Stanbic IBTC Holdings PLC

Annual Report

For the year ended 31 December 2021

Stanbic IBTC *IT CAN BE*™

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01

Overview

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting of Stanbic IBTC Holdings PLC will be held at the Jasmine Hall, Eko Hotel & Suites Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos on Thursday, 26 May 2022 at 10:00am 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 2021 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 2022 be and is hereby fixed at ₦391,200,000.00"

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

   "That in compliance with the Rules of NGX Regulation Limited's 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 2023".

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

   9.1 "Pursuant to Section 868 of the Companies and Allied Matters Act 2020, which defines 'share capital' to mean 'issued share capital of a company at any given time', that a total of 43,002,837 (forty three million, two thousand, eight hundred and thirty seven) Ordinary Shares of 50 Kobo each, being the outstanding Unissued Shares of the Company be cancelled."

   9.2 "That following cancellation of the 43,002,837 (forty three million, two thousand, eight hundred and thirty seven) outstanding Unissued Shares of the Company, the Share Capital of the Company (being its Issued Share Capital) shall be ₦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, all of which shares are fully paid-up."

   9.3 "That Clause 6 of the Company's Memorandum of Association be and is hereby altered accordingly by deleting the current Clause 6 and replacing same to read as follows:

   'The Share capital of the Company is ₦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, all of which shares are fully paid-up'

   9.4 "That to give effect to this Resolution, the Board be and is hereby authorised to do all such acts/ deeds, and give such directions as may be necessary or expedient and settle any concern that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable (including filing all required returns at the Corporate Affairs Commission) and its decision shall be final and binding."

Dated this 28 day of April 2022
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 N500) at the stamp duties office and deposited at the registered office of the company or the office of the Registrars (First Registrars & 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, 27 May 2022 to shareholders whose names appear on the Register of shareholders at the close of business on Wednesday, 13 April 2022.

Closure of Register

The Register of members was closed from Thursday, 14 April 2022 to Thursday, 20 April 2022.

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 & 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 & 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 registered office of the Company (I.B.T.C. Place Walter Carrington Crescent, Victoria Island, Lagos) or by email to **Chidi.Okezie@stanbicibtc.com** or **Idris.Toriola@stanbicibtc.com**, on or before Friday, 20 May 2022.

Voting

Voting shall be by show of hands.

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 Annual General Meeting ('AGM'). The Central Bank of Nigeria's Code of Corporate Governance has indicated that some of the members of the audit committee should be knowledgeable in internal control processes. Also, the requirements of S.404(5) of the Companies and Allied Matters Act 2020 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 Mrs Ifeoma Esiri, Mr Barend Kruger and Mrs Nkemdilim Uwaje Begho. The retiring Directors, being eligible, offer themselves for re-election.

Also in accordance with Section 278 (1) of the Companies and Allied Matters Act, 2020, SPECIAL NOTICE IS HEREBY GIVEN that Mrs. Ifeoma Esiri, who attained the age of 70 years on 11 April 2022, will be proposed for re-election as a Director at the Meeting.

EXPLANATORY NOTE TO MEMBERS OF STANBIC IBTC HOLDINGS PLC ON THE TREATMENT OF ITS UNISSUED SHARES

This Explanatory Note is being provided pursuant to Section 868 of the Companies and Allied Matters Act 2020, (CAMA 2020), which defines 'share capital' to mean 'issued share capital of a company at any given time'; as well as the Press Release from the Corporate Affairs Commission dated 16 April 2021, to the effect that any share capital of a company that remain unissued after 31 December 2022, shall not be recognised as forming part of the share capital of the company. As a result of the above, the concept of "unissued share capital", which derived from the repealed CAMA 1990 and allowed a company to have issued share capital that is less than its authorised share capital has effectively been dispensed with under CAMA 2020.

In order to comply with the provisions of Regulation 13 of the Companies Regulation 2021, which gives effect to the provisions of sections 124 and 868 of CAMA 2020, the Board of Directors had passed a resolution for the Company's unissued shares to be cancelled, subject to a further resolution of the shareholders at the Annual General Meeting.

Stanbic IBTC Holdings PLC
RC 1018051

Proxy Form for Stanbic IBTC Holdings PLC

10th Annual General Meeting to be held at Jasmine Hall, Eko Hotel & Suites Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos on Thursday, 26 May 2022 at 10.00 am to transact the following business.

I, Mr/Mrs/Miss

Account No.:

Shareholder's Name:

No of Shares

being a member of Stanbic IBTC Holdings PLC hereby appoint

or failing him/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, 26 May 2022 at 10.00 am and at any adjournment thereof.

Dated this ____________ day of ________________ 2022

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 2021 and the Auditors' Report thereon.			
To declare a dividend			
To re-elect the following retiring Directors: Mrs Ifeoma Esiri; Mr Barend Kruger; Mrs Nkemdilim Begho.			
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 2022			
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			
To cancel unissued Shares in line with CAMA 2020			
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.			

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A member of Standard Bank Group

Stanbic IBTC Holdings PLC
RC 1018051

ADMISSION CARD

Please admit the Shareholder or his /her/ its duly appointed Proxy to the 10th Annual General Meeting to be held at Jasmine Hall, Eko Hotel & Suites Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos on Thursday, 26 May 2022 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 CAPTIALS)

Account number

Number of shares

Shareholders name

Number of shares

Signature of the person attending

* 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. As a responsible Corporate Citizen, Stanbic IBTC Holdings PLC, is aware of the unique challenges posed by the COVID-19 Pandemic and mindful of the need for all to take action to check the spread of the virus. To this end, the Group already has in place an internal COVID-19 Business Continuity Management Plan, in addition to implementing the safety measures recommended by Federal and State Governments; health authorities; and various Regulatory Agencies.

All instruments of proxy must be deposited at the Registered Office of the Company or the Office of the Registrars, First Registrars & Investor Services Limited, No 2, Abebe Village Road, Iganmu, Lagos not later than 48 hours before the time for holding the meeting.

Stanbic IBTC ***IT CAN BE***
A member of Standard Bank Group

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.

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.

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.

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
+10%

- FY 2021: ₦2.74 trillion
- FY 2020: ₦2.49 trillion

Customer deposits
+37%

- FY 2021: ₦1.1 trillion
- FY 2020: ₦819.9 billion

Net customer loans
+47%

- FY 2021: ₦921.0 billion
- FY 2020: ₦625.1 billion

Cost-to-income ratio

- FY 2021: 62.3%
- FY 2020: 47.0%

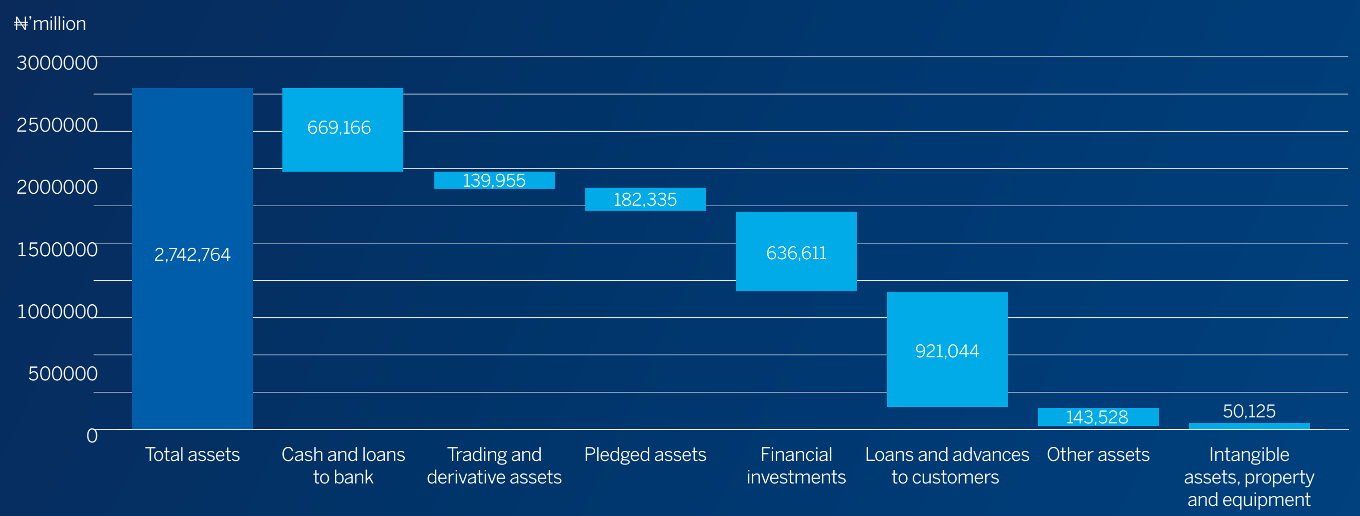
CASA ratio

- FY 2021: 66.0%
- FY 2020: 82.8%

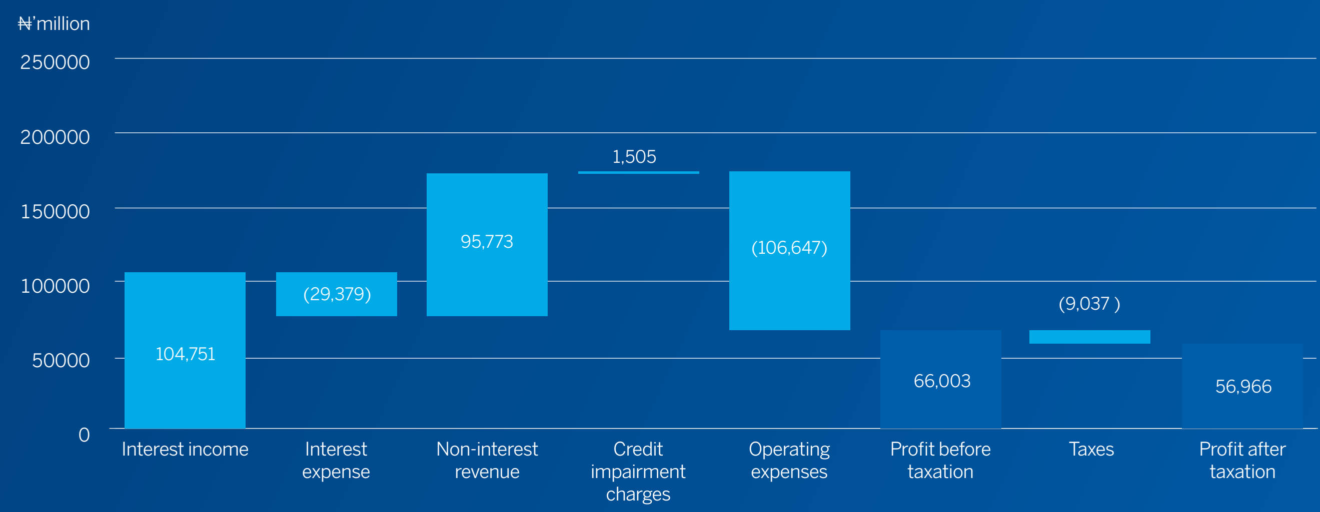
NPL ratio (IFRS)

- FY 2021: 2.1%
- FY 2020: 4.0%

Financial position



Financial performance



Board of Directors

Basil Omiyi CON
Chairman
BSc; PGD
Appointed: 2015

Directorships:
David Michaels Nigeria Limited; SEPLAT Petroleum Development Company PLC; TAF Nigerian Homes Limited; RIVTAF Nigeria Limited

Demola Sogunle
Chief Executive
BSc; MSc; MBA; PhD
Appointed: 2020

Directorships:
Stanbic IBTC Bank PLC; Stanbic IBTC Stockbrokers Limited; Stanbic IBTC Capital Limited; Stanbic IBTC Pension Managers Limited; Stanbic IBTC Asset Management Limited; Stanbic IBTC Ventures Limited; Stanbic IBTC Trustees Limited; Stanbic IBTC Insurance Brokers Limited; Nigeria-South Africa Chamber of Commerce

Committee member:
Board IT Committee; Board Risk Management Committee; Board Legal Committee

Sola David-Borha
Non-Executive
BSc; MBA
Appointed: 2020

Directorships:
Coca-Cola Hellenic Bottling Company; Stanbic Uganda Holdings; DOEB Emunah Trust; Stanbic IBTC Bank PLC; DOEB Trust; Stanbic Bank Uganda

Committee member:
Board Nominations Committee; Board Remuneration Committee

Ngozi Edozien
Independent Non-Executive
BA; MBA
Appointed: 2015

Directorships:
Guinness Nigeria Plc; Imperial Brands PLC; Invivo Partners Limited, Nigeria; African Leadership Network; Physio Centers of Africa Limited; NGX Real Estate; Ajua Nigeria Limited

Committee member:
Statutory Audit Committee; Board IT Committee; Board Risk Management Committee; Board Nominations Committee; Board Audit Committee

Kunle Adedeji
Chief Financial Officer
BSc.; DBA; CFA
Appointed: 2019

Directorships:
Stanbic IBTC Stockbrokers Limited; Stanbic IBTC Ventures Limited

Committee member:
Board IT Committee; Board Risk Management Committee

Prof. Fabian Ajogwu SAN
Non-Executive
LL.B; B.L; LL.M; MBA; Ph.D.
Appointed: 2017

Directorships:
Urshday Limited; Nep Mall Limited; Elysium Dem Nigeria Limited; Gray-Bar Alliance Limited; Kenna Partners; Guinness Nigeria PLC; Pension Fund Operators of Nigeria, Seplat Energy PLC

Committee member:
Board Remunerations Committee; Board Legal Committee; Board Risk Management Committee; Board Nominations 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 & Co.; Zaccheus Onumba Dibiaezue Memorial Libraries Limited; Zarc Corporate Services Limited

Committee member:
Board Risk Management Committee, Board Audit Committee, Board Legal Committee

Barend Kruger
Non-Executive
BComm (Hons.)
Appointed: 2019

Directorships:
Johannesburg Stock Exchange Limited; Leadership for Convention in Africa; Aspen PharmaCare Holdings Limited; Ruby Rock Investments Property Limited; Bendes Trading Property Limited; Ruby Rock Giallo Pty Limited; The University of Pretoria

Committee member:
Board IT Committee; Board Remuneration Committee; Board Nominations Committee

Board of Directors **(continued)**

Ballama Manu MFR
Non-Executive
BSc; MSc
Appointed: 2015

Directorships:
Sicom Capital Services Limited; Alpine Investments Limited; Stanbic IBTC Insurance Limited; University of Maiduguri, Borno State; Yobe State Education Trust Fund (Limited by Guarantee); Renaissance Development Forum

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

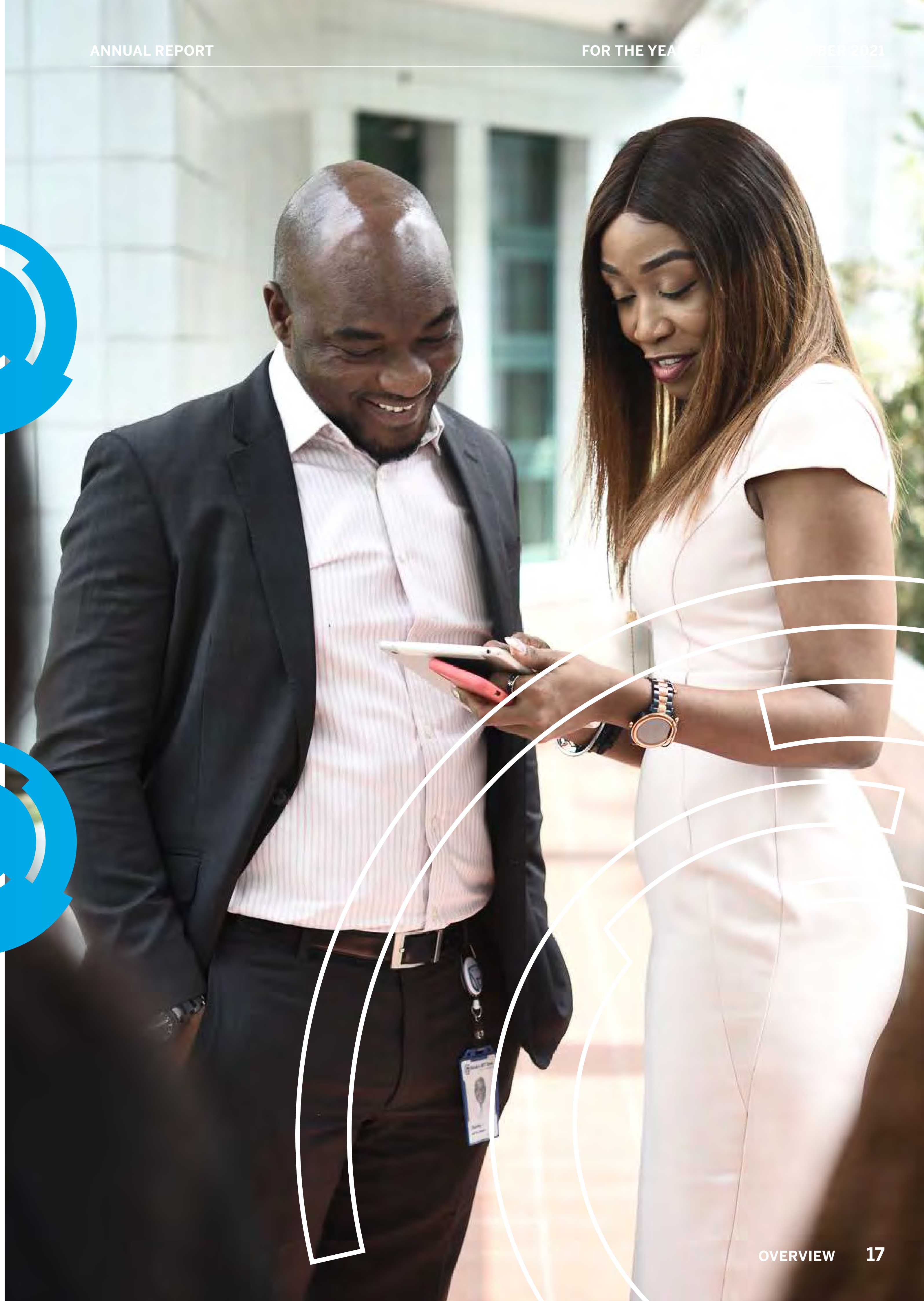
Directorships:
Flour Mills of Nigeria PLC; Primechoice Investments Limited; S&M Investments Limited; S&M Essential Units & Co.; Hussaini Suleiman & Co; Alkali Hussaini Foundation; West African Network for Peace Building' NGX Regulation Limited, Peerless Concepts Limited; Nigerian Human Rights Commission

Committee member:
Board Remunerations Committee;
Board Legal Committee

Nkemdilim Uwaje Begho
Non-Executive
BSc. (Hons.)
Appointed: 2019

Directorships:
Future Software Resources Limited; Anne Li Unique Ideas/Always Me International; Fucaire Lifestyle; E-Poultry Limited; Society for Corporate Governance Nigeria, Skillup Africa Ltd, The Afara Development Initiative, Novare Fund Manager Nigeria Limited (NPDN), Global Leaders Today, Texas, USA; BudgIT Foundation

Committee member:
Board IT 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 PLC ("the Bank"), pursuant to its compliance with the CBN Regulation on Banking and Ancillary Matters No. 3 of 2010.

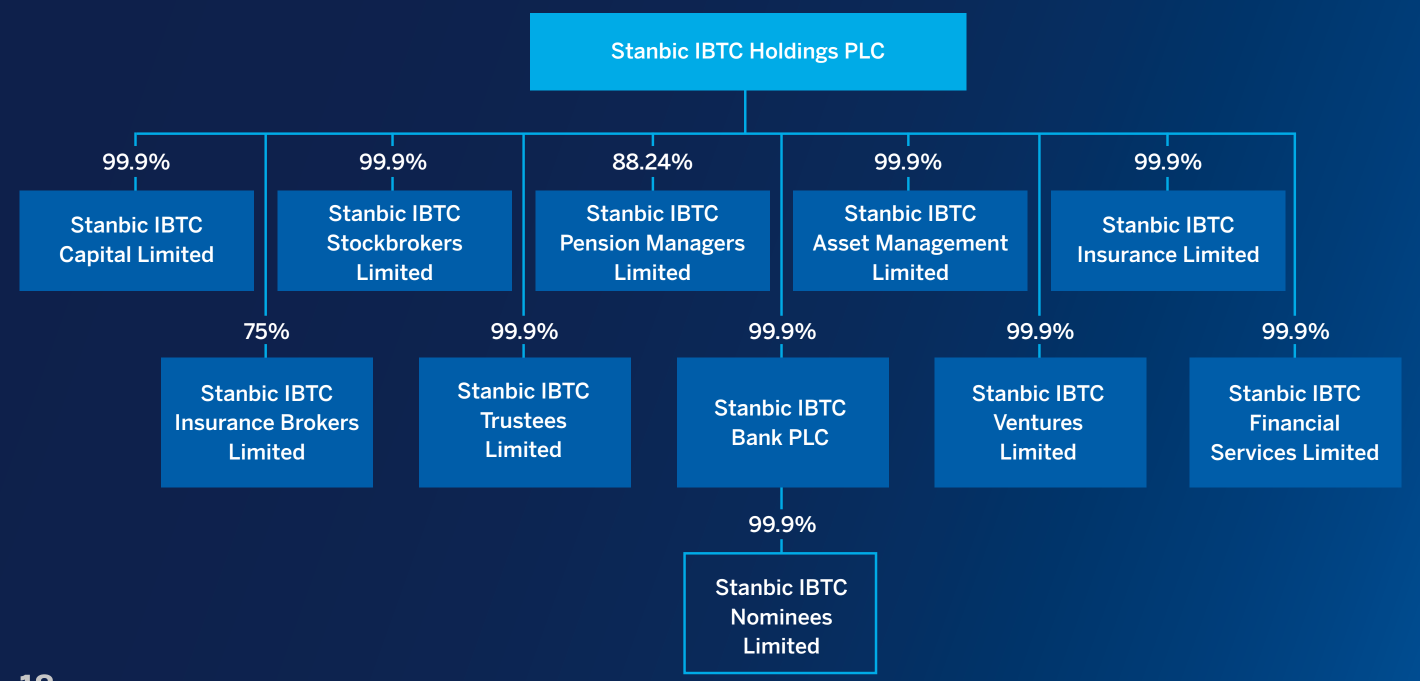
The Bank on the other hand, was incorporated as Investment Banking and Trust Company Limited ("IBTC"), a private limited liability company, on 02 February 1989. IBTC was granted a merchant banking license in February 1989 and commenced operations on 01 March 1989. IBTC's merchant banking license was 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 PLC.

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 structure, the subsidiaries are: Stanbic IBTC Bank PLC, 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, Stanbic IBTC Financial Services Limited (formerly Stanbic IBTC Bureau De Change Limited) and one indirect subsidiary, namely: Stanbic IBTC Nominees Limited. Stanbic IBTC Financial Services Limited is yet to commence operations.

On 03 November 2021, Stanbic IBTC Bank PLC sold its entire equity stake in Stanbic IBTC Financial Services Limited to Stanbic IBTC Holdings PLC. The relinquishment of the investment in Stanbic IBTC Financial Services Limited ultimately resulted to Stanbic IBTC Holdings PLC assuming the role of the new Parent Company.



Stanbic IBTC Group credit ratings

FitchRatings

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

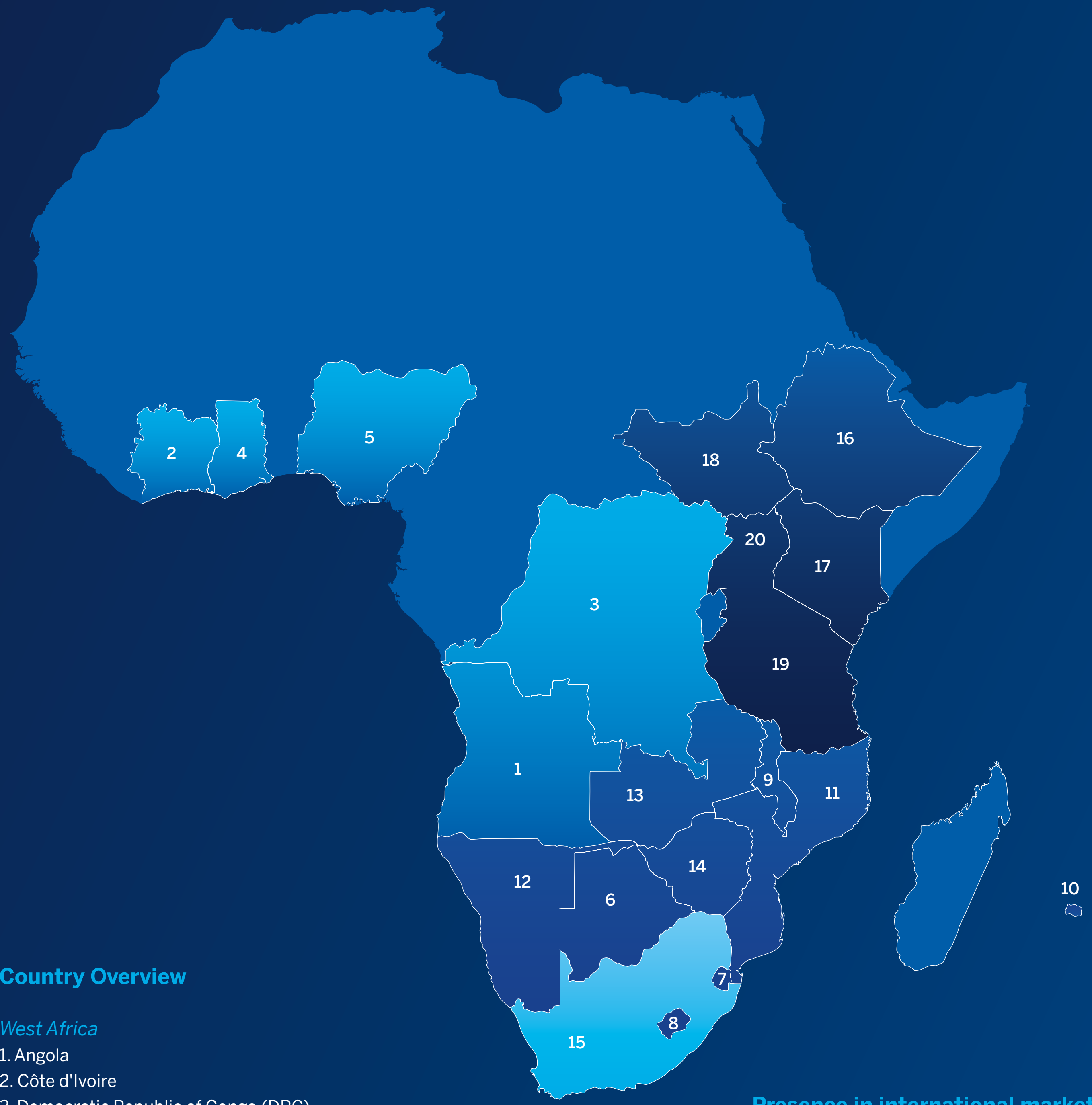
S&P Global Ratings

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

GCR RATINGS

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

Standard Bank Group network



Country Overview

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

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

South Africa
15. South Africa

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

Presence in international markets

Beijing
Dubai
London
New York
Sao Paulo

International financial services

Isle of Man
Jersey
Mauritius

Nigeria Overview

Lagos Island

18	Branches
110	ATMS
4	BNAs

Lagos Mainland

34	Branches
186	ATMS
10	BNAs

North Central

27	Branches
122	ATMS
1	BNAs

Group Overview

Market Capitalisation
R228 billion
(USD14 billion)

Total assets
R2.7 trillion
(USD172 billion)

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

49,224 employees
(2,895 in Nigeria)

1,143 branches
(147 in Nigeria)

6,600 ATMs
(764 in Nigeria)

North West

19	Branches
75	ATMS
3	BNAs

South East

11	Branches
80	ATMS
-	BNAs

South South

12	Branches
49	ATMS
1	BNAs

South West

26	Branches
142	ATMS
5	BNAs

Recognitions

EMEA Finance Awards: African Banking Awards 2021
Stanbic IBTC Capital Limited
- Best Investment Bank
- Best Debt House
- Best Loan House
- Best Merger and Acquisition

Association of Issuing Houses of Nigeria ("AIHN") 2021 Investment Banking Awards
Stanbic IBTC Capital Limited
- Best Investment Bank
- Best M&A House
- Best Bond House
- Best Commercial Paper House
- Best Corporate Bond deal (₦115 billion BUA Cement Plc Bond Issue)

Euromoney Awards for Excellence 2021
Stanbic IBTC Capital Limited
- Best Investment Bank in Nigeria

FMDQ Gold Awards 2021 (Primary Market Champion Award)
Stanbic IBTC Capital Limited
- FMDQ Capital Market securities origination

FMDQ Gold Awards 2021
Stanbic IBTC Capital Limited
- FMDQ Registration Member (Listings)

FMDQ Gold Awards 2021 (Secondary Market Champion award)
Stanbic IBTC Bank PLC
- FMDQ Dealing member of the year

FMDQ Gold Awards 2021
Stanbic IBTC Bank PLC
- FMDQ OTC FX Futures Bank

FMDQ Gold Awards 2021 (Secondary Market Champion award)
Stanbic IBTC Bank PLC
- FMDQ FX Market Liquidity Provider

International Business Magazine Awards 2021
Stanbic IBTC Bank PLC
- Most Innovative Mobile Banking App Nigeria 2021

Finance Derivative Awards 2021
Stanbic IBTC Bank PLC
- Most Leading Commercial Bank in Nigeria
- Best Pension Fund Administrator Nigeria

Performance Excellence Awards 2021
Stanbic IBTC Bank PLC
- Excellence in Straight-Through Processing

Brand Communication Awards 2021
Stanbic IBTC Bank PLC
- Commercial bank brand of the year

Global Finance Awards
Stanbic IBTC Bank PLC
- Best Islamic Financial Institution in Nigeria 2021

Global Finance Magazine: 19th Annual Best Sub-Custodian Bank 2021 Awards
Stanbic IBTC Bank PLC
- Best Sub-Custodian Bank in Nigeria

Marketing Edge Awards
Stanbic IBTC Bank PLC
- Outstanding Financial Brand of the Decade

Human Development Initiatives Education Trust Fund Appreciation Award
Stanbic IBTC Bank PLC

Industry Awards 2021
Stanbic IBTC Bank PLC
- Excellence in promoting gender-based empowerment

GRC and Financial Crime Prevention Awards
Stanbic IBTC Bank PLC
- Employer of the year
- Anti-Bribery and Corruption Champion

FMDQ Gold Awards 2021
Stanbic IBTC Asset Management Limited
- Most Active Buy-side Participant in the Fixed Income Market

Finance Derivative Awards 2021
Stanbic IBTC Pension Managers Limited
Best Pension Fund Administrator Nigeria

International Business Magazine Awards 2021

Stanbic IBTC Pension Managers Limited
- Best Pension Fund Administrator in Nigeria 2021
- Best Pension Fund Administrator Nigeria

Financial Crime Prevention Awards
Stanbic IBTC Pension Managers
- Employer of the Year
- Chief Risk Officer of the Year
- Chief Compliance Officer of the Year

Governance, Risk and Compliance Awards
Stanbic IBTC Pension Managers Limited
- Employer of the year

International Business Magazine Awards 2021
Stanbic IBTC Nominees Limited
- Leading Custodial House in Nigeria 2021

Marketing Edge
Stanbic IBTC Holdings PLC
- Customer Centric Financial Brand of the Decade

Lagos PR Industry Gala Awards
Stanbic IBTC Holdings PLC
- Best in Corporate Sustainability

02

Business Review

Chairman's statement

retained

AAA

Fitch National Rating

2021 was a year of considerable growth and progress in the global economy but was characterised by numerous upheavals.

Dear fellow shareholders, distinguished ladies, and gentlemen, on behalf of the Board of Stanbic IBTC Holdings PLC, I am very pleased to welcome you to our 10th Annual General Meeting since we became a holding company.

The outlook for the fiscal year 2021 was shrouded in a lot of uncertainty. The IMF projected the global economy was to gain momentum and expand, and many hoped for a return to normalcy. The year 2021 was a year of considerable growth and progress in the global economy but was characterised by numerous upheavals, as most economies still operated below pre-pandemic levels.

Prospects for sustainable economic recovery were hindered mainly by the emergence of new variants of the coronavirus and the disproportionate distribution of vaccines among nations. Under 10% of the African population were fully vaccinated, with less than 3% of the Nigerian population being fully vaccinated. Despite the over 8 billion shots of COVID-19 vaccines administered globally, the global market remained hypersensitive to the pandemic.

Headline inflation rose sharply in several advanced and developing market economies. This trend culminated from a combination of increased domestic spending and the pandemic-induced supply chain challenges resulting in commodity price hikes.

In response, policymakers considered the withdrawal of stimulus to curtail the high inflation, which added pressure to financial markets.

The three-year-long US-China trade war continued to negatively impact bilateral trade flows between both countries as the disputes remained unresolved. High tariffs imposed by the contending sides contributed to global supply chain disruptions absorbed mainly by businesses and passed on to consumers at higher prices. Expectations were that global economic output would expand 5% in 2021 but remain below pre-pandemic levels.

The global equities market largely yielded positive returns during the year. The performance resulted from improved corporate earnings and progress in vaccine administration. The MCSI World Index, S&P500, FTSE100, and MCSI Developed Markets posted positive returns of 16.9%, 29.0%, 13.1%, and 22.8% respectively, while MCSI Emerging Markets took an opposite trend losing 5.3%.

Crude oil prices were volatile with significant sensitivity to the coronavirus. The prices trended upwards during the year; they soared on the back of artificial tightness in the energy markets and more robust demand as economies reopened. Brent crude traded at USD58 per barrel at the beginning of the year, peaked at USD86 per barrel during the year and closed the year at USD77 per barrel.

In the domestic market, the Central Bank maintained its focus to strengthen the continuous rebound in economic growth and combat the persistent inflationary pressure. To achieve that, the Central Bank sustained its quantitative easing measures, as it retained monetary policy parameters all through the year, keeping the policy rate at 11.5%. Despite the efforts of the Central Bank in enabling a conducive economic environment, devaluation of the naira, high unemployment rate, and high inflation affected households and businesses.

The Nigerian All-Share Index (NGX-ASI) posted a gain of 6.2% in 2021 compared to the over 50% gain posted in 2020. Similarly, the banking and insurance indices gained 3.3% and 4.5% respectively during the year. The equity market contended with capital market investors' flight to safety which boiled down from elevated inflation rates and improved money market interest rates.

Management cautiously grew total assets to ₦2.7 trillion. Risk assets growth was a significant contributor to the growth.

We were net-gainers at the pension transfer window, as management continued to intensify efforts to meet the needs of every customer and retain them.

The Group posted a profit before tax of ₦66.0 billion, a 30% decline from prior year. The underperformance stemmed from a reduction in revenue lines primarily due to foreign exchange supply constraints and the negative real interest rate regime during the year.

During the year, the Group implemented its future-ready transformation. It paved the way for our businesses to deepen the level of service to customers, deliver more value to our stakeholders, and set the stage to grow scale in the new year. Under the banner of the future-ready transformation, the Group built several strategic and remarkable financial solution partnerships aligned with our customer-focused aspirations. Also, over 90% of our employees had exposure to intense digital training to help the organisation fulfil its future objectives.

Once again, we proved our pedigree in establishing exceptional financial service solutions, as several entities across the Group bagged various awards during the year. To mention a few, Stanbic IBTC Bank PLC was awarded the most leading commercial bank in Nigeria at the Finance Derivative 2021 Awards, and the retail and SME arms of the bank both ranked first position in the 2021 KPMG customer service rating. Stanbic IBTC Pension Managers Limited was awarded the best pension fund administrator in Nigeria at the 2021 Finance Derivatives Awards, and Stanbic IBTC Capital Limited won several awards, including the best investment bank, best debt house, best M&A, and best loan house at the 2021 EMEA Finance Awards.

The holding company and the banking subsidiary, Stanbic IBTC Bank, retained the "AAA" fitch national ratings, while Stanbic IBTC Asset Management was rated "AA" by GCR.

Stanbic IBTC remained committed to complying with all extant rules and regulations of the Federal Republic of Nigeria and continued implementing measures to ensure compliance. The Group's adherence to global best practices in corporate governance and risk management remained an enduring attribute and the backbone to its success in the business landscape. Group-wide, we demonstrated commitment to anti-money laundering and combating the financing of terrorism (AML/CFT), as the Group maintained an AML/CFT policy with defined requirements according to regulations guiding AML/CFT. Stanbic IBTC also maintained an anti-bribery and corruption policy designed to comply with applicable statutory and regulatory obligations and requirements intended to mitigate conduct risk across Stanbic IBTC.

We continued to take measures to drive financial inclusion in the Nigerian market. At the start of the year, we added life insurance products to our list of financial service offerings to improve the level of insurance penetration. Also, considering small and medium-sized enterprise lending needs, the Group deployed cutting-edge technology that facilitated efficient and timeous disbursement of loans.

As a Group, we pursued our vision and mission, and lived our shared purpose of driving growth in the Nigerian market. In a bid to address the myriad of infrastructure challenges that bedeviled the domestic economy for decades, we launched the Stanbic IBTC ₦100 billion Infrastructure Fund through our asset management subsidiary to help bridge the infrastructure gap. Also, a women-specific financial product – 'blue blossom account' was launched to promote gender inclusion.

At Stanbic IBTC, we are enthusiastic to see the people thrive in the communities around us.

We delivered on our flagship corporate social initiative, Together4ALimb, as we raised awareness of mobility-impaired children's social struggles and empowered some of the affected children through medical and financial aids that we provided. Through the Stanbic IBTC Scholarship Scheme, we promoted academic excellence amongst Nigerian youths as we granted about 200 scholarships to undergraduates studying in government-owned schools in Nigeria. The Group and its employees went the extra mile in making donations towards numerous projects in suburban and rural communities, as they revamped medical and educational facilities and provided social amenities.

The pandemic costs have made the Environmental, Social and Governance (ESG) priorities much more apparent. ESG is a fundamental aspect of our success and are critical building blocks of our future at Stanbic IBTC. We drove sustainability awareness amongst our stakeholders during the year at a webinar tagged 'understanding sustainability and what it means for your business'. In response to the urgency of climate change needs we made commitments towards net zero-emission. Our asset management subsidiary introduced ESG risk assessment criteria for investment placements. Furthermore, the bank screened 100% of commercial lending applications for environmental and social risk. We have disclosed further details on ESG in the Sustainability Report.

The Board of Directors appreciates our Chief Executive for keeping a steady hand on the tiller even through this difficult time and commends the Executive Management team for their remarkable leadership and for going beyond and above to meet our customers' needs.

Basil Omiyi, CON
Chairman
03 February 2022

Chief Executive's statement

We did not relent in supporting our customers with personalised financial solutions and digital tools to meet their individual and business objectives.

In 2021, our business made giant strides on several fronts, and the management and staff of Stanbic IBTC demonstrated resilience and commitment to serve customers, generate genuine value and keep our focus on the future. The COVID-19 pandemic that affected global economic activities for the second consecutive year did impact us but did not deter us from pursuing our goals.

During the year, we reinforced our capabilities to serve customers and grow scale, focusing on fourth industrial revolution technologies and adapting them to meet our customers' evolving needs. There is no denying that customer engagements have increasingly become influenced by technology. As a client-centric organisation, we impressed upon ourselves to be innovative, and we commenced our journey as a platform-based organisation. We made significant investments to gain new and valuable insights on customers and the solutions they need. We also redesigned our platform to afford our customers excellent user experiences, and we upskilled our people to provide state-of-the-art financial services.

With the pandemic situation in Nigeria seemingly under control, and as we emerged from one of the most challenging periods in our over 30-year history, Stanbic IBTC did not relent in supporting customers. We supported them with personalised financial solutions and digital tools to meet their individual and business objectives.

The financial industry confronted numerous regulatory headwinds. The Group was not exempt, as the low-interest rate regime had adverse impacts on the Group's financial performance. We, however, strove to dampen the negating implications, as the management of Stanbic IBTC took measures to responsibly grow the books and deployed digital products that drove customer utilisation of our solutions.

Performance

Notwithstanding the improved revenue performances in the Business and Commercial Clients segment and the Consumer and High Networth-Client segment, the Group's total revenue declined 14% to ₦171.1 billion. The decreased performance was primarily a result of reduced net interest income and non-interest revenue in our Wholesale Clients arm of the business.

In the year, we attained a record high of ₦946.3 billion on our gross loan book as we prudently grew loan volumes by 44%.

This further stabilised our earnings capabilities for the foreseeable future, and we continued to manage the risk asset quality of our books and implemented win-win strategies for all stakeholders.

In our continued effort to maintain disciplined and systematic fund management strategies, we grew assets under management by 10% to ₦5.1 trillion within the year. Stanbic IBTC Pension Managers delivered competitive returns across RSA funds I to V and led the RSA funds I and V performance league tables. Stanbic IBTC Asset Management launched two new funds within the year; Stanbic IBTC Enhanced Fixed Income fund and Stanbic IBTC Infrastructure fund. This gives our customers more options to meet their investment objectives and diversify their portfolios.

Last year, I announced that we obtained a regulatory license to establish our wholly owned Life Insurance subsidiary. I am pleased to announce again that we launched our life insurance services during the year, thereby adding to the bouquet of products and solutions offered by the Group. With all-hands-on-deck, management steered the new business to a breakeven position in the first year of operation.

The Group and its subsidiaries remained well-capitalised as at 31 December 2021, and we recorded improvement in the bank's non-performing loan metrics.

Corporate social initiatives

It has been seven years since we kicked off our flagship corporate social initiative, Together4ALimb. The initiative again gave us the privilege to attract the attention of the concerned public to the plights of many young limbless Nigerians as employees and friends of the organisation took the annual awareness walk. We know Nigerian children that have suffered limb losses are very likely to face stigmatisation, have their self-esteem impaired, and are obliged to endure minimal mobility aid. That is the reason we have remained desirous to help and create positive effects on the livelihood of affected children. We supported several identified children, providing them with prosthetic limbs and education trust until they turn 18 years old. In 2021, we identified 10 new children from different parts of the country to benefit from the initiative, bringing up the number to 50 current beneficiaries.

As an institution that values education, we took on the responsibility of providing scholarships to qualifying undergraduate students that have gained admission into Nigerian state or federal universities. In 2021, about 200 undergraduates benefitted from the scholarship scheme. The Group also partnered with the Nigerian Football Federation to advance the football game and promote the unity of the nation's youth.

Our colleagues across the Group showed their thoughtfulness towards the Nigerian society at large, as they contributed time, efforts, and funds to meet the vital needs of underserved communities. The donations were in line with the Group's identified impact area and included revamping educational and health facilities and providing eco-friendly socio-amenities and essential consumables. Please view the abridged sustainability section to gain more insight.

Environmental and social responsibilities

Stanbic IBTC continued to steer its business in line with the strategic value driver 'Social, Environmental and Economic' (SEE) impact. We demonstrated our commitments as an organisation to achieve net-zero emission by making a series of adjustments that had led to more conscientious and sustainable operating environments. The installation of solar energy solutions in 41 (22%) of our work locations, powering 97 (12%) automated teller machines by solar energy solutions, and recycling over 10 tonnes of waste papers during the year were some of the key achievements made. We also deployed more efficient waste sorting techniques across our head office locations.

The Group obtained the ISO 45001 occupational health and safety certification in the year. Also, we ensured a safe workplace for our employees and other members of the public who visited our office locations and used our physical facilities.

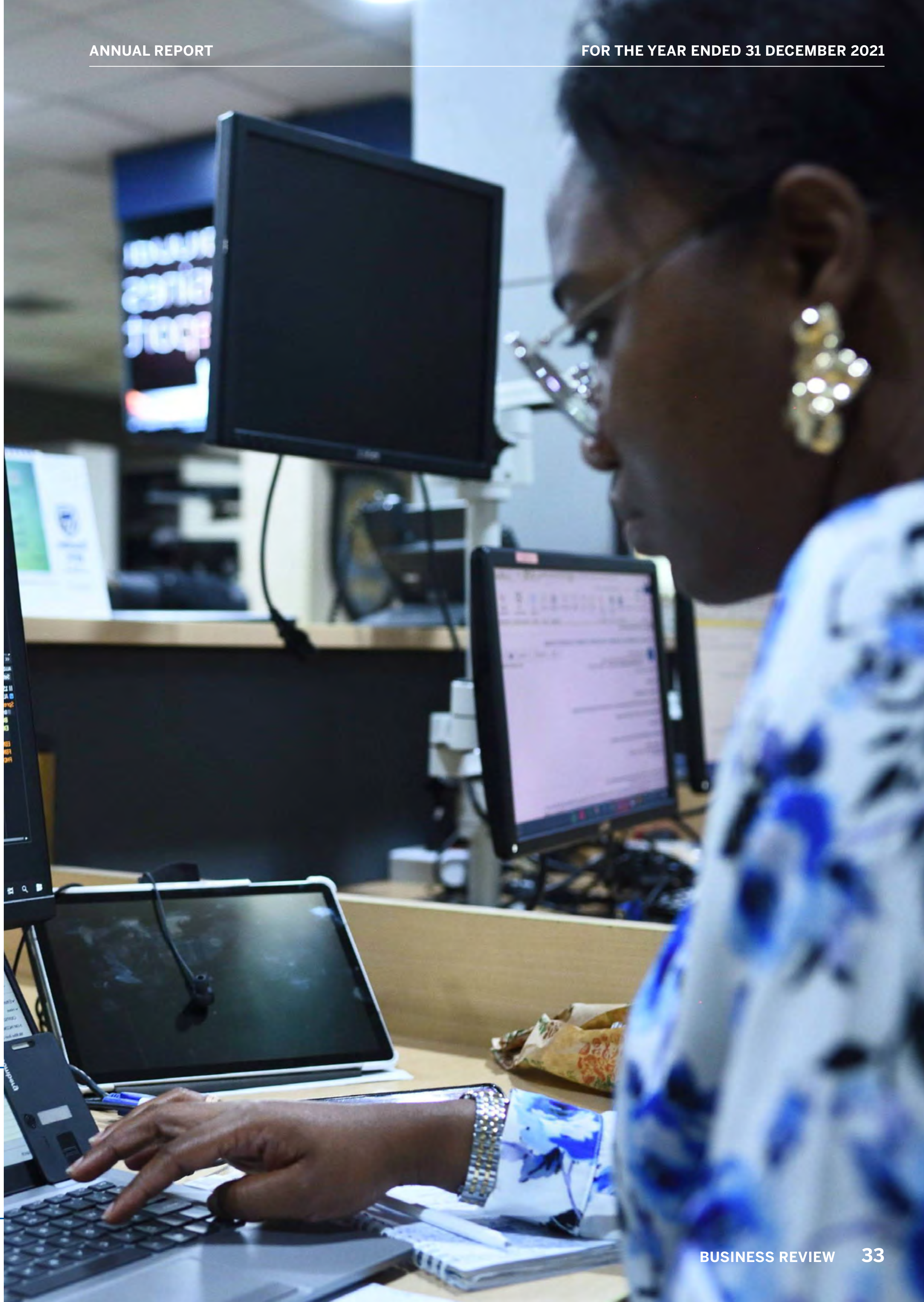
It Can Be

Going into 2022, we have ample opportunities to onboard new customers, offer new and exciting products and services, and have more profound and timely engagements with customers.

Our proven business model and our investments to transform the business into a platform-based one are reassuring. We have taken the position to drive scale and velocity while enhancing user experience.

We appreciate our valuable customers, employees, investors, regulators, and other stakeholders for being part of our success. I am excited at the capabilities we have built that will help us generate immense value in the new year and beyond.

Demola Sogunle
Chief Executive
03 February 2022



Economic Review

Global economic environment

Coming from a year of global contraction, 2021 launched a season to economic recovery, albeit at a gradual pace. Interestingly, the coronavirus concern continued to linger as new variants of the virus surfaced and impacted the economic recovery process. Nevertheless, many economies still showed resilience, with vaccination drive, relaxed restrictions, and the expansionary fiscal and monetary policy, paving way for an economic rebound.

While the speed of vaccination has been seen as a major catalyst for the global economic recovery, vaccination drive has remained uneven across regions, with developed economies taking the lead with almost 60% of their population vaccinated and some now receiving booster shots while developing economies are largely lagging; Africa still has less than 10% of the populace fully vaccinated.

The Pandemic had a significant impact on global supply linkages as we experienced input shortages with the greatest impact on manufacturing sector across many countries. The highlight of the year was the surging global inflation, which was hinged on (1) global energy crunch (2) strong fiscal stimulus impacting on demand (3) global supply shortages (4) relaxed restrictions. We saw inflation reach the height of 6.8% in November in the United States. Initially, the Fed's stance on inflation was more of a transitory view and thus expected that it was going to taper off when the economy rebounds better, and supply is restored. However, through the year, inflation did not appear to be transitory, rather continued to gain momentum.

Since the pandemic year, 2020, the US Federal Reserve Bank was injecting USD 120 billion into the economy monthly but started tapering in December 2021, with the aim to conclude the balance sheet addition sometime in March 2022.

This brings the interest rate hike conversation to the fore front much earlier than initially anticipated.

Through 2021, the eased monetary policy stance from many economies, especially the developed economy, helped to support the economic recovery and put the emerging market at an attractive position for capital inflows. In our expectation for rate hikes in 2022, we could see capital outflows from emerging economies and increased interest burdens.

Interestingly this year, the talks on the US-China trade war was not as pronounced but issues on Brexit remained at the fore front. The UK experienced labour supply shortages amid the pandemic and Brexit which impacted on wages and further boosted inflation. Immigration seemed to be an interesting topic on that front.

Asides from the pandemic, another global concern is the growing need to contain the health and economic effect of climate change. According to the IMF, a policy strategy that enforces an international carbon price floor with country based specific adjustment, a green public investment, amongst other things could be helpful in ensuring an equitable energy transition globally. Remarkably, advanced economies promised about USD100 billion for climate financing mobilisation to developing countries.

Indeed, it is quite clear that the pandemic is not over yet, and the mutating variants could forestall the recovery process in near term. It is necessary that increased efforts are seen to ensure that more developing countries get access to the vaccines and increased awareness is carried out to ensure reduction in vaccine hesitancy. As more efforts are made towards herd immunity, we should experience an uneven but steady recovery globally.

Economic growth

Recovering from a recession in Q4 2020 with a growth of 0.11% year-on-year (YoY), the country has maintained a continued recovery process with significant growth recorded in Q3 2021 and Q4 2021 of 4.03% YoY and 3.98% YoY respectively, amplified by the low base of 2020. The significant growth recorded shows how the re-opening of the economy have steadily paved way for rebound in economic activities. Notably, the non-oil sector has been seen to drive growth during the period, it grew by 4.7% in Q4 2021, a trend that we expect to continue going into 2022. The sectors unpinning this growth are the Agricultural, ICT, Manufacturing, and Trade sectors, as they have been the main drivers of growth through the year. Trade sector surprisingly joined the growth drivers from Q2 2021, after eight consecutive quarters of contraction, as the laxed public health restrictions and opened borders paved way for growth in the sector.

The oil sector could remain a drag on economic growth, this sector has remained in contraction since Q2 2020. In the face of high oil price environment, the concern remains the prevalent operational challenges in terms of pipeline leakages, shut-ins of major oil wells, in all reflecting the muted investment in the sector.

The economy grew by 3.4% on the average in 2021 and is expected to rebound to 3.1% in 2022 under our base case scenario. We believe that the non-oil sector will continue to drive growth and also expect increased capital expenditure to spur growth further in 2022, given that is a pre-election year. The downside risks revolve around the lingering FX illiquidity, prevalent insecurity and high inflation challenges and the impact it could have on critical sectors and consequently growth.

The economy grew by 3.4% on the average in 2021 and is expected to rebound to 3.1% in 2022 under our base case scenario.

Fiscal position

The government presented an expansionary budget size of ₦14.57 trillion (inclusive of Supplementary budget) for 2021, with a notable focus on capital expenditure. This appears to reflect the government's belief that increased capital spending on infrastructure will spur economic recovery. As of August 2021, we saw that of the initially planned ₦4.98 billion capital spending, the government had only executed 52.93% of the prorated value.

Revenue shortfall as in the previous years lingered, amid the low oil production level that capped the expected impact of the high oil price environment. Oil revenue underperformed the prorated budgeted value by 43.7% as at August 2021 while non-oil revenue over performed the prorated budgeted value by 15.7%. We have seen measures to spur non-oil revenue as the focus of the government in recent times. The passing of the finance bill ahead of the 2022 appropriation bill aims at spurring non-oil revenue by increasing the tax bracket and blocking fiscal drainers in the system.

That said, the government has proposed a rather ambitious revenue expectation for 2022, 24.76% higher than the proposed for 2021 and 146% higher than the actualised for 2019; a pre-pandemic year. While we believe that like other years the government would shortfall its revenue target, we expect to see increased expenditure, being that 2022 is a pre-election year.

The government plans to spend ₦17.12 trillion in 2022, this is 17.5% higher than the budget of 2021 (supplementary budget inclusive). While this move is much expected as we approach the elections, it also implies that we could see higher level of budget deficit amid the expected revenue shortfall.

Government debt levels have risen by 15.46% from December 2020 to September 2021, with the USD 4 billion Eurobond issuance accounting for a significant portion of the net change in debt stock. We recall that domestic borrowings still take a bigger portion of the government debt, same with concessionary financing. Nonetheless, debt service could be an increased challenge going into the next year, as the global interest rate environment gets set for a hawkish move, should revenue continue under performing.

Exchange rate and interest rate dynamics

Early into the year, we saw increased pressure on the foreign exchange reserves as increased FX demand levels and payments for maturing FX obligations continued to impact on the currency. The CBN's demand management strategy of supporting the currency further intensified the FX liquidity concerns in the economy. The CBN resumed FX sales to Foreign Portfolio Investors (FPIs) in April 2021 and there has been a significant decline in the backlog on the FPIs front with bulk of outstanding FX demand tilting to the corporates.

We believe that the CBN will continue to favour a gradual depreciation of the naira.

Early into year, we experienced currency adjustment from NGN/USD 395 to NGN /USD 410 and we see it further adjust to NGN/USD 440 by 2022 FY.

We believe that the FX illiquidity concerns is what have kept foreign portfolio investors largely out of the market in 2021. From June 2021, we saw the FX reserves steadily rise from USD33 billion levels till it peaked at USD41 billion in November. The accretion in reserves is attributed essentially to USD3.35 billion IMF-SDR allocation, USD4 billion Eurobond issuance and to a lesser extent the high oil price environment. Following the reserves accretion, it enhanced the capacity of the CBN to improve the FX liquidity situation, hence, we saw the CBN resume FX sales to the long-neglected corporates at the Investors and Exporters window.

Given the downtrend in headline inflation since it peaked in March 2021 at 18.17%, there could be scope to retain the monetary policy rate at its current state in near term. We expect that the CBN would maintain its heterodox monetary policy management approach of easing on one hand through its loan-to-deposit ratio policy and increased interventions to critical sectors while also tightening through its excessive cash reserving methods.

Notably, the CBN still maintains the aim of spurring economic growth and hence, directed interventions for increased local production and backward integration will probably be pronounced in the coming years.

