



STANBIC IBTC HOLDINGS PLC

UNAUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2022

I.B.T.C. Place Walter Carrington Crescent / P.O. Box 71707 Victoria Island Lagos Nigeria
Telephone: +234-1- 4227000. +234-1- 4488900 Facsimile: 234-1- 2806998 www.stanbicibt.com

Stanbic IBTC Holdings PLC RC 1018051

Directors: Basil Omiyi CON (Chairman) Demola Sogunle (Chief Executive) Kunle Adedeji (Executive) F. Ajogwu (SAN) S. David-Borha N. Edozien I. L. Esiri B.J. Kruger* B. Manu S. Suleiman N. Uwaje

*South African

STANBIC IBTC HOLDINGS PLC
UNAUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2022


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STANBIC IBTC HOLDINGS PLC

Consolidated and separate annual statements of financial position as at 31 December 2022

	Note	Group		Company	
		31 Dec. 2022 N'million	31 Dec. 2021 N'million	31 Dec. 2022 N'million	31 Dec. 2021 N'million
Assets					
Cash and Bank balances	6	671,815	653,070	50,294	53,236
Pledged assets	7	127,990	182,335	-	-
Trading assets	8	190,431	98,743	-	-
Derivative assets	9	42,134	41,212	-	-
Financial investments	10	582,019	636,611	27,710	2,076
Loans and advances	11	1,208,610	937,140	-	-
Loans and advances to banks	11	3,404	16,096	-	-
Loans and advances to customers	11	1,205,206	921,044	-	-
Other assets	12	133,390	129,530	13,199	6,258
Equity investment in group companies		-	-	94,751	94,751
Property and equipment	14	61,079	42,720	2,040	148
Right of Use Assets	16	3,609	3,394	4	33
Intangible asset	15	3,207	4,011	-	-
Deferred tax assets	13	13,042	13,998	-	-
Total assets		3,037,326	2,742,764	187,998	156,502
Equity and liabilities					
Equity					
Equity attributable to ordinary shareholders		407,920	376,866	122,965	117,620
Ordinary share capital	17	399,912	368,016	122,965	117,620
Ordinary share premium	17	6,479	6,479	6,479	6,479
Reserves		102,780	102,780	102,780	102,780
Non-controlling interest		290,653	258,757	13,706	8,361
		8,008	8,850	-	-
Liabilities		2,629,406	2,365,898	65,033	38,882
Trading liabilities	8	220,971	112,023	-	-
Derivative liabilities	9	26,099	25,364	-	-
Current tax liabilities		17,564	16,441	46	50
Deposits and current accounts	18	1,744,743	1,558,397	-	-
Deposits from banks	18	500,781	431,862	-	-
Deposits from customers	18	1,243,962	1,126,535	-	-
Other borrowings	19	187,957	136,434	-	-
Debt securities issued	20	71,878	47,419	-	-
Provisions	22	8,758	9,302	-	-
Other liabilities	21	351,436	460,518	64,987	38,832
Total equity and liabilities		3,037,326	2,742,764	187,998	156,502


Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
30 January 2023


Basil Omiyi
Chairman
FRC/2016/IODN/00000014093
30 January 2023


Kunle Adedeji
Chief Financial Officer
FRC/2013/ICAN/00000001137
30 January 2023

The accompanying notes form an integral part of these financial statements.

STANBIC IBTC HOLDINGS PLC

Consolidated and separate annual statements of profit or loss for the year ended 31 December 2022

	Note	Group				Company			
		3 months 31-Dec-22 N'million	12 months 31-Dec-22 N'million	3 months 31-Dec-21 N'million	12 months 31-Dec-21 N'million	3 months 31-Dec-22 N'million	12 months 31-Dec-22 N'million	3 months 31-Dec-21 N'million	12 months 31-Dec-21 N'million
Gross earnings		80,468	287,871	61,348	206,644	1,519	57,041	4,569	37,025
Net interest income		33,458	113,119	21,375	75,372	43	147	80	90
Interest income	27.1	45,613	152,670	31,748	104,751	43	147	80	90
Interest expense	27.2	(12,155)	(39,551)	(10,373)	(29,379)	-	-	-	-
Non-interest revenue		32,933	127,328	27,835	95,773	1,476	56,894	4,489	36,935
Net fee and commission revenue	27.3	22,941	91,395	23,225	82,877	1,289	1,644	1,099	1,517
Fee and commission revenue	27.3	23,931	96,401	24,685	88,321	1,289	1,644	1,099	1,517
Fee and commission expense	27.3	(990)	(5,006)	(1,460)	(5,444)	-	-	-	-
Income from life insurance activities	27.4	(791)	66	93	176	-	-	-	-
Insurance premium received	27.4	141	2,933	398	852	-	-	-	-
Insurance premium revenue ceded to reinsurers	27.4	(297)	(1,078)	(156)	(354)	-	-	-	-
Insurance benefits and claims paid	27.4	(635)	(1,789)	(149)	(322)	-	-	-	-
Trading revenue	27.5	9,800	34,686	4,282	13,286	-	-	-	-
Other revenue	27.6	983	1,181	235	(566)	187	55,250	3,390	35,418
Total income		66,391	240,447	49,210	171,145	1,519	57,041	4,569	37,025
Net impairment write-back/(loss) on financial assets	27.7	(2,830)	(10,290)	4,422	1,505	-	-	-	-
Income after credit impairment charges		63,561	230,157	53,632	172,650	1,519	57,041	4,569	37,025
Operating expenses		(31,908)	(129,558)	(27,012)	(106,647)	(2,107)	(6,336)	(1,111)	(4,659)
Staff costs		(13,726)	(50,996)	(10,673)	(42,041)	(976)	(2,696)	(437)	(2,458)
Other operating expenses	27.8	(18,182)	(78,562)	(16,339)	(64,606)	(1,131)	(3,640)	(674)	(2,201)
Profit before tax		31,653	100,599	26,620	66,003	(588)	50,705	3,458	32,366
Income tax	27.9	(5,774)	(19,535)	(8,151)	(9,037)	(3)	(10)	(6)	(8)
Profit for the period		25,879	81,064	18,469	56,966	(591)	50,695	3,452	32,358
Profit attributable to:									
Non-controlling interests		1,416	2,691	621	2,588	-	-	-	-
Equity holders of the parent		24,463	78,373	17,848	54,378	(591)	50,695	3,452	32,358
Profit for the period		25,879	81,064	18,469	56,966	(591)	50,695	3,452	32,358
Earnings per share									
Basic /diluted earnings per ordinary share (kobo)	28	195	605	138	420	(11)	391	27	250

The accompanying notes form an integral part of these financial statements.

STANBIC IBTC HOLDINGS PLC

Consolidated and separate annual statements of other comprehensive income for the year ended 31 December 2022

	Note	Group				Company			
		3 months 31-Dec-22 N'million	12 months 31-Dec-22 N'million	3 months 31-Dec-21 N'million	12 months 31-Dec-21 N'million	3 months 31-Dec-22 N'million	12 months 31-Dec-22 N'million	3 months 31-Dec-21 N'million	12 months 31-Dec-21 N'million
Profit for the period		25,879	81,064	18,469	56,966	(591)	50,695	3,452	32,358
Other comprehensive income									
Items that will never be reclassified to profit or loss									
Movement in fair value reserve (equity instruments):		622	621	835	999	-	-	-	-
Net change in fair value		622	621	835	999	-	-	-	-
Related income tax		-	-	-	-	-	-	-	-
<i>Items that are or may be reclassified subsequently to profit or loss:</i>									
Movement in debt instruments measured at fair value through other comprehensive income (OCI)		122	(1,762)	(1,323)	(5,666)	-	-	-	-
Net change in fair value of financial assets at FVOCI		(208)	(1,752)	(1,254)	(7,285)	-	-	-	-
Realised fair value adjustments on financial assets at FVOCI reclassified to income statement		100	(26)	(9)	1,582	-	-	-	-
Expected credit loss on debt financial assets at FVOCI		230	16	(60)	37	-	-	-	-
Income tax on other comprehensive income		-	-	-	-	-	-	-	-
Other comprehensive income for the period, net of tax		744	(1,141)	(488)	(4,667)	-	-	-	-
Total comprehensive income for the period		26,623	79,923	17,981	52,299	(591)	50,695	3,452	32,358
Total comprehensive income attributable to:									
Non-controlling interests		1,608	2,677	611	2,367	-	-	-	-
Equity holders of the parent		25,015	77,246	17,370	49,932	(591)	50,695	3,452	32,358
		26,623	79,923	17,981	52,299	(591)	50,695	3,452	32,358

The accompanying notes form an integral part of these financial statements.

STANBIC IBTC HOLDINGS PLC

**Statement of changes in equity
for the year ended 31 December 2022**

Group	Note	Ordinary share capital N'million	Share premium N'million	Merger reserve N'million	Statutory credit risk reserve N'million	Fair value through OCI reserve N'million	Share-based payment reserve N'million	AGSMEIS reserve N'million	Other regulatory reserves N'million	Retained earnings N'million	Ordinary shareholders' equity N'million	Non-controlling interest N'million	Total equity N'million
Balance at 1 January 2022		6,479	102,780	-	5,439	4,210	76	10,240	55,492	183,300	368,016	8,850	376,866
Reclassification of share-based payment							(76)			76	-	-	-
Total comprehensive income for the period						(1,127)			-	78,373	77,246	2,677	79,923
Profit for the period										78,373	78,373	2,691	81,064
Other comprehensive income after tax for the period						(1,127)				-	(1,127)	(14)	(1,141)
Net change in fair value on debt financial assets at FVOCI						(1,738)					(1,738)	(14)	(1,752)
Net change in fair value on equity financial assets at FVOCI						621					621	-	621
Realised fair value adjustments on financial assets at FVOCI						(26)					(26)	-	(26)
Expected credit loss on debt financial assets at FVOCI						16					16	-	16
Income tax on other comprehensive income						-					-	-	-
Transfer to statutory reserve					(5,439)					5,439			
Transfer to AGSMIEIS								1,479		(1,479)			
Transactions with shareholders, recorded directly in equity										(45,350)	(45,350)	(3,519)	(48,869)
Equity-settled share-based payment transactions													
Increase in paid-up capital (bonus issue)	17.1												
Dividends paid to equity holders	17.2									(45,350)	(45,350)	(3,519)	(48,869)
Balance at 31 December 2022		6,479	102,780	-	-	3,083	-	11,719	55,492	220,359	399,912	8,008	407,920
Balance 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
Total comprehensive income/(loss) for the period						(4,446)				54,378	49,932	2,377	52,309
Profit for the period										54,378	54,378	2,588	56,966
Other comprehensive income after tax for the period						(4,446)				-	(4,446)	(211)	(4,657)
Net change in fair value on debt financial assets at FVOCI						(7,064)					(7,064)	(211)	(7,275)
Net change in fair value on equity financial assets at FVOCI						999					999	-	999
Realised fair value adjustments on financial assets at FVOCI						1,582					1,582	-	1,582
Expected credit loss on debt financial assets at FVOCI						37					37	-	37
Income tax on other comprehensive income						-					-	-	-
Transfer to statutory reserves					5,357					(5,357)			
Transfer to AGSMIEIS								2,614		(2,614)			
Transactions with shareholders, recorded directly in equity		926								(53,865)	(52,939)		(52,939)
Equity-settled share-based payment transactions													
Increase in paid-up capital (scrip issue)	17.1	926								(926)			
Dividends paid to equity holders	17.2									(52,939)	(52,939)		(52,939)
Balance at 31 December 2021		6,479	102,780	(19,123)	6,817	4,210	76	10,240	55,492	201,045	368,016	9,955	377,971

The accompanying notes form an integral part of these financial statements.

STANBIC IBTC HOLDINGS PLC

**Statement of changes in equity
for the year ended 31 December 2022**

Company	Ordinary share capital N'million	Share premium N'million	Fair value through OCI reserve N'million	Share-based payment reserve N'million	Other regulatory reserves N'million	Retained earnings N'million	Ordinary shareholders' equity N'million
Balance at 1 January 2022	6,479	102,780	-	19	-	8,342	117,620
Reclassification of share-based payment	-	-	-	(19)	-	19	-
Total comprehensive income for the period	-	-	-	-	-	50,695	50,695
Profit for the period	-	-	-	-	-	50,695	50,695
Transactions with shareholders, recorded directly in equity	-	-	-	-	-	(45,350)	(45,350)
Equity-settled share-based payment transactions	-	-	-	-	-	-	-
Increase in paid-up capital (bonus issue)	-	-	-	-	-	-	-
Dividends paid to equity holders	-	-	-	-	-	(45,350)	(45,350)
Balance at 31 December 2022	6,479	102,780	-	-	-	13,706	122,965
Balance at 1 January 2021	5,553	102,780	-	19	-	29,849	138,201
Total comprehensive income/(loss) for the period	-	-	-	-	-	32,358	32,358
Profit for the period	-	-	-	-	-	32,358	32,358
Transactions with shareholders, recorded directly in equity	926	-	-	-	-	(53,865)	(52,939)
Equity-settled share-based payment transactions	-	-	-	-	-	-	-
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	-	-	-	-	-
Increase in paid-up capital (scrip 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

The accompanying notes form an integral part of these financial statements.

