



Stanbic IBTC Holdings PLC
SUSTAINABILITY REPORT 2018

PURSUIING PROGRESS FOR NIGERIA

Stanbic IBTC Holdings PLC

Sustainability Report 2018

GENERAL DISCLOSURES

- 4 | Organizational Profile
- 6 | Message from the Chief Executive
- 8 | Strategic Focus
- 9 | Ethics and Integrity
- 10 | Our approach to sustainability
- 10 | Stakeholders Engagement

ECONOMIC IMPACTS

- 15 | Agric
- 16 | SME
- 18 | NIRSAL
- 19 | Planning for the Future
- 20 | Digital Innovation
- 21 | Job creation via financing the largest retail mall in Nigeria
- 21 | Financial Inclusion

SOCIAL IMPACT

- 23 | Corporate Social Investments (“CSI”)
- 27 | Stanbic IBTC Bank PLC partners with World Health Organization in the Direct Disbursement Mechanism (“DDM”) as part of the Polio Eradication Drive
- 27 | Child Development Grant Programme (“CDGP”)
- 27 | Financial Literacy Day Campaign
- 28 | Staff Volunteerism
- 30 | Human Rights
- 30 | Our People

ENVIRONMENTAL IMPACTS

- 32 | Stanbic IBTC finances the first environmentally certified commercial building in Nigeria
- 32 | Energy Efficiency in Operations, including branches and ATMs with alternative power sources
- 32 | Paper Reduction Initiatives
- 32 | Paper waste recycling
- 32 | GoGreen Branch Initiative
- 32 | Sustainable Lending
- 34 | NCF Sponsorship
- 34 | Workplace accidents, fatalities and occupational and safety incidents



GENERAL DISCLOSURES

Organizational 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 Stock Exchange (“The NSE”) on 23 November 2012, following the delisting of the Group’s erstwhile holding company, Stanbic IBTC Bank PLC (“the Bank”), pursuant to its compliance with the Central Bank of Nigeria (“CBN”) Regulation on Banking and Ancillary Matters No. 3 of 2010.

The Bank on the other hand, was incorporated as Investment Banking and Trust Company Limited (“IBTC”), a private limited liability company, on 2 February 1989. IBTC was granted a merchant banking licence in February 1989 and commenced operations on 1 March 1989. IBTC’s merchant banking licence was converted to a universal banking licence 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 The NSE.

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 PLC.

On 1 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 new structure, the subsidiaries of Stanbic IBTC Holdings PLC are: Stanbic IBTC Bank PLC, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Asset Management Limited, Stanbic IBTC Trustees Limited, Stanbic IBTC Capital Limited, Stanbic IBTC Stockbrokers Limited, Stanbic IBTC Insurance Brokers Limited, Stanbic IBTC Ventures Limited, and Stanbic IBTC Investments Limited. It should be noted that Stanbic IBTC Nominees Limited and Stanbic IBTC Bureau de Change Limited are wholly owned direct subsidiaries of Stanbic IBTC Bank PLC.

Description of business lines

Stanbic IBTC operates through three major business lines. These are Personal and Business Banking (“PBB”), Corporate and Investment Banking (“CIB”) and the Wealth business.

Personal and Business Banking (“PBB”) is the retail banking arm of the bank. PBB provides services to individual customers, high net worth individuals (“HNIs”) and the commercial and small and medium scale enterprises (“SME”) business segments. PBB supports everyday banking needs of individuals and businesses - saving money, withdrawing money and making payments through the network of branches and self-service digital channels. Overlaying these activities is a strong relationship management focus to ensure differentiated customer experience for the customer segments.

Corporate and Investment Banking (“CIB”) comprises four business units: Investment Banking (“IB”), Global Markets (“GM”), Transactional Products and Services (“TPS”) and Client Coverage (“CC”).

The *Investment Banking* team provides, through Stanbic IBTC Capital Limited, corporate finance, project finance, structured finance, debt advisory, primary markets, acquisition finance and property finance services to corporate and government entities.

The *Global Markets* team comprises traders, sales managers and analysts of varying specialisation in equities, fixed income, foreign exchange, and money markets. Within GM, Stanbic IBTC Stockbrokers Limited provides stockbroking services to local as well as foreign investors in the Nigerian capital markets and is the largest stockbroking house in Nigeria. Also within GM, is a team of macroeconomic and equity research analysts who provide insights on the domestic and international markets to portfolio investment clients.

Transactional Product and Services offers standardised and tailored transactional products and services including trade finance solutions, working capital and cash management solutions.

The *Client Coverage* team manages corporate relationships and is the main point of contact with clients. The team members are skilled at identifying client needs and requirements, and at aligning these with the appropriate product houses for execution.

Wealth Group focuses primarily on pension administration, private non-pension asset management, trusteeship and estate planning as well as insurance brokerage business.

The pension administration is managed through Stanbic IBTC Pension Managers Limited, while the non-pension asset management is managed by Stanbic IBTC Asset Management Limited. The trusteeship and estate management is managed by Stanbic IBTC Trustees Limited, while Stanbic IBTC Insurance Brokers manages the insurance brokerage services. The wealth business model is primarily focused on assisting clients in investing in a variety of asset classes, including fixed income and equities markets to accumulate and preserve wealth.

Message from The Chief Executive

Digitalization defined growth in the Nigerian financial services industry in 2018. Competition from Financial Technology (FinTech) companies for e-banking market share, especially the retail end of financial services took front burner and this will likely increase with the introduction by the Central Bank of Nigeria (“CBN”) of guidelines for licensing, regulation and operation of payment service banks (“PSBs”) in the country late last year. To remain competitive, traditional financial institutions were deliberate in recalibrating their operations, increasingly adopting technology to help provide seamless services and developing bespoke products for clients.

Building on our impressive result in 2017, the Stanbic IBTC Group achieved some remarkable milestones in 2018. We retained our Triple A rating by Fitch, a reflection of our strong management and healthy capital and liquidity levels. Three of our subsidiaries, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Asset Management Limited, and Stanbic IBTC Trustees Limited, received the globally highly regarded quality management system certification, the ISO 9001:2015 Certification. There were further changes at the management level to reflect our digitization drive and our desire to bring in fresh perspectives, ideas and hone competencies.

We were able to provide significant support to fund raising efforts by both government and corporates. We were instrumental to the establishment of Dangote Cement’s ₦150 billion commercial paper programme (the largest ever by a corporate in Nigeria), the successful issuance of Series 1-4 of the commercial paper notes, and the listing of the CP on the FMDQ OTC Securities Exchange for secondary trading. We were equally instrumental in helping Flour Mills of Nigeria PLC to raise ₦20.11 billion via a Senior Unsecured Fixed Rate Bonds under the company’s ₦70 billion Bond Issuance programme and the listing of the bond on both the FMDQ OTC Securities Exchange and the Nigerian Stock Exchange.

We remained a bellwether for innovation and continued to experience positive transformational changes. Our retail and personal banking drive has continued to contribute to our strong growth, even as we further consolidated on our leadership position in investment banking and wealth management.

We are aware that the nation’s socio-economic growth, success of the businesses and the individuals we serve are congruent with our own success. Therefore, we are mindful to develop relevant solutions that not only ensure our success but guarantee the success of individuals, businesses, and government.

We pride ourselves on our rich heritage in financial services innovation, drawn from our Standard Bank legacy. We continue to innovate in providing solutions that have enhanced the quality of life of individuals and boost their financial security; facilitate business expansion, economic growth and development in key sectors of agriculture, oil and gas, real estate, manufacturing, healthcare, and power, among others. Our business strategy is to offer banking services to assist our internal and external stakeholders manage social and environmental challenges and invest for the future. We work hard to build trust in our operations and establish partnerships that will be beneficial in the long term.

This Sustainability Report details our corporate social investments, environmental and social risk management and performance and our shared values in 2018. Our priority, going forward, will be to ensure financial, social and environmental sustainability in our operations. We not only want to achieve financial outcomes, but we also want to fulfil our purpose of driving the growth of our economy.

“We remained a bellwether for innovation and continued to experience positive transformational changes”



Strategic Focus

Mission

Committed to solutions that drive your progress

Vision

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

In executing our group strategy, our key focus areas are:

- **Client Centricity:** we aim to do valuable things for our customers;
- **Digitisation:** we aim to deliver the services and products to our customers through digital platforms, both front office, back office and middle office and
- **Universal Financial Services Organisation:** we deliver a seamless, universal financial services offering to our customers.

Our strategic value drivers:

- Stanbic IBTC identified five critical measures of success to assess how we are performing against our purpose. The five value drivers encourage not only financial performance but also performance with respect to our clients and our employees, how we conduct business, and ultimately, the Social, Environmental and Economic (“SEE”) outcomes for the communities and environments in which we operate.

Ethics and Integrity

Stanbic IBTC commits to doing the right business the right way. Our Code of Conduct and Ethics commits the management and employees of Stanbic IBTC to the highest standards of professional business as well as behavioural conduct. Our Code of Conduct and Ethics define our values and provide structure and guidance for value-based decision making.

