries (together "the Group"), together with the consolidated and separate financial statements and auditor's report for the year ended 31 December 2023.

a. Legal form

The company was incorporated in Nigeria under the Companies and Allied Matters Act (CAMA) as a public limited liability company on 14 March 2012. The company's shares were listed on 23 November 2012 on the floor of The Nigerian Exchange Group (NGX).

b. Principal activity and business review

The principal activity of the company is to carry on business as a financial holding company, to invest and hold controlling shares, in as well as manage equity in its subsidiary companies.

The company has ten direct subsidiaries, namely: Stanbic IBTC Bank Limited, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Asset Management Limited, Stanbic IBTC Capital Limited, Stanbic IBTC Insurance Limited, Stanbic IBTC Stockbrokers Limited, Stanbic IBTC Ventures Limited, Stanbic IBTC Insurance Brokers Limited, Stanbic IBTC Trustees Limited, Zest Payments Limited (formerly Stanbic IBTC Financial Services Limited) and one indirect subsidiary, namely: Stanbic IBTC Nominees Limited.

The Company prepares consolidated financial statements, which includes separate financial statements of the Company.

c. Operating results and dividends

Profit before tax increased by 72.44% and profit after tax increased by 74.18% for the year ended 31 December 2023. The directors' recommended the approval of a final dividend of 220 kobo per share (31 December 2022: 200 kobo per share) for the year ended 31 December 2023.

Highlights of the Group's and company's operating results for the year under review are as follows:

	31 Dec 2023 Group ₦'million	31 Dec 2022 Group ₦'million	31 Dec 2023 Company ₦'million	31 Dec 2022 Company ₦'million
Gross earnings	461,086	284,877	57,589	57,041
Profit before tax	172,907	100,268	47,680	50,705
Income tax	(32,290)	(19,535)	(60)	(10)
Profit after tax	140,617	80,733	47,620	50,695
Non controlling interest	(3,035)	(2,691)	-	-
Profit attributable to equity holders of the parent	137,582	78,042	47,620	50,695
Dividend proposed/ paid (final)	28,505	25,914	28,505	25,914
Dividend proposed/ paid (Interim)	19,436	19,436	19,436	19,436
Total Dividend	47,941	45,350	47,941	45,350

d. Directors interest in contracts

The Company currently has some Technical and management service agreements with its subsidiaries, which covers the provision of shared services to the subsidiaries in line with CBN Regulation for Holding Companies. These services are provided at arm's length and appropriate fees charged in line with best practice.

e. Property and equipment

Information relating to changes in property and equipment is given in Note 18 to the financial statements. In the Directors' opinion the disclosures regarding the Group's properties are in line with the related statement of accounting policy of the Group.

f. Shareholding analysis

The shareholding pattern of the company as at 31 Dec 2023 is as stated below:

Share range	No. of shareholders	Percentage of shareholders	No. of holding	Percentage holdings
1 - 1,000	40,499	42.74	23,320,256	0.18
1,001 - 5,000	35,504	37.47	82,031,235	0.63
5,001 - 10,000	8,986	9.48	62,516,055	0.48
10,001 - 50,000	7,569	7.99	157,174,207	1.21
50,001 - 100,000	1,073	1.13	74,510,478	0.58
100,001 - 500,000	840	0.89	167,003,231	1.29
500,001 - 1,000,000	108	0.11	74,443,657	0.57
1,000,001 - 5,000,000	95	0.10	213,263,866	1.65
5,000,001 - 10,000,000	16	0.02	116,029,828	0.90
10,000,001 - 50,000,000	38	0.04	877,040,433	6.77
50,000,001 - 100,000,000	11	0.01	819,435,257	6.32
100,000,001 - 12,956,997,163	9	0.01	10,290,228,660	79.42
Grand Total	**94,748**	**100**	**12,956,997,163**	**100**
Foreign shareholders	216		8,876,440,618	68.51%

g. Substantial interest in shares

According to the register of members as at 31 December 2023, no shareholder held more than 5% of the issued share capital of the company except the following:

- Stanbic Africa Holdings Limited (SAHL) 67.55%

Directors' report (continued)

Free float analysis

Share Price as at end of reporting period: ₦69.65 (December 2022: ₦33.45)

	December 2023		December 2022	
	Units	Percentage (In relation to Issued share capital)	Units	Percentage (In relation to Issued share capital)
Issued share capital	12,956,997,163	100.00%	12,956,997,163	100.00%

g. **Substantial interest in shares** (continued)

Details of substantial shareholdings (5% and above)

	December 2023		December 2022	
Shareholder	No of shares held	Percentage shareholding	No of shares held	Percentage shareholding
Stanbic Africa Holdings Limited (SAHL)	8,752,863,865	67.55%	8,752,863,865	67.55%
Total Substantial Shareholdings	**8,752,863,865**	**67.55%**	**8,752,863,865**	**67.55%**

Details of Directors shareholdings (direct and indirect), excluding Directors holding substantial interests

	December 2023		December 2022	
Directors	No of shares held	Percentage shareholding	No of shares held	Percentage shareholding
Ifeoma Esiri	40,385,894 (Direct) 3,111,115 (Indirect)	0.31% + 0.02%	40,385,894 (Direct) 3,111,115 (Indirect)	0.31% + 0.02%
Ballama Manu	519,464	0.004%	519,464	0.004%
Demola Sogunle	4,939,057 (Indirect)	0.04%	3,417,940 (Indirect)	0.03%
Kunle Adedeji	116,666 (Direct)	0.00%	116,666 (Direct)	0.00%
Sola David-Borha	-	-	615,812	0.01%
Total Directors' Shareholdings	**49,072,196**	**0.37%**	**48,166,891**	**0.36%**

Details of other influential shareholdings, if any (for example Government, Promoters)

	December 2023		December 2022	
Directors	No of shares held	Percentage shareholding	No of shares held	Percentage shareholding
SITL The First ANAP Domestic Trust	150,000,000	1.16%	150,000,000	1.16%
Total of other influential shareholdings	150,000,000	1.16%	150,000,000	1.16%
Free float in unit and percentage	4,005,061,102	30.92%	4,005,966,407	30.93%
Free Float in Value	₦ 278,952,505,754.30		₦ 133,999,576,314.00	

Stanbic IBTC Holdings PLC with a free float percentage of 30.92% as at 31 December, 2023, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

Stanbic IBTC Holdings PLC with a free float value of ₦278,952,505,754.30 as at 31 December, 2023, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

h. **Share capital history**

	Issued and fully paid up (₦'000)		Number of shares (Issued and fully paid up) ₦'000	
Year	Increase	Cumulative	Increase	Cumulative
2012	5,000,000	5,000,000	10,000,000	10,000,000
2015	-	5,000,000	-	10,000,000
2017	24,733	5,024,733	49,466	10,049,466
2018	32,104	5,056,837	64,208	10,113,674
2018	63,439	5,120,276	126,878	10,240,552
2019	116,450	5,236,726	232,900	10,473,452
2019	15,758	5,252,484	31,516	10,504,968
2020	300,515	5,552,999	601,030	11,105,998
2021	-	5,552,999	1,851,000	12,956,998

Directors' report (continued)

i. Dividend history and unclaimed dividend as at 31 December 2023

Period end	Dividend type	Total dividend amount declared*	Dividend per share	Net dividend amount unclaimed as at 31 December 2021	Percentage unclaimed
		₦		₦	%
2005	Final	2,170,298,271	20 kobo	3,693,332	0.17
2006	Final	2,170,297,800	20 kobo	48,152,001	2.22
2007	Interim	3,375,000,000	30 kobo	612,284	0.02
2007	Final	4,218,750,000	25 kobo	3,150,000	0.07
2008	Final	6,750,000,000	40 kobo	236,320,519	3.50
2009	Final	5,062,500,000	30 kobo	247,711,548	4.89
2010	Final	3,240,215,108	39 kobo	176,530,928	5.45
2011	Interim	1,687,500,000	10 kobo	21,456,051	1.27
2012	Final	900,570,889	10 kobo	15,171,000	1.68
2013	Interim	6,304,041,033	70 kobo	126,842,614	2.01
2013	Final	901,992,337	10 kobo	19,362,138	2.15
2014	Interim	9,920,077,516	110 kobo	210,573,559	2.12
2014	Final	1,352,701,559	15 kobo	29,547,786	2.18
2015	Interim	8,235,882,607	90 kobo	189,616,679	2.30
2015	Final	210,646,919	5 kobo	12,091,266	5.74
2016	Final	210,646,919	6 kobo	12,236,032	5.81
2017	Interim	1,494,304,738	60 kobo	139,905,493	9.36
2017	Final	1,712,614,735	50 kobo	148,956,734	8.70
2018	Interim	2,767,915,163	100 kobo	292,485,895	10.57
2018	Final	3,827,994,326	150 kobo	448,883,474	11.73
2019	Interim	2,197,589,117	100 kobo	296,519,164	13.49
2019	Final	4,355,729,540	200 kobo	593,140,548	13.62
2020	Interim	1,318,592,879	40 kobo	115,769,383	8.78
2020	Final	11,866,653,152	360 kobo	1,062,787,856	8.96
2021	Interim	3,836,172,701	100 kobo	341,966,474	8.91
2021	Final	7,576,439,936	200 kobo	677,913,120	8.95
2022	Interim	5,747,733,035	150 kobo	508,732,731	8.85
2022	Final**	7,655,714,470	200 kobo		
2023	Interim**	5,729,853,904	150 kobo	**5,980,128,610**	

* Amounts represent cash dividend paid to third parties less of withholding tax

** These amounts have not been returned to the Company as unclaimed as at end of the year.

j. Dividend history and unclaimed dividend as at 31 December 2023 (continued)

The total unclaimed dividend fund as at 31 December 2023 amounted to ₦1,065 million (Dec. 2022: ₦4,115 million) held in an investment account (money market mutual fund) managed by Stanbic IBTC Asset Management Limited. Total income earned on the investment account and recognised by the company for the year ended 31 December 2023 was ₦68 million (December 2022: ₦38 million)

k. Donations and charitable gifts

The Group and Company made contributions to charitable and non – political organisations amounting to ₦794.26 million and ₦790.12 million respectively (December 2022: Group - ₦311.91 million; Company - ₦114.8 million) during the year.

		Group	Company
		₦	₦
1	Together4Alimb prothesis fitting and treatment	303,867,489.40	303,867,489.40
2	Adopt A School Project - Borno, Akwalbom, Ekiti and Sokoto States	176,710,425.00	176,710,425.00
3	Nationwide tree planting campaign	130,000,000.00	130,000,000.00
4	Rehabilitation Ozumba Mbadiwe Median	52,478,000.00	52,478,000.00
5	Renovation of three classrooms, a laboratory, an examination hall and two staff offices to enhance the learning activities for the pupils in this community at the Day Secondary School, Fate Ilorin	12,331,072.81	12,331,072.81
6	Installation of solar panels and refurbishing of science lab at the Government Science School in Eggo Local Government, Nasarawa State	10,314,934.26	10,314,934.26
7	Malaria day outreach	8,360,220.00	8,360,220.00
8	Donations of medical equipment at Specialist Hospital Yola, Adamawa State	8,262,927.19	8,262,927.19
9	Construction of a solar powered borehole, and Installation of concrete sitting slabs at the Primary Health Centre at Waziri Umaru Federal Polytechnic, Kebbi	7,484,110.00	6,906,109.84
10	Replacement of dilapidated roofs, donation of Chalk boards, classroom furniture at Rumuokwurushi, community secondary school, Port Harcourt	7,124,720.07	7,124,720.07
11	Renovation and furnishing of a block of five classrooms in community secondary school Orogwe Imo state	6,679,581.00	6,679,581.00
12	Planting of 2,200 trees at Afikpo Local Government Area, Ebonyi State	5,045,258.05	5,045,258.05
13	Renovation of maternity ward at Adewole Cottage Hospital and the hospital environment	5,000,000.00	5,000,000.00
14	Renovation of maternity ward and donation of medical equipment at Mangu General Hospital, Plateau state	5,000,000.00	5,000,000.00
15	Renovation of Women and Children Welfare Clinic Kwata and supply of some medical equipment to both Women and Childiren Welfare Clinic Kwata and Kotorkoshi PHC	5,000,000.00	5,000,000.00
16	Renovation, drilling of borehole and donation of beds to the Orolodo Primary Health Care Center, Orolodo, Omu-Aran, Kwara State	3,911,125.00	3,911,125.00
17	Renovation of one block of classrooms and equipping of laboratory at Ishiagu High School, Ishiagu, Ebonyi State	3,904,750.00	3,904,750.00
18	Renovation of two blocks with seven classrooms, reconstruction of four public conveniences, purchase of school uniform, tricycles and training materials at the Zamfara State School of special education	3,745,800.50	3,745,800.50
19	Renovation of classrooms, construction of borehole and donation of wheelchairs at the Inclusive secondary school berea Nwofe Agbaga Izzi LGA Ebonyi state	3,507,660.00	3,507,660.00
20	Renovation of a six-classroom block at Government Secondary School Rumueme, Port Harcourt, Rivers state	3,414,537.16	3,414,537.16
21	Renovation of three blocks of classrooms at Danialu Primary School, Ilorin, Kwara State	3,355,225.00	3,355,225.00

Directors' report (continued)

k. Donations and charitable gifts (continued)

		Group ₦	Company ₦
22	Blue Women Network CSI Project 2023 (breast and cervical cancer screenings for women of reproductive age in Kaduna and Jigawa States, coding classes for female secondary students in Kwara)	2,709,999.86	1,812,062.54
23	Construction of a 180 metres motorised borehole and installation of 10,000-litre water storage tank at the Niger State School of Special Education, Bosso, Minna, Niger State	2,683,750.00	2,683,750.00
24	Borehole construction at Tudu Wada Community Market, Gusau, Zamfara State	2,336,800.00	2,336,800.00
25	Renovation and solar power intervention at Ngwa Motherless Babies Home, Abia	2,258,550.00	2,258,550.00
26	Purchase of "2,000 copies of ABC of Taxation"	2,064,000.00	2,064,000.00
27	Renovation of the students' library at the Government Technical College, Rumukoro, Port Harcourt, Rivers State	2,021,425.00	2,021,425.00
28	Social impact donation	2,000,000.00	2,000,000.00
29	Drilling and installation of a motorised borehole and overhead tank (3,000-litre PVC tank on 6 metre high stanchion) for Gurra Top PHC,Plateau	1,716,735.44	1,716,735.44
30	Donation of a cardiac monitor and hospital supplies to the Mushin General Hospital, Lagos State	1,580,000.00	1,580,000.00
31	Educational empowerment of senior secondary school students in Ekiti State in collaboration with Hopes Alive Initiative	1,500,000.00	1,500,000.00
32	Emotional and skills empowerment facilitation at kurba community primary school project	1,500,000.00	1,500,000.00
33	Donation to human developlment initiatives for the procurment of feminine care packages for women living with disability	1,000,000.00	1,000,000.00
34	The Rose of Sharon Foundation donation	1,000,000.00	1,000,000.00
35	2023 Lagos Free Zone Science Challenge	1,000,000.00	
36	Donation to host communitites in Rivers State	1,000,000.00	
37	Donation of two HP laptops, anti virus software and harddrive to the department of Geography, University of Ibadan	767,000.00	767,000.00
38	Purchase of HP LaserJet Pro M404dw printer for human resource management Directorate of the University of Lagos	656,287.50	-
39	Facelift and Food Supply to the Akpodim Rehabilitation Centre for the Disabled, Eziniihite, Mbaise, Imo State	594,334.95	594,334.95
40	Fabrication of children's beds, supply of mattress, a wheelchair and household items Port Harcourt Orphanage	369,350.00	369,350.00
	Total	**794,256,068.19**	**790,123,843.21**

l. Events after the reporting date

There were no events after the reporting date which could have a material effect on the financial position of the Group as at 31 December 2023 which have not been recognised or disclosed.

m. Human resources

Employment of physically challenged

The company continues to maintain a policy of giving fair consideration to applications for employment made by physically challenged persons with due regard to their abilities and aptitude. The company's policy prohibits discrimination against physically challenged persons or persons with HIV in the recruitment, training and career development of its employees. In the event of members of staff becoming physically challenged, efforts will be made to ensure that, as far as possible, their employment with company continues and appropriate training is arranged to ensure that they fit into the company's working environment.

Health safety and welfare at work

The company enforces strict health and safety rules and practices at the work environment which are reviewed and tested regularly. The company's staff are covered under a comprehensive health insurance scheme pursuant to which the medical expenses of staff and their immediate family are covered up to a defined limit. Fire prevention and firefighting equipment are installed in strategic locations within the company's premises.

The company has both Group Personal Accident and Workmen's Compensation Insurance cover for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2014.

n. Employee involvement and training

The company ensures, through various fora, that employees are kept informed on matters concerning them. Formal and informal channels are employed for communication with employees with an appropriate two – way feedback mechanism. In accordance with the company's policy of continuous staff development, training facilities are provided in the Group's well equipped Training School (the Blue Academy). Employees of the Company attend training programmes organised by the Standard Bank Group (SBG) in South Africa and elsewhere and participate in programmes at the Standard Bank Global Leadership centre in South Africa. The company also provides its employees with on the job training in the company and at various Standard Bank locations.

Directors' report (continued)

o. Credit ratings

The revised prudential guidelines, as released by the CBN, requires that banks should have themselves credit rated by a credit rating agency on a regular basis. It is also required that the credit rating be updated on a continuous basis from year to year.

Below are the credit ratings that Stanbic IBTC Group has been assigned by the various credit rating agencies, in no particular order:

Rating agency	Rated Entity	Report Date	National		Issuer		Outlook
			Long term	Short term	Long term	Short term	
Fitch	Stanbic IBTC Bank	June 2023	AAA(nga)	F1+(nga)	-	-	Stable
	Stanbic IBTC Holdings	June 2023	AAA(nga)	F1+(nga)	-	-	Stable
Standard and Poor's	Stanbic IBTC Bank	August 2023	ngBBB	ngA-2	B-	B	Stable
Global Credit Rating	Stanbic IBTC Bank	May 2023	AAA(NG)	A1+(NG)	-	-	Stable

p. Auditor

The auditors, Messrs.PricewaterhouseCoopers Nigeria, being eligible will be re-appointed as External Auditors for 2024 subject to Shareholders approval at the next Annual General Meeting.

Signed on behalf of the Board

Chidi Okezie
Company Secretary
FRC/2013/NBA/00000001082
02 February 2024

Statement of Directors' responsibilities in relation to the financial statements

The Directors accept responsibility for the preparation of the consolidated and separate annual financial statements that give a true and fair view in accordance with International Financial Repoting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act, 2011 and the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

Signed on behalf of the Directors by:

Basil Omiyi
Chairman
FRC/2016/IODN/00000014093
02 February 2024

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
02 February 2024

Corporate governance report

Introduction

The company is a member of the Standard Bank Group, which holds a 67.55% equity holding (through Stanbic Africa Holdings Limited) in the company.

Standard Bank Group ("SBG") is committed to implementing initiatives that will improve corporate governance for the benefit of all stakeholders. SBG's board of Directors remains steadfast in implementing governance practices that comply with international best practice, where substance prevails over form.

Subsidiary entities within SBG are guided by these principles in establishing their respective governance frameworks, which are aligned to SBG's standards in addition to meeting the relevant jurisdictional requirements in their areas of operation.

Stanbic IBTC Holdings PLC ("the company"), and its subsidiaries ("the Group"), as a member of SBG, operate under a governance framework which enables the board to balance its role of providing oversight and strategic counsel with its responsibility to ensure conformance with regulatory requirements, Group standards and acceptable risk tolerance parameters.

The direct subsidiaries of the company are: Stanbic IBTC Bank Limited, Stanbic IBTC Asset Management Limited, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Insurance Brokers Limited, Stanbic IBTC Trustees Limited, Stanbic IBTC Stockbrokers Limited, Stanbic IBTC Ventures Limited, Stanbic IBTC Insurance Limited, Zest Payments Limited and Stanbic IBTC Capital Limited and these subisidiaries have their own distinct boards and take account of the particular statutory and regulatory requirements of the businesses they operate. These subsidiaries operate under a governance framework that enables their boards to balance their roles in providing oversight and strategic counsel with their responsibility for ensuring compliance with the regulatory requirements that apply in their areas of operation and the standards and acceptable risk tolerance parameters adopted by the company. In this regard they have aligned their respective governance frameworks to that of the company. As Stanbic IBTC Holdings PLC is the holding company for the subsidiaries in the Group, the company's board also acts as the Group board, with oversight of the full activities of the Group.

A number of committees have been established by the company's board that assist the board in fulfilling its stated objectives. The committees' roles and responsibilities are set out in their mandates, which are reviewed periodically to ensure they remain relevant. The mandates set out their roles, responsibilities, scope of authority, composition and procedures for reporting to the board.

Codes and regulations

The company operates in highly regulated markets and compliance with applicable legislations, regulations, standards and codes, including transparency and accountability, remain an essential characteristic of its culture. The board monitors compliance with these by means of management reports, which include information on the outcome of any significant interaction with key stakeholders such as regulators.

The Group complies with all applicable legislations, regulations, standards and codes.

Shareholders' responsibilities

The shareholders' role is to approve appointments to the board of Directors and the external auditors as well as to grant approval for certain corporate actions that are by legislations or the company's articles of association specifically reserved for shareholders. Their role is extended to holding the board accountable and responsible for efficient and effective corporate governance.

Developments during the year ended 31 December 2023

During the year under review, the following developments in the company's corporate governance practices occurred:

- The Company held its 11th Annual General Meeting on Thursday, 25 May 2023 at which shareholders approved the 2022 Audited Financial Statements as well as other resolutions tabled before the meeting.
- At the same meeting, shareholders approved a final dividend of ₦2.00 per ordinary share of ₦0.50kobo each payable to shareholders whose names were in the Register of Members as at 03 April 2023.
- The company filed its annual corporate governance report to the Financial Reporting Council (FRC) in compliance with the Nigerian Code of Corporate Governance 2018.
- The Company made significant progress in the execution of its Sustainability Strategy.
- The Company's Board Strategy Session was held on 27 July 2023 in accordance with regulatory and corporate Governance Best Practice Requirements.
- Ms. Ngozi Edozien retired as an Independent Non-Executive Director on 24 March 2023 following the completion of her regulatory prescribed tenure. Mrs Ndidi Nwuneli MFR was appointed as her replacement following the receipt of all required regulatory approvals.
- Mr Barend Kruger resigned as a Non-Executive Director on the Board of the Company with effect from 30 June 2023 and Mr. Yinka Sanni was appointed as his replacement followng the receipt of all required regulatory approvals.
- Mr Yinka Sanni resigned as a Non-Executive Director on the Board of the Company with effect from 31 October 2023 in compliance with regulatory requirements.
- Following the receipt of all required regulatory and shareholders' approvals, the re-registration of the banking subsidiary from a public company limited by shares to a private company limited by shares became effective from 26 October 2023.

Internal Control over Financial Reporting (ICFR) regulation implementation

- The Securities and Exchange Commission issued the 'Guidance on the Implementation of Sections 60-63 of The Investments And Securities Act 2007' in March 2021.
- The objective of the SEC guidance issued in March 2021 is to assist management to certify the accuracy of the financial statements prepared as stated in section 60 (2) by submitting on an annual basis, a report of management's assessment of the company's internal control over financial reporting.
- The Group engaged the firm of Deloitte and Touche for the project implementation and worked with the Consultant to complete the assessments and put in remedial controls 90 days before the end of the reporting period as required by the regulations.

Internal Control Over Financal Reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Management is responsible for maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS). Section 61(2) of the Investments and Securities Act 2007 requires management to annually evaluate whether ICFR is effective at providing reasonable assurance and to disclose its assessment to investors.

Corporate governance report (continued)

Stanbic IBTC Bank Holdings PLC performed an internal assessment of its Internal Control over Financial Reporting (ICoFR) readiness and compliance, aligning with the recently released ISA 60-63 guideline for public companies. The primary aim was to ensure that the management of Stanbic IBTC Holdings PLC had designed, established, and maintained sufficient internal controls to mitigate financial risks with potential material impact on the financial statement. This assessment adhered to the Committee of Sponsoring Organisations (COSO) of the Treadway and Control Objectives for Information and Related Technologies (COBIT) framework.

In assessing the effectiveness of existing internal controls over financial reporting risks across Stanbic IBTC Group, management reviewed transactions and activities that occurred between the period of January to December 2023 which involved:

- Conducting a qualitative and quantitative risk assessment to determine the materiality of the financial statement line items that would be scoped for the review.
- Updating the Risk and Control Matrix which are mapped to relevant financial statement assertions to identify gaps in the design or implementation of controls put in place by management.
- Assessing the design and effectiveness of controls put in place by management at the entity-level, and business process-level.
- Assessing the information technology general controls for all systems that support Stanbic IBTC group financial reporting.
- Developing and tracking remediation plans to address deficiencies identified around the controls tested.

The entity level control of the company was assessed and benchmarked against the COSO control framework which consists of five components. Below is the summary of the entity level control assessment performed:

- **The control environment** was assessed to ascertain Stanbic IBTC's commitment to integrity and ethical values, the independence and oversight exercised by the board of directors, the establishment of structures and reporting lines, the commitment to attract and retain competent individuals, and the accountability of individuals for their internal control responsibilities.
- **The risk assessment** evaluated how management identifies and analyses risks across the entity, its consideration of fraud potential, and the identification and assessment of changes that may impact the internal control system.
- **Control activities** were assessed based on the selection and development of activities for risk mitigation, general control activities over technology, and the deployment of control activities through policies and procedures.
- **The information and communication** component assessed how the organisation communicates relevant information both internal and external on matters affecting internal control.
- **Monitoring activities** were evaluated to ensure the presence and functioning of internal control components, as well as the timely evaluation and communication of internal control deficiencies to responsible parties within the organisation.

In conclusion, Stanbic IBTC Group maintained, in all material respects, effective internal control over financial reporting as of 31 December 2023, with no significant deficiencies identified.

The Group intends going into 2024 to:

- continue the focus on directors' training via formal training sessions and information dissemination on relevant issues that they should have, to adequatly supervise Management.
- focus on broadening the composition of the board by appointing an additional independent non- executive director, to ensure diversity of experience and gender on the Board in line with the CBN Code of Corporate Governance and the Companies and Allied Matters Act 2020.
- continue to enhance the level of information provided to and interaction with shareholders, investors and stakeholders generally.
- Compliance with corporate governance and regulatory requirements.

Board and Directors

Board structure and composition

Ultimate responsibility for governance rests with the board of Directors of the company, who ensure that appropriate controls, systems and practices are in place. The company has a unitary board structure and the roles of chairman and chief executive are separate and distinct. The company's chairman is a non-executive director. The number and stature of non-executive Directors ensure that sufficient consideration and debate are brought to bear on decision thereby contributing to the efficient running of the board.

One of the features of the manner in which the board operates is the role played by board committees, which facilitate the discharge of board responsibilities. The committees each have a board approved mandate that is regularly reviewed. The list of Board members as at 31 December 2023 are as follows:

Name of Director	Designation	CBN Approval	Cumulative Years of Service as at 31 December 2023
Basil Omiyi CON	Chairman	25-Mar-15	8 years, 9 months
Demola Sogunle	Chief Executive	01-Jul-20	3 years, 5 months
Kunle Adedeji	Executive Director	22-Feb-19	4 years , 10 months
Ballama Manu MFR	Non-Executive Director	10-Apr-15	8 years, 8 months
Salamatu Suleiman	Independent Non-Executive Director	26-Jul-16	7 years, 5 months
Ndidi Nwuneli MFR	Independent Non-Executive Director	24-Mar-23	Less than 1 year
Ifeoma Esiri	Non-Executive Director	01-Nov-12	11 Years, 1 month
Fabian Ajogwu SAN OFR	Non-Executive Director	03-Jul-17	6 Years , 5 months
Nkemdilim Uwaje	Non-Executive Director	18-Nov-19	4 Years, 1 month
Sola David-Borha	Non-Executive Director	26-Sep-20	3 years, 3 months
Babs Omotowa	Independent Non-Executive Director	18-Nov-22	1 Year, 1 month

Strategy

The board considers and approves the company's strategy. Once the financial and governance objectives for the following year have been agreed, the board monitors performance against financial objectives and detailed budgets on an on-going basis, through quarterly reporting.

Regular interaction between the board and the executive is encouraged. Management is invited, as required, to make presentations to the board on material issues under consideration.

Directors are provided with unrestricted access to the company's management and company information, as well as the resources required to carry out their responsibilities, including external legal advice, at the company's expense.

It is the board's responsibility to ensure that effective management is in place to implement the agreed strategy, and to consider issues relating to succession planning. The board is satisfied that the current pool of talent available within the company, and the ongoing work to deepen the talent pool, provides adequate succession depth in both the short and long term.

Corporate governance report (continued)

Skills, knowledge, experience and attributes of Directors

The board ensures that Directors possess the skills, knowledge and experience necessary to fulfill their obligations. The Directors bring a balanced mix of attributes to the board, including:

- international and domestic experience;
- operational experience; understanding of both the macroeconomic and the microeconomic factors affecting the Group;
- local knowledge and networks; and
- financial, legal, entrepreneurial and banking skills.

The credentials and demographic profile of the board are regularly reviewed, to ensure the board's composition remains both operationally and strategically appropriate.

Appointment philosophy

The appointment philosophy ensures alignment with all necessary legislation and regulations which includes, but are not limited to the requirements of the Central Bank of Nigeria; Securities and Exchange Commission Code of Corporate Governance, Nigerian Code of Corporate Governance ; the Companies and Allied Matters Act as well as the legislations of Standard Bank Group's home country.

Consideration for the appointment of Directors and key executives take into account compliance with legal and regulatory requirements and appointments to external boards to monitor potential for conflicts of interest and ensure Directors can dedicate sufficient focus to the company's business. The board takes cognisance of the skills, knowledge and experience of the candidate, as well as other attributes considered necessary to the prospective role.

In terms of Section 285 (1) of the Company and Allied Matters Act 2020, Mrs Sola David-Borha, Dr Demola Sogunle, Prof Fabian Ajogwu SAN, OFR and Mr Ballama Manu CFR who retired in accordance with Section 285 of the Companies and Allied Matters Act 2020 were re-elected by Shareholders at the Annual General Meeting held on 25 May 2023. Furthermore, Dr Babs Omotowa and Mrs. Ndidi Nwuneli MFR were elected as directors of the Company at the 25 May 2023 Annual General Meeting of the Company following the receipt of all required regulatory approvals.

The board's size as at 31 December 2023 was 11, comprising two executive directors and nine non-executive directors. It is important to note that of the nine non-executive directors, three namely; Dr. Salamatu Hussaini Suleiman, Mrs. Ndidi Nwuneli MFR and Dr. Babs Omotowa are Independent Non-Executive Directors in compliance with Section 275 of the Companies and Allied Matters Act 2020. The board has the right mix of competencies and experience.

Board responsibilities

The key terms of reference in the board's mandate, which forms the basis for its responsibilities, are to:

- agree the Group's objectives, strategies and plans for achieving those objectives;
- annually review the corporate governance process and assess achievement against objectives;
- review its mandate at least annually and approve recommended changes;
- delegate to the chief executive or any director holding any executive office or any senior executive any of the powers, authorities and discretions vested in the board's Directors, including the power of sub-delegation; and to delegate similarly such powers, authorities and discretions to any committee and subsidiary company board as may exist or be created from time to time;
- determine the terms of reference and procedures of all board committees and review their reports and minutes;
- consider and evaluate reports submitted by members of the executive;
- ensure that an effective risk management process exists and is maintained throughout the bank and its subsidiaries to ensure financial integrity and safeguarding of the Group's assets;
- review and monitor the performance of the chief executive and the executive team;
- ensure consideration is given to succession planning for the chief executive and executive management
- establish and review annually, and approve major changes to, relevant Group policies;
- approve the remuneration of non-executive Directors on the board and board committees, based on recommendations made by the remuneration committee, and recommend to shareholders for approval;
- approve capital funding for the Group, and the terms and conditions of rights or other issues and any prospectus in connection therewith;
- ensure that an adequate budget and planning process exists, performance is measured against budgets and plans, and approve annual budgets for the Group;
- approve significant acquisitions, mergers, take-overs, divestments of operating companies, equity investments and new strategic alliances by the Group
- consider and approve capital expenditure recommended by the executive committee;
- consider and approve any significant changes proposed in accounting policy or practice, and consider the recommendations of the statutory audit committee;
- consider and approve the annual financial statements, quarterly results and dividend announcements and notices to shareholders, and consider the basis for determining that the Group will be a going concern as per the recommendation of the audit committee;
- assume ultimate responsibility for financial, operational and internal systems of control, and ensure adequate reporting on these by committees to which they are delegated;
- take ultimate responsibility for regulatory compliance and ensure that management reporting to the board is comprehensive;
- ensure a balanced and understandable assessment of the Group's position in reporting to stakeholders;
- review non financial matters that have not been specifically delegated to a management committee; and
- specifically agree, from time to time, matters that are reserved for its decision, retaining the right to delegate any of these matters to any committee from time to time in accordance with the articles of association.

Corporate governance report (continued)

Delegation of authority

The ultimate responsibility for the company and its operations rests with the board. The board retains effective control through a well-developed governance structure of board committees. These committees provide in-depth focus on specific areas of board responsibility.

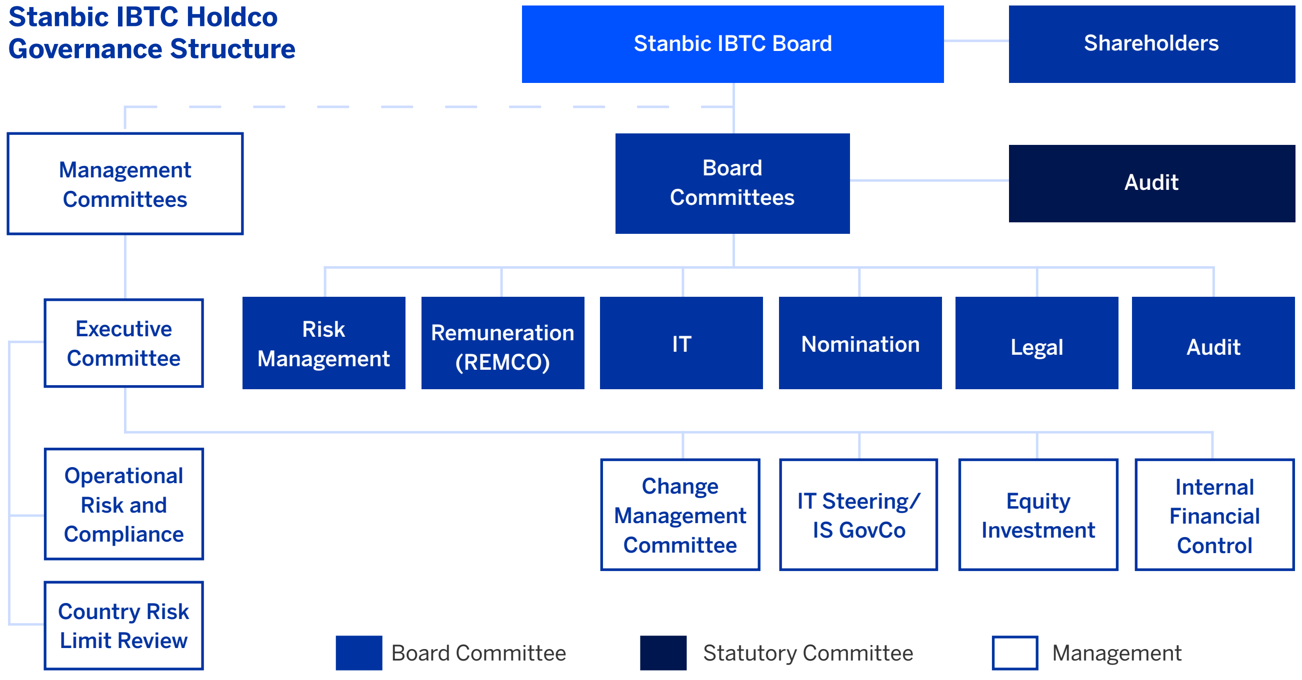
The board delegates authority to the Chief Executive to manage the business and affairs of the company. The executive committee assists the chief executive when the board is not in session, subject to specified parameters and any limits on the board's delegation of authority to the chief executive.

Membership of the executive committee is set out on page 56.

In addition, a governance framework for executive management assists the Chief Executive in his task. Board-delegated authorities are regularly monitored by the company secretary's office.

The corporate governance framework has been adopted by the board and formalised with mandate approvals. The corporate governance framework is set out below:

Stanbic IBTC Holdco Governance Structure

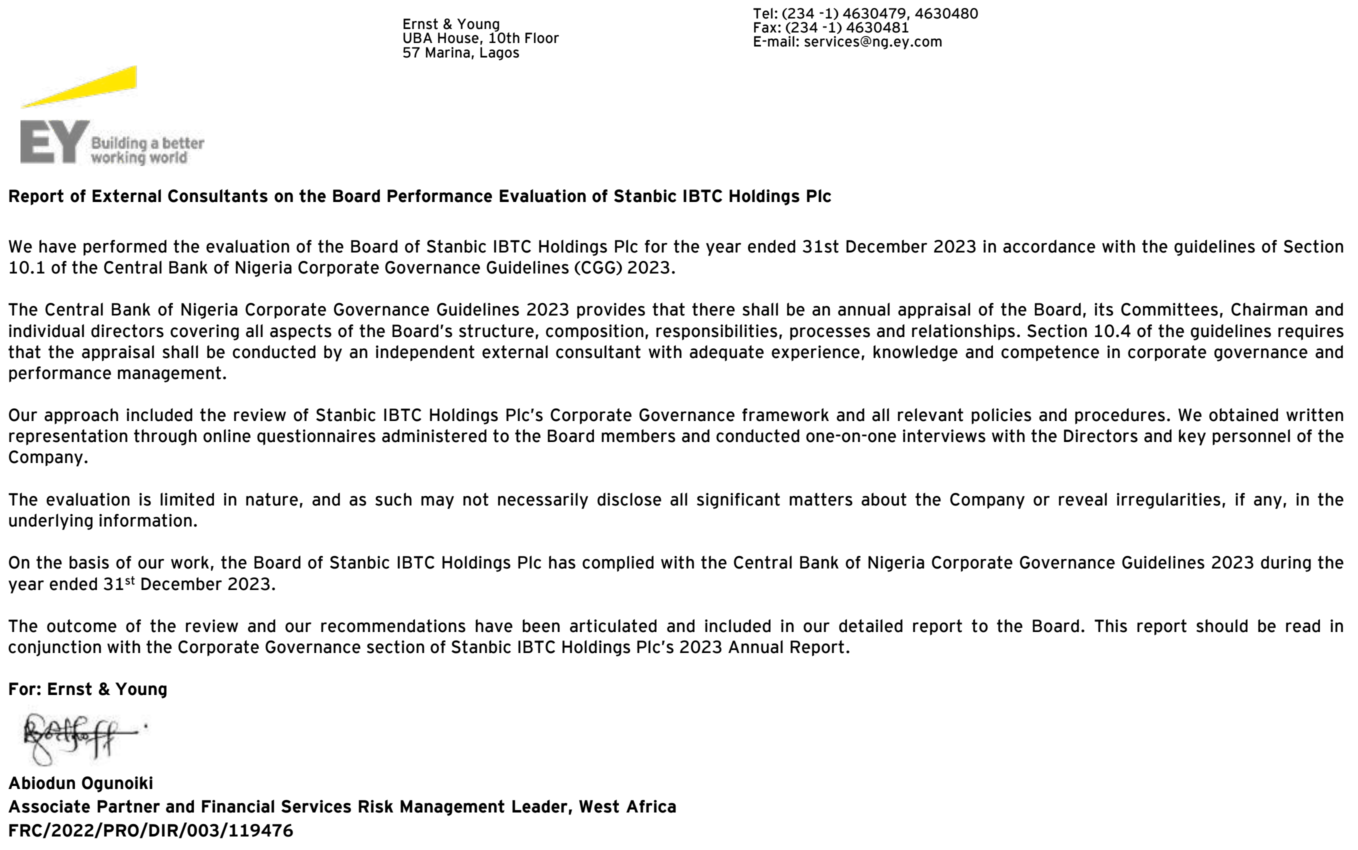


Board effectiveness and evaluation

The board is focused on continued improvements in its corporate governance performance and effectiveness.

The Directors will undergo an evaluation by independent consultants in the fourth quarter of 2023 as required by Section 2.8.1 of the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks in Nigeria ("the Code"). The report of the consultants will also assess the performance of the individual Directors on the Board for the year under review as perceived by the other Directors based on their individual competence, level of attendance to Board and Board Committee meetings, contribution and participation at these meetings and relationship with other Board members. Individual Director's Assessment reports will be prepared and made available to each director while a consolidated report of the performance of all Directors will be submitted to the Chairman of the Board.

Report of The External Consultants on Board Effectiveness and Evaluation



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Report of External Consultants on the Board Performance Evaluation of Stanbic IBTC Holdings Plc

We have performed the evaluation of the Board of Stanbic IBTC Holdings Plc for the year ended 31st December 2023 in accordance with the guidelines of Section 10.1 of the Central Bank of Nigeria Corporate Governance Guidelines (CGG) 2023.

The Central Bank of Nigeria Corporate Governance Guidelines 2023 provides that there shall be an annual appraisal of the Board, its Committees, Chairman and individual directors covering all aspects of the Board's structure, composition, responsibilities, processes and relationships. Section 10.4 of the guidelines requires that the appraisal shall be conducted by an independent external consultant with adequate experience, knowledge and competence in corporate governance and performance management.

Our approach included the review of Stanbic IBTC Holdings Plc's Corporate Governance framework and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the Directors and key personnel of the Company.

The evaluation is limited in nature, and as such may not necessarily disclose all significant matters about the Company or reveal irregularities, if any, in the underlying information.

On the basis of our work, the Board of Stanbic IBTC Holdings Plc has complied with the Central Bank of Nigeria Corporate Governance Guidelines 2023 during the year ended 31st December 2023.

The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Corporate Governance section of Stanbic IBTC Holdings Plc's 2023 Annual Report.

For: Ernst & Young

Abiodun Ogunoiki
Associate Partner and Financial Services Risk Management Leader, West Africa
FRC/2022/PRO/DIR/003/119476

Corporate governance report (continued)

Induction and training

An induction programme designed to meet the needs of each new director is being implemented. One-on-one meetings are scheduled with management to introduce new Directors to the company and its operations. The company secretary manages the induction programme. The CBN Code of Conduct as well as the Securities and Exchange Commission's code of corporate governance is provided to new Directors on their appointment.

Directors are kept abreast of all relevant legislation and regulations as well as sector developments leading to changing risks to the organisation on an on - going basis. This is achieved by way of management reporting and quarterly board meetings, which are structured to form part of ongoing training.

Directors attended various trainings at different periods during the period that included trainings on Risk Management; enhancing Board performance, Change Management, and Financial Reporting. These trainings were aimed at enhancing the understanding of key issues, and skills of Directors.

Executive committee members

as at 31 December 2023, the Group Executive committee comprised of 26 members drawn from key functions within the Company as well as its subsidiaries.

S/N	Name	Responsibility
i	Demola Sogunle	Chief Executive, Stanbic IBTC Holdings PLC
ii	Wole Adeniyi	Chief Executive, Stanbic IBTC Bank Limited
iii	Bunmi Dayo-Olagunju	Executive Director, Operations, Stanbic IBTC Bank Limited
iv	Remy Osuagwu	Executive Director, Business and Commercial Banking Stanbic IBTC Bank Limited
v	Kunle Adedeji	Chief Financial Officer, Stanbic IBTC Holdings PLC
vi	Kola Lawal	Executive Director Risk or Chief Risk Officer, Stanbic IBTC Bank Limited
vii	Eric Fajemisin	Executive Director, Corporate and Transactional Banking, Stanbic IBTC Bank Limited
viii	Olu Delano	Executive Director, Personal and Private Banking Stanbic IBTC Bank Limited
ix	Chidi Okezie	Head, Country Legal Services Stanbic IBTC Holdings PLC or Company Secretary
x	Ezinne Anosike	Head, People and Culture, Stanbic IBTC Holdings PLC
xi	Funke Isichie	Head, Internal Controls Stanbic IBTC Bank Limited
xii	Carol Olayi	Head, People and Culture Stanbic IBTC Bank Limited
xiii	Okechukwu Nwoke	Head, Information Technology Stanbic IBTC Holdings PLC
xiv	Adegbite Adekola	Chief Compliance Officer, Stanbic IBTC Bank Limited
xv	Olumide Oyetan	Chief Executive, Stanbic IBTC Pension Managers Limited
xvi	Sam Ocheho	Head, Global Markets Stanbic IBTC Bank Limited
xvii	Abiodun Gbadamosi	Head, Internal Audit Stanbic IBTC Bank Limited
xviii	Oladele Sotubo	Chief Executive, Stanbic IBTC Capital Limited
xix	Tosin Leye-Odeyemi	Head, Risk and Capital Management, Stanbic IBTC Holdings PLC
xx	Anthony Mogekwu	Head, Corporate and Investment Banking Legal, Stanbic IBTC Holdings PLC
xxi	Bridget Oyefeso- Odusami	Head, Marketing and Communications
xxii	Jide Orimolade	Chief Executive, Stanbic IBTC Insurance Limited
xxiii	Charles Onwude	Head, Risk Management Stanbic IBTC Bank Limited
xxiv	Babatunde Akindele	Head, Coverage, Commercial Clients
xxv	Stanley Jacob	Chief Executive, Zest Payments Limited

Board meetings

The board meets, at a minimum, once every quarter with ad-hoc meetings being held whenever it was deemed necessary. The board held a strategy session on 27 July 2023. Directors, in accordance with the articles of association of the company, attend meetings either in person or via tele or video conferencing.

Directors are provided with comprehensive board documentation at least seven days prior to each of the scheduled meetings. Directors attendance at Board meetings for the period 01 January 2023 to 31 December 2023 is provided below:

Name	February	April	July	October
Basil Omiyi	√	√	√	√
Kunle Adedeji	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√
Ifeoma Esiri	√	√	√	√
Ballama Manu	√	√	√	√
Barend Kruger	√	√	√	√
Nkemdilim Uwaje Begho	√	√	√	√
Ngozi Edozien*	√	NA	NA	NA
Salamatu Suleiman	√	√	√	√
Demola Sogunle	√	√	√	√
Sola David Borha	√	√	√	√
Babs Omotowa	√	√	√	√
Ndidi Nwuneli**	/	√	√	√
Yinka Sanni***	/	/	√	√

√ Attendance NA Not Applicable / Yet to be appointed on the Board

* Retired from the Board with effect from 24 March 2023

** Appointed as a Non-Executive Director on the Board with effect from 24 March 2023

*** Appointed as a Non-Executive Director on the Board with effect from 15 June 2023

Board committees

Some of the functions of the board have been delegated to board committees, consisting of board members appointed by the board, which operates under mandates approved by the board

Risk management committee

The board is ultimately responsible for risk management. The main purpose of the risk management committee, as specified in its mandate is the provision of independent and objective oversight of risk management within the company. The committee is assisted in fulfilling its mandate by a number of management commitees.

To achieve effective oversight, the committee reviews and assesses the integrity of risk control systems and ensures that risk policies and strategies are effectively managed and contribute to a culture of discipline and control that reduces the opportunity for fraud.

The risk management committee during the year under review was vested, among others, with the following responsibilities:

- to oversee management's activities in managing credit, market, liquidity, operational, legal and other risks of the Group;
- to periodically review the Group's risk management systems and report thereon to the board;
- to ensure that the Group's material business risks are being effectively identified, quantified, monitored and controlled and that the systems in place to achieve this are operating effectively at all times; and
- such other matters relating to the Group's risk assets as may be specifically delegated to the committee by the board.

Corporate governance report (continued)

The committee's mandate is in line with SBG's standards, while taking account of local circumstances.

as at 31 December 2023, the committee consisted of five directors, four of whom, including the chairman are non – executive directors.

Members' attendance at risk management committee meetings for the year ended 31 December 2023 is stated below:

Name	February	April	July	October
Ifeoma Esiri	√	√	√	√
Demola Sogunle	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√
Kunle Adedeji	√	√	√	√
Ballama Manu	√	√	√	√
Ngozi Edozien*	√	NA	NA	NA

√ Attendance   NA Not Applicable   * Retired with effect from 24 March 2023

Remuneration committee

The remuneration committee (REMCO) was vested with responsibilities during the year under review that included:

- reviewing the remuneration philosophy and policy;
- considering the guaranteed remuneration, annual performance bonus and pension incentives of the Group's executive Directors and managers;
- reviewing the performance measures and criteria to be used for annual incentive payments for all employees;
- determining the remuneration of the chairman and non-executive Directors, which are subject to board and shareholder approval;
- considering the average percentage increases of the guaranteed remuneration of executive management across the Group, as well as long-term and short-term incentives; and
- agreeing incentive schemes across the Group.

The chief executive attends meetings by invitation. Other members of executive management are invited to attend when appropriate. No individual, irrespective of position, is expected to be present when his or her remuneration is discussed.

When determining the remuneration of executive and non-executive Directors as well as senior executives, REMCO is expected to review market and competitive data, taking into account the company's performance using indicators such as earnings.

REMCO utilises the services of a number of suppliers and advisors to assist it in tracking market trends relating to all levels of staff, including fees for non-executive Directors.

The board reviews REMCO's proposals and, where relevant, will submit them to shareholders for approval at the annual general meeting (AGM.). The board remains ultimately responsible for the remuneration policy.

as at 31 December 2023, the committee consisted of four Directors, all of whom are non-executives, with the Chairman being an Independent Director.

Members' attendance at REMCO meetings during the period ended 31 December 2023 is stated below:

Name	February	April	July	September	October
Salamatu Suleiman	√	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√	√
Barend Kruger	√	√	NA	NA	NA
Sola David-Borha	√	√	√	√	√
Ndidi Nwuneli	/	√	√	√	√
Babs Omotowa	/	√	√	√	√

√ Attendance   / Not a member of the Committee at the relevant time

NA Mr Barend Kruger resigned from the Board with effect from 30 June 2023

Remuneration

Introduction

The purpose of this section is to provide stakeholders with an understanding of the remuneration philosophy and policy applied across the Group for executive management, employees, and Directors (executive and non-executive).

Remuneration philosophy

The Group's board and remuneration committee set a remuneration philosophy which is guided by SBG's philosophy and policy as well as the specific social, regulatory, legal and economic context of Nigeria.

In this regard, the Group employs a salaries and benefits structure, where all benefits in addition to salary are appropriately taxed.

The following key factors have informed the implementation of reward policies and procedures that support the achievement of business goals:

- the provision of rewards that enable the attraction, retention and motivation of employees and the development of a high performance culture
- maintaining competitive remuneration in line with the market, trends and required statutory obligations;
- rewarding people according to their contribution;
- allowing a reasonable degree of flexibility in remuneration processes and choice of benefits by employees;
- utilising a cost-to-company remuneration structure; and
- educating employees on the full employee value proposition.

The Group's remuneration philosophy aligns with its core values, including growing our people, appropriately remunerating high performers and delivering value to our shareholders. The philosophy emphasises the fundamental value of our people and their role in ensuring sustainable growth. This approach is crucial in an environment where skills remain scarce.

The board sets the principles for the Group's remuneration philosophy in line with the approved business strategy and objectives. The philosophy aims to maintain an appropriate balance between employee and shareholder interests. The deliberations of REMCO inform the philosophy, taking into account reviews of performance at a number of absolute and relative levels – from a business, an individual and a competitive point of view.

A key success factor for the Group is its ability to attract, retain and motivate the talent it requires to achieve its strategic and operational objectives. The Group's remuneration philosophy includes

Corporate governance report (continued)

short-term and long-term incentives to support this ability.

Short-term incentives, which are delivery specific, are viewed as strong drivers of competitiveness and performance. A significant portion of top management's reward is therefore variable, being determined by financial performance and personal contribution against specific criteria set in advance. This incites the commitment and focus required to achieve targets.

Long-term incentives seek to ensure that the objectives of management and shareholders are broadly aligned over longer time periods.

Remuneration policy

The Group has always had a clear policy on the remuneration of staff, executive and non-executive Directors which set such remuneration at levels that are fair and reasonable in a competitive market for the skills, knowledge, experience required and which complies with all relevant tax laws.

REMCO assists the Group's board in monitoring the implementation of the Group remuneration policy, which ensures that:

- salary structures and policies, as well as cash and long term incentives, motivate sustained high performance and are linked to corporate performance objectives;
- stakeholders are able to make a reasonable assessment of reward practices and the governance process; and
- the Group complies with all applicable laws and codes.