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statement of cash flows for the year ended 31 December 2022

	Note	Group		Company	
		31-Dec-22 N million	31-Dec-21 N million	31-Dec-22 N million	31-Dec-21 N million
Net cash flows from operating activities		(72,708)	(330,243)	70,033	65,192
Cash flows used in operations		(159,718)	(361,553)	14,841	29,829
Profit before tax		100,599	66,003	50,705	32,366
Adjusted for:		(95,404)	(71,862)	(55,080)	(35,397)
Net impairment (write-back)/loss on financial assets	27.7	10,290	(1,505)	-	-
Depreciation of non-current assets	27.8	6,595	4,621	99	84
Amortisation of right of use assets	16	1,560	1,125	29	27
Dividends included in other revenue	27.6	(602)	(636)	(55,058)	(35,404)
Interest expense		39,551	29,379	-	-
Interest income		(152,670)	(104,751)	(147)	(90)
Loss/(profit) on sale of property and equipment		(128)	(95)	(3)	(14)
Increase in assets	23.1	(355,917)	(623,056)	(6,941)	2,897
Increase in deposits and other liabilities	23.2	191,004	267,362	26,157	29,963
Dividends received		542	572	55,058	35,404
Interest paid		(40,129)	(18,115)	-	-
Interest received		143,666	62,164	147	90
Direct taxation paid		(17,069)	(13,311)	(13)	(131)
Net cash flows used in investing activities		27,483	(86,726)	(27,625)	(1,162)
Capital expenditure on - property		(480)	(230)	-	-
- equipment, furniture and vehicles		(23,916)	(15,154)	(2,027)	(98)
- right of use		(1,946)	(1,415)	-	-
- intangible assets		40	(132)	-	-
Proceeds from sale of property, equipment, furniture and vehicles		334	301	36	17
Additional investment in existing subsidiary		-	-	-	(1,232)
Sale of/(Investment in) financial investment securities, net		53,451	(70,096)	(25,634)	151
Net cash flows used in financing activities		27,113	(61,100)	(45,350)	(52,939)
Net increase/(decrease) in other borrowings		51,523	9,614	-	-
Net increase/(decrease) in debt securities issued		24,459	(16,680)	-	-
Cash dividends paid	17.2	(48,869)	(54,034)	(45,350)	(52,939)
Net increase in cash and bank balances		(18,112)	(478,069)	(2,942)	11,091
Effect of exchange rate changes on cash and bank balances		(4,914)	4,393	-	-
Cash and cash equivalent at beginning of the year		216,232	237,271	53,236	42,145
Cash and cash equivalent at end of the year	23.3	193,206	(236,405)	50,294	53,236

The accompanying notes form an integral part of these financial statements.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements

for the year ended 31 December 2022

1 Reporting entity

Stanbic IBTC Holdings PLC (the 'company') is a company domiciled in Nigeria. The address of the company is IBTC Place, Plot 1C Walter Carrington Crescent, Victoria Island, Lagos. The condensed consolidated interim financial statements as at and for the year ended 31 December 2022 comprise the company and its subsidiaries (together referred to as the 'group'). 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 condensed consolidated annual financial statements for the year ended 31 December 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the last annual consolidated financial statements as at and for the year ended 31 December 2021.

This condensed consolidated interim financial statements for the year ended 31 December 2022 does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS), and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2021.

Changes to significant accounting policies are described in note 3.

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), Stanbic IBTC Holdings PLC maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company's shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the Policy during the period.

(b) Basis of measurement

The condensed consolidated interim financial statements for the year ended 31 December 2022 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
- 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) Functional and presentation currency

The condensed consolidated interim financial statements are presented in Nigerian Naira, which is the company's functional and presentation currency. All financial information presented in Naira has been rounded to the nearest million, except when otherwise stated.

(d) Use of estimates and judgement

The preparation of the condensed consolidated interim 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.

In preparing these condensed consolidated interim financial statements, significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

3 Statement of significant accounting policies

Except as described below, the accounting policies applied by the group in preparation of these condensed annual financial statements are consistent with those applied by the group in the preparation of its consolidated annual financial statements for the year ended 31 December 2021.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements

for the year ended 31 December 2022

3.1 Changes in significant accounting policies (continued)

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 2022, did not effect the group's previously reported financial results, disclosures or accounting policies and did not impact the group's results materially upon transition.

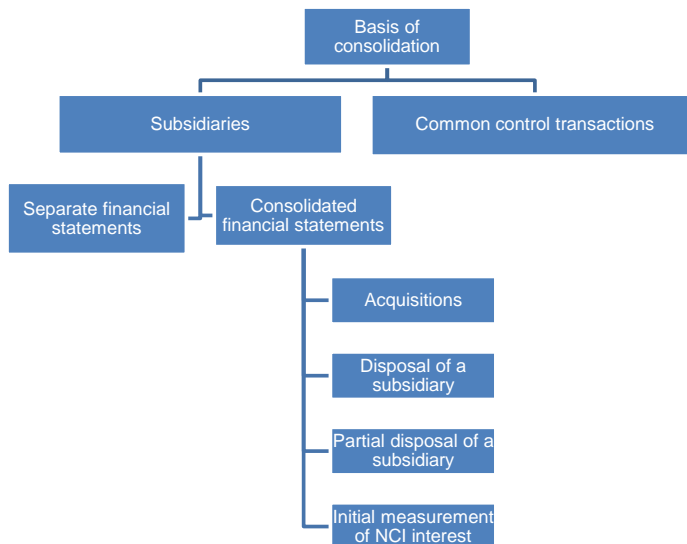
STANBIC IBTC HOLDINGS PLC

**Notes to the condensed consolidated annual financial statements
for the year ended 31 December 2022**

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 interim 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 and 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 interests (NCI) are determined on the basis of the group’s present ownership interest in the subsidiary.

<p>Acquisitions</p>	<p>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.</p> <p>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.</p>
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STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

Acquisitions (continued)	<p>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.</p> <p>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.</p>
Loss of control in a subsidiary	<p>A disposal arises where the group loses control of a subsidiary. When the group loses control of a subsidiary, 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. 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.</p>
Partial disposal of a subsidiary	<p>A partial disposal arises as a result of a reduction in the group's ownership interest in an investee that is not a disposal (i.e. 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.</p>
Initial measurement of NCI	<p>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.</p>

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. 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

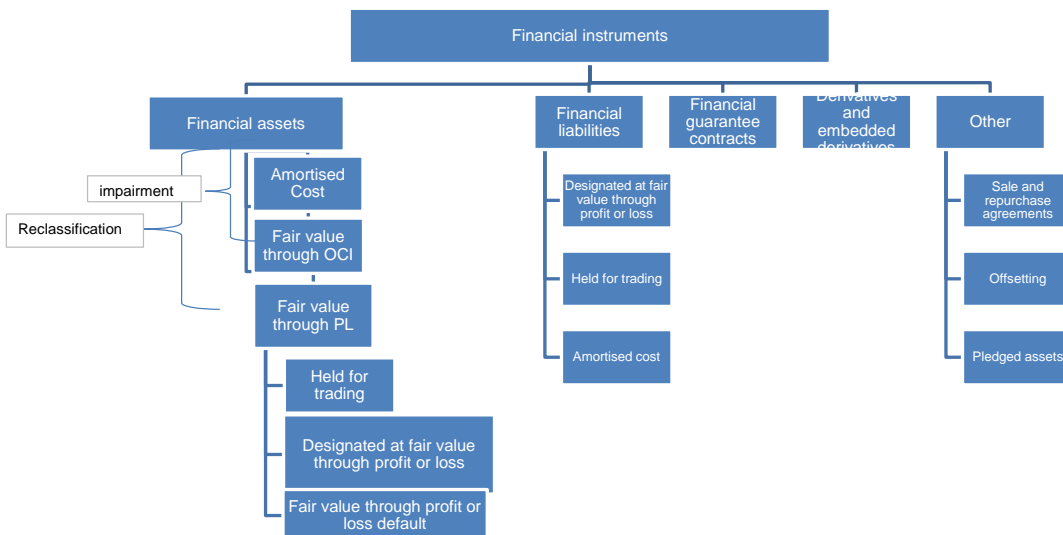
Cash and cash equivalents presented in the statement of cash flows consist of cash and balances with central banks (excluding cash reserve), and balances with other banks with original maturities of 3 months or less from the date of acquisition that are subject to an insignificant risk of changes in 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.

STANBIC IBTC HOLDINGS PLC
Notes to the condensed consolidated annual financial statements
for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

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): <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): <ul style="list-style-type: none"> — 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.
Designated at fair value through profit or loss	Financial assets are designated to be measured at fair value in the following instances: <ul style="list-style-type: none"> - 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.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

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: <ul style="list-style-type: none"> • default • significant financial difficulty of borrower and/or modification • probability of bankruptcy or financial reorganisation • disappearance of an active market due to financial difficulties.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

The key components of the impairment methodology are described as follows:

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.
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: <ul style="list-style-type: none"> • significant financial difficulty of borrower and/or modification (i.e. 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 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:
<ul style="list-style-type: none"> • Financial assets that are reclassified from amortised cost to fair value through profit or loss are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in other gains and losses in the profit or loss amount.
<ul style="list-style-type: none"> • The fair value of a financial asset that is reclassified from fair value to amortised cost becomes the financial asset's new carrying value and calculate effective interest rate on the new carrying amount.
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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.
<ul style="list-style-type: none"> • 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 and calculate effective interest rate on the new carrying amount.
<ul style="list-style-type: none"> • 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.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements for the year ended 31 December 2021

4 Statement of significant accounting policies (continued)

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.

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) recognised in interest expense.
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	<p>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.</p> <p>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.</p> <p>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.</p>
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).

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

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 are initially recognised at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee. Financial guarantee contracts 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 amortized 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

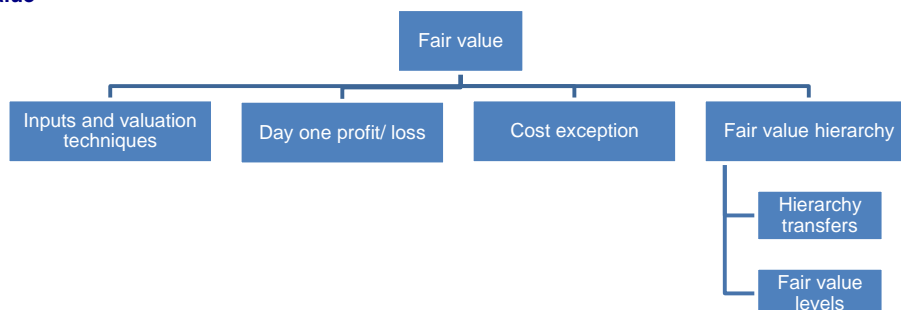
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis, or to realise the asset and settle the liability simultaneously.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

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 and is not an amount that represents 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, and interest rate.	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: <ul style="list-style-type: none"> Discounted cash flow model Black-Scholes model 	<ul style="list-style-type: none"> 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.	

STANBIC IBTC HOLDINGS PLC

**Notes to the condensed consolidated annual financial statements
for the year ended 31 December 2022**

4 Statement of significant accounting policies (continued)

Item	Description	Valuation technique	Main inputs and assumptions (Level 2 and 3 fair value hierarchy items)
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.	<ul style="list-style-type: none"> • 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 unlinked investments.		
Loans and advances to banks and customers	Loans and advances comprise: <ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • Discount rate. • Probability of default. • Loss given default.
Deposits from bank and customers	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.	<ul style="list-style-type: none"> • Discount rate. • Probability of default. • Loss given default.

* 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.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

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 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

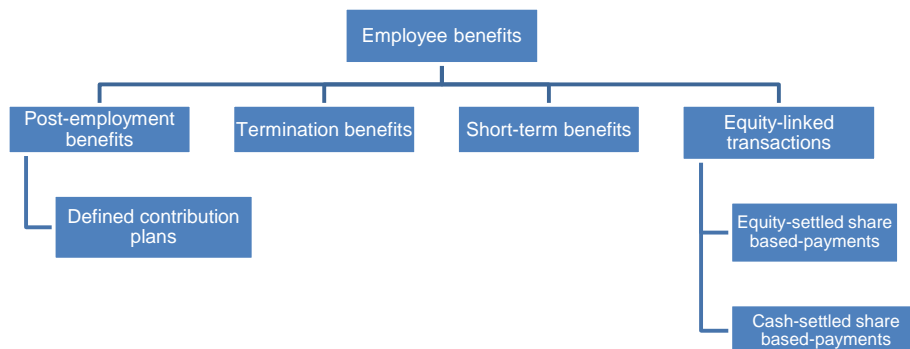
Transfers of financial assets and financial liabilities between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period during which change occurred.

STANBIC IBTC HOLDINGS PLC

**Notes to the condensed consolidated annual financial statements
for the year ended 31 December 2022**

4 Statement of significant accounting policies (continued)

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.

