Stanbic IBTC Holdings PLC

Analysis of Financial Results

For the year ended 31 December 2023

YOUR PARTNER FOR

GROWTH

CONTENTS

1 Group Results in Brief

2 Business Segment Review

3 Income Statement Analysis

4 Balance Sheet Analysis

5 Capital Management

6 Market and Shareholder Information

7 Other Information

GROWING TRUST

1 Group Results in Brief

Performance Highlights

₦5.2 trillion
Total assets
(2022: ₦3 trillion) up 70%

30.6%
Return on average equity
(2022: 20.3%)

1.8 times
Price to book
(2022: 1.1 times)

₦2.0 trillion
Net customer loans
(2022: ₦1.2 trillion) up 69%

0.8%
Credit loss ratio
(2022: (0.9%)

AAA (nga)
Fitch rating
(2022: AAA (nga))

₦2.1 trillion
Customer deposits
(2022: ₦1.3 trillion) up 66%

47%
Cost-to-income ratio
(2022: 53.8%)

₦355.2 billion
Total income
up 48%

15.9%
Capital adequacy ratio (Bank)
(2022: 16.9%)

₦172.9 billion
Profit before tax
up 72%

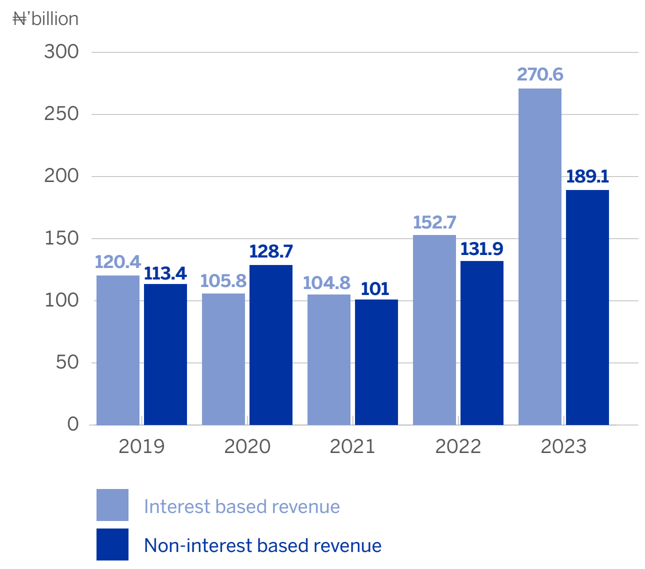
43.2%
Liquidity ratio (Bank
(2022: 81.9%)

₦140.6 billion
Profit after tax
up 74%

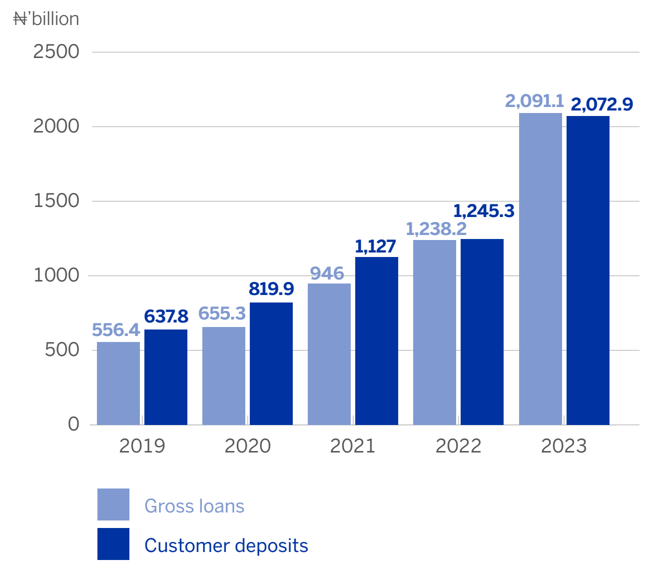
2.35%
Gross NPL ratio (IFRS)
(2022: 2.38%)

All results in this booklet are presented on an IFRS (International Financial Reporting Standards) basis except where otherwise stated.

Interest based and non-interest-based revenue
CAGR (2019- 2022): Interest based: 22%
Non-interest based: 14%



Gross loans and customer deposits
CAGR (2019- 2023): Gross loans: 39%
Customer deposits: 34%



Financial Results, Ratios and Statistics

Stanbic IBTC Group		Change %	2023	2022
Balance sheet				
Total assets	₦'million	70	5,145,596	3,029,026
Loans and advances (net of credit impairments)	₦'million	69	2,032,351	1,204,786
Deposits from customers	₦'million	66	2,072,887	1,245,346
Key performance indicators				
Net interest margin	%		4.6	4.0
Non-interest revenue to total income	%		50.7	52.8
Cost-to-income ratio	%		47.0	53.8
Return on average equity	%		30.6	20.3
Return on average assets	%		3.6	2.7
Basic earnings per share	kobo	76	1,062	602
Net asset value per share	kobo	25	3,856	3,084
Shareholders' equity	₦'million	25	499,576	399,562
Other indicators				
Price-to-book (P/B ratio)	times		1.8	1.1
Effective tax rate	%		18.7	19.5
Total number of employees	Number	8	3,056	3,048

Banking activities		Change %	2023	2022
Balance sheet				
Total assets	₦'million	74	4,974,299	2,854,651
Loans and advances (net of credit impairments)	₦'million	69	2,032,350	1,204,785
Deposits from customers	₦'million	66	2,091,547	1,260,758
Selected returns and ratios				
Net interest margin	%		4.5	3.9
Non-interest revenue to total income	%		36.8	38.3
Cost-to-income ratio	%		46.6	56.1
Return on average equity	%		33.7	20.6
Return on average assets	%		3.1	2.0
Impairment charges on loans and advances	₦'million	36	13,414	9,840
Credit loss ratio	%		0.8	0.9
Tier 1 capital adequacy	%		13.0	15.7
Total capital adequacy	%		15.9	16.9
Non-performing loans	%		2.35	2.38
Effective tax rate	%		10.9	7.4
Total number of employees	Number	3	1,962	1,902

Economic and Capital Market Statistics

Macroeconomic highlights:

Globally

In the Global space, inflationary pressures have started to moderate because of the troika impact of (1) tight monetary policy conditions, (2) easing supply chain constraints, and (3) diminishing pandemic savings. The preceding has led to global central banks reaching the peak of their synchronous monetary policy tightening.

Notably, after two consecutive months of moderation, the US consumer prices increased in December 2023, rising to 3.4% y/y (November: 3.1% y/y). The increase was primarily due to a slower pace of decline in energy prices (-2.0% y/y vs November: -5.4% y/y). In the United Kingdom, prices increased for the first time since February 2023, with the headline inflation rising by 10bps to 4.0% y/y in December. Parsing through the breakdown provided, price pressures were significant across the alcohol & tobacco (12.9% y/y vs November: 10.2% y/y), clothing (6.4% y/y vs November: 5.7% y/y), and furniture equipment (2.5% y/y vs November: 2.3% y/y) sub-baskets. Meanwhile, the core inflation remains unchanged at 5.1% y/y while food prices moderated by 102bps to 8.0% y/y in December. Elsewhere, China's headline inflation declined by 0.3% y/y in December (November: -0.5% y/y). December makes it the third consecutive month that consumer prices are in deflationary territory in China. To revive demand, we note that the government has introduced a number of measures, including (1) improving access to credit in the property sector, (2) reducing the key policy rate to a record low, and (3) stepping up on infrastructure spending.

The US Fed's Open Market Committee (FOMC) voted to keep its key policy rate unchanged at a target range of 5.25% - 5.50% representing the third time the Committee will be holding rates steady after the 25bps increase we saw in July. According to the Committee, economic activity has slowed from its strong pace, Job gains have moderated since earlier in the year but remain strong, and inflation has eased over the past year but remains elevated. Asides that, the FOMC's economic projections also indicated about 75bps worth of cut in 2024, with the Fed pencilling in a target range of 4.5-4.75 percent by the end of 2024. The decision suggests that the US Fed is now done hiking interest rates and that the benchmark rate will likely peak at its 22-year high of 5.25% – 5.50%. This is likely to be a sigh of relief for emerging economies which have been shut out of the international market due to the prohibitive high interest rates. Nonetheless, global interest rates are expected to remain high next year relative to pre-pandemic levels, even as the rates moderate relative to 2023 levels.

Like the US Fed, the Monetary Policy Committee (MPC) of the Bank of England also voted to maintain the Bank Rate for the third consecutive time to 5.25% at its December policy meeting. In influencing its decision, the Committee stated that its current tighter monetary policy is leading to a looser labour market and is weighing on activity in the real economy more generally. Besides, consumer prices (3.9% YoY as of November) have fallen back as they expected, although more work needs to be done. Furthermore, the Committee judged that the monetary policy would need to be restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term, in line with the Committee's remit. Indeed, the market-implied path for the Bank Rate remained around 5.25% until Q3:24 and then declined gradually to 4.25% by the end of 2026. Nonetheless, unlike the US Fed, the BOE is clearly more reluctant to do or say anything that might be seen as an endorsement of market rate cut expectations, with the BOE Governor stating that it was too really early to speculate about cutting rates.

Oil prices declined by 10.5% year-to-date, closing the year at US$76.89 per barrel (vs Dec 2022: US$85.91 per barrel). The key factors that shaped the global oil market in 2023 include (1) OPEC+ crude oil production cut decisions, (2) higher oil output from non-OPEC+ countries, (3) increased geopolitical tensions, and (4) slowing global oil demand growth

Nigeria

As of Q4:23, the Nigerian economy grew by 3.46% YoY (Q4:22: 3.52% YoY) in real terms. The breakdown showed that the oil sector increased by 25.5% YoY (12.11% YoY vs Q4-22: -13.38% YoY), on account of the higher crude oil production in the review period, synchronising neatly with the lingering impact of the government's fight against crude oil theft and vandalism. However, the non-oil sector grew slowly by 3.07% YoY (Q4:22: 4.44% YoY) amid the pass-through impact of the currency and PMS subsidy reforms on the economy.

The Nigerian private sector returned to growth in December, with renewed increases in both output and new orders recorded amid some signs of recovery in demand. This was despite continued intense inflationary pressure, with purchase costs and selling prices each rising at sharper rates than in November. Specifically, the headline PMI moved back above the 50.0 no-change mark for the first time in three months at the end of 2023, posting 52.7 in December from 48.0 in November.

In December, headline inflation increased by 76bps to 28.92% YoY, which is the highest print we have seen since August 2005. Recall that price pressures have been increasing since the double reforms in May and June 2023. Thus, this persistent increase does not come as a surprise, more so that we have recently been seeing higher demand in line with the anticipation of the festive season. Besides, due to the underwhelming primary harvest season, it suggests

Economic and Capital Market Statistics *continued*

that the national food stock gets depleted faster until the next off-season harvest in April 2024. Accordingly, food prices rose to 33.93% YoY while the core inflation basket also settled high at 23.06% YoY.

Crude oil production (including condensates) reduced to a 4-month low, declining by 6.1% m/m to 1.47mbpd in November (October: 1.56mbpd). This decline reflects that the government needs to do more in terms of its fight against oil theft and vandalism while also incentivising investment in new oil production fields. Based on the breakdown provided by the NUPRC, we highlight that crude oil production declined across the Bonny, Forcados, Escravos and Bonga terminals – these are some of the most significant oil production terminals in the country. Hence, significant crude oil reduction in them tend to affect the country's aggregate oil production.

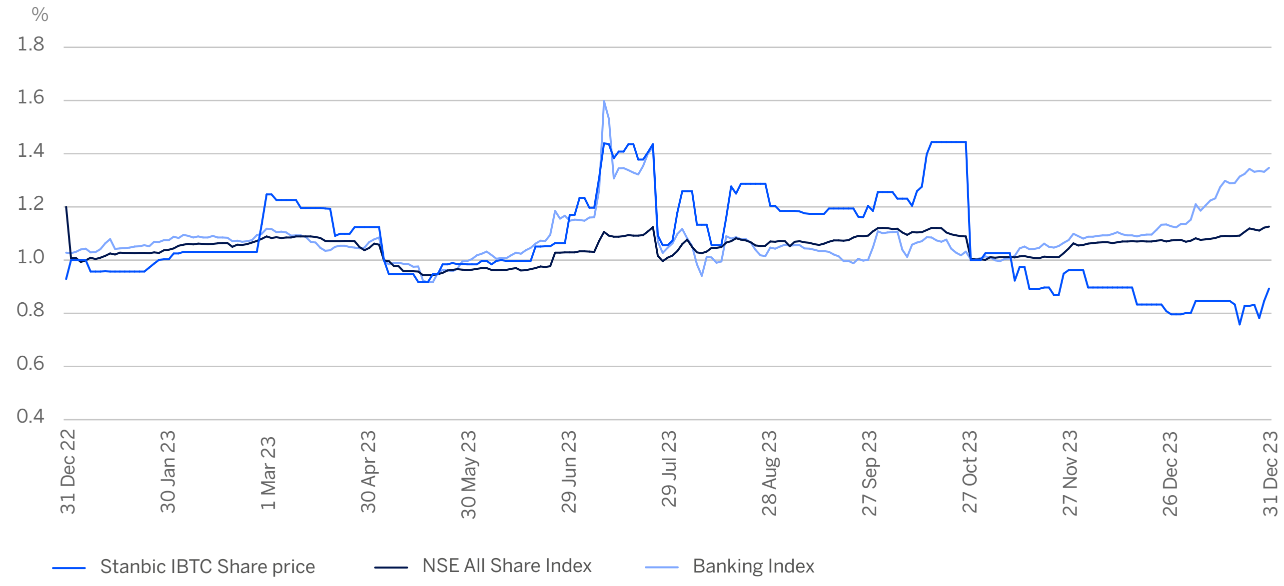
The gross FX reserves declined by 10.1% year-to-date (or USD3.70 billion) to USD32.91 billion in 2023 as FX inflows remain limited amid outflows to finance external obligations and support the FX market. Regarding FX inflows, crude oil exports remain low, capital importation continues to dry up, and the country cannot access the Eurobond market, given the prohibitively high interest rates.

The Federal Account Allocation Committee (FAAC) disbursed NGN1.78 trillion to the three tiers of government in December (from the total revenue generated in November). This represents a 63.9% m/m increase relative to the November (NGN1.09 trillion) allocation. We understand that the higher allocation relative to the prior month was driven by considerable increases in Companies Income Tax (CIT), Excise Duty, Petroleum Profit Tax (PPT), Oil and Gas Royalties and Value-Added Tax (VAT). In 2023, the allocation to the three tiers of government averaged NGN960.35 billion monthly (+30.9% y/y vs 2022 monthly average: NGN733.44 billion), primarily supported the double reforms of (1) PMS subsidy removal and (2) currency depreciation which ensured a spike in revenue from July to December 2023.

Nigeria's debt profile increased marginally by 0.6% QoQ to NGN87.91 trillion as of Q3:23 relative to the NGN87.38 trillion in Q2:23. The small increase was supported by a 3.8% decline in external debt even as the domestic debt rose by 3.3% QoQ. On the external debt, we highlight that it declined due to a redemption of USD500.00 million Eurobond in July and a USD413.86 million first principal repayment of the USD3.4 billion IMF's Special Drawing Right (SDR) allocation during COVID.

Finally, Moody's Investors Service (Moody's) changed Nigeria's outlook to positive from stable and affirmed the country's sovereign rating at Caa1. According to Moody's, the positive outlook reflects the possible reversal of the deterioration in Nigeria's fiscal and external position because of the authorities' reform efforts. Notably, the FX unification and PMS reforms represent the first steps in addressing the country's FX shortages and supporting external balancing. These policy changes, and those potentially to come, have raised the prospects of a fiscal and external improvement in the country's credit profile. On affirming the Caa1 rating, Moody's noted that it reflects Nigeria's still weak fiscal and external position. Precisely, the reform efforts may not be enough to improve the Nigeria's credit profile, given Nigeria's outstanding credit weaknesses. Increasingly high inflation generates spending pressure on the government and raises social risks, while the extent of fiscal relief from the subsidy removal remains unclear at this stage.

Share price performance: 2023 (rebased to 1)



Stanbic IBTC's share price appreciated by above 100% year-to-date to close at ₦69.65 in December 2023 due to some bullish market sentiments and price adjustment from dividend payments during the year.

Economic and capital market statistics		Change %	2023	2022
Economic indicators				
Headline inflation (12 month average)	%		28.92	18.77
GDP growth	%		3.46	3.52
External reserves p.e.	$'billion	(11)	32.91	37.09
Official exchange rate p.e.	₦'/$	>100	907.1	448.6
Market Indicators				
NSE All Share Index		46	74,773.8	51,251.1
NSE turnover	₦'billion	73	1,763.3	1,021.3
Average daily activity	million	79	525.8	294.5
Aggregate market capitalisation	₦'trillion	47	75.2	51.2
Equity market capitalisation	₦'trillion	47	41.0	28.0
Stanbic IBTC share statistics				
Share price				
High for the period	kobo	>100	8,000	3,800
Low for the period	kobo	16	3,200	2,750
Closing	kobo	>100	6,965	3,345
Shares traded				
Volume of shares	thousands	>100	461	228
Value of shares	₦'million	>100	25,912	7,462
Market capitalisation	₦'billion	>100	902.5	433.4

Overview of Financial Results

Our results
Stanbic IBTC Group operated a client focused strategy in 2023. Our existing and potential clients remained the heart of all product development, process improvement and people engagement in the course of the year and to better serve our clients, they are segmented based on their uniqueness and their needs into Personal and Private Banking (PPB), formerly known as Consumer and High Net worth Clients- Bank, Insurance and Asset Management (IAM) previously referred to as Consumer and High Net worth Clients-NonBank, Business and Commercial Banking (BCB) formally known as Business and Commercial Clients and Corporate and Investing Banking (CIB).

The Personal and Private Banking segment is responsible for managing consumer, affluent client relationships and the service channels through which we reach these clients while the Business and Commercial Banking segment is responsible for managing business-to-business relationships as well as service channels. The CIB segment remains responsible for managing large-scale corporate relationships.

All business segments reported a good performance for the year with Corporate and Investment Banking (CIB), Insurance and Asset Management (IAM) contributing more to the profitability of the business, Business and Commercial Banking (BCB) also contributed positively to the headline earnings while PPB reported an improvement in the loss made after tax compared to prior year.

CIB reported 81% growth in profits which is attributable to increase in net interest income and 72% increase in non-interest revenue, although operating expenses increased by 30%. The increase in non-interest revenue was largely driven by the growth in trading income on the back of increase in trading activities, and above 100% increase in other income. The CIB business performed well this year as expected and this is also evidenced by the growth in the loan books and fees and commission revenue. The business accounted for 45% of the Group's deposits and 72% of the customer loans and advances reported by the Group.

BCB achieved significant growth in profit after tax of ₦15.4 billion, 21% growth from prior year. The business benefitted from increased income from loan growth, improved average yield on assets and increased transaction volumes even though credit impairment increased Y-O-Y, this is attributable to 35% growth in Gross loans and advances when compared to year 2022.

IAM also reported a 28% growth in profit after tax which is attributable to significant growth in Asset under management (AuM). The AuM crossed the ₦5 trillion mark in 2022 and has maintained the same growth trend by recording a 28% increase year- on- year. The business retained its position as the leading wealth manager in Nigeria. The pension asset management business also contributed to the growth as evidenced by the increase in the volume of Retirement Savings Account (RSA) by 4% year-on-year.

PPB recorded a 69% improvement in the losses after tax , attributable to above 100% growth in net interest income and 26% growth in non interest revenue , although operating expenses increased by 58% to close at N47.6 billion following the increase in marketing and advertising cost, training expenses, premises and maintenance cost and additional investment in Information technology. The business recorded growth in Gross loans and advances which also led to a resultant growth in credit impairment year-on-year.

Summarily, the Group's earnings grew year-on-year (YoY) compared to the same period in prior year. This is attributable to higher net interest income, fees and commission income and substantial growth in trading revenues. Increase in interest margins is from the growth in loan yields, following reported improvement in earnings across the business segments due to accelerated risk asset growth during the period. The growth was partly offset by YoY increase in operating expenses due to increase in impairment charge, staff costs and regulatory cost. But this was compensated by the YoY improvement in net fee and commission revenue.

Income statement analysis
The statement of profit or loss reflects the revenue earned by the business and costs incurred in generating the revenue for the year ended 2023. The profit for the year grew by 74% year-on-year.

Net interest income
Net interest income is income earned from interest on loans, advances and investments less interest paid on customer deposits and other funding sources.

Net interest income increased by 55% to ₦175.2 billion in FY 2023 from ₦113.1 billion achieved in FY 2022 largely driven by increase in volume and yield on cumulative average risk assets and effect of exchange rate increase on FCY denominated loans and advances. This is also coupled with increased income from investments earned for the period under review. Interest earned on loans increased due to the accelerated growth in volume of cumulative loans. The growth was partly muted by YoY growth in interest expense attributable to increase in interest expense on savings account and other deposits, overnight borrowings and LC refinancing charges.

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

Non-interest revenue grew by 42% to ₦179.9 billion from ₦126.3 billion due to 80% increase in trading and other revenues to ₦62.5 billion (2022: ₦34.7 billion) on the back of FX structured transactions and FX revaluation gain, 21% growth in net fees and commission and more than 100% growth in other revenues. The growth in net fees and commission arose from increase in card-based commission, growth in assets under management (AUM), improved brokerage and financial advisory fees, new loan bookings and increased transaction volumes.

Credit impairment
Credit impairment is the expected credit loss on advances given to customers that is charged to income statement as provision for bad loans. This is the cost of risk incurred by the bank from the customers' inability to repay their loans.

Net impairment loss was a charge of ₦15.5 billion compared to the charge of ₦10.3 billion in prior year. While gross loans grew by 69% YoY leading to a credit loss ratio of 0.8%. Impairment increased significantly for all business segments compared to prior year due to re-classification of some clients and expected credit loss (ECL).

Operating expenses
Inflation is a major economic factor that drives cost growth in the group. Headline inflation averaged 29.9% in 2023 versus 21.34% in prior year.

Operating expenses increased by 29% to ₦166.8 billion in 2023. Cost to income ratio improved to 47% from 53.8% in prior year as total income increased by 48%.

Staff costs increased by 29% to ₦65.8 billion due to the regularisation done with respect to excess bonus payout in 2022, off cycle and regular upward review of staff salary for 2023 to accommodate the impact of inflation on the purchasing power of employees.

Other operating expenses also increased by 30% due to the impact of inflation and growth in regulatory induced costs including AMCON and NDIC insurance premium, Also, the impact of fuel subsidy removal and currency revaluation led to the growth in premises and maintenance cost, Information and technology, professional fees and communication expenses.

Overall, the Group's profit before tax increased by 72% to ₦172.9 billion (FY 2022: ₦100.3 billion), while profit after tax also increased by 74% to ₦140.6 billion (FY 2022: ₦80.7 billion). This, in addition to increased average shareholder equity resulting in the increase in return on equity to 30.6% (FY 2022: 20.3%).

Balance sheet analysis
The statement of financial position shows the position of the Group's assets, liabilities and equity as at 31 December 2023. The Group's assets increased by 70% to close at ₦5.2 trillion in 2023.

Customer loans and advances
Net loans and advances to customers and banks increased by over 69% to ₦2.04 trillion (2022: ₦1.21trillion). Loans and advances to customers increased by 69% to ₦2.03 trillion partly due to additional loan facilities granted to support our clients across various sectors. (oil and gas, transportation & communication, general commerce, electricity, gas & water supply, manufacturing, construction, and government) coupled with the Impact of revaluation on the FX denominated loans. Loans and advances to banks also increased by above 100% to close at ₦8.7 billion.

Funding and liquidity
The Group's liquidity position remained strong and within approved risk appetite and tolerance limits.

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

PPB's loans increased by 45% compared to the prior period. The growth recorded was across all loan types. Mortgages grew by above 100% due to adoption of RSA driven mortgages, term loans, overdrafts, Instalment sales and finance lease reported the least movement in book balance with a growth of ₦52 million.

