STANBIC IBTC HOLDINGS PLC

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2019

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Stanbic IBTC Holdings PLC RC 1018051

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Directors' report
For the year 31 December 2019

The Directors present their annual report on the affairs of Stanbic IBTC Holdings PLC ("the Company") and its subsidiaries ("the Group"), together with the consolidated annual financial statements and auditor's report for the year ended 31 December 2019.

a. Legal form

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

b. Principal activity and business review

The principal activity of the company is to carry on business as a financial holding company, to invest and hold controlling shares, in as well as manage equity in its subsidiary companies.

The company has nine direct subsidiaries, namely: Stanbic IBTC Bank PLC, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Asset Management Limited, Stanbic IBTC Capital Limited, Stanbic IBTC Investments Limited, Stanbic IBTC Stockbrokers Limited, Stanbic IBTC Ventures Limited, Stanbic IBTC Insurance Brokers Limited and Stanbic IBTC Trustees Limited and two indirect subsidiaries, namely: Stanbic IBTC Bureau De Change Limited, Stanbic IBTC Nominees Limited.

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

c. Operating results and dividends

The group's gross earnings increased by 5.15%, profit before tax increased by 3.15% and profit after tax increased by 0.80% by for the year ended 31 December 2019. The management recommended the approval of a final dividend of 200 kobo per share (31 December 2018: 150 kobo per share) for the year ended 31 December 2019.

Highlights of the group's operating results for the year under review are as follows:

	31 Dec. 2019 Group ₦'million	31 Dec. 2018 Group ₦'million	**31 Dec. 2019 Company ₦'million**	31 Dec. 2018 Company ₦'million
Gross earnings	**233,808**	222,360	**37,882**	19,463
Profit before tax	**90,925**	88,152	**33,473**	16,000
Income tax	**(15,890)**	(13,712)	**254**	(267)
Profit after tax	**75,035**	74,440	**33,727**	15,733
Non controlling interest	**(2,373)**	(2,353)	**-**	-
Profit attributable to equity holders of the parent	**72,662**	72,087	**33,727**	15,733
Dividend proposed/ paid (final)	**21,010**	15,361	**21,010**	15,361
Dividend paid (Interim)	**10,474**	10,114	**10,474**	10,114
Total Dividend	**31,484**	25,475	**31,484**	25,475

d. Directors' shareholding

The direct interest of Directors in the issued share capital of the company as recorded in the register of Directors shareholding and/or as notified by the Directors for the purposes of section 275 and 276 of CAMA and the listing requirements of the Nigerian Stock Exchange are as follows:

	Direct shareholding	
	Number of Ordinary Shares of Stanbic IBTC Holdings PLC held as at 31 December 2019	Number of Ordinary Shares of Stanbic IBTC Holdings PLC held as at December 2018
Basil Omiyi	-	-
Yinka Sanni[1]	-	-
Fabian Ajogwu SAN	-	-
Salamatu Suleiman	-	-
Ifeoma Esiri[2]	34,962,375	36,342,375
Ngozi Edozien	18,563	18,563
Ballama Manu	151,815	151,667
*Simpiwe Tshabalala	-	-
Adekunle Adedeji	-	-
Nkemdilim Uwaje	-	-

[1]Mr Yinka Sanni has indirect shareholding amounting to 5,005,466 ordinary shares through SITL The Sanni Family Trust.

[2]Mrs Ifeoma Esiri has indirect shareholding amounting to 2,666,670 ordinary shares through Ashbert Limited.

In terms of Section 259 (1) of the Company and Allied Matters Act 2004, the company will hold its eight annual General Meeting in 2020, and Mr.Basil Omiyi, Prof. Fabian Ajogwu SAN and Mr.Ballama Manu , will be retiring by rotation, and being eligible, they will be presenting themselves for re-election by Shareholders at the next annual General Meeting. The Board also appointed an additional Director: Ms.Nkemdilim Uwaje (as Non-Executive Director). The appointment will also be tabled at the next annual General Meeting for Shareholders' approval (subject to receipt of all required Regulatory Approvals).

* Retired on 31 October 2019

e. Directors interest in contracts

The Company currently has some Technical and Management Service Agreements with its subsidiaries, which covers the provision of shared services to the subsidiaries in line with CBN Regulation for Holding Companies. These services are provided at arm's length and appropriate fees charged in line with best practice.

f. Property and equipment

Information relating to changes in property and equipment is given in Note 17 to the financial statements. In the Directors' opinion the disclosures regarding the group's properties are in line with the related statement of accounting policy of the group.

g. Shareholding analysis

The shareholding pattern of the company as at 31 December 2019 is as stated below:

Share range	No. of shareholders	Percentage of shareholders	No. of holding	Percentage holdings
1 - 1,000	39,111	42.27	20,659,233	0.20
1,001 - 5,000	35,268	38.11	72,850,805	0.69
5,001 - 10,000	8,902	9.62	55,428,885	0.53
10,001 - 50,000	7,222	7.80	135,423,490	1.29
50,001 - 100,000	1,014	1.10	64,515,857	0.61
100,001 - 500,000	769	0.83	141,746,538	1.35
500,001 - 1,000,000	107	0.12	69,891,015	0.67
1,000,001 - 5,000,000	76	0.08	150,334,583	1.43
5,000,001 - 10,000,000	16	0.02	116,218,386	1.11
10,000,001 - 50,000,000	34	0.04	832,808,952	7.93
50,000,001 - 100,000,000	11	0.01	769,708,326	7.33
100,000,001 - 10,504,967,358	7	0.01	8,075,381,288	76.87
Grand Total	**92,537**	**100**	**10,504,967,358**	**100**
Foreign shareholders	158		6,891,378,230	66.59%

h. Substantial interest in shares

According to the register of members as at 31 December 2019, no shareholder held more than 5% of the issued share capital of the company except the following:

	2019		2018	
Shareholder	**No of shares held**	**Percentage shareholding**	**No of shares held**	**Percentage shareholding**
Stanbic Africa Holdings Limited (SAHL)	6,901,544,029	65.70%	6,691,960,546	65.35%

The Group's free float is in accordance with the requirement of the Nigeria Stock Exchange free float requirement.

i. Share capital history

year	Authorised (No of shares) ('000)		Issued and fully paid up (N'000)		Number of shares (Issued and fully paid up) '000	
	Increase	Cumulative	Increase	Cumulative	Increase	Cumulative
2012	10,000,000	10,000,000	5,000,000	5,000,000	10,000,000	10,000,000
2015	3,000,000	13,000,000	-	5,000,000	-	10,000,000
2017			24,733	5,024,733	49,466	10,049,466
2018			32,104	5,056,837	64,209	10,113,674
2018			63,439	5,120,276	126,879	10,240,553
2019			116,450	5,236,726	232,899	10,473,452
2019			15,758	5,252,484	31,515	10,504,967

During the year under review, the Company issued an additional 264,414,413 ordinary shares of 50k each for scrip dividend, thereby bringing the total issued and fully paid up share capital of the Company to 10,504,967,358 ordinary shares of 50k each amounting to N5,252,483,679.

j. Dividend history and unclaimed dividend as at 31 December 2019

year end	Dividend type	Total dividend amount declared*	Dividend per share	Net dividend amount unclaimed as at 31 December 2019	Percentage unclaimed
		N		N	%
2005	Final	2,170,298,271	20 kobo	3,693,332	0.17
2006	Final	2,170,297,800	20 kobo	48,152,001	2.22
2007	Interim	3,375,000,000	30 kobo	612,284	0.02
2007	Final	4,218,750,000	25 kobo	3,150,000	0.07
2008	Final	6,750,000,000	40 kobo	236,320,519	3.50
2009	Final	5,062,500,000	30 kobo	247,711,548	4.89
2010	Final	3,240,215,108	39 kobo	184,155,750	5.68
2011	Interim	1,687,500,000	10 kobo	27,218,251	1.61
2012	Final	900,570,889	10 kobo	17,625,521	1.96
2013	Interim	6,304,041,033	70 kobo	143,546,726	2.28
2013	Final	901,992,337	10 kobo	22,650,195	2.51
2014	Interim	9,920,077,516	110 kobo	236,840,195	2.39
2014	Final	1,352,701,559	15 kobo	32,600,226	2.41
2015	Interim	8,235,882,607	90 kobo	219,224,325	2.66
2015	Final	210,646,919	5 kobo	15,471,287	7.34
2016	Final	210,646,919	6 kobo	15,419,527	7.32
2017	Interim	1,494,304,738	60 kobo	177,078,679	11.85
2017	Final	1,712,614,735	50 kobo	184,877,009	10.80
2018	Interim	2,767,915,163	100 kobo	363,212,112	13.12
2018	Final**	3,827,994,326	150 kobo		
2019	Interim**	10,113,674,444	100 kobo		
Total				**1,816,347,375**	

*Amount represent cash dividend paid and it is less of withholding tax

**These amount has not been returned to the company as unclaimed as at end of the year.

k. Dividend history and unclaimed dividend as at 31 December 2019 (continued)

The total unclaimed dividend fund as at 31 December 2019 amounted to N2,711 million (Dec. 2018: N1,690 million). A sum of N1,239 million of the fund balance is held in an investment account (money market mutual fund) managed by Stanbic IBTC Asset Management Limited (Dec. 2018: N1,249 million), while the balance is held in demand deposits maintained with Stanbic IBTC Bank PLC. Total income earned on the investment account and recognised by the company for the year ended 31 December 2019 was N149 million (December 2018: N140 million).

l. Donations and Charitable Gifts

The Group and Company made contributions to charitable and non – political organizations amounting to N318.29 million and N309.08 million respectively (Dec 2018: Group - N233.4 million; Company - N175.16 million) during the year.

	Group N'	Company N'
1st African Congress on Sickle Cell Disease	1,000,000	1,000,000
Ago-Ijaiye Methodist Primary School, Ebute Metta	508,522	508,522
Ajeabo Primary Healthcare Centre, Mushin, Lagos	1,000,000	1,000,000
Ayantuga Primary Healthcare Centre, Mushin, Lagos	302,000	302,000
Bethesda Home for the Blind, Surulere, Lagos	863,400	863,400
Borehole for Idiagbon & Otubu Community in Ogba & Agege areas of Lagos	500,000	500,000
Bright Achievers School, Isale Akoka	1,123,515	1,123,515
CBN's Financial Literacy Campaign	2,091,034	
Central Primary School, Orile Iganmu	2,082,106	2,082,106
Centre for Destitute Empowerment Int'l, Idimu, Lagos	466,000	466,000
Cerebral palsy centre, Surulere, Lagos	100,000	100,000
Community Primary School Ijoko Tuntun, Sango Ota	3,126,250	3,126,250
Community Secondary School, Lanbe - Akute	1,371,747	1,371,747
Compassion Centre for Physically challenged children, Port Harcourt	94,500	94,500
Contribution to the Private Sector Health-PSHAN	100,000,000	100,000,000
Donation to Girls Empowered Conference 2019	500,000	500,000
Donation to Happy Kids NGO	500,000	500,000
Donations - CBN Bankers Committee	7,319,556	200,000
Donations to 30 communities as part of 30th anniversary	30,000,000	30,000,000
Festus Fajemilo Foundation - support for World Disability day activity 2019	500,000	500,000
Girls Senior Academy School - Volunteered Mentorship Session	793,150	793,150
Global Fund for the eradication of Malaria	21,778,611	21,778,611
Haematology Lab, Ayetoro Primary Healthcare	305,500	305,500
Heritage Homes Orphanage, Anthony, Lagos	355,000	355,000
Ilupeju Senior Secondary School, Ilupeju Lagos	185,000	185,000
Itaoluwo Clinic and Maternity Home, Sagamu	2,000,008	2,000,008
Itire-Ijesha Primary Health Care	5,600,000	5,600,000
Junior Achievement Nigeria	5,000,000	5,000,000
Kirikiri Medium Security Prison	459,735	459,735
Ladipo Primary School, Mushin	4,878,434	4,878,434
Lagos State Security Trust Fund	25,000,000	25,000,000
Livewell Initiative -Outreach programme, Ilesha	1,800,000	1,800,000
Love Home Orphanage	140,000	140,000
Massey Street Children Hospital, Lagos	14,536,753	14,536,753
Mushin General Hospital	1,552,500	1,552,500
Nigerian Navy Training School Port Harcourt	180,000	180,000
Oluyole Cheshire Home, Ibadan	305,000	305,000
Pison Therapy Centre, Ikorodu Lagos	7,026,250	7,026,250
Rehabilitation works at Methodist Primary School, Elepe, Ikorodu & Charity visitation to Old Peoples Home Yaba,	1,500,000	1,500,000
Seventh Day Adventist Primary School, Abule-Oja, Yaba, Lagos	2,686,229	2,686,229
Slum2School Initiative - 2019 Malaria day activation	5,586,620	5,586,620
Special Correctional Centre for Boys, Oregun	1,020,000	1,020,000
Street to School NGO - One year Teacher salary support	700,000	700,000
Together4alimb project	61,448,337	61,448,337
Total	**318,285,756**	**309,075,167**