STANBIC IBTC HOLDINGS PLC

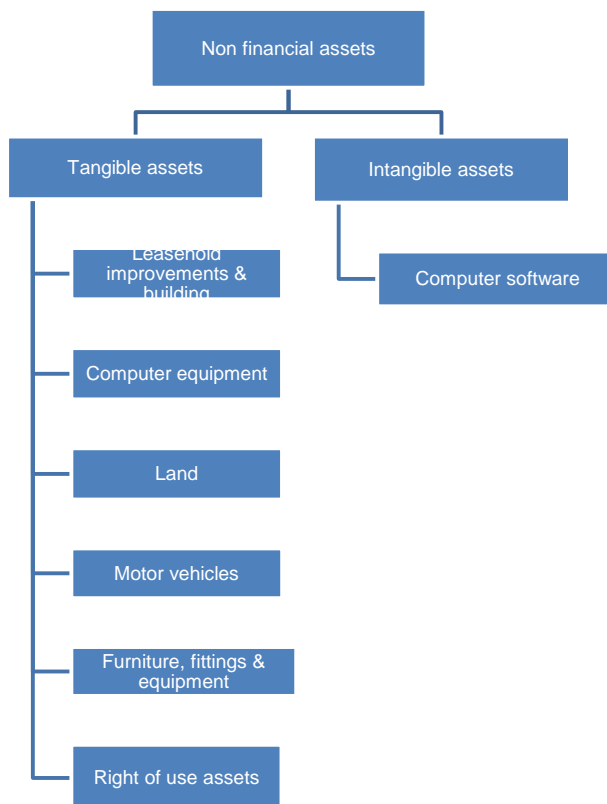
Notes to the condensed consolidated annual financial statements for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

Equity-linked transactions

Equity-settled share based payments	<p>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.</p> <p>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.</p>
Cash-settled share based payments	<p>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.</p>

4.6 Non-financial assets (Intangible assets, Property and equipment, Right of Use assets)



STANBIC IBTC HOLDINGS PLC

**Notes to the condensed consolidated annual financial statements
for the year ended 31 December 2022**

4 Statement of significant accounting policies (continued)

Type	Initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment	Derecognition														
Tangible assets	<p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <table border="0"> <tr> <td>Land</td> <td>N/A</td> </tr> <tr> <td>Buildings</td> <td>25 years</td> </tr> <tr> <td>Computer</td> <td>3-5 years</td> </tr> <tr> <td>Motor vehicles</td> <td>4 years</td> </tr> <tr> <td>Office equipments</td> <td>6 years</td> </tr> <tr> <td>Furniture</td> <td>4 years</td> </tr> <tr> <td>Capitalised leased assets/ branch refurbishments</td> <td>greater of 6 years or useful life of underlying asset</td> </tr> </table> <p>The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial period end.</p>	Land	N/A	Buildings	25 years	Computer	3-5 years	Motor vehicles	4 years	Office equipments	6 years	Furniture	4 years	Capitalised leased assets/ branch refurbishments	greater of 6 years or useful life of underlying asset	<p>Intangible assets that have an indefinite useful life are tested annually for impairment and additionally when an indicator of impairment exists.</p> <p>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.</p> <p>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.</p>	<p>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.</p>
Land	N/A																	
Buildings	25 years																	
Computer	3-5 years																	
Motor vehicles	4 years																	
Office equipments	6 years																	
Furniture	4 years																	
Capitalised leased assets/ branch refurbishments	greater of 6 years or useful life of underlying asset																	
Intangible assets/ Computer software	<p>Costs associated with developing or maintaining computer software programmes and the acquisition of software licences are generally recognised as an expense as incurred.</p> <p>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 period, 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.</p> <p>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.</p>	<p>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.</p> <p>Amortisation methods, useful lives and residual values are reviewed at each financial period end and adjusted, if necessary.</p>	<p>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.</p> <p>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.</p>															
Right of use assets	<p>At cost (initial measurement of the lease liability) plus initial direct costs any lease payments made at or before the commencement date less any lease incentives received and estimate cost of dismantling and removing underlying asset.</p> <p>Cost Model: Cost less accumulated depreciated and accumulated impairment. The ROU asset is depreciated over the shorter of the lease term and useful life, except if ownership transfers to the lessee at the end of the lease term or cost reflects that the lessee will exercise a purchase option use useful life of the asset is used in these instances.</p>	<p>Depreciation on right-of-use assets:</p> <p>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.</p>	<p>Termination of leases:</p> <p>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 cancellation costs in profit or loss.</p> <p>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 period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.</p>															

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements
for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

Leases

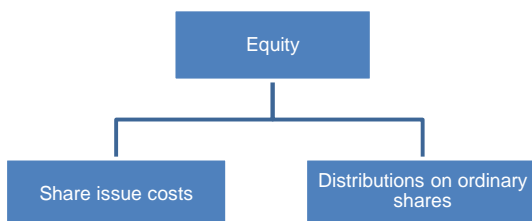
Type	Description	Statement of financial position	Income statement
Single lessee accounting model	<p>All leases are accounted for by recognising a right-of-use asset and a lease liability except for:</p> <ul style="list-style-type: none"> • leases of low value assets; and • leases with a duration of twelve months or less. <p>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.</p>	<p>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 period to which they relate. On initial recognition, the carrying value of the lease liability also includes:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>Right-of-use assets: Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:</p> <ul style="list-style-type: none"> • 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. <p>The Group applies the cost model subsequent to the initial measurement of the right-of-use assets.</p> <p>Termination of leases: When the Group or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised.</p> <p>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.</p>	<p>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 period.</p> <p>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.</p> <p>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 cancellation costs in profit or loss.</p> <p>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 period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.</p>
Reassessment and modification of leases	<p>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 (i.e. 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.</p> <p>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.</p>		
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 periodic 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 period has expired, any payment received/(paid) by the group by way of a penalty is recognised as income/(expense) in the period 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. 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. 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.		
Operating leases	Modifications are accounted for as a new lease from the effective date of the modification.		

STANBIC IBTC HOLDINGS PLC

**Notes to the condensed consolidated annual financial statements
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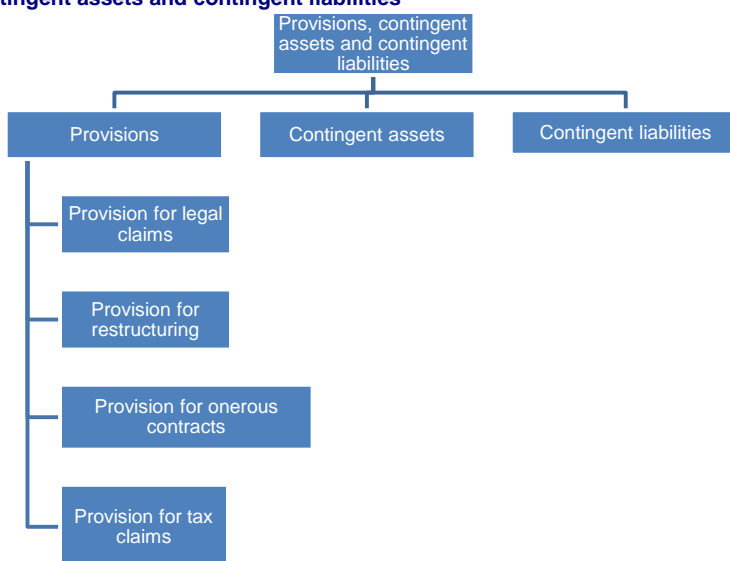
4 Statement of significant accounting policies (continued)

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 period in which they are declared. Distributions declared after the reporting date are disclosed in the distributions note to the financial statements.

4.10 Provisions, contingent assets and contingent liabilities



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:
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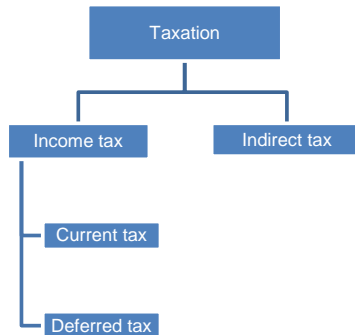
STANBIC IBTC HOLDINGS PLC

**Notes to the condensed consolidated annual financial statements
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4 Statement of significant accounting policies (continued)

Provisions (continued)	<p>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.</p> <p>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.</p> <p>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.</p> <p>Provision for tax claims Provisions for taxes claims relates to additional assessment on taxes, including withholding tax, value added tax, PAYE tax.</p>
Contingent assets	Contingent assets are not recognised in the interim 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 interim financial statements but are disclosed in the notes to the interim financial statements.

4.11 Taxation



Type	Description, recognition and measurement	Offsetting
Current tax-determined for current period transactions and events	<p>Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable 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.</p> <p>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.</p> <p>Nigerian tax laws mandates a minimum tax assessment for companies having no taxable profits for the year or where the tax on profits is below the minimum tax. Minimum tax is computed at flat rate of 0.5% of turnover less franked investment.</p> <p>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.</p> <p>When applicable, minimum tax is recorded under current income tax in profit or loss.</p>	

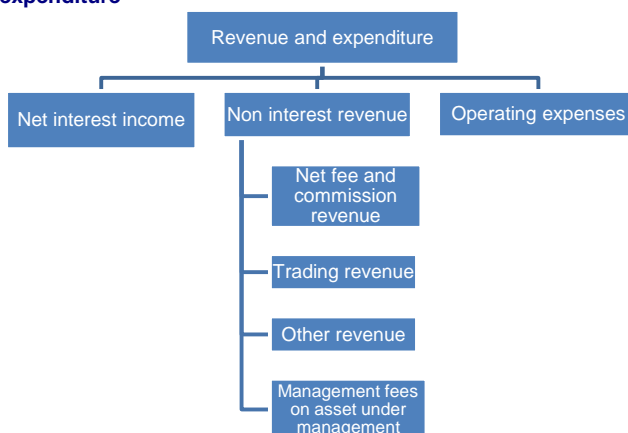
STANBIC IBTC HOLDINGS PLC

**Notes to the condensed consolidated annual financial statements
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4 Statement of significant accounting policies (continued)

Type	Description, recognition and measurement	Offsetting
Deferred tax-determined for future tax consequences	<p>Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination (relating to a measurement period adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly as part of OCI.</p> <p>Deferred tax is recognised 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. Deferred tax is not recognised for the following temporary differences:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>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.</p>	<p>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.</p>
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

4.12 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 period 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.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

4.12 Revenue and expenditure (continued)

Description	Recognition and measurement
Net interest income	<p>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 period, 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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 period.</p> <p>Dividends received on preference share investments classified as debt form part of the group's lending activities and are included in interest income.</p>
Net fee and commission revenue	<p>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. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment period.</p> <p>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.</p> <p>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.</p>
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	<p>Other revenue includes dividends on equity financial assets, underwriting profit from the group's short-term insurance operations and related insurance activities and re-measurement gains and losses from contingent consideration on disposals and purchases.</p> <p>Gains and losses on equity instruments designated at fair value through profit or loss are recognised within other revenue. Gains and losses on equity instruments classified as fair value through other comprehensive income financial assets are reclassified from OCI to other retained earnings.</p>
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 period for which the services are rendered, in accordance with the substance of the relevant agreements.
Operating expenses	<p>Expenses are recognized on an accrual bases regardless of the time of cash outflows. Expenses are recognized 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.</p> <p>Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming periods. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statements as assets.</p>

STANBIC IBTC HOLDINGS PLC

**Notes to the condensed consolidated annual financial statements
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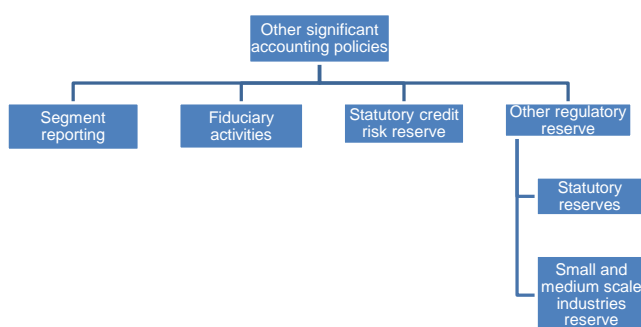
4 Statement of significant accounting policies (continued)

Interest in suspense (IIS) (refers to contractual interest which accrues on financial assets which are classified as non-performing) is presented as follows:

IFRS 9 accounting treatment

IFRS 9 requires that interest for financial assets classified as stage 3 (i.e. in default) only be calculated on the gross carrying amount less impairments (i.e. amortised cost 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 will report the balance sheet interest in suspense account as part of stage 3 impairment when calculating the financial assets' net carrying amount. The group has elected to continue to present upon the curing of the non-performing financial asset, this suspended contractual interest (previously unrecognised interest) within credit impairment line in the income statement.

4.13 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 annual 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 differ 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).

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated annual financial statements for the year ended 31 December 2022

4 Statement of significant accounting policies (continued)

4.14 Non-current assets held for sale and disposal groups

Type	Description	Statement of financial position	Income statement
Non-current assets/disposal groups that are held for sale	Comprising assets and liabilities that are expected to be recovered primarily through sale rather than continuing use (including regular purchases and sales in the ordinary course of business).	Immediately before classification, the assets (or components of a disposal group) are remeasured in accordance with the group's accounting policies and tested for impairment. Thereafter, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities (or components of a disposal group) are presented separately in the statement of financial position.	Impairment losses on initial classification as well as subsequent gains and losses on remeasurement of these assets or disposal groups are recognised in profit or loss. Property and equipment and intangible assets are not depreciated or amortised.

Notes to the consolidated and separate annual financial statements
for the year ended 31 December 2022

4 Statement of significant accounting policies

4.15 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.
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	Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 The amendments seek to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: requiring companies to disclose their material accounting policies rather than their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of IFRS 9 general purpose financial statements make on the basis of those financial statements".
Effective date	1 January 2023.
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 – e.g. 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	Definition of Accounting Estimate – Amendments to IAS 8 The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.
Effective date	1 January 2023.

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5 Segment reporting

We have shifted the business to be future-ready and client centric. Our 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 & Commercial clients	<p>The business & 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.</p> <p>Home services - Residential accommodation financing solutions, including related value added services.</p> <p>Vehicle and asset finance - Comprehensive finance solutions in instalment credit, fleet management and related services across our retail and business markets.</p>
Corporate and Investment Banking	<p>The Corporate and Investment Banking (CIB) segment serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally. Our clients leverage our in-depth sector and regional expertise, our specialist capabilities and our access to global capital markets for advisory, transactional, trading and funding support.</p> <p>Global markets – Trading and risk management solutions across financial markets, including foreign exchange, money markets, interest rates, equities, credit and commodities.</p> <p>Transactional and lending products – Comprehensive suite of cash management, international trade finance, working capital and investor services solutions.</p> <p>Investment banking – Full suite of advisory and financing solutions, from term lending to structured and specialised products across equity and debt capital markets</p>
Consumer & High Net Worth clients	<p>The consumer & 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.</p> <p>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.</p> <p>Retail lending - Comprehensive suite of lending products provided to individuals and small and medium-sized businesses</p> <p>Retail transactional - Comprehensive suite of transactional, savings, payment and liquidity management solutions.</p>

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.