Financial Review

Operating environment

The Nigerian economy saw some broad level of recovery in 2021, recording four consecutive quarters of growth, after having exited recession in Q4 2020. Real Gross Domestic Product (GDP) grew by 3.40% year-on-year (YoY) in 2021, which is a recovery from the pandemic-induced contraction of 1.9% YoY in 2020. The 2021 recovery was supported by robust non-oil sector growth of 4.44% YoY, from a contraction of 1.25% YoY in 2020, led by services sector growth of 5.61% YoY. The public health restrictions were relaxed, thereby improving transportation and demand for goods and recreational services. However, the oil sector dragged down growth by remaining in contraction since the peak of the pandemic in 2020. It contracted by 8.3% YoY as oil production (including condensates) slid throughout 2021, with an average of 1.67mbpd in H1 2021, versus 1.54mbpd in H2 2021.

The Stanbic IBTC Bank Purchasing Managers Index (PMI) revealed a solid expansion in the private sector during the period, averaging 53.5 in 2021 as against 50.2 in 2020, as business activities improved considerably following the easing of public health restrictions.

Headline inflation continued its upward trend in Q1 2021, peaking at 18.17% YoY in March 2021. It however began to moderate from 18.12% YoY in April 2021 to 15.40% YoY in November 2021 due to the slowdown in food inflation while core inflation remained elevated. The trend however turned in December 2021, posting 15.63% YoY growth. Overall, inflation averaged 16.98% in 2021 (2020: 13.21%).

The CBN's Monetary Policy Committee (MPC) retained the Monetary Policy Rate (MPR) at 11.5% and held all other policy parameters constant throughout the year. The maintained MPR level during the period aligns with the MPC's view to continue spurring economic recovery.

The country's external reserves were on the upward trajectory in 2021, closing the year at $40.5 billion (9-months of import cover). The accretion in reserves during 2021 was on account of the IMF's new SDR allocation, external debt issuance and, to a lesser extent, elevated global oil prices. Whilst the FX illiquidity concerns persisted, the CBN adjusted the official rate from ₦380.00/$1 at the beginning of the year to ₦410.25/$1 in May 2021. The closing official rate was ₦413.49/$1 in December 2021. The IEFX USD/NGN rate depreciated by 10.4% in 2021 to ₦435/$1 in December 2021.

Debt-to-GDP ratio rose to 30% in 2021 from c.21% levels at the end of 2020 while debt-to-service revenue ratio has remained elevated at over 70% indicating fiscal strain on the economy.

Yields rose sharply in 2021, by 400-610 bps at the longer end of the curve, after having fallen sharply in 2020 as institutional investors reinvested liquidity released from maturing OMOs.

The Nigerian stock market closed the year on a positive note. The Nigerian Exchange Limited (NGX) All Share Index (ASI) and Banking Index gained 6.1% and 3.3% YoY in 2021, respectively. The positive performance was driven by gains in highly capitalised stocks in the Equity market.

Financial highlights for year

The improvement in business activities positively impacted our performance, resulting in growth in earning assets during the year as we optimised opportunities to cautiously support our customers through lending. Net customer loans grew strongly by 47% while customer deposits increased by 37%, thereby exceeding the ₦1 trillion mark at the end of the year.

The Group's earnings moderated year-on-year (YoY) due largely to the significant decline in trading revenue as well as higher operating expenses resulting from increased regulatory costs, but this was compensated by the YoY improvement in net fee and commission revenue and strong after write-off recoveries.

During the year, the Group transitioned from a Product led organisation to a Client Segment led organisation effective August 2021. This translated into a new structure including Consumer and High Net worth Clients (formerly known as Personal Banking with the inclusion of Wealth and Investment Customers); Business and Commercial Clients (formerly known as Business Banking) and Wholesale Clients (formerly Corporate and Investment Banking). The Consumer and High Net worth Clients Segment is responsible for managing consumer, affluent client relationships and the service channels through which we reach these clients while the Business and Commercial Clients Segment is responsible for managing business-to-business relationships as well as service channels. The Wholesale Clients segment is responsible for managing large scale corporate relationships.

The client segments reported mixed performance over the year. The Consumer and High Net Worth Clients (CHNW) and Business and Commercial Clients (BCC) segments contributed positively to headline earnings while the Wholesale Clients (WC) segment was severely impacted by the muted trading activities.

CHNW achieved 16% growth in profits, attributable to higher average yield on investments and loan book coupled with increase in fees from AUM growth as well as new loan bookings. CHNW Non-Bank business retained its position as the leading wealth manager in Nigeria. Assets under Management exceeded the ₦5 trillion mark, increasing by 10% year-on-year to close the year at ₦5.08 trillion. The pension asset management businesses largely contributed to the growth.

During the year, the Group transitioned from a Product led organisation to a Client Segment led organisation effective August 2021.

BCC reported significant growth in profit after tax of ₦6.9 billion from the loss in prior year. The business benefitted from increased income from loan growth, improved average yield on assets and increased transaction volumes. The credit provision writeback resulting from recoveries during 2021 also contributed to improved profits.

In WC, profits moderated due to the considerable decrease in non-interest revenue and increased operating expenses. The decline in non-interest revenue was largely driven by the contraction in trading income due to low trading activities, as market volumes and foreign portfolio inflows were largely muted. Although the business benefitted from impairment writeback, it's operating expenses were elevated as a result of client administrative charges and increased AMCON charges on the back of increase in the balance sheet position. That said, the business recorded strong growth in both deposits and loans. It accounted for 78% of the growth in the Group's deposits and 58% of the growth in loans.

The Group maintained robust capital and liquidity positions throughout the year. We also retained our AAA Fitch national rating during the period, hinged on our diversified income streams, strong capital buffers, and liquidity.

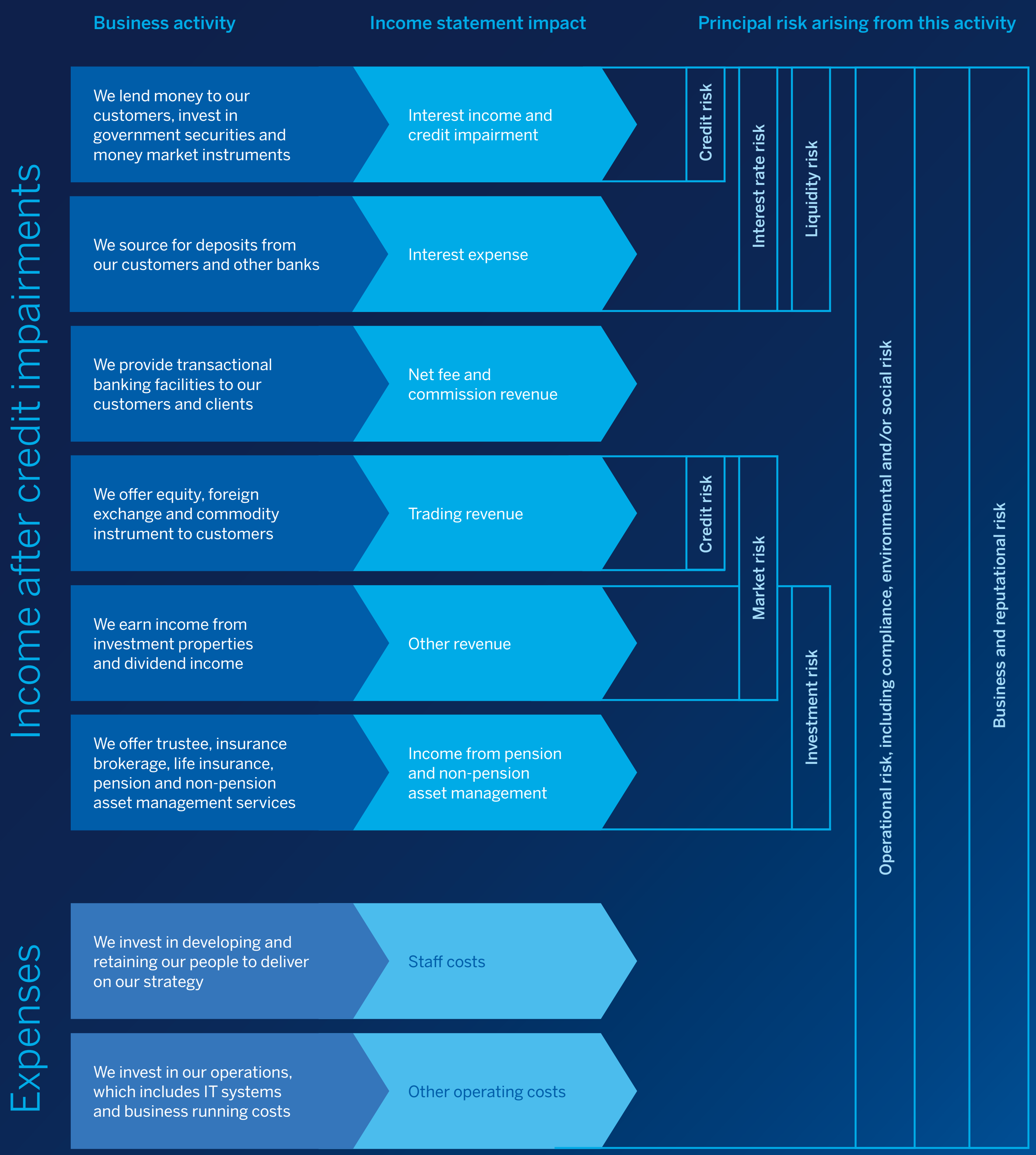
Other milestones achieved by the Group during the year include the launch of Stanbic IBTC Infrastructure Fund, a Close-Ended unit trust scheme designed for institutional investors such as Pension Fund Administrators, insurance companies, asset managers and high-net-worth individuals. Stanbic IBTC Bank, for the first time in fifteen consecutive years, was rated the number one bank in Nigeria on the KPMG Banking Industry Customer Satisfaction Survey in the Retail and SME (Enterprise) segments in recognition of our deliberate, continued efforts at being obsessed over our customers. Our Corporate Banking segment was rated sixth.

Looking ahead

Our transformation from a Product led organisation to a Client Segment led organisation is a journey and therefore will be a key focus area for us in 2022 as the customer remains the core of why we exist. This will entail effective mining of the client ecosystem through a future-ready workforce.

We will continue to grow the core areas of our business including loan portfolio and deposits as well as enlarge our digital footprints to support the financial inclusion agenda of the Government. Accordingly, we recently announced our intention to establish a wholly owned Financial Technology subsidiary which is expected to commence operations upon completion of the regulatory approval process.

How we create value



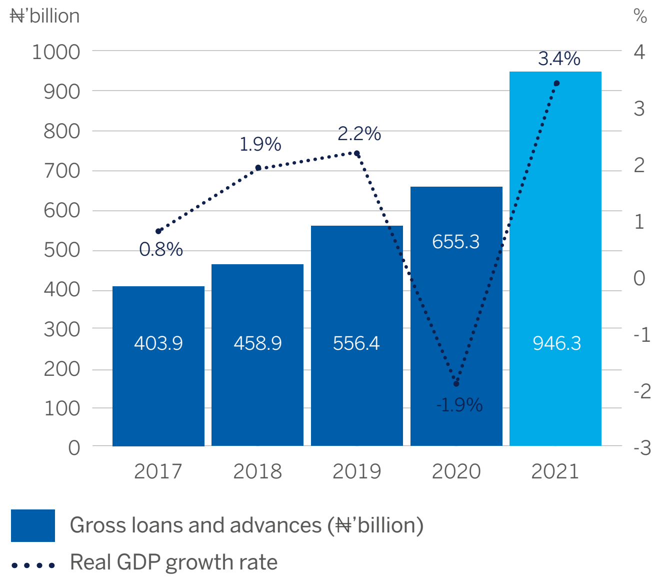
= Net profit – Dividend to our shareholders / Tax to governments = Retained equity which is reinvested to sustain and grow our business

Financial Review **(continued)**

Growth in loans and advances

Loans and advances remain the largest portion 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 administration fees and opportunities for insurance related income. The Group is focused on growing this asset class within the accepted risk levels.

The graph on the right shows a trend of GDP growth and loan growth:



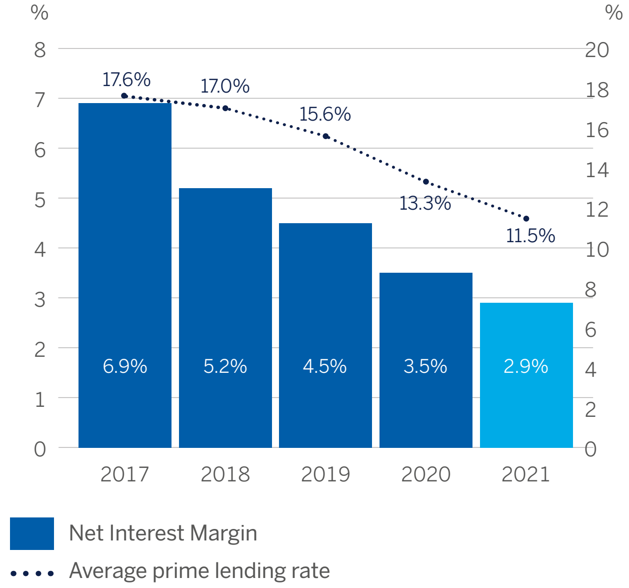
The Group recorded strong growth in loans during the year as we continued to cautiously support our clients' aspirations across various sectors such as manufacturing, oil and gas, general commerce and government, amongst others.

The Group will continue to monitor the economy in 2022 to harness emerging opportunities while tightening its risk management process to improve the quality of loans.

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 which serves as the benchmark rate for loans.

The CBN maintained the Monetary Policy Rate (MPR) at 11.5% throughout 2021. It also sustained the enforcement of the 65% (Loan-to-Deposit Ratio) LDR requirement during 2021, in a bid to support the country's economic recovery.

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

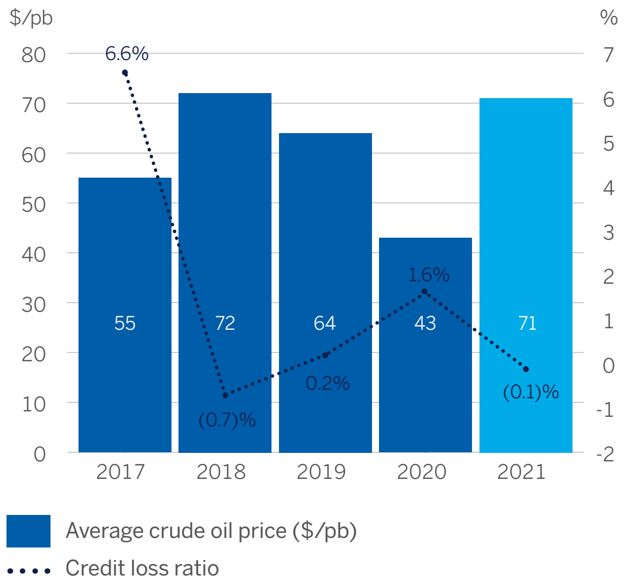
Credit loss ratio

The credit loss ratio is the credit impairment charge per the income statement expressed as a percentage of the average gross loans and advances balance. Credit impairment is the expected credit loss on advances given to customers that is charged to 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 writeback of ₦1.5 billion compared to the charge of ₦10.8 billion in 2020. The writeback resulted from recoveries on previously written off loans which moderated the impact of expected credit loss recognised on new loans booked during the period with a credit loss ratio of (0.1%) in 2021 as against a 1.6% in prior year.

Financial Review
(continued)

Credit loss ratio and average crude oil prices



Decline 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. Fees and commission grew in 2021 driven by increased advisory fees from the Investment Banking space, fees from new loan bookings and commission on increased transaction volumes, reflecting the improvement in business transactional activities.

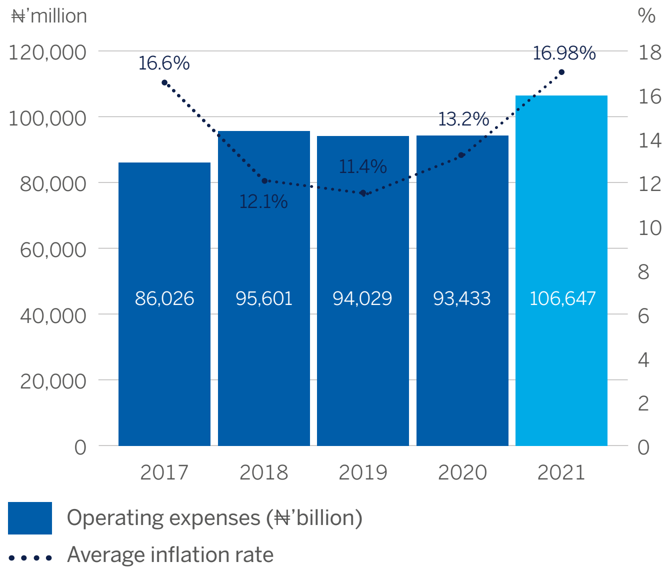
Moderation in trading revenue

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 on the spread made by traders. Trading revenue decreased due to lower money market and fixed income trading activities, limited foreign exchange flows as well as lower derivative book.

Growth in operating expenses

Inflation is a major economic factor that drives cost growth in the group. Headline inflation averaged 16.98% in 2021 versus 13.2% in prior year. Operating expenses increased due to growth in regulatory induced costs including AMCON and deposit insurance premium following growth in total assets and value of total qualifying deposits, respectively. That said, we achieved cost savings from energy efficiency initiatives and new ways of working.

Operating expenses and average annual inflation rate



Effective tax rate

Nigeria's corporate tax rate remained unchanged throughout 2021, although the government maintained an increased focus on tax collection. We expect intensified tax collections in 2022 given the strain on government revenue amid oil price volatility and muted oil demand. Our effective tax rate however increased to 13.7% in 2021 from 12.1% in prior year.

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 businesses is usually a percentage of the net asset value of the funds.

The level of unemployment also 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 AUM and positive performance of the stock market in 2021.

Analysis of the Group's financial performance

Income statement analysis

The statement of profit or loss reflects the revenue earned by the business and costs incurred in generating the revenue for the year ended 2021. The profit for the year moderated by 32% year-on-year.

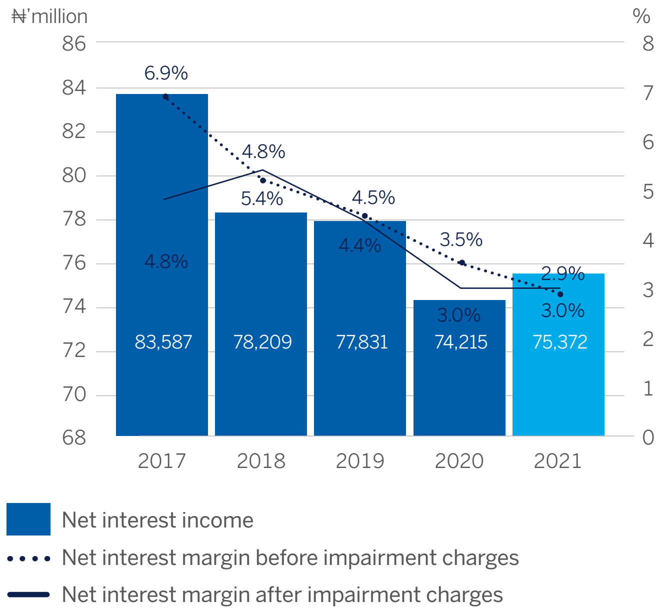
	Change %	2021 ₦'million	2020 ₦'million
Gross earnings	(12)	206,644	234,446
Net interest income	2	75,372	74,215
Interest income	(1)	104,751	105,776
Interest expense	(7)	(29,379)	(31,561)
Non-interest revenue	(23)	95,773	124,709
Net fees and commission revenue	16	82,877	71,190
Fees and commission revenue	18	88,321	75,151
Fees and commission expense	37	(5,444)	(3,961)
Income from life insurance activities		176	-
Insurance premium received		852	-
Insurance premium revenue ceded to reinsurers		(354)	-
Insurance benefits and claims paid		(322)	-
Trading revenue	(75)	13,286	52,110
Other revenue	(>100)	(566)	1,409
Total income	(14)	171,145	198,924
Net impairment writeback / (loss) on financial assets	(>100)	1,505	(10,774)
Income after credit impairment charges	(8)	172,650	188,150
Operating expenses	14	(106,647)	(93,433)
Staff costs	(0)	(42,041)	(42,143)
Other operating expenses	26	(64,606)	(51,290)
Profit before tax	(30)	66,003	94,717
Direct tax	(21)	(9,037)	(11,506)
Profit for the year	(32)	56,966	83,211
Profit attributable to:			
Non-controlling interests	14	2,588	2,272
Equity holders of the parent	(33)	54,378	80,939
Profit for the year	(32)	56,966	83,211

Financial Review (continued)

Net interest income

Net interest income (NII) increased by 2%, largely driven by the moderation in interest expense. Meanwhile, interest income growth was constrained by the reduction in interest income earned on treasury bills due to the maturity of higher yielding treasury bills in 2020 as well as the continued pressure on loan yields despite increase in loan volume. The decrease was partly cushioned by the 7% decline in interest expense which moderated the impact of the decreased interest income.

In WC, net interest income decreased by 20% as the reduction in interest income earned offset the moderation in interest expense. The BCC's net interest income however, increased by 48% as a result of increased income from loan growth and improvement in average yield on assets. The CHNW's 15% growth in net interest income is attributable to higher average yield on investments coupled with growth in loan book.



Non-interest revenue

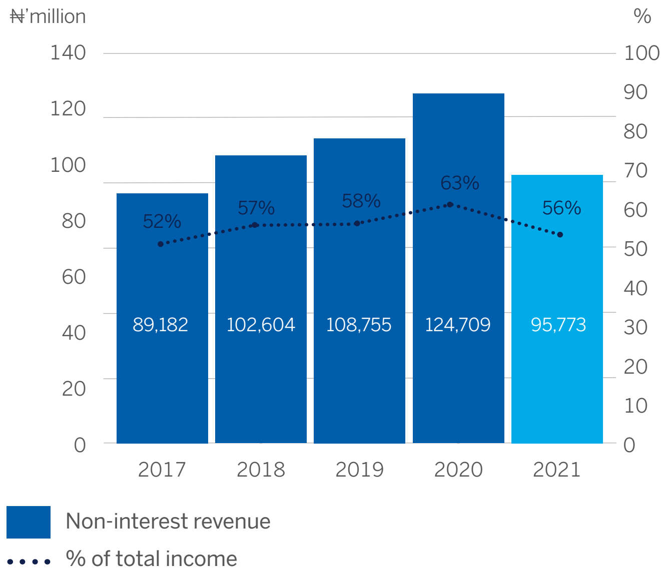
Non-interest revenue comprises mainly fee and commission and trading revenue. Fees and commission revenue are dependent on transactional banking volumes and asset under management, which are a function of economic activity and of the competitive environment for banking services.

Non-interest revenue decreased by 23% due to the considerable decline in trading revenue to ₦13.3 billion (2020: ₦52.1 billion) which was partly compensated by the 16% growth in net fees and commission income. The growth in net fees and commission arose from growth in assets under management (AUM), improved Investment Banking fees, new loan bookings and increased transaction volumes.

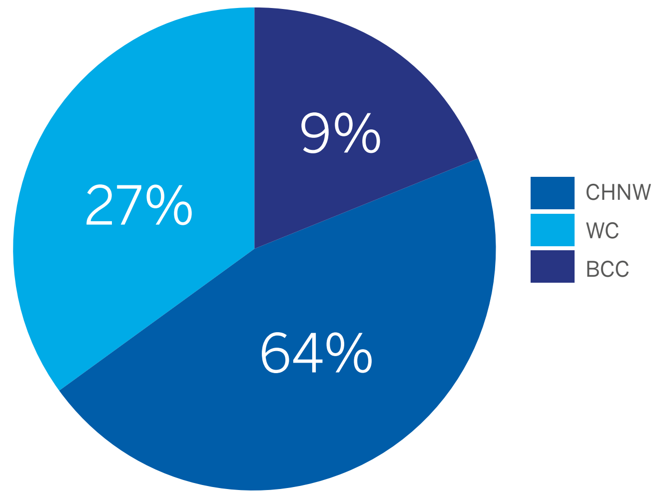
The BCC segment witnessed 20% growth in non-interest revenue driven by increase in fees from new loans booked and increased transaction volumes.

The WC segment reported a 61% decline in non-interest revenue largely driven by the contraction in trading income due to low trading activities, as market volumes and foreign portfolio inflows were largely muted.

The CHNW segment recorded 17% growth in non-interest revenue resulting from growth in AUM driven by higher net contribution and investment income as well as fees from new loan bookings.



Non-interest revenue by client segment



Net impairment charges on financial assets

Net impairment charge on financial assets was a writeback of ₦1.5 billion compared to the charge of ₦10.8 billion in 2020. The writeback resulted from recoveries on previously written off loans. This moderated the impact of expected credit losses recognised on new loans booked during the year.

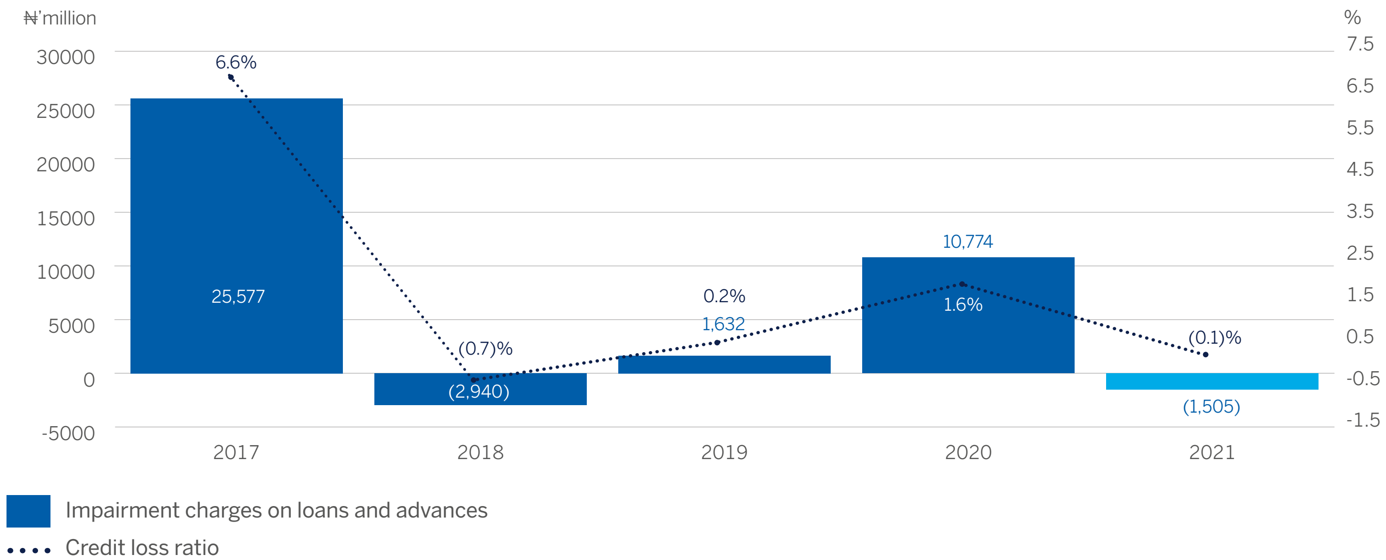
WC's net impairment was a writeback of ₦1.4 billion as against the charge of ₦7.8 billion in 2020, a significant moderation from prior year.

Therefore, WC's credit loss ratio for the year stood at (0.3%) in 2021.

BCC's credit impairment charge was also a writeback of ₦572 million during the year from the ₦2.4 billion charge in 2020 resulting from recoveries during 2021. This resulted in a credit loss ratio of (0.2%) as against a ratio of 1.5% in previous year.

However, CHNW's net impairment was a charge of ₦472 million, a 10% decrease from prior year.

Impairment charges and credit loss ratio



Financial Review **(continued)**

Operating expenses

Operating expenses increased by 14% to ₦106.6 billion in 2021. The increase in operating costs coupled with lower revenue resulted in the deterioration of the cost-to-income ratio to 62.3% from 47.0% in prior year.

Staff costs were relatively flat year-on-year as the upward adjustment to staff salary was partly offset by long-term incentive writebacks. Other operating expenses however, increased by 26% due to growth in regulatory induced costs including AMCON and deposit insurance premium following growth in total assets and value of total qualifying deposits, respectively. That said, we achieved cost savings from energy efficiency initiatives and new ways of working.

WC's operating expenses increased by 11% as a result of client administrative charges and increased AMCON charges on the back of increase in the balance sheet position.

Thus, cost-to-income ratio deteriorated to 58.0% in 2021 from 29.1% reported in prior year following the increased costs and contraction in income.

BCC's operating expenses increased by 16% following the increase in premises expenses on account of increased maintenance costs. That said, BCC's cost-to-income ratio improved to 83.5% in 2021 from 100.2% in 2020 due to the growth in total income.

CHNW's operating expenses also increased by 16% due to increases in pension administration expenses as well as marketing and premises expenses following the uptick in business activities. However, cost-to-income ratio moderated slightly year-on-year to 56.7% (2020: 56.9%) as revenue growth exceeded the increase in costs.

Breakdown of operating expenses	Change %	2021 ₦'million	2020 ₦'million
Staff costs	(0)	42,041	42,143
Other operating expenses:	26	64,606	51,290
Information technology	22	9,853	8,076
Communication expenses	(33)	1,273	1,888
Premises and maintenance	10	3,603	3,285
Depreciation expense	(12)	6,595	7,517
Amortisation of intangible assets	12	762	680
Deposit insurance premium	64	5,223	3,188
AMCON expenses	31	12,920	9,828
Other insurance premium	12	2,273	2,027
Auditors renumeration	12	422	376
Non-audit service fee	(100)	-	26
Professional fees	(15)	1,658	1,960
Administration and membership fees	34	2,287	1,713
Training expenses	>100	408	58
Security expenses	12	1,860	1,656
Travel and entertainment	(27)	494	676
Stationery and printing	29	933	724
Marketing and advertising	12	3,289	2,929
Commission paid		185	-
Pension administration expense	68	566	337
Penalties and fines	>100	481	53
Donations	>100	1,386	663
Operational losses/(Gain)	83	548	300
Directors fees	16	744	642
Indirect tax (VAT)	3	1,830	1,772
Others*	>100	5,013	916
Total operating expenses	14	106,647	93,433

*Included in others are FMDQ OTC futures charges, Bank charges, motor vehicle maintenance expense amongst others and 2020 includes a recovery of ₦3.1 billion on a litigation

Balance sheet analysis

The statement of financial position shows the position of the Group's assets, liabilities and equity as at 31 December 2021. The Group's assets increased by 10% to close at ₦2.74 trillion in 2021.

Significant movements over the year are discussed below.

	Change %	2021 ₦'million	2020 ₦'million
Assets			
Cash and cash equivalents	4	653,070	627,111
Pledged assets	7	182,335	170,578
Trading assets	(42)	98,743	169,655
Derivative assets	(11)	41,212	46,233
Financial investments	4	636,611	612,276
Loans and advances	48	937,140	632,967
Loans and advances to banks	>100	16,096	7,828
Loans and advances to customers	47	921,044	625,139
Other assets	(26)	129,530	175,980
Property and equipment	39	42,720	30,728
Intangible assets	(14)	4,011	4,640
Right of use assets	14	3,394	2,975
Deferred tax assets	6	13,998	13,163
Total assets	10	2,742,764	2,486,306
Equity and liabilities			
Equity	(0)	376,866	378,601
Equity attributable to ordinary shareholders	(1)	368,016	371,023
Ordinary share capital	17	6,479	5,553
Ordinary share premium	-	102,780	102,780
Reserves	(1)	258,757	262,690
Non-controlling interest	17	8,850	7,578
Liabilities	12	2,365,898	2,107,705
Trading liabilities	(41)	112,023	188,500
Derivative liabilities	(32)	25,364	37,382
Current tax liabilities	(19)	16,441	20,270
Deposit and current accounts	18	1,558,397	1,325,566
Deposits from banks	(15)	431,862	505,622
Deposits from customers	37	1,126,535	819,944
Other borrowings	22	136,434	112,031
Debts securities issued	(31)	47,419	68,269
Provisions	(1)	9,302	9,354
Other liabilities	33	460,518	346,333
Total equity and liabilities	10	2,742,764	2,486,306

Financial Review **(continued)**

Trading assets

Trading assets decreased by ₦70.9 billion (42%) as a result of treasury bills maturities not rolled over for the period.

Financial investments

Financial investments increased by 4% as a result of increase in the volume of treasury bills.

Loans and advances

Total loans and advances to customers and banks increased by 48% to ₦937.1 billion (2020: ₦633.0 billion). Loans and advances to customers increased by 47% to ₦921.0 billion. Loans and advances to banks increased by over 100% to close at ₦16.1 billion.

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

CHNW's loans grew by 33% with growth recorded across the loan types.

In BCC, loan balances also increased by 56% following new disbursements of term loans, overdrafts and vehicle and asset finance.

In WC, loan balances grew by 41% resulting from increases in term loans and instalment sale and finance leases.

Breakdown of customer loans and advances by client segment	Consumer and High Net Worth Clients CHNW ₦'million	Business and Commercial Clients BCC ₦'million	Wholesale Clients WC ₦'million	Total ₦'million
Overdrafts	5,351	42,879	10,054	58,283
Term loans	67,260	206,609	570,064	843,933
Instalment sale and finance leases	1,553	34,238	3,471	39,262
Mortgage loans	4,356	425	-	4,781
Gross loans and advances	78,519	284,151	583,589	946,259

Deposit and current accounts

Deposit and current accounts increased by 18% to ₦1.56 trillion in 2021. Both customer deposits and deposits from banks increased.

Customer deposits crossed the ₦1 trillion mark, closing at ₦1.1 trillion in 2021, an increase of 37% from ₦819.9 billion recorded in 2020 with increases across the deposit types. The current-and-savings-accounts collectively grew by 10% while call and term deposits both increased by over 100%. The faster growth in call and term deposits resulted in the deterioration of the ratio of current and savings deposits to total deposits (CASA ratio) to 66.0% in 2021 from 82.8% in 2020. This resulted from the tightened monetary policy environment and increased regulatory head winds as evident through the short market liquidity position and increased interbank borrowing rates. Customer deposits grew across our lines of businesses with the WC segment accounting for 78% of the deposit growth.

Executive Committee

Demola Sogunle
Chief Executive

Stanbic IBTC Holdings PLC

Wole Adeniyi
Chief Executive

Stanbic IBTC Bank PLC

Kunle Adedeji
Chief Financial Officer

Stanbic IBTC Holdings PLC

Bunmi Dayo-Olagunju
Executive Director, Client Solutions

Stanbic IBTC Bank PLC

Eric Fajemisin
Executive Director, Wholesale Clients

Stanbic IBTC Bank PLC

Kola Lawal
Executive Director, Risk / Chief Risk Officer

Stanbic IBTC Bank PLC

Remy Osuagwu
Executive Director, Business and Commercial Clients

Stanbic IBTC Bank PLC

Adegbite Adekola
Acting Chief Compliance Officer

Stanbic IBTC Bank PLC

Babatunde Akindele
Head, Coverage, Commercial Clients

Stanbic IBTC Bank PLC

Olufunke Amobi
Head, People and Culture

Stanbic IBTC Holdings PLC

Ezinne Anosike
Head, People and Culture

Stanbic IBTC Bank PLC

Olu Delano
Head, Client Coverage

Stanbic IBTC Bank PLC

Abiodun Gbadamosi
Head, Internal Audit

Stanbic IBTC Bank PLC

Okechukwu Iroegbu
Head, Engineering

Stanbic IBTC Holdings PLC

Iretiola Lawal
Head, Bank Solutions

Stanbic IBTC Bank PLC

Executive Committee **(continued)**

Anthony Mogekwu
Head, Wholesale Clients Legal
Stanbic IBTC Bank PLC

Sam Ocheho
Head, Global Markets
Stanbic IBTC Bank PLC

Adenike Odukomaiya
Head, Internal Controls
Stanbic IBTC Bank PLC

Chidi Okezie
Head, Country Legal Services and Company Secretary
Stanbic IBTC Holdings PLC

Bayo Olujobi
Chief Financial Officer
Stanbic IBTC Bank PLC

Bridget Oyefeso-Odusami
Head, Brand and Marketing
Stanbic IBTC Holdings PLC

Olumide Oyetan
Chief Executive
Stanbic IBTC Pension Managers Limited

Oladele Sotubo
Chief Executive
Stanbic IBTC Asset Management Limited

Wholesale Clients (WC)

Introduction
Wholesale Clients business continues to make great strides in Nigeria's challenging and complex economic, capital markets and regulatory environment coupled with the attendant effect of COVID-19 recoveries and its impact on clients' businesses on the economy. The business continues in the pursuit of its goal of being a clear leader by remaining steadfast in client engagements and providing clients with quality experience and assurances in the year 2021.

Wholesale Clients comprises four business units: **Client Coverage**, **Global Markets**, **Investment Banking and Transactional Products and Services**, with great focus on delivering a superior client experience through our Integrated Financial Services Organisation for a deeper products penetration across WC, BCC and CHNW into our clients' ecosystem.

Client Coverage
Our Client Coverage team is the "heart and soul" of the business and is central to all we do with our clients. The team provides the main point of contact to clients and coordinates the client relationships across Stanbic IBTC Group. The team's coordination role is achieved through our Client Engagement Model. This approach avails us the opportunity to consistently provide a single, superior client experience in, for and across Africa.

With client centricity being one of our specific focus areas, it is only fit that an experienced team, made up of experts in various sectors, works closely with clients to identify and understand their needs, proffer solutions embedded across the various product houses, and give our clients the best banking experience and also to deliver and co-create with them on digital initiatives.

Stanbic IBTC Capital Limited ("SICL")
Stanbic IBTC Capital is the investment banking subsidiary of Stanbic IBTC Holdings and the leading investment banking franchise in Nigeria, a status that has been maintained consistently over the past two decades. Stanbic IBTC Capital provides advisory, capital markets and debt solutions services to a diversified client base that includes domestic corporates, multinationals, and government entities. It helps clients raise equity and / or debt funding to strengthen and grow their businesses and provides strategic advisory services. Stanbic IBTC Capital is registered with the Securities and Exchange Commission as an Issuing House and Underwriter.

Stanbic IBTC Capital's advisory and capital markets offering includes 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 offering includes 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.

Global Markets ("GM")
The Global Markets business is equipped with seasoned and knowledgeable professionals who are solution oriented and client centric. Global Markets business collaborates with other teams within the group in ensuring the needs of the various stakeholders are met.

We are pacesetters in the Nigerian Financial Markets having created many innovative treasury related products and been in the forefront in providing guidance to clients and other financial markets participants.

The business is well positioned to take advantage of various trade opportunities based on our market leadership as the most resilient and largest foreign exchange ("FX") liquidity provider in the industry and the ability to leverage on our strengths as part of a broader franchise within Stanbic IBTC and Standard Bank group. Despite the challenging business environment and amidst the COVID-19 pandemic, we were able to achieve decent numbers in profitability and volumes.

Global Markets continues to receive market–wide acknowledgement of its leading position and robust expertise in meeting our clients' needs, as exemplified by the awards we have consistently received.

GM and Research 2021 Awards
FMDQ Gold Awards

1. Dealing Member of the Year Award
2. FX Market Liquidity Provider Award
3. OTC FX Futures Bank Award

Financial Mail Top Analyst Awards

4. Best Research House
5. Best Research Analyst and 2nd Best Firm for Africa Non-Equities Research
6. 2nd Best Research Analyst and Firm for Africa Equities Research

Stanbic IBTC Stockbrokers Limited
Stanbic IBTC Stockbrokers Limited, provides stockbroking services to local and foreign investors in the Nigerian Capital Market.

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 are:

- Sole Stockbroker to the cross of 19.76 million SEPLAT shares valued at ₦21.37 billion both sides.
- Joint Stockbroker to the purchase of 1,903,609,538 CHAMPION valued at ₦4.95 billion.
- Sole Stockbroker to the cross of 249 million BOCGAS valued at ₦2.75 billion on both sides.
- Sole Stockbroker to the cross of 9.68 billion FOOD CONCEPTS valued at ₦23.34 billion both sides.
- Sole Stockbroker to the purchase of over ₦17.5 billion worth of Nestle Nigeria shares for Nestle SA.
- Joint Stockbroker to the unbundling of 649.39 million ordinary shares of UPDCREIT to UACN shareholders.
- Joint Stockbroker to the Listing of ₦115 billion 7-year 7.5% Senior Unsecured Fixed Rate Series I Bonds due 2027 by BUA Cement.

Transactional Products and Services ("TPS")
The Transactional Products and Services business of Stanbic IBTC provides exceptional services that facilitate effective trade, treasury, and cash management for our Wholesale clients. Our suite of solutions includes robust payment and collection solutions, customisable liquidity management solutions, and a wide range of working capital and trade solutions. These capabilities enable us deliver world-class and cost-effective transactional banking solutions customised to meet our client needs. The team's diverse expertise and experience ensures we partner our clients' unique requirements and respond to changing business realities.

2021 was a particularly challenging year for the business due to the lag effects of the COVID19 pandemic characterised by sustained supply chain disruptions, lingering foreign exchange liquidity issues and slow economic recovery. Despite the odds, we ruthlessly pursued and executed specific client-centric initiatives that ensured we continued to partner clients and manage risks to the business through a difficult operating environment. The business recorded double digit growth in risk assets driven by working capital and trade facilities for both new and existing clients.

Digitisation remained a key focus for the business during the year with majority of our clients leveraging our integrated electronic banking platform that encapsulates our Trade, Cash Management, and Investor Services capabilities. We continued to progress our digital bank journey with the improvements in channel performance and recorded significant growth in our channel throughput. Our capabilities range from proprietary solutions to industry solutions that empower our clients to achieve growth, manage risk and improve operational efficiency.

Notable transactions for the year

- Receiving bank mandate for the MTN rights issue
- Sub merchant onboarding and settlement bank solution for Flutterwave and FSDH Merchant bank
- Digital collection solutions for Rainoil Limited, Custodian and Allied Insurance and Chi Limited
- Letters of Credit under the USDA GSM102 Program for Flour Mills of Nigeria

Stanbic IBTC Nominees Limited
Stanbic IBTC Nominees Limited continued to trail blaze in the asset custody market. It continued to maintain its market leadership by initiating, driving, advocating, and leading in industry forums. The underlying drivers of the business remained strong and resilient. The business grew its assets under custody by 10% and has grown local client assets by 53% as part of its diversification plan despite the tough market environment.

The business was awarded with the best sub-custodian in Nigeria by Global Finance and the International Finance Magazine in 2021. Stanbic IBTC Nominees' custody business remains a key reference point for foreign and local investors driven by its highly skilled people, state-of-the-art technology, and its thought leadership initiatives.

Case Study 01
LFZC Funding SPV PLC

Historical Infrastructure Bond

LFZC Funding SPV PLC issued the first of its kind ₦10.50 billion series 1 bond sponsored by Lagos Free Zone Company (LFZC).

The transaction marks the debut issuance for the Sponsor and represents the longest tenor corporate bond issuance in the history of the Nigerian debt capital markets. With the full unconditional guarantee of scheduled principal and coupon payments by Infrastructure Credit Guarantee Company Limited, the bond was rated "AAA" by both Agusto & Co and GCR Ratings and was met with strong participation from institutional investors, particularly Pension Fund Administrators evidencing the pension fund industry's growing demand for quality long-dated assets.

The initial offer size was over-subscribed, which led to the Sponsor upsizing the offer from ₦10 billion to ₦10.50 billion at a price of 13.25%.

The proceeds will be utilised to refinance shareholders' advances which were invested in the acquisition and development of parcels of lands, including investment in infrastructure development for the Free Zone and the ensuing ecosystem.

Stanbic IBTC Capital and Stanbic IBTC Bank PLC acted in the capacity of Lead Issuing House and Account/ Payment Bank, respectively.

Lekki Free Zone Company is the licensee and operator of the Lagos Free Zone. The Lagos Free Zone is being developed as the largest integrated port based economic zone in Nigeria and shall serve as the beacon of industrial development across Nigeria and West Africa.

Case Study 02
North South Power Company

Stanbic IBTC Holdings PLC through one of its subsidiaries, Stanbic IBTC Capital Limited acted as the Lead Issuing House in conjunction with other Joint Issuing Houses to arrange the issuance of a ₦6.325 billion Series 2 Green Bond on behalf of North South Power Company Limited (NSP or the Company) in April 2021. The proceeds of the Green Bonds are expected to be utilised to finance the Company's investments in 15MW pre-phase 1 Solar Project in Shiroro and other eligible investments in solar power projects. The Green Bond was oversubscribed by over 50%, which was a testament of the confidence of the investment community in the management of the company and the social impact of the projects on our environment and the community.

NSP's strategic objective amongst others is to be the leading power generation company in sub-Saharan Africa by providing reliable and sustainable electricity power generating capacity. As part of the measures to achieve these strategic objectives, the Company executed a 25-year concession agreement for the 30 MW Gurara Hydroelectric Plant (GHP) in 2019 to add to their investments in the existing 30-year concession on the 600 megawatts (MW) Shiroro Hydroelectric plant. NSP's investment in solar energy is driven by their commitment to eliminating seasonality and achieve stability in their electricity generating capacity. Currently, the Company generates about 8% of the total electricity consumption in the country and plans to ramp up their share to 10% in the medium to long term.

NSP's activities and investments supports Nigeria's international commitments to the United Nations Framework Convention on Climate Change (UNFCCC) through Intended Nationally Determined Contributions (INDCs) as well as Global Goals for Sustainable Development (SDGs).

The Company also recognises the aims and importance of sustainable development goals of transition to a low carbon economy to protect our planet and end poverty to ensure prosperity for all. NSP's contribution to SDG are listed below:

- Affordable and clean energy – NSP's electricity generating investments are largely in the hydropower space. The hydropower is considered to be the second among renewables offering the lowest carbon emission per kilowatt hour as shown by International Energy Agency (IEA).
- Decent work and economic growth – NSP has a workforce of over 300 and offers conducive working environment aimed at improving resource efficiency and economic growth.
- Industry, Innovation and Infrastructure – NSP's mission statement centers around consistently generating reliable power in line with international best practices driven by improved innovations and excellence.
- Responsible consumption and production – NSP's investments in renewable energies ensures they contribute positively to reducing greenhouse gas emissions.

Climate actions – NSP's electricity generating capacity are largely hydro powered, which ensures construction and maintenance of dams that act as flood control mechanism thereby providing potential adaptive capacity to downstream communities and ensuring they are protected from potential floods due to extreme rainfalls.

Case Study 03
Hypo Homecare Products Limited

The facility was structured to help the client access the CBN's Differentiated Cash Reserve Requirement ("DCRR") concessionary funding

Hypo Homecare Products Limited ("HHPL") and Colgate Tolaram LFTZ (Nigeria) Limited ("the Company") are wholly owned subsidiaries of Colgate Tolaram PTE Limited (a joint venture between Tolaram Group Pte and Colgate Palmolive Company, U.S.A). HHPL was incorporated on 7 November 2018 following the restructuring of Tolaram Africa Enterprises Limited business (a wholly owned subsidiary of Tolaram Group). HHPL is engaged in the manufacture of sodium hypochlorite generally known in Nigerian households as "bleach" and toilet cleaners under the brand name of "Hypo".

As part of its growth plans in Nigeria, Colgate Palmolive Ltd with Tolaram Group have embarked on setting up a manufacturing plant in Nigeria via Colgate Tolaram LFTZ Company Ltd for the local production of toothpaste and manual toothbrush. This is in line with Colgate's key focus areas of expanding its markets and penetrating the Nigerian market by leveraging on the established products and the strong distribution capacity of Multipro Consumers Products Ltd (part of the Tolaram Group) for its product offerings.

Stanbic IBTC Capital acted as Arranger to raise the required debt funding, via a commercial facility and concessionary facility, including making the application to the Central Bank of Nigeria ("CBN") for the concessionary facility. Stanbic IBTC Bank PLC acted as Lender to the transaction, providing a total of ₦14 billion to the client.

The facility was structured to help the client access the CBN's Differentiated Cash Reserve Requirement ("DCRR") concessionary funding as well as a commercial tranche to reduce the overall cost of debt for the Project.

Stanbic IBTC Capital Limited leveraged the expertise and experience of other teams within the Stanbic IBTC Group to ensure swift execution of the transaction. The transaction further highlights Stanbic IBTC's status as the 'go-to' financial institution for regulatory driven financial solutions which are delivered by the highly experienced deal teams.

Business and Commercial Clients (BCC)

Overview

Stanbic IBTC seamlessly transitioned from a product led organisation to a client segment led organisation in August 2021, in line with our client centricity focus.

The Future Ready Transformation journey resulted in the birth of the Business and Commercial Client (BCC) segment, where we serve our Commercial (that is, national corporates) and Enterprise (that is, small and medium scale enterprises) clients. The BCC construct is enabling us get closer to these clients, understand their needs better, provide appropriate solutions to the identified needs, and partner with our clients towards achieving their business plans and growth aspirations.

Our sector expertise cuts across trade (international, local and domestic); Agribusiness (across the entire value chain); healthcare; oil and gas (downstream); healthcare; education; manufacturing; Information, Communication and Technology (ICT); and so on.

Our approach to relationship management is partnering our clients through their business growth journey.

What we offer

Transactional solutions

We provide a comprehensive suite of transactional, saving, investment, trade, foreign exchange, collections, payment and liquidity management solutions, which are made easily accessible through a range of electronic, digital as well as physical channels. These are usually tailored to suit our clients depending on their needs.

Lending solutions

Our business lending offerings constitutes a phenomenal range of lending product offerings and structured working capital finance solutions. These include overdrafts, advances, short and medium term loans, asset financing, and so on.

Invoice discounting

Our invoice discount facility enables clients to unlock their working capital by providing short term loans against their business receivables which are secured primarily by domiciliation.

Contract and local purchase order financing

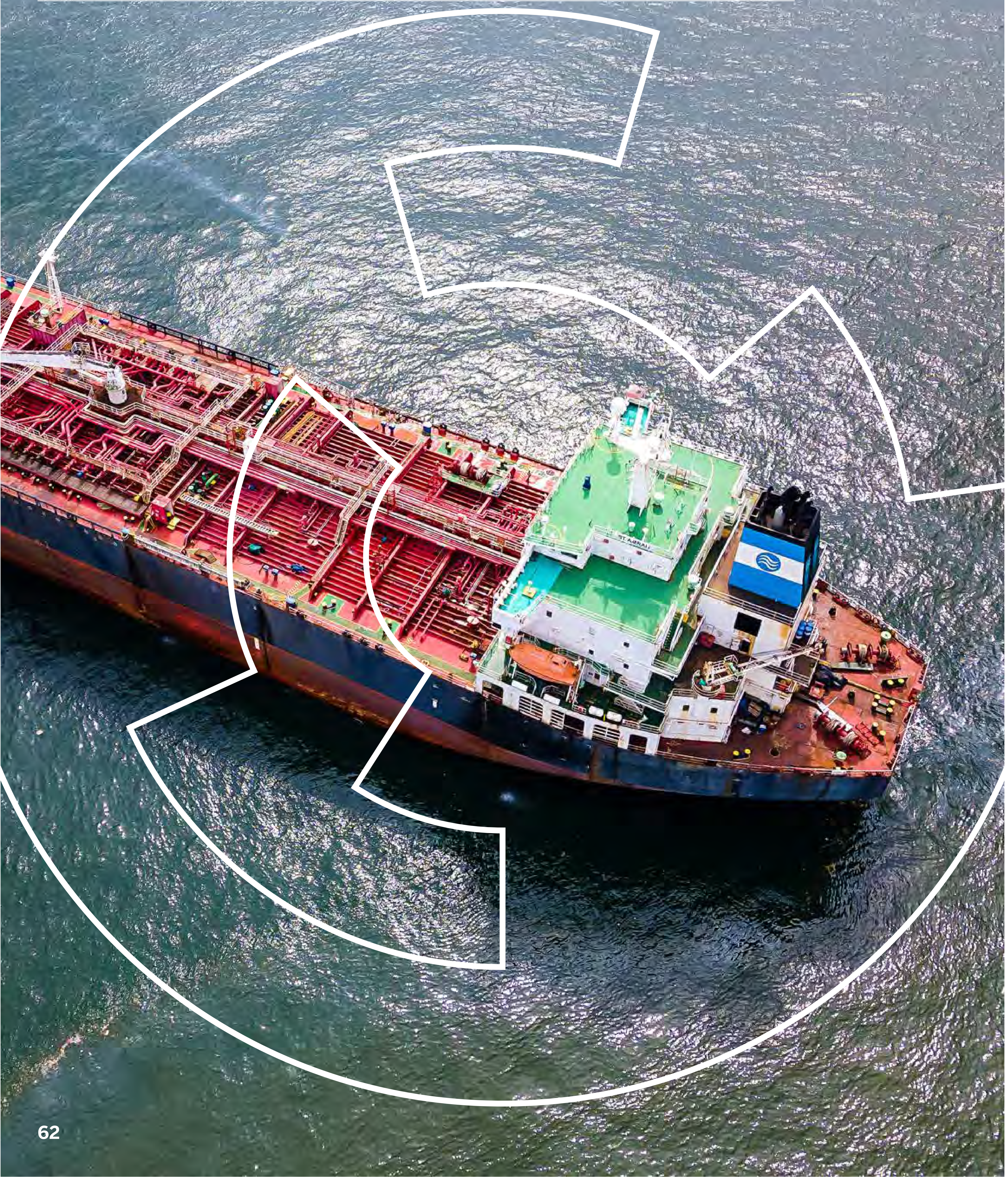
We provide quick and easy access to funding for contractors or vendors in order to ensure their fulfilment of verifiable contracts or purchase orders.

Import and export finance facility

As a major player in the foreign exchange (FX) market, our import finance provides clients with timely access to structured loans targeted at settling their FX bills via Letters of Credit and Bills for Collection. Our export capabilities also cater for their Nigerian Export Proceeds ("NXP") transactions.

Furthermore, the Enterprise Banking subsegment successfully launched "Ima Mmadu", our SME online loans platform. This platform provides quick, convenient lending solutions to small and medium scale enterprises.

Stanbic IBTC Bank PLC was awarded the "Leading Commercial Bank Nigeria 2021" by Finance Derivative and "Commercial Bank Brand of the Year" at the Brand and Communication Awards. These prestigious awards in the banking sector demonstrate our commitment to providing excellent banking services



Case Study 04
Sea Transport Services Nigeria Limited (STS)

The Business

Sea Transport Services Nigeria Limited (STS) was incorporated as an indigenous shipping company in 2006, It commenced operations in 2008 and has since grown to become the leading commercial vessel fleet management company in Nigeria. The company is one of the key transporters of Clean Petroleum Products (CPP) in West Africa and a maritime player that operates OCIMF-SIRE approved vessels with Nigerian Flag.

STS operates with 11 state of the art vessels that align with market demand in terms of size, with capacity ranging from 38,000 deadweight tonnage (DWT) to 47,000 DWT. The company's vessels are efficient and cost-effective considering fuel consumption and maintenance cost.

Its core services are provision of quality, cost efficient and globally competitive oil and gas transportation, vessels chartering and integrated management services to cargo owners, traders, and financiers.

Other services offered by Sea Transport Services includes technical ship management, crew management and husbandry services.

Relationship with Stanbic IBTC

Stanbic IBTC Bank commenced relationship with Sea Transport Services Nigeria Limited in 2014. The relationship has been cordial and symbiotic since inception. In November 2020, Stanbic IBTC consolidated its relationship with the company by taking over their facilities with other lenders on more favourable terms. The Bank provided further support to the company by financing their fleet enhancement project in September 2021.