In BCB, loan balances increased by 35% following new disbursements of installment sale and finance leases, overdrafts, term loans however, there was a 100% decline in mortgage loans.

In CIB, loan balances also grew by 86% resulting from above 100% growth in overdraft, 85% increase in term loans while a 3% decline was recorded against vehicle and asset finance.

Gross non-performing loans at the end of the year increased by 67% to ₦49.2 billion (2022: ₦29.4 billion) which resulted in the NPL ratio of 2.35%.

Customer deposits increased by 66% to close at ₦2.07 trillion from ₦1.25trillion in 2022 with increases in the current account, savings account, and term deposit while a decline was recorded in call deposits. The current-and-savings-accounts collectively grew year- on-year by 67% while call and term deposits collectively increased by 64%.

The faster growth in current account and savings deposits when compared to the increase in term deposits and call deposits resulted in the improvement in the ratio of current and savings deposits to total deposits (CASA ratio) to 72% from 71.7% in 2022.

Overview of Financial Results *continued*

Customer deposits grew across our lines of businesses with BCB recording the highest growth of 76%, closely followed by the CIB business at 70% and the third business segment PPB's deposit increased by 51%.

The average cost of funds increased to 3.7% in 2023 (2022: 2.3%), due to the growth in interest expense, we continually seek for cheaper funding sources.

The Group continued to maintain its strong liquidity position within approved risk appetite and tolerance limits throughout the full year ended 31 December 2023. The liquidity ratio closed at 47.19% (Bank: 43.22%) in 2023 which is higher than the regulatory minimum of 30%.

Capital adequacy

The Group maintained adequate levels of capital during the year to support business growth, maintain depositor and creditor confidence and create value for shareholders whilst ensuring regulatory compliance. The Group's total capital adequacy ratio closed the year at 19.0% (Bank 15.9%).

Statement of Comprehensive Income
Group

Statement of Profit or Loss

	Change %	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	Restated 1 Jan. 2022 ₦'million
Gross earnings	**62**	**461,086**	**284,877**	**206,400**
Net interest income	55	175,190	113,119	75,372
Interest income	77	270,593	152,670	104,751
Interest expense	>100	(95,403)	(39,551)	(29 379)
Non-interest revenue	42	179,976	126,333	95,753
Net fees and commission revenue	21	110,277	91,059	82,877
Fees and commission revenue	23	117,839	96,065	88,321
Fees and commission expense	51	(7,562)	(5,006)	(5,444)
Income from life insurance activities	>100	(1,531)	(595)	156
Net insurance service result before reinsurance contracts held	>100	2,196	441	(178)
Net expense from reinsurance contracts held	>100	(670)	(307)	(98)
Net insurance finance expenses	>100	(2,285)	(561)	(354)
Fair value adjustments	>100	(772)	(168)	786
Trading revenue	80	62,506	34,687	13,286
Other revenue	>100	8,724	1,182	(566)
Total income	48	355,166	239,452	171,125
Net impairment loss on financial assets	50	(15,452)	(10,290)	1,505
Income after credit impairment charges	48	339,714	229,162	172,630
Operating expenses	29	(166,807)	(128,894)	(106,647)
Staff costs	29	(65,760)	(50,996)	(42,041)
Other operating expenses	30	(101,047)	(77,898)	(64,606)
Profit before tax	72	172,907	100,268	65,983
Tax	65	(32,290)	(19,535)	(9,037)
Profit for the year	**74**	**140,617**	**80,733**	**56,946**
Profit attributable to:				
Non-controlling interests	13	3,035	2,691	2,588
Equity holders of the parent	76	137,582	78,042	54,358
Profit for the year	**74**	**140,617**	**80,733**	**56,946**

Statement of Other Comprehensive Income
Group

	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	Restated 1 Jan. 2022 ₦'million
Profit for the year	**140,617**	**80,733**	**56,946**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Movement in equity instruments measured at fair value through other comprehensive income (OCI)	480	621	999
Net change in fair value	480	621	999
Related income tax	-	-	-
Items that are or may be reclassified subsequently to profit or loss:			
Movement in debt instruments measured at fair value through other comprehensive income (OCI)	7,269	(1,762)	(5,666)
Total expected credit loss	616	16	37
Net change in fair value	6,724	(1,752)	(7,285)
Realised fair value adjustments transferred to profit or loss	(71)	(26)	1,582
Related income tax	-	-	-
Other comprehensive income for the year net of tax	7,749	(1,141)	(4,667)
Total comprehensive income for the year	**148,366**	**79,592**	**52,279**
Total comprehensive income attributable to:			
Non-controlling interests	3,003	2,677	2,367
Equity holders of the parent	145,363	76,996	49,912
	148,366	**79,673**	**52,279**

Group Statement of Profit or Loss
Quarterly Analysis

		Q4 2023 ₦'million	Q3 2023 ₦'million	Q2 2023 ₦'million	Q1 2023 ₦'million
Gross earnings		**127,562**	**120,190**	**116,368**	**96,967**
Net interest income		54,687	47,819	36,304	36,380
Interest income		86,002	74,332	59,841	50,418
Interest expense		(31,315)	(26,513)	(23,537)	(14,038)
Non-interest revenue		38,015	43,342	53,773	44,845
Net fee and commission revenue		30,751	28,372	26,229	24,925
Fee and commission revenue		33,241	30,803	27,772	26,023
Fee and commission expense		(2,490)	(2,431)	(1,543)	(1,098)
Income from life insurance activities		(300)	(718)	(342)	(171)
Net insurance service result before reinsurance contracts held		680	509	671	336
Net expense from reinsurance contracts held		(221)	(76)	(249)	(124)
Net insurance finance expenses		(834)	(8)	(962)	(481)
Fair value adjustments		75	(1,143)	197	99
Trading revenue		2,765	15,018	24,829	19,894
Other revenue		4,799	671	3,057	197
Total income		92,702	91,161	90,077	81,225
Net impairment loss on financial assets		(5,496)	(3,977)	(2,699)	(3,280)
Income after credit impairment charges		87,206	87,184	87,378	77,945
Operating expenses		(43,757)	(40,712)	(40,891)	(41,447)
Staff costs		(19,774)	(16,473)	(15,534)	(13,979)
Other operating expenses		(23,983)	(24,239)	(25,357)	(27,468)
Profit before Income tax charge		43,449	46,472	46,487	36,498
Income tax charge		(12,081)	(5,143)	(7,667)	(7,399)
Profit for the period		**31,369**	**41,329**	**38,820**	**29,099**
Profit attributable to:					
Non-controlling interests		637	726	790	816
Equity holders of the parent		30,732	40,604	38,268	28,045
Profit for the period		**31,369**	**41,330**	**39,058**	**28,861**
Key performance indicators					
Net interest margin (annualised)	%	6	5.3	4.2	4.7
Non-interest revenue to total income	%	41	47.5	59.7	55.2
Cost-to-income ratio	%	47	44.7	45.4	51.0
Return on equity (annualised)	%	27	37.5	36.5	27.2
Return on assets (annualised)	%	3	4.5	4.5	3.8
Non-performing loan to total loan	%	2	2.5	2.3	2.5
Cost of funds (annualised)	%	5	4.3	4.0	2.8
Asset yield	%	14	13.3	11.1	10.3
NIR to OPEX ratio	%	1	1.1	1.3	1.1
Effective tax rate	%	28	11.1	16.5	20.3

Statement of Comprehensive Income
Bank

	Change %	2023 ₦'million	2022 ₦'million
Gross earnings	72	**363,587**	**211,256**
Net interest income	56	164,459	105,522
Interest income	79	260,386	145,667
Interest expense	>100	(95,927)	(40,145)
Non-interest revenue	46	95,680	65,589
Net fees and commission revenue	25	31,548	25,209
Fees and commission revenue	29	39,069	30,210
Fees and commission expense	50	(7,521)	(5,001)
Trading revenue	82	62,502	34,417
Other revenue	69	1,630	962
Total income	52	260,139	171,111
Net impairment write-back/(loss) on financial assets	49	(15,093)	(10,148)
Income after credit impairment charges	52	245,046	160,963
Operating expenses	26	(121,116)	(96,019)
Staff costs	34	(45,441)	(33,973)
Other operating expenses	22	(75,675)	(62,046)
Profit before tax	91	123,930	64,944
Income tax	>100	(13,501)	(4,798)
Profit for the year	**84**	**110,429**	**60,146**
Profit attributable to:			
Non-controlling interest	-	-	-
Equity holders of the parent	>100	110,429	55,145
Profit for the year	**>100**	**110,429**	**55,145**

Statement of Other Comprehensive Income
Bank

	2023 ₦'million	2022 ₦'million
Profit for the year	110,429	55,145
Other comprehensive income		
Items that will never be reclassified to profit or loss		
Movement in equity instruments measured at fair value through other comprehensive income (OCI)	472	605
Net change in fair value	472	605
Related income tax	-	-
Items that are or may be reclassified subsequently to profit or loss:		
Movement in debt instruments measured at fair value through other comprehensive income (OCI)	5,819	(2,227)
Total expected credit loss	614	191
Net change in fair value	5,276	(2,392)
Realised fair value adjustments transferred to profit or loss	(71)	(26)
Related income tax	-	-
Other comprehensive income for the year net of tax	6,291	(1,622)
Total comprehensive income for the year	**116,720**	**53,523**
Total comprehensive income attributable to:		
Equity holders of the parent	116,720	53,523
	116,720	53,523

Statement of Financial Position
Group

	Change %	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	Restated 1 Jan. 2022 ₦'million
Assets				
Cash and cash equivalents	>100	1,384,879	664,450	653,070
Pledged assets	>100	374,912	127,990	182,335
Trading assets	(64)	67,917	190,431	98,743
Derivative assets	>100	550,720	42,134	41,212
Financial investments	(25)	435,657	582,019	636,611
Loans and advances	69	2,041,019	1,208,190	937,140
Loans and advances to banks	>100	8,668	3,404	16,096
Loans and advances to customers	69	2,032,351	1,204,786	921,044
Other assets	54	202,833	132,069	129,271
Property and equipment	25	76,683	61,548	42,720
Reinsurance assets	46	468	321	186
Intangible assets	(23)	2,471	3,223	4,011
Right of use assets	22	4,388	3,609	3,394
Deferred tax assets	(72)	3,649	13,042	13,998
Total assets	**70**	**5,145,596**	**3,029,026**	**2,742,691**
Equity and liabilities				
Equity	24	506,924	407,570	376,846
Equity attributable to ordinary shareholders	25	499,576	399,562	367,996
Ordinary share capital	-	6,479	6,479	6,479
Ordinary share premium	-	102,780	102,780	102,780
Reserves	34	390,317	290,303	258,737
Non-controlling interest	(8)	7,348	8,008	8,850
Liabilities	77	4,638,672	2,621,456	2,365,845
Trading liabilities	>100	480,465	220,971	112,023
Derivative liabilities	>100	446,993	26,099	25,364
Current tax liabilities	33	23,388	17,564	16,441
Deposit and current accounts	57	2,731,772	1,736,426	1,558,397
Deposits from banks	34	658,885	491,080	431,862
Deposits from customers	66	2,072,887	1,245,346	1,126,535
Other borrowings	>100	375,959	187,957	136,434
Debt securities issued	3	74,311	71,878	47,419
Provisions	29	11,314	8,758	9,302
Other liabilities	40	493,277	351,803	460,465
Deferred tax liabilities	>100	1,193	-	-
Total equity and liabilities	**70**	**5,145,596**	**3,029,026**	**2,742,691**

Group Financial Position
Quarterly Analysis

	Q4 2023 ₦'million	Q3 2023 ₦'million	Q2 2023 ₦'million	Q1 2023 ₦'million
Assets				
Cash and cash equivalents	1,384,879	1,249,167	1,014,780	841,849
Pledged assets	374,912	226,647	227,541	213,945
Trading assets	67,917	218,356	189,394	66,809
Derivative assets	550,720	424,678	553,170	37,140
Financial investments	435,657	521,495	528,980	606,823
Loans and advances	2,041,019	1,770,795	1,668,109	1,201,031
Loans and advances to banks	8,668	7,849	12,257	2,177
Loans and advances to customers	2,032,351	1,762,946	1,655,852	1,198,854
Other assets	203,301	172,924	182,029	164,007
Property and equipment	76,683	74,194	70,838	63,397
Intangible assets	2,471	2,662	2,840	3,031
Right of use assets	4,388	4,348	4,404	3,521
Deferred tax assets	3,649	8,791	9,094	10,720
Total assets	**5,145,596**	**4,674,057**	**4,451,179**	**3,212,273**
Equity and liabilities				
Equity	506,924	471,055	451,175	437,417
Equity attributable to ordinary shareholders	499,576	462,473	443,247	428,639
Ordinary share capital	6,479	6,479	6,479	6,479
Ordinary share premium	102,780	102,780	102,780	102,780
Reserves	390,317	353,214	333,988	319,380
Non-controlling interest	7,348	8,582	7,928	8,778
Liabilities	4,638,672	4,203,002	4,000,004	2,774,856
Trading liabilities	480,465	208,643	262,280	214,698
Derivative liabilities	446,993	313,497	460,544	20,590
Current tax liabilities	23,388	16,816	11,976	22,641
Deposit and current accounts	2,731,772	2,494,159	2,317,250	1,791,245
Deposits from banks	658,885	722,263	679,114	465,691
Deposits from customers	2,072,887	1,771,896	1,638,136	1,325,554
Other borrowings	375,959	285,617	266,995	194,975
Debts securities issued	74,311	123,442	99,486	73,512
Provisions	11,314	11,718	10,403	9,904
Other liabilities	493,277	748,284	569,643	447,291
Deferred tax liabilities	1,193	826	1,427	-
Total equity and liabilities	**5,145,596**	**4,674,057**	**4,451,179**	**3,212,273**

Statement of Financial Position
Bank

	Change %	2023 ₦'million	2022 ₦'million
Assets			
Cash and bank balances	>100	1,362,369	643,810
Pledged assets	>100	374,912	127,990
Trading assets	(64)	67,907	190,427
Derivative assets	>100	550,720	42,134
Financial investments	(29)	341,608	478,086
Loans and advances	69	2,041,018	1,208,189
Loans and advances to banks	>100	8,668	3,404
Loans and advances to customers	69	2,032,350	1,204,785
Other assets	67	196,335	117,673
Property and equipment	8	30,677	28,289
Intangible assets	(24)	2,442	3,207
Right of use assets	11	2,730	2,456
Deferred tax assets	(71)	3,581	12,390
Total assets	**74**	**4,974,299**	**2,854,651**
Equity and liabilities			
Equity			
Equity attributable to ordinary shareholders	33	374,919	280,949
Ordinary share capital	>100	20,000	1,875
Ordinary share premium	-	42,469	42,469
Reserves	32	312,450	236,605
Liabilities	79	4,599,380	2,573,702
Trading liabilities	>100	480,464	220,971
Derivative liabilities	>100	446,993	26,099
Current tax liabilities	>100	5,889	2,128
Deposit and current accounts	57	2,750,432	1,751,838
Deposits from banks	34	658,885	491,080
Deposits from customers	66	2,091,547	1,260,758
Other borrowings	>100	375,959	187,957
Debt securities issued	5	74,311	70,878
Provisions	36	11,233	8,236
Other liabilities	49	454,099	305,595
Total equity and liabilities	**74**	**4,974,299**	**2,854,651**

Statement of Financial Position Quarterly Analysis
Bank

	Q4 2023 ₦'million	Q3 2023 ₦'million	Q2 2023 ₦'million	Q1 2023 ₦'million
Assets				
Cash and cash equivalents	1,362,369	1,224,886	992,270	821,427
Pledged assets	374,912	226,647	227,541	213,945
Trading assets	67,907	218,294	189,374	66,773
Derivative assets	550,720	424,678	553,170	37,140
Financial investments	341,608	424,098	445,771	512,481
Loans and advances	2,041,018	1,770,795	1,668,109	1,201,031
Loans and advances to banks	8,668	7,849	12,257	2,177
Loans and advances to customers	2,032,350	1,762,946	1,655,852	1,198,854
Other assets	196,335	166,099	177,952	154,616
Property and equipment	30,677	30,219	28,747	27,547
Intangible assets	2,442	2,633	2,824	3,016
Right of use assets	2,730	2,729	2,685	2,246
Deferred tax assets	3,581	9,071	9,086	10,834
Total assets	**4,974,299**	**4,500,149**	**4,297,529**	**3,051,056**
Equity and liabilities				
Equity				
Equity attributable to ordinary shareholders	374,919	342,742	315,332	302,833
Ordinary share capital	20,000	20,000	20,000	1,875
Ordinary share premium	42,469	42,469	42,469	42,469
Reserves	312,450	280,273	252,863	258,489
Liabilities	4,599,380	4,157,407	3,982,197	2,748,223
Trading liabilities	480,464	208,643	262,280	214,698
Derivative liabilities	446,993	313,497	460,544	20,589
Current tax liabilities	5,889	3,614	2,922	3,392
Deposit and current accounts	2,750,432	2,512,288	2,336,281	1,813,367
Deposits from banks	658,885	722,263	679,116	465,691
Deposits from customers	2,091,547	1,790,025	1,657,165	1,347,676
Other borrowings	375,959	285,616	266,995	194,975
Debts securities issued	74,311	122,396	98,486	72,512
Provisions	11,233	11,601	10,282	9,362
Other liabilities	454,099	699,752	544,407	419,328
Total equity and liabilities	**4,974,299**	**4,500,149**	**4,297,529**	**3,051,056**

Statement of Changes in Equity
Group

	Note	Ordinary share capital ₦'million	Share premium ₦'million	Statutory credit risk reserve ₦'million	Fair value through OCI reserve ₦'million	Share-based payment reserve ₦'million	AGSMEIS reserve ₦'million	Other regulatory reserves ₦'million	Retained earnings ₦'million	Ordinary shareholders' equity ₦'million	Non-controlling interest ₦'million	Total equity ₦'million
Balance as at 1 January 2023		**6,479**	**102,780**	**3,904**	**3,083**	**-**	**14,476**	**55,492**	**213,449**	**399,562**	**8,008**	**407,570**
Total comprehensive income for the year		-	-	-	7,781	-	-	-	137,582	145,363	3,003	148,366
Profit for the year							-	-	137,582	137,582	3,035	140,617
Other comprehensive (loss) after tax for the year		-	-	-	7,781	-				7,781	(32)	7,749
Net change in fair value on debt financial assets at FVOCI				-	6,756	-	-	-	-	6,756	(32)	6,724
Net change in fair value on equity financial assets at FVOCI		-	-	-	480	-	-	-	-	480	-	480
Realised fair value adjustments on financial assets at FVOCI		-	-	-	(71)	-	-	-	-	(71)	-	(71)
Expected credit loss on debt financial assets at FVOCI		-	-	-	616	-	-	-	-	616	-	616
Income tax on other comprehensive income		-	-	-	-	-	-	-	-	-	-	-
Statutory credit risk reserve		-	-	11,896	-	-	-	-	(11,896)	-	-	-
Transfer to AGSMEIS reserves		-	-	-	-	-	5,507	-	(5,507)	-	-	-
Transfer to statutory reserves		-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders, recorded directly in equity		-	-	-	-	-	-	-	(45,349)	(45,349)	(3,663)	(49,012)
Equity-settled share-based payment transactions				-	-	-	-	-	-	-	-	-
Increase in paid-up capital (bonus issue)	17.1	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to equity holders	17.2	-	-	-	-	-	-	-	(45,349)	(45,349)	(3,663)	(49,012)
Balance at 31 December 2023		**6,479**	**102,780**	**15,800**	**10,864**	**-**	**19,983**	**55,492**	**288,178**	**499,576**	**7,348**	**506,924**
Balance at 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	-	-	-
IFRS 17 adjustment									(19)	-	-	-
Restated balance at 1 January 2022		**6,479**	**102,780**	**5,439**	**4,210**	**-**	**10,240**	**55,492**	**183,357**	**368,016**	**8,850**	**376,866**
Total comprehensive income/(loss) for the year				-	(1,127)	-	-	-	78,042	76,915	2,677	79,592
Profit for the year									78,042	78,042	2,691	80,733
Other comprehensive income after tax for the year		-	-	-	(1,127)	-	-	-	-	(1,127)	(14)	(1,141)
Net change in fair value on debt financial assets at FVOCI		-	-	-	(1,738)	-	-	-	-	(1,738)	(14)	(1 752)
Net change in fair value on equity financial assets at FVOCI		-	-	-	621	-	-			621	-	621
Realised fair value adjustments on financial assets at FVOCI		-	-	-	(26)	-	-	-	-	(26)	-	(26)
Expected credit loss on debt financial assets at FVOCI		-	-	-	16	-	-	-	-	16	-	16
Income tax on other comprehensive income		-	-	-	-	-	-	-	-	-	-	
Statutory credit risk reserve		-	-	(1,535)	-	-	-	-	1,535	-	-	-
Transfer to statutory reserves										-	-	-
Transfer to AGSMIEIS reserves		-	-	-	-	-	4,236	-	(4,236)	-	-	-
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 (scrip issue)		-	-	-	-	-	-	-	-	-		-
Dividends paid to equity holders		-	-	-	-	-	-	-	(45,350)	(45,350)	(3,519)	(48,869)
Balance at 31 December 2022		**6,479**	**102,780**	**3,904**	**3,083**	**-**	**14,476**	**55,492**	**213,348**	**399,562**	**8,008**	**407,570**

Statement of Changes in Equity
Bank

	Ordinary share capital ₦'million	Share premium ₦'million	Statutory credit risk reserve ₦'million	Fair value through OCI reserve ₦'million	Share-based payment reserve ₦'million	SMEIS reserves ₦'million	AGSMEIS reserve ₦'million	Statutory reserves ₦'million	Retained earnings ₦'million	Ordinary shareholders' equity ₦'million
Balance at 1 January 2023	**1,875**	**42,469**	**3,903**	**692**	**-**	**1,039**	**14,476**	**63,337**	**151,316**	**279,107**
Reclassification of share-based reserve					-					
Total comprehensive(loss)/income for the year	-	-	-	6,291	-	-	-	-	110,140	116,431
Profit for the year	-	-	-	-	-	-	-	-	110,140	110,140
Other comprehensive (loss) after tax for the year	-	-	-	6,291	-	-		-	-	6,291
Net change in fair value on financial assets at FVOCI (debt)	-	-	-	5,276	-	-	-	-	-	5,276
Net changes in fair value on financial assets at FVOCI (equity)	-	-	-	472	-	-	-	-	-	472
Realised fair value adjustments on financial assets at FVOCI (debt)	-	-	-	(71)	-	-	-	-	-	(71)
Expected credit loss movement on debt financial assets at FVOCI	-	-	-	614	-	-	-	-	-	614
Statutory credit risk reserve	-	-	(3,903)							
Transfer to statutory reserve	-	-	-	-		-	-	-	3,903	-
Transfer to AGSMEIS	-	-	-	-	-	-	-	16,521	(16,521)	-
Share Capital Increase	18,125			-	-	-	-	-	-	-
									(18,125)	
Transactions with shareholders, recorded directly in equity	-	-	-	-	-	-	-	-	(22,750)	(22 750)
Dividends paid to equity holders	-	-	-	-	-	-	-	-	(22,750)	(22,750)
Balance at 31 December 2023	**20,000**	**42,469**	**-**	**6,983**	**-**	**1,039**	**14,476**	**79,858**	**207,963**	**372,788**