Remuneration structure
Non-executive Directors
Terms of service

Directors are appointed by the shareholders at the AGM, although board appointments may be made between AGMs. These appointments are made in terms of the company's policy. Shareholder approvals for such annual appointments are however sought at the annual general meeting that holds immediately after such appointments are made.

Non-executive Directors are required to retire after three years and may offer themselves for re-election. If recommended by the board, their re-election is proposed to shareholders at the AGM.

In terms of CAMA, if a director over the age of 70 is seeking re-election to the board his age must be disclosed to shareholders at the meeting at which such re-election is to occur.

Fees

Non-executive Directors' receive fixed annual fees and sitting allowances for service on the board and board committees. There are no contractual arrangements for compensation for loss of office. Non-executive Directors do not receive short-term incentives, nor do they participate in any long-term incentive schemes.

REMCO reviews the non-executive Directors' fees annually and makes recommendations on same to the board for consideration. Based on these recommendations, the board in turn recommends a gross fee to shareholders for approval at the annual General Meeting (AGM).

Fees that are payable for the reporting year 01 January to 31 December of each year.

Category	2023(i)	2022
	₦	₦
Chairman	70,000,000	55,500,000
Non-Executive Directors	52,730,000	37,300,000
Sitting Allowances for Board Meetings(ii)		
Chairman	830,000	720,000
Non-Executive Directors	730,000	630,000

(i) Approved by Shareholders at the 11th AGM of the Company held on 25 May 2023.

(ii) Fees quoted as sitting allowance represent per meeting sitting allowance paid for board, board and audit committees and ad hoc meetings. No annual fees are payable to committee members with respect to their roles on such committees.

Retirement benefits

Non-executive Directors do not participate in the pension scheme.

Executive Directors

The company had only two Executive Directors as at 31 December 2023.

Executive Directors receive a remuneration package and qualify for long-term incentives on the same basis as other employees.

Executive Directors' bonus and incentives are subject to an assessment by REMCO of performance against various criteria. The criteria include the financial performance of the company, based on key financial measures and qualitative aspects of performance, such as effective implementation of Group strategy and human resource leadership. In addition, the Group's remuneration philosophy is designed in such a way as to prevent excessive risk taking by Management.

Management and general staff

Total remuneration packages for employees comprises the following:

- guaranteed remuneration – based on market value and the role played;
- annual bonus – used to stimulate the achievement of Group objectives;
- long term incentives – rewards the sustainable creation of shareholder value and aligns behaviour to this goal;
- pension – provides a competitive post-retirement benefit in line with other employees.
- where applicable, expatriate benefits in line with other expatriates in Nigeria.

Terms of service

The minimum terms and conditions for managers are governed by relevant legislation and the notice period is between one to three months.

Fixed remuneration

Managerial remuneration is based on a salary and benefit structure. This comprises a fixed cash portion, compulsory benefits (medical aid and retirement fund membership) and optional benefits. Market data is used to benchmark salary levels and benefits. Salaries are normally reviewed annually in March.

For all employees, performance-related payments have formed an increasing proportion of total remuneration over time to achieve business objectives and reward individual contribution.

All employees (executives, managers and general staff) are rated on the basis of performance and potential and this is used to influence performance-related remuneration rating and the consequent pay decision is done on an individual basis.

There is therefore a link between rating, measuring individual performance and reward. However, as noted earlier, the Group's remuneration philosophy is designed in such a way as to prevent excessive risk taking by Management.

Short-term incentives

All staff participate in a performance bonus scheme. Individual awards are based on a combination of business unit performance, job level and individual performance. In keeping with the remuneration philosophy, the bonus scheme seeks to attract and retain high-performing managers.

As well as taking performance factors into account, the size of the award is assessed in terms of market-related issues and pay levels for each skill set, which may for instance be influenced by the scarcity of skills in that area.

The company has implemented a deferred bonus scheme (DBS) to compulsorily defer a portion of incentives over a minimum threshold for some senior managers and executives. This improves alignment of shareholder and management interests and enables clawback under certain conditions, which supports risk management.

Long-term incentives

It is essential for the Group to retain key skills over the longer term. The Group has put in place a deferred bonus scheme for top talents. The scheme is designed to reward and retain top talents.

Corporate governance report (continued)

Clawback

Clawback provisions will apply to identified Material Risk Takers with effect from 01 March 2020.

- The Clawback Policy and principles are set out as follows

Principles for identifying material risk takers:

Total remuneration packages for employees comprises of the following:

- The Chief Executives and Executive Directors of Stanbic IBTC Holdings and all its subsidiaries.

Clawback provisions for material risk takers are listed below:

1. Clawback provisions apply to the variable remuneration awarded to identified Material Risk Takers. These include cash awards. deferred awards. share incentive awards and long-term incentives and related notional dividend and interest payments.
2. Where there is reasonable evidence that a trigger event occurred prior to the payment/vesting date. but was only discovered within a period of three years after the payment or vesting date (the clawback period), the REMCO may exercise its discretion to require a participant to repay the clawback amount (or a portion thereof).
3. The clawback amount is (generally speaking) (i) an amount equal to the cash delivered at the point of payment or vesting; or in the case of an award delivered in shares or other instruments. the amount used to acquire the Standard Bank Group shares or other instrument (or the cash equivalent) at the point of vesting and (ii) the value of any notional dividend and/or Notional interest payments, less any employees' tax deducted by the Company.

The trigger events are as follows:

- The discovery of a negative misstatement resulting in an adjustment to the audited accounts of any Group Company in respect of a period for which the performance conditions applicable to an award were assessed; and/or
- The discovery of the events that occurred prior to award or vesting that have led to the censure of a Group Company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Company; and/or
- The discovery of action or conduct of an employee which amounts to gross misconduct that occurred prior to award or vesting; and/o
- The discovery that any information or the assessment of any performance condition(s) used to determine an award was based on a material error, or inaccurate or misleading information.

4. The REMCO may extend the clawback period if, upon the expiry of the clawback period, there is an ongoing investigation or other procedure being carried on to determine whether the clawback provisions apply in respect of a participant, or the REMCO decides that further investigation is warranted. In such event, the clawback period shall be extended until the investigation or procedure has been completed and the REMCO has made a final determination.
5. Clawback provisions will only apply to awards granted on or after 01 March 2020. It does not apply to any award with an award date preceding 01 March 2020 (even if the vesting date takes place after 01 March 2020). Clawback provisions will apply only to awards made to individuals classified as Material Risk Takers at the time of award. The clawback provisions will continue to apply to such awards even if the individual is at a future date no longer classified as a Material Risk Taker.

The following principles should be considered when recommending a case for clawback:

- Stanbic IBTC Holdings would like to deal with cases of clawback in a fair and consistent manner across all its operations.
- Before clawback is triggered, a reduction in the current year's incentive awards and/or forfeiture will be taken into account. A reduction in the current year's incentive awards and/or forfeiture should be applied first before clawback is considered. It is therefore important that the matter and the proposed course of action should be considered holistically and dealt with as one incident as far as possible. This may not be possible if additional facts or information arise at a later stage.
- Stanbic IBTC Holdings would like to give certainty to the individuals concerned as soon as reasonably possible without compromising the process of a fair investigation and REMCO consideration.
- When determining whether (i) clawback should apply and (ii) the clawback amount, the extent to which the employee had some level of accountability or responsibility for the trigger event as well as the materiality of the trigger event will be taken into account.
- When determining the clawback amount, REMCO will consider the extent to which the trigger event resulted in the erroneous calculation of the incentive award.
- Consideration of the matrix and all role players and their accountabilities will be assessed.
- An independent investigation should take place when clawback is being considered. In the course of the investigation the employee will be given an opportunity to make representations. Recommendations of investigation should be put forward to REMCO.
- In the event that the Company's audited accounts require a material restatement – REMCO will refer the matter to the Board. The independent investigation will be conducted by an auditing firm independent of the external auditors who signed off on the relevant accounts in question. REMCO may refer any serious matter to the Board dependent on materiality and/or seniority of the people concerned.
- Clawback will only be made when all the facts are known, and the independent investigation is concluded.
- Should the clawback investigation not be concluded, the three-year clawback period may be extended until the investigation is complete. Communication to the individual(s) experiencing a delay should indicate that this does not indicate a predetermined outcome but allows for a fair investigation to be concluded.
- All information relating to the investigation and the outcome with regard to clawback should be documented by the relevant Head of People and Culture.

The clawback provisions in this section are in alignment with clauses 16.9 and 16.10 of the Nigerian Code of Corporate governance.

Post-retirement benefits

Pension

Retirement benefits are typically provided on the same basis for employees of all levels and are in line and comply with the Pension Reform Act 2014.

Remuneration as at 31 December 2023

The amounts specified below represent the total remuneration paid to executive and non-executive Directors for the period under review:

	December 2023	December 2022
	₦'million	₦'million
Fees and sitting allowance	1,496	935
Executive compensation	1,630	1,217
Total	**3,126**	**2,152**

The Group will continue to ensure its remuneration policies and practices remain competitive, drive performance and are aligned across the Group and with its values.

Corporate governance report (continued)

The board nomination committee

The board nominations committee is a sub-committee of the Board of Directors ("the board") of the company and has the responsibility to:

a) provide oversight on the selection nomination and re-election process for Directors;

b) provide oversight on the performance of Directors on the various committees established by the board; and

c) provide oversight in relation to the board evaluation and governance process and the reports that are to be made to the Securities and Exchange Commission, Central Bank of Nigeria and shareholders with respect to same.

The goal of the committee is to review nomination and election and re- election for Directors in such a way as to attract and retain the highest quality Directors whose attributes will ensure that their membership of the board will be of benefit and add value to the bank.

The committee consists of such number of Directors as may be approved by the board, but shall not be less than three and shall include the Chief Executive. In addition, any member of senior management may be invited to attend meetings of the committee.

Composition

The committee is made up of four non-executive Directors appointed by the Board. The Board Nomination Committee met once during the year and all members of the Committee were in attendance.

Name	April	October
Ben Kruger	√	NA
Ngozi Edozien	√	/
Fabian Ajogwu SAN	√	√
Sola David-Borha	√	√

√ Attendance NA Not Applicable
/ Not a member of the Committee at the relevant time

The audit committee

The role of the audit committee is defined by the Companies and Allied Matters Act and includes making recommendations to the board on financial matters. These matters include assessing the integrity and effectiveness of accounting, financial, compliance and other control systems. The committee also ensures effective communication between internal auditors, external auditors, the board and management.

The committee's key terms of reference comprise various categories of responsibilities and include the following:

- review the audit plan with the external auditors with specific reference to the proposed audit scope, and approach to risk activities and the audit fee;

The audit committee (continued)

- meet with external auditors to discuss the audit findings and consider detailed internal audit reports with the internal auditors;
- annually evaluate the role, independence and effectiveness of the internal audit function in the overall context of the risk management systems;
- review the accounting policies adopted by the Group and all proposed changes in accounting policies and practices;
- consider the adequacy of disclosures;
- review the significant differences of opinion between management and internal audit;
- review the independence and objectivity of the auditors; and
- all such other matters as are reserved to the audit committee by the Companies and Allied Matters Act and the company's Articles of Association.

As required by law, the audit committee members have recent and relevant financial experience.

Composition

As at 31 December 2023, the committee was made up of five members, two of whom are non-executive Directors while the remaining three members are shareholders elected at the Annual General Meeting (AGM). The committee, whose membership is stated below, is chaired by a shareholder representative.

as at 31 December 2023, the committee consists of the following persons:

Mr. Samuel Ayininuola*	Chairman
Mr. Ibhade George*	Member
Mr. Olatunji Bamidele*	Member
Mr. Babs Omotowa**	Member
Mr. Ballama Manu**	Member

* Shareholders representative ** Non Executive Director

Members' attendance at audit committee meetings for the year 01 January to 31 December 2023 is stated below:

Name	February	April	July	October
Mr. Samuel Ayininuola	√	√	√	√
Mr Ballama Manu	√	√	√	√
Mr. Olatunji Bamidele	√	√	√	√
Mr Ibhade George	√	√	√	√
Ms. Ngozi Edozien*	√	NA	NA	NA
Dr Babs Omotowa	NA	√	√	√

√ Attendance NA Not Applicable * Retired as a Director with effect from 24 March 2023

Corporate governance report (continued)

The board audit committee

The Board also established a board audit committee in line with regulatory requirements separate from the Statutory Audit Committee.

Composition

As at 31 December 2023, the committee was made up of three members, two of whom are non-executive Directors while the Chairman of the committee is an independent non executive director.

The committee's key terms of reference comprise various categories of responsibilities and include the following:

- review the audit plan with the external auditors with specific reference to the proposed audit scope, and approach to risk activities and the audit fee
- annually evaluate the role, independence and effectiveness of the internal audit function in the overall context of the risk management systems;
- review the accounting policies adopted by the Group and all proposed changes in accounting policies and practices;
- consider the adequacy of disclosures;
- review the significant differences of opinion between management and internal audit;
- review the independence and objectivity of the auditors; and

Members' attendance at board audit committee meetings for the year 01 January to 31 December 2023 is stated below:

Name	February	April	July	October
Mr Ballama Manu	√	√	√	√
Ms. Ngozi Edozien*	√	NA	NA	NA
Mrs. Ifeoma Esiri	√	√	√	√
Mr Babs Omotowa	/	√	√	√

√ Attendance NA Not Applicable / Yet to be appointed on the committee
* Retired as a Director with effect from 24 March 2023

The board IT committee

The board IT committee is one of the committees established by the Board in 2015. The committee has the following responsibilities:

a) provide guidance on how IT decisions are made, enforced and evaluated within Stanbic IBTC in accordance with Central Bank of Nigeria (CBN) IT standards blue print;

b) assist the Board to fulfil its oversight responsibilities for Stanbic IBTC's investments, operations and strategy in relation to IT;

c) review Stanbic IBTC's assessment of risks associated with IT including disaster recovery, business continuity and IT security.

The committee consists of a minimum of two Non-Executive Directors and shall also include the Chief Executive. In addition, any member of senior management may be invited to attend meetings of the committee.

Members' attendance at the Board IT Committee meetings for the year 01 January to 31 December 2023 is stated below:

Name	February	April	July	October
Mr Ben Kruger (Chairman)	√	√	√	√
Mr. Ballama Manu	√	√	√	√
Dr Demola Sogunle	√	√	√	√
Ms. Ngozi Edozien*	√	NA	NA	NA
Mr. Kunle Adedeji	√	√	√	√
Ms Nkemdilim Uwaje	√	√	√	√
Dr Demola Sogunle	√	√	√	√
Mrs Ndidi Nwuneli	/	/	√	√

√ Attendance NA Not Applicable
/ Not a member of the Committee at the relevant time
* Retired as a Director with effect from 24 March 2023

Corporate governance report (continued)

The board legal committee

The committee's key terms of reference comprise various categories of responsibilities and include the following:

1. reviewing the legal risks and other legal issues facing Stanbic IBTC and its subsidiaries and for discussing appropriate strategies to address the risk arising from the litigation portfolios of Stanbic IBTC and its subsidiaries (the litigation Portfolio).
2. review and assess the likely success of the individual matters included in the Litigation Portfolio and of any threatened litigation and where necessary shall recommend that Management seek appropriate out-of-court settlement of specific matters.

Composition

The committee is made up of at least two non-executive Directors and one executive director appointed by the Board.

Members' attendance at the Board Legal Committee meetings for the year 01 January to 31 December 2023 is stated below:

Name	February	April	May (OfC)	July	October
Mrs. Ifeoma Esiri	√	√	√	√	√
Dr Demola Sogunle	√	√	√	√	√
Prof Fabian Ajogwu SAN	√	√	√	√	√
Mrs. Salamatu Suleiman	√	√	√	√	√

√ Attendance

The Board has also established a number of Ad-Hoc Committees with specific responsibilities. As those Committees are not Standing Committees of the Board, those Ad-Hoc Committees would be dissolved as soon as they have concluded their responsibilities as delegated by the Board.

Company secretary

It is the role of the company secretary to ensure that the board remains cognisant of its duties and responsibilities. In addition to providing the board with guidance on its responsibilities, the company secretary keeps the board abreast of relevant changes in legislation and governance best practices. The company secretary oversees the induction of new Directors, including subsidiary Directors, as well as the ongoing training of Directors. All Directors have access to the services of the company secretary.

Going concern

On the recommendation of the audit committee, the board annually considers and assesses the going concern basis for the preparation of the financial statements at the year end. The board continues to view the company as a going concern for the foreseeable future.

Management committees

The Group has the following management committees:

- Executive committee (Exco)
- Equity Investment Committee
- Information Strategy and Data Governance Committee
- Operational risk and compliance committee
- Change Management Committee
- Risk committee
- Internal Financial Control committee

Relationship with shareholders

As an indication of its fundamental responsibility to create shareholder value, effective and ongoing communication with shareholders is seen as essential. In addition to the ongoing engagement facilitated by the company secretary and the head of investor relations, the company encourages shareholders to attend the annual general meeting and other shareholder meetings where interaction is welcomed. The chairman of the company's audit committee is available at the meeting to respond to questions from shareholders.

Voting at general meetings is conducted either through a show of hands or a poll depending on the subject matter of the resolution on which a vote is being cast and separate resolutions are proposed on each significant issue.

Dealing in securities

In line with its commitment to conduct business professionally and ethically, the company has introduced policies to restrict the dealing in securities by Directors, shareholder representatives on the audit committee and embargoed employees. A personal account trading policy is in place to prohibit employees and Directors from trading in securities during close periods. Compliance with this policy is monitored on an ongoing basis.

Sustainability

The company as a member of the Standard Bank Group (SBG) is committed to conducting business professionally, ethically, with integrity and in accordance with international best practice. To this end, the company subscribes to and adopts risk management standards, policies and procedures that have been adopted by the SBG. The company is also bound by the Nigerian Stock Exchange Sustainability Disclosure Guidelines and the Nigerian Sustainable Banking Principles and the provisions of these frameworks are incorporated into policies approved by the Board.

SBG's risk management standards, policies and procedures have been amended to be more reflective of the Nigerian business and regulatory environment. All such amendments to the risk management standards, policies and procedures have been agreed to by Standard Bank Africa (SBAF) Risk Management.

The Group is committed to contributing to sustainable development through ethical, responsible financing and business practices which unlocks value for our stakeholders. We manage the environmental and social aspects that impact our activities, products and services whilst ensuring sustainable value creation for our customers. We are passionately committed to encouraging financial inclusion through the provision of banking and other financial services to all cadres of the society and a promoter of gender equality

Social responsibility

As an African business, the Group understands the challenges and benefits of doing business in Africa, and owes its existence to the people and societies within which it operates.

The Group is therefore committed not only to the promotion of economic development but also to the strengthening of civil society and human well being.

The Group is concentrating its social investment expenditure in defined focus area which currently include education in order to make the greatest impact. These areas of focus will be subject to annual revision as the country socio-economic needs change.

Ethics and organisational integrity

The board aims to provide effective and ethical leadership and ensures that its conduct and that of management is aligned to the organisation's values and code of ethics. The board subscribes to the SBG Group's values and enables decision making at all levels of the business according to defined ethical principles and values.

Corporate governance report (continued)

Compliance with the Nigerian Stock Exchange's listing rule

Stanbic IBTC Holdings PLC ("SIBTC") has adopted a Personal Account Trading Policy ("PATP") for both employees and Directors which incorporates a code of conduct regarding securities transactions by Directors and employees. The PATP was circulated to all employees who in the course of the year had any insider or material information about SIBTC; it is also published in the company's internal communication on a regular basis and also hoisted on the company's website, for the year ended 31 December 2023, the Company confirm that all Directors, complied with the PATP regarding their SIBTC securities transacted on their account during the year.

Compliance with the Securities and Exchange Commission's code of corporate governance.

As a public company, Stanbic IBTC Holdings PLC confirms that as at 31 December 2023 the company has complied with the principles set out in the Securities and Exchange Commission's code of corporate governance.

The company applies the code's principles of transparency, integrity and accountability through its own behaviour, corporate governance best practice and by adopting, as appropriate and proportionate for a company of its size and nature. The policies and procedures adopted by the Board and applicable to the company's businesses are documented in mandates, which also set out the roles and delegated authorities applying to the Board, Board Committees, and the Executive Committee.

Compliance with the Central Bank of Nigeria code of corporate governance

As a financial holding company, Stanbic IBTC Holdings PLC is primarily regulated by the Central Bank of Nigeria ("CBN"). In this regard, compliance with the CBN Code of Corporate Governance, as well as all regulations issued by the CBN for Financial Holding Companies remain an essential characteristic of its culture. We confirm that as at the period ended 31 December 2023 the company has complied in all material respects with the principles set out in the CBN's code of corporate governance.

Compliance with the Central Bank of Nigeria Whistleblowing Guidelines

In accordance with clause 4.11 of the CBN Guidelines for Whistleblowing, Stanbic IBTC Holdings PLC and its subsidiaries have complied in all material respects with the principles set out in the Whistleblowing Guidelines, as at year end.

Complaints management policy

Stanbic IBTC Holdings PLC has a Complaints Management Policy in place in compliance with the Securities and Exchange Commission rule which became effective in February 2015. Shareholders may have access to this policy via any of the following options:

- By accessing same through our website: http://www.stanbicibtc.com/nigeriaGroup/AboutUs/Code-of-Ethics
- By requesting for a copy through the office of the Company Secretary

Disclosure on diversity in employment

The Group is an equal opportunity employer that is committed to maintaining a positive work environment that facilitates high level of professional efficiency at all times. The Group's policy prohibits discrimination of gender, disabled persons or persons with HIV in the recruitment, training and career development of its employees.

- Persons with disability:

The Group continues to maintain a policy of giving fair consideration to applications for employment made by disabled persons with due regard to their abilities and aptitude.

- Gender diversity within the Group

	31 Dec. 2023		31 Dec. 2022	
	Workforce	% of gender composition	Workforce	% of gender composition
Total workforce:				
Women	1,404	46%	1,341	45%
Men	1,652	54%	1,667	55%
	3,056	**100%**	**3,008**	**100%**
Recruitments made during the year:				
Women	307	50%	307	44%
Men	304	50%	385	56%
	611	**100%**	**692**	**100%**
Diversity of members of board of Directors - Number of Board members				
Women	3	25%	5	42%
Men	9	75%	7	58%
	12	**100%**	**12**	**100%**
Diversity of board executives - Number of Executive Directors to Chief Executive				
Women	-	0%	-	0%
Men	2	100%	2	100%
	2	**100%**	**2**	**100%**
Diversity of senior management team - Number of Assistant General Manager to General Manager				
Women	44	36%	40	35%
Men	79	64%	75	65%
	123	**100%**	**115**	**100%**

Certification by Chief Executive and Chief Financial Officer

Certification Under Section 405 (1) of the Companies and Allied Matters Act 2020

We the undersigned hereby certify the following with regards to our audited annual financial statements (AFS) for the year ended 31 December 2023 that:

1. We have reviewed the AFS and to the best of our knowledge:

i) the AFS do not contain any untrue statement of material facts or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

ii) the AFS and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the AFS;

2. We are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the company and its subsidiaries is made known to the officer by other officers of the companies, particularly during the period in which the audited financial statement report is being prepared;

3. We have evaluated the effectiveness of the company's internal controls within 90 days before the date of AFS, and certify that the company's internal controls are effective as of that date;

4. We have disclosed to the company's auditors and audit committee –

i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and we have not identified for the company's auditors any material weaknesses in internal controls, and

ii) there was no fraud whether or not, material that involves management or other employees who have a significant role in the company's internal control.

5. There were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Signed on behalf of the Directors by:

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
02 February 2024

Kunle Adedeji
Chief Financial Officer
FRC/2013/ICAN/00000001137
02 February 2024

Management's annual assessment of, and report on, internal control over financial reporting

Certification Under Section 60-63 of Investments and Securities Act 2007

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of STANBIC IBTC HOLDINGS PLC for the year ended 31 December 2023:

i) STANBIC IBTC HOLDINGS PLC management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii) STANBIC IBTC HOLDINGS PLC management used the Committee of Sponsoring Organisation of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii) STANBIC IBTC HOLDINGS PLC management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.

iv) STANBIC IBTC HOLDINGS PLC external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of STANBIC IBTC HOLDINGS PLC annual report.

Signed on behalf of the Directors by:

Kunle Adedeji
Chief Financial Officer
FRC/2013/ICAN/00000001137
02 February 2024

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
02 February 2024

Certification by Chief Executive

Certification Under Section 60-63 of Investments and Securities Act 2007

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007 I hereby make the following statements regarding the Internal Controls of STANBIC IBTC HOLDINGS PLC for the year ended 31 December 2023.

I, Demola Sogunle, certify that:
I have reviewed this management assessment on internal control over financial reporting of STANBIC IBTC HOLDINGS PLC

Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the year ended 31 December 2023;

The entity's other certifying officer and I;

i) are responsible for establishing and maintaining internal controls;

ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

iv) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

v) There are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarise and report financial information; and

vi) There are no fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Signed on behalf of the Directors by:

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
02 February 2024

Certification by Chief Financial Officer

Certification Under Section 60-63 of Investments and Securities Act 2007

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007 I hereby make the following statements regarding the Internal Controls of STANBIC IBTC HOLDINGS PLC for the year ended 31 December 2023.

I, Kunle Adedeji, certify that:
I have reviewed this management assessment on internal control over financial reporting of STANBIC IBTC HOLDINGS PLC;

Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the year ended 31 December 2023;

The entity's other certifying officer and I;

i) are responsible for establishing and maintaining internal controls;

ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

iv) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

v) There are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarise and report financial information; and

vi) There are no fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Signed on behalf of the Directors by:

Kunle Adedeji
Chief Financial Officer
FRC/2013/ICAN/00000001137
02 February 2024

Report of the audit committee

To the members of Stanbic IBTC Holdings PLC

In compliance with the provisions of Section 404 of the Companies and Allied Matters Act 2020, the Audit Committee considered the audited consolidated and separate annual financial statements for the year ended 31 December 2023 together with the management controls report from the auditors and the company's response to this report at its meeting held on 1 February 2024.

In our opinion, the scope and planning of the audit for the year ended 31 December 2023 were adequate.

We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the company and the Group are in accordance with legal requirements and agreed ethical practices, and that the scope and planning of both the external and internal audits for the year ended 31 December 2023 were satisfactory and reinforce the Group's internal control systems.

After due consideration, the Audit Committee accepted the report of the Auditors that the financial statements were in accordance with ethical practice and International Financial Reporting Standards.

The Committee reviewed Management's response to the auditors findings in respect of management matters and we are satisfied with management's response thereto.

We are satisfied that the company has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks", as contained in note 38 of the financial statement.

The Committee also approved the provision made in the consolidated and separate annual financial statements in relation to the remuneration of the auditors.

Signed on behalf of the Directors by:

Mr. Samuel Ayininuola
Chairman, Audit Committee
FRC/2016/ICAN/00000015248
01 February 2024

Members of the audit committee are:

- Mr. Samuel Ayininuola*
- Mr. Ibhade George*
- Mr. Olatunji Bamidele*
- Mr. Babs Omotowa
- Mr. Ballama Manu MFR**

* Shareholders' representative
** Non-Executive Directors

Audit committee

Samuel Ayininuola
Chairman / Shareholders' representative

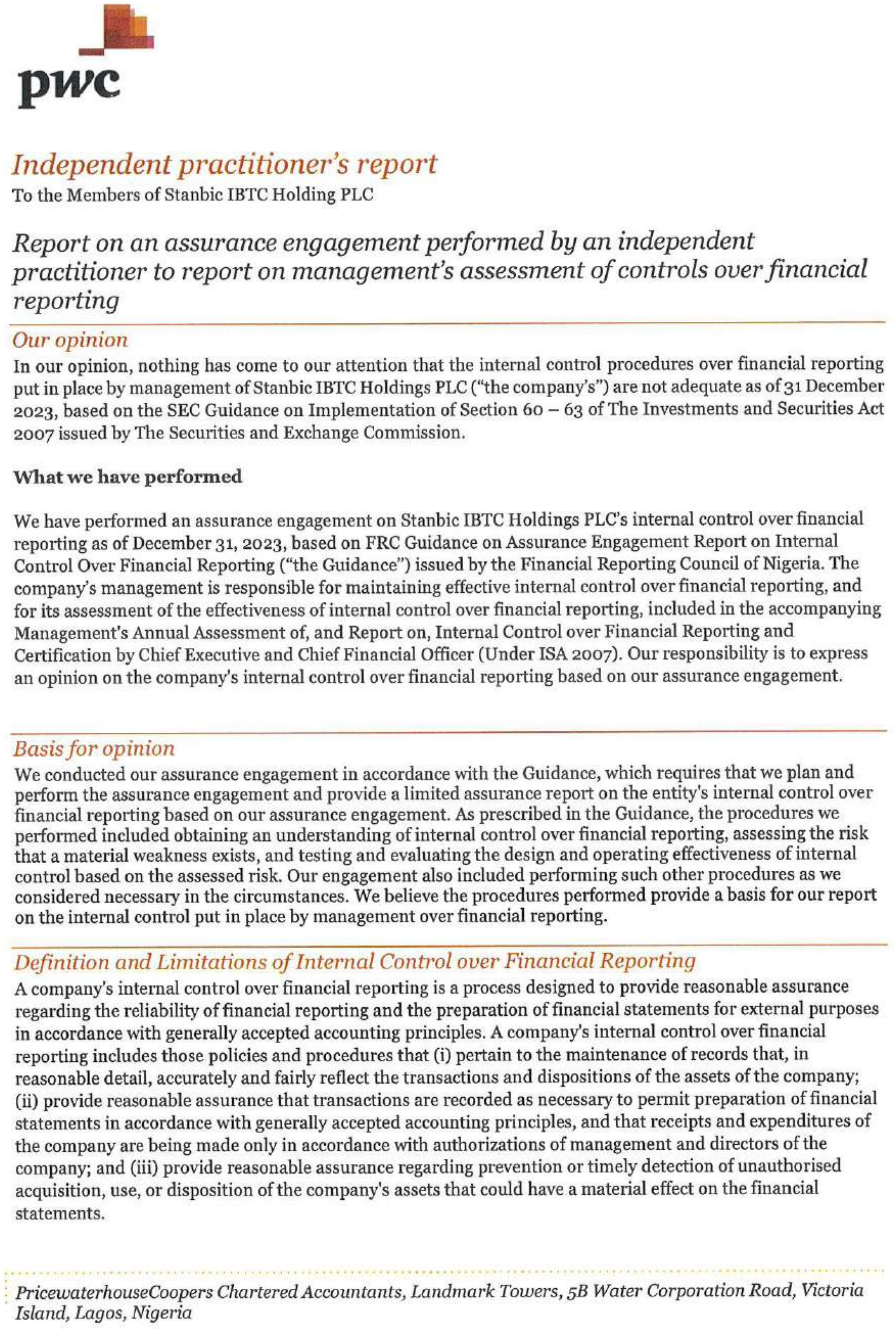
Ibhade George
Shareholders' representative

Olatunji Bamidele
Shareholders' representative

Babs Omotowa
Independent
Non-Executive Director

Ballama Manu MFR
Non-Executive Director

Independent practitioner's report



Independent practitioner's report

To the Members of Stanbic IBTC Holding PLC

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Stanbic IBTC Holdings PLC ("the company's") are not adequate as of 31 December 2023, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on Stanbic IBTC Holdings PLC's internal control over financial reporting as of December 31, 2023, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment of, and Report on, Internal Control over Financial Reporting and Certification by Chief Executive and Chief Financial Officer (Under ISA 2007). Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

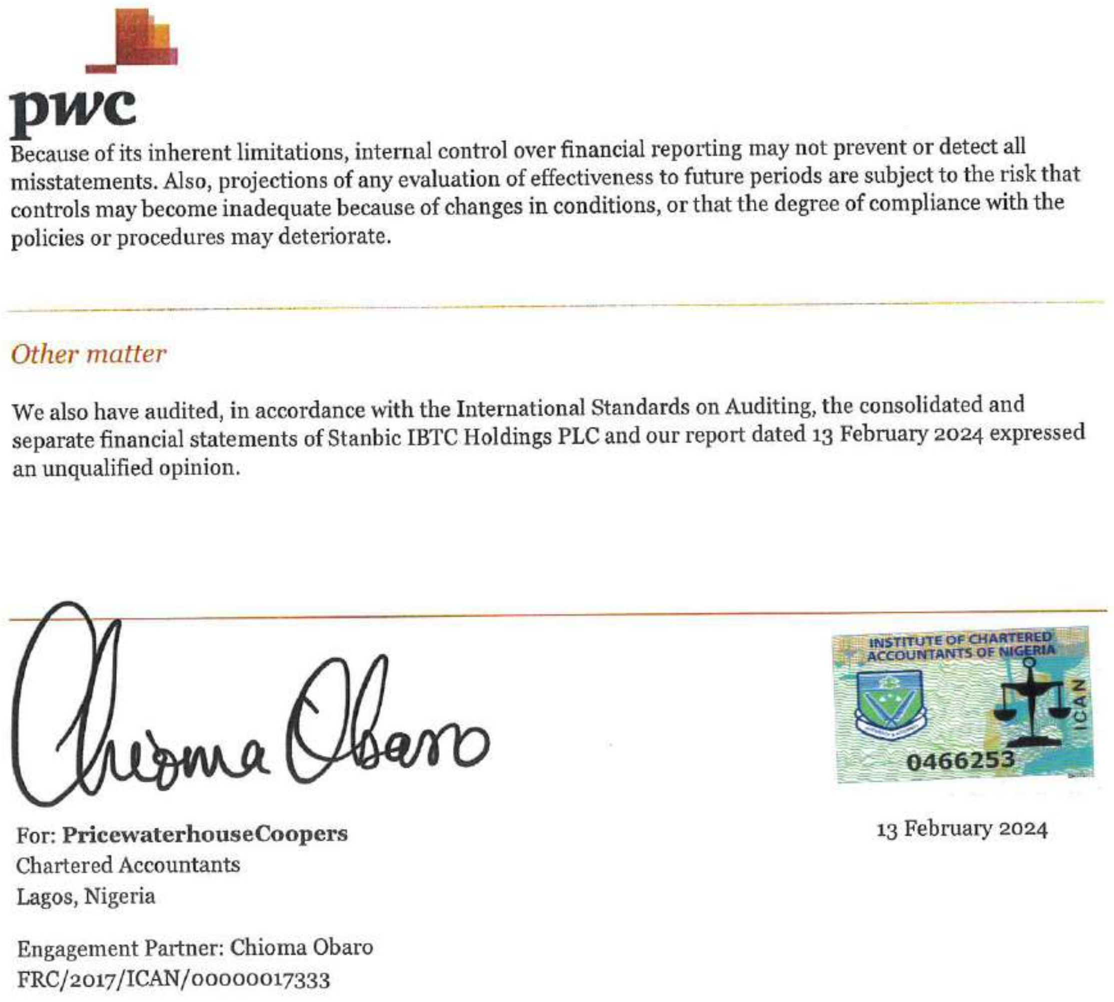
Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria



Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of Stanbic IBTC Holdings PLC and our report dated 13 February 2024 expressed an unqualified opinion.

Chioma Obaro

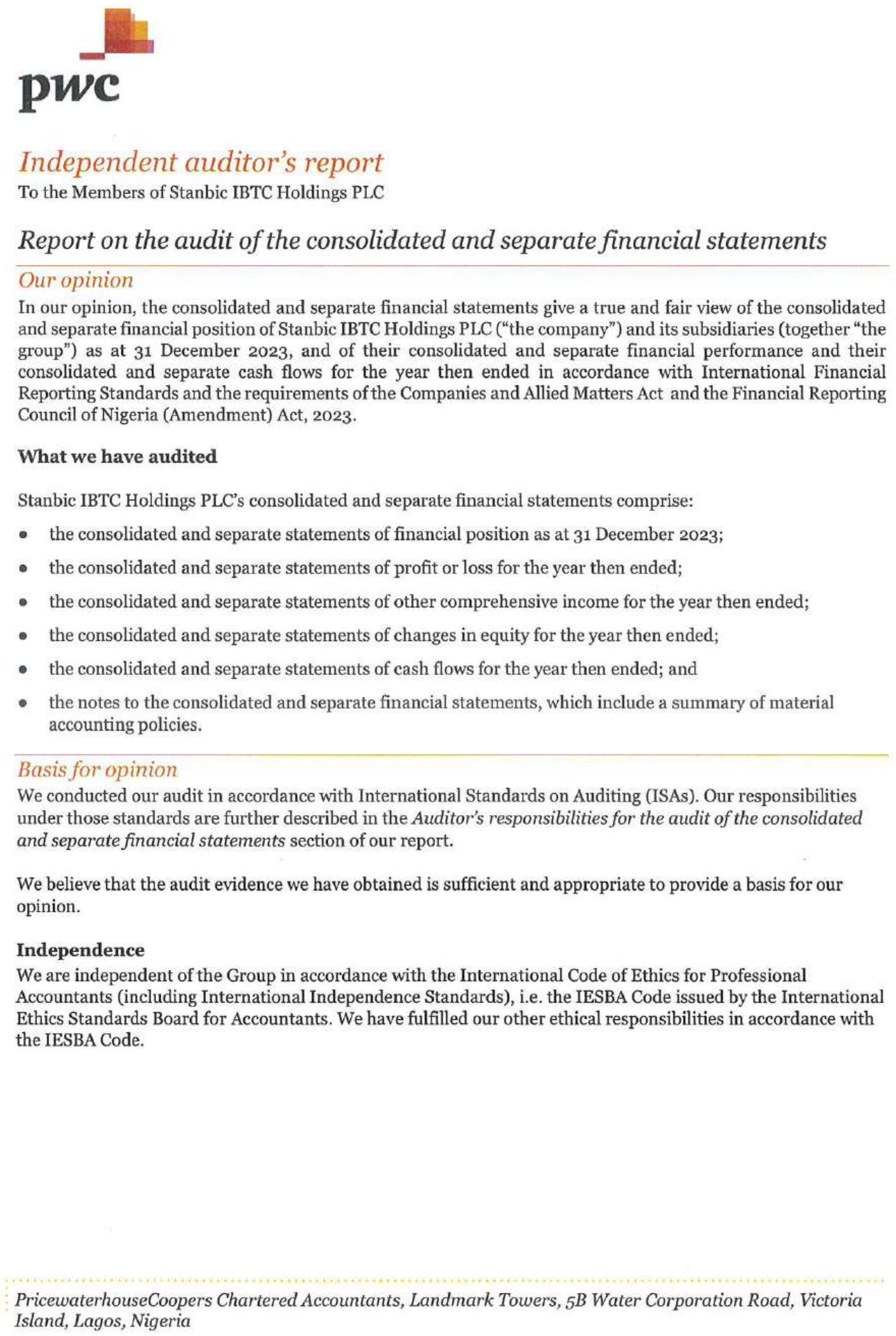
0466253

13 February 2024

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Chioma Obaro
FRC/2017/ICAN/00000017333

Independent auditor's report



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Independent auditor's report

To the Members of Stanbic IBTC Holdings PLC

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Stanbic IBTC Holdings PLC ("the company") and its subsidiaries (together "the group") as at 31 December 2023, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Stanbic IBTC Holdings PLC's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of profit or loss for the year then ended;
- the consolidated and separate statements of other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of material accounting policies.

Basis for opinion

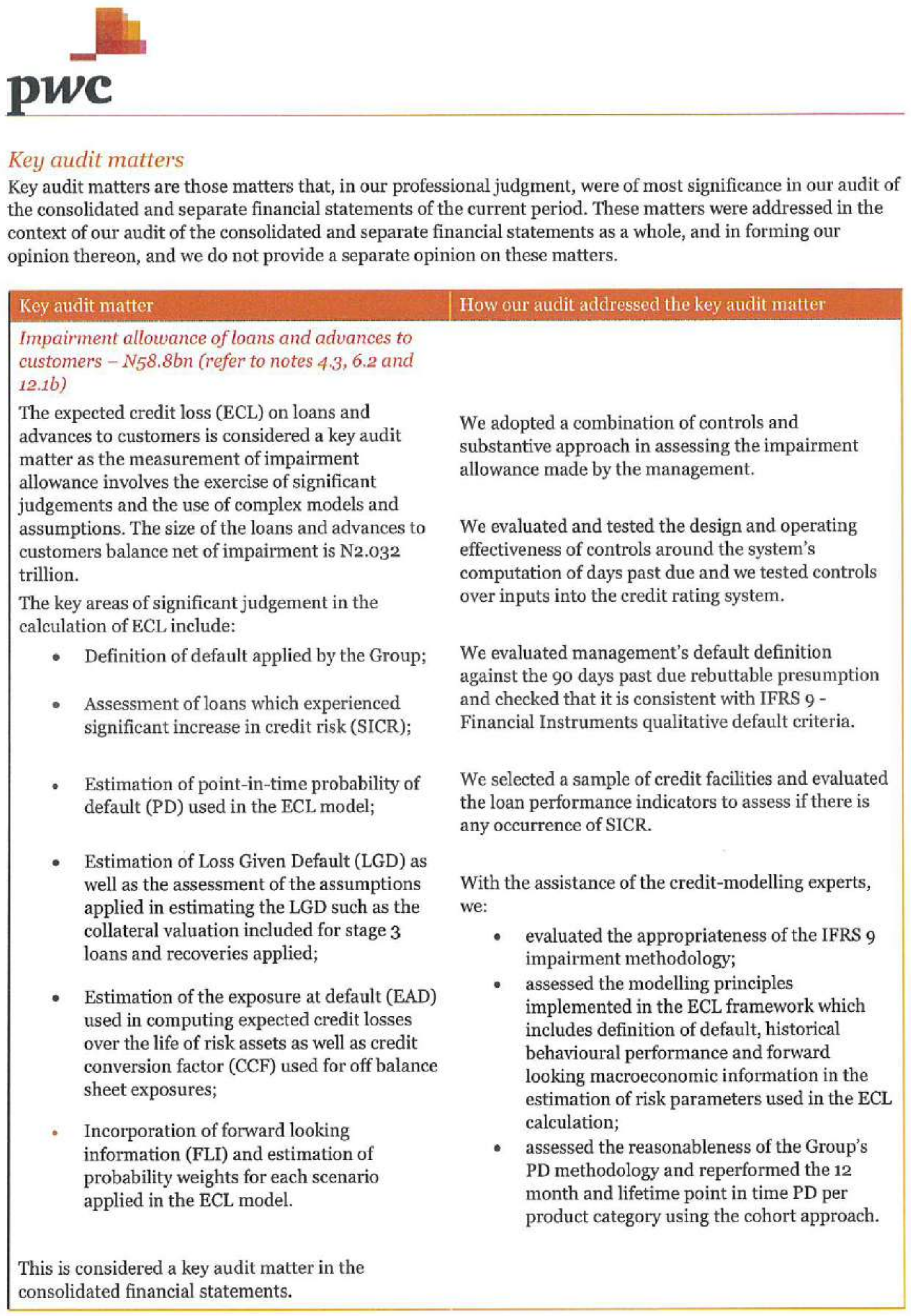
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria



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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment allowance of loans and advances to customers – N58.8bn (refer to notes 4.3, 6.2 and 12.1b)	
The expected credit loss (ECL) on loans and advances to customers is considered a key audit matter as the measurement of impairment allowance involves the exercise of significant judgements and the use of complex models and assumptions. The size of the loans and advances to customers balance net of impairment is N2.032 trillion.	We adopted a combination of controls and substantive approach in assessing the impairment allowance made by the management.
The key areas of significant judgement in the calculation of ECL include:	We evaluated and tested the design and operating effectiveness of controls around the system's computation of days past due and we tested controls over inputs into the credit rating system.
• Definition of default applied by the Group; • Assessment of loans which experienced significant increase in credit risk (SICR);	We evaluated management's default definition against the 90 days past due rebuttable presumption and checked that it is consistent with IFRS 9 - Financial Instruments qualitative default criteria.
• Estimation of point-in-time probability of default (PD) used in the ECL model;	We selected a sample of credit facilities and evaluated the loan performance indicators to assess if there is any occurrence of SICR.
• Estimation of Loss Given Default (LGD) as well as the assessment of the assumptions applied in estimating the LGD such as the collateral valuation included for stage 3 loans and recoveries applied; • Estimation of the exposure at default (EAD) used in computing expected credit losses over the life of risk assets as well as credit conversion factor (CCF) used for off balance sheet exposures; • Incorporation of forward looking information (FLI) and estimation of probability weights for each scenario applied in the ECL model.	With the assistance of the credit-modelling experts, we: • evaluated the appropriateness of the IFRS 9 impairment methodology; • assessed the modelling principles implemented in the ECL framework which includes definition of default, historical behavioural performance and forward looking macroeconomic information in the estimation of risk parameters used in the ECL calculation; • assessed the reasonableness of the Group's PD methodology and reperformed the 12 month and lifetime point in time PD per product category using the cohort approach.
This is considered a key audit matter in the consolidated financial statements.	

Independent auditor's report (continued)

- checked the accuracy of the computed LGD, for stage 3 loans and assessed the reasonableness of collateral valuation as well as the validity of recoveries applied in determining the LGD;
- checked the appropriateness of the EAD estimates for the on-balance sheet exposure and CCF estimates used for loan commitments and off-balance sheet exposures by reviewing the methodology and logic applied;
- checked the methodology for incorporating forward looking information (FLI) into the ECL model and assessed the FLI for reasonableness given current macroeconomic factors;
- assessed the methodology applied in the IFRS 9 impairment calculation engine used to combine PD, LGD and EAD term structures in determining the expected credit loss.

We checked the IFRS 9 disclosures for reasonableness.

Other information

The directors are responsible for the other information. The other information comprises Directors' Report, Statement of Directors' Responsibilities in relation to the financial statement, Corporate Governance Report, Certification by Chief Executive and Chief Financial Officer, Report of the Audit Committee, Management's Annual Assessment of, and Report on, Internal Control over Financial Reporting and Certification by Chief Executive and Chief Financial Officer (Under ISA 2007), Income statement for the three month and twelve month period ended 31 December 2023, Value Added Statement, Five-Year Financial Summary, Details of professionals who provided services to the financial statement and List of agents (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Stanbic IBTC Holdings PLC 2023 Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Stanbic IBTC Holdings PLC 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

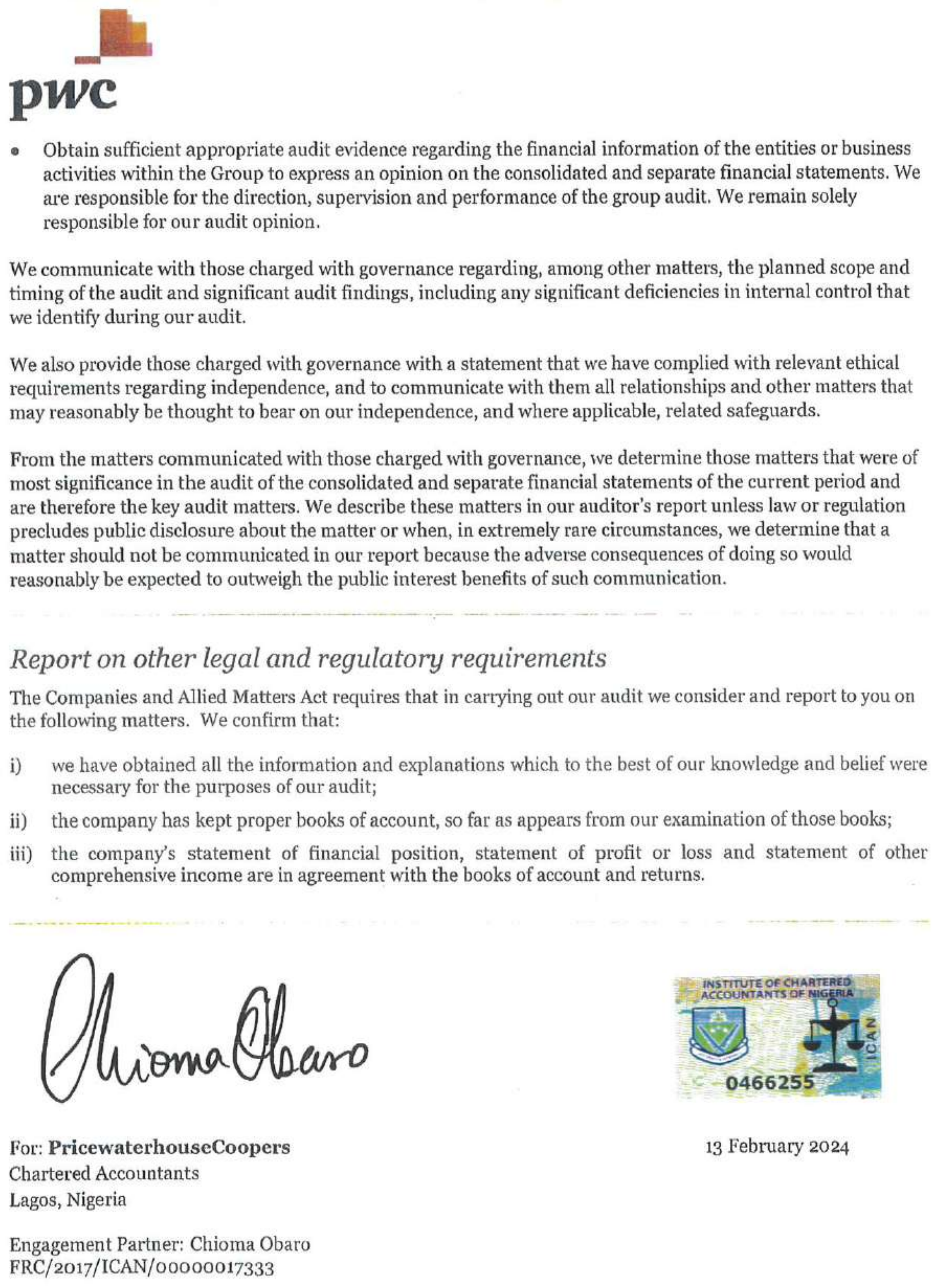
Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report (continued)



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books;

iii) the company's statement of financial position, statement of profit or loss and statement of other comprehensive income are in agreement with the books of account and returns.