Ecosystem

Stanbic IBTC Bank's partnership with Sea Transport Services extends to the company's ecosystem, including counterparties such as Vitol, AYM Shafa, Rainoil, Pinnacle, Sahara, AA Rano, Ardova and Prudent Energy Services Limited. The Bank serves other elements of the company's ecosystem such as their directors, executive management, employees, suppliers, and subsidiaries (Aspire Energy, International Shipping and Sea Navigation Ltd).

STS has appointed Stanbic IBTC Insurance Brokers as its insurance broker and has also supported in migrating most of its employees from previous pension managers to Stanbic IBTC Pension Managers Limited.

The company plans to extend its activities in the transportation of oil and gas products beyond Nigeria to West Africa and Sub Sahara Africa with the acquisition of bigger vessels that can operate in that space in addition to the plan to renew its fleet with modern/ more efficient vessels that will improve efficiency/ productivity and reduce maintenance cost. There are also medium-term plans to expand involvement to floating production storage and offloading (FPSO) vessels.

Stanbic IBTC is committed and willing to partner with STS in its business expansion plans and fleet renewal drive, through our trans-regional footprint and variety of financial services offerings.

Case Study 05
Sayed Farms Limited

The Business

Sayed Farms specialises in poultry operations covering breeder operations, commercial broiler farm operation and processing and distribution of frozen chicken. The company commenced operations in 2004. Over the years, the company has expanded its business to include distribution of frozen vegetables, seafoods, diaries and so on.

The breeder farm has over 120,000 breeders producing approximately 10 million day-old-chicks annually while the broiler farm has over 350,000 broilers. The slaughterhouse has capacity to process over 17,000 birds daily.

The company also engages in Animal Food production and trading through its sister company, Breedwell Feeds Limited.

Sayed Farms supply chain continues to expand as the company leverages on its contract farmer initiative to develop a confirmed and steady supply, as well as creating job opportunities.

The company covers a wide range of market by offering its products to wholesalers, restaurants, hotels, farmers, and traders.

Relationship with Stanbic IBTC

Sayed Farms commenced relationship with the Bank in February 2009 while Breedwell Feeds Limited, the subsidiary, commenced relationship with us in February 2017.

Stanbic IBTC Bank had supported the two firms with several financial products / services such as transactional accounts, digital collection and payment platforms, trade products and wide range of lending products from working capital to term facilities.

Ecosystem

The company has vast ecosystem opportunities embedded in the value chain which comprises of subsidiaries, suppliers, clients/buyers, directors/stakeholders, and employees.

Stanbic IBTC Bank maintains cordial relationship with the company's subsidiaries, directors /stakeholders, expatriates, and suppliers. Engagement is ongoing to extend this excellent relationship and our offerings to other suppliers and indigenous employees.

The Bank's solutions to the ecosystem include debit card, mobile banking, and other digital payment and collection products. They also enjoy solutions across our other lines of business such as pension.

Business location and outlets

The company's head office is located in Ibadan, Oyo State with branches in Abuja, Port-Harcourt and Lagos. The company's warehouses are situated in Ibadan and Lagos (Ikeja and Lekki).

Business development and future prospects

To enable the company, meet the ever-growing demand for the consumption of poultry products in view of the increasing populace of Nigeria, Sayed Farms had embarked on the expansion of its slaughterhouse to increase daily capacity from 17,000 to 30,000 birds. Stanbic IBTC recently supported this project through a term facility under the Real Sector Support Facility - Differentiated Cash Reserve Requirement (RSSF-DCRR) program.

Upon completion, the company expects to increase in its contribution to the market by 13,000 birds per day, and create 300 new jobs by outsourcing production to 28 smallholder poultry farmers.

Sayed's success story is attributable to the marketing/distribution strategies and its maintenance of quality products which has given it an edge over competition.

Consumer and High Net Worth Clients (CHNW)

Who we are and what we offer our clients

The Consumer and High Net Worth Clients (CHNW) business segment is one of the three main business segments within the Stanbic IBTC Group, serving the Group's retail and high net worth clients by providing banking, pension fund administration, asset management, trust and fiduciary, life insurance and insurance brokerage services.

In line with our future ready transformation, the legacy Wealth businesses morphed into the non-bank CHNW Segment. It is noteworthy that the number of licensed legal entities within the non-bank CHNW increased from four to five as we received a licence to commence life insurance business in January 2021. These businesses are unique in the solutions they provide but taken together offer personalised wealth solutions that help clients through their journey of wealth creation, preservation, protection and transfer to the next generation to preserve legacy. Similarly, the bank aspect of CHNW Segment caters to all Stanbic IBTC Group's retail clients and is the largest client's segment across the group.

Hence, our CHNW segment is a critical part of Stanbic IBTC's promise of being a universal financial services organisation as well as an emerging platform business.

Overview

The CHNW Segment is divided into two distinct customer focus areas: The Bank and Non-Bank clients. Also, within the CHNW there is Coverage (distribution channels) through which we service our customers.

The functional areas that make up CHNW Bank are;

- Main Clients Segment services most of our retail transactional and banking 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 clients for both Banking and Non-bank entities.

Likewise, the legal entities in the Non-Bank CHNW segment are listed below and these entities mostly generate annuity type income streams and are capital light in nature, with the exception of Stanbic IBTC Insurance Limited, due to regulatory capital required. The entities are:

- 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. Our Wealth and Investment team; experts who serve as advisors to high networth individuals are situated within this subsidiary;
- Stanbic IBTC Trustees Limited for trusteeship, estate management and Institutional trust functions;
- Stanbic IBTC Insurance Brokers Limited for insurance risks brokerage and advisory services and;
- Stanbic IBTC Insurance Limited for life insurance solutions.

As at 31 December 2021, Stanbic IBTC Pension Managers and Stanbic IBTC Asset Management maintained their leadership positions of being the largest Pension Fund Administrator (PFA) and non-pension assets manager both in terms of assets under management (AUM), number of Retirement Savings Accounts (RSAs), mutual funds customers and mutual funds offerings.

Stanbic IBTC Trustees and Stanbic IBTC Insurance Brokers, continued their strong growth trajectory in trusteeship and insurance brokerage respectively.

The CHNW Banking arm supported our retail clients through several digital initiatives focused on improving client experience and providing an added and much needed financial cushion for individual clients. During the year, we re-engineered our lending solutions using behavioural science and transactional patterns to position our digital lending propositions to qualifying customers to provide instant loans to support client's financial aspirations whilst limiting credit losses. We recorded a 33% growth in loans and advances which demonstrated our commitment to providing support for our clients.

2021 highlights

These have been classified based on our strategic value drivers:

Financial outcome

- Non-bank arm of CHNW segment maintained its leading position as the largest institutional investment management business and number one wealth manager in Nigeria with assets under management of ₦5.1 trillion.
- Achieved 16% year-on-year growth in net profit.
- Recorded cost-to-income ratio of 56.7%.
- Stanbic IBTC Trustees Limited continued to gain market share in the Escrow Account and Wills market segments. Furthermore, Assets under administration (AUA) grew by 6% to ₦63 billion in 2021.
- Stanbic IBTC Insurance Limited which received license to operate in January 2021 recorded Gross Written Premium (GWP) of ₦6 billon as at December 2021.
- Despite the global economic crisis occasioned by the unprecedented pandemic, nine out of the 13 active mutual funds under management outperformed their benchmarks as at 31 December 2021.
- Stanbic IBTC Money Market, ('SIMM') fund AUM performance closed at ₦220 billion as at 31 December 2021.
- We also launched the Stanbic IBTC Enhanced short term fixed income fund with a minimum opening balance of ₦5,000. The objective of this fund is to provide investors with stable, low risk and more competitive returns as well as drive financial inclusion.
- The clientele of the Micro Pension Plan grew by 31% year-on-year to 73,994 members. Based on the monthly reports published by the National Pension Commission (PenCom) which places industry AUM at ₦224 million as at 31 December 2021, Stanbic IBTC Pension Managers Limited achieved an AUM market share of over 43% in the Micro Pension Plan.

Customer Focus

- To build a savings culture amongst our customers we kicked off the Reward4Savings Promo rewarding new and existing customers for saving for a minimum period of 30 days. 20,000 new customers won ₦500 worth of airtime, 60 winners were selected at the monthly draws winning ₦100,000 and 12 winners were selected at the grand finale to win ₦1,000,000 each.
- Similarly, in the Non-Bank arm, our pension business launched its Loyalty Program to appreciate customers for their patronage over the years.
- The Stanbic IBTC Super App was further enhanced with additional features to improve customer experience.
- The core applications used in the pension and non-pension businesses were upgraded in the course of the year. This has improved our capacity from a system interface and integration perspective and enabled us to further digitise our transaction processing as well as render timely services and reports to our clients and regulators.
- Stanbic IBTC Pension Managers Limited launched a new chatbot (SAMI) which provides 24/7 real-time support to customers.
- Our pension business also automated it's Benefit Application, Contribution & Collection processes which will enable it more than double the current daily PIN processing capacity.
- The pension business successfully rolled out a women led initiative - Ladies at the Table Empowerment Series - which had over 1,500 clients in attendance, mostly female, to support their personal and financial aspirations.
- Our asset management business received SEC approval for the Stanbic IBTC Infrastructure Fund, a ₦100 billion Shelf Offer Close-Ended unit trust scheme with the first tranche launched in July 2021 to qualified institutional investors. In October 2021, the Stanbic IBTC Infrastructure Fund partly financed the construction of the largest Liquified Petroleum Gas ("LPG") storage facility in the country under ₦12 billion senior debt facility agreement.
- Furthermore, our asset management business extended its offering to clients by becoming the manager to a Real Estate Investment Trust Scheme (after winning the mandate during a competitive process) to provide exposures to non-traditional asset class, diversify into real estate investment to provide rental income/yield and long-term capital appreciation.
- Our Life insurance subsidiary launched three solutions (Annuity, Credit Life and Group Life) in 2021.

Consumer and High Net Worth Clients (CHNW) **(continued)**

Employee Engagement

- We believe that our people are the key to CHNW's success. Their performance, well-being and product knowledge have a significant impact on client satisfaction and ultimately, our financial performance.
- Driving employee engagement and productivity is therefore key to successfully execute our strategy and engaging with our employees in a year such as 2021 was crucial. We did so in a variety of ways, through wellness programs, virtual People Tour sessions and employee events and by building future fit capabilities.
- The 2021 edition of the People Tour was tagged "show up and make a difference". 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.
- Our flagship employee engagement metric, employee Net Promoter Score (eNPS) measured through our annual 'Are You A Fan?' survey was +51.

  We focus our efforts on the following fundamentals: career growth, learning and development, values and culture amongst other themes.
- Successful implementation of People in Operations Mentorship Program (POMP) – A Leadership and Culture initiative.

Risk and conduct

- Stanbic IBTC Asset Management was rated AA by Agusto & Co Rating Agency despite the competitive and challenging operating environment in 2021.
- Stanbic IBTC Pension Managers Limited, Stanbic IBTC Asset Management Limited and Stanbic IBTC Trustees Limited were all re-certified with the prestigious ISO 9001:2015 certification, which again is an attestation of our customer service quality and standard.
- Our pension business has obtained the ISO 27001: 2013 certification which will support our digital aspirations and entrench best practices in our information systems.
- Furthermore, we obtained the ISO 45001: 2018 (Occupational Health and Safety) certification. This demonstrates our commitment to ensuring a safe working and business environment for our staff and customers by reducing the risk of occupational injuries and disease, including promoting and protecting physical and mental health.
- We launched an Enterprise Risk Management portal and deployed a fully functional Governance, Risk and Control (GRC) solution for enhanced risk reporting and predictive analytics.

Abridged sustainability report
Our approach to sustainability

At Stanbic IBTC, we understand that the success of our organisation is inextricably linked to the prosperity and wellbeing of the societies and environments in which we operate. We are thus deliberate in ensuring that our core business activities and operations support the creation of shared values for our society and the environment.

This approach to Sustainability has been articulated into one of our six strategic value drivers - Social, Environmental and Economic (SEE) Impact. The value drivers are our critical measures of success and they encourage not only financial outcomes, but also positive SEE outcomes.

Our SEE framework serves as the core of Sustainability in Stanbic IBTC. For us, SEE is about identifying and exploiting opportunities to grow our business by providing financial products and services that help our customers and clients address social, economic, and environmental challenges. SEE also allows us to think differently about the broad impact of our business decisions, including our indirect impact (our most significant impact arising from clients we finance and invest in).

Our sustainability pillars

Our sustainability ambition is to become the leading financial institution driving sustainable finance solutions in Nigeria. To achieve this, we have thus defined four sustainability pillars in line with our SEE framework:

Expanding Business Model and Innovation

This pillar defines Stanbic IBTC's continuous focus on:

- Employees' engagement and wellbeing.
- Sustainable partnerships and collaboration with relevant stakeholders to improve sustainable finance solutions and investment outcomes.
- Empowering communities through sustainable finance and investment solutions and community programs.

Strengthening Leadership for Sustainability Governance

This pillar defines Stanbic IBTC's continuous focus on:

- Development and implementation of appropriate sustainability / Environmental Social and Governance (ESG) data management.
- Embedding sustainability considerations in applicable processes and policies.
- Proactive compliance approaches to applicable frameworks and regulations.
- Reporting of sustainability activities, adopting an international sustainability reporting framework.

Enhancing Social Relationships

This pillar defines Stanbic IBTC's continuous focus on driving sustainable socio-economic growth through innovative solutions and offerings including:

- Financial inclusion solutions and offerings across Stanbic IBTC Group.
- Social finance and investments in education, health, sustainable agriculture, and others.
- Finance and investment in clean energy technology like solar energy, green buildings and others, to enhance climate change mitigation and adaptation.
- Environmental and social risk management in lending.
- Sustainability driven supply chain - engagement with suppliers and vendors on sustainability solutions.

Building Environmental Resilience

This pillar serves as the anchor for Stanbic IBTC environment footprint management with focus on:

- Reduction of carbon emission.
- Efficient waste management.
- Efficient management of water resources.

Abridged sustainability report
Our approach to sustainability (continued)

Our SEE impact areas

We have identified seven impact areas where we believe we can best achieve our purpose (to drive Nigeria's growth), while positively impacting society, the economy, and the environment. The seven SEE impact areas are consistent with the nature of our business and are aligned to the United Nations Sustainable Development Goals (UN SDGS) and the African Union Agenda 2063.

Impact area	Description	SDGs
Financial inclusion	Accessible and affordable digital financial solutions for under-banked and unbanked individuals, entrepreneurs and small businesses.	8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Job creation and enterprise growth	Improving access to a wide range of financial services for small enterprises and supporting small enterprises to access value chains and markets.	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Health	Invest in our employee's health, safety and wellbeing, finance healthcare providers and develop health-related infrastructure in Africa.	3 GOOD HEALTH AND WELL-BEING
Education	Support access to quality education and training to enable Nigeria's people to thrive in a digitised world through innovative financial solutions.	4 QUALITY EDUCATION
Sustainable finance and climate change	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	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
Africa trade and investment	Provide clients with trade solutions to enable optimal international trade and minimise logistical challenges, and facilitate relationships importers and exporters.	8 DECENT WORK AND ECONOMIC GROWTH

Abridged sustainability report
How we do business

Ethics and code of conduct

Stanbic IBTC is committed to doing the right business the right way. Our culture is built on sound business behaviour, as clearly defined in the Group's values, code of conduct and ethics. Our code of conduct and ethics holds management and employees of Stanbic IBTC to the highest standards of professional, business, and behavioural conduct. Our code of conduct and ethics are also supported by internal policies and programs such as:

- **Anti Money Laundering (AML) and Combating the Financing of Terrorism (CFT) policy:** which defines its requirements according to regulations guiding AML/CFT
- **Anti-Bribery and Corruption (ABC) policy:** designed to comply with applicable statutory and regulatory obligations, as well as requirements designed to mitigate conduct risk across Stanbic IBTC.
- **Conflicts of interest policy:** designed to ensure that all reasonable steps are taken to prevent or fairly manage potential conflicts of interest. Our Watch list and restricted list policy is also aimed at managing conflicts of interest and preventing the misuse of material non-public information (MNPI) or inside information.
- **Use of information policy:** designed to manage the inappropriate flow of information and ensure that need-to-know information is handled appropriately.
- **Information risk policy:** the overarching policy providing the necessary principles and minimum requirements to manage the risk to all types of information assets.
- **Competition policy:** which establishes a framework to manage the risks associated with applicable competition rules.
- **Compliance training:** Compliance training plays a crucial role in promoting a compliance culture and mitigating compliance risks. Training materials are designed to be all-encompassing in providing content on a wide range of compliance themes and risks such as business conduct, client conduct, personal conduct, AML/CFT, ABC, conflict of interest, consumer protection, amongst others.

Compliance training within the group consists of e-learning (computer-based) programs, facilitator-led programs, presentations, self-study, awareness and communications through various media, resource documents hosted on the group intranet and induction programmes. The training applies to all staff (both full-time and non-full-time employees) and are evaluated through course assessments, while completion rate is tracked periodically.

99%

As at end of December 2021, completion level for e-learning compliance training across the Group was 99%.

Abridged sustainability report
How we do business (continued)

Fraud prevention

At Stanbic IBTC, we have implemented policies and procedures to prevent fraud and manage fraud-related exposures. Our fraud prevention framework comprises several fraud detection monitoring and systems, and various awareness initiatives targeted at staff members and customers.

Fraud prevention

Fraud awareness for staff	**Fraud awareness for customers**
'Ember' month awareness Monthly internal communication	Customers are sensitised against fraud via SMS and our other various social media handles

Whistleblowing

Whistleblowing provides for the protected disclosure of any attempted, suspected or actual and /or unlawful, irregular, or unethical behavior that the whistleblower comes across in relation to Stanbic IBTC business activities. Our whistleblowing framework is in line with the Whistleblowing Guidelines for Banks and Other Financial Institutions in Nigeria.

Whistleblowers may report behavior that is not in line with the Company's values, code of ethics, policies and procedures, as they may be published and communicated from time to time. Stanbic IBTC ensures the protection of whistleblowers who makes a whistleblowing report, from being victimised or suffering prejudice for making the report, provided that:

- the whistleblower makes the report in good faith
- it is reasonable for the whistleblower to make the report
- the report is made based on a reasonable belief that it is true
- the report is not made for personal gain, except if any reward is payable in terms of any law

Also, Stanbic IBTC ensures the protection of internal whistleblowers from victimisation of prejudice in the workplace if the identity of the Whistle-blower is made available.

Stanbic IBTC has instituted secured and independent whistleblowing channels that can be accessed via the organisation's website or dedicated hotlines:

Email:
whistleblowingline@tip-offs.com

Telephone:
+234 1 422 7777

Data privacy and cyber security

As we get more acquainted with the "new normal" post the COVID-19 pandemic crisis, our increased leverage on digital technology has brought about new business dimensions and far reaching ways of delivering financial services to and interacting with customers. The business adoption of new and remote ways of working has also ensured that people work in unconventional ways and are more efficient, thereby improving the "work-life balance" culture, lowering operational costs and delivering additional value to the organisation.

This transitioned behavior, however, comes with associated cyber and data risks. Hence maintaining a balance between innovation, security and service remains key. Stanbic IBTC continues to remain abreast of new trends and adopt proactive steps to protect our client data, cyber and information assets. Measures are also taken to continually educate our clients and employees on ways to protect sensitive information, adapt cloud to scale up control systems and implement best in breed technologies that apply machine learning and artificial intelligence capabilities to combat next generation cyber attacks.

Our cyber resilience and data privacy mitigation approach remains risk-based, taking into cognisance current and future trends. We place emphasis on increasing self-service protection options for our clients, increased integration with multiple threat intelligence sources and amplified automation, leveraging robotics to enhance surveillance, response and recovery capabilities.

Also, regular penetration testing exercises, 24/7 security operations monitoring center, patching of business applications and systems, encryption of clients and sensitive data, compliance with global and industry best practice standards such as ISO 27001, ISO 27017, NDPR, PCIDSS; all compliment the maturity of Stanbic IBTC's cybersecurity and data privacy risk posture.

Stanbic IBTC remains committed to complying with local laws and regulations, thereby protecting not just our organisational assets but also informational assets attributed to our clients. A robust third party risk management framework has been established and implemented to guide how we interact, process and share data with the explicit consent from our clients.

Stakeholder engagement

Stanbic IBTC recognises that effective stakeholder engagement is essential to our vision. Our stakeholders are those individuals, groups, and organisations that materially affect, or could be materially affected by our business activities, products and services and associated performance.

We have thus instituted a stakeholder engagement policy that clarifies the principles underpinning all stakeholder engagements by Stanbic IBTC. In line with the policy requirement, there is periodic reporting to management on the Group's material stakeholder engagement activities and how the organisation is addressing outcomes from the various stakeholder engagements.

Below are key stakeholder groups engaged in 2021:

- **Clients**
- **Regulators, governments and legislators**
- **Suppliers**
- **Rating agencies**
- **Shareholders and investors**
- **Communities and NGOs**
- **Employees**
- **Media**

Abridged sustainability report
How we do business (continued)

Climate-related risks and opportunities

At Stanbic IBTC, we understand that our business operations and activities give rise to, and are impacted by, climate-related risks and opportunities. We recognise the threat posed by climate change to human health, food security and economic growth across Nigeria and Africa. Climate-related risk has been identified as a top enterprise risk and material issue across Stanbic IBTC.

We are thus working towards aligning our operations, lending and investment portfolios with Nigeria's updated climate change commitments and Africa's climate transition. Stanbic IBTC supports a just transition that seeks to achieve the imperative for environmental sustainability in a manner that creates work opportunities and social inclusion while addressing Nigeria's energy deficiencies. We have adopted a phased and progressive approach to understanding our climate-related risk exposures.

In 2021, we conducted a climate stress test simulation exercise on our commercial lending portfolio. This was in a bid to measure various sectors' propensity to physical climate change risks; to understand the attendant impact on the Bank's credit portfolio, and to enhance the Bank's strategy for managing associated climate-related financial risks. The Climate Stress Test Simulation report was presented to the Board Risk Management Committee (BRMC).

We are working on setting appropriate targets to reduce exposure to climate-related risks and maximise opportunities for climate-related financing.

Human rights

In keeping with our obligations as a responsible financial services organisation, Stanbic IBTC is committed to respecting the human rights of people involved in and impacted by our business activities. Our commitment to respecting human rights is embedded in one of our values - respecting each other. As a member of the Standard Bank Group ("SBG"), Stanbic IBTC also subscribes to the SBG Human Rights.

At Stanbic IBTC, we take any adverse human rights impacts seriously. We have thus embedded applicable human rights screening processes into our lending and vendor onboarding processes in order to avoid infringements or be complicit in human rights infringements of third-party service providers and clients.

Our employees also have the right to enjoy fair and just working conditions. Our commitment to this right is reflected in our people and culture policies, some of which include the diversity and inclusion policy, anti-harassment policy, remuneration policy, whistleblowing policy, and the employee grievance mechanism.

Abridged sustainability report
Building environmental resilience

In line with our commitment to reducing GHG emissions associated with our business operations, we continue to implement energy efficiency measures across our office locations. Some of these include:

- **Operation Switch Off and Unplug ("SOUP") initiative** – this encourages staff members to switch off and unplug electronic devices at the close of business.
- **Power-down initiative** – this supports the conservation of energy consumption by elevators and central air conditioners in our head office campuses. Also, across our branch locations, 6pm has been established as the time power-down daily. In addition to mitigating environmental impact, this initiative also encourages work-life balance among our employees.
- **Installation of energy-saving LED bulbs** – this continues to be implemented across our office locations to reduce overall energy consumption.

In 2021, we continued to increase the adoption of renewable energy solutions and cleaner energy sources across our office locations.

- **We switched from diesel-powered energy supply to natural gas** (a cleaner energy source compared to diesel) at our Walter Carrington and Idejo head office campuses. Partnership with Fate Foundation to train 2,000 SME clients.
- We commenced the replacement of obsolete power generators with renewable energy solutions.

This has led to about a 30% reduction in carbon emissions from power generation and the cost of energy at both locations. **30%**

23% We have installed solar energy solutions in 42 (23%) of our office locations (32 Stanbic IBTC Bank locations and 10 Stanbic IBTC Pension Managers Limited locations).

16% Also, about 127 ATMs (16% of total active ATMs) are onboarded on solar energy solutions.

[compared to December 2020 figures: 17 office locations and 89 ATMs]

Abridged sustainability report
Building environmental resilience (continued)

Paper reduction initiatives

In 2021 we continued to drive paper reduction initiatives across the organisation. Some of these paper reduction initiatives include:

- Installation of "follow me" printing on printers
- Digitisation of paper-based processes
- Double-sided printing (which is the default setting on printers)
- Adoption of digital folders (Sharepoint) for file storage

Waste recycling

At Stanbic IBTC, we continue to explore viable waste recycling options for applicable waste generated in our office locations. To promote our waste recycling program, in 2021 we deployed waste segregation bins across all our head office locations.

We also commenced waste segregation and recycling of wastes from our head office campuses (Walter Carrington Crescent, Idejo, Ilupeju and the Wealth House). This initiative, which supports the reduction of waste sent to landfills and incinerators from our office locations, will be expanded to other office locations in the coming years.

We also continued the wastepaper recycling program across our head office campuses. This initiative serves as one of the ways we contribute to the reduction in tree-felling for paper production.

9.1 tonnes

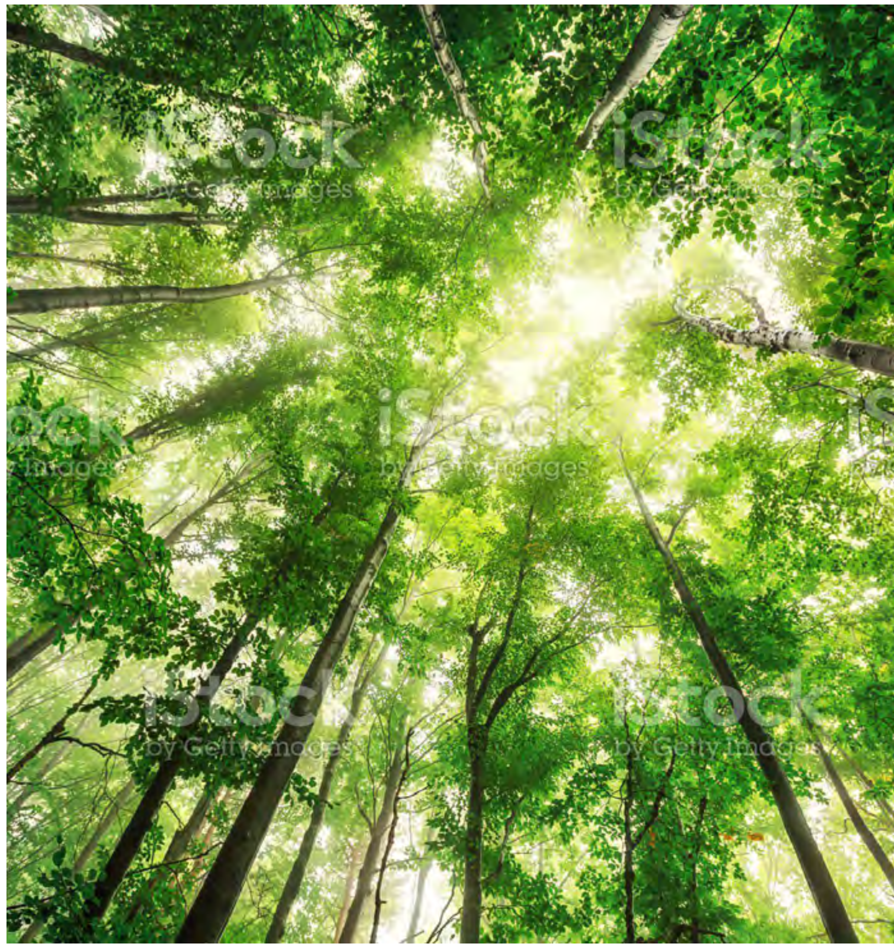
In 2021, we recycled 9.1 tonnes of waste papers in return for tissue paper.

Water efficiency

In 2021, we continued to maintain water-efficient fittings across our office buildings, while failed water fittings were replaced with more efficient fittings. Also, we completed the installation of float switches for all applicable branch water tanks. We also embarked on a water recycling program to reduce our wastewater. These initiatives will further aid water management and drive other benefits such as cost reduction and reduction in energy consumption.

Green building 4-star rating

In 2021, the Green Building Council of South Africa (GBCSA), confirmed that our ongoing head office project had achieved the Green Building 4-star rating. This implies that the project is the first new building project in Nigeria to be registered and certified by GBCSA.



Abridged sustainability report
Enhancing social relationships

Our people

Stanbic IBTC values her employees and recognises the importance of having happy, healthy and engaged employees in the workforce. Employee engagement is one of our critical measures of success, and our employee value proposition ensures that we implement programs and initiatives dedicated to driving employee engagement and satisfaction.

- **Step-back Wednesdays** – Based on insights from the 'Tell Us How You Are' survey conducted in 2021, feedback from employees was that their diaries were filled with back-to-back meetings. Step-Back Wednesday was thus introduced by the Group Leadership Council to provide employees with the 'gift of time' by making Wednesdays meeting-free days to get important work done. The Step-back Wednesday presents staff with time to reflect on our challenges and opportunities, to brainstorm, to generate creative ideas and solutions, to innovate, to learn something new, and to connect more informally with each other.

- **Staff surveys** – In 2021, we conducted several staff surveys aimed at promoting employee engagement. To drive participation in the staff surveys, business leaders were requested to take responsibility and drive participation in their respective business areas through a leader-led approach with the People and Culture business partners also playing a crucial role in driving completion rate. The Chief Executive also engaged all staff through a corporate communication email to actively partake in the survey. Key surveys carried out in the year include:
  - *Are You A Fan Employee Engagement Survey*
  - *The Employee Net Promoter Score (eNPS)*
  - *Emotional Promoter Scores (EPS)*

- **Health and wellness** – The 2021 Stanbic IBTC Health Week themed "Total Wellbeing - It Can Be" was held in August 2021. The health week held virtually due to the COVID-19 restrictions and in keeping with the future of work realities. During the week, 16 health talk sessions were facilitated by the Medical and Wellness team in conjunction with our HMO partners (Liberty Health and AXA Mansard). Participation in the sessions was generally good and positive feedback were received from staff members.

- **Training and development programmes** – At Stanbic IBTC our philosophy is about creating an organisation where learning is ubiquitous with a productive learning culture. A huge investment of c.1% of profit after tax is made annually to design a learning strategy that provides a blended learning approach which involves both classroom and digital learning, coaching, mentoring, job shadowing, job rotation and international assignment. All employees attended at least one training this year.

We are also committed to strategic and innovative initiatives that will create the next tech experts who will change the technology narrative in Nigeria and also create new ways to improve employability eligibility and national development.

In 2021, Stanbic IBTC commenced its Digital Skills Empowerment Programme (DiSEP), an initiative introduced to bridge the growing tech gap in the ecosystem and avail participants of a competitive advantage in the global workforce. The programme includes a comprehensive induction and five global in-depth courses leading top professional certifications in emerging technology.

These certifications include:

- MS Certified Azure Database Administrator
- IBM Applied AI Professional Certificate
- IBM Cybersecurity Analyst Professional Certificate
- Google Certified Associate Android Developer
- AWS Certified Associate Developer

99% 2021 Staff Training Statistics
Percentage of staff trained 99%

80% Percentage of staff on digital learning 80%

85% Training Plan Completion 85%

- **Bursary** – Stanbic IBTC is committed to providing and supporting its employees with various learning opportunities to promote productivity on the job and enhance their personal development. Through our bursary program, we grant financial assistance to employees who wish to acquire necessary qualifications relevant to specific job responsibilities or other related tasks.

56 beneficiaries

In 2021, 56 beneficiaries accessed the bursary scheme with ₦59,990,417.53 bursary allocation dispensed in the year.

- **Women Empowerment Programmes** – At Stanbic IBTC, we support and promote women economic 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. Some programs and initiatives deployed by the BWN in 2021 include:
  - *BWN working mum's roundtable*
  - *BWN frank talk (Self care: caring for your whole self, Journey to the Top)*
  - *BWN wellness challenge*
  - *BWN giving back initiative*
  - *BWN annual conference*
  - *Life and career nuggets with Sola David-Borha*

Beyond the BWN programs, Stanbic IBTC also sponsored and facilitated the participation of female employees in other women specific programs such as:

- Women in Management, Business and Public Service (WIMBIZ) Annual Conference
- Women in Successful Careers (WISCAR) Annual Conference
- Meet-A-WISCAR monthly series
- FAB Women Future Accelerated Development program launch

- **Grievance mechanism** – We strive to ensure that all employees, customers, and other stakeholders have a dignified experience in their interactions with Stanbic IBTC. We are therefore committed to creating a work environment that is free of harassment and intimidation in line with our code of conduct and ethics. Stanbic IBTC has instituted a robust grievance mechanism that provides employees with a platform for reporting grievances and ensuring that grievances are appropriately resolved.

35 staff members

In 2021, 35 staff members utilised the grievance mechanism.

Abridged sustainability report
Enhancing social relationships (continued)

- **Graduate trainee program** – The Stanbic IBTC Graduate Trainee program has been designed to build capacity and create a sustainable talent pipeline within the Group. The graduate trainee program is intensive and focused on developing fresh graduates by providing a blended learning experience of the industry and future-fit competencies. The program offers a unique opportunity for young graduates passionate about building a fast-tracked career and living the Stanbic IBTC values.

569 graduate trainees

569 graduate trainees (45% female and 55% male) have been onboarded since inception in 2011, with 63% remaining as active employees.

63 candidates

In 2021, 63 candidates graduated from two graduate trainee streams.

Occupational health and safety
ISO 45001 OHS certification

In 2021, Stanbic IBTC successfully attained the ISO 45001:2018 Occupational Health and Safety (OHS) Certification. The ISO 45001 enables an organisation to improve its performance in preventing injury and ill-health as well as eliminate OHS related risks, through the implementation of a robust OHS management system.

The ISO 45001 certification is a testament to our commitment to providing a healthy and safe work environment for workers and the general public.

Our COVID-19 initiatives for staff

In 2021, we monitored developments around the COVID-19 pandemic while the organisation's leadership provided necessary direction to ensure effective delivery of COVID related case management. We also collaboratively managed COVID-19 vaccination access for our employees across the country.

A simulation workshop to upskill case management team response to the COVID-19 landscape was designed and implemented during the year. Also, we implemented the group protocols for COVID-19 case reporting in alignment to the Standard Bank Group protocols. In 2021, we also organised several wellbeing webinars related to health effects from the COVID-19 pandemic for staff members.

Incidents recorded within the year

In 2021, 64 minor incidents, affecting about 100 employees were reported. However, no sever injury was recorded.

Date	Incident Time	Incident Type	Incident Place	Damage (₦)
04-Jan-21	17:56	Fire Alarm Trigger	Stanbic IBTC Pension Managers Limited, The Wealth House Branch	0
02-Feb-21	06:15	Vehicular Accident	Ilupeju Campus	0
03-Feb-21	19:03	Fire	Idejo Campus	
17-Feb-21	06:30	Vehicular Accident	Ilupeju Campus	0
22-Feb-21	08:43	Vehicular Accident	Ibeju Lekki Express way	0
12-Mar-21	22:50	Vehicular Accident	Idejo Campus	0
16-Mar-21	09:24	Robbery	Abeokuta Expressway	0
23-Mar-21	15:32	Fire	Jalingo Branch	0
13-Apr-21	18:09	First Aid Case	Kachia Branch	0
15-Apr-21	16:40	Fallen Communication Mast	Ilorin Branch	0
20-Apr-21	20:50	P.O.P Ceiling broke off	Idejo Campus	0
21-Apr-21	13:33	Vehicular Accident	Idejo Campus	0
7-May-21	Not available	Vehicular accident	Alausa Branch	0
13-May-21	Not available	Fire	Ojuwoye Branch	0
19-May-21	09:20	Fire	Warri Branch	0
19-May-21	13:46	Vehicle Accident	Walter Carrington Campus	0
19-May-21	15:00	Fire	Trade Fair Branch	0
3-Jun-21	13:46	Diesel Spillage	Stanbic IBTC Pension Managers Limited, The Wealth House Branch	0
3-Jun-21	06:30	Fire	Surulere Branch	0
4-Jun-21	13:57	Indoor glass accident	Stanbic IBTC Pension Managers Limited, The Wealth House Branch	0
9-Jun-21	09:45	Fire Alarm Trigger	Walter Carrington Campus	0
17-Jun-21	15:25	Behavioural Misconduct	Stanbic IBTC Pension Managers Limited, The Wealth House Branch	0
17-Jun-21	10:55	Fire Alarm Trigger	Walter Carrington Campus	0
21-Jun-21	15:05	Behavioural Misconduct	Stanbic IBTC Pension Managers Limited, Port Harcourt Branch	0
22-Jun-21	09:08	Medical emergency	Ojodu Branch	0
22-Jun-21	09:39	Fire	Stanbic IBTC Pension Managers Limited, The Wealth House Branch	15,000
25-Jun-21	11:50	Fire	Port Harcourt	0
29-Jun-21	11:02	CCTV Malfunction	Stanbic IBTC Pension Managers Limited, Yola Office	0
1-Jul-21	10:00	Fire Alarm Trigger	Kaduna Main branch	0

Date	Incident Time	Incident Type	Incident Place	Damage (₦)
6-Jul-21	11:51	Unauthorised access to PPA	Stanbic IBTC Pension Managers Limited, The Wealth House Branch	0
15-Jul-21	12:12	Death of Security staff	Stanbic IBTC Pension Managers Limited, Awka Office	0
22-Jul-21	16:27	Fire Alarm Trigger	Idejo Campus	0
23-Jul-21	22:00	Vehicular accident	Eko Atlantic	0
29-Jul-21	7:30	Medical case	Oko oba branch	0
4-Aug-21	8:18	Fire Alarm Trigger	Idejo Campus	0
7-Aug-21	22:48	Fire Alarm Trigger	Walter Carrington Campus	0
12-Aug-21	10:00	Fire Alarm Trigger	Idejo Campus	0
13-Aug-21	04:00	Fire Alarm Trigger	Stanbic IBTC Pension Managers Limited, Abuja	0
18-Aug-21	09:52	Vehicular Accident	Ilupeju Campus	0
23-Aug-21	17:54	Vehicle accident	Ojodu Beger	0
26-Aug-21	21:51	Unconscious staff	Stanbic IBTC Pensions Managers Limited, Yaba Office	0
29-Aug-21	16:00	Fire Alarm Trigger	Stanbic IBTC Pensions Managers Limited, Yaba Office	0
3-Sep-21	17:00	Minor fire	UNIBEN (Offsite ATM)	0
8-Sep-21	7:00	Minor fire	Kubwa branch, Abuja	0
21-Sep-21	14:35	Fire Alarm Trigger	Walter Carrington Campus	0
24-Sep-21	16:00	First aid case	Stanbic IBTC Pensions Managers Limited, Yaba Office	0
24-Sep-21	08:00	Medical case	Idejo Campus	0
25-Sep-21	14:35	Fire Alarm Trigger	Walter Carrington Campus	0
26-Sep-21	07:00	Medical case	Mushin	0
10-Oct-21	14:04	Vehicular accident	Idejo Campus	
10-Oct-21	18:45	Fire Alarm Trigger	Idejo Campus	0
12-Oct-21	11:10	Medical case	Ilupeju Campus	0
18-Oct-21	10:50	Vehicular accident	Ladipo branch	0
22-Oct-21	14:45	Vehicular accident	Tejuosho branch	0
1-Nov-21	23:45	Fire Alarm Trigger	Tejuosho branch	0
3-Nov-21	11:50	Vehicular accident	Third mainland bridge	0
4-Nov-21	12:00	Medical case	Ojodu branch	0
12-Nov-21	12:27	Robbery	Ogodu/Alapere Bridge	103,000
15-Nov-21	09:30	Electrical Incident	Kubwa branch ATM	0
17-Nov-21	12:55	Medical case	Ilupeju Campus	0
2-Dec-21	15:45	Vehicle accident	Idejo Campus	0
6-Dec-21	08:09	Water leakage	Stanbic IBTC Pesnion Managers Limited, The Wealth House	0
7-Dec-21	17:15	Vehicle accident	Sango Otta	0
23-Dec-21	13:00	First aid case	Kaduna central branch	0

Abridged sustainability report
Enhancing social relationships (continued)

Our Corporate Social Investments (CSIs)

Staff volunteerism

The Stanbic IBTC Employee Corporate Social Initiative (E-CSI) practice is driven by our commitment to deliver sustainable value to the communities we serve, by contributing to their Social, Economic, and Environmental wellbeing while recognising the interests of relevant stakeholders. The Group has two main forms of E-CSI:

- Departmental CSI projects, where staff members in various departments across the organisation pool funds together and the organisation provides funding matching the total staff contribution, for onward donation to worthy causes.
- I-Support Fund; driven mainly by voluntary contribution from Stanbic IBTC employees.

₦119.93 million

In 2021, 34 departments raised a total of c.₦119.93 million for various CSI projects.

₦20 million

In 2021, about ₦20million was donated under the I-Support Fund.

701,778 people

These CSI projects have the capacity to impact over 701,778 people across various states in Nigeria.

S/N	Team	Project Description	Location	Value*	CSI Pillar
1	Stanbic IBTC Pension Managers Limited - Business Directorate team	Drilling of a borehole for the people of Berisibe community in Delta state.	Delta State	₦10,715,541.80	Economic empowerment
2	Stanbic IBTC Pension Managers Limited - Compliance team	Upgrade and Renovation of Toilets and Library in Niyes Community Secondary School, Plateau.	Plateau State	₦1,022,670.45	Education
3	Stanbic IBTC Pension Managers Limited - Admin team	Provisions of health care materials for the Primary health centre community at Chanchaga, Niger state.	Niger State	₦767,197.21	Health
4	Stanbic IBTC Pension Managers Limited - IMD and Research teams	Rehabilitation of 10 classrooms and provision of furniture in the school at Daudu IDP Camp, Daudu, Benue State.	Benue State	₦3,467,850.00	Education
5	Credit team	Provision of health care equipment for Lagos University Teaching Hospital (LUTH) Emergency section.	Lagos State	₦2,375,750.00	Health
6	Business Support and Resolution (BS and R) team	Donation of foodstuffs and provisions to the children in Edo Orphanage Home.	Edo State	₦500,000.00	Economic empowerment
7	Risk Management team	Renovation and construction of classrooms for Government primary school Fungwuya Mangu local government, Kerang district, Jos, Plateau state.	Plateau State	₦2,400,000.00	Education

*Including matching funds

Abridged sustainability report
Enhancing social relationships (continued)

Together for a limb
Together4ALimb, our signature CSI program, has been committed to bringing hope to limbless children over the years. This flagship initiative focuses on transforming the lives of children living with limb loss from congenital issues or disabilities, accidents, or mismanaged injuries, by giving such children prosthetic limbs.

Due to the social distancing measures, participants registered for the 2021 edition of the Together4ALimb virtual walk via the web application launched in 2020. The #Together4ALimb web application engendered participation from the public while reaching a wider audience.

Since its inception, we have provided prosthetics and Education Trust worth ₦250million for 50 children. Each beneficiary is entitled to an annual prosthetics replacement till he or she turns 18 years old.

₦1.5 million

For the 2021 edition, we fitted prosthetic limbs for ten children and awarded educational trusts worth ₦1.5million to each beneficiary to enable them to pursue their dreams of acquiring quality education.

Stanbic IBTC 2021 scholarship programme
As an organisation that recognises the importance and impact of education in the life of every Nigerian youth, we launched the Stanbic IBTC scholarship programme in 2019. The scholarship scheme is aimed at encouraging hard work and academic excellence amongst Nigerian undergraduates.

89 students participated in the Stanbic IBTC 2021 Scholarship Programme. The total scholarship value of ₦ million would be spread across four years and disbursec tranches of ₦100,000 per academic year to each benefi

89 students

89 students participated in the Stanbic IBTC 2021 Scholarship Programme.

Remodelling of office locations for easy access to the physically challenged

63%

As at end of December 2021 we have modified over 116 (63%) of our office locations and 78 offsite ATM locations for accessibility to the physically challenged

Capacity building and empowerment

Standard Bank and Stanbic IBTC UN Women Initiative
We continued our partnership with the United Nations to provide seed funding for women across the six geopolitical zones of Nigeria and the Federal Capital Territory. The UN initiative tagged 'The UN Women Project', was borne out of the need to provide economic empowerment for women and close the gender gap in agricultural productivity and incomes, while increasing their access to resources and markets.

With a total budget of $40million for five years from 2019 to 2023, the initiative targets six states namely Ogun, Ebonyi, Cross River, Niger, Bauchi and Sokoto, as well as the FCT. Currently, the selected value chains are rice and shea butter with focus States being Ebonyi (rice) and Niger (shea butter), as women dominate these value chains in the states in focus.

Project reach in Ebonyi State since inception
Registered women Cooperatives - 91
Members of registered cooperatives - 2,305
Non-registered Cooperative - 74
Members of unregistered cooperatives - 2,041Un-grouped members - 561

Project reach in Niger State since inception
Women cooperatives in shea butter - 7
Women trained (TOT) on soap making, cosmetics and shea oil - 190
Stepdown training for other members of the cooperatives - 1,345

Abridged sustainability report
Enhancing social relationships (continued)

Capacity building for SMEs

During the year, we continued to drive several capacity building programs targeted at SMEs. This is in line with one of our SEE impact focus areas where we seek to promote enterprise growth.

- **Enterprise Banking Webinar themed** – How to Thrive in Business Despite the Challenges

Some of the capacity building programs organised for SMEs in 2021 include:

- Partnership with Fate Foundation to train 2,000 SME clients.

450 Participants

How to Thrive in Business Despite the Challenges Posed by COVID-19 with about 450 participants.

37% Female

Out of the 1,212 participants enrolled in 2021, 37% are female entrepreneurs. Also, the 3rd Cohort of 788 participants are all female entrepreneurs.

Youth Leadership Series (YLS)

The 2021 youth leadership series held on 8 April 2021, with the theme "Winning". The YLS seeks to educate young adults on the opportunities within different industries. The 2021 edition focused on three industries: Entrepreneurship, Investment, and Social Media. The event was held virtually with about 1,780 participants. Carefully selected pioneers across relevant fields were engaged as speakers to educate and inspire participants.

Financial planning sessions

Stanbic IBTC Asset Management Limited organised 73 financial planning sessions for existing and potential customers in 2021.The sessions seek to improve the knowledge of participants on how to grow their Wealth sustainably. About 1,415 attendees participated in the various financial planning sessions.

Also, Stanbic IBTC Pensions Managers Limited conducted 20 financial fitness sessions with over 4,000 participants from different sectors of the economy.

73

73 Financial Planning Sessions

1,415 attendees

About 1,415 attendees participated in the various financial planning sessions.

4,000 participants

20 financial fitness sessions with over 4,000 participants from different sectors of the economy.

831 children

About 831 children participated in the program.

New School Money

Stanbic IBTC runs an annual interactive financial literacy programme called New School Money, targeted at pre-teens and teenagers. The New School Money Initiative is anchored on Education, one of the Bank's Corporate Social Investment pillars, and is targeted at improving and deepening financial knowledge amongst preteens and teenagers.

The 2021 edition, themed "Making Money Moves", was facilitated by experts in the financial services industry, who educated the young ones on the importance of acquiring adequate financial knowledge to achieve financial freedom.

Abridged sustainability report
Expanding business model and innovation

Sustainable financing and impact investments

At Stanbic IBTC, we are committed to providing lending and investment solutions and services aimed at driving sustainable economic development in the society. In 2021, some of our key financing activities and investment activities with positive Social, Environmental and Economic (SEE) impact include:

Wholesale debt finance

Stanbic IBTC provides on-lending financing for Other Financial Institutions ("OFI") such as Micro Finance banks, Mortgage banks and Fintechs, using their performing loan book as collateral. This is a deviation from the usual practice of using legal mortgage as securities for facilities availed to such financial institutions. This facilitates the availability of lending products/services to the under-banked segment of the society.

Sustainable bonds issuance

Stanbic IBTC Capital Limited acted as the lead Issuing House in conjunction with other Joint Issuing Houses to arrange the issuance of a ₦6.32 billion Series 2 Green Bond on behalf of North-South Power Company Limited ("NSP").

Proceeds of the Green Bond are being utilised to finance the company's investments in a 15MW pre-phase 1 solar project in Shiroro and other eligible investments in solar power projects.

Financing sustainable projects

Stanbic IBTC Bank provided medium-term financing to support the ANOH gas project, conceived as a 300MMscf per day gas processing plant. Also, Stanbic IBTC Capital acted as financial advisers to the project sponsors.

In 2021 we approved over ₦13.26 billion credit facilities for environmentally beneficial purposes (particularly for clients engaged in solar energy solutions and plastics recycling).

Investments with SEE impact

In 2021, Stanbic IBTC Asset Management Limited and Stanbic IBTC Pensions Limited allocated ₦27.12 billion to sustainable investments. Major investments in these areas were:

- ₦5.97 billion worth of Sukuk linked notes
- ₦6 billion invested in Emzor Pharmaceutical Industries Series 1 Bond
- ₦729 million in the North-South Power Special Purpose Vehicle (NSP-SPV) Powercorp Series II Bond
- ₦13.85 billion invested in Sukuk Bonds.

Stanbic IBTC Infrastructure Fund

In 2021, We received approval from the Securities and Exchange Commission (SEC) for the Stanbic IBTC Infrastructure Fund, a ₦100 billion Close-Ended unit trust scheme issued in tranches.

In October 2021, the Stanbic IBTC Infrastructure Fund partly financed the construction of the largest Liquified Petroleum Gas ("LPG") storage facility in Nigeria under a ₦12 billion senior debt facility agreement.

This project, when completed, will deliver additional storage required to drive the provision of cleaner energy for domestic use (cooking gas).

₦567 million

531 clients accessed SME EZ Cash loans for 2021 and total loan disbursed was about ₦567 million.

₦17.30 billion

1,957 SME clients have accessed the SME Lite facility with about ₦17.30 billion disbursed.

SME lending products

SME EZ Cash

The SME EZ Cash product is a digital short-term lending product specifically designed for SMEs. SME clients are prequalified based on their account performance and the loan is advanced for a maximum tenor of 12 months.

SME Lite

The SME lite product was launched in May 2021 with two variants - Temporary Overdraft and Short-Term Loans with tenors of 30days and 90days respectively. This facility type seeks to help small businesses meet up with their short-term needs and augment working capital.

Abridged sustainability report
Expanding business model and innovation (continued)

Environmental and social risk management in lending

At Stanbic IBTC, we understand that to support sustainable development in the society, we must be deliberate in ensuring that environmental and social risks associated with our business and financing activities are understood and managed accordingly.

Our lending activities account for a significant portion of our impact (although, these are indirect impact) on the environment and society. Therefore, we continue to maintain a robust Environmental and Social Management System ("ESMS") which enables us to proactively identify, assess, manage, and monitor applicable Environmental and Social (E and S) risks associated with our commercial lending transactions.

The Environmental and Social Risk team is responsible for coordinating and ensuring the appropriate implementation of the ESMS. In 2021, we updated our ESMS to ensure consistency with current business realities.

Our E and S risk management procedures are based on international best practice standards such as the IFC Performance Standards and the Equator Principles, and are aligned with the Nigeria Sustainable Banking Principles ("NSBPs"). The E and S risk management procedures are consistent with the Bank's credit process and have been proactively embedded throughout the credit transaction life cycle - from pre-credit to post-financial close. This enhances E and S consideration and accountability in the lending decision-making and monitoring process. It also assists clients in managing their material E and S risks and impact.

Our E and S risk assessment procedures have been fully embedded in the Wholesale Clients ("WC") and Business and Commercial Clients ("BCC") credit portfolios.

4,702 applications

In 2021, 4,702 credit applications were screened for E and S risks, representing 100% of credit applications approved within WC and BCC

Application of the Equator Principles framework

The Equator Principles ("EP") is a global risk management framework for determining, assessing, and managing environmental and social risk in project-related transactions. As a member of the Standard Bank Group ("SBG"), Stanbic IBTC is a signatory to the EPs. We thus apply the EP framework to project-related transactions which fall within the EP scope.

Also, associated IFC Performance Standards on Environmental and Social Sustainability (Performance Standards) and the World Bank Group Environmental, Health and Safety Guidelines ("EHS" Guidelines) are applied to all relevant project-related financing.

In 2021, 3 Equator Principles transactions reached financial close
Cat A – 2
Cat B - 1

3 equator principles

Internal E and S risk trainings and awareness for employees

As part of measures deployed to promote` awareness on, and proper implementation of the E and S risk management procedures, regular E and S risk training are conducted for staff members. The various E and S training programs delivered via an e-learning platform or through bespoke in-person training sessions focuses on general environmental and social risk awareness, Stanbic IBTC's environmental and social risk management process, and relevant environmental guidelines, standards, and requirements.

In addition to the training sessions, targeted E and S awareness communications and mailers were circulated to relevant teams during the year, providing information and refreshers on key E and S risk procedures and important focus areas.

402 participants

In 2021, there were over 402 participants across the various bespoke in-person training sessions.

ESG assessment procedures for investments

In the last quarter of 2021, we updated our investment assessment process for stocks and corporate bonds, incorporating a more robust Environmental Social and Governance (ESG) assessment framework.

The ESG assessment will help ensure a consistent approach for understanding our investee companies' ESG posture and inform better investment decision making.

Sustainable supply chain

At Stanbic IBTC, we believe that for our operations to be sustainable, we must also drive a sustainable supply chain. We have thus embedded sustainability practices into our procurement procedures. Applicable environmental and social assessments are included as part of the vendor onboarding process. We also ensure that materials and services are sourced locally as much as possible to promote the development of local expertise and the creation of more value in our local communities. We are transparent in selecting, evaluating, and monitoring our suppliers' performance. This ensures that quality sustainable goods and services are delivered by vendors and encourages healthy competition and creativity among vendors.

In 2021, a sustainable supply programme was put together to create awareness amongst our vendors on sustainability practices. The target audience was the bottom 80% of active vendors which made 20% of our local spend. The programme included a webinar tagged "Understanding Sustainability and What it Means for Your Business". As a build-up to the webinar, series of educational mailers on various sustainability topics were shared with the vendors weekly to stir up their interest.

Financial inclusion

Stanbic IBTC is committed to promoting financial inclusion. We have thus developed and deployed several products and services in this regard. Some of these include:

- **Stanbic IBTC @Ease** – @Ease wallet is an electronic wallet designed to meet the lifestyle needs of the unbanked and underbanked, using a unique combination of technology and agent network. About 137,789 @ease accounts were opened in 2021, with a year-on-year growth of 124% and 168% recorded on @Ease transaction volumes and values, respectively.
- **Agency Banking** – As at December 2021, we acquired 5,151 agents, thereby supporting job creation and economic empowerment for members of the society.
- **Micro-pension scheme** - Our Micro-pension product is aimed at providing the informal sector with a practical means for saving and securing income at retirement. The Micro-pension scheme allows more flexibility in contributions with respect to the frequency of savings and amount saved. In 2021, membership of the Micro-pension scheme grew by 29% year-on-year from about 8,685 members in 2020 to about 11,264 members in 2021.

137,789 @ease accounts

About 137,789 @ease accounts were opened in 2021, with a year-on-year growth of 124% and 168% recorded on @Ease transaction volumes and values, respectively.

5,151 agents

5,151 agents acquired as at December 2021, thereby supporting job creation and economic empowerment for members of the society.