m. Events after the reporting date

There were no other events after the reporting date which could have a material effect on the financial position of the group as at 31 December 2019 which have not been recognised or disclosed.

n. Human resources

Employment of physically challenged

The company continues to maintain a policy of giving fair consideration to applications for employment made by physically challenged persons with due regard to their abilities and aptitude. The company's policy prohibits discrimination against physically challenged persons or persons with HIV in the recruitment, training and career development of its employees. In the event of members of staff becoming physically challenged, efforts will be made to ensure that, as far as possible, their employment with company continues and appropriate training is arranged to ensure that they fit into the company's working environment.

Health safety and welfare at work

The company enforces strict health and safety rules and practices at the work environment which are reviewed and tested regularly. The company's staff are covered under a comprehensive health insurance scheme pursuant to which the medical expenses of staff and their immediate family are covered up to a defined limit. Fire prevention and firefighting equipment are installed in strategic locations within the company's premises.

The company has both Group Personal Accident and Workmen's Compensation Insurance cover for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2014.

o. Employee involvement and training

The company ensures, through various fora, that employees are kept informed on matters concerning them. Formal and informal channels are employed for communication with employees with an appropriate two – way feedback mechanism. In accordance with the company's policy of continuous staff development, training facilities are provided in the group's well equipped Training School (the Blue Academy). Employees of the Company attend training programmes organized by the Standard Bank Group (SBG) in South Africa and elsewhere and participate in programmes at the Standard Bank Global Leadership centre in South Africa. The company also provides its employees with on the job training in the company and at various Standard Bank locations.

p. Credit Ratings

The revised prudential guidelines, as released by the CBN, requires that banks should have themselves credit rated by a credit rating agency on a regular basis. It is also required that the credit rating be updated on a continuous basis from year to year.

Below are the credit ratings that Stanbic IBTC Group has been assigned by the various credit rating agencies, in no particular order:

Rating Agency	Rated Entity	Report Date	National		Issuer		Outlook
			Long term	Short term	Long term	Short term	
Fitch	Stanbic IBTC Bank	December 2019	AAA(nga)	F1+(nga)	-	-	-
	Stanbic IBTC Holdings		AAA(nga)	F1+(nga)	-	-	-
Standard & Poor's	Stanbic IBTC Bank	June 2019	ngA	ngA-1	B	B	Stable
Global Credit Rating	Stanbic IBTC Bank	June 2019	AA(NG)	A1+(NG)	-	-	Stable

q. Auditor

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditor to the Group. In accordance with Section 357 (2) of the Companies and Allied Matters Act of Nigeria, therefore, the auditors were re-appointed at the annual general meeting held on 19 June 2019.

By order of the Board

Chidi Okezie
Company Secretary
FRC/2013/NBA/00000001082
6 February 2020

Statement of Directors' responsibilities in relation to the financial statements
For the year ended 31 December 2019

The Directors accept responsibility for the preparation of the consolidated and separate annual financial statements that give a true and fair view in accordance with International Financial Repoting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, Cap C. 20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeia Act, 2011 and the Banks and Other Financial Institutions Act, Cap B3, Laws of the Federation of Nigeria, 2004 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE Directors BY:

Basil Omiyi
Chairman
FRC/2016/IODN/00000014093
6 February 2020

Yinka Sanni
Chief Executive
FRC/2013/CISN/00000001072
6 February 2020

Corporate governance report
For the year ended 31 December 2019

Introduction

The company is a member of the Standard Bank Group, which holds a 65.70% equity holding (through Stanbic Africa Holdings Limited) in the company.

Standard Bank Group ("SBG") is committed to implementing initiatives that improve corporate governance for the benefit of all stakeholders. SBG's board of Directors remains steadfast in implementing governance practices that comply with international best practice, where substance prevails over form.

Subsidiary entities within SBG are guided by these principles in establishing their respective governance frameworks, which are aligned to SBG's standards in addition to meeting the relevant jurisdictional requirements in their areas of operation.

Stanbic IBTC Holdings PLC ("the company"), and its subsidiaries ("the group"), as a member of SBG, operate under a governance framework which enables the board to balance its role of providing oversight and strategic counsel with its responsibility to ensure conformance with regulatory requirements, group standards and acceptable risk tolerance parameters.

The direct subsidiaries of the company are: Stanbic IBTC Bank PLC, Stanbic IBTC Asset Management Limited, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Insurance Brokers Limited, Stanbic IBTC Trustees Limited, Stanbic IBTC Stockbrokers Limited, Stanbic IBTC Ventures Limited, Stanbic IBTC Investments Limited and Stanbic IBTC Capital Limited and these subisidiaries have their own distinct boards and take account of the particular statutory and regulatory requirements of the businesses they operate. These subsidiaries operate under a governance framework that enables their boards to balance their roles in providing oversight and strategic counsel with their responsibility for ensuring compliance with the regulatory requirements that apply in their areas of operation and the standards and acceptable risk tolerance parameters adopted by the company. In this regard they have aligned their respective governance frameworks to that of the company. As Stanbic IBTC Holdings PLC is the holding company for the subsidiaries in the group, the company's board also acts as the group board, with oversight of the full activities of the group.

A number of committees has been established by the company's board that assist the board in fulfilling its stated objectives. The committees' roles and responsibilities are set out in their mandates, which are reviewed yearically to ensure they remain relevant. The mandates set out their roles, responsibilities, scope of authority, composition and procedures for reporting to the board.

Codes and regulations

The company operates in highly regulated markets and compliance with applicable legislation, regulations, standards and codes, including transparency and accountability, remain an essential characteristic of its culture. The board monitors compliance with these by means of management reports, which include information on the outcome of any significant interaction with key stakeholders such as regulators.

The group complies with all applicable legislation, regulations, standards and codes.

Shareholders' responsibilities

The shareholders' role is to approve appointments to the board of Directors and the external auditors as well as to grant approval for certain corporate actions that are by legislation or the company's articles of association specifically reserved for shareholders. Their role is extended to holding the board accountable and responsible for efficient and effective corporate governance.

Developments during the year ended 31 December 2019

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

- The Company held its 7th annual General Meeting on Tuesday 19 June 2019 at which shareholders approved the 2018 Audited Financial Statements as well as other resolutions tabled before the meeting.
- The Securities and Exchange Commission approved Scrip Dividend Issues following the declaration of the 2018 final dividend approved by Shareholders at the annual General Meeting of the Company held on 19 June 2019 as well as the 2019 Interim Dividend approved by Directors with respect to the half year ended 30 June 2019. Consequently an additional 232,899,013 ordinary shares and 31,515,400 ordinary shares respectively were registered, and alloted to shareholders who elected to receive fully paid ordinary shares in lieu of cash dividends. This increased the issued shares of the company to 10,504,967,358 as at 31 December 2019.
- The Financial Reporting Council (FRC) released the Nigerian Code of Corporate Governance on 15 January 2019. The Code highlights principles that seek to instituionalize corporate governance best practices in Nigeria.

Developments during year ended December 2019 (continued)

- The Board appointed two Non- Executive Directors- Mr. Ben Kruger and Ms.Nkemdilim Uwaje
- There was continued focus on directors training via attendance at various courses such as Value Creation Through Effective Boards, Finance for Lawyers Program, AML/CFT Training (Including Feedback Session on CBN AML/CFT Circular); and as with prior years, the Board also held its annual Board Strategy Session on 25 July 2019 which focused on digitization in line with the Group's strategy for 2019.
- Mr. Sim Tshabalala resigned his appointent as a Non-Executive Director on the Board of the Company with effect from 31 October 2019.
- The Boards of some subsidiaries across the Stanbic IBTC Group appointed Independent Non-Executive Directors during the year in line with regulatory requirements. Mrs Folasade Odunaiya was appointed on the Board of Stanbic IBTC Pension Managers Limited, while Mr. Idris Bello was appointed to the Board of Stanbic IBTC Stockbrokers Limited. These appointments have received all regulatory approvals.

The group intends during 2020 to:

The group intends during 2020 to:

- continue the focus on directors' training via formal training sessions and information bulletins on issues that are relevant;

- continue to enhance the level of information provided to and interaction with shareholders, investors and stakeholders generally.

Board and Directors

Board structure and composition

Ultimate responsibility for governance rests with the board of Directors of the company, who ensure that appropriate controls, systems and practices are in place. The company has a unitary board structure and the roles of chairman and chief executive are separate and distinct. The company's chairman is a non-executive director. The number and stature of non-executive Directors ensure that sufficient consideration and debate are brought to bear on decision thereby contributing to the efficient running of the board.

One of the features of the manner in which the board operates is the role played by board committees, which facilitate the discharge of board responsibilities. The committees each have a board approved mandate that is regularly reviewed. The list of Board members as at 31 December 2019 are as follows:

NAME OF DIRECTOR	DESIGNATION	CBN APPROVAL	SERVICE AS AT 31 December 2019
Basil Omiyi	Chairman	25-Mar-15	4 years
Yinka Sanni	Chief Executive	19-Jan-17	2 Years
Kunle Adedeji	Executive Director	22-Feb-19	Less than 1 year
Sim Tshabalala*	Non-Executive Director	5-Nov-13	6 years
Ballama Manu	Non-Executive Director	25-Mar-15	4 Years
Salamatu Suleiman	Independent Non-Executive Director	13-Jul-16	3 years
Ngozi Edozien	Independent Non-Executive Director	25-Mar-15	4 years
Ben Kruger	Non-Executive Director	27-Nov-18	Less than 1 year
Ifeoma Esiri	Non-Executive Director	1-Nov-12	7 Years
Fabian Ajogwu	Non-Executive Director	21-Jun-17	2 Years
Nkemdilim Uwaje	Non-Executive Director	18-Nov-19	Less than 1 year

*Resigned effective 31 October 2019

Strategy

The board considers and approves the company's strategy. Once the financial and governance objectives for the following year have been agreed, the board monitors performance against financial objectives and detailed budgets on an on-going basis, through quarterly reporting.