	Ordinary share capital ₦'million	Share premium ₦'million	Statutory credit risk reserve ₦'million	Fair value through OCI reserve ₦'million	Share-based payment reserve ₦'million	SMEIS reserves ₦'million	AGSMEIS reserve ₦'million	Statutory reserves ₦'million	Retained earnings ₦'million	Ordinary shareholders' equity ₦'million
Balance at 1 January 2022	**1,875**	**42,469**	**5,439**	**2,321**	**36**	**1,039**	**10,240**	**55,064**	**133,292**	**251,775**
Reclassification of share-based reserve	-	-	-		(36)	-	-	-	36	
Total comprehensive (loss) for the year	-	-	-	(1,629)					55,150	53 521
Profit for the year	-	-	-	-	-	-	-	-	55,150	55,150
Other comprehensive income after tax for the year	-	-	-	(1,629)	-	-	-	-	-	(1,629)
Net change in fair value on financial assets at FVOCI(debt)				(2,399)						(2,399)
Net changes in fair value on financial assets at FVOCI (equity)	-	-	-	605	-	-	-	-	-	605
Realised fair value adjustments on financial assets at FVOCI (debt)	-	-	-	(26)	-	-	-	-	-	(26)
Expected credit loss movement on debt financial assets at FVOCI	-	-	-	191	-	-	-	-	-	191
Statutory credit risk reserve	-	-	(1,536)	-	-	-	-	-	1,536	-
Transfer to statutory reserve	-	-	-	-		-	-	8,273	(8,273)	-
Transfer to AGSMEIS	-	-	-	-	-	-	4,236	-	(4,236)	-
Transactions with shareholders, recorded directly in equity	-	-	-	-	-	-	-	-	(26,189)	(26,189)
Dividends paid to equity holders	-	-	-	-	-	-	-	-	(26,189)	(26,189)
Balance at 31 December 2022	**1,875**	**42,469**	**3,903**	**692**	**-**	**1,039**	**14,476**	**63,337**	**151,317**	**279,107**

Statement of Cash Flows
Group

	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	Restated 1 Jan. 2022 ₦'million
Net cash flows from operating activities	(61,424)	(84,232)	83,601
Cash flows used in operations	(147,010)	(171,242)	35,926
Profit before tax	172,907	100,268	65,983
Adjusted for:	(11,954)	(80,551)	(76,262)
Credit impairment reversal on financial instruments	15,452	10,290	(1,505)
Depreciation of property and equipment	7,567	5,831	5,446
Amortisation of intangible asset	765	765	762
Depreciation of right of use assets	1,736	1,560	1,584
Dividend income	(677)	(602)	(636)
Net loss on sale of investment securities measured at FVOCI	7,648	(1,141)	(4,667)
Equity-settled share-based payments	(2,548)	(930)	(238)
Fair value adjustment for derivatives assets	(509,508)	(922)	5,021
Fair value adjustment for derivatives liabilities	421,629	735	(12,018)
Accrued interest and exchange rate movement in other borrowings	198,310	14,072	4,751
Accrued interest and exchange rate movement in debt issued	29,182	3,789	978
Interest expense	95,403	39,551	29,379
Interest income	(270,593)	(152,670)	(104,751)
Gain on sale of property and equipment	(6,320)	(879)	(368)
(Increase)/decrease in assets	(1,753,383)	(368,580)	(216,258)
Increase/(decrease) in deposits and other liabilities	1,445,420	177,621	262,463
Dividends received	609	542	572
Interest received	190,669	143,666	87,340
Interest paid	(88,623)	(40,129)	(26,729)
Direct taxation paid	(17,069)	(17,069)	(13,508)

Statement of Cash Flows *continued*
Group

	31 Dec 2023 ₦'million	Restated 31 Dec. 2022 ₦'million	Restated 1 Jan. 2022 ₦'million
Net cash flows (used in)/ from investing activities	(18,697)	(98,828)	622,876
Capital expenditure on			
– property	(1,753)	(480)	(342)
– equipment, furniture and vehicles	(23,288)	(24,385)	(17,461)
– intangible assets	(13)	(16)	(133)
– right of use assets	(2,219)	(1,553)	(1,625)
Proceeds from sale of property, equipment, furniture and vehicles	8,601	1,124	672
Sale of /(Investment in) financial investment securities, net	141,807	628,228	641,765
Purchase of financial investments	(141,832)	(701,746)	641,765
Net cash flows (used in)/ from financing activities	(83,603)	10,251	(55,717)
Net increase/(decrease) in other borrowings	138,372	64,829	54,389
Repayment of other borrowings	(148,680)	(27,378)	(34,737)
Proceed from debt securities issued	57,601	46,170	3,296
Repayment of debt securities issued	(84,350)	(25,500)	(25,124)
Unclaimed dividend received	342	1,086	744
Unclaimed dividend paid	2,124	(87)	(251)
Cash dividends paid	(49,012)	(48,869)	(54,034)
Net increase in cash and cash equivalents	(163,724)	(172,809)	25,055
Effect of foreign exchange rate changes on cash and cash equivalents	124,359	649	4,393
Cash and cash equivalents at beginning of the year	611,267	783,427	753,979
Cash and cash equivalents at end of the year	**571,902**	**611,267**	**783,427**

Statement of Cash Flows
Bank

	2023 ₦'million	2022 ₦'million
Net cash flows from operating activities	542,437	(144,390)
Cash flows used in operations	451,471	(238,424)
Profit before tax	123,930	59,943
Adjusted for:	(9,943)	(71,189)
Credit impairment charges on financial instruments	15,093	10,148
Depreciation of property and equipment	5,712	4,850
Amortisation of intangible assets	765	765
Depreciation of right of use assets	1,193	1,082
Unobservable valuation difference in derivatives	(8,519)	(11,638)
Dividend income	(408)	(480)
Net loss on sale of investment securities	(6,291)	(1,622)
Fair value adjustment for derivatives	(79,173)	13,295
Non-cash flow movements in other borrowings	198,310	14,073
Non-cash flow movements in debt securities issued	28,780	3,949
Interest expense	95,927	40,145
Interest income	(260,386)	(145,667)
Gains on disposal of property and equipment	(621)	(89)
Other	(325)	-
Increase in loans and other assets	(942,407)	(364,483)
Increase in deposits and other liabilities	1,279,891	137,305
Dividends received	408	432
Interest paid	(89,147)	(40,724)
Interest received	180,562	136,898
Direct taxation paid	(857)	(2,572)

Statement of Cash Flows *continued*
Bank

	2023 ₦'million	2022 ₦'million
Net cash flows (used in) /from investing activities	(23,135)	(58,300)
Capital expenditure on		
– property	(286)	(446)
– equipment, furniture and vehicles	(9,868)	(7,738)
– intangible assets	-	-
– right of use	(1,467)	(1,278)
Proceeds from sale of property, equipment, furniture and vehicles	2,675	254
Purchase of financial investment	(465,163)	(674,729)
Sale of financial investment	450,974	625,637
Net cash flows (used in)/from financing activities	(58,405)	30,772
Proceeds from addition to borrowings	138,371	64,829
Repayment of borrowings	(148,679)	(27,378)
Proceeds from debt securities issued	58,002	45,010
Repayment of debt securities issued	(83,349)	(25,500)
Cash dividends paid	(22,750)	(26,189)
Net increase in cash and cash equivalents	460,897	(171,918)
Effect of foreign exchange rate changes on cash and cash equivalents	124,359	513
Cash and cash equivalents at beginning of the year	588,140	759,545
Cash and cash equivalents at end of the year	**1,173,396**	**588,140**

Group Entities' Financial Statement

For the year ended 31 December 2023	Stanbic IBTC Holdings PLC Company ₦'million	Stanbic IBTC Bank Ltd ₦'million	Stanbic IBTC Capital Ltd ₦'million	StanbicIBTC Pension Mgrs Ltd ₦'million	Stanbic IBTC Asset Mgt Ltd ₦'million	Stanbic IBTC Ventures Ltd ₦'million	Stanbic IBTC Trustees Ltd ₦'million	Stanbic IBTC Insurance Brokers Ltd ₦'million	Stanbic IBTC Insurance Ltd ₦'million	Stanbic IBTC Stockbrokers Ltd ₦'million	Zest Payments Ltd ₦'million	Consolidations / Eliminations ₦'million	Stanbic IBTC Holdings PLC Group ₦'million
Income statement													
Net interest income	299	164,459	887	5,196	298	(33)	27	68	3,732	198	59	-	175,190
Non interest revenue	57,290	95,679	7,900	55,899	16,443	255	1,373	1,595	(1,537)	1,051	9	(55,981)	179,976
Total income	**57,589**	**260,138**	**8,787**	**61,095**	**16,741**	**222**	**1,400**	**1,663**	**2,195**	**1,249**	**68**	**(55,981)**	**355,166**
Staff costs	(2,833)	(45,441)	(2,419)	(8,626)	(3,370)	-	(463)	(565)	(813)	(606)	(624)	-	(65,760)
Operating expenses	(7,050)	(75,674)	(1,224)	(13,899)	(2,643)	(70)	(240)	(348)	(979)	(326)	(653)	2,059	(101,047)
Credit impairment charges	(26)	(15,093)	(228)	(75)	(7)	-	(24)	(24)	27	(2)	-	-	(15,452)
Total expenses	**(9,909)**	**(136,208)**	**(3,871)**	**(22,600)**	**(6,020)**	**(70)**	**(727)**	**(937)**	**(1,765)**	**(934)**	**(1,277)**	**2,059**	**(182,259)**
Profit before tax	47,680	123,930	4,916	38,495	10,721	152	673	726	430	315	(1,209)	(53,922)	172,907
Tax	(60)	(13,501)	(1,779)	(12,694)	(3,562)	(51)	(215)	(250)	(66)	(112)	-	-	(32,290)
Profit for the year	**47,620**	**110,429**	**3,137**	**25,801**	**7,159**	**101**	**458**	**476**	**364**	**203**	**(1,209)**	**(53,922)**	**140,617**
For the year ended 31 December 2022	50,695	55,145	2,203	22,877	3,944	451	28	246	225	190	(212)	(55,059)	80,733
Balance sheet													
Total assets	146,341	4,974,300	19,637	90,832	22,741	3,446	1,564	2,126	40,428	5,480	1,394	(162,693)	5,145,596
Total liabilities	21,105	4,599,380	11,019	28,338	7,240	130	568	1,152	31,711	3,225	474	(65,670)	4,638,672
Equity and reserves	125,236	374,920	8,618	62,494	15,501	3,316	996	974	8,717	2,255	920	(97,023)	506,924
Return on equity (%)	38.0	33.7	36.4	41.3	46.2	3.0	46.0	48.9	4.2	9.0	(131.4)		30.6
Return on assets (%)	32.5	3.1	16.0	28.4	31.5	2.9	29.3	22.4	0.9	3.7	(86.7)		3.6
Cost-to-income ratio (%)	17.2	46.6	41.5	36.9	35.9	31.5	50.2	54.9	81.6	74.6	1,877.9		47.0

GROWING TOGETHER

2 Business Segment Review

Segmental Structure For Key Business Units

STANBIC IBTC GROUP

Personal and Private Banking

Banking services to retail and high net worth clients

What we offer:

Retail Lending

- Mortgage Residential accommodation loans
- Finance of vehicles

Retail Transactional and Card Production Lending

- Comprehensive suite of transactional, savings payment and liquidity management solutions
- Credit cards, debit cards: foreign currency prepaid cards

Insurance and Asset Management

Pension fund administration, asset management, trust and fiduciary, life insurance and insurance brokerage services enterprises

What we offer:

Pension Fund Administration

- Retirement savings accounts
- Gratuity schemes for companies

Asset Management

- Mutual funds
- Portfolio management for high-net-worth individuals

Trustee Services

- Private trust
- Corporate trust

Insurance Brokerage

- Life assurance
- Group life insurance
- Travel health insurance
- General insurance

Life Insurance

- Annuity
- Life insurance

Business and Commercial Banking

Broad based client solutions for a wide spectrum of small and medium sized businesses as well as large commercials

What we offer:

Transactional and Card Products

- Comprehensive suite of transactional, saving investment, trade, foreign exchange, payment and liquidity management solutions, made accessible through a range of physical and electronic/digital channels
- Merchant transaction acquiring services (card acquiring)

Lending Products

- Business lending offerings constitute comprehensive suite of lending product offerings, structured working capital finance solutions and commercial property finance solutions
- Overdrafts
- Finance of vehicles and equipment in the business market
- Invoice discounting
- Contract and local purchase order financing
- Import and export finance facility

Corporate & Investment Banking

Corporate and investment banking services to government parastatals, large corporates, financial institutions and international counterparties.

What we offer:

Global Markets

- Fixed income instruments
- Money market
- Equities
- Foreign Exchange
- Research
- Investment Banking
- Equity capital market
- Debt capital market
- Finance advisory
- Real Estate Finance and principal investment management
- Mining, Energy, and infrastructure
- Diversified Lending and Leverage

Transactional Products and Services

- Investor services (asset custody)
- Transactional banking
- Trade finance

Coverage and Distribution

- Client facing sales activities within the CIB division covering conglomerate and diversified industries; consumer, financial institutions; oil and gas, power and infrastructure and telecommunications, media, and technology sector

List of Shared Services within the Stanbic IBTC Group

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

Corporate Functions:

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

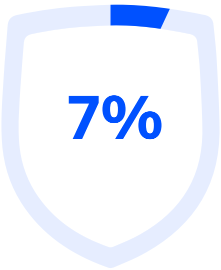
The importance of shared services within the group are:

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

Segmental Highlights

Personal and Private Banking

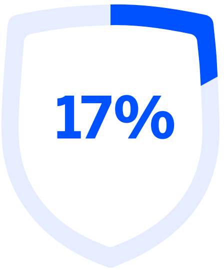
% of group gross revenue



	2023	2022
Total income	₦47.97 billion	₦21.62 billion
Total income growth (%)	Increased>100%	Increased 15%
Total income contribution (%)	13.5	9.0
Cost-to-income ratio (%)	99.2	139.6
Credit loss ratio (%)	0.76	0.6
Gross loan growth (%)	44.6	13.7
Deposit growth (%)	51.0	13.9

Business and Commercial Banking

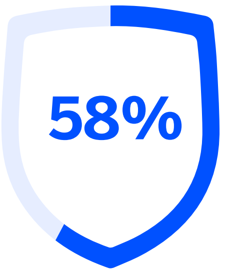
% of group gross revenue



	2023	2022
Total income	₦59.79 billion	₦47.18 billion
Total income growth (%)	Increased 27%	Increased 43%
Total income contribution (%)	16.8	19.7
Cost-to-income ratio (%)	54.0	62.7
Credit loss ratio (%)	2.8	1.4
Gross loan growth (%)	34.7	17.8
Deposit growth (%)	75.7	7.0

Corporate and Investment Banking

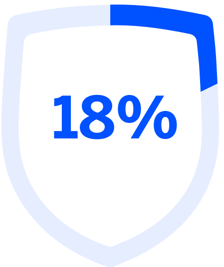
% of group gross revenue



	2023	2022
Total income	₦164.31 billion	₦103.42 billion
Total income growth (%)	Increased 59%	Increased 72%
Total income contribution (%)	46.3	43.2
Cost-to-income ratio (%)	33.4	40.7
Credit loss ratio (%)	0.1	0.6
Gross loan growth (%)	85.6	39.5
Deposit growth (%)	70.2	10.9

Insurance and Asset Management

% of group gross revenue



	2023	2022
Total income	₦83.09 billion	₦67.23 billion
Total income growth (%)	Increased 24%	Increased 15%
Total income contribution (%)	23.40	28.1
Cost-to-income ratio (%)	38.4	40.1
Credit loss ratio (%)	27.9	11.7
Gross loan growth (%)	4.2	3.3

Segmental Income Statement

	Personal and Private Banking			Business and Commercial Banking			Corporate and Investment Banking			Insurance and Asset Management		
	Change %	2023 ₦'million	2022 ₦'million	Change %	2023 ₦'million	2022 ₦'million	Change %	2023 ₦'million	2022 ₦'million	Change %	2023 ₦'million	2022 ₦'million
Interest income	47	23,548	16,016	36	57,354	42,136	>100	180,366	88,279	49	9,325	6,239
Interest expense	>(100)	16,462	(712)	>100	(14,704)	(7,082)	>100	(97,156)	(31,955)	>(100)	(5)	198
Net interest income	>100	40,010	15,304	22	42,650	35,054	48	83,210	56,324	45	9,320	6,437
Non-interest revenue	26	7,962	6,319	41	17,141	12,122	72	81,100	47,095	21	73,773	60,797
Net fee and commission revenue	61	7,050	4,386	20	11,494	9,608	11	17,463	15,690	21	74,270	61,375
Income from life insurance activities	-	-	-	-	-	-	-	-	-	>100	(1,531)	(595)
Trading revenue	(77)	407	1,771	>100	5,171	2,348	86	56,930	30,571	(33)	(2)	(3)
Other revenue	>100	505	162	>100	476	166	>100	6,707	834	>100	1,036	20
Total income	>100	47,972	21,623	27	59,791	47,176	59	164,310	103,419	24	83,093	67,234
Net impairment loss/(write-back) on financial assets	70	(3,330)	(1,959)	>100	(11,097)	(4,259)	(77)	(922)	(3,940)	(22)	(103)	(132)
Income after credit impairment charges	>100	44,642	19,664	13	48,694	42,917	64	163,388	99,479	24	82,990	67,102
Operating expenses	58	(47,596)	(30,186)	9	(32,314)	(29,593)	30	(54,953)	(42,138)	18	(31,944)	(26,977)
Profit before tax	(72)	(2,954)	(10,522)	23	16,380	13,324	89	108,435	57,341	27	51,046	40,125
Tax	21	(479)	(396)	>100	(1,011)	(603)	>100	(14,014)	(5,140)	25	(16,786)	(13,396)
Profit after tax	**69**	**(3,433)**	**(10,918)**	**21**	**15,369**	**12,721**	**81**	**94,421**	**52,201**	**28**	**34,260**	**26,729**

Personal and Private Banking (PPB)

Overview

The Personal and Private Banking (PPB) business segment serves the Group's retail and high net worth clients by providing banking services through our physical, virtual and digital channels.

PPB segment

The PPB Segment caters to all Stanbic IBTC Group's retail clients and is the largest client segment across the group, providing banking services to about 2.9 million retail customers

The functional areas that make up the PPB segment include:

- Main Clients Segment for all the Group's retail customers providing lifestyle solutions for our clients.
- Affluent Clients is a segment for high income individuals providing credit and other beyond banking services.
- High Net Worth Client segment caters to private banking clients across the bank.

Financial performance

PPB's gross income increased by 41% to ₦31.5 billion (2022: ₦22.3 billion), as both net interest income and non-interest revenue increased year-on-year.

Net interest income increased by above 100% to ₦40 billion resulting from the growth in interest income amid significant increase in interest expense. Interest income was up by 47% to ₦23.6 billion (2022: ₦16 billion) as a result of the higher average yield on investments coupled with growth in loans and advances. Interest expense improved by above 100% to ₦16.5 billion from a negative charge of ₦712 million in 2022.

Non-interest revenue (NIR), earned mainly from fees and commission, increased by 26% to ₦7.9 billion in 2023 (2022: ₦6.3 billion) resulting from 61% growth in fee and commission revenue as well as above 100% growth in other revenue. We continued to witness increasing adoption of digital channels. The volume and value of transactions performed by customers on our digital channels increased due to improvement in business activities during the year.

Expected credit losses was a charge of ₦3.3billion in 2023, 70% increase from prior year. This is because of the increase in non-performing overdrafts, term loans and mortgage loans, resulting in a credit loss ratio of 0.8% versus (0.6%) in FY 2022.

PPB's operating expenses increased by 58% due to increases in cost of technology upgrade and marketing and premises expenses following the uptick in business activities,. Cost-to-income ratio inproved year-on-year to 99.2% (2022: 139.6%) as the increase in gross revenue exceeded the increase in operating expenses.

At the end of the period, PPB reported a loss after tax of ₦3.4 billion in 2023, an improvement of 69% year-on-year.

Gross loans grew by 45% to close at ₦129 billion as a result of new disbursements of mortgage and term loans, overdrafts and instalment sale and finance leases to customers amid pressure from intense market competition and current economic challenges. Gross non-performing loans in PPB increased by 60% to ₦8.0 billion in 2023. This resulted in worsening of the ratio of non-performing loans to total loans to 6.2%, from 5.6% in 2022.

Customer deposits also grew by 51% to ₦524 billion in 2023 comprising of 65% increases in term deposits, 57% growth in current deposits, 46% increase in savings deposits and a 36% decline in call deposits year-on-year. The increase in term deposits resulted in a slight decline in CASA ratio as lower priced deposits to total deposits decreased to 95.1% from 95.2% achieved in prior year.

Performance highlights		Change %	2023	2022
Net interest income	₦'million	>100	40,010	15,304
Non-interest revenue	₦'million	26	7,962	6,319
Credit impairment charges	₦'million	70	(3,330)	(1,959)
Operating expenses	₦'million	58	(47,596)	(30,186)
Profit before tax	₦'million	(72)	(2,954)	(10,522)
Profit after tax	₦'million	(69)	(3,433)	(10,918)
Gross loans & advances	₦'million	45	129,017	89,249
Deposit liabilities	₦'million	51	523,995	347,037
Cost-to-income	%		99.2	139.6
Non-interest revenue to total income	%		16.6	29.2
Credit loss ratio	%		0.8	0.6
Non-performing loans ratio	%		6.2	5.6
Other key business statistics				
Business infrastructure				
Branch network	Number	(10)	130	140
ATMs	Number	3	814	811

Personal and Private Banking (PPB) *contined*

		Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net interest income	₦'million	11,322	10,468	10,229	7,991
Non-interest revenue	₦'million	3,672	1,218	(628)	3,700
Credit impairment charges	₦'million	(809)	(767)	(930)	(824)
Operating expenses	₦'million	(14,570)	(11,619)	(7,405)	(14,002)
Profit before tax	₦'million	(385)	(700)	(1,134)	(735)
Gross loans & advances	₦'million	129,017	120,099	106,057	92,283
Deposit liabilities	₦'million	523,995	445,248	441,926	395,724
Cost to income ratio	%	97.2	99.4	77.1	119.8
Non-performing loans ratio	%	6.2	5.2	6.0	5.3

Factors impacting the results

Favourable

- The Central Bank increased MPR multiple times to close at 18.75% in 2023 even though it remained stable in the last quarter of the year.
- New disbursements of mortgages, term loans, vehicle and overdrafts resulting in overall loan growth.
- Improvement in business activities led to increased volume of transactions across our digital channels and other touch points which resulted in fees and commission growth.
- Increase in the number of savings accounts driven by the save and win promo.

Adverse

- Continued growth in expensive deposits resulting in a slight decline in CASA ratio.
- Increase in operating cost following inflationary impact due to the removal of fuel subsidy and naira revaluation.
- Highly competitive environment continues to impact risk asset pricing.

Loans and advances

Breakdown of loans and advances to customers	Change %	2023 ₦'million	2022 ₦'million
Gross loans and advances	45	129,017	89,249
Mortgage loans	>100	15,184	5,217
Instalment sale and finance leases	3	1,740	1,687
Overdrafts	10	5,891	5,358
Term loans	38	106,202	76,987
Credit impairment	43	(7,626)	(5,344)
12-month Expected Credit Loss (ECL)	19	(1,430)	(1,200)
Lifetime ECL not credit-impaired	>100	(1,173)	(406)
Lifetime ECL credit-impaired	34	(5,023)	(3,738)
Net loans and advances	**45**	**121,391**	**83,905**

Breakdown of non-performing loans	Change %	2023 ₦'million	2022 ₦'million
Overdrafts	51	259	172
Term loans	60	7,451	4,646
Instalmental sale and finance leases	2	84	82
Mortgage loans	>100	219	92
Total non-performing loans	**60**	**8,013**	**4,993**

Deposit liabilities

Deposit breakdown	Change %	2023 ₦'million	2022 ₦'million
Current deposits	57	234,979	149,996
Savings deposits	46	263,372	180,367
Call deposits	(36)	1,209	1,887
Term deposits	65	24,435	14,787
Total customer deposits	**51**	**523,995**	**347,037**

Comments

- Continued focus on raising cheap deposits such that 95% of total customer deposit is CASA.

Business and Commercial Banking (BCB)

Overview

The Business and Commercial Banking (BCB) segment provides broad based client solutions for a wide spectrum of small and medium-sized businesses (Enterprise sub-segment) as well as large commercial enterprises (Commercial subsegment). BCB's 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.

BCB provides a comprehensive suite of lending, transactional, savings, investment, trade, foreign exchange, payment and liquidity management solutions, which are made accessible through a range of physical and electronic / digital channels.

Financial performance

BCB reported significant growth in profit after tax of ₦15.4 billion from the ₦12.7billion reported in prior year due to growth in both net interest income and non-interest revenue.