Stanbic IBTC has eight (8) core values. Our values serve as beacons to guide our actions and decisions by which we strive to achieve our vision. They include:

- **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.
- **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.
- **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.
- **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.
- **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.
- **Being proactive**
We strive to stay ahead by anticipating rather than reacting, but our actions are always carefully considered.
- **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.
- **Upholding the highest levels of integrity**
Our entire business model is based on trust and integrity as perceived by our stakeholders, especially our clients.

Our Five Strategic Value Drivers



Our approach to sustainability

Our sustainability and success are inextricably linked to the prosperity and wellbeing of the societies in which we operate. To achieve our purpose, our core business activities must support and contribute to this prosperity and wellbeing. This is the reason the Social, Economic and Environmental (“SEE”) value driver was incorporated into our Group strategy.

The SEE value driver represents the overall outcome we seek as Stanbic IBTC. It brings environmental and social aspects of our business to the forefront and defines our approach to sustainability.

In addition to this, we implement the Nigerian Sustainable Banking Principles in our business activities and business operations under the following three pillars.

- ✓ Credit
- ✓ Group Real Estate Services (“GRES”)
- ✓ Procurement

Credit: We integrate Environmental and Social (“E&S”) considerations into credit decision making process by ensuring on-boarding of new business opportunities is E&S compliant and follows approved credit process, policy and guidelines for Corporate and Investment Banking (“CIB”) and Business Banking (“BB”).

GRES: We monitor our ecological footprints with respect to the impact of our business operations, in terms of power maximization, waste management, carbon emissions, energy and water efficiency and building designs and architecture that are green.

Procurement: We assess, develop and screen suppliers with a view to ensuring the sustainability of our vendors and their ability to meet our procurement needs and also assist them in mitigating social and environmental costs.

Environmental and Social Risk Management

Stanbic IBTC acknowledges that the development of a corporate culture where environmental sustainability principles are adhered to, both in its operating environment and with counterparties, is crucial to sustainable development.

Our impacts on society and the environment can be both indirect (arising from the activities of our customers who we finance) and direct (through our day-to-day operational activities and the products and services we provide). These impacts are either internal, affecting employees or the organization, or external, affecting communities, customers, partners, and regulators, among others. Thus, we go beyond compliance in our approach to environmental and social risk management. This approach has helped us achieve best practice performance through sound governance structures and policies, monitoring mechanisms, strategic partnership, energy efficient and renewable energy programmes, supplier development and screening, employee training and awareness, products and services that help reduce carbon emission, green building design.

In line with regulatory stipulation, Stanbic IBTC Bank PLC complies with the Nigeria Sustainable Banking Principles (“NSBP”) and through the Standard Bank Group is a signatory to the Equator Principles, thereby adopting international best practice in environmental and social risk management standards.

We adopt a precautionary approach to environmental and social risk management, striving to anticipate and prevent environmental degradation in line with the guidelines set out in the Equator Principles and the provisions of the environmental laws of Nigeria. We developed an E&S Risk Governance Standard as well as E&S Risk Policies and Procedures to proactively manage our direct and indirect E&S risks. Also, as a member of the Standard Bank Group, Stanbic IBTC subscribes to, and adopts E&S risk management standards (e.g. Equator Principles, International Finance Corporation (“IFC”) Performance Standards), policies and procedures that have been adopted by the Group.

Stakeholders Engagement

At Stanbic IBTC, we recognize that our stakeholders play a key role in helping us achieve our purpose. This is why we engage with our stakeholders on a regular basis to understand the issues that matter to them, build relationships and develop partnerships to respond to their concerns.

Stanbic IBTC’s stakeholders are individuals, groups and organizations that materially affect (or could be materially affected by) our business activities, products, services and performance. They provide us with the resources we need to achieve our strategy and purpose; influence the environment in which we operate our business; and confer legitimacy on our activities.

Stakeholder engagement is part of our everyday business. We engage with our different stakeholders in different ways and strive to be responsive to their concerns. Given the scale of our business operations and the diversity of our stakeholders, different teams in the Group meet with their stakeholders regularly on matters of mutual interest, exploring potential partnerships, and searching for opportunities to create value.

Our proactive engagement with stakeholders informs the identification of our material issues, business strategy and operations, and shapes the products and services we offer. Stakeholder engagements help us manage and respond to stakeholder concerns and expectations, minimizes reputational risk and influences our operating environment.

Below is a list of some of our stakeholders, how we have engaged and responded to their concerns:

Stakeholder Group	Our Employees 	Clients 
Why it’s important to engage them	<p>The employees of Stanbic IBTC are fundamental to the delivery of its strategic intent. They provide the main competitive advantage for driving profit, revenue and growth.</p> <p>Employees are the differentiators that provide competitive advantage in organizations; therefore, having an organization where employees are engaged is critical.</p>	<p>Creating the right service experience for clients begins with having the right engagement at the right time and for the right reasons. The client is at the heart of everything we do and the primary reason for the existence of our business. Hence, client engagement solidifies the relationship and partnership between the customer and Stanbic IBTC which ultimately leads to the growth of our economy. Furthermore, engaging our customers enables us gather feedback about our services and areas of improvement.</p>
Issues that matter most to them	<p>There are currently five broad engagement drivers in Stanbic IBTC:</p> <ul style="list-style-type: none"> • Career growth • Learning and development • Meaningful work • Values and Ethics • Compensation and benefits 	<ul style="list-style-type: none"> • Meeting their financing needs • Seamless fast and efficient transaction processes • Service experience – processes being simple, straightforward, convenient and timely (speed of execution of requests) • Relationship Management – Understanding the nature of their business, business structure and mode of operation to proffer suitable products and services. • Empowerment via business and entrepreneurship trainings. • Multiple channels of contacts which should be easily accessible at little or no cost to them • Seamless on-boarding process such as account opening, channel on-boarding etc. • Innovative and flexible solutions • Stable channels with minimal disruptions • Being informed; communication on all products and services and changes affecting their banking relationship • Timely resolution of complaints • Creating tailor-made solutions • Celebrating important events and personal accomplishments with them • Reliable support and expertise. Advice on solutions, ideas, and insights on market development • Effective payment process • Positive online banking experience • Competitive pricing • Effective access to credit

Stakeholder Group	Our Employees 	Clients 
<p>Some of the ways SIBTC engaged and responded</p>	<p>Staff satisfaction surveys are conducted on a periodic basis to gauge engagement levels of all employees. Engagement with the various parts of the business also takes place further to the results of the survey being analysed and communicated to senior leaders.</p> <p>People Tour Sessions: It is important the management of the organization feels the pulse of the employees from time to time in order to gauge their loyalty, passion and emotional attachment to the Group. People Tour roadshows are conducted across the Group to receive feedback from employees concerning all matters relating to their welfare.</p> <p>Medical and Wellness: The Group conducts regular health talks, engagement sessions and annual health week on a yearly basis to ensure that employees receive adequate medical support and advice to ensure wellness.</p> <p>Employee Assistance Program: Stanbic IBTC Employee Assistance Programme (“EAP”), a work-based intervention programme was designed and launched in 2018. It aims to assist employees in resolving personal problems (e.g. Marital, financial/emotional problems, abuse etc.) which may be adversely affecting employee’s performance.</p> <p>Recognition Programmes: Various recognition programmes and events are also organised across the Group to appreciate employees who have excelled in their work performance.</p>	<ul style="list-style-type: none"> • Setting up our Enterprise Direct for businesses and Africa-China Banking Centre • Creation and optimization of the platinum support centre • The creation of Platinum connection hub, that addresses lifestyle banking and offerings (access to over 1000 Airport VIP lounges, access to our Stanbic IBTC private lounges, access to discounts at exclusive brands, hotels, restaurants, Spas etc.) • Organising Client Appreciation Dinners • Linking Clients with International markets and business opportunities such as China International Import Expo. • Organising capacity building sessions for business clients • Providing offerings to meet their short term and long-term financing needs • Upgrade of our digital platforms for easy on-boarding and transaction processing • Periodic communications to clients via Emails, SMS and phone calls on new products and services • Increased feedback channels used by customers to reach out to us [3S banking, IVR, social media etc.] • Revamp and enhancement of Customer Contact Centre (“CCC”) to deal customer transactions end to end via the telephone (e.g. dormant account reactivation, term deposit booking and termination etc.) • Quarterly transmission of the Private Banking Newsletter to keep clients informed of economic and social happenings locally and globally • Invitation to year end Platinum events for Private Banking clients • Annual independent customer satisfaction index survey (“CSI”) to gauge client impulse and how they feel about us • Annual sessions with key industry players in the growth and resilient sectors of the economy on market insights • Implementation of query management tool for efficient management of clients’ queries