Regular interaction between the board and the executive is encouraged. Management is invited, as required, to make presentations to the board on material issues under consideration.

Directors are provided with unrestricted access to the company's management and company information, as well as the resources required to carry out their responsibilities, including external legal advice, at the company's expense.

It is the board's responsibility to ensure that effective management is in place to implement the agreed strategy, and to consider issues relating to succession planning. The board is satisfied that the current pool of talent available within the company, and the ongoing work to deepen the talent pool, provides adequate succession depth in both the short and long term.

Skills, knowledge, experience and attributes of Directors

The board ensures that Directors possess the skills, knowledge and experience necessary to fulfill their obligations. The Directors bring a balanced mix of attributes to the board, including:

- international and domestic experience;
- operational experience;
- knowledge and understanding of both the macroeconomic and the microeconomic factors affecting the group;
- local knowledge and networks; and
- financial, legal, entrepreneurial and banking skills.

The credentials and demographic profile of the board are regularly reviewed, to ensure the board's composition remains both operationally and strategically appropriate.

Appointment philosophy

The appointment philosophy ensures alignment with all necessary legislation and regulations which include, but are not limited to the requirements of the Central Bank of Nigeria; SEC Code of Corporate Governance; the Companies & Allied Matters Act as well as the legislations of Standard Bank Group's home country.

Consideration for the appointment of Directors and key executives take into account compliance with legal and regulatory requirements and appointments to external boards to monitor potential for conflicts of interest and ensure Directors can dedicate sufficient focus to the company's business. The board takes cognisance of the skills, knowledge and experience of the candidate, as well as other attributes considered necessary to the prospective role.

In terms of Section 259 (1) of the Company and Allied Matters Act 2004, the company will hold its eighth annual General Meeting in 2020, and Mr.Basil Omiyi, Prof. Fabian Ajogwu SAN and Mr. Ballama Manu, will be retiring by rotation, and being eligible, they will be presenting themselves for re-election by Shareholders at the next annual General Meeting. The Board also appointed one additional Director: Ms. Nkemdilim Uwaje (as Non-Executive Director). The appointment will also be tabled at the next annual General Meeting for Shareholders' approval.

The board's size as at 31 December 2019 was ten (10), comprising two (2) executive Directors and eight (8) non-executive Directors. It is important to note that of the eight (8) non-executive Directors, two (2) namely; Mrs. Salamatu Hussaini Suleiman and Ms. Ngozi Edozien are Independent Non-Executive Directors in compliance with the CBN Code. The board has the right mix of competencies and experience.

Board responsibilities

The key terms of reference in the board's mandate, which forms the basis for its responsibilities, are to:

- agree the group's objectives, strategies and plans for achieving those objectives;
- annually review the corporate governance process and assess achievement against objectives;
- review its mandate at least annually and approve recommended changes;

Board responsibilities (continued)

- delegate to the chief executive or any director holding any executive office or any senior executive any of the powers, authorities and discretions vested in the board's Directors, including the power of sub-delegation; and to delegate similarly such powers, authorities and discretions to any committee and subsidiary company board as may exist or be created from time to time;
- determine the terms of reference and procedures of all board committees and review their reports and minutes;
- consider and evaluate reports submitted by members of the executive;
- ensure that an effective risk management process exists and is maintained throughout the bank and its subsidiaries to ensure financial integrity and safeguarding of the group's assets;
- review and monitor the performance of the chief executive and the executive team;
- ensure consideration is given to succession planning for the chief executive and executive management;
- establish and review annually, and approve major changes to, relevant group policies;
- approve the remuneration of non-executive Directors on the board and board committees, based on recommendations made by the remuneration committee, and recommend to shareholders for approval;
- approve capital funding for the group, and the terms and conditions of rights or other issues and any prospectus in connection therewith;
- ensure that an adequate budget and planning process exists, performance is measured against budgets and plans, and approve annual budgets for the group;
- approve significant acquisitions, mergers, take-overs, divestments of operating companies, equity investments and new strategic alliances by the group;
- consider and approve capital expenditure recommended by the executive committee;
- consider and approve any significant changes proposed in accounting policy or practice, and consider the recommendations of the statutory audit committee;
- consider and approve the annual financial statements, quarterly results and dividend announcements and notices to shareholders, and consider the basis for determining that the group will be a going concern as per the recommendation of the audit committee;
- assume ultimate responsibility for financial, operational and internal systems of control, and ensure adequate reporting on these by committees to which they are delegated;
- take ultimate responsibility for regulatory compliance and ensure that management reporting to the board is comprehensive;
- ensure a balanced and understandable assessment of the group's position in reporting to stakeholders;
- review non financial matters that have not been specifically delegated to a management committee; and
- specifically agree, from time to time, matters that are reserved for its decision, retaining the right to delegate any of these matters to any committee from time to time in accordance with the articles of association.

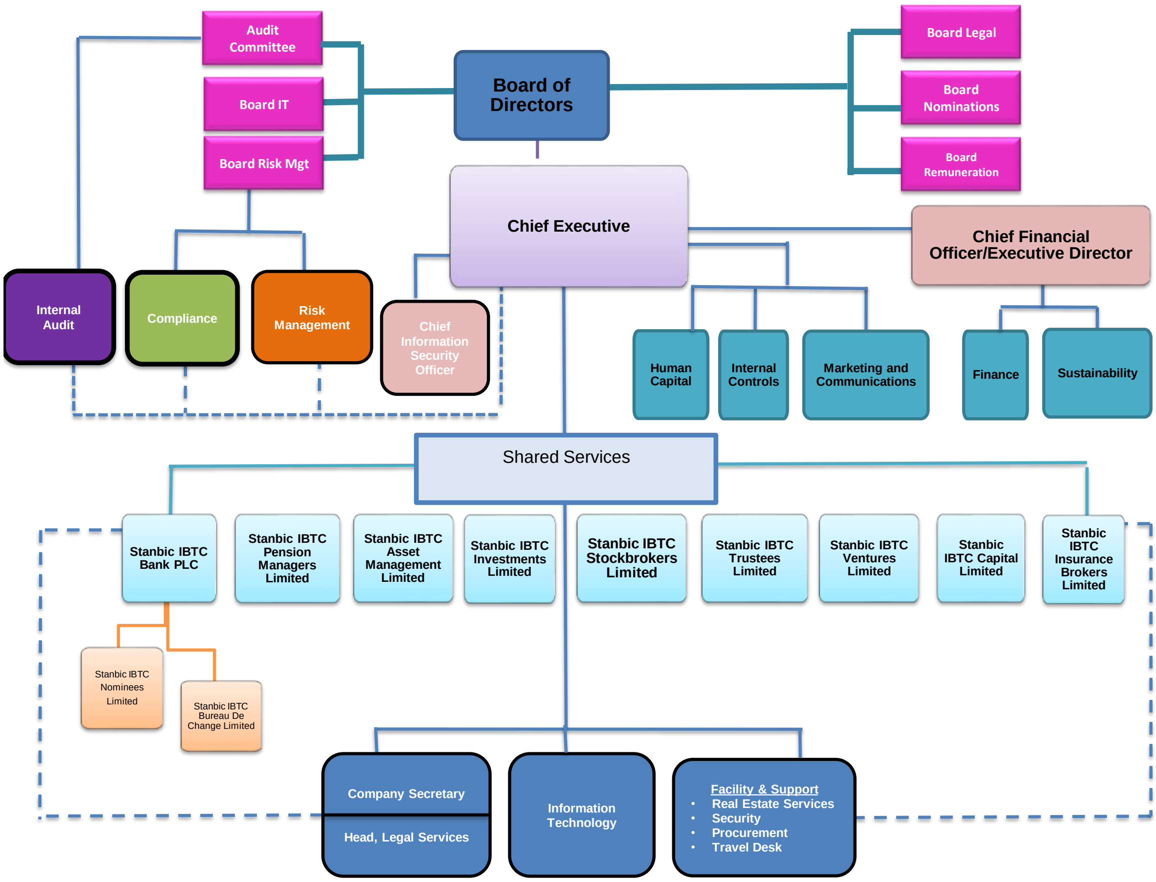
Delegation of authority

The ultimate responsibility for the company and its operations rests with the board. The board retains effective control through a well-developed governance structure of board committees. These committees provide in-depth focus on specific areas of board responsibility.

The board delegates authority to the Chief Executive to manage the business and affairs of the company. The executive Membership of the executive committee is set out on page xii.
In addition, a governance framework for executive management assists the Chief Executive in his task. Board-delegated authorities are regularly monitored by the company secretary's office.

The corporate governance framework was adopted by the board on 28 November 2012 and formalised with mandate approvals which were reviewed in July 2018. The corporate governance framework is set out below:

STANBIC IBTC HOLDCO GOVERNANCE STRUCTURE



Board effectiveness and evaluation

The board is focused on continued improvements in its corporate governance performance and effectiveness.

The Directors will undergo an evaluation by independent consultants as required by Section 2.8.1 of the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks in Nigeria (“the Code”). The report of the consultants will also assess the performance of the individual Directors on the Board for the year under review as perceived by the other Directors based on their individual competence, level of attendance to Board and Board Committee meetings, contribution and participation at these meetings and relationship with other Board members. Individual Director’s Assessment reports will be prepared and made available to each director while a consolidated report of the performance of all Directors will also submitted to the Chairman of the Board.

Induction and training

An induction programme designed to meet the needs of each new director is being implemented. One-on-one meetings are scheduled with management to introduce new Directors to the company and its operations. The company secretary manages the induction programme. The CBN Code of Conduct as well as the Securities & Exchange Commission's code of corporate governance is provided to new Directors on their appointment.

Directors are kept abreast of all relevant legislation and regulations as well as sector developments leading to changing risks to the organisation on an on - going basis. This is achieved by way of management reporting and quarterly board meetings, which are structured to form part of ongoing training.

Directors attended various trainings at different years during the year that included trainings on Risk Management; enhancing Board performance, Change Management, and Financial Reporting. These trainings were aimed at enhancing the understanding of key issues, and skills of Directors.

Executive committee members

As at 31 December 2019, the Group Executive committee comprised of 22 members drawn from key functions within the Company as well as its subsidiaries.

S/N	Name	Responsibility
i	Yinka Sanni	Chief Executive Stanbic IBTC Holdings PLC
ii	Demola Sogunle	Chief Executive Stanbic IBTC Bank PLC
iii	Andrew Mashanda	Executive Director, Corp & Trans Banking, Stanbic IBTC Bank PLC
iv	Wole Adeniyi	Executive Director, Personal and Business Banking Stanbic IBTC Bank PLC
v	Bunmi Dayo-Olagunju	Executive Director, Operations
vi	Olufunke Amobi	Head, Human Capital, Stanbic IBTC Holdings PLC
vii	Kola Lawal	Head, Credit Stanbic IBTC Bank PLC
viii	Chidi Okezie	Acting Head, Country Legal Services Stanbic IBTC Holdings PLC/ Company Secretary
ix	Taiwo Ala	Head, Internal Controls Stanbic IBTC Bank PLC
x	Kunle Adedeji	Chief Financial Officer Stanbic IBTC Holdings PLC
xi	Okechukwu Iroegbu	Head, Information Technology
xii	Rotimi Adojutelegan	Chief Compliance Officer Stanbic IBTC Bank PLC
xiii	Eric Fajemisin	Head, Wealth
xiv	Bayo Olujobi	Chief Financial Officer Stanbic IBTC Bank PLC
xv	Anthony Mogekwu	Head, PBB and Corporate Functions Legal, Stanbic IBTC Bank PLC
xvi	Oladipupo Oyefuga	Head, Risk Management Stanbic IBTC Bank PLC
xvii	Omolola Fashesin	Head, Risk and Capital Management, Stanbic IBTC Holdings PLC
xviii	Remy Osuagwu	Head, Business Banking Stanbic IBTC Bank PLC
xix	Sam Ocheho	Head, Global Markets Stanbic IBTC Bank PLC
xx	Bridget Oyefeso-Odusami	Head, Marketing and Communications
xxi	Temitope Popoola	Head, Human Capital, Stanbic IBTC Bank PLC
xxii	Benjamin Ahulu	Head - Internal Audit Stanbic IBTC Bank PLC

Board meetings

The board meets, at a minimum, once every quarter with ad-hoc meetings being held whenever it was deemed necessary. The board will hold a strategy session in July 2019. Directors, in accordance with the articles of association of the company, attend meetings either in person or via tele / video conferencing.