Chioma Obaro

0466255

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

13 February 2024

Engagement Partner: Chioma Obaro
FRC/2017/ICAN/00000017333

Consolidated and separate statement of financial position

		Group			Company	
	Note	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Assets						
Cash and cash equivalents	7	1,384,879	664,450	653,070	15,325	50,294
Trading assets	9.1	67,917	190,431	98,743	-	-
Pledged assets	8.1	374,912	127,990	182,335	-	-
Derivative assets	10.6	550,720	42,134	41,212	-	-
Financial investments	11	435,657	582,019	636,611	4,760	27,710
Loans and advances	12	2,041,019	1,208,190	937,140	-	-
Loans and advances to banks	12	8,668	3,404	16,096	-	-
Loans and advances to customers	12	2,032,351	1,204,786	921,044	-	-
Other assets	15	202,833	132,069	129,271	25,830	13,199
Investment in subsidiaries	13	-	-	-	96,851	94,751
Reinsurance assets	17	468	321	186		
Property and equipment	18	76,683	61,548	42,720	3,446	2,040
Intangible assets	19	2,471	3,223	4,011	-	-
Right of use assets	20	4,388	3,609	3,394	129	4
Deferred tax assets	16	3,649	13,042	13,998	-	-
Total assets		**5,145,596**	**3,029,026**	**2,742,691**	**146,341**	**187,998**

The accompanying notes from page 238 to 377 form an integral part of these financial state-ments

		Group			Company	
Equity and liabilities	Note	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Equity		506,924	407,570	376,846	125,236	122,965
Equity attributable to ordinary shareholders		499,576	399,562	367,996	125,236	122,965
Ordinary share capital	21.1	6,479	6,479	6,479	6,479	6,479
Share premium	21.1	102,780	102,780	102,780	102,780	102,780
Reserves		390,317	290,303	258,737	15,977	13,706
Non-controlling interest	13.3	7,348	8,008	8,850		
Liabilities		4,638,672	2,621,456	2,365,845	21,105	65,033
Trading liabilities	9.2	480,465	220,971	112,023	-	-
Derivative liabilities	10.6	446,993	26,099	25,364	-	-
Current tax liabilities	26	23,388	17,564	16,441	92	46
Deposit and current accounts	23	2,731,772	1,736,426	1,558,397	-	-
Deposits from banks	23	658,885	491,080	431,862	-	-
Deposits from customers	23	2,072,887	1,245,346	1,126,535	-	-
Other borrowings	24	375,959	187,957	136,434	-	-
Debt securities issued	25	74,311	71,878	47,419	-	-
Provisions	27	11,314	8,758	9,302	-	-
Other liabilities	28	493,277	351,803	460,465	21,013	64,987
Deferred tax liabilities	16.1	1,193	-	-	-	-
Total equity and liabilities		**5,145,596**	**3,029,026**	**2,742,691**	**146,341**	**187,998**

Signed on behalf of the Directors by:

Basil Omiyi
Chairman
FRC/2016/IODN/00000014093
02 February 2024

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
02 February 2024

Kunle Adedeji
Chief Financial Officer
FRC/2013/ICAN/00000001137
02 February 2024

The accompanying notes from page 238 to 377 form an integral part of these financial state-ments

Consolidated and separate statements of profit or loss

	Note	Group 31 Dec 2023 ₦'million	Group Restated 31 Dec 2022 ₦'million	Company 31 Dec 2023 ₦'million	Company 31 Dec 2022 ₦'million
Net interest income		175,190	113,119	299	147
Interest income	33.1	270,593	152,670	299	147
Interest expense	33.2	(95,403)	(39,551)	-	-
Non-interest revenue		179,976	126,333	57,290	56,894
Net fee and commission revenue	33.3	110,277	91,059	2,081	1,644
Fee and commission revenue	33.3	117,839	96,065	2,081	1,644
Fee and commission expense	33.3	(7,562)	(5,006)	-	-
Income from life insurance activities		(1,531)	(595)	-	-
Net insurance service result before reinsurance contracts held	33.4	2,196	441	-	-
Net expense from reinsurance contracts held	33.4	(670)	(307)	-	-
Net insurance finance expenses	33.4	(2,285)	(561)	-	-
Fair value adjustments	33.4	(772)	(168)	-	-
Trading revenue	33.5	62,506	34,687	-	-
Other income/(loss)	33.6	8,724	1,182	55,209	55,250
Income before credit impairment charges		355,166	239,452	57,589	57,041
Net impairment loss on financial assets	33.7	(15,452)	(10,290)	(26)	-
Income after credit impairment charges		339,714	229,162	57,563	57,041
Operating expenses		(166,807)	(128,894)	(9,883)	(6,336)
Staff costs	33.8	(65,760)	(50,996)	(2,833)	(2,696)
Other operating expenses	33.9	(101,047)	(77,898)	(7,050)	(3,640)
Profit before tax		172,907	100,268	47,680	50,705
Income tax charge	35.1	(32,290)	(19,535)	(60)	(10)
Profit for the year		**140,617**	**80,733**	**47,620**	**50,695**
Profit attributable to:					
Non-controlling interests	13.3	3,035	2,691	-	-
Equity holders of the parent		137,582	78,042	47,620	50,695
Profit for the year		**140,617**	**80,733**	**47,620**	**50,695**
Earnings per share					
Basic earnings per ordinary share (kobo)	36	1,062	602	368	391
Diluted earnings per ordinary share (kobo)	36	1,062	602	368	391

The accompanying notes from page 238 to 377 form an integral part of these financial state-ments

Consolidated and separate statements of other comprehensive income

	Note	Group 31 Dec 2023 ₦'million	Group Restated 31 Dec 2022 ₦'million	Company 31 Dec 2023 ₦'million	Company Restated 31 Dec 2022 ₦'million
Profit for the period		**140,617**	**80,733**	**47,620**	**50,695**
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Movement in equity instruments measured at fair value through other comprehensive income (OCI)		480	621	-	-
Net change in fair value	35.3	480	621	-	-
Related income tax	35.3			-	-
Items that are or may be reclassified subsequently to profit or loss:					
Movement in debt instruments measured at fair value through other comprehensive income (OCI)		7,269	(1,762)	-	-
Total expected credit loss		616	16	-	-
Net change in fair value	35.3	6,724	(1,752)	-	-
Realised fair value adjustments transferred to profit or loss	35.3	(71)	(26)	-	-
Related income tax		-	-	-	-
Other comprehensive (loss)/income for the year net of tax		7,749	(1,141)	-	-
Total comprehensive income for the year		**148,366**	**79,592**	**47,620**	**50,695**
Total comprehensive income attributable to:					
Non-controlling interests		3,003	2,677	-	-
Equity holders of the parent		145,363	76,996	47,620	50,695
		148,366	**79,673**	**47,620**	**50,695**

The accompanying notes from page 238 to 377 form an integral part of these financial state-ments

Consolidated statements of changes in equity

Group	**Note**	Ordinary share capital ₦'million	Share premium ₦'million	Statutory credit risk reserve ₦'million	Fair value through OCI reserve ₦'million	Share-based payment reserve ₦'million	AGSMEIS reserve ₦'million	Other regulatory reserves ₦'million	Retained earnings ₦'million	Ordinary shareholders' equity ₦'million	Non-controlling interest ₦'million	Total equity ₦'million
Balance as at 01 January 2023		**6,479**	**102,780**	**3,904**	**3,083**	**-**	**14,476**	**55,492**	**213,348**	**399,562**	**8,008**	**407,570**
Total comprehensive (loss)/income for the year					7,781	-		-	137,582	145,363	3,003	148,366
Profit for the year		-	-	-	-	-	-	-	137,582	137,582	3,035	140,617
Other comprehensive (loss) after tax for the year		-	-	-	7,781	-	-	-	-	7,781	(32)	7,749
Net change in fair value on debt financial assets at FVOCI					6,756					6,756	(32)	6,724
Net change in fair value on equity financial assets at FVOCI		-	-	-	480	-	-	-	-	480	-	480
Realised fair value adjustments on financial assets at FVOCI (debt)		-	-	-	(71)	-	-	-	-	(71)	-	(71)
Expected credit loss on debt financial assets at FVOCI		-	-	-	616	-	-	-	-	616	-	616
Income tax on other comprehensive income		-	-	-	-	-	-	-	-	-	-	-
Statutory credit risk reserve		-	-	11,896	-	-	-	-	(11,896)	-	-	-
Transfer to AGSMEIS reserves		-	-	-	-	-	5,507	-	(5,507)	-	-	-
Transfer to statutory reserves		-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders, recorded directly in equity		-	-	-	-	-	-	-	(45,349)	(45,349)	(3,663)	(49,012)
Dividends paid to equity holders			-	-	-	-	-	-	(45,349)	(45,349)	(3,663)	(49,012)
Balance at 31 December 2023		**6,479**	**102,780**	**15,800**	**10,864**	**-**	**19,983**	**55,492**	**288,178**	**499,576**	**7,348**	**506,924**
Balance at 01 January 2022		**6,479**	**102,780**	**5,439**	**4,210**	**76**	**10,240**	**55,492**	**183,300**	**368,016**	**8,850**	**376,866**
Reclassification of merger reserve						(76)			76			
IFRS 17 Adjustment									(19)			(19)
Restated balance at 01 January 2022		**6,479**	**102,780**	**5,439**	**4,210**	**-**	**10,240**	**55,492**	**183,357**	**368,016**	**8,850**	**376,847**
Total comprehensive income for the year					(1,127)	-		-	78,042	76,915	2,677	79,592
Profit for the year		-	-	-	-	-		-	78,042	78,042	2,691	80,733
Other comprehensive income after tax for the year					(1,127)	-	-	-	-	(1,127)	(14)	(1,141)
Net change in fair value on debt financial assets at FVOCI		-	-	-	(1,738)	-		-	-	(1,738)	(14)	(1,752)
Net change in fair value on equity financial assets at FVOCI					621					621		621
Realised fair value adjustments on financial assets at FVOCI (debt)		-	-	-	(26)	-	-	-	-	(26)	-	(26)
Expected credit loss on debt financial assets at FVOCI		-	-	-	16	-		-	-	16	-	16
Income tax on other comprehensive income		-	-	-	-	-		-	-	-	-	-
Statutory credit risk reserve				(1,535)		-	-	-	1,535	-	-	-
Transfer to statutory reserves		-	-	-	-	-	-	-	-	-	-	-
Transfer to AGSMEIS reserves		-	-	-	-	-	4,236	-	(4,236)	-	-	-
Transactions with shareholders, recorded directly in equity		-	-	-	-	-	-	-	(45,350)	(45,350)	(3,519)	(48,869)
Dividends paid to equity holders		-	-	-	-	-	-	-	(45,350)	(45,350)	(3,519)	(48,869)
Balance as at 31 December 2022		**6,479**	**102,780**	**3,904**	**3,083**	**-**	**14,476**	**55,492**	**213,348**	**399,581**	**8,008**	**407,570**

Refer to note 21.3 for an assumption of the components of reserve

The accompanying notes from page 238 to 377 form an integral part of these financial state-ments

Separate statements of changes in equity

Company	Ordinary share capital ₦'million	Share premium ₦'million	Share-based payment reserve ₦'million	Retained earnings ₦'million	Ordinary shareholders' equity ₦'million
Balance at 01 January 2023	6,479	102,780	-	13,706	122,965
Reclassification of share-based payment			-	-	-
Total comprehensive income for period				47,620	47,620
Profit for the year	**-**	**-**	**-**	**47,620**	**47,620**
Transactions with shareholders, recorded directly in equity	-	-	-	(45,349)	(45,349)
Dividends paid to equity holders	-	-	-	(45,349)	(45,349)
Balance at 31 December 2023	**6,479**	**102,780**	**-**	**15,977**	**125,236**
Balance at 01 January 2022	6,479	102,780	19	8,342	117,620
Reclassification of share-based payment			(19)	19	-
Total comprehensive income for period				50,695	50,695
Profit for the year	**-**	**-**	**-**	**50,695**	**50,695**
Transactions with shareholders, recorded directly in equity	-	-	-	(45,350)	(45,350)
Dividends paid to equity holders	-		-	(45,350)	(45,350)
Balance at 31 December 2022	**6,479**	**102,780**	**-**	**13,706**	**122,965**

The accompanying notes from page 238 to 377 form an integral part of these financial state-ments

Consolidated and separate statement of cash flows

	Note	Group		Company	
		31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Net cash flows from operating activities		(61,424)	(84,232)	(11,062)	69,029
Cash flows used in operations		(147,010)	(171,242)	(64,722)	13,837
Profit before tax		172,907	100,268	47,680	50,705
Adjusted for:		(11,954)	(80,551)	(53,305)	(55,083)
Credit impairment reversal on financial instruments	33.7	15,452	10,290	26	-
Depreciation of property and equipment	18	7,567	5,831	294	99
Amortisation of intangible asset	19	765	765	-	-
Depreciation of right of use assets	20	1,736	1,560	50	29
Dividend income	33.6	(677)	(602)	(53,375)	(55,059)
Net loss on sale of investment securities measured at FVOCI	37.7	7,648	(1,141)	-	-
Equity-settled share-based payments	37.2	(2,548)	(930)	-	-
Fair value adjustment for derivatives assets	37.5	(509,508)	(922)	-	-
Fair value adjustment for derivatives liabilities	37.5	421,629	735	-	-
Accrued interest and exchange rate movement in other borrowings	24	198,310	14,072	-	-
Accrued interest and exchange rate movement in debt issued	25	29,182	3,789	-	-
Interest expense	33.2	95,403	39,551	-	-
Interest income	33.1	(270,593)	(152,670)	(299)	(147)
Gain on sale of property and equipment		(6,320)	(879)	(1)	(5)
(Increase)/decrease in assets	37.1	(1,753,383)	(368,580)	(12,657)	(6,941)
Increase in deposits and other liabilities	37.2	1,445,420	177,621	(46,440)	25,156
Dividends received		609	542	53,375	55,059
Interest received		190,669	143,666	299	147
Interest paid		(88,623)	(40,129)	-	-
Direct taxation paid	26.1	(17,069)	(17,069)	(14)	(14)

The accompanying notes from page 238 to 377 form an integral part of these financial state-ments

Consolidated and separate statement of cash flows

(continued)

		Group		Company	
	Note	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Net cash flows from/ (used in) investing activities		(18,697)	(98,828)	18,976	(27,620)
Capital expenditure on					
– property	18	(1,753)	(480)	-	-
– equipment, furniture and vehicles	18	(23,288)	(24,385)	(1,798)	(2,028)
– intangible assets	19	(13)	(16)	-	-
– right of use assets	20	(2,219)	(1,553)	(175)	-
Proceeds from sale of property, equipment, furniture and vehicles		8,601	1,124	99	42
Additional investment in subsidiary		-	-	(2,100)	-
Purchase of financial investments	37.7	(141,832)	(701,746)	-	(25,634)
Sale of financial investments	37.7	141,807	628,228	22,950	-
Net cash flows (used in)/ from financing activities		(83,603)	10,251	(42,883)	(44,351)
Proceeds from addition to other borrowings	24	138,372	64,829	-	-
Repayment of other borrowings	24	(148,680)	(27,378)	-	-
Proceed from debt securities issued	25	57,601	46,170	-	-
Repayment of debt securities issued	25	(84,350)	(25,500)	-	-
Unclaimed dividend received	37.8	342	1,086	342	1,086
Unclaimed dividend paid	37.8	2,124	(87)	2,124	(87)
Cash dividends paid	21.2	(49,012)	(48,869)	(45,349)	(45,350)
Net increase/ (decrease) in cash and cash equivalents		(163,724)	(172,809)	(34,969)	(2,942)
Effect of exchange rate changes on cash and cash equivalents	37.4	124,359	649	-	-
Cash and cash equivalents at beginning of the year		611,267	783,427	50,294	53,236
Cash and cash equivalents at end of the year	37.3	571,902	611,267	15,325	50,294

The accompanying notes from page 238 to 377 form an integral part of these financial state-ments

Notes to the consolidated and separate financial statements

1. Reporting entity

Stanbic IBTC Holdings PLC (the 'Company') is a company domiciled in Nigeria. The company's registered office is at I.B.T.C. Place Walter Carrington Crescent Victoria Island, Lagos, Nigeria. These consolidated financial statements comprise the company and its subsidiaries (together referred to as the 'Group'). The separate financial statement relates to Stanbic IBTC Holdings PLC. The Group is primarily involved in the provision of banking and other financial services to corporate and individual customers.

2. Basis of preparation

a) Statement of compliance

The consolidated and separate annual financial statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements comply with the Companies and Allied Matters Act of Nigeria, Bank and Other Financial Institution Act, Financial Reporting Council of Nigeria Act, and relevant Central Bank of Nigeria circulars.

Securities trading policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), Stanbic IBTC Holdings PLC maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorised as insiders in relation to their dealings in the Company's shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the Policy during the period.

The consolidated and separate financial statements for the year ended 31 December 2023 was approved and authorised for issue by the Board of Directors on 02 February 2024.

b) Basis of measurement

These consolidated and separate financial statements for the year ended 31 December 2023 have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- certain financial assets are measured at fair value through other comprehensive income
- liabilities for cash-settled share-based payment arrangements are measured at fair value
- trading assets and liabilities are measured at fair value

The Group applies accrual accounting for recognition of its income and expenses.

c) Basis of restatement

These consolidated and separate financial statements for 2022 year-end has been restated due to the impact of IFRS 17 from the Insurance subsidiary (Stanbic IBTC Insurance Limited).

d) Going concern assumption

These consolidated and separate financial statements have been prepared on the basis that the Group and company will continue to operate as a going concern.

e) Functional and presentation currency

These consolidated and separate financial statements are presented in Nigerian Naira, which is the company and it's subsidiaries functional and presentation currency. All financial information presented in Naira has been rounded to the nearest million, except when otherwise stated.

f) Use of estimates and judgement

The preparation of the consolidated and separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated annual financial statements is included in the note below;

- Note 6.9 Depreciation and useful life of property and equipment.
- Impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition (see note 27).
- Assessment of significance of insurance risk: The insurance subsidiary applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided. The application of judgement in this area is aided by the Company's processes to filter contracts where the additional amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Company as insignificant. A specialist unit conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Company. This assessment is performed after the separation of non-closely related derivatives, distinct investment components and promises to transfer distinct goods and non-insurance services.
- Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.
- Determination of whether the Group controls investment funds where it act as fund manager (see note 6.8).
- Provision for contingent items such as legal claims, fines, penalties and other tax penalties. (see note 6.7).
- Determination of the fair value of financial instruments with significant unobservable inputs (see note 6.3).
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (see notes 27 and 32).

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 31 December 2023 is included in the following notes.

- Determination of the fair value of financial instruments with significant unobservable inputs (see note 6.3).
- Determination of the fair value of share-based payments (see note 6.4).
- Impairment of financial instruments: incorporation of forward-looking information in the measurement of ECL.
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used (see note 16) as well as the likelihood and uncertainities of the extension of the tax exempt status of income on Government securities which we have assumed to be highly likely. Included in the recoverability review of deferred tax assets is assumptions about interest rates, exchange rates, inflation rate.
- Assessment of significance of insurance risk: The Company applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided. The application of judgement in this area is aided by the Company's processes to filter contracts where the additional amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Company as insignificant. A specialist unit conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Company. This assessment is performed after the separation of non-closely related derivatives, distinct investment components and promises to transfer distinct goods and non-insurance services.

3. Changes in accounting policies

The group has adopted IFRS 17 Insurance Contracts (see 3.1) from 01 January 2023. A number of other new standards are effective from 01 January 2023 such as Disclosure of Accounting Policies – Amendments to IAS 1, Deferred Tax related to Assets and Liabilities arising from a Single

Notes to the consolidated and separate financial statements

(continued)

Transaction (Amendments to IAS 12), and IFRS Practice Statement 2 and Definition of Accounting Estimate – Amendments to IAS 8, but they do not have a material effect on the group's financial statements.

Adoption of amended standards effective for the current financial year

IFRS 17 Insurance Contracts:
This standard replaces IFRS 4 Insurance Contracts which provided entities with dispensation to account for insurance contracts (particularly measurement) using local actuarial practice, resulting in a multitude of different approaches. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts among entities issuing insurance contracts globally. The standard requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. A general measurement model (GMM) will be applied to long-term insurance contracts and is based on a fulfilment objective (risk-adjusted present value of best estimate future cash flows) and uses current estimates, informed by actual trends and investment markets. IFRS 17 establishes what is called a contractual service margin (CSM) in the initial measurement of the liability which represents the unearned profit on the contract and results in no gain on initial recognition. The CSM is released over the life of the contract, but interest on the CSM is locked in at inception rates. The CSM will be utilised as a "shock absorber" in the event of changes to best estimate cash flows. On loss making (onerous) contracts, no CSM is set up and the full loss is recognised at the point of contract inception. The GMM is modified for contracts which have participation features. An optional simplified premium allocation approach (PAA) is available for all contracts that are less than 12 months at inception. The PAA is similar to the current unearned premium reserve profile over time. The requirement to eliminate all treasury shares has been amended such that treasury shares held for a Group of direct participating contracts or investment funds are not required to be eliminated and can be accounted for as financial assets. These requirements will provide transparent reporting about an entities' financial position and risk and will provide metrics that can be used to evaluate the performance of insurers and how that performance changes over time. An entity may re-assess its classification and designation of financial instruments under IFRS 9, on adoption of IFRS 17. The adoption of IFRS 17 did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's results materially upon transition.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2:
The amendments seek to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: requiring companies to disclose their material accounting policies rather than their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements". The adoption of this amendment did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's results materially upon transition.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12):
The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – for example leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 01 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The adoption of this amendment did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's results materially upon transition.

Definition of Accounting estimate – amendments to IAS 8:
The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: selecting a measurement technique (estimation or valuation technique) – for example an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and choosing the inputs to be used when applying the chosen measurement technique – for example the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The adoption of this amendment did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's results materially upon transition.

3.1 IFRS 17 Insurance contracts

This standard replaces IFRS 4 Insurance Contracts and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

Scope

The scope of IFRS 17 applies to contracts meeting the definition of:

i) Insurance contracts, including reinsurance contracts, it issues;

ii) Reinsurance contracts it holds; and

iii) Investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

Some contracts meet the definition of an insurance contract but have as their primary purpose the provision of services for a fixed fee. Such issued contracts are in the scope of the standard, unless an entity chooses to apply IFRS 15 Revenue from Contracts with Customers and provided the following conditions are met:

- the entity does not reflect an assessment of the risk associated with an individual customer in setting the price of the contract with that customer;

- the contract compensates the customer by providing a service, rather than by making cash payments to the customer; and

- the insurance risk transferred by the contract arises primarily from the customer's use of services rather than from uncertainty over the cost of those services.

Key definitions

- **Insurance contract:** A contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

- **Portfolio of insurance contracts:** Insurance contracts subject to similar risks and managed together.

- **Contractual service margin:** A component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognise as it provides services under the insurance contracts in the group.

- **Insurance risk:** Risk, other than financial risk, transferred from the holders of a contract to the issuer.

- **Fulfilment cash flows:** An explicit, unbiased and probability-weighted estimate (that is expected value) of the present value of the future cash outflows less the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.

- **Risk adjustment for non-financial risk:** The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows arising from non-financial risk as the entity fulfils insurance contracts.

An insurance contract may contain one or more components that would be within the scope of another standard if they were separate contracts. For example, an insurance contract may include an investment component or a service component (or both).

The standard provides the criteria to determine when a non-insurance component is distinct from the host insurance contract.

An entity shall apply:

- Apply IFRS 9 Financial Instruments to determine whether there is an embedded derivative to be separated and, if there is, how to account for such a derivative.

- Separate from a host insurance contract an investment component if, and only if, that investment component is distinct. The entity shall apply IFRS 9 to account for the separated investment component.

- After performing the above steps, separate any promises to transfer distinct non-insurance goods or services. Such promises are accounted under IFRS 15 Revenue from Contracts with Customers.

Notes to the consolidated and separate financial statements

(continued)

Level of aggregation

IFRS 17 requires entities to identify portfolios of insurance contracts, which comprises contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together.

Each portfolio of insurance contracts issues shall be divided into a minimum of:

- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining contracts in the portfolio, if any.

An entity is not permitted to include contracts issued more than one year apart in the same group.

If contracts within a portfolio would fall into different groups only because law or regulation specifically constrains the entity's practical ability to set a different price or level of benefits for policyholders with different characteristics, the entity may include those contracts in the same group.

Recognition of insurance contract

An entity shall recognise a group of insurance contracts it issues from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; and
- for a group of onerous contracts, when the group becomes onerous.

Measurement of insurance contract

On initial recognition, an entity shall measure a group of insurance contracts at the total of:

a) the fulfilment cash flows ("FCF"), which comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money ("TVM") and the financial risks associated with the future cash flows; and
- a risk adjustment for non-financial risk

b) the contractual service margin ("CSM").

An entity shall include all the future cash flows within the boundary of each contract in the group. The entity may estimate the future cash flows at a higher level of aggregation and then allocate the resulting fulfilment cash flows to individual groups of contracts.

The estimates of future cash flows shall be current, explicit, unbiased, and reflect all the information available to the entity without undue cost and effort about the amount, timing and uncertainty of those future cash flows. They should reflect the perspective of the entity, provided that the estimates of any relevant market variables are consistent with observable market prices.

Discount rates

The discount rates applied to the estimate of cash flows shall:

- reflect the time value of money (TVM), the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- be consistent with observable current market prices (if any) of those financial instruments whose cash flow characteristics are consistent with those of the insurance contracts; and
- exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

Risk adjustment for non-financial risk

The estimate of the present value of the future cash flows is adjusted to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk.

Contractual service margin

The CSM represents the unearned profit of the group of insurance contracts that the entity will recognise as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

- the initial recognition of an amount for the FCF
- the derecognition at that date of any asset or liability recognised for insurance acquisition cash flows; and
- any cash flows arising from the contracts in the group at that date

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of:

a) the liability for remaining coverage comprising:

- the FCF related to future services and;
- the CSM of the group at that date;

b) the liability for incurred claims, comprising the FCF related to past service allocated to the group at that date.

Onerous contracts

An insurance contract is onerous at initial recognition if the total of the FCF, any previously recognised acquisition cash flows and any cash flows arising from the contract at that date is a net outflow. An entity shall recognise a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF and the CSM of the group being zero.

On subsequent measurement, if a group of insurance contracts becomes onerous (or more onerous), that excess shall be recognised in profit or loss. Additionally, the CSM cannot increase and no revenue can be recognised, until the onerous amount previously recognised has been reversed in profit or loss as part of a service expense.

Premium allocation approach

An entity may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on the condition that, at the inception of the group:

a) the entity reasonably expects that this will be a reasonable approximation of the general model, or

a) the coverage period of each contract in the group is one year or less.

Where, at the inception of the group, an entity expects significant variances in the FCF during the period before a claim is incurred, such contracts are not eligible to apply the PAA.

Using the PAA, the liability for remaining coverage shall be initially recognised as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows. Subsequently the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus amortisation of acquisition cash flows, minus the amount recognised as insurance revenue for coverage provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

Practical expedients available under the PAA:

If insurance contracts in the group have a significant financing component, the liability for remaining coverage needs to be discounted, however, this is not required if, at initial recognition, the entity expects that the time between providing each part of the coverage and the due date of the related premium is no more than a year.

In applying PAA, an entity may choose to recognise any insurance acquisition cash flows as an expense when it incurs those costs, provided that the coverage period at initial recognition is no more than a year.

The simplifications arising from the PAA do not apply to the measurement of the group's liability for incurred claims, measured under the general model. However, there is no need to discount those cash flows if the balance is expected to be paid or received in one year or less from the date the claims are incurred.

Investment contracts with a DPF

An investment contract with a DPF is a financial instrument and it does not include a transfer of significant insurance risk. It is in the scope of the standard only if the issuer also issues insurance contracts. The requirements of the Standard are modified for such investment contracts.

Reinsurance contracts held

The requirements of the standard are modified for reinsurance contracts held.

In estimating the present value of future expected cash flows for reinsurance contracts, entities use assumptions consistent with those used for related direct insurance contracts. Additionally, estimates include the risk of reinsurer's non-performance.

The risk adjustment for non-financial risk is estimated to represent the transfer of risk from the holder of the reinsurance contract to the reinsurer.

On initial recognition, the CSM is determined similarly to that of direct insurance contracts issued, except that the CSM represents net gain or loss on purchasing reinsurance. On initial recognition, this net gain or loss is deferred, unless the net loss relates to events that occurred before purchasing a reinsurance contract (in which case it is expensed immediately).

Subsequently, reinsurance contracts held are accounted similarly to insurance contracts under the general model. Changes in reinsurer's risk of non-performance are reflected in profit or loss, and do not adjust the CSM.

Modification and derecognition

Modification of an insurance contract

If the terms of an insurance contract are modified, an entity shall derecognise the original contract and recognise the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

The modification is substantive if any of the following conditions are satisfied:

a) if, had the modified terms been included at contract's inception, this would have led to:

- exclusion from the Standard's scope;

Notes to the consolidated and separate financial statements

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- unbundling of different embedded derivatives;
- redefinition of the contract boundary; or
- the reallocation to a different group of contracts; or

b) if the original contract met the definition of a direct par insurance contracts, but the modified contract no longer meets that definition, or vice versa; or

c) the entity originally applied the PAA, but the contract's modifications made it no longer eligible for it

Derecognition
An entity shall derecognise an insurance contract when it is extinguished, or if any of the conditions of a substantive modification of an insurance contract are met.

Effect of IFRS 17 transition on the consolidated statement of financial position

Statement of financial position line items affected	Note	Group IFRS 17 at 01 January 2023 ₦'million	Previously reported under IFRS 4 31 December 2022 ₦'million	IFRS 17 transition adjustment at 01 January 2023 ₦'million
Assets				
Other financial and non-financial assets		2,815,535	2,815,535	-
Other assets	(a)	132,263	132,069	194
Property and equipment		61,548	61,548	-
Intangible assets		3,223	3,223	-
Right of use assets		3,609	3,609	-
Deferred tax assets		13,042	13,042	-
Total assets		3,029,220	2,742,691	194
Liabilities				
Other financial and non-financial liabilities		2,269,653	2,269,653	94
Other liabilities	(b)	351,897	351,803	-
Deferred tax liabilities		-	-	-
Total liabilites		2,621,550	2,621,456	94
Equity				
Share capital		6,479	6,479	-
Share premium		102,780	102,780	-
Reserves		290,403	290,303	100
Non-controlling interest		8,008	8,008	-
Total equity		407,670	407,570	100
Total equity and liabilities		**3,029,220**	**3,029,026**	**194**

*Other financial and non-financial assets: Included under this category are Cash and cash equivalent, Trading assets, Derivative assets, Pledged assets, Financial Investments and Loans advances.

*Other financial and non-financial liabilities: Included under this category are Deposits, Other borrowings, Debt securities issued, Provisions, Trading liabilities and Derivatives liabilities.

Note

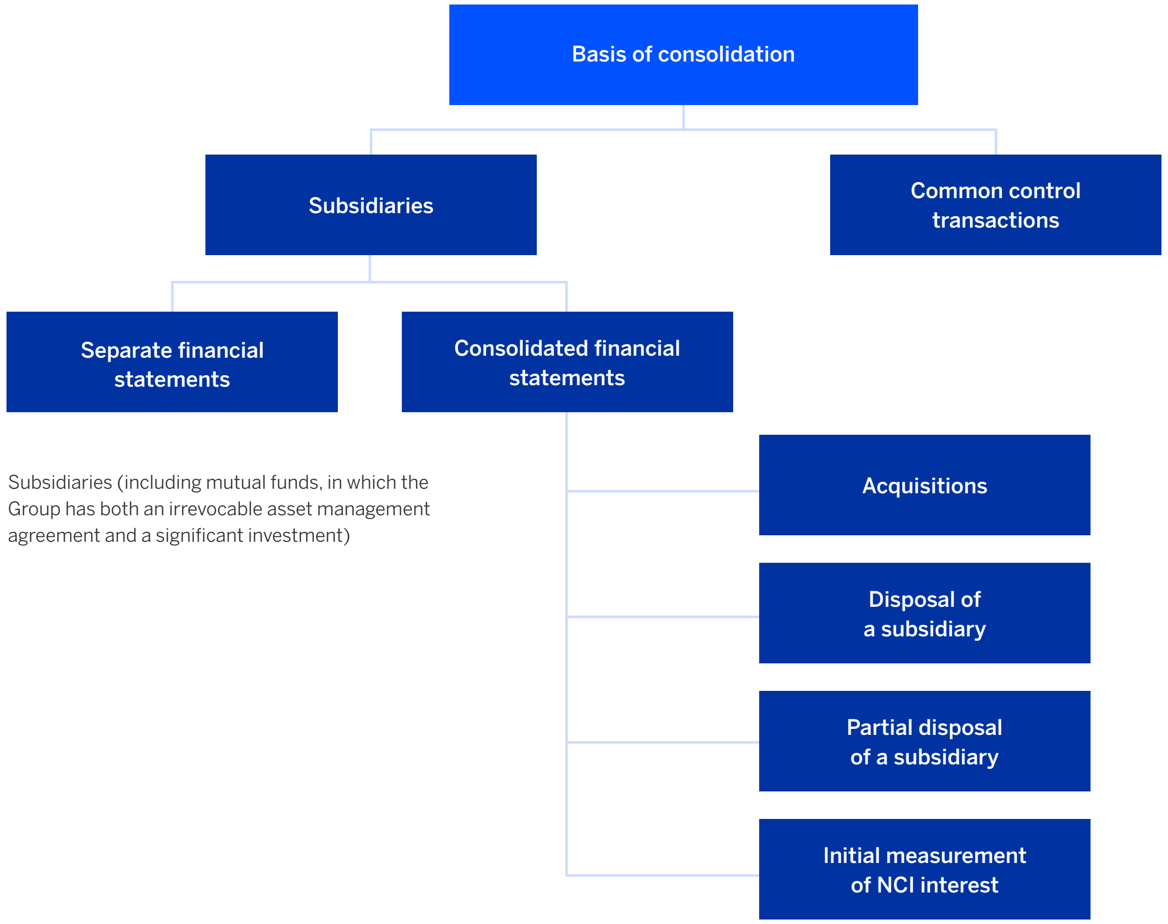
a) The transition adjustment relating to reinsurance assets and deferred acquisition cost

b) Other assets include reinsurance contract assets, under IFRS 4, and provisions and other liabilities include reinsurance contract liabilities

4. Statement of significant accounting policies

Except for the changes explained in note 3, the Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate annual financial statements.

4.1. Basis of consolidation



Subsidiaries (including mutual funds, in which the Group has both an irrevocable asset management agreement and a significant investment)

Separate financial statements
Investments in subsidiaries are accounted for at cost less accumulated impairment losses (where applicable) in the separate financial statements. The carrying amounts of these investments are reviewed annually for impairment indicators and, where an indicator of impairment exists, are impaired to the higher of the investment's fair value less costs to sell or value in use.

Consolidated financial statements
The accounting policies of subsidiaries that are consolidated by the Group conform to the Group's accounting policies. IntraGroup transactions, balances and unrealised gains or (losses) are eliminated on consolidation. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. The proportion of comprehensive income and changes in equity allocated to the Group and non-controlling interest are determined on the basis of the Group's present ownership interest in the subsidiary.

Notes to the consolidated and separate financial statements

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Acquisitions

Subsidiaries are entities controlled by the Group and are consolidated from the date on which the Group acquires control up to the date that control is lost. The Group controls an entity if it is exposed to, or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control is assessed on a continuous basis. For mutual funds the Group further assesses its control by considering the existence of either voting rights or significant economic power.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred is measured as the sum of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. The consideration includes any asset, liability or equity resulting from a contingent consideration arrangement. The obligation to pay contingent consideration is classified as either a liability or equity based on the terms of the arrangement. The right to a return of previously transferred consideration is classified as an asset. Transaction costs are recognised within profit or loss as and when they are incurred. Where the initial accounting is incomplete by the end of the reporting period in which the business combination occurs (but no later than 12 months since the acquisition date), the Group reports provisional amounts.

Where applicable, the Group adjusts retrospectively the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and affected the measurement of the provisional amounts. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any NCI. The excess (shortage) of the sum of the consideration transferred (including contingent consideration), the value of NCI recognised and the acquisition date fair value of any previously held equity interest in the subsidiary over the fair value of identifiable net assets acquired is recorded as goodwill in the statement of financial position (gain on bargain purchase, which is recognised directly in profit or loss). When a business combination occurs in stages, the previously held equity interest is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss.

Increases in the Group's interest in a subsidiary, when the Group already has control, are accounted for as transactions with equity holders of the Group. The difference between the purchase consideration and the Group's proportionate share of the subsidiary's additional net asset value acquired is accounted for directly in equity.

Loss of control in a subsidiary

Where applicable, the Group adjusts retrospectively the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and affected the measurement of the provisional amounts. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any NCI. The excess (shortage) of the sum of the consideration transferred (including contingent consideration), the value of NCI recognised and the acquisition date fair value of any previously held equity interest in the subsidiary over the fair value of identifiable net assets acquired is recorded as goodwill in the statement of financial position (gain on bargain purchase, which is recognised directly in profit or loss).When a business combination occurs in stages, the previously held equity interest is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss.

Loss of control in a subsidiary (continued)

Increases in the Group's interest in a subsidiary, when the Group already has control, are accounted for as transactions with equity holders of the Group. The difference between the purchase consideration and the Group's proportionate share of the subsidiary's additional net asset value acquired is accounted for directly in equity.

Partial disposal of a subsidiary

A partial disposal arises as a result of a reduction in the Group's ownership interest in an investee that is not a disposal (that is a reduction in the Group's interest in a subsidiary whilst retaining control). Decreases in the Group's interest in a subsidiary, where the Group retains control, are accounted for as transactions with equity holders of the Group. Gains or losses on the partial disposal of the Group's interest in a subsidiary are computed as the difference between the sales consideration and the Group's proportionate share of the investee's net asset value disposed of, and are accounted for directly in equity.

Initial measurement of NCI

The Group elects on each acquisition to initially measure NCI on the acquisition date at either fair value or at the NCI's proportionate share of the investees' identifiable net assets.

Common control transactions

Common control transactions, in which the company is the ultimate parent entity both before and after the transaction, are accounted for at book value.

Foreign currency translations

Foreign currency transactions are translated into the respective Group entities' functional currencies at exchange rates prevailing at the date of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates, are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date, and those measured at fair value are translated at the exchange rate at the date that the fair value was determined. Foreign exchange rate differences on non-monetary items are accounted for based on the classification of the underlying items.

In the case of foreign currency gains and losses on debt instruments classified as FVOCI, a distinction is made between foreign currency differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Foreign currency differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in equity. For FVOCI equity investments, foreign currency differences are recognised in OCI and cannot be reclassified to profit or loss.

Foreign currency gains and losses on intraGroup loans are recognised in profit or loss except where the settlement of the loan is neither planned nor likely to occur in the foreseeable future.

4.2. Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows consist of cash and balances with central banks (excluding cash reserve), and balances with other banks with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair values and are used by management to fulfill short term commitments. Cash and balances with central banks comprise coins and bank notes, balances with central banks and other short term investments.

Notes to the consolidated and separate financial statements

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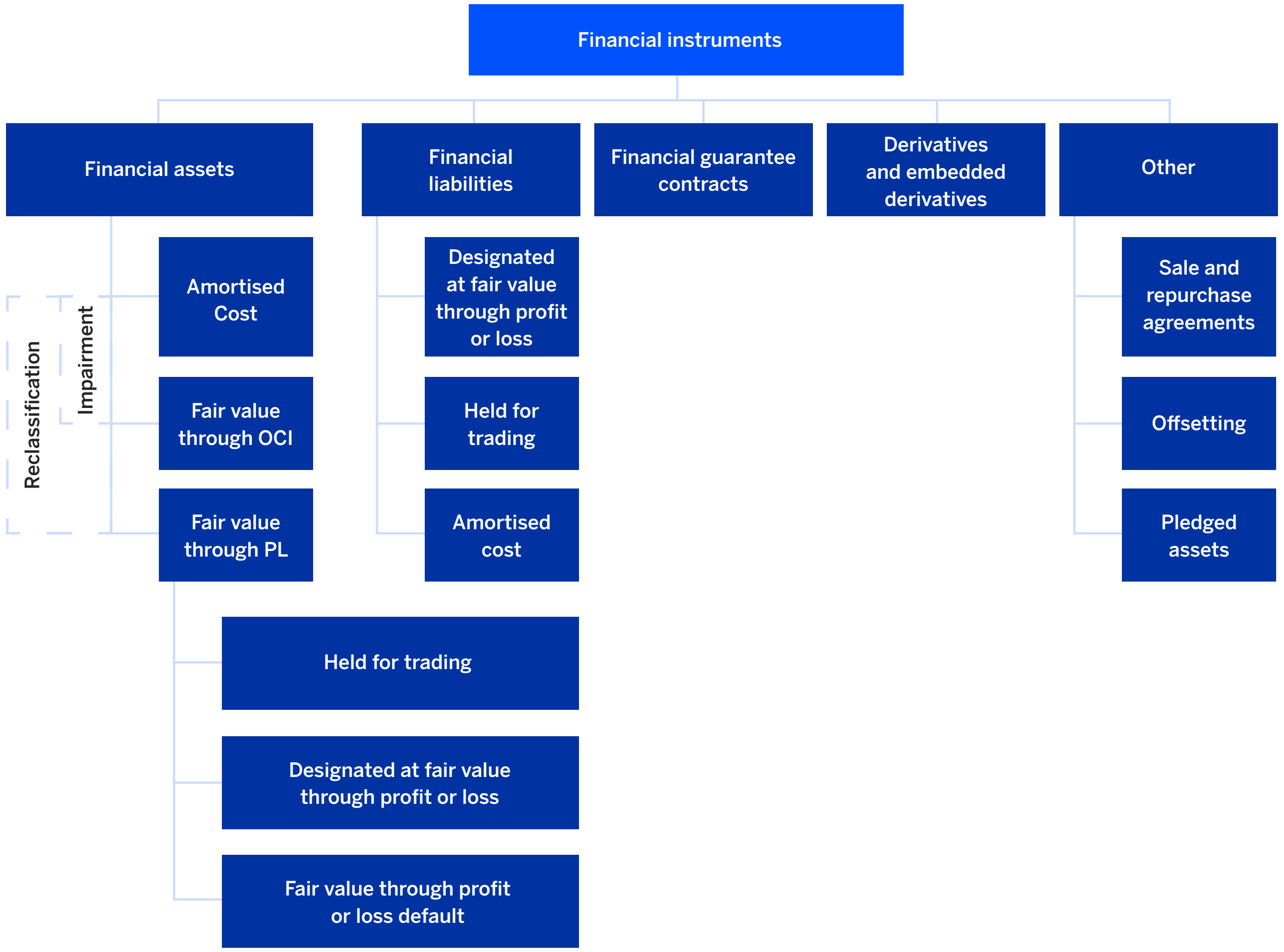
4.3. Financial instruments

The relevant financial instruments are financial assets classified at amortised cost, fair value through OCI, fair value through P/L and financial liabilities.



Recognition and initial measurement – financial instruments

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the Group commits to purchase (sell) the instruments (trade date accounting). and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the Group commits to purchase (sell) the instruments (trade date accounting).

Financial assets

Amortised cost

A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):

- held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss – default.

Fair value through OCI

Includes:

- A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):
  - held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss – default.

- Equity financial assets which are not held for trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.

Held for trading

Those financial assets acquired principally for the purpose of selling in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Notes to the consolidated and separate financial statements

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Designated at fair value through profit or loss	Financial assets are designated to be measured at fair value in the following instances: • to eliminate or significantly reduce an accounting mismatch that would otherwise arise • where the financial assets are managed and their performance evaluated and reported on a fair value basis • where the financial asset contains one or more embedded derivatives that significantly modify the financial asset's cash flows.
Fair value through profit or loss default	Financial assets that are not classified into one of the above-mentioned financial asset categories.

Subsequent measurement

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

Amortised cost	Amortised cost using the effective interest method with interest recognised in interest income, less any impairment losses which are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.
Fair value through OCI	Debt instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue. Interest income on debt financial asset is recognised in interest income in terms of the effective interest rate method. Dividends received are recognised in interest income within profit or loss. Equity instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income. Dividends received on equity instruments are recognised in other revenue within non-interest income.
Held for trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.

Fair value through profit or loss – default	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.
Designated at fair value through profit or loss	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.

Impairment

Expected credit losses (ECL) are recognised on debt financial assets classified as at either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide loan at a below market interest rate.

The measurement basis of the ECL of a financial asset includes assessing whether there has been a significant increase in credit risk (SICR) at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL, which is set out in the table that follows, is measured as the unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward looking information.

Stage 1	A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR.
Stage 2	A lifetime ECL allowance is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.
Stage 3	A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired: • default • significant financial difficulty of borrower and/or modification • probability of bankruptcy or financial reorganisation • disappearance of an active market due to financial difficulties.
Significant Increase in Credit Risk (SICR)	At each reporting date the Group assesses whether the credit risk of its exposures has increased significantly since initial recognition by considering the change in the risk of default occurring over the expected life of the financial asset. Credit risk of exposures which are overdue for more than 30 days are also considered to have increased significantly.
Low credit risk	Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions may not necessarily reduce the exposure's ability to fulfil its contractual obligations.

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Default	The Group's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or Groups of financial assets: • significant financial difficulty of borrower and or modification (that is known cash flow difficulties experienced by the borrower) • a breach of contract, such as default or delinquency in interest and or principal payments • disappearance of active market due to financial difficulties • it becomes probable that the borrower will enter bankruptcy or other financial reorganisation • where the Group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the Group would not otherwise consider. Exposures which are overdue for more than 90 days are also considered to be in default.
Forward-looking information	Forward looking information is incorporated into the Group's impairment methodology calculations and in the Group's assessment of SICR. The Group includes all forward looking information which is reasonable and available without undue cost or effort. The information will typically include expected macro-economic conditions and factors that are expected to impact portfolios or individual counterparty exposures.
Write-off	Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to enforcement activities.

ECLs are recognised within the statement of financial position as follows:

Financial assets measured at amortised cost (including loan commitments)	Recognised as a deduction from the gross carrying amount of the asset (Group of assets). Where the impairment allowance exceeds the gross carrying amount of the asset (Group of assets), the excess is recognised as a provision within other liabilities.
Off-balance sheet exposures (excluding loan commitments)	Recognised as a provision within provisions.
Financial assets measured at fair value through OCI	Recognised in the fair value reserve within equity. The carrying value of the financial asset is recognised in the statement of financial position at fair value.

Reclassification

Reclassifications of financial assets are permitted only in the following instances:

Reclassifications of debt financial assets are permitted when, and only when, the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified. Reclassifications are accounted for prospectively from the date of reclassification as follows:

- Financial assets that are reclassified from amortised cost to fair value are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in other gains and losses on financial instruments
- The fair value of a financial asset that is reclassified from fair value to amortised cost becomes the financial asset's new carrying value
- Financial assets that are reclassified from amortised cost to fair value through OCI are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in OCI
- The fair value of a financial asset that is reclassified from fair value through OCI to amortised cost becomes the financial asset's new carrying value with the cumulative fair value adjustment recognised in OCI being recognised against the new carrying value
- The carrying value of financial assets that are reclassified from fair value through profit or loss to fair value through OCI remains at fair value
- The carrying value of financial assets that are reclassified from fair value through OCI to fair value through profit or loss remains at fair value, with the cumulative fair value adjustment in OCI being recognised in the income statement at the date of reclassification.

Financial liabilities
Nature

Held for trading	Those financial liabilities incurred principally for the purpose of re-purchasing in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial liabilities are designated to be measured at fair value in the following instances: • to eliminate or significantly reduce an accounting mismatch that would otherwise arise where the financial liabilities are managed and their performance evaluated and reported on a fair value basis • where the financial liability contains one or more embedded derivatives that significantly modify the financial asset's cash flows.
At amortised cost	All other financial liabilities not included in the above categories.

Notes to the consolidated and separate financial statements

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Subsequent measurement

Subsequent to initial measurement, financial liabilities are classified in their respective categories and measured at either amortised cost or fair value as follows:

Held for trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.
Designated at fair value through profit or loss	Fair value, with gains and losses arising from changes in fair value (including interest and dividends but excluding fair value gains and losses attributable to own credit risk) are recognised in other gains and losses on financial instruments as part of non-interest revenue. Fair value gains and losses attributable to changes in own credit risk are recognised within OCI, unless this would create or enlarge an accounting mismatch in which case the own credit risk changes are recognised within trading revenue.
Amortised cost	Amortised cost using the effective interest method with interest recognised in interest expense.

Derecognition of financial assets and liabilities

Financial assets and liabilities are derecognised in the following instances:

Financial assets	Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements. In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. Any cummulative gain/loss recognised in OCI in respect of equity investment securities designated at FVOCI is not recognised in profit or loss on derecognition of such securities.
Financial liabilities	Financial liabilities are derecognised when the obligation of the financial liabilities are extinguished, that is, when the obligation is discharged, cancelled or expires.

Modification of financial assets and liabilities

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value and recalculates a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes.

If the terms are not substantially different for financial assets or financial liabilities, the Group recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new carrying gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or gains and losses on financial instruments within non-interest revenue (for all other modifications).

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts and loan commitments at a below market interest rate are initially recognised when the Group become party to the irrevocable commitment at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee. Financial guarantee contracts (that are not designated at fair value through profit or loss) and loan commitments at a below market interest rate, are subsequently measured at the higher of the:

- the ECL calculated for the financial guarantee; and
- unamortised premium.

Derivatives and embedded derivatives

A financial guarantee contract is a contract that requires the Group (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts and loan commitments at a below market interest rate are initially recognised when the Group become party to the irrevocable commitment at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee. Financial guarantee contracts (that are not designated at fair value through profit or loss) and loan commitments at a below market interest rate, are subsequently measured at the higher of the:

- the ECL calculated for the financial guarantee; and
- unamortised premium.

Other pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial investments or trading assets to pledged assets, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Initial recognition of pledged assets is at fair value, whilst subsequently measured at amortised cost or fair value as approriate. These transactions are performed in accordance with the usual terms of securities lending and borrowing.

Sale and repurchase agreements

Securities sold subject to linked repurchase agreements (repurchase agreements) are reclassified in the statement of financial position as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The liability to the counterparty is included under deposit and current accounts or trading liabilities, as appropriate.

Securities purchased under agreements to resell (reverse repurchase agreements), at either a fixed price or the purchase price plus a lender's rate of return, are recorded as loans and included under trading assets or loans and advances, as appropriate. For repurchase and reverse repurchase agreements measured at amortised cost, the difference between the purchase and sales price is treated as interest and amortised over the expected life using the effective interest rate method.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the consolidated and separate financial statements

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Collateral repossessed

Repossessed collateral are equities, investment properties or other investments repossessed from a customer to be used to settle the outstanding obligation.

When collaterals are repossessed on written off loans and recognised in other assets and income, the receivable is written down against the allowance for losses. Repossessed collaterals are included in the financial statement based on how the Bank intends to realise benefit from such collateral such as "Non current assets held for sale" and carried at the lower of cost or estimated fair value less cost to sell, if the group intends to sell or cost less accumulated depreciation, if for use in the normal course of business.

The group's accounting policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Asset for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the group's policy.

Collateral valuation

To mitigate its credit risks on financial assets, the group seeks to use collateral, where possible. The collaterals comes in various forms, such as cash, securities, letter of credit or guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis.

To the extent possible, the Bank uses active market data for valuing financial assets held as collaterals. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, are valued based on data provided by third parties such as external valuers.

4.4. Fair value

In terms of IFRS, the Group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions. Fair value is a market based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the entity is a going concern devoid of any circumstance that indicates a forced transaction, involuntary liquidation or a distressed sale. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Inputs and valuation techniques

Fair value is measured based on quoted market prices or dealer price quotations for identical assets and liabilities that are traded in active markets, which can be accessed at the measurement date, and where those quoted prices represent fair value. If the market for an asset or liability is not active or the instrument is not quoted in an active market, the fair value is determined using other applicable valuation techniques that maximise the use of relevant observable inputs and minimises the use of unobservable inputs. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants.

Fair value measurements are categorised into level one, two or three within the fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and a market related discount rate at the reporting date for an asset or liability with similar terms and conditions.

If an asset or a liability measured at fair value has both a bid and an ask price, the price within the bid-ask spread that is most representative of fair value is used to measure fair value.

The Group's valuation control framework governs internal control standards, methodologies, and procedures over its valuation processes, which include the following valuation techniques and main inputs and assumptions per type of instrument:

Item	Description	Valuation technique	Main inputs and assumptions (Level two and three fair value hierarchy items)
Derivative financial instruments	Derivative financial instruments comprise foreign exchange, interest rate, credit and equity derivatives that are held-for trading.	Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include: • Discounted cash flow model • Black-Scholes model • Combination technique models.	• Discount rate* • Spot prices of the underlying assets • Correlation factors • Volatilities • Dividend yields • Earnings yield • Valuation multiples
Trading assets and Trading liabilities	Trading assets and liabilities comprise instruments which are part of the Group's underlying trading activities. These instruments primarily include sovereign and corporate debt, and collateral.	Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date.	
Pledged assets	Pledged assets comprise instruments that may be sold or repledged by the Group's counterparty in the absence of default by the Group. Pledged assets include sovereign debt (government treasury bills and bonds) pledged in terms of repurchase agreements.	Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial investment being fair valued. Where proxies are not available, the fair value is estimated using more complex modelling techniques. These techniques include discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility and other risks. Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.	• Discount rate* • Spot prices of the underlying • Correlation factors • Volatilities • Dividend yields • Earnings yield • Valuation multiples
Financial investments	Financial investments are non-trading financial assets and primarily comprise of sovereign and corporate debt, unlisted equity instruments, investments in mutual fund investments and unit-linked investments.		

* Discount rates, where applicable, includes the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty as appropriate), timing of settlement, storage/service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.

Notes to the consolidated and separate financial statements

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Item	Description	Valuation technique	Main inputs and assumptions (Level two and three fair value hierarchy items)
Loans and advances to banks and customers	Loans and advances comprise: • Loans and advances to banks: call loans, loans granted under resale agreements and balances held with other banks. • Loans and advances to customers: mortgage loans (home loans and commercial mortgages), other asset-based loans, including collateralised debt obligations (instalment sale and finance leases), and other secured and unsecured loans (card debtors, overdrafts, other demand lending, term lending and loans granted under resale agreements).	For certain loans, fair value may be determined from the market price of a recently occurring transaction adjusted for changes in risks and information between the transaction and valuation dates. Loans and advances are reviewed for observed and verified changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for interest rate risk, foreign exchange risk, liquidity and credit risk, as appropriate. For credit risk, probability of default and loss given default parameters are determined using the relevant terms of the loan and loan counterparty such as the industry classification and subordination of the loan.	• Discount rate. • Probability of default. • Loss given default.
Deposits (including banks and customers) and debt funding	Deposits from banks and customers comprise amounts owed to banks and customers, deposits under repurchase agreements, negotiable certificates of deposit, credit-linked deposits and other deposits.	For certain deposits, fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information between the transaction and valuation dates. In the absence of an observable market for these instruments discounted cash flow models are used to determine fair value based on the contractual cash flows related to the instrument. The fair value measurement incorporates all market risk factors including a measure of the Group's credit risk relevant for that financial liability. The market risk parameters are valued consistently to similar instruments held as assets stated in the section above. For collateralised deposits that are designated to be measured at fair value through profit or loss, such as securities repurchase agreements, the credit enhancement is incorporated into the fair valuation of the liability.	• Discount rate.