29%

In 2021, membership of the Micro-pension scheme grew by 29% year-on-year

Abridged sustainability report
Strengthening leadership for sustainability governance

2021 Sustainability Week

The 2021 Stanbic IBTC Sustainability Week themed "Working towards Net Zero Emissions" was held on 20-24 September 2021. During the week-long program, awareness contents were deployed to staff and to external stakeholders. Also, a webinar was organised to educate our stakeholders and the public on how to reduce their carbon footprints.

The webinar was held as a panel session with panelists Ms. Teme Jack, Group Head Sales – Banks, Gas stations and SME's; Professor Kenneth Amaeshi, Chair in Sustainable Finance ad Governance, School of Transnational Governance; and Mr. Olusegun Olajuwan, Group Chief Executive Officer, THLD Group. About 300 participants attended the webinar.

Sustainability days

The United Nations observes notable dates to increase public awareness on specific sustainability-related issues for governments, civil societies, public and private sector organisations, schools, and citizens. In commemoration of the international days set aside for the celebration of sustainability-related themes, corporate communications were sent internally and externally through the Bank's social media handles. Some of the days commemorated in 2021 include: International Day of Education, International Literacy Day, Zero Emissions Day, Earth Day, World Water Day, International Day of the Girl Child, International Youth Day, amongst others.

Sustainability Saturday With Stanbic IBTC (SSWS)

In a bid to create awareness towards the Sustainable Development Goals (SDGs) and how Stanbic IBTC is contributing towards achieving the SDGs, we continued the awareness series tagged "Sustainability Saturday With Stanbic IBTC".

Several awareness communications on the SDGs and tidbits from the Stanbic IBTC Working towards Net Zero Emissions webinar were deployed externally across the Bank's social media platforms on LinkedIn, Instagram, and Facebook.

Staff sustainability training

In 2021, about 316 new employees participated in various sustainability training sessions facilitated for new hires. These sessions seek to grow our people and build the culture of sustainability at Stanbic IBTC.

316 new hires trained

In 2021, about 316 new employees participated in various sustainability training sessions facilitated for new hires.

Abridged sustainability report
Strengthening leadership for sustainability governance (continued)

Partnerships, Memberships, and Sustainability Principles

- *Nigeria2Equal*
  In 2021, Stanbic IBTC entered a partnership with the International Finance Corporation (IFC) and the Nigerian Stock Exchange (NSE) to promote gender balance in the workplace and marketplace through the Nigeria2Equal initiative. The Nigeria2Equal initiative aims to reduce gender gaps across employment and entrepreneurship in the private sector.

  Nigeria2Equal supports companies to implement gender-smart business strategies that promote gender equality and help improve business performance.
- *Nigerian Conservation Foundation (NCF)*
  Through its annual membership renewal in 2021, Stanbic IBTC retained membership with the Nigerian Conservation Fund ("NCF"), a non-governmental organisation dedicated to sustainable development and nature conservation in Nigeria.
- Stanbic IBTC, as a member of the Standard Bank Group, is a signatory to the United Nations Environment Programme Finance Initiative (UNEPFI) Principles for Responsible Banking. We also continued to maintain compliance with, and alignment to the Nigeria Sustainable Banking Principles (NSBP), the NSE Sustainability Disclosure Guidelines and the SEC Nigeria Sustainable Finance Principles for Capital Market Operators.

Embedding sustainability in our processes

In line with our sustainability strategy, we continuously explore opportunities for process improvements which factors sustainability design thinking.

Some of the process improvement initiatives deployed in the year include:

- *Relationship manager ("RM") companion*
  The RM companion is a mobile application that facilitates remote onboarding of customers and KYC updates on-the-go, reducing the need for paper-based account opening packages. RMs will also be able to retrieve product information on the mobile application.
- *Straight-through processing (STP) on the Quick Services Portal*
  Some requests on the Quick Services Portal ("QSP") hoisted on the bank's website were enhanced to eradicate the need for paper and printing. Term deposit booking, loan liquidation, phone number and email updates can now be processed straight-through on the QSP if a customer uses the debit card authentication option. Also, seven additional request types have been added to the QSP to enable customers transact with the Bank remotely. These requests include:
  - Data update
  - TIN upload
  - KYC document upload
  - Business loan initiation
  - Part and full loan repayment
  - Business account opening
  - Account upgrade request
- *Robotics Process Automation ("RPA")*
  We successfully deployed 14 RPA bots to automate 32 high-volume settlement, reconciliation, and dispute management processes within the Bank. These will help optimise operational efficiency.

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, 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 risks 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 Holdings and also through a matrix reporting line to the Standard Bank Group (SBG).

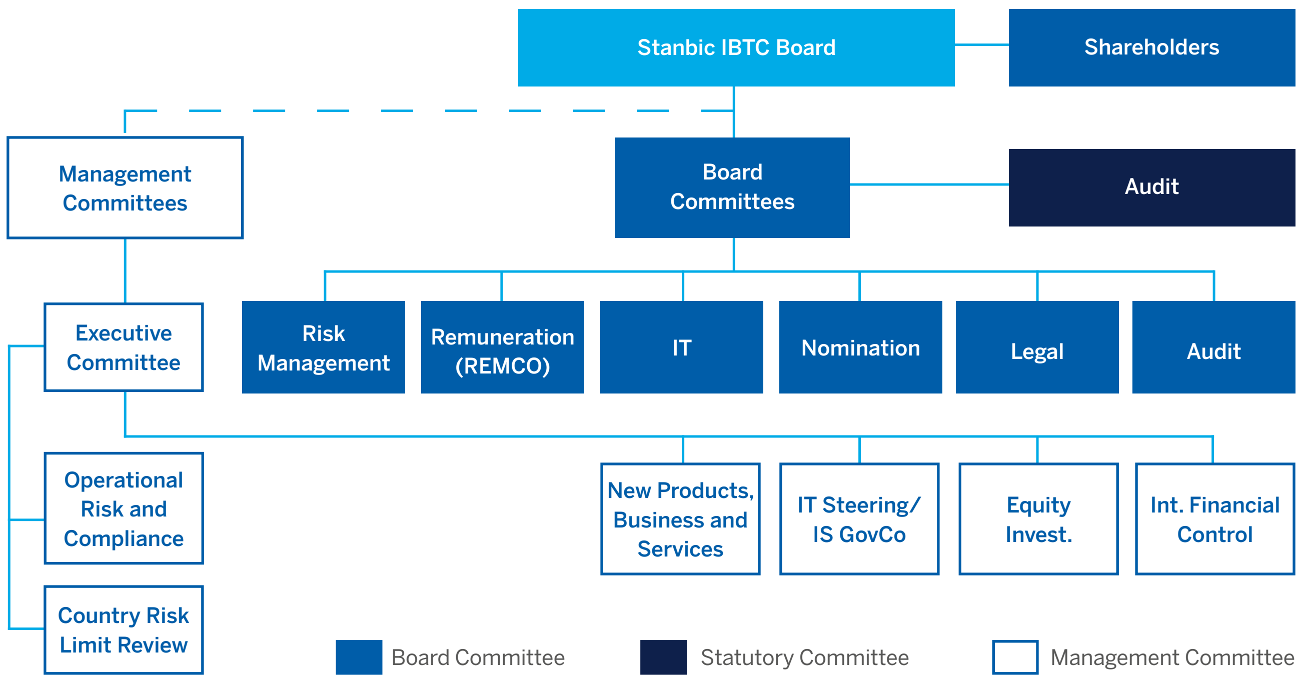
All principal risks are supported by the Risk department.

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 on the next page).

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.

Enterprise risk review (continued)
For the year ended 31 December 2021

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 economic 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 risk 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 program. 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 30 June 2023 by the Alternative Reference Rate Committee (ARRC). This only applies to certain USD LIBOR tenures such as (o/n, 1-month, 3-month, 6-month, 12-month). However, the Group is working to an internal timeline of 30 June 2022 for the transition of all legacy USD-LIBOR linked exposures.

	LIBOR				ALTERNATIVE "RISK-FREE" REFERENCE RATES			
REGION	Reference rate	Rate economics	Terms	Administrator	Reference rate	Rate economics	Term	Administrator
	GBP LIBOR	Unsecured lending			Sterling Overnight Index Average (SONIA)	Unsecured borrowing		Bank of England (BoE)
	USD LIBOR	Unsecured lending	7 different tenors: ON 1W 1M 2M 3M 6M 12 M		Secured Overnight Financing Rate (SOFR)	Secured borrowing		Federal Reserve Bank of New York
	EUR LIBOR	Unsecured lending		ICE Benchmark Administration	Euro Short-Term Rate (€STR)	Unsecured borrowing	Term rates now endorsed for SONIA and SOFR	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 period 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.

Enterprise risk review (continued)
For the year ended 31 December 2021

As at 31 December 2021, 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 interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of 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 the changes 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 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 / 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)		
	GBP LIBOR	USD LIBOR	EUR LIBOR
Cash and balances with central banks	-	74	-
Derivative assets	-	21	-
Loans and advances	2,627	398,962	67,159
Deposits and debt funding	-	(97,192)	-
Subordinated debt	-	(17,312)	-

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 Wholesale Clients (WC), Business and Commercial Clients (BCC) and Consumer and High Net Worth (CHNW) Clients 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, WC, BCC and CHNW 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 and 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 3, 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 or reward thereof, an appropriate consideration of Basel 3 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.

Group's rating	Grade description	Standard & 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

Enterprise risk review (continued)
For the year ended 31 December 2021

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.

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 comprehensive income (FVOCI), undrawn loan commitments and financial guarantees.

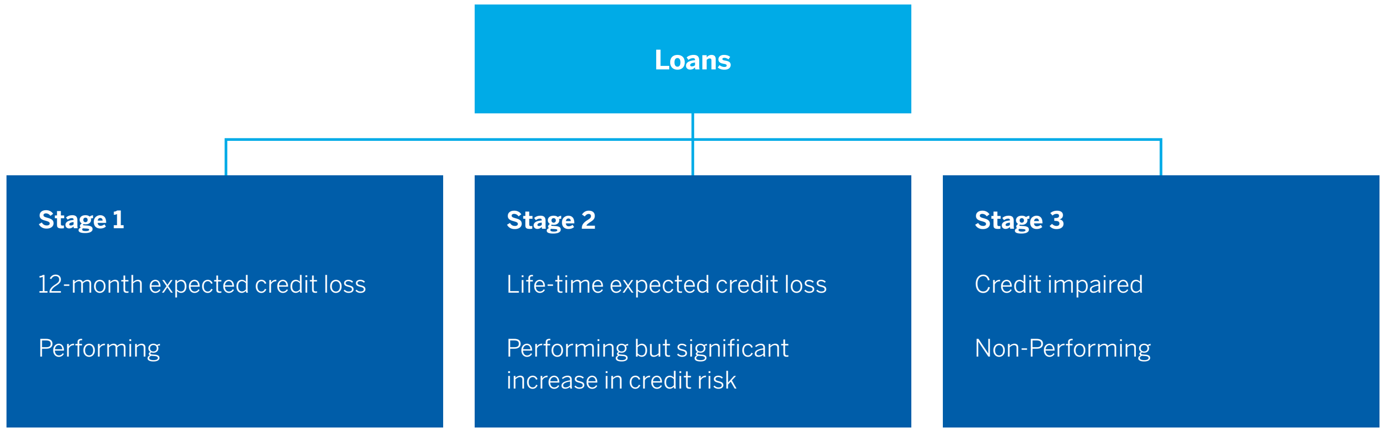
Staging of financial instruments
Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month expected credit loss allowance is recognised.

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 Credit impairment and Note 3.2 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
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 or 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 be transferred 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).

Maximum exposure to credit risk by credit quality

				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 %
December 2021	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							
Consumer and High Net Worth Clients (CHNW)		78,519	1,095	65,920	966	-	31	6,272	1,974	963	547	1,846	-	-	-	3,356	1,118	2,238	2,238	67	3,356	4.3
Mortgage loans		4,356	20	3,867	93	-	-	118	135	83	2	57	-	-	-	143	51	92	92	65	143	3.27
Instalment sale and finance leases		1,553	13	1,452	-	-	-	14	47	11	20	9	-	-	-	40	21	19	19	47	40	2.59
Card debtors		1,265	35	746	36	-	-	171	128	49	27	108	-	-	-	185	49	136	136	74	185	14.59
Other loans and advances		71,345	1,027	59,855	837	-	31	5,970	1,664	820	497	1,672	-	-	-	2,989	998	1,991	1,991	67	2,989	4.19
Business and Commercial Clients (BCC)		284,151	4,501	257,978	505	-	2,855	12,547	2,145	3,177	1,222	3,722	-	-	-	8,121	887	7,234	7,234	89	8,121	2.9
Mortgage loans		425	13	425	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sale and finance leases		34,238	706	32,286	-	-	1,323	172	224	104	92	38	-	-	-	233	142	91	91	39	233	0.68
Card debtors		4	1	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans and advances		249,483	3,781	225,263	505	-	1,532	12,374	1,920	3,073	1,130	3,685	-	-	-	7,888	745	7,143	7,143	91	7,888	3.16
Wholesale Clients (WC)		583,589	3,712	572,071	1,477	-	-	1,180	-	-	-	8,861	-	-	-	8,861	2,426	6,435	6,435	73	8,861	1.52
Corporate loans		583,589	3,712	572,071	1,477	-	-	1,180	-	-	-	8,861	-	-	-	8,861	2,426	6,435	6,435	73	8,861	1.52
Gross loans and advances		946,259	9,308	895,970	2,948	-	2,886	19,999	4,118	4,140	1,769	14,428	-	-	-	20,338	4,431	15,907	15,907	78	20,338	2. 15
Less: Total expected credit loss for loans and advances at amortised cost																						
12-month ECL		(8,025)																				
Lifetime ECL not credit-impaired		(1,283)																				
Lifetime ECL credit-impaired		(15,907)																				
Purchased/originated credit impaired		-																				
Net loans and advances	12	921,044																				
Add the following other banking activities exposures:																						
Cash and cash equivalents	7	653,070																				
Derivatives	10.6	41,212																				
Financial investments (excluding equity)	11	632,985																				
Loans and advances to banks	12	16,096																				
Trading assets	9.1	-																				
Pledged assets	8	182,335																				
Other financial assets[1]		120,385																				
Total on-balance sheet exposure		2,567,127																				
Off-balance sheet exposure:																						
Letters of credit		185,714	132	184,401	1,181	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees		104,418	644	103,963	455	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan commitments		114,374	206	114,374	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to credit risk		2,971,634																				
Expected credit loss for off balance sheet exposures																						
12-month ECL		(784)																				
Lifetime ECL not credit impaired		-																				
Lifetime ECL credit impaired		-																				
Total exposure to credit risk on loans and advances at amortised cost		2,970,850																				

[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.

Maximum exposure to credit risk by credit quality

				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									
		Total Loans and advances to customers ₦'million	Balance sheet impairments for performing loans ₦'million	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 %
December 2020	Note			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							
Consumer and High Net Worth Clients (CHNW)		58,924	814	50,756	1,254	-	-	2,954	1,562	657	828	913	-	-	-	2,399	1,024	1,375	1,375	57	2,399	4.1
Mortgage loans		3,517	67	2,864	325	-	-	-	232	2	36	57	-	-	-	95	46	49	49	52	95	2.71
Instalment sale and finance leases		1,506	5	1,441	-	-	-	-	36	26	1	2	-	-	-	30	18	12	12	39	30	1.97
Card debtors		1,196	73	738	64	-	-	112	114	29	32	109	-	-	-	170	56	114	114	67	170	14.20
Other loans and advances		52,704	669	45,713	865	-	-	2,842	1,180	601	758	744	-	-	-	2,103	904	1,199	1,199	57	2,103	3.99
Business and Commercial Clients (BCC)		182,084	3,807	161,916	316	-	7,241	2,654	422	1,177	1,930	6,428	-	-	-	9,535	1,749	7,786	7,786	82	9,535	5.2
Mortgage loans		719	23	653	-	-	66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sale and finance leases		8,360	282	5,978	11	-	1,581	491	225	5	25	45	-	-	-	74	34	40	40	54	74	0.89
Card debtors		6	1	4	-	-	-	-	2	-	-	1	-	-	-	1	-	-	-	68	1	8.53
Other loans and advances		172,999	3,501	155,282	306	-	5,593	2,163	195	1,173	1,905	6,383	-	-	-	9,460	1,715	7,745	7,745	82	9,460	5.47
Wholesale Clients (WC)		414,284	3,569	391,889	5,193	-	-	2,644	-	-	8,885	5,674	-	-	-	14,559	2,495	12,064	12,064	83	14,559	3.51
Corporate loans		414,284	3,569	391,889	5,193	-	-	2,644	-	-	8,885	5,674	-	-	-	14,559	2,495	12,064	12,064	83	14,559	3.51
Gross loans and advances		655,292	8,189	604,561	6,763	-	7,241	8,251	1,984	1,835	11,642	13,016	-	-	-	26,492	5,268	21,224	21,224	222	26,492	4.04
Less: Total expected credit loss for loans and advances at amortised cost																						
12-month ECL		(6,680)																				
Lifetime ECL not credit-impaired		(1,509)																				
Lifetime ECL credit-impaired		(21,964)																				
Purchased/originated credit impaired																						
Net loans and advances	12	625,139																				
Add the following other banking activities exposures:																						
Cash and cash equivalents	7	627,111																				
Derivatives	10.6	46,233																				
Financial investments (excluding equity)	11	608,772																				
Loans and advances to banks	12	7,828																				
Trading assets	9.1	169,655																				
Pledged assets	8	170,578																				
Other financial assets[1]		167,038																				
Total on-balance sheet exposure		2,422,354																				
Off-balance sheet exposure:																						
Letters of credit		119,841	145	118,696	1,145	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees		113,312	1,072	113,007	304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan commitments		49,240	126	48,721	519	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to credit risk		2,704,747																				
Expected credit loss for off balance sheet exposures																						
12-month ECL		(1,226)																				
Lifetime ECL not credit impaired		-																				
Lifetime ECL credit impaired		-																				
Total exposure to credit risk on loans and advances at amortised cost		2,703,521																				

[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.

Enterprise risk review (continued)
For the year ended 31 December 2021

Ageing of loans and advances past due but not specifically impaired

December 2021	Less than 31 days ₦'million	31-60 days ₦'million	61-89 days ₦'million	90-180 days ₦'million	More than 180 days ₦'million	Total ₦'million
Consumer and High Net Worth Clients (CHNW)	7,173	741	333	-	-	8,245
Mortgage loans	180	62	12	-	-	253
Instalment sales and finance lease	16	40	5	-	-	60
Card debtors	222	60	17	-	-	299
Other loans and advances	6,756	579	299	-	-	7,633
Business and Commercial Clients (BCC)	14,102	377	212	-	-	14,691
Mortgage loans	-	-	-	-	-	-
Instalment sales and finance lease	324	44	28	-	-	397
Card debtors	-	-	-	-	-	-
Other loans and advances	13,778	332	184	-	-	14,294
Wholesale Clients (WC)	1,043	137	-	-	-	1,180
Corporate loans	1,043	137	-	-	-	1,180
Total	22,318	1,255	545	-	-	24,116

December 2020	Less than 31 days ₦'million	31-60 days ₦'million	61-89 days ₦'million	90-180 days ₦'million	More than 180 days ₦'million	Total ₦'million
Consumer and High Net Worth Clients (CHNW)	5,370	1,567	357	-	-	7,295
Mortgage loans	334	521	29	-	-	885
Instalment sales and finance lease	907	641	64	-	-	1,612
Card debtors	553	162	60	-	-	775
Other loans and advances	3,575	243	204	-	-	4,023
Business and Commercial Clients (BCC)	11,764	4,105	2,692	-	-	18,561
Mortgage loans	-	-	-	-	-	-
Instalment sales and finance lease	1,958	68	64	-	-	2,090
Card debtors	-	-	-	-	-	-
Other loans and advances	9,806	4,037	2,628	-	-	16,471
Wholesale Clients (WC)	19,817	3,670	21,918	-	-	45,406
Corporate loans	19,817	3,670	21,918	-	-	45,406
Total	36,951	9,343	24,967	-	-	71,262

*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 ₦10.0 billion as at 31 December 2021 (December 2020: ₦11.7billion).

Collateral

The table on the next page 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, 31% (December 2020: 54%) is collateralised. Of the Group's total exposure, 89% (December 2020: 83%) is unsecured and mainly reflects exposures to well-rated corporate counterparties, bank counterparties and sovereign entities.

Enterprise risk review (continued)
For the year ended 31 December 2021

Collateral

December 2021	Note	Total exposure ₦'million	Unsecured ₦'million	Secured ₦'million	Netting agreements ₦'million	Secured exposure after netting ₦'million	Total collateral coverage 1%-50% ₦'million	50%-100% ₦'million	Greater than 100% ₦'million
Corporate		877,271	729,067	148,204	-	-	18,362	10,973	118,869
Sovereign		1,316,789	1,316,789	-	-	-	-	-	-
Bank		207,558	207,558	-	-	-	-	-	-
Retail		551,030	382,576	168,454	-	-	18,238	15,557	2,977,303
Retail mortgage		4,781	-	4,781	-	-	-	1,936	2,845,490
Other retail		546,249	382,576	163,673	-	-	18,238	13,621	131,814
Total		2,952,648	2,635,990	316,658	-	-	36,600	26,530	3,096,172

	Note	Total exposure ₦'million
Add: Financial assets not exposed to credit risk		19,056
Less: Impairments for loans and advances and IIS		(25,215)
Less: Unrecognised off balance sheet items		(280,014)
Total exposure		2,666,475
Reconciliation to statement of financial position:		
Cash and bank balances	7	653,070
Derivatives	10.6	41,212
Financial investments (excluding equity)	11	633,590
Loans and advances	12	937,140
Trading assets	9.1	98,743
Pledged assets	8	182,335
Other financial assets		120,385
Total		2,666,475

Collateral

December 2020	Note	Total exposure ₦'million	Unsecured ₦'million	Secured ₦'million	Netting agreements ₦'million	Secured exposure after netting ₦'million	Total collateral coverage 1%-50% ₦'million	50%-100% ₦'million	Greater than 100% ₦'million
Corporate		742,392	500,770	241,622	-	-	34,016	122,850	84,756
Sovereign		1,352,430	1,352,430	-	-	-	-	-	-
Bank		158,164	158,164	-	-	-	-	-	-
Retail		386,548	177,642	208,906	-	-	1,019	96,745	3,624,625
Retail mortgage		3,517	-	3,517	-	-	-	-	3,517,000
Other retail		383,031	177,642	205,389	-	-	1,019	96,745	107,625
Total		2,639,534	2,189,006	450,528	-	-	35,035	219,595	3,709,381

	Note	Total exposure ₦'million
Add: Financial assets not exposed to credit risk		46,238
Less: Impairments for loans and advances and IIS		(30,153)
Less: Unrecognised off balance sheet items		(232,809)
Total exposure		2,422,810
Reconciliation to statement of financial position:		
Cash and bank balances	7	627,111
Derivatives	10.6	46,233
Financial investments (excluding equity)	11	609,228
Loans and advances	12	632,967
Trading assets	9.1	169,655
Pledged assets	8.1	170,578
Other financial assets		167,038
Total		2,422,810

Enterprise risk review (continued)
For the year ended 31 December 2021

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 Dec 2021 For this table, the Group has allocated exposures to regions based on the region of domicile of our counterparties.

At December 2021	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	-	6,102	-	-	36,917	-	43,019
South West	449	2,818	-	55,060	809,446	7,221	874,994
South East	-	1	-	-	20,888	-	20,889
North West	-	-	-	-	39,671	-	39,671
North Central	98,294	25,743	182,335	578,552	34,495	-	919,419
North East	-	-	-	-	4,842	-	4,842
Outside Nigeria	-	6,548	-	-	-	8,881	15,429
Carrying amount	98,743	41,212	182,335	633,612	946,259	16,102	1,918,263

At December 2020	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	-	79	-	-	29,737	-	29,816
South West	-	3,907	-	75,983	563,390	1,504	644,784
South East	-	9	-	-	11,520	-	11,529
North West	-	-	-	-	24,776	-	24,776
North Central	169,655	37,124	85,947	533,330	24,721	2,000	852,777
North East	-	-	-	-	1,148	-	1,148
Outside Nigeria	-	5,114	84,631	-	-	4,329	94,074
Carrying amount	169,655	32,871	170,578	609,313	655,292	7,833	1,658,904

Concentration of risks of financial assets with credit risk exposure

b) Industry sectors

At December 2021	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	-	48	-	-	37,157	-	37,205
Business services	-	1,637	-	6,701	31,746	-	40,084
Communication	-	-	-	-	49,272	-	49,272
Community, social and personal services	-	-	-	-	-	-	-
Construction and real estate	-	-	-	-	58,744	-	58,744
Electricity	-	-	-	-	9,302	-	9,302
Financial intermediaries and insurance	-	6,578	-	50,753	24,728	16,102	98,161
Government (including Central Bank)	98,743	25,741	182,335	575,531	74,788	-	957,138
Hotels, restaurants and tourism	-	-	-	-	207	-	207
Manufacturing	-	6,812	-	-	304,862	-	311,674
Mining	-	386	-	627	214,640	-	215,653
Private households	-	10	-	-	78,022	-	78,032
Transport, storage and distribution	-	-	-	-	9,603	-	9,603
Wholesale and retail trade	-	-	-	-	53,188	-	53,188
Carrying amount	98,743	41,212	182,335	633,612	946,259	16,102	1,918,263
At December 2020							
Agriculture	-	731	-	-	34,977	-	35,708
Business services	-	750	-	11,891	8,348	-	20,989
Communication	-	-	-	541	25,350	-	25,891
Community, social and personal services	-	-	-	-	-	-	-
Construction and real estate	-	1	-	-	57,702	-	57,703
Electricity	-	6	-	-	1,476	-	1,482
Financial intermediaries and insurance	-	6,423	84,631	62,024	32,130	7,833	193,041
Government (including Central Bank)	169,655	37,102	85,947	528,651	35,593	-	856,948
Hotels, restaurants and tourism	-	-	-	-	104	-	104
Manufacturing	-	1,140	-	-	170,482	-	171,622
Mining	-	80	-	6,206	168,697	-	174,983
Private households	-	-	-	-	59,013	-	59,013
Transport, storage and distribution	-	-	-	-	1,879	-	1,879
Wholesale and retail trade	-	-	-	-	59,541	-	59,541
Carrying amount	169,655	46,233	170,578	609,313	655,292	7,833	1,658,904

Enterprise risk review (continued)
For the year ended 31 December 2021

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 2021	2,262	921,076	865,713	129,212	1,918,263
As at December 2020	6,054	1,362,502	194,756	95,592	1,658,904

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

At December 2021	Loan commitment ₦'million	Bonds and guarantees ₦'million	Letters of credit* ₦'million	Total ₦'million
South South	475	21,209	2,241	23,925
South West	111,301	42,922	174,563	328,786
South East	764	153	83	1,000
North West	1,399	11,023	345	12,767
North Central	416	3,438	-	3,854
North East	19	11,023	-	11,042
Outside Nigeria	-	14,650	8,482	23,132
Total	114,374	104,418	185,714	404,506

At December 2020	Loan commitment ₦'million	Bonds and guarantees ₦'million	Letters of credit* ₦'million	Total ₦'million
South South	20,642	-	758	21,400
South West	86,589	119,841	43,446	249,876
South East	161	-	902	1,063
North West	5,412	-	1,803	7,215
North Central	507	-	2,332	2,839
North East	-	-	-	-
Outside Nigeria	-	-	-	-
Total	113,311	119,841	49,241	282,393

*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 2021				31 December 2020			
	Bonds and guarantees ₦'million	Letters of credit ₦'million	Loan commitment ₦'million	2021 Total ₦'million	Bonds and guarantees ₦'million	Letters of credit ₦'million	Loan commitment ₦'million	2020 Total ₦'million
Agriculture	1,588	2,869	-	4,457	2,552	3,484	2,930	6,602
Business services	28,844	16,560	-	45,404	93	468	8,548	1,862
Communication	-	5,209	-	5,209	870	8,016	153	15,928
Construction and real estate	7,808	7,004	400	14,812	11,470	194	5	11,664
Electricity	-	267	-	267	2,094	197	-	2,745
Financial intermediaries and insurance	14,332	-	-	14,332	37,620	-	-	37,620
Hotels, Restaurants and Tourism	-	-	-	-	1,186	-	354	1,186
Manufacturing	24,550	104,174	100,700	128,724	14,223	74,725	15,364	173,637
Mining/oil and gas	25,086	7,636	4,678	32,722	33,262	17,851	9,449	61,004
Private households	-	-	2,412	-	-	-	5,309	-
Transport, storage and distribution	-	16,184	-	16,184	10	-	9	10
Wholesale and retail trade	2,210	25,811	6,184	28,021	9,932	14,906	7,119	36,575
Carrying amount	104,418	185,714	114,374	290,132	113,312	119,841	49,240	349,112

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.

Enterprise risk review (continued)
For the year ended 31 December 2021

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 2021 ₦'million	31 Dec 2020 ₦'million
Prudential disclosure of loan and advances to customers		
Gross customer exposure for loans and advances	946,259	655,292
Mortgage loans	4,781	4,237
Instalment sale and finance leases	35,791	10,962
Card debtors	1,270	1,202
Overdrafts and other demand loans	320,828	224,607
Other term loans	583,589	414,284
Interest in suspense	(2,738)	(739)
Credit impairments for loans and advances	(30,654)	(31,613)
Specific provision	(12,141)	(19,020)
General provision	(18,513)	(12,593)
Net loans and advances to customers	912,867	622,940
Prudential disclosure of loan classification		
Performing	925,921	628,800
Non performing loans	20,338	26,492
Substandard	4,140	1,835
Doubtful	10,630	11,642
Loss	5,568	13,015
Total performing and non performing loans	946,259	655,292
Adjustment for Interest in suspense and below-market interest staff loans	(2,738)	(739)
Customer exposure for loans and advances	943,521	654,553
Non-performing loans ratio (Regulatory)	2.15%	4.04%

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 a Group's earnings and capital and, in extreme circumstances, may even lead to the collapse of a 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 PLC) is within the regulatory liquidity ratio of 30% on a daily basis.

Liquidity ratio	December 2021	December 2020
Minimum	99.07%	104.95%
Average	114.73%	131.28%
Maximum	126.45%	177.34%
As at year end	105.35%	148.93%

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

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.

Enterprise risk review (continued)
For the year ended 31 December 2021

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 2021. This ratio is subject to review quarterly. The Bank subsidiary LDR as at 31 December 2021 was 72.08% (December 2020: 68.57%).

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 provide 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 2021	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	-	-	-	12,396	12,968	25,364
Trading liabilities	-	71,192	29,833	10,880	118	112,023
Deposits and current accounts	870,681	92,888	138,573	42,020	432,388	1,576,550
Debt securities issued	-	-	-	-	47,393	47,393
Other borrowings	47,664	12	34,211	2,634	72,873	157,393
Other financial liabilities	443,038	-	-	-	-	443,038
Total	1,361,383	164,092	202,617	67,930	565,740	1,918,723
Unrecognised financial instruments						
Letters of credit	-	31,082	120,139	34,375	118	185,714
Guarantees	-	36,300	17,185	20,034	30,899	104,418
Loan commitments	-	8,431	101,035	4,014	895	114,374
Total	-	75,813	238,359	58,423	31,912	404,506

December 2020	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	-	3,113	27,056	1,294	5,919	37,382
Trading liabilities	-	389	9,990	124,804	53,317	188,500
Deposits and current accounts	756,064	24,065	37,072	2,726	505,639	1,325,566
Debt securities issued	-	-	-	-	68,269	68,269
Other borrowings	545	12,422	3,308	4,229	91,527	112,031
Other financial liabilities	344,984	-	-	-	-	344,984
Total	1,101,593	39,989	77,426	133,053	724,671	1,731,748
Unrecognised financial instruments						
Letters of credit	-	8,051	78,326	16,048	-	102,425
Guarantees	-	5,176	35,484	10,384	33,318	84,362
Loan commitments	-	34,278	49,512	15,217	1,852	100,859
Total	-	47,505	163,322	41,649	35,170	287,646

Enterprise risk review (continued)
For the year ended 31 December 2021

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.

	Dec 2021 %	Dec 2020 %
Single depositor	2	5
Top 10 depositors	11	15

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 Wholesale Clients (WC) 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 as a result of changes in the fair value or future cash flows of financial exposures due to changes in foreign exchange rates.

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 for strategic purposes. Management is assisted by external advisers in this regard. All of the Group's 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 include:

- 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 ₦93 million and ₦803 million respectively with an annual average of ₦374 million which translates to a conservative VaR limit utilisation of 14.9% on average.

Diversified Normal Var Exposures (₦'million)

Desk	Maximum	Minimum	Average	31-Dec-21	31-Dec-20	Limit
Bankwide	803	93	374	498	290	2,503
FX Trading	393	1	106	46	73	548
Money markets trading	425	22	128	202	224	712
Fixed income trading	270	6	72	8	30	582
Credit valuation adjustment	410	23	261	291	-	270
Credit trading	-	-	-	-	-	234
Derivatives	-	-	-	-	-	52

Enterprise risk review (continued)
For the year ended 31 December 2021

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 ₦2.3 million from that of the previous year mainly due to increased T-bills position as well as an increase in the duration of the book, the money markets banking book PV01 exposure stood at ₦6.5 million lower than that of the previous year as a result of the sale of T-bills, while the fixed income trading book PV01 exposure decreased to ₦237,000 from that of pervious year largely on the back of the sale of bonds. Overall trading PV01 exposure was ₦2.5 million against a limit of ₦16.6 million thus reflecting a very conservative exposure utilisation.

PV01 (₦'000)	31-Dec-21	31-Dec-20	Limit
Money market trading book	2,301	1,447	8,000
Fixed income trading book	237	1,907	6,000
Credit trading book	-	-	2,050
Derivatives trading book	-	-	539
Total trading book	2,537	3,354	16,589
Money market banking book	6,477	14,163	27,588

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 referring to the timing differences in the maturity (fixed rate) and repricing (floating rate) of assets and liabilities.
- Yield curve risk arising 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 2021	Note	Carrying amount	Rate Sensitive	Non-rate sensitive
Assets ₦'million				
Cash and balances with central banks	7	653,070	-	653,070
Pledged assets	8	182,335	-	182,335
Derivative assets	10.6	41,212	-	41,212
Financial investment	11	636,634	-	636,634
Loans and advances to banks	12	16,102	-	16,102
Loans and advances to customers (Gross)	12	946,259	901,609	44,650
Other financial assets		120,385	-	120,385
		2,595,997	901,609	1,694,388
Liabilities				
Derivative liabilities	10.6	25,364	-	25,364
Trading liabilities	9.2	112,023	-	112,023
Deposits from banks	22	431,862	-	431,862
Deposits from customers	22	1,126,535	-	1,126,535
Debt securities issued	24	47,419	17,312	30,107
Other borrowings	23	136,434	112,064	24,370
Other liabilities (see (b) below)		443,038	-	443,038
		2,322,675	129,376	2,193,299
Total interest repricing gap		273,322	772,233	(498,911)

Enterprise risk review (continued)
For the year ended 31 December 2021

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 (2020: 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 2021		NGN	USD	Other	Total
Increase in basis points		300	100	100	
Sensitivity of annual net interest income	₦'million	14,220	1,332	196	15,747
Decrease in basis points		300	100	100	
Sensitivity of annual net interest income	₦'million	(16,007)	(629)	5	(16,631)

31 December 2020		NGN	USD	Other	Total
Increase in basis points		300	100	100	
Sensitivity of annual net interest income	₦'million	17,372	685	196	18,253
Decrease in basis points		300	100	100	
Sensitivity of annual net interest income	₦'million	(9,873)	(314)	5	(10,182)

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 opportune. 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 2021.

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

At December 2021	Naira ₦'million	US Dollar ₦'million	GBP ₦'million	Euro ₦'million	Others ₦'million	Total ₦'million
Financial assets						
Cash and bank balances	534,991	96,032	7,106	11,300	3,641	653,070
Trading assets	98,743	-	-	-	-	98,743
Pledged assets	182,335	-	-	-	-	182,335
Derivative assets	41,212	-	-	-	-	41,212
Financial investments	636,475	136	-	-	-	636,611
Loans and advances to banks	15,090	1,006	-	-	-	16,096
Loans and advances to customers	511,356	355,455	997	50,390	2,846	921,044
Other financial assets	25,518	141,090	(3,778)	(41,665)	(780)	120,385
	2,045,720	593,719	4,325	20,025	5,707	2,669,496
Financial liabilities						
Trading liabilities	112,023	-	-	-	-	112,023
Derivative liabilities	25,364	-	-	-	-	25,364
Deposits and current accounts from banks	390,793	34,127	287	3,944	2,711	431,862
Deposits and current accounts from customers	820,300	291,486	3,796	10,335	618	1,126,535
Other borrowings	63,932	72,502	-	-	-	136,434
Debt securities issued	27,563	19,856	-	-	-	47,419
Other financial liabilitiies	407,651	(219,690)	255	5,728	249,094	443,038
	1,847,626	198,281	4,338	20,007	252,423	2,322,675
Net on-balance sheet financial position	198,094	395,438	(13)	18	(246,716)	346,821
Off balance sheet	96,647	178,639	420	41,583	87,217	404,506

Enterprise risk review (continued)
For the year ended 31 December 2021

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

December 2020	Naira ₦'million	US Dollar ₦'million	GBP ₦'million	Euro ₦'million	Others ₦'million	Total ₦'million
Financial assets						
Cash and bank balances	464,459	131,035	8,122	20,621	2,874	627,111
Trading assets	169,655	-	-	-	-	169,655
Pledged assets	170,578	-	-	-	-	170,578
Derivative assets	46,208	25	-	-	-	46,233
Financial investments	605,954	6,322	-	-	-	612,276
Loans and advances to banks	3,500	4,328	-	-	-	7,828
Loans and advances to customers	310,249	268,722	803	43,831	1,534	625,139
Other financial assets	(49,686)	252,498	(3,667)	(31,521)	(586)	167,038
	1,720,917	662,930	5,258	32,931	3,822	2,425,858
Financial liabilities						
Trading liabilities	63,696	124,804	-	-	-	188,500
Derivative liabilities	37,357	25	-	-	-	37,382
Deposits and current accounts from banks	348,690	145,047	422	10,113	1,350	505,622
Deposits and current accounts from customers	570,803	234,504	4,506	9,567	564	819,944
Debt securities issued	27,356	84,675	-	-	-	112,031
Other financial liabilitiies	52,202	16,067	-	-	-	68,269
Other borrowings	270,117	59,366	356	13,230	1,915	344,984
	1,370,221	664,488	5,284	32,910	3,829	2,076,732
Net on-balance sheet financial position	350,696	(1,558)	(26)	21	(7)	349,126
Off balance sheet	48,169	145,691	132	18,231	1,399	213,622

Exchange rates applied

Year-end spot rate*	December 2021	December 2020
US Dollar	424.11	400.33
GBP	573.10	546.85
Euro	481.20	491.02

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 or loss		Equity, net of tax	
Effect in ₦'million	Strengthening	Weakening	Strengthening	Weakening
At 31 December 2021				
USD (20% movement)	79,088	(79,088)	55,361	(55,361)
GBP (10% movement)	(1)	1	(1)	1
EUR (5% movement)	1	(1)	1	(1)
At 31 December 2020				
USD (20% movement)	(312)	312	(218)	218
GBP (10% movement)	(3)	3	(2)	2
EUR (5% movement)	1	(1)	1	(1)

Enterprise risk review (continued)
For the year ended 31 December 2021

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	₦8 billion
10	Stanbic IBTC Ventures Limited	-	Nil
11	Stanbic IBTC Financial Services Limited	-	₦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 period 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%	-
Financial Services	100	100%	100
	39,260		38,671
Holdco Company (Share Capital and Reserves)			117,620
Surplus/(Deficit)			78,949

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

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-cumulative 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 period is described as follows:

Enterprise risk review (continued)
For the year ended 31 December 2021

- USD denominated term subordinated non-collaterised facility of USD40 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 LIBOR (London Interbank Offered Rate) plus 4.82%.

Total eligible Tier 2 Capital as at 31 December 2021 was ₦21.69 billion (December 2020: ₦21.51 billion).

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.

Regulatory Recommended transition adjustments of IFRS 9

The Central Bank of Nigeria issued a letter to all banks and discount houses on 18 October 2018 recommending transitional arrangements to cushion the impact of IFRS 9 expected credit loss on transition date on capital adequacy ratio.

Banks are required to hold static the adjusted Day One impact and amortise on a straight-line basis over the four-year transition period. The impact of the transitional adjustments has been incorporated into the Group's (and bank's) capital plan, which covers a three-year horizon and shows adequate capitalisation during these periods.

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 2021 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2020 ₦'million
Tier I	339,925	331,623	329,963	331,999
Paid-up share capital	6,478	6,478	5,553	5,553
Share premium	102,780	102,780	102,780	102,780
General reserve (retained profit)	156,008	156,008	168,521	168,521
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEIS reserve	10,241	10,241	7,626	7,626
Statutory reserve	54,453	54,453	36,790	36,790
Other reserves	76	76	76	76
IFRS 9 Transitional Adjustment Relief	-	-	-	2,036
Non controlling interests	8,850	548	7,578	7,578
Less: regulatory deduction	18,008	18,008	17,803	17,803
Goodwill	-	-	-	-
Deferred tax assets	13,997	13,997	13,163	13,163
Other intangible assets	4,011	4,011	4,640	4,640
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	321,917	313,615	312,160	314,196

*Capital adequacy ratio decreases by 50bps under the Basel III guidelines compared to Basel II largely as a result of decrease in the amount of non-controlling interest that can be recognised due to the new recognition methodology. 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 requiringbanks 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 for an initial period of six months which may be extended by another three months subject to the milestones achieved by banks based on CBN supervisory expectations.

**Capital adequacy ratio will decrease by 15bps from 24.8% to 24.7% without the transitional adjustment relief given by the CBN to Banks. The transitional adjustment relief is in adherence to the CBN circular on "Transitional Arrangements - Treatment of IFRS 9 Expected Credit Loss for Regulatory Purposes by Banks in Nigeria", dated 18 October 2018. The transitional adjustment is a 20% discount on excess IFRS 9 day one impact over regulatory risk reserve (RRR) on 01 January 2018 whichis further discounted over a four year period at annual discount rate of 20%. IFRS 9 day one impact amounted to ₦10.18bn as at 01 January 2018.

Enterprise risk review (continued)
For the year ended 31 December 2021

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 2021 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2020 ₦'million
Additional Tier I captial				
Instruments issued by consolidated subsidiaries and held by third parties	-	34		
Eligible Tier I capital	321,917	313,649	312,160	314,196
	21,522	21,522	21,509	21,509
Hybrid (debt/equity) capital instruments	-	-	-	-
Subordinated term debt	17,312	17,312	12,853	12,853
Other comprehensive income (OCI)	4,210	4,210	8,656	8,656
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	21,522	21,522	21,509	21,509
Total regulatory capital	343,439	335,137	333,669	335,705
Risk weighted assets:				
Credit risk	1,224,036	1,224,036	978,727	978,727
Operational risk	348,878	348,878	353,926	353,926
Market risk	52,924	52,924	18,665	18,665
Total risk weighted assets	1,625,838	1,625,838	1,351,318	1,351,318
Total capital adequacy ratio	21.1%	20.6%	24.7%	24.8%
Tier I capital adequacy ratio	19.8%	19.3%	23.1%	23.3%
Common Equity Tier I capital adequacy ratio	19.8%	19.3%	23.1%	23.3%
Leverage:				
Total exposure measure	N/A	313,649	N/A	N/A
Capital measure	N/A	2,966,724	N/A	N/A
Leverage ratio	N/A	10.6%	N/A	N/A

*Capital adequacy ratio decreases by 50bps under the Basel III guidelines compared to Basel II largely as a result of decrease in the amount of non-controlling interest that can be recognised due to the new recognition methodology. 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 for an initial period of six months which may be extended by another three months subject to the milestones achieved by banks based on CBN supervisory expectations.

**Capital adequacy ratio will decrease by 15bps from 24.8% to 24.7% without the transitional adjustment relief given by the CBN to Banks. The transitional adjustment relief is in adherence to the CBN circular on "Transitional Arrangements - Treatment of IFRS 9 Expected Credit Loss for Regulatory Purposes by Banks in Nigeria", dated 18 October 2018. The transitional adjustment is a 20% discount on excess IFRS 9 day one impact over regulatory risk reserve (RRR) on 01 January 2018 which is further discounted over a four year period at annual discount rate of 20%. IFRS 9 day one impact amounted to ₦10.18bn as at 01 January 2018.

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 PLC	31 Dec 2021 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2020 ₦'million
Tier I	224,903	224,903	219,884	221,943
Paid-up share capital	1,875	1,875	1,875	1,875
Share premium	42,469	42,469	42,469	42,469
General reserve (Retained Profit)	114,178	114,178	114,750	114,750
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEEIS reserve	10,241	10,241	7,626	7,626
Statutory reserve	55,065	55,065	52,089	52,089
Other reserves	36	36	36	36
IFRS 9 Transitional Adjustment Relief	-	-	-	2,059
Non controlling interests	-	-	-	-
Less: regulatory deduction	17,598	17,598	17,102	17,102
Goodwill	-	-	-	-
Deferred tax assets	13,626	13,626	12,411	12,411
Other intangible assets	3,972	3,972	4,641	4,641
Investment in the capital of financial subsidiaries	-	-	50	50
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	207,305	207,305	202,782	204,841

*Capital adequacy ratio decreases by 50bps under the Basel III guidelines compared to Basel II largely as a result of decrease in the amount of non-controlling interest that can be recognised due to the new recognition methodology. 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 for an initial period of six months which may be extended by another three months subject to the milestones achieved by banks based on CBN supervisory expectations.

**Capital adequacy ratio will decrease by 18bps from 19.6% to 19.4% without the transitional adjustment relief given by the CBN to Banks. The transitional adjustment relief is in adherence to the CBN circular on "Transitional Arrangements - Treatment of IFRS 9 Expected Credit Loss for Regulatory Purposes by Banks in Nigeria", dated 18 October 2018. The transitional adjustment is a 20% discount on excess IFRS 9 day one impact over regulatory risk reserve (RRR) on 01 January 2018 which is further discounted over a four year period at annual discount rate of 20%. IFRS 9 day one impact amounted to ₦10.30 billion as at 01 January 2018.

Enterprise risk review (continued)
For the year ended 31 December 2021

Capital management - BASEL II regulatory capital (Bank continued)

Stanbic IBTC Bank PLC	Basel II 31 Dec 2021 ₦'million	*Basel III - Adjusted for impact of IFRS 9 transitional adjustment 31 Dec 2021 ₦'million	Basel II 31 Dec 2020 ₦'million	**Basel II - Adjusted for impact of IFRS 9 transitional adjustment 31 Dec 2020 ₦'million
Tier II	19,633	19,633	18,649	18,649
Hybrid (debt/equity) capital instruments	-	-	-	-
Subordinated term debt	19,633	19,633	12,853	12,853
Other comprehensive income (OCI)	-	-	5,796	5,796
	-	-	50	50
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	-	-	50	50
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same group	-	-	-	-
Eligible Tier II capital	19,633	19,633	18,599	18,599
Total regulatory capital	226,938	226,938	221,381	223,440
Risk weighted assets:				
Credit risk	1,122,528	1,122,528	871,744	871,744
Operational risk	237,015	237,015	249,987	249,987
Market risk	46,398	46,398	18,665	18,665
Total risk weighted assets	1,405,941	1,405,941	1,140,396	1,140,396
Total capital adequacy ratio	16.1%	16.1%	19.4%	19.6%
Tier I capital adequacy ratio	14.7%	14.7%	17.8%	18.0%
Common Equity Tier I capital adequacy ratio	14.7%	14.7%	17.8%	18.0%
Leverage:				
Capital measure	N/A	207,304	N/A	N/A
Total exposure measure	N/A	2,835,427	N/A	N/A
Leverage ratio	N/A	7.3%	N/A	N/A

*Capital adequacy ratio decreases by 50bps under the Basel III guidelines compared to Basel II largely as a result of decrease in the amount of non-controlling interest that can be recognised due to the new recognition methodology. 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 for an initial period of six months which may be extended by another three months subject to the milestones achieved by banks based on CBN supervisory expectations.

**Capital adequacy ratio will decrease by 18bps from 19.6% to 19.4% without the transitional adjustment relief given by the CBN to Banks. The transitional adjustment relief is in adherence to the CBN circular on "Transitional Arrangements - Treatment of IFRS 9 Expected Credit Loss for Regulatory Purposes by Banks in Nigeria", dated 18 October 2018. The transitional adjustment is a 20% discount on excess IFRS 9 day one impact over regulatory risk reserve (RRR) on 01 January 2018 which is further discounted over a four year period at annual discount rate of 20%. IFRS 9 day one impact amounted to ₦10.30 billion as at 01 January 2018.

03

Annual financial statements

Directors' report
For the year ended 31 December 2021

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 annual financial statements and auditor's report for the year ended 31 December 2021.

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 Limited (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 PLC, 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, Stanbic IBTC Financial Services Limited (formerly Stanbic IBTC Bureau De Change Limited) and one indirect subsidiary, namely: Stanbic IBTC Nominees Limited. Stanbic IBTC Financial Services Limited is yet to commence operations.

On 30 November 2021, Stanbic IBTC Bank PLC disposed Stanbic IBTC Financial Services Limited in its entirety to Stanbic IBTC Holdings PLC. The relinquishment of the investment in Stanbic IBTC Financial Services Limited ultimately resulted in Stanbic IBTC Holdings PLC assuming the role of the new Parent Company with an additional capital injection of ₦368 million.

The Company prepares consolidated financial statements, which includes separate financial statements of the Company.

c. Operating results and dividends

The Group's gross earnings decreased by 11.86%, profit before tax decreased by 30.32% and profit after tax decreased by 31.54% for the year ended 31 December 2021. The Directors' recommended the approval of a final dividend of 200 kobo per share (31 December 2020: 360 kobo per share) for the year ended 31 December 2021.

Highlights of the Group's and Company's operating results for the year under review are as follows:

	31 Dec 2021 Group ₦'million	31 Dec 2020 Group ₦'million	31 Dec 2021 Company ₦'million	31 Dec 2020 Company ₦'million
Gross earnings	206,644	234,446	37,025	30,775
Profit before tax	66,003	94,717	32,366	26,373
Income tax	(9,037)	(11,506)	(8)	(4)
Profit after tax	56,966	83,211	32,358	26,369
Non controlling interest	(2,588)	(2,272)	-	-
Profit attributable to equity holders of the parent	54,378	80,939	32,358	26,369
Dividend proposed (final)	25,914	39,982	25,914	39,982
Dividend proposed/ paid (Interim)	12,957	4,442	12,957	4,442

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 17 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 December 2021 is as stated below:

Share range	No. of shareholders	Percentage of shareholders	No. of holding	Percentage holdings
1 - 1,000	38,706	41.48	22,988,245	0.18
1,001 - 5,000	35,568	38.12	82,123,274	0.63
5,001 - 10,000	9,093	9.74	63,176,660	0.49
10,001 - 50,000	7,663	8.21	159,173,524	1.23
50,001 - 100,000	1,101	1.18	76,281,442	0.59
100,001 - 500,000	880	0.94	176,244,306	1.36
500,001 - 1,000,000	124	0.13	85,029,604	0.66
1,000,001 - 5,000,000	109	0.12	224,297,175	1.73
5,000,001 - 10,000,000	11	0.01	74,177,965	0.57
10,000,001 - 50,000,000	39	0.04	809,072,386	6.24
50,000,001 - 100,000,000	13	0.01	966,316,541	7.46
100,000,001 - 12,956,997,163	8	0.01	10,218,116,041	78.86
Grand Total	**93,315**	**100**	**12,956,997,163**	**100**
Foreign shareholders	194		8,896,948,287	68.67%

g. Substantial interest in shares

According to the register of members as at 31 December 2021, no shareholder held more than 5% of the issued share capital of the company except the following:

Free Float Analysis

Share price as at end of reporting period: ₦36.00 (Dec 2020: ₦44.05)

	Dec-21		Dec-20	
	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%	11,105,997,568	100.00%

Details of Substantial Shareholdings (5% and above)

	Dec-21		Dec-20	
Shareholder	No of shares held	Percentage shareholding	No of shares held	Percentage shareholding
Stanbic Africa Holdings Limited (SAHL)	8,747,863,865	67.51%	7,443,450,299	67.02%
Total Substantial Shareholdings	**8,747,863,865**	**67.51%**	**7,443,450,299**	**67.02%**

Directors' report (continued)
For the year ended 31 December 2021

g. Substantial interest in shares (continued)

Details of Directors shareholdings (Direct and Indirect), excluding directors holding substantial interests

Directors	December 2021 No of shares held	December 2021 Percentage shareholding	December 2020 No of shares held	December 2020 Percentage shareholding
Mrs. Ifeoma Esiri	40,385,894 (Direct) 3,111,115 (Indirect)	0.31% + 0.02%	34,616,481 (Direct) 2,666,670 (Indirect)	0.31% + 0.02%
Ms. Ngozi Edozien	21,656	0.00%	18,563	0.00%
Mr. Ballama Manu MFR	189,977	0.00%	162,838	0.00%
Dr. Demola Sogunle	2,417,940 (Indirect)	0.02%	2,072,520 (Indirect)	0.02%
Mr. Kunle Adedeji	116,666	0.00%	100,000	0.00%
Mrs. Sola David-Borha	615,812	0.00%	527,839	0.00%
Total Directors' Shareholdings	**46,859,060**	**0.36%**	**40,184,911**	**0.36%**

Details of other influential shareholdings, if any (for example Government, Promoters)

Directors	December 2021 No of shares held	December 2021 Percentage shareholding	December 2020 No of shares held	December 2020 Percentage shareholding
SITL The First ANAP Domestic Trust	150,000,000	1.16%	125,000,000	1.19%
Total of other influential shareholdings	150,000,000	1.16%	125,000,000	1.19%
Free float in unit and percentage	4,012,274,238	30.97%	3,492,376,892	32.47%
Free Float in Value	₦144,441,872,568.00		₦153,839,202,092.60	

Stanbic IBTC Holdings PLC with a free float percentage of 30.97% as at 31 December 2021 (December 2020: 31.45%), 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 ₦144,441,872,568 as at 31 December 2021 (December 2020: ₦153,839,202,092.60 is compliant with The Exchange's free float requirements for companies listed on the Main Board.

h. Share capital history

Year	Authorised (No of shares) ('000)		Issued and fully paid up (₦'000)		Number of shares (Issued and fully paid up) '000	
	Increase	Cumulative	Increase	Cumulative	Increase	Cumulative
2012	10,000,000	10,000,000	5,000,000	5,000,000	10,000,000	10,000,000
2015	3,000,000	13,000,000	-	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			925,500	6,478,499	1,851,000	12,956,998

During the year under review, the Company also issued an additional 1,850,999,595 ordinary shares of 50k each, being bonus shares allotted to shareholders on the basis of one for six ordinary shares held. This increased the total issued and fully paid-up capital to ₦6,478,498,582 (amounting to 12,956,997,163 ordinary shares).