Directors are provided with comprehensive board documentation at least seven days prior to each of the scheduled meetings.

Name	Jan	April	July	Oct
Basil Omiyi	√	√	√	√
Yinka Sanni	√	√	√	√
Kunle Adedeji	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√
Sim Tshabalala	√	A	√	√
Ifeoma Esiri	√	√	√	√
Ballama Manu	√	√	√	√
Barend Kruger	√	√	√	√
Nkemdilim Uwaje	-	-	-	√
Ngozi Edozien*	√	√	√	√
Salamatu Suleiman*	√	√	√	√

√ = Attendance

A = Apology

- = Not a member of the Board at the relevant time

* Independent Director

Board committees

Some of the functions of the board have been delegated to board committees, consisting of board members appointed by the board, which operates under mandates approved at the board meeting of 26 July 2019.

Risk management committee

The board is ultimately responsible for risk management. The main purpose of the risk management committee, as specified in its mandate is the provision of independent and objective oversight of risk management within the company. The committee is assisted in fulfilling its mandate by a number of management commitees.

To achieve effective oversight, the committee reviews and assesses the integrity of risk control systems and ensures that risk policies and strategies are effectively managed and contribute to a culture of discipline and control that reduces the opportunity for fraud.

The risk management committee during the year under review was vested, among others, with the following responsibilities:

- to oversee management's activities in managing credit, market, liquidity, operational, legal and other risks of the group;

- to periodically review the group's risk management systems and report thereon to the board;
- to ensure that the group's material business risks are being effectively identified, quantified, monitored and controlled and that the systems in place to achieve this are operating effectively at all times; and
- such other matters relating to the group's risk assets as may be specifically delegated to the committee by the board.

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

As at 31 December 2019, the committee consisted of six directors, five of whom, including the chairman are non – executive directors.

Members' attendance at risk management committee meetings for the year ended 31 December 2019 is stated below:

Name	Jan	April	July	Oct
Ifeoma Esiri	√	√	√	√
Yinka Sanni	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√
Kunle Adedeji	-	-	√	√
Ballama Manu	√	√	√	√
Ngozi Edozien*	√	√	√	√

√ = Attendance

A = Apology

- = Not a member of the Board at the relevant time

* Independent Director

Remuneration committee

The remuneration committee (REMCO) was vested with responsibilities during the year under review that included:

- reviewing the remuneration philosophy and policy;
- considering the guaranteed remuneration, annual performance bonus and pension incentives of the group's executive Directors and managers;
- reviewing the performance measures and criteria to be used for annual incentive payments for all employees;
- determining the remuneration of the chairman and non-executive Directors, which are subject to board and shareholder approval;
- considering the average percentage increases of the guaranteed remuneration of executive management across the group, as well as long-term and short-term incentives; and
- agreeing incentive schemes across the group.

The chief executive attends meetings by invitation. Other members of executive management are invited to attend when appropriate. No individual, irrespective of position, is expected to be present when his or her remuneration is discussed.

Remuneration committee (continued)

When determining the remuneration of executive and non-executive Directors as well as senior executives, REMCO is expected to review market and competitive data, taking into account the company's performance using indicators such as earnings.

REMCO utilises the services of a number of suppliers and advisors to assist it in tracking market trends relating to all levels of staff, including fees for non-executive Directors.

The board reviews REMCO's proposals and, where relevant, will submit them to shareholders for approval at the annual general meeting (AGM.). The board remains ultimately responsible for the remuneration policy.

As at 31 December 2019, the committee consisted of three Directors, all of whom are non-executives, with the Chairman being an Independent Director.

Members' attendance at REMCO meetings during the year ended 31 December 2019 is stated below:

Name	January	April	July	October
Salamatu Suleiman*	√	√	√	√
Sim Tshabalala**	√	A	√	√
Prof. Fabian Ajogwu	A	√	√	A
Barend Kruger	-	-	√	√

** Resigned effective 31 October 2019

√ = Attendance

- = Not a member of the Committee at the relevant time

A = Apology

Remuneration

Introduction

The purpose of this section is to provide stakeholders with an understanding of the remuneration philosophy and policy applied across the group for executive management, employees, and Directors (executive and non-executive).

Remuneration philosophy

The group's board and remuneration committee set a remuneration philosophy which is guided by SBG's philosophy and policy as well as the specific social, regulatory, legal and economic context of Nigeria.

In this regard, the group employs a cost to company structure, where all benefits are included in the listed salary and appropriately taxed.

The following key factors have informed the implementation of reward policies and procedures that support the achievement of business goals:

• the provision of rewards that enable the attraction, retention and motivation of employees and the development of a high performance culture;

• maintaining competitive remuneration in line with the market, trends and required statutory obligations;
• rewarding people according to their contribution;
• allowing a reasonable degree of flexibility in remuneration processes and choice of benefits by employees;
• utilising a cost-to-company remuneration structure; and
• educating employees on the full employee value proposition.

The group's remuneration philosophy aligns with its core values, including growing our people, appropriately remunerating high performers and delivering value to our shareholders. The philosophy emphasises the fundamental value of our people and their role in ensuring sustainable growth. This approach is crucial in an environment where skills remain scarce.

The board sets the principles for the group's remuneration philosophy in line with the approved business strategy and objectives. The philosophy aims to maintain an appropriate balance between employee and shareholder interests. The deliberations of REMCO inform the philosophy, taking into account reviews of performance at a number of absolute and relative levels – from a business, an individual and a competitive point of view.

A key success factor for the group is its ability to attract, retain and motivate the talent it requires to achieve its strategic and operational objectives. The group's remuneration philosophy includes short-term and long-term incentives to support this ability.

Short-term incentives, which are delivery specific, are viewed as strong drivers of competitiveness and performance. A significant portion of top management's reward is therefore variable, being determined by financial performance and personal contribution against specific criteria set in advance. This incites the commitment and focus required to achieve targets.

Long-term incentives seek to ensure that the objectives of management and shareholders are broadly aligned over longer time years.

Remuneration policy

The group has always had a clear policy on the remuneration of staff, executive and non-executive Directors which set such remuneration at levels that are fair and reasonable in a competitive market for the skills, knowledge, experience required and which complies with all relevant tax laws.

REMCO assists the group's board in monitoring the implementation of the group remuneration policy, which ensures that:

• salary structures and policies, as well as cash and long term incentives, motivate sustained high performance and are linked to corporate performance objectives;
• stakeholders are able to make a reasonable assessment of reward practices and the governance process; and
• the group complies with all applicable laws and codes.

Remuneration structure

Non-executive Directors

Terms of service

Directors are appointed by the shareholders at the AGM, although board appointments may be made between AGMs. These appointments are made in terms of the company's policy. Shareholder approvals for such annual appointments are however sought at the annual general meeting that holds immediately after such appointments are made.
Non-executive Directors are required to retire after three years and may offer themselves for re-election. If recommended by the board, their re-election is proposed to shareholders at the AGM.
In terms of CAMA, if a director over the age of 70 is seeking re-election to the board his age must be disclosed to shareholders at the meeting at which such re-election is to occur.

Fees

Non-executive Directors' receive fixed annual fees and sitting allowances for service on the board and board committees. There are no contractual arrangements for compensation for loss of office. Non-executive Directors do not receive short-term incentives, nor do they participate in any long-term incentive schemes.
REMCO reviews the non-executive Directors' fees annually and makes recommendations on same to the board for consideration. Based on these recommendations, the board in turn recommends a gross fee to shareholders for approval at the annual General Meeting (AGM).
Fees that are payable for the reporting year 1 January to 31 December of each year.

Category	**2019**[(i)]	**2018**
	=N=	**=N=**
Chairman	43,512,000	39,200,000
Non-Executive Directors	29,250,000	26,350,000
Sitting Allowances for Board Meetings[(ii)]		
- Chairman	572,000	515,000
- Non-Executive Directors	500,000	450,000

(i) To be presented to shareholders for Approval at the 8th AGM of the Company to be held in 2020.
(ii) Fees quoted as sitting allowance represent per meeting sitting allowance paid for board, board & audit committees and ad hoc meetings. No annual fees are payable to committee members with respect to their roles on such committees.

Retirement benefits

Non-executive Directors do not participate in the pension scheme.

Executive Directors

The company had only two Executive Directors as at 31 December 2019.
Executive Directors receive a remuneration package and qualify for long-term incentives on the same basis as other employees.

Executive Directors' bonus and incentives are subject to an assessment by REMCO of performance against various criteria. The criteria include the financial performance of the company, based on key financial measures and qualitative aspects of performance, such as effective implementation of group strategy and human resource leadership. In addition, the Group's remuneration philosophy is designed in such a way as to prevent excessive risk taking by Management.

Management and general staff

Total remuneration packages for employees comprises the following:

- guaranteed remuneration – based on market value and the role played;
- annual bonus – used to stimulate the achievement of group objectives;
- long term incentives – rewards the sustainable creation of shareholder value and aligns behaviour to this goal;
- pension – provides a competitive post-retirement benefit in line with other employees.
- where applicable, expatriate benefits in line with other expatriates in Nigeria.

Terms of service

The minimum terms and conditions for managers are governed by relevant legislation and the notice year is between one to three months.

Fixed remuneration

Managerial remuneration is based on a total cost-to-company structure. Cost-to-company comprises a fixed cash portion, compulsory benefits (medical aid and retirement fund membership) and optional benefits. Market data is used to benchmark salary levels and benefits. Salaries are normally reviewed annually in March.

For all employees, performance-related payments have formed an increasing proportion of total remuneration over time to achieve business objectives and reward individual contribution.

All employees (executives, managers and general staff) are rated on the basis of performance and potential and this is used to influence performance-related remuneration rating and the consequent pay decision is done on an individual basis.

There is therefore a link between rating, measuring individual performance and reward. However, as noted earlier, the Group's remuneration philosophy is designed in such a way as to prevent excessive risk taking by Management.

Short-term incentives

All staff participate in a performance bonus scheme. Individual awards are based on a combination of business unit performance, job level and individual performance. In keeping with the remuneration philosophy, the bonus scheme seeks to attract and retain high-performing managers.

As well as taking performance factors into account, the size of the award is assessed in terms of market-related issues and pay levels for each skill set, which may for instance be influenced by the scarcity of skills in that area.

The company has implemented a deferred bonus scheme (DBS) to compulsorily defer a portion of incentives over a minimum threshold for some senior managers and executives. This improves alignment of shareholder and management interests and enables clawback under certain conditions, which supports risk management.

Long-term incentives

It is essential for the group to retain key skills over the longer term. The group has put in place a deferred bonus scheme for top talents. The scheme is designed to reward and retain top talents.