Stakeholder Group	Regulators 	Investors & Shareholders 
<p>Why it’s important to engage them</p>	<p>Regulatory engagement is very important to ensure that the right interpretations and expectations are set on both sides given the tolerance levels to infractions. It is also important we portray the right image to the regulators as an organization that takes compliance with regulatory directives very seriously. A fantastic regulatory relationship helps with the right levels of support and access with direct impact on business as it relates to timeliness of approvals.</p>	<p>Shareholders provide the financial capital that allows our business to grow and we have a fiduciary duty to manage their investment with care. We need to provide investors with a compelling value proposition to retain their confidence and support.</p>
<p>Issues that matter most to them</p>	<ul style="list-style-type: none"> • Protecting the integrity of the financial services sector in relation to Anti Money Laundering (“AML”) and Combating the Financing of Terrorism (CFT) risks and the direct impact on the country ratings from global bodies such as Financial Action Task Force (“FATF”) • Driving financial inclusion • Protection of customer rights • Cyber-security and business continuity given the shift to digital channels • Corporate governance and strict alignment with the relevant guidelines and frameworks • Strict management of all risk types 	<ul style="list-style-type: none"> • Solid operating and financial performance – profitability, capital and liquidity positions • Improving efficiency and return on investment • Responding to increased competition in challenging market conditions • Sustainability • Environmental and Social Risk and Corporate Governance • Regulatory and Macroeconomic environment updates and the attendant impact • Industry and competitive position • Fair and sustainable compensation practices
<p>Some of the ways SIBTC engaged and responded</p>	<ul style="list-style-type: none"> • Regular visits to key regulators by senior executives including specific visits to discuss requests and proposals. • Prompt and consistent response to calls for comments further to the exposure of draft laws and regulations. • Active participation in industry committees such as Association of Chief Compliance Officers (“CCO”) of banks in Nigeria, where the Bank’s CCO is currently the President. The CCO and other key members of this committee have represented the Banking sector in engaging the Central Bank and various law enforcement agencies in relation to key matters with significant impact • Certain staff members act as informal technical advisers to the regulators where they are engaged to provide views on certain regulatory positions and proposed actions • We have also organized training and workshops on key themes and products including organizing visits/knowledge exchange sessions with regulators in other jurisdictions 	<ul style="list-style-type: none"> • Quarterly investor/analyst earnings conference calls • Investors’ conferences and roadshows attendance • Group and one-on-one meetings with investors/analysts • Annual management meetings with credit rating agencies • Response to queries from investors/analysts on a regular basis

ECONOMIC IMPACTS

Agric

Optimizing the benefits of agriculture to transform Nigeria

Developing Nigeria's agriculture sector has left the realm of political sloganeering. The government's diversification agenda, succinctly articulated in the Economic Recovery and Growth Plan, is expected to focus attention on this important sector and drive its growth.

While the country remains a huge investment opportunity, the path to total recovery, most people agree, is to focus on new growth areas. The National Bureau of Statistics ("NBS") highlighted such areas to include textile production, fishing, metal ore mining, agriculture and health and human services.

Agriculture has a huge potential to transform Nigeria's economy as well as diversify it away from its heavy dependence on the energy sector. However, an estimated 90 percent of Nigeria's food requirement is produced by small-scale farmers who constitute the majority of the nation's poor. A myriad of factors are blamed for this ungainly condition, both natural and man-made. Key is the lack of access to finance and the resultant inability to invest in basic farming inputs, such as seedlings, fertilizers, implements and irrigation. As a result, their yields have remained largely stagnant, leading to pervasive hunger and poverty. Similarly, little or no commercial financing is available to those aspiring to build businesses that could enhance food production and enable farmers to earn sustainable profit.

The future of agriculture in sub-Saharan Africa, and Nigeria in particular, is clouded with several uncertainties that include increasing resource scarcity, heightened risks from climate change, higher energy prices, demand for bio-fuels and questions about the speed and depth of technical progress. However, the growth potential far outweighs the challenges. The foregoing makes it imperative for extensive collaborations and investments to drive growth of the sector.

Such collaborations, involving both the public and private sectors, would help in creating an enabling environment, developing requisite infrastructure, safeguarding investments, reducing bureaucratic bottlenecks and motivating local and international

investors. The large share of agriculture in Nigeria's GDP suggests that strong growth in the sector is necessary for overall economic growth. There is a need and an opportunity for investment that will develop the middle ground in Nigeria's agriculture. Africa has enormous natural potential and the continent has to unlock the potential in order to reap the benefits of its natural resources.

In tapping into the identified lucrative agricultural opportunities, Stanbic IBTC Bank has developed a medium-term model through the articulation of a medium term (3-year) vision to become a full-spectrum African agricultural company within Stanbic IBTC Holdings PLC and the Standard Bank Group. We have a responsibility to extend ourselves beyond just banking: we are committed to adding value by providing exposure, information and our expertise to our clients to foster an environment that facilitates their growth and success.

Stanbic IBTC Bank has a competitive agricultural advantage in view of its strategic alliance with Standard Bank Group through the provision of tailor-made agricultural banking offerings to tap the myriads of bankable opportunities and prospects in the agriculture space in Nigeria engendered by the ongoing agricultural transformation agenda of the government. Stanbic IBTC Bank is committed to the mechanization of Nigeria's agriculture sector.

Stanbic IBTC is driven by the conviction that opportunities exist to provide end-to-end banking solutions for agriculture in which the bank can leverage and cross-sell a full suite of products and services, from traditional commercial banking and lending products to crop and weather insurance products.

The challenge of financing agriculture, experts have said, is more than just the provision of finance. No doubt finance is very critical but it is also about providing complete solutions to smallholder farmers to ensure long-term sustainability, food security and higher standards of living. Through diligence in pursuing this objective, Nigeria's agricultural revolution can kick-off on a sustainable trajectory.

“We have a responsibility to extend ourselves beyond just banking: we are committed to adding value by providing exposure, information and our expertise to our clients to foster an environment that facilitates their growth and success.”

SME

Stanbic IBTC supporting enterprise development via digital banking and collaboration

Financing remains a major challenge faced by enterprises. It would be wrong to assume that is the only challenge. Business owners face multi-faceted challenges, including infrastructure, marketing, logistics, staffing, among many other issues. With the significant infrastructure inadequacy, business owners often struggle to run efficient operations, and incur a high cost of doing business.

Business owners in Nigeria are very resilient and deserve commendations. They generate their own power, create their own logistics structures, and contend with the challenges of running of their businesses. Such challenges hardly make for a healthy enterprise sector, commonly called the Small and Medium Scale Enterprises (“SME”) sector. A generally held view is that over 70% of new businesses in Nigeria don’t survive beyond the first five years of establishment, due to the numerous challenges such businesses have to overcome.

A major impediment to business growth in Nigeria, experts have said, is capacity building and not, as mostly believed by many business owners, finance. Capacity building encompasses various aspects of a business from the business idea, customer engagement, funding, and bookkeeping to recruitment, logistics, sales and marketing, regulatory and environmental issues, among others. At the core of capacity building is the need to provide the needed tools for developing business sustainability. Businesses need the right support in terms of infrastructure, financing and capacity building for sustainability.

This explains why recent interventions by both government and established private sector players to develop a strong and sustainable enterprise sector have largely been geared towards capacity building. Stanbic IBTC Bank, for instance, organizes yearly nationwide enterprise workshops in several cities across the country. The enterprise sector is pivotal to the economic growth and development of a nation. In recognition of this, Stanbic IBTC Bank developed the seminar series to provide innovative marketing, financial and management skills that are useful to businesses and provide the skillset needed for such businesses to grow. Over 8,000 business owners have so far been trained at this yearly capacity building sessions, and the figure is exclusive of those who have benefited from the bank’s strategic digital business training carried out in partnership with Google and others.

Indeed, enterprises need to have a strong hand that would steady them as they take their first tottering steps. In more advanced economies, governments undertake massive enterprise development and promotion through loan guarantee schemes and tax incentives. A key pillar of governments’ enterprise drive in such climes is the linking of enterprises with appropriate technologies and educational institutions. What this does for the businesses is to

reduce the burden of sourcing human capital and technology as well as enabling them tap into a steady stream of vital related research works that are relevant to their operations. The result of these interventions are often impressive, with enterprises becoming the engine of growth and transformations.

Businesses need cash, they equally need advisory services, business and networking opportunities, as well as human capital and marketing. The Small and Medium Enterprises Development Agency of Nigeria (“SMEDAN”), established in 2003 by the Federal Government of Nigeria, was set up as a coordinating agency for enterprises, helping to link ideas with finance while exposing businesses to opportunities. With a survey that shows Nigeria is home to 17 million enterprises, providing a structure for those businesses to thrive becomes a priority. The government realized quite early it may not achieve much in developing a robust and thriving enterprise sector, which is why private entities are encouraged to pitch in.

Stanbic IBTC, in keeping with its tradition of promoting businesses, took up the challenge to help mould a robust, digitally savvy, and profitable enterprise sector. The Group developed a unique value proposition to support businesses with transactional products; savings and investment solutions; lending products; and wealth protection solutions. Stanbic IBTC Bank made a huge investment in technology, which is designed to make banking easier for its enterprise clients. Apart from using best-in-class payment solutions, the Bank equally launched an internet banking offering specifically for enterprises.

To help clients improve operations, a migration to digital banking will reduce the challenges faced by customers and help them run more efficient businesses. Instead of spending time travelling to visit physical branches, Stanbic IBTC Bank created a platform called Enterprise Direct for customers to fulfil their banking transactions by telephone, email and webchat.