Directors' report (continued)
For the year ended 31 December 2021

i. Dividend history and unclaimed dividend as at 31 December 2021

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	16,066,180	1.78
2013	Interim	6,304,041,033	70 kobo	132,441,057	2.10
2013	Final	901,992,337	10 kobo	19,913,327	2.21
2014	Interim	9,920,077,516	110 kobo	216,324,602	2.18
2014	Final	1,352,701,559	15 kobo	30,731,064	2.27
2015	Interim	8,235,882,607	90 kobo	198,170,408	2.41
2015	Final	210,646,919	5 kobo	12,898,842	6.12
2016	Final	210,646,919	6 kobo	13,033,059	6.19
2017	Interim	1,494,304,738	60 kobo	149,000,041	9.97
2017	Final	1,712,614,735	50 kobo	164,097,015	9.58
2018	Interim	2,767,915,163	100 kobo	323,492,499	11.69
2018	Final	3,827,994,326	150 kobo	496,385,276	12.97
2019	Interim	2,197,589,117	100 kobo	328,048,268	14.93
2019	Final	4,355,729,540	200 kobo	627,724,782	14.41
2020	Interim	1,318,592,879	40 kobo	115,779,404	8.78
2020	Final**	11,866,653,152	360 kobo	-	-
Total				**3,581,732,489**	

* Amounts represent cash dividend paid 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 2021 (continued)

The total unclaimed dividend fund as at 31 December 2021 amounted to ₦3,536 million (Dec. 2020: ₦3,183 million). A sum of ₦1,118 million of the fund balance is held in an investment account (money market mutual fund) managed by Stanbic IBTC Asset Management Limited (Dec. 2020: ₦1,394 million), while the balance is held in demand deposits maintained with Stanbic IBTC Bank PLC. Total income earned on the investment account and recognised by the Company for the year ended 31 December 2021 was ₦75.45 million (Dec. 2020: ₦54.5 million).

k. Donations and charitable gifts

The Group and Company made contributions to charitable and non – political organisations amounting to ₦1,386.2 million and ₦121.9 million respectively (Dec 2020: Group - ₦663.4 million; Company - ₦326.9 million) during the year.

	Group ₦	Company ₦
Prostheses and clinical treatment for Together4ALimb beneficiaries	70,297,363	70,297,363
Stanbic IBTC University Scholarship	24,482,500	24,482,500
Together4ALimb.	13,500,000	13,500,000
Ogun State Security Trust Fund	10,000,000	10,000,000
Donation to Lagos MSME Recovery Fund	2,000,000	2,000,000
Borehole drilling at Oluwo Egbeda community in Akinbode Village, Ibadan	953,000	953,000
Donations to SOS Social Centre, Ejigbo	509,318	509,318
Donations to Abuja Disabled People Home	250,000	250,000
Police Trust Fund	1,000,000,000	-
Renovation of Damaged Police Stations	124,177,500	-
Bankers Committee Charitable Endowment Fund	25,000,000	-
Contribution towards FITC Budget 2021	15,000,000	-
Construction of a borehole at Berisibe community in Delta state	10,715,542	-
Contribution for financial literacy and public enlightenment awareness campaign for Bankers committee	7,676,254	-
Renovation of two State owned Schools in Port Harcourt namely Community Primary School 2 Ahiamakara and Oromenike Girls Secondary School	7,588,699	-
At Risk Children's Project Gombe State	6,000,000	-
Construction of a solar powered bore hole for the students of L.E.A. primary school and furnishing staff rooms for the staff of comprehensive secondary school Mgbuoshimini Port Harcourt Rivers State	5,343,723	-
Build new classrooms and furnish the Igwe Ito Okwutungbe Council Ward Junior School, Obi LG Benue State	5,031,876	-
Cardiac intervention for 15 children at UCH Ibadan in collaboration with Healing Little Hearts UK	5,000,000	-
Renovation and upgrade of the current library to an E-library in Old Kuntunku LEA primary school Gwagalada Abuja.	3,885,819	-
Contribution towards 2021 annual Bankers committee dinner	3,500,000	-
Rehabilitation of 10 classrooms and provision of furniture in the school at Daudu IDP Camp, Daudu, Benue State	3,467,850	-
Renovation of Ante Natal care unit Mushin General Hospital	2,750,000	-
Donation of Ultrasound machine to Maternal and Child Health Centre Middle Road Sabon Gari Fagae Kano	1,979,880	-
Stanbic IBTC Blue Women Network CSI project	1,889,710	-

Directors' report (continued)
For the year ended 31 December 2021

	Group ₦	Company ₦
Grant towards rebuilding Vision Aids Eye Clinic impacted by the ENDSARS Unrest	1,500,000	-
Grant towards rebuilding 2106 Energy Limited impacted by the ENDSARS Unrest	1,500,000	-
Grant towards rebuilding MandK Activity Center Ltd impacted by the ENDSARS Unrest	1,500,000	-
Grant towards rebuilding FFDI Meat and Food Venture impacted by the ENDSARS Unrest	1,500,000	-
Grant towards rebuilding Bukky rehoboth global impacted by the ENDSARS Unrest	1,500,000	-
Grant towards rebuilding ARIKE Signature impacted by the ENDSARS Unrest	1,500,000	-
Grant towards rebuilding Arbitrage And Mercantile Republic impacted by the ENDSARS Unrest	1,500,000	-
Grant towards rebuilding A4 wears impacted by the ENDSARS Unrest	1,500,000	-
Grant towards rebuilding E.O.Eze 'n' Sons merchandise impacted by the ENDSARS Unrest	1,500,000	-
Grant towards rebuilding Bakers and Parties Choice impacted by the ENDSARS Unrest	1,500,000	-
Grant towards rebuilding Datapoint Microsystems LTD impacted by the ENDSARS Unrest	1,500,000	-
Construction of a borehole for Darangi Chugwi community, Plateau State	1,496,659	-
Purchase of 250 school kits for school children in Oyo state with the help of Destiny's Trust N.G.O	1,487,446	-
Construction of borehole with submersible solar powered pump and donation of stationery to the Community school at Isin, Kwara	1,405,000	-
Donation of school items, provisions and food items to residents of Ijamido Children's Home Ota, Ogun State	1,302,000	-
Donation of Medical and Physiotherapy items for the children of Ketu Special Children's Centre, Lagos	1,202,834	-
Flooring of the classrooms and renovation of government primary school Fungwuya Mangu, Kerang district, Jos, Plateau State	1,200,000	-
Donation of emergency room equipment to Lagos University Teaching Hospital	1,187,875	-
Upgrade and renovation of toilets and library in Niyes Community Secondary School, Plateau	1,022,670	-
Cerebral Palsy Foundation	1,000,000	-
Batagarawa, Katsina State assistance with pressing needs and modern equipment to deliver better health services	1,000,000	-
Provision of health supplies to the Ebonyi State Health Care Centre	899,572	-
Donation of health care facilities at Niger State	767,197	-
Renovation of a secondary school library in Port Harcourt	669,250	-
Beneficiaries/Stanbic IBTC Scholarship Trust Fund	625,000	-
Renovation of the library and toilet of LEA Primary School PAIKO Gwagwalada FCT	535,000	-
Donation of support items to Abeni orphanage Home, Benin	509,500	-
Payment of school fees for four students at KNOSK N100 A-DAY Charity school, Kuje, Abuja to school for an academic session	507,000	-
Verraki Partners-Project mgt and consult-shared IT infrastructure	501,726	-
Donation to Angel4Life support for children with childhood cancer	500,000	-
150 trees planted in collaboration with the Nigerian Conservation Foundation at Federal Government Girls College, Calabar	457,300	-
Donation of food items to the residents at Edo Orphanage Home	250,000	-
Donation of food stuff, provisions and toiletries to Hope Motherless Babies home	232,500	-
Total	1,386,257,563	121,992,181

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 2021 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 the 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)
For the year ended 31 December 2021

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	October 2021	AAA(nga)	F1+(nga)	-	-	-
	Stanbic IBTC Holdings		AAA(nga)	F1+(nga)	-	-	-
Standard & Poor's	Stanbic IBTC Bank	August 2021	ngBBB	ngA-2	B-	B	Stable
Global Credit Rating	Stanbic IBTC Bank	June 2021	AA+(NG)	A1+(NG)	-	-	Stable

p. Auditor

The auditors, Messrs.PricewaterhouseCoopers Nigeria, being eligible will be re-appointed as External Auditors for 2022 subject to Shareholders' approval at the next AGM.

By order of the Board

Chidi Okezie
Company Secretary
FRC/2013/NBA/00000001082
3 February 2022

Statement of Directors' responsibilities in relation to the financial statements
For the year ended 31 December 2021

The Directors accept responsibility for the preparation of consolidated and separate annual financial statements that give a true and fair view in accordance with International Financial Reporting 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
3 February 2022

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
3 February 2022

Corporate governance report
For the year ended 31 December 2021

Introduction

The Company is a member of the Standard Bank Group, which holds a 67.51% equity holding (through Standard Africa Holdings Limited) in the Company.

Standard Bank Group ("SBG") is committed to implementing initiatives that 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 PLC, 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, Stanbic IBTC Financial Services Limited and Stanbic IBTC Capital Limited and these subsidiaries 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 legislation, 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 legislation, 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 legislation 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 2021

During the year under review, the following developments in the Company's corporate governance practices occurred:

- The Company held its 9th Annual General Meeting (virtually) on Thursday, 27 May 2021 at which shareholders approved the 2020 Audited Financial Statements as well as other resolutions tabled before the meeting.

- At the same meeting, shareholders approved a final dividend of ₦3.60 per ordinary share of ₦0.50kobo each payable to shareholders whose names were in the Register of Members as at 07 April 2021. In addition, shareholders approved the declaration of a bonus shares and authorised that the sum of ₦925,499,797.50 be set aside out of the Company's General Reserve, capitalised and that same be applied in paying in full for 1,850,999,595 Ordinary Shares of 50 kobo each in the capital of the Company and such Ordinary Shares be allotted and credited as fully paid-up and issued to Shareholders, who are on the Register of Members as at close of business on Thursday, 10 June 2021 in the proportion of One new Ordinary Share for every Six existing Ordinary Shares held by them in the Capital of the Company as at close of business on Thursday, 10 June 2021. The Shares so distributed shall rank pari-passu with the existing Ordinary Shares in all respects, subject to receipt of all required regulatory approvals.

- The Company filed its first report based to the Financial Reporting Council (FRC) in compliance with the Nigerian Code of Corporate Governance 2018.

- In response to the outbreak of the Corona Virus pandemic which continued for a second year in 2021, the Board of the Company adopted the use of technology and collaborative tools that enabled the Board to continue to operate virtually, as all Board meetings and other board activities were held remotely or by virtual means enabled by technology. The Annual General Meeting of the Company was held in a hybrid manner (physical and virtual) and broadcast on public platforms with few participants attending physically within social distancing requirements.

- The Company made significant progress in the execution of its Sustainability Strategy.

- The Company's Board Strategy Session was held in July 2021 in accordance with regulatory and corporate Governance Best Practice Requirements.

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 Deloitte & 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.

- However, in November 2021, SEC extended the deadline by two years with year-end compliance date moved from 31 December 2021 to 31 December 2023.

- Management continues to review on an ongoing basis, the effectiveness of the internal controls system and processes supporting financial reports prepared.

The Group intends during 2022 to:

- continue the focus on Directors' training via formal training sessions and information bulletins on relevant issues that they should have to adequately 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.

Corporate governance report (continued)
For the year ended 31 December 2021

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 2021 are as follows:

Name of Director	Designation	CBN Approval	Cumulative years of service as at 31 December 2021
Mr. Basil Omiyi CON	Chairman	25-Mar-15	6 years, 9 months
Dr. Demola Sogunle	Chief Executive	01-Jul-20	1 year, 6 months
Mr. Kunle Adedeji	Executive Director	22-Feb-19	2 years , 10 months
Mr. Ballama Manu MFR	Non-Executive Director	25-Mar-15	6 years, 9 months
Dr. Salamatu Suleiman	Independent Non-Executive Director	13-Jul-16	5 years, 5 months
Ms. Ngozi Edozien	Independent Non-Executive Director	25-Mar-15	6 years, 9 months
Mr. Barend Kruger	Non-Executive Director	27-Nov-18	3 years, 1 month
Mrs. Ifeoma Esiri	Non-Executive Director	01-Nov-12	9 years, 1 month
Prof. Fabian Ajogwu SAN	Non-Executive Director	21-Jun-17	4 years, 6 months
Mrs. Nkemdilim Uwaje Begho	Non-Executive Director	18-Nov-19	2 years, 1 month
Mrs. Sola David-Borha	Non-Executive Director	11-Aug-20	1 year, 5 months

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.

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;
- knowledge and 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 include, but are not limited to the requirements of the Central Bank of Nigeria; SEC 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. Ifeoma Esiri, Mr. Barend Kruger and Mrs. Nkemdilim Uwaje Begho shall be retiring at the next AGM and being eligible, shall offer themselves for re-election.

The board's size as at 31 December 2021 was eleven (11), comprising two (2) executive directors and nine (9) non-executive directors. It is important to note that of the nine (9) non-executive directors, two (2) namely; Dr Salamatu Hussaini Suleiman and Ms. Ngozi Edozien are Independent Non-Executive Directors in compliance with the CBN Code. The Board is also seeking to appoint an additional Independent Non-Executive Director in compliance with S. 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;

Corporate governance report (continued)
For the year ended 31 December 2021

- 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.

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.

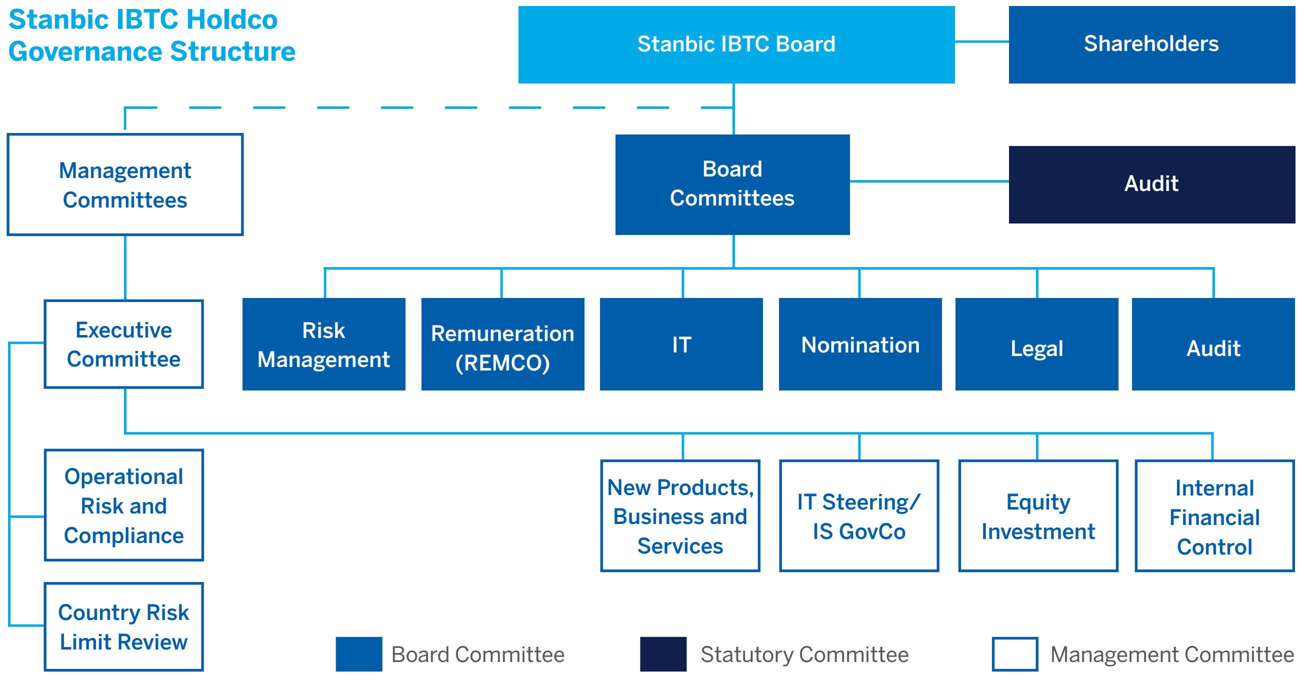
The board delegates authority to the Chief Executive to manage the business and affairs of the Company. The executive committee assists the chief executive when the board is not in session, subject to specified parameters and any limits on the board's delegation of authority to the chief executive.

Membership of the executive committee is set out on page 150.

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 was adopted by the board on 28 November 2012 and formalised with mandate approvals which were reviewed in July 2021. 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 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 also be submitted to the Chairman of the Board.

Report of the external consultants on Board effectiveness and evaluation

Ernst & Young
UBA House, 10th Floor
57 Marina, Lagos

Tel: (234 -1) 4630479, 4630480
Fax: (234 -1) 4630481
E-mail: services@ng.ey.com

Building a better working world

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 2021 in accordance with the guidelines of Section 15.1 of the Nigerian Code of Corporate Governance (NCCG) 2018.

The Nigerian Code of Corporate Governance (NCCG) 2018 mandates registered Companies to undergo an annual evaluation of their corporate governance practices to ensure their governance standards, practices, and processes are adequate and effective. Subsection 15.1 of the Code requires that the evaluation should be facilitated by an independent external consultant at least once in three (3) years, while subsection 15.2 states that the summary of the report of this evaluation should be included in the Company's annual report and on the investors' portal of the Company.

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 organisation.

The evaluation is limited in nature, and as such may not necessarily disclose all significant matters about the organisation or reveal irregularities, if any, in the underlying information.

On the basis of our work, the Board of Stanbic IBTC Holdings PLC has largely complied with the requirements of the Nigerian Code of Corporate Governance (NCCG) 2018 during the year ended 31st December 2021.

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 2021 Annual Report.

For: Ernst & Young

Benson Uwheru
Partner, Risk Consulting Services
FRC/2013/CIBN/00000001554

Corporate governance report (continued)
For the year ended 31 December 2021

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 year 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 2021, the Group Executive committee comprised 25 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 PLC
iii	Bunmi Dayo-Olagunju	Executive Director, Client Solutions, Stanbic IBTC Bank PLC
iv	Remy Osuagwu	Executive Director, Business and Commercial Clients, Stanbic IBTC Bank PLC
v	Kunle Adedeji	Chief Financial Officer, Stanbic IBTC Holdings PLC
vi	Kola Lawal	Executive Director Risk/ Chief Risk Officer, Stanbic IBTC Bank PLC
vii	Eric Fajemisin	Executive Director, Wholesale Clients, Stanbic IBTC Bank PLC
viii	Chidi Okezie	Head, Country Legal Services and Company Secretary, Stanbic IBTC Holdings PLC
ix	Olufunke Amobi	Head, People and Culture, Stanbic IBTC Holdings PLC
x	Adenike Odukomaiya	Head, Internal Controls, Stanbic IBTC Bank PLC
xi	Iretiola Lawal	Head, Bank Solutions, Stanbic IBTC Bank PLC
xii	Okechukwu Iroegbu	Head, Engineering, Stanbic IBTC Holdings PLC
xiii	Adegbite Adekola	Acting Chief Compliance Officer, Stanbic IBTC Bank PLC
xiv	Olumide Oyetan	Chief Executive, Stanbic IBTC Pension Managers Limited
xv	Bayo Olujobi	Chief Financial Officer, Stanbic IBTC Bank PLC
xvi	Sam Ocheho	Head, Global Markets, Stanbic IBTC Bank PLC
xvii	Abiodun Gbadamosi	Head, Internal Audit, Stanbic IBTC Bank PLC
xviii	Oladele Sotubo	Chief Executive, Stanbic IBTC Asset Management Limited
xix	Omolola Fashesin	Head, Risk and Capital Management, Stanbic IBTC Holdings PLC
xx	Anthony Mogekwu	Head, Wholesale Clients Legal, Stanbic IBTC Bank PLC
xxi	Bridget Oyefeso-Odusami	Head, Brand and Marketing
xxii	Olu Delano	Head, Client Coverage, Stanbic IBTC Bank PLC
xxiii	Ezinne Anosike	Head, People and Culture, Stanbic IBTC Bank PLC
xxiv	Ladi Oyefuga	Head, Risk, Stanbic IBTC Bank PLC
xxv	Babatunde Akindele	Head, Coverage, Commercial Clients

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 29 July 2021.

Directors, in accordance with the articles of association of the company, attend meetings either in person or via tele / 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 year 01 January 2021 to 31 December 2021 is provided below:

Name	February	April	July	October
Mr. Basil Omiyi CON	√	√	√	√
Mr. Kunle Adedeji	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√
Mrs. Ifeoma Esiri	√	√	√	√
Mr. Ballama Manu MFR	√	√	√	√
Mr. Barend Kruger	√	√	√	√
Mrs. Nkemdilim Uwaje Begho	√	√	√	√
Ms. Ngozi Edozien*	√	√	√	√
Dr. Salamatu Suleiman*	√	√	√	√
Dr. Demola Sogunle	√	√	√	√
Mrs. Sola David-Borha	√	√	√	√

√ Attendance
* Independent Director

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 committees.

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)
For the year ended 31 December 2021

The committee's mandate is in line with SBG's standards, while taking account of local circumstances.

A more in-depth risk management section which provides details of the overall framework for risk management in the Group commences on page 92 of the annual report.

As at 31 December 2021, the committee consisted of six Directors, four of whom, including the chairman are non – executive directors.

Members' attendance at risk management committee meetings for the year ended 31 December 2021 is stated below:

Name	February	April	Out of Cycle (May)	Out of Cycle (June)	July	Out of Cycle (August)	Out of Cycle (September)	October	Out of Cycle (November)
Mrs. Ifeoma Esiri	√	√	√	√	√	√	√	√	√
Dr. Demola Sogunle	√	√	√	√	√	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√	√	√	√	√	√
Mr. Kunle Adedeji	√	√	√	√	√	√	√	√	√
Mr. Ballama Manu MFR	√	√	√	√	√	√	√	√	√
Ms. Ngozi Edozien	√	√	√	√	√	√	√	√	√

√ Attendance

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.

Remuneration committee *(continued)*

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 2021, 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 year ended 31 December 2021 is stated below:

Name	February	April	July	October
Dr. Salamatu Suleiman	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√
Mr. Barend Kruger	√	√	√	√
Mrs. Sola David-Borha	√	√	√	√

√ Attendance

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 cost to company structure, where all benefits are included in the listed salary and 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.

Corporate governance report (continued)
For the year ended 31 December 2021

The Group's remuneration philosophy includes 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 AGM.

Fees that are payable for the reporting year 1 January to 31 December of each year.

Category	2021(i)	2020
	₦	₦
Chairman	49,420,000	43,512,000
Non-Executive Directors	33,200,000	29,250,000
Sitting Allowances for Board Meetings(ii)		
Chairman	650,000	572,000
Non-Executive Directors	570,000	500,000

(i) Approved by Shareholders at the 9th AGM of the Company held on 27 May 2021.

(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 2021.

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 total cost-to-company structure. Cost-to-company 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 claw back 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.

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.

Corporate governance report (continued)
For the year ended 31 December 2021

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 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/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/or

   - 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 1 March 2020. It does not apply to any award with an award date preceding 1 March 2020 (even if the vesting date takes place after 1 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 / 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 pre-determined 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.

Corporate governance report (continued)
For the year ended 31 December 2021

Remuneration as at 31 December 2021

The amounts specified below represent the total remuneration paid to executive and non-executive Directors for the year under review:

	December 2021	December 2020
	₦'million	₦'million
Fees and sitting allowance	744	642
Executive compensation	928	752
Total	**1,672**	**1,394**

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.

The board nomination committee

The board nomination 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, 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 three non-executive Directors appointed by the Board. The board nomination committee met twice in 2021 and all members of the Committee were in attendance.

Name	April	October
Mr. Barend Kruger	√	√
Ms. Ngozi Edozien	√	√
Prof. Fabian Ajogwu SAN	√	√
Mrs. Sola David-Borha	√	√

√ Attendance

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;
- 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 2021, 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 2021, the committee consists of the following persons:

Mr. Samuel Ayininuola*	Chairman
Mr. Ibhade George*	Member
Mr. Olatunji Bamidele*	Member
Ms. Ngozi Edozien**	Member
Mr. Ballama Manu MFR**	Member

* Shareholders representative
** Non-Executive Director

Corporate governance report (continued)
For the year ended 31 December 2021

Members' attendance at audit committee meetings
for the period 01 January to 31 December 2021 is stated below:

Name	February	April	July	October
Mr. Samuel Ayininuola	√	√	√	√
Mr. Olatunji Bamidele	√	√	√	√
Mr. Ibhade George	√	√	√	√
Ms. Ngozi Edozien	√	√	√	√
Mr. Ballama Manu MFR	√	√	√	√

√ Attendance

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 2021, 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
- all such other matters as are reserved to the audit committee by the Code of Corporate Governance for Banks and Discount Houses issued by the Central Bank of Nigeria

Members' attendance at board audit committee meetings for the period 01 January to 31 December 2021 is stated below:

Name	February	April	July	October
Mr. Ballama Manu MFR	√	√	√	√
Ms. Ngozi Edozien	√	√	√	√
Mrs. Ifeoma Esiri	√	√	√	√

√ Attendance

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 period 01 January to 31 December 2021 is stated below:

Name	February	April	July	October
Mr. Barend Kruger (Chairman)	√	√	√	√
Mr. Ballama Manu MFR	√	√	√	√
Ms. Ngozi Edozien	√	√	√	√
Mr. Kunle Adedeji	√	√	√	√
Mrs. Nkemdilim Uwaje Begho	√	√	√	√
Dr. Demola Sogunle	√	√	√	√

√ Attendance

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.

Corporate governance report (continued)
For the year ended 31 December 2021

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 period 01 January to 31 December 2021 is stated below:

Name	February	April	May (OfC)	July	October
Mrs. Ifeoma Esiri	√	√	√	√	√
Dr. Demola Sogunle	√	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√	√
Dr. 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
- New and amended products committee
- Risk oversight 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 Exchange Limited 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 wellbeing.

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's 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.

Compliance with the Nigerian Exchange Limited's listing rule

Stanbic IBTC Holdings PLC ("Stanbic IBTC") 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 Stanbic IBTC; 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 2021, the Company confirms that all Directors, complied with the PATP regarding their Stanbic IBTC securities transacted on their account during the year.

Compliance with the Financial Reporting Council (FRC) Code of corporate Governance, as well as Securities and Exchange Commission's Rules made pursuant to the Code

As a public company, Stanbic IBTC Holdings PLC confirms that as at 31 December 2021 the Company has complied with the principles set out in the FRC 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 year ended 31 December 2021 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.

Corporate governance report (continued)
For the year ended 31 December 2021

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.

i. 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.

ii. Gender diversity within the Group

	31 Dec. 2021		31 Dec. 2020	
	Workforce	% of gender composition	Workforce	% of gender composition
Total workforce:				
Women	1,275	44%	1,281	43%
Men	1,620	56%	1,691	57%
	2,895	**100%**	**2,972**	**100%**
Recruitments made during the year:				
Women	145	46%	109	39%
Men	167	54%	167	61%
	312	**100%**	**276**	**100%**
Diversity of members of board of Directors - Number of Board members				
Women	5	45%	5	45%
Men	6	55%	6	55%
	11	**100%**	**11**	**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	35	33%	33	33%
Men	71	67%	66	67%
	106	**100%**	**99**	**100%**

Certification by Chief Executive and Chief Financial Officer
For the year ended 31 December 2021

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 2021 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. all 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 has identified for the Company's auditors any material weaknesses in internal controls, and
   ii. any 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.

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
3 February 2022

Kunle Adedeji
Chief Financial Officer
FRC/2013/ICAN/00000001137
3 February 2022

Report of the Audit Committee
For the year ended 31 December 2021

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 2021 together with the management controls report from the auditors and the Company's response to this report at its meeting held on 31 January 2022.

In our opinion, the scope and planning of the audit for the year ended 31 December 2021 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 2021 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", and hereby confirm that an aggregate amount of ₦29,637,684,713 (31 December 2020: ₦54,320,123,792) was outstanding as at 31 December 2021. The performance status of insider related credits is as disclosed in Note 38.

The Committee also approved the provision made in the consolidated and separate annual financial statements in relation to the remuneration of the auditors.

Mr. Samuel Ayininuola
Chairman, Audit Committee
FRC/2016/ICAN/00000015248
31 January 2022

Members of the audit committee are:

1. Mr. Samuel Ayininuola*
2. Mr. Ibhade George*
3. Mr. Olatunji Bamidele*
4. Ms Ngozi Edozien**
5. Mr. Ballama Manu MFR**

* Shareholders' representative
** Non-Executive Directors

Audit Committee

Samuel Ayininuola
Chairman / Shareholders' representative

Ibhade George
Shareholders' representative

Olatunji Bamidele
Shareholders' representative

Ngozi Edozien
Independent Non-Executive Director

Ballama Manu MFR
Non-Executive Director

Independent auditor's report

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 2021, 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 Act.

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 2021;
- 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 significant 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

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 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 - N25 billion (refer to notes 4.3, 6.2 and 12.1b) This is considered a key audit matter because of the size of the loans and advances to customers balance net of impairment (N921 billion) and the significant use of management judgement in determining the timing and recognition of impairment. The measurement of impairment allowance involves the exercise of significant judgements and the use of complex models and assumptions. The key areas of significant judgement in the calculation of Expected Credit Loss (ECL) include: • Definition of default applied by the bank; • Assessment of exposures which experienced significant increase in credit risk (SICR); • Estimation of point-in-time probability of default (PD) used in the ECL models; • Estimation of the Loss Given Default (LGD); • 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; and • Incorporation of forward-looking information (FLI) in the PD parameter within the ECL model. This is considered a key audit matter in the consolidated financial statements.	We adopted a combination of controls and substantive approach in assessing the allowance for impairment made by the management. 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. We evaluated management's default definition against the 90 days past due rebuttable presumption and performed a detailed review of selected customer files and account statements to assess the appropriateness of the days past due on sampled loan accounts. We assessed the classification of loan accounts into the various stages by reviewing the identified indicators of SICR for selected exposures. With the assistance of our 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 PD by performing a recalculation of the probability of default estimate; • checked the accuracy of the computed LGD. For stage 3 loans, we assessed the reasonableness of collateral information as well as the validity of recoveries applied; • checked the appropriateness of the EAD estimation for on balance sheet exposures and CCF estimation used for loan commitments and off-balance sheet exposures by reviewing the methodology and logic applied;

Independent auditor’s report
(continued)

	• checked the methodology for incorporating FLI into the ECL model and assessed the FLI for reasonableness given current economic factors; • assessed the methodology applied in the IFRS 9 impairment calculation engine used to combine PD, LGD and EAD term structures to arrive at an expected credit loss. We checked the IFRS 9 disclosures for reasonableness.
Valuation of Derivative financial instruments- Derivative Assets - N41.2 billion and Derivative liabilities - N25.4bn (refer to notes 4.3, 4.4,10, 29.3 and29.4) This is considered a key audit matter due to the complexity of the instruments and the significant assumptions and judgments made in estimating the fair value of these instruments. The Group's derivative financial instruments comprise foreign currency swaps and foreign exchange forward contracts used to manage foreign exchange risk. In estimating the fair value of the derivative financial instruments, the Group uses complex valuation methodologies involving multiple inputs which include discount rates, exchange rates, earnings yield among others. The fair valuation of the swap transaction that gave rise to Day one gain was calculated using Interest rate parity method as the fair value exceeded the transaction price. In determining the fair value of derivative instruments, some of the valuation inputs were not directly observable from publicly available market transactions in the same instrument. Unobservable inputs into the model included Own credit risk, Counterparty credit risk and Cross-correlation risk. As a result of these unobservable inputs, the Day one gain was deferred on initial recognition. This is considered a key audit matter in the consolidated financial statements.	We adopted a substantive approach in assessing the fair valuation of Derivative financial instruments. We compared sample derivative contract documents against the terms of the respective transactions. For the swap transaction that gave rise to a Day one gain; • We understood the method for calculating Day one gain and checked the calculation performed on the transaction date. • With the assistance of our Accounting Consulting experts, we assessed the appropriateness of the treatment of the instrument as a derivative transaction and the recognition of Day one gain in line with IFRS 9. With the assistance of our Valuation experts, we: • assessed the appropriateness of the methodology and assumptions to determine whether the valuation model was in line with acceptable market practice; and • checked the fair value of derivative assets and liabilities by comparing the rates used in the valuation model to publicly available information. We checked the appropriateness of disclosures made on derivative financial instruments.

Other information

The directors are responsible for the other information. The other information comprises Directors' report, Statement of Directors' responsibilities, Corporate governance report, Report of the external consultants on Board effectiveness and evaluation, Certification by Chief Executive Officer and Chief Financial Officer, Report of the audit committee, Value added statement Five-Year financial summary, COVID-19 impact on the Group and Details of professionals who provided services to the financial statements (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 2021 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 2021 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 Act, 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:

Independent auditor's report **(continued)**

- 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.
- 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 and returns adequate for our audit have been received from branches not visited by us;

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.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
0727601

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

21 February 2022

Engagement Partner: Samuel Abu
FRC/2013/ICAN/00000001495

Consolidated and separate statement of financial position
as at 31 December 2021

	Note	Group		Company	
		31 Dec. 2021 ₦'million	31 Dec. 2020 ₦'million	31 Dec. 2021 ₦'million	31 Dec. 2020 ₦'million
Assets					
Cash and bank balances	7	653,070	627,111	53,236	42,145
Trading assets	9.1	98,743	169,655	-	-
Pledged assets	8.1	182,335	170,578	-	-
Derivative assets	10.6	41,212	46,233	-	-
Financial investments	11	636,611	612,276	2,076	2,227
Loans and advances	12	937,140	632,967	-	-
Loans and advances to banks	12	16,096	7,828	-	-
Loans and advances to customers	12	921,044	625,139	-	-
Other assets	15	129,530	175,980	6,258	9,155
Investment in subsidiaries	13	-	-	94,751	93,519
Property and equipment	17	42,720	30,728	148	137
Intangible assets	18	4,011	4,640	-	-
Right of use assets	19	3,394	2,975	33	60
Deferred tax assets	16	13,998	13,163	-	-
Total assets		2,742,764	2,486,306	156,502	147,243

The accompanying notes from page 183 to 313 form an integral part of these financial statements

Equity and liabilities	Note	Group		Company	
		31 Dec. 2021 ₦'million	31 Dec. 2020 ₦'million	31 Dec. 2021 ₦'million	31 Dec. 2020 ₦'million
Equity		376,866	378,601	117,620	138,201
Equity attributable to ordinary shareholders		368,016	371,023	117,620	138,201
Ordinary share capital	20.2	6,479	5,553	6,479	5,553
Share premium	20.2	102,780	102,780	102,780	102,780
Reserves		258,757	262,690	8,361	29,868
Non-controlling interest	13.3	8,850	7,578	-	-
Liabilities		2,365,898	2,107,705	38,882	9,042
Trading liabilities	9.2	112,023	188,500	-	-
Derivative liabilities	10.6	25,364	37,382	-	-
Current tax liabilities	25	16,441	20,270	50	173
Deposit and current accounts	22	1,558,397	1,325,566	-	-
Deposits from banks	22	431,862	505,622	-	-
Deposits from customers	22	1,126,535	819,944	-	-
Other borrowings	23	136,434	112,031	-	-
Debt securities issued	24	47,419	68,269	-	-
Provisions	26	9,302	9,354	-	-
Other liabilities	27	460,518	346,333	38,832	8,869
Deferred tax liabilities	16.1	-	-	-	-
Total equity and liabilities		2,742,764	2,486,306	156,502	147,243

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
3 February 2022

Basil Omiyi CON
Chairman
FRC/2016/IODN/00000014093
3 February 2022

Kunle Adedeji
Chief Financial Officer
FRC/2013/ICAN/00000001137
3 February 2022

The accompanying notes from page 183 to 313 form an integral part of these financial statements

Consolidated and separate statement of profit and loss
For the year ended 31 December 2021

		Group		Company	
	Note	31 Dec. 2021 ₦'million	31 Dec. 2020 ₦'million	31 Dec. 2021 ₦'million	31 Dec. 2020 ₦'million
Gross earnings		206,644	234,446	37,025	30,775
Net interest income		75,372	74,215	90	140
Interest income	32.1	104,751	105,776	90	140
Interest expense	32.2	(29,379)	(31,561)	-	-
Non-interest revenue		95,773	124,709	36,935	30,635
Net fee and commission revenue	32.3	82,877	71,190	1,517	1,327
Fee and commission revenue	32.3	88,321	75,151	1,517	1,327
Fee and commission expense	32.3	(5,444)	(3,961)	-	-
Income from life insurance activities		176	-	-	-
Insurance premium received	32.4	852	-	-	-
Insurance premium revenue ceded to reinsurers	32.4	(354)	-	-	-
Insurance benefits and claims paid	32.4	(322)	-	-	-
Trading revenue	32.5	13,286	52,110	-	-
Other income/(loss)	32.6	(566)	1,409	35,418	29,308
Income before credit impairment charges		171,145	198,924	37,025	30,775
Net impairment writeback/(loss) on financial instruments	32.7	1,505	(10,774)	-	-
Income after credit impairment charges		172,650	188,150	37,025	30,775
Operating expenses		(106,647)	(93,433)	(4,659)	(4,402)
Staff costs	32.8	(42,041)	(42,143)	(2,458)	(2,044)
Other operating expenses	32.9	(64,606)	(51,290)	(2,201)	(2,358)
Profit before tax		66,003	94,717	32,366	26,373
Income tax charge	34.1	(9,037)	(11,506)	(8)	(4)
Profit for the year		56,966	83,211	32,358	26,369
Profit attributable to:					
Non-controlling interests	13.3	2,588	2,272	-	-
Equity holders of the parent		54,378	80,939	32,358	26,369
Profit for the year		56,966	83,211	32,358	26,369
Earnings per share					
Basic earnings per ordinary share (kobo)	35	420	625	250	204
Diluted earnings per ordinary share (kobo)	35	420	625	250	204

The accompanying notes from page 183 to 313 form an integral part of these financial statements

Consolidated and separate statement of other comprehensive income
For the year ended 31 December 2021

		Group		Company	
	Note	31 Dec. 2021 ₦'million	31 Dec. 2020 ₦'million	31 Dec. 2021 ₦'million	31 Dec. 2020 ₦'million
Profit for the year		56,966	83,211	32,358	26,369
Other comprehensive (loss)/income					
Items that will never be reclassified to profit or loss					
Movement in equity instruments measured at fair value through other comprehensive income (OCI)		999	140	-	-
Net change in fair value	34.3	999	140	-	-
Related income tax	34.3	-	-	-	-
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)		(5,666)	4,297	-	-
Total expected credit loss		37	(82)	-	-
Net change in fair value	34.3	(7,285)	5,062	-	-
Realised fair value adjustments transferred to profit or loss	34.3	1,582	(683)	-	-
Related income tax		-	-	-	-
Other comprehensive (loss)/income for the year net of tax		(4,667)	4,437	-	-
Total comprehensive income for the year		52,299	87,648	32,358	26,369
Total comprehensive income attributable to:					
Non-controlling interests		2,367	2,374	-	-
Equity holders of the parent		49,932	85,274	32,358	26,369
		52,299	87,648	32,358	26,369

The accompanying notes from page 183 to 313 form an integral part of these financial statements

Consolidated statements of changes in equity
For the year ended 31 December 2021

Group	Note	Ordinary share capital ₦'million	Share premium ₦'million	Merger reserve ₦'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 1 January 2021		5,553	102,780	(19,123)	1,460	8,656	76	7,626	55,492	208,503	371,023	7,578	378,601
Reclassification of merger reserve		-	-	19,123	-	-	-	-	-	(19,123)	-	-	-
Restated balance at 1 January 2021		5,553	102,780	-	1,460	8,656	76	7,626	55,492	189,380	371,023	7,578	378,601
Total comprehensive (loss)/income for the year		-	-	-	-	(4,446)	-	-	-	54,378	49,932	2,367	52,299
Profit for the year		-	-	-	-	-	-	-	-	54,378	54,378	2,588	56,966
Other comprehensive (loss) after tax for the year		-				(4,446)	-	-	-	-	(4,446)	(221)	(4,667)
Net change in fair value on debt financial assets at FVOCI		-	-	-	-	(7,064)	-	-	-	-	(7,064)	(221)	(7,285)
Net change in fair value on equity financial assets at FVOCI		-	-	-	-	999	-	-	-	-	999	-	999
Realised fair value adjustments on financial assets at FVOCI (debt)		-	-	-	-	1,582	-	-	-	-	1,582	-	1,582
Expected credit loss on debt financial assets at FVOCI		-	-	-	-	37	-	-	-	-	37	-	37
Income tax on other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-
Statutory credit risk reserve		-	-	-	3,979	-	-	-	-	(3,979)	-	-	-
Transfer to AGSMEIS reserves		-	-	-	-	-	-	2,614	-	(2,614)	-	-	-
Transfer to statutory reserves		-	-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders, recorded directly in equity		926	-	-	-	-	-	-	-	(53,865)	(52,939)	(1,095)	(54,034)
Equity-settled share-based payment transactions		-	-	-	-	-	-	-	-	-	-	-	-
Increase in paid-up capital (bonus issue)	20.2	926	-	-	-	-	-	-	-	(926)	-	-	-
Dividends paid to equity holders		-	-	-	-	-	-	-	-	(52,939)	(52,939)	(1,095)	(54,034)
Balance at 31 December 2021		6,479	102,780	-	5,439	4,210	76	10,240	55,492	183,300	368,016	8,850	376,866
Balance at 1 January 2020		5,252	88,181	(19,123)	-	4,321	76	4,652	55,492	157,451	296,302	5,927	302,229
Total comprehensive income for the year		-	-	-	-	4,335	-	-	-	80,939	85,274	2,374	87,648
Profit for the year		-	-	-	-	-	-	-	-	80,939	80,939	2,272	83,211
Other comprehensive income after tax for the year		-	-	-	-	4,335	-	-	-	-	4,335	102	4,437
Net change in fair value on debt financial assets at FVOCI		-	-	-	-	4,960	-	-	-	-	4,960	102	5,062
Net change in fair value on equity financial assets at FVOCI		-	-	-	-	140	-	-	-	-	140	-	140
Realised fair value adjustments on financial assets at FVOCI (debt)		-	-	-	-	(683)	-	-	-	-	(683)	-	(683)
Expected credit loss on debt financial assets at FVOCI		-	-	-	-	(82)	-	-	-	-	(82)	-	(82)
Income tax on other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-
Statutory credit risk reserve		-	-	-	1,460	-	-	-	-	(1,460)	-	-	-
Transfer to statutory reserves		-	-	-	-	-	-	-	-	-	-	-	-
Transfer to AGSMEIS reserves		-	-	-	-	-	-	2,974	-	(2,974)	-	-	-
Transactions with shareholders, recorded directly in equity		301	14,599	-	-	-	-	-	-	(25,453)	(10,553)	(723)	(11,276)
Equity-settled share-based payment transactions		-	-	-	-	-	-	-	-	-	-	-	-
Increase in paid-up capital (scrip issue)	20.2	301	14,599	-	-	-	-	-	-	-	14,900	-	14,900
Dividends paid to equity holders		-	-	-	-	-	-	-	-	(25,453)	(25,453)	(723)	(26,176)
Balance as at 31 December 2020		5,553	102,780	(19,123)	1,460	8,656	76	7,626	55,492	208,503	371,023	7,578	378,601

Refer to note 20.4 for an assumption of the components of reserve
The accompanying notes from page 183 to 313 form an integral part of these financial statements

Separate statements of changes in equity
For the year ended 31 December 2021

Company	Ordinary share capital ₦'million	Share premium ₦'million	Share-based payment reserve ₦'million	Retained earnings ₦'million	Ordinary shareholders' equity ₦'million
Balance at 1 January 2021	5,553	102,780	19	29,849	138,201
Total comprehensive income for the year	-	-	-	32,358	32,358
Profit for the year	-	-	-	32,358	32,358
Transactions with shareholders, recorded directly in equity	926	-	-	(53,865)	(52,939)
Increase in paid-up capital (bonus issue)	926	-	-	(926)	-
Dividends paid to equity holders	-	-	-	(52,939)	(52,939)
Balance at 31 December 2021	6,479	102,780	19	8,342	117,620
Balance at 1 January 2020	5,252	88,181	19	28,933	122,385
Total comprehensive income for the year	-	-	-	26,369	26,369
Profit for the year	-	-	-	26,369	26,369
Transactions with shareholders, recorded directly in equity	301	14,599	-	(25,453)	(10,553)
Increase in paid-up capital (scrip issue)	301	14,599	-	-	14,900
Dividends paid to equity holders	-	-	-	(25,453)	(25,453)
Balance at 31 December 2020	5,553	102,780	19	29,849	138,201

The accompanying notes from page 183 to 313 form an integral part of these financial statements

Consolidated and separate statement of cash flows
For the year ended 31 December 2021

	Note	Group 31 Dec. 2021 ₦'million	Group 31 Dec. 2020 ₦'million	Company 31 Dec. 2021 ₦'million	Company 31 Dec. 2020 ₦'million
Net cash flows from operating activities		83,601	496,438	64,699	23,935
Cash flows used in operations		35,926	442,737	29,336	(5,055)
Profit before tax		66,003	94,717	32,366	26,373
Adjusted for:		(76,262)	(69,135)	(35,397)	(28,902)
Credit impairment reversal on financial instruments	32.7	(1,505)	10,774	-	-
Depreciation of property and equipment	17	5,446	5,857	84	69
Amortisation of intangible asset	18	762	681	-	-
Depreciation of right of use assets	19	1,584	1,686	27	29
Dividend income	32.6	(636)	(230)	(35,404)	(28,860)
Net loss on sale of investment securities measured at FVOCI	36.7	(4,667)	-	-	-
Equity-settled share-based payments	36.2	(238)	-	-	-
Fair value adjustment for derivatives assets	36.5	5,021	(13,362)	-	-
Fair value adjustment for derivatives liabilities	36.5	(12,018)	33,039	-	-
Accrued interest and exchange rate movement in other borrowings	23	4,751	5,094	-	-
Accrued interest and exchange rate movement in debt issued	24	978	(38,389)	-	-
Interest expense	32.2	29,379	31,561	-	-
Interest income	32.1	(104,751)	(105,776)	(90)	(140)
Gain on sale of property and equipment	32.6	(368)	(70)	(14)	-
(Increase)/decrease in assets	36.1	(216,278)	(93,534)	2,897	(6,232)
Increase in deposits and other liabilities	36.2	262,463	510,689	29,470	3,706
Dividends received		572	207	35,404	28,860
Interest received		87,340	104,332	90	140
Interest paid		(26,729)	(38,689)	-	-
Direct taxation paid	25.1	(13,508)	(12,149)	(131)	(10)

The accompanying notes from page 183 to 313 form an integral part of these financial statements

Consolidated and separate statement of cash flows (continued)
For the year ended 31 December 2021

	Note	Group		Company	
		31 Dec. 2021 ₦'million	31 Dec. 2020 ₦'million	31 Dec. 2021 ₦'million	31 Dec. 2020 ₦'million
Net cash flows from/ (used in) investing activities		(2,829)	47,924	(1,162)	(8,318)
Capital expenditure on					
– property	17	(342)	(1,559)	-	-
– equipment, furniture and vehicles	17	(17,461)	(7,325)	(98)	(75)
– intangible assets	18	(133)	(89)	-	-
– right of use assets	19	(1,625)	(1,444)	-	(18)
Proceeds from sale of property, equipment, furniture and vehicles		672	146	17	1
Additional investment in subsidiary		-	-	(1,232)	(7,980)
Purchase of financial investments	36.7	(625,705)	-	-	-
Sale of financial investments	36.7	641,765	58,195	151	(246)
Net cash flows (used in)/ from financing activities		(55,717)	4,337	(52,446)	(9,712)
Proceeds from addition to other borrowings	23	54,389	32,277	-	-
Repayment of other borrowings	23	(34,737)	(17,505)	-	-
Proceed from debt securities issued	24	3,296	-	-	-
Repayment of debt securities issued	24	(25,124)	-	-	-
Unclaimed dividend received	36.8	744	876	744	876
Unclaimed dividend paid	36.8	(251)	(35)	(251)	(35)
Cash dividends paid	20.3	(54,034)	(11,276)	(52,939)	(10,553)
Net increase in cash and cash equivalents		25,055	548,699	11,091	5,905
Effect of exchange rate changes on cash and cash equivalents	36.4	4,393	7,272	-	-
Cash and cash equivalents at beginning of the year		753,979	198,008	42,145	36,240
Cash and cash equivalents at end of the year	36.3	783,427	753,979	53,236	42,145

The accompanying notes from page 183 to 313 form an integral part of these financial statements

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

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 annual 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 2021 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.

The consolidated and separate annual financial statements for the year ended 31 December 2021 was approved by the Board of Directors on 3 February 2022.

b. *Basis of measurement*

These consolidated and separate annual financial statements 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. *Going concern assumption*

These consolidated and separate annual financial statements have been prepared on the basis that the Group and company will continue to operate as a going concern.

d. *Functional and presentation currency*

These consolidated and separate annual financial statements are presented in Nigerian Naira, which is the company and its subsidiaries functional and presentation currency. All financial information presented in Naira has been rounded to the nearest million, except when otherwise stated.

e. *Use of estimates and judgement*

The preparation of the consolidated and separate annual 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 26).
- 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 acts 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 26 and 31).

Notes to the consolidated and separate financial statements (continued)
For the year ended 31 December 2021

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2021 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 uncertainties 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 are assumptions about interest rates, exchange rates, inflation rate as well as the likelihood of the extension of the tax-exempt status of income on Government securities which the Group assumes is more than likely (see note 16).

3. Changes in accounting policies

Except as described below, the Group has consistently applied the accounting policies as set out in Note 4 to all periods presented in these annual financial statements.

Adoption of amended standards effective for the current financial year

IFRS 4 Insurance Contracts (IFRS 4), IFRS 7 Financial Instruments: Disclosures (IFRS 7), IFRS 9 Financial Instruments (IFRS 9), IFRS 16 Leases (IFRS 16), IAS 39 Financial Instruments:

Recognition and Measurement (IAS 39) (amendments): The second phase of Interest Rate Benchmark Reform (IBOR) resulted in amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 requirements to enable companies to deal with its effect on financial instruments and to continue providing useful information to investors. The amendments require entities to update the effective interest rate to reflect the change to the alternative risk-free rates (ARRs), instead of derecognising or adjusting the carrying amount of financial instruments, for changes required by the reform if the transition from the IBOR rate to the ARR is as a direct consequence of the reform and on an economically equivalent basis. The amendment also provides specific hedge accounting relief, including that an entity will not have to discontinue hedge accounting solely because it makes changes required by the reform to hedge designations and hedge documentation, if the hedge meets the other hedge accounting criteria. The amendments also require companies to provide additional information about new risks arising from the reform and how it manages the transition to ARRs. The group will transition to ARRs as each interest rate benchmark is replaced.

The practical expedient to update the effective interest rate to reflect the change to the ARR was applied to loans and advances. Any other changes to the conceptual cash flows that are as a result of the interest rate benchmark reform are accounted for in terms of the group's modifications policy.

IFRS 16 Leases (amendment):

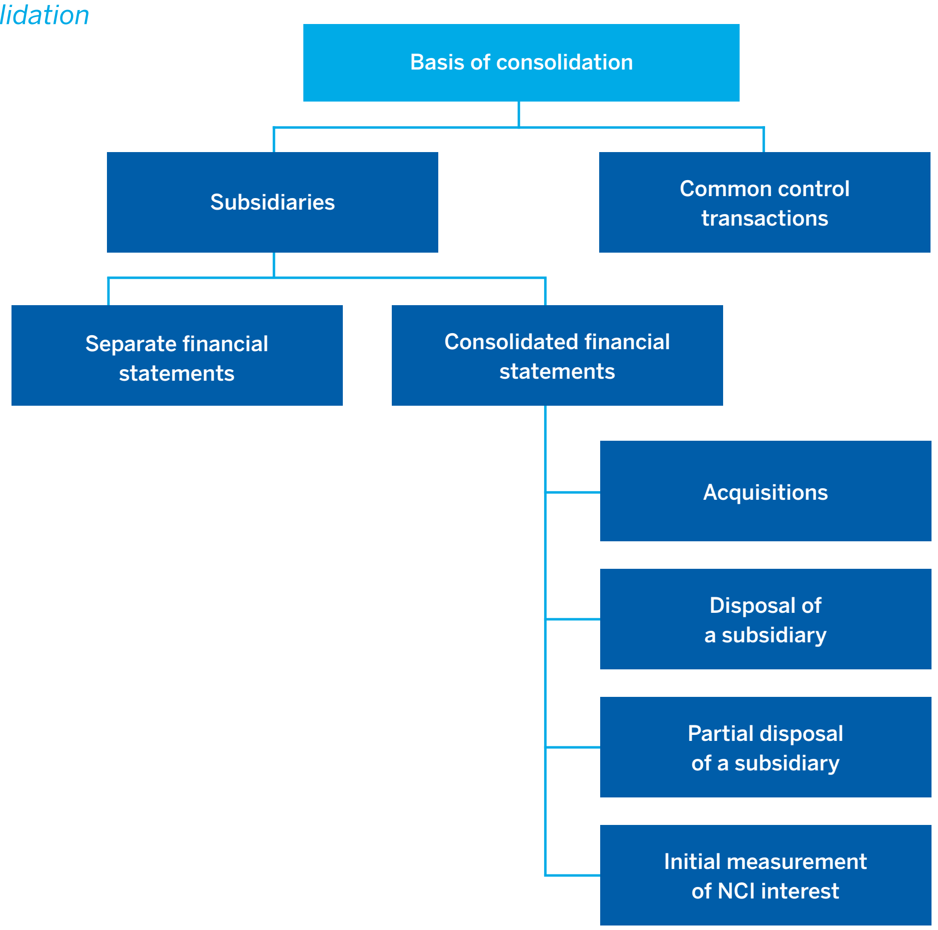
In light of the recent Covid-19 pandemic and resultant rent concessions to be granted by lessors, the amendment permits lessees, as a practical expedient, not to assess whether particular Covid-19 related rent concessions are lease modifications and instead account for those rent concessions as if they were not lease modifications. The amendment permits lessees to apply the practical expedient as an accounting policy choice to rent concessions for which any reduction in lease payments affects payments originally due on or before 30 June 2021. The group elected not to apply this practical expedient.

The above mentioned amendments and interpretation to the IFRS standards, adopted on 1 January 2021, did not affect the Group's previously reported financial results, disclosures or accounting policies and did not impact the Group's results materially upon transition.

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/(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 (continued)
For the year ended 31 December 2021

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

When the Group loses control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any related non controlling interest and the other components of equity relating to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss statement. If the loss of control is due to a disposal, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received (including the fair value of any retained interest in the underlying investee) and the carrying amount of the assets and liabilities and any non-controlling interest. Any gains or losses in OCI that relate to the subsidiary are reclassified to profit or loss at the time of the disposal.

Loss of control in a subsidiary *(continued)*

On disposal of a subsidiary that includes a foreign operation, the relevant amount in the FCTR is reclassified to profit or loss at the time at which the profit or loss on disposal of the foreign operation is recognised.

Upon loss of control, the Group recognises any investment retained in the former subsidiary and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRSs.

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/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.