Post-retirement benefits

Pension

Retirement benefits are typically provided on the same basis for employees of all levels and are in line and comply with the Pension Reform Act 2014.

Remuneration as at 31 December

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

	Dec 2019	Dec 2018
	N'million	N'million
Fees & sitting allowance	599	429
Executive compensation	661	545
Total	**1,260**	**974**

The group will continue to ensure its remuneration policies and practices remain competitive, drive performance and are aligned across the group and with its values.

The board nomination committee

The board nominations committee is a sub-committee of the Board of Directors ("the board") of the company and has the responsibility to:

a) provide oversight on the selection nomination and re-election process for Directors;

b) provide oversight on the performance of Directors on the various committees established by the board; and

c) provide oversight in relation to the board evaluation and governance process and the reports that are to be made to the Securities & Exchange Commission, Central Bank of Nigeria and shareholders with respect to same.

The goal of the committee is to review nomination and election and re- election for Directors in such a way as to attract and retain the highest quality Directors whose attributes will ensure that their membership of the board will be of benefit and add value to the bank.

The committee consists of such number of Directors as may be approved by the board, but shall not be less than three and shall include the Chief Executive. In addition, any member of senior management may be invited to attend meetings of the committee.

Composition

The committee is made up of three non-executive Directors appointed by the Board. The Board Nomination Committee met on 15 January 2019 and all members of the Committee were in attendance.

Name	January
Ngozi Edozien	√
*Sim Tshabalala	√
Fabian Ajogwu SAN	√

* Resigned effective 31 October 2019

√ = Attendance

'A" = Apology

* = still a member of the Committee at the relevant time but resigned 06 April 2018

The Audit Committee

The role of the audit committee is defined by the Companies & Allied Matters Act and includes making recommendations to the board on financial matters. These matters include assessing the integrity and effectiveness of accounting, financial, compliance and other control systems. The committee also ensures effective communication between internal auditors, external auditors, the board and management.

The committee's key terms of reference comprise various categories of responsibilities and include the following:

- review the audit plan with the external auditors with specific reference to the proposed audit scope, and approach to risk activities and the audit fee;
- meet with external auditors to discuss the audit findings and consider detailed internal audit reports with the internal auditors;
- annually evaluate the role, independence and effectiveness of the internal audit function in the overall context of the risk management systems;
- review the accounting policies adopted by the group and all proposed changes in accounting policies and practices;
- consider the adequacy of disclosures;
- review the significant differences of opinion between management and internal audit;
- review the independence and objectivity of the auditors; and
- all such other matters as are reserved to the audit committee by the Companies & Allied Matters Act and the company's Articles of Association.

As required by law, the audit committee members have recent and relevant financial experience.

Composition

As at 31 December 2019, the committee was made up of six members, three of whom are non-executive Directors while the remaining three members are shareholders elected at the annual General Meeting (AGM). The committee, whose membership is stated below, is chaired by a shareholder representative.

As at 31 December 2019, the committee consists of the following persons:

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

* = Shareholders representative

** = Non Executive Director

The Audit Committee (continued)

Members' attendance at audit committee meetings for the year 01 January to 31 December 2019 is stated below:

Name	January	April	July	October
Mr. Samuel Ayininuola	√	√	√	√
Mrs Ifeoma Esiri	√	√	√	√
Mr. Olatunji Bamidele	√	√	√	√
Mr Ibhade George	√	√	√	√
Ms. Ngozi Edozien	√	√	√	√
Mr Ballama Manu	√	√	√	√

√ = Attendance

The board audit committee

The Board also established a board audit committee in line with regulatory requirements separate from the Statutory Audit Committee

Composition

As at 31 December 2019, the committee was made up of three members, two of whom are non-executive Directors while the Chairman of the committee is an independent non executive director representative.

The committee's key terms of reference comprise various categories of responsibilities and include the following:

- review the audit plan with the external auditors with specific reference to the proposed audit scope, and approach to risk activities and the audit fee;
- annually evaluate the role, independence and effectiveness of the internal audit function in the overall context of the risk management systems;
- review the accounting policies adopted by the group and all proposed changes in accounting policies and practices;
- consider the adequacy of disclosures;
- review the significant differences of opinion between management and internal audit;
- review the independence and objectivity of the auditors; and
- all such other matters as are reserved to the audit committee by the Code of Corporate Governance for Banks and Discount Houses issued by the Central Bank of Nigeria

Members' attendance at board audit committee meetings for the year 01 January to 31 December 2019 is stated below:

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

√ = Attendance

The board IT committee

The board IT committee is one of the committees established by the Board in 2015. The committee has the following responsibilities:

a) provide guidance on how IT decisions are made, enforced and evaluated within Stanbic IBTC in accordance with Central Bank of Nigeria (CBN) IT standards blue print;

b) assist the Board to fulfil its oversight responsibilities for Stanbic IBTC's investments, operations and strategy in relation to IT;

c) review Stanbic IBTC's assessment of risks associated with IT including disaster recovery, business continuity and IT security.

The committee consists of a minimum of two Non-Executive Directors and shall also include the Chief Executive. In addition, any member of senior management may be invited to attend meetings of the committee.

Members' attendance at the Board IT Committee meetings for the year 01 January to 31 December 2019 is stated below:

Name	January	April	July	October
Mr. Ballama Manu	√	√	√	√
Mr Yinka Sanni	√	√	√	√
Ms. Ngozi Edozien	√	√	√	√
Mr. Kunle Adedeji	-	-	√	√

√ = Attendance

A = Apology

\- = Not a member of the Committee at the relevant time

The board legal committee

The committee's key terms of reference comprise various categories of responsibilities and include the following:

1. reviewing the legal risks and other legal issues facing Stanbic IBTC and its subsidiaries and for discussing appropriate strategies to address the risk arising from the litigation portfolios of Stanbic IBTC and its subsidiaries (the litigation Portfolio).

2. review and assess the likely success of the individual matters included in the Litigation Portfolio and of any threatened litigation and where necessary shall recommend that Management seek appropriate out-of-court settlement of specific matters

Composition

The committee is made up of at least two non-executive Directors and one executive director appointed by the Board.

Members' attendance at the Board Legal Committee meetings for the year 01 January to 31 December 2019 is stated below:

The board legal committee (continued)

Name	January	March	February (OfC)	February	July	Sept (OfC)	Oct (OfC)	Oct
Mrs. Ifeoma Esiri	√	√	√	√	√	√	√	√
Mr Yinka Sanni	√	√	√	√	√	√	√	√
Prof Fabian Ajogwu	√	√	√	√	√	√	√	√
Mrs. Salamatu Suleiman	√	√	√	√	√	√	√	√

√ = Attendance
OfC = Off cycle

The Board has also established a number of Ad-Hoc Committees with specific responsibilities. As those Committees are not Standing Committees of the Board, those Ad-Hoc Committees would be dissolved as soon as they have concluded their responsibilities as delegated by the Board.

Company secretary
It is the role of the company secretary to ensure the board remains cognisant of its duties and responsibilities. In addition to providing the board with guidance on its responsibilities, the company secretary keeps the board abreast of relevant changes in legislation and governance best practices. The company secretary oversees the induction of new Directors, including subsidiary Directors, as well as the ongoing training of Directors. All Directors have access to the services of the company secretary.

Going concern
On the recommendation of the audit committee, the board annually considers and assesses the going concern basis for the preparation of the financial statements at the year end.

The board continues to view the company as a going concern for the foreseeable future.

Management committees

The group has the following management committees:

- Executive committee (Exco)
- Equity Investment Committee
- Information Strategy & Data Governance Committee
- Operational risk and compliance committee
- New & Amended Products committee
- Risk oversight committee
- Internal Financial Control committee

Relationship with shareholders
As an indication of its fundamental responsibility to create shareholder value, effective and ongoing communication with shareholders is seen as essential. In addition to the ongoing engagement facilitated by the company secretary and the head of investor relations, the company encourages shareholders to attend the annual general meeting and other shareholder meetings where interaction is welcomed. The chairman of the company's audit committee is available at the meeting to respond to questions from shareholders.

Voting at general meetings is conducted either a show of hands or a poll depending on the subject matter of the resolution on which a vote is being cast and separate resolutions are proposed on each significant issue.

Dealing in securities
In line with its commitment to conduct business professionally and ethically, the company has introduced policies to restrict the dealing in securities by Directors, shareholder representatives on the audit committee and embargoed employees. A personal account trading policy is in place to prohibit employees and Directors from trading in securities during close years. Compliance with this policy is monitored on an ongoing basis.

Sustainability

The company as a member of the Standard Bank Group (SBG) is committed to conducting business professionally, ethically, with integrity and in accordance with international best practice. To this end, the company subscribes to and adopts risk management standards, policies and procedures that have been adopted by the SBG. The company is also bound by the Nigerian Stock Exchange Sustainability Disclosure Guidelines and the Nigerian Sustainable Banking Principles and the provisions of these frameworks are incorporated into policies approved by the Board.

SBG's risk management standards, policies and procedures have been amended to be more reflective of the Nigerian business and regulatory environment. All such amendments to the risk management standards, policies and procedures have been agreed to by Standard Bank Africa (SBAF) Risk Management.

The group is committed to contributing to sustainable development through ethical, responsible financing and business practices which unlocks value for our stakeholders. We manage the environmental and social aspects that impact our activities, products and services whilst ensuring sustainable value creation for our customers. We are passionately committed to encouraging financial inclusion through the provision of banking and other financial services to all cadres of the society and a promoter of gender equality.

Social responsibility

As an African business, the group understands the challenges and benefits of doing business in Africa, and owes its existence to the people and societies within which it operates.

The group is therefore committed not only to the promotion of economic development but also to the strengthening of civil society and human well being.

The group is concentrating its social investment expenditure in defined focus area which currently include education in order to make the greatest impact. These areas of focus will be subject to annual revision as the country socio-economic needs change.

Ethics and organisational integrity

The board aims to provide effective and ethical leadership and ensures that its conduct and that of management is aligned to the organization’s values and code of ethics. The board subscribes to the SBG group’s values and enables decision making at all levels of the business according to defined ethical principles and values.

Compliance with the Nigerian Stock Exchange’s listing rule

Stanbic IBTC Holdings PLC (“SIBTC”) has adopted a Personal Account Trading Policy (“PATP”) for both employees and Directors which incorporates a code of conduct regarding securities transactions by Directors and employees. The PATP was circulated to all employees who in the course of the year had any insider or material information about SIBTC; it is also published in the company’s internal communication on a regular basis and also hoisted on the company’s website.

For the year ended 31 December 2019, the Company confirm that all Directors, complied with the PATP regarding their SIBTC securities transacted on their account during the year.

Compliance with the Securities and Exchange Commission’s code of corporate governance

As a public company, Stanbic IBTC Holdings PLC confirms that as at 31 December 2019 the company has complied with the principles set out in the Securities and Exchange Commission’s code of corporate governance.

The company applies the code's principles of transparency, integrity and accountability through its own behaviour, corporate governance best practice and by adopting, as appropriate and proportionate for a company of its size and nature. The policies and procedures adopted by the Board and applicable to the company’s businesses are documented in mandates, which also set out the roles and delegated authorities applying to the Board, Board Committees, and the Executive Committee.

Compliance with the Central Bank of Nigeria code of corporate governance

As a financial holding company, Stanbic IBTC Holdings PLC is primarily regulated by the Central Bank of Nigeria (“CBN”). In this regard, compliance with the CBN Code of Corporate Governance, as well as all regulations issued by the CBN for Financial Holding Companies remain an essential characteristic of its culture. We confirm that as at the year ended 31 December 2019 the company has complied in all material respects with the principles set out in the CBN’s code of corporate governance.