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5 Segment reporting

Operating segments

	Business & Commercial		Corporate and Investment Banking		Consumer & High Net Worth		Eliminations		Group	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
Net interest income	35,054	23,978	56,324	34,723	21,741	16,671	-	-	113,119	75,372
Non-interest revenue	12,122	8,982	50,710	28,476	68,113	61,447	(3,617)	(3,132)	127,328	95,773
Total income	47,176	32,960	107,034	63,199	89,854	78,118	(3,617)	(3,132)	240,447	171,145
Credit impairment charges	(4,259)	572	(3,940)	1,405	(2,091)	(472)	-	-	(10,290)	1,505
Income after credit impairment charges	42,917	33,532	103,094	64,604	87,763	77,646	(3,617)	(3,132)	230,157	172,650
Operating expenses in banking activities	(29,592)	(27,533)	(45,825)	(37,956)	(57,758)	(44,290)	3,617	3,132	(129,558)	(106,647)
Profit before direct taxation	13,325	5,999	57,269	26,648	30,005	33,356	-	-	100,599	66,003
Direct taxation	(603)	925	(5,140)	3,328	(13,792)	(13,290)	-	-	(19,535)	(9,037)
Profit for the period	12,722	6,924	52,129	29,976	16,213	20,066	-	-	81,064	56,966

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	Group		Company	
	31 Dec. 2022 N'million	31 Dec. 2021 N'million	31 Dec. 2022 N'million	31 Dec. 2021 N'million
6 Cash and Bank balances				
Coins and bank notes	24,661	19,056	-	-
Balances with central bank	479,839	466,696	-	-
Current balances with banks within Nigeria	20,545	10,055	50,294	53,236
Current balances with banks outside Nigeria	146,770	157,263	-	-
	671,815	653,070	50,294	53,236

Balances with central bank include cash reserve of N457,792 million (Dec. 2021: N423,178 million), special intervention fund of N20,817 million (Dec. 2021: N20,817 million) that are not available for use by the group on a day to day basis.

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
7 Pledged assets				
7.1 Pledged assets				
Financial assets that may be repledged or resold by counterparties				
Treasury bills - Trading	54,804	95,187	-	-
Treasury bills - FVOCI	73,186	87,148	-	-
	127,990	182,335	-	-

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8 Trading assets and trading liabilities

Trading assets and trading liabilities mainly relates to client-facilitating activities carried out by the Global Markets business. These instruments are managed on a combined basis and should therefore be assessed on a total portfolio basis and not as stand-alone assets and liability classes.

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
8.1 Trading assets				
Classification				
Listed	161,536	88,300	-	-
Unlisted	28,895	10,443	-	-
	190,431	98,743	-	-
Comprising:				
Government bonds	394	571	-	-
Treasury bills	161,137	87,725	-	-
Listed equities	5	4	-	-
Reverse repurchase agreements	28,895	9,998	-	-
Placements	-	445	-	-
	190,431	98,743	-	-

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
8.2 Trading liabilities				
Classification				
Listed	58,944	117	-	-
Unlisted	162,027	111,906	-	-
	220,971	112,023	-	-
Comprising:				
Government bonds (short positions)	4,376	117	-	-
Repurchase agreements	47,866	67,621	-	-
Deposits	162,027	44,285	-	-
Treasury bills (short positions)	6,701	-	-	-
	220,970	112,023	-	-

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9	Derivative assets and liabilities	Group		Company	
		31 Dec. 2022 N'million	31 Dec. 2021 N'million	31 Dec. 2022 N'million	31 Dec. 2021 N'million
9.1	Derivative assets				
	Foreign exchange derivatives	22,951	27,353	-	-
	Forwards	22,951	27,353	-	-
	Options	-	-	-	-
	Interest rate derivatives	19,183	13,859	-	-
	Forwards	-	-	-	-
	Swaps	19,183	13,859	-	-
	Total derivative assets	42,134	41,212	-	-
9.2	Derivative liabilities				
	Foreign exchange derivatives	22,685	23,148	-	-
	Forwards	22,685	23,148	-	-
	Options	-	-	-	-
	Interest rate derivatives	3,414	2,216	-	-
	Forwards	-	-	-	-
	Swaps	3,414	2,216	-	-
	Total derivative liabilities	26,099	25,364	-	-

10	Financial investments	Group		Company	
		31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
	Short - term negotiable securities	428,598	568,738	-	-
	Listed	428,598	568,738	-	-
	Unlisted	-	-	-	-
	Other financial investments	153,618	67,896	27,710	2,076
	Listed	81,498	17,143	27,710	2,076
	Unlisted	72,120	50,753	-	-
	Gross financial investments	582,216	636,634	27,710	2,076
	Expected credit loss on financial investment				
	12-month ECL	(197)	(23)	-	-
	Lifetime ECL not credit-impaired	-	-	-	-
	Lifetime ECL credit-impaired	-	-	-	-
	Total expected credit loss on financial investment	(197)	(23)	-	-
	Net financial investments	582,019	636,611	27,710	2,076

Included in financial investment is N1,096 million (Dec 2021: N1,170 million) investment in mutual fund for Unclaimed dividend while the increase in financial investments relates to treasury bills maturities during the period.

10.1	Comprising:				
	Government bonds	75,869	9,814	-	-
	Listed equities	-	628	-	-
	Treasury bills	427,085	568,738	-	-
	Corporate bonds	5,629	6,701	-	-
	Unlisted equities	3,643	3,021	-	-
	Mutual funds and unit-linked investments	68,477	47,732	27,710	2,076
	Commerical papers	1,513	-	-	-
		582,216	636,634	27,710	2,076

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	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
11 Loans and advances				
Loans and advances net of impairments				
11.1 Loans and advances to banks	3,404	16,096	-	-
Placements with banks	3,406	16,102	-	-
Expected credit losses	(2)	(6)	-	-
11.2 Loans and advances to customers	1,205,206	921,044	-	-
Gross loans and advances to customers	1,238,615	946,259	-	-
CHNWC- Consumer and High Netwot Clients	89,668	78,519	-	-
Mortgage loans	5,217	4,356	-	-
Instalment sale and finance leases	1,687	1,553	-	-
Card debtors	1,903	1,265	-	-
Others loans and advances	80,861	71,345	-	-
BCC- Business and Commercial Clients	334,656	284,151	-	-
Mortgage loans	156	425	-	-
Instalment sale and finance leases	43,379	34,238	-	-
Card debtors	2	4	-	-
Others loans and advances	291,119	249,484	-	-
CIB- Corporate and Investment Banking	814,291	583,589	-	-
Corporate loans	814,291	583,589	-	-
Credit impairments for loans and advances	(33,409)	(25,215)	-	-
12-month ECL	(11,389)	(8,025)	-	-
Lifetime ECL not credit-impaired	(1,403)	(1,283)	-	-
Lifetime ECL credit-impaired	(20,617)	(15,907)	-	-
Net loans and advances	1,208,610	937,140	-	-

The increase in loans and advances to customers relates to new originations during the period under review

11.3 Analysis of gross loans and advances to customers by performance
31 December 2022

Gross carrying value- In Nmillions	Stage 1	Stage 2	Stage 3	Total
CHNWC- Consumer and High Netwot Clients	81,509	3,167	4,992	89,668
Mortgage loans	4,723	402	92	5,217
Instalment sale and finance leases	1,571	34	82	1,687
Card debtors	1,591	143	169	1,903
Others term loans	73,624	2,588	4,649	80,861
BCC- Business and Commercial Clients	309,704	10,448	14,504	334,656
Mortgage loans	156	-	-	156
Instalment sale and finance leases	41,651	1,401	327	43,379
Card debtors	2	-	-	2
Others term loans	267,895	9,047	14,177	291,119
CIB- Corporate and Investment Banking	803,417	933	9,941	814,291
Corporate lending	803,417	933	9,941	814,291
	1,194,630	14,548	29,437	1,238,615

31 Dec 2021

Gross carrying value- In Nmillions	Stage 1	Stage 2	Stage 3	Total
CHNWC- Consumer and High Netwot Clients	72,193	2,970	3,356	78,519
Mortgage loans	3,985	228	143	4,356
Instalment sale and finance leases	1,466	47	40	1,553
Card debtors	917	163	185	1,265
Others term loans	65,825	2,532	2,988	71,345
BCC- Business and Commercial Clients	270,525	5,505	8,121	284,151
Mortgage loans	425	-	-	425
Instalment sale and finance leases	32,458	1,547	233	34,238
Card debtors	4	-	-	4
Others term loans	237,638	3,958	7,888	249,484
CIB- Corporate and Investment Banking	573,251	1,477	8,861	583,589
Corporate lending	573,251	1,477	8,861	583,589
	915,969	9,952	20,338	946,259

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12	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
Other assets				
Trading settlement assets	8,248	9,902	-	-
Due from group companies	507	706	8,565	2,837
Accrued income	779	659	-	-
Deposit for Shares	-	-	368	368
Re-insurance receivables	558	228	-	-
Indirect / withholding tax receivables	3,866	3,810	644	486
Accounts receivable	88,902	89,072	1,182	69
Receivable in respect of unclaimed dividends	2,373	2,418	2,373	2,418
Deposit for investment	11,719	10,241	-	-
Prepayments	5,880	5,335	87	100
Other debtors	12,869	9,270	-	-
	135,701	131,641	13,219	6,278
Impairment on doubtful recoveries	(2,311)	(2,111)	(20)	(20)
	133,390	129,530	13,199	6,258

The increase in other assets is mainly as a result of increase in transit items that default into suspense accounts and increase in deposit for investment which is the Bank subsidiary's investment in AGSMEIS. By their nature, these receivables fluctuate as they will typically be settled or cleared the following day.

13	Deferred tax analysis			
Deferred tax liabilities	-	-	-	-
Deferred tax asset	13,042	13,998	-	-
Deferred tax closing balance	13,042	13,998	-	-

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14 Property and equipment

Group	Freehold Land and building N million	Leasehold improvements and building N million	Motor vehicles N million	Furniture, fittings & equipment N million	Computer equipment N million	Work in progress N million	Total N million
14.1 Cost							
Balance at 1 January 2022	20,967	8,050	1,297	10,343	25,560	14,262	80,479
Additions	427	53	317	1,850	2,971	18,778	24,396
Disposals / expensed	(142)	-	(268)	(420)	(704)	(15)	(1,549)
Write-offs	-	-	-	-	-	-	-
Transfers / reclassifications	-	387	(3)	100	283	(767)	-
Balance at 31 December 2022	21,252	8,490	1,343	11,873	28,110	32,258	103,326
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	-	(410)	(206)	(456)	(667)	(10)	(1,749)
Impairments	(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
14.2 Accumulated depreciation							
Balance at 1 January 2022	11,640	946	813	8,336	16,024	-	37,759
Charge for the period	433	115	180	768	4,335	-	5,831
Disposals	(69)	-	(285)	(351)	(638)	-	(1,343)
Transfers/ reclassifications	-	-	-	-	-	-	-
Balance at 31 December 2022	12,004	1,061	708	8,753	19,721	-	42,247
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)
Depreciation on Reclassification	(154)	-	-	(509)	(1,915)	-	(2,578)
Balance at 31 December 2021	11,640	946	813	8,336	16,024	-	37,759
Net book value:							
31 December 2022	9,248	7,429	635	3,120	8,389	32,258	61,079
31 December 2021	9,327	7,104	484	2,007	9,536	14,262	42,720

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2021: 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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14 Property and equipment	Leasehold improvements and building N million	Motor vehicles N million	Furniture, fittings & equipment N million	Computer equipment N million	Work in progress N million	Total N million
Company						
14.3 Cost						
Balance at 1 January 2022	-	-	153	421	-	574
Additions	-	-	48	1,979	-	2,027
Disposals / expensed	-	-	(5)	(77)	-	(82)
Impairments	-	-	-	-	-	-
Transfers / reclassifications	-	-	-	-	-	-
Balance at 31 December 2022	-	-	196	2,323	-	2,519
Balance at 1 January 2021	-	-	196	384	-	580
Additions	-	-	1	97	-	98
Disposals	-	-	-	(12)	-	(12)
Impairments	-	-	(44)	(48)	-	(92)
Transfers/ reclassifications	-	-	-	-	-	-
Balance at 31 December 2021	-	-	153	421	-	574
14.4 Accumulated depreciation						
Balance at 1 January 2022			108	318	-	426
Charge for the period			12	87	-	99
Disposals			(5)	(41)	-	(46)
Balance at 31 December 2022	-	-	115	364	-	479
Balance at 1 January 2021	-	-	145	298	-	443
Charge for the year	-	-	5	79	-	84
Disposals/expensed	-	-	-	(12)	-	(12)
Transfers/ reclassifications	-	-	(42)	(47)	-	(89)
Balance at 31 December 2021	-	-	108	318	-	426
Net book value:						
31 December 2022	-	-	81	1,959	-	2,040
31 December 2021	-	-	45	103	-	148