Net interest income increased by 22% to ₦42.7 billion from ₦35.1 billion in prior year, benefiting largely from the 36% growth in interest income due to growth in customer loans and advances and improvement in average yield on assets. Interest expense however increased by above 100% to close at ₦14.7 billion from ₦7.1 billion in FY 2022.

Non-interest revenue increased by 41% to ₦17.1 billion from ₦12.1 billion recorded in 2022. The increase was attributable to the over 100% growth in trading revenues and 20% increase in fees and commission income driven by increase in fees from new loan bookings and increased transaction volumes.

Credit impairment was a charge of ₦11.1 billion resulting from a 93% growth in non-performing loans. This resulted in a credit loss ratio of 2.8% as against a ratio of (1.4%) in the previous year.

Operating expenses increased by 9% due to inflation following the increase in premises expenses on account of increased maintenance costs, training and marketing expenses. That said, BCB's cost-to-income ratio improved to 54% in 2023 from 62.7% in 2022 due to the growth in total income.

Gross loans and advances grew by 35% to ₦450.7 billion in 2023 (2022: ₦334.7billion). The growth was largely driven by 74% growth in instalment sale and finance leases, 31% growth in overdrafts and 28% growth in term loans to support client expansion requirements while mortgage loans declined by 100%. BCB's asset quality declined as non-performing loans increased by 93% to ₦27.9 billion (2021: ₦14.5 billion). Therefore, the non-performing loans to total loans ratio increased to 6.2% from 4.3% in 2022.

Customer deposits increased by 76% to ₦626.7 billion from ₦356.6 billion in 2022 on account of increases in current, call and term deposits to fund risk asset growth.

Performance Highlights		Change %	2023	2022
Net interest income	₦'million	22	42,650	35,054
Non-interest revenue	₦'million	41	17,141	12,122
Credit impairment charges	₦'million	>100	(11,097)	(4,259)
Operating expenses	₦'million	9	(32,314)	(29,593)
Profit before tax	₦'million	23	16,380	13,324
Profit after tax	₦'million	21	15,369	12,721
Gross loans and advances	₦'million	35	450,650	334,655
Deposit liabilities	₦'million	76	626,672	356,596
Cost-to-income	%		54.0	62.7
Non-interest revenue to total income	%		28.7	25.7
Credit loss ratio	%		2.8	1.4
Non-performing loans ratio	%		6.2	4.3

Quarterly analysis of performance		Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net interest income	₦'million	12,561	11,535	10,665	7,889
Non-interest revenue	₦'million	5,263	2,449	6,734	2,695
Credit impairment charges	₦'million	(5,724)	(3,073)	(1,966)	(334)
Operating expenses	₦'million	(8,824)	(7,721)	(8,623)	(7,146)
(Loss)/profit before tax	₦'million	3,276	3,190	6,810	3,104
Gross loans & advances	₦'million	450,650	402,545	402,989	305,944
Deposit liabilities	₦'million	626,672	545,801	498,463	404,609
Cost-to-income ratio	%	49.5	55.2	49.6	67.5
Non-performing loans ratio	%	6.2	6.4	5.3	5.0

Breakdown of customer loans and advances	Change %	2023 ₦'million	2022 ₦'million
Gross loans and advances	35	450,650	334,655
Mortgage loans	(100)	-	156
Instalment sale and finance leases	74	75,602	43,379
Overdrafts	31	69,002	52,497
Term loans	28	306,046	238,623
Credit impairments	>100	(30,874)	(14,754)
12-month ECL	53	(6,379)	(4,171)
Lifetime ECL not credit-impaired	11	(995)	(900)
Lifetime ECL credit-impaired	>100	(23,500)	(9,683)
Net loans and advances	**31**	**419,776**	**319,901**

Business and Commercial Banking (BCB) continued

Breakdown of non-performing loans	Change %	2023 ₦'million	2022 ₦'million
Overdrafts	(68)	807	2,497
Term loans	>100	26,952	11,680
Instalment sale and finance leases	(50)	165	327
Total	**93**	**27,924**	**14,504**

Comments

Overdrafts

- Increase in loan book to support clients' working capital needs.
- Non-performing loans improved by 68% to ₦807 million and non-performing loans ratio also became better at 1.2% (2022: 4.8%).

Instalment sale and finance leases

- Increase in loan book as we continue to provide clients with financing options for the acquisition of assets.
- Non-performing loans reduced by 50% to ₦165 million and non-performing loans ratio also improved to 0.2% (2022: 0.8%).

Mortgage lending

- 100% decline in product loan book due to maturities and muted demand for mortgage.

Term loans

- 28% Increase in loan disbursements despite competitive pressure and pricing challenges.
- Non-performing loans increased by above 100% to ₦26.9 billion. Thus, non-performing loans ratio closed at 8.8% (2022: 4.9%).

Deposit liabilities

Deposit breakdown	Change %	2023 ₦'million	2022 ₦'million
Current deposits	60	431,775	269,433
Savings deposits	(2)	611	621
Call deposits	34	35,550	26,579
Term deposits	>100	158,736	59,963
Total deposits	**76**	**626,672**	**356,596**

Comments

- Low-cost deposits accounted for 69% of total deposits, a 9% decline from previous year.
- Growth in call and term deposits driven by funding needs and the review of deposit interest rate by CBN to tame rising inflation rate.
- Uptime and availability on the service delivery channels supported growth in customer deposits.

Corporate and Investment Banking (CIB)

Overview

Corporate and Investment Banking ("CIB") comprises four business units: Client Coverage ("CC"), Global Markets ("GM"), Investment Banking ("IB") and Transactional Banking ("TB"). Our Client Coverage team manages corporate relationships and is the main point of contact with our clients. The team members are skilled at identifying client needs and requirements, and at aligning these with the appropriate product houses for execution.

The GM business provides products and solutions in equities, fixed income, foreign exchange, and money markets. Stanbic IBTC Stockbrokers Limited, which reports into the GM business, provides world-class stockbroking services in Nigeria to local and foreign investors. It is the largest stockbroking house in Nigeria. Our Economics and Research team, a part of the GM business, provides insights on the domestic and international markets to our portfolio investment clients, through a team of highly skilled macroeconomic and equity research analysts.

Our IB business, a leading investment banking franchise in Nigeria, provides a complete suite of innovative advisory, capital markets and financing solutions to a diversified client base that includes local corporates, multinationals, and government entities. It helps clients raise equity and/or debt capital to strengthen and grow their businesses, and also provides financial and strategic advisory services. The advisory and capital markets solutions include private and public equity capital (initial public offerings, follow-on public offerings and rights issues), mergers and acquisitions, divestitures, corporate restructurings, bonds and commercial papers issuances and ratings advisory. The financing solutions include debt arranging, optimal capital structure advisory across energy and infrastructure, real estate, telecommunications, media and technology, consumer, financial institutions and industrials sector.

Transactional banking offers standardised and tailored transactional products and services including trade finance solutions, working capital and cash management solutions. Our custody team provides world-class non-pension custodial services, through Stanbic IBTC Nominees, to both foreign and local investment houses.

Financial performance

CIB's profitability increased by 81% to ₦94.4 billion in 2023 (2022: ₦52.2 billion) largely due to the increase in both net interest income and non-interest revenue during the period.

Net interest income (NII) increased by 48% to ₦83.2 billion from ₦56.3 billion in prior year, driven by above 100% growth in interest income earned from higher yields on assets in 2023 compared to 2022, higher interest earned on overnight lending and high value of cheap deposits.

Non-interest revenue (NIR) increased by 72% to ₦81.1 billion from ₦47.1 billion recorded in 2022. This was attributable to 11% growth in fees and commission revenue occasioned by increased advisory fees from the Investment Banking space, fees from new loan booked, 86% growth in trading income and above 100% growth in other revenue as market volumes and foreign portfolio inflows increases, reflecting the improvement in business activities.

Credit impairment of the business improved to a charge of ₦922 million as against of ₦3.9 billion recorded in prior year. CIB's total operating expenses grew by 30% driven by the increase in both staff and other operating costs.

Staff cost increased as a result of off cycle salary increase necessitated by the impact of inflation, while increase in other operating expenses was occasioned by growth in AMCON levy and NDIC premium. The AMCON levy and NDIC premium increased due to growth in total assets and increase in the value of total qualifying deposits, respectively. Thus, CIB's cost-to-income ratio improved to 33.4% in 2023 (2022: 40.7%) as total income increased faster than the rise in operating expenses.

Gross loans and advances grew by 86% to ₦1.5 trillion in 2023 (2022: ₦814.3 billion). The growth was largely driven by over 100% growth in overdrafts, 85% growth in term loans. Non-performing loans of the business increased solely due to term loans by 33% to ₦13.3 billion (2022: ₦9.9 billion) and so the non-performing loans to total loans ratio of the business improved to 0.9% from 1.2% in 2022.

Customer deposits increased by 70% to ₦922.2 billion from ₦541.7 billion in 2022 on account of the 92% growth in current deposits to fund liquidity requirements.

Performance highlights

		Change %	2023	2022
Net interest income	₦'million	48	83,210	56,324
Non-interest revenue	₦'million	72	81,100	47,095
Credit impairment charges	₦'million	(77)	(922)	(3,940)
Operating expenses	₦'million	30	(54,953)	(42,138)
Profit before tax	₦'million	89	108,435	57,341
Profit after tax	₦'million	81	94,421	52,201
Gross loans & advances	₦'million	86	1,511,470	814,291
Deposit liabilities	₦'million	70	922,220	541,713
Cost-to-income	%		33.4	40.7
Non-interest revenue to total income	%		49.4	45.5
Credit loss ratio	%		0.1	0.6
Non-performing loans ratio	%		0.9	1.2

Quarterly analysis of performance

		Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net interest income	₦'million	27,548	24,139	14,612	16,911
Non-interest revenue	₦'million	11,639	19,474	24,377	25,610
Credit impairment charges	₦'million	1,029	(27)	133	(2,057)
Operating expenses	₦'million	(11,352)	(12,450)	(10,164)	(20,987)
Profit before tax	₦'million	28,864	31,136	28,958	19,477
Gross loans & advances	₦'million	1,511,470	1,290,989	1,192,348	838,508
Deposit liabilities	₦'million	922,220	788,082	697,746	525,221
Cost-to-income	%	29.0	28.5	49.6	67.5
Non-performing loans ratio	%	0.9	1.3	1.3	1.5
Other key business statistics					
Investor services					
Assets under custody	₦'million	7,799,492	5,744,751	5,198,247	4,227,637

Corporate and Investment Banking (CIB) *continued*

Factors impacting the results

Favourable

- Increases in fees from new loan bookings, trade activities as well as financial advisory services – a reflection of improved business activities.
- Growth in loan book with the associated effect on interest income.
- Growth in trading activities positively impacting foreign portfolio inflows and fees from trading and asset under custody.
- The business did not report non-performing loans for the overdrafts and Vehicle and Asset Financing portfolio.

Adverse

- Strong competition for good, quality credit with continued pressure on yields.
- Increase in credit impairment due to charges on the new loan booked as well as additional impairment charges on some clients arising from risk grade re-classifications.

Global markets

- Reduction in funding cost supported NII growth.
- Higher volume of trades led to trading revenue growth.

Investment banking

- Successfully advised clients on investment banking transactions in 2023 and awarded multiple domestic and international awards during the year in recognition of our market leadership.
- Growth in loan book.

Transactional products and services

- Awarded Best Sub-Custodian in Nigeria by Global Finance.
- Growth in loan book.
- Growth in custodial assets following increased portfolio flows.

Loans and advances

Breakdown of customer loans and advances	Change %	2023 ₦'million	2022 ₦'million
Gross loans and advances	86	1,511,470	814,291
Instalment sale and finance leases	(3)	11,933	12,329
Overdrafts	>100	65,905	28,088
Term loans	85	1,433,633	773,874
Credit impairment	52	(20,287)	(13,311)
12-month ECL	54	(9,292)	(6,018)
Lifetime ECL not credit-impaired	(29)	(69)	(97)
Lifetime ECL credit-impaired	52	(10,926)	(7,196)
Net loans and advances	**86**	**1,491,183**	**800,980**

Breakdown of non-performing loans	Change %	2023 ₦'million	2022 ₦'million
Overdrafts		-	-
Term loans	33	13,258	9,941
Instalmental sale and finance leases		-	-
Total non-performing loans	**33**	**13,258**	**9,941**

Deposit liabilities

Deposit breakdown	Change %	2023 ₦'million	2022 ₦'million
Current deposits	92	562,603	292,484
Call deposits	(20)	61,145	76,787
Term deposits	73	298,472	172,442
Total customer deposits	**70**	**922,220**	**541,713**

Insurance and Asset Management (IAM)

Overview

The Insurance and Asset Management (IAM) business segment serves the Group's retail and high net worth clients by providing non- banking specific services such as pension fund administration, asset management trustee services, insurance brokerage and life insurance.

IAM was formerly known as CHNW non-bank Segment and comprises five licensed legal entities. These entities are unique in the solutions they offer but taken together offer personalised insurance and asset management solutions that help clients through their journey of wealth creation, preservation, protection and transfer to the next generation to preserve legacy.

The five legal entities include:

- Stanbic IBTC Pension Managers Limited (SIPML) for the administration and management of pension assets
- Stanbic IBTC Asset Management Limited (SIAML) for the management of non-pension assets. Our Wealth & Investment team; experts who serve as advisors to high-net-worth individuals are situated within this subsidiary
- Stanbic IBTC Trustees Limited (SITL) for trusteeship, estate management & Institutional Trust functions
- Stanbic IBTC Insurance Brokers Limited (SIIBL) for insurance risks brokerage and advisory functions and
- Stanbic IBTC Insurance Limited (SIIL) that offers Life insurance solutions only.

Financial performance

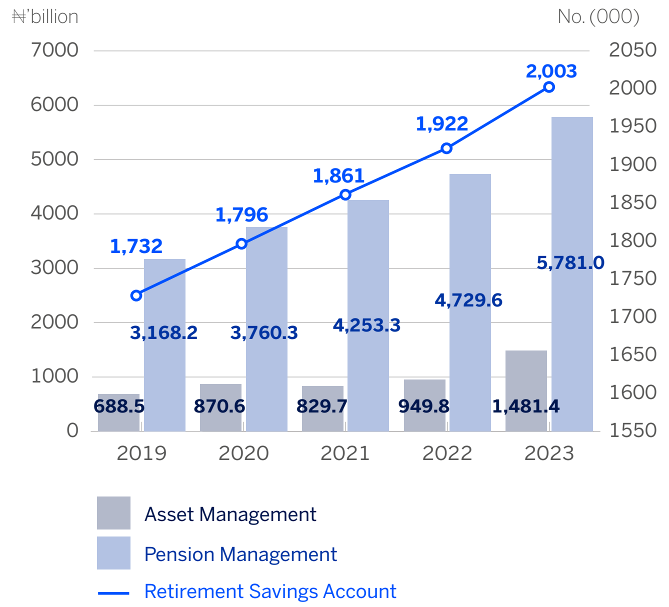
The IAM business recorded a gross income of N83.1 billion, representing a 24% increase from N67.0 billion in 2022. The growth is on the back of increase in non-interest revenue and net interest income from investment.

Non-interest revenue increased by 21% to N73.8 billion (2022: N60.8billion), because of continued growth in assets under management and increase in pension clients. Despite the current economic conditions i.e., increase in unemployment remittance of pensions, Assets under management increased by 28% to close at N7.3 trillion from N5.7 trillion in 2022. Pension assets under management, which accounted for almost 80% of total asset under management, grew by 22% to close at N5.8 trillion from N4.7 trillion recorded in 2022.

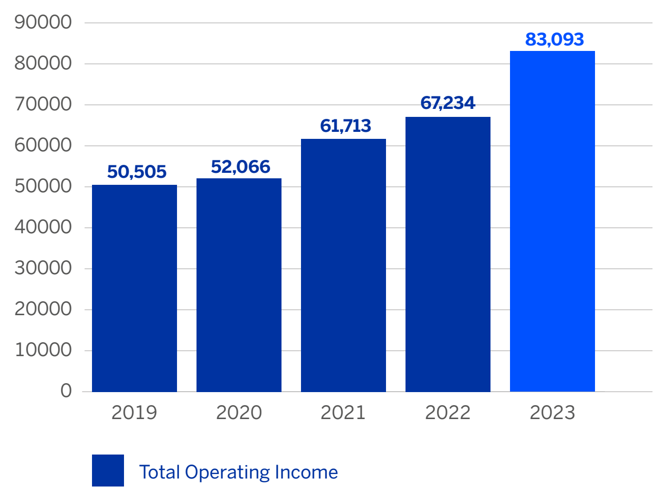
The non-pension asset under management was up 56% to N1.5 trillion (2022: N950.8 billion). The increase is as a result of investors increased demand for fixed income investments. The Stanbic IBTC Money Market Fund met the need of most investors seeking investment that could guarantee the safety of capital invested and still earn some returns.

IAM's total income grew by 24% to N83 billion in 2023 from N67 billion achieved in 2022. While operating expenses increased by 18% to N31.9 billion (2022: N26.9 billion) due to growth in staff cost (inflation adjustment), increase in training, premises maintenance and marketing and advertising expenses. However, cost-to-income ratio improved to 38.4% from 40.1% recorded in 2022 because income is growing at a faster rate than operating expenses.

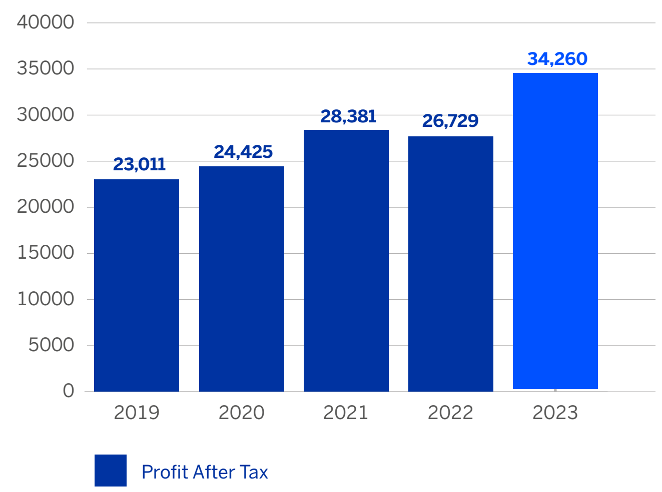
Overall profit before tax increased by 27% to N51billion (2022: N40.1 billion), while profit after tax also increased by 28% to N34.3 billion (2022: N26.7 billion).



Total Operating Income
CAGR (2019 - 2023): 13%



Profit After Tax
CAGR (2019 - 2023): 10%



Performance Highlights		Change %	2023	2022
Net interest income	₦'million	45	9,320	6,437
Non-interest revenue	₦'million	21	73,773	60,797
Credit impairment charges	₦'million	(22)	(103)	(132)
Operating expenses	₦'million	18	(31,944)	(26,977)
Profit before tax	₦'million	27	51,046	40,125
Profit after tax	₦'million	28	34,260	26,729
Assets under management	₦'million	28	7,262,436	5,679,415
Retirement savings accounts	Number	4	2,002,647	1,922,203
Cost to income ratio	%		38.4	40.1

Insurance and Asset Management (IAM) *continued*

Quarterly analysis		Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net interest income	₦'million	3,256	1,677	2,104	2,283
Non-interest revenue	₦'million	17,441	20,202	20,415	15,715
Credit impairment charges	₦'million	8	(110)	9	(10)
Operating expenses	₦'million	(9,011)	(8,922)	(10,859)	(3,152)
Profit before tax	₦'million	11,694	12,847	14,069	12,436
Assets under management	₦'million	7,262,436	6,821,524	6,402,219	5,252,017
Retirement savings accounts	Number	2,002,647	1,983,335	1,961,999	1,872,033
Cost to income ratio	%	43.5	37.5	48.2	17.5

Factors impacting the results

Favourable

- Increase in the number of Retirement Savings Accounts.
- The continued growth in pension funds under management from consistent contributions and returns from existing and new contributors, impacted revenue positively.
- Growth in investment volumes resulting in the increased assets under management.

Adverse

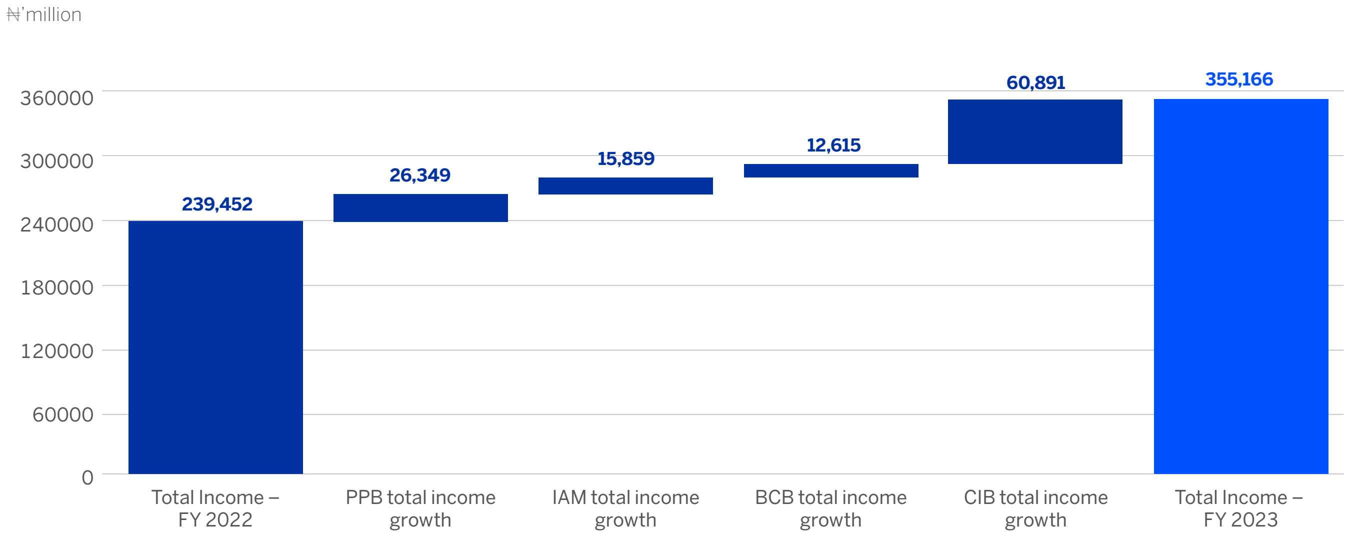
- Growing rate of unemployment.
- Increase in operating cost following inflationary impact due to the removal of fuel subsidy and naira revaluation.
- Highly competitive environment.