* Discount rates, where applicable, include the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty as appropriate), timing of settlement, storage/service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.

Day one profit or loss

For financial instruments, where the fair value of the financial instrument differs from the transaction price, the difference is commonly referred to as day one profit or loss. Day one profit or loss is recognised in profit or loss immediately where the fair value of the financial instrument is either evidenced by comparison with other observable current market transactions in the same instrument, or is determined using valuation models with only observable market data as inputs.

Day one profit or loss is deferred where the fair value of the financial instrument is not able to be evidenced by comparison with other observable current market transactions in the same instrument, or determined using valuation models that utilise non-observable market data as inputs.

The timing of the recognition of deferred day one profit or loss is determined individually depending on the nature of the instrument and availability of market observable inputs. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed.

Fair value hierarchy

The Group's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by the level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Hierarchy levels

The levels have been defined as follows:

Level 1	Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
Level 2	Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
Level 3	Fair value is determined through valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

Hierarchy transfer policy

Transfers of financial assets and financial liabilities between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period during which change occurred.

Notes to the consolidated and separate financial statements

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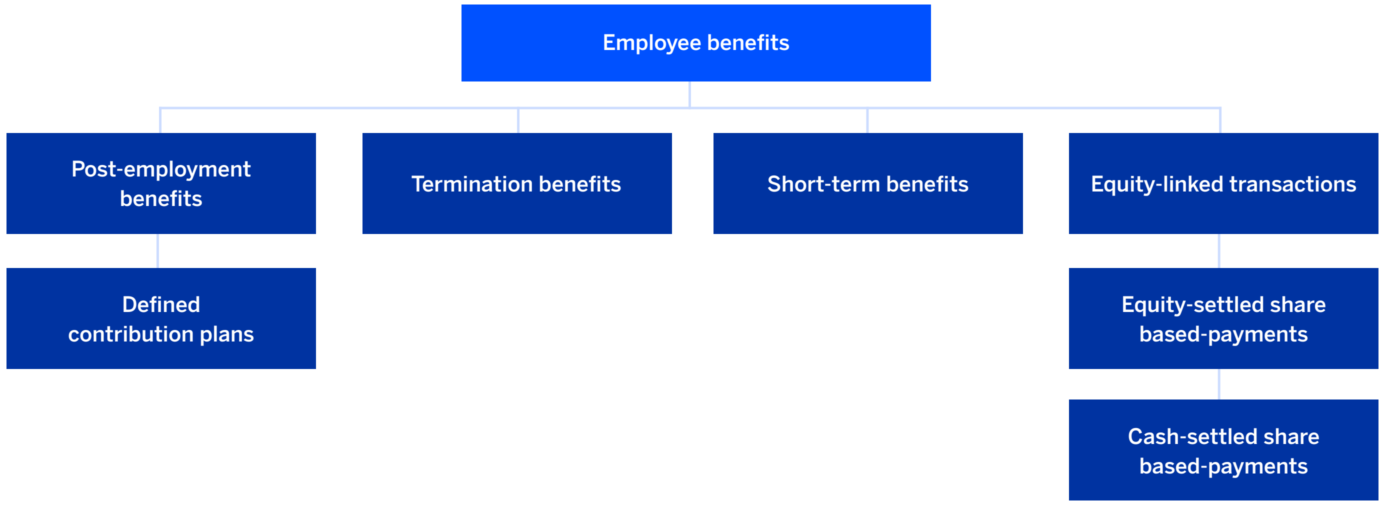
4.5. Employee benefits

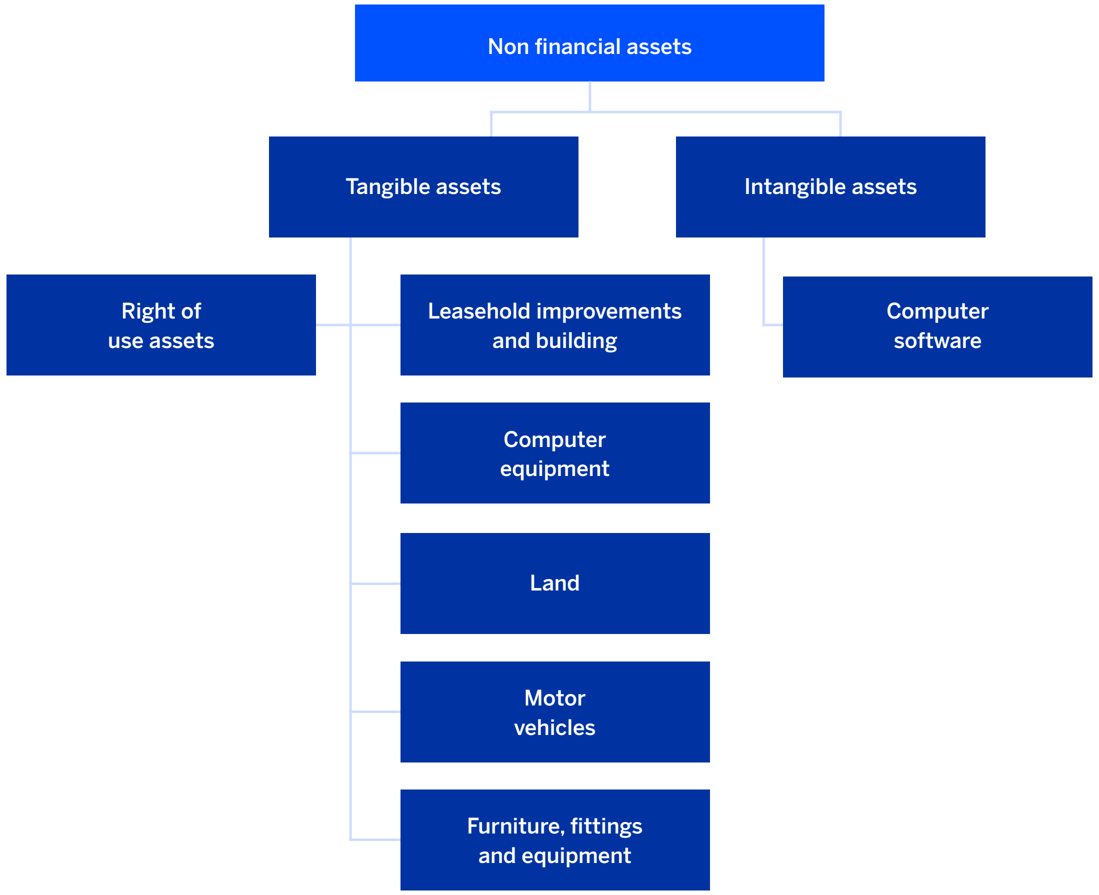


Type	Description	Statement of financial position	Statement of other comprehensive income	Income statement
Defined contribution plans	The Group operates a contributory pension plan in line with the Pension Reform Act 2014. Employees and the Bank contribute 8% and 10% respectively of each of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2014.	Liability is recognised for unpaid contributions.	No impact.	Contributions are recognised as an expense in profit or loss in the periods during which services are rendered by employees.
Termination benefits	Termination benefits are recognised when the Group is committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy when it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.	A liability is recognised for the termination benefit representing the best estimate of the amount payable.	No impact.	Termination benefits are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.
Short-term benefits	Short-term benefits consist of salaries, accumulated leave payments, profit share, bonuses and any non-monetary benefits such as medical aid contributions.	A liability is recognised for the amount expected to be paid under short-term cash bonus plans or accumulated leave if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.	No direct impact.	Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Equity-linked transactions

Equity-settled share based payments	The fair value of the equity-settled share based payments are determined on grant date and accounted for within operating expenses - staff costs over the vesting period with a corresponding increase in the Group's share-based payment reserve. Non-market vesting conditions, such as the resignation of employees and retrenchment of staff, are not considered in the valuation but are included in the estimate of the number of options expected to vest. At each reporting date, the estimate of the number of options expected to vest is reassessed and adjusted against profit or loss and equity over the remaining vesting period. On vesting of the equity-settled share based payments, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer.
Cash-settled share based payments	Cash-settled share based payments are accounted for as liabilities at fair value until the date of settlement. The liability is recognised over the vesting period and is revalued at every reporting date up to and including the date of settlement. All changes in the fair value of the liability are recognised in operating expenses – staff costs.

4.6. Non-financial assets (Intangible assets, Property and equipment, Right of use assets)



Notes to the consolidated and separate financial statements

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Type	Initial and subsequent measurement	Useful lives, depreciation or amortisation method or fair value basis	Impairment	Derecognition
Tangible assets	Property and equipment are measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Property and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Land is measured at cost less impairment losses. Land is not depreciated. Costs that are subsequently incurred are included in the asset's related carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. Expenditure, which does not meet these criteria, is recognised in profit or loss as incurred. Where significant parts of an item of property or equipment have different useful lives, they are accounted for as separate major components of property and equipment.	Property and equipment are depreciated on the straight-line basis over estimated useful lives (see below) of the assets to their residual values. Land and Work-in progress are not depreciated. Land N/A Leasehold improvements and Buildings 25 years Computer equipment 3-5 years Motor vehicles 4 years Office equipment 6 years Furniture 4 years Capitalised leased assets or branch refurbishments greater of 6 years or useful life of underlying asset The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial year end.	Intangible assets are tested annually for impairment and additionally when an indicator of impairment exists. Other non-financial assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.	The non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.
Intangible assets or Computer software	Costs associated with developing or maintaining computer software programmes and the acquisition of software licences are generally recognised as an expense as incurred. However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the Group and have a probable future economic benefit beyond one year as well as acquired software, are recognised as intangible assets. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use. Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.	Amortisation is recognised in profit or loss on a straight-line basis at rates appropriate to the expected lives of the assets (2 to 15 years) from the date that the asset is available for use. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if necessary.		

4.7. Leases

Type	Description	Statement of financial position	Income statement
Lessee accounting			
Single lessee accounting model	All leases are accounted for by recognising a right-of-use asset and a lease liability except for: • leases of low value assets; and • leases with a duration of twelve months or less. All leases that meet the criteria as either a lease of a low value asset or a short term lease are accounted for on a straight-line basis over the lease term.	Lease liabilities: Initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case for the Group) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. The Group's standardised funding transfer pricing rate is the base on which the incremental borrowing rate is calculated. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the year to which they relate. On initial recognition, the carrying value of the lease liability also includes: • Amounts expected to be payable under any residual value guarantee; • The exercise price of any purchase option granted in favour of the Group, should it be reasonably certain that this option will be exercised; • Any penalties payable for terminating the lease, should the term of the lease be estimated on the basis of this termination option being exercised. Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets: Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for: • lease payments made at or before commencement of the lease; • initial direct costs incurred; and • the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset. The Group applies the cost model subsequent to the initial measurement of the right-of-use assets. The Group measures the right-of-use assets at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Termination of leases: When the Group or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised. Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised.	Interest expense on lease liabilities: A lease finance cost, determined with reference to the interest rate implicit in the lease or the Group's incremental borrowing rate, is recognised within interest expense over the lease year. Depreciation on right-of-use assets: Subsequent to initial measurement, the right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term unless ownership of the underlying asset transfers to the Group at the end of the lease term, whereby the right-of-use assets are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of operating expenses. Termination of leases: On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss together with termination or cancelation costs in profit or loss. Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease year has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the year in which termination takes place.

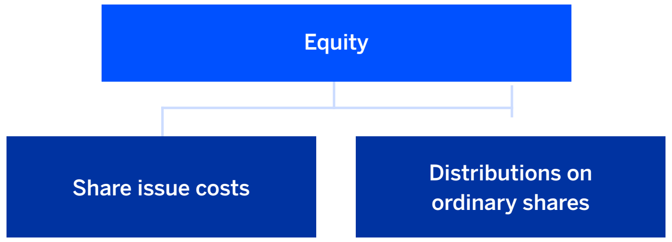
Notes to the consolidated and separate financial statements

(continued)

Type	Description	Statement of financial position	Income statement
Lessee accounting			
Reassessment and modification of leases	Reassessment of lease terms and lease modifications that are not accounted for as a separate lease: When the Group reassesses the terms of any lease (that is, it re-assesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero any further reduction in the measurement of the lease liability, is recognised in profit or loss.		
Lessor accounting			
Finance leases	Leases, where the Group transfers substantially all the risks and rewards incidental to ownership, are classified as finance leases.	Finance lease receivable, including initial direct costs and fees, are primarily accounted for as financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges, being included in loans and advances.	Finance charges earned within interest income are computed using the effective interest method, which reflects a constant yearly rate of return on the investment in the finance lease. The tax benefits arising from investment allowances on assets leased to clients are accounted for within direct taxation.
Operating leases	All leases that do not meet the criteria of a finance lease are classified as operating leases.	The asset underlying the lease continues to be recognised and accounted for in terms of the relevant Group accounting policies. Accruals for outstanding lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease income are recognised.	Operating lease income net of any incentives given to lessees, is recognised on the straight-line basis, or a more representative basis where applicable, over the lease term and is recognised in operating income. When an operating lease is terminated before the lease year has expired, any payment received or (paid) by the Group by way of a penalty is recognised as income or (expense) in the year in which termination takes place.

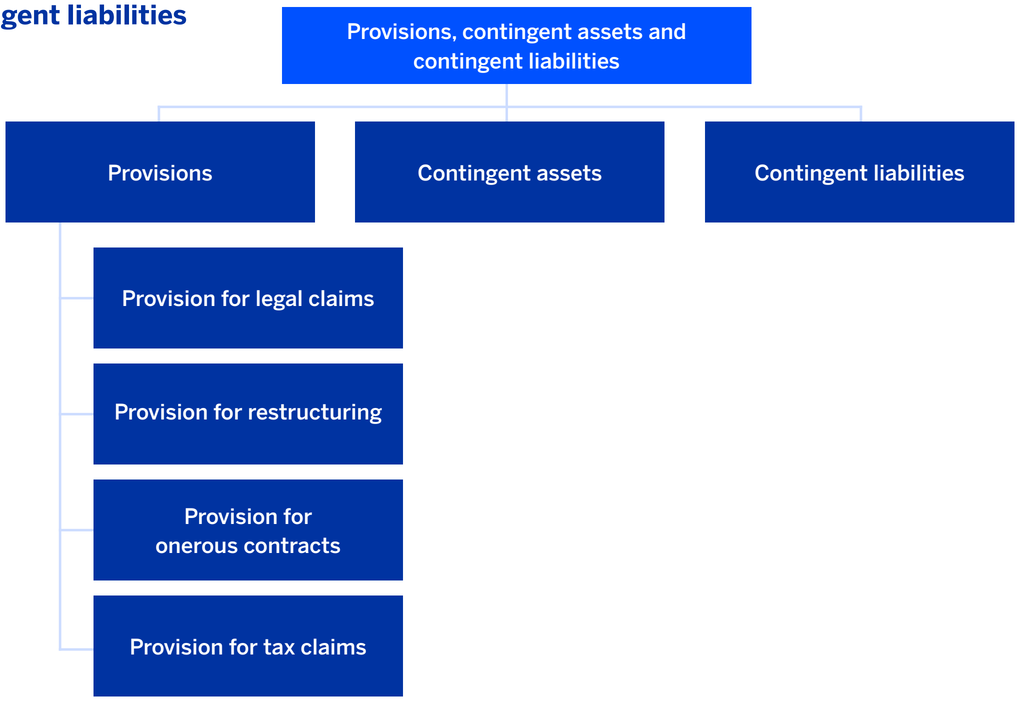
Type	Description	Statement of financial position
IFRS 16 - Lessor lease modifications		
Finance leases	When the Group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the Group accounts for these modifications as a separate new lease. These lease modifications are accounted for as a separate new lease from the effective date of the modification and the net investment in the lease becomes the carrying amount of the underlying asset. All other lease modifications that are not accounted for as a separate lease are accounted for in terms of IFRS 9, unless the classification of the lease would have been accounted for as an operating lease had the modification been in effect at inception of the lease.	
Operating leases	Modifications are accounted for as a new lease from the effective date of the modification.	

4.8. Equity



Share issue costs	Incremental external costs directly attributable to a transaction that increases or decreases equity are deducted from equity, net of related tax. All other share issue costs are expensed.
Distributions to owners	Distributions are recognised in equity in the year in which they are declared. Distributions declared after the reporting date are disclosed in the distributions note to the financial statements.

4.9. Provisions, contingent assets and contingent liabilities



Notes to the consolidated and separate financial statements

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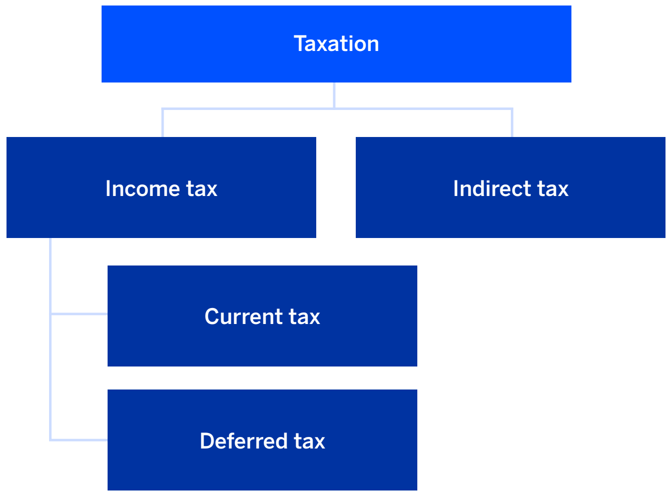
Type	Description	Statement of financial position
Provisions	Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The Group's provisions typically (when applicable) include the following: **Provisions for legal claims** Provisions for legal claims are recognised on a prudent basis for the estimated cost for all legal claims that have not been settled or reached conclusion at the reporting date. In determining the provision management considers the probability and likely settlement (if any). Reimbursements of expenditure to settle the provision are recognised when and only when it is virtually certain that the reimbursement will be received. **Provision for restructuring** A provision for restructuring is recognised when the Group has approved a detailed formal plan, and the restructuring either has commenced or has been announced publicly. Future operating costs or losses are not provided for. **Provision for onerous contracts** A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract. **Provision for tax claims** Provisions for taxes claims relates to additional assessment on taxes, including withholding tax, value added tax, PAYE tax.	
Contingent assets	Contingent assets are not recognised in the financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the Group, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the Group's control.	
Contingent liabilities	Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the financial statements but are disclosed in the notes to the financial statements.	

4.10. Taxation



Type	Description, recognition and measurement	Offsetting
Current tax- determined for current year transactions and events	Current tax comprises the expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividend. Current tax is recognised as an expense for the year and adjustments to past years except to the extent that current tax related to items that are charged or credited in OCI or directly to equity. Nigerian tax laws mandates a minimum tax assessment for companies having no taxable profits for the year or where the tax on profits is below the minimum tax. Minimum tax is computed at flat rate of 0.5% of turnover less franked investment. Further, the Nigerian tax laws mandates that where a dividend is paid out of profit on which no tax is payable due to either: (a) no total profit; or (b) the total profit is less than the amount of dividend paid, the company paying the dividend will be subjected to tax at 30% of the dividends paid, as if the dividend is the total profits of the company for the year of assessment to which the accounts, out of which the dividends paid relates. However, dividends paid out of profit that have been subjected to tax, profits exempted from income tax or franked investment income are exempted from excess dividend tax provision. When applicable, minimum tax is recorded under current income tax in profit or loss.	
Deferred tax- determined for future tax consequences	Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination (relating to a measurement year adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly as part of OCI. Deferred tax is recognised using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date and reflects uncertainty related to income taxes, if there is any. Deferred tax is not recognised for the following temporary differences: • the initial recognition of goodwill; • the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses; and • investments in subsidiaries, associates and jointly controlled arrangements (excluding mutual funds) where the Group controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.	Current tax assets and liabilities, deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
Indirect taxation	Indirect taxes are recognised in profit or loss, as part of other operating expenses.	N/A
Dividend tax	Taxes on dividends declared by the Group are recognised as part of the dividends paid within equity as dividend tax represents a tax on the shareholder and not the Group.	N/A

Notes to the consolidated and separate financial statements

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4.11. Revenue and expenditure

Description	Recognition and measurement
Net interest income	Interest income and expense (with the exception of borrowing costs that are capitalised on qualifying assets, that is assets that necessarily take a substantial year of time to get ready for their intended use or sale and which are not measured at fair value) are recognised in profit or loss using the effective interest method for all interest-bearing financial instruments. In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter year, to the net carrying amount of the financial asset or financial liability. Direct incremental transaction costs incurred and origination fees received, including loan commitment fees, as a result of bringing margin- yielding assets or liabilities into the statement of financial position, are capitalised to the carrying amount of financial instruments that are not at fair value through profit or loss and amortised as interest income or expense over the life of the asset or liability as part of the effective interest rate. Where the estimates of payments or receipts on financial assets or financial liabilities are subsequently revised, the carrying amount of the financial asset or financial liability is adjusted to reflect actual and revised estimated cash flows. The carrying amount is calculated by computing the present value of the adjusted cash flows at the financial asset or financial liability's original effective interest rate. Any adjustment to the carrying value is recognised in net interest income. When a financial asset is classified as Stage 3 impaired, interest income is calculated on the impaired value (gross carrying value less specific impairment) based on the original effective interest rate. Interest expense on lease liabilities: A lease finance cost, determined with reference to the interest rate implicit in the lease or the Group's incremental borrowing rate, is recognised within interest expense over the lease year. Dividends received on preference share investments classified as debt form part of the Group's lending activities and are included in interest income.
Net fee and commission revenue	Fee and commission revenue, including transactional fees, account servicing fees, investment management fees, sales commissions and placement fees are recognised as the related services are performed i.e at a point in time. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment year. Loan syndication fees, where the Group does not participate in the syndication or participates at the same effective interest rate for comparable risk as other participants, are recognised as revenue when the syndication has been completed. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised as interest income. The fair value of issued financial guarantee contracts on initial recognition is amortised as income over the term of the contract. Fee and commission expenses, included in net fee and commission revenue, are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received. Expenditure is recognised as fee and commission expenses where the expenditure is linked to the production of fee and commission revenue.
Trading revenue	Trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income, expense and dividends
Insurance revenue	As the Company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services. For groups of insurance contracts measured under the GM, insurance revenue consists of the following: The sum of the changes in the LRC including a) the insurance service expense incurred in the period measured as the amounts expected at the beginning of the period, excluding: - amounts allocated to the loss component; - amounts relating to risk adjustment for non-financial risk not including; - repayments of investment components; - insurance acquisition expenses; b) amounts related to income tax that are specifically chargeable to the policyholder c) the change in the risk adjustment for non-financial risk, excluding: - changes included in insurance finance income or expense aas detailed in section J - changes that relate to future service that adjust the CSM as detailed in subsequent measurement in section G2; and - amounts allocated to the loss component of the liability for remaining coverage arising from changes in the risk adjustment for non-financial risk recognised in profit or loss because of the release from risk.; d) the amount of CSM for the services provided in the period; e) experience adjustments for premium receipts (and any related cash flows such as insurance acquisition cash flows) that relate to current or past services, if any. The portion of premiums that can be seen as recovering those acquisition cash flows are included in the insurance service expenses in each period. Both amount are measured on the same basis used for the allocation of the CSM to profit or loss under d) above. When applying the PAA, the Company recognises insurance revenue for the period based on the passage of time by allocating premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, then premium receipts are allocated based on the expected pattern of incurred insurance service expense. The Company issues insurance policies with different expected pattern of occurrence of claims. For those groups of contracts, revenue is recognised based on the expected pattern of claim occurrence. At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence for new and existing groups.
Other revenue	Other revenue includes dividends on equity financial assets and re- measurement gains and losses from contingent consideration on disposals and purchases. Gains and losses on equity instruments designated at fair value through profit or loss are recognised within other revenue. This is however different from the trading revenue described above. Gains and losses on equity instruments classified as fair value through other comprehensive income (FVOCI) financial assets are reclassified from OCI to other revenue on derecognition or impairment.

Notes to the consolidated and separate financial statements

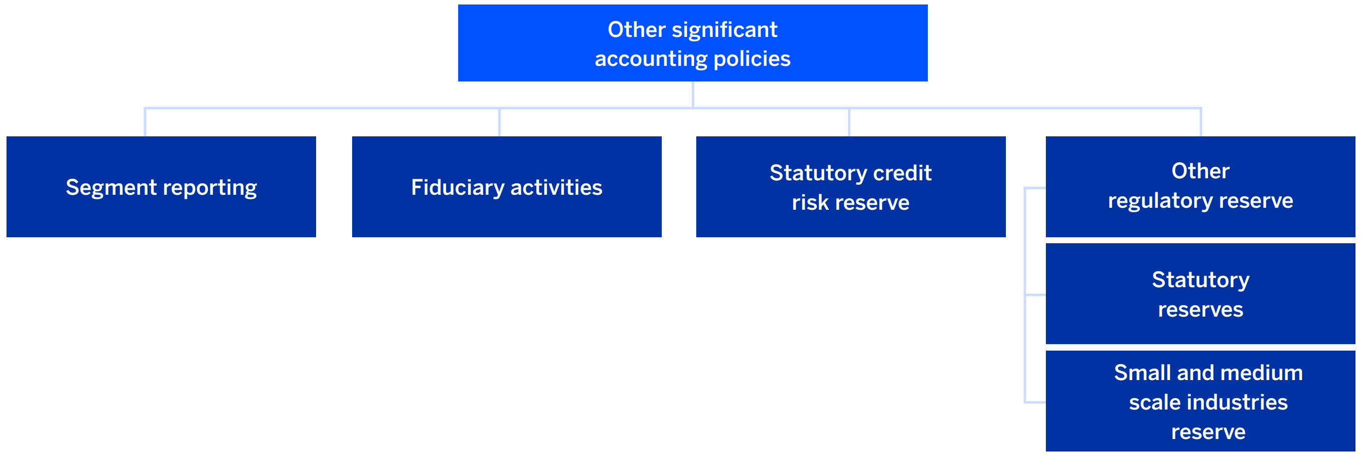
(continued)

Description	Recognition and measurement
Dividend income	Dividends are recognised in profit or loss when the right to receipt is established. Scrip dividends are recognised as dividends received where the dividend declaration allows for a cash alternative.
Management fees on assets under management	Fee income includes management fees on assets under management and administration fees. Management fees on assets under management are recognised over the year for which the services are rendered, in accordance with the substance of the relevant agreements.
Operating expenses	Expenses are recognised on an accrual bases regardless of the time of cash outflows. Expenses are recognised in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are recognised in the same reporting year when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting year and when they are not expected to generate any income during the coming years. Expenses that are not related to the income earned during the reporting year, but expected to generate future economic benefits, are recorded in the financial statements as assets.

Interest in suspense (IIS) (refers to contractual interest which accrues on financial assets which are in default classified as non-performing) is presented as follows:

IFRS 9 accounting treatment	IFRS 9 requires that interest for financial assets classified as stage 3 (that is in default) only be calculated on the gross carrying amount less impairments (that is amortised cost less impairment balance). The Group has applied this requirement by suspending all contractual interest on such financial assets and recognising interest on the amortised cost balance utilising the financial assets' effective interest rate. IFRS 9 requires that the suspended contractual interest be recognised as part of the financial assets' gross carrying amount and be deducted as part of the reconciliation to the net carrying amount which is reported in the balance sheet. Whilst the IIS is recognised in the gross carrying amount it does not impact the net carrying amount of the financial asset as presented on the face of the statement of financial position. Given the IFRS 9 requirement that the gross carrying amount would include the contractual suspended interest on financial assets classified as stage 3, the Group reports the balance sheet interest in suspense account as part of stage 3 impairment when calculating the financial assets' net carrying amount. The Group has elected to continue to present upon the curing of the non-performing financial asset, this suspended contractual interest (previously unrecognised interest) within credit impairment line in the income statement.

4.12. Other significant accounting policies



Segment reporting	An operating segment is a component of the Group engaged in business activities, whose operating results are reviewed regularly by management in order to make decisions about resources to be allocated to segments and assessing segment performance. The Group's identification of segments and the measurement of segment results is based on the Group's internal reporting to management. Transactions between segments are priced at market-related rates.
Fiduciary activities	The Group commonly engages in trust or other fiduciary activities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions. These assets and the income arising directly thereon are excluded from these financial statements as they are not assets of the Group. However, fee income earned and fee expenses incurred by the Group relating to the Group's responsibilities from fiduciary activities are recognised in profit or loss.
Statutory credit risk reserve	The statutory credit risk reserve represents a reserve component created when credit impairment on loans and advances as accounted for under IFRS using the expected loss model differs from the Prudential Guidelines set by the Central Bank of Nigeria.
Statutory reserve	Nigerian banking and pension industry regulations require the banking and pension subsidiaries to make an annual appropriation to a statutory reserve. For the banking subsidiary, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The pension subsidiary is required to transfer 12.5% of its profit after tax to a statutory reserve. Statutory reserve is not available for distribution to shareholders. See note 21.3 (a)(i).

4.13. Non-current assets held for sale and disposal Groups

Type	Description	Statement of financial position	Income statement
Non-current assets/ disposal Groups that are held for sale	Comprising assets and liabilities that are expected to be recovered primarily through sale rather than continuing use (including regular purchases and sales in the ordinary course of business).	Immediately before classification, the assets (or components of a disposal Group) are remeasured in accordance with the Group's accounting policies and tested for impairment. Thereafter, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities (or components of a disposal Group) are presented separately in the statement of financial position.	Impairment losses on initial classification as well as subsequent gains and losses on remeasurement of these assets or disposal Groups are recognised in profit or loss. Property and equipment and intangible assets are not depreciated or amortised.

Notes to the consolidated and separate financial statements

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4.14. New standards and interpretations not yet effective

Pronouncement	
Title	**IFRS 10 and IAS 28 sale or contribution of assets between an investor and its associate or joint venture (amendments)** The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be applied prospectively and are not expected to have a material impact on the Group's financial statements.
Effective date	Effective date of this standard deferred indefinitely
Title	**Non-current liabilities with covenants (amendments to IAS 1)** The first amendment clarifies how to classify debt and other liabilities as current or non-current. The objective of the amendment is aimed to promote consistency in applying the requirements by helping entities determine whether, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment also includes clarifying the classification requirements for debt an entity might settle by converting it into equity. These are clarifications, not changes, to the existing requirements, and so are not expected to affect entities' financial statements significantly. The impact on the annual financial statements has not yet been fully determined, however not expected to have a significant impact on the group. The second amendment to IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company's ability to do so is often subject to complying with covenants. For example, a company might have long-term debt that could become repayable within 12 months if the company fails to comply with covenants in that 12-month period. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements and the aim of the amendments therefore is to improve the information companies provide about long-term debt with covenants. The amendments will be applied retrospectively and are not expected to have a material impact on the group's financial statements.
Effective date	01 January 2024.
Title	**Lease liability in a sale and leaseback (amendments to IFRS 16)** The amendments add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. IFRS 16 had not previously specified how to measure the transaction when reporting after that date. The amendments add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction. The amendments will be applied retrospectively and are not expected to have a material impact on the group's financial statements.
Effective date	01 January 2024.
Title	**Amendment to IAS 7 and IFRS 17 (Supplier Finance Agreements)** The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangemens on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.
Effective date	01 January 2024.
Title	**Amendment to IAS 21 (Lack of Exchangeability)** The International Accounting Standards Board (IASB) issued 'Lack of Exchangeability' to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. These amendments will assist companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. The amendments will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.
Effective date	01 January 2025.

5. Segment reporting

During 2023, the group has made significant structural changes to better serve its clients. Our operating model is client led and structured around our business units, previously referred to as segments, namely: Personal and Private Banking (PPB), Business and Commercial Banking (BCB), Corporate and Investment Banking (CIB) and Insurance and Asset Management (IAM). The principal reporting segments in the Group are as follows:

Business unit	
Business and Commercial Banking	The Business and Commercial Banking (BCB) segment provides broad based client solutions for a wide spectrum of small- and medium-sized businesses as well as large commercial enterprises. Our client coverage support extends across a wide range of industries, sectors and solutions that deliver the necessary advisory, networking and sustainability support required by our clients to enable their growth. Home services - Residential accommodation financing solutions, including related value added services. Vehicle and asset finance - Comprehensive finance solutions in instalment credit, fleet management and related services across our retail and business markets.
Corporate and Investment Banking	The Corporate and Investment Banking (CIB) segment serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally. Our clients leverage our in-depth sector and regional expertise, our specialist capabilities and our access to global capital markets for advisory, transactional, trading and funding support. Global markets – Trading and risk management solutions across financial markets, including foreign exchange, money markets, interest rates, equities, credit and commodities. Transactional and lending products – Comprehensive suite of cash management, international trade finance, working capital and investor services solutions. Investment banking – Full suite of advisory and financing solutions, from term lending to structured and specialised products across equity and debt capital markets.
The Personal and Private Banking	The Personal and Private Banking (PPB) segment is responsible for the end-to-end lifecycle of clients. PPB services individual clients across Nigeria. We enable our clients' daily lives by providing relevant solutions throughout their life journeys. Card and payments - Credit card facilities to individuals and businesses. Merchant acquiring services. Enablement of digital payment capabilities through various products and platforms. Mobile money and cross-border businesses. Retail lending - Comprehensive suite of lending products provided to individuals and small and medium-sized businesses. Retail transactional - Comprehensive suite of transactional, savings, payment and liquidity management solutions.
Insurance and Asset Management	The Insurance and Asset Management (IAM) segment is made up of the company's subsidiaries, whose activities involve investment management, portfolio management, unit trust or funds management, insurance brokerage, life insurance and trusteeship. Our clients, who range from individual customers to corporate and institutional clients, can leverage the Group's extensive market leading range of propositions and services to help build and protect their wealth and lifestyle.

An operating segment is a component of the Group engaged in business activities from which it can earn revenues, whose operating results are regularly reviewed by the Group's executive management in order to make decisions about resources to be allocated to segments and assessing segment performance. The Group's identification of segments and the measurement of segment results is based on the Group's internal reporting to management. Segment results include customer-facing activities and support functions.

Notes to the consolidated and separate financial statements

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Operating segments	Business and Commercial Banking		Corporate and Investment Banking		Personal and Private Banking		Insurance and Asset Management		Eliminations		Group	
	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Net interest income	42,650	35,054	83,210	56,324	40,010	15,304	9,320	6,437	-	-	175,190	113,119
Interest income - external source	57,354	42,136	180,366	88,279	23,548	16,016	9,325	6,239	-	-	270,593	152,670
Interest expense - external source	(14,704)	(7,082)	(97,156)	(31,955)	16,462	(712)	(5)	198	-	-	(95,403)	(39,551)
Non-interest revenue	17,141	12,122	83,463	50,712	7,962	6,319	73,773	60,797	(2,363)	(3,617)	179,976	126,333
Net fee and commission revenue	11,494	9,608	19,826	19,307	7,050	4,386	74,270	61,375	(2,363)	(3,617)	110,277	91,059
Income from life insurance activities	-	-	-	-	-	-	(1,531)	(595)	-	-	(1,531)	(595)
Trading revenue	5,171	2,348	56,930	30,571	407	1,771	(2)	(3)	-	-	62,506	34,687
Other revenue	476	166	6,707	834	505	162	1,036	20	-	-	8,724	1,182
Revenue	59,791	47,176	166,673	107,036	47,972	21,623	83,093	67,234	(2,363)	(3,617)	355,166	239,452
Net impairment credit/(charge) on financial assets	(11,097)	(4,259)	(922)	(3,940)	(3,330)	(1,959)	(103)	(132)	-	-	(15,452)	(10,290)
Income after credit impairment charges	48,694	42,917	165,751	103,096	44,642	19,664	82,990	67,102	-	-	339,714	229,162
Operating expenses	(32,314)	(29,593)	(57,316)	(45,755)	(47,596)	(30,186)	(31,944)	(26,977)	2,363	3,617	(166,807)	(128,894)
Profit before direct taxation	16,380	13,324	108,435	57,341	(2,954)	(10,522)	51,046	40,125	-	-	172,907	100,268
Direct taxation	(1,011)	(603)	(14,014)	(5,140)	(479)	(396)	(16,786)	(13,396)	-	-	(32,290)	(19,535)
(Loss)/Profit for the year	15,369	12,721	94,421	52,201	(3,433)	(10,918)	34,260	26,729	-	-	140,617	80,733
Total assets	437,368	381,598	3,890,428	1,877,604	767,447	744,663	215,078	205,403	(164,725)	(180,242)	5,145,596	3,029,026
Total liabilities	376,726	326,243	3,656,095	1,783,121	603,391	533,109	70,124	64,264	(67,664)	(85,281)	4,638,672	2,621,456
Depreciation and amortisation	1,579	2,880	1,010	1,544	6,285	3,390	1,931	1,970	-	-	10,805	9,784
Number of employees	377	356	589	556	2,118	1,999	2,118	1,999	-	-	5,203	4,910

Notes to the consolidated and separate financial statements

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6. Prudential disclosure and key management assumptions Prudential disclosure:

6.1. Credit impairment losses on loans and advances Determination of statutory credit risk reserves

Provisions under the prudential guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the expected loss model required by IFRS under IFRS 9. As a result of the differences in the methodology/provision regime, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following

Impairment allowance for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS impairment allowance should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

- Prudential Provisions is greater than IFRS impairment allowance; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve".

- Prudential Provisions is less than IFRS impairment allowance; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account

The company's subsidiary Stanbic IBTC Bank, has complied with the requirements of the guidelines as follows:

Statement of prudential adjustments	Note	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Prudential Provision			
Specific provision on loans and advances		44,807	21,437
General provision on loans and advances		40,824	23,980
Provision for other credit losses		2,440	2,965
		88,071	**48,382**
IFRS Impairment allowance			
12-month ECL	12.1	17,101	11,389
Lifetime ECL not credit-impaired	12.1	2,237	1,403
Lifetime ECL credit-impaired	12.1	39,449	20,617
Impairment on other financial assets and provision for other losses		13,484	11,069
		72,271	**44,478**
Closing regulatory reserve		15,800	3,904
Opening regulatory reserve		3,904	5,439
Appropriation:Transfer from/(to) retained earnings		11,896	(1,535)

6.2. Expected credit loss on On-balance Sheet and Off-balance sheet exposures

Significant increase in credit risk

The following are considered by the Group in determining whether there has been a significant increase in credit risk on a financial instrument since initial recognition:

- Change in the probability of default from initial recognition to the reporting date.

- A 30-day past due rebuttal, requiring exposures to be classified in stage 2. It is however not considered sufficient to only look at arrears data such as days past due in considering whether there is a significant increase in credit risk and the Group would need to assess for significant increase in credit risk through other means. Arrears data are used after exhausting all other methods of determining whether there has been a significant increase in credit risk.

- Other means of considering whether there is a significant increase in credit risk includes the evaluation of internal and external credit ratings as well as information from external credit bureaus. Information about the economic sector and geographical region of the borrower are also be taken into account.

- Where a single customer has more than one loan with the Group (for example, a home loan, revolving facility, vehicle and asset finance, and so on.), a one customer view is taken when considering whether there has been a significant increase in credit risk. In this instance, a significant increase in the customer's credit risk on one loan account is taken into account when assessing the customer's other loan accounts. If it is assessed that there is a significant increase in credit risk in one exposure, then there is a presumption that the customer's other loans also have a significant increase in credit risk.

- In terms of IFRS 9, the Group is required to incorporate both historical experience as well as forward looking information when assessing whether an instrument's credit risk has increased significantly since initial recognition. A useful reference tool that is used in the assessment of significant increase in credit risk is the exposure's credit rating.

Low credit risk financial instruments

Management assesses whether an instrument would be considered as having a low credit risk. In this regard:

- If internal risk gradings are based on external credit risk ratings, all instruments within the 'investment grade' category would be considered as having a low credit risk.

- If internal risk gradings are not based on external credit risk ratings, internal ratings is utilised in order to determine a low credit risk threshold. The threshold reflects a low credit risk assumption from a market participant's perspective taking into account the exposure's terms and conditions.

Default

The Group has Corporate and Investment Banking (CIB) as well as Personal and Private Banking (PPB) and Business and Commercial Banking (BCB) exposures. Due to the different nature of financial instruments that the Group holds, the Group uses a single definition of default which applies to all financial assets, with implementation guidance for specific circumstances which would meet default in terms of this definition. Default is defined as follows:

- Based on objective evidence the counterparty is unlikely to pay amounts payable to the Group on due date or shortly thereafter without recourse to actions such as realisation of security; or

- the counterparty is past due (or, in the case of revolving facilities such as overdrafts, is in excess of the current limit) for more than 90 days (for the avoidance of doubt, the overdue period may be measured using either a 'days past due' or a 'number of missed payments or part thereof' approach.), on any material credit obligation to the Group, whichever occurs first.

Write-off

An impaired loan is written off once all reasonable attempts at collection have been made and there is no economic benefit expected from attempting to recover the balance outstanding.

Modified financial assets

A modification is a change to the contractual cash flows of a financial asset. It involves the renegotiation of the terms of the financial asset such that the contractual cash flows (amount, timing, basis, and so on) are changed or the contractual terms materially change the probability that the cash flows will be received (for example change in counterparty).

In calculating impairment losses, the Group assesses whether there has been a significant increase in the credit risk of modified financial assets that do not qualify for derecognition at the reporting date by comparing:

- the credit risk of the modified instrument at the reporting date based on the modified contractual terms; and

- the credit risk at initial recognition based on the original unmodified contractual terms.

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Incorporation of forward-looking information

Forward-looking information

The process to include forward looking information into the expected credit loss impairment model when assessing whether a customer's credit risk has increased significantly, involves the following:

Building a forward looking information IFRS model: In this stage, a calculation model or expert driven approach is used to adjust the impairment requirement based on the forward looking macro-economic outlook.

Macro-economic forecast: In this stage, an alignment in the base or expected macro-economic outlook is created between the Group's stress testing, budgeting and forward looking information for the IFRS expected credit loss impairment model. The same economic base case outlook is used for all these processes and across the Group.

Review of the outcome: In this stage the outcome of the model is reviewed by Credit risk management committee (CRMC).

In certain instances, the assessment of significant increase in credit risk using forward looking information is done on a collective basis (that is portfolio of customers) and not on an individual basis. When demonstrated that a sufficient linkage between forward looking factors and a portfolio exist, a given factor is implemented at the appropriate level of aggregation.

Forward-looking economic expectations applied in the determination of the ECL at the reporting date

- Nigeria expected inflation rate
- Expected GDP growth rate
- Nigeria expected employment rate
- Prime lending rate

6.3. Fair value of financial instruments

The fair value of financial instruments, such as unlisted equity investments and certain derivatives, that are not quoted in active markets is determined using valuation techniques. Wherever possible, models use only observable market data. Where required, these models incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on available observable market data. Such assumptions include risk premiums, liquidity discount rates, credit risk, volatilities and correlations. Changes in these assumptions could affect the reported fair values of financial instruments.

Additional disclosures on fair value measurements of financial instruments are set out in notes 30.

6.4. Share-based payments

The Group has both cash and equity-settled share incentive schemes which are issued to qualifying employees based on the rules of the respective schemes. The Group uses the Black-Scholes option pricing model to determine the fair value of awards on grant date for its equity-settled share incentive schemes. The valuation of the Group's obligations with respect to its cash-settled share incentive scheme obligations is determined with reference to the parent and ultimate parent's share price, which is an observable market input. In determining the expense to be recognised for both the cash and equity-settled share schemes, the Group estimates the expected future vesting of the awards by considering staff attrition levels. The Group also makes estimates of the future vesting of awards that are subject to non-market vesting conditions by taking into account the probability of such conditions being met.

Refer to note 33.10 for further details regarding the carrying amount of the liabilities arising from the Group's cash-settled share incentive schemes and the expenses recognised in the income statement.

6.5. Intangible assets

Direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the Group and have a probable future economic benefit beyond one year, are capitalised and disclosed as computer software intangible assets.

Computer software intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The determination of the recoverable amount of each asset requires judgement. The recoverable amount is based on the value in use and calculated by estimating future cash benefits that will result from each asset and discounting these cash benefits at an appropriate pre-tax discount rate (see note 4.6).

6.6. Recoverability of deferred tax assets:

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related future tax benefit will be realised. The most significant management assumption is the forecasts used to support the probability assessment that sufficient taxable profits will be generated by the entities in the Group in the future in order to utilise the deferred tax assets. The forecasts of taxable profits are determined based on approved budgets for future years and adjusted for any adjustments that management deems necessary and are supportable at the time of reporting.

The tax exempt status of income realised on Nigerian government securities is one of the major drivers for the negative taxable profit within Stanbic IBTC Bank Limited, which is the largest contributor to the deferred tax asset, through tax losses, in the Group. The uncertainty surrounding the extension or termination of the tax exempt status at the end of the period ended December 2023 has made management conclude that not all tax losses carried forward should be recorded as deferred tax assets. The assessment of availability of future taxable profit against which carry forward tax losses can be utilised is disclosed under Note 16.

6.7. Provisions

The Group make provisions for contingent items such as legal claims, fines, penalties and other tax penalties. The amount provided is based on the management best estimate of the amounts that will be required to settle the obligation in the event that it crystallises. Provisions is determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any material difference in management best estimates will have an impact on the carrying amount of the provisions. Refer to note 27 for further details.

6.8. Investment funds

The Group acts as fund manager to a number of investment funds. Determination of whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interest of the Group in the fund and the investors' rights to remove the fund manager. For all the investment funds managed by the Group, the trust deed empowers the investors to vote for the removal of the fund manager without cause, but subject to approval of a vast majority of all unit holders, and the Group's aggregate economic interest in each case is less than 25%. As a result, the Group has concluded that it acts as agent for the investors in all cases, and therefore has not consolidated these funds.

Further disclosure in respect of investment funds in which the Group has an interest is contained in note 14.

6.9. Depreciation and useful life of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

7. Cash and cash equivalent

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Coins and bank notes	17,266	24,661	19,056	-	-
Balances with central bank	1,005,166	479,839	466,696	-	-
Current balances with banks within Nigeria	22,511	20,545	10,055	15,325	50,294
Current balances with banks outside Nigeria	339,936	139,405	157,263	-	-
	1,384,879	**664,450**	**653,070**	**15,325**	**50,294**

Balances with central bank include cash reserve of ₦927,598 million (Dec. 2022: ₦457,792 million) and special intervention fund of ₦20,817 million (Dec. 2022: ₦20,817 million) that are not available for use by the Group on a day to day basis. These restricted cash balances are held with Central Bank of Nigeria (CBN).

Included in current balances with banks outside Nigeria is ₦56,249 million (Dec. 2022: ₦23,679 million) which represents Naira value of foreign currency bank balances held on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (See note 28.1).

Included in current balances with banks outside Nigeria is ₦8,280 million (Dec. 2022: ₦27,732 million) held with Standard Bank Group. See note 38.3 for details.

Notes to the consolidated and separate financial statements

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8. Pledged assets

8.1. Pledged assets	**Group**			**Company**	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Financial assets that may be repledged or resold by counterparties					
Treasury bills – Trading	70,104	54,804	95,187	-	-
Treasury bills - FVOCI	304,808	73,186	87,148	-	-
	374,912	**127,990**	**182,335**	**-**	**-**
Maturity analysis					
The maturities represent periods to contractual redemption of the pledged assets recorded.	374,912	31,659	85,446		
Maturing within 1 month	-	96,331	96,889	-	-
Maturing after 1 month but within 6 months	-	-	-	-	-
Maturing after 6 months but within 12 months	-	-		-	-
	374,912	**127,990**	**182,335**	**-**	**-**

8.2. Pledged assets

The assets pledged by the Group are strictly for the purpose of providing collateral to counterparties for various transactions. These transactions include assets pledged in connection with clearing and settlement activities of the Group.

To the extent that the counterparty is permitted to sell and/or repledge the assets in the absence of default, the assets are classified in the statement of financial position as pledged assets.

Financial assets pledged as collateral for liabilities

The carrying amount of total financial assets that have been pledged as collateral for liabilities (included in amounts reflected in 8.1 above) at 31 December 2023 was ₦60,626 million (Dec. 2022: ₦96,413 million). The transactions in respect of which the collaterals were pledged are as follows:

i) ₦14,679 million (Dec 2022: ₦14,672 million) was pledged with the Central Bank of Nigeria with respect to real sector funding.

ii) ₦45,891 million (Dec. 2022: ₦26,937 million) pledged with FMDQ in respect of OTC futures.

9. Trading assets and trading liabilities

Trading assets and trading liabilities mainly relate to client-facilitating activities carried out by the Global Markets business. These instruments are managed on a combined basis and are therefore be assessed on a total portfolio basis and not as stand-alone assets and liability classes.

9.1. Trading assets	**Group**			**Company**	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Classification					
Listed	16,327	161,536	88,300	-	-
Unlisted	51,590	28,895	10,443	-	-
	67,917	**190,431**	**98,743**	**-**	**-**
Comprising:					
Government bonds	1,159	394	571	-	-
Treasury bills	15,159	161,137	87,725	-	-
Listed equities	9	5	4	-	-
Reverse repurchase agreements	51,590	28,895	9,998	-	-
Placements	-	-	445	-	-
	67,917	**190,431**	**98,743**	**-**	**-**

Maturity analysis

The maturities represent periods to contractual redemption of the trading assets recorded.

	Group			**Company**	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Redeemable on demand	-	-	-	-	-
Maturing within 1 month	5,260	112,600	13,298	-	-
Maturing after 1 month but within 6 months	91,764	62,437	55,439	-	-
Maturing after 6 months but within 12 months	1,824	3,661	29,508	-	-
Maturing after 12 months	1,496	198	498	-	-
Undated assets	9	5	-	-	-
	100,353	**178,901**	**98,743**	**-**	**-**
Current	66,749	190,032	98,168	-	-
Non-current	1,168	399	575	-	-
	67,917	**190,431**	**98,743**	-	-

9.2. Trading liabilities	**Group**			**Company**	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Classification					
Listed	261,263	11,077	117	-	-
Unlisted	219,202	209,894	111,906	-	-
	480,465	**220,971**	**112,023**	**-**	**-**
Comprising:					
Government bonds (short positions)	6,082	4,376	117	-	-
Repurchase agreements	255,181	47,866	67,621	-	-
Deposits	219,202	162,028	44,285	-	-
Treasury bills (short positions)	-	6,701	-	-	-
	480,465	**220,971**	**112,023**	**-**	**-**
Dated liabilities	261,263	58,943	67,738	-	-
Undated liabilities	219,202	162,028	44,285	-	-
	480,465	**220,971**	**112,023**	**-**	**-**

Maturity analysis

The maturity analysis is based on the remaining years to contractual maturity from year end.

Maturing within 1 month	286,933	25,869	71,192	-	-
Maturing after 1 month but within 6 months	193,752	176,715	29,834	-	-
Maturing after 6 months but within 12 months	2,600	11,673	10,880	-	-
Maturing after 12 months	5,745	4,955	117	-	-
	489,030	**219,212**	**112,023**	**-**	**-**
Current	474,383	216,595	111,906	-	-
Non-current	6,082	4,376	117	-	-
	480,465	**220,971**	**112,023**	**-**	**-**

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10. Derivative instruments

All derivatives are classified as derivatives held for trading and measured at fair value through profit or loss.

10.1. Use and measurement of derivative instruments

In the normal course of business, the Group enters into a variety of derivative transactions for both trading and risk management purposes. Derivative financial instruments are entered into for trading purposes and for hedging foreign exchange and interest rate exposures. Derivative instruments used by the Group in both trading and hedging activities include swaps, forwards and other similar types of instruments based on foreign exchange rates and interest rates.

The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations.

The fair value of all derivatives is recognised on the statement of financial position and is only netted to the extent that there is both a legal right of set-off and an intention to settle on a net basis.

Swaps are transactions in which two parties exchange cash flows on a specified notional amount for a predetermined year.