Other benefits include its free business advisory services via the yearly free capacity building trainings, trade solutions, business continuity, and business protection; and opportunity to access other markets. Stanbic IBTC’s trans-regional capabilities will help enterprises expand across Africa and as a player across all the spectrum of financial services, it is a one-stop financial provider and will avail the enterprise with all the support it requires to grow the business, including Insurance, Pension, Investment, Stockbroking, Asset management, among others. Coupled with the above is the deployment of e-banking solutions by the bank to facilitate seamless payments and collections.



The Enterprise Direct allows businesses in the country as well as from all over the world interact with the bank. The Enterprise Direct, which is a virtual centre from which well-trained bankers interact with customers in a digital manner, is the first of its kind in Nigeria. It is a testament to the bank’s focus on enterprises that it created a fully dedicated centre to handle enquiries, requests and all other banking needs of enterprises.

Enterprise Direct will change how banks interact with their clients. The era of depending on physical branches to serve clients is disappearing, and technology will be the major driver of customer engagement in the future. The future of banking is certainly interesting, and with innovative solutions like Enterprise Direct, the future of businesses in Nigeria is certainly assured.

Equally important for enterprises is Stanbic IBTC’s second approach to capacity building through collaborations. The most recent is the collaboration with Google to train over 1000 young entrepreneurs and enterprise operators in eight cities on digital skills in 2016. By organising the capacity building sessions in different parts of the country, the partners enhanced the critical mass of businesses through increased adoption of digital technology and enhance their contributions to economic development.

“The future of banking is certainly interesting, and with innovative solutions like Enterprise Direct, the future of businesses in Nigeria is certainly assured.”

Stanbic IBTC partners Kaduna State to establish entrepreneurship centre

As part of efforts to encourage entrepreneurship and help build a vibrant and productive small and medium enterprises sector, Stanbic IBTC partnered with the Kaduna State Government to establish the Kaduna-Stanbic IBTC Entrepreneurship Centre (“KADSEC”). The centre, which is in response to the needs and requirements of local entrepreneurs in the state, is expected to serve as an incubator that will nurture budding entrepreneurs and businesses to sustainable successes.

The Centre provides services such as capacity building programmes for interested business owners/entrepreneurs, mentorship, on-site business management counselling, financial advisory, market development assistance, networking opportunities, provision of patronage linkages, export assistance, and easy access to loans from Stanbic IBTC Bank, among other services.

The establishment of the Centre is in line with Stanbic IBTC’s desire to help build a highly successful SME sector in Nigeria, one that can act as the growth engine for the economy. The Centre intends to engage and energise entrepreneurs by providing the right kind of support that is often lacking, in terms of business management, capacity building, advisory services and access to reasonable financing, in a way to increase the number and scale of enterprises supporting economic growth in the state.

Apart from provision of incubator facility with office spaces for beneficiaries, the KADSEC has programmes that will benefit participating businesses and entrepreneurs, including the Kaduna Tech Accelerator programme, a start-up ecosystem for Tech Entrepreneurs, and the Agro-business Incubation Programme, designed to offer customized assistance and intensive services to beneficiaries.



NIRSAL

Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (“NIRSAL”) Program

Stanbic IBTC Bank is a Channel Partner with NIRSAL under its Anchor Borrower Program (“ABP”). The ABP is a Central Bank of Nigeria (“CBN”) Intervention program targeted at smallholder farmers, to make financing readily available to them at single digit interest rates, enhance their capacity to produce more and match them with specific off-takers of their produce.

The ABP in nature, is designed as a Social Enterprise with an impact on the Economic wellbeing of the smallholder farmer, while also boosting agricultural production and by extension growing the country’s economy.

The Bank opened accounts for over 3,000 farmers and so far has been a channel for NIRSAL; disbursing ABP funds estimated at ₦600million over the last one year.

The Bank has also put forward a financing loan portfolio (known as NIRSAL Agribusiness Finance Scheme) with a sum of ₦15billion (previously ₦10billion) set aside to extend loans to the Agribusiness Value Chain. The Bank currently has total loans estimated in excess of ₦12billion, backed by NIRSAL Credit Risk Guarantee (“CRG”).

A special financing scheme targeted at fertilizer distributors runs parallel to the above and this enhances the working capital of fertilizer distributors and by extension makes fertilizer (which is a critical input for crop production) available to farmers. The farmers cut across various states of the federation and focus crops include Rice, Cassava, Maize, Sesame Seeds and Sorghum. Special attention is on rice production to enable the conservation of foreign exchange in the country.

Loans in excess of ₦1.3billion were approved for the 2018 rainy season, with approximately N1billion of the approved loans disbursed for financing of fertilizer distributors.

Other financing initiatives are being developed by the Bank towards providing financing for processors/off-takers across the various crop value chains.

The Bank is leveraging Standard Bank Group expertise to provide technology support via remote sensing - a satellite based technology that can be deployed for monitoring of farm assets financed by the Bank. It will also provide guidance for farmers with regards to weather and temperature as well as providing yield estimates amongst other things. Upon deployment, it will also be a useful tool to drive production efficiency for farmers and for monitoring efficiency for the provider of finance.



Planning for the Future

Stanbic IBTC Pension Managers Pre Retirement Forum 2018

As part of the commitment to Stanbic IBTC Pension retirement savings account holders, a pre-retirement forum is organized yearly with the intent of educating them on the necessities of planning and managing funds, health and resources as they approach the age of retirement so as to help them “happen to life”

The objectives of the forum are to:

- enlighten participants on the need to prepare early for retirement focusing on the need for financial planning, healthcare, will writing and other lifestyle changes.
- position the brand as an accessible care giver.

In 2018, the forum held in three locations with over 3900 attendees across the three locations. Major highlights of the event were presentations on different aspects of pre-retirement planning followed by other sessions, on benefits administration and payment under the PRA 2014, financial planning; the transition from paid employment to retirement as well as health.

Proposed Micro Pension Scheme

The proposed micro-pension scheme targets the 70% of Nigeria’s working population which operates in the informal sector. It aims to improve the standard of living for the elderly, ensure funds are safe, and improve access to mortgage facilities, health insurance and estate planning. The Scheme offers flexible contributions, and the opportunity to make withdrawals prior to retirement.

As the largest pension fund administrator in Nigeria, Stanbic IBTC sees the micro-pension scheme as a great opportunity to deepen financial inclusion in the country. We plan to ensure the inclusion of every self-employed and hardworking Nigerian within the informal sector to save for future retirement.



Digital Innovation

Stanbic IBTC 2018 Innovation Challenge

Team Yochaa, a startup with a stockbroking e-platform was the overall winner of the inaugural Stanbic IBTC Chief Executive Innovation Challenge following a keenly contested pitch session to the executive leadership of Stanbic IBTC Holdings PLC in Lagos on Friday 9 November 2018.

The three finalists; Team Yochaa, Flutterwave and Venture Garden Group, pitched solutions in the identified areas of stockbroking, card issuance and data usage respectively and took their chances at the prize money of \$15,000 in total, with Yochaa finishing first, Flutterwave second and Venture Garden Group third.

Following critical self-analysis of our Group, including our various business focus areas and subsidiaries, with strategic focus on digitization, customer centricity and our aspiration for universal financial services provision as an end-to-end financial services supermarket, we identified some areas in need of improvement, which is where the techpreneurs come into play.

The most critical was to make our card issuance and delivery system more seamless and cost efficient for the banking subsidiary. We also needed to create an efficient data analytics system that collects and collates relevant customer data, and transform them into useful insights to improve service delivery for our asset management subsidiary and also wanted to improve the customer trading experience through the creation of a simplified trading platform for our teeming stockbroking clients.