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2021: 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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15 Intangible assets	Purchased Software	Total
Group	N million	N million
15.1 Cost		
Balance at 1 January 2022	5,841	5,841
Expensed	(40)	(40)
Impairments	-	-
Balance at 31 December 2022	5,801	5,801
Balance at 1 January 2021	5,708	5,708
Additions	133	133
Balance at 31 December 2021	5,841	5,841
15.2 Accumulated depreciation		
Balance at 1 January 2022	1,830	1,830
Amortisation for the period	764	764
Balance at 31 December 2022	2,594	2,594
Balance at 1 January 2021	1,068	1,068
Amortisation for the period	762	762
Balance at 31 December 2021	1,830	1,830
Net book value:		
31 December 2022	3,207	3,207
31 December 2021	4,011	4,011

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2021: 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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16 Right of Use Assets	ROU Building Leases N million	ROU ATM Spaces Leases N million	ROU Branch Leases N million	ROU Other Leases N million	Total N million
Group					
16.1 Cost					
Balance at 1 January 2022	3,209	677	4,364	48	8,298
Additions	545	39	1,298	64	1,946
Disposals / expensed	(47)	-	(92)	(32)	(171)
Impairments	-	-	-	-	-
Transfers / reclassifications	(72)	80	(8)	-	-
Balance at 31 December 2022	3,635	796	5,562	80	10,073
Balance at 1 January 2021	2,035	510	3,748	2	6,295
Additions	1,174	167	616	46	2,003
Disposals / expensed	-	-	-	-	-
Impairments	-	-	-	-	-
Transfers / reclassifications	-	-	-	-	-
Balance at 31 December 2021	3,209	677	4,364	48	8,298
16.2 Accumulated depreciation					
Balance at 1 January 2022	1,880	443	2,566	15	4,904
Charge for the period	536	171	811	42	1,560
Disposals	-	-	-	-	-
Expense/writeoff	-	-	-	-	-
Balance at 31 December 2022	2,416	614	3,377	57	6,464
Balance at 1 January 2021	1,322	272	1,726	-	3,320
Charge for the period	558	171	840	15	1,584
Disposals	-	-	-	-	-
Expense/write-off	-	-	-	-	-
Balance at 31 December 2021	1,880	443	2,566	15	4,904
Net book value:					
31 December 2022	1,219	182	2,185	23	3,609
31 December 2021	1,329	234	1,798	33	3,394
Company					
16.3 Cost					
Balance at 1 January 2022	100	-	25	-	125
Additions	-	-	-	-	-
Disposals / expensed	-	-	-	-	-
Impairments	-	-	-	-	-
Transfers / reclassifications	-	-	-	-	-
Balance at 31 December 2022	100	-	25	-	125
Balance at 1 January 2021	100	-	25	-	125
Additions	-	-	-	-	-
Disposals / expensed	-	-	-	-	-
Impairments	-	-	-	-	-
Transfers / reclassifications	-	-	-	-	-
Balance at 31 December 2021	100	-	25	-	125
16.4 Accumulated depreciation					
Balance at 1 January 2022	75	-	17	-	92
Charge for the period	23	-	6	-	29
Disposals	-	-	-	-	-
Expense/writeoff	-	-	-	-	-
Balance at 31 December 2022	98	-	23	-	121
Balance at 1 January 2021	53	-	12	-	65
Charge for the period	22	-	5	-	27
Disposals	-	-	-	-	-
Expense/writeoff	-	-	-	-	-
Balance at 31 December 2021	75	-	17	-	92
Net book value:					
31 December 2022	2	-	2	-	4
31 December 2021	25	-	8	-	33

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for the year ended 31 December 2022

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
18 Deposits and current accounts				
Deposits from banks	500,781	431,862	-	-
Other deposits from banks	500,781	431,862	-	-
Deposits from customers	1,243,962	1,126,535	-	-
Current accounts	709,383	591,963	-	-
Call deposits	105,253	109,013	-	-
Savings accounts	182,134	151,543	-	-
Term deposits	247,192	274,016	-	-
Total deposits and current accounts	1,744,743	1,558,397	-	-

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
19 Other borrowings				
On-lending borrowings	187,957	136,434	-	-
African Development Bank (see (i) below)	-	137	-	-
Nigeria Mortgage Refinance Company (see (v) below)	3,279	3,479	-	-
Bank of Industry (see (ii) below)	476	737	-	-
Standard Bank Isle of Man (see (iii) below)	131,532	80,108	-	-
CBN Real Sector Support Financing (see (vi) below)	8,088	10,999	-	-
CBN Commercial Agricultural Credit Scheme (see (iv) below)	8,998	9,155	-	-
British International Investment (see (vii) below)	35,584	31,819	-	-
	187,957	136,434	-	-

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. Tranche A is priced at 6-month LIBOR + 3.6%, while Tranche B is priced at 6-month LIBOR +1.9%. Both tranches expired on 09 June 2022 and were 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 2022 was USD284 million (Dec 2021: USD219 million). The facilities have different expiry dates with the longest expiring on 30 September 2027.
- 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 N1,223 million (Tranche 1), N1,386 million (Tranche 2) and N770 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 N10.9 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 British International Investment. 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 period ended 31 December 2022 (Dec 2021: Nil).

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for the year ended 31 December 2022

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
20 Debts Securities Issued				
(i) Senior unsecured debt Naira (see (i) below)	29,947	30,107	-	-
(ii) Subordinated debt - US dollar (see (ii) below)	19,071	17,312	-	-
(iii) Commercial Paper Issued (see (iii) below)	21,860	-	-	-
(iv) Bond issued (see (iv) below)	1,000	-	-	-
	71,878	47,419	-	-

- (i) This represents Naira denominated Unsecured senior debt of N30bn 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-collateralised 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 4.82%.
- (iii) The Commercial paper is a N100bn 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.
- (iv) This represents Naira denominated Unsecured bond of N1bn issued on 05 December 2022 at a fixed interest rate of 15.75% per annum payable semi-annually. It has a tenor of 5 years. The debt is unsecured.

The group has not had any default of principal, interest or any other covenant breaches with respect to its debt securities during the period ended 31 December 2022 (2021: Nil).

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
21 Other liabilities				
Trading settlement liabilities	4,102	38,230	-	-
Cash-settled share-based payment liability	1,855	925	809	365
Accrued expenses - Staff	6,646	4,371	987	753
Deferred revenue (iii)	3,960	17,480	-	-
Accrued expenses - Others	6,190	5,861	761	552
Due to group companies	62,035	38,765	57,628	33,414
Collections / remittance payable	146,233	219,794	155	152
Customer deposit for letters of credit	23,679	25,897	-	-
Insurance contract liabilities	-	-	-	-
Unclaimed balance (i)	3,127	2,963	-	-
Payables to suppliers and asset management clients	4,388	2,215	114	6
Draft & bank cheque payable	1,014	784	-	-
Electronic channels settlement liability	7,157	3,997	-	-
Unclaimed dividends liability (ii)	4,513	3,514	4,513	3,514
Clients cash collateral for derivative transactions (iv)	7,371	46,945	-	-
Lease liability (v)	705	473	-	-
Sundry liabilities	68,461	48,304	20	76
	351,436	460,518	64,987	38,832

Increase in other liabilities is majorly on account of growth in unsettled dealing balance, deferred revenue and collection activities at reporting period.

- (i) Unclaimed balances include demand drafts not yet presented for payment by beneficiaries.
- (ii) Amount represents liability in respect of unclaimed dividends as at 31 December 2022. The assets held for the liability are presented in note 10 and 12.
- (iii) Deferred revenue include unrecognised gains on swaps transaction with the Central Bank
- (iv) Amount represents margin cash collateral for FX futures
- (v) Lease liabilities represents the Lease liabilities which are initially measured at the present value of the contractual payments due to the lessor over the lease term,

STANBIC IBTC HOLDINGS PLC**Notes to the condensed consolidated interim financial statements (continued)**

for the year ended 31 December 2022

22 Provisions

	Legal	Taxes & levies	Expected credit loss for off balance sheet	Total
31 December 2022	N million	N million	N million	N million
Balance at 1 January 2022	6,150	2,368	784	9,302
Provisions made during the year	1,199	8,737	952	10,888
Provisions used during the year	-	(8,442)	-	(8,442)
Provisions reversed during the year	(1,893)	-	(1,097)	(2,990)
Balance at 31 December 2022	5,456	2,663	639	8,758

	Legal	Taxes & levies	Expected credit loss for off balance sheet	Total
31 December 2021	N million	N million	N million	N 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 used 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

(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 amount 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.

(b) Taxes & levies

Provisions for taxes and levies relates to additional assessment on taxes, including withholding tax, value added tax, PAYE tax.

(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.

STANBIC IBTC HOLDINGS PLC

Notes to the consolidated and separate annual financial statements for the year ended 31 December 2022

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
23 Statement of cash flows notes				
23.1 Decrease/(increase) in assets				
Net derivative assets	(187)	(6,997)	-	-
Trading assets	(91,688)	70,912	-	-
Pledged assets	54,345	(11,757)	-	-
Loans and advances	(272,756)	(285,537)	-	-
Other assets	(3,860)	54,321	(6,941)	2,897
Restricted balance with the Central Bank	(41,771)	(443,998)	-	-
	(355,917)	(623,056)	(6,941)	2,897
23.2 Increase/(decrease) in deposits and other liabilities				
Deposit and current accounts	186,924	229,986	-	-
Trading liabilities	108,948	(76,477)	-	-
Other liabilities and provisions	(109,782)	109,510	26,157	29,963
Effect of exchange rate on cash and cash equivalents	4,914	4,343	-	-
	191,004	267,362	26,157	29,963
23.3 Cash and cash equivalents - Statement of cash flows				
Cash and Bank balances (note 6)	671,815	665,500	50,294	53,236
Less: restricted balance with the Central Bank of Nigeria	(478,609)	(443,998)	-	-
Cash and bank balances at end of the year	193,206	221,502	50,294	53,236

STANBIC IBTC HOLDINGS PLC

Notes to the consolidated and separate annual financial statements

for the year ended 31 December 2022

24 Classification of financial instruments

Accounting classifications and fair values

The table below sets out the group's classification of assets and liabilities, and their fair values.

	Note	Fair Value Through P&L			Amortised cost	Fair-value through other comprehensive income		Other amortised cost	Total carrying amount	Fair value ¹
		Held for trading	Designated at fair value	Fair value through P/L - default		Debt Instrument	Equity Instrument			
		N million	N million	N million		N million	N million			
31 December 2022										
Assets										
Cash and cash equivalents	6	-	-	503,270	168,545	-	-	-	671,815	671,815
Derivative assets	9	42,134	-	-	-	-	-	-	42,134	42,134
Trading assets	8	190,431	-	-	-	-	-	-	190,431	190,431
Pledged assets	7	54,804	-	-	-	73,186	-	-	127,990	127,990
Financial investments	10	-	-	63,016	57,049	458,509	3,643	-	582,216	582,216
Loans and advances to banks	11	-	-	-	3,404	-	-	-	3,404	3,404
Loans and advances to customers	11	-	-	-	1,205,206	-	-	-	1,205,206	1,205,206
Other assets (see note a below)		-	-	-	125,955	-	-	-	125,955	125,955
		287,369	-	566,286	1,560,159	531,695	3,643	-	2,949,151	2,949,151
Liabilities										
Derivative liabilities	9	26,099	-	-	-	-	-	-	26,099	26,099
Trading liabilities	8	220,971	-	-	-	-	-	-	220,971	220,971
Deposits from banks	18	-	-	-	-	-	-	500,781	500,781	500,781
Deposits from customers	18	-	-	-	-	-	-	1,243,962	1,243,962	1,243,962
Debt securities issued		-	-	-	-	-	-	71,878	71,878	71,878
Other borrowings		-	-	-	-	-	-	187,957	187,957	187,957
Other liabilities (see note b below)		-	-	-	-	-	-	332,785	332,785	332,785
		247,070	-	-	-	-	-	2,077,528	2,584,433	2,584,433

(a) Other assets presented in the table above comprise financial assets only. The following items have been excluded: prepayment and indirect/withholding tax receivable.

(b) Other liabilities presented in the table above comprise financial liabilities only. Deferred revenue was excluded.

¹ Carrying value has been used where it closely approximates fair values. Fair value estimates are generally subjective in nature, and 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. The fair value is a theoretical value applicable at a given reporting date, and hence can only be used as an indicator of the value realisable in a future sale.

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24 Classification of financial instruments continued

	Note	Fair Value Through P&L			Amortised cost	Fair-value through other comprehensive income		Other amortised cost	Total carrying amount	Fair value ¹
		Held for trading	Designated at fair value	Fair value through P/L - default		Debt Instrument	Equity Instrument			
		N million	N million	N million		N million	N million			
31 December 2021										
Assets										
Cash and cash equivalents	6	-	-	623,216	29,854	-	-	-	653,070	653,070
Derivative assets	9	41,212	-	-	-	-	-	-	41,212	41,212
Trading assets	8	98,743	-	-	-	-	-	-	98,743	98,743
Pledged assets	7	95,187	-	-	-	87,148	-	-	182,335	182,335
Financial investments	10	-	-	47,795	5,109	580,709	3,021	-	636,634	636,634
Loans and advances to banks	11	-	-	-	16,096	-	-	-	16,096	16,096
Loans and advances to customers	11	-	-	-	921,044	-	-	-	921,044	907,873
Other assets (see note 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	9	25,364	-	-	-	-	-	-	25,364	25,364
Trading liabilities	8	112,023	-	-	-	-	-	-	112,023	112,023
Deposits from banks	18	-	-	-	-	-	-	431,862	431,862	431,862
Deposits from customers	18	-	-	-	-	-	-	1,126,535	1,126,535	1,126,535
Debt securities issued		-	-	-	-	-	-	47,419	47,419	47,419
Other borrowings		-	-	-	-	-	-	136,434	136,434	136,434
Other liabilities (see note b below)		-	-	-	-	-	-	443,038	443,038	443,038
		137,387	-	-	-	-	-	2,185,288	2,322,675	2,322,675

(a) Other assets presented in the table above comprise financial assets only. The following items have been excluded: prepayment and indirect/withholding tax receivable.