Compliance with the Central Bank of Nigeria Whistleblowing Guidelines

In accordance with clause 4.11 of the CBN Guidelines for Whistleblowing, Stanbic IBTC Holdings PLC and its subsidiaries have complied in all material respects with the principles set out in the Whistleblowing Guidelines, as at year end.

Complaints Management Policy

Stanbic IBTC Holdings PLC has a Complaints Management Policy in place in compliance with the Securities & Exchange Commission rule which became effective in February 2015. Shareholders may have access to this policy via any of the following options:

• By accessing same through our website
http://www.stanbicibtc.com/nigeriagroup/AboutUs/Code-of-Ethics
• By requesting for a copy through the office of the Company Secretary

Disclosure on diversity in employment

The group is an equal opportunity employer that is committed to maintaining a positive work environment that facilitates high level of professional efficiency at all times. The group’s policy prohibits discrimination of gender, disabled persons or persons with HIV in the recruitment, training and career development of its employees.

i) Persons with disability:

The group continues to maintain a policy of giving fair consideration to applications for employment made by disabled persons with due regard to their abilities and aptitude.

ii) Gender diversity within the group

	31 Dec. 2019		31 Dec. 2018	
	Workforce	**% of gender composition**	Workforce	% of gender composition
Total workforce:				
Women	**1,252**	**43%**	1,250	43%
Men	**1,684**	**57%**	1,683	57%
	2,936	**100%**	2,933	100%
Recruitments made during the year:				
Women	**121**	**43%**	74	41%
Men	**163**	**57%**	105	59%
	284	**100%**	179	100%
Diversity of members of board of Directors - Number of Board members				
Women	**4**	**40%**	3	38%
Men	**6**	**60%**	5	63%
	10	**100%**	8	100%
Diversity of board executives - Number of Executive Directors to Chief Executive				
Women	**-**	**0%**	-	0%
Men	**2**	**100%**	1	100%
	2	**100%**	1	100%
Diversity of senior management team - *Number of Assistant General Manager to General Manager*				
Women	**23**	**29%**	25	31%
Men	**57**	**71%**	55	69%
	80	**100%**	80	100%

Report of the audit committee
For the year ended 31 December 2019

To the members of Stanbic IBTC Holdings PLC

In compliance with the provisions of Section 359(3) to (6) of the Companies & Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004, the Audit Committee considered the audited consolidated and separate annual financial statements for the year ended 31 December 2019 together with the management controls report from the auditors and the company's response to this report at its meeting held on 03 February 2020.

In our opinion, the scope and planning of the audit for the year ended 31 December 2019 were adequate.

We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the company and the Group are in accordance with legal requirements and agreed ethical practices, and that the scope and planning of both the external and internal audits for the year ended 31 December 2019 were satisfactory and reinforce the Group's internal control systems.

After due consideration, the Audit Committee accepted the report of the Auditors that the financial statements were in accordance with ethical practice and International Financial Reporting Standards.

The Committee reviewed Management's response to the auditors findings in respect of management matters and we are satisfied with management's response thereto.

We are satisfied that the company has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks", and hereby confirm that an aggregate amount of N72,582,485,200 (31 December 2018: N40,328,087,581) was outstanding as at 31 December 2019. The perfomance status of insider related credits is as disclosed in Note 38.

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

Mr. Samuel Ayininuola
Chairman, Audit Committee
FRC/2016/ICAN/00000015248
03 February 2020

Members of the audit committee are:

1. Mr. Samuel Ayininuola*
2. Mr. Ibhade George*
3. Mr. Olatunji Bamidele*
4. Ms Ngozi Edozien**
5. Mrs. Ifeoma Esiri**
6. Mr. Ballama Manu**

*=Shareholders' representative
**=Non-Executive Directors

KPMG

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Lagos

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stanbic IBTC Holdings Plc.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Stanbic IBTC Holdings Plc ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows for the year ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 7 to 135.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, and the Banks and other Financial Institutions Act, Cap B3, Laws of the Federation of Nigeria, 2004 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment allowance for loans and advances to customers

The Group's loans and advances to customers are categorised into personal and business banking loans to customers (retail loans) and corporate and transactional banking loans to customers (corporate loans). The determination of impairment on these loans and advances is inherently a significant and judgmental area for the Group as assumptions are made over both the timing of recognition and the estimation of the size of the impairment allowance.

The Group uses an Expected Credit Loss (ECL) model to determine the size of the impairment allowance for loans and advances. The ECL methodology incorporates the expected future credit losses due to forward looking macro-economic variables.

The Group's ECL model includes certain judgements and assumptions such as:

- the credit risk ratings allocated to the counterparties in the corporate and transactional banking category;
- the probability of a loan becoming past due and subsequently defaulting;
- the determination of the Group's definition of default;
- the criteria for assessing significant increase in credit risk (SICR);
- the credit conversion factors applied to off-balance sheet exposures;
- the rate of recovery on the loans that are past due and in default;
- the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows, market values and estimated time and cost to sell collaterals;
- the incorporation of forward-looking information related to the expected outlook on the country's inflation rates, exchange rates and the Gross Domestic Product (GDP) rates used in determining the expected credit losses in the loans and advances portfolios.

We focused on the impairment allowance for loans and advances to customers due to the significant judgements, estimates and assumptions made by the Group in determining the impairment allowance required.

How the matter was addressed in our audit
Our procedures included the following:

- o we evaluated the design and implementation and tested the operating effectiveness of the controls relating to the Group's review of credit risk gradings for the Group's corporate loans and advances. The Group's review includes details of data inputted into the risk grading system as well as timing of the reviews of the credit risk grades allocated to counterparties.
- o we evaluated the design and implementation and tested the operating effectiveness of the controls relating to the Group's ongoing monitoring and identification of loans displaying indicators of impairment and whether they are correctly migrated.
- o we checked that the Group's definition of default is consistent with the requirement of the standard.

- o we assessed the appropriateness of the Group's determination of significant increase in credit risk (SICR) and the resultant classification of loans into various stages of credit risk for reasonableness.

- o With the assistance of our Financial Risk Management specialists, we:

  - assessed the appropriateness of the Group's ECL methodology by considering whether it reflects probability-weighted amounts that are determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions;

  - challenged the appropriateness of the modelling approach and the historical movement in the balances of facilities between default and non-default categories in determining the Probability of Default (PD) used in the ECL calculations;

  - tested the accuracy and appropriateness of the data used in determining the Exposure at Default, including the contractual cash flow and credit conversion factor, outstanding loan balance, loan contractual repayment pattern and loan tenor;

  - tested the accuracy of the calculation of the Loss Given Default (LGD) used by the Group and evaluated the appropriateness of the valuation of collaterals used in the ECL model and other evidence of future cash flows by evaluating the valuation reports and assessing haircuts applied by management on the recoverability of collateral considering the current economic conditions;

  - challenged the appropriateness of the Group's forward-looking assumptions comprising the inflation rates, exchange rates and GDP growth rates used in the ECL calculations using publicly available information from external sources;

  - tested the accuracy of the Group's impairment model by independently re-performing the calculations of impairment allowance for corporate and retail loans and advances. For loans and advances which have shown a significant increase in credit risk, the recalculation was based on the amount which the Group may not recover throughout the life of the loans while for loans and advances that have not shown a significant increase in credit risk, the recalculation was based on the losses expected to result from default events within twelve months from the reporting date.

The Group's accounting policy on impairment allowance for loans and advances, disclosure on judgements and estimates and relevant financial risk disclosures are shown in Notes 4.3, 6.1, 6.2 and 12.3 respectively.

Recoverability of Deferred Tax Assets

The Group has recognised and unrecognised deferred tax assets which arose from historical tax losses, unutilised capital allowances and other deductible temporary differences. The recognition of deferred tax assets required the Group to perform an assessment of when and whether sufficient future taxable profits are likely to be generated by the Group to support the future recoverability of the deferred tax asset recognised.

We focused on this area due to the significant judgments and assumptions involved in the estimation of future taxable profits to determine the amount of the recognised and unrecognised deferred tax assets as at the reporting date.

How the matter was addressed in our audit
Our procedures included the following:

- We challenged the Group's assessment of the recoverable amounts, including the timing and amount of the projected future taxable profits and the underlying assumptions in the Group's budgets and forecasts, using our knowledge of the Group's business and the industry existing legislations and the Group's historical performance.

- We evaluated whether historical tax losses, unutilised capital allowance and other deductible temporary differences were determined in accordance with the relevant tax laws.

The Group's accounting policy on deferred tax assets and other relevant disclosures are shown in Notes 4.10, 6.6 and 16 respectively.

Valuation of Derivative Financial Instruments

The Group's derivative financial instruments comprise foreign currency swaps and foreign exchange forward contracts, which are used to manage foreign exchange risk. The Group uses complex valuation methodologies involving multiple inputs including discount rates, exchange rates and earnings yields to estimate the fair value of these derivative financial instruments.

We focused on this area due to the significance and complexity in the valuation of these derivative financial instruments and the related estimation uncertainty.

How the matter was addressed in our audit
Our procedures included the following:

- We evaluated the design and implementation and tested the operating effectiveness of key controls over the inputs used in determining the Group's valuation of derivative financial instruments.

- We inspected derivative contract documents on a sample basis to confirm the terms of the respective transactions.

- With the assistance of our Financial Risk Management specialists, we:
  - o challenged the appropriateness of the methodology and assumptions used by Group to assess whether the valuation model used by the Group was in line with acceptable market practice.
  - o ascertained the accuracy of the fair value of derivative assets and liabilities by obtaining quoted rates of the inputs used in the valuation model for the market observable rates and compared these rates to the mark-to-market rates used by the Group.

- o for non-observable inputs, reviewed the reasonableness of the rates and other adjustments applied by the Group by independently deriving the input using alternative methodologies.
- o re-computed the fair value of the instruments.