GROWING STABILITY

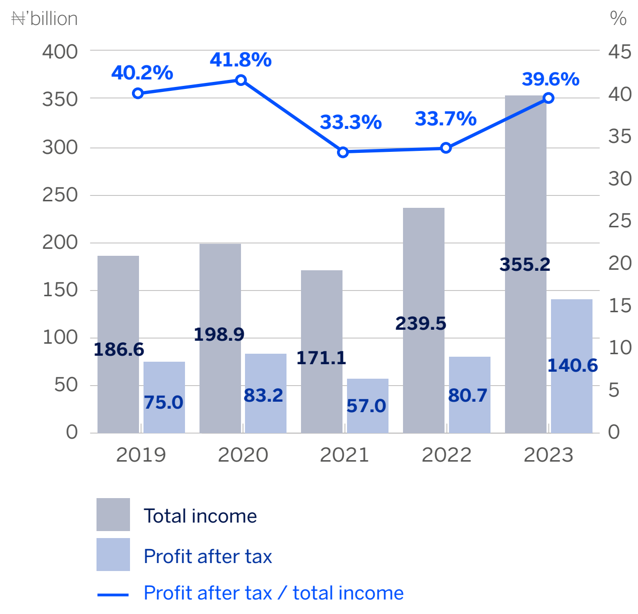
3 Income Statement Analysis

Overview of Group Income

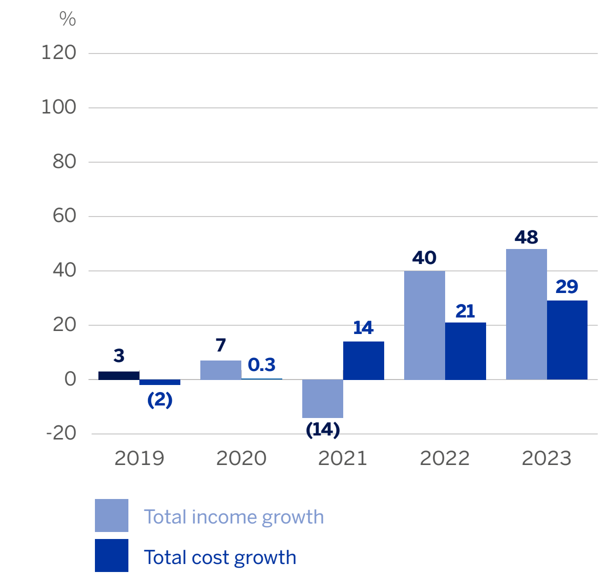
Total income contribution by client segments ₦'million



Total income and profitability

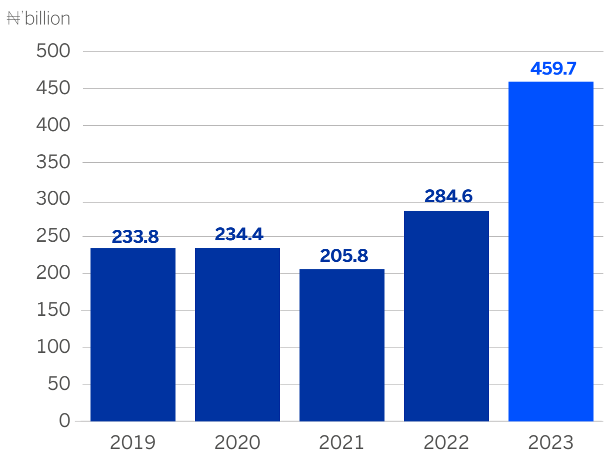


Income growth vs. cost growth



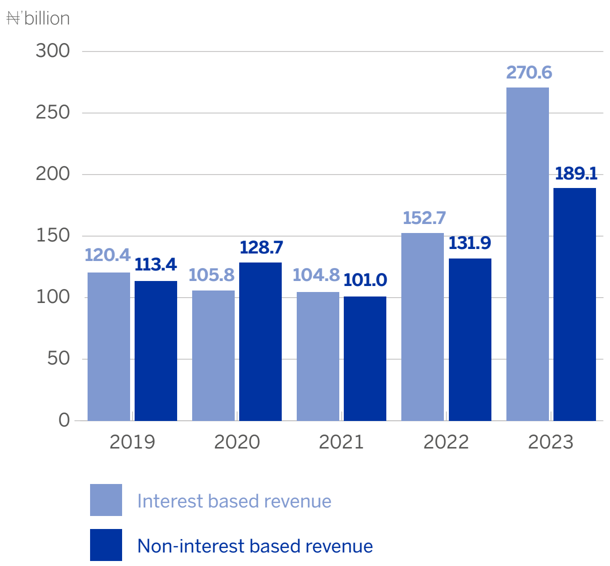
Gross revenue

CAGR (2019 - 2023): 18%

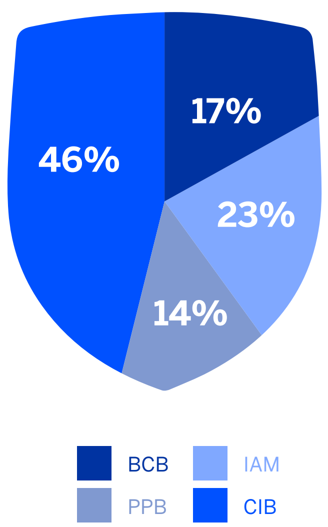


Interest based revenue and non-interest-based revenue

CAGR (2019 - 2023): Interest based revenue: 22%
Non-interest-based revenue: 14%



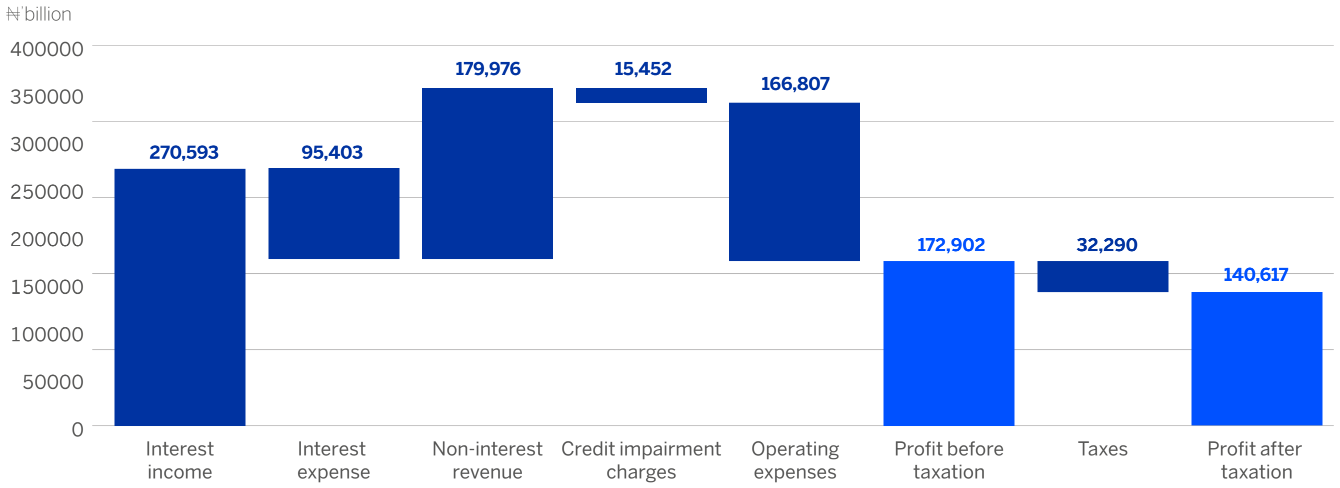
Total income contribution by client segment



Total income contribution by business unit	2023	2022
BCB	59,791	47,176
IAM	83,093	67,234
PPB	47,972	21,623
CIB	164,310	103,419
Total	**355,166**	**239,452**

Overview of Group Income *continued*

Profit after tax contribution by client segment

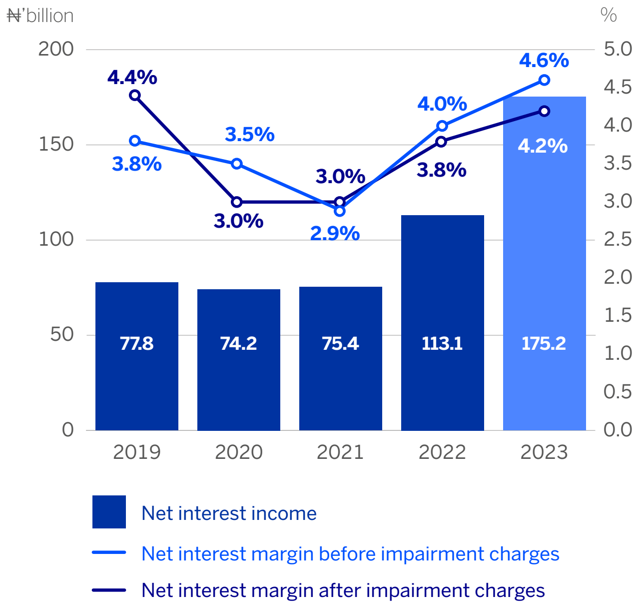


Income statement summary	Change %	2023 ₦'million	2022 ₦'million
Net interest income	55	175,190	113,119
Non-interest income	42	179,976	126,333
Net impairment write-back/(loss) on financial assets	50	(15,452)	(10,290)
Operating expenses	29	(166,807)	(128,894)
Profit before tax	72	172,907	100,268
Profit after tax	74	140,617	80,733

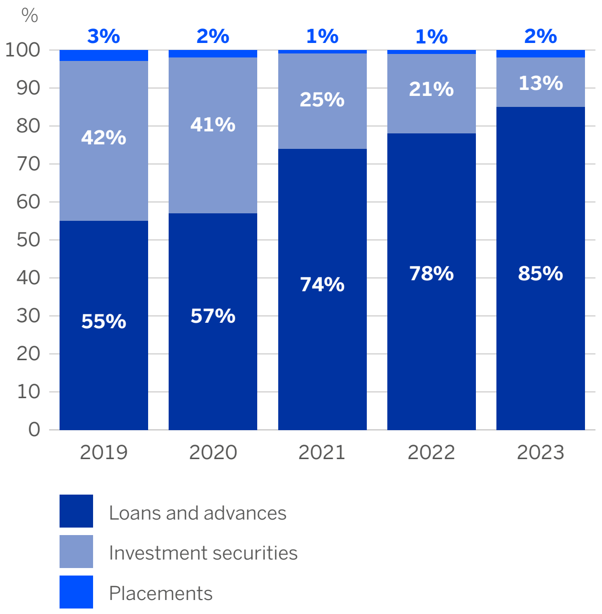
Net Interest Income and Margin Analysis

Net interest income and net interest margin

CAGR (2019 - 2023): 22%



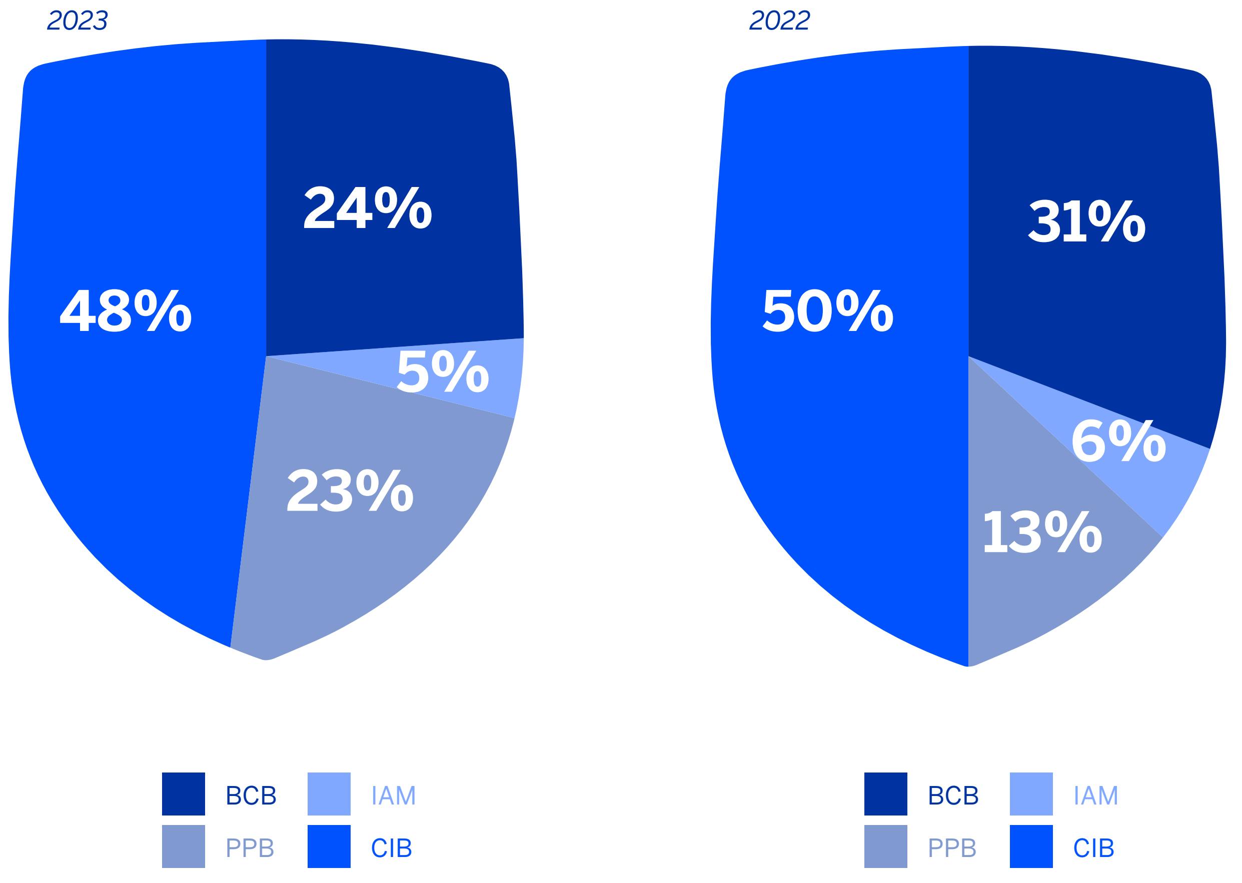
Composition of interest income



Breakdown of net interest income	Change %	2023 ₦'million	2022 ₦'million
Interest income on investment securities	15	36,092	31,460
Interest income on advances to banks	>100	4,923	1,247
Interest revenue on loans and advances to customers	91	229,578	119,963
Interest income (A)	77	270,593	152,670
Interest expense (B)	>100	95,403	39,551
Savings accounts	>100	5,484	2,430
Current accounts	>100	5,394	1,640
Call deposits	>100	2,349	829
Term deposits	47	17,847	12,121
Inter-bank deposits	>100	14,492	5,665
Borrowed funds	>100	49,823	16,856
Lease liabilities	40	14	10
Net interest income (A-B)	**55**	**175,190**	**113,119**

Net Interest Income and Margin Analysis *continued*

Net interest income by business unit



Factors impacting net interest income

Favourable

- Growth in loan book supported the increase in interest income from loans. Therefore, interest income from loans accounted for 87% (2022: 79%) of total interest income.
- Continued growth in retail business contribution to total loans and deposits.
- Positive yields on investment securities.

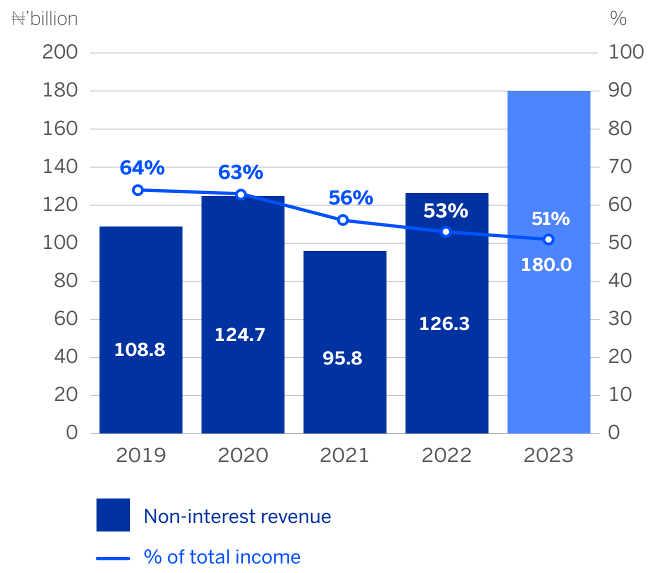
Adverse

- Substantial increase in interest expense.
- Asset repricing following competitive pressure to grow loans.
- Increase in term deposits muted net interest income growth.

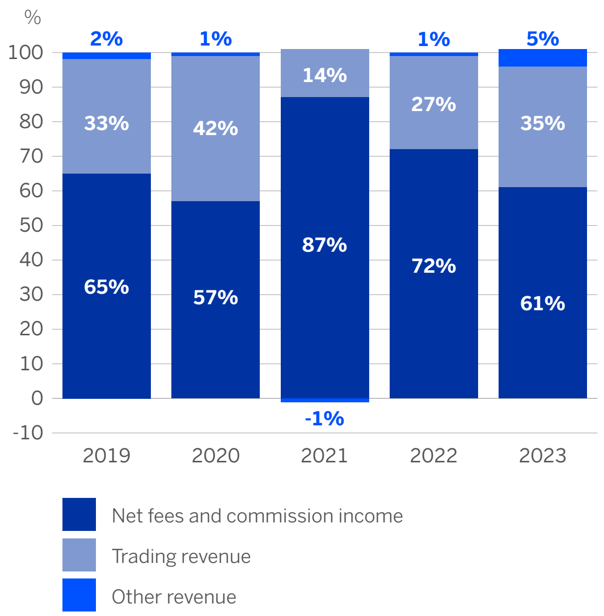
Non-Interest Revenue (NIR)

Non- interest revenue

CAGR (2019 - 2023): 10%



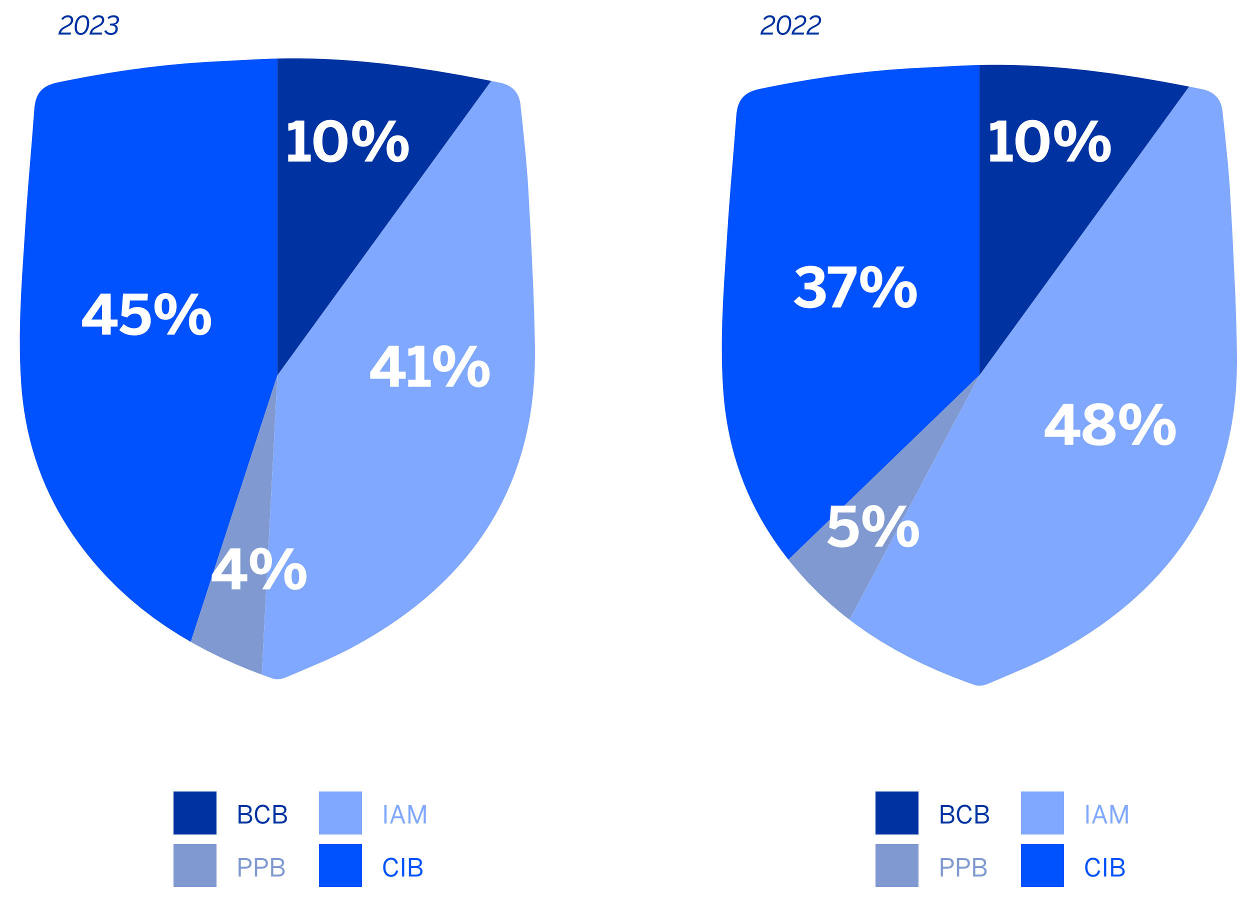
Composition of non-interest revenue



Non-Interest Revenue *continued*

Breakdown of non-interest revenue	Change %	2023 ₦'million	2022 ₦'million
Net fee and commission revenue	21	110,277	91,059
Account transaction fees	24	6,768	5,446
Card based commission	(25)	3,801	5,073
Brokerage and financial advisory fees	4	10,372	9,982
Asset management fees	23	71,961	58,309
Custody transaction fees	33	3,006	2,253
Electronic banking	76	4,422	2,513
Foreign currency service fees	40	10,541	7,513
Documentation and administration fees	74	5,434	3,120
Other	(17)	1,534	1,856
Fee and commission expense	51	(7,562)	(5,006)
Income from life insurance activities	>100	(1,531)	(595)
Net insurance service result before reinsurance contracts held	>100	2,196	441
Insurance revenue	97	6,595	3,341
Insurance service expense	52	(4,399)	(2,900)
Net expense from reinsurance contracts held	>100	(670)	(307)
Net insurance finance expenses	>100	(2,285)	(561)
Net finance expenses from insurance contracts issued	>100	(2,285)	(561)
Fair value adjustments	>100	(772)	(168)
Trading revenue	80	62,506	34,687
Equities	-	2	2
Fixed income and currencies	80	62,504	34,685
Other revenue	>100	8,724	1,182
Dividend income	12	677	602
Gains on disposal of property and equipment	20	1,054	879
Gain/loss on disposal of financial investment	(78)	(106)	(485)
Other non-bank revenue	>100	7,099	186
Total non-interest revenue	**42**	**179,976**	**126,333**

Non-interest revenue by business unit



Factors impacting non-interest revenue

Favourable

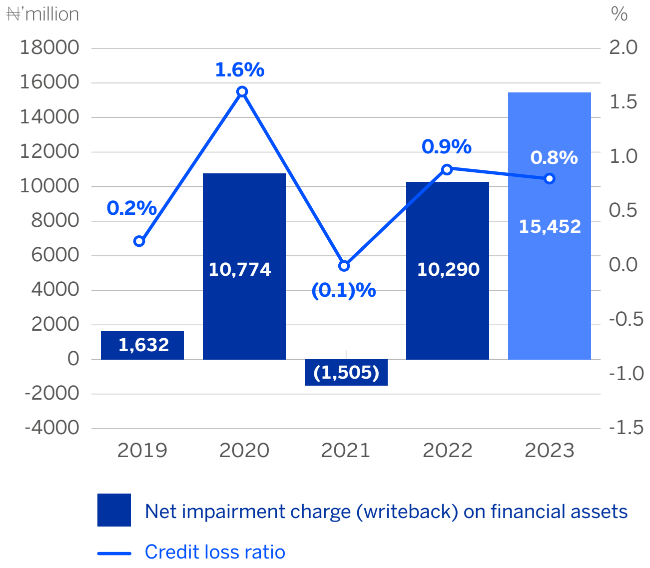
- Growth in Assets under Management (AuM) supported increased AuM fees.
- Increased transaction volumes drove growth in electronic banking and account transaction fees reflecting improved business activities and increasing customer base.
- Growth in documentation and administrative fees earned from new loan bookings.
- Increased advisory fees from the Investment Banking space.
- A well-positioned trading book took advantage of volatility in foreign exchange market and interest rate movements to increase trading revenue.

Adverse

- Asset management fees growth dampened by increase in regulatory induced fees.

Credit Impairment Charges

Impairment charges on financial assets vs. credit loss ratio



Net impairment charge/ (reversal)	Change %	2023 ₦'million	2022 ₦'million
12 month expected credit loss	(56)	1,313	3,012
Lifetime expected credit loss-not credit impaired	50	702	469
Lifetime expected credit loss-credit impaired	79	14,806	8,265
Recoveries	79	(3,407)	(1,906)
Net expected credit losses raised and released for loan and advances	36	13,414	9,840
Net expected credit losses raised and released for financial investments	>100	1,334	205
Net expected credit losses raised and released on off balance sheet exposures	(6)	(148)	(157)
Net expected credit losses raised and released on other assets	>100	852	402
Net impairment charge / (reversal) on financial instruments	**50**	**15,452**	**10,290**

Net impairment charge / (write-back) by business unit	Change %	2023 ₦'million	2022 ₦'million
Personal and Private Banking	70	3,330	1,959
Insurance and Asset Management	(22)	103	132
Business and Commercial Clients	>100	11,097	4,259
Corporate and Investment Banking	(77)	922	3,940
Credit impairment charges	**50**	**15,452**	**10,290**

Factors impacting non-interest revenue

Favourable

- Credit impairment in the CIB space improved despite the substantial loan growth.