(b) Other liabilities presented in the table above comprise financial liabilities only. Deferred revenue was excluded.

¹ Carrying value has been used where it closely approximates fair values. Fair value estimates are generally subjective in nature, and 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. The fair value is a theoretical value applicable at a given reporting date, and hence can only be used as an indicator of the value realisable in a future sale.

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24 Classification of financial instruments continued

	Note	Fair Value Through P&L			Amortised cost	Fair-value through other comprehensive income		Other amortised cost	Total carrying amount	Fair value ¹
		Held for trading	Designated at fair value	Fair value through P/L - default		Debt Instrument	Equity Instrument			
31 December 2021										
Assets										
Cash and cash equivalents	6	-	-	623,216	29,854	-	-	-	653,070	653,070
Derivative assets	9	41,212	-	-	-	-	-	-	41,212	41,212
Trading assets	8	98,743	-	-	-	-	-	-	98,743	98,743
Pledged assets	7	95,187	-	-	-	87,148	-	-	182,335	182,335
Financial investments	10	-	-	47,795	5,109	580,709	3,021	-	636,634	636,634
Loans and advances to banks	11	-	-	-	16,096	-	-	-	16,096	16,096
Loans and advances to customers	11	-	-	-	921,044	-	-	-	921,044	907,873
Other assets (see note 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	9	25,364	-	-	-	-	-	-	25,364	25,364
Trading liabilities	8	112,023	-	-	-	-	-	-	112,023	112,023
Deposits from banks	18	-	-	-	-	-	-	431,862	431,862	431,862
Deposits from customers	18	-	-	-	-	-	-	1,126,535	1,126,535	1,126,535
Debt securities issued		-	-	-	-	-	-	47,419	47,419	47,419
Other borrowings		-	-	-	-	-	-	136,434	136,434	136,434
Other liabilities (see note b below)		-	-	-	-	-	-	443,038	443,038	443,038
		137,387	-	-	-	-	-	2,185,288	2,322,675	2,322,675

(a) Other assets presented in the table above comprise financial assets only. The following items have been excluded: prepayment and indirect/withholding tax receivable.

(b) Other liabilities presented in the table above comprise financial liabilities only. Deferred revenue was excluded.

¹ Carrying value has been used where it closely approximates fair values. Fair value estimates are generally subjective in nature, and 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. The fair value is a theoretical value applicable at a given reporting date, and hence can only be used as an indicator of the value realisable in a future sale.

25 Financial instruments measured at fair value

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.

25.1 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 (i.e. as quoted prices) or indirectly (i.e. 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 net present value and 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 both credit value adjustment (CVA) when market participants take this into consideration in pricing the derivatives.

25.2 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.

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25.3 Financial instruments measured at fair value - fair value hierarchy

The tables below analyze financial instruments carried at fair value at the end of the reporting period, 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.

Group	Fair value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2022					
Assets					
Cash and cash equivalents	503,270	503,270	-	-	503,270
Derivative assets	42,134	-	32,525	9,609	42,134
Trading assets	190,431	161,536	28,895	-	190,431
Pledged assets	127,990	127,990	-	-	127,990
Financial investments	525,167	453,047	68,477	3,643	525,167
	1,388,992	1,245,843	129,897	13,252	1,388,992
Comprising:					
Fair Value Through P&L	232,565	161,536	61,420	9,609	232,565
Fair Value Through OCI	653,157	581,037	68,477	3,643	653,157
	885,722	742,573	129,897	13,252	885,722
Liabilities					
Derivative liabilities	26,099	-	26,099	-	26,099
Trading liabilities	220,971	58,944	162,027	-	220,971
	247,070	58,944	188,126	-	247,070
Comprising:					
Fair Value Through P&L	247,070	58,944	188,126	-	247,070
Designated at fair value	-	-	-	-	-
	247,070	58,944	188,126	-	247,070

There have been no transfers between Level 1 and Level 2 during the period. No reclassifications were made in or out of level 3 during the period.

Group	Fair value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2021					
Assets					
Cash and cash equivalents	623,216	-	623,216	-	623,216
Derivative assets	41,212	-	29,843	11,369	41,212
Trading assets	98,743	88,300	10,443	-	98,743
Pledged assets	182,335	182,335	-	-	182,335
Financial investments	631,525	628,504	-	3,021	631,525
	1,577,031	899,139	663,502	14,390	1,577,031
Comprising:					
Held-for-trading	136,399	183,487	653,059	11,369	847,915
Fair Value Through OCI	1,341,889	715,652	10,443	3,021	729,116
	1,478,288	899,139	663,502	14,390	1,577,031
Liabilities					
Derivative liabilities	25,364	-	25,364	-	25,364
Trading liabilities	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 have been no transfers between Level 1 and Level 2 during the period. No reclassifications were made in or out of level 3 during the period.

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25.3 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.

	31 Dec. 2022		31 Dec. 2021	
	Derivative assets N million	Financial investments N million	Derivative assets N million	Financial investments N million
Balance at 1 January	11,369	3,021	6,572	3,048
Gains included in profit or loss - Trading revenue	(2,305)	-	(10,930)	-
Gains recognised in other comprehensive income		622	-	519
Day one Profit / (loss) recognised	545		15,727	-
Sales and settlements		-	-	(546)
Balance at period end	9,609	3,643	11,369	3,021

Gain or loss for the period in the table above are presented in the statement of other comprehensive income as follows:

	31 Dec. 2022		31 Dec. 2021	
	Derivative assets N million	Financial investments N million	Derivative assets N million	Financial investments N million
Trading revenue	(2,305)		1,781	-
Other comprehensive income		622	-	519

(ii) **Unobservable inputs used in measuring fair value**

The information below describes the significant unobservable inputs used at period end in measuring financial instruments categorised as level 3 in the fair value hierarchy.

Type of financial instrument	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable input
Unquoted equities	Discounted cash flow	- Risk adjusted discount rate	A significant increase in the spread above the risk-free rate would result in a lower fair value.
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	A significant move (either positive or negative) in the unobservable input will result in a significant move in the fair value.

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25.4 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	Fair value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2022					
Assets					
Cash and cash equivalents	168,545	-	168,545	-	168,545
Financial Investment	57,049	-	57,049	-	57,049
Loans and advances to banks	3,404	-	3,404	-	3,404
Loans and advances to customers	1,205,206	-	1,205,206	-	1,205,206
Other financial assets	125,955	-	125,955	-	125,955
	1,560,159	-	1,560,159	-	1,560,159
Liabilities					
Deposits from banks	500,781	-	500,781	-	500,781
Deposits from customers	1,243,962	-	1,243,962	-	1,243,962
Other borrowings	187,957	-	187,957	-	187,957
Debt securities issued	71,878	-	71,878	-	71,878
Other financial liabilities	332,785	-	332,785	-	332,785
	2,337,363	-	2,337,363	-	2,337,363

Group	Fair value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2021					
Assets					
Cash and cash equivalents	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	-	907,873	-	907,873
Other financial assets	120,385	-	120,385	-	120,385
	1,092,488	-	1,079,317	-	1,079,317
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

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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	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
26	Contingent liabilities and commitments			
26.1	Contingent liabilities			
	Letters of credit	185,714	-	-
	Guarantees	104,418	-	-
	206,722	290,132	-	-

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 N1,091 million (Dec 2021: N794 million) on this has been included in provisions.

26.2 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 2022 consisted of 411 cases and aggregate value of monetary claims against the Stanbic IBTC Group was N264,842,827,754.70; USD\$4,438,678.78 & GB £74,284.64.

The claims against the group are generally considered to have a low likelihood of success and the group is actively defending same. Management believes that the ultimate resolution of any of the proceedings will not have a significantly adverse effect on the group. Where the group envisages that there is a more than average chance that a claim against it will succeed, adequate provisions are raised in respect of such claim.

In addition the Bank is involved in litigation against AMCON, please below for further details.

There were no other events after the reporting date which could have a material effect on the financial position of the group as at 31 December 2022 which have not been recognized or disclosed.

Asset Management Corporation of Nigeria

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 N10 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 October 4, 2017 informed the Bank of its intention to reprice the loan and claw back the sum of N5.7bn, 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 23 March 2023 for settlement of issues.

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**Notes to the consolidated and separate annual financial statements
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27 Supplementary income statement information

	Group				Company			
	3 months 31 Dec. 2022	12 months 31 Dec. 2022	3 months 31 Dec. 2021	12 months 31 Dec. 2021	3 months 31 Dec. 2022	12 months 31 Dec. 2022	3 months 31 Dec. 2021	12 months 31 Dec. 2021
	N million	N million	N million	N million	N million	N million	N million	N million
27.1 Interest income								
Interest on loans and advances to banks	458	1,247	186	737	-	-	-	-
Interest on loans and advances to customers	37,494	119,964	22,954	77,715	-	-	-	-
Interest on investments	7,661	31,459	8,608	26,299	43	147	80	90
	45,613	152,670	31,748	104,751	43	147	80	90
Interest income on items measured at amortised cost	45,613	152,588	24,242	81,487	-	-	-	-
Interest income on debt instruments measured at FVOCI	0	82	7,506	23,264	43	147	80	90
The amount reported above include interest income calculated using the effective interest rate method that relates to financial assets measured at amortised cost and carried at FVOCI. Interest income for the period ended 31 December 2022 includes N978 million (December 2021: N487 million) relating to interest income recognised on credit impaired financial assets.								
27.2 Interest expense								
Savings accounts	1,404	2,429	249	1,085	-	-	-	-
Current accounts	342	1,640	604	1,825	-	-	-	-
Call deposits	379	829	1,027	1,193	-	-	-	-
Term deposits	3,280	12,121	5,104	10,195	-	-	-	-
Interbank deposits	1,768	5,665	1,193	4,694	-	-	-	-
Borrowed funds	4,978	16,857	2,193	10,382	-	-	-	-
Lease Expense	4	10	3	5	-	-	-	-
	12,155	39,551	10,373	29,379	-	-	-	-
Interest expense on items measured at amortised cost	12,151	39,541	10,370	29,374	-	-	-	-
Interest expense on lease liabilities	4	10	3	5	-	-	-	-
27.3 Net fee and commission revenue								
Fee and commission revenue	23,931	96,401	24,685	88,321	1,289	1,644	1,099	1,517
Account transaction fees	1,892	5,446	1,314	5,088	-	-	-	-
Card based commission	1,124	5,073	517	2,391	-	-	-	-
Brokerage and financial advisory fees	2,134	10,018	2,411	8,027	-	-	-	-
Asset management fees	15,416	58,609	14,117	54,726	-	-	-	-
Custody transaction fees	684	2,253	553	2,146	-	-	-	-
Electronic banking	885	2,513	3,693	3,693	-	-	-	-
Foreign currency service fees	1,548	7,513	4,503	7,034	-	-	-	-
Documentation and administration fees	1,737	3,120	(1,790)	3,216	-	-	-	-
Others	(1,489)	1,856	(633)	2,000	1,289	1,644	1,099	1,517
Fee and commission expense	(990)	(5,006)	(1,460)	(5,444)	-	-	-	-
	22,941	91,395	23,225	82,877	1,289	1,644	1,099	1,517
Increase in fee and commission revenue is mainly attributable to increase in Asset mgt fees coupled with increase in fees earned on card related transactions.								
27.4 Income from life insurance activities								
a Insurance premium received								
Gross premium written	3,685	17,199	3,045	6,000	-	-	-	-
Unearned premium	196	(125)	38	(292)	-	-	-	-
	3,881	17,074	3,083	5,708	-	-	-	-
Change in insurance contract liabilities	(3,740)	(14,141)	(2,685)	(4,856)	-	-	-	-
	141	2,933	398	852	-	-	-	-
b Insurance premium revenue ceded to reinsurers								
Reinsurance expense	118	555	55	172	-	-	-	-
Commission paid to brokers for reinsurance	156	728	116	276	-	-	-	-
Unexpired risk premium on reinsurance	6	(54)	(3)	(50)	-	-	-	-
Commission earned from reinsurance	17	(151)	(12)	(44)	-	-	-	-
	297	1,078	156	354	-	-	-	-
c Insurance benefits and claims paid								
Insurance Claims Paid	740	1,895	232	447	-	-	-	-
Reinsurance Claims Recovered	(105)	(106)	(83)	(125)	-	-	-	-
	635	1,789	149	322	-	-	-	-
27.5 Trading revenue								
Commodities	-	-	-	-	-	-	-	-
Equities	2	2	1	(2)	-	-	-	-
Fixed income and currencies	9,798	34,684	4,281	13,288	-	-	-	-
	9,800	34,686	4,282	13,286	-	-	-	-

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27 Supplementary income statement information continued