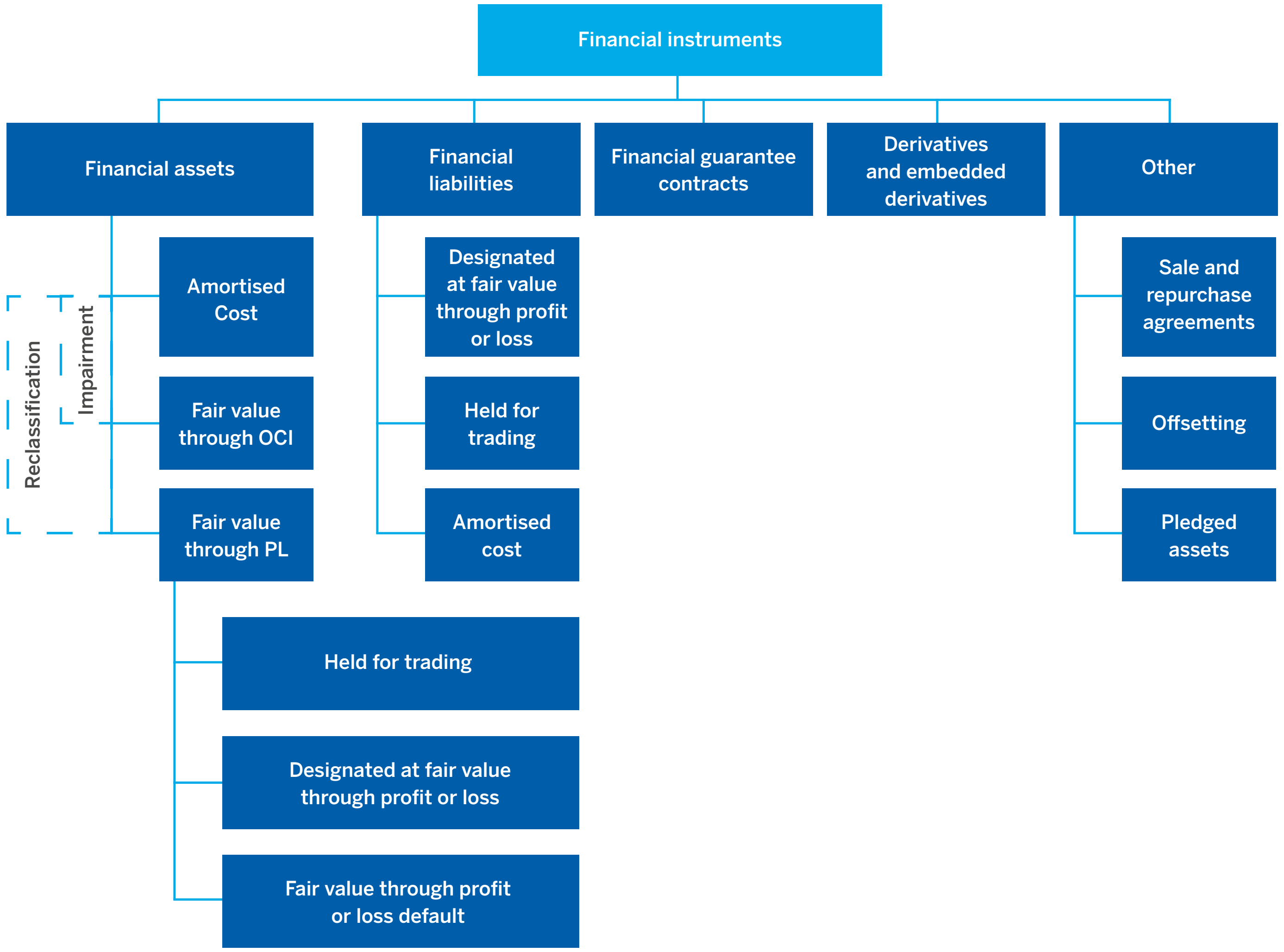
4.2. Cash and cash equivalents

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 3 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 (continued)
For the year ended 31 December 2021

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).

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 (continued) **For the year ended 31 December 2021**

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.
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.
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.

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 a 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.

Notes to the consolidated and separate financial statements (continued)
For the year ended 31 December 2021

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 the above categories.

Notes to the consolidated and separate financial statements (continued)
For the year ended 31 December 2021

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.
At 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 cumulative 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 derivative is a financial instrument whose fair value changes in response to an underlying variable, requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors and is settled at a future date. Derivatives are initially recognised at fair value on the date on which the derivatives are entered into and subsequently remeasured at fair value.

All derivative instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative, subject to offsetting principles as described under the heading "Offsetting" below.

All gains and losses from changes in the fair values of derivatives are recognised immediately in profit or loss as trading revenue.

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 appropriate. 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.

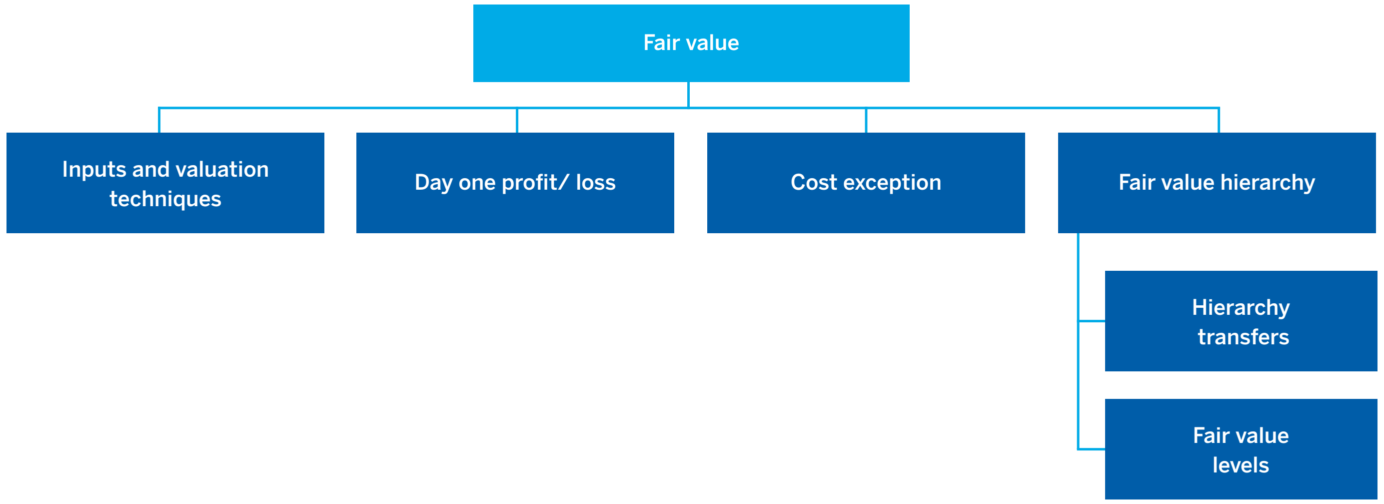
Securities purchased under agreements to resell (reverse repurchase agreements), at either a fixed price or the purchase price plus a lender's rate of return, are recorded as loans and included under trading assets or loans and advances, as appropriate. For repurchase and reverse repurchase agreements 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 (continued)
For the year ended 31 December 2021

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 1, 2 or 3 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 2 and 3 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, 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.*

Notes to the consolidated and separate financial statements (continued)
For the year ended 31 December 2021

Item	Description	Valuation technique	Main inputs and assumptions (Level 2 and 3 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.

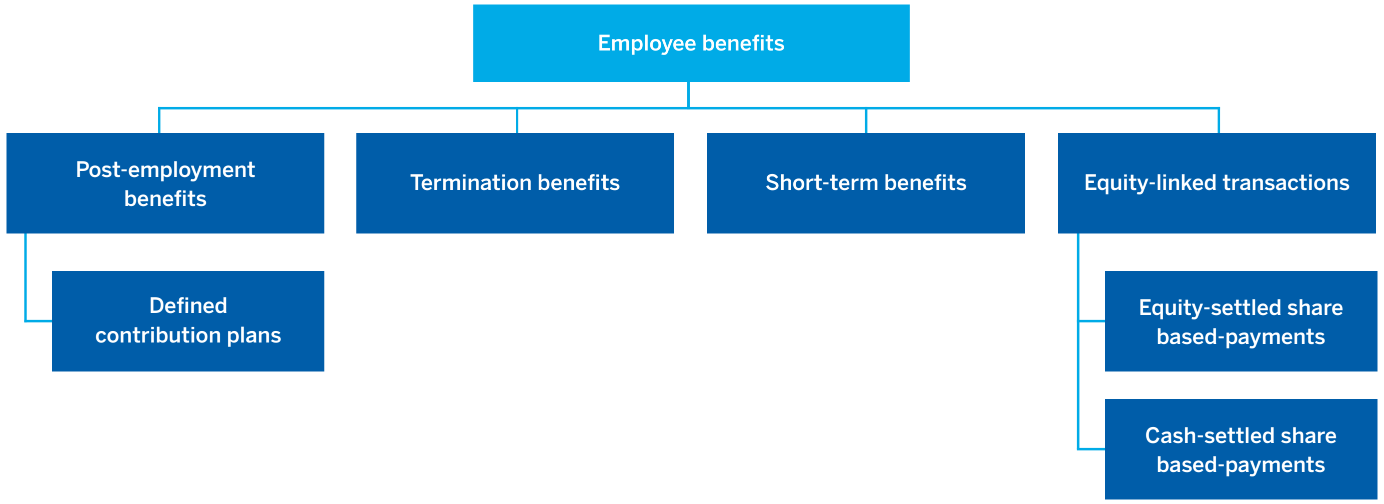
Hierarchy levels
The levels have been defined as follows:

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 (continued)
For the year ended 31 December 2021

4.5. Employee benefits

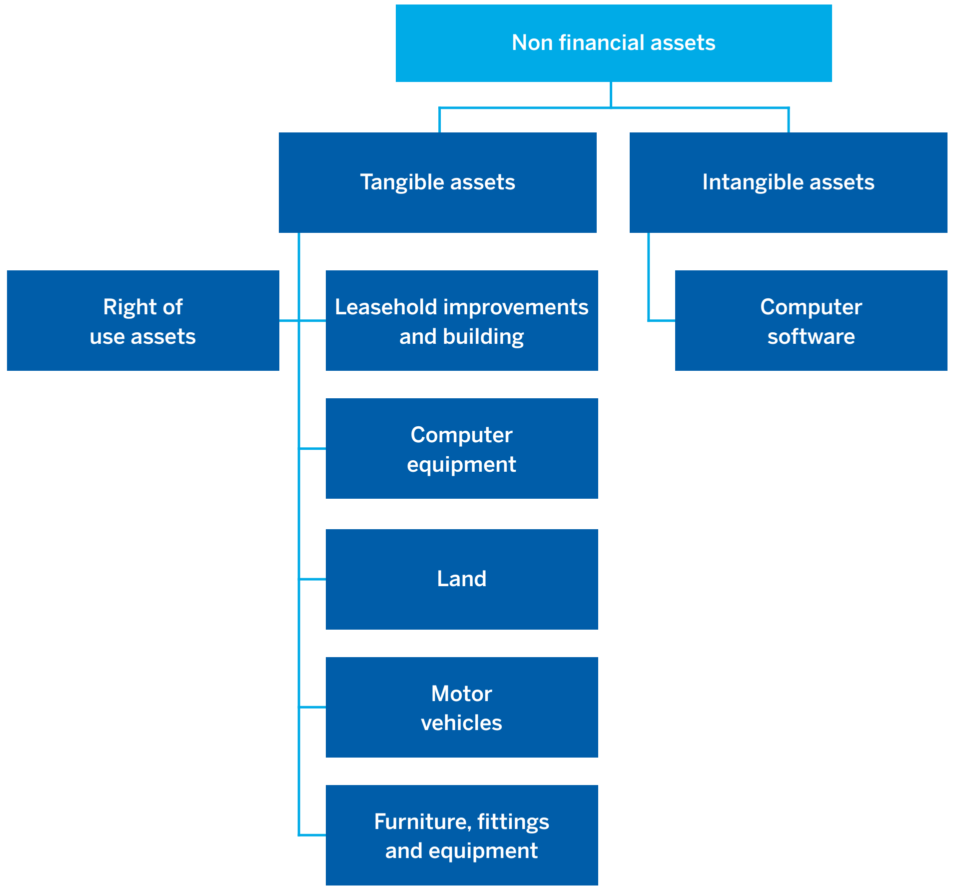


Type	Description	Statement of financial position	Statement of other comprehensive income	Income statement
Defined contribution plans	The Group operates a contributory pension plan in line with the Pension Reform Act 2014. Employees and the Bank contribute 8% and 10% respectively of each of the qualifying 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 (continued)
For the year ended 31 December 2021

Type	Initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment	Derecognition
Tangible assets	Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Land is measured at cost less accumulative impairment loss. 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 Buildings: 25 years Computer equipment: 3-5 years Motor vehicles: 4 years Office equipment: 6 years Furniture: 4 years Capitalised leased assets/ 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 that have an indefinite useful life 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/ 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 yearend and adjusted, if necessary.		

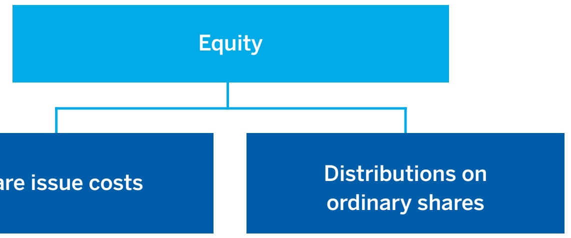
4.7. Leases

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)
For the year ended 31 December 2021

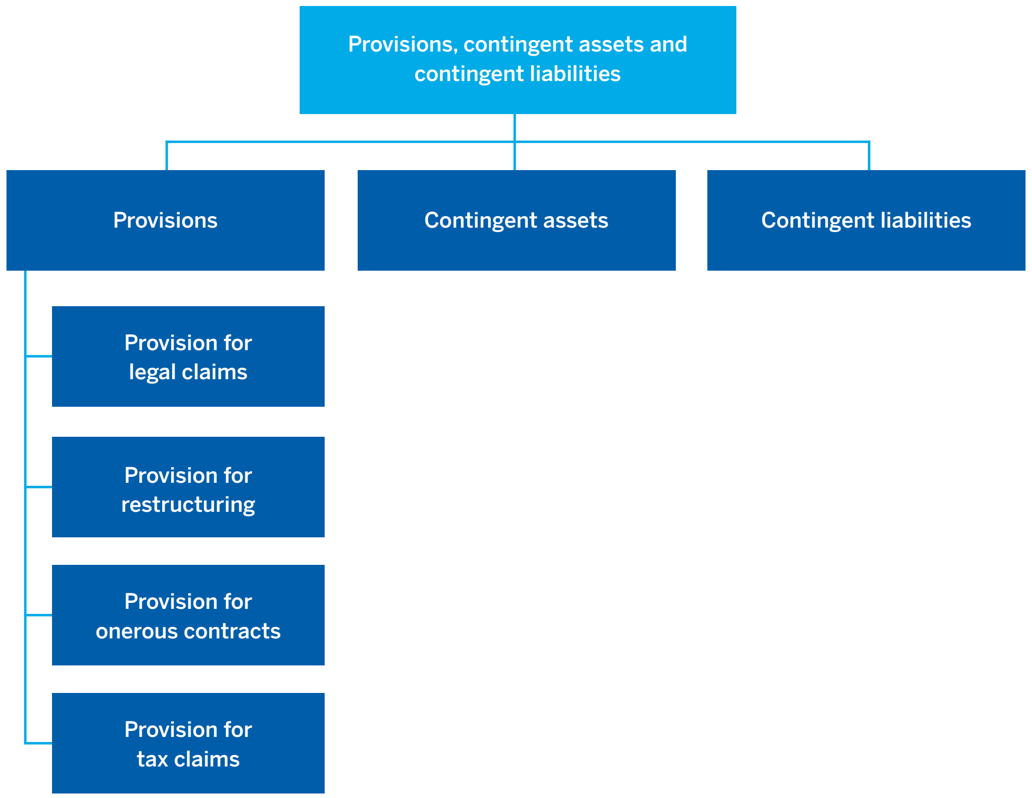
Type	Description	Statement of financial position	Income statement
Lessor accounting			
Reassessment and modification of leases	Reassessment of lease terms and lease modifications that are not accounted for as a separate lease: When the Group reassesses the terms of any lease (that is, it re-assesses 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. For lease modifications that are not accounted for as a separate lease, 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, for lease modifications that decrease the scope of the lease the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, with any resulting difference being recognised in profit or loss as a gain or loss relating to the partial or full termination of the lease. Lease modifications that are accounted for as a separate lease: 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 modification as a separate new lease. This accounting treatment equally applies to leases which the Group elected the short-term lease exemption and the lease term is subsequently modified.		
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 yearic 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/(paid) by the Group by way of a penalty is recognised as income/(expense) in the year in which termination takes place.
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 (continued)
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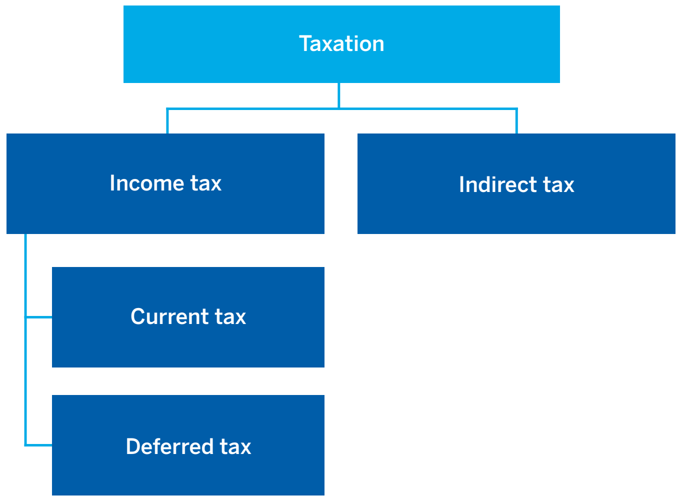
Provisions	Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can 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.

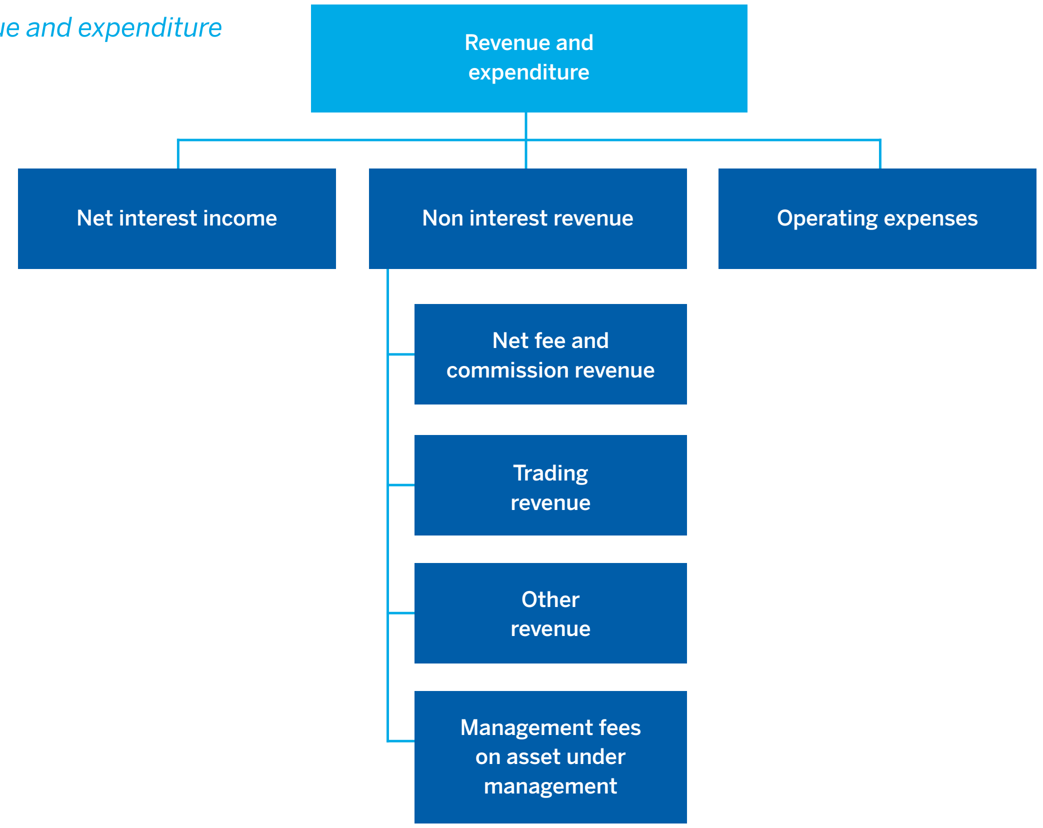
4.10. Taxation



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 0.25% 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. 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 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 (continued)
For the year ended 31 December 2021

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.

Description	Recognition and measurement
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, that is, 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.
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.
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.

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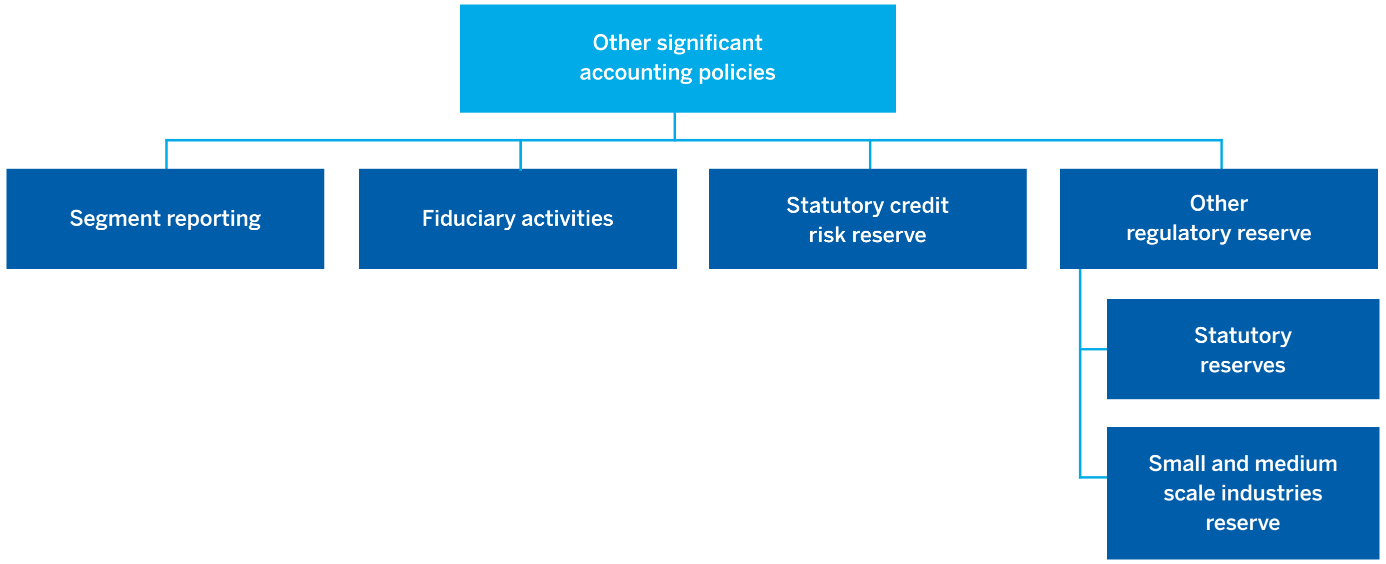
4.12. Other significant accounting policies



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 20.4 (b)(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.

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	**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 amendment will be applied retrospectively and is not expected to have a material impact on the Group.
Effective date	1 January 2023.

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Title	**IAS 1 Presentation of Financial Statements (amendments)** The 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. However, these clarifications could result in reclassification of some liabilities from current to non-current, and vice versa. The amendment will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.
Effective date	1 January 2023.

Title	**Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)** The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group has determined that all contracts existing at 31 December 2021 will be completed before the amendments become effective.
Effective date	1 January 2022.

Title	**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 1 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.
Effective date	1 January 2023.

Title	**Annual improvements 2018-2020 cycle** The IASB has issued various amendments and clarifications to existing IFRS, none of which is expected to have a significant impact on the Group's annual financial statements.
Effective date	1 January 2022.

5. Segment reporting

The Group has shifted the business to be future-ready and client centric. The reporting has changed to align to this principle. The client segments will be responsible for designing and executing the client value proposition strategy. Client segments will own the client relationship and create multi-product customer experiences to address life events distributed through our client engagement platforms. The principal reporting segments in the Group are as follows:

Business unit	
Business and Commercial Clients	The Business and Commercial Client (BCC) 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.
Wholesale Clients	The Wholesale Clients (WC) 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.
Consumer and High Net Worth Clients	The Consumer and High Net Worth (CHNW) client segment is responsible for the end-to-end lifecycle of clients. CHNW 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.

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 (continued)
For the year ended 31 December 2021

Operating segments	Business and Commercial Clients		Wholesale Clients		Consumer and High Net Worth Clients		Eliminations		Group	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Net interest income	23,978	16,204	34,723	43,531	16,671	14,480	-	-	75,372	74,215
Interest income - external source	29,335	18,004	57,723	72,650	17,693	15,122	-	-	104,751	105,776
Interest expense - external source	(5,357)	(1,800)	(23,000)	(29,119)	(1,022)	(642)	-	-	(29,379)	(31,561)
Non-interest revenue	8,982	7,504	28,476	68,185	61,447	52,672	(3,132)	(3,652)	95,773	124,709
Net fee and commission revenue	8,724	7,006	16,504	15,678	60,781	52,158	(3,132)	(3,652)	82,877	71,190
Income from life insurance activities	-	-	-	-	176	-	-	-	176	-
Trading revenue	739	342	11,990	51,510	557	258	-	-	13,286	52,110
Other revenue	(481)	156	(18)	997	(67)	256	-	-	(566)	1,409
Revenue	32,960	23,708	63,199	111,716	78,118	67,152	(3,132)	(3,652)	171,145	198,924
Net impairment credit/(charge) on financial assets	572	(2,444)	1,405	(7,808)	(472)	(522)	-	-	1,505	(10,774)
Income after credit impairment charges	33,532	21,264	64,604	103,908	77,646	66,630	-	-	172,650	188,150
Operating expenses	(27,533)	(23,754)	(37,956)	(35,119)	(44,290)	(38,212)	3,132	3,652	(106,647)	(93,433)
Profit before direct taxation	5,999	(2,490)	26,648	68,789	33,356	28,418	-	-	66,003	94,717
Direct taxation	925	146	3,328	(473)	(13,290)	(11,179)	-	-	(9,037)	(11,506)
(Loss)/Profit for the year	6,924	(2,344)	29,976	68,316	20,066	17,239	-	-	56,966	83,211
Total assets	267,239	304,882	1,582,485	2,225,883	970,081	102,714	(77,041)	(147,173)	2,742,764	2,486,306
Total liabilities	222,276	258,319	1,435,691	1,944,778	784,746	21,627	(76,815)	(117,019)	2,365,898	2,107,705
Depreciation and amortisation	2,312	3,658	1,544	1,176	3,936	3,390	-	-	7,792	8,224
Number of employees	1,943	1,977	458	435	573	560	-	-	2,974	2,972

6. Key management assumptions Use of assumptions

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 impairment 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 2021 ₦'million	31 Dec 2020 ₦'million
Prudential Provision			
Specific provision on loans and advances		12,141	19,020
General provision on loans and advances		18,513	12,593
Provision for other credit losses		11,413	11,745
		42,067	43,358
IFRS Impairment allowance			
12-month ECL	12.1	8,025	6,680
Lifetime ECL not credit-impaired	12.1	1,283	1,509
Lifetime ECL credit-impaired	12.1	15,907	21,964
Impairment on other financial assets and provision for other losses		11,413	11,745
Provision for other asset	15	2,111	2,391
Provision for contingent litigations	26	9,302	9,354
		36,628	41,898
Closing regulatory reserve		5,439	1,460
Opening regulatory reserve		1,460	-
Appropriation: Transfer (to)/from retained earnings		3,979	1,460

Notes to the consolidated and separate financial statements (continued)
For the year ended 31 December 2021

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.

- In the context of COVID-19 health crisis, the granting of moratoria and reduction in interest rate for all CBN intervention facilities as contained in the CBN guidelines published on 16 March 2020, with subsequent update on 27 May 2020, has not been considered, in isolation, as an indicator of a significant increase in credit risk leading to an automatic transfer to stage 2. Other moratoria that meet equivalent criteria to those defined in the CBN guidelines has followed the same treatment. Moratoria do not trigger the counting of past-due days as long as the new schedule of payment is respected.

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 Wholesale Clients (WC) as well as Business and Commercial Clients and Consumer and High Net Worth 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.

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 / 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 29.

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 32.10 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.

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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. Recognition 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 PLC, 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 2021 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 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. Any material difference in management best estimates will have an impact on the carrying amount of the provisions. Refer to note 26 for further details.

Use of Judgements
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 unitholders, 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 bank balances

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Coins and bank notes	19,056	46,238	-	-
Balances with central bank	466,696	434,706	-	-
Current balances with banks within Nigeria	10,055	13,223	53,236	42,145
Current balances with banks outside Nigeria	157,263	132,944	-	-
	653,070	627,111	53,236	42,145

Balances with central bank include cash reserve of ₦423,178 million (Dec. 2020: ₦348,170 million) and special intervention fund of₦20,817 million (Dec. 2020: ₦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 ₦25,897 million (Dec. 2020: ₦26,100 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 27.1).

Included in current balances with banks outside Nigeria is ₦9,005 million (Dec. 2020: ₦63,285 million) held with Standard Bank Group. See note 37.3 for details.

8. Pledged assets

8.1. Pledged assets	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Financial assets that may be repledged or resold by counterparties				
Treasury bills – Trading	95,187	3,499	-	-
Treasury bills - FVOCI	87,148	167,079	-	-
	182,335	170,578	-	-
Maturity analysis				
The maturities represent periods to contractual redemption of the pledged assets recorded.				
Maturing within 1 month	-	107,102	-	-
Maturing after 1 month but within 6 months	-	38,256	-	-
Maturing after 6 months but within 12 months	-	25,220	-	-
	-	170,578	-	-

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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 2021 was ₦182,333 million (Dec. 2020: ₦122,844 million). The transactions in respect of which the collaterals were pledged are as follows:

i. ₦14,688 million (Dec 2020: ₦13,314 million) was pledged with the Central Bank of Nigeria with respect of real sector funding.

ii. ₦125,723 million (Dec 2020: ₦84,630 million) was pledged in respect of repurchase lending agreements. These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities.

iii. ₦41,922 million (Dec. 2020: ₦24,900 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 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Classification				
Listed	88,300	169,655	-	-
Unlisted	10,443	-	-	-
	98,743	169,655	-	-
Comprising:				
Government bonds	571	56,311	-	-
Treasury bills	87,725	113,344	-	-
Listed equities	4	-	-	-
Reverse repurchase agreements	9,998	-	-	-
Placements	445	-	-	-
	98,743	169,655	-	-

Maturity analysis

The maturities represent periods to contractual redemption of the trading assets recorded.

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Redeemable on demand	-	-	-	-
Maturing within 1 month	13,298	1,191	-	-
Maturing after 1 month but within 6 months	55,439	47,255	-	-
Maturing after 6 months but within 12 months	29,508	64,942	-	-
Maturing after 12 months	498	56,267	-	-
	98,743	169,655	-	-
Current	98,245	113,388	-	-
Non-current	498	56,267	-	-
	98,743	169,655	-	-

9.2. Trading liabilities	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Classification				
Listed	117	53,488	-	-
Unlisted	111,906	135,012	-	-
	112,023	188,500	-	-
Comprising:				
Government bonds (short positions)	117	53,317	-	-
Repurchase agreements	67,621	124,804	-	-
Deposits	44,285	10,208	-	-
Treasury bills (short positions)	-	171	-	-
	112,023	188,500	-	-
Dated liabilities	67,738	178,292	-	-
Undated liabilities	44,285	10,208	-	-
	112,023	188,500	-	-

Maturity analysis

The maturity analysis is based on the remaining years to contractual maturity from year end.

	Group 31 Dec 2021 ₦'million	Group 31 Dec 2020 ₦'million	Company 31 Dec 2021 ₦'million	Company 31 Dec 2020 ₦'million
Maturing within 1 month	71,192	389	-	-
Maturing after 1 month but within 6 months	29,834	9,990	-	-
Maturing after 6 months but within 12 months	10,880	124,804	-	-
Maturing after 12 months	117	53,317	-	-
	112,023	188,500	-	-
Current	111,906	135,183	-	-
Non-current	117	53,317	-	-
	112,023	188,500	-	-

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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 2021	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	-	4,205	-	4,205	27,353	(23,148)	1,220,286
Swaps	5,802	5,841	-	11,643	13,859	(2,216)	260,612
Total derivative assets/(liabilities)	5,802	10,046	-	15,848	41,212	(25,364)	1,480,898
31 December 2020							
Derivatives held-for-trading							
Forwards	7,118	-	-	7,117	43,256	(36,139)	888,393
Swaps	1,733	-	-	1,734	2,977	(1,243)	142,646
Total derivative assets/(liabilities)	8,851	-	-	8,851	46,233	(37,382)	1,031,039

Included in derivative assets is ₦399 million (Dec. 2020: ₦2,398 million) due from related parties. See note 37.3 for details.
Included in derivative liabilities is ₦673 million (Dec. 2020: ₦8,380 million) due to related parties. See note 37.3 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 2021 ₦'million	31 Dec 2020 ₦'million
Unrecognised profit at beginning of the year		994	6,201
Additional profit on new transactions		17,749	9,744
Recognised in profit or loss during the year		(8,344)	(14,951)
Unrecognised profit at end of the year		10,399	994

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11. Financial investments

Financial investments comprise assets held for liquidity requirement purposes.

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Short - term negotiable securities	568,738	523,484	-	-
Listed	568,738	523,484	-	-
Unlisted	-	-	-	-
Other financial investments	67,896	88,877	2,076	2,227
Listed	17,143	27,376	2,076	2,227
Unlisted	50,753	61,501	-	-
Gross financial investments	636,634	612,361	2,076	2,227
Expected credit loss on financial investment				
12-month ECL	(23)	(85)	-	-
Total expected credit loss on financial investment	(23)	(85)	-	-
Net financial investments	636,611	612,276	2,076	2,227

There were no ECL transfers between stages for financial investments during the year.

	Group		Company	
11.1. Comprising:	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Government bonds	9,814	8,737	-	-
Treasury bills	568,738	521,673	-	-
Corporate bonds	6,701	18,097	-	-
Unlisted equities (see note 11.2 below)	3,021	3,048	-	-
Mutual funds and unit-linked investments (see note 14)	47,732	58,452	2,076	2,227
Listed equities	628	542	-	-
Promissory Notes	-	1,811	-	-
Deposits	-	1	-	-
	636,634	612,361	2,076	2,227

Mutual funds and unit-linked investments include ₦1,117 million (Dec 2020: ₦1,390 million) held against unclaimed dividend liability as disclosed in note 27.

Maturity analysis

The maturities represent periods to contractual redemption of the financial investments recorded.

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Redeemable on demand	-	2,199	-	-
Maturing within 1 month	46,497	2,554	-	-
Maturing after 1 month but within 6 months	521,978	525,948	-	-
Maturing after 6 months but within 12 months	6,582	4,867	-	-
Maturing after 12 months but within 5 years	825	8,200	-	-
Maturing after 5 years	13,885	6,551	-	-
Undated investments[1]	51,381	62,042	2,076	2,227
	641,148	612,361	2,076	2,227

[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 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Unified Payment Services Ltd (formerly Smart Card Nigeria Plc)	395	388	-	-
FSDH Merchant Bank Limited	-	663	-	-
FMDQ OTC Plc	483	373	-	-
Nigeria Mortgage Refinance Company Ltd	146	146	-	-
Central Securities Clearing System Plc	46	38	-	-
Nigerian Interbank Settlement System Plc	1,831	1,440	-	-
NGX (Nigerian Exchange Ltd) shares	120	-	-	-
Total investment in unlisted equity investment	3,021	3,048	-	-

The movement in unquoted equities relates to fair value gains and losses as there were no additions but FSDH Merchant Bank Limited investment was disposed during the year.

Current	621,924	597,610	2,076	-
Non-current	14,710	14,751	-	-
	636,634	612,361	2,076	-

Analysis of movement in financial investment expected credit loss

As at 31 December 2021	Opening balance	Originated ECL	Subsequent changes	Derecognition	Total
12 Month- ECL	85	18	(98)	18	23
Life-time ECL not credit impaired	-	-	-	-	-
Life-time ECL credit impaired	-	-	-	-	-
	85	18	(98)	18	23

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12. Loans and advances
12.1. Loans and advances net of impairments

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Loans and advances to banks	16,096	7,828	-	-
Placements with banks	16,102	7,833	-	-
12-month ECL	(6)	(5)	-	-
Loans and advances to customers	921,044	625,139	-	-
Gross loans and advances to customers	946,259	655,292	-	-
Consumer and High Net Worth Clients (CHNW)	78,519	58,924	-	-
Mortgage loans	4,356	3,517	-	-
Instalment sale and finance leases	1,553	1,507	-	-
Card debtors	1,265	883	-	-
Other loans and advances	71,345	53,017	-	-
Business and Commercial Clients (BCC)	284,151	182,084	-	-
Mortgage loans	425	719	-	-
Instalment sale and finance leases	34,238	8,360	-	-
Card debtors	5	7	-	-
Other loans and advances	249,483	172,998	-	-
Wholesale Clients (WC)	583,589	414,284	-	-
Corporate loans	583,589	414,284	-	-
Credit impairments for loans and advances (note 12.3)	(25,215)	(30,153)	-	-
12-month ECL	(8,025)	(6,680)	-	-
Lifetime ECL not credit-impaired	(1,283)	(1,509)	-	-
Lifetime ECL credit-impaired	(15,907)	(21,964)	-	-
Net loans and advances	937,140	632,967	-	-
Comprising:				
Gross loans and advances	962,361	663,125	-	-
Less: Credit impairments allowance	(25,221)	(30,158)	-	-
Net loans and advances	937,140	632,967	-	-

Regulatory prudential disclosures on loans and advances have been disclosed under note 6 and credit risk management – prudential guidelines disclosures.

Included in gross loans and advances to customers is an amount of ₦39,262 million (2020: ₦11,041 million) relating to CHNW, BCC and WC instalment 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 year. See page 116 under "Liquidity Contingency" for further details.

Analysis of gross loans and advances by product

As at 31 December 2021	Gross carrying value	Total expected credit loss: 12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	Net carrying value
Gross loans and advances to customers	946,259	(8,025)	(1,283)	(15,907)	(25,215)	921,044
Consumer and High Networth Clients (CHNW)	78,519	(694)	(400)	(2,238)	(3,332)	75,187
Mortgage loans	4,356	(16)	(3)	(92)	(111)	4,245
Instalment sale and finance leases	1,553	(11)	(3)	(19)	(33)	1,520
Card debtors	1,265	(7)	(28)	(136)	(171)	1,094
Other loans and advances	71,345	(660)	(366)	(1,991)	(3,017)	68,328
Business and Commercial Clients (BCC)	284,151	(3,707)	(803)	(7,234)	(11,745)	272,406
Mortgage loans	425	(13)	-	-	(13)	412
Instalment sale and finance leases	34,238	(533)	(173)	(91)	(797)	33,441
Card debtors	5	(1)	-	-	(1)	4
Other loans and advances	249,483	(3,160)	(630)	(7,143)	(10,933)	238,550
Wholesale Clients (WC)	583,589	(3,624)	(80)	(6,435)	(10,139)	573,450
Corporate loans	583,589	(3,624)	(80)	(6,435)	(10,139)	573,450
Loans and advances to banks	16,102	(6)	-	-	(6)	16,096
Total	962,361	(8,031)	(1,283)	(15,907)	(25,221)	937,140

Analysis of gross loans and advances by product

As at 31 December 2020	Gross carrying value	Total expected credit loss: 12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	Net carrying value
Gross loans and advances to customers	655,292	(6,688)	(1,509)	(23,758)	(31,955)	623,337
Consumer and High Networth Clients (CHNW)	58,924	(578)	(237)	(1,718)	(2,533)	56,391
Mortgage loans	3,517	(45)	(22)	(68)	(135)	3,382
Instalment sale and finance leases	1,507	(2)	(3)	(14)	(19)	1,488
Card debtors	883	(38)	(35)	(114)	(187)	696
Other loans and advances	53,017	(493)	(177)	(1,522)	(2,192)	50,825
Business and Commercial Clients (BCC)	182,084	(3,004)	(810)	(9,245)	(13,060)	169,024
Mortgage loans	719	(22)	(1)	-	(23)	696
Instalment sale and finance leases	8,360	(66)	(216)	(54)	(336)	8,024
Card debtors	7	(1)	-	-	(1)	6
Other loans and advances	172,998	(2,915)	(593)	(9,191)	(12,699)	160,299
Wholesale Clients (WC)	414,284	(3,106)	(462)	(12,795)	(16,363)	397,921
Corporate loans	414,284	(3,106)	(462)	(12,795)	(16,363)	397,921
Loans and advances to banks	7,833	(5)	-	-	(5)	7,828
Total	663,125	(6,693)	(1,509)	(23,758)	(31,960)	631,165

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Maturity analysis

The maturity analysis is based on the remaining years to contractual maturity from the year end.

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Redeemable on demand	19,584	17,523	-	-
Maturing within 1 month	98,644	80,113	-	-
Maturing after 1 month but within 6 months	355,990	189,463	-	-
Maturing after 6 months but within 12 months	52,567	23,711	-	-
Maturing after 12 months	435,576	352,315	-	-
Gross loans and advances	962,361	663,125	-	-

Segmental analysis - industry

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Agriculture	37,157	34,977	-	-
Business services	31,746	8,348	-	-
Communication	49,272	25,350	-	-
Construction and real estate	58,744	57,702	-	-
Electricity, gas and water supply	9,302	1,477	-	-
Financial intermediaries and insurance	40,830	37,967	-	-
Government	74,788	37,588	-	-
Hotels, restaurants and tourism	207	104	-	-
Manufacturing	304,862	170,482	-	-
Oil and gas	214,640	168,697	-	-
Private households	78,022	59,013	-	-
Transport, storage and distribution	9,603	1,879	-	-
Wholesale and retail trade	53,188	59,541	-	-
Gross loans and advances	962,361	663,125	-	-

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 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
South South	36,917	29,737	-	-
South West	809,446	564,895	-	-
South East	20,888	11,520	-	-
North West	39,671	24,776	-	-
North Central	34,495	26,716	-	-
North East	4,842	1,148	-	-
Outside Nigeria	16,102	4,333	-	-
Gross loans and advances	962,361	663,125	-	-

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 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Gross investment in instalment sale and finance leases	39,262	11,041	-	-
Receivable within 1 year	2,635	3,614	-	-
Receivable after 1 year but within 5 years	36,627	7,427	-	-
Unearned finance charges deducted	-	-	-	-
Net investment in instalment sale and finance leases	39,262	11,041	-	-
Receivable within 1 year	2,635	3,614	-	-
Receivable after 1 year but within 5 years	36,627	7,427	-	-

₦3,471 million (Dec 2020: ₦1,175 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	526,785	310,810	-	-
Non-current	435,576	352,315	-	-
	962,361	663,125	-	-

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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 2021	Opening ECL 1 January 2021	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															
CHNW															
Mortgage loans	45		8	(8)	-	4	-	(30)	(3)	(29)	-	-	-	16	-
Instalment sales and finance lease	2		-	(3)	(3)	5	-	7	-	12	-	-	-	11	-
Card debtors	38		2	(20)	(18)	2	-	(7)	(8)	(13)	-	-	-	7	-
Other loans and advances	493		(84)	(183)	(267)	343	-	207	(116)	434	-	-	-	660	-
BCC															
Mortgage loans	22		-	-	-	-	-	(9)	-	(9)	-	-	-	13	-
Instalment sales and finance lease	66		(16)	2	(14)	495	-	12	(26)	481	-	-	-	533	-
Card debtors	1		-	-	-	1	-	-	(1)	-	-	-	-	1	-
Other loans and advances	2,915		(37)	(632)	(669)	1,580	-	273	(939)	914	-	-	-	3,160	-
WC															
Corporate loans	3,106		147	-	147	2,034	-	(843)	(812)	379	-	-	(2)	3,630	-
Total	6,688	-	20	(844)	(824)	4,464	-	(390)	(1,905)	2,169	-	-	(2)	8,031	-
Lifetime ECL not credit-impaired															
CHNW															
Mortgage loans	22	(8)		(31)	(39)	-	-	20	-	20	-	-	-	3	-
Instalment sales and finance lease	3	-		2	2	1	-	(3)	-	(2)	-	-	-	3	-
Card debtors	35	(2)		(12)	(14)	7	-	7	(7)	7	-	-	-	28	-
Other loans and advances	177	84		(63)	21	178	-	35	(45)	168	-	-	-	366	-
BCC															
Mortgage loans	1	-		-	-	-	-	-	(1)	(1)	-	-	-	-	-
Instalment sales and finance lease	216	16		(16)	-	16	-	(47)	(12)	(43)	-	-	-	173	-
Card debtors	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Other loans and advances	593	37		(464)	(427)	302	-	351	(189)	464	-	-	-	630	-
WC															
Corporate loans	462	(147)		-	(147)	-	-	(196)	(39)	(235)	-	-	-	80	-
Total	1,509	(20)	-	(584)	(604)	504	-	167	(293)	378	-	-	-	1,283	-

Notes to the consolidated and separate financial statements (continued)
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12.3. Credit impairments allowance for loans and advances (continued)

A reconciliation of the allowance for impairment losses for loans and advances, by class:

As at 31 December 2021	Opening ECL 1 January 2021	Transfers between stages: Transfer 12 month ECL to/from	Transfers between stages: Transfer Lifetime ECL not credit-impaired to/from	Transfers between stages: Transfer Lifetime ECL credit-impaired to/from	Transfers between stages: Total	Income statement movement: Originated "New" impairments raised	Income statement movement: Changes in ECL - due to modifications	Income statement movement: Subsequent changes in ECL	Income statement movement: Derecognised including write offs	Income statement movement: 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)															
CHNW															
Mortgage loans	68	8	31		39	-	-	6	23	29	(46)	-	2	92	(382)
Instalment sales and finance lease	14	3	(2)		1	1	-	-	-	1	-	-	3	19	(7)
Card debtors	114	20	12		32	7	-	40	(2)	45	(55)	-	-	136	(19)
Other loans and advances	1,522	183	63		246	178	-	20	109	307	(397)	-	313	1,991	(428)
BCC															
Mortgage loans	-	-	-		-	-	-	-	-	-	-	-	-	-	-
Instalment sales and finance lease	54	(2)	16		14	17	-	18	16	51	(35)	-	7	91	(61)
Card debtors	-	-	-		-	-	-	-	-	-	-	-	-	-	(2)
Other loans and advances	9,191	632	464		1,096	314	-	(731)	1,880	1,463	(4,883)	-	276	7,143	(3,415)
WC															
Corporate loans	12,795	-	-		-	-	-	(487)	225	(262)	(6,389)	-	291	6,435	(608)
Total	23,758	844	584	-	1,428	517	-	(1,134)	2,251	1,634	(11,805)	-	892	15,907	(4,922)
Purchased/originated credit impaired	-	-	-	-	-	-	-	-	-						
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ECL	31,955	824	604	(1,428)	-	5,485	-	(1,357)	53	4,181	(11,805)	-	890	25,221	(4,922)

Notes to the consolidated and separate financial statements (continued)
For the year ended 31 December 2021

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 2020	Opening ECL 1 January 2020	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															
CHNW															
Mortgage loans	45		18	-	18	5	-	(23)	-	(18)	-	-	-	45	-
Instalment sales and finance lease	84		58	-	58	17	-	(158)	-	(141)	-	-	1	2	-
Card debtors	19		3	-	3	11	-	5	-	16	-	-	-	38	-
Other loans and advances	942		45	-	45	103	-	(719)	-	(616)	-	-	122	493	-
BCC															
Mortgage loans	20		8	-	8	-	-	(6)	-	(6)	-	-	-	22	-
Instalment sales and finance lease	154		71	-	71	-	-	(159)	-	(159)	-	-	-	66	-
Card debtors	6		8	-	8	3	-	(13)	-	(10)	-	-	(3)	1	-
Other loans and advances	1,123		51	14	65	(676)	-	2,087	-	1,411	-	-	316	2,915	-
WC															
Corporate loans	2,556		-	-	-	3,125	-	(2,575)	-	550	-	-	-	3,106	-
Total	4,949		262	14	276	2,588	-	(1,561)	-	1,027	-	-	436	6,688	-
Lifetime ECL not credit-impaired															
CHNW															
Mortgage loans	408	(18)		-	(18)	-	-	(369)	-	(369)	-	-	1	22	-
Instalment sales and finance lease	133	(58)		1	(57)	13	-	(83)	-	(70)	-	-	(3)	3	-
Card debtors	41	(3)		3	-	2	-	(8)	-	(6)	-	-	-	35	-
Other loans and advances	211	(45)		24	(21)	1,249	-	(1,150)	-	99	-	-	(112)	177	-
BCC															
Mortgage loans	6	(8)		-	(8)	-	-	3	-	3	-	-	-	1	-
Instalment sales and finance lease	154	(71)		3	(68)	59	-	71	-	130	-	-	-	216	-
Card debtors	16	(8)		-	(8)	-	-	(8)	-	(8)	-	-	-	-	-
Other loans and advances	463	(51)		39	(12)	6,414	-	(5,966)	-	448	-	-	(306)	593	-
WC															
Corporate loans	4,119	-		-	-	218	-	(3,875)	-	(3,657)	-	-		462	-
Total	5,551	(262)		70	(192)	7,955	-	(11,385)	-	(3,430)	-	-	(420)	1,509	-

Notes to the consolidated and separate financial statements (continued)
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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 2020	Opening ECL 1 January 2020	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)															
CHNW															
Mortgage loans	473	-	-		-	16	-	18		34	(229)	(210)	-	68	(59)
Instalment sales and finance lease	776	-	(1)		(1)	1	-	(472)		(471)	(224)	(66)	-	14	(113)
Card debtors	135	-	(3)		(3)	1	-	60		61	(79)	-	-	114	(9)
Other loans and advances	2,638	-	(24)		(24)	137	-	(80)		57	(1,127)	(22)	-	1,522	(844)
BCC															
Mortgage loans	101	-	-		-	4	-	(85)	-	(81)	(48)	28	-	-	(10)
Instalment sales and finance lease	928	-	(3)		(3)	1	-	670		671	(1,065)	(477)	-	54	(391)
Card debtors	32	-	-		-	-	-	(17)		(17)	(15)	-	-	-	(1)
Other loans and advances	9,942	(14)	(39)		(53)	381	-	3,691		4,072	(4,690)	(80)	-	9,191	(1,432)
WC					-										
Corporate loans	528	-	-		-	11,775	-	477		12,252	-	15	-	12,795	(1,735)
Total	15,553	(14)	(70)	-	(84)	12,316	-	4,262	-	16,578	(7,477)	(812)	-	23,758	(4,594)
Purchased/originated credit impaired		-	-	-	-	-		-							
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ECL	26,053	(276)	192	84	-	22,859	-	(8,684)	-	14,175	(7,477)	(812)	16	31,955	(4,594)

Notes to the consolidated and separate financial statements (continued)
For the year ended 31 December 2021

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	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Agriculture	4,127	5,398	2,728	3,953
Business services	3	32	3	29
Communication	2	5	2	3
Construction and real estate	8,861	8,884	7,205	7,034
Manufacturing	128	610	108	452
Oil and gas	1,238	6,759	1,030	6,552
Private households	3,356	2,399	2,494	1,717
Transport, storage and distribution	1,217	1,340	1,174	1,239
Wholesale and retail trade	1,406	1,065	1,165	984
	20,338	26,492	15,909	21,963

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 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
South South	1,018	1,116	743	846
South West	12,507	18,974	10,150	16,589
South East	533	487	413	373
North West	4,606	4,113	3,052	2,562
North Central	1,589	1,732	1,488	1,538
North East	85	70	63	55
	20,338	26,492	15,909	21,963

13. Investment in subsidiaries

	%	Group		Company	
		31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Stanbic IBTC Ventures Limited	100%	-	-	1,500	500
Stanbic IBTC Bank PLC	100%	-	-	63,467	63,467
Stanbic IBTC Capital Limited	100%	-	-	3,500	3,500
Stanbic IBTC Asset Management Limited	100%	-	-	710	710
Stanbic IBTC Pension Managers Limited	88.24%	-	-	16,913	16,913
Stanbic IBTC Trustees Limited	100%	-	-	300	300
Stanbic IBTC Insurance Brokers Limited*	100%	-	-	20	20
Stanbic IBTC Insurance Limited	100%	-	-	8,000	8,000
Stanbic IBTC Financial Services Limited**	100%	-	-	232	-
Stanbic IBTC Stockbrokers Limited	100%	-	-	109	109
		-	-	94,751	93,519

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

** On 30 November 2021, Stanbic IBTC Bank PLC disposed Stanbic IBTC Financial Services Limited in its entirety to Stanbic IBTC Holdings PLC. The relinquishment of the investment in Stanbic IBTC Financial Services Limited ultimately resulted to Stanbic IBTC Holdings PLC assuming the role of the new Parent Company with a capital injection of ₦368 million deposit for shares.

Notes to the consolidated and separate financial statements (continued)
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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 PLC	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
Stanbic IBTC Financial Services Limited	Nigeria	Not operational	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 PLC, 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 Ltd) to maintain certain level of regulatory capital. In addition, the banking subsidiary (Stanbic IBTC Bank PLC) 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 Wealth House, Plot 1678, Olakunle Bakare Close, Off Sanusi Fafunwa Street, Victoria Island, Lagos.