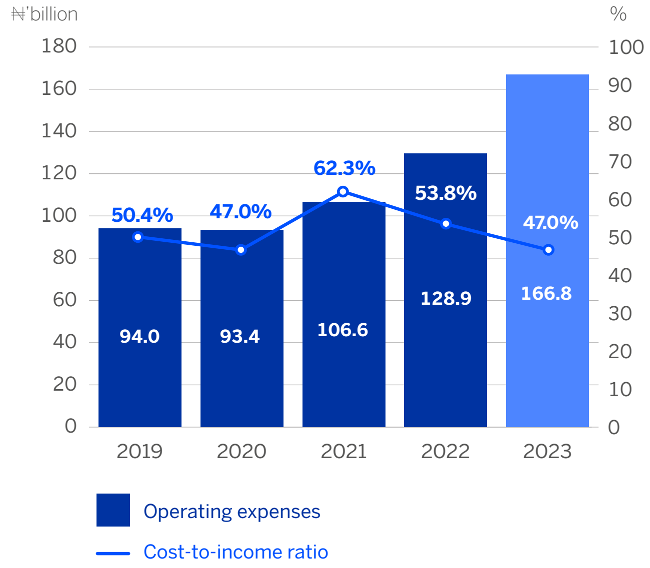
Adverse

- Increase in credit impairment is as a result of strategic decision to clean-up deliquent assets on the books.
- Continued pressure on recovery values of collateral.
- Increased credit portfolio provisioning due to loan growth and cautious outlook especially in the BCB and PPB segments.

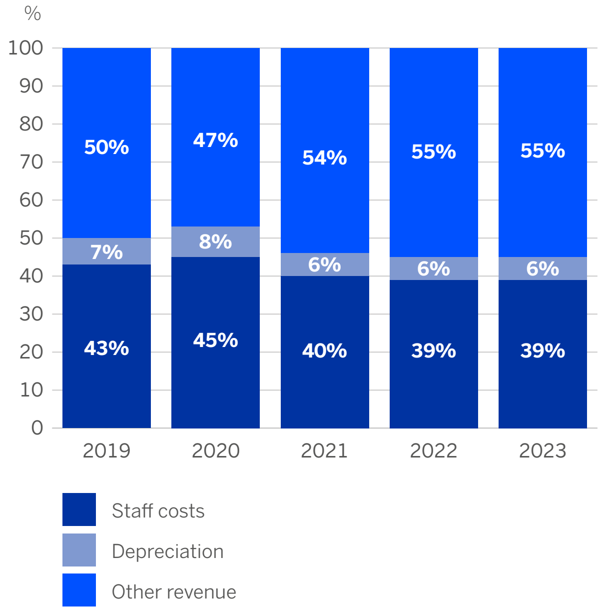
Operating Expenses

Operating expenses and cost-to-income ratio

CAGR (2019 - 2023): 15%



Composition of operating costs



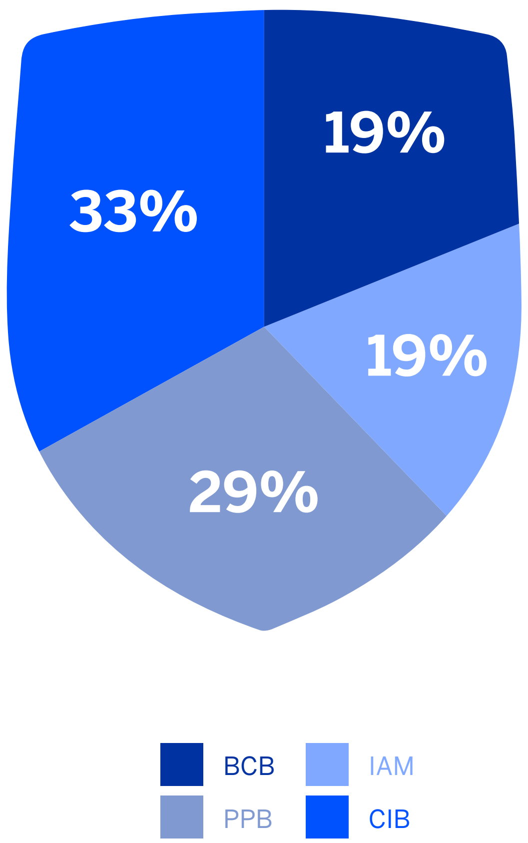
Operating Expenses *continued*

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

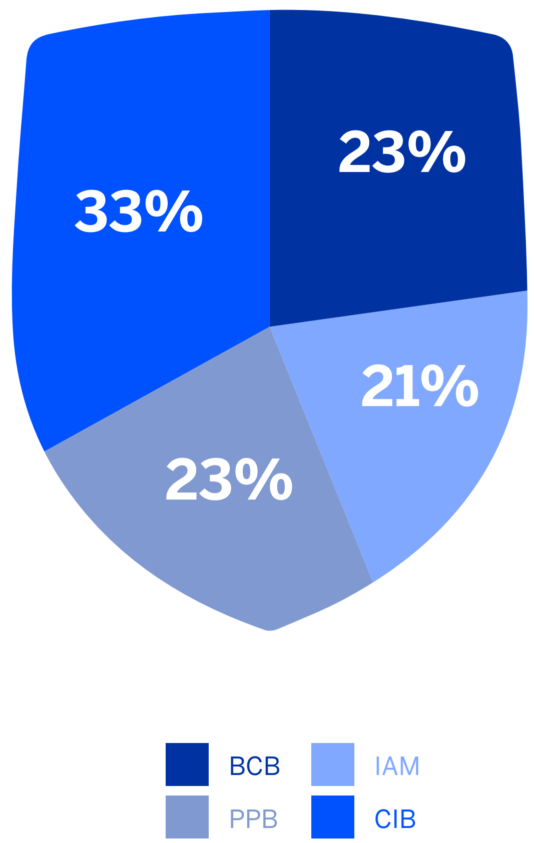
Operating expenses by business unit	Change %	2023 ₦'million	2022 ₦'million
Personal and Private Banking	58	47,596	30,186
Insurance and Asset Managemet	18	31,944	26,977
Business and Commercial Banking	9	32,314	29,593
Corporate and Investment Banking	30	54,953	42,138
Operating expenses	**29**	**166,807**	**128,894**

Operating cost by business unit

2023



2022



Factors impacting operating expenses

Staff cost

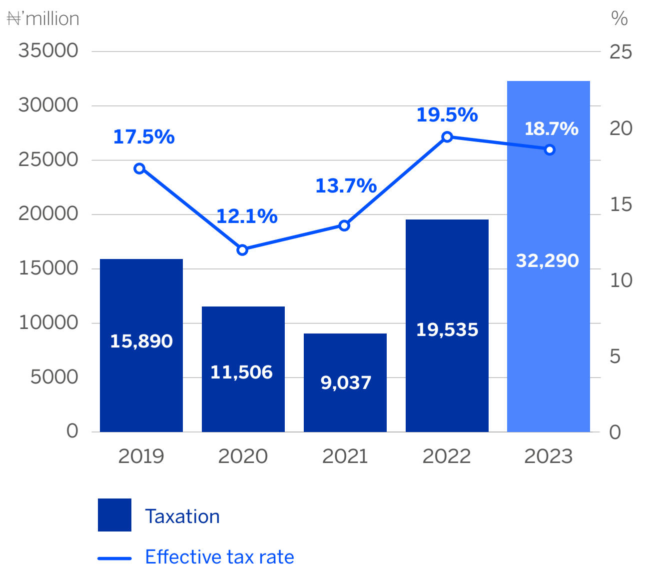
- The annual inflationary and off cycle adjustment to salaries led to increased staff cost.
- The return to the normal way of working has led to increase in the premises and maintenance cost.

Other operating expenses

- Higher regulatory and compliance related insurance cost– AMCON sinking fund contribution and deposit insurance.
- Increased information technology spend to support business expansion.
- Cost savings were recorded from branch optimisation
- Increased brand and marketing costs due to new product and brand awareness campaign.

Taxation

Taxation charge and effective tax rate



Breakdown of taxation	Change %	2023 ₦'million	2022 ₦'million
Current tax	17	21,704	18,579
Deferred tax	>100	10,586	956
Taxation per statement of profit or loss	**65**	**32,290**	**19,535**

Comments

Income tax increased by 65% to close at ₦32.3 billion in 2023 (2022: ₦19.5 billion). However, the tax rate declined to 18.7% from 19.5% in prior year.

Factors impacting increase in taxation

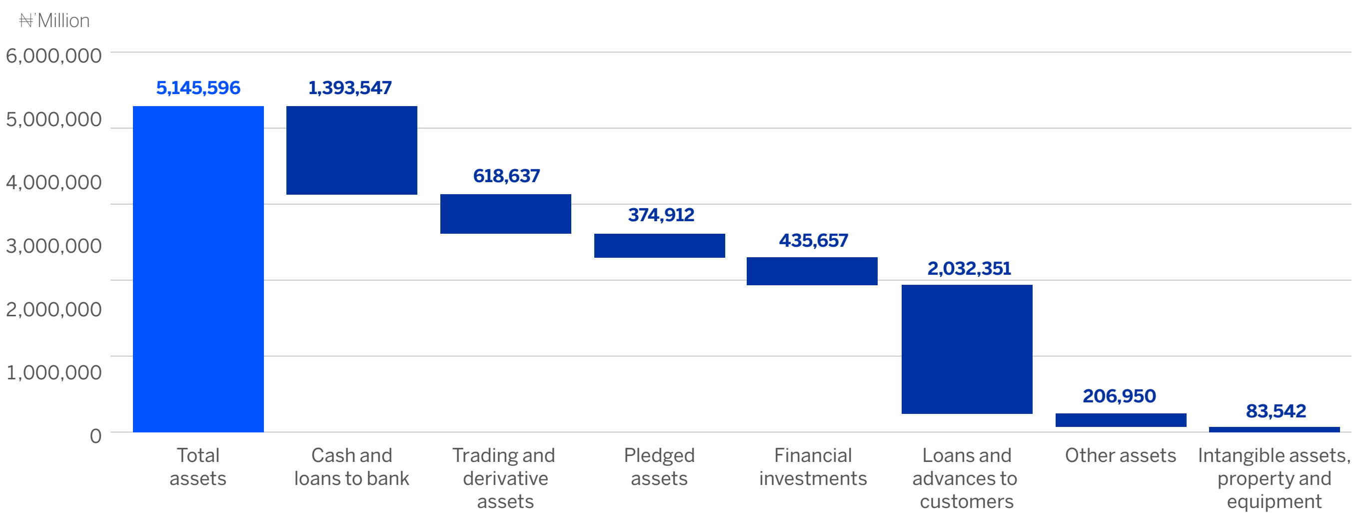
- The YOY increase in Gross earnings & Profit Before Tax resulted in increase in corporate income tax payable.
- The YOY increase in Profit Before Tax (PBT) increased the National Information Technology Development (NITD) levy, National Agency for Science and Engineering Infrastructure (NASENI) levy and Nigeria Police Trust Fund (NPTF) levy payable by the Stanbic IBTC Group. NITD, NASENI & NPTF levies are computed at 1%, 0.25% and 0.005% of PBT respectively.
- The applicable rate for tertiary education tax was increased during the year from 2.5% to 3% in 2023, thereby increasing the education tax payable by Stanbic IBTC Group.
- The mark to market gains on derivative assets and FX positions resulted into a deferred tax liability which increased the tax charged to income statement.

GROWING TECHNIQUE

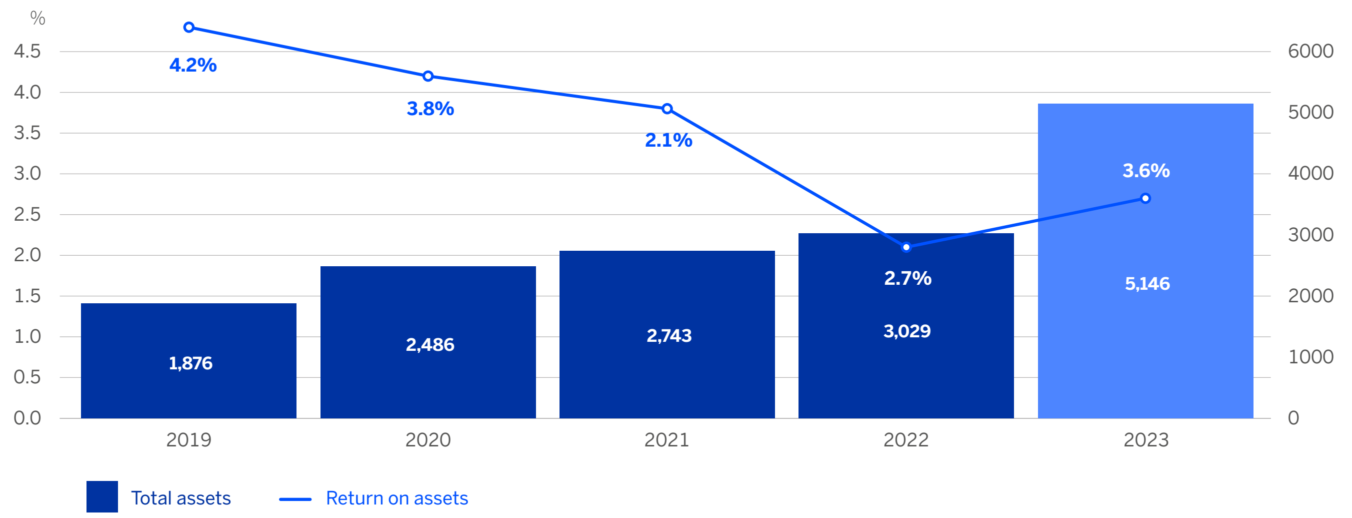
4 Balance Sheet Analysis

Overview of Group Consolidated Assets

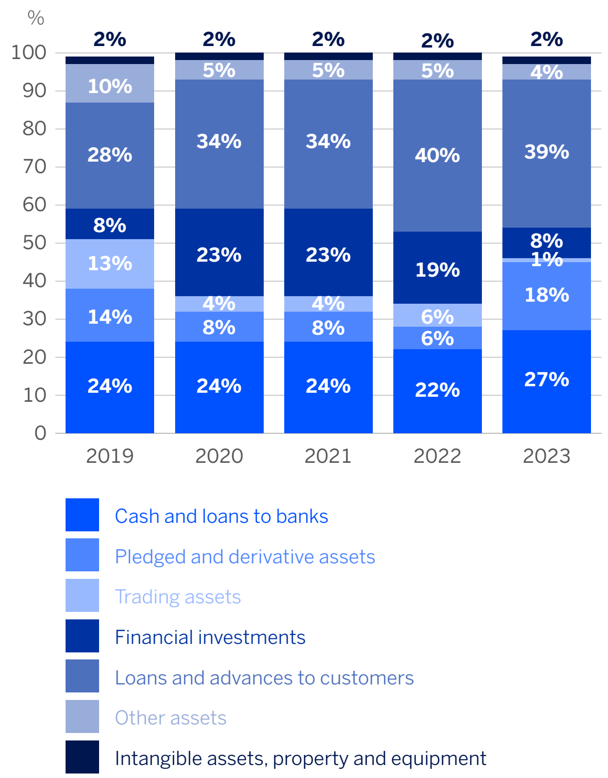
Asset composition



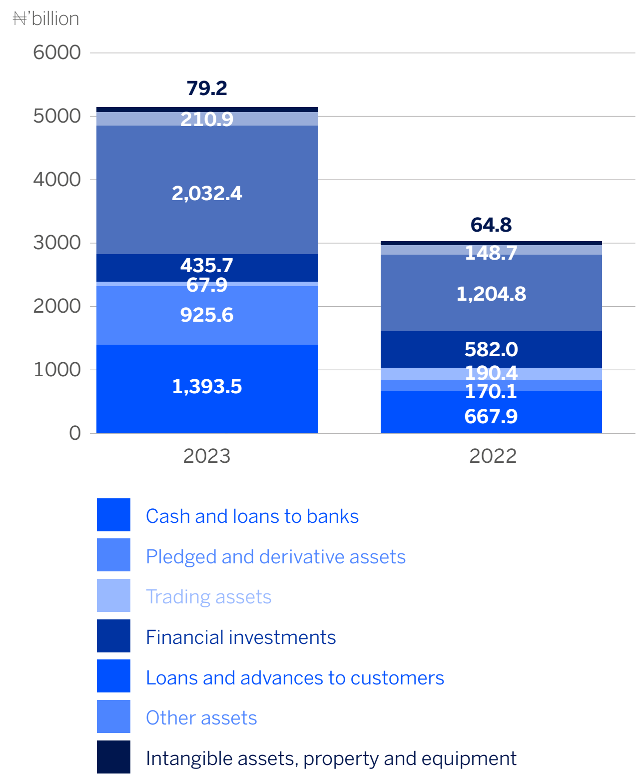
Return on assets



Asset mix



Breakdown of total assets



Comments

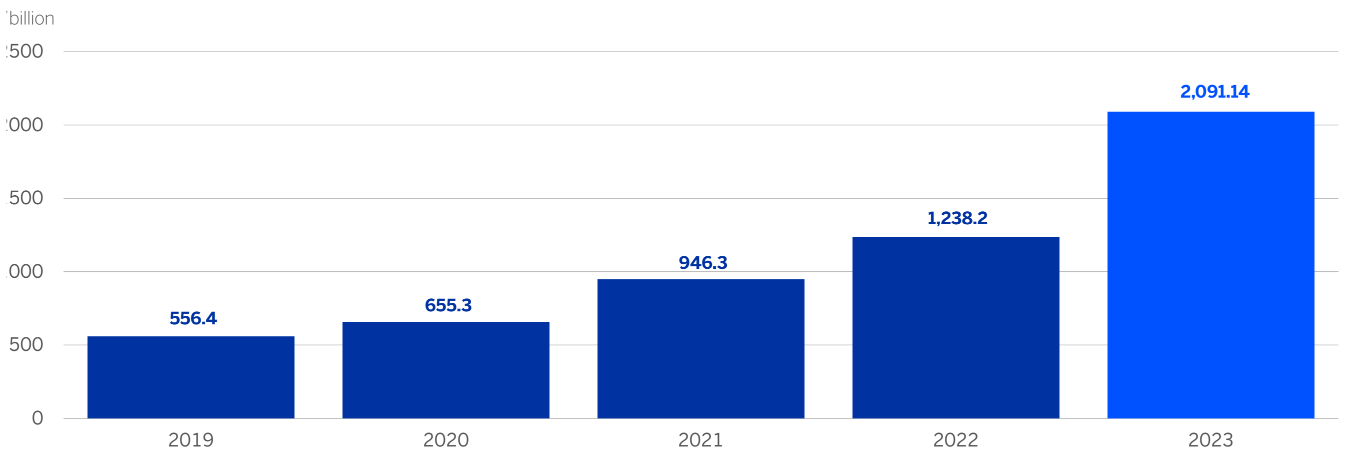
The Group's total assets increased by 70% to ₦5.2 trillion in 2023 from ₦3.03 trillion in 2022. The increase in total assets is largely from the significant growth in trading assets, loan and advances to customers and property and premises and partly due to revaluation of the currency.

The Group's after-tax return on average assets grew to 3.6% from 2.7% achieved in 2022 due to the increase in profits coupled with the enlarged asset base.

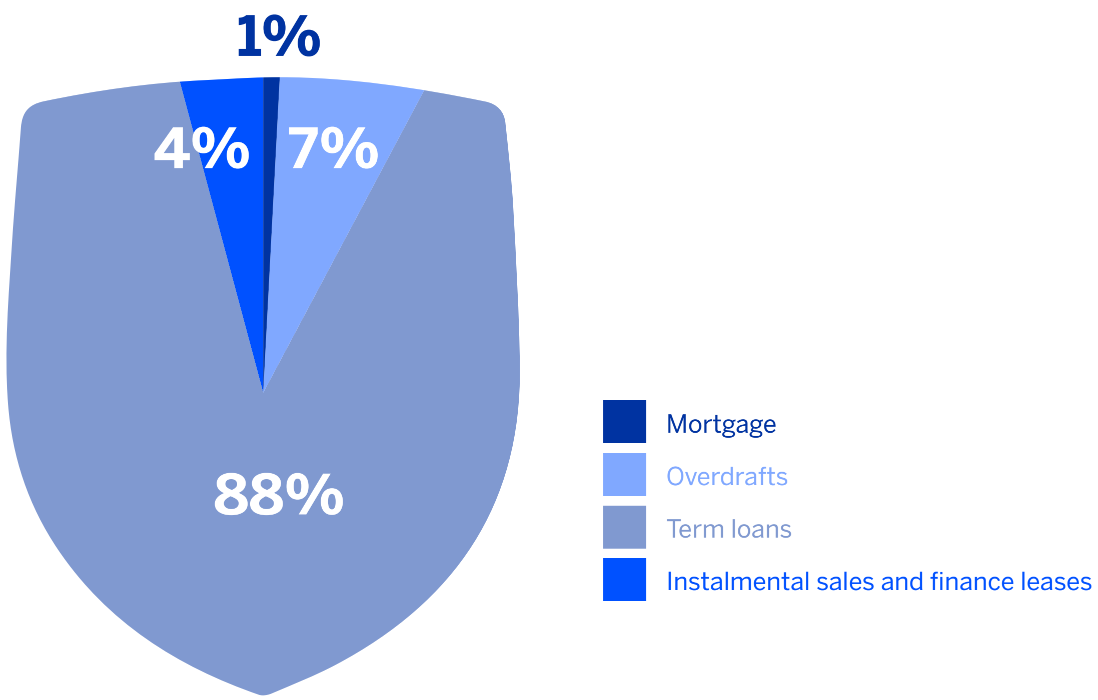
Loans and Advances

Gross loans and advances

CAGR (2019 - 2023): 39%



Composition of gross loans and advances

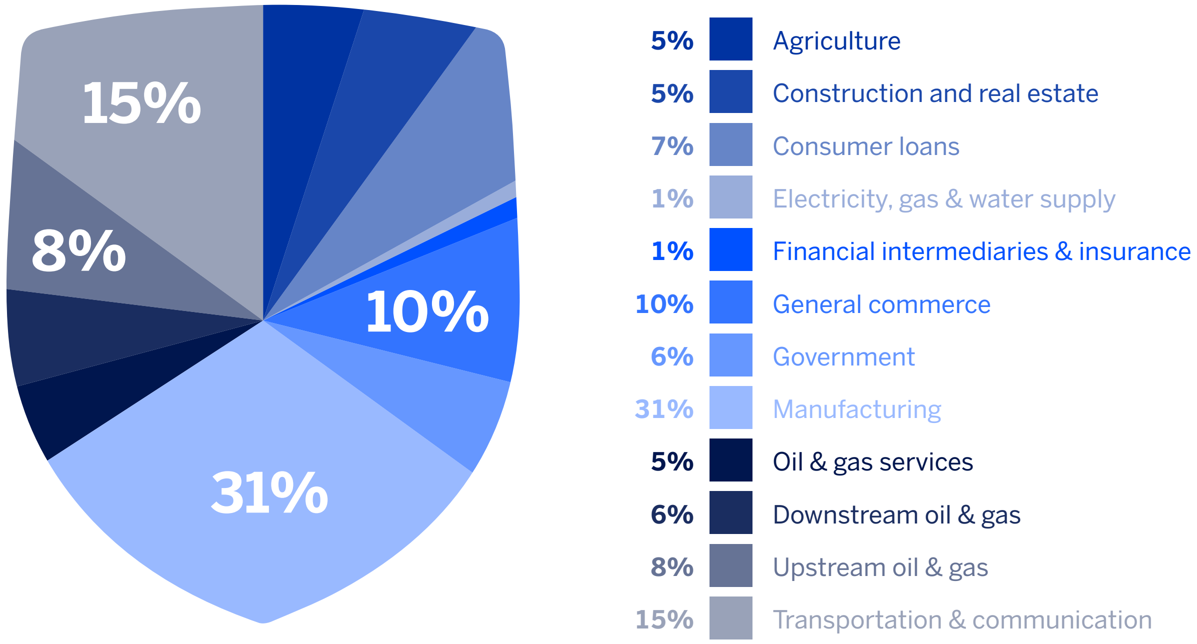


Breakdown of loans and advances to customers	Change %	2023 ₦'million	2022 ₦'million
Gross loans and advances	69	2,091,138	1,238,195
Mortgage loans	>100	15,184	5,372
Instalment sale and finance leases	56	89,275	57,395
Overdrafts	64	140,798	85,944
Term loans	69	1,845,881	1,089,484
Credit impairments	76	(58,787)	(33,409)
12-month ECL	50	(17,101)	(11,389)
Lifetime ECL not credit-impaired	59	(2,237)	(1,403)
Lifetime ECL credit-impaired	91	(39,449)	(20,617)
Net loans and advances	**69**	**2,032,351**	**1,204,786**