The major types of swap transactions undertaken by the Group are as follows:

i) Foreign exchange swaps are contractual obligations between two parties to swap a pair of currencies. Foreign exchange swaps are tailor-made agreements that are transacted between counterparties in the Over-the-counter (OTC) market.

ii) Forwards are contractual obligations to buy or sell financial instruments or commodities on a future date at a specified price. Forward contracts are tailor-made agreements that are transacted between counterparties in the OTC market.

10.2. Derivatives held-for-trading

The Group trades derivative instruments on behalf of customers and for its own positions. The Group transacts derivative contracts to address customer demand by structuring tailored derivatives for customers. The Group also takes proprietary positions for its own account. Trading derivative products include the following derivative instruments:

10.2.1. Foreign exchange derivatives

Foreign exchange derivatives are primarily used to hedge foreign currency risks on behalf of customers and for the Group's own positions. Foreign exchange derivatives primarily consist of foreign exchange forwards.

10.2.2. Non-deliverable foreign exchange derivatives contract

Non-deliverable foreign exchange derivative contracts (NDFs) is a variation of foreign exchange derivatives described above. NDFs are cash settled and do not require physical delivery of foreign currency. The counterparties settle the difference between the contracted NDF price or rate and the prevailing spot price or rate on an agreed notional amount.

10.2.3. Interest rate derivatives

Interest rate derivatives are primarily used to modify the volatility and interest rate characteristics of interest-earning assets and interest-bearing liabilities on behalf of customers and for the Group's own positions. Interest rate derivatives primarily consist of swaps.

10.3. Unobservable valuation differences on initial recognition

Any difference between the fair value of the derivative financial instrument at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed. Unobservable valuation difference is disclosed under note 10.7.

10.4. Fair values

The fair value of a derivative financial instrument represents for quoted instruments the quoted market price and for unquoted instruments the present value of the positive or negative cash flows, which would have occurred if the rights and obligations arising from that instrument were closed out in an orderly market place transaction at year end.

10.5. Notional amount

The gross notional amount is the sum of the absolute value of all bought and sold contracts. The notional amounts have been translated at the closing rate at the reporting date where cash flows are receivable in foreign currency. The amount cannot be used to assess the market risk associated with the positions held but should be used only as a means of assessing the Group's participation in derivative contracts.

10.6. Derivative assets and liabilities

	Maturity analysis of net fair value						
31 December 2023	Within 1 year ₦'million	After 1 year but within 5 years ₦'million	After 5 years ₦'million	Net fair value ₦'million	Fair value of assets ₦'million	Fair value of liabilities ₦'million	Contract/ notional amount ₦'million
Derivatives held-for-trading							
Forwards	31,383	-	-	31,383	429,158	(397,775)	1,779,184
Swaps	72,342	-	-	72,344	121,562	(49,218)	722,637
Total derivative assets/(liabilities)	**103,725**	**-**	**-**	**103,727**	**550,720**	**(446,993)**	**2,501,821**
31 December 2022							
Derivatives held-for-trading							
Forwards	266	-	-	266	22,951	(22,685)	594,482
Swaps	15,769	-	-	15,769	19,183	(3,414)	445,089
Total derivative assets/(liabilities)	**16,035**	**-**	**-**	**16,035**	**42,134**	**(26,099)**	**1,039,571**

Included in derivative assets is ₦6,643 million (Dec. 2022: ₦1,718 million) due from related parties. See note 38.3 for details.

Included in derivative liabilities is ₦59,098 million (Dec. 2022: ₦2,431 million) due to related parties. See note 38.3 for details.

10.7. Unobservable valuation differences on initial recognition

The table below sets out the aggregate difference yet to be recognised in profit or loss at the beginning and end of the year with a reconciliation of the changes of the balance during the year for derivative assets and liabilities.

	Note	Group	
		31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million
Unrecognised profit at beginning of the period		1,996	10,399
Additional profit on new transactions		7,626	3,235
Recognised in profit or loss during the period		(8,519)	(11,638)
Unrecognised profit at end of the period		**1,103**	**1,996**

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11. Financial investments

Financial investments comprise assets held for liquidity requirement purposes.

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Short - term negotiable securities	289,407	428,598	568,738	-	-
Listed	289,407	428,598	568,738	-	-
Unlisted	-	-		-	-
Other financial investments	147,173	153,618	67,896	4,760	27,710
Listed	96,441	81,498	17,143	4,760	27,710
Unlisted	50,732	72,120	50,753	-	-
Gross financial investments	**436,580**	**582,216**	**636,634**	**4,760**	**27,710**
Expected credit loss on financial investment					
12-month ECL	(923)	(197)	(23)	-	-
Total expected credit loss on financial investment	(923)	(197)	(23)	-	-
Net financial investments	**435,657**	**582,019**	**636,611**	**4,760**	**27,710**

There were no ECL transfers between stages for financial investments during the period.

	Group			Company	
11.1. Comprising:	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Government bonds	90,812	75,869	9,814	-	-
Treasury bills	282,000	427,085	568,738	-	-
Corporate bonds	5,629	5,629	6,701	-	-
Unlisted equities (see note 11.2 below)	4,124	3,643	3,021	-	-
Mutual funds and unit-linked investments (see note 14)	46,607	68,477	47,732	4,760	27,710
Listed equities	-	-	628	-	-
Commerical papers	7,407	1,513	-	-	-
	436,580	**582,216**	**636,634**	**4,760**	**27,710**

Mutual funds and unit-linked investments include ₦1,091 million (Dec 2022: ₦1,104 million) held against unclaimed dividend liability as disclosed in note 28.

Maturity analysis

The maturities represent periods to contractual redemption of the financial investments recorded.

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Redeemable on demand	-	-	-	-	-
Maturing within 1 month	-	466,864	46,497	-	-
Maturing after 1 month but within 6 months	342,893	7,674	521,978	-	-
Maturing after 6 months but within 12 months	5,002	1,633	6,582	-	-
Maturing after 12 months but within 5 years	26,350	8,760	825	-	-
Maturing after 5 years	32,578	32,579	13,885	-	-
Undated investments[1]	50,732	72,121	51,381	4,760	27,710
	457,555	**589,631**	**641,148**	**4,760**	**27,710**

[1] Undated investments include equities, deposits and mutual funds and linked investments.

11.2. Analysis of unlisted equity investments

The Group designated certain investments shown in the following table as equity securities at FVOCI.
The FVOCI designation was made because the investments are expected to be held for the long term for strategic purposes.

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Unified Payment Services Limited (formerly Smart Card Nigeria PLC)	478	465	395	-	-
FMDQ OTC PLC	511	562	483	-	-
Nigeria Mortgage Refinance Company Limited	153	146	146	-	-
Central Securities Clearing System PLC	141	31	46	-	-
Nigerian Interbank Settlement System PLC	2,791	2,289	1,831	-	-
NGX (Nigerian Exchange Limited) shares	50	150	120	-	-
Total investment in unlisted equity investment	**4,124**	**3,643**	**3,021**	**-**	**-**

The movement in unquoted equities relates to fair value gains and losses as there were no additions and disposal during the year.

Current	377,409	497,075	616,470	4,760	27,710
Non-current	59,171	85,141	20,164	-	-
	436,580	**582,216**	**636,634**	**4,760**	**27,710**

Analysis of movement in financial investment expected credit loss					
As at 31 December 2023	Opening balance	Originated ECL	Subsequent changes	Derecognition	Total
12 Month- ECL	23	466	(6)	(192)	285
Life-time ECL not credit impaired	-	-	-	-	-
Life-time ECL credit impaired	-	-	-	-	-
	23	**466**	**(6)**	**(192)**	**285**

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12. Loans and advances

12.1. Loans and advances net of impairments

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Loans and advances to banks	8,668	3,404	16,096	-	-
Placements with banks	8,670	3,408	16,102	-	-
12-month ECL	(2)	(4)	(6)	-	-
Loans and advances to customers	2,032,351	1,204,786	921,044	-	-
Gross loans and advances to customers	2,091,138	1,238,195	946,259	-	-
Personal and Private Banking (PPB)	129,018	89,249	78,519	-	-
Mortgage loans	15,184	5,217	4,356	-	-
Instalment sale and finance leases	1,740	1,687	1,553	-	-
Card debtors	3,907	1,903	1,265	-	-
Other loans and advances	108,187	80,442	71,345	-	-
Business and Commercial Banking (BCB)	450,649	334,655	284,151	-	-
Mortgage loans	-	156	425	-	-
Instalment sale and finance leases	75,602	43,379	34,238	-	-
Card debtors	16	1	5	-	-
Other loans and advances	375,031	291,119	249,483	-	-
Corporate and Investment Banking (CIB)	1,511,471	814,291	583,589	-	-
Corporate loans	1,511,471	814,291	583,589	-	-
Credit impairments for loans and advances (note 12.3)	(58,787)	(33,409)	(25,215)	-	-
12-month ECL	(17,101)	(11,389)	(8,025)	-	-
Lifetime ECL not credit-impaired	(2,237)	(1,403)	(1,283)	-	-
Lifetime ECL credit-impaired	(39,449)	(20,617)	(15,907)	-	-
Net loans and advances	**2,041,019**	**1,208,190**	**937,140**	**-**	**-**
Comprising:					
Gross loans and advances	2,099,808	1,241,603	962,361	-	-
Less: Credit impairments allowance	(58,789)	(33,413)	(25,221)	-	-
Net loans and advances	**2,041,019**	**1,208,190**	**937,140**	**-**	**-**

Included in gross loans and advances to customers is an amount of ₦73,233 million (2022: ₦48,416 million) relating to PPB, BCB and CIB instalmental sale and finance leases. See note 12.2 for analysis of finance lease receivable.

The banking subsidiary has a standby contingency funding agreement with a Tier 1 bank under which the Tier 1 bank commits to provide up to ₦10 billion liquidity cover to the bank. The agreement took effect from 09 February 2017 and renewable annually. There was no draw down on the commitment during the period. See page 127 under "Liquidity Contingency" for further details.

Analysis of gross loans and advances by product

		Total expected credit loss				
As at 31 December 2023	Gross carrying value	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	Net carrying value
Gross loans and advances to customers	**2,091,138**	**(17,101)**	**(2,237)**	**(39,449)**	**(58,787)**	**2,032,351**
Personal and Private Banking (PPB)	129,018	(1,430)	(1,173)	(5,023)	(7,626)	121,392
Mortgage loans	15,184	(33)	(61)	(132)	(226)	14,958
Instalment sale and finance leases	1,740	(14)	(15)	(52)	(81)	1,659
Card debtors	3,907	(60)	(251)	(219)	(530)	3,377
Other loans and advances	108,187	(1,323)	(846)	(4,620)	(6,789)	101,398
Business and Commercial Banking (BCB)	450,649	(6,379)	(995)	(23,500)	(30,874)	419,775
Mortgage loans	-	-	-	-	-	-
Instalment sale and finance leases	75,602	(1,023)	(156)	(143)	(1,322)	74,280
Card debtors	16	-	-	-	-	16
Other loans and advances	375,031	(5,356)	(839)	(23,357)	(29,552)	345,479
Corporate and Investment Banking (CIB)	1,511,471	(9,292)	(69)	(10,926)	(20,287)	1,491,184
Corporate loans	1,511,471	(9,292)	(69)	(10,926)	(20,287)	1,491,184
Loans and advances to banks	8,670	(2)	-	-	(2)	8,668
Total	**2,099,808**	**(17,103)**	**(2,237)**	**(39,449)**	**(58,789)**	**2,041,019**

Analysis of gross loans and advances by product

		Total expected credit loss				
As at 31 December 2022	Gross carrying value	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	Net carrying value
Gross loans and advances to customers	**1,238,195**	**(11,389)**	**(1,403)**	**(20,617)**	**(33,409)**	**1,204,786**
Personal and Private Banking (PPB)	89,249	(1,200)	(406)	(3,738)	(5,344)	83,905
Mortgage loans	5,217	(12)	(90)	(62)	(164)	5,053
Instalment sale and finance leases	1,687	(14)	(8)	(62)	(84)	1,603
Card debtors	1,903	(75)	(22)	(122)	(219)	1,684
Other loans and advances	80,442	(1,099)	(286)	(3,492)	(4,877)	75,565
Business and Commercial Banking (BCB)	334,655	(4,171)	(900)	(9,683)	(14,754)	319,901
Mortgage loans	156	(1)	-	-	(1)	155
Instalment sale and finance leases	43,379	(742)	(339)	(247)	(1,328)	42,051
Card debtors	1	(1)	-	1	-	1
Other loans and advances	291,119	(3,427)	(561)	(9,437)	(13,425)	277,694
Corporate and Investment Banking (CIB)	814,291	(6,018)	(97)	(7,196)	(13,311)	800,980
Corporate loans	814,291	(6,018)	(97)	(7,196)	(13,311)	800,980
Loans and advances to banks	3,408	(4)	-	-	(4)	3,404
Total	**1,241,603**	**(11,393)**	**(1,403)**	**(20,617)**	**(33,413)**	**1,208,190**

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Maturity analysis

The maturity analysis is based on the remaining years to contractual maturity from the period end.

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Redeemable on demand	33,132	21,373	19,584	-	-
Maturing within 1 month	295,368	215,424	98,644	-	-
Maturing after 1 month but within 6 months	943,613	394,769	355,990	-	-
Maturing after 6 months but within 12 months	74,947	59,168	52,567	-	-
Maturing after 12 months	752,748	550,869	435,576	-	-
Gross loans and advances	**2,099,808**	**1,241,603**	**962,361**	**-**	**-**

Segmental analysis - industry

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Agriculture	94,115	57,179	37,157	-	-
Business services	48,802	44,105	31,746	-	-
Communication	247,211	84,272	49,272	-	-
Construction and real estate	112,949	78,777	58,744	-	-
Electricity, gas and water supply	15,935	9,012	9,302	-	-
Financial intermediaries and insurance	33,842	24,000	40,830	-	-
Government	121,926	80,765	74,788	-	-
Hotels, restaurants and tourism	-	319	207	-	-
Manufacturing	651,795	424,978	304,862	-	-
Oil and gas	419,587	252,387	214,640	-	-
Private households	137,425	99,828	78,022	-	-
Transport, storage and distribution	58,793	22,294	9,603	-	-
Wholesale and retail trade	157,428	63,687	53,188	-	-
Gross loans and advances	**2,099,808**	**1,241,603**	**962,361**	**-**	**-**

Segmental analysis - geographic area

The following table sets out the distribution of the Group's loans and advances by geographic area where the loans are recorded.

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
South South	65,039	42,235	36,917	-	-
South West	1,873,088	1,081,988	809,446	-	-
South East	45,764	27,331	20,888	-	-
North West	72,674	41,056	39,671	-	-
North Central	34,573	36,739	34,495	-	-
North East	-	8,846	4,842	-	-
Outside Nigeria	8,670	3,408	16,102	-	-
Gross loans and advances	**2,099,808**	**1,241,603**	**962,361**	**-**	**-**

12.2. Instalment sale and finance leases

Included in gross loans and advances to customers are finance leases as analysed below

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Gross investment in instalment sale and finance leases	89,275	57,394	39,262	-	-
Receivable within 1 year	1,741	4,989	2,635	-	-
Receivable after 1 year but within 5 years	85,686	43,779	36,627	-	-
Receivable after 5 years	1,848	8,626	-	-	-
Unearned finance charges deducted	-	-	-	-	-

₦11,933 million (Dec 2022: ₦12,328 million) of instalment sales and finance is included in corporate loans and advances and all loans and advances to customers are held at amortised cost.

Current	1,347,060	690,734	526,785	-	-
Non-current	752,748	550,869	435,576	-	-
	2,099,808	**1,241,603**	**962,361**	**-**	**-**

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12.3. Credit impairments allowance for loans and advances

A reconciliation of the allowance for impairment losses for loans and advances, by class:

		Transfers between stages				Income statement movement									
As at 31 December 2023	Opening ECL 01 January 2023	Transfer 12 month ECL to/from	Transfer Lifetime ECL not credit-impaired to/from	Transfer Lifetime ECL credit-impaired to/from	Total	Originated "New" impairments raised	Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised including write offs	Total	Impaired accounts written off	Unwind discount	Currency translation and other movements	Closing balance	Post write-off recoveries recognised in P/L
12 month ECL															
PPB															
Mortgage loans	12		(34)	-	(34)	24	-	32	(1)	55	-	-	-	33	-
Instalment sales and finance lease	14		(5)	(6)	(11)	7	-	7	(3)	11	-	-	-	14	-
Card debtors	75		(81)	(12)	(93)	26	-	69	(17)	78	-	-	-	60	-
Other loans and advances	1,099		(166)	(727)	(893)	845	-	656	(384)	1,117	-	-	-	1,323	-
BCB															
Mortgage loans	1		-	-	-	-	-	-	(1)	(1)	-	-	-	-	-
Instalment sales and finance lease	742		88	-	88	679	-	(318)	(168)	193	-	-	-	1,023	-
Card debtors	1		-	-	-	-	-	(1)	-	(1)	-	-	-	-	-
Other loans and advances	3,427		(542)	(3,143)	(3,685)	2,311	-	3,394	(940)	4,765	-	-	849	5,356	-
CIB															
Corporate loans	6,022		-	-	-	2,736	-	(1,730)	(1,282)	(276)	-	-	3,548	9,294	-
Total	**11,393**	**-**	**(740)**	**(3,888)**	**(4,628)**	**6,628**	**-**	**2,109**	**(2,796)**	**5,941**	**-**	**-**	**4,397**	**17,103**	**-**
Lifetime ECL not credit-impaired															
PPB															
Mortgage loans	90	34		-	34	-	-	(57)	(6)	(63)	-	-	-	61	-
Instalment sales and finance lease	8	5		10	15	-	-	(8)	-	(8)	-	-	-	15	-
Card debtors	22	81		-	81	126	-	(5)	27	148	-	-	-	251	-
Other loans and advances	286	166		(184)	(18)	168	-	469	(59)	578	-	-	-	846	-
BCB															
Mortgage loans	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Instalment sales and finance lease	339	(88)		4	(84)	1	-	(78)	(22)	(99)	-	-	-	156	-
Card debtors	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Other loans and advances	561	542		(396)	146	661	-	(423)	(238)	-	-	-	132	839	-
CIB															
Corporate loans	97	-		-	-	-	-	(27)	(1)	(28)	-	-	-	69	-
Total	**1,403**	**740**	**-**	**(566)**	**174**	**956**	**-**	**(129)**	**(299)**	**528**	**-**	**-**	**132**	**2,237**	**-**

Notes to the consolidated and separate financial statements

(continued)

12.3. Credit impairments allowance for loans and advances (continued)

A reconciliation of the allowance for impairment losses for loans and advances, by class:

		Transfers between stages				Income statement movement									
As at 31 December 2023	Opening ECL 01 January 2023	Transfer 12 month ECL to/from	Transfer Lifetime ECL not credit-impaired to/from	Transfer Lifetime ECL credit-impaired to/from	Total	Originated "New" impairments raised	Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised including write offs	Total	Impaired accounts written off	Unwind discount	Currency translation and other movements	Closing balance	Post write-off recoveries recognised in P/L
Lifetime ECL credit-impaired (including IIS)															
PPB															
Mortgage loans	62	-	-		-	-	-	77	(12)	65	(3)	8	-	132	(70)
Instalment sales and finance lease	62	6	(10)		(4)	-	-	4	3	7	(17)	4	-	52	(7)
Card debtors	122	12	-		12	37	-	57	22	116	(39)	-	8	219	(31)
Other loans and advances	3,492	727	184		911	793	-	(451)	164	506	(752)	463	-	4,620	(328)
BCB															
Mortgage loans	-	-	-		-	-	-	-	-	-	-	-	-	-	-
Instalment sales and finance lease	247	-	(4)		(4)	-	-	(16)	(80)	(96)	(7)	3	-	143	(13)
Card debtors	(1)	-	-		-	-	-	2	(1)	(1)	-	-	-	-	(3)
Other loans and advances	9,437	3,143	396		3,539	1,469	-	8,006	265	9,740	(2,015)	969	1,687	23,357	(2,041)
CIB															
Corporate loans	7,196	-	-		-	-	-	(7)	20	13	(3)	2,505	1,215	10,926	(936)
Total	**20,617**	**3,888**	**566**	**-**	**4,454**	**2,299**	**-**	**7,672**	**381**	**10,352**	**(2,836)**	**3,952**	**2,910**	**39,449**	**(3,429)**
Purchased/originated credit impaired	-	-	-	-	-	-	-	-	-						
Total ECL	**33,413**	**4,628**	**(174)**	**(4,454)**	**-**	**9,883**	**-**	**9,652**	**(2,714)**	**16,821**	**(2,836)**	**3,952**	**7,439**	**58,789**	**(3,429)**

Notes to the consolidated and separate financial statements

(continued)

12.3. Credit impairments allowance for loans and advances (continued)

A reconciliation of the allowance for impairment losses for loans and advances, by class:

		Transfers between stages				Income statement movement									
As at 31 December 2022	Opening ECL 01 January 2022	Transfer 12 month ECL to/from	Transfer Lifetime ECL not credit-impaired to/from	Transfer Lifetime ECL credit-impaired to/from	Total	Originated "New" impairments raised	Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised including write offs	Total	Impaired accounts written off	Unwind discount	Currency translation and other movements	Closing balance	Post write-off recoveries recognised in P/L
12 month ECL															
PPB															
Mortgage loans	16		(50)	-	(50)	6	-	42	(2)	46	-	-	-	12	-
Instalment sales and finance lease	11		(6)	(7)	(13)	6	-	11	(1)	16	-	-	-	14	-
Card debtors	7		(8)	(21)	(29)	53	-	46	(2)	97	-	-	-	75	-
Other loans and advances	660		(135)	(1,066)	(1,201)	332	-	1,458	(150)	1,640	-	-	-	1,099	-
BCB															
Mortgage loans	13		-	-	-	-	-	(12)	-	(12)	-	-	-	1	-
Instalment sales and finance lease	533		(31)	(56)	(87)	469	-	(10)	(163)	296	-	-	-	742	-
Card debtors	1		-	-	-	1	-	-	(1)	-	-	-	-	1	-
Other loans and advances	3,160		(22)	(2,577)	(2,599)	1,988	-	2,039	(1,161)	2,866	-	-	-	3,427	-
CIB															
Corporate loans	3,630		(416)	-	(416)	2,851	-	25	(418)	2,458	-	-	350	6,022	-
Total	**8,031**		**(668)**	**(3,727)**	**(4,395)**	**5,706**	**-**	**3,599**	**(1,898)**	**7,407**	**-**	**-**	**350**	**11,393**	**-**
Lifetime ECL not credit-impaired															
PPB															
Mortgage loans	3	50		(34)	16	4	-	67	-	71	-	-	-	90	-
Instalment sales and finance lease	3	6		(17)	(11)	1	-	15	-	16	-	-	-	8	-
Card debtors	28	8		(11)	(3)	2	-	2	(7)	(3)	-	-	-	22	-
Other loans and advances	366	135		(692)	(557)	71	-	489	(83)	477	-	-	-	286	-
BCB															
Mortgage loans	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Instalment sales and finance lease	173	31		(56)	(25)	183	-	18	(10)	191	-	-	-	339	-
Card debtors	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Other loans and advances	630	22		(626)	(604)	353	-	432	(250)	535	-	-	-	561	-
CIB															
Corporate loans	80	416		-	416	-	-	(49)	(1)	(50)	-	-	(349)	97	-
Total	**1,283**	**668**		**(1,436)**	**(768)**	**614**	**-**	**974**	**(351)**	**1,237**	**-**	**-**	**(349)**	**1,403**	**-**

Notes to the consolidated and separate financial statements

(continued)

12.3. Credit impairments allowance for loans and advances (continued)

A reconciliation of the allowance for impairment losses for loans and advances, by class:

		Transfers between stages				Income statement movement									
As at 31 December 2022	Opening ECL 01 January 2022	Transfer 12 month ECL to/from	Transfer Lifetime ECL not credit-impaired to/from	Transfer Lifetime ECL credit-impaired to/from	Total	Originated "New" impairments raised	Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised including write offs	Total	Impaired accounts written off	Unwind discount	Currency translation and other movements	Closing balance	Post write-off recoveries recognised in P/L
Lifetime ECL credit-impaired (including IIS)															
PPB															
Mortgage loans	92	-	34		34	-	-	4	(25)	(21)	(31)	(12)	-	62	(39)
Instalment sales and finance lease	19	7	17		24	-	-	15	(1)	14	(2)	7	-	62	(9)
Card debtors	136	21	11		32	5	-	30	3	38	(84)	-	-	122	(24)
Other loans and advances	1,991	1,066	692		1,758	213	-	(309)	32	(64)	(650)	457	-	3,492	(343)
BCB															
Mortgage loans	-	-	-		-	-	-	-	-	-	-	-	-	-	-
Instalment sales and finance lease	91	56	56		112	27	-	36	(27)	36	(11)	19	-	247	(70)
Card debtors	-	-	-		-	-	-	-	(1)	(1)	-	-	-	(1)	(3)
Other loans and advances	7,143	2,577	626		3,203	1,063	-	1,586	(28)	2,621	(3,016)	(514)	-	9,437	(2,074)
CIB															
Corporate loans	6,435	-	-		-	371	-	108	-	479	-	753	(471)	7,196	656
Total	**15,907**	**3,727**	**1,436**	**-**	**5,163**	**1,679**	**-**	**1,470**	**(47)**	**3,102**	**(3,794)**	**710**	**(471)**	**20,617**	**(1,906)**
Purchased/originated credit impaired		-	-	-	-	-		-							
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ECL	**25,221**	**4,395**	**768**	**(5,163)**	**-**	**7,999**	**-**	**6,043**	**(2,296)**	**11,746**	**(3,794)**	**710**	**(470)**	**33,413**	**(1,906)**

Notes to the consolidated and separate financial statements

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12.3. Credit impairments allowance for loans and advances (continued)

Segmental analysis of Stage 3 loans - industry

The following table sets out the segment analysis of the Group credit impaired loans and impairment by industry.

	Stage 3 loans and advances			Lifetime ECL credit impairment		
Group	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million
Agriculture	822	1,682	4,127	383	1,359	2,728
Business services	1,023	1,100	3	806	767	3
Communication	-	3	2	-	3	2
Construction and real estate	13,256	9,942	8,861	11,781	8,317	7,205
Financial intermediaries and insurance	28	-	-	20	-	-
Manufacturing	840	103	128	618	88	108
Oil and Gas	19,724	8,280	1,238	16,252	3,744	1,030
Private households	8,468	5,350	3,356	5,943	4,040	2,494
Transport, storage and distribution	-	-	1,217	-	-	1,174
Wholesale and retail trade	5,034	2,978	1,406	3,646	2,299	1,165
	49,195	**29,438**	**20,338**	**39,449**	**20,617**	**15,909**

Segmental analysis of lifetime ECL credit impaired loans - geographic area

The following table sets out the distribution of the Group's impairments by geographic area where the loans are recorded.

	Stage 3 loans and advances			Lifetime ECL credit impairment		
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million
South South	16,793	8,107	1,018	14,458	3,704	743
South West	25,649	16,573	12,507	20,562	13,031	10,150
South East	871	860	533	576	723	413
North West	4,546	2,746	4,606	2,831	2,250	3,052
North Central	1,336	996	1,589	1,022	795	1,488
North East	-	156	85	-	114	63
	49,195	**29,438**	**20,338**	**39,449**	**20,617**	**15,909**

13. Investment in subsidiaries

	%	Group			Company		
		31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million
Stanbic IBTC Ventures Limited	100%	-	-	-	1,500	1,500	1,500
Stanbic IBTC Bank PLC	100%	-	-	-	63,467	63,467	63,467
Stanbic IBTC Capital Limited	100%	-	-	-	3,500	3,500	3,500
Stanbic IBTC Asset Management Limited	100%	-	-	-	710	710	710
Stanbic IBTC Pension Managers Limited	88.24%	-	-	-	16,913	16,913	16,913
Stanbic IBTC Trustees Limited	100%	-	-	-	300	300	300
Stanbic IBTC Insurance Brokers Limited*	100%	-	-	-	20	20	20
Stanbic IBTC Insurance Limited	100%	-	-	-	8,000	8,000	8,000
Zest Payments Limited**	100%	-	-	-	2,332	232	232
Stanbic IBTC Stockbrokers Limited	100%	-	-	-	109	109	109
		-	**-**	**-**	**96,851**	**94,751**	**94,751**

* Stanbic IBTC Holdings has 75% direct and 25% indirect shareholdings in Stanbic IBTC Insurance Brokers Limited.

** Formerly Stanbic IBTC Financial Services Limited

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13.1. List of significant subsidiaries

The table below provides details of the direct and indirect subsidiaries of the Group.

Subsidiaries	Country of Incorporation	Nature of business	Percentage holdings	Financial year end
Stanbic IBTC Ventures Limited	Nigeria	Undertakes venture capital projects	100%	31 December
Stanbic IBTC Bank Limited	Nigeria	Provision of banking and related financial services	100%	31 December
Stanbic IBTC Capital Limited	Nigeria	Provision of general corporate finance and debt advisory services	100%	31 December
Stanbic IBTC Asset Management Limited	Nigeria	Acting as an investment manager, portfolio manager and as a promoter of unit trust and funds	100%	31 December
Stanbic IBTC Pension Managers Limited	Nigeria	Administration and management of pension fund assets	88.24%	31 December
Stanbic IBTC Trustees Limited	Nigeria	Acting as executors and trustees of wills and trusts and provision of agency services	100%	31 December
Stanbic IBTC Stockbrokers Limited	Nigeria	Provision of stockbroking services	100%	31 December
Stanbic IBTC Insurance Brokers Limited	Nigeria	Provision of insurance brokerage services	75% (direct) 25% (indirect)	31 December
Stanbic IBTC Insurance Limited	Nigeria	Provision of insurance services	100%	31 December
Zest Payments Limited	Nigeria	Provision of Payments Services	100%	31 December
Stanbic IBTC Nominees Limited (Indirect holding)	Nigeria	Investor services as well as acting as an agent of its parent company Stanbic IBTC Bank Limited in the execution of various mandates relating to the custody of assets.	100%	31 December

13.2. Significant restrictions

The Group did not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the regulatory frameworks within which the subsidiaries operate.

The regulatory frameworks require all the subsidiaries (except Stanbic IBTC Ventures Limited to maintain certain level of regulatory capital. In addition, the banking subsidiary (Stanbic IBTC Bank Limited) is required to keep certain levels of liquid assets, limit exposures to other parts of the Group and comply with other ratios.

For information on assets, liabilities and earnings of the subsidiaries, see Note 13.4.

13.3. Non-controlling interests (NCI) in subsidiaries

The following table summarises the information relating to the Group subsidiary that has material NCI.

Stanbic IBTC Pension Managers Limited: The principal place of business is Stanbic IBTC Towers, Walter Carrington crescent, Victoria Island, Lagos, Nigeria.

	31 Dec 2023	Restated 31 Dec 2022	Restated 01 Jan 2022
NCI percentage	11.76%	11.76%	11.76%
	₦'million	₦'million	₦'million
Total assets	90,832	90,907	94,526
Total liabilities	(28,338)	(22,810)	(19,271)
Net assets	62,494	68,097	75,255
Carrying amount of NCI	**7,349**	**8,008**	**8,850**
Revenue	61,095	52,461	46,059
Profit	25,801	22,877	21,895
Profit allocated to NCI	**3,035**	**2,691**	**2,588**
Cash flows from operating activities	34,683	22,514	24,266
Cash flows from investing activities	2,689	6,128	(16,350)
Cash flow from financing activities, before dividends to NCI	(31,138)	(29,913)	(9,310)
Cash flow from financing activities - cash dividends to NCI	(3,663)	(3,519)	(1,095)
Net increase in cash and cash equivalents	**2,571**	**(4,790)**	**(2,489)**

Notes to the consolidated and separate financial statements

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13.4. Summary financial information of the consolidated entities

	Stanbic IBTC Holdings PLC Company ₦'million	Stanbic IBTC Bank Limited ₦'million	Stanbic IBTC Capital Limited ₦'million	Stanbic IBTC Pension Managers Limited ₦'million	Stanbic IBTC Asset Management Limited ₦'million	Stanbic IBTC Ventures Limited ₦'million	Stanbic IBTC Trustees Limited ₦'million	Stanbic IBTC Insurance Brokers Limited ₦'million	Stanbic IBTC Insurance Limited ₦'million	Stanbic IBTC Stockbrokers Limited ₦'million	Zest Payments Limited ₦'million	Consolidations / Eliminations ₦'million	Stanbic IBTC Holdings PLC Group ₦'million
Income statement													
Net interest income	299	164,459	887	5,196	298	(33)	27	68	3,732	198	59	-	175,190
Non interest revenue	57,290	95,679	7,900	55,899	16,443	255	1,373	1,595	(1,537)	1,051	9	(55,981)	179,976
Total income	**57,589**	**260,138**	**8,787**	**61,095**	**16,741**	**222**	**1,400**	**1,663**	**2,195**	**1,249**	**68**	**(55,981)**	**355,166**
Staff costs	(2,833)	(45,441)	(2,419)	(8,626)	(3,370)	-	(463)	(565)	(813)	(606)	(624)	-	(65,760)
Operating expenses	(7,050)	(75,674)	(1,224)	(13,899)	(2,643)	(70)	(240)	(348)	(979)	(326)	(653)	2,059	(101,047)
Net impairment (charge) on financial assets	(26)	(15,093)	(228)	(75)	(7)	-	(24)	(24)	27	(2)	-	-	(15,452)
Total expenses	**(9,909)**	**(136,208)**	**(3,871)**	**(22,600)**	**(6,020)**	**(70)**	**(727)**	**(937)**	**(1,765)**	**(934)**	**(1,277)**	**2,059**	**(182,259)**
Profit before tax	**47,680**	**123,930**	**4,916**	**38,495**	**10,721**	**152**	**673**	**726**	**430**	**315**	**(1,209)**	**(53,922)**	**172,907**
Tax	(60)	(13,501)	(1,779)	(12,694)	(3,562)	(51)	(215)	(250)	(66)	(112)	-	-	(32,290)
Profit for the year	**47,620**	**110,429**	**3,137**	**25,801**	**7,159**	**101**	**458**	**476**	**364**	**203**	**(1,209)**	**(53,922)**	**140,617**
For the year ended 31 December 2022	**50,695**	**55,145**	**2,203**	**22,877**	**3,944**	**451**	**28**	**246**	**225**	**190**	**(212)**	**(55,059)**	**80,733**
Assets:													
Cash and cash equivalents	15,325	1,362,369	12,017	19,936	431	54	7	(2)	3,433	2,740	143	(31,574)	1,384,879
Derivative assets	-	550,720	-	-	-	-	-	-	-	-	-	-	550,720
Trading assets	-	67,907	-	-	-	-	-	-	-	10	-	-	67,917
Pledged assets	-	374,912	-	-	-	-	-	-	-	-	-	-	374,912
Financial investments	4,760	341,608	5,507	28,898	11,818	3,389	741	1,208	34,831	1,882	1,015	-	435,657
Loans and advances to banks	-	8,668	-	-	-	-	-	-	-	-	-	-	8,668
Loans and advances to customers	-	2,032,351	-	-	-	-	-	-	-	-	-	-	2,032,351
Reinsurance assets	-	-	-	-	-	-	-	-	468	-	-	-	468
Deferred tax assets	-	3,581	-	-	-	-	22	32	2	12	-	-	3,649
Equity investment in Group companies	96,851	-	-	-	-	-	-	-	-	-	-	(96,851)	-
Other assets	25,830	196,336	783	6,723	5,448	3	275	190	358	397	3	(33,513)	202,833
Property and equipment	3,446	30,677	1,306	34,075	4,863	-	505	652	1,242	439	233	(755)	76,683
Right of Use Assets	129	2,729	24	1,200	152	-	14	46	94	-	-	-	4,388
Intangible assets	-	2,442	-	-	29	-	-	-	-	-	-	-	2,471
Total assets	**146,341**	**4,974,300**	**19,637**	**90,832**	**22,741**	**3,446**	**1,564**	**2,126**	**40,428**	**5,480**	**1,394**	**(162,693)**	**5,145,596**
At 31 December 2022	**187,998**	**2,854,654**	**15,357**	**90,907**	**13,556**	**4,308**	**1,023**	**1,510**	**30,021**	**6,376**	**688**	**(177,372)**	**3,029,026**

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(continued)

13.4. Summary financial information of the consolidated entities (continued)

	Stanbic IBTC Holdings PLC Company ₦'million	Stanbic IBTC Bank Limited ₦'million	Stanbic IBTC Capital Limited ₦'million	Stanbic IBTC Pension Managers Limited ₦'million	Stanbic IBTC Asset Management Limited ₦'million	Stanbic IBTC Ventures Limited ₦'million	Stanbic IBTC Trustees Limited ₦'million	Stanbic IBTC Insurance Brokers Limited ₦'million	Stanbic IBTC Insurance Limited ₦'million	Stanbic IBTC Stockbrokers Limited ₦'million	Stanbic IBTC Financial Services Limited ₦'million	Consolidations / Eliminations ₦'million	Stanbic IBTC Holdings PLC Group ₦'million
Liabilities and equity:													
Derivative liabilities	-	446,993	-	-	-	-	-	-	-	-	-	-	446,993
Trading liabilities	-	480,465	-	-	-	-	-	-	-	-	-	-	480,465
Deposits from banks	-	658,885	-	-	-	-	-	-	-	-	-	-	658,885
Deposits from customers	-	2,091,547	-	-	-	-	-	-	-	-	-	(18,660)	2,072,887
Other borrowings	-	375,959	-	-	-	-	-	-	-	-	-	-	375,959
Debt securities issued	-	74,311	-	-	-	-	-	-	-	-	-	-	74,311
Current and deferred tax liabilities	92	5,889	1,611	12,638	3,653	74	223	256	22	122	1	-	24,581
Provisions and other liabilities	21,013	465,331	9,408	15,700	3,587	56	345	896	31,689	3,103	473	(47,010)	504,591
Equity and reserves	125,236	374,920	8,618	62,494	15,501	3,316	996	974	8,717	2,255	920	(97,023)	506,924
Total liabilities and equity	**146,341**	**4,974,300**	**19,637**	**90,832**	**22,741**	**3,446**	**1,564**	**2,126**	**40,428**	**5,480**	**1,394**	**(162,693)**	**5,145,596**
At 31 December 2022	**187,998**	**2,854,654**	**15,357**	**90,907**	**13,556**	**4,308**	**1,023**	**1,510**	**30,021**	**6,376**	**688**	**(177,372)**	**3,029,026**

Notes to the consolidated and separate financial statements

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14. Involvement with unconsolidated investment funds

The table below describes the types of investment funds that the Group does not consolidate but in which it holds an interest. The funds are not consolidated because they are not controlled by the Group.

Type of Investment funds	Nature and purpose	Interest held by the Group
Mutual funds	To generate fees from managing assets on behalf of third party investors.	Investments in units issued by the funds
	These vehicles are financed through the issue of units to investors.	Management fees

The table below sets out an analysis of the investment funds managed by the Group, their assets under management, and the carrying amounts of interests held by the Group in the investment funds. The maximum exposure to loss is the carrying amount of the interest held by the Group.

S/N	Investment fund	Asset under management			Interest held by the Group		
		31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million
i	Stanbic IBTC Nigerian Equity Fund	10,629	7,414	6,970	914	-	550
ii	Stanbic IBTC Ethical Fund	2,833	1,795	1,568	103	72	63
iii	Stanbic IBTC Imaan Fund	555	327	253	10	7	6
iv	Stanbic IBTC Guaranteed Investment Fund	13,822	22,527	24,689	184	173	163
v	Stanbic IBTC Money Market Fund	384,308	231,488	219,597	11,350	14,188	27,023
vi	Stanbic IBTC Bond Fund	35,858	65,754	85,103	20,733	22,627	16,498
vii	Stanbic IBTC Balanced Fund	2,350	1,717	1,645	-	140	130
viii	Stanbic IBTC Dollar Fund	472,214	178,721	171,942	1,865	2	144
ix	Stanbic IBTC Umbrella Fund	22,937	63,848	45,516	514	14,500	1,756
x	Stanbic IBTC Exchange Traded Fund	1,657	1,272	1,196	1,109	-	215
xi	Stanbic IBTC Shari'ah Fixed Income Fund	8,181	7,071	7,390	3,550	3,679	58
xii	Stanbic IBTC Enhanced Short-Term Fixed Income Fund	18,177	30,580	17,652	2,072	1,533	53
xiii	Stanbic IBTC Infrastructure Fund	49,824	6,953	6,854	4,175	1,044	1,000
xiv	UACN Property Development Company REIT	26,805	26,156	30,472	-	-	-
Total		**1,050,150**	**645,623**	**620,847**	**46,579**	**57,965**	**47,659**

The interest held by the Group is presented under financial investments in the statement of financial position. See note 11.

15. Other assets

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Trading settlement assets (see (v) below)	18,308	8,248	9,902	-	-
Due from Group companies (see note 38.3)	346	507	706	17,746	8,333
Deposit for shares	-	-	-	-	600
Repossessed assets	325	-	-	-	-
Accrued income	1,335	779	659	-	-
Indirect / withholding tax receivables	2,783	3,860	3,810	802	644
Accounts receivable (see (iv) below)	141,851	87,874	89,072	805	1,182
Receivable in respect of unclaimed dividends (see (i) below)	4,916	2,373	2,418	4,916	2,373
Deposit for investment (see (ii) below)	14,477	11,719	10,241	-	-
Prepayments	11,379	5,914	5,335	1,606	87
Other debtors	9,283	13,106	9,239	-	-
	205,003	**134,380**	**131,382**	**25,875**	**13,219**
Expected credit loss on doubtful receivables (see (iii) below)	(2,170)	(2,311)	(2,111)	(45)	(20)
	202,833	**132,069**	**129,271**	**25,830**	**13,199**
Current	167,618	107,424	106,808	18,506	9,495
Non-current	35,215	24,645	22,463	7,324	3,704
	202,833	**132,069**	**129,271**	**25,830**	**13,199**
Financial	188,671	122,616	120,385	23,467	12,488
Expected credit loss	(2,170)	(2,311)	(2,111)	(45)	(20)
	186,501	**120,305**	**118,274**	**23,422**	**12,468**
Non-financial	16,332	11,764	10,997	2,408	731
	202,833	**132,069**	**129,271**	**25,830**	**13,199**

i) Amount represents a receivable from the company's registrar in respect of unclaimed dividends and forms part of the assets held against unclaimed dividend liabilities as disclosed in note 28.1. This is in accordance with new Securities and Exchange Commission (SEC) directives requiring transfer of unclaimed dividends previously held by the registrars to the company.

ii) Deposit for investment relates to SIBTC Bank PLC's annual commitment towards Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS) based on CBN guidelines. The investment scheme represents 5% of annual profit after tax appropriated from reserves (see note 21.3(b)(ii)). An amount of ₦37.03 million (Dec 2022: ₦30.99 million) has been disbursed to small and medium scale enterprises through the Bank for the year ended 31 December 2023.

iii) Provision on other assets are computed using the simplified approach as stipulated by IFRS 9 and are all in stage 1.

iv) Account receivable includes fee receivables and short term receivables in respect of electronic payment transactions.

v) Amount relates to unsettled dealing balances as at end of the period.

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(continued)

15. Other assets (continued)

	Group			Company	
Movement in expected credit loss for doubtful receivables	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
At start of year	2,111	2,111	2,391	20	20
Additions / (write back)	426	407	(60)	25	-
Amount written off	(367)	(207)	(220)	-	-
At end of peroid	**2,170**	**2,311**	**2,111**	**45**	**20**

The Group has, based on a five-year historical year, developed a matrix for its expected credit loss. The Group has arrived at this expectation by computing the average credit loss (on financial assets) as a percentage of the average gross financial asset balance. There was no movement between provision stages during the year ended 31 December 2023.

16. Deferred tax assets

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Deferred tax assets (note 16.1)	3,649	13,042	13,998	-	-
	3,649	**13,042**	**13,998**	**-**	**-**

	Group			Company	
Analysis of unrecognised deferred tax asset	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Unutilised tax losses	8,184	43,474	34,253	-	-
Capital allowances	-	-	-	-	-
	8,184	**43,474**	**34,253**	**-**	**-**

	Group			Company	
Analysis of deferred tax asset	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Current	2,455	10,984	10,457	-	-
Non-current	1,194	2,058	3,541	-	-
	3,649	**13,042**	**13,998**	**-**	**-**

16.1. Deferred tax analysis

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Deferred tax liabilities	(1,193)	-	-	-	-
Deferred tax asset	3,649	13,042	13,998	-	-
Deferred tax closing balance	**2,456**	**13,042**	**13,998**	**-**	**-**

16.2. Deferred tax analysis by source

	Group			Company	
i.) Deferred tax assets analysis by source	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Credit impairment charges	6,068	4,034	3,684	-	-
Property and equipment	15,075	10,984	11,588	-	-
Deferred income on CBN SWAP/Unutilised losses	-	-	-	-	-
Fair value adjustments on financial instruments	(29,545)	(5,333)	(3,465)	-	-
Unrelieved loss carry forward	10,426	776	1,331	-	-
Provision for employee bonus and share incentive	3,039	2,509	111	-	-
Others	(1,414)	72	749	-	-
Deferred tax closing balance	**3,649**	**13,042**	**13,998**	**-**	**-**
ii.) Deferred tax liabilities by source					
Fair value adjustments on financial instruments	(1,193)	-	-	-	-
Deferred tax liabilities closing balance	(1,193)	-	-	-	-
Deferred tax asset at end of the year	**2,456**	**13,042**	**13,998**	**-**	**-**

16.3. Deferred tax reconciliation

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Deferred tax at beginning of the year	13,042	13,998	13,163	-	-
Recognised in Profit or Loss:					
Originating/(reversing) temporary differences for the year: (See note 35.1)	(9,393)	(956)	835	-	-
Credit impairment charges	2,034	350	859	-	-
Property and equipment	4,091	(604)	2,972	-	-
Fair value adjustments on financial instruments	(24,212)	(1,868)	(3,467)	-	-
Deferred income on CBN SWAP/Unutilised losses	-	-	2,005	-	-
Unutilised losses	9,650	(555)	(144)	-	-
Others	(1,486)	(677)	587	-	-
Provision for employee bonus and share incentive	530	2,398	(1,977)	-	-
Recognised in Other Comprehensive Income:					
Fair value adjustments on financial instruments-FVOCI	(1,193)	-	-	-	-
Deferred tax at end of the year	**2,456**	**13,042**	**13,998**	**-**	**-**

Notes to the consolidated and separate financial statements

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17. Reinsurance Assets

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Asset for remaining coverage - Group Life	193	118	39	-	-
Asset for remaining coverage - Credit Life	171	118	41	-	-
Asset for remaining coverage - Individual Life	-	-	-	-	-
Asset for incurred claims - Group Life	82	73	103	-	-
Asset for incurred claims - Credit Life	22	12	3	-	-
	468	**321**	**186**	**-**	**-**
				-	-
Current	468	321	186	-	-
Non-current	-	-	-	-	-
	468	**321**	**186**	**-**	**-**
Reinsurance assets -PAA	468	320	186	-	-
Reinsurance assets -GMM	-	1	-	-	-
	468	**321**	**186**	**-**	**-**

17.1 Movement in carrying amounts - by LRC and LIC - Reinsurance - PAA

	Remaining Coverage Component		Incurred Claims Component		
Balance as at 31 December 2023	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	Total
Opening reinsurance contract assets	236		81	4	321
Opening reinsurance contract liabilities					-
Net opening balance	**236**	**-**	**81**	**4**	**321**
Allocation of the premiums paid:					
Full retrospective approach	(18)	-	-	-	(18)
Modified retrospective approach	-	-	-	-	-
Fair value approach	-	-	-	-	-
Post transition	**(809)**	**-**	**-**	**-**	**(809)**
Total allocation of premiums paid	**(826)**	**-**	**-**	**-**	**(826)**
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expense	-	-	156	1	157
Changes related to past service (changes related to incurred claims component)	-	-	-	(1)	(1)
Changes that relate to future service:	-	-	-	-	-
Recoveries of losses on onerous underlying contracts on initial recognition	-	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	-	-	-	-
Total amounts recovered from reinsurance investment components	**-**	**-**	**156**	**1**	**157**
Effect of changes in Non-performance risk of Reinsurers					
Total net expenses from reinsurance	**(826)**	**-**	**156**	**1**	**(670)**
Insurance Finance Income or Expense	-	-	-	-	-
The effect of and changes in time of time value of money and financial risk	-	-	-	-	-
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-
Total insurance finance income or expense	**-**	**-**	**-**	**-**	**-**
Other comprehensive income	-	-	-	-	-
Total changes in the statement of financial performance	**(826)**	**-**	**156**	**1**	**(670)**
Cash flows (actual cashflows in the period)					
Premiums and premium tax paid	955	-	-	-	955
Amounts recovered	-	-	(138)	-	(138)
Total cash flows	**955**	**-**	**(138)**	**-**	**817**
Net closing balance	**365**	**-**	**99**	**5**	**467**
Closing reinsurance contract assets	365	-	99	5	468
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	**365**	**-**	**99**	**5**	**468**

Notes to the consolidated and separate financial statements

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17.2 Movement in carrying amounts - by LRC and LIC - Reinsurance - PAA

	Remaining Coverage Component		Incurred Claims Component		
Balance as at 31 December 2022	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	Total
Opening reinsurance contract assets	80	-	102	5	186
Opening reinsurance contract liabilities	-	-	-	-	-
Net opening balance	**80**	**-**	**102**	**5**	**186**
Allocation of the premiums paid:					
Full retrospective approach	(58)	-	-	-	(58)
Modified retrospective approach		-	-	-	-
Fair value approach		**-**	**-**	**-**	**-**
Post transition	**(355)**	**-**	**-**	**-**	**(355)**
Total allocation of premiums paid	**(413)**	**-**	**-**	**-**	**(413)**
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expense	-	-	107	3	110
Changes related to past service (changes related to incurred claims component)	-	-	35	(2)	32
Changes that relate to future service:	-	-	-	-	-
Recoveries of losses on onerous underlying contracts on initial recognition	-	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	-	-	-	-
Total amounts recovered from reinsurance investment components	**-**	**-**	**141**	**1**	**142**
Effect of changes in Non-performance risk of Reinsurers					
Total net expenses from reinsurance	**(413)**	**-**	**141**	**1**	**(271)**
Insurance Finance Income or Expense	-	-	-	-	-
The effect of and changes in time of time value of money and financial risk	-	-	-	-	-
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-
Total insurance finance income or expense	**-**	**-**	**-**	**-**	**-**
Other Comprehensive Income	-	-	-	-	-
Total changes in the statement of financial performance	**(413)**	**-**	**141**	**1**	**(271)**
Cash flows (Actual cashflows in the period)					
Premiums and premium tax paid	569	-	-	-	569
Amounts recovered	-	-	(127)	-	(127)
Total cash flows	**569**	**-**	**(127)**	**-**	**442**
Net closing balance	**236**	**-**	**116**	**6**	**357**
Closing reinsurance contract assets	236	-	81	4	321
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	**236**	**-**	**81**	**4**	**321**

18. Property and equipment

18.1. Cost

	Freehold Land and building	Leasehold improvements and building improvements	Motor vehicles	Furniture, fittings and equipment	Computer equipment	Work in progress	Total
Group	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Balance at 01 January 2023	21,252	8,490	1,343	11,873	28,110	32,727	103,795
Additions	1,713	40	9,893	1,004	3,681	8,710	25,041
Disposals / expensed	(1,932)	-	(409)	(524)	(700)	(39)	(3,604)
Write-offs	-	-	(8)	(36)	(14)	-	(58)
Transfers / reclassifications	79	94	-	20	977	(1,170)	-
Balance at 31 December 2023	**21,112**	**8,624**	**10,819**	**12,337**	**32,054**	**40,228**	**125,174**
Balance at 01 January 2022	20,967	8,050	1,297	10,343	25,560	14,262	80,479
Additions	427	53	317	1,850	2,971	19,247	24,865
Disposals / expensed	(142)	-	(268)	(420)	(704)	(15)	(1,549)
Transfers / reclassifications	-	387	(3)	100	283	(767)	-
Balance at 31 December 2022	**21,252**	**8,490**	**1,343**	**11,873**	**28,110**	**32,727**	**103,795**

18.2. Accumulated depreciation

	Freehold Land and building	Leasehold improvements and building improvements	Motor vehicles	Furniture, fittings and equipment	Computer equipment	Work in progress	Total
Balance at 01 January 2023	5,898	7,167	708	8,753	19,721	-	42,247
Charge for the year	445	131	1,410	938	4,643	-	7,567
Disposals	-	-	(103)	(528)	(692)	-	(1,323)
Write-offs	-	-	(130)	(494)	(677)	-	(1,301)
Balance at 31 December 2023	**6,343**	**7,298**	**1,885**	**8,669**	**22,995**	**-**	**48,491**
Balance at 01 January 2022	5,534	7,052	813	8,336	16,024	-	37,759
Charge for the year	433	115	180	768	4,335	-	5,831
Disposals	(69)	-	(285)	(351)	(638)	-	(1,343)
Balance at 31 December 2022	**5,898**	**7,167**	**708**	**8,753**	**19,721**	**-**	**42,247**
Net book value:							
31 December 2023	**14,769**	**1,326**	**8,934**	**3,668**	**9,059**	**40,228**	**76,683**
31 December 2022	**15,354**	**1,323**	**635**	**3,120**	**8,389**	**32,727**	**61,548**

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2022: Nil). None of the assets were pledged as security for liabilities and items written off relate to computer equipment, furniture and fittings no longer in use.