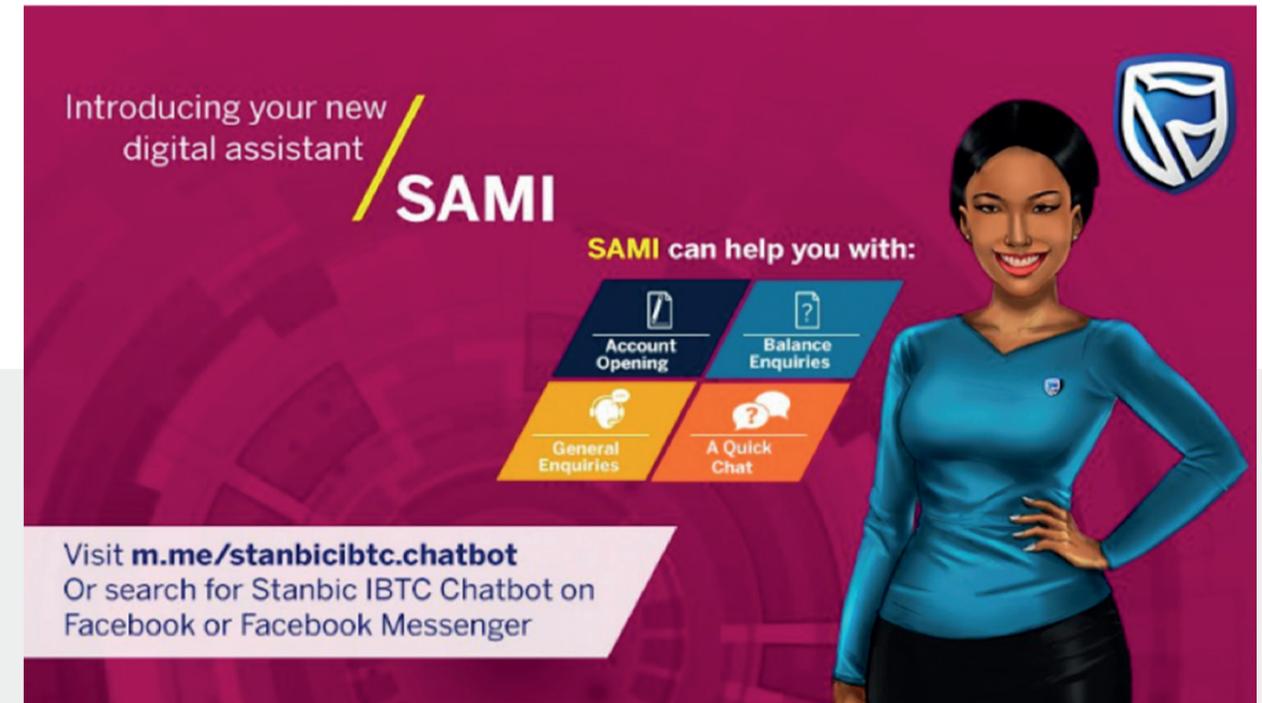
The Stanbic IBTC Innovation Challenge commenced with a call for ideas from 6 August 2018 to 14 September 2018 and followed with a one-day ideation session tagged 'Ideas Open Day' held on 24 August 2018 during which we hosted technology entrepreneurs and financial technology experts from across the country. We worked on this with our implementing partners on the project, the CcHub, Yaba, Lagos. The ideation session came on the heels of the formal announcement and call for ideas in which startups were requested to submit applications, technologies, tools, services or any other kind of digital innovation, in line with the identified challenge areas we aimed at providing solutions to.

The executive pitch session came on the heels of an initial pitch presentation held on 12 October 2018 at the Stanbic IBTC Blue (Innovation) Lab in Yaba, Lagos, where nine shortlisted startups participated in the challenge as successful candidates selected from the over 100 entries received and that started the competition in September. The three finalists underlined the main objective of the competition, which is to improve efficiency, simplicity, robustness in delivering the right customer experience, and their ideas will be incubated, and partnerships entered into with them.

In our drive for digitization, we will continuously seek innovative ways to enhance customer experience through technology as we look to achieve the strategic objective of a digitized customer-centric universal financial services organization.

Use of Digital Assistance to help facilitate banking transactions

Stanbic IBTC Bank PLC in July 2018 launched SAMI, a digital assistant through which customers can relate to the bank in order to have seamless financial transactions. It assists customers with account opening, balance enquiries, general enquiries and 'A Quick Chat' and can be accessed through Stanbic IBTC Chatbot, on Facebook or Facebook Messenger.



Job creation via financing the largest retail mall in Nigeria

Jabi Lake Mall, a one-stop leisure and retail destination, located a few minutes from Abuja's central business district along the shores of the Jabi Lake waterfront, is the largest retail mall in Nigeria. The mall has a gross lettable area of approximately 25,000sqm spread over two levels and over 700 parking bays. The development and operation of the mall has created over 2,000 jobs whilst attracting more than 400,000 shoppers every month and is expected to boost businesses in the local supply chain including agriculture and consumer goods industry. The mall is anchored by leading pan Africa grocery tenants, Shoprite and Game.

The mall was refinanced using funds structured and arranged by Stanbic IBTC Capital Limited with The Standard Bank of South Africa acting as Lender.

Financial Inclusion

Digital Products Promoting Financial Inclusion

At Stanbic IBTC, we believe in driving financial inclusion through digitization. Various digital platforms /channels have been availed to customers to ensure access to financial services both for the unbanked and the under-banked. Below is a snapshot of our 2018 digital footprint in terms of transaction volumes:



Achieving Financial Inclusion through collaboration with Non-Bank Financial Institutions (NBFIs)

According to many researches from both local and international research firms, the majority of economically active Nigerians are either underbanked or unbanked due to many factors. However, many of these classes of citizens can be provided financial inclusion services by the Non-Bank Financial Institutions (NBFIs) such as Microfinance Banks (MFBs), Mobile Money Operators (MMOs), and Financial Technology firms (FinTechs). Further engagements by Stanbic IBTC with the NBFIs, majorly the microfinance banks, confirmed the following as their main challenges and needs:

- Instant payments/transfers to other banks' customers' accounts
- Collections due to limited point of representation
- Digital channels accessibility due to cost, infrastructure and regulatory restrictions

The correspondent banking and channel services partnership, offers an opportunity for Stanbic IBTC Bank to deliver commercial grade-differentiated and technology-driven services to the untapped niche of NBFIs. Primarily, Stanbic IBTC Bank leveraged many of its partnerships as well as its access to a wide network of physical and electronic channels to expand the reach of NBFIs and empower them to overcome geographical and regulatory restrictions in the delivery of financial services to the customers of the NBFIs. In return, the Bank benefited from processing huge volumes of additional profitable transactions as well as numerous cross selling opportunities to the NBFIs. Below are some of the solutions that have been implemented by the Bank to address these pain points of the NBFIs and their customers:

- Instant payments solution:** This is a solution that enables clients of partner NBFIs to instantly transfer and receive funds across the country, thus eliminating the geographic and regulatory constraints faced by NBFIs in facilitating payments and collections. The solution grants MFBs access to the Instant Payment services provided by the national switch, the Nigerian Interbank Settlement System (NIBSS) and leverages off the bank's existing infrastructure. The solution ensures that processing and settlement of transactions into the NBFIs' customers' accounts and the NBFIs accounts with the bank are automated, online and real time.
- BankOne Solution:** This is a platform built by AppZone Limited and is a suite of Integrated Banking and Payment automation services. The integration between BankOne and Stanbic IBTC Bank's IT infrastructure is used to provide MFB customers financial services through multiple physical and electronic channels nationwide. These include:
 - Through the partnership the MFBs are able to issue co-branded debit cards to their customers which can be used across any ATM, POS and WEB portals across Nigeria.
 - Stanbic IBTC tellers are able to process cash deposit transactions directly into the accounts of the customers of the MFBs from any Stanbic IBTC Bank branch.

- The collaboration affords the MFBs the ability to issue co-branded cheques to their customers for over-the-counter withdrawal transactions across any Stanbic IBTC Bank branch.
- In-Branch Deposit:** To increase the point of representation of the partner MFBs by making every branch of the bank an extension of the partner MFBs for receiving deposits from their clients. This solution involves modifying the existing branch platform. Providing this portal will ensure that Stanbic IBTC is able to receive deposits directly into the settlement accounts of the MFBs. The implementation of this solution will not need any integration to the core banking application of the MFBs because it provides an optimal alternative for the depositing MFB customers' data confirmation through the existing NIBSS infrastructure. This is innovative as the cost and inefficiencies of integrating to each MFB's core banking application are avoided, and the desired result achieved. The solution will enhance collections/deposit liability generation for the MFBs. This will also translate to improved liability generation for the bank.
 - Value Added and Digital Services:** Stanbic IBTC Bank has been able to modify some of the in-house commercial grade services and products to be available to the MFBs. Some of these are:
 - POS terminals for merchants of the NBFIs which allow customers or MFBs and mortgage banks to mop up funds through cashless processes.
 - Multibank collections platforms such as eBills pay and Direct Debit, which allows the NBFIs to receive funds and collections from other banks' customers through automated setups.
 - Cheque Truncation System for the MFBs which allows the NBFIs to process their customers' third-party clearing cheques from the comfort of their offices without physically visiting the Bank.

Snapshot of the 2018 results below:

- Number of active MFBs - 74
- Transaction report for January to December 2018

			
	ATM	POS	Web
Volume	170,616	11,889	728
Value	N1.24bn	N79.89m	N13.74m
			
	Deposit	Withdrawal	Total
Volume	4,742	905	188,880
Value	N259.69m	N180.49m	N1.78bn

SOCIAL IMPACTS



Corporate Social Investments (CSI)

Our philosophy of CSI

The key to the sustainability of any business is collaborative corporate social investments; business survival is predicated on the level of support and goodwill it enjoys from its stakeholders, particularly its host community. Stanbic IBTC understands this, which is why CSI is ingrained in its corporate philosophy rather than being an appendage to the business. Our business philosophy is anchored on and vested in building relationships and trust with our communities and other key stakeholders.

Equally important for Stanbic IBTC is the need to inspire and engage its employees, as part of its key stakeholder groups, in ongoing CSI efforts. Thus, the financial institution's approach to CSI is two-pronged: first, its core group CSI initiatives under which its signature CSI falls, and a second the encouragement of staff CSI volunteerism or departmental activations.

We realize that three critical areas define the advancement of any community. These are Health, Education and Economic Empowerment, hence our focus on these three pillars in our CSI initiatives. To help achieve qualitative healthcare and education as well as sustainable economic empowerment, we work in partnership with the communities in which we operate by employing a research-based approach to understand the deeper socio-economic needs of these communities.