	Group				Company			
	3 months	12 months	3 months	12 months	3 months	12 months	3 months	12 months
	31 Dec. 2022	31 Dec. 2022	31 Dec. 2021	31 Dec. 2021	31 Dec. 2022	31 Dec. 2022	31 Dec. 2021	31 Dec. 2021
	N million	N million	N million	N million	N million	N million	N million	N million
27.6 Other revenue								
Dividend income	167	602	245	636	-	55,058	3,441	35,404
Others	816	579	(10)	(1,202)	187	192	(51)	14
	983	1,181	235	(566)	187	55,250	3,390	35,418
27.7 Net impairment write-back/(loss) on financial assets								
Net expected credit losses raised and released for financial investments	208	205	66	(43)	-	-	-	-
12 month ECL	208	205	66	(43)	-	-	-	-
Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Net expected credit losses raised and released for Loan and advances to banks	-	(3)	(3,032)	1	-	-	-	-
12 month ECL	-	(3)	(2,883)	1	-	-	-	-
Lifetime ECL not credit impaired	-	-	(161)	-	-	-	-	-
Lifetime ECL credit impaired	-	-	12	-	-	-	-	-
Net expected credit losses raised and released for Loan and advances to customers	3,736	11,749	5,851	4,181	-	-	-	-
12 month ECL	1,477	3,015	(1,057)	1,345	-	-	-	-
Lifetime ECL not credit impaired	278	469	344	(226)	-	-	-	-
Lifetime ECL credit impaired	1,981	8,265	6,564	3,062	-	-	-	-
Net expected credit losses raised and released on off balance sheet exposures	(460)	(157)	4,623	(442)	-	-	-	-
12 month ECL	(423)	(115)	4,614	(434)	-	-	-	-
Lifetime ECL not credit impaired	(37)	(42)	9	(8)	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Net expected credit losses raised and released on other assets	249	402	-	(280)	-	-	-	-
12 month ECL	249	402	-	(280)	-	-	-	-
Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Recoveries on loans and advances previously written off	(903)	(1,906)	(3,086)	(4,922)	-	-	-	-
	2,830	10,290	4,422	(1,505)	-	-	-	-
27.8 Other operating expenses								
Information technology	4,380	13,532	3,696	9,854	16	6	224	224
Communication expenses	186	1,781	406	1,273	(16)	(64)	(61)	(61)
Premises Expenses	1,824	5,332	1,199	3,603	57	137	1	1
Depreciation Expenses	1,989	7,394	1,398	6,595	36	128	22	106
Amortisation of intangible asset	191	765	192	763	-	-	-	-
Deposit insurance premium	2,124	6,932	1,490	5,223	-	-	-	-
AMCON expenses	-	14,602	-	12,920	-	-	-	-
Other insurance premium	616	2,450	719	2,273	1	5	(4)	(4)
Auditors remuneration	131	490	95	422	20	69	14	60
Non-audit service fee	-	-	-	-	-	-	-	-
Professional fees	(387)	2,398	643	1,657	49	206	102	102
Administration and membership fees	529	2,139	723	2,287	38	117	73	73
Training expenses	251	954	159	408	2	209	106	106
Security expenses	456	1,894	509	1,860	16	50	19	19
Travel and entertainment	744	1,628	255	494	176	349	63	63
Stationery and printing	163	1,410	193	933	4	52	73	73
Marketing and advertising	1,766	5,587	1,574	3,289	454	1,553	847	847
Pension administration expense	(649)	-	147	566	-	-	-	-
Penalties and fines	26	159	207	481	-	-	-	-
Donations	140	230	45	1,356	141	182	(22)	122
Operational losses	17	148	34	548	1	1	-	-
Directors fees & expenses	239	935	202	744	104	451	96	324
Provision for legal costs and levies	-	-	(251)	(607)	-	-	-	-
Impairment of other financial assets	(412)	(364)	621	998	-	-	(8)	(8)
Motor vehicle maintenance expense	(828)	-	399	1,172	(19)	-	22	22
Bank Charges	2,571	3,119	515	888	40	41	-	-
Indirect tax (VAT)	638	2,478	536	1,831	77	210	33	140
Commission Paid	104	158	58	185	-	-	-	-
Others	1,373	2,411	575	2,590	(66)	(62)	(926)	(8)
	18,182	78,562	16,339	64,606	1,131	3,640	674	2,201
27.9 Income tax								
Current tax	6,043	19,535	8,596	9,037	3	10	6	8
Deferred tax	(269)	-	(445)	-	-	-	-	-
	5,774	19,535	8,151	9,037	3	10	6	8

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	Group				Company			
	3 months	12 months	3 months	12 months	3 months	12 months	3 months	12 months
	31 Dec. 2022	31 Dec. 2022	31 Dec. 2021	31 Dec. 2021	31 Dec. 2022	31 Dec. 2022	31 Dec. 2021	31 Dec. 2021
	N million	N million	N million	N million	N million	N million	N million	N million
28 Earnings per ordinary share								
The calculation of basic earnings per ordinary share and diluted earnings per ordinary share are as follows:								
Earnings based on weighted average shares in issue								
Earnings attributable to ordinary shareholders (N million)	25,242	78,373	17,848	54,378	(1,436)	50,695	3,452	32,358
Weighted average number of ordinary shares in issue (number of shares)								
Weighted average number of ordinary shares in issue	12,957	12,957	12,957	12,957	12,957	12,957	12,957	12,957
Basic earnings per ordinary share (kobo)	195	605	138	420	(11)	391	27	250

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Notes to the consolidated and separate annual financial statements for the year ended 31 December 2022

29 Related party transactions

29.1 Parent and ultimate controlling party

The company is 67.55% owned by Stanbic Africa Holdings Limited, which is incorporated in the United Kingdom. The ultimate parent and controlling party of the group/ company is Standard Bank Group Limited, incorporated in South Africa. Stanbic IBTC Holdings PLC has 10 direct subsidiaries and 1 indirect subsidiaries as listed 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, Liberty Holdings Limited and Standard Bank (Mauritius) Limited. ICBC Standard Bank PLC, which is an associate of Standard Bank Group Limited, is also a related party.

29.2 Subsidiaries

Details of effective interest in subsidiaries are disclosed below.

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 Stockbrokers Limited	100%
Stanbic IBTC Trustees Limited	100%
Stanbic IBTC Insurance Brokers Limited	Direct 75%, Indirect 25%
Stanbic IBTC Insurance Limited	100%
Stanbic IBTC Financial Services Limited	100%
Stanbic IBTC Nominees Limited - Indirect subsidiary	100%

29.3 Key management personnel

Key management personnel includes: members of the Stanbic IBTC Holdings PLC board of directors and Stanbic IBTC Holdings PLC executive committee. Non-executive directors are included in the definition of key management personnel as required by IAS 24 Related Party Disclosure. The definition of key management includes the close members of family of key management personnel and any entity over which key management exercise control, joint control or significant influence. Close members of family are those family members who may be expected to 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.

	31 Dec. 2022 N million	31 Dec. 2021 N million
Key management compensation		
Salaries and other short-term benefits	996	726
Post-employment benefits	33	25
Value of share options and rights expensed	-	-
	1,029	751
The transactions below are entered into in the normal course of business.		
	31 Dec. 2022 N million	31 Dec. 2021 N million
Loans and advances		
Loans outstanding at the beginning of the year	353	332
Net movement during the year	429	21
Loans outstanding at the end of the year	782	353

Loans include mortgage loans, instalment sale and finance leases and credit cards. No specific impairments have been recognised in respect of loans granted to key management (2021: nil). The mortgage loans and instalment sale and finance leases are secured by the underlying assets. All other loans are unsecured.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the year ended 31 December 2022

30 Related party transactions continued

	31 Dec. 2022 N million	31 Dec. 2021 N million
Deposit and current accounts		
Deposits outstanding at beginning of the year	316	565
Net movement during the year	613	(249)
Deposits outstanding at end of the year	929	316

Deposits include cheque, current and savings accounts.

30.1 Service contracts with related parties

In the normal course of business, current accounts are operated and placements of foreign currencies and trades between currencies are made between the parent company and other group companies at interest rates that are in line with the market.

The relevant balances are shown below:

	31 Dec. 2022 N million	31 Dec. 2021 N million
(i) Due from group companies		
Loans to banks	530	-
Current account balances	8,713	8,411
Derivatives	1,718	399
Other assets	507	706
	11,468	9,516
(ii) Due to group companies		
Deposits and current accounts	27,735	9,008
Derivatives	2,431	673
Debt securities issued	19,071	17,312
Other borrowings	131,532	80,108
Other liabilities	62,036	38,765
	242,805	145,866

	31 Dec. 2022 N million	31 Dec. 2021 N million
(iii) Profit or loss impact of transactions with group entities		
Interest income earned	245	27
Interest expense paid	(4,817)	(1,923)
Trading revenue	190	(884)
Fee and commission income	407	40
Operating expense incurred	-	-

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Notes to the condensed consolidated interim financial statements (continued)
for the year ended 31 December 2022

30 Summarised financial statements of the consolidated entities

	Stanbic IBTC Holdings PLC Company N'million	Stanbic IBTC Bank PLC N'million	Stanbic IBTC Capital Ltd N'million	Stanbic IBTC Pension Managers Ltd N'million	Stanbic IBTC Asset Mgt Ltd N'million	Stanbic IBTC Ventures Ltd N'million	Stanbic IBTC Trustees Ltd N'million	Stanbic IBTC Stockbrokers Ltd N'million	Stanbic IBTC Insurance Ltd N'million	Stanbic IBTC Insurance Brokers Ltd N'million	Stanbic IBTC Financial Services Ltd N'million	Consolidations / Eliminations N'million	Stanbic IBTC Holdings PLC Group N'million
Income statement													
Net interest income	147	105,522	678	4,079	163	187	23	50	2,068	191	11	-	113,119
Non interest revenue	56,894	60,588	6,132	48,382	10,433	99	829	1,185	(442)	771	1	(57,544)	127,328
Total income	57,041	166,110	6,810	52,461	10,596	286	852	1,235	1,626	962	12	(57,544)	240,447
Staff costs	(2,696)	(33,973)	(1,902)	(7,110)	(3,106)	-	(445)	(477)	(688)	(399)	(200)	-	(50,996)
Operating expenses	(3,640)	(62,116)	(1,254)	(11,129)	(1,364)	(45)	(162)	(368)	(663)	(287)	(19)	2,485	(78,562)
Credit impairment charges	-	(10,148)	(13)	(2)	(8)	-	(122)	(1)	1	3	-	-	(10,290)
Total expenses	(6,336)	(106,237)	(3,169)	(18,241)	(4,478)	(45)	(729)	(846)	(1,350)	(683)	(219)	2,485	(139,848)
Profit before tax	50,705	59,873	3,641	34,220	6,118	241	123	389	276	279	(207)	(55,059)	100,599
Tax	(10)	(4,798)	(1,438)	(11,343)	(1,854)	210	(95)	(143)	30	(89)	(5)	-	(19,535)
Profit for the period	50,695	55,075	2,203	22,877	4,264	451	28	246	306	190	(212)	(55,059)	81,064
At 31 December 2021	32,358	29,766	1,596	21,895	5,833	174	237	294	122	217	10	(35,536)	56,966

STANBIC IBTC HOLDINGS PLC
Notes to the condensed consolidated interim financial statements (continued)
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32 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 (2021: 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.

Schedule of directors and staff related credits

Name of Company/Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N	Outstanding plus Accrued Interest N	Status	Interest Rate %	Security nature
ANAP HOLDINGS LIMITED	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Card	NGN	17-Aug-20	31-Aug-23	1,500,000	230,053	30	Performing	SHARES
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	18-Mar-21	22-Feb-23	116,386,731	49,411,361	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	18-Mar-21	22-Feb-23	219,775,845	113,256,064	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	23-Mar-21	22-Feb-23	17,747,591	2,344,196	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	26-Mar-21	22-Feb-23	25,732,331	3,374,187	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	22-Apr-21	11-Feb-23	34,776,946	39,671,933	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	30-Apr-21	19-Feb-23	171,742,228	77,676,740	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	25-May-21	14-Feb-23	42,052,320	7,133,231	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	4-Jun-21	24-Feb-23	11,963,046	13,518,913	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	GBP	23-Jun-21	13-Feb-23	188,681,518	211,947,615	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	28-Jun-21	18-Feb-23	153,384,731	149,537,340	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	28-Jun-21	18-Feb-23	35,037,112	39,413,435	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	28-Jun-21	17-Feb-23	119,700,306	115,974,858	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	6-Jul-21	26-Feb-23	59,845,459	67,204,799	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	6-Jul-21	26-Feb-23	59,950,331	67,322,569	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	8-Jul-21	28-Feb-23	62,761,437	70,448,154	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	23-Jul-21	13-Feb-23	59,897,287	67,033,146	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	23-Jul-21	13-Feb-23	59,878,105	67,011,677	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	23-Jul-21	13-Feb-23	36,000,899	40,283,610	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	28-Jul-21	18-Feb-23	255,186,136	284,382,224	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	2-Aug-21	23-Feb-23	67,514,262	75,395,494	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	6-Aug-21	27-Feb-23	127,604,712	141,952,378	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	17-Aug-21	9-Jan-23	126,621,282	102,113,599	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	17-Aug-21	9-Jan-23	127,593,068	101,184,611	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	20-Aug-21	11-Feb-23	69,667,627	77,519,380	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	27-Aug-21	18-Feb-23	134,067,253	119,815,713	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	3-Sep-21	25-Feb-23	45,021,804	49,946,260	8	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	3-Sep-21	25-Feb-23	22,510,902	24,973,130	8	Performing	NEGATIVE PLEDGE

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Notes to the condensed consolidated interim financial statements (continued)
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32 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 (2021: 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.