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18.3. Cost

	Freehold land and building	Motor vehicles	Furniture, fittings and equipment	Computer equipment	Work in progress	Total
Company	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Balance at 01 January 2023	-	-	196	501	1,822	2,519
Additions	-	1,075	44	394	285	1,798
Disposals	-	(54)	(6)	(40)	(39)	(139)
Transfers / reclassifications	-	-	-	55	(55)	-
Balance at 31 December 2023	**-**	**1,021**	**234**	**910**	**2,013**	**4,178**
Balance at 01 January 2022	-	-	153	421	-	574
Additions	-	-	48	142	1,838	2,028
Disposals	-	-	(5)	(62)	(16)	(83)
Balance at 31 December 2022	**-**	**-**	**196**	**501**	**1,822**	**2,519**

18.4. Accumulated depreciation

Balance at 01 January 2023	-	-	115	364	-	479
Charge for the year	-	125	18	151	-	294
Disposals / expensed	-	(4)	(6)	(31)	-	(41)
Transfers / reclassifications	-	-	22	(22)	-	-
Balance at 31 December 2023	**-**	**121**	**149**	**462**		**732**
Balance at 01 January 2022	-	-	108	318	-	426
Charge for the year	-	-	12	87	-	99
Disposals / expensed	-	-	(5)	(41)	-	(46)
Balance at 31 December 2022	**-**	**-**	**115**	**364**	**-**	**479**
Net book value:						
31 December 2023	**-**	**900**	**85**	**448**	**2,013**	**3,446**
31 December 2022	**-**	**-**	**81**	**137**	**1,822**	**2,040**

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2022: Nil). None of the assets were pledged as security for liabilities and items written off relate to computer equipment, furniture and fittings no longer in use.

19. Intangible assets

19.1. Cost

Reconciliation of carrying amount	Purchased Software	Total
Group	₦'million	₦'million
Balance at 01 January 2023	5,818	5,818
Additions	13	13
Expensed	-	-
Balance at 31 December 2023	**5,831**	**5,831**
Balance at 01 January 2022	5,841	5,841
Additions	16	16
Expensed	(39)	(39)
Balance at 31 December 2022	**5,818**	**5,818**

19.2. Accumulated amortisation

Reconciliation of carrying amount	Purchased Software	Total
Group	₦'million	₦'million
Balance at 01 January 2023	2,595	2,595
Amortisation for the year (see note 33.8)	765	765
Balance at 31 December 2023	**3,360**	**3,360**
Balance at 01 January 2022	1,830	1,830
Amortisation for the year (see note 33.8)	765	765
Balance at 31 December 2022	**2,595**	**2,595**
Carrying amount:		
31 December 2023	**2,471**	**2,471**
31 December 2022	**3,223**	**3,223**

There were no capitalised borrowing costs related to the internal development of software during the year (Dec 2022: Nil).

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20. Right of use assets

20.1. Cost

Group	ROU Building Leases ₦'million	ROU ATM Space Leases ₦'million	ROU Branch Leases ₦'million	**ROU Other Leases ₦'million	Total ₦'million
Balance at 01 January 2023	3,635	796	5,562	80	10,073
Additions	1,500	-	959	56	2,515
Disposals / expensed	-	-	-	-	-
Transfers / reclassifications	-	-	-	-	-
Balance at 31 December 2023	5,135	796	6,521	136	12,588
Balance at 01 January 2022	3,209	677	4,364	48	8,298
Additions	545	39	1,298	64	1,946
Disposals / expensed	(47)	-	(92)	(32)	(171)
Transfers / reclassifications	(72)	80	(8)	-	-
Balance at 31 December 2022	3,635	796	5,562	80	10,073

20.2. Accumulated depreciation

Balance at 01 January 2023	2,416	614	3,377	57	6,464
Charge for the year	753	117	833	33	1,736
Disposals	-	-	-	-	-
Balance at 31 December 2023	3,169	731	4,210	90	8,200
Balance at 01 January 2022	1,880	443	2,566	15	4,904
Charge for the year	536	171	811	42	1,560
Balance at 31 December 2022	2,416	614	3,377	57	6,464
Net book value:					
Balance at 31 December 2023	1,966	65	2,311	46	4,388
Balance at 31 December 2022	1,219	182	2,185	23	3,609

20. Right of use assets (continued)

20.3. Cost

Company	ROU Building Leases ₦'million	ROU ATM Space Leases ₦'million	ROU Branch Leases ₦'million	**ROU Other Leases ₦'million	Total ₦'million
Balance at 01 January 2023	100	-	25	-	125
Additions	112	-	63	-	175
Balance at 31 December 2023	**212**	**-**	**88**	**-**	**300**
Balance at 01 January 2022	100	-	25	-	125
Additions	-	-	-	-	-
Balance at 31 December 2022	**100**	**-**	**25**	**-**	**125**

20.4. Accumulated depreciation

Balance at 01 January 2023	98	-	23	-	121
Charge for the year	39	-	11	-	50
Balance at 31 December 2023	**137**	**-**	**34**	**-**	**171**
Balance at 01 January 2022	75	-	17	-	92
Charge for the year	23	-	6	-	29
Balance at 31 December 2022	**98**	**-**	**23**	**-**	**121**
Net book value:					
Balance at 31 December 2023	75	-	54	-	129
Balance at 31 December 2022	**2**	**-**	**2**	**-**	**4**

*The group leases various branch offices, ATM sites, equipment and vehicles. Rental contracts are typically made for fixed periods of one month to eight years but may have extension options (also see note 4.7) and Right of Use assets titles are restricted by the lease liabilities.

**Others include advert space, car parking space, accommodation amongst others

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21. Share capital and reserve

21.1. Issued and fully paid-up

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
12,956,997,163 Ordinary shares of 50k each					
(December 2022: 12,956,997,163 Ordinary shares of 50k each)	6,479	6,479	6,479	6,479	6,479
Ordinary share premium	**102,780**	**102,780**	**102,780**	**102,780**	**102,780**

There was no increase in authorised share capital during the year.
All issued shares are fully paid up.

21.2. Dividend payment

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
2020 Final dividend					
Scrip dividend	-	-	-	-	-
Cash dividend	-	-	39,982	-	25,914
Minority interest	-	-	1,095	-	-
2021 Final dividend					
Scrip dividend	-	-	-	-	-
Cash dividend	-	25,914	12,957	-	25,914
Minority interest	-	1,741	-	-	-
2022 Interim dividend					
Scrip dividend	-	-	-	-	-
Cash dividend	-	19,436	-	-	19,436
Minority interest	-	1,778	-		
2022 Final dividend					
Scrip dividend	-	-	-	-	-
Cash dividend	25,914	-	-	25,914	-
Minority interest	1,710	-	-	-	-
2023 Interim dividend					
Scrip dividend	-	-	-	-	-
Cash dividend	19,435	-	-	19,435	-
Minority interest	1,953	-	-	-	-
Total dividend paid	**49,012**	**48,869**	**54,034**	**45,349**	**45,350**

21.3. Reserves

a) **Other regulatory reserves**
The other regulatory reserves includes statutory reserve and the small and medium scale industries reserve (SMEEIS) as described below.

i) **Statutory reserves**
Nigerian banking and pension industry regulations require the Stanbic IBTC Bank Limited ("the bank") and Stanbic IBTC Pension Managers Limited ("SIPML) that are subsidiary entities, to make an annual appropriation to a statutory reserve.

As stipulated by S.15(1) of the Banks and Other Financial Institution Act of 2020 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The bank (a subsidiary) transferred 15% of its profit after tax to statutory reserves as at the end of the year.

Section 81(2) of Pension Reform Act, 2014 requires Stanbic IBTC Pension Managers Limited to transfer 12.5% of its profit after tax to a statutory reserve.

ii) **Agri-Business or Small and medium scale industries reserve (AGSMEEIS)**
The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (approved by the Bankers' Committee on 09 February 2017), participating banks shall set aside 5% of their PAT annually (see note 15 (iii)).

b) **Fair value through OCI reserve**
This represents unrealised gains or losses arising from changes in the fair value of FVOCI financial assets which are recognised directly in the FVOCI reserve. For equity investment under this category, such changes cannot be recycled into income statement when the financial asset is derecognised or impaired.

c) **Statutory credit risk reserve**
When credit impairment on loans and advances as accounted for under IFRS using the expected loss model differ from the Prudential Guidelines set by the Central Bank of Nigeria the following adjustment is required.

i) if the Prudential Provision is greater than IFRS impairment allowance; transfer the difference from the general reserve to a non-distributable regulatory reserve (statutory credit reserve).

ii) If the Prudential Provision is less than IFRS impairment allowance; the excess charges resulting should be transferred from the regulatory reserve account to the general reserve to the extent of the non-distributable reserve previously recognised.

Analysis of the statutory credit risk reserve is disclosed under note 6.1.

d) **Share based payment reserve**
This represents obligations under the equity settled portion of Standard Bank South Africa's Group's share incentive scheme which enables key management personnel and senior employees to benefit from the performance of Stanbic IBTC Holdings PLC and its subsidiaries. This is not settled from Stanbic IBTC Holdings shares.

e) **Retained earnings**
This represents the cumulative undistributed profits of the company to date, which have not been reclassified to the other reserves.

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22. Dividend

The Directors recommended the approval of a final dividend of 220 kobo per share (31 December 2022: 250 kobo per share) for the year ended 31 December 2023. Withholding tax would be deducted at the time of payment.

23. Deposit and current accounts

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Deposits from banks	**658,885**	**491,080**	**431,862**	**-**	**-**
Other deposits from banks	658,885	491,080	431,862	-	-
Deposits from customers	**2,072,887**	**1,245,346**	**1,126,535**	**-**	**-**
Current accounts	1,228,405	710,767	591,963	-	-
Call deposits	97,904	105,253	109,013	-	-
Savings accounts	264,935	182,134	151,543	-	-
Term deposits	481,643	247,192	274,016	-	-
Total deposits and current accounts	**2,731,772**	**1,736,426**	**1,558,397**	**-**	**-**

Maturity analysis

The maturity analysis is based on the remaining years to contractual maturity from the end of the year.

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Repayable on demand	1,587,594	988,428	1,297,121	-	-
Maturing within 1 month	199,195	116,654	92,887	-	-
Maturing after 1 month but within 6 months	270,071	92,072	138,573	-	-
Maturing after 6 months but within 12 months	15,942	38,407	42,021	-	-
Maturing after 12 months	658,970	491,086	527	-	-
Total deposits and current accounts	**2,731,772**	**1,726,647**	**1,571,129**	**-**	**-**
Current	2,072,802	1,245,340	1,557,870	-	-
Non-current	658,970	491,086	527	-	-
	2,731,772	**1,736,426**	**1,558,397**	**-**	**-**

23. Deposit and current accounts (continued)

Segmental analysis - geographic area

The following table sets out the distribution of the Group's deposit and current accounts by geographic area.

	31 Dec 2023		Restated 31 Dec 2022		Restated 31 Jan 2022	
	%	₦'million	%	₦'million	%	₦'million
South South	4	116,494	5	80,556	4	68,211
South West	58	1,581,729	53	941,094	55	851,606
South East	2	42,984	2	34,802	2	29,808
North West	2	59,671	3	50,839	3	44,718
North Central	9	254,794	8	134,777	8	123,307
North East	1	17,215	1	13,058	1	8,885
Outside Nigeria	24	658,885	28	491,080	28	431,862
Total deposits and current accounts	**100**	**2,731,772**	**100**	**1,736,426**	**100**	**1,558,397**

24. Other borrowings

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
	375,959	187,957	136,434	-	-
African Development Bank	-	-	137	-	-
Nigeria Mortgage Refinance Company (see (iv) below)	3,043	3,279	3,479	-	-
Bank of Industry (see (i) below)	265	476	737	-	-
Standard Bank Isle of Man (see (ii) below and note 38.3)	254,107	131,532	80,108	-	-
CBN Real Sector Support Financing (see (v) below)	5,262	8,088	10,999	-	-
CBN Commercial Agricultural Credit Scheme (see (iii) below)	6,237	8,998	9,155	-	-
British International Investment (see (vi) below)	107,045	35,584	31,819	-	-
Other borrowings	**375,959**	**187,957**	**136,434**	**-**	**-**

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(continued)

The terms and conditions of other borrowings are as follows:

On-lending borrowings are funding obtained from Development Financial Institutions and banks which are simultaneously lent to borrowing customers. The Group bears the credit risk on the loans granted to customers and are under obligation to repay the lenders. Specific terms of funding are provided below:

i) The bank obtained a Central Bank of Nigeria (CBN) initiated on-lending naira facility from Bank of Industry in September 2010 at a fixed rate of 1% per annum on a tenor based on agreement with individual beneficiary customer. The facility was granted under the Power and Aviation Intervention Fund scheme and Restructuring and Refinancing Facilities scheme. Disbursement of these funds are represented in loans and advances to customers. Based on the structure of the facility, the bank assumes default risk of amount lent to its customers. The facility was not secured.

ii) The bank obtained dollar denominated long term on-lending facilities with floating rates tied to SOFR from Standard Bank Isle of Man with average tenor of five years. The dollar value of the facility as at 31 December 2023 was USD267 million (Dec 2022: USD284 million). The facilities have different expiry dates with the longest expiring on 30 September 2027.

iii) The bank obtained an interest free loan from the Central Bank of Nigeria (CBN) for the purpose of on - lending to customers under the Commercial Agricultural Credit Scheme (CACS). The tenor is also based on agreement with individual beneficiary customer. Disbursement of these funds are represented in loans and advances to customers. Based on the structure of the facility, the bank assumes default risk of amount lent to its customers.

iv) This represents ₦1,223 million (Tranche one), ₦1,386 million (Tranche two) and ₦770 million (Tranche three) on-lending facilities obtained from Nigeria Mortgage Refinance Company in June 2016, June 2019 and August 2019 respectively. Tranche one is priced at 15.5% while Tranche two and three are priced at 14.5%. Tranche one expires on 07 August 2028, Tranche two expires on 07 June 2033 and Tranche three expires on 07 August 2034.

v) The Bank obtained a real sector support funding of ₦10.9 billion from the Central Bank of Nigeria at an interest rate of 3% for seven years. The facilities have different expiry dates with the longest expiring on 17 June 2027.

vi) This represents $75 million on-lending facility obtained in October 2020 from the British International Investment. The facility which is a senior unsecured debt is priced at 6-month SOFR + 4.0% with a maturity date of 10 November 2027.

The Group has not had any default of principal, interest or any other breaches with respect to its debt securities during the period ended 31 December 2023 (Dec 2022: Nil).

24. Other borrowings (continued)

Maturity analysis

The maturity analysis is based on the remaining years to contractual maturity from year end.

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Repayable on demand	2	-	47,663	-	-
Maturing within 1 month	30,646	-	33,572	-	-
Maturing after 1 month but within 6 months	218,422	123,984	576	-	-
Maturing after 6 months but within 12 months	54,225	16,716	2,621	-	-
Maturing after 12 months	95,895	70,857	66,315	-	-
	399,190	**211,557**	**150,747**	**-**	**-**

Movement in other borrowings

	Group			Bank	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
At start of period	187,957	136,434	112,031	-	-
Additions	138,372	64,829	54,389	-	-
Accrued interest	17,187	2,734	2	-	-
Effect of exchange rate changes [loss/(profit)]	181,123	11,338	4,749	-	-
Payments made	(148,680)	(27,378)	(34,737)	-	-
At end of the period	**375,959**	**187,957**	**136,434**	**-**	**-**
Current	249,070	123,984	81,811	-	-
Non-current	126,889	63,973	54,623	-	-
	375,959	**187,957**	**136,434**	**-**	**-**

Notes to the consolidated and separate financial statements

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25. Debt securities issued

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Senior unsecured debt Naira (see (i) below)	-	29,947	30,107	-	-
Subordinated debt - US dollar (see (ii) below)	69,348	19,071	17,312	-	-
Commercial Paper Issued (see (iii) below)	4,963	21,860	-	-	-
Bond issued (see (iv) below)	-	1,000	-	-	-
	74,311	**71,878**	**47,419**	**-**	**-**

The terms and conditions of subordinated debt are as follows:

i) This represents Naira denominated Unsecured senior debt of ₦30 billion issued on 05 December 2018 at a fixed interest rate of 15.75% per annum payable semi-annually. It has a tenor of five years. The debt is unsecured and was fully paid down during the year.

ii) This represents US dollar denominated term subordinated non-collaterised facility of $70 million obtained from Standard Bank of South Africa effective 05 Feb 2021. The facility expires on 05 Feb 2031 and is repayable at maturity. Interest on the facility is payable semi-annually at SOFR (Secured Overnight Financing Rate) plus 4.82%. See note 38.3 (g).

iii) The Commercial paper is a ₦100 billion multicurrency programme established by the bank under which Stanbic IBTC Bank may from time to time issue Commercial Paper Notes ("CP Notes" or "Notes"), denominated in ₦ or USD or in such other currency as may be agreed between the Arranger and the Issuer, in seperate series or tranches.

iv) This represents Naira denominated Unsecured bond of ₦1 billion issued on 05 December 2022 at a fixed interest rate of 15.75% per annum payable semi-annually. It has a tenor of five years. The debt is unsecured and was fully paid down during the year.

The Group has not had any default of principal, interest or any other convenant breaches with respect to its debt securities during the period ended 31 December 2023 (Dec 2022: Nil).

Movement in debt issued

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
At start of the period	71,878	47,419	68,269	-	-
Additions	57,601	46,170	3,296	-	-
Accrued interest for the period	13,114	8,122	5,871	-	-
Accrued interest paid	(9,526)	(5,843)	(5,986)		
Exchange gain	25,594	1,510	1,093	-	-
Payments made	(84,350)	(25,500)	(25,124)	-	-
At end of the period	**74,311**	**71,878**	**47,419**	**-**	**-**
Current	4,963	52,807	17,312	-	-
Non-current	69,348	19,071	30,107	-	-
	74,311	**71,878**	**47,419**	**-**	**-**

26. Current tax assets and liabilities

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Current tax liabilities	23,388	17,564	16,441	92	46
	23,388	**17,564**	**16,441**	**92**	**46**

26.1. Reconciliation of current tax liabilities

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Current tax liabilities at beginning of the year	17,564	16,441	20,270	46	50
Movement for the year	5,824	1,123	(3,829)	46	(4)
Charge for the year (see note 35.1)	21,704	19,535	9,036	60	10
Over provision - prior year	(30)	(1,343)	643	-	-
WHT on dividend	(47)	-	-	-	-
Payment made	(15,803)	(17,069)	(13,508)	(14)	(14)
Current tax liabilities at end of the year	**23,388**	**17,564**	**16,441**	**92**	**46**

27. Provisions

Group

	Legal	Taxes and levies	Expected credit loss for off balance sheet exposures	Total
31 December 2023	₦'million	₦'million	₦'million	₦'million
Balance at 01 January 2023	5,456	2,652	650	8,758
Provisions made during the year	697	7,968	1,654	10,319
Provisions utilised during the year	-	(6,127)	-	(6,127)
Provisions reversed during the year	(10)	-	(1,626)	(1,636)
Balance at 31 December 2023	**6,143**	**4,493**	**678**	**11,314**
Current	-	4,493	678	5,171
Non-current	6,143	-	-	6,143
	6,143	**4,493**	**678**	**11,314**

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27. Provisions (continued)

	Legal	Taxes and levies	Expected credit loss for off balance sheet exposures	Total
31 December 2022	₦'million	₦'million	₦'million	₦'million
Balance at 01 January 2022	6,150	2,368	784	9,302
Provisions made during the year	1,199	8,737	952	10,888
Provisions utilised during the year	-	(8,453)	-	(8,453)
Provisions reversed during the year	(1,893)	-	(1,086)	(2,979)
Balance at 31 December 2022	**5,456**	**2,652**	**650**	**8,758**
Current	-	2,652	650	3,302
Non-current	5,456	-	-	5,456
	5,456	**2,652**	**650**	**8,758**

Analysis of movement in off-balance sheet

As at 31 December 2023	Opening balance	Originated ECL	Subsequent changes	Derecognition	Total
12 Month- ECL	620	450	98	(520)	648
Lifetime ECL not credit impaired	30	30	-	(30)	30
Lifetime ECL credit impaired	-	-	-	-	-
	650	**480**	**98**	**(550)**	**678**

a) **Legal**
In the conduct of its ordinary course of business, the Group is exposed to various actual and potential claims, lawsuits. The Group makes provision for amounts that would be required to settle obligations that may crystallise in the event of unfavourable outcome of the lawsuits. Estimates of provisions required are based on management judgment. See note 32.5 for further details.

b) **Taxes and levies**
Provisions for taxes and levies relates to additional assessment on taxes, including withholding tax, value added tax, PAYE tax. These claims are expected to be settled in the next financial year.

c) **Expected credit loss for off balance sheet exposures**
This relates to expected credit loss on off balance sheet exposures in accordance with IFRS 9 Financial Instruments and are expected to be carried in the books till the maturity of the transactions.

28. Other liabilities
28.1. Summary

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Trading settlement liabilities (see note (vii) below)	6,321	4,102	38,230	-	-
Cash-settled share-based payment liability (note 33.10)	3,473	1,855	925	1,942	809
Accrued expenses - staff	12,511	6,646	4,371	2,087	987
Deferred revenue (see note (iv) below)	4,762	3,577	17,480	-	-
Accrued expenses - others	6,351	6,190	5,861	1,547	761
Due to Group companies (see note 38.3)	6,651	62,422	38,765	8,032	57,628
Collections / remittance payable (see note (i) below)	219,320	146,210	219,794	301	155
Customer deposit for letters of credit	56,249	23,679	25,897	-	-
Unclaimed balance (see note (ii) below)	4,905	3,127	2,963	-	-
Payables to suppliers and asset management clients	4,681	4,145	2,215	58	114
Draft and bank cheque payable	1,235	1,014	784	-	-
Electronic channels settlement liability	6,554	7,157	3,997	-	-
Unclaimed dividends liability (see note (iii) below)	5,980	4,513	3,514	5,980	4,513
Insurance contract liabilities (see note 28.3)	29,939	19,538	4,739	-	-
Clients cash collateral for derivative transactions (see note (v) below)	22,560	7,371	46,945	-	-
Lease liabilities (see note 28.2)	1,508	705	473	32	-
Sundry liabilities (viii)	100,277	49,552	43,512	1,034	20
	493,277	**351,803**	**460,465**	**21,013**	**64,987**
Current	461,414	326,724	428,898	13,001	59,551
Non-current	31,863	25,079	31,567	8,012	5,436
	493,277	**351,803**	**460,465**	**21,013**	**64,987**

i) Collections and remittance payable includes ₦56 billion (Dec 2022: ₦23 billion) relating to balance held in respect of clearing and settlement activities for NIBSS, FMDQ over-the-counter foreign exchange transactions.

ii) Unclaimed balances include demand drafts not yet presented for payment by beneficiaries.

iii) Amount represents liability in respect of unclaimed dividends not yet claimed as at 31 December 2023 by shareholders after 15 months as per the Securities and Exchange Commission circular. The assets held for the liability are presented in note 11.1 and note 15 (ii).

iv) In determining the fair value of derivative instruments such as Swap contracts, all valuation inputs used by management were not directly observable which gave raise to deferral Day one gain. Day one profit or loss could arise due to the fact that the counterparty credit risk, Own credit risk and Cross-Correlation Quanto Risk inherent in the swap contracts are not directly or are indirectly observable from current market transactions in the same instrument.

v) Amount represents margin cash collateral for FX futures.

vi) Lease liabilities are initially measured at the present value of the contractual payments due to the lessor over the lease term,

vii) Amount relates to unsettled dealing balances as at end of the year.

viii) Included in sundry liabilities are non-financial institution Vostro account ₦53 billion.

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28.2. Lease liabilities

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Opening balance for the year	473	473	89	-	-
Additions	315	222	378	-	-
Finance cost	20	10	6	-	-
Terminated/Cancelled	(19)	-	-	-	-
Payments during the year	-	-	-	-	-
Closing balance at end of the period	**789**	**705**	**473**	**-**	**-**

Maturity analysis of lease liabilities

The maturity analysis is based on the remaining years to contractual maturity from year end.

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Repayable on demand	-	-	-	-	-
Maturing within 1 month	-	-	-	-	-
Maturing after 1 month but within 6 months	-	-	-	-	-
Maturing after 6 months but within 12 months	-	-	-	-	-
Maturing after 12 months	789	705	473	-	-
	789	**705**	**473**	**-**	**-**

28.3. Insurance contract liabilities

	Annuity	Group life	Credit life	Individual Life	Total
31 December 2023	₦'million	₦'million	₦'million	₦'million	₦'million
Insurance contracts assets	-	-	-	-	-
Insurance contracts liabilities	27,700	909	840	490	29,939
Total	**27,700**	**909**	**840**	**490**	**29,939**
Reinsurance contracts assets	-	(275)	(193)	-	(468)
Reinsurance contracts Liabilities	-	-	-	-	-
Net insurance contract	**27,700**	**634**	**647**	**490**	**29,471**

* see note 17.1 - Reinsurance contract assets.

	Annuity	Group life	Credit life	Individual Life	Total
01 Jan 2023 Restated	₦'million	₦'million	₦'million	₦'million	₦'million
Insurance contracts assets	-	-	-	-	-
Insurance contracts liabilities	18,491	472	549	25	19,538
Total	**18,491**	**472**	**549**	**25**	**19,538**
Reinsurance contracts assets	-	190	131	-	321
Reinsurance contracts Liabilities	-	-	-	-	-
Net insurance contract	**18,491**	**282**	**419**	**25**	**19,217**

* see note 17.1 - Reinsurance contract assets.

28.4 Movement in carrying amounts - by LRC and LIC - reinsurance - PAA

	Liabilities for Remaining Coverage		Liabilities for Incurred claims		
	Excluding Loss Component	Loss Component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	Total
Balance as at 31 December 2023	₦'million	₦'million	₦'million	₦'million	₦'million
Opening reinsurance contract assets	-	-	-	-	-
Opening reinsurance contract liabilities	745	-	263	13	1,022
Net opening balance	**745**	**-**	**263**	**13**	**1,022**
Insurance revenue					
Full retrospective approach	(69)	-	-	-	(69)
Modified retrospective approach	-	-	-	-	-
Fair value approach	**-**	**-**	**-**	**-**	**-**
Post transition	**(2,705)**	**-**	**-**	**-**	**(2,705)**
Total insurance revenue - all transition methods	**(2,774)**	**-**	**-**	**-**	**(2,774)**
Insurance service expenses					
Incurred insurance service expenses:	-	-	1,450	11	1,461
- Claims	-	-	606	30	636
- Expenses	-	-	844	42	886
- Other movements related to current service	-	-	-	(62)	(62)
Amortisation of insurance acquisition cash flows	315	-	-	-	315
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	-	(2)	(2)
Changes that relate to future service	-	-	-	-	-
Losses for the net outflow recognised on initial recognition	-	-	-	-	-
Losses and reversal of losses on onerous contracts - subsequent measurement	-	-	-	-	-
Total insurance service expenses	**315**	**-**	**1,450**	**9**	**1,774**
Investment components					
Total insurance service result	**(2,459)**	**-**	**1,450**	**9**	**(1,000)**
Insurance finance income or expense					
The effect of and changes in time of time value of money and financial risk	-	-	-	-	-
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-
Total insurance finance income or expense	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total changes in the statement of financial performance	**(2,459)**	**-**	**1,450**	**9**	**(1,000)**
Cash flows (Actual cashflows in the period)					
Premiums and premium tax received	3,419	-	-	-	3,419
Claims and other insurance service expenses paid, including investment components	-	-	(1,274)	-	(1,274)
Insurance acquisition cash flows	(417)	-	-	-	(417)
Total cash flows	**3,002**	**-**	**(1,274)**	**-**	**1,728**
Net closing balance	**1,289**	**-**	**439**	**22**	**1,750**
Closing reinsurance contract assets	-	-	-	-	-
Closing reinsurance contract liabilities	1,289	-	439	22	1,750
Net Closing balance	**1,289**	**-**	**439**	**22**	**1,750**

Notes to the consolidated and separate financial statements

(continued)

28.5 Movement in carrying amounts - by LRC and LIC - reinsurance - PAA

	Remaining coverage component		Incurred claims component		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Balance as at 31 December 2022	₦'million	₦'million	₦'million	₦'million	₦'million
Opening reinsurance contract assets	-	-	-	-	-
Opening reinsurance contract liabilities	241	-	168	8	418
Net opening balance	**241**	**-**	**168**	**8**	**418**
Insurance Revenue					
Full retrospective approach	(248)	-	-	-	(248)
Modified retrospective approach		-	-	-	-
Fair value approach		**-**	**-**	**-**	**-**
Post transition	**(1,368)**	**-**	**-**	**-**	**(1,368)**
Total insurance revenue - all transition methods	**(1,616)**	**-**	**-**	**-**	**(1,616)**
Insurance service expenses					
Incurred insurance service expenses:			816	9	825
- Claims	-	-	426	21	447
- Expenses	-		390	19	409
- Other movements related to current service	-	-	-	(32)	(32)
Amortisation of insurance acquisition cash flows	254	-	-	-	254
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	-	(4)	(4)
Changes that relate to future service	-	-	-	-	-
Losses for the net outflow recognised on initial recognition	-	-	-	-	-
Losses and reversal of losses on onerous contracts - subsequent measurement	-	-	-	-	-
Total insurance service expenses	**254**	**-**	**816**	**5**	**1,074**
Investment components					
Total insurance service result	**(1,363)**	**-**	**816**	**5**	**(542)**
Insurance finance income or expense					
The effect of and changes in time of time value of money and financial risk	-	-	-	-	-
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-
Total insurance finance income or expense	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total changes in the statement of financial performance	**(1,363)**	**-**	**816**	**5**	**(542)**
Cash flows (Actual cashflows in the period)					
Premiums and premium tax received	2,166	-	-	-	2,166
Claims and other insurance service expenses paid, including investment components	-	-	(721)	-	(721)
Insurance acquisition cash flows	(300)	-	-	-	(300)
Total cash flows	**1,867**	**-**	**(721)**	**-**	**1,146**
Net closing balance	**745**	**-**	**263**	**13**	**1,022**
Closing reinsurance contract assets	-	-	-	-	-
Closing reinsurance contract liabilities	745	-	263	13	1,022
Net closing balance	**745**	**-**	**263**	**13**	**1,022**

28.6 Movement in carrying amounts - by LRC and LIC - reinsurance - PAA

	Liabilities for Remaining Coverage			
Balance as at 31 December 2023	Excluding Loss Component	Loss Component	Liabilities for Incurred claims	Total
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	18,286	230		18,517
Net opening balance	**18,286**	**230**	**-**	**18,517**
Insurance revenue				
Full retrospective approach	(637)	-	-	(637)
CSM recognised for services provided	(23)	-	-	(23)
Change in risk adjustment for non-financial risk for risk expired	(9)	-	-	(9)
Expected insurance service expenses incurred:	(580)	-	-	(580)
Claims	(572)	-	-	(572)
Expenses	(9)	-	-	(9)
Recovery of insurance acquisition cash flows	(24)	-	-	(24)
Modified retrospective approach	-	-	-	-
Fair value approach	-	-	-	-
Post transition	(3,174)	-	-	(3,174)
CSM recognised for services provided	(198)	-	-	(198)
Change in risk adjustment for non-financial risk for risk expired	(44)	-	-	(44)
Expected insurance service expenses incurred:	(2,808)	-	-	(2,808)
Claims	(2,705)	-	-	(2,705)
Expenses	(103)	-	-	(103)
Recovery of insurance acquisition cash flows	(125)	-	-	(125)
Experience adjustments not related to future service	-	-	-	
Restatement and other changes	-	-	-	
Total insurance revenue - all transition methods	**(3,811)**	**-**	**-**	**(3,811)**

Notes to the consolidated and separate financial statements

(continued)

28.6 Movement in carrying amounts - by LRC and LIC - reinsurance - PAA (continued)

	Liabilities for remaining coverage			
Insurance service expenses	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Incurred insurance service expenses:	-	(33)	3,292	3,260
- Claims	-	(32)	3,257	3,225
- Expenses	-	(0)	35	34
- Other movements related to current service	-	-	-	-
Amortisation of insurance acquisition cash flows	149	-	-	149
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	-	-
Changes that relate to future service	-	(6)	-	(6)
Losses for the net outflow recognised on initial recognition	-	-	-	-
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(6)	-	(6)
Total insurance service expenses	**149**	**(39)**	**3,292**	**3,402**
Investment components				
Total insurance service result	**(3,662)**	**(39)**	**3,292**	**(409)**
Insurance finance income or expense				
The effect of and changes in time of time value of money and financial risk	2,149	35	-	2,184
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-
Total insurance finance income or expense	2,149	35	-	2,184
Other comprehensive income	-	-	-	-
Total Changes in the Statement of Financial Performance	**(1,513)**	**(4)**	**3,292**	**1,775**
Cash flows (Actual cashflows in the period)				
Premiums and premium tax received	11,484	-	-	11,484
Claims and other insurance service expenses paid, including investment components	-	-	(3,292)	(3,292)
Insurance acquisition cash flows	(295)	-	-	(295)
Total cash flows	**11,190**	**-**	**(3,292)**	**7,897**
Net closing balance	27,963	226	-	28,189
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	27,963	226	-	28,189
Net closing balance	**27,963**	**226**	**-**	**28,189**

28.7 Movement in carrying amounts - by LRC and LIC - direct - GMM

	Liabilities for remaining coverage			
Balance as at 31 December 2022	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	4,289	32		4,321
Net opening balance	**4,289**	**32**	**-**	**4,321**
Insurance Revenue				
Full retrospective approach	(633)	-	-	(633)
CSM recognised for services provided	(18)	-	-	(18)
Change in risk adjustment for non-financial risk for risk expired	(6)	-	-	(6)
Expected insurance service expenses incurred:	(585)	-	-	(585)
Claims	(578)	-	-	(578)
Expenses	(8)	-	-	(8)
Recovery of insurance acquisition cash flows	(23)	-	-	(23)
Modified retrospective approach	-	-	-	-
Fair value approach	-	-	-	-
Post transition	(1,092)	-	-	(1,092)
CSM recognised for services provided	(28)	-	-	(28)
Change in risk adjustment for non-financial risk for risk expired	(15)	-	-	(15)
Expected insurance service expenses incurred:	(1,004)	-	-	(1,004)
Claims	(981)	-	-	(981)
Expenses	(23)	-	-	(23)
Recovery of insurance acquisition cash flows	(44)	-	-	(44)
Experience adjustments not related to future service	-	-	-	-
Restatement and Other Changes	-	-	-	-
Total insurance revenue - all transition methods	**(1,725)**	**-**	**-**	**(1,725)**

Notes to the consolidated and separate financial statements

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28.7 Movement in carrying amounts - by LRC and LIC - direct - GMM **(continued)**

	Liabilities for remaining coverage			
Insurance service expenses	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Incurred insurance service expenses:	-	(5)	1,549	1,544
- Claims	-	(4)	1,516	1,512
- Expenses	-	(0)	33	33
- Other movements related to current service	-	-	-	-
Amortisation of insurance acquisition cash flows	67	-	-	67
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	-	-
Changes that relate to future service	-	-	-	-
Losses for the net outflow recognised on initial recognition	-	-	-	-
Losses and reversal of losses on onerous contracts - subsequent measurement	-	198	-	198
Total insurance service expenses	**67**	**193**	**1,549**	**1,809**
Investment components				
Total insurance service result	**(1,658)**	**193**	**1,549**	**84**
Insurance finance income or expense				
The effect of and changes in time of time value of money and financial risk	556	5	-	561
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-
Total insurance finance income or expense	556	5	-	561
Other comprehensive income	-	-	-	-
Total changes in the statement of financial performance	**(1,102)**	**198**	**1,549**	**645**
Cash flows (Actual cashflows in the period)				
Premiums and premium tax received	15,542	-	-	15,542
Claims and other insurance service expenses paid, including investment components	-	-	(1,549)	(1,549)
Insurance acquisition cash flows	(443)	-	-	(443)
Total cash flows	**15,099**	**-**	**(1,549)**	**13,551**
Net closing balance	18,286	230	-	18,517
Closing Insurance contract assets	-	-	-	-
Closing Insurance contract liabilities	18,286	230	-	18,517
Net closing balance	**18,286**	**230**	**-**	**18,517**

28.8 Movement in carrying amounts - by component - direct - GMM

	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	CSM		
Balance as at 31 December 2023			Full Retrospective Approach	Post Transition	Total
Opening insurance contract assets	-	-		-	-
Opening insurance contract liabilities	17,977	180	138	222	18,517
Net Opening balance	**17,977**	**180**	**138**	**222**	**18,517**
Changes that relate to current services	(128)	(54)	(23)	(198.09)	(403)
CSM recognised for services provided	-	-	(23)	(198.09)	(221)
Change in risk adjustment for non-financial risk for risk expired	-	(54)	-	-	(54)
Experience adjustments not related to future service	**(128)**	**-**	**-**	**-**	**(128)**
Restatement and other changes			**-**	**-**	**-**
Changes that relate to future services	**(2,183)**	**106**	**35**	**2,035.69**	**(6)**
Contracts initially recognised in the year	(2,179)	95	-	2,084	-
Changes in estimates that adjust the CSM	11	2	35	(48)	(0)
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(15)	9	-	-	(6)
Changes that relate to past services	-	-	-	-	-
Changes in estimates in LIC fulfilment cash flows	-	-	-	-	-
Experience adjustments in claims and other insurance service expenses in LIC	-	-	-	-	-
Total Insurance Service Result	**(2,311)**	**53**	**12**	**1,838**	**(409)**
Insurance Finance Income or Expense					
The effect of and changes in time of time value of money and financial risk	2,011	21	21	132	2,184
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-		-	-
Total Insurance Finance Income or Expense	**2,011**	**21**	**21**	**132**	**2,184**
Other Comprehensive Income	-	-		-	-
Total Changes in the Statement of Financial Performance	**(300)**	**73**	**33**	**1,969**	**1,775**
Cash flows (Actual cashflows in the period)					
Premiums and premium tax received	11,484	-	-	-	11,484
Claims and other insurance service expenses paid, including investment components	(3,292)	-	-	-	(3,292)
Insurance acquisition cash flows	(295)	-	-	-	(295)
Total Cash flows	**7,897**	**-**	**-**	**-**	**7,897**
Net Closing balance	**25,574**	**253**	**170**	**2,191**	**28,189**
Closing reinsurance contract assets	-	-		-	
Closing reinsurance contract liabilities	25,574	253	170	2,191	28,189
Net Closing balance	**25,574**	**253**	**170**	**2,191**	**28,189**

Notes to the consolidated and separate financial statements

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28.9 Movement in carrying amounts - by component - direct - GMM

	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	CSM		
Balance as at 31 December 2022			Full Retrospective Approach	Post Transition	Total
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	4,083	41	197	-	4,321
Net Opening balance	**4,083**	**41**	**197**		**4,321**
Changes that relate to current services	(46)	(22)	(18)	(28)	(114)
CSM recognised for services provided	-	-	(18)	(28)	(47)
Change in risk adjustment for non-financial risk for risk expired	-	(22)	-	-	(22)
Experience adjustments not related to future service	**(46)**	**-**	**-**	**-**	**(46)**
Restatement and other changes	**-**	**-**	**-**	**-**	**-**
Changes that relate to future services	**(100)**	**149**	**(71)**	**220**	**198**
Contracts initially recognised in the year	(806)	149	-	657	-
Changes in estimates that adjust the CSM	509	-	(71)	(438)	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	198	-	-	-	198
Changes that relate to past services	-	-	-	-	-
Changes in estimates in LIC fulfilment cash flows	-	-	-	-	-
Experience adjustments in claims and other insurance service expenses in LIC	-	-	-	-	-
Total Insurance Service Result	**(145)**	**127**	**(89)**	**192**	**84**
Insurance Finance Income or Expense					
The effect of and changes in time of time value of money and financial risk	489	12	30	31	561
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-		-
Total Insurance Finance Income or Expense	**489**	**12**	**30**	**31**	**561**
Other Comprehensive Income	-	-		-	-
Total Changes in the Statement of Financial Performance	**343**	**139**	**(59)**	**222**	**645**
Cash flows (Actual cashflows in the period)					
Premiums and premium tax received	15,542	-	-	-	15,542
Claims and other insurance service expenses paid, including investment components	(1,549)	-	-	-	(1,549)
Insurance acquisition cash flows	(443)	-	-	-	(443)
Total Cash flows	**13,551**	**-**	**-**	**-**	**13,551**
Net Closing balance	**17,977**	**180**	**138**	**222**	**18,517**
Closing reinsurance contract assets	-	-	-	-	
Closing reinsurance contract liabilities	17,977	180	138	222	18,517
Net Closing balance	**17,977**	**180**	**138**	**222**	**18,517**

28.10 Recognition of the contractual service margin - by product

	Dec-23			Dec-22		
	Insurance contracts issued			Insurance contracts issued		
	Annuities	Individual Life	Total	Annuities	Individual Life	Total
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Less than 1 year	275	35	310	42	8	50
1 to 2 years	242	34	276	37	7	44
2 to 3 years	213	33	246	33	6	39
3 to 4 years	187	31	219	29	4	33
4 to 5 years	165	28	192	26	2	28
5 to 10 years	559	89	648	87	4	91
More than 10 years	444	27	470	75	1	76
Total	**2,084**	**277**	**2,362**	**328**	**32**	**360**

28.11 Effect of Contracts Initially Recognised in the Period for Insurance

	Dec-23			Dec-22		
	Non-Onerous Groups of Contracts	Onerous Groups of Contracts	Total	Non-Onerous Groups of Contracts	Onerous Groups of Contracts	Total
Insurance Contracts Issued Initially Recognised in the Period						
Estimates of the present value of future cash outflows:	9,535	-	9,535	14,875	-	14,875
Insurance acquisition cash flows	435	-	435	597	-	597
Claims and other cash outflows	9,100	-	9,100	14,278	-	14,278
Estimates of the present value of future cash inflows	(11,714)	-	(11,714)	(15,681)	-	(15,681)
Risk adjustment for non-financial risk	95	-	95	149	-	149
Contractual service margin	2,084	-	2,084	658	-	658
Losses for the net outflow recognised on initial recognition	**-**	**-**	**-**	**-**	**-**	**-**

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29. Classification of financial instruments

Accounting classifications and fair values

The table below sets out the Group's classification of assets and liabilities, and their fair values.

	Note	Fair value through P and L				Fair-value through other comprehensive income				
31 December 2023		Held for trading	Designated at fair value	Fair value through P/L - default	Amortised cost	Debt Instrument	Equity Instrument	Other amortised cost	Total carrying amount	Fair value[1]
		₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Assets										
Cash and cash equivalents	7	-	-	1,328,705	56,174	-	-	-	1,384,879	1,384,879
Derivative assets	10.6	550,720	-	-	-	-	-	-	550,720	550,720
Trading assets	9.1	67,917	-	-	-	-	-	-	67,917	67,917
Pledged assets	8	70,104	-	-	-	304,808	-	-	374,912	374,912
Financial investments	11	-	-	45,851	57,506	328,176	4,124	-	435,657	435,657
Loans and advances to banks	12	-	-	-	8,668		-	-	8,668	9,522
Loans and advances to customers	12	-	-	-	2,032,351	-	-	-	2,032,351	2,003,288
Reinsurance assets	17	-	-	-	468	-	-	-	468	468
Other assets (see (a) below)		-	-	-	188,671	-	-	-	188,671	188,671
		688,741	**-**	**1,374,556**	**2,343,838**	**632,984**	**4,124**	**-**	**5,044,243**	**5,016,035**
Liabilities										
Derivative liabilities	10.6	446,993	-	-	-	-	-	-	446,993	446,993
Trading liabilities	9.2	480,465	-	-	-	-	-	-	480,465	480,465
Deposits from banks	23	-	-	-	-	-	-	658,885	658,885	658,885
Deposits from customers	23	-	-	-	-	-	-	2,072,887	2,072,887	2,072,887
Debt securities issued	25	-	-	4,963	-	-	-	69,348	74,311	74,311
Other borrowings	24	-	-	-	-	-	-	375,959	375,959	375,959
Other liabilities (see (b) below)		-	-	-	-	-	-	488,515	488,515	488,515
		927,458	**-**	**-**	**-**	**-**	**-**	**3,665,594**	**4,598,015**	**4,598,015**

[1] Carrying value has been used where it closely approximates fair values. Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price. In the absence of organised secondary markets for financial instruments, such as loans, deposits and unlisted derivatives, direct market prices are not always available. The fair value of such instruments was therefore calculated on the basis of well-established valuation techniques using current market parameters.

a. Other assets presented in the table above comprise financial assets only. The following items have been excluded: prepayment, indirect or withholding tax receivable, and accrued income.

b. Other liabilities presented in the table above comprise financial liabilities only other than deferred revenue.

c. Assessment of the fair value is not material as the carrying amount closely resemble the fair value and over 70% of the assets matures within one year.

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29. Classification of financial instruments (continued)

Accounting classifications and fair values

The table below sets out the Group's classification of assets and liabilities, and their fair values.

	Note	Fair value through P and L				Fair-value through other comprehensive income				
31 December 2022		Held for trading	Designated at fair value	Fair value through P/L - default	Amortised cost	Debt Instrument	Equity Instrument	Other amortised cost	Total carrying amount	Fair value[1]
		₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Assets										
Cash and bank balances	7	-	-	663,223	1,227	-	-	-	664,450	664,450
Derivative assets	10.6	42,134	-	-	-	-	-	-	42,134	42,134
Trading assets	9.1	190,431	-	-	-	-	-	-	190,431	190,431
Pledged assets	8	54,804	-	-	-	73,186	-	-	127,990	127,990
Financial investments	11	-	-	67,893	53,205	457,476	3,643	-	582,217	582,217
Loans and advances to banks	12	-	-	-	3,404		-	-	3,404	3,740
Loans and advances to customers	12	-	-	-	1,204,786	-	-	-	1,204,786	1,187,558
Reinsurance assets	17	-	-	-	321	-	-	-	321	321
Other assets (see (a) below)		-	-	-	122,616	-	-	-	122,616	122,616
		287,369	**-**	**731,116**	**1,385,559**	**530,662**	**3,643**	**-**	**2,938,349**	**2,921,457**
Liabilities										
Derivative liabilities	10.6	26,099	-	-	-	-	-	-	26,099	26,099
Trading liabilities	9.2	220,971	-	-	-	-	-	-	220,971	220,971
Deposits from banks	23	-	-	-	-	-	-	491,080	491,080	491,080
Deposits from customers	23	-	-	-	-	-	-	1,245,346	1,245,346	1,245,346
Subordinated debt	25	-	-	-	-	-	-	71,878	71,878	71,878
Other borrowings	24	-	-	-	-	-	-	187,957	187,957	187,957
Other liabilities (see (b) below)		-	-	-	-	-	-	348,126	348,126	348,126
		247,070	**-**	**-**	**-**	**-**	**-**	**2,344,387**	**2,591,457**	**2,591,457**

[1] Carrying value has been used where it closely approximates fair values. Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price. In the absence of organised secondary markets for financial instruments, such as loans, deposits and unlisted derivatives, direct market prices are not always available. The fair value of such instruments was therefore calculated on the basis of well-established valuation techniques using current market parameters.

a. Other assets presented in the table above comprise financial assets only. The following items have been excluded: prepayment, indirect or withholding tax receivable, and accrued income.

b. Other liabilities presented in the table above comprise financial liabilities only other than deferred revenue.

c. Assessment of the fair value is not material as the carrying amount closely resemble the fair value and over 70% of the assets matures within one year.

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30. Fair values of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, fair values are determined using other valuation techniques.

30.1. Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 - fair values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2 - fair values are calculated using valuation techniques based on observable inputs, either directly (that is as quoted prices) or indirectly (that is derived from quoted prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include discounted cash flow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, bonds and equity prices, foreign exchange rates, equity pricess and expected volatilities and correlations.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction. For measuring derivatives that might change classification from being an asset to a liability or vice versa such as interest rate swaps, fair values take into account the credit valuation adjustment (CVA) when market participants take this into consideration in pricing the derivatives.

30.2. Valuation framework

The Group has an established control framework with respect to the measurement of fair values. This framework includes a market risk function, which has overall responsibility for independently verifying the results of trading operations and all significant fair value measurements, and a product control function, which is independednt of front office management and reports to the Chief Financial Officer. The roles performed by both functions include:

- Verification of observable pricing
- Re-performance of model valuations;
- Review and approval process for new models and changes to models
- Calibration and back-testing of models against observed market transactions;
- Analysis and investigation of significant daily valuation movements; and
- Review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of level 3 instruments.

Significant valuation issues are reported to the audit committee.

30.3. Financial instruments measured at fair value - fair value hierarchy

The tables below analyse financial instruments carried at fair value at the end of the reporting year, by level of fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. See note 4.5 on accounting policies on fair value.

	Note	Carrying amount	Level 1	Level 2	Level 3	Total
Group		₦'million	₦'million	₦'million	₦'million	₦'million
31 December 2023						
Assets						
Cash and bank balances	7	1,328,705	-	1,328,705	-	1,328,705
Derivative assets	10.6	550,720	-	478,977	71,743	550,720
Trading assets	9.1	67,917	16,327	51,590	-	67,917
Pledged assets	8	374,912	374,912	-	-	374,912
Financial investments	29	379,074	374,950	-	4,124	379,074
		2,701,328	**766,189**	**1,859,272**	**75,867**	**2,701,328**
Comprising:						
Held-for-trading		688,741	86,431	1,807,682	71,743	1,965,856
FV through other comprehensive income		2,012,587	679,758	51,590	4,124	735,472
		2,701,328	**766,189**	**1,859,272**	**75,867**	**2,701,328**
Liabilities						
Derivative liabilities	10.6	446,993	-	446,993	-	446,993
Trading liabilities	9.2	480,465	6,082	474,383	-	480,465
Debt Securities Issued	25	4,963	4,963	-	-	4,963
		932,421	**11,045**	**921,376**	**-**	**932,421**
Comprising:						
Held-for-trading		932,421	11,045	921,376	-	932,421
		932,421	**11,045**	**921,376**	**-**	**932,421**

There were no transfers between Level 1 and Level 2 during the year. No reclassifications were made in or out of level 3 during the year.

Notes to the consolidated and separate financial statements

(continued)

30. Fair values of financial instruments (continued)

30.3. Financial instruments measured at fair value - fair value hierarchy

	Note	Carrying amount	Level 1	Level 2	Level 3	Total
Group		₦'million	₦'million	₦'million	₦'million	₦'million
31 December 2022						
Assets						
Cash and bank balances	7	663 223		663 223		663 223
Derivative assets	10.6	42,134	-	27,497	14,637	42,134
Trading assets	9.1	190,431	161,536	28,895	-	190,431
Pledged assets	8	127,990	127,990	-	-	127,990
Financial investments	28	529,011	525,368	-	3,643	529,011
		1,552,789	**814,894**	**719,615**	**18,280**	**1,552,789**
Comprising:						
Held-for-trading		287,369	216,340	690,720	14,637	921,697
FV through other comprehensive income		1,265,420	598,554	28,895	3,643	631,092
		1,552,789	**814,894**	**719,615**	**18,280**	**1,552,789**
Liabilities						
Derivative liabilities	10.6	26,099	-	26,099	-	26,099
Trading liabilities	9.2	220,971	11,077	209,894	-	220,971
		247,070	**11,077**	**235,993**	**-**	**247,070**
Comprising:						
Held-for-trading		247,070	11,077	235,993	-	247,070
		247,070	**11,077**	**235,993**	**-**	**247,070**

There were no transfers between Level 1 and Level 2 during the year. No reclassifications were made in or out of level 3 during the year.