Health

We are committed to ensuring that we create shared value in the communities in which we operate. Our framework supports programs that improves the long-term health of the community. This includes support for health centres, hospitals as well as health initiatives that directly guarantee our commitment to the health and well-being of the communities across all areas of our operations. The focus will be to promote integrated healthcare and develop health seeking behaviour and appropriate responses.

Education

We aim to create an enabling environment for children and young people to develop and evolve as responsible citizens. Through the education pillar we focus on access, equity and quality of education especially in government schools in underserved communities.

Economic Empowerment

Helping to create an environment conducive to create wealth. This is being done through supporting skills acquisition as well as entrepreneurship especially for the under-served.



Key CSI Initiatives

Together4ALimb

Stanbic IBTC’s signature CSI, tagged ‘Together 4 A Limb’, although is health related, has an education element to it. It focuses on transforming the lives of indigent children suffering limb losses, either through accidents, mismanaged injuries or congenital issues/birth defects. Such children are offered prostheses and educational trust funds by Stanbic IBTC, effectively addressing both their health and education needs. An important aspect of the signature CSI is the charity walk, organized yearly to raise awareness of the plight and, hopefully, ginger deliberate actions by government, policymakers, and the general public to address the problem.

“Only a mother would know the joy I felt to see Aliyu walk again.” This statement was made in Abuja by Mrs. Sharetu Usman, mother to then three-year-old Aliyu Usman, a beneficiary of prosthetic limbs from Stanbic IBTC as well as an Educational Trust Fund from the financial institution. Aliyu had lost a limb to an accident. Indeed, the elation was plain to see as Mrs Usman pranced about during the Stanbic IBTC Together 4 A Limb charity walk to raise awareness for limbless underserved children.

Since the 2015 launch of the ‘Together 4 A Limb’ initiative, Stanbic IBTC has helped to change the course of the lives of little Aliyu and 19 young Nigerians who have suffered limb losses. The signature corporate social investment initiative of the Stanbic IBTC Group was formally launched on December 2, 2015.

The adoption of the Together 4 A Limb as Stanbic IBTC’s flagship CSI initiative stemmed from the fact that it addressed the financial institution’s three cardinal CSI objectives of health, education and economic empowerment.

Indeed, by focusing on the provision of prostheses, Stanbic IBTC had touched on a profound area of need and is able to address its three CSI pillars in one fell swoop. By committing to provide artificial limbs for beneficiaries until they are 18 years effectively takes care of their all-round healthcare needs. Such commitments help to give the beneficiary children access to quality medical facilities they otherwise would not have been able to afford. The average lifespan of prosthesis is three years and to fit the artificial limbs, a comprehensive health check is often required. What this means is that the children are exposed to regular medical checks and the state of their health becomes paramount. Stanbic IBTC equally opened a ₦1.5 million education trust fund for each of the children fitted with prostheses, thus exposing them to quality education.

By addressing the children’s healthcare and educational needs, Stanbic IBTC has greatly reduced the financial burdens on the parents, which will help empower them economically. With less worries on the health and education needs of their children, parents are able to conserve the family income and deploy such for other useful needs.

Perhaps of greater importance is the yearly charity walk by Stanbic IBTC to help raise awareness about the need to support the vulnerable in society, the indigents and the youth, particularly limbless children who are often stigmatized and treated as if they are less human than the full limbed children.

While accurate figure is not available, estimates put the population of limbless individuals in the country at roughly 20 million, of mostly children and young adults. According to the International Society for Prosthetics and Orthotics, “There are no standard figures as to how many amputees or orthotics users there are in Nigeria.” What this means is that the figure could be less or more than the estimated 20 million. In any case, the growing population of amputees, driven by the insurgence in the Northern part of the country and a culture of reckless driving, is enough cause to worry and require massive focus. For instance, little Aliyu was an unfortunate victim of a careless tricycle driver.

By contributing to creating awareness of the plight, Stanbic IBTC envisages a better understanding of the condition, the causes, management and even preventative initiatives by both individuals and governments. Above that, better understanding will no doubt remove the associated stigma and the psychological damage that could have on the physically challenged.

In furtherance of Stanbic IBTC’s commitment to value creation via social, economic and environmental initiatives that support and contribute to the prosperity and wellbeing of the Nigerian society, well-meaning Nigerians alongside a contingent of staffers, thronged the streets of Lagos, Abuja and Port Harcourt on Saturday October 27, 2018, to commemorate the year’s charity walk and to celebrate the 20 beneficiaries of the initiative fitted so far.

The charity walk will continue to define Stanbic IBTC’s social responsiveness and desire for prosperous citizens and nation. The walk is emblematic of the financial institution’s tagline, which promises to move people forward, in their personal and business lives. The twin tactics of health and education for the children help to build their bodies and minds in a way to benefit the children as well as the society.

Stanbic IBTC’s wide footprints across the country positions it well to make an appreciable impact in awakening the critical mass consciousness through the charity walk required to tackle the limbless menace head-on, particularly through government’s inclusive policy on healthcare and education for the limbless and physically challenged in the society as well as a general health consciousness among Nigerians.



Sponsorship of university football league in 2018

Our business philosophy is anchored on and vested in building relationships and trust with our communities and other key stakeholders. As part of that effort to build relationships and also engage the youth, our future leaders, on a deeper level in a way to foster unity among them and help ensure they utilize their talents, we sponsored the maiden edition of the Higher Institutions Football League (“HiFL”) in 2018. The sponsorship is in tandem with our determination to help grow and develop a vibrant and productive youth population. We want to see our youth get access to qualitative education. Beyond that, we want to see them develop all other aspects of their lives to become fully rounded individuals.

We were very impressed with the organization of the maiden edition of the league and we hope to invest in it in the coming years. We saw great promise and are proud to have been a part

of the success story. That is why we have decided to continue with the sponsorship. We want to be there for the long haul and we remain determined to contribute to the growth and development of the youth through the development of campus sport, with football as the lynchpin. We expect that our involvement will also help in talent-moulding and character-building for the students.

The maiden edition of the league, which was won by the University of Agriculture Makurdi, Benue State, featured 16 universities from across the country. Indeed, we have, over the years, courted and supported the youth segment through exposure, sponsorships and financial support. Because we are passionate about education, being the bedrock of societal growth, we will continue to constantly explore innovative ways of expanding the scope of the league through financial interventions to cover all youths.



Slum2School Partnership on malaria

Stanbic IBTC partners with Slum2School Africa not only to create more awareness about the relevance of the cause but equally to help reduce the mortality rate across communities. In 2018, Stanbic IBTC provided long lasting insecticide treated nets to 3,000 vulnerable children, pregnant women and families within four communities in three states across Nigeria as well as preventive vaccinations to children and medical treatment to both adults and children. The intervention was carried out in Makoko and Tarkwa Bay communities of Lagos State as well as Famgbe community of Bayelsa State and Bundu community of Rivers State.

Adopt a School Initiative

The Stanbic IBTC Adopt a School programme was initiated in 2011 to bring about change in the educational sector in Nigeria. As education is one of the three pillars through which the Group executes its CSI strategy, we adopted the Lagos Progressive School, Surulere in fulfillment of our promise to the society to create an enabling environment for learning and teaching, for both teachers and students. In 2018, Stanbic IBTC continued the refurbishment project at the school. Some of the projects completed till date include:

- Provision of electricity - fixing the faulty electrical incoming cables and other associated works to stabilize the electrical supply to the School
- Exterior landscaping
- Painting of classroom blocks
- Demolition of existing internal and external toilets and provision of new sanitary and toilet fittings
- Evacuation of existing septic tank and reconstruction of failed soak-away tank
- Drilling of a new borehole and
- Provision of overhead water tank

Child Development Grant Programme (“CDGP”)

The Child Development Grant Programme (“CDGP”) is a six-year pilot programme which started in 2013 and is aimed at tackling poverty, hunger and reducing malnutrition in children in Jigawa and Zamfara States of Northern Nigeria. Save the Children International (“SCI”) is leading the INGO Consortium delivering the programme in partnership with Action Against Hunger (“AAH”).

Stanbic IBTC Bank acts as the partner bank and provides cash transfer services for the Child Development Grant Programme (“CDGP”). Our involvement is in the disbursement of funds to beneficiaries through mobile wallets with cash outs done via agents. The cash transfer is accompanied by nutritional education, advice and counselling.

In 2018, the Bank helped disburse about ₦2.7bn to over 49,000 beneficiaries over a 12-month period thereby contributing to increased food security, improved intake of more nutritious food leading to improvement in child nutrition within the households of the beneficiaries.

Financial Literacy Day Campaign

As part of activities to mark the 2018 Financial Literacy Day, Stanbic IBTC in collaboration with Junior Achievement Nigeria and the Central Bank of Nigeria raised of sound financial management by reaching out to about 9,149 students in Abia, Kwara, Osun, Katsina, Delta and Adamawa States. The students were taught on financial literacy and the need to imbibe the culture of saving.