	31 Dec 2021	31 Dec 2020
NCI percentage	11.76%	11.76%
	₦'million	₦'million
Total assets	94,526	77,149
Total liabilities	(19,271)	(12,709)
Net assets	75,255	64,440
Carrying amount of NCI	8,850	7,578
Revenue	46,059	39,830
Profit	21,895	19,198
Profit allocated to NCI	2,588	2,272
Cash flows from operating activities	24,266	24,319
Cash flows from investing activities	(16,350)	(17,717)
Cash flow from financing activities, before dividends to NCI	(9,310)	(6,130)
Cash flow from financing activities - cash dividends to NCI	(1,095)	(723)
Net increase in cash and cash equivalents	(2,489)	(251)

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13.4. Summary financial information of the consolidated entities

	Stanbic IBTC Holdings PLC Company ₦'million	Stanbic IBTC Bank PLC ₦'million	Stanbic IBTC Capital Ltd ₦'million	Stanbic IBTC Pension Managers Ltd ₦'million	Stanbic IBTC Asset Management Ltd ₦'million	Stanbic IBTC Ventures Ltd ₦'million	Stanbic IBTC Trustees Ltd ₦'million	Stanbic IBTC Insurance Brokers Ltd ₦'million	Stanbic IBTC Insurance Ltd ₦'million	Stanbic IBTC Stockbrokers Ltd ₦'million	Stanbic IBTC Financial Services Ltd ₦'million	Consolidations / Eliminations ₦'million	Stanbic IBTC Holdings PLC Group ₦'million
Income statement													
Net interest income	90	69,843	592	3,634	278	107	30	45	613	124	8	8	75,372
Non interest revenue	36,935	34,491	4,043	42,425	12,614	38	867	967	177	917	1	(37,702)	95,773
Total income	37,025	104,334	4,635	46,059	12,892	145	897	1,012	790	1,041	9	(37,694)	171,145
Staff costs	(2,458)	(29,298)	(1,235)	(5,387)	(2,260)	-	(294)	(295)	(308)	(509)	3	-	(42,041)
Operating expenses	(2,201)	(52,665)	(797)	(8,313)	(1,756)	(15)	(144)	(266)	(354)	(251)	(2)	2,158	(64,606)
Net impairment (charge) on financial assets	-	1,489	1	119	2	-	(98)	(3)	(2)	(3)	-	-	1,505
Total expenses	(4,659)	(80,474)	(2,031)	(13,581)	(4,014)	(15)	(536)	(564)	(664)	(763)	1	2,158	(105,142)
Profit before tax	32,366	23,860	2,604	32,478	8,878	130	361	448	126	278	10	(35,536)	66,003
Tax	(8)	5,906	(1,008)	(10,583)	(3,045)	44	(124)	(154)	(4)	(61)	-	-	(9,037)
Profit for the year	32,358	29,766	1,596	21,895	5,833	174	237	294	122	217	10	(35,536)	56,966
For the year ended 31 December 2020	26,369	59,476	1,243	19,198	4,773	305	132	246	(44)	253	-	(28,740)	83,211
Assets:													
Cash and bank balances	53,236	643,014	8,704	8,866	143	13	21	(2)	2,289	1,973	468	(65,655)	653,070
Derivative assets	-	41,212	-	-	-	-	-	-	-	-	-	-	41,212
Trading assets	-	98,739	-	-	-	-	-	-	-	4	-	-	98,743
Pledged assets	-	182,335	-	-	-	-	-	-	-	-	-	-	182,335
Financial investments	2,076	560,682	2,203	48,834	4,623	3,055	600	961	11,192	2,240	145	-	636,611
Loans and advances to banks	-	2,273	-	13,823	-	-	-	-	-	-	-	-	16,096
Loans and advances to customers	-	921,044	-	-	-	-	-	-	-	-	-	-	921,044
Deferred tax assets	-	13,639	191	14	87	-	17	11	5	30	4	-	13,998
Equity investment in Group companies	94,751	-	-	-	-	-	-	-	-	-	-	(94,751)	-
Other assets	6,258	119,634	1,077	4,931	5,432	-	318	164	251	(5)	-	(8,530)	129,530
Property and equipment	148	25,120	23	17,309	250	-	14	35	23	7	-	(209)	42,720
Right of use assets	33	2,261	13	749	164	-	50	62	62	-	-	-	3,394
Intangible assets	-	3,972	-	-	-	-	-	-	39	-	-	-	4,011
Total assets	156,502	2,613,925	12,211	94,526	10,699	3,068	1,020	1,231	13,861	4,249	617	(169,145)	2,742,764
At 31 December 2020	147,243	2,370,679	12,332	77,149	12,119	2,857	824	942	8,050	4,882	-	(150,771)	2,486,306

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13.4. Summary financial information of the consolidated entities (continued)

	Stanbic IBTC Holdings PLC Company ₦'million	Stanbic IBTC Bank PLC ₦'million	Stanbic IBTC Capital Ltd ₦'million	Stanbic IBTC Pension Managers Ltd ₦'million	Stanbic IBTC Asset Management Ltd ₦'million	Stanbic IBTC Ventures Ltd ₦'million	Stanbic IBTC Trustees Ltd ₦'million	Stanbic IBTC Insurance Brokers Ltd ₦'million	Stanbic IBTC Insurance Ltd ₦'million	Stanbic IBTC Stockbrokers Ltd ₦'million	Stanbic IBTC Financial Services Ltd ₦'million	Consolidations / Eliminations ₦'million	Stanbic IBTC Holdings PLC Group ₦'million
Liabilities and equity:													
Derivative liabilities	-	25,364	-	-	-	-	-	-	-	-	-	-	25,364
Trading liabilities	-	112,023	-	-	-	-	-	-	-	-	-	-	112,023
Deposits from banks	-	431,862	-	-	-	-	-	-	-	-	-	-	431,862
Deposits from customers	-	1,139,269	-	-	-	-	-	-	-	-	-	(12,734)	1,126,535
Other borrowings	-	136,434	-	-	-	-	-	-	-	-	-	-	136,434
Debt securities issued	-	47,419	-	-	-	-	-	-	-	-	-	-	47,419
Current tax liabilities	50	1,200	897	10,377	3,284	298	106	144	4	80	1	-	16,441
Provisions and other liabilities	38,832	466,740	6,096	8,894	2,029	29	192	590	5,805	2,031	375	(61,793)	469,820
Equity and reserves	117,620	253,614	5,218	75,255	5,386	2,741	722	497	8,052	2,138	241	(94,618)	376,866
Total liabilities and equity	156,502	2,613,925	12,211	94,526	10,699	3,068	1,020	1,231	13,861	4,249	617	(169,145)	2,742,764
At 31 December 2020	147,243	2,370,679	12,332	77,149	12,119	2,857	824	942	8,050	4,882	-	(150,771)	2,486,306

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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 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
i	Stanbic IBTC Nigerian Equity Fund	6,970	6,593	550	525
ii	Stanbic IBTC Ethical Fund	1,568	1,567	63	58
iii	Stanbic IBTC Imaan Fund	253	232	6	6
iv	Stanbic IBTC Guaranteed Investment Fund	24,689	35,754	163	153
v	Stanbic IBTC Money Market Fund	219,597	301,403	27,023	49,722
vi	Stanbic IBTC Bond Fund	85,103	157,148	16,498	5,105
vii	Stanbic IBTC Balanced Fund	1,645	1,667	130	123
viii	Stanbic IBTC Dollar Fund	171,942	117,696	144	129
ix	Stanbic IBTC Umbrella Fund	45,516	37,159	1,756	1,589
x	Stanbic IBTC Exchange Traded Fund	1,196	1,338	215	226
xi	Stanbic IBTC Shari'ah Fixed Income Fund	7,390	11,594	58	56
xii	Stanbic IBTC Enhanced Short-Term Fixed Income Fund	17,652	-	53	-
xiii	Stanbic IBTC Infrastructure Fund	6,854	-	1,000	-
xiv	UACN Property Development Company REIT	30,472	-	-	-
Total		620,847	672,151	47,659	57,692

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 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Trading settlement assets (see (v) below)	9,902	73,185	-	-
Due from Group companies (see note 37.3)	706	7,937	2,837	4,523
Deposit for shares	-	-	368	1,000
Insurance receivables	228	-	-	-
Accrued income	659	1,378	-	-
Indirect / withholding tax receivables	3,810	2,936	486	459
Accounts receivable (see (iv) below)	89,072	65,741	69	321
Receivable in respect of unclaimed dividends (see (i) below)	2,418	1,789	2,418	1,789
Deposit for investment (see (ii) below)	10,241	7,266	-	-
Prepayments	5,335	6,006	100	1,083
Other debtors	9,270	12,133	-	-
	131,641	178,371	6,278	9,175
Expected credit loss on doubtful receivables (see (iii) below)	(2,111)	(2,391)	(20)	(20)
	129,530	175,980	6,258	9,155
Current	107,067	157,983	2,886	4,824
Non-current	22,463	17,997	3,372	4,331
	129,530	175,980	6,258	9,155
Financial	120,385	157,983	5,692	6,687
Expected credit loss	(2,111)	(2,391)	(20)	(20)
	118,274	155,592	5,672	6,667
Non-financial	11,256	20,388	586	2,488
	129,530	175,980	6,258	9,155

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 27. 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 Stanbic IBTC 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 20.4(b)(ii)). An amount of ₦30.99 million (Dec 2020: ₦35.2 million) has been disbursed to small and medium scale enterprises through the Bank for the year ended 31 December 2021.

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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15. Other assets (continued)

	Group		Company	
Movement in expected credit loss for doubtful receivables	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
At start of year	2,391	2,379	20	566
Additions / (write back)	(60)	86	-	(546)
Amount written off	(220)	(74)	-	-
At end of December 2021	2,111	2,391	20	20

The Group has, based on a 5-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 2021.

16. Deferred tax assets

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Deferred tax assets (note 16.1)	13,998	13,163	-	-
	13,998	13,163	-	-

	Group		Company	
Analysis of unrecognised deferred tax asset	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Unutilised tax losses	34,253	33,802	-	-
Capital allowances	-	-	-	-
	34,253	33,802	-	-

	Group		Company	
Analysis of deferred tax asset	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Current	10,457	-	-	-
Non-current	3,541	-	-	-
	13,998	-	-	-

16.1. Deferred tax analysis

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Deferred tax liabilities	-	-	-	-
Deferred tax asset	13,998	13,163	-	-
Deferred tax closing balance	13,998	13,163	-	-

16.2. Deferred tax analysis by source

	Group		Company	
i.) Deferred tax assets analysis by source	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Credit impairment charges	3,684	2,825	-	-
Property and equipment	11,588	8,616	-	-
Deferred income on CBN SWAP/Unutilised losses	-	(2,005)	-	-
Fair value adjustments on financial instruments	(3,465)	2	-	-
Unrelieved loss carry forward	1,331	1,475	-	-
Provision for employee bonus and share incentive	111	2,088	-	-
Others	749	162	-	-
Deferred tax closing balance	13,998	13,163	-	-
ii) Deferred tax liabilities by source				
Fair value adjustments on financial instruments	-	-	-	-
Deferred tax liabilities closing balance	-	-	-	-
Deferred tax asset at end of the year	13,998	13,163	-	-

16.3. Deferred tax reconciliation

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Deferred tax at beginning of the year	13,163	10,892	-	-
Recognised in Profit or Loss:				
Originating/(reversing) temporary differences for the year: (See note 34.1)	835	2,271	-	-
Credit impairment charges	859	(325)	-	-
Property and equipment	2,972	1,961	-	-
Fair value adjustments on financial instruments	(3,467)	(18)	-	-
Deferred income on CBN SWAP/Unutilised losses	2,005	(2,005)	-	-
Unutilised losses	(144)	2,981	-	-
Others	587	43	-	-
Provision for employee bonus and share incentive	(1,977)	(366)	-	-
Recognised in Other Comprehensive Income:				
Fair value adjustments on financial instruments-FVOCI	-	-	-	-
Deferred tax at end of the year	13,998	13,163	-	-

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17. Property and equipment
17.1. Cost

Group	Freehold Land and building ₦'million	Leasehold improvements and building improvements ₦'million	Motor vehicles ₦'million	Furniture, fittings and equipment ₦'million	Computer equipment ₦'million	Work in progress ₦'million	Total ₦'million
Balance at 1 January 2021	19,309	9,814	1,089	10,609	24,964	1,279	67,064
Additions	62	280	414	602	2,834	13,611	17,803
Disposals / expensed	-	(410)	(206)	(456)	(667)	(10)	(1,749)
Write-offs	(154)	-	-	(540)	(1,945)	-	(2,639)
Transfers / reclassifications	1,750	(1,634)	-	128	374	(618)	-
Balance at 31 December 2021	20,967	8,050	1,297	10,343	25,560	14,262	80,479
Balance at 1 January 2020	20,768	6,626	1,183	10,050	20,103	775	59,505
Additions	31	1,528	-	567	4,757	2,001	8,884
Disposals/expensed	-	-	(94)	(169)	(1,061)	-	(1,324)
Write-offs	(1)	-	-	-	-	-	(1)
Transfers/ reclassifications	(1,489)	1,660	-	161	1,165	(1,497)	-
Balance at 31 December 2020	19,309	9,814	1,089	10,609	24,964	1,279	67,064

17.2. Accumulated depreciation

Group	Freehold Land and building ₦'million	Leasehold improvements and building improvements ₦'million	Motor vehicles ₦'million	Furniture, fittings and equipment ₦'million	Computer equipment ₦'million	Work in progress ₦'million	Total ₦'million
Balance at 1 January 2021	11,660	700	848	8,626	14,502	-	36,336
Charge for the year	134	424	174	659	4,055	-	5,446
Disposals	-	(178)	(209)	(440)	(618)	-	(1,445)
Writeoff	(154)	-	-	(509)	(1,915)	-	(2,578)
Depreciation on Reclassification	(6,106)	6,106	-	-	-	-	-
Balance at 31 December 2021	5,534	7,052	813	8,336	16,024	-	37,759
Balance at 1 January 2020	11,277	342	752	8,136	11,220	-	31,727
Charge for the year	383	358	188	649	4,279	-	5,857
Disposals	-	-	(92)	(159)	(997)	-	(1,248)
Depreciation on Reclassification	(606)	606	-	-	-	-	-
Balance at 31 December 2020	11,660	700	848	8,626	14,502	-	36,336
Net book value:							
31 December 2021	15,433	998	484	2,007	9,536	14,262	42,720
31 December 2020	10,096	3,666	446	1,881	5,549	14	30,728

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2020: 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.

17.3. Cost

Company	Freehold land and building ₦'million	Motor vehicles ₦'million	Furniture, fittings and equipment ₦'million	Computer equipment ₦'million	Work in progress ₦'million	Total ₦'million
Balance at 1 January 2021	-	-	196	384	-	580
Additions	-	-	1	97	-	98
Disposals	-	-	-	(12)	-	(12)
Expensed/written-off	-	-	(44)	(48)	-	(92)
Transfers/ reclassifications	-	-	-	-	-	-
Balance at 31 December 2021	-	-	153	421	-	574
Balance at 1 January 2020	-	-	199	777	-	976
Additions	-	-	5	70	-	75
Disposals	-	-	(8)	(463)	-	(471)
Impairments	-	-	-	-	-	-
Transfers/ reclassifications	-	-	-	-	-	-
Balance at 31 December 2020	-	-	196	384	-	580

17.4. Accumulated depreciation

Company	Freehold land and building ₦'million	Motor vehicles ₦'million	Furniture, fittings and equipment ₦'million	Computer equipment ₦'million	Work in progress ₦'million	Total ₦'million
Balance at 1 January 2021	-	-	145	298	-	443
Charge for the year	-	-	5	79	-	84
Disposals/ expensed	-	-	-	(12)	-	(12)
Write off	-	-	(42)	(47)	-	(89)
Transfers/ reclassifications	-	-	-	-	-	-
Balance at 31 December 2021	-	-	108	318	-	426
Balance at 1 January 2020	-	-	146	698	-	844
Charge for the year	-	-	7	62	-	69
Disposals/expensed	-	-	(8)	(462)	-	(470)
Transfers/ reclassifications	-	-	-	-	-	-
Balance at 31 December 2020	-	-	145	298	-	443
Net book value:						
31 December 2021	-	-	45	103	-	148
31 December 2020	-	-	51	86	-	137

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2020: 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. Intangible assets
18.1. Cost

Reconciliation of carrying amount	Purchased Software	Total
Group	₦'million	₦'million
Balance at 1 January 2021	5,708	5,708
Additions	133	133
Balance at 31 December 2021	5,841	5,841
Balance at 1 January 2020	5,619	5,619
Additions	89	89
Write-offs	-	-
Balance at 31 December 2020	5,708	5,708

18.2. Accumulated amortisation

Reconciliation of carrying amount	Purchased Software	Total
Group	₦'million	₦'million
Balance at 1 January 2021	1,068	1,068
Amortisation for the year (see note 32.9)	762	762
Balance at 31 December 2021	1,830	1,830
Balance at 1 January 2020	387	387
Amortisation for the year (see note 32.9)	681	681
Balance at 31 December 2020	1,068	1,068
Carrying amount:		
31 December 2021	4,011	4,011
31 December 2020	4,640	4,640

There were no capitalised borrowing costs related to the internal development of software during the year (Dec 2020: Nil).

19. Right of use assets
19.1. Cost

Group	ROU Building Leases	ROU ATM Space Leases	ROU Branch Leases	ROU Other Leases	Total
	₦'million	₦'million	₦'million	₦'million	₦'million
Balance at 1 January 2021	2,035	510	3,748	2	6,295
Additions	1,174	167	616	46	2,003
Disposals / expensed	-	-	-	-	-
Write-offs	-	-	-	-	-
Transfers / reclassifications	-	-	-	-	-
Balance at 31 December 2021	3,209	677	4,364	48	8,298
Balance at 1 January 2020	1,732	359	2,759	1	4,851
Additions	303	151	989	1	1,444
Disposals / expensed	-	-	-	-	-
Write-offs	-	-	-	-	-
Transfers/ reclassifications	-	-	-	-	-
Balance at 31 December 2020	2,035	510	3,748	2	6,295

19.2. Accumulated depreciation

Group	ROU Building Leases	ROU ATM Space Leases	ROU Branch Leases	ROU Other Leases	Total
Balance at 1 January 2021	1,322	272	1,726	-	3,320
Charge for the year	558	171	840	15	1,584
Disposals	-	-	-	-	-
Expense/write-off	-	-	-	-	-
Balance at 31 December 2021	1,880	443	2,566	15	4,904
Balance at 1 January 2020	643	112	879	-	1,634
Charge for the year	679	160	847	-	1,686
Disposals	-	-	-	-	-
Expense/write-off	-	-	-	-	-
Balance at 31 December 2020	1,322	272	1,726	-	3,320
Net book value:					
Balance at 31 December 2021	1,329	234	1,798	33	3,394
Balance at 31 December 2020	713	238	2,022	2	2,975

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19. Right of use assets (continued)
19.3. Cost

Company	ROU Building Leases ₦'million	ROU ATM Space Leases ₦'million	ROU Branch Leases ₦'million	ROU Other Leases ₦'million	Total ₦'million
Balance at 1 January 2021	100	-	25	-	125
Additions	-	-	-	-	-
Disposals / expensed	-	-	-	-	-
Write-offs	-	-	-	-	-
Transfers / reclassifications	-	-	-	-	-
Balance at 31 December 2021	100	-	25	-	125
Balance at 1 January 2020	100	-	7	-	107
Additions	-	-	18	-	18
Disposals / expensed	-	-	-	-	-
Write-offs	-	-	-	-	-
Transfers/ reclassifications	-	-	-	-	-
Balance at 31 December 2020	100	-	25	-	125

19.4. Accumulated depreciation

	ROU Building Leases	ROU ATM Space Leases	ROU Branch Leases	ROU Other Leases	Total
Balance at 1 January 2021	53	-	12	-	65
Charge for the year	22	-	5	-	27
Disposals	-	-	-	-	-
Expense/write-off	-	-	-	-	-
Balance at 31 December 2021	75	-	17	-	92
Balance at 1 January 2020	30	-	6	-	36
Charge for the year	23	-	6	-	29
Disposals	-	-	-	-	-
Expense/write-off	-	-	-	-	-
Balance at 31 December 2020	53	-	12	-	65
Net book value:					
Balance at 31 December 2021	25	-	8	-	33
Balance at 31 December 2020	47	-	13	-	60

*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.

20. Share capital and reserves

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
20.1. Authorised share capital				
13,000,000,000 Ordinary shares of 50k each				
(Dec 2020: 13,000,000,000 Ordinary shares of 50k each)	6,500	6,500	6,500	6,500
20.2. Issued and fully paid-up				
12,956,997,163 Ordinary shares of 50k each				
(Dec 2020: 11,105,997,568 Ordinary shares of 50k each)	6,479	5,553	6,479	5,553
Ordinary share premium	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.

Reconciliation of shares issued	Number of ordinary shares million	Value of ordinary shares ₦'million	Ordinary share premium ₦'million
Balance as at 1 January 2021	11,106	5,553	102,780
Shares issued in terms of the bonus distribution declared in respect of 2020 final dividend*	1,851	926	-
Balance as at 31 December 2021	12,957	6,479	102,780

*The bonus issue was issued at one for every six shares.

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20.3. Dividend payment

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
2019 Final Dividend				
Scrip dividend	-	16,170	-	16,170
Cash dividend	-	4,841	-	4,841
Minority Interest	-	723	-	-
2020 Interim Dividend				
Scrip dividend	-	-	-	-
Cash dividend	-	4,442	-	4,442
2020 Final Dividend				-
Scrip dividend	-	-	-	-
Cash dividend	39,982	-	39,982	-
Minority Interest	-	-	-	-
2021 Interim Dividend				
Scrip dividend	-		-	
Cash dividend	12,957	-	12,957	-
Minority Interest	1,095	-	-	-
Total dividend paid	54,034	26,176	52,939	25,453
Analysis of cash paid				
2019 Final Dividend	-	4,841	-	4,841
2019 Final Minority Interest Dividend	-	723	-	-
2020 Interim Cash Dividend	-	4,442	-	4,442
2020 Final Dividend	39,982	-	39,982	-
Withholding tax on 2019 final scrip dividend*	-	1,270	-	1,270
2021 Interim Cash Dividend	12,957	-	12,957	-
2021 Minority Interest	1,095	-	-	-
Total Paid	54,034	11,276	52,939	10,553

* Withholding tax is on the back of 2019 finance act

20.4. Reserves

a. Merger reserve

Amount in merger reserve which represents the difference between pre-restructuring share premium/share capital and post-restructuring share premium/share capital during the holding company restructuring have been reclassified to general reserves.

b. 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 PLC ("the bank") and Stanbic IBTC Pension Managers Ltd that are subsidiary entities, to make an annual appropriation to a statutory reserve.

As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (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 period.

Section 69 of Pension Reform Act, 2004 requires Stanbic IBTC Pension Managers to transfer 12.5% of its profit after tax to a statutory reserve.

ii. Agri-Business / 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 9 February 2017), participating banks shall set aside 5% of their profit after tax annually. A transfer of ₦2,614 million was made into the AGSMEEIS reserve, which represents the Bank's annual commitment under the scheme, for the year (Dec 2020: ₦2,974 million) (see note 15 (iii)).

c. 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.

d. 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.

e. 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.

f. Retained earnings

This represents the cumulative undistributed profits of the company to date, which have not been reclassified to the other reserves.

21. Dividend

The Directors recommended the approval of a final dividend of 200 kobo per share (31 December 2020: 360 kobo per share) for the year ended 31 December 2021. Withholding tax would be deducted at the time of payment.

22. Deposit and current accounts

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Deposits from banks	431,862	505,622	-	-
Other deposits from banks	431,862	505,622	-	-
Deposits from customers	1,126,535	819,944	-	-
Current accounts	591,963	528,258	-	-
Call deposits	109,013	42,772	-	-
Savings accounts	151,543	150,618	-	-
Term deposits	274,016	98,296	-	-
Total deposits and current accounts	1,558,397	1,325,566	-	-

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22. Deposit and current accounts (continued)

Maturity analysis

The maturity analysis is based on the remaining years to contractual maturity from the end of the year.

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Repayable on demand	1,297,121	1,126,625	-	-
Maturing within 1 month	92,887	97,452	-	-
Maturing after 1 month but within 6 months	138,573	98,746	-	-
Maturing after 6 months but within 12 months	42,021	2,726	-	-
Maturing after 12 months	527	17	-	-
Total deposits and current accounts	1,571,129	1,325,566	-	-
Current	1,557,870	1,325,549	-	-
Non-current	527	17	-	-
	1,558,397	1,325,566	-	-

Segmental analysis - geographic area

The following table sets out the distribution of the Group's deposit and current accounts by geographic area.

	31 Dec. 2021		31 Dec. 2020	
	%	₦'million	%	₦'million
South South	4	68,211	5	61,986
South West	55	851,606	44	587,265
South East	2	29,808	2	30,652
North West	3	44,718	3	39,699
North Central	8	123,307	7	91,357
North East	1	8,885	1	8,985
Outside Nigeria	28	431,862	38	505,622
Total deposits and current accounts	100	1,558,397	100	1,325,566

23. Other borrowings

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
	136,434	112,031	-	-
African Development Bank (see (i) below)	137	318	-	-
Nigeria Mortgage Refinance Company (see (v) below)	3,479	3,686	-	-
Bank of Industry (see (ii) below)	737	1,276	-	-
Standard Bank Isle of Man (see (iii) below and note 37.3)	80,108	54,000	-	-
CBN Real Sector Support Financing (see (vi) below)	10,999	11,720	-	-
CBN Commercial Agricultural Credit Scheme (see (iv) below)	9,155	10,822	-	-
CDC Development Finance (see (vii) below)	31,819	30,209	-	-
Other borrowings	136,434	112,031	-	-

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 loan 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. This represents US$2.5 million on-lending facility obtained from African Development Bank. The facility was disbursed in two tranches of US$1.25 million each. Tranch A is priced at 6-month LIBOR + 3.6%, while Tranche B is priced at 6-month LIBOR +1.9%. Both tranches expires on 09 June 2022 and are unsecured.

ii. 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.

iii. The bank obtained dollar denominated long term on-lending facilities with floating rates tied to LIBOR from Standard Bank Isle of Man with average tenor of 5 years. The dollar value of the facility as at 31 December 2021 was USD219 million (Dec 2020: USD134 million). The facilities have different expiry dates with the longest expiring on 31 December 2024.

iv. 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.

v. This represents ₦1,835 million (Tranche 1), ₦1,543 million (Tranche 2) and ₦822 million (Tranche 3) on-lending facilities obtained from Nigeria Mortgage Refinance Company in June 2016, June 2019 and August 2019 respectively. Tranche 1 is priced at 15.5% while Tranche 2 and 3 are priced at 14.5%. Tranche 1 expires on 07 August 2028, Tranche 2 expires on 07 June 2033 and Tranche 3 expires on 07 August 2034.

vi. The Bank obtained a real sector support funding of ₦11.7 billion from the Central Bank of Nigeria at an interest rate of 3% for 7 years. The facilities have different expiry dates with the longest expiring on 17 June 2027.

vii. This represents US$75 million on-lending facility obtained in October 2020 from the CDC Group. The facility which is a senior unsecured debt is priced at 6-month LIBOR + 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 year ended 31 December 2021 (Dec 2020: Nil).

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23. Other borrowings (continued)

Maturity analysis

The maturity analysis is based on the remaining years to contractual maturity from year end.

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Repayable on demand	47,663	545	-	-
Maturing within 1 month	33,572	12,422	-	-
Maturing after 1 month but within 6 months	576	3,308	-	-
Maturing after 6 months but within 12 months	2,621	4,229	-	-
Maturing after 12 months	66,315	91,527	-	-
	150,747	112,031	-	-

Movement in other borrowings

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
At start of year	112,031	92,165	-	-
Additions	54,389	32,277	-	-
Accrued interest	2	247	-	-
Effect of exchange rate changes [loss/(profit)]	4,749	4,847	-	-
Payments made	(34,737)	(17,505)	-	-
At end of the year	136,434	112,031	-	-
Current	84,432	20,504	-	-
Non-current	52,002	91,527	-	-
	136,434	112,031	-	-

24. Debt securities issued

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Senior unsecured debt Naira (see (i) below)	30,107	30,349	-	-
Subordinated debt - US dollar (see (ii) below)	17,312	16,066	-	-
Commercial paper issued (see (iii) below)	-	21,854	-	-
	47,419	68,269	-	-

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 5 years. The debt is unsecured.

ii. This represents US dollar denominated term subordinated non-collaterised facility of USD$40 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 LIBOR (London Interbank Offered Rate) plus 3.60%. See note 37.3 (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 NGN or USD or in such other currency as may be agreed between the Arranger and the Issuer, in separate series or tranches. There are no current issuance as at 31 December 2021.

The Group has not had any default of principal, interest or any other covenant breaches with respect to its debt securities during the year ended 31 December 2021 (Dec 2020: Nil).

Movement in debt issued

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
At start of year	68,269	106,658	-	-
Additions	3,296	76,498	-	-
Accrued interest for the year	5,871	7,420	-	-
Accrued interest paid	(5,986)	(8,319)	-	-
Exchange loss	1,093	1,501	-	-
Payments made	(25,124)	(115,489)	-	-
At end of the year	47,419	68,269	-	-

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25. Current tax assets and liabilities

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Current tax liabilities	16,441	20,270	50	173
	16,441	20,270	50	173

25.1. Reconciliation of current tax liabilities

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Current tax liabilities at beginning of the year	20,270	19,230	173	179
Movement for the year	(3,829)	1,040	(123)	(6)
Charge for the year (see note 34.1)	9,036	13,777	8	4
Over provision - prior year	643	(551)	-	-
WHT on dividend	-	(37)	-	-
Payment made	(13,508)	(12,149)	(131)	(10)
Current tax liabilities at end of the year	16,441	20,270	50	173

26. Provisions

Group	Legal	Taxes and levies	Expected credit loss for off balance sheet exposures	Total
31 December 2021	₦'million	₦'million	₦'million	₦'million
Balance at 1 January 2021	5,122	3,006	1,226	9,354
Provisions made during the year	5,939	285	414	6,638
Provisions utilised during the year	-	(452)	-	(452)
Provisions reversed during the year	(4,911)	(471)	(856)	(6,238)
Balance at 31 December 2021	6,150	2,368	784	9,302
Current	-	2,368	784	3,152
Non-current	6,150	-	-	6,150
	6,150	2,368	784	9,302

26. Provisions (continued)

	Legal	Taxes and levies	Expected credit loss for off balance sheet exposures	Total
31 December 2020	₦'million	₦'million	₦'million	₦'million
Balance at 1 January 2020	5,180	2,645	1,035	8,860
Provisions made during the year	414	2,821	1,457	4,692
Provisions utilised during the year	(138)	(904)	-	(1,042)
Provisions reversed during the year	(334)	(1,556)	(1,266)	(3,156)
Balance at 31 December 2020	5,122	3,006	1,226	9,354
Current	-	3,006	1,226	4,232
Non-current	5,122	-	-	5,122
	5,122	3,006	1,226	9,354

Analysis of movement in off-balance sheet

As at 31 December 2021	Opening balance	Originated ECL	Subsequent changes	Derecognition	Total
12 Month- ECL	1,153	101	(3)	(535)	716
Lifetime ECL not credit impaired	73	2	-	(7)	68
Lifetime ECL credit impaired	-	-	-	-	-
	1,226	103	(3)	(542)	784

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 31.5 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.

Notes to the consolidated and separate financial statements (continued)
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27. Other liabilities

27.1. Summary	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Trading settlement liabilities (see note (vii) below)	38,230	1,281	-	-
Cash-settled share-based payment liability (note 32.1)	925	687	365	129
Accrued expenses - staff	4,371	4,871	753	609
Deferred revenue (see note (iv) below)	17,480	1,349	-	-
Accrued expenses - others	5,861	5,033	552	512
Due to Group companies (see note 36.3)	38,765	15,382	33,414	3,701
Collections / remittance payable (see note (i) below)	219,794	225,719	152	145
Customer deposit for letters of credit	25,897	26,100	-	-
Unclaimed balance (see note (ii) below)	2,963	2,809	-	-
Payables to suppliers and asset management clients	2,215	3,358	6	4
Draft and bank cheque payable	784	1,535	-	-
Electronic channels settlement liability	3,997	1,786	-	-
Unclaimed dividends liability (see note (iii) below)	3,514	3,021	3,514	3,021
Clients' cash collateral for derivative transactions (see note (v) below)	46,945	44,854	-	-
Lease liabilities (see note 27.2)	473	89	-	-
Sundry liabilities (viii)	48,304	8,459	76	748
	460,518	346,333	38,832	8,869
Current	428,951	333,234	34,947	5,715
Non-current	31,567	13,099	3,885	3,154
	460,518	346,333	38,832	8,869

i. Collections and remittance payable includes ₦26 billion (Dec 2020: ₦51 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 2021 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 rise 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.

27.2. Lease liabilities	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Opening balance for the year	89	132	-	-
Additions	378	-	-	-
Finance cost	6	-	-	-
Payments during the year	-	(43)	-	-
Closing balance at end of the year	473	89	-	-

Maturity analysis of lease liabilities

The maturity analysis is based on the remaining years to contractual maturity from year end.

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Repayable on demand	-	-	-	-
Maturing within 1 month	219	-	-	-
Maturing after 1 month but within 6 months	25	-	-	-
Maturing after 6 months but within 12 months	75	89	-	-
Maturing after 12 months	481	-	-	-
	800	89	-	-

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28. 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.

31 December 2021	Note	Fair value through P&L				Fair-value through other comprehensive income				
		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	-	-	623,216	29,854	-	-	-	653,070	653,070
Derivative assets	10.6	41,212	-	-	-	-	-	-	41,212	41,212
Trading assets	9.1	98,743	-	-	-	-	-	-	98,743	98,743
Pledged assets	8	95,187	-	-	-	87,148	-	-	182,335	182,335
Financial investments	11	-	-	47,795	5,109	580,709	3,021	-	636,634	636,634
Loans and advances to banks	12	-	-	-	16,096		-	-	16,096	16,096
Loans and advances to customers	12	-	-	-	921,044	-	-	-	921,044	907,873
Other assets (see (a) below)		-	-	-	120,385	-	-	-	120,385	120,385
		235,142	-	671,011	1,092,488	667,857	3,021	-	2,669,519	2,656,348
Liabilities										
Derivative liabilities	10.6	25,364	-	-	-	-	-	-	25,364	25,364
Trading liabilities	9.2	112,023	-	-	-	-	-	-	112,023	112,023
Deposits from banks	22	-	-	-	-	-	-	431,862	431,862	431,862
Deposits from customers	22	-	-	-	-	-	-	1,126,535	1,126,535	1,126,535
Debt securities issued	24	-	-	-	-	-	-	47,419	47,419	47,419
Other borrowings	23	-	-	-	-	-	-	136,434	136,434	136,434
Other liabilities (see (b) below)		-	-	-	-	-	-	443,038	443,038	443,038
		137,387	-	-	-	-	-	2,185,288	2,322,675	2,322,675

[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 / 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 resembles the fair value and over 70% of the assets matures within one year.

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28. Classification of financial instruments (continued)

	Note	Fair value through P&L				Fair-value through other comprehensive income				
31 December 2020		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	-	-	434,706	192,405	-	-	-	627,111	627,111
Derivative assets	10.6	46,233	-	-	-	-	-	-	46,233	46,233
Trading assets	9.1	169,655	-	-	-	-	-	-	169,655	169,655
Pledged assets	8	3,499	-	-	-	167,079	-	-	170,578	170,578
Financial investments	11	-	-	58,994	16,326	533,994	3,048	-	612,362	612,362
Loans and advances to banks	12	-	-	-	7,828		-	-	7,828	7,828
Loans and advances to customers	12	-	-	-	625,139	-	-	-	625,139	616,200
Other assets (see (a) below)		-	-	-	167,038	-	-	-	167,038	167,038
		219,387	-	493,700	1,008,736	701,073	3,048	-	2,425,944	2,425,944
Liabilities										
Derivative liabilities	10.6	37,382	-	-	-	-	-	-	37,382	37,382
Trading liabilities	9.2	188,500	-	-	-	-	-	-	188,500	188,500
Deposits from banks	22	-	-	-	-	-	-	505,622	505,622	505,622
Deposits from customers	22	-	-	-	-	-	-	819,944	819,944	819,944
Subordinated debt	24	-	-	-	-	-	-	68,269	68,269	68,269
Other borrowings	23	-	-	-	-	-	-	112,031	112,031	112,031
Other liabilities (see (b) below)		-	-	-	-	-	-	344,984	344,984	344,984
		225,882	-	-	-	-	-	1,850,850	2,076,732	2,076,732

[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 / withholding tax receivable, and accrued income.

b. Other liabilities presented in the table above comprise financial liabilities only. The following items have been excluded: deferred revenue.

c. Assessment of the fair value is not material as the carrying amount closely resembles the fair value and over 70% of the assets matures within one year.

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29. 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.

29.1. 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 prices 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.

29.2. 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 independent 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.

29.3. 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 2021						
Assets						
Cash and bank balances	7	623,216	-	623,216	-	623,216
Derivative assets	10.6	41,212	-	29,843	11,369	41,212
Trading assets	9.1	98,743	88,300	10,443	-	98,743
Pledged assets	8	182,335	182,335	-	-	182,335
Financial investments	28	631,525	628,504	-	3,021	631,525
		1,577,031	899,139	663,502	14,390	1,577,031
Comprising:						
Held-for-trading		235,142	183,487	653,059	11,369	847,915
FV through other comprehensive income		1,341,889	715,652	10,443	3,021	729,116
		1,577,031	899,139	663,502	14,390	1,577,031
Liabilities						
Derivative liabilities	10.6	25,364	-	25,364	-	25,364
Trading liabilities	9.2	112,023	117	111,906	-	112,023
		137,387	117	137,270	-	137,387
Comprising:						
Held-for-trading		137,387	117	137,270	-	137,387
		137,387	117	137,270	-	137,387

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.

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29. Fair values of financial instruments (continued)
29.3. 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 2020						
Assets						
Cash and bank balances	7	434,706	-	434,706	-	434,706
Derivative assets	10.6	46,233	-	39,661	6,572	46,233
Trading assets	-	169,655	169,655	-	-	169,655
Pledged assets	8	170,578	170,578	-	-	170,578
Financial investments	28	596,035	592,987	-	3,048	596,035
		1,417,207	933,220	474,367	9,620	1,417,207
Comprising:						
Held-for-trading		219,387	173,154	474,367	6,572	654,093
FV through other comprehensive income		1,197,820	760,066	-	3,048	763,114
		1,417,207	933,220	474,367	9,620	1,417,207
Liabilities						
Derivative liabilities	10.6	37,382	-	37,382	-	37,382
Trading liabilities	9.2	188,500	53,488	135,012	-	188,500
		225,882	53,488	172,394	-	225,882
Comprising:						
Held-for-trading		225,882	53,488	172,394	-	225,882
		225,882	53,488	172,394	-	225,882

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.

29.4. 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 1 January 2021	6,572	3,048	9,620
(Losses) included in profit or loss - Trading revenue	(10,930)	-	(10,930)
Gain/(Loss) recognised in other comprehensive income	-	519	519
Originations and purchases	-	-	-
Day one profit / (loss) recognised	15,727	-	15,727
Sales and settlements	-	(546)	(546)
Write back of impairment	-	-	-
Balance at 31 December 2021	11,369	3,021	14,390
Balance at 1 January 2020	26,143	2,685	28,828
Gains included in profit or loss - Trading revenue	1,781	-	1,781
Gain recognised in other comprehensive income	-	363	363
Originations and purchases	-	-	-
Day one profit / (loss) recognised	7,197	-	7,197
Sales and settlements	(28,549)	-	(28,549)
Write back of impairment	-	-	-
Balance at 31 December 2020	6,572	3,048	9,620

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 2021			
Other comprehensive income	-	519	519
Trading revenue	(10,930)	-	(10,930)
	(10,930)	519	(10,411)
31 December 2020			
Other comprehensive income	-	363	363
Trading revenue	1,781	-	1,781
	1,781	363	2,144

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For the year ended 31 December 2021

29.4. 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-2021 (₦'million)	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable input
Unquoted equities	3,021 (2020: 3,049)	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	11,369 (2020: 6,572)	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.

	Valuation technique	Significant unobservable input	Variance in fair value measurement	Effect on OCI Favourable ₦'million	Effect on OCI Unfavourable ₦'million
December 2021					
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 2020					
Unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	237	(186)
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%	627	(623)

29.5. 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 hierarchy into which each fair value measurement is categorised.

Group	Carrying value ₦'million	Level 1 ₦'million	Level 2 ₦'million	Level 3 ₦'million	Total fair value ₦'million
31 December 2021					
Assets					
Cash and bank balances	29,854	-	29,854	-	29,854
Financial investments	5,109	-	5,109	-	5,109
Loans and advances to banks	16,096	-	16,096	-	16,096
Loans and advances to customers	921,044	-	921,044	-	921,044
Other financial assets	120,385	-	120,385	-	120,385
	1,092,488	-	1,092,488	-	1,092,488
Liabilities					
Deposits from banks	431,862	-	431,862	-	431,862
Deposits from customers	1,126,535	-	1,126,535	-	1,126,535
Other borrowings	136,434	-	136,434	-	136,434
Debt securities issued	47,419	30,107	17,312	-	47,419
Other financial liabilities	443,038	-	443,038	-	443,038
	2,185,288	30,107	2,155,181	-	2,185,288

Group	Carrying value ₦'million	Level 1 ₦'million	Level 2 ₦'million	Level 3 ₦'million	Total fair value ₦'million
31 December 2020					
Assets					
Cash and bank balances	192,405	-	192,405	-	192,405
Financial investments	16,326	-	16,326	-	16,326
Loans and advances to banks	7,828	-	7,828	-	7,828
Loans and advances to customers	625,139	-	625,139	-	625,139
Other financial assets	167,038	-	167,038	-	167,038
	1,008,736	-	1,008,736	-	1,008,736
Liabilities					
Deposits from banks	505,622	-	505,622	-	505,622
Deposits from customers	819,944	-	819,944	-	819,944
Other borrowings	112,031	-	112,031	-	112,031
Debt securities issued	68,269	-	68,269	-	68,269
Other financial liabilities	344,984	-	344,984	-	344,984
	1,850,850	-	1,850,850	-	1,850,850

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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30. 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 2021					
Assets					
Derivative assets	33,339	-	33,339	(33,339)	-
Loans and advances to customers	14,155	-	14,155	(1,332)	12,823
	47,494	-	47,494	(34,671)	12,823

	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 2021					
Liabilities					
Derivative liabilities	24,805	-	24,805	(24,805)	-
Deposits from customers	1,332	-	1,332	(1,332)	-
	26,137	-	26,137	(26,137)	-

[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 2020					
Assets					
Derivative assets	40,225	-	40,225	(40,225)	-
Loans and advances to customers	18,671	-	18,671	(1,760)	16,910
	58,896	-	58,896	(41,985)	16,910

	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 2020					
Liabilities					
Derivative liabilities	(29,494)	-	(29,494)	29,494	-
Deposits from customers	1,760	-	1,760	(1,760)	-
	(27,734)	-	(27,734)	27,734	-

[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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31. Contingent liabilities and commitments

31.1. Contingent liabilities	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Letters of credit	185,714	100,654	-	-
Bonds and Guarantees	104,418	112,968	-	-
	290,132	213,622	-	-

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 ₦794 million (Dec 2020: ₦1,226 million) on this has been included in provisions (see note 26).

31.2. Capital commitments

	Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
Contracted capital expenditure	829	724	35	28
Capital expenditure authorised but not yet contracted	28,023	27,302	386	995
	28,852	28,026	421	1,023

The above commitments relates to capital expenditure on property plant and equipment and the expenditure will be funded from the Group's internal resources.

31.3. Loan commitments

As at 31 Dec 2021, the Group had loan commitments amounting to ₦114.37 billion (Dec 2020: ₦89.27 billion) in respect of various loan contracts. The expected credit loss on the off-balance sheet exposures amounts to ₦889 million (Dec 2020: ₦1,226 million).

31.4. 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 2021 ₦'million	31 Dec 2020 ₦'million
Pension funds	4,253,286	3,760,384
Unit Trusts / Collective investments	829,742	870,586
Trusts and Estates	63,186	59,399
Assets held under custody - custodial services	4,124,023	3,733,139
	9,270,237	8,423,508

Income earned in fiduciary capacity are disclosed in note 32.3

31.5. 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 2021 consisted of 373 cases and aggregate value of monetary claims against the Stanbic IBTC Group was ₦118,012,784,378.45; USD$4,438,678.78 and GBP £74,284.64.

Included in the total number of litigation above is the case involving Stanbic IBTC Bank PLC as Appellant where the Court of Appeal, Lagos Division delivered Judgment on Monday, 20 September 2021 and reduced the damages awarded by the High Court from ₦50 billion to ₦5 billion. The Bank being dissatisfied with the Judgment of the Court of Appeal, filed a Notice of Appeal and Motion for stay of execution of the Judgment. The Bank's Motion for stay of execution was granted by the Court of Appeal on 24 November 2021. The Bank has compiled and transmitted the records of appeal to the Supreme Court and the Bank's appeal is duly entered as SC/CV/1075/2021.The same Judgment holds in the CRC Credit Bureau appeal.

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 26 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	324
Court of Appeal	38
Supreme Court	11

In addition, the Bank subsidiary is involved in litigation against AMCON, please refer to note 31.6 for further details.

31.6. 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 twelve (12) months in line with AMCON guidelines after due diligence on information the Bank had supplied to AMCON.

AMCON by a letter dated 4 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 Federal 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 case is currently adjourned to 14 February 2022 for settlement of issues. (see note 15).

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32. Income statement information

32.1. Interest income	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Interest on loans and advances to banks	737	1,773	-	-
Interest on loans and advances to customers	77,715	61,099	-	-
Interest on investments	26,299	42,904	90	140
	104,751	105,776	90	140
Interest income on items measured at amortised cost	81,487	65,007	-	-
Interest income on debt instruments measured at FVOCI	23,264	40,769	90	140

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 year ended 31 December 2021 includes ₦487 million (December 2020: ₦208 million) relating to interest income recognised on credit impaired financial assets.

Included in interest income is ₦21 million (December 2020: ₦93 million) earned from related party transactions. See note 37.3.

32.2. Interest expense	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Savings accounts	1,085	2,330	-	-
Current accounts	1,825	3,299	-	-
Call deposits	1,193	101	-	-
Term deposits	10,195	6,192	-	-
Interbank deposits	4,694	7,403	-	-
Borrowed funds	10,382	12,224	-	-
Lease liabilities	5	12	-	-
	29,379	31,561	-	-
Interest expense on items measured at amortised cost	29,374	31,549	-	-
Interest expense on lease liabilities	5	12	-	-

Included in interest expense reported above is ₦893 million (December 2020: ₦2,263 million) from related party transactions. See note 37.3.

32.3. Net fee and commission revenue	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Fee and commission revenue	88,321	75,151	1,517	1,327
Account transaction fees	5,088	3,830	-	-
Card based commission	2,391	2,560	-	-
Brokerage and financial advisory fees	8,027	7,245	-	-
Asset management fees	54,726	47,025	-	-
Custody transaction fees*	2,146	2,480	-	-
Electronic banking	3,693	2,737	-	-
Foreign currency service fees	7,034	5,421	-	-
Documentation and administration fees	3,216	2,088	-	-
Other fee and commission revenue	2,000	1,765	1,517	1,327
Fee and commission expense	(5,444)	(3,961)	-	-
	82,877	71,190	1,517	1,327

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 ₦1,467 million (Dec 2020: ₦1,300 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 ₦87,578 million for Group (Dec. 2020: ₦73,840 million) while an amount of ₦750 million (Dec. 2020: ₦1,311 million) was recognised over the period.

* Relates to income earned in acting in fiduciary capacity

32.4. Income from life insurance activities	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
a. Insurance premium received				
Gross premium written	6,000	-	-	-
Unearned premium	(292)	-	-	-
	5,708	-	-	-
Change in insurance contract liabilities	(4,856)	-	-	-
	852	-	-	-
b. Insurance premium revenue ceded to reinsurers				
Reinsurance expense	172	-	-	-
Commission paid to brokers for reinsurance	276	-	-	-
Unexpired risk premium on reinsurance	(50)	-	-	-
Commission earned from reinsurance	(44)	-	-	-
	354	-	-	-
c. Insurance benefits and claims paid				
Unexpired risk premium on reinsurance	447	-	-	-
Commission earned from reinsurance	(125)	-	-	-
	322	-	-	-

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32. Income statement information (continued)

32.5. Trading revenue	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Commodities	-	-	-	-
Equities	(2)	-	-	-
Fixed income and currencies	13,288	52,110	-	-
	13,286	52,110	-	-

Included in trading revenue reported above is a trading loss of ₦884 million (Dec 2020: trading loss ₦5,022 million) from related party transactions. See note 37.3 for details.

32.6. Other income	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Dividend income (see (a) below)	636	230	35,404	28,860
Gain/(loss) on disposal of property and equipment	368	70	14	-
Gain/(loss) on disposal of financial investment (see (b) below)	(1,570)	683	-	-
Others	-	426	-	448
	(566)	1,409	35,418	29,308

a. Dividend income was earned from the following investees:

Stanbic IBTC Pension Managers Limited	-	-	8,215	5,409
Stanbic IBTC Asset Management Limited	-	-	8,100	443
Stanbic IBTC Ventures Limited	-	-	-	-
Stanbic IBTC Capital Limited	-	-	2,120	100
Stanbic IBTC Stockbrokers Limited	-	-	180	400
Stanbic IBTC Insurance Brokers Limited	-	-	136	252
Stanbic IBTC Trustees Limited	-	-	212	168
Stanbic IBTC Bank PLC	-	-	16,441	22,088
Other equity investments	636	230	-	-
	636	230	35,404	28,860

For the Company, ₦26,614 million (December 2020 ₦22,410 million) of the dividend income earned by the Company from its' subsidiaries relate to the subsidiaries' prior year income.

b. Included in others is gains from disposal of Treasury bills and investment administration charges.

32.7 Net impairment (writeback) / loss on financial instruments

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Net expected credit losses raised and released for financial investments	(43)	174	-	-
12 month ECL	(43)	174	-	-
Lifetime ECL not credit impaired	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-
Net expected credit losses raised and released for loan and advances to banks	1	3	-	-
12 month ECL	1	3	-	-
Lifetime ECL not credit impaired	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-
Net expected credit losses raised and released for loan and advances to customers	4,181	14,172	-	-
12 month ECL	1,345	1,300	-	-
Lifetime ECL not credit impaired	(226)	(3,622)	-	-
Lifetime ECL credit impaired	3,062	16,494	-	-
Net expected credit losses raised and released on off balance sheet exposures	(442)	180	-	-
12 month ECL	(434)	120	-	-
Lifetime ECL not credit impaired	(8)	60	-	-
Lifetime ECL credit impaired	-	-	-	-
Net expected credit losses raised and released on other assets	(280)	839	-	68
12 month ECL	(280)	839	-	68
Lifetime ECL not credit impaired	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-
Recoveries on loans and advances previously written off	(4,922)	(4,594)	-	-
Total credit impairment charge	(1,505)	10,774	-	68

The Group has a modification gain of ₦23.34 million on restructured facilities during the year which has not been recognised due to its materiality. Included in net impairment credit losses on financial investment is ₦20 million for cash with the Central Bank.

32.8. Staff costs				
Short term - salaries and allowances	41,055	42,177	1,968	1,967
Staff cost: below-market loan adjustment	3	12	2	1
Equity-linked transactions (note 32.10)	983	(46)	488	76
	42,041	42,143	2,458	2,044

Included in staff costs is ₦878 million (Dec 2020: ₦720 million) representing salaries and allowances paid to Executive Directors for the year. See note 33.

The equity-linked transactions in staff cost are cash settled.

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32. Income statement information (continued)

32.9. Other operating expenses	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Information technology	9,853	8,076	159	55
Communication expenses	1,273	1,888	2	34
Premises and maintenance	3,603	3,285	1	16
Depreciation expense	6,595	7,517	106	97
Amortisation of intangible assets (see note 18)	762	680	-	-
Deposit insurance premium	5,223	3,188	-	-
AMCON expenses (see (i) below)	12,920	9,828	-	-
Other insurance premium	2,273	2,027	2	2
Auditors renumeration	422	376	60	46
Non-audit service fee (see (ii) below)	-	26	-	-
Professional fees	1,658	1,960	99	229
Administration and membership fees	2,287	1,713	73	22
Training expenses	408	58	106	12
Security expenses	1,860	1,656	19	17
Travel and entertainment	494	676	63	78
Stationery and printing	933	724	73	71
Marketing and advertising	3,289	2,929	847	851
Commission paid	185	-	-	-
Pension administration expense	566	337	-	-
Penalties and fines	481	53	-	-
Donations	1,386	663	122	327
Operational losses/(Gain)	548	300	-	2
Directors' fees	744	642	324	315
Indirect tax (VAT)	1,830	1,772	140	114
Others (iii)	5,013	916	5	70
	64,606	51,290	2,201	2,358

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 and KPMG professional services in 2020) during the year, other than statutory audit of financial statements, are as follows:

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Professional fees on NDIC Certification	-	4	-	-
Comfort letter on summary financial statements	-	4	-	-
Risk management review	-	7	-	-
CBN code of corporate governance review	-	8	-	-
Audit services – audit procedures on BA 610 reporting for SBSA	-	4	-	-
	-	26	-	-

No non-audit service was provided by Messrs PwC during the year as the NDIC certification was contracted in 2022.

iii. Others
Included in others are FMDQ OTC futures charges, bank charges, motor vehicle maintenance expense, amongst others and 2020 includes a recovery of ₦3.1 billion on a litigation.

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32.10. 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 2021, 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 2021 ₦'million	31 Dec 2020 ₦'million
Stanbic IBTC Equity Growth Scheme (credit)/charge	93	(307)
Parent company share incentive schemes**	850	-
Deferred bonus scheme (DBS)	39	(90)
	982	(397)

Liabilities recognised in other liabilities		
Stanbic IBTC Equity Growth Scheme	-	-
Deferred bonus scheme	1	687
	1	687

**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 1 March 2010 and 1 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. 2021	31 Dec. 2020
Reconciliation		
Units outstanding at beginning of the year	-	14,510,640
Granted	-	-
Forfeited	-	-
Exercised	-	(14,510,640)
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 1 March 2010	-	-
Weighted average fair value at grant date (Naira) - Rights granted 1 March 2011*	-	17.83
Expected life (years)	-	0.67
Expected volatility (%)	-	55.57
Risk-free interest rate (%)	-	2.33
Dividend yield (%)	-	9.92

* 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

A reconciliation of the movement of share options and appreciation rights is detailed as follows:

Notes to the consolidated and separate financial statements (continued)
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32.10. Share-based payment transactions (continued)
b. i. Group Share Incentive Scheme - Share options

	Option price range		Number of options	
	(ZAR) 31 Dec 2021	(Naira) 31 Dec 2021	31 Dec 2021	31 Dec 2020
Options outstanding at beginning of the year			31,250	46,875
Transfers	-	-	-	-
Exercised	-	-	-	-
Lapsed	-	-	(31,250)	(15,625)
Options outstanding at end of the year	-	-	-	31,250

The weighted average SBG share price for the year to 31 Dec 2021 was ZAR131.66 (₦3,438) (December 2020: ZAR120.03 (₦3,280)).

The following options granted to employees had not been exercised at 31 December 2021:

			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 2020:

	Option price range		Weighted average price		
Number of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	Option expiry year
31,250	98-103.03	2,552 - 2,683	101.62	2,777.27	year to 31 December 2021

b. ii. Equity Growth Scheme - Appreciation rights

	Appreciation right price range		Number of rights	
	(ZAR) 31 Dec 2021	(Naira) 31 Dec 2021	31 Dec 2021	31 Dec 2020
Rights outstanding at beginning of the year			36,026	36,026
Transfers	-	-	6,168	-
Exercised	-	-	-	-
Lapsed	-	-	-	-
Rights outstanding at end of the year	-	-	42,194	36,026

The following options granted to employees had not been exercised at 31 December 2021:

			Weighted average price		
Number of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	Option expiry year
21,173	156.96	4,167	156.96	4,167	Year to 31 December 2025
21,021	122.24	3,245	122.24	3,245	Year to 31 December 2026
42,194					

The following options granted to employees had not been exercised at 31 December 2020:

	Option price range		Weighted average price		
Number of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	Option expiry year
15,005	156.96	4,290	156.96	4,290	Year to 31 December 2025
21,021	122.24	3,341	122.24	3,341	Year to 31 December 2026
36,026					

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.

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32.10. 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 2021	31 Dec 2020
Reconciliation		
Units outstanding at beginning of the year	-	27,980
Granted	15,101	-
Exercised	-	-
Transfers	-	-
Forfeited	-	(27,980)
Units outstanding at end of the year	15,101	-
Weighted average fair value at grant date (ZAR)	-	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 denominated in employee's host countries' local currency, the value of which moves parallel 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 reference to SBG share price on vesting date.