The Group's accounting policy on derivative instruments and relevant financial risk disclosures are shown in Notes 4.4, 6.3, 10.6 and 28 respectively.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report, Statement of Directors' Responsibilities, Corporate Governance report, Report of the Audit Committee and other National Disclosures but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, the Banks and other Financial Institutions Act, Cap B3, Laws of the Federation of Nigeria, 2004 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated interim financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Compliance with Section 27 (2) of the Banks and the other Financial Institutions Act Cap B3, Laws of the Federation of Nigeria, 2004 and Central Bank of Nigeria circular BSD/1/2004.

i. The Group paid penalties in respect of contravention of the Central Bank of Nigeria guidelines during the year ended 31 December 2019. Details of penalties paid are disclosed in Note 41 to these financial statements.

ii. Related party transactions and balances are disclosed in Note 37 to these financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Kabir

Kabir O. Okunlola
FRC/2012/ICAN/00000000428
For: KPMG Professional Services
Chartered Accountants
11 February 2020
Lagos, Nigeria.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
0767487

STANBIC IBTC HOLDINGS PLC

Consolidated and separate annual statements of financial position as at 31 December 2019

	Note	Group 31 Dec. 2019 N'million	Group 31 Dec. 2018 N'million	Company 31 Dec. 2019 N'million	Company 31 Dec. 2018 N'million
Assets					
Cash and cash equivalents	7	456,396	455,773	36,240	15,533
Pledged assets	8.1	231,972	142,543	-	-
Trading assets	9.1	248,909	84,351	-	-
Derivative assets	10.6	32,871	30,286	-	-
Financial investments	11	155,330	400,000	1,981	1,796
Loans and advances	12	535,170	441,261	-	-
Loans and advances to banks	12	3,046	8,548	-	-
Loans and advances to customers	12	532,124	432,713	-	-
Other assets	15	168,689	77,787	2,923	4,091
Equity investment in subsidiaries	13	-	-	85,539	85,539
Property and equipment	17	27,778	21,652	132	993
Intangible assets	18	5,232	827	-	-
Right of use assets	19	3,217	-	71	-
Deferred tax assets	16	10,892	9,181	-	-
Total assets		1,876,456	1,663,661	126,886	107,952
Equity and liabilities					
Equity		302,229	239,667	122,385	102,210
Equity attributable to ordinary shareholders		296,302	235,406	122,385	102,210
Ordinary share capital	20.2	5,252	5,120	5,252	5,120
Share premium	20.2	88,181	76,030	88,181	76,030
Reserves		202,869	154,256	28,952	21,060
Non-controlling interest	13.3	5,927	4,261		
Liabilities		1,574,227	1,423,994	4,501	5,742
Trading liabilities	9.2	250,203	125,684	-	-
Derivative liabilities	10.6	4,343	4,152	-	-
Current tax liabilities	25	19,230	14,899	179	463
Deposit and current accounts	22	886,743	967,964	-	-
Deposits from banks	22	248,903	160,272	-	-
Deposits from customers	22	637,840	807,692	-	-
Other borrowings	23	92,165	69,918	-	-
Debts securities issued	24	106,658	60,595	-	-
Provisions	26	8,860	13,452	-	-
Other liabilities	27	206,025	167,193	4,322	5,279
Deferred tax liabilities	16.1	-	137	-	-
Total equity and liabilities		1,876,456	1,663,661	126,886	107,952

Yinka Sanni
Chief Executive
FRC/2013/CISN/00000001072
6 February 2020

Adekunle Adedeji
Chief Financial Officer
FRC/2013/ICAN/00000001137
6 February 2020

Basil Omiyi
Chairman
FRC/2016/IODN/00000014093
6 February 2020

The accompanying notes from page 7 to 135 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statements of profit or loss
For the year ended 31 December 2019

	Note	Group		Company	
		31-Dec-19 N'million	31-Dec-18 N'million	**31-Dec-19 N'million**	31-Dec-18 N'million
Gross earnings		**233,808**	222,360	**37,882**	19,463
Net interest income		**77,831**	78,209	**148**	271
Interest income	32.1	**120,412**	118,382	**148**	271
Interest expense	32.2	**(42,581)**	(40,173)	**-**	-
Non-interest revenue		**108,755**	102,604	**37,734**	19,192
Net fee and commission revenue	32.3	**70,393**	69,845	**1,119**	2,171
Fee and commission revenue	32.3	**75,034**	71,219	**1,119**	2,171
Fee and commission expense	32.3	**(4,641)**	(1,374)	**-**	-
Trading revenue	32.4	**36,332**	31,311	**-**	-
Other revenue	32.5	**2,030**	1,448	**36,615**	17,021
Income before credit impairment charges		**186,586**	180,813	**37,882**	19,463
Net impairment (charge)/reversal on financial assets	32.6	**(1,632)**	2,940	**-**	-
Income after credit impairment charges		**184,954**	183,753	**37,882**	19,463
Operating expenses		**(94,029)**	(95,601)	**(4,409)**	(3,463)
Staff costs	32.7	**(40,618)**	(43,027)	**(1,056)**	(1,662)
Other operating expenses	32.8	**(53,411)**	(52,574)	**(3,353)**	(1,801)
Profit before tax		**90,925**	88,152	**33,473**	16,000
Income tax	34.1	**(15,890)**	(13,712)	**254**	(501)
Profit for the year		**75,035**	74,440	**33,727**	15,499
Profit attributable to:					
Non-controlling interests	13.3	**2,373**	2,353	**-**	-
Equity holders of the parent		**72,662**	72,087	**33,727**	15,499
Profit for the year		**75,035**	74,440	**33,727**	15,499
Earnings per share					
Basic earnings per ordinary share (kobo)	35	**692**	704	**321**	151
Diluted earnings per ordinary share (kobo)	35	**692**	704	**321**	151

The accompanying notes from page 7 to 135 form an integral part of these financial statements

Consolidated and separate statements of other comprehensive income
For the year ended 31 December 2019

	Note	Group		Company	
		31-Dec-19 N'million	31-Dec-18 N'million	**31-Dec-19 N'million**	31-Dec-18 N'million
Profit for the year		**75,035**	74,440	**33,727**	15,499
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)		**2,188**	383	**-**	**-**
Net change in fair value		**2,152**	356	**-**	**-**
Related income tax	34.3	**36**	27	**-**	**-**
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)		**(262)**	(3,063)	**-**	**-**
Total expected credit loss		**244**	(77)	-	-
Net change in fair value	34.3	**739**	(2,203)	-	-
Realised fair value adjustments transfered to profit or loss	34.3	**(1,245)**	(783)	-	-
Related income tax		**-**	-	-	-
Other comprehensive income for the year net of tax		**1,926**	(2,680)	-	-
Total comprehensive income for the year		**76,961**	71,760	**33,727**	15,499
Total comprehensive income attributable to:					
Non-controlling interests		**2,513**	2,279	**-**	-
Equity holders of the parent		**74,448**	69,481	**33,727**	15,499
		76,961	71,760	**33,727**	15,499

The accompanying notes from page 7 to 135 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Consolidated statement of changes in equity

For the year ended 31 December 2019

Group	Note	Ordinary share capital N'million	Share premium N'million	Merger reserve N'million	Statutory credit risk reserve N'million	Fair value through OCI reserve N'million	Share-based payment reserve N'million	AGSMEIS reserve N'million	Other regulatory reserves N'million	Retained earnings N'million	Ordinary shareholders' equity N'million	Non-controlling interest N'million	Total equity N'million
Balance as at 1 January 2019		**5,120**	**76,030**	**(19,123)**	**-**	**2,535**	**76**	**2,156**	**47,649**	**120,963**	**235,406**	**4,261**	**239,667**
Total comprehensive income for the year						**1,786**	**-**		**-**	**72,662**	**74,448**	**2,513**	**76,961**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**		**-**	**72,662**	**72,662**	**2,373**	**75,035**
Other comprehensive (loss)/income after tax for the year						**1,786**	**-**	**-**	**-**	**-**	**1,786**	**140**	**1,926**
Net change in fair value on debt financial assets at FVOCI		**-**	**-**	**-**	**-**	**599**	**-**		**-**	**-**	**599**	**140**	**739**
Net change in fair value on equity financial assets at FVOCI		**-**	**-**	**-**	**-**	**2,152**	**-**		**-**	**-**	**2,152**		**2,152**
Realised fair value adjustments on financial assets at FVOCI (debt)		-	-	-	-	**(1,245)**	-	-	-	-	**(1,245)**	**-**	**(1,245)**
Expected credit loss on debt financial assets at FVOCI		**-**	**-**	**-**	**-**	**244**	**-**		**-**	**-**	**244**	**-**	**244**
Income tax on other comprehensive income		**-**	**-**	**-**	**-**	**36**	**-**		**-**	**-**	**36**	**-**	**36**
Statutory credit risk reserve		**-**	**-**	**-**	**-**	**-**	**-**	**2,496**	**-**	**(2,496)**	**-**	**-**	**-**
Transfer to statutory reserves		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with shareholders, recorded directly in equity		**132**	**12,151**	**-**	**-**	**-**	**-**	**-**	**-**	**(25,835)**	**(13,552)**	**(847)**	**(14,399)**
Equity-settled share-based payment transactions		-	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Increase in paid-up capital (scrip issue)	20.2	132	12,151	**-**	**-**	**-**	**-**	**-**	**-**		**12,283**	**-**	**12,283**
Dividends paid to equity holders		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(25,835)**	**(25,835)**	**(847)**	**(26,682)**
Balance at 31 December 2019		**5,252**	**88,181**	**(19,123)**	**-**	**4,321**	**76**	**4,652**	**47,649**	**165,294**	**296,302**	**5,927**	**302,229**
Balance at 1 January 2018		5,025	66,945	(19,123)	-	5,192	29	749	40,162	83,081	182,060	3,158	185,218
Impact of adopting IFRS 9 (net of tax)						(51)				(10,173)	(10,224)		(10,224)
Restated balance at 1 January 2018		5,025	66,945	(19,123)	-	5,141	29	749	40,162	72,908	171,836	3,158	174,994
Total comprehensive income for the year						(2,606)	-		-	72,087	69,481	2,279	71,760
Profit for the year		-	-	-	-	-	-		-	72,087	72,087	2,353	74,440
Other comprehensive (loss)/income after tax for the year						(2,606)	-	-	-	-	(2,606)	(74)	(2,680)
Net change in fair value on debt financial assets at FVOCI		-	-	-	-	(2,129)	-		-	-	(2,129)	(74)	(2,203)
Net change in fair value on equity financial assets at FVOCI						356					356		356
Realised fair value adjustments on financial assets at FVOCI (debt)		-	-	-	-	(783)	-	-	-	-	(783)	-	(783)
Expected credit loss on debt financial assets at FVOCI		-	-	-	-	(77)	-		-	-	(77)	-	(77)
Income tax on other comprehensive income		-	-	-	-	27	-		-	-	27	-	27
Statutory credit risk reserve					-				7,487	(7,487)	-	-	-
Transfer to statutory reserves		-	-	-	-	-	-	1,407		(1,407)	-	-	-
Transactions with shareholders, recorded directly in equity		95	9,085	-	-	-	47	-	-	(15,138)	(5,911)	(1,176)	(7,087)
Equity-settled share-based payment transactions		-	-	-	-	-	47	-	-	-	47		47
Increase in paid-up capital (scrip issue)		95	9,085	-	-	-	-	-	-	-	9,180		9,180
Dividends paid to equity holders		-	-	-	-	-	-	-	-	(15,138)	(15,138)	(1,176)	(16,314)
Balance at 31 December 2018		5,120	76,030	(19,123)	-	2,535	76	2,156	47,649	120,963	235,406	4,261	239,667

Refer to note 20.4 for an assumption of the components of reserve

The accompanying notes from page 7 to 135 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Separate statement of changes in equity

For the year ended 31 December 2019

Company	**Ordinary share capital N’million**	**Share premium N’million**	**Fair value through OCI reserve N’million**	**Share-based payment reserve N’million**	**Other regulatory reserves N’million**	**Retained earnings N’million**	**Ordinary shareholders' equity N’million**
Balance at 1 January 2019	**5,120**	**76,030**	**-**	**19**	**-**	**21,041**	**102,210**
Total comprehensive income for the year			**-**			**33,727**	**33,727**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**33,727**	**33,727**
Transactions with shareholders, recorded directly in equity	**132**	**12,151**	**-**	**-**	**-**	**(25,835)**	**(13,552)**
Equity-settled share-based payment transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer of vested portion of equity settled share based payment to retained earnings	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Increase in paid-up capital (scrip issue)	132	12,151					**12,283**
Dividends paid to equity holders	**-**	**-**	**-**	**-**	**-**	**(25,835)**	**(25,835)**
Balance at 31 December 2019	**5,252**	**88,181**	**-**	**19**	**-**	**28,933**	**122,385**
Balance at 1 January 2018	5,025	66,945	-	4	-	20,680	92,654
Total comprehensive income for the year						15,499	15,499
Profit for the year	-	-	-	-	-	15,499	15,499
Transactions with shareholders, recorded directly in equity	95	9,085	-	15	-	(15,138)	(5,943)
Equity-settled share-based payment transactions			-	15	-	-	15
Increase in paid-up capital (scrip issue)	95	9,085	-	-	-	-	9,180
Dividends paid to equity holders	-		-	-	-	(15,138)	(15,138)
Balance at 31 December 2018	5,120	76,030	-	19	-	21,041	102,210