Stanbic IBTC Bank PLC partners with World Health Organization in the Direct Disbursement Mechanism (“DDM”) as part of the Polio Eradication Drive

Following the mandate of World Health Organization (“WHO”) to eradicate Polio in Nigeria and globally, the Federal Government of Nigeria, with support from partners, has been implementing several rounds of Supplementary Immunization Activities (“SIAs”) each year. In addition to the technical requirements, the success of the polio eradication initiative depends on timely provision of adequate financial resources. Disbursement of funds for SIAs and payment of allowances to numerous vaccination personnel at the grassroots level are enormous operational challenges in a country the size of Nigeria.

Stanbic IBTC Bank partnered with World Health Organisation (“WHO”) on the Direct Disbursement Mechanism (“DDM”) in 2015 to ensure timely deployment of operational funds at the field level and direct payment of allowances to vaccination personnel at the grassroots level. The DDM was initially solely cash based until 2015 when the Bank introduced a gradual migration of some beneficiaries to the use of mobile money/wallets as a payment tool. This continued in 2018 and has recorded a high success rate. Over 277, 781 vaccinators across 26 states of Nigeria were paid amounts in excess of N1.7bn via Mobile money wallets in a timely and accountable manner. In addition to this, the disbursements were closely monitored to ensure all the beneficiaries have accessed the funds in their wallets.

The DDM continues to play an important role in effective implementation of the polio endgame strategy and the national immunization strategic plan in collaboration with Stanbic IBTC Bank PLC and other DDM partners.



WHO DDM

Over 277, 781 vaccinators across 26 states of Nigeria were paid amounts in excess of ₦1.7bn



CDGP

In 2018, the Bank helped disburse about ₦2.7bn to over 49,000 beneficiaries over a 12-month period



Staff Volunteerism

At Stanbic IBTC, our vision recognizes that our people are our most important asset, which makes it imperative to inspire and engage employees in ongoing CSI efforts to make a meaningful impact. A deliberate approach to corporate social responsibility was taken to increase the Group’s ability to engage and retain its workforce. Part of this is done by employees serving the interests of society, considering the impact of their activities on customers, other employees, shareholders, communities and the environment in various aspects of their operations. Invariably eliciting a synergistic effect of retention and employee engagement.

Through staff CSI volunteerism or contribution, Staff members are encouraged to come together in groups to **voluntarily** raise funds to address a cause each group is passionate about. Staff have in the past donated libraries, classrooms, and health facilities, among other interventions. In 2018, several social initiatives were embarked on by various departments/business units in the organization, and these cut across education, health and economic empowerment.

 <p>Health</p>	<ul style="list-style-type: none"> • Refurbishment of Lagos University Teaching Hospital (LUTH) Accident and Emergency Ward • Donation of medical equipment and supplies to Eti- Osa Local Govt Primary Healthcare Centre • Donation of items to Federal Neuro-Psychiatric Hospital Yaba • CSI project at the Down Syndrome Foundation Nigeria (DSFN) • Revamping of Paediatric Ward of the Mushin General Hospital • CSI visit to Spinal Cord Injuries Association of Nigeria (SCIAN) Rehabilitation Home • Donation of medical equipment to Yaba Maternity Centre, Harvey Road Yaba • Donation of medical equipment to Ifako Ijaiye General Hospital, Ijaiye, Lagos
 <p>Economic Empowerment</p>	<ul style="list-style-type: none"> • CSI visit to Compassionate Homes Orphanage • Borehole construction for the Oko-agbon community, Agboyi, Ketu • CSI project at the Centre for Destitute Empowerment • CSI visit to the Special Correctional Centre for Boys, Oregun • CSI visit to Bales of Mercy Orphanage (Home for special kids). • Provision of clean water to Farabiyi Community, Bariga in partnership with MegaSea foundation • Refurbishment of the football pitch, common room, vocational centre and revamping of the septic tank at the Badagry prisons • CSI visit to Heart of Gold Children Hospice, Lagos.
 <p>Education</p>	<ul style="list-style-type: none"> • Renovation and construction of Bethel Primary School Maya, Ikorodu. • Information and Communications Technology (ICT) Center at the Ladipo Primary School in Mushin, Lagos State • CSI project at Pure Soul Learning Foundation, Ikeja • CSI visit to Ketu Special Children Centre, Ketu • Construction and deployment of block of modern toilet facilities at Abaranje Nursery & Primary School, Idimu, Lagos • Refurbishment of Itedo Community Primary School, Lagos

A new dimension to the Group’s employee CSI was introduced in June 2018 and has elicited active participation from the workforce. The I-Support fund is a vehicle through which Stanbic IBTC can collectively and proactively demonstrate its internalization and commitment to meeting the dire needs of the community within which it operates through the creation of shared values through employees. At the heart of I-Support fund are employees of Stanbic IBTC who drive this wholly through voluntary contribution.

Human Rights

Stanbic IBTC value of Respect for Each other

Stanbic IBTC upholds the highest regard for human rights. Respect for individuals is enshrined in one of the 8 core values in the Group; – **Respecting Each Other**. The Group recognizes that every individual is unique. Appreciating our employee's individual differences further reinforces the Group's commitment to Diversity and Inclusion and in ensuring that the dignity of individuals is maintained.

Grievance mechanism

We strive to ensure that all employees, customers and other stakeholders have a dignified experience in their interactions with Stanbic IBTC and we create a work environment that is free of harassment and intimidation. In line with this principle, Stanbic IBTC has a grievance mechanism in place, which was utilized by about 22 staff members in the year 2018.

Screening of Credit transactions for Human Rights

Human Rights considerations have also been embedded in our Environmental and Social risk assessment procedures for credit clients.

Our People

Health and wellness programs

Stanbic IBTC is an organisation that invests heavily in the health and wellness of its workforce. We run a yearly Health Week, usually in August, to further impress on our employees the need for balanced health and wellness. A health walk, medical screenings and a family fun day take place at the same time across the six geopolitical regions where we have our operations to further drive the need for employees to have a balanced work life and healthy living. Weekly aerobics sessions, routine health talks and visits by the in-house medical consultant also take place to drive a wellness culture across the group.

Bursary for staff members

Bursary is one of our offerings aimed at growing and developing our people to their full potential. We recognise that we are driven by our propensity for growth and this enables us provide all the platforms and avenues to develop our people.

The group has provided an environment that is nurturing by grooming and investing in our people. Employees are offered long term careers and in return, we expect our people to own and develop their careers. In 2018, 36 employees received bursaries, representing 95% of all applications and valued at ₦60 million.

The group is committed to providing and supporting its employees with varied learning opportunities that would ensure improved productivity on the job and enhance their personal development. This is achieved by granting financial assistance to employees who wish to acquire the necessary qualifications to perform specific job and other related tasks in order to improve job delivery.

The bursary award scheme is one of the numerous ways the group seeks to promote the educational and professional development of its employees. Another notable channel is the learning and development tools/ platform provided by the group and which forms a core of the personal development plan of individual employees.

Employee Assisted Program (EAP)

The Stanbic IBTC Employee Assistance Programme ("EAP") is a work-based intervention programme, designed and launched in 2018. With the aim to assist employees in resolving personal problems (e.g. marital, financial/emotional problems, abuse, etc) which may be inadvertently affecting their performance. Through the EAP, employees have access to trained and licenced counsellors should they need to speak with them. Various channels have been made available to speak with the trained EAP counsellors. At Stanbic IBTC, we believe that having a resource for employees to discuss their problems and finding coping strategies in a confidential manner can help create a more healthy and engaged workforce.

Blue Women Network

The Stanbic IBTC Blue Women Network (BWN) is a platform unique to the Stanbic IBTC Group where women can connect, be informed and develop in order to achieve their professional and personal goals. The mission of the platform is to provide female employees with opportunities to gain new insights, enhance their professional skills and ultimately, add value to themselves, the Stanbic IBTC Group and the communities to which they belong. With the key focus being to encourage and empower women in the Group to reach their full potential, several initiatives were implemented in 2018 to achieve this objective.

The 2018 BWN Annual Conference themed " Press for Progress" was attended by over 700 employees in March 2018 and it was a forum seeking to motivate, challenge and empower female employees in the Group. Ladies in the network in 2018 also embarked on CSI activities by teaching in secondary schools across the nation to educate the girl child on the need to be financially independent and imbibe an entrepreneurial spirit. Sponsorship was also given to female employees to attend various external women developmental conferences, all of which were designed to empower and advocate for greater representation of women in leadership positions.

Beyond Excellence Recognition Award

Stanbic IBTC encourages the prompt acknowledgement and recognition of employees for their noteworthy contributions and commitment to the organization through the Beyond Excellence staff recognition scheme. The Beyond Excellence scheme which is organized quarterly (Q1 – Q3) is the Group's global recognition programme instituted to drive performance



and celebrate excellence. It promotes the recognition of exceptional performance displayed by individuals and teams at various levels within the organization. Individuals and teams are recognized along five categories which are Sales Excellence, Service Excellence, Leadership, Teamwork, Innovation and Managing Risk. In 2018, a total of 312 employees were celebrated as Beyond Excellence awardees for their exceptional performance and contributions to the success of the Group. The awardees were celebrated at the quarterly award presentation ceremony and they were presented with certificates by the Chief Executive, Stanbic IBTC. In addition, each awardee received a cash reward which was credited to their accounts via payroll.