Breakdown of customer loans and advances by business unit	Personal and Private Banking PPB ₦'million	Business and Commercial Banking BCB ₦'million	Corporate and Investment Banking CIB ₦'million	Total ₦'million
Overdrafts	5,891	69,002	65,905	140,798
Term loans	106,202	306,046	1,433,633	1,845,881
Instalment sale and finance leases	1,740	75,602	11,933	89,275
Mortgage loans	15,184	-	-	15,184
Total loans and advances	**129,017**	**450,650**	**1,511,470**	**2,091,138**

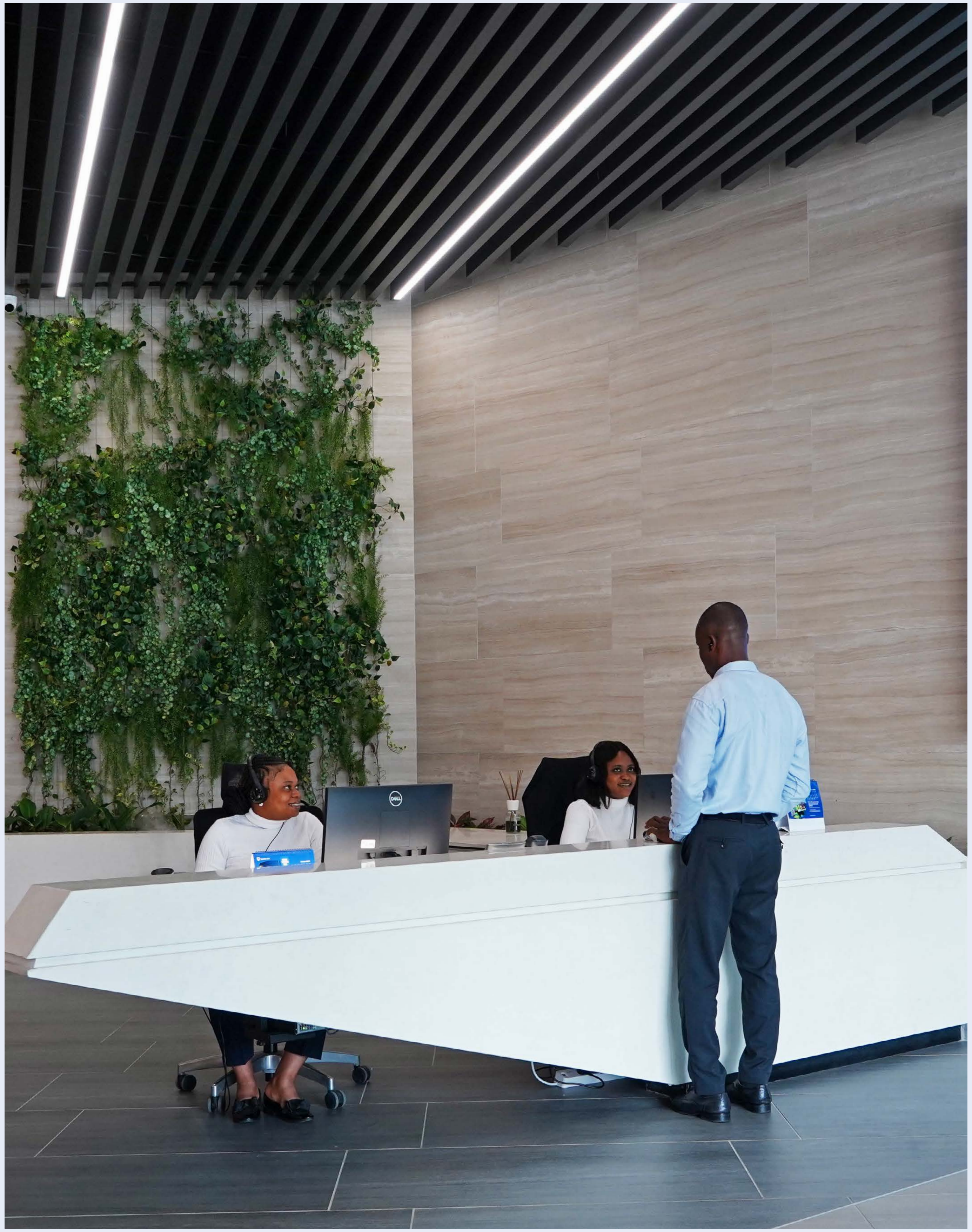
Loans and Advances *continued*

Loans and advances by sector



Factors impacting loans and advances

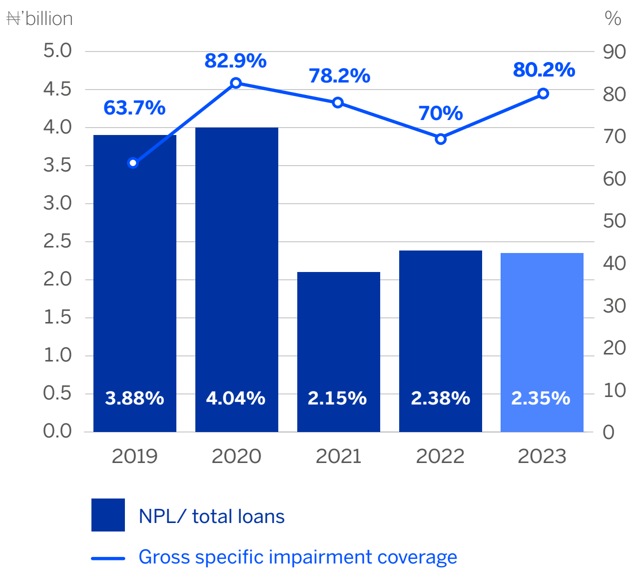
- Strong growth in loans, mostly transportation and communication, oil and gas, general commerce, electricity, gas and water supply, agriculture and manufacturing despite competitive pressure, pay-downs and maturities.
- Continued pressure on loan yields arising from fierce competition for loan creation.
- Naira revaluation also impacted the loan books.



Loans and Advances Performance

Non-performing loans

NPL and coverage ratio



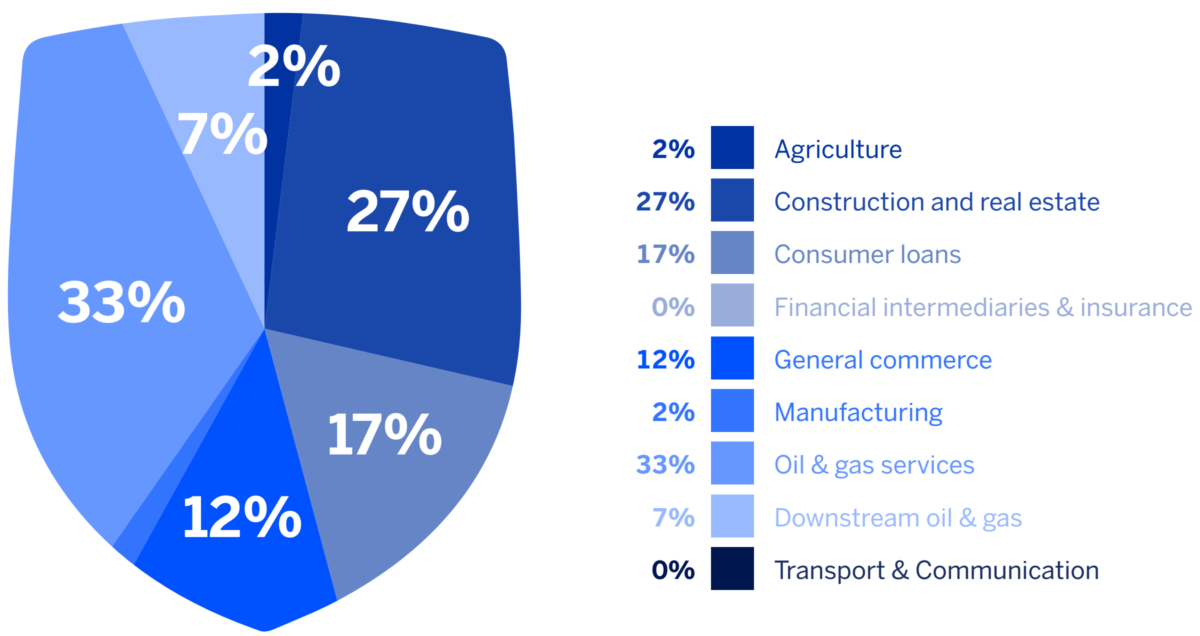
Breakdown of non-performing loans by product	Change %	2023 ₦'million	2022 ₦'million
Overdrafts	(60)	1,066	2,669
Term loans	81	47,661	26,267
Instalment sales and finance leases	(39)	249	410
Home loans	>100	219	92
Total non-performing loans	**67**	**49,195**	**29,437**

Breakdown of non-performing loans by client segment	Personal and Private Banking ₦'million	Business and Commercial Banking ₦'million	Corporate and Investment Banking ₦'million	Total ₦'million
Overdrafts	259	807	-	1,066
Term loans	7,451	26,952	13,258	47,661
Instalment sales and finance leases	84	165	-	249
Mortgage lending	219	-	-	219
Total non-performing loans	**8,013**	**27,924**	**13,258**	**49,195**

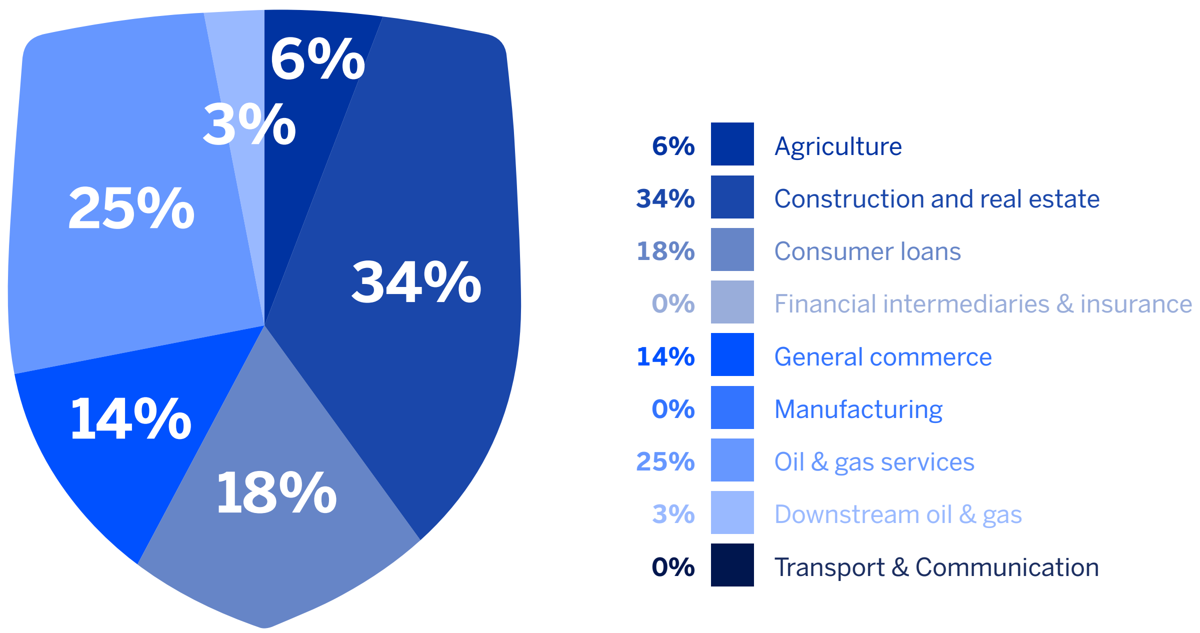
Non-performing loans by sector	Change %	2023 ₦'million	2022 ₦'million
Agriculture	(51)	822	1,682
Construction and real estate	33	13,256	9,942
Consumer loans	58	8,468	5,350
Financial intermediaries & insurance	>100	28	-
General commerce	47	6,056	4,133
Manufacturing	>100	840	103
Oil & gas services	>100	16,351	7,233
Downstream oil & gas	>100	3,372	992
Gross loans and advances	**67**	**49,195**	**29,437**

Non-performing loans by sector

2023



2022



Comments

- Gross Non- performing loans increased by 67% due to additional classifications mainly in the general commerce sector, oil and gas and financial intermediaries & insurance sector, continued focus on quality risk asset growth also led to the slight improvement of the gross nonperforming loans to total loans ratio of 2.35% (2022:2.38%)
- Foreign currency loans accounted for 52% of total non-performing loans.

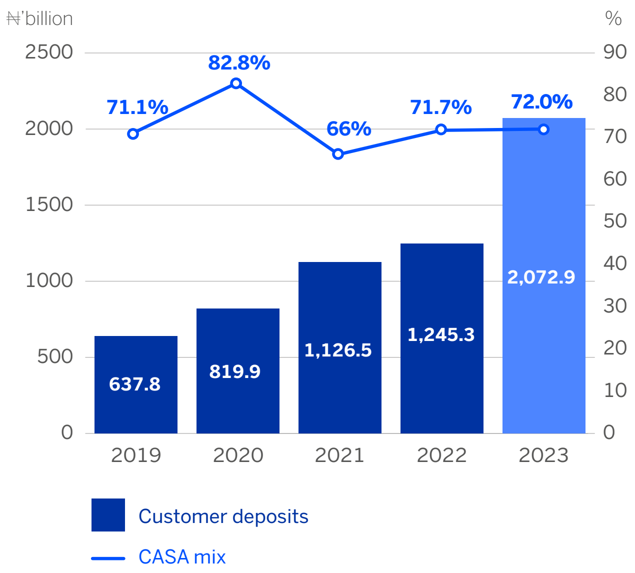
Asset Quality

			Stage 1 and stage 2						Stage 3												
			Neither past due nor specifically impaired				Not specifically impaired		Specifically impaired loans												
			Performing						Non-performing loans			Non-performing loans									
	Total	Balance sheet impairments	Normal monitoring ₦'million		Close monitoring ₦'million		Early Arrears ₦'million		Stage 3		Stage 3	Purchased/Originated as credit impaired			Total ₦'million	Securities and expected recoveries on specifically impaired loans ₦'million	Net after securities and expected recoveries on specifically impaired loans ₦'million	Balance sheet impairments for non-performing specifically impaired loans ₦'million	Gross specific impairment coverage %	Total non-performing loans ₦'million	Non-performing loans %
December 2023	Loans and advances to customers ₦'million	for performing loans ₦'million	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub-standard ₦'million	Doubtful ₦'million	Loss ₦'million	Sub-standard ₦'million	Doubtful ₦'million	Loss ₦'million							
Personal and Private Banking (PPB)	129,017	2,406	97,259	1,514	-	151	16,190	5,891	1,600	2,621	3,792	-	-	-	8,013	2,990	5,023	5,023	63	8,013	6.2
Mortgage loans	15,184	99	13,974	15	-	110	775	91	147	15	57	-	-	-	219	87	132	132	60	219	1.44
Instalment sale and finance leases	1,740	27	1,597	4	-	-	-	55	16	30	38	-	-	-	84	32	52	52	62	84	4.82
Card debtors	3,907	316	2,262	254	-	-	495	662	127	31	76	-	-	-	234	15	219	219	93	234	6.00
Other loans and advances	108,187	1,964	79,426	1,242	-	41	14,920	5,083	1,309	2,544	3,622	-	-	-	7,476	2,856	4,620	4,620	62	7,476	6.91
Business and Commercial Banking (BCB)	450,650	7,413	398,262	1,572	-	7,951	11,610	3,331	7,527	2,420	17,977	-	-	-	27,924	4,424	23,500	23,500	84	27,924	6.2
Mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sale and finance leases	75,602	1,472	74,335	297	-	394	221	191	16	10	138	-	-	-	165	22	143	143	87	165	0.22
Card debtors	16	1	16	-	-	-	-	-	0	-	0	-	-	-	-	-	-	-	-	-	1.45
Other loans and advances	375,031	5,940	323,912	1,275	-	7,558	11,388	3,140	7,511	2,410	17,838	-	-	-	27,759	4,402	23,357	23,357	84	27,759	7.40
Corporate and Investment Banking (CIB)	1,511,470	9,301	1,446,029	-	-		52,183				13,258	-	-	-	13,258	2,332	10,926	10,926	82	13,258	0.88
Corporate loans	1,511,470	9,301	1,446,029	-	-	-	52,183	-	-	-	13,258	-	-	-	13,258	2,332	10,926	10,926	82	13,258	0.88
Gross loans and advances	**2,091,138**	**19,120**	**1,941,551**	**3,087**	**-**	**8,102**	**79,982**	**9,221**	**9,127**	**5,040**	**35,027**	**-**	**-**	**-**	**49,195**	**9,746**	**39,449**	**39,449**	**80**	**49,195**	**2.35**

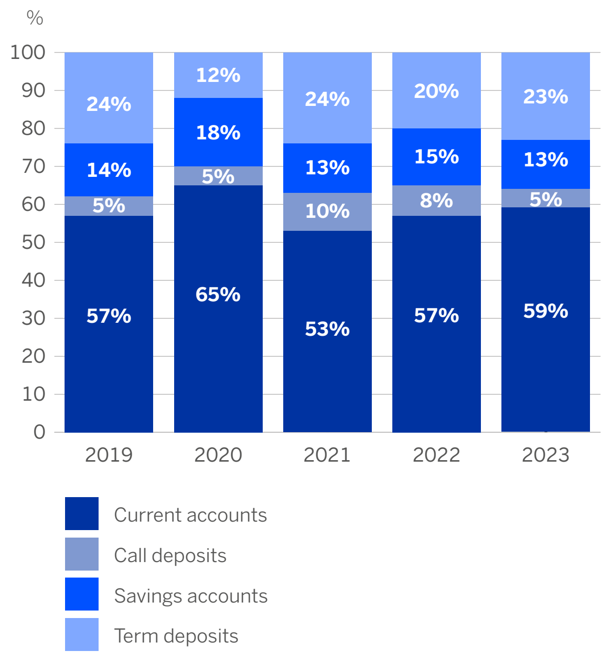
Deposits and Current Accounts

Customer Deposits

CAGR (2019 - 2023): 11%



Deposit Mix



Breakdown of total deposits by type	Change %	2023 ₦'million	2022 ₦'million
Deposits from banks	34	658,885	491,080
Other deposits from banks	34	658,885	491,080
Deposits from customers	66	2,072,887	1,245,346
Current accounts	73	1,228,405	710,767
Call deposits	(7)	97,904	105,253
Savings accounts	45	264,935	182,134
Term deposits	95	481,643	247,192
Total deposits	**57**	**2,731,772**	**1,736,426**

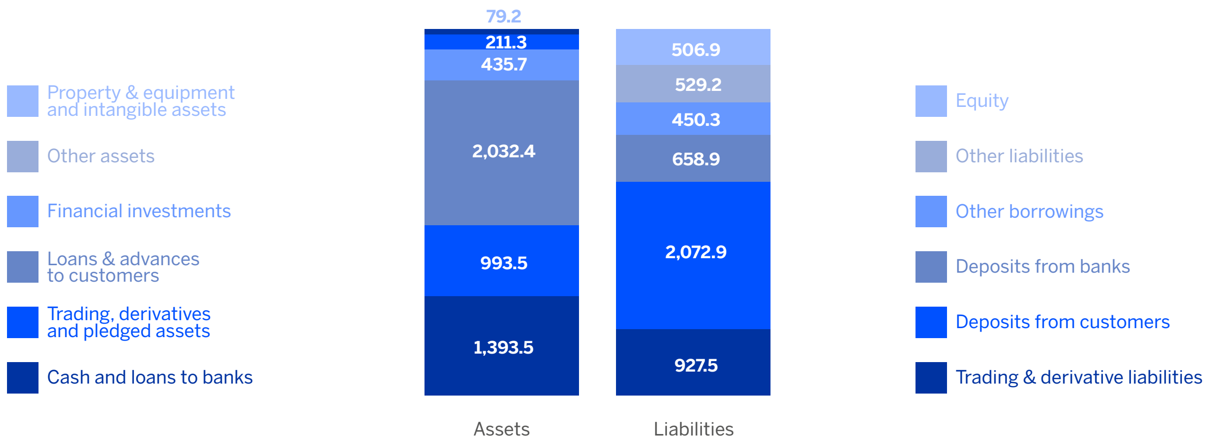
Deposit breakdown by business unit	Change %	2023 ₦'million	2022 ₦'million
Consumer and High Networth Clients	51	523,995	347,037
Current deposits	57	234,979	149,996
Savings deposits	46	263,372	180,367
Call deposits	(36)	1,209	1,887
Term deposits	65	24,435	14,787
Business and Commercial Clients	76	626,672	356,596
Current deposits	60	431,775	269,433
Savings deposits	(2)	611	621
Call deposits	34	35,550	26,579
Term deposits	>100	158,736	59,963
Corporate & Investment Banking	70	922,220	541,713
Current deposits	92	562,603	292,484
Call deposits	(20)	61,145	76,787
Term deposits	73	298,472	172,442
Total customer deposits	**66**	**2,072,887**	**1,245,346**

Comments

- Increase in customer deposits by 66% is driven by growth across the deposit lines aside from call and savings deposits.
- Growth in expensive deposit was slightly lower than the growth in current and savings deposit resulting in the increase in the current accounts and saving accounts to deposits (CASA) ratio to 72% from 71.7% in 2022.