30.4. Level 3 fair value measurement

i) The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

	Derivative assets	Financial investments	Total
	₦'million	₦'million	₦'million
Balance at 01 January 2023	14,637	3,642	18,279
(losses) included in profit or loss - Trading revenue	60,550	-	60,550
Gain/(Loss) recognised in other comprehensive income	-	482	482
Day one profit / (loss) recognised	(3,444)	-	(3,444)
Balance at 31 December 2023	**71,743**	**4,124**	**75,867**
Balance at 01 January 2022	11,369	3,021	14,390
(Losses) included in profit or loss - Trading revenue	2,723	-	2,723
Gain/(Loss) recognised in other comprehensive income	-	621	621
Day one profit / (loss) recognised	545	-	545
Balance at 31 December 2022	**14,637**	**3,642**	**18,279**

Gain or loss for the year in the table above are presented in the statement of profit or loss and other comprehensive income as follows:

	Derivative assets	Financial investments	Total
	₦'million	₦'million	₦'million
31 December 2023			
Other comprehensive income	-	482	482
Trading revenue	60,550	-	60,550
	60,550	**482**	**61,032**
31 December 2022			
Other comprehensive income	-	621	621
Trading revenue	2,723	-	2,723
	2,723	**621**	**3,344**

Notes to the consolidated and separate financial statements

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30.4. Level 3 fair value measurement (continued)

ii) **Unobservable inputs used in measuring fair value**

The information below describes the significant unobservable inputs used at year end in measuring financial instruments categorised as level 3 in the fair value hierarchy.

Type of financial instrument	Fair value as at 31-Dec-2023 (₦'million)	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable input
Unquoted equities	4,125 (2022: 3,642)	Dividend valuation method, Average maintainable earnings method, Weighted average maintainable earnings method amongst others	• Risk adjusted discount rate • Earning capitalisation rate	A significant increase in the spread above the risk-free rate would result in a lower fair value.
Derivative assets	71,743 (2022: 14,637)	Discounted cash flow	• Own credit risk (DVA) • Counterparty credit risk (CVA, basis risk and country risk premium) • USD / NGN quanto risk • Implied FX volatility	A significant move (either positive or negative) in the unobservable input will result in a significant move in the fair value.

iii) **The effect of unobservable inputs on fair value measurement (sensitivity analysis)**

The table below indicates the valuation techniques and main assumptions used in the determination of the fair value of the level 3 assets and liabilities measured at fair value on a recurring basis. The table further indicates the effect that a significant change in one or more of the inputs to a reasonably possible alternative assumption would have on profit or loss at the reporting date.

				Effect on OCI	
	Valuation technique	Significant unobservable input	Variance in fair value measurement	Favourable ₦'million	Unfavourable ₦'million
December 2023					
Unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	57	(59)
Derivative assets	Discounted cash flow	• Own credit risk (DVA) • Counterparty credit risk (CVA, basis risk and country risk premium) • USD / NGN quanto risk • Implied FX volatility	From (1%) to 1%	441	(445)
December 2022					
Unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	57	(59)
Derivative assets	Discounted cash flow	• Own credit risk (DVA) • Counterparty credit risk (CVA, basis risk and country risk premium) • USD / NGN quanto risk • Implied FX volatility	From (1%) to 1%	441	(445)

30.5. Financial instruments not measured at fair value - fair value hierarchy

The following table set out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierachy into which each fair value measurement is categorised.

	Carrying value	Level 1	Level 2	Level 3	Total fair value
Group	₦'million	₦'million	₦'million	₦'million	₦'million
31 December 2023					
Assets					
Cash and cash equivalents	56,174	-	56,174	-	56,174
Financial investments	57,506	-	57,506	-	57,506
Loans and advances to banks	8,668	-	9,522	-	9,522
Loans and advances to customers	2,032,351	-	2,003,288	-	2,003,288
Reinsurance assets	468	-	468	-	468
Other financial assets	188,671	-	188,671	-	188,671
	2,343,838	**-**	**2,315,630**	**-**	**2,315,630**
Liabilities					
Deposits from banks	658,885	-	658,885	-	658,885
Deposits from customers	2,072,887	-	2,072,887	-	2,072,887
Other borrowings	375,959	-	375,959	-	375,959
Debt securities issued	69,348	-	69,348	-	69,348
Other financial liabilities	488,515	-	488,515	-	488,515
	3,665,594	**-**	**3,665,594**	**-**	**3,665,594**

	Carrying value	Level 1	Level 2	Level 3	Total fair value
Group	₦'million	₦'million	₦'million	₦'million	₦'million
31 December 2022					
Assets					
Cash and bank balances	1,227	-	1,227	-	1,227
Financial investments	53,205	-	53,205	-	53,205
Loans and advances to banks	3,404	-	3,740	-	3,740
Loans and advances to customers	1,204,786	-	1,187,558	-	1,187,558
Other financial assets	122,616	-	122,616	-	122,616
	1,385,238	**-**	**1,368,345**	**-**	**1,368,345**
Liabilities					
Deposits from banks	491,080	-	491,080	-	491,080
Deposits from customers	1,245,346	-	1,245,346	-	1,245,346
Other borrowings	187,957	-	187,957	-	187,957
Debt securities issued	71,878	30,947	40,931	-	71,878
Other financial liabilities	348,126	-	348,126	-	348,126
	2,344,387	**30,947**	**2,313,440**	**-**	**2,344,387**

Fair value of loans and advances is estimated using discounted cash flow techniques. Input into the valuation techniques includes interest rates and expected cash flows. Expected cash flows are discounted at current market rates to determine fair value.

Fair value of deposits from banks and customers is estimated using discounted cash flow techniques, applying the rates offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

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31. Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

IFRS requires financial assets and financial liabilities to be offset and the net amount presented in the statement of financial position when, and only when, the Group and company have a current legally enforceable right to set off recognised amounts, as well as the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accordingly, the following table sets out the impact of offset, as well as financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they have been offset in accordance with IFRS.

It should be noted that the information below is not intended to represent the Group and company's actual credit exposure, nor will it agree to that presented in the statement of financial position.

	Gross amount of recognised financial assets[1]	Gross amounts of recognised financial liabilities offset in the statement of financial position[2]	Net amounts of financial assets presented in the statement of financial position	Financial instruments, financial collateral and cash collateral[3]	Net amount
Group	₦'million	₦'million	₦'million	₦'million	₦'million
31 December 2023					
Assets					
Derivative assets	550,720	-	550,720	(550,720)	-
Loans and advances to customers	81,325	-	81,325	(11,770)	69,555
	632,045	**-**	**632,045**	**(562,490)**	**69,555**

	Gross amount of recognised financial liabilities[1]	Gross amounts of recognised financial assets offset in the statement of financial position[2]	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments, financial collateral and cash collateral[3]	Net amount
Group	₦'million	₦'million	₦'million	₦'million	₦'million
31 December 2023					
Liabilities					
Derivative liabilities	103,198	-	103,198	(103,198)	-
Deposits from customers	11,770	-	11,770	(11,770)	-
	114,968	**-**	**114,968**	**(114,968)**	**-**

[1] Gross amounts are disclosed for recognised assets and liabilities that are either offset in the statement of financial position or subject to a master netting arrangement or a similar agreement, irrespective of whether the offsetting criteria is met.

[2] The amounts that qualify for offset in accordance with the criteria per IFRS.

[3] Related amounts not offset in the statement of financial position that are subject to a master netting arrangement or similar agreement, including financial collateral (whether recognised or unrecognised) and cash collateral.

The table below sets out the nature of agreement and the types of rights relating to items which do not qualify for offset but that are subject to a master netting arrangement or similar agreement.

	Nature of agreement	Related rights
Derivative assets and liabilities	ISDAs	The agreement allows for set off in the event of default
Trading liabilities	Global master repurchase agreements	The agreement allows for set off in the event of default

	Gross amount of recognised financial assets[1]	Gross amounts of recognised financial liabilities offset in the statement of financial position[2]	Net amounts of financial assets presented in the statement of financial position	Financial instruments, financial collateral and cash collateral[3]	Net amount
Group	₦'million	₦'million	₦'million	₦'million	₦'million
31 December 2022					
Assets					
Derivative assets	42,133	-	42,133	(42,133)	-
Loans and advances to customers	52,132	-	52,132	(12,669)	39,463
	94,265	**-**	**94,265**	**(54,802)**	**39,463**

	Gross amount of recognised financial liabilities[1]	Gross amounts of recognised financial assets offset in the statement of financial position[2]	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments, financial collateral and cash collateral[3]	Net amount
Group	₦'million	₦'million	₦'million	₦'million	₦'million
31 December 2022					
Liabilities					
Derivative liabilities	22,317	-	22,317	(22,317)	-
Deposits from customers	12,669	-	12,669	(12,669)	-
	34,986	**-**	**34,986**	**(34,986)**	**-**

[1] Gross amounts are disclosed for recognised assets and liabilities that are either offset in the statement of financial position or subject to a master netting arrangement or a similar agreement, irrespective of whether the offsetting criteria is met.

[2] The amounts that qualify for offset in accordance with the criteria per IFRS.

[3] Related amounts not offset in the statement of financial position that are subject to a master netting arrangement or similar agreement, including financial collateral (whether recognised or unrecognised) and cash collateral.

The table below sets out the nature of agreement and the types of rights relating to items which do not qualify for offset but that are subject to a master netting arrangement or similar agreement.

	Nature of agreement	Related rights
Derivative assets and liabilities	ISDAs	The agreement allows for set off in the event of default
Trading liabilities	Global master repurchase agreements	The agreement allows for set off in the event of default

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32. Contingent liabilities and commitments

32.1. Contingent liabilities	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Letters of credit	164,946	119,602	185,714	-	-
Bonds and Guarantees	119,959	87,120	104,418	-	-
	284,905	**206,722**	**290,132**	**-**	**-**

Bonds and Guarantees and letters of credit are given to third parties as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts. The expected credit loss of ₦678 million (Dec 2022: ₦650 million) on this has been included in provisions (see note 27).

32.2. Capital commitments

Contracted capital expenditure	1,122	418	829	128	3
Capital expenditure authorised but not yet contracted	45,421	28,095	28,023	579	386
	46,543	**28,513**	**28,852**	**707**	**389**

The above commitments relates to capital expenditure on property plant and equipment and the expenditure will be funded from the Group's internal resources.

32.3. Loan commitments

As at 31 December 2023, the Group had loan commitments amounting to ₦97.71 billion (Dec 2022: ₦55.11 billion) in respect of various loan contracts. The expected credit loss on the off-balance sheet exposures amounts to ₦619 million (Dec 2022: ₦650 million).

32.4. Third party funds under management and funds under administration

Members of the Group provide discretionary and non-discretionary investment management services to institutional and private investors.

Commissions and fees earned in respect of trust and management activities performed are included in profit or loss.

Assets managed and funds administrated on behalf of third parties include:

	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Pension funds	7,262,436	4,729,566
Unit Trusts / Collective investments	1,481,401	950,831
Trusts and Estates	137,290	78,585
Assets held under custody - custodial services	7,799,492	4,147,362
	16,680,619	**9,906,344**

Income earned in fiduciary capacity are disclosed in note 33.3

32.5. Legal proceedings

In the ordinary course of business the Group is exposed to various actual and potential claims, lawsuits and other proceedings that relate to alleged errors, omissions, breaches. The Directors are satisfied, based on present information and the assessed probability of such existing claims crystallising that the Group has adequate insurance cover and / or provisions in place to meet such claims

The Group litigation portfolio as at 31 December 2023 consisted of 416 cases and aggregate value of monetary claims against the Stanbic IBTC Group was ₦275,274,345,488.90; $4,468,675.78 and £74,284.64.

The claims against the Group are generally considered to have a low likelihood of success and the Group is actively defending same. Management believes that the ultimate resolution of any of the proceedings will not have a significantly adverse effect on the Group. Where the Group envisages that there is a more than average chance that a claim against it will succeed, adequate provisions are raised in respect of such claim. See note 27 for details of provisions.

Below is the distribution of cases across the hierarchy of courts;

Court hierarchy	**Number of cases**
Magistrate, High Court, Federal High Court and National Industrial Court	357
Court of Appeal	49
Supreme Court	10

In addition, the Bank subsidiary is involved in litigation against AMCON, please refer to note 32.6 for further details.

32.6. Asset Management Corporation of Nigeria (AMCON) clawback

The Bank had in December 2012 entered into an agreement with AMCON to purchase the Eligible Assets (non-performing loan) of a client, which the Bank had classified as "doubtful". AMCON confirmed its willingness to purchase the proposed Eligible Assets at a total consideration of about ₦10 billion, which sale/purchase was concluded in December of 2012. As a precondition for the sale, AMCON unequivocally stated that the pricing of the Eligible Bank Assets was subject to adjustment within 12 months in line with AMCON guidelines after due diligence on information the Bank had supplied to AMCON.

AMCON by a letter dated 04 October, 2017 informed the Bank of its intention to reprice the loan and claw back the sum of ₦5.7 billion, being what was alleged to be excess overpaid consideration, as a result of what was felt was an overvaluation. The Bank in its response to the allegation, emphatically denied the allegations and provided evidence to AMCON to the contrary. The Bank noted that AMCON's attempt to reprice the sold Assets, were outside the 12-month claw-back period provided in AMCON's guidelines.

Notwithstanding all the clarifications made by the Bank, AMCON proceeded to apply to the Central Bank of Nigeria (CBN) to debit the Bank's account with the sum requested to be clawed back, plus possible accrued interest. Sequel to this, the CBN wrote to Stanbic IBTC on 31 July 2019, informing the Bank of AMCON's request to debit the Bank's account.

Accordingly, the Bank instructed its lawyers to institute a Legal action against AMCON, pursuant to which it obtained an interim injunction (ex-parte), restraining AMCON and the CBN from debiting its Account for the alleged claw-back sum. However, the Bank subsequently discovered that AMCON had earlier filed a suit at the Ferderal High Court, Lagos Division on the same subject matter. Consequently, the Bank discontinued its suit against AMCON and filed a Counter-Claim against AMCON in its suit. The court did not sit on 18 December 2023 as the Judge has been transferred to another division. The case is now adjourned to 29 April 2024 for settlement of issues for determination.

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33. Income statement information

33.1. Interest income	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec. 2022 ₦'million
Interest on loans and advances to banks	4,923	1,247	-	-
Interest on loans and advances to customers	229,578	119,963	-	-
Interest on investments	36,092	31,460	299	147
	270,593	**152,670**	**299**	**147**
Interest income on items measured at amortised cost	254,566	129,624	-	-
Interest income on debt instruments measured at FVOCI	16,027	23,046	299	147

The amount reported above include interest income calculated using the effective interest rate method that relates to financial assets measured at amortised cost and carried at FVOCI. Interest income for the period ended 31 December 2023 includes ₦1,549 million (December 2022: ₦492 million) relating to interest income recognised on credit impaired financial assets.

Included in interest income is ₦945 million (December 2022: ₦245 million) earned from related party transactions. See note 38.3.

33.2. Interest expense	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec. 2022 ₦'million
Savings accounts	5,484	2,430	-	-
Current accounts	5,394	1,640	-	-
Call deposits	2,349	829	-	-
Term deposits	17,847	12,121	-	-
Interbank deposits	14,492	5,665	-	-
Borrowed funds	49,823	16,856	-	-
Lease liabilities	14	10	-	-
	95,403	**39,551**	**-**	**-**
Interest expense on items measured at amortised cost	95,389	39,541	-	-
Interest expense on lease liabilities	14	10	-	-

Included in interest expense reported above is ₦14,013 million (Dec. 2022: ₦4,817 million) from related party transactions. See note 38.3.

33.3. Net fee and commission revenue	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec. 2022 ₦'million
Fee and commission revenue	117,839	96,065	2,081	1,644
Account transaction fees	6,768	5,446	-	-
Card based commission	3,801	5,073	-	-
Brokerage and financial advisory fees	10,372	9,982	-	-
Asset management fees	71,961	58,309	-	-
Custody transaction fees*	3,006	2,253	-	-
Electronic banking	4,422	2,513	-	-
Foreign currency service fees	10,541	7,513	-	-
Documentation and administration fees	5,434	3,120	-	-
Other fee and commission revenue	1,534	1,856	2,081	1,644
Fee and commission expense	(7,562)	(5,006)	-	-
	110,277	**91,059**	**2,081**	**845**

Other fee income for Group includes commission on sale of government securities, agency fee, account statement fee, funds transfer charges, salary processing and administration charges, reference letter charges, and cash withdrawal charges.

Other fee and commission income for the Company of ₦2,041 million (Dec. 2022: ₦1,591 million) represents fee income earned by the company from technical and management service provided to subsidiaries.

Total fee and commission income recognised at a point in time amount to ₦116,838 million for Group (Dec. 31, 2022: ₦95,582 million) while an amount of ₦1,001 million (Dec. 31, 2022: ₦819 million) was recognised over the period.

* Relates to income earned in acting in fiduciary capacity

33.4. Income from life insurance activities	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec. 2022 ₦'million
a. Insurance service result				
Insurance revenue	6,595	3,341	-	-
Insurance service expense	(4,399)	(2,900)	-	-
Net insurance service result before reinsurance contracts held	2,196	441	-	-
Net expense from reinsurance contracts held	(670)	(307)	-	-
	1,526	**134**	**-**	**-**
b. Net insurance finance expenses				
Net finance expenses from insurance contracts issued	(2,285)	(561)	-	-
Net finance income from reinsurance contracts held	-	-	-	-
	(2,285)	**(561)**	**-**	**-**
c. Fair value adjustments				
Fair value adjustments to investment management liabilities and third party fund interests	(772)	(168)	-	-
	(772)	**(168)**	**-**	**-**

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33. Income statement information (continued)

33.5. Trading revenue	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec. 2022 ₦'million
Commodities	-	-	-	-
Equities	2	2	-	-
Fixed income and currencies	62,504	34,685	-	-
	62,506	**34,687**	**-**	**-**

33.6. Other income	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec. 2022 ₦'million
Dividend income (see (a) below)	677	602	53,375	55,059
Gain/(loss) on disposal of property and equipment	1,054	879	1	5
Gain/(loss) on disposal of financial investment (see (b) below)	(106)	(485)	-	-
Others	7,099	186	1,833	186
	8,724	**1,182**	**55,209**	**55,250**

a. Dividend income was earned from the following investees:

Stanbic IBTC Pension Managers Limited	-	-	27,475	26,395
Stanbic IBTC Asset Management Limited	-	-	2,000	900
Stanbic IBTC Ventures Limited	-	-	-	-
Stanbic IBTC Capital Limited	-	-	1,000	960
Stanbic IBTC Stockbrokers Limited	-	-	150	150
Stanbic IBTC Insurance Brokers Limited	-	-	-	251
Stanbic IBTC Trustees Limited	-	-	-	214
Stanbic IBTC Bank Limited	-	-	22,750	26,189
Other equity investments	677	602	-	-
	677	**602**	**53,375**	**55,059**

For the Company, ₦32,725 million (Dec. 2022 ₦31,525 million) of the dividend income earned by the company from its' subsidiaries relate to the subsidiaries' prior year income.

b. Included in others is foreign exchange gains from the group entities excluding the banking subsidiary.

33.7. Net impairment writeback/(loss) on financial instruments

	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec. 2022 ₦'million
Net expected credit losses raised and released for financial investments	1,334	205	-	-
12 month ECL	1,334	205	-	-
Lifetime ECL not credit impaired	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-
Net expected credit losses raised and released for loan and advances to banks	(2)	(3)	-	-
12 month ECL	(2)	(3)	-	-
Lifetime ECL not credit impaired	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-
Net expected credit losses raised and released for loan and advances to customers	16,823	11,749	-	-
12 month ECL	1,315	3,015	-	-
Lifetime ECL not credit impaired	702	469	-	-
Lifetime ECL credit impaired	14,806	8,265	-	-
Net expected credit losses raised and released on off balance sheet exposures	(148)	(157)	-	-
12 month ECL	(148)	(115)	-	-
Lifetime ECL not credit impaired	-	(42)	-	-
Lifetime ECL credit impaired	-	-	-	-
Net expected credit losses raised and released on other assets	852	402	26	-
12 month ECL	852	402	26	-
Lifetime ECL not credit impaired	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-
Recoveries on loans and advances previously written off	(3,407)	(1,906)	-	-
Total credit impairment charge	**15,452**	**10,290**	**26**	**-**

Included in net impairment credit losses on financial investment is ₦1.8 million for cash with the Central bank.

33.8. Staff costs				
Short term - salaries and allowances	62,497	49,167	951	1,901
Equity-linked transactions (note 33.10)	3,263	1,829	1,882	795
	65,760	**50,996**	**2,833**	**2,696**

Included in staff costs is ₦1,559 million (Dec. 2022: ₦1,154 million) representing salaries and allowances paid to executive Directors for the year. See note 34.

The equity-linked transactions in staff cost are cash settled.

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33. Income statement information (continued)

33.9. Other operating expenses	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Information technology	19,341	13,532	179	5
Communication expenses	2,557	1,781	46	2
Premises and maintenance	6,013	5,332	168	137
Depreciation expense	9,301	7,391	345	128
Amortisation of intangible assets (see note 19)	765	765	-	-
Deposit insurance premium	7,970	6,932	-	-
AMCON expenses (see (i) below)	15,387	14,602	-	-
Other insurance premium	4,252	2,450	101	2
Auditors renumeration	570	490	80	69
Non-audit service fee (see (ii) below)	35	28	-	-
Professional fees	2,919	2,375	497	206
Administration and membership fees	2,949	2,139	248	117
Training expenses	1,580	954	166	209
Security expenses	2,599	1,894	102	50
Travel and entertainment	3,033	1,628	516	349
Stationery and printing	1,464	1,410	87	53
Marketing and advertising	7,115	5,587	2,566	1,453
Commission paid	425	158	-	-
Pension administration expense	937	381	-	-
Penalties and fines	124	159	-	-
Donations	794	312	790	183
Operational losses	210	148	1	1
Directors fees	1,496	935	662	451
Indirect tax (VAT)	2,676	2,408	370	209
Others (iii)	6,535	4,107	126	16
	101,047	**77,898**	**7,050**	**3,640**

i. AMCON expenses

AMCON charges (0.5% of total assets on and off balance sheet items) is a statutory levy by the Asset Management Corporation, of Nigeria on all Commercial Banks operating in Nigeria.

ii. Non-audit services

The details of services provided by the auditors (Messrs Pricewaterhouse Coopers in 2023) during the year, other than statutory audit of financial statements, are as follows:

	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Professional fees on NDIC Certification	5	5	-	-
Risk, Whistleblowing and Corporate Governance Assessment	10	17	-	
ISAE 3402 Engagement	15	-	-	
Reporting accountant on SIBTC Bank CP issuance	1	1	-	
Audit services – audit procedures on BA 610 reporting for SBSA	5	5	-	-
	36	**28**	**-**	**-**

iii. Others

Included in others are FMDQ OTC futures charges, Bank charges, motor vehicle maintenance expense amongst others.

Notes to the consolidated and separate financial statements

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33.10. Share-based payment transactions

The Group operates a number of share- based payment arrangements under which the entity receives services from employees as a consideration for equity instrument of the Group or cash settlement based on equity instrument of the Group.

At 31 December 2023, the Group had the following share-based arrangements.

a. Share appreciation rights based on equity instrument of Stanbic IBTC Holdings PLC (Stanbic IBTC Equity Growth Scheme) - cash settled

b. Share options and appreciation rights based on equity instrument of Standard Bank Group (Parent company share incentive schemes) - equity settled

c. Deferred bonus scheme

d. Cash settled deferred bonus scheme (CSDBS)

e. Performance reward plan (PRP)

The expenses and liabilities recognised in respect of the share based arrangements are as follows:

Expenses recognised in staff costs	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Stanbic IBTC Equity Growth Scheme (credit)/charge	194	598
Parent company share incentive schemes**	3,025	1,033
Deferred bonus scheme (DBS)	7	-
	3,226	**1,631**

Liabilities recognised in other liabilities		
Stanbic IBTC Equity Growth Scheme	4,348	2,999
Deferred bonus scheme	1,799	742
	6,147	**3,741**

**The parent company share incentive scheme is equity settled. As such, a corresponding increase in equity has been recognised. See Statement of changes in equity for further details.

a. Stanbic IBTC equity growth scheme

On 01 March 2010 and 01 March 2011, the Group granted share appreciation rights to key management personnel that entitles the employees to cash value determined based on the increase in share price of Stanbic IBTC Holdings PLC between grant date and exercise date.

The object and purpose of the scheme is to promote an identity of interest between the Group and its senior employees, to attract, retain and motivate skilled and competent personnel with high potential to influence the direction, growth and profitability of the Group by enhancing leadership commitment and drive to grow the Group market value and position in support of shareholder interests.

The terms and conditions of the grants are as follows.

Vesting category	year	% Vesting	Expiry
Type A	3, 4, 5	50, 75, 100	10 years

	Units	
	31 Dec. 2023	31 Dec. 2022
Reconciliation		
Units outstanding at beginning of the year	-	-
Granted	-	-
Forfeited	-	-
Exercised	-	-
Lapsed	-	-
Units outstanding at end of the year	-	-

The fair value of share appreciation rights is determined using Black-Scholes formula. The inputs used in the measurement of their fair value were as follows:

Weighted average fair value at grant date (Naira) - Rights granted 01 March 2010	-	-
Weighted average fair value at grant date (Naira) - Rights granted 01 March 2011*	-	-
Expected life (years)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Dividend yield (%)	-	-

* The weighted average fair value is the exercise price as at the end of year

b. Parent company share incentive schemes

Share options and appreciation rights

A number of employees of the Group participate in the Standard Bank Group's share schemes. Standard Bank Group (SBG) has two equity-settled schemes, namely the Group Share Incentive Scheme and the Equity Growth Scheme. The Group Share Incentive Scheme confers rights to employees to acquire ordinary shares at the value of the SBG share price at the date the option is granted. The Equity Growth Scheme was implemented in 2005 and represents appreciation rights allocated to employees. The eventual value of the right is effectively settled by the issue of shares equivalent in value to the value of the rights.

The two schemes have five different sub-types of vesting categories as illustrated by the table below:

	year	% Vesting	Expiry
Type A	3, 4, 5	50, 75, 100	10 years
Type B	5, 6, 7	50, 75, 100	10 years
Type C	2, 3, 4	50, 75, 100	10 years
Type D	2, 3, 4	33, 67, 100	10 years
Type E	3, 4, 5	33, 67, 100	10 years

Notes to the consolidated and separate financial statements

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33.10. Share-based payment transactions (continued)

b. i. Group share incentive scheme - share options

A reconciliation of the movement of share options and appreciation rights is detailed as follows:

	Option price range		Number of options	
	(ZAR) 31 Dec 2023	(Naira) 31 Dec 2022	31 Dec 2023	31 Dec 2022
Options outstanding at beginning of the year			-	-
Transfers	-	-	-	-
Exercised	-	-	-	-
Lapsed	-	-	-	-
Options outstanding at end of the year	**-**	**-**	**-**	**-**

The weighted average SBG share price for the year to 31 December 2023 was ZAR185.35 (₦7,453) (December 2022: ZAR161.86 (₦4,158)).

The following options granted to employees had not been exercised at 31 December 2023:

			Weighted average price		
Number of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	Option expiry year
-	-	-	-	-	year to 31 December 2021

The following options granted to employees had not been exercised at 31 December 2022:

	Option price range		Weighted average price		
Number of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	Option expiry year
-	-	-	-	-	year to 31 December 2021

b. ii. Equity growth scheme - appreciation rights

	Appreciation right price range		Number of rights	
	(ZAR) 31 Dec 2023	(Naira) 31 Dec 2023	31 Dec 2023	31 Dec 2022
Rights outstanding at beginning of the year	7,335,644	380,426,496	46,736	42,194
Transfers	-	-	-	13,313
Exercised	(2,780,833)	(144,214,022)	(17,717)	(8,771)
Lapsed	-	-	-	-
Rights outstanding at end of the year	**4,554,811**	**236,212,474**	**29,019**	**46,736**

The following options granted to employees had not been exercised at 31 December 2023:

			Weighted average price		
Number of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	Option expiry year
12,402	156.96	8,140	156.96	8,140	Year to 31 December 2025
16,617	122.24	6,339	122.24	6,339	Year to 31 December 2026
29,019					

The following options granted to employees had not been exercised at 31 December 2022:

	Option price range		Weighted average price		
Number of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	Option expiry year
12,402	156.96	4,266	156.96	4,266	Year to 31 December 2025
34,334	122.24	3,322	122.24	3,322	Year to 31 December 2026
46,736					

c. Deferred Bonus Scheme (DBS)

It is essential for the Group to retain key skills over the longer term. This is done particularly through share-based incentive plans. The purpose of these plans is to align the interests of the Group, its subsidiaries and employees, as well as to attract and retain skilled, competent people.

The Group has implemented a scheme to defer a portion of incentive bonuses over a minimum threshold for key management and executives. This improves the alignment of shareholder and management interests by creating a closer linkage between risk and reward, and also facilitates retention of key employees.

All employees, who are awarded short-term incentives over a certain threshold, are subject to a mandatory deferral of a percentage of their cash incentive into the DBS. Vesting of the deferred bonus occurs after three years, conditional on continued employment at that time. The final payment of the deferred bonus is calculated with reference to the Standard Bank Group share price at payment date. To enhance the retention component of the scheme, additional increments on the deferred bonus become payable at vesting and one year thereafter. Variables on thresholds and additional increments in the DBS are subject to annual review by the remuneration committee, and may differ from one performance year to the next.

Notes to the consolidated and separate financial statements

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33.10. Share-based payment transactions (continued)

Deferred Bonus Scheme 2012 (DBS 2012)

In 2012, changes were made to the DBS to provide for a single global incentive deferral scheme across the Standard Bank Group (SBG). The purpose of the Deferred Bonus Scheme 2012 is to encourage a longer-term outlook in business decision-making and closer alignment of performance with long-term value creation.

All employees granted an annual performance award over a threshold have part of their award deferred. The award is indexed to the SBG's share price and accrues notional dividends during the vesting year, which are payable on vesting. The awards vest in three equal amounts at 18 months, 30 months and 42 months from the date of award. The final payout is determined with reference to the SBG's share price on vesting date.

	Units	
	31 Dec 2023	31 Dec 2022
Reconciliation		
Units outstanding at beginning of the year	56,273	15,101
Granted	(22,149)	56,802
Exercised	(19,906)	(17,199)
Transfers	-	1,569
Forfeited	-	-
Units outstanding at end of the year	**14,218**	**56,273**
Weighted average fair value at grant date (ZAR)	182.43	182.43
Expected life (years)	2.51	2.51

d. Cash Settled Deferred Bonus Scheme (CSDBS)

Employees granted an annual performance award over a threshold have part of their award deferred. In addition the Group makes special awards of CSDBS to qualifying employees.

The award units are demoninated in employee's host countries' local currency, the value of which moves parrallel to the changes in the price of the SBG shares listed on the JSE and accrue notional dividends over the vesting year which are payable on vesting.

Awards vest in three equal tranches at 18 months, 30 months and 42 months from the date of award. Final payout is determined with referenace to SBG share price on vesting date.

Currency	Naira		Pound Sterling		Rand		Cedi	
	Units		Units		Units		Units	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
Reconciliation								
Units outstanding at beginning of the year	13,340,632	11,655,323	876	-	19,732	4,103	-	-
Granted	5,359,383	5,359,383	1,385	1,385	34,707	34,707	125	125
Forfeited	(1,065,179)	(1,065,179)	(63)	(63)	-	-	-	-
Transferred to Group companies	1,889,704	1,889,704	126	126	-	-	63	63
Exercised	(4,498,599)	(4,498,599)	(572)	(572)	(19,078)	(19,078)	(37)	(37)
Units outstanding at end of the year	**15,025,940**	**13,340,632**	**1,753**	**876**	**35,361**	**19,732**	**151**	**151**

Weighted average fair value at grant date (ZAR)	142.06	142.06
Expected life at grant date (years)	2.51	2.51

e. Performance Reward Plan (PRP)

A new performance driven share plan commenced in March 2014 which rewards value delivered against specific targets. The PRP incentivises a Group of senior executives to meet the strategic long-term objectives that deliver value to shareholders, to align the interests of those executives with those of shareholders and to act as an attraction and retention mechanism in a highly competitive marketplace for skills. The PRP operates alongside the existing conditional, equity-settled long-term plans, namely the EGS, GSIS and DBS.

The PRP is settled in shares to the employee on the applicable vesting dates together with notional dividends that are settled in cash. The shares that vest (if any) and that are delivered to the employee are conditional on the pre-specified performance metrics.

	Units	
	31 Dec 2023	31 Dec 2022
Reconciliation		
Units outstanding at beginning of the year	256,844	169,697
Granted	74,785	149,213
Cancelled	(61,641)	(62,066)
Transferred to Group companies	90,517	-
Exercised	-	-
Units outstanding at end of the year	**360,506**	**256,844**
Weighted average fair value at grant date (ZAR)	160	160
Expected life at grant date (years)	3	3

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f. Share appreciation rights scheme

	Units	
	31 Dec 2023	31 Dec 2022
Reconciliation		
Rights outstanding at beginning of the year	-	-
Net Transfers	-	-
Granted	36,113	-
Exercised	-	-
Lapsed	-	-
Rights outstanding at end of the year	**36,113**	**-**

	Option price range		Weighted average price		
Number of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	Option expiry year

The following rights granted to employees had not been exercised at 31 December 2022:

	Option price range		Weighted average price		
Number of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	Option expiry year

34. Emoluments of Directors

	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Executive Directors				
Emoluments of Directors in respect of services rendered[1]:				
While Directors of Stanbic IBTC Holdings PLC				
as Directors of the company and or subsidiary companies	1,559	1,154	369	369
otherwise in connection with the affairs of Stanbic IBTC Holdings PLC or its subsidiaries				
Non-executive Directors				
Emoluments of Directors in respect of services rendered:				
While Directors of Stanbic IBTC Holdings PLC				
as Directors of the company and or subsidiary companies	1,496	935	662	451
Pensions of Directors and past Directors	71	63	19	19
	3,126	**2,152**	**1,050**	**839**

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[1] In order to align emoluments with the performance to which they relate, emoluments reflect the amounts accrued in respect of each year and not the amounts paid.

Emoluments disclosed above include amounts paid to:	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
(i) the chairman	70	56
(ii) the highest paid Director	330	245

35. Taxation

	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Income tax (note 35.1)	32,290	19,535	60	10
	32,290	**19,535**	**60**	**10**

In accordance with Nigerian tax regime, dividends received by the company from its subsidiaries are exempted from tax. Hence, the Company has no taxable profit as a result of tax exempt dividends and other adjustments. However, in line with the provisions of Section 33 of the Companies Income Tax Act (as amended), the Company has been subjected to minimum tax accordingly.

35.1. Income tax credit/(charge)

	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Current year (see note 26.1)	32,290	19,535	60	10
Current tax	21,704	18,579	60	10
Corporate tax	17,034	14,890	23	10
Withholding Tax on dividend income	20	43	-	-
Contigency	55	-	-	-
Education Tax	2,464	2,581	-	-
National Agency for Science and Engineering Infrastructure	308	149	-	-
IT Levy	1,840	1,055	35	-
Police Trust Fund	12	6	2	-
Prior year	(29)	(145)	-	-
Deferred tax (see note 16.3)	10,586	956	-	-
Taxation per statement of profit or loss	32,290	19,535	60	10
Income tax recognised in other comprehensive income	-	-	-	-
Deferred tax	-	-	-	-
Current tax	-	-	-	-
Taxation per total comprehensive income	**32,290**	**19,535**	**60**	**10**

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35.2. Rate reconciliation

	Group		Company	
	31 Dec 2023 %	Restated 31 Dec 2022 %	31 Dec 2023 %	31 Dec 2022 %
Rate reconciliation				
The total tax charge for the year as a percentage of profit before taxation	10	15	-	-
Information technology levy	1	1	-	-
Education tax	1	3	-	-
The corporate tax charge for the year as a percentage of profit before tax	12	19	-	-
Deferred tax	6	-	26	-
Tax relating to prior years	-	-	-	-
Net tax charge	18	19	26	-
The charge for the year has been reduced/(increased) as a consequence of:				
Current income tax	-	-	-	-
Tax exempt income from government securities	-	-	-	-
Non-taxable interest	(2)	(3)	-	-
WHT on dividend not distributed and other taxes not at 30%	-	-	-	-
Other non-deductible expense	5	1	17	8
Other non-taxable income	(20)	-	(13)	-
IT levy paid	1	-	-	-
Temporary difference not accounted for in deferred tax asset	19	13	-	-
Other permanent differences	9	-	-	22
Standard rate of tax	**30**	**30**	**30**	**30**

Temporary differences not accounted for in deferred tax asset relates to temporary differences relating to mainly tax losses carried forward for which no deferred tax asset is recognised although the tax losses will continue to be available to offset future tax liability. The tax law permits the Company to continue to carry forward the tax losses indefinitely.

35.3. Income tax recognised in other comprehensive income

The table below sets out the amount of income tax relating to each component within other comprehensive income:

Group	Before tax ₦'million	Tax (expense)/benefit ₦'million	Net of tax ₦'million
31 December 2023			
Net change in fair value of debt financial assets at FVOCI	6,724		6,724
Net change in fair value of equity financial assets at FVOCI	480	-	480
Realised fair value adjustments on FVOCI financial assets transferred to profit or loss	(71)	-	(71)
	7,133	**-**	**7,133**
31 December 2022			
Net change in fair value of debt financial assets at FVOCI	(1,752)	-	(1,752)
Net change in fair value of equity financial assets at FVOCI	621	-	621
Realised fair value adjustments on FVOCI financial assets transferred to profit or loss	(26)	-	(26)
	(1,157)	**-**	**(1,157)**

36. Earnings per ordinary share

The calculations of basic earnings per ordinary share has been based on the following profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding:

	Group		Company	
	31 Dec 2023	Restated 31 Dec 2022	31 Dec 2023	31 Dec 2022
Earnings attributable to ordinary shareholders (₦'million)	137,582	78,042	47,620	50,695
Weighted average number of ordinary shares in issue (million)	12,957	12,957	12,957	12,957
Basic earnings per ordinary share (kobo)	**1,062**	**602**	**368**	**391**
Diluted earnings per ordinary share (kobo)	**1,062**	**602**	**368**	**391**

The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Earnings attributable to ordinary shareholders (₦'million)	137,582	78,042	47,620	50,695
Weighted average number of ordinary shares in issue (million)	12,957	12,957	12,957	12,957
Effect of bonus shares in issue (million)	-	-	-	-
Weighted-average number of ordinary shares (diluted) at 31 December 2023 (million)	12,957	12,957	12,957	12,957
Diluted earnings per ordinary share (kobo)	**1,062**	**602**	**368**	**391**

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37. Statement of cash flows notes

37.1. (Increase)/decrease in assets

	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Trading assets	30,826	(91,688)	-	-
Pledged assets	(192,577)	54,345	-	-
Loans and advances	(1,048,206)	(286,487)	-	-
Other assets	(73,621)	(2,979)	(12,631)	(6,941)
Restricted balance with the Central Bank	(469,805)	(41,771)	-	-
	(1,753,383)	**(368,580)**	**(12,631)**	**(6,941)**

37.2. Increase/(decrease) in deposits and other liabilities

Deposit and current accounts	1,166,595	178,607	-	-
Lease liabilities	(296)	(222)	-	-
Equity-settled share-based payments	(2,548)	(930)	-	-
Trading liabilities	368,442	108,948	-	-
Other liabilities and provisions	(86,773)	(108,782)	(46,440)	25,156
	1,445,420	**177,621**	**(46,440)**	**25,156**

37.3. Cash and cash equivalents - Statement of cash flows

Cash and cash equivalents (note 7)	1,384,879	664,450	15,325	50,294
Less: restricted balance with the Central Bank of Nigeria	(948,414)	(478,609)	-	-
Treasury bills (90 days' tenor or less)	126,769	422,022	-	-
Loans and advances to banks (90 days' tenor or less)	8,668	3,404	-	-
Cash and cash equivalents at end of the period	**571,902**	**611,267**	**15,325**	**50,294**

37.4. Effect of foreign exchange rate changes on cash and cash equivalents

Currency	Group		Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2023 ₦'million	31 Dec 2023 ₦'million	31 Dec 2023 ₦'million
USD	103,098	1,991	-	-
EUR	9,052	(328)	-	-
GBP	9,081	(585)	-	-
Other currency	3,128	(429)	-	-
Effect of exchange rate	**124,359**	**649**	**-**	-

37.5. Net derivative assets

Movement in derivative assets	(509,508)	(922)	-	-
Movement in derivative liabilities	421,629	735	-	-
	(87,879)	**(187)**	**-**	**-**

37.6. Net movement in right of use assets

Movement in right of use assets	(2,515)	(1,775)	-	-
Movement in lease liabilities	296	222	-	-
	(2,219)	**(1,553)**	**-**	**-**

37.7. Net movement in financial investment

Purchase of financial investment	(141,832)	(701,746)	-	-
Disposal of financial investment	141,807	628,228	-	-
Mark to market gain/(loss)	7,648	(1,141)	-	-
	7,623	**(74,659)**	**-**	**-**

37.8. Net movement in unclaimed dividend

Payment from unclaimed dividend liabilities	2,124	(87)	2,124	(87)
Addition to unclaimed dividend liabilities	342	1,086	342	1,086
	2,466	**999**	**2,466**	**999**

Notes to the consolidated and separate financial statements

(continued)

38. Related party transactions

38.1. Parent and ultimate controlling party

The company is 67.55% owned by Stanbic Africa Holdings Limited, which is incorporated in the United Kingdom. The ultimate parent and controlling party of the Group or company is Standard Bank Group Limited, incorporated in South Africa. Stanbic IBTC Holdings PLC has 10 direct subsidiaries and one indirect subsidiaries as listed under note 38.2 below.

Stanbic IBTC Holdings PLC (Holdco) is related to other companies that are fellow subsidiaries of Standard Bank Group Limited. These include Standard Bank Isle of Man Limited, Standard Bank of South Africa (SBSA), Stanbic Bank Ghana Limited, CfC Stanbic Bank Kenya Limited, Stanbic Bank Botswana, Stanbic Bank Uganda Limited, and Standard Bank (Mauritius) Limited. ICBC Standard Bank PLC, which is an associate of Standard Bank Group Limited, is also a related party.

38.2. Subsidiaries

Details of effective interest in subsidiaries are disclosed below, and also in Note 13.

Direct subsidiaries	% holding
Stanbic IBTC Bank Limited	100%
Stanbic IBTC Ventures Limited ("SIVL")	100%
Stanbic IBTC Capital Limited	100%
Stanbic IBTC Asset Management Limited ("SIAML")	100%
Stanbic IBTC Pension Managers Limited ("SIPML")	88.24%
Stanbic IBTC Insurance Limited ("SIIL")	100%
Stanbic IBTC Stockbrokers Limited ("SISL")	100%
Stanbic IBTC Trustees Limited ("SITL")	100%
Stanbic IBTC Insurance Brokers Limited ("SIIBL")*	100%
Zest Payment Limited	100%

*Stanbic IBTC holdings owns additional 25% indirect shares in Stanbic IBTC Insurance Brokers Limited ("SIIBL")

Indirect subsidiary

Stanbic IBTC Nominees Limited

38.3. Balances with Standard Bank of South Africa (SBSA) and other related parties

In the normal course of business, current accounts are operated and placements of foreign currencies and trades between currencies are made with SBSA and other entities within the Standard Bank Group.

The relevant balances are shown below:

	Note	Group			Company	
		31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Amounts due from related parties						
Loans to banks	12	1,104	530	-	-	-
Current account balances	7	23,072	14,784	8,411	15,754	50,294
Derivatives	10.6	6,643	1,718	399	-	-
Other assets	15	346	507	706	17,101	8,933
		31,165	**17,539**	**9,516**	**32,855**	**59,227**

a) **Loans to banks:**
These represent foreign currency placements with Standard Bank Group entities. Placements are usually denominated in US dollars. USD interest rate ranges between 1.96%. Tenor is usually short ranging between 1-6 months. The contract terms are based on normal market terms. Details per counterparty are as follows: Current account balances (Group):

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Standard Bank of South Africa (see note i below)	1,104	530	-	-	-
Standard Bank Isle of man	-	-	-	-	-
	1,104	**530**	**-**	**-**	**-**

These represent trade related balances held with SBSA and are particularly used for letters of credit and other foreign trade transactions. The balances are repayable on demand and usually non-interest bearing.

b) **Current account balances (Group):** These represent trade related balances held with SBSA and are particularly used for letters of credit and other foreign trade transactions. The balances are repayable on demand and usually non interest bearing.
Current account balances (Company): This relate to demand deposit held with Stanbic IBTC Bank Limited. The deposit is non interest bearing and the terms are based on normal market terms.

c) **Derivatives:**
These represent fair value of currency swap and foreign exchange forward transactions with related parties. The transaction includes EUR/ USD swap, USD/ ZAR swap, and USD/ NGN swap with a combined notional principal of ₦119.94 billion (Dec 2022: ₦102.43 billion). The contracts maturity ranges from one month to 1 year.

d) **Other assets (Group):**
These represent reimbursable expenses recoverable from related parties. No specific impairments have been recognised in respect of the amount as these are paid within 3-6 months.
Other assets (Company):
These represent receivable from subsidiary entities in respect of reimbursable expenses and management service agreement. There exist technical and management service agreements between the company and some of its subsidiaries. Under the agreement, the company provides technical expertise and management skills to the subsidiaries in functional areas including marketing and branding, internal audit, human resources, compliance, financial control, and information technology. In return, subsidiaries pay fee based on percentage of their commission income to the company. The percentage ranges from 2% to 10% of profit before tax or commission income.

	Note	Group			Company	
		31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Amounts due to related parties						
Deposits and current accounts	23	8,283	27,735	9,008	-	-
Derivatives	10.6	59,098	2,431	673	-	-
Debt securities issued	25	69,348	19,071	17,312	-	-
Other borrowings	24	254,107	131,532	80,108	-	-
Other liabilities	28	6,651	62,422	38,765	8,032	57,628
		397,487	**243,191**	**145,866**	**8,032**	**57,628**

Notes to the consolidated and separate financial statements

(continued)

e) **Deposits and current accounts:**
These represent demand deposits with related parties. Balances are denominated in ₦ with no interest rates and are repayable on demand.

	Group			Company	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Standard Bank of South Africa	8,280	27,732	9,005	-	-
Standard Bank De Angola SA	3	3	3	-	-
	8,283	**27,735**	**9,008**	**-**	**-**

f) **Derivatives:**
These represent fair value of currency swap and forward transactions with entities within the Standard Bank Group. Details per counterparty are as follows:

Standard Bank of South Africa	826	2,425	344	-	-
ICBC London PLC	58,272	6	329	-	-
	59,098	**2,431**	**673**	**-**	**-**

The contract terms include currency swaps and forward exchange of EUR/ USD, GBB/USD, and USD/ NGN. The contracts have a total notional principal of ₦377.98 billion (Dec 2022: ₦102.43 billion). Maturity dates of the contracts ranges from one month to twelve months.

g) **Subordinated debt:**
See note 25 for details of the transaction.

h) **Other borrowings:**
See note 24 for details of the transaction.

i) **Other liabilities:**
These relate to short term trade related payable to SBSA and dividend payable to Stanbic African Holdings Limited (SAHL).

Profit or loss impact of transactions with Standard Bank of South Africa and other related parties

	Note	Group		Company	
		31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Interest income earned	33.1	945	245	-	-
Interest expense	33.2	(14,013)	(4,817)	-	-
Trading revenue/ (loss)	33.5	(58,268)	190	-	-
Fee and commission income	33.3	531	407	2,081	1,644
Dividend income	33.6	-	-	53,375	-

j) **Interest income earned:**
This represents interest earned on placement with Group entities. The nature of transaction is presented in note 38.3(a).

k) **Interest expense:**
This represents interest expense booked in respect of deposits, subordinated debt, and other borrowing transactions with Group entities. The nature of transaction is presented in note 38.3(e), (g), and (h).

l) **Trading revenue / (loss):**
Trading revenue / (loss): This represents fair value gain/ (loss) on trading and derivative transactions with Group entities. The nature of transaction is presented in note 38.3(c), and (f).

m) **Fee and commission income:**
Fee and commission income: This represents fee income earned by the Company from technical and management service provided to subsidiaries. Details on the nature and terms of the agreement are provided in note 38.3 (d).

n) **Dividend income:**
This represents dividend received from subsidiaries.

38.4. Balances with key management personnel

Key management personnel includes: members of the Stanbic IBTC Holdings PLC board of Directors and Stanbic IBTC Holdings PLC executive committee. The definition of key management includes close members of key management personnel and any entity over which key management exercise control, joint control or significant influence. Close family members are those family members who may influence, or be influenced by that person in their dealings with Stanbic IBTC Holdings PLC. They include the person's domestic partner and children, the children of the person's domestic partner, and dependents of the person or the person's domestic partner.

i) **Key management compensation**

	Group	
	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million
Salaries and other short-term benefits	1,431	996
Post-employment benefits	39	33
Value of share options and rights expensed	3,263	1,829
	4,733	**2,858**

ii) **Loans and deposit transactions with key management personnel**

	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million
Loans and advances			
Loans outstanding at the beginning of the period	782	353	332
Net movement during the period	268	429	21
Loans outstanding at the end of the period	**1,050**	**782**	**353**
Net interest earned	**3**	**3**	**3**

Loans include mortgage loans, instalment sale and finance leases and credit cards. Loans granted to employees and executive Directors are granted at concessionary rates 14%-16% below the prime lending rate. The mortgage loans and instalment sale and finance leases are secured by the underlying assets. All other loans are unsecured.

Deposit and current accounts			
Deposits outstanding at beginning of the period	929	316	565
Net movement during the period	31	613	(249)
Deposits outstanding at end of the period	**960**	**929**	**316**
Net interest expense	**2**	**2**	**2**

Deposits include cheque, current and savings accounts.

Notes to the consolidated and separate financial statements

(continued)

38.4. Balances with key management personnel (continued)

iii) **Investments**

Details of key management personnel's investment transactions and balances with Stanbic IBTC Holdings PLC are set out below.

	Group		
Investment products	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million	Restated 01 Jan 2022 ₦'million
Balance at the beginning of the period	37	919	474
Net movement during the period	-	(882)	445
Balance at the end of the period	**37**	**37**	**919**

iv) **Shares and share options held**

Aggregate number of share options issued to Stanbic IBTC key management personnel:			
Share options held (Stanbic IBTC Holdings PLC scheme)	-	14,510,640	14,510,640
Share options held (ultimate parent company schemes)	403,743	359,853	226,992

v) **Other transactions with key management personnel**

Loans to entities affiliated to Directors and ex-Directors and loans to employees

The Group has some exposures in terms of loans and advances to employees and to customers that are affiliated to its present and past Directors. Loans granted to customers that are affiliated to Directors are granted at commercial rates while those granted to executive Directors and employees are granted at a below-the market rates. There were no non-performing director related exposures as at balance sheet date (2022: Nil).

38.5. Other related party transactions

Shared service arrangement with subsidiaries

Stanbic IBTC Holdings PLC provides some business support functions to some of its subsidiaries. The business support functions include company secretary, country head, legal services, security, real estate services, procurement, travel desk and information technology. The costs incurred by Stanbic IBTC Holdings PLC in respect of the functions are shared between Stanbic IBTC Holdings PLC and subsidiaries in agreed ratio that reflect the rate of consumption by each entity. The costs shared are actual cost incurred with no mark-up included.

Foreign currency revolving facility from Standard Bank of South Africa

Stanbic IBTC Bank Limited has a standby funding agreement with Standard Bank of South Africa (Isle of Man Branch) where Standard Bank of South Africa commits to provide up to $50 million to Stanbic IBTC Bank Limited. The agreement is effective from 18 July 2017 and renewable annually. See page 10 under "Liquidity Contingency" for further details.

Stanbic IBTC Bank Limited did not draw any fund under the agreement during the year (2022: nil).

Staff health insurance scheme

The Group's employees are covered under a comprehensive health insurance scheme provided by Total Health Trust Limited, a subsidiary of Liberty Holdings Limited. Liberty Holdings Limited is a subsidiary of Standard Bank Group Limited. Expenses incurred by the Group in respect of the scheme for the year amounted to ₦1,100 million (Dec 2022: ₦721 million).