Schedule of directors and staff related credits

Name of Company/Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N	Outstanding plus Accrued Interest N	Status	Interest Rate %	Security nature
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	GBP	10-Sep-21	2-Feb-23	206,817,975	228,644,821	8.06	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	22-Sep-21	14-Feb-23	22,510,902	24,878,129	8.12	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	5-Oct-21	27-Feb-23	57,586,730	12,851,132	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	27-Oct-21	20-Jan-23	20,080,702	22,036,324	8.13	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	5-Nov-21	29-Jan-23	140,168,157	153,551,063	8.15	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	10-Nov-21	3-Feb-23	62,761,437	68,681,108	8.14	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	17-Dec-21	11-Jan-23	62,761,437	68,192,628	8.20	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	23-Dec-21	17-Jan-23	94,123,711	102,154,358	8.21	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	30-Dec-21	24-Jan-23	94,123,711	44,468,410	8.22	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	11-Jan-22	5-Feb-23	62,761,437	67,858,764	8.24	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	28-Sep-22	25-Feb-23	30,702,045	31,341,321	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	29-Sep-22	26-Feb-23	240,694,200	247,948,862	11.54	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	18-Oct-22	16-Jan-23	3,011,012	3,060,509	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	30-Dec-22	30-Mar-23	18,641,294	18,649,465	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	30-Dec-22	30-Mar-23	51,691,940	51,714,598	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	GBP	23-Dec-22	23-Mar-23	8,954,628	8,980,402	11.67	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	30-Dec-22	30-Mar-23	13,334,186	13,340,032	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	28-Dec-22	28-Mar-23	25,959,930	26,001,987	14.58	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO) NON- EXECUTIVE DIRECTOR (HOLDCCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	30-Dec-22	30-Mar-23	6,099,508	6,102,182	8.00	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO)	SALAMATU SULEIMAN	Overdraft	NGN	9-Dec-22	11-Jan-23	10,360,000,000	8,701,993,029	20.00	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO)	SALAMATU SULEIMAN	Term Loan	USD	22-Nov-21	15-Feb-23	181,193,063	193,748,987	6.16	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO)	SALAMATU SULEIMAN	Term Loan	USD	30-Jun-22	26-Jan-23	163,782,720	122,041,112	8.08	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO)	SALAMATU SULEIMAN	Term Loan	USD	30-Jun-22	26-Jan-23	272,971,200	217,400,991	8.08	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO)	SALAMATU SULEIMAN	Term Loan	USD	31-Aug-22	28-Jan-23	5,333,820,360	3,086,824,585	10.95	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCCO)	SALAMATU SULEIMAN	Term Loan	USD	22-Nov-22	20-Feb-23	6,092,606,520	6,196,578,949	15.36	Performing	NEGATIVE PLEDGE
Nampak Nigeria Plc	NON EXECUTIVE DIRECTOR (BANK)	SIMON RIDLEY	Term Loan	USD	23-Jun-21	13-Feb-23	35,819,262	29,569,601	8.08	Performing	NEGATIVE PLEDGE

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32 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 (2021: 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.

Schedule of directors and staff related credits

Name of Company/Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N	Outstanding plus Accrued Interest N	Status	Interest Rate %	Security nature
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Overdraft	NGN	11-Nov-22	11-Jan-23	1,500,000,000	-	15.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	16-Sep-21	13-Feb-23	84,191,985	9,468,367	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Sep-21	21-Feb-23	113,286,500	10,508,727	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	8-Oct-21	2-Mar-23	11,895,083	12,921,645	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Dec-21	23-Jan-23	165,638,531	137,064,859	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	10-Jan-22	4-Feb-23	460,746,303	56,169,767	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	USD	24-May-22	18-Feb-23	115,275,369	93,680,760	8.33	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	24-May-22	18-Feb-23	57,365,082	59,807,421	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	USD	24-May-22	18-Feb-23	36,574,037	34,145,580	8.33	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	USD	24-May-22	18-Feb-23	128,526,138	124,402,013	8.33	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	17-Jun-22	12-Feb-23	30,301,676	18,940,257	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jun-22	25-Jan-23	44,753,802	46,350,226	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jul-22	24-Feb-23	13,659,495	14,068,159	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	14-Jul-22	9-Feb-23	318,482,830	328,927,323	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jul-22	24-Feb-23	69,868,218	71,958,521	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	26-Jul-22	21-Feb-23	131,033,776	135,029,410	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	26-Jul-22	21-Feb-23	246,358,980	253,871,239	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jul-22	24-Feb-23	114,949,497	118,388,535	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jul-22	24-Feb-23	4,374,681	4,505,562	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	22-Aug-22	19-Jan-23	98,430,167	100,921,934	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	4-Aug-22	2-Mar-23	33,148,615	34,102,207	7.00	Performing	NEGATIVE PLEDGE
Elysium Diem (Nigeria) Ltd	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	NGN	11-Nov-22	30-Jun-25	10,000,000	10,010,411	19.00	Performing	Legal Mortgage
Nep Mall Limited	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	USD	11-Nov-22	30-Jun-25	3,207,960,457	3,253,401,940	10.27	Performing	Legal Mortgage
Urshday Ltd	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	NGN	11-Nov-22	30-Jun-25	10,000,000	10,285,479	19.00	Performing	Legal Mortgage
Gray-Bar Alliance Ltd	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	NGN	11-Nov-22	30-Jun-25	10,000,000	10,285,479	19.00	Performing	Legal Mortgage

STANBIC IBTC HOLDINGS PLC
Notes to the condensed consolidated interim financial statements (continued)
for the year ended 31 December 2022

32 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 (2021: 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.

Schedule of directors and staff related credits

Name of Company/Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N	Outstanding plus Accrued Interest N	Status	Interest Rate %	Security nature
Westport Oil Limited	CHAIRMAN (HOLDCO)	BASIL OMIYI	Term Loan	USD	3-Jan-20	31-Mar-26	18,444,000,005	18,548,261,364	12.17	Performing	(a) the Parent Nigerian Law Assignment; (b) each Parent Share Charge;
Westport Oil Limited	CHAIRMAN (HOLDCO)	BASIL OMIYI	Term Loan	USD	31-Jan-20	31-Mar-26	51,232,618	52,843,314	12.17	Performing	(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;
Westport Oil Limited	CHAIRMAN (HOLDCO)	BASIL OMIYI	Term Loan	USD	23-Jul-20	31-Mar-26	40,986,667	42,275,239	12.17	Performing	(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;
VARIOUS STAFF	STAFF	VARIOUS STAFF	STAFF LOAN				12,180,391,146	7,758,883,788			(l) the Second Elcrest English Law Security Agreement; (m) the Second Parent English Law Security Agreement;
							73,922,897,663	56,502,814,105			

OFF BALANCE SHEET

Account Name	NAME OF RELATED INTEREST	RELATIONSHIP TO REPORTING INSTITUTION	TYPE	OUTSTANDING	STATUS
FLOUR MILLS OF NIGERIA PLC RC	SALAMATU SULEIMAN	NON-EXECUTIVE DIRECTOR (HOLDCO)	LETTER OF CREDIT	13,815,018,483.30	PERFORMING
GOLDEN SUGAR COMPANY LIMITED	SALAMATU SULEIMAN	NON-EXECUTIVE DIRECTOR (HOLDCO)	LETTER OF CREDIT	74,989,905.69	PERFORMING
GUINNESS NIGERIA PLC	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	LETTER OF CREDIT	2,480,812,269.69	PERFORMING
GRAND TOTAL				16,370,820,658.68	

**Risk management
for the year ended 31 December 2022**

Risk management

Risk management is at the core of the operating and management structures of the group. The group seeks to limit adverse variations in earnings and equity by managing the balance sheet and capital within specified levels of risk appetite. Managing and controlling risks, and in particular avoiding undue concentrations of exposure and limiting potential losses from stress events are essential elements of the group's risk management and control framework, which ultimately leads to the protection of the group's reputation and brand.

The most important types of risk arising from financial instruments are credit risk, liquidity risk and market risk. The management of these risks is discussed in the consolidated financial statements of the group as at and for the year ended 31 December 2021.

There have been no significant change in the group's risk factors and uncertainties relative to those described in the consolidated financial statements as at and for the year ended 31 December 2021.

Capital management

Capital adequacy

The 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 process ensures that each group entity maintains sufficient capital levels 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 Central Bank of Nigeria (CBN) adopted the Basel II capital framework with effect from 1 October 2014 and revised the framework in June 2015. Stanbic IBTC Bank has been compliant with the requirements of Basel II capital framework since it was adopted.

The CBN on 02 September 2021 advised banks to implement a set of Basel III guidelines effective from November 2021. Steps are being taken to ensure full compliance.

Regulatory Capital

The group's regulatory capital is split into two:

Tier 1 capital includes ordinary share capital, share premium, retained earnings, statutory reserves, other reserves and non controlling interest less deferred tax asset.

Tier 2 capital includes subordinated debts and revaluation reserves.

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

Risk and capital management (continued)
for the year ended 31 December 2022

Capital management - BASEL II regulatory capital

Stanbic IBTC Group	Basel II	*Basel III	Basel II	*Basel III
	Group 31 Dec 2022 N'million	Group 31 Dec 2022 N'million	Group 31 Dec 2021 N'million	Group 31 Dec 2021 N'million
Tier 1	348,569	341,266	339,925	331,623
Paid-up share capital	6,478	6,478	6,478	6,478
Share premium	102,780	102,780	102,780	102,780
General reserve (retained profit)	164,092	164,092	156,008	156,008
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEIS reserve	11,719	11,719	10,241	10,241
Statutory reserve	54,453	54,453	54,453	54,453
Other reserves	-	-	76	76
IFRS 9 Transitional Adjustment Relief	-	-	-	-
Non controlling interests	8,008	705	8,850	548
Less: regulatory deduction	17,145	17,145	18,008	18,008
Goodwill	-	-	-	-
Deferred tax assets	13,938	13,938	13,997	13,997
Other intangible assets	3,207	3,207	4,011	4,011
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 Tier I capital	331,424	324,121	321,917	313,615
Additional Tier I Capital				
Instruments issued by consolidated subsidiaries and held by third parties	-	34	-	34
Eligible Tier I capital	331,424	324,155	321,917	313,649
Tier II	21,374	21,594	21,522	21,522
Instruments issued by consolidated subsidiaries and held by third parties	-	220	-	-
Subordinated term debt	19,071	19,071	17,312	17,312
Other comprehensive income (OCI)	2,303	2,303	4,210	4,210
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	21,374	21,594	21,522	21,522
Total regulatory capital	352,798	345,749	343,439	335,171
Risk weighted assets:				
Credit risk	1,417,470	1,417,470	1,224,036	1,224,036
Operational risk	348,878	348,878	348,878	348,878
Market risk	35,576	35,576	52,924	52,924
Total risk weighted asset	1,801,924	1,801,924	1,625,838	1,625,838
Total capital adequacy ratio	19.6%	19.2%	21.1%	20.6%
Tier I capital adequacy ratio	18.4%	18.0%	19.8%	19.3%
Common Equity Tier I capital adequacy ratio	18.4%	18.0%	19.8%	19.3%
Leverage:				
Total exposure measure	N/A	324,154	N/A	313,649
Capital measure	N/A	3,182,737	N/A	2,966,724
Leverage ratio	N/A	10.2%	N/A	10.6%

*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.

Risk and capital management (continued)
for the year ended 31 December 2022
Capital management - BASEL II regulatory capital

Stanbic IBTC Bank PLC	Basel II 31 Dec 2022 N'million	*Basel III 31 Dec 2022 N'million	Basel II 31 Dec 2021 N'million	*Basel III 31 Dec 2021 N'million
Tier 1	232,848	232,848	224,903	224,903
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)	118,166	118,166	114,178	114,178
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEEIS reserve	11,719	11,719	10,241	10,241
Statutory reserve	57,580	57,580	55,065	55,065
Other reserves	-	-	36	36
IFRS 9 Transitional Adjustment Relief	-	-	-	-
Non controlling interests	-	-	-	-
Less: regulatory deduction	16,833	16,833	17,598	17,598
Goodwill	-	-	-	-
Deferred tax assets	13,626	13,626	13,626	13,626
Other intangible assets	3,207	3,207	3,972	3,972
Investment in the capital of financial subsidiaries	-	-	-	-
Excess exposure(s) over single obligor without CBN approval	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same group	-	-	-	-
Unsecured lending to subsidiaries within the same group	-	-	-	-
Eligible Tier I capital	216,015	216,015	207,305	207,305
Tier II	18,933	18,933	19,633	19,633
Hybrid (debt/equity) capital instruments	-	-	-	-
Subordinated term debt	19,071	19,071	19,633	19,633
Other comprehensive income (OCI)	(138)	(138)	-	-
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	18,933	18,933	19,633	19,633
Total regulatory capital	234,948	234,948	226,938	226,938
Risk weighted assets:				
Credit risk	1,276,363	1,276,363	1,122,528	1,122,528
Operational risk	237,015	237,015	237,015	237,015
Market risk	31,739	31,739	46,398	46,398
Total risk weight asset	1,545,117	1,545,117	1,405,941	1,405,941
Total capital adequacy ratio	15.2%	15.2%	16.1%	16.1%
Tier I capital adequacy ratio	14.0%	14.0%	14.7%	14.7%
Common Equity Tier I capital adequacy ratio	14.0%	14.0%	14.7%	14.7%
Leverage:				
Capital measure	N/A	216,013	N/A	207,304
Total exposure measure	N/A	3,008,993	N/A	2,835,427
Leverage ratio	N/A	7.2%	N/A	7.3%

*Capital adequacy ratio stood at 16.1% under Basel II and Basel III guidelines. The Basel III guidelines were released on 02 September 2021 by the CBN to further strengthen the resilience of Nigerian banks by increasing the minimum requirement for high quality capital which can absorb losses on a going concern basis, and by requiring banks to build up additional capital buffers to cushion against future unexpected losses. The implementation of the Basel III guidelines commenced with a parallel run with the Basel II guidelines effective from November 2021 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.