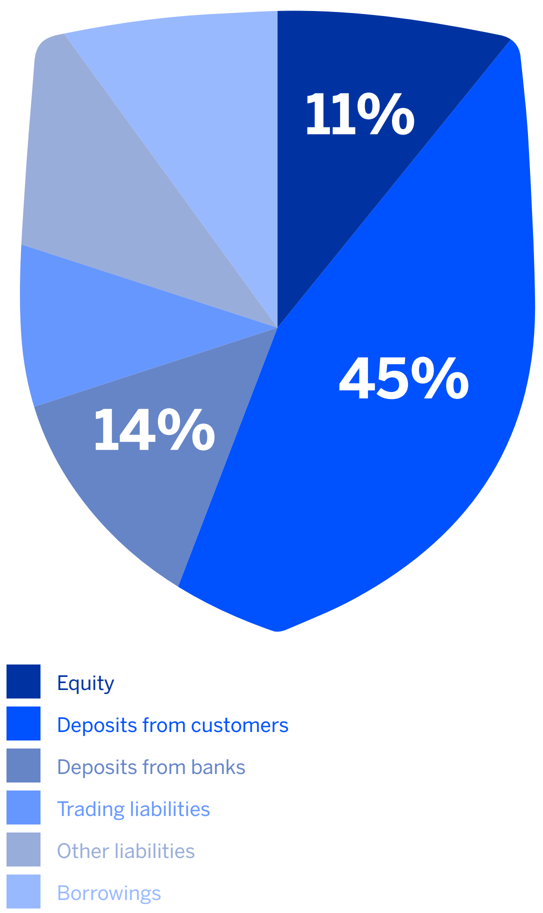
Funding and Liquidity

Balance sheet funding

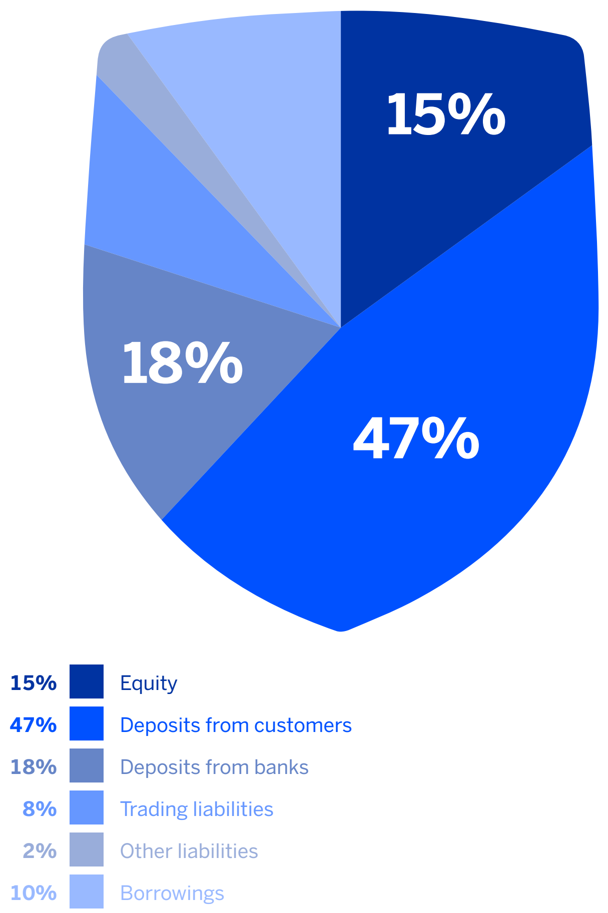


Funding mix

2023



2022



Liquidity ratio computation	Group 2023 ₦'million	Bank 2023 ₦'million	Group 2022 ₦'million	Bank 2022 ₦'million
Specified liquid assets				
Cash	7,515	7,515	18,344	18,249
Balance with CBN (net DR/CR balance, and excluding CRR)	10,584	10,584	3,230	3,230
Net balance held with banks within Nigeria	-	-	-	-
Treasury Bills	382,320	382,110	654,040	653,927
CBN Registered Certificates	-	-	-	-
Net Inter bank Placement with Other Banks	18,771	18,771	-	-
Federal Government of Nigeria bonds	99,332	62,160	77,100	50,050
Stabilisation Securities	-	-	-	-
Total assets (A)	**518,522**	**481,140**	**752,714**	**725,457**
Current liabilities				
Adjusted deposit liabilities	1,100,990	1,121,134	871,173	871,173
Net Inter bank Placements held for other Banks	-		14,003	14,003
Total liabilities (B)	**1,100,990**	**1,121,134**	**885,176**	**885,176**
Liquidity ratio A/B*100	**47.10%**	**42.92%**	**85.04%**	**81.96%**

Liquidity market overview

Framework and governance

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

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

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

Liquidity and funding management

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

- Structural liquidity mismatch management
- Maintaining minimum levels of liquid and marketable assets
- Depositor restrictions
- Loan to deposit ratio
- Interbank reliance limit
- Intra-day liquidity management
- Collateral management
- Daily cash flow management
- Liquidity stress and scenario testing
- Funding plans
- Liquidity contingency planning

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

The group ensures that the banking entity (Stanbic IBTC Bank PLC) is in compliance with the regulatory liquidity ratio of 30% on a daily basis.

Liquidity ratio (Bank)	Jan - Dec 2023	Jan - Dec 2022
Minimum	42.92%	81.96%
Average	72.96%	107.00%
Maximum	94.31%	130.81%

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

Funding and Liquidity *continued*

Structural liquidity mismatch requirements

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

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

Maintaining minimum levels of liquid and marketable assets

Minimum levels of prudential liquid assets are held in accordance with the prudential requirements of the Central Bank of Nigeria (CBN). The group needs to hold additional unencumbered marketable assets, in excess of any minimum prudential liquid asset requirement, to cater for volatile depositor withdrawals, drawdowns under committed facilities, collateral calls, etc.

The following criteria apply to readily marketable securities:

- Prices must be quoted by a range of counterparties
- The asset should have an active outright sale or repo market at all times
- The asset may be sold or repurchased in a liquid market, for payment in cash; and
- Settlement must be according to a prescribed, rather than a negotiated, timetable

The Bank's unencumbered surplus liquidity amounted to ₦1.1 trillion as at 31 December 2023.

Bank unencumbered surplus liquidity	Change %	2023 ₦'million	2022 ₦'million
Marketable assets	(9)	564,217	618,283
Short-term foreign currency placements	34	38,590	28,824
Total unencumbered marketable assets	(7)	602,807	647,107
Other readily accessible liquidity	>100	454,968	146,756
Total unencumbered surplus liquidity	**33**	**1,057,775**	**793,863**

Depositor concentration

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

These include:

- The sum of deposits and standby facilities provided by any single deposit counterparty with a remaining maturity of 3 months or less must not, at any time, exceed 10% of total funding related liabilities to the public.
- The aggregate of deposits and standby facilities from the 10 largest single deposit counterparties with a remaining maturity of 3 months or less must not, at any time, exceed 20% of total funding related liabilities to the public.

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

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

Loan to deposit limit

The loan-to-deposit ratio (LDR) is used to assess the bank's liquidity by comparing the bank's total loans to its total deposits. If the ratio is too high, it might potentially mean that the bank may not have enough liquidity to cover any unforeseen funding requirements, and conversely, if the ratio is too low, the bank may not be earning as much as it could. The group, through its banking subsidiary is expected to maintain a regulatory daily minimum loan to deposit threshold of 65%. The banking subsidiary's LDR as at 31 December 2023 was 85.68% (December 2022: 82.56%).

Intra-day liquidity management

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

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

Daily cash flow management

The group generates a daily report to monitor significant cash flows. Maturities and withdrawals are forecast at least 3-months in advance and management is alerted to large outflows. The report, which is made available to the funding team, ALM and market risk also summarises material daily new deposit as well as the interbank and top depositor reliance (by value and product). The daily cash flow management report forms an integral part of the ongoing liquidity management process and is a crucial tool to proactively anticipate and plan for large cash outflows.

Interbank reliance

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

Liquidity stress testing and scenario analysis

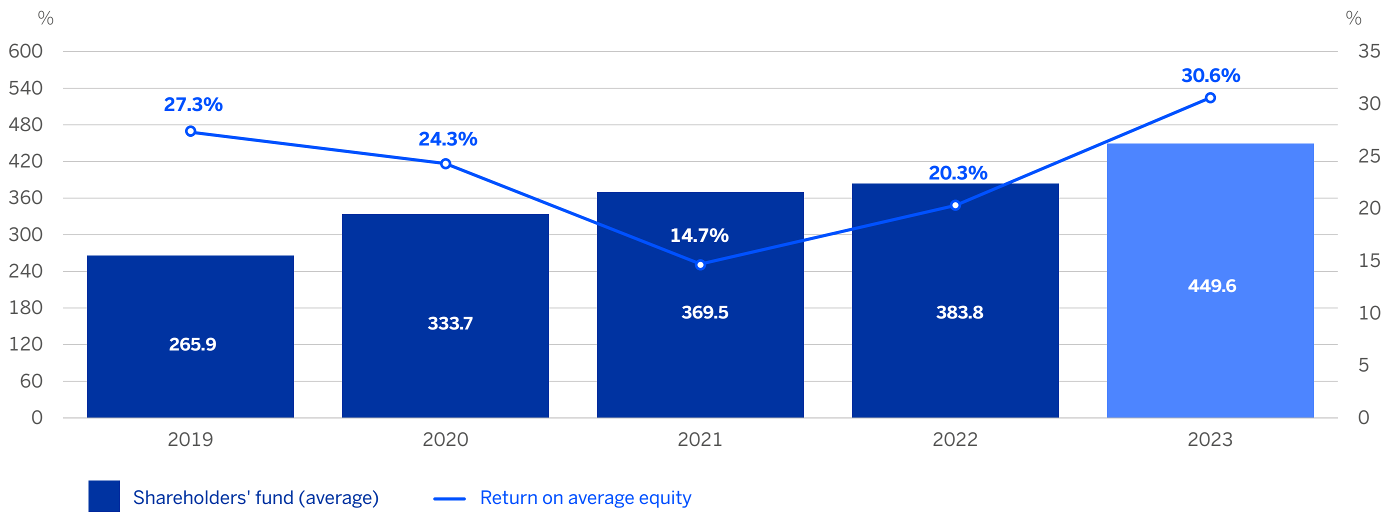
Anticipated on- and off-balance sheet cash flows are subjected to a variety of group specific and systemic stress scenarios in order to evaluate the impact of unlikely but plausible stress events on liquidity positions. Scenarios are based on both historical events, such as past emerging markets crises,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

GROWING
RESULTS

5 Capital Management

Return on Ordinary Equity

Average shareholders' fund and return on equity

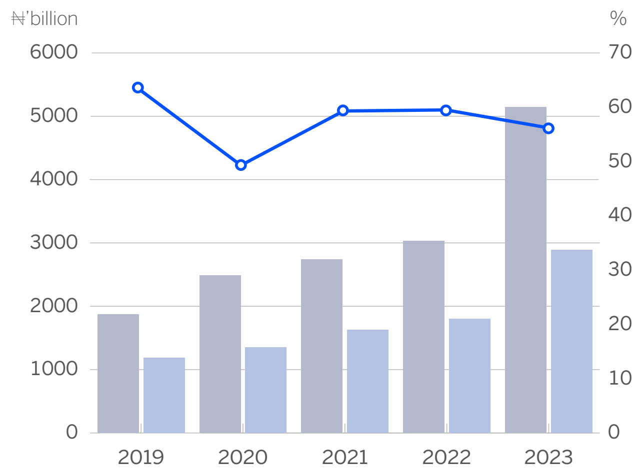


Comments

The average shareholders' funds grew by 17% to close at ₦449.6 billion in 2023 from ₦383.8 billion recorded in 2022. The return on average equity grew to 30.6% from 20.3% achieved in 2022 on account of the increase in profits coupled with the increase in the equity base.

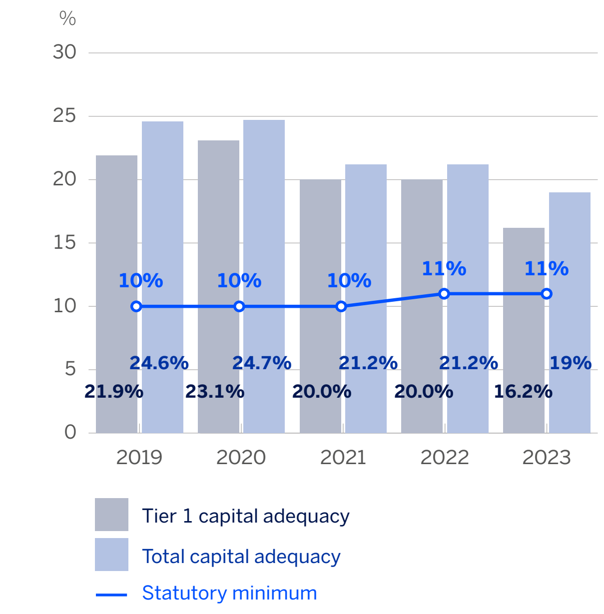
Risk-Weighted Assets

Total assets and risk weighted assets



	2019	2020	2021	2022	2023
Total assets	1,876	2,486	2,743	3,029	5,146
Risk weighted assets	1,189	1,351	1,626	1,802	2,889
% of risk weighted assets to total assets	63.4%	49.3%	59.3%	59.5%	56.2%

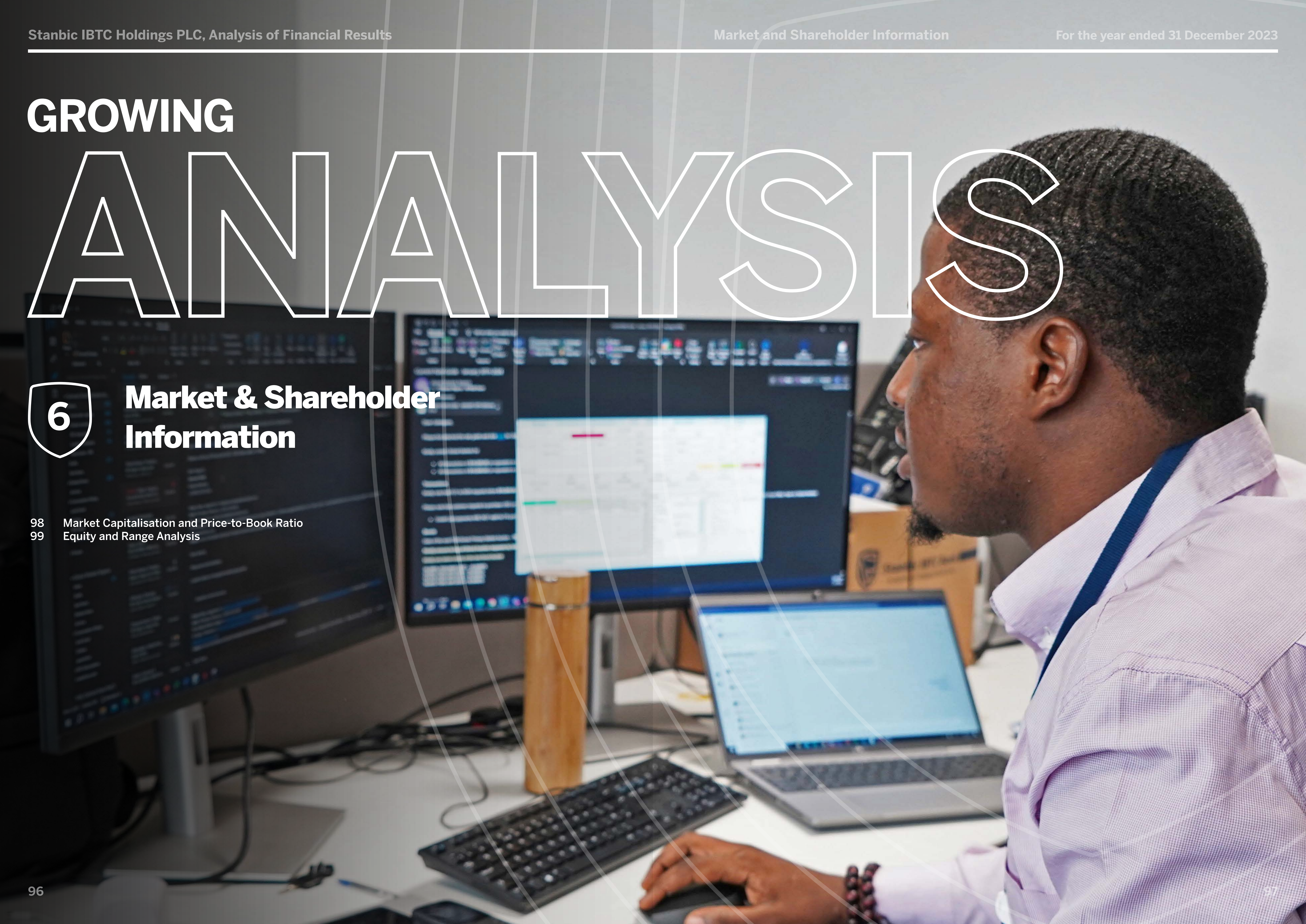
Capital adequacy ratio



Capital adequacy computation	Group 2023 ₦'million	Bank 2023 ₦'million	Group 2022 ₦'million	Bank 2022 ₦'million
Tier I capital	467,974	344,021	359,544	242,151
Tier II capital	80,319	76,331	22,154	19,641
Total qualifying capital	**548,293**	**420,352**	**381,698**	**261,792**
Credit risk	2,461,312	2,345,409	1,417,470	1,276,363
Operational risk	381,317	259,174	348,878	237,015
Market risk	46,755	32,952	35,576	31,739
Risk weighted assets	**2,889,384**	**2,637,535**	**1,801,924**	**1,545,117**
Capital adequacy				
Tier I	16.2%	13.0%	20.0%	15.7%
Tier II	2.8%	2.9%	1.2%	1.3%
Total	**19.0%**	**15.9%**	**21.2%**	**16.9%**

Comments

The Group held adequate capital to support its business in 2023 with capital adequacy ratios well above the statutory minimum. The Group's total capital adequacy ratio closed the year at 19.0% (Bank 15.9%), while the tier 1 capital adequacy ratio stood at 16.2% (Bank 13.0%).

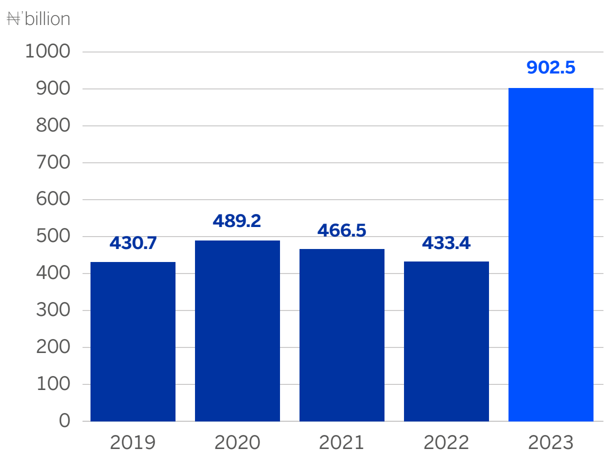


GROWING ANALYSIS

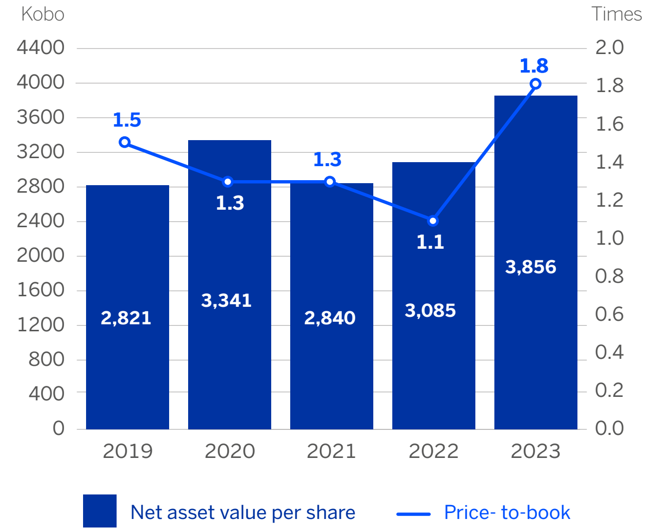
6 Market & Shareholder Information

Market Capitalisation and Price-to-Book Ratio

Market capitalisation



Net asset value per share and price-to-book



		Change %	2023	2022
Number of shares at the end of the year	thousands	-	12,956,997	12,956,997
Net asset value	₦'million	25	499,576	399,562
Net asset value per share	kobo	25	3,856	3,084
Share price at the end of the year	kobo	>100	6,965	3,345
Market capitalisation at end of the year	₦'billion	>100	903	433
Price-to-book at end of the year	times	64	1.8	1.1

Comments

Stanbic IBTC's share price increased by above 100% YoY to close at ₦69.65 in 2023 (December 2022: ₦33.45) accordingly, the Stanbic IBTC's market capitalisation also increased by above 100% to ₦903 billion at the end of 2023 due to the increase in share price.

Dividend history

Period ended	Dividend type	Total dividend declared* ₦	Dividend per share Kobo
2023	Interim:	5,729,853,904	150
2022	Interim:	5,747,733,035	150
	Final:	7,655,714,470	200
2021	Interim:	3,836,172,701	200
	Final:	7,576,439,936	150
2020	Interim:	1,318,592,879	40
	Final:	11,866,653,152	360
2019	Interim:	2,197,589,117	100
	Final:	4,355,729,540	200
2018	Interim:	2,767,915,163	100
	Final:	3,827,994,326	150
2017	Interim:	1,494,304,738	60
	Final:	1,712,614,735	50
2016	Final:	210,646,919	6

* Amounts represent cash dividend paid less of withholding tax

Equity and Range Analysis

The shareholding pattern of the Group as at 31 December 2023

Share range	No of shareholders	% shareholders	No of holding	% holding
1-1,000	40,499	42.7%	23,320,256	0.18%
1001-5,000	35,504	37.5%	82,031,235	0.63%
5,001-10,000	8,986	9.5%	62,516,055	0.48%
10,001-50,000	7,569	8.0%	157,174,207	1.21%
50,001-100,000	1,073	1.1%	74,510,478	0.58%
100,001-500,000	840	0.9%	167,003,231	1.29%
500,001-1,000,000	108	0.1%	74,443,657	0.57%
1,000,001-5,000,000	95	0.1%	213,263,866	1.65%
5,000,001-10,000,000	16	0.02%	116,029,828	0.90%
10,000,001-50,000,000	38	0.04%	877,040,433	6.77%
50,000,001-100,000,000	11	0.01%	819,435,257	6.32%
100,000,001 - 12,956,997,163	9	0.01%	10,290,228,660	79.42%
Grand Total	**94,748**	**100.0%**	**12,956,997,163**	**100.0%**

Significant shareholding of 5% and above

Shareholder	No of shares held 31 December 2023	Percentage shareholding 31 December 2023	No of shares held 31 December 2022	Percentage shareholding 31 December 2022
Stanbic Africa Holdings Limited	8,752,863,865	67.55%	8,752,863,865	67.55%

GROWING ABILITIES

7 Other Information

Financial and Other Definitions

Term	Definition
Return on average equity (ROE) %	Profit after tax as a percentage of annual average ordinary shareholders' funds
Basic earnings per ordinary share (EPS)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue
CAGR (%)	Compound annual growth rate
Cost-to-income ratio (%)	Operating expenses as a percentage of total income
Credit loss ratio (%)	Total impairment charges on loans and advances per the income statement as a percentage of gross loans and advances
Dividend cover (times)	Earnings per share divided by dividend per share
Dividend per share (kobo)	Total dividends to ordinary shareholders including dividends and scrip distributions declared per share in respect of the period
Gross specific impairment coverage	Statement of financial position impairments for non-performing specifically impaired loans as a percentage of specifically impaired loans
Net asset value (₦'million)	Equity attributable to ordinary shareholders
Net asset value per share (kobo)	Net asset value divided by the number of ordinary shares in issue at the end of the period
Net interest margin (%)	Net interest income as a percentage of average of total assets less derivative assets
Non-interest revenue to total income (%)	Non-interest revenue as a percentage of total income
Non-performing loans ratio (%)	Total non-performing loans as a percentage of gross loans and advances
Price-to-book ratio (times)	Market capitalisation divided by net asset value
Profit attributable to ordinary shareholder	Profit for the period attributable to ordinary shareholders, calculated as profit for the period less minority interests
Profit for the period (₦'million)	Statement of profit or loss profit attributable to ordinary shareholders and minorities shareholders for the period
Provisions for non-performing loans	Provisions for specific identified credit losses (₦'million)
Shares in issue (number)	Number of ordinary shares in issue as listed on the floor of the Nigerian Stock Exchange (NSE)
Total capital adequacy ratio (%)	Total regulatory capital as a percentage of total risk-weighted assets
Turnover in shares traded (%)	Number of shares traded during the period as a percentage of the weighted average number of shares
Weighted average number of shares	The weighted average number of ordinary shares in issue during the period as recorded on the NSE

Contact Details

Remilekun Ishola
Head, Investor Relations
T: +234 (0)20 142 28 501
E: remilekun.ishola@stanbicibtc.com

Kunle Adedeji
Chief Financial Officer
T: +234 (0)20 142 28 767
E: kunle.adedeji@stanbicibtc.com

Chidi Okezie
Company Secretary
T: +234 (0)20 142 28 695
E: chidi.okezie@stanbicibtc.com

Registered address
Stanbic IBTC Towers,
Walter Carrington crescent,
Victoria Island, Lagos, Nigeria
E: InvestorRelationsNigeria@stanbicibtc.com

Designed and produced by Creative Interpartners, London
Email: caryl@creativeinterpartners.co.uk

Photography: Austin Osagie & Caryl Harris

Stanbic IBTC Holdings PLC
RC: 1018051