39. Directors and staff-related exposures

In accordance with section 3.5(c) of the Central Bank of Nigeria prudential guidelines as at 31 December 2023 there are no directors's related loans disclosures as at 31 December 2023 (December 2022: nil).

40. Retirement benefit obligations

The Group operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act 2014, with contributions based on the sum of employees' basic salary, housing and transport allowances in the ratio 8% by the employee and 10% by the employer. The amount contributed by the Group and remitted to the Pension Fund Administrators during the year was ₦2,566 million (December 2022: ₦2,052 million).

The Group's contribution to this scheme is charged to the income statement in the year to which it relates. Contributions to the scheme are managed by Stanbic IBTC Pension Managers Limited, and other appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act. Consequently, the Group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

Details of transactions between the Group and the Group's post-employment contribution plans (that is, the contributory pension scheme) are listed below:

	31 Dec 2023 ₦'million	Restated 31 Dec 2022 ₦'million
Deposits held with the Group	39,000	23,932
Interest paid	60	1,330
Value of asset under management	63,803	31,351
Number of Stanbic IBTC Holdings shares held	-	-

41. Employees and Directors

a) **Employees**

The average number of persons employed by the Group during the year by category:

	Group	
	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Executive Directors	2	9
Management	573	541
Non-management	2,481	2,458
	3,056	**3,008**

	Group	
	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million
Below ₦1,000,001	-	-
₦1,000,001 - ₦2,000,000	-	-
₦2,000,001 - ₦3,000,000	28	149
₦3,000,001 - ₦4,000,000	158	453
₦4,000,001 - ₦5,000,000	278	207
₦5,000,001 - ₦6,000,000	310	191
₦6,000,001 and above	2,282	2,008
	3,056	**3,008**

Notes to the consolidated and separate financial statements

(continued)

42. Compliance with banking and other regulations

The Group paid penaties to the Central Bank of Nigeria (CBN), National Pension Commision (PENCOM) and the Securities and Exchange Commission (SEC) during the year as follows:

- SEC imposed a fine of ₦6,775,453.87 on Stanbic IBTC Asset Management (SIAML) for failure to obtain SEC approval for an investment product - Privately Managed Portfolio.
- PENCOM imposed a fine of ₦600,000 on Stanbic IBTC Pension Managers Limited, being administrative Sanction on alleged violation of RSA Registration.
- PENCOM imposed a fine of ₦77,645,700 on Stanbic IBTC Pension Managers Limited, being administrative sanction for alleged each funded RSA yet to be recaptured as of 31 May 2023.
- The CBN imposed a fine of ₦5,000,000 on Stanbic IBTC Bank Limited for alleged failure to obtain CBN prior approval before staff employment.
- The CBN imposed a fine of ₦35,000,000 on Stanbic IBTC Bank Limited for alleged failure to file STR or SAR to the Nigerian Financial Intelligence Unit (NFIU).

The total penalties paid by the Group amounted to ₦125.02 million (Dec 2022: ₦159 million).

43. Events after the reporting date

There were no events after the reporting date which could have a material effect on the financial position of the Group as at 31 December 2023 which have not been recognised or disclosed.

Other unaudited disclosures
For the year ended 31 December 2023

Income statement of the three month and twelve month period ended 31 December 2023

	Group				Company			
For the period ended 31 December	3 months period ended 31 Dec 23 (unaudited) ₦'million	12 months period ended 31 Dec 23 ₦'million	3 months period ended 31 Dec 22 (unaudited) ₦'million	12 months period ended 31 Dec 22 ₦'million	3 months period ended 31 Dec 23 (unaudited) ₦'million	12 months period ended 31 Dec 23 ₦'million	3 months period ended 31 Dec 22 (unaudited) ₦'million	12 months period ended 31 Dec 22 ₦'million
Gross earnings	**363,130**	**459,662**	**78,078**	**205,792**	**57,050**	**57,589**	**33,585**	**57,041**
Net interest income	138,810	175,190	26,960	75,372	274	299	31	147
Interest income	220,175	270,593	35,282	104,751	274	299	31	147
Interest expense	(81,365)	(95,403)	(8,322)	(29,379)	-	-	-	-
Non-interest revenue	134,551	179,976	41,893	95,733	56,776	57,290	33,554	56,894
Net fee and commission revenue	85,352	110,277	23,849	82,877	1,569	2,081	516	1,644
Fee and commission revenue	91,816	117,839	25,071	88,321	1,569	2,081	516	1,644
Fee and commission expense	(6,464)	(7,562)	(1,222)	(5,444)	-	-	-	-
Income from life insurance activities	(1,940)	(1,531)	319	136	-	-	-	-
Trading revenue	42,612	62,506	16,547	13,286	-	-	-	-
Other revenue	8,527	8,724	1,178	(566)	55,207	55,209	33,038	55,250
Income before credit impairment charges	273,361	355,166	68,843	171,105	57,050	57,589	33,585	57,041
Net impairment write-back/(loss) on financial assets	(12,172)	(15,452)	(4,881)	1,505	(26)	(26)	-	-
Income after credit impairment charges	261,189	339,714	63,962	172,610	57,024	57,563	33,585	57,041
Operating expenses	(125,360)	(166,807)	(32,259)	(106,647)	(8,044)	(9,883)	(681)	(6,336)
Staff costs	(51,781)	(65,760)	(12,301)	(42,041)	(1,550)	(2,833)	190	(2,696)
Other operating expenses	(73,579)	(101,047)	(19,958)	(64,606)	(6,494)	(7,050)	(871)	(3,640)
Profit before tax	135,829	172,907	31,703	65,963	48,980	47,680	32,904	50,705
Income tax	(24,891)	(32,290)	(4,778)	(9,037)	(58)	(60)	(3)	(10)
Profit for the period	110,938	140,617	26,925	56,926	48,922	47,620	32,901	50,695
Profit attributable to:								
Non-controlling interests	2,219	3,035	647	2,588	-	-	-	-
Equity holders of the parent	109,537	137,582	14,954	54,338	48,922	47,620	32,901	50,695
Profit for the period	**111,756**	**140,617**	**15,601**	**56,926**	**48,922**	**47,620**	**32,901**	**50,695**

Other disclosures
For the year ended 31 December 2023 (continued)

Income statement of the three month and twelve month period ended 31 December 2023

For the period ended 31 December	Group				Company			
	3 months period ended 31 Dec 23 (unaudited) ₦'million	12 months period ended 31 Dec 23 ₦'million	3 months period ended 31 Dec 22 (unaudited) ₦'million	12 months period ended 31 Dec 22 ₦'million	3 months period ended 31 Dec 23 (unaudited) ₦'million	12 months period ended 31 Dec 23 ₦'million	3 months period ended 31 Dec 22 (unaudited) ₦'million	12 months period ended 31 Dec 22 ₦'million
Other comprehensive income								
Items that will never be reclassified to profit or loss								
Movement in fair value reserve (equity instruments)	390	480	(112)	999	-	-	-	-
Net change in fair value	390	480	(112)	999	-	-	11	-
Related income tax	-	-	-	-	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss:								
Movement in debt instruments measured at fair value through other comprehensive income (OCI)	6,473	7,269	(1,884)	(5,666)	-	-	-	-
Total expected credit loss	(133)	616	(214)	37	-	-	-	-
Net change in fair value	6,724	6,724	(1,544)	(7,285)	-	-	-	-
Realised fair value adjustments transferred to profit or loss	(118)	(71)	(126)	1,582	-	-	-	-
Related income tax	-	-	-	-	-	-	-	-
Other comprehensive income for the period net of tax	**6,863**	**7,749**	**(1,996)**	**(4,667)**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**118,619**	**148,366**	**13,605**	**52,259**	**48,922**	**47,620**	**32,901**	**50,695**
Earnings per share								
Basic earnings per ordinary share (kobo)	845	1,062	116	420	378	368	378	368
Diluted earnings per ordinary share (kobo)	845	1,062	115	420	378	368	378	368

Annexure A: Statement of value added

Other National disclosures

	Group				Company			
	31 Dec 2023 ₦'million	%	Restated 01 Jan 2022 ₦'million	%	31 Dec 2023 ₦'million	%	Restated 01 Jan 2022 ₦'million	%
Gross earnings	461,086		284,877		57,589		57,041	
Interest paid:								
Local	(95,403)		(39,551)		-		-	
Foreign	-		-		-		-	
	(95,403)		**(39,551)**		**-**		**-**	
Administrative overhead:								
Local	(101,498)		(75,616)		(6,705)		(3,640)	
Foreign	-		-		-		-	
	(101,498)		**(75,616)**		**(6,705)**		**(3,640)**	
Recovery/(Provision) for losses	(15,452)		(10,290)		(26)		-	
Value added	**248,733**	**100**	**159,420**	**100**	**50,858**	**100**	**53,401**	**100**
Distribution								
Employees and Directors								
Salaries and benefits	65,760	26	50,996	32	2,833	6	2,696	5
Government								
Taxation	32,290	13	19,535	12	60	-	10	-
The future								
Asset replacement (depreciation)	10,066		8,156		345		-	
Expansion (retained in the business)	140,617		80,733		47,620		50,695	
Total	**150,683**	**61**	**88,889**	**56**	**47,965**	**94**	**50,695**	**95**
	248,733	**100**	**159,420**	**100**	**50,858**	**100**	**53,401**	**100**

Annexure B: Five-year financial summary

Other National disclosures

Statement of financial position

	Group					Company				
Assets	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2019 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2019 ₦'million
Cash and cash equivalents	1,384,879	664,450	653,070	627,111	456,396	15,325	50,294	53,236	42,145	36,240
Derivative assets	550,720	42,134	41,212	46,233	32,871	-	-	-	-	-
Trading assets	67,917	190,431	98,743	169,655	248,909	-	-	-	-	-
Pledged assets	374,912	127,990	182,335	170,578	231,972	-	-	-	-	-
Financial investments	435,657	582,019	636,611	612,276	155,330	4,760	27,710	2,076	2,227	1,981
Reinsurance assets	468	-	-	-	-	-	-	-	-	-
Loans and advances to banks	8,668	3,404	16,096	7,828	3,046	-	-	-	-	-
Loans and advances to customers	2,032,351	1,204,786	921,044	625,139	532,124	-	-	-	-	-
Deferred tax assets	3,649	13,042	13,998	13,163	10,892	-	-	-	-	-
Equity Investment in Group companies	-	-	-	-	-	96,851	94,751	94,751	93,519	85,539
Other assets	202,833	132,390	129,530	175,980	168,689	25,830	13,199	6,258	9,155	2,923
Right of use assets	4,388	3,609	3,394	2,975	3,217	129	4	33	60	71
Intangible assets	2,471	3,223	4,011	4,640	5,232	-	-	-	-	-
Property and equipment	76,683	61,548	42,720	30,728	27,778	3,446	2,040	148	137	132
	5,145,596	3,029,026	2,742,764	2,486,306	1,876,456	146,341	187,998	156,502	147,243	126,886
Equity and liabilities										
Share capital	6,479	6,479	6,479	5,553	5,252	6,479	6,479	6,479	5,553	5,252
Reserves	493,097	393,183	361,537	365,470	291,050	118,757	116,486	111,141	132,648	117,133
Non-controlling interest	7,348	8,008	8,850	7,578	5,927	-	-	-	-	-
Derivative liabilities	446,993	26,099	25,364	37,382	4,343	-	-	-	-	-
Trading liabilities	480,465	220,971	112,023	188,500	250,203	-	-	-	-	-
Deposits from banks	658,885	491,080	431,862	505,622	248,903	-	-	-	-	-
Deposits from customers	2,072,887	1,245,346	1,126,535	819,944	637,840	-	-	-	-	-
Other borrowings	375,959	187,957	136,434	112,031	92,165	-	-	-	-	-
Subordinated debt	74,311	71,878	47,419	68,269	106,658	-	-	-	-	-
Current tax liabilities	23,388	17,564	16,441	20,270	19,230	92	46	50	173	179
Deferred tax liabilities	1,193	-	-	-	-	-	-	-	-	-
Provisions and other liabilities	504,591	360,461	469,820	355,687	214,885	21,013	64,987	38,832	8,869	4,322
	5,145,596	3,029,026	2,742,764	2,486,306	1,876,456	146,341	187,998	156,502	147,243	126,886
Acceptances and guarantees	284,905	206,722	290,132	213,622	173,255	-	-	-	-	-

Other National disclosures

Statement of profit or loss

	Group					Company				
	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2019 ₦'million	31 Dec 2023 ₦'million	31 Dec 2022 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2019 ₦'million
Net operating income	355,166	113,310	78,788	107,345	94,162	57,589	33,952	27,517	23,164	26,669
Operating expenses and provisions	(182,259)	(73,332)	(54,081)	(54,939)	(49,512)	(9,883)	(2,428)	(2,342)	(2,042)	(2,506)
Profit before tax	172,907	39,978	24,707	52,406	44,650	47,706	31,524	25,175	21,122	24,163
Taxation	(32,290)	(9,309)	(2,164)	(7,202)	(8,405)	(60)	(5)	(5)	(4)	(23)
Profit after taxation	**140,617**	**30,669**	**22,543**	**45,204**	**36,245**	**47,646**	**31,519**	**25,170**	**21,118**	**24,140**
Profit attributable to:										
Non-controlling interests	3,035	1,371	1,275	1,200	1,232	-	-	-	-	-
Equity holders of the parent	137,582	29,298	21,268	44,004	35,013	47,646	31,519	25,170	21,118	24,140
Profit for the year	**140,617**	**30,669**	**22,543**	**45,204**	**36,245**	**47,646**	**31,519**	**25,170**	**21,118**	**24,140**
Statistical Information										
Earnings per share (EPS) - basic	1062k	226k	192k	419k	342k	368k	284k	227k	201k	236k
Earnings per share (EPS) - diluted	1062k	226k	164k	396k	342k	368k	284k	194k	190k	236k

Annexure C: Details of professionals who provided services to the financial statements

The following professionals provided a form of service on this audited financial statements:

i	Name	**PricewaterhouseCoopers**
	Address	PricewaterhouseCoopers 5B Water Corporation Road Landmark Towers Victoria Island, PMB 101233, Eti-Osa Lagos
	FRC No	FRC/2017/ICAN/00000017333
	Service provided	Auditor
ii	Name	**Bakertilly Nigeria**
	Address	4th Floor, Kresta Laurel Complex 376 Ikorodu road, Maryland P.O. Box 15016 Ikeja, Lagos.
	FRC No	FRC/ICAN/2013/00000002824
	Service provided	Valuation of unquoted securities
iii	Name	**Pedabo Professional services**
	Address	67 Norman Williams Street Off Keffi Street, SW Ikoyi Lagos
	FRC No	FRC/2013/ICAN/00000000908
	Service provided	Tax consultancy services
iv	Name	**WA Kareem and Co**
	Address	Asiyahu Abewon Place 205B Ikorodu Road, Ilupeju Lagos
	FRC No	FRC/2013/ICAN/00000001093
	Service provided	Tax consultancy services
v	Name	**Olaniwun Ajayi LP**
	Address	The Adunola, Plot L2, 401 Close, Banana Island Lagos
	FRC No	FRC/2013/00000001615
	Service provided	Legal consultancy services
vi	Name	**First Registrars and Investors Services Limited**
	Address	2, Abebe Village Road Iganmu Lagos
	Service provided	Registrar services

Annexure D: List of agents

Below is the list of selected agents of the Bank and their locations.

	Name	Location
1	Imamumalik Iliyasu Suleiman	Dorayi Karama Kano Kano
2	Ibrahim Musa	No. 88 Gidan Ala Agege Kano State Kano
3	Nashir Yandoma Ilyasu	Kurfi Street Katsina Katsina
4	Shamsudeen Mamman	Shop No. 07 Nanet Road Kawo New Extension Kaduna Kaduna
5	Maryam Usman Muhammad	No. 148 Limanncin Iya Zaria City Kaduna
6	Awasho Global Merchant	No. 15 Kofar Arewa Dawakin Kudu Kano
7	Saifullahi Iliyasu Aliyu	Sheka Nagabari Line Kano Kano
8	Bilkisu Sani Abdullahi	Tudun Murtala Kano Kano
9	Salisu Adamu	No. 278 Jaba Street Gayawa Kano
10	Abdulmudallab Abubakar	Opp. Stanbicibtc Katsina
11	Adam Hassan Ahmad	Gama A Ahmad Abubakar Street Kano Kano
12	Ishaq Idris Shuaibu	Al 23 Maiyere Road Tudun Wada Rigasa Kaduna Kaduna
13	Musa Aliyu Adamu	Behind Central Minister Hill Zuba Niger
14	Zainab Ibrahim	Yankatsari Kano Kano
15	Muhammad Garba Yusuf	Sheka Bus Stop Kano
16	Ibrahim Shafiu	No. 56 Rimin Kebbe Kano
17	Mustapha Hamisu Dandada	No. 12 C Line Sabon Gari Market Kano
18	Yusuf Zainab Muhammad	No. 10 Magaji Close Badarawa Kaduna Kaduna
19	Ishaq Uba Yusuf	Yankatsari Sabon Gari Kano Kano
20	Aminu Hudu Adamu	Numan Road Corner Samiya Opp Alhamin Medicine Numan Adamawa
21	Usman Nafiu Ibrahim	Bata Global Gsm Market Kano Kano
22	Shuaibu Umar	No. 100 Gadama Cikin Gari Kano
23	Sulaiman Usman	Kwanar Kwanyar Mage Opp Masallach Kambarawa Katsina
24	Yusuf Muhammad	Behind Viewing Center Damaga Daki Tare Katsina
25	Rayyan Musa	No. 5 Salmanduna Zaria City Kaduna
26	Mashkur Salisufagge Muhammed	No. 2 Gbolahan Street Mushin Lagos
27	Lawan Abdullahi Sani	No. 41 Dirimin Iya Quaters Kano
28	Nasiru Kunya	No. 15 Kofar Arewa Dawakin Kudu Kano
29	Usman Sulaiman Aminu	No. 601 Dawanau Market Kano
30	Suleiman Yusuf	No. 91 Ungwan Karfe Zaria City Kaduna

* The full list of the Bank's agents and locations is available on the website.

GROWING AMBITION

4

Other information

Management team

Bunmi Dayo-Olagunju
Executive Director, Operations

Stanbic IBTC Bank Limited

Eric Fajemisin
Executive Director, Corporate and Transactional Banking

Stanbic IBTC Bank Limited

Kola Lawal
Executive Director, Risk

Stanbic IBTC Bank Limited

Oluseun Delano
Head, Personal and Private Banking

Stanbic IBTC Bank Limited

Olorundare Otitoju
Executive Director, Investment Management

Stanbic IBTC Pension Managers Limited

Anselem Igbo
Chief Executive

Stanbic IBTC Insurance Brokers Limited

Abayomi Makinde
Manager, Tax

Stanbic IBTC Holdings PLC

Abiodun Gbadamosi
Head, Internal Audit

Stanbic IBTC Bank Limited

Adenike Odukomaiya
Deputy Head, Internal Audit

Stanbic IBTC Bank Limited

Adewale Aina
Head, Corporate and Investment Banking Compliance

Stanbic IBTC Bank Limited

Alaba Sideso
Manager, Regulatory Affairs

Stanbic IBTC Bank Limited

Alhassan Abdulsalam
Head, Corporate Financing

Stanbic IBTC Capital Limited

Remy Osuagwu
Executive Director, Business and Commercial Banking

Stanbic IBTC Bank Limited

Olumide Oyetan
Chief Executive

Stanbic IBTC Pension Managers Limited

Oladele Sotubo
Chief Executive

Stanbic IBTC Capital Limited

Akinjide Orimolade
Chief Executive

Stanbic IBTC Insurance Limited

Abumere Igboa
Chief Information Security Officer

Stanbic IBTC Holdings PLC

Adebowale Adeosun
Head, Equity Capital Markets

Stanbic IBTC Capital Limited

Adedapo Omoniyi
Head, Production Service

Stanbic IBTC Holdings PLC

Adegbite Adekola
Chief Compliance Officer

Stanbic IBTC Bank Limited

Anthony Mogekwu
Head, Legal, Corporate and Investment Banking, Nigeria

Stanbic IBTC Holdings PLC

Babatunde Akindele
Head, Coverage, Commercial Clients

Stanbic IBTC Bank Limited

Babatunde Majiyagbe
Chief Executive

Stanbic IBTC Nominees Limited

Benedict Ekatah
Head, Trading

Stanbic IBTC Bank Limited

Management team (continued)

Biodun Olorunnisola
Head, Non-Financial Risk

Stanbic IBTC Bank Limited

Bisola Fasade
Head, Affluent Clients

Stanbic IBTC Bank Limited

Bridget Oyefeso-Odusami
Head, Brand and Marketing
Stanbic IBTC Holdings PLC

Busola Jejelowo
Chief Executive

Stanbic IBTC Asset Management Limited

Chidi Okezie
Head, Legal and Governance, Nigeria

Stanbic IBTC Holdings PLC

Chidimma Anosike
Country Head, People and Culture

Stanbic IBTC Holdings PLC

Chigozie Onyeocha
Head, Africa China Banking

Stanbic IBTC Bank Limited

Damilola Owoeye
Head, Personal and Private Banking Credit

Stanbic IBTC Bank Limited

Emmanuel Aihevba
Head, Personal Market Clients

Stanbic IBTC Bank Limited

Eronmonsele Omiyi
Head, Client Coverage Personal Clients

Stanbic IBTC Bank Limited

Hauwa Bello
Head, Public Sector

Stanbic IBTC Bank Limited

Henry Ikeakhe
Head, Technology and Operations Governance and Compliance
Stanbic IBTC Holdings PLC

Carol Olayi
Head, People and Culture

Stanbic IBTC Bank Limited

Charles Emelue
Executive Director, Operations

Stanbic IBTC Pension Managers Limited

Charles Omoera
Chief Executive

Stanbic IBTC Trustees Limited

Charles Onwude
Head, Risk Management

Stanbic IBTC Bank Limited

David Souza
Head, Corporate Credit

Stanbic IBTC Bank Limited

Edidiong Akan
Head, Compliance

Stanbic IBTC Pension Managers Limited

Efe Omoduemuke
Executive Director, Investment

Stanbic IBTC Asset Management Limited

Emi Agaba-Oloja
Head, Private Trust

Stanbic IBTC Trustees Limited

Idris Toriola
Executive Director, Equity Sales

Stanbic IBTC Stockbrokers Limited

Jesuseun Fatoyinbo
Head, Transactional Products and Services

Stanbic IBTC Bank Limited

Joyce Dimkpa
Head, Client Coverage (Corporate and Investment Banking)
Stanbic IBTC Bank Limited

June Majoroh
Head, Real Estate Services

Stanbic IBTC Holdings PLC

Management team (continued)

Nnaemeka Obasi
Head, Commercial Suite, Lagos

Stanbic IBTC Bank Limited

Okechukwu Nwoke
Head, Information Technology

Stanbic IBTC Holdings PLC

Olajumoke Bello
Head, Enterprise Direct

Stanbic IBTC Bank Limited

Olanike Bajomo
Executive Director, Business Development

Stanbic IBTC Pension Managers Limited

Olusegun Adejoro
Head, Digital and eCommerce

Stanbic IBTC Bank Limited

Olushola Folahan
Head, Operations, Corporate and Investment Banking

Stanbic IBTC Bank Limited

Olushola Alerege
Head, Commercial Banking, North

Stanbic IBTC Bank Limited

Olutoyin Ogunmola
Head, Enterprise Data Office

Stanbic IBTC Bank Limited

Omolara Osunsoko
Head, Partnerships

Stanbic IBTC Bank Limited

Oyinda Akinyemi
Head, Equity Capital Markets

Stanbic IBTC Capital Limited

Pat Ajewole
Head, Anti-Money Laundering Compliance

Stanbic IBTC Bank Limited

Patrick Eneh
Head, Acquisitions and Specialised Sectors

Stanbic IBTC Bank Limited

Olawunmi Ehis-Uzenabor
Chief Operating Officer

Stanbic IBTC Asset Management Limited

Olufemi Oyekola
Head, Enablement and Ecosystem

Stanbic IBTC Bank Limited

Olufunke Isichei
Head, Internal Control

Stanbic IBTC Bank Limited

Olugbenro Aju
Head, Governance

Stanbic IBTC Holdings PLC

Oluwafunke Amobi
Deputy Head, Operations

Stanbic IBTC Bank Limited

Muyiwa Oni
Head, Research

Stanbic IBTC Bank Limited

Oluwatosin Odutayo
Head, Corporate and Investment Banking Finance and Value Management

Stanbic IBTC Holdings PLC

Oluwatosin Leye-Odeyemi
Head, Risk, Sustainability and Capital Management

Stanbic IBTC Holdings PLC

Rekia Eletu
Head, Investigations and Fraud Risk

Stanbic IBTC Bank Limited

Roland Ejiogu
Head, Commercial Suite, South

Stanbic IBTC Bank Limited

Samuel Ekpenyong
Head, Business and Commerical Banking Credit

Stanbic IBTC Bank Limited

Samuel Ocheho
Head, Global Markets Nigeria

Stanbic IBTC Bank Limited

Management team (continued)

Stanley Jacob
Chief Executive

Zest Payments Limited

Taitai Jemitola
Head, Conglomerates, Industrials and Telecommunications Sales

Stanbic IBTC Bank Limited

Taiwo Ala
Head, Products (Personal and Private Banking)

Stanbic IBTC Bank Limited

Taiwo Aluko
Head, Commercial Suite, South West

Stanbic IBTC Bank Limited

Wonuola Akanbi
Manager, Financial Institutions Sales

Stanbic IBTC Bank Limited

Yinka Johnson
Executive Director, Business Development

Stanbic IBTC Asset Management Limited

Temitope Popoola
Executive Director, Business Development

Stanbic IBTC Insurance Brokers Limited

Titilope Ogungbesan
Executive Director, Business Development

Stanbic IBTC Insurance Limited

Tola Akinhanmi
Head, Real Estate Finance

Stanbic IBTC Capital Limited

Wole Vincent Oshin
Head, Agriculture

Stanbic IBTC Bank Limited

Stanbic IBTC Bank branch network

Lagos Island region
Idejo
Plot 1712, Adeola Odeku,
Victoria Island, Lagos

Awolowo Road Branch
85, Awolowo Road, Ikoyi Lagos

Idumagbo Branch
61a, Idumagbo Avenue, Lagos Island

Broad Street Branch
143/145, Broad Street, Lagos

Lekki Free Trade Zone
By Dangote Refinery

Oke Arin Mini Branch
120, Alakoro Street, Marina,
Lagos Island, Lagos

Head Office Branch
IBTC Place, Walter Carrington Crescent,
Victoria Island, Lagos

Ajose Adeogun/Adetokunbo Ademola (Virtual)
Plot 290e, ade Adeogun Street,
Victoria Island, Lagos

Ikota Branch
194 Road 5, Ikota Shopping
Complex, VGC, Lagos

Freedom Way
Plot 41, Lekki Freedom Way Lekki, Lagos

Lekki 2 Branch
G and M Plaza, Km 18, Lekki–Epe
Express Way, Igbo-Efon, Lekki, Lagos

Lekki Admiralty Branch
1, Babatunde Masha Street, Lekki
Admiralty Way, Lekki Phase 1, Lagos

Afribank Street Branch
Churchgate Building: Pc 30, Churchgate
Street, Victoria Island, Lagos

Lagos Service Centre/Afribank street (Virtual)
Plot 1321, Karimu Kotun Street,
Victoria Island, Lagos

Igando Branch
51, Lasu-Iba Expressway, Igando, Lagos

Alaba Branch
H48/49, Alaba Intl Mkt, Ojo – Lagos

Balogun Business Association Branch
Plaza 3a, Portion C, Opposite Sokoto
Plaza BBA, Trade Fair Complex, Lagos

Festac Branch
Gacoun Plaza, 23 Road, Opp. K' Close,
Festac Town, Lagos

Nigerian Ports Authority Branch
Accounts Block, Nig. Ports Authority,
Wharf Road, Apapa, Lagos

Trade Fair Branch
Hall 2, Olusegun Obasanjo Hall,
Aspamda Plaza, Tradefair Lagos

Warehouse Road, Apapa Branch
10/12, Warehouse Road, Apapa, Lagos

Satellite Town
Plot 389, Old Ojo Road, Abule Ado,
Satellite Town, Lagos

Lagos Mainland region
Oba Akran 20, Oba Akran
Avenue, Ikeja, Lagos

Ogba
32, Ijaye Road, Ogba, Lagos

Herbert Macaulay Branch
220, Herbert Macaulay Way, Yaba

Egbeda
38, Shasha Road, Egbeda, Lagos

Oko Oba
327, Old Abeokuta Road, Agege, Lagos

Ikotun
45, Idimu Road, Ikotun, Lagos State

Abule Egba
633, Lagos Abeokuta Road

Ipaja
142, Ipaja Road, Ipaia

Oshodi
Plot 14, Oshodi Apapa
Express way, Oshodi

Alausa
IPML Avenue, Alausa, Ikeja

Okota
1, Alhaji Adenekan Street, Okota

Surulere
84, Adeniran Ogunsanya, Surulere

Ojuwoye
214, Agege Motor Road,
Ojuwoye, Mushin, Lagos

Tejuosho
77, Ojuelegba Road, Yaba, Lagos

Orile Coker
104, Market Street, Odunade
Market, Orile, Lagos

Aguda
1/3, Enitan Street,
Aguda, Surulere, Lagos

Shomolu
22, Market Street, Shomolu, Lagos

Ladipo Mushin
103, Ladipo Street, Mushin, Lagos

Gbagada
15, Diya Street, Ifako, Gbagada, Lagos

Allen Avenue
31, Allen Avenue, Ikeja, Lagos

NAHCO
NAHCO complex, Off MMIA, Lagos

Toyin Street
36A, Toyin Street Ikeja, Lagos

Opebi
43, Opebi Road, Ikeja, Lagos

Ikorodu Town
108, Lagos Road, Ikorodu

Ketu
463, Ikorodu Road, Ketu, Lagos

Maryland
10, Mobolaji Bank Anthony
Way, Maryland, Lagos

Osolo Way
61, Osolo Way, Lagos

Ojodu
102, Isheri Road, Ojodu, Lagos

Ogudu
54, Ogudu Road, Ogudu, Lagos

Ikeja City Mall
Shop L55, Ikeja City Mall, Ikeja, Lagos
North Central region

Maitama Branch
Plot 2777, Aguiyi Ironsi
Way, Maitama Abuja

Abuja Service Centre
75, Ralph Sodeinde Street, CBD, Abuja

Abuja NNPC
Hebert Macaulay Way, Central
Business District, Abuja

Wuse II, Abuja
Plot 1387, Aminu Kano Crescent,
Wuse 11, Abuja

Nigeria Immigration Service
Nigeria Immigrations H/Qtrs, Sauka Air
Port Rd, Abuja

Ahmadu Bello Centre
1049 Ahmadu Bello Way Garki Abuja

Deidei
Shop W-9, Dei-Dei International Building
Material Market, Dei-Dei, Abuja

Abuja Garki Area 3
Infinity House 11, Kaura Namoda
Street, Off Faskari Crescent, Area
3, Garki, Abuja

Garki Model
Plot 2, Ladoke Akintola Boulevard,
Garki II, Abuja

Suleja
Opposite Division 'A' Police Station,
Minna Road, Suleja, Niger State

Lokoja
Opp. Kogi State
Specialist Hospital, Lokoja

Bauchi
16, Yandoka Road, Bauchi, Bauchi State

Jos
34, Ahmadu Bello Way, Jos

Minna
Beside Central Mosque,
Bosso Road, Minna

Kontagora
Opposite Hamson Nig Limited, Lagos
Kaduna Road, Kontagora, Niger State

Mararaba
A1, Kwad Mall, Adjacent Mama
Cass Eatery, Abuja -Keffi Road,
Mararaba, Nasarawa State

Makurdi
5, Ogiri Oko Road, Makurdi

Lafia
Plot 1, Opposite Fatima House,
Jos Road, Lafia

Jalingo
22, Hammaruwa Way, Jalingo

Gboko
37, Captain Downs
Street, Adekaa, Gboko

Yola
1, Mohammed Mustapha
Way, Yola, Adamawa

Maiduguri
35, Sir Kashim Ibrahim Way,
Maiduguri, Borno state

Damaturu
Plot 591a, Njiwaji Layout,
Damaturu, Yobe State

Gombe
No 22, Biu Road Gombe

Mautech
Modibbo Adama University
of Technology Yola

North West region
Kaduna Main 14, Ahmadu
Bello Way, Kaduna

Kaduna Central
1, Bayajidda Road, Kaduna

Kachia Road
A7, Kachia Road, Kaduna

Kaduna Nnpc
Km 16, Kachia Road, Kaduna

Kawo Mando
Jaas Plaza, Zaria Road, Kawo, Kaduna

Sabon Tasha
32, Kachia Road, Sabon Tasha Kaduna

Zaria City
90, Angwan Mallam Sule Bakin Kasuwa,
Zaria City, Kaduna

Katsina
175, Kurfi House, IBB Way, Katsina

Gusau
68, Ahmadu Bello Way

Sokoto
68, Maiduguri Road

Kebbi Branch
68, Ahmadu Bello Way, Birnin Kebbi

Zaria Main
9, Kaduna Road, PZ Zaria

Sabon Gari Kano
1, Galadima Road
Sabon Gari-Kano, Kano

Dutse
14/15 Sani Abacha Way, Dutse, Jigawa

Kantin Kwari
No 71a Fagge Takudu Kantin Kwari

Kano Service Centre
3 Bank Road, Kano

Shauchi
Umma Bayero House Shauchi

Stanbic IBTC Bank branch network (continued)

Hotoro
Maiduguri Road Hotoro

South South region
Port Harcourt - Trans Amadi
7, Trans-Amadi Road,Port Harcourt

Port Harcourt Service Center
133a Olu Obasanjo Road, Port Harcourt

Eleme Branch
Iepcl Eleme, Port Harcourt, Rivers State

Aba Road
171, Aba Road, Port Harcourt

Artillery
234, Aba Road, Port Harcourt

Yenagoa
623, Melford Okilo
Road, Yenagoa, Bayelsa

Calabar
71, Marian Road, Calabar,
Cross River State

Uyo
65, Nwaniba Road, Uyo

Eket Branch
2, Grace Bill Road, Eket Town

Warri Main
98, Effurun/Sapele Road,
Effurun, Delta State

Olu Obasanjo
58, Olu Obasanjo Road, Port Harcourt

South East region
Umuahia
2, Market Road, By Library
Avenue, Umuahia, Abia

Aba Main
7, Factory Road, Aba, Abia State

Sapele Road
131a, Sapele Road, Benin City, Edo State

Benin Main
71, Akpapava Street, Benin

Uniben
Bank Road, University of
Benin, Ugbowo Campus

Awka
49, Zik Avenue Awka, Anambra

Onitsha Main
13, Bright Street, Main
Market, Onitsha, Anambra

Onitsha Head Bridge
56, Port Harcourt
Road, Onitsha, Anambra

Abakaliki
10, Old Ogoja Road, Abakaliki

Owerri
81, Okigwe Road, Owerri, Imo State

Asaba
206, Nnebisi Road, Asaba

South West region
Oyo
Oyo/Ogbomoso Road, Oyo Town

UI Road
UI Road, Sayora Building, Opposite UI
2nd Gate, Ibadan, Oyo

Ibadan Main
UCH-Secretariat Road, By Total
Garden, Ibadan, Oyo

Iwo Road
Baloon House, Iwo Road, Ibadan, Oyo

Iwo Town
147, Ejigbo Road, Araromi - Sabo,
Iwo Town, Oyo

Saki
Beside Saki West Local Government
Secretariat, Sango - Ajegunle Road
Saki, Oyo State

Mokola
18b, Oyo Road, Mokola, Ibadan, Oyo

Gbagi
Aje House Annexe, Opposite
Obisesan Hall, Lebanon Street, Old
Gbagi, Ibadan, Oyo

Abeokuta
2a, Lantoro Road,
Isale-Ake, Abeokuta, Ogun

Agbara
Agbara Estate Shopping Mall, Agbara
Industrial Estate, Agbara, Ogun

Sango Otta 2
Km 38, Abeokuta Expressway, Sango
Otta, Ogun State

Shagamu
167, Akarigbo Road,
Shagamu, Ogun State

Ijebu Ode
58, Ibadan Road, Ijebu-Ode, Ogun

Ife
5, Obalufon-Lagere Road, Lagere
Junction, Lle-Ife, Ile-Ife, Osun

Ilesha
A198, Osogbo Road, Ishokun,
Ilesha, Osun State

Ilorin
11, Unity Road (Amosu
House), Ilorin, Kwara

Ojatuntun
A171, Abdulazeez Attah
Road, Surulere, Ilorin

Ogbomoso
Ilorin-Ogbomoso Road, Sabo Area,
Ogbomoso Town, Osun

Ado Ekiti
Ado-Iyin Express Road, Ado
Ekiti, Ekiti State

Ondo
62, Yaba Road, Ondo Town, Ondo State

Akure
GNI Building, Off Old Ado/Owo
Road, Akure, Ondo

Oshogbo
201, Gbogan – Ibadan Road, Osogbo,
Osun State

Contact details

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Head, Investor Relations
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E: remilekun.ishola@stanbicibtc.com

Kunle Adedeji
Chief Financial Officer
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E: kunle.adedeji@stanbicibtc.com

Chidi Okezie
Company Secretary
T: +234 (0) 20 142 28 695
E: chidi.okezie@stanbicibtc.com

Registered address
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island, Lagos, Nigeria
E: InvestorRelationsNigeria@stanbicibtc.com

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Photography: Austin Osagie

Affix Passport Photo

FirstRegistrars
& INVESTOR SERVICES

FIRST DIVIDEND PLUS CARD

DATE

Instruction
Please fill the form and return to the address below

The Registrar,
First Registrars & Investor Services Limited.
2, Abebe Village Road, Iganmu
P. M. B. 12692 Lagos. Nigeria.

Shareholder Account Information

Surname First Name Other Names

Address Line 1

Address Line 2

State Country Date of Birth(DDMMYYYY)

Mobile Telephone

Email Address

WAIVER:
I hereby authorise **FIRST REGISTRARS** to issue its FirstDividend Plus Prepaid Card to me at the rate of **N600** per card (production fee). I am aware that physical dividend warrant will not be issued to me in this regard.

Cards must be collected in person or by an authorised person.
For Terms & Conditions visit our website: www.firstregistrarsnigeria.com

Signing below means that you accept the Terms & Conditions written at the back of this form

Signature(s)	Corporate stamp/Seal

Requirements:

- * Kindly make payment for the card at any of our branches or to First Bank account number: **2018542925** and attach payment slip to the form upon submission.
- * Submit with Utility Bill (Nepa Bill, House Rent Receipts etc)
- * Copy of ID Card(Drivers license, International passport, National ID.)
- * Affix passport photograph at top left hand corner of this form

Which of our office(s) would you like to pick your e-Dividend prepaid card? Please Tick.

☐ Lagos ☐ P/H ☐ Kaduna ☐ Ibadan ☐ Enugu ☐ Abuja

Bank Account Details(If any)

Bank Name & Branch

Account Number

OFFICAL USE ONLY:

CARD NUMBER

TICK	NAME OF COMPANY	ACCOUNT NO.
	ABC TRANSPORT PLC	
	ACAP CANARY GROWTH FUND	
	AFRICAN DEVELOPMENT BANK BOND	
	AFRICAN PAINTS PLC	
	ANCHOR FUND	
	ARM AGGRESSIVE GROWTH FUND	
	ARM DISCOVERY FUND	
	ARM ETHICAL FUND	
	ASO-SAVINGS AND LOANS PLC	
	AUSTIN LAZ AND COMPANY PLC	
	BANK PHB PLC (NOW KEYSTONE BANK LIMITED)	
	BAYELSA STATE BOND	
	BCN PLC-MARKETING COMPANY	
	BEDROCK FUND	
	CADBURY NIGERIA PLC	
	CHAMS PLC	
	COSTAIN WEST AFRICA PLC	
	CROSS RIVERS STATE BOND	
	DAAR COMMUNICATIONS PLC	
	DEAP CAPITAL MANAGEMENT & TRUST PLC	
	DELTA STATE GOVT BOND	
	DV BALANCED FUND	
	EDO STATE BOND	
	FAMAD NIGERIA PLC	
	FBN FIXED INCOME FUND	
	FBN HERITAGE FUND	
	FBN HOLDINGS PLC	
	FBN MONEY MARKET FUND	
	FIDELITY BANK PLC	
	FIDELITY BOND	
	FORTIS MICROFINANCE BANK PLC	
	FRIESLANDCAMPINA WAMCO NIGERIA PLC	
	HONEYWELL FLOUR MILLS PLC	
	JULI PLC	
	LAGOS STATE BOND SERIES 2	
	LEARN AFRICA PLC	
	NIGERIA POLICE MORTGAGE BANK PLC	
	NIGERIAN BREWERIES PLC	
	OANDO PLC	
	ONDO STATE BOND	
	OYO STATE BOND	
	PARTNERSHIP INVESTMENT CO.PLC	
	PRESCO PLC	
	PRESTIGE ASSURANCE PLC	
	PZ-CUSSONS NIGERIA PLC	
	RAK UNITY PETROLEUM PLC	
	REDEEMED GLOBAL MEDIA COMPANY	
	SIM CAPITAL ALLIANCE VALUE FUND	
	SIAM L PENSION ETF 40	
	STACO INSURANCE PLC	
	STANBIC IBTC DOLLAR FUND	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BANK PLC FLOATING RATE& FIXED RATE SUBORDINATED UNSECURED NOTES	
	STANBIC IBTC BOND FUND	
	STANBIC IBTC ETF 30 FUND	
	STANBIC IBTC ETHICAL FUND	
	STANBIC IBTC GUARANTEED INCOME FUND	
	STANBIC IBTC HOLDINGS PLC	
	STANBIC IBTC MONEY MARKET FUND	
	STANBIC IBTC NIGERIAN EQUITY FUND	
	STANDARD ALLIANCE INSURANCE PLC	
	STARCOMMS PLC	
	UBA FIXED RATE SUBORDINATED UNSECURED NOTES	
	UNION DIAGNOSTIC AND CLINICAL SERVICES PLC	
	UPDC REITS	
	VANTAGE BALANCED FUND	
	VANTAGE GUARANTEED INCOME FUND	
	WEST AFRICAN ALUMINIUM PRODUCTS (WAAP)	
	ZAMFARA STATE BONDS	

FirstDividend Plus Prepaid Card Terms and Condition

The use of your FirstDividend Plus Prepaid Card shall be subject to the following terms and conditions:

1. You agree that your card shall be kept secure at all times and your personal identification number (PIN) will not be disclosed to any other person. You will take reasonable care in maintaining the confidentiality of the PIN by ensuring it is known to you only. Do not Disclose your Card Number and PIN to anyone!

2. All transactions at any channel such as Automated Teller Machine (ATM), POINT OF SALE (POS), and Web and so on that are made/perfected by your card and with your PIN will be treated as having been authorised by you.

3. If any money or dividend money that may be accessed by your card is a joint account or an account with more than one signatory, all transactions at any channel that are made by you card and with your PIN will be treated as authorised by you. First Bank of Nigeria Plc and First Registrars Nigeria Limited accepts no liability if it is found that the transaction was carried out without authorisation.

4. In the unlikely event that your card can access any dividend money that does not belong to you, it shall be your duty to report such immediately to the nearest branch of First Registrars for the access to be removed.

5. In the event that your card is used to carry out transactions on an account or dividend money that does not belong to you, such transactions shall be deemed authorised by you and the bank/First Registrars shall recover fully all sum so collected by you together with charges.

6. Transactions done by Card and Pin shall not exceed daily limit authorised by the regulatory authorities (Central Bank of Nigeria) for ATM, POS, Mobile and web transactions.

7. Withdrawal of cash at the ATM shall be deemed to have been concluded at the point when the ATM dispenses cash to you through the cash tray. First Registrars accepts no liability whatsoever for any subsequent event occurring after cash has been so dispensed.

8. The card is the property of First Bank/First Registrars and may be withdrawn at anytime. It must be returned to us by you on demand. You also agree that an ATM may impound your card at anytime if the circumstances so warrants.

9. You agree that the card shall expire on the expiry date indicated on the prepaid card and may at the discretion of First Registrars be renewed upon expiration.

10. The First Bank and First Registrars will not be liable for any machine malfunction, strike, or dispute or any other circumstances affecting the use of the card where such matters are not within the direct control of First Bank and First Registrars.

11. You shall be liable for all losses arising from use of the card by any person obtaining possession of it with your consent or due to your negligence.
12. You covenant and undertake that you shall be liable for all transactions on the card and the card will be used at your own risk.

13. First Bank and First Registrars reserve the right to levy fees and commission, as it may deem appropriate for the use of this service by you.

14. If the card becomes lost, missing or stolen, you shall promptly make a written report at First Bank's or First Registrars' nearest branch or call Firstcontact on 0700FIRSTCONTACT or 017349745, 018045681. You shall take all necessary steps as First Bank and First Registrars may require to assist in the recovery of the card.

15. You will be liable for any loss arising from the use of the card or PIN by any unauthorised person up to two working days after the First Bank or First Registrars receive written notification of loss of the card.

16. Where the card becomes lost, missing or stolen, or the PIN is forgotten, you shall be required to obtain a new card from us at a prescribed fee for the continuation of the services provided under this agreement.

17. Your rights under this agreement are personal to you and shall NOT be assigned.

18. You acknowledge and agree that this Agreement is subject to change at any time without any prior notice to you.

19. Either party may terminate this Agreement with seven days written notice to the other party PROVIDED HOWEVER that First Bank or First Registrars may terminate this Agreement with or without notice if the circumstance so warrants.

20. Cardholders must ensure that their cards are stored properly to prevent any damage to the chip as a fall back to magnetic stripe can be caused by the terminals inability to read the chip if it is damaged. The card holder shall bear the liability if there is a fraud as a result of a fallback if it is found that the fallback resulted from a damaged chip.

21. You also agree to bear every transaction costs that may be applicable to the usage of the card on all transaction channels. N20 transaction charges for cash withdrawals on FirstBank ATMs and N75 per transaction on cash withdrawals done on other banks' ATMs (or rate as may be applicable by the regulator).

22. We may change the provisions of these terms and conditions, including our charges without recourse or notice to you.

23. Should you require to exceed the maximum load limit of N250,000.00 on your card, an indemnity form instructing same shall be requested from First Registrars Nigeria Limited, duly completed and signed by you and returned to First Registrars.

24. This card is issued to you based on the information given to FirstRegistrars. You shall be liable for all claims, actions or proceeding that may arise in the event that any of the information given to obtain this card or use the card are discovered to be false or misleading.

E-BONUS

e-BONUS FORM

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below:

The Registrar,
First Registrars & Investor Services Limited
2, Abebe Village Road, Iganmu
P. M. B. 12692,
Lagos. Nigeria.

Please credit my account at Central Securities Clearing Systems Limited (CSCS) with all subsequent allotments and bonuses due to me from holdings in the companies listed.

TICK	NAME OF COMPANY	ACCOUNT NO.
	ABC TRANSPORT PLC	
	ACAP CANARY GROWTH FUND	
	AFRICAN DEVELOPMENT BANK BOND	
	AFRICAN PAINTS PLC	
	ANCHOR FUND	
	ARM AGGRESSIVE GROWTH FUND	
	ARM DISCOVERY FUND	
	ARM ETHICAL FUND	
	ASO-SAVINGS AND LOANS PLC	
	AUSTIN LAZ AND COMPANY PLC	
	BANK PHB PLC (NOW KEYSTONE BANK LIMITED)	
	BAYELSA STATE BOND	
	BCN PLC-MARKETING COMPANY	
	BEDROCK FUND	
	CADBURY NIGERIA PLC	
	CHAMS PLC	
	COSTAIN WEST AFRICA PLC	
	CROSS RIVERS STATE BOND	
	DAAR COMMUNICATIONS PLC	
	DEAP CAPITAL MANAGEMENT & TRUST PLC	
	DELTA STATE GOVT BOND	
	DV BALANCED FUND	
	EDO STATE BOND	
	FAMAD NIGERIA PLC	
	FBN FIXED INCOME FUND	
	FBN HERITAGE FUND	
	FBN HOLDINGS PLC	
	FBN MONEY MARKET FUND	
	FIDELITY BANK PLC	
	FIDELITY BOND	
	FORTIS MICROFINANCE BANK PLC	
	FRIESLANDCAMPINA WAMCO NIGERIA PLC	
	HONEYWELL FLOUR MILLS PLC	
	JULI PLC	
	LAGOS STATE BOND SERIES 2	
	LEARN AFRICA PLC	
	NIGERIA POLICE MORTGAGE BANK PLC	
	NIGERIAN BREWERIES PLC	
	OANDO PLC	
	ONDO STATE BOND	
	OYO STATE BOND	
	PARTNERSHIP INVESTMENT CO.PLC	
	PRESCO PLC	
	PRESTIGE ASSURANCE PLC	
	PZ-CUSSONS NIGERIA PLC	
	RAK UNITY PETROLEUM PLC	
	REDEEMED GLOBAL MEDIA COMPANY	
	SIM CAPITAL ALLIANCE VALUE FUND	
	SIAM L PENSION ETF 40	
	STACO INSURANCE PLC	
	STANBIC IBTC DOLLAR FUND	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BANK PLC FLOATING RATE& FIXED RATE SUBORDINATED UNSECURED NOTES	
	STANBIC IBTC BOND FUND	
	STANBIC IBTC ETF 30 FUND	
	STANBIC IBTC ETHICAL FUND	
	STANBIC IBTC GUARANTEED INCOME FUND	
	STANBIC IBTC HOLDINGS PLC	
	STANBIC IBTC MONEY MARKET FUND	
	STANBIC IBTC NIGERIAN EQUITY FUND	
	STANDARD ALLIANCE INSURANCE PLC	
	STARCOMMS PLC	
	UBA FIXED RATE SUBORDINATED UNSECURED NOTES	
	UNION DIAGNOSTIC AND CLINICAL SERVICES PLC	
	UPDC REITS	
	VANTAGE BALANCED FUND	
	VANTAGE GUARANTEED INCOME FUND	
	WEST AFRICAN ALUMINIUM PRODUCTS (WAAP)	
	ZAMFARA STATE BONDS	

Shareholder Account Information

Surname First Name Other Names

Address :

City State Country

CHN (If any)

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company's Seal

Joint\Company's Signatories

CSCS Details

Stockbroker

Clearing House Number: **C**

Authorised Signature and Stamp ofStockbroker

Please attach a copy of your CSCS statement to this form as evidence that you maintain a valid account at the CSCS.

First Registrars & Investor Services Limited
...connecting you to your wealth.
website:www.firstregistrarsnigeria.com; E-mail: ebusiness@firstregistrarsnigeria.com

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Affix
Current
Passport
(To be stamped by Bankers)

Write your name at the back of your passport photograph

E-DIVIDEND

E-DIVIDEND ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
First Registrars & Investor Services Limited
2, Abebe Village Road, Iganmu
P. M. B. 12692 Lagos. Nigeria.

I\We hereby request that henceforth, all my\our dividend Payment(s) due to me\us from my\our holdings be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick) ☐ Current ☐ Savings

Shareholder Account Information

Surname First Name Other Names

Address :

City State Country

Previous Address (If any)

CHN (If any) Email Address

Mobile Telephone 1 Mobile Telephone 2

Signature(s) Joint\Company's Signatories Company's Seal

Authorised Signature of Banker Authorised Stamp of Banker

First Registrars & Investor Services Limited
...connecting you to your wealth.
website:www. firstregistrarsnigeria.com; E-mail: info@ firstregistrarsnigeria.com

Affix
Current
Passport
(To be stamped by Bankers)
Write your name at the back of your passport photograph

E-DIVIDEND MANDATE MANAGEMENT SYSTEM

(E-DMMS)

Instruction

Only Clearing Banks are acceptable

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
First Registrars & Investor Services Limited
2,Abebe Village Road,Iganmu
P. M. B. 12692 Lagos. Nigeria.

I\We hereby request that henceforth, all my\our dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick) ☐ Current ☐ Savings

Shareholder Account Information

Surname First Name Other Names

Address :

City State Country

Previous Address (If any)

CHN (If any) Email Address

Mobile Telephone 1 Mobile Telephone 2

Signature(s) Joint\Company's Signatories Company's Seal

Authorised Signature of Banker Authorised Stamp of Banker

First Registrars & Investor Services Limited
...connecting you to your wealth.
website:www.firstregistrarsnigeria.com; E-mail: ebusiness@firstregistrarsnigeria.com

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Notes

Stanbic IBTC Holdings PLC
RC: 1018051