Annual Mark of Excellence Award

As part of building a culture of recognition in Stanbic IBTC, the Mark of Excellence award is an annual award given to individuals or teams recognized for incomparable performance in the organization in a given year. One individual or a team from each business unit (i.e. PBB, CIB, Wealth, Operations and Other Corporate Functions) is selected as the Mark of Excellence awardee. A grand reception and award presentation ceremony is organized to celebrate the awardees.

In 2018, a total of six employees received the prestigious Mark of Excellence award. The awardees were celebrated at a grand event with leaders from across the organisation,

family members, friends and colleagues of the awardees in attendance to celebrate with the awardees. At the ceremony, the awardees are presented with an award plaque by the Chief Executive, Stanbic IBTC and they also received a cash reward which was credited into their accounts via payroll.

Long Service Award

In order to recognize and appreciate loyal, dedicated and committed employees who have served the organization for a significant number of years, Stanbic IBTC organizes a long service award presentation ceremony for employees who have reached the 10, 15, 20, 25, 30 and 35 service year milestone. The Long Service Award is regarded as a vital aspect of recognition and the total Employee Value Proposition of the Group.

In 2018, the long service award ceremony was successfully conducted with a total of 353 awardees who had spent a minimum of 10 years with the organization. We had five employees in the 25 year category, eight in the 20 year category, 36 in the 15 year category and 304 employees in the 10 year long service award category. The awardees were treated to an elaborate dinner event with about 1000 guests in attendance; including leaders, friends, family and colleagues of the awardees. At the event, the awardees are presented with an award plaque by the Chief Executive, Stanbic IBTC and also received a cash reward which was credited into their accounts via payroll.



ENVIRONMENTAL IMPACTS

Stanbic IBTC finances the first environmentally certified commercial building in Nigeria

Stanbic IBTC Capital Limited (the investment banking arm of Stanbic IBTC) acted as the Mandated Lead Arranger to structure funds for the refinancing of "Heritage Place"; with Standard Bank of South Africa acting as Lender. The transaction was achieved collaboratively with other members of the Stanbic IBTC Group, the success story highlights the Group's value proposition as a universal financial services organisation. Stanbic IBTC Trustees Limited acted as the security trustee while Stanbic IBTC Bank PLC had the transactional account domiciled with it.

Heritage Place is a 14-floor investment grade office building located in Ikoyi, Lagos. The building comprises approximately 16,000 sqm gross lettable area of office space with over 350 parking bays. It is the first commercial office building in Nigeria to achieve a "Leadership in Energy and Environmental Design ("LEED")" certification in both design and construction. The building's orientation maximizes natural light and ventilation, and minimizes solar exposure, reducing the energy requirements for cooling, heating and air quality systems. In addition to this, water is recycled throughout the building, from rain water harvesting to water re-use in the irrigation of the gardens, condensate recovery from the building's cooling units as well as accurate control systems in the bathroom facilities to reduce wastage.

Energy Efficiency in Operations, including branches and ATMs with alternative power sources

Replenishing our sources of energy remains an important aspect for the growth of our economy. As a result of this, we introduced and continued to enforce energy efficiency initiatives across Stanbic IBTC Group. These include:

- Operation Switch Off and UnPlug ("SOUP") initiative: This encourages staff members to switch off and unplug electronic devices at close of business. The initiative gained wider traction among staff in 2018.
- Switch-off initiative: This aims to save energy consumed by elevators and central air conditioners in our head office campuses. 6pm is now established across our branches as the time to turn off power for the day. This initiative also encourages work-life balance among our employees, who remain the drivers of our business.
- Installation of energy saving LED bulbs across our bank branches and head office campuses for reduced energy consumption.
- Installation of motion sensors in buildings for the control of power.
- Use of alternative sources of power for ATMs and branches—As of December 2018, 46 ATMs and 14 branch locations have been on-boarded on alternative power sources (solar hybrid).

Paper Reduction Initiatives

In 2018, we had reduced paper usage from photocopy and printing by 1% year-on-year, and by 31% from base year (2016). This was largely driven through our Minimize Unnecessary Printing ("MUP") campaigns and digitization initiatives.

Other paper reduction initiatives implemented include:

- Installation of 'Follow Me Printing' on Printers
- Setting printers to 'Double Sided' printing by default
- Recycling of paper for printing
- The use of shared folder for document storage as against filing of hard copies.
- Eliminated the use of paper in 12 branch processes

The Bank commenced implementation of the "Speak Your Transaction" initiative (elimination of deposit slips for cheque and cash lodgments in branches). Expected impacts from this initiative include reduced environmental impacts from paper savings of about 12tons per year (based on 2017 data).

Paper waste recycling

We are supportive of paper recycling and we continued to work with partners to recycle tons of archived papers in exchange for tissue papers used in our offices. In 2018, we recycled about 11.3 tons of our waste papers.

These initiatives serve as one of the ways we contribute to the reduction in tree-felling for paper production. A more balanced ecosystem is achievable if such practice is encouraged by organisations.

GoGreen Branch Initiative

Our Go-Green Branches initiative, designed to run operations in these branches that ensure minimal paper use, increased energy and water efficiency, has taken firm roots. The Green Branches initiative is our way to drive additional sustainability initiatives and processes. In 2018, ten additional branches were on-boarded on Go-Green bringing the total number of Go-Green branches to 14.

Sustainable Lending

In providing credit facilities to conglomerates, multinationals and small and medium scale enterprises, we continue to review the environmental and social ("E&S") risk considerations embedded in our credit approval process. This entails the screening of credit transactions for E&S risks, as well as monitoring their activities to ensure our clients carry out their operations in line with acceptable environmental and social standards.

In 2018, we assessed about 303 transactions (CIB and Commercial Banking credit transactions) for E&S risks. In terms of environmentally beneficial purposes; circa N855 million credit facilities has been approved for clients engaged in environmentally beneficial purposes (plastics recycling and provision of renewable energy solutions).

NCF Sponsorship

Stanbic IBTC remains a member of the Nigerian Conservation Foundation (“NCF”), a premier Non-Governmental Organisation (“NGO”) dedicated to nature conservation and sustainable development in Nigeria.

The NCF, through its conservation projects, has developed unique nature conservation strategies that cater for the needs of people while maintaining ecosystem stability. NCF operations focus on environmental education, biodiversity conservation, policy advocacy, public sensitization on environmental issues, mitigating environmental pollution and poverty reduction.

Workplace accidents, fatalities and occupational and safety incidents

Stanbic IBTC is committed to a zero-incident work environment with a safety culture based on teamwork and dedicated safety leadership. It reflects Stanbic IBTC’s safety vision, which is “Every person going home safe and healthy every day”. All injuries and occupational illnesses are considered preventable.

The group is committed to providing service to our customers in a safe and healthy manner. Work related injury or illness is unacceptable, and we are committed to identifying and eliminating or controlling workplace hazards to protect ourselves and others. Stanbic IBTC seeks to promote a safe work place, earn the public’s trust as a safety conscious organization and meet regulatory requirements.

Stanbic IBTC through several policies, guide the activities of staff and the affairs of the organization to eliminate or minimize the frequency of workplace accidents, and optimize the response to these incidences. In addition to this, the group manages the frequency of occurrence and severity of workplace accidents, fatalities and occupational and safety incidents through its Health, Safety and Environment (“HSE”) management system.

Stanbic IBTC’s strategies to achieve its health, safety and environment objectives are as follows:

Ensuring staff HSE awareness at all levels.

- Training all Stanbic IBTC staff to the level of competence required by the job.
- Incorporating HSE into work procedures.
- Safeguarding the integrity of our facilities, analyzing major equipment failures and developing manuals for a proactive response.
- Encouraging involvement of contractors and third parties in our HSE programmes.
- Reviewing operational procedures and improving personnel adherence to them.
- Ensuring security of lives and asset.
- Sustaining the strategy for environmental protection and waste management.

Workplace accidents, fatalities and occupational and safety incidents are managed and tracked using indicators. In addition to this, contingency plan for any unwanted event is in place. The plan highlights what should be done and the persons to be contacted in the event of an emergency.

In 2018, Stanbic IBTC experienced eight workplace incidents, seven of these were fire incidents, while the last accident was as a result of a third-party vehicle running into a part of one of our branches.

Date	Incident Time	Incident Type	Incident Place	Damage Value ₦
2/1/2018	1530 hours	Fire incident	Ibadan Main branch	50,000
3/24/2018	0910 hours	Building damage	Nyanya branch	0
8/7/2018	1232 hours	Fire incident	Allen Avenue branch	4,929,952
10/3/2018	1206 hours	Fire incident	IPC, Ilupeju	300,000
10/3/2018	1855 hours	Fire incident	Broad street branch	0
11/13/2018	0700 hours	Fire incident	Sokoto branch	2,325,263
11/25/2018	2307 hours	Fire incident	Iyana-church branch	25,722,319
11/28/2018	1717 hours	Fire incident	Ariaria branch	500,000
			Total	33,827,534

There were no fatalities in all the incidents in 2018, and the total value of damages as a result of work place incidents amounted to ₦33.83m as shown above.





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