Currency	Naira		Pound Sterling		Rand		Ugandan Shilling	
	Units		Units		Units		Units	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Reconciliation								
Units outstanding at beginning of the year	10,449,999	7,480,546	-	179	-	28,694	-	54,816
Granted	6,109,412	6,616,711	-	-	1,409	-	-	-
Forfeited	(50,178)	(535,201)	-	-	-	-	-	-
Transferred to Group companies	(355,947)	252,695	-	(179)	4,417	(28,694)	-	(54,816)
Exercised	(4,497,963)	(3,364,752)	-	-	(1,723)	-	-	-
Units outstanding at end of the year	11,655,323	10,449,999	-	-	4,103	-	-	-
Weighted average fair value at grant date (ZAR)	142.06	152.64						
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 2021	31 Dec 2020
Reconciliation		
Units outstanding at beginning of the year	100,700	77,200
Granted	93,997	42,700
Cancelled	(25,000)	-
Transferred to Group companies	-	-
Exercised	-	(19,200)
Units outstanding at end of the year	169,697	100,700
Weighted average fair value at grant date (ZAR)	142.00	152.64
Expected life at grant date (years)	3.00	3.00

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f. Share appreciation Rights scheme

	Units	
	31 Dec 2021	31 Dec 2020
Reconciliation		
Rights outstanding at beginning of the year	-	-
Net Transfers	-	-
Granted	-	-
Exercised	-	-
Lapsed	-	-
Rights outstanding at end of the year	-	-

	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 2021:

	Option price range		Weighted average price		
Number of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	Option expiry year

33. Emoluments of Directors

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'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	878	720	312	261
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	744	642	324	315
otherwise in connection with the affairs of Stanbic IBTC Holdings PLC or its subsidiaries				
Pensions of Directors and past Directors	50	32	17	8
	1,672	1,394	653	584

[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 2021 ₦'million	31 Dec 2020 ₦'million
(i) the chairman	49	49
(ii) the highest paid director	204	158

34. Taxation

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Income tax (note 34.1)	9,037	11,506	8	4
	9,037	11,506	8	4

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. The Company has also not been subject to minimum tax, (in line with the provisions of the Nigerian tax laws - Section 33 of Companies Income Tax Act CAP C21 LFN 2007 (as amended)) as it has more than 25% of imported capital. However, the entity is subjected to tax on management fees earn from subsidiaries for its managerial oversight and strategic functions.

34.1. Income tax credit/(charge)

Current year (see note 25.1)	9,036	11,506	8	4
Current tax	9,871	13,777	8	4
Corporate tax	13,595	12,010	8	4
Withholding Tax on dividend income	36	19	-	-
Education Tax	1,128	769	-	-
National Agency for Science and Engineering Infrastructure	173	-	-	-
IT Levy	691	971	-	-
Police Trust Fund	3	5	-	-
Prior year	(5,755)	3	-	-
Deferred tax (see note 16.3)	(835)	(2,271)	-	-
Taxation per statement of profit or loss	9,036	11,506	8	4
Income tax recognised in other comprehensive income	-	-	-	-
Deferred tax	-	-	-	-
Current tax	-	-	-	-
Taxation per total comprehensive income	9,036	11,506	8	4

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34.2. Rate reconciliation

	Group		Company	
	31 Dec 2021 %	31 Dec 2020 %	31 Dec 2021 %	31 Dec 2020 %
Rate reconciliation				
The total tax charge for the year as a percentage of profit before taxation	20	16	-	-
Information technology levy	2	1	-	-
Education tax	1	1	-	-
The corporate tax charge for the year as a percentage of profit before tax	23	18	-	-
Tax relating to prior years	-	-	-	-
Net tax charge	23	18	-	-
The charge for the year has been reduced/(increased) as a consequence of:				
Current income tax	15	-	-	-
Non-taxable interest	10	17	-	-
Non-deductible expense	(4)	(2)	3	3
Non-taxable income	10	18	-	-
IT levy paid	1	1	-	-
Temporary difference not accounted for in deferred tax asset	3	(11)	-	-
Other permanent differences	(5)	(11)	27	27
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.

34.3. 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 2021			
Net change in fair value of debt financial assets at FVOCI	(7,285)		(7,285)
Net change in fair value of equity financial assets at FVOCI	999	-	999
Realised fair value adjustments on FVOCI financial assets transferred to profit or loss	1,582	-	1,582
	(4,704)	-	(4,704)
31 December 2020			
Net change in fair value of debt financial assets at FVOCI	5,062	-	5,062
Net change in fair value of equity financial assets at FVOCI	140	-	140
Net change in fair value of equity financial assets at FVOCI financial assets transferred to profit or loss	(683)	-	(683)
	4,519	-	4,519

35. Earnings per ordinary share

The calculations of basic earnings per ordinary share have been based on the following profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding:

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Earnings attributable to ordinary shareholders (₦ million)	54,378	80,939	32,358	26,369
Weighted average number of ordinary shares in issue (million)	12,957	11,106	12,957	11,106
Basic earnings per ordinary share (kobo)	420	625	250	204
Diluted earnings per ordinary share (kobo)	420	625	250	204

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)	54,378	80,939	32,358	26,369
Weighted average number of ordinary shares in issue (million)	11,106	11,106	11,106	11,106
Effect of bonus shares in issue (million)	1,851	1,851	1,851	1,851
Weighted-average number of ordinary shares (diluted) at 31 December 2021 (million)	12,957	12,957	12,957	12,957
Diluted earnings per ordinary share (kobo)	420	625	250	204

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36. Statement of cash flows notes

36.1. (Increase)/decrease in assets	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Trading assets	70,912	79,254	-	-
Pledged assets	(11,757)	61,394	-	-
Loans and advances	(275,165)	(94,600)	-	-
Other assets	46,730	(8,130)	2,897	(6,232)
Restricted balance with the Central Bank	(46,998)	(131,452)	-	-
	(216,278)	(93,534)	2,897	(6,232)

36.2. Increase/(decrease) in deposits and other liabilities				
Deposit and current accounts	230,181	440,267	-	-
Lease liabilities	(378)	-	-	-
Equity-settled share-based payments	(238)	-	-	-
Trading liabilities	(76,477)	(61,703)	-	-
Other liabilities and provisions	109,375	132,125	29,470	3,706
	262,463	510,689	29,470	3,706

36.3. Cash and cash equivalents - Statement of cash flows				
Cash and cash equivalents (note 7)	653,070	627,111	53,236	42,145
Less: restricted balance with the Central Bank of Nigeria	(436,838)	(389,840)	-	-
Treasury bills (90 days' tenor or less)	551,099	510,704	-	-
Loans and advances to banks (90 days' tenor or less)	16,096	6,004	-	-
Cash and cash equivalents at end of the year	783,427	753,979	53,236	42,145

36.4. Effect of foreign exchange rate changes on cash and cash equivalents

Currency	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
USD	4,250	4,904	-	-
EUR	(130)	1,393	-	-
GBP	209	728	-	-
Other currency	64	247	-	-
Effect of exchange rate	4,393	7,272	-	-

36.5. Net derivative assets

Movement in derivative assets	5,021	(13,362)	-	-
Movement in derivative liabilities	(12,018)	33,039	-	-
	(6,997)	19,677	-	-

36.6. Net movement in right of use assets

Movement in right of use assets	(2,003)	-	-	-
Movement in lease liabilities	378	-	-	-
	(1,625)	-	-	-

36.7. Net movement in financial investment

Purchase of financial investment	(625,705)	-	-	-
Disposal of financial investment	641,765	-	-	-
Mark to market gain/(loss)	(4,667)	-	-	-
	11,393	-	-	-

36.8. Net movement in unclaimed dividend

Payment from unclaimed dividend liabilities	(251)	(35)	(251)	(35)
Addition to unclaimed dividend liabilities	744	876	744	876
	493	841	493	841

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37. Related party transactions
37.1. Parent and ultimate controlling party
The Company is 67.51% owned by Stanbic Africa Holdings Limited, which is incorporated in the United Kingdom. The ultimate parent and controlling party of the Group / Company is Standard Bank Group Limited, incorporated in South Africa. Stanbic IBTC Holdings PLC has 10 direct subsidiaries and 1 indirect subsidiary as listed under note 37.2 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.

37.2. Subsidiaries
Details of effective interest in subsidiaries are disclosed below, and also in Note 13.

Direct subsidiaries	% holding
Stanbic IBTC Bank PLC	100%
Stanbic IBTC Ventures Limited	100%
Stanbic IBTC Capital Limited	100%
Stanbic IBTC Asset Management Limited	100%
Stanbic IBTC Pension Managers Limited	88.24%
Stanbic IBTC Insurance Limited	100%
Stanbic IBTC Stockbrokers Limited	100%
Stanbic IBTC Trustees Limited	100%
Stanbic IBTC Insurance Brokers Limited*	75%
Stanbic IBTC Financial Services Limited	100%

*Stanbic IBTC Holdings owns additional 25% indirect shares in Stanbic IBTC Insurance Brokers Limited

Indirect subsidiary
Stanbic IBTC Nominees Limited

37.3. 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 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Amounts due from related parties					
Loans to banks	12	-	4,328	-	-
Current account balances	7	8,411	18,922	53,236	42,145
Derivatives	10.6	399	2,398	-	-
Other assets	15	706	-	3,205	-
		9,516	25,648	56,441	42,145

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:

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Standard Bank Isle of Man	-	4,328	-	-
	-	4,328	-	-

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 relates to demand deposit held with Stanbic IBTC Bank PLC. 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 ₦71.17 billion (Dec 2020: ₦118.74 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.

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 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Amounts due to related parties					
Deposits and current accounts	22	9,008	63,288	-	-
Derivatives	10.6	673	8,380	-	-
Subordinated debt	24	17,312	16,066	-	-
Other borrowings	23	80,108	54,000	-	-
Other liabilities	27	38,765	15,382	33,414	3,701
		145,866	157,116	33,414	3,701

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e. Deposits and current accounts:
These represent demand deposits with related parties. Balances are denominated in NGN with no interest rates and are repayable on demand.

	Group		Company	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Standard Bank of South Africa	9,005	63,285	-	-
Standard Bank De Angola SA	3	3	-	-
	9,008	63,288	-	-

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	344	2,171	-	-
ICBC London PLC	329	6,209	-	-
	673	8,380	-	-

The contract terms include currency swaps and forward exchange of EUR/ USD, GBP/USD, and USD/ NGN. The contracts have a total notional principal of ₦71.17 billion (Dec 2020: ₦69.88 billion). Maturity dates of the contracts range from one month to six months.

g. Subordinated debt:
See note 24 for details of the transaction.

h. Other borrowings:
See note 23 for details of the transaction.

i. Other liabilities (Group): These relate to short term trade related payable to SBSA and dividend payable to Stanbic Africa Holdings Limited (SAHL).

Profit or loss impact of transactions with Standard Bank of South Africa and other related parties

	Note	Group		Company	
		31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Interest income earned	32.1	27	93	-	-
Interest expense	32.2	(1,923)	(2,263)	-	-
Trading revenue/ (loss)	32.5	(884)	(5,022)	-	-
Fee and commission income	32.3	40	688	1,517	1,327
Dividend income	32.6	-	-	35,404	28,860

j. Interest income earned:
This represents interest earned on placement with Group entities. The nature of transaction is presented in note 37.3(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 37.3(e), (g), and (h).

l. 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 37.3(c), and (f).

m. 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 37.3 (d).

n. Dividend income:
This represents dividend received from subsidiaries.

37.4. 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 2021 ₦'million	31 Dec 2020 ₦'million
Salaries and other short-term benefits	726	1,508
Post-employment benefits	25	56
Value of share options and rights expensed	-	127
	751	1,691

ii. Loans and deposit transactions with key management personnel

	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Loans and advances		
Loans outstanding at the beginning of the year	332	95
Net movement during the year	21	237
Loans outstanding at the end of the year	353	332
Net interest earned	1	1

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.

	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Deposit and current accounts		
Deposits outstanding at beginning of the year	565	357
Net movement during the year	(249)	208
Deposits outstanding at end of the year	316	565
Net interest expense	1	2

Deposits include cheque, current and savings accounts.

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Transactions 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	
	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Investment products		
Balance at the beginning of the year	474	476
Net movement during the year	445	(2)
Balance at the end of the year	919	474

iv. Shares and share options held

	31 Dec 2021 Number	31 Dec 2020 Number
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)	226,992	167,976

v. Other transactions with key management personnel

Loans to entities affiliated to Directors and ex-Directors / 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 (2020: Nil). Details of the exposures is presented in note 38.

37.5. 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 internal audit, marketing and branding, internal control, legal and secretarial services, and compliance. 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 reflects the rate of consumption by each entity. The costs shared are actual costs incurred with no mark-up included.

Foreign currency revolving facility from Standard Bank of South Africa

Stanbic IBTC Bank PLC 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 US$50 million to Stanbic IBTC Bank PLC. The agreement is effective from 18 July 2017 and renewable annually. See page 116 under "Liquidity Contingency" for further details.

Stanbic IBTC Bank PLC did not draw any fund under the agreement during the year (2020: 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 ₦576 million (Dec 2020: ₦734 million).

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38 Directors and staff related exposures

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 below-the market rates. There were no non-performing director related exposures as at balance sheet date (2020: Nil). In cases where outstanding balance exceeds approved credit limit, no principal payment was due on the facility and the excess therefore relates to accrued interest.

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit	Outstanding plus Accrued Interest	Interest Rate	Status	Security nature
							₦	₦	%		
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	21-Jul-20	01-Mar-22	29,014,392	8,271,587	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	11-Aug-20	06-Jan-22	36,081,338	7,657,441	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	11-Sep-20	27-Feb-22	13,496,558	1,765,956	6.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	20-Oct-20	06-Jan-22	41,371,026	15,110,883	6.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	USD	06-Nov-20	27-Feb-22	43,409,253	15,247,293	8.22	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	24-Dec-20	17-Feb-22	1,397,405	375,687	6.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	USD	16-Feb-21	27-Feb-22	28,939,502	4,229,081	6.20	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	23-Feb-21	27-Feb-22	20,299,071	5,320,152	6.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	GBP	16-Feb-21	27-Feb-22	24,832,423	16,323,762	6.05	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	05-May-21	01-Mar-22	11,866,392	12,414,845	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	11-Jun-21	06-Jan-22	504,229,963	84,426,299	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	11-Jun-21	06-Jan-22	628,275,575	78,551,045	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	03-Jun-21	28-Feb-22	25,309,075	26,338,078	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	19-Aug-21	15-Feb-22	11,993,910	12,304,438	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	02-Aug-21	28-Feb-22	45,027,231	46,339,805	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	24-Dec-21	24-Mar-22	20,936,050	20,968,170	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	23-Sep-21	20-Feb-22	16,705,339	17,025,717	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	04-Oct-21	03-Mar-22	109,713,600	111,586,248	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	05-Oct-21	04-Mar-22	29,479,756	29,977,278	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	29-Dec-21	29-Mar-22	161,821,665	161,914,768	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	08-Oct-21	06-Jan-22	11,620,980	11,810,419	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	21-Sep-21	18-Feb-22	8,840,606	9,013,545	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	03-Sep-21	02-Mar-22	33,372,967	34,141,000	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	21-Sep-21	18-Feb-22	8,840,606	9,013,545	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	16-Sep-21	13-Feb-22	82,251,920	83,939,773	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	18-Nov-21	16-Feb-22	41,519,919	41,870,280	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	23-Sep-21	20-Feb-22	61,843,824	63,029,871	7.00	Performing	Negative pledge
Nigerian Bottling Co Plc	Ex Chief Executive (Holdco)	Olusola David-Borha	Term Loan	EUR	29-Sep-21	26-Feb-22	110,676,000	112,671,200	7.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	26-Nov-20	27-Feb-22	98,265,439	49,864,805	8.23	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	11-Dec-20	10-Jan-22	84,939,746	87,435,366	8.22	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	18-Mar-21	27-Feb-22	202,145,161	174,172,159	8.19	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	26-Mar-21	27-Feb-22	23,668,052	17,891,678	8.20	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	18-Mar-21	27-Feb-22	107,050,046	88,922,164	8.19	Performing	Negative pledge

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit	Outstanding plus Accrued Interest	Interest Rate	Status	Security nature
							₦	₦	%		
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	23-Mar-21	27-Feb-22	16,323,858	12,464,177	8.19	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	13-Apr-21	08-Jan-22	32,913,262	34,810,508	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	22-Apr-21	16-Feb-22	31,987,097	33,834,567	8.19	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	30-Apr-21	24-Feb-22	157,964,859	166,800,504	8.19	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	22-Apr-21	16-Feb-22	36,996,340	39,055,972	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	GBP	17-May-21	11-Feb-22	5,200,883	5,464,646	8.08	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	28-May-21	03-Mar-22	9,094,852	7,541,325	8.14	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	25-May-21	19-Feb-22	38,678,832	40,613,295	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	21-May-21	15-Feb-22	16,359,356	17,166,117	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	30-Jun-21	25-Feb-22	73,245,666	76,215,627	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	30-Jun-21	25-Feb-22	106,408,792	106,748,148	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	30-Jun-21	01-Mar-22	53,013,750	54,485,217	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	30-Jun-21	01-Mar-22	57,726,638	59,490,495	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	30-Jun-21	25-Feb-22	62,098,186	62,856,665	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	30-Jun-21	25-Feb-22	78,982,429	81,921,440	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	30-Jun-21	25-Feb-22	46,349,184	48,228,549	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	30-Jun-21	01-Mar-22	79,503,661	82,062,130	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	28-Jun-21	23-Feb-22	24,133,352	25,154,528	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	28-Jun-21	22-Feb-22	110,097,802	108,549,220	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	28-Jun-21	23-Feb-22	32,226,393	33,590,017	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	28-Jun-21	23-Feb-22	141,080,022	141,592,915	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	28-Jun-21	23-Feb-22	86,572,993	87,448,428	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	25-Jun-21	20-Feb-22	14,997,102	15,641,970	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	25-Jun-21	20-Feb-22	106,408,792	106,868,557	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	25-Jun-21	20-Feb-22	41,410,100	41,857,223	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	GBP	23-Jun-21	18-Feb-22	194,334,198	202,594,375	8.08	Performing	Negative pledge

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit	Outstanding plus Accrued Interest	Interest Rate	Status	Security nature
							₦	₦	%		
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	18-Jun-21	14-Jan-22	32,913,262	34,334,395	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	09-Jun-21	06-Mar-22	32,890,020	34,375,027	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	04-Jun-21	01-Mar-22	11,003,356	11,527,577	8.13	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	04-Jun-21	01-Mar-22	20,197,518	21,159,768	8.13	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	03-Jun-21	28-Feb-22	32,913,262	34,442,602	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	03-Jun-21	28-Feb-22	36,996,379	38,715,442	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	05-Jul-21	02-Mar-22	249,288,480	259,123,423	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	28-Jul-21	23-Feb-22	249,305,793	257,884,646	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	23-Jul-21	27-Feb-22	142,011,961	147,212,742	8.14	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	08-Jul-21	05-Mar-22	57,726,638	60,035,502	8.13	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	06-Jul-21	03-Mar-22	55,141,043	57,372,235	8.14	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	06-Jul-21	03-Mar-22	55,044,584	57,271,874	8.14	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	23-Jul-21	18-Feb-22	55,092,254	57,109,851	8.14	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	23-Jul-21	18-Feb-22	55,074,611	57,091,559	8.14	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	23-Jul-21	18-Feb-22	33,112,863	34,323,757	8.13	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	17-Aug-21	14-Jan-22	124,652,897	128,395,896	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	02-Aug-21	28-Feb-22	62,098,186	64,229,415	8.13	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	06-Aug-21	04-Mar-22	113,100,093	114,579,292	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	06-Aug-21	04-Mar-22	124,664,272	128,708,176	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	27-Aug-21	23-Feb-22	130,977,895	134,623,746	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	20-Aug-21	16-Feb-22	64,078,805	66,018,146	8.13	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	17-Aug-21	14-Jan-22	123,703,504	127,417,997	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	17-Dec-21	17-Mar-22	57,726,638	57,923,828	8.20	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	05-Oct-21	04-Mar-22	56,259,739	55,834,444	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	03-Sep-21	02-Mar-22	37,449,072	38,434,036	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	23-Dec-21	23-Mar-22	86,572,993	86,750,742	8.21	Performing	Negative pledge

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit	Outstanding plus Accrued Interest	Interest Rate	Status	Security nature
							₦	₦	%		
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	10-Nov-21	8-Feb-22	57,726,638	58,405,605	8.14	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	22-Sep-21	19-Feb-22	20,705,050	21,176,962	8.12	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	03-Sep-21	02-Mar-22	41,410,100	42,530,777	8.12	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	30-Dec-21	30-Mar-22	86,572,993	86,612,516	8.22	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	08-Dec-21	08-Mar-22	86,572,993	87,045,681	8.19	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	GBP	10-Sep-21	07-Feb-22	213,014,003	218,328,491	8.06	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	27-Oct-21	25-Jan-22	18,469,804	18,745,251	8.13	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	EUR	08-Oct-21	06-Jan-22	121,744,861	124,012,983	8.00	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	05-Nov-21	03-Feb-22	128,923,698	130,586,332	8.15	Performing	Negative pledge
Guinness Nigeria Plc	Non-Executive Director (Holdco) Non-Executive Director (Holdco)	Ngozi Edozien (Diageo Guinness) Fabian Ajogwu (SAN)	Term Loan	USD	03-Sep-21	02-Mar-22	20,705,050	21,265,389	8.12	Performing	Negative pledge
Westport Oil Limited (a subsidary of Seplat Petroleum Development Company Plc)	Chairman (Holdco)	Basil Omiyi	Term Loan	USD	03-Jan-20	31-Mar-26	16,964,400,004	16,888,869,164	8.16	Performing	(a) the Parent Nigerian Law Assignment; (b) each Parent Share Charge; (c) the Parent English Law Security Agreement; (d) the Borrower Nigerian Law Assignment; (e) the Borrower English Law Security Agreement; (f) the Eland Nigeria Debenture; (g) the Elcrest Debenture; (h) the Elcrest English Law Security Agreement; (i) each Supplemental Security Document; (j) the Second Borrower English Law Security Agreement; (k) the Second Borrower Jersey Share Agreement; (l) the Second Elcrest English Law Security Agreement; (m) the Second Parent English Law Security Agreement;
Westport Oil Limited (a subsidary of Seplat Petroleum Development Company Plc)	Chairman (Holdco)	Basil Omiyi	Term Loan	USD	31-Jan-20	31-Mar-26	47,122,675	48,115,763	8.16	Performing	
Westport Oil Limited (a subsidary of Seplat Petroleum Development Company Plc)	Chairman (Holdco)	Basil Omiyi	Term Loan	USD	23-Jul-20	31-Mar-26	37,698,667	38,493,148	8.16	Performing	
Flour Mills of Nigeria Plc (A Subsidiary of Flour Mills Group)	Non-Executive Director (Holdco)	Salamatu Suleiman	Overdraft	NGN	13-Dec-21	15-Jan-22	3,000,000,000	2,931,921,911	13.00	Performing	Negative pledge
Flour Mills of Nigeria Plc (A Subsidiary of Flour Mills Group)	Non-Executive Director (Holdco)	Salamatu Suleiman	Term Loan	USD	22-Nov-21	20-Feb-22	166,657,536	167,798,146	6.16	Performing	Negative pledge
Aptics Nigeria Ltd	Non-Executive Director (Holdco)	Fabian Ajogwu (SAN)	Term Loan	USD	27-Mar-14	30-Jun-22	5,513,430,000	2,757,945,415	8.22	Performing	Legal Mortgage
Elysium Diem (Nigeria) Ltd	Non-Executive Director (Holdco)	Fabian Ajogwu (SAN)	Term Loan	NGN	03-Sep-18	30-Jun-22	250,000,000	147,266,626	20.25	Performing	Legal Mortgage
Gray-Bar Alliance Ltd	Non-Executive Director (Holdco)	Fabian Ajogwu (SAN)	Term Loan	NGN	02-Jan-18	30-Jun-22	1,400,000,000	10,515,959	20.25	Performing	Legal Mortgage
Urshday Ltd	Non-Executive Director (Holdco)	Fabian Ajogwu (SAN)	Term Loan	NGN	28-Mar-17	30-Jun-22	450,000,000	10,396,856	14.84	Performing	Legal Mortgage
ANAP Holdings Limited	Ex-Chairman (Holdco)	Atedo Peterside	Card	NGN	17-Aug-20	31-Aug-23	1,500,000	53	30.00	Performing	Shares
Nampak Bevcan Nigeria Limited	Non-Executive Director (Bank)	Simon Ridley	Term Loan	USD	16-Feb-21	12-Jan-22	106,793,464	48,617,477	8.20	Performing	Negative pledge
Nampak Bevcan Nigeria Limited	Non-Executive Director (Bank)	Simon Ridley	Term Loan	USD	28-May-21	22-Feb-22	252,946,876	265,407,529	8.14	Performing	Negative pledge
Nampak Bevcan Nigeria Limited	Non-Executive Director (Bank)	Simon Ridley	Term Loan	USD	29-Nov-21	28-Jan-22	160,190,164	161,383,872	8.13	Performing	Negative pledge
Nampak Nigeria Plc	Non-Executive Director (Bank)	Simon Ridley	Term Loan	USD	23-Jun-21	18-Feb-22	32,945,798	34,365,739	8.08	Performing	Negative pledge
							39,862,869,685	29,637,684,713			

Notes to the consolidated and separate financial statements (continued)
For the year ended 31 December 2021

39. 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 ₦2,053 million (December 2020: ₦2,038 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 2021 ₦'million	31 Dec 2020 ₦'million
Deposits held with the Group	1,858	14,132
Interest paid	57	344
Value of asset under management	29,299	30,163

40. Employees and Directors
a. Employees

The average number of persons employed by the Group during the year by category:

	Group	
	31 Dec 2021 Number	31 Dec 2020 Number
Executive Directors	7	6
Management	532	533
Non-management	2,356	2,433
	2,895	2,972

	Number	Number
Below ₦1,000,001	-	-
₦1,000,001 - ₦2,000,000	-	-
₦2,000,001 - ₦3,000,000	221	190
₦3,000,001 - ₦4,000,000	369	418
₦4,000,001 - ₦5,000,000	92	108
₦5,000,001 - ₦6,000,000	418	469
₦6,000,001 and above	1,795	1,787
	2,895	2,972

41. Compliance with banking and other regulations
The Group paid penalties to the Central Bank of Nigeria (CBN) and SEC during the year as follows:

- Penalty of ₦1 million paid for administrative infractions during Retirement Savings Account Transfer 4th Quarter of 2020 as a result of failed validation attempts at the point of upload.
- The CBN debited the Bank's position with the sum of ₦230 million for an alleged contravention of extant FX regulations from January 2013 to July 2020.
- Penalty imposed by CBN following an alleged unfair termination of employment of former employee: The CBN imposed a penalty of ₦2 million on the Bank following an alleged unfair termination of employment of a former employee, whose employment was terminated for being unable to meet the performance criteria required to confirm his employment in line with policy.
- The CBN debited the Bank's position with the sum of ₦2 million for an alleged Non-Compliance with CBN/CIBN Press Statement/Section 50 of BOFIA
- The CBN debited the Bank's position with the sum of ₦200 million for an alleged contravention of CBN circular with reference number BSD/DIR/GEN/LAB/14/001 on Cryptocurrency. The bank has written a letter of appeal for a review of the circumstances surrounding these accounts and a waiver of the ₦200 million fine imposed on the Bank.

The total penalties paid by the Group amounted to ₦435 million (Dec 2020: ₦277 million).

42. 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 Dec 2021 which have not been recognised or disclosed.

43. Risk and capital management
Details are disclosed in the Enterprise Risk Review section of the annual report on pages 92 – 130.

Other disclosures
for the year ended 31 December 2021

Consolidated and separate statement of profit and loss – Three months

For the three months ended 31 December (Unaudited)	Group				Company			
	31 Dec 2021 ₦'million		31 Dec 2020 ₦'million		31 Dec 2021 ₦'million		31 Dec 2020 ₦'million	
	3 months	12 months	3 months	12 months	3 months	12 months	3 months	12 months
Gross earnings	59,634	205,792	51,160	234,446	5,760	37,025	808	30,775
Net interest income	21,377	75,372	17,958	74,215	29	90	18	140
Interest income	31,748	104,751	23,823	105,776	29	90	18	140
Interest expense	(10,371)	(29,379)	(5,865)	(31,561)	-	-	-	-
Non-interest revenue	26,519	95,773	26,256	124,709	5,731	36,935	790	30,635
Net fee and commission revenue	21,924	82,877	18,235	71,190	385	1,517	342	1,327
Fee and commission revenue	23,384	88,321	19,316	75,151	385	1,517	342	1,327
Fee and commission expense	(1,460)	(5,444)	(1,081)	(3,961)	-	-	-	-
Income from life insurance activities	93	176	-	-	-	-	-	-
Trading revenue	4,267	13,286	7,744	52,110	-	-	-	-
Other revenue	235	(566)	277	1,409	5,346	35,418	448	29,308
Income before credit impairment charges	47,896	171,145	44,214	198,924	5,760	37,025	808	30,775
Net impairment write-back/(loss) on financial assets	90	1,505	(2,937)	(10,774)	-	-	-	-
Income after credit impairment charges	47,986	172,650	41,277	188,150	5,760	37,025	808	30,775
Operating expenses	(27,295)	(106,647)	(23,425)	(93,433)	(1,111)	(4,659)	(1,366)	(4,402)
Staff costs	(10,673)	(42,041)	(10,897)	(42,143)	(437)	(2,458)	(727)	(2,044)
Other operating expenses	(16,622)	(64,606)	(12,528)	(51,290)	(674)	(2,201)	(639)	(2,358)
Profit before tax	20,691	66,003	17,852	94,717	4,649	32,366	(558)	26,373
Income tax	(3,674)	(9,037)	(804)	(11,506)	(2)	(8)	2	(4)
Profit for the period	17,017	56,966	17,048	83,211	4,647	32,358	(556)	26,369
Profit attributable to:								
Non-controlling interests	621	2,588	475	2,272	-	-	-	-
Equity holders of the parent	16,396	54,378	16,573	80,939	4,647	32,358	(556)	26,369
Profit for the period	17,017	56,966	17,048	83,211	4,647	32,358	(556)	26,369

Other disclosures
for the year ended 31 December 2021

Consolidated and separate statement of other comprehensive income – Three months

	Group				Company			
	31 Dec 2021 ₦'million		31 Dec 2020 ₦'million		31 Dec 2021 ₦'million		31 Dec 2020 ₦'million	
	3 months	12 months	3 months	12 months	3 months	12 months	3 months	12 months
Other comprehensive income								
Items that will never be reclassified to profit or loss								
Movement in fair value reserve (equity instruments)	835	999	514	140	-	-	-	-
Net change in fair value	835	999	514	140	-	-	-	-
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)	(1,329)	(5,666)	(5,080)	4,297	-	-	-	-
Total expected credit loss	(60)	37	(9,024)	(82)	-	-	-	-
Net change in fair value	(1,254)	(7,285)	5,632	5,062	-	-	-	-
Realised fair value adjustments transferred to profit or loss	(15)	1,582	(1,688)	(683)	-	-	-	-
Related income tax	-	-	-	-	-	-	-	-
Other comprehensive income for the period net of tax	(494)	(4,667)	(4,566)	4,437	-	-	-	-
Total comprehensive income for the period	16,523	52,299	12,482	87,648	4,647	32,358	(556)	26,369
Earnings per share								
Basic earnings per ordinary share (kobo)	127	420	149	625	36	250	(5)	204
Diluted earnings per ordinary share (kobo)	127	420	149	625	36	250	(5)	204

Annexure A – Statement of value added **for the year ended 31 December 2021**

	Group				Company			
	31 Dec 2021 ₦'million	%	31 Dec 2020 ₦'million	%	31 Dec 2021 ₦'million	%	31 Dec 2020 ₦'million	%
Gross earnings	206,644		234,446		37,025		23,164	
Interest paid:								
Local	(29,379)		(27,865)		-		-	
Foreign	-		(3,696)		-		-	
	(29,379)		(31,561)		-		-	
Administrative overhead:								
Local	(64,604)		(27,442)		(2,201)		(1,269)	
Foreign	-		(192)		-		-	
	(64,604)		(27,634)		(2,201)		(1,269)	
Recovery/(Provision) for losses	1,505		(10,774)		-		-	
Value added	114,166	100	164,477	100	34,824	100	21,895	100
Distribution								
Employees and Directors								
Salaries and benefits	42,041	37	42,143	30	2,458	7	773	4
Government								
Taxation	9,037	8	11,506	8	8	0	4	0
The future								
Asset replacement (depreciation)	5,446		2,638		-		-	
Expansion (retained in the business)	56,966		83,211		32,358		21,118	
Total	62,412	55	85,849	62	32,358	93	21,118	96
	113,490	100	139,498	100	34,824	100	21,895	100

Annexure B: Five-year financial summary

Statement of financial position

	Group					Company				
Assets	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2019 ₦'million	31 Dec 2018 ₦'million	31 Dec 2017 ₦'million	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million	31 Dec 2019 ₦'million	31 Dec 2018 ₦'million	31 Dec 2017 ₦'million
Cash and cash equivalents	653,070	627,111	456,396	455,773	401,348	53,236	42,145	36,240	15,533	7,545
Derivative assets	41,212	46,233	32,871	30,286	11,052	-	-	-	-	-
Trading assets	98,743	169,655	248,909	84,351	151,479	-	-	-	-	-
Pledged assets	182,335	170,578	231,972	142,543	43,240	-	-	-	-	-
Financial investments	636,611	612,276	155,330	400,000	316,641	2,076	2,227	1,981	1,796	1,625
Asset held on sale	-	-	-	-	114	-	-	-	-	-
Loans and advances to banks	16,096	7,828	3,046	8,548	9,623	-	-	-	-	-
Loans and advances to customers	921,044	625,139	532,124	432,713	372,088	-	-	-	-	-
Deferred tax assets	13,998	13,163	10,892	9,181	8,901	-	-	-	-	-
Equity Investment in Group companies	-	-	-	-	-	94,751	93,519	85,539	85,539	85,539
Other assets	129,530	175,980	168,689	77,787	49,442	6,258	9,155	2,923	4,091	2,148
Right of use assets	3,394	2,975	3,217	-	-	33	60	71	-	-
Intangible assets	4,011	4,640	5,232	827	605	-	-	-	-	-
Property and equipment	42,720	30,728	27,778	21,652	21,883	148	137	132	993	517
	2,742,764	2,486,306	1,876,456	1,663,661	1,386,416	156,502	147,243	126,886	107,952	97,374
Equity and liabilities										
Share capital	6,479	5,553	5,252	5,120	5,025	6,479	5,553	5,252	5,120	5,025
Reserves	361,537	365,470	291,050	230,286	177,035	111,141	132,648	117,133	97,090	87,629
Non-controlling interest	8,850	7,578	5,927	4,261	3,158	-	-	-	-	-
Derivative liabilities	25,364	37,382	4,343	4,152	2,592	-	-	-	-	-
Trading liabilities	112,023	188,500	250,203	125,684	62,449	-	-	-	-	-
Deposits from banks	431,862	505,622	248,903	160,272	61,721	-	-	-	-	-
Deposits from customers	1,126,535	819,944	637,840	807,692	753,642	-	-	-	-	-
Other borrowings	136,434	112,031	92,165	69,918	74,892	-	-	-	-	-
Subordinated debt	47,419	68,269	106,658	60,595	29,046	-	-	-	-	-
Current tax liabilities	16,441	20,270	19,230	14,899	12,240	50	173	179	463	157
Deferred tax liabilities	-	-	-	137	120	-	-	-	-	-
Provisions and other liabilities	469,820	355,687	214,885	180,645	204,496	38,832	8,869	4,322	5,279	4,563
	2,742,764	2,486,306	1,876,456	1,663,661	1,386,416	156,502	147,243	126,886	107,952	97,374
Acceptances and guarantees	290,132	213,622	173,255	146,481	153,377	-	-	-	-	-

Annexure B: Five-year financial summary **(continued)**

Statement of profit or loss

	Group					Company				
	31 Dec 2021 ₦'million	30 Dec 2020 ₦'million	30 Dec 2019 ₦'million	30 Dec 2018 ₦'million	30 Dec 2017 ₦'million	31 Dec 2021 ₦'million	30 Dec 2020 ₦'million	30 Dec 2019 ₦'million	30 Dec 2018 ₦'million	30 Dec 2017 ₦'million
Net operating income	171,145	198,924	186,586	180,813	172,769	37,025	30,775	37,882	19,463	28,827
Operating expenses and provisions	(105,142)	(104,207)	(95,661)	(92,661)	(111,603)	(4,659)	(4,402)	(4,409)	(3,463)	(1,282)
Profit before tax	66,003	94,717	90,925	88,152	61,166	32,366	26,373	33,473	16,000	27,545
Taxation	(9,037)	(11,506)	(15,890)	(13,712)	(12,785)	(8)	(4)	254	(501)	(2,380)
Profit after taxation	56,966	83,211	75,035	74,440	48,381	32,358	26,369	33,727	15,499	25,165
Profit attributable to:										
Non-controlling interests	2,588	2,272	2,373	2,353	2,186	-	-	-	-	-
Equity holders of the parent	54,378	80,939	72,662	72,087	46,195	32,358	26,369	33,727	15,499	25,165
Profit for the year	56,966	83,211	75,035	74,440	48,381	32,358	26,369	33,727	15,499	25,165
Statistical Information										
Earnings per share (EPS) - basic	420k	729k	692k	704k	460k	250k	237k	321K	151k	250k
Earnings per share (EPS) - diluted	420k	729k	692k	704k	460k	250k	237k	321K	151k	250k

Annexure C - COVID-19 impact on the Group **for the year ended 31 December 2021**

The coronavirus pandemic, which was first detected in China (late 2019), has infected more than 400 million people and caused over 5.5 million fatalities around the globe. The pandemic forced governments to implement lockdowns and restriction to movement, which negatively impacted economic activities during the year. The International Monetary Fund (IMF) estimated that the global economy contracted by 3.5% in 2020.

In response to the economic downturn owing to the pandemic, global economies and countries with fiscal space resorted to fiscal stimulus to boost retail and economic activities. Fiscal stimulus in emerging market economies averaged about 5% of GDP, while for developed markets the stimulus was mostly higher than 10% of GDP.

Also, central banks across most economies engaged in some form of monetary policy easing either by way of slashing interest rates or asset purchase program and in some cases, both. These actions were aimed at making borrowing cheaper, encourage spending as well as improve production to boost the economy. Most significantly, the US Fed slashed its policy rate to 0 - 0.25% range, from 1.50 - 1.75% before the pandemic, while also providing up to $2.3 trillion in lending to support households, employers, financial markets, and state and local governments.

Nigeria was not immune to the ravaging human and economic impact of COVID-19. The corona virus which was first detected on 27 February 2020 in Nigeria, had infected over 134,000 people and caused over 1,500 fatalities in Nigeria as at 31 December 2020. In order to curb the spread of the virus, the federal government initially implemented a total lockdown in Lagos, Abuja and Ogun state, while other state governments also implemented restrictions. The impact of these restrictions was evident in the significant drop in the private sector activities in the month of April 2020. The Stanbic IBTC Purchasing Market Index (PMI) declined to 37.1 in April 2020, signifying contraction, from 53.8 recorded in March 2020. The PMI reading has however recovered slightly to 51.8 in December 2021.

The country witnessed significant drop in revenue following the triple impact of price war between Saudi and Russia in early March 2020, loss of demand due to the pandemic and OPEC+ agreement to unprecedented production cut. Unsurprisingly, following drop in oil prices and the significant slowdown in economic activities owing to the lockdowns and restrictions, the country slipped into recession in Q3 2020 after its GDP contracted for the second consecutive quarter this year. Q3 Real GDP contracted for the second quarter by 3.62% leading to a cumulative 9 months contraction of 2.48%.

CBN in response to the challenging economic trend through the Monetary policy committee (MPC) cut the Monetary Policy Rate (MPR) by 100bps to 12.5% in May 2020 and a further 100bps cut in September to close the year at 11.5%. It devalued the currency by 24% in the official market and announced a combined ₦3.5trn stimulus intervention fund targeted at the health and manufacturing sectors as well as households.

Liquidity risks, capital deterioration, asset quality decline, business risk and operational risk are some of the principal risks and uncertainties that businesses in the financial sector face as a result of the current COVID-19 pandemic.

Like most Financial Institutions, Stanbic IBTC's operations and performance was fairly hit by the COVID-19 pandemic, though the twin effect of a well-positioned balance sheet and diversified business lines cushioned the impact.

Apart from cost savings on some expense lines such as training, marketing and advertising expenses, the Group had some incremental expenses on donations as disclosed in the Directors' reports. However, increased allowance for expected credit loss is the major incremental non-arbitrary impact of COVID-19 on the financial performance of the Group as shown below:

Impact of COVID-19 on Loan and advances	31 Dec 2021 ₦'million	31 Dec 2020 ₦'million
Lifetime ECL credit impaired	-	3,645
COVID-19 related debt relief extension/restructure:		
Gross amount restructured	-	73,308
Outstanding balance at year-end	-	50,106

The Group is endowed with strong and diversified funding base and this supports our ability to sustain the business throughout this crisis and take advantage of market opportunities as they arise.

The Group remains adequately capitalised with a capital adequacy ratio (CAR) of 20.8% and under further stress scenarios undertaken by the institution in line with CBN's ICAAP policy, CAR remains strong and well above regulatory thresholds. Also, liquidity ratio stood at 104.71% as at 31 Dec 2021 (regulatory minimum is 30%).

The significant doubt associated with the current uncertainties related to COVID-19 virus currently does not result in a material uncertainty related to such events or conditions that may cast significant doubt on the Group's ability to continue as a going concern in the foreseeable future. Notwithstanding, the Group will closely monitor the emerging impact of the pandemic to ensure that they are appropriately mitigated. There was no other event after the end of the reporting period which could have a material effect on the financial statements of the Group for the year ended 31 December 2021 which has not been adjusted for, or disclosed in, the financial statements.

Annexure D - Details of professionals who provided services to the financial statements **for the year ended 31 December 2021**

The following professionals provided a form of service on this audited financial statements:

i	Name	**PricewaterhouseCoopers**
	Address	5B Water Corporation Road Landmark Towers Victoria Island, PMB 101233, Eti-Osa, Lagos
	FRC No	FRC/2013/ICAN/00000001495
	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 & 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

04

Other Information

Management team

Yewande Adedayo
Head, Financial Institutions Coverage
Stanbic IBTC Bank PLC

Folake Ademiluyi
Head, Power and Infrastructure Coverage
Stanbic IBTC Bank PLC

Emi Agaba-Oloja
Head, Private Trust
Stanbic IBTC Trustees Limited

Emmanuel Aihevba
Head, Main Market Clients
Stanbic IBTC Bank PLC

Adewale Aina
Head, Resourcing and Employee Engagement
Stanbic IBTC Holdings PLC

Bolatito Ajibode
Head, Conglomerates and Industrials Coverage
Stanbic IBTC Bank PLC

Funso Akere
Chief Executive
Stanbic IBTC Capital Limited

Oyindamola Akinyemi
Executive Director
Stanbic IBTC Capital Limited

Taiwo Ala
Head, Voice Branch
Stanbic IBTC Bank PLC

Olushola Alerege
Head, Commercial Banking, North
Stanbic IBTC Bank PLC

Taiwo Aluko
Head, Commercial Suite, South West
Stanbic IBTC Bank PLC

Ngozi Atiomo
Head, Vendor Management and Procurement
Stanbic IBTC Holdings PLC

Shuaib Audu
Executive Director, Business Development
Stanbic IBTC Asset Management Limited

Nike Bajomo
Executive Director, Business Development
Stanbic IBTC Pension Managers Limited

Yomi Balogun
Head, Sales, Global Markets
Stanbic IBTC Bank PLC

Joyce Dimkpa
Head, Oil and Gas
Stanbic IBTC Bank PLC

Howard Edafe
Head, Internal Audit
Stanbic IBTC Holdings PLC

Wunmi Ehis-Uzenabor
Chief Operating Officer
Stanbic IBTC Asset Management Limited

Roland Ejiogu
Head, Commercial Suite, South
Stanbic IBTC Bank PLC

Benedict Ekatah
Head, Trading, Global Markets
Stanbic IBTC Bank PLC

Samuel Ekpenyong
Head, Business Support and Resolution
Stanbic IBTC Bank PLC

Rekia Eletu
Head, Investigations and Fraud Risk
Stanbic IBTC Bank PLC

Charles Emelue
Executive Director, Operations
Stanbic IBTC Pension Managers Limited

Bisola Fasade
Head, Affluent Clients
Stanbic IBTC Bank PLC

Management team **(continued)**

Jesuseun Fatoyinbo
Head, Transactional Products and Services

Stanbic IBTC Bank PLC

Anselem Igbo
Chief Executive

Stanbic IBTC Insurance Brokers Limited

Busola Jejelowo
Executive Director, Investment Management

Stanbic IBTC Asset Management Limited

Tosin Leye-Odeyemi
Head, Reward, Analytics and Reporting

Stanbic IBTC Holdings PLC

Ese Nkadi
Head, Governance

Stanbic IBTC Holdings PLC

Okechukwu Nwoke
Head, Engineering

Stanbic IBTC Holdings PLC

Folusho Obajemu
Manager, Client Coverage

Stanbic IBTC Bank PLC

Nnaemeka Obasi
Head, Enterprise Banking and Trade

Stanbic IBTC Bank PLC

Femi Oladunjoye
Head, Wealth Coverage

Stanbic IBTC Asset Management Limited

Bunmi Olarinoye
Executive Director

Stanbic IBTC Stockbrokers Limited

Biodun Olorunnisola
Head, Operational Risk

Stanbic IBTC Bank PLC

Dolu Olugbenjo
Head, Infrastructure Fund

Stanbic IBTC Asset Management Limited

Babatunde Majiyagbe
Chief Executive

Stanbic IBTC Nominees Limited

Abayomi Makinde
Head, Tax Management

Stanbic IBTC Holdings PLC

Wilfred Mamah
Head, Digital Transformation

Stanbic IBTC Bank PLC

Ibiyemi Mezu
Executive Director

Stanbic IBTC Insurance Brokers Limited

Oluwatosin Odutayo
Head, Wholesale Clients Finance and Value Management

Stanbic IBTC Holdings PLC

Titilope Ogungbesan
Chief Executive

Stanbic IBTC Stockbrokers Limited

Olutoyin Ogunmola
Head, Enterprise Data

Stanbic IBTC Holdings PLC

Nnenna Okoro
Head, Consumer Client Coverage

Stanbic IBTC Bank PLC

Eronmonsele Omiyi
Head, Client Coverage Consumer

Stanbic IBTC Bank PLC

Charles Omoera
Chief Executive

Stanbic IBTC Trustees Limited

Muyiwa Oni
Head, Research

Stanbic IBTC Bank PLC

Charles Onwude
Head, Business and Commercial Clients Credit

Stanbic IBTC Bank PLC

Management team **(continued)**

Chigozie Onyeocha
Head, Commercial Suite, Lagos
Stanbic IBTC Bank PLC

Akinjide Orimolade
Chief Executive
Stanbic IBTC Insurance Limited

Omolara Osunsoko
Head, New Client Solutions
Stanbic IBTC Bank PLC

Dare Otitoju
Executive Director, Investment Management
Stanbic IBTC Pension Managers Limited

Adebanjo Otukomaya
Head, Africa China Banking
Stanbic IBTC Bank PLC

Damilola Owoeye
Head, Consumer and High Net Worth Clients Credit
Stanbic IBTC Bank PLC

Temitope Popoola
Head, Corporate Functions Audit
Stanbic IBTC Holdings PLC

Alaba Sideso
Manager, Regulatory Affairs
Stanbic IBTC Bank PLC

David Souza
Head, Wholesale Credit
Stanbic IBTC Bank PLC

Imoh Umah
Manager, Client Coverage
Stanbic IBTC Bank PLC

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

Oyingbo Virtual
7, Coates Street, Oyingbo, Lagos

Head Office Branch
IBTC Place, Walter Carrington Crescent, Victoria Island, Lagos

Adetokunbo Ademola (Virtual)
76, Adetokunbo Ademola Street, Victoria Island, Lagos

Ajah Mini (E-Banking outlet)
4a, Megawaves Plaza, Addo Road, Ajah, Lagos

Ajose Adeogun Branch
Plot 290e, Ajose Adeogun Street, Victoria Island, Lagos

Ikota Branch
194 Road 5, Ikota Shopping Complex, VGC, Lagos

Lekki 1 Branch
Plot 41, Lekki Freedom Way Lekki, Lagos

Lekki 2 Branch
G & 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

Lagos Service Centre
Churchgate Building: Pc 30, Churchgate Street, Victoria Island, Lagos

Alaba Branch
H48/49, Alaba International Market, Ojo – Lagos

Balogun Business Association Branch
Plaza 3a, Portion C, Opposite Sokoto Plaza BBA, Trade Fair Complex, 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

Lagos Mainland region

Oba Akran
20, Oba Akran Avenue, Ikeja, Lagos

Ogba
32, Ijaye Road, Ogba, Lagos

Egbeda
38, Shasha Road, Egbeda, Lagos

Festac Branch
Gacoun Plaza, 23 Road, Opp. K' Close, Festac Town, Lagos

Igando Branch
51, Lasu-Iba Expressway, Igando, Lagos

Oko Oba
327, Old Abeokuta Road, Agege, Lagos

Ikotun
45, Idimu Road, Ikotun, Lagos

Abule Egba
633, Lagos Abeokuta Road, Lagos

Ipaja
142, Ipaja Road, Lagos

Oshodi
Plot 14, Oshodi Apapa Express way, Lagos

Satellite Town
Plot 389, Old Ojo Road, Abule Ado, Satellite Town, Lagos

Alausa
Nigerian Institution of Estate Surveyors and Valuers (NIESV) Building, Alausa, Lagos

Okota
1, Alhaji Adenekan Street, Lagos

Surulere
84, Adeniran Ogunsanya, Surulere, Lagos

Ojuwoye
214, Agege Motor Road, Ojuwoye, Mushin, Lagos

Tejuosho
77, Ojuelegba Road, Yaba, Lagos

Orile Coker
104, Market Street, Odunade Market, Orile, Lagos

Akoka (E-Banking outlet)
100, St. Finbarrs Road, Akoka, Yaba, 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

Herbert Macaulay Branch
220, Herbert Macaulay Way, Yaba

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

Stanbic IBTC Bank Branch Network **(continued)**

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, Ascon Filling Station, 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

North Central region

Grand Tower Mall (E-Banking outlet)
Shop 9/10, Apo Mall, Abuja

Maitama Branch
Plot 2777, Aguiyi Ironsi Way, Maitama, Abuja

Abuja Service Centre
75, Ralph Sodeinde Street, CBD, Abuja

Abuja NNPC
NNPC Tower, Hebert Macaulay Way, Central Business District, Abuja

Wuse II, Abuja
Plot 1387, Aminu Kano Crescent, Wuse 11, Abuja

Nigeria Immigration Service
Nigeria Immigration headquarters, Sauka Airport Road, Abuja

Ahmadu Bello Centre
1049 Ahmadu Bello Way Garki Abuja

Deidei
Shop W-9, Dei-Dei International Building Material Market, Dei-Dei, Abuja

Garki Area 7
Infinity House 11, Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja

Gwagwalada
Plot 415, Teaching Hospital Road, Gwagwalada, Abuja

Kubwa
Plot 71/72, Gado Nasko Way, Kubwa, 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. Ltd, Lagos Kaduna Road, Kontagora, Niger State

Mararaba
A1, Kwad Mall, Adjacent Mama Cass Eatery, Abuja -Keffi Road, Mararaba, Nasarawa

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

Otukpo
Enugu - Makurdi Road, Otukpo

Maiduguri
35, Sir Kashim Ibrahim Way, Maiduguri, Borno

Damaturu
Plot 591a, Njiwaji Layout, Damaturu, Yobe

Gombe
No 22, Biu Road Gombe

Yola
1, Mohammed Mustapha Way, Yola, Adamawa

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, Gusau, Zamfara

Sokoto
68, Maiduguri Road, Sokoto

Kebbi Branch
68, Ahmadu Bello Way, Birnin Kebbi

Zaria Main
9, Kaduna Road, PZ Zaria

Sabon Gari Kano
4, Galadima Road, Sabon Gari-Kano, Kano

Dutse
14/15 Sani Abacha Way, Dutse, Jigawa

Kantin Kwari
No 71a Fagge Takudu Kantin Kwari, Kano

Bello Road
31/32 Bello Road, Kano

Kano Service Centre
3 Bank Road, Kano

Shauchi
1 Rimi Quarters, Umma Bayero Road Kano

Hotoro
Maiduguri Road, Hotoro, Kano

South South region

Trans Amadi 2
87, Trans Amadi Industrial Layout, Port Harcourt

Trans-Amadi 1
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

Calabar
71, Marian Road, Calabar, Cross River

Uyo
65, Nwaniba Road, Uyo, Akwa Ibom

Eket Branch
2, Grace Bill Road, Eket Town, Akwa Ibom

Warri Main
98, Effurun/Sapele Road, Effurun, Delta

Olu Obasanjo
58, Olu Obasanjo Road, Port Harcourt

Yenagoa
623 Melford Okilo Road, Yenagoa, Bayelsa

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

Benin Main
71, Akpapava Street, Benin

Uniben
Bank Road, University of Benin, Ugbowo Campus, Edo

Awka
49, Zik Avenue, Awka, Anambra

Onitsha Main
13, Bright Street, Main Market, Onitsha, Anambra

Enugu
1 Garden Avenue, Beside EEDC Regional Office, Okpara Avenue, Enugu

Abakaliki
10, Old Ogoja Road, Abakaliki

Owerri
81, Okigwe Road, Owerri, Imo

Asaba
206, Nnebisi Road, Asaba

Stanbic IBTC Bank Branch Network **(continued)**

South West region

Oyo
Oyo/Ogbomoso Road, Oyo Town

Agodi Gate (E-Banking outlet)
Inaolaji Business Complex,
Agodi Gate, Ibadan, Oyo

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

Iyana Church (E-Banking outlet)
Ibitola Plaza, Iyana Church, Ibadan, Oyo

Saki
Beside Saki West Local
Government Secretariat, Sango
- Ajegunle Road Saki, Oyo

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

Challenge (Virtual)
127, Niger West Road, Orita
Challenge, Ibadan, Oyo

Sango Otta 2
Km 38, Abeokuta Expressway,
Sango Otta, Ogun

Shagamu
167, Akarigbo Road, Shagamu, Ogun

Ring Road
1b, Moshood Abiola Road,
Ring Road, Ibadan, Oyo

Ijebu Ode
58, Ibadan Road, Ijebu-Ode, Ogun

Ife
5, Obalufon-Lagere Road,
Lagere Junction, Ile-Ife, Osun

Ilesha
A198, Osogbo Road,
Ishokun, Ilesha, Osun

Ilorin
13, Unity Road, Ilorin, Kwara

Ojatuntun
A171, Abdulazeez Attah Road,
Surulere, Ilorin, Kwara

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

Akure
GNI Building, Off Old Ado/
Owo Road, Akure, Ondo

Oshogbo
201, Gbogan – Ibadan
Road, Osogbo, Osun

Contact information

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Kunle Adedeji
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T: +234 1 4228767
E: kunle.adedeji@stanbicibtc.com

Chidi Okezie
Company Secretary
T: +234 1 4228695
E: chidi.okezie@stanbicibtc.com

Registered address
IBTC Place, PO Box 71707,
Walter Carrington crescent,
Victoria Island, Lagos, Nigeria
E: InvestorRelationsNigeria@stanbicibtc.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)

Stanbic IBTC
A member of Standard Bank Group

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 Ltd.
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

FirstRegistrars & INVESTOR SERVICES

First Registrars & Investor Services Limited
...connecting you to your wealth.
website:www.firstregistrarsnigeria.com; E-mail: info@firstregistrarsnigeria.com

Notes

Stanbic IBTC Holdings PLC

RC: 1018051