The accompanying notes from page 7 to 135 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statement of cash flows
For the year ended 31 December 2019

		Group		Company	
	Note	**31-Dec-19 N million**	31-Dec-18 N million	**31-Dec-19 N million**	31-Dec-18 N million
Net cash flows from operating activities		**(266,363)**	112,830	**33,759**	14,939
Cash flows used in operations		**(335,061)**	36,089	**(2,972)**	(2,078)
Profit before tax		**90,925**	88,152	**33,473**	16,000
Adjusted for:		**(24,085)**	(57,014)	**(36,641)**	(16,851)
Credit impairment reversal on financial instruments	32.6	**1,632**	(2,940)	**-**	-
Depreciation of property and equipment	32.8	**6,547**	4,432	**84**	346
Amortisation of intangible asset	32.8	**263**	45	**-**	-
Amortisation of right of use assets	19	**1,634**	-	**36**	-
Dividend income	32.5	**(456)**	(261)	**(36,613)**	(16,941)
Equity-settled share-based payments		**-**	47	**-**	15
Unobservable valuation difference in derivatives	36.5	**(7,801)**	(8,827)	**-**	-
Fair value adjustment for derivatives	36.5	**5,407**	(8,847)	**-**	-
Non-cash flow movements in other borrowings	23	**491**	6,068	**-**	-
Non-cash flow movements in debt issued	24	**46,063**	31,549	**-**	-
Interest expense	32.2	**42,581**	40,173	**-**	-
Interest income	32.1	**(120,412)**	(118,382)	**(148)**	(271)
Loss/(gain) on sale of property and equipment	32.5	**(34)**	(71)	**-**	-
Opening transition adjustment of Right of use assets		**(3,455)**	-	**(13)**	-
(Increase)/decrease in assets	36.1	**(475,145)**	(184,997)	**1,168**	(1,943)
Increase/(decrease) in deposits and other liabilities	36.2	**76,699**	189,948	**(959)**	716
Dividends received		**410**	235	**36,613**	16,941
Interest received		**119,235**	129,016	**148**	271
Interest paid		**(37,682)**	(41,169)	**-**	-
Direct taxation paid	25.1	**(13,265)**	(11,341)	**(30)**	(195)
Net cash flows from/ (used in) investing activities		**227,893**	(100,660)	**498**	(993)
Capital expenditure on - property	17	**(2,981)**	(1,228)	**-**	-
- equipment, furniture and vehicles	17	**(8,956)**	(3,210)	**(85)**	(829)
- intangible assets	18	**(4,668)**	(267)	**-**	-
- right of use	19	**(1,396)**	-	**(94)**	-
Proceeds from sale of property, equipment, furniture and vehicles		**(702)**	308	**862**	7
(Purchase)/sale of financial investments		**246,596**	(96,263)	**(185)**	(171)
Net cash flows (used in)/ from financing activities		**7,358**	(18,176)	**(13,550)**	(5,958)
Proceeds from addition to other borrowings	23	**39,509**	13,158	**-**	-
Repayment of other borrowings	23	**(17,753)**	(24,200)	**-**	-
Cash dividends paid	20.3	**(14,398)**	(7,134)	**(13,550)**	(5,958)
Net increase/ (decrease) in cash and cash equivalents		**(31,112)**	(6,006)	**20,707**	7,988
Effect of exchange rate changes on cash and cash equivalents	36.4	**1,919**	3,198	**-**	-
Cash and cash equivalents at beginning of the year		**227,201**	230,009	**15,533**	7,545
Cash and cash equivalents at end of the year	36.3	**198,008**	227,201	**36,240**	15,533

The accompanying notes from page 7 to 135 form an integral part of these financial statements

1 Reporting entity

Stanbic IBTC Holdings PLC (the 'Company') is a company domiciled in Nigeria. The company's registered office is at I.B.T.C. Place Walter Carrington Crescent Victoria Island, Lagos, Nigeria. These consolidated annual financial statements comprise the company and its subsidiaries (together referred to as the 'Group'). The group is primarily involved in the provision of banking and other financial services to corporate and individual customers.

2 Basis of preparation

(a) Statement of compliance

The consolidated and separate annual financial statements for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).The financial statements comply with the Companies and Allied Matters Act of Nigeria, Bank and Other Financial Institution Act, Financial Reporting Council of Nigeria Act, and relevant Central Bank of Nigeria circulars.

This is the first set of the group's annual financial statements where IFRS 16 Leases has been applied. Changes to significant accounting policies are described in note 3.

The consolidated and separate annual financial statements for the year ended 31 December 2019 was approved by the Board of Directors on 6 February 2020.

(b) Basis of measurement

These consolidated and separate annual financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- certain financial assets are measured at fair value through other comprehensive income
- liabilities for cash-settled share-based payment arrangements are measured at fair value
- trading assets and liabilities are measured at fair value

The group applies accrual accounting for recognition of its income and expenses.

(c) Going concern assumption

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgement

The preparation of the consolidated and separate annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.
In preparing these consolidated and separate annual financial statements, management has made judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated annual financial statements is included in the note below;

- Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2019 is included in the following notes.

- Impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL (see note 26).
- Determination of the fair value of financial instruments with significant unobservable inputs (see note 6.2).
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used (see note 16) as well as the likelihood and uncertainities of the extension of the tax exempt status of income on Government securities which we have assumed to be highly likely.
- Included in the recoverability review of deferred tax assets is assumptions about interest rates, exchange rates, inflation rate as well as the likelihood of the extension of the tax-exempt status of income on Government securities which we assume is more than likely (see note 16).
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (see note 26 & 31).

3 Changes in accounting policies

Except as decribed below, the group has consistently applied the accounting policies as set out in Note 4 to all years presented in these annual financial statements.

3 Changes in significant accounting policies (continued)

- **IFRS 9 Financial Instruments (amendment) (IFRS 9)**: The amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortised cost or at fair value through other comprehensive income. The amendment is required to be applied retrospectively.

- **IAS 19 Employee Benefits (amendments) (IAS 19)**: The amendments require a company to use the updated assumptions when a change to a plan either an amendment, curtailment or settlement, takes place to determine current service cost and net interest for the remainder of the reporting year after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the year after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements. The amendment does not have any significant impact on the financial statements of the Group.
- **IAS 28 Interest in Associates and Joint Ventures (amendment) (IAS 28):** This amendment clarifies that an entity should apply IFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture only when the equity method is not applied. The amendment did not have any effect on the financial statement of the Group.
- **IFRIC 23 Uncertainty over Income Tax Treatments (IFRIC 23)**: This interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this interpretation. This interpretation addresses: whether an entity considers uncertain tax treatments separately; the assumptions an entity makes about the examination of tax treatments by taxation authorities; how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and how an entity considers changes in facts and circumstances. The IFRIC will be applied retrospectively only where possible without the used of hindsight. The amendment did not have any significant effect on the financial statement of the Group.
- **Annual improvements 2015-2017 cycle**: The IASB has issued various amendments and clarifications to existing IFRS.

The above mentioned amendments and interpretation to the IFRS standards, adopted on 1 January 2019, did not effect the group's previously reported financial results, disclosures or accounting policies and did not impact the group's results materially upon transition.

3.1 IFRS 16 Leases

This standard replaces IAS 17 Leases, SIC-27 — Evaluating the Substance of Transactions in the Legal Form of a Lease as well as the related interpretations and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, being the lessee (customer) and the lessor (supplier).

The core principle of this standard is that the lessee and lessor should recognise all rights and obligations arising from leasing arrangements on balance sheet.

The most significant change pertaining to the accounting treatment of operating leases is from the lessees' perspective. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and introduces a single lessee accounting model, where a right of use (ROU) asset together with a liability for the future payments is to be recognised for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lessor accounting requirements in IAS 17 has not changed substantially in terms of this standard as a result a lessor continues to classify its leases as operating leases or finance leases and accounts for these as it currently done in terms of IAS 17. In addition, the standard requires the lessor to provide enhanced disclosures about its leasing activities and in particular about its exposure to residual value risk and how it is managed.

The single lessee lease accounting model has the following impact:

- **Balance sheet gross up and volatility**: IFRS 16 leads to an increase in leased assets and liabilities as well as increased volatility due to the requirements to reassess key estimates and judgements (such as remaining lease term, options to extend, restoration cost etc.) at each reporting date.
- **Change in financial metrics**: Financial metrics are affected by the recognition of the leased asset and lease liability and the difference in the timing and classification of the lease expenses. The lease expenses are the sum of the depreciation of the leased asset (presented in operating expenses) and the interest expense on the leased liability (presented in net interest income).

The table below highlights the major changes between IAS 17 and IFRS 16

sn	Description	IAS 17	IFRS 16
1	Elimination of off-balance sheet financing	Lessees classify lease as either operating or finance lease. If the lease is classified as operating, the lessee would not show neither asset nor liability in the balance sheets – just the lease payment is expensed in the profit or loss. Non-cancellable leases represent a liability (and an asset) for the lessees but the liability is hidden and not presented in the financial statements	No classification of lease. Most leases are on-balance sheet as asset and liability.
2	Lease contract and service contract	There is no differentiation between operating lease contract and service contract as both are accounted for same way in the profit or loss statements	There is differentiation between lease contract and service contract and each is accounted for separately and/or differently. If the underlying asset is identifiable then it is a lease contract but where it is not identifiable, it is a service contract and not a lease contract
3	Lease payments in "combined" contracts	All operating lease payments which include lease rentals and some service cost such as maintenance, repairs, cleaning are charged to profit or loss statements	Lease payments are split into lease elements (lease rentals) and non-lease element (service cost). Lease element is accounted as lease under IFRS 16, while non-lease element is treated as expense in the profit or loss statement
4	Accounting for lease	Different accounting for operating and finance lease	Single model of accounting for every lease for the lessee.

Definition of lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract or contains a lease based on the new definition of a lease. Under IFRIC 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a year of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessments of which transitions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 are not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contract entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease components on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

3.1 IFRS 16 Leases (continues)

Scope, Recognition and Measurement

The scope of IFRS 16 applies to contracts meeting the definition of a lease, except for:

- Leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources;
- Leases of biological assets within the scope of IAS 41 Agriculture held by a lessee;
- Service concession arrangements within the scope of IFRIC 12 Service Concession Arrangements;
- Licenses of intellectual property granted by a lessor within the scope of IFRS 15 Revenue from Contracts with Customers, and
- Rights held by a lessee under licensing agreements within the scope of IAS 38 Intangible Assets for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights.

Recognition exemptions

In addition to the above scope exclusions, a lessee can elect not to apply IFRS 16's recognition and requirements to:

- Short-term leases; and
- Leases for which the underlying asset is of low value

In the above cases, the lessee will recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Leases of Low Value Assets

The assessment of 'low value' for a leased asset is to be made on the basis of the value of an asset when it is (or was) new, regardless of whether the actual asset being leased is new. An underlying asset in a lease can be of low value only if:

- The lessee can benefit from use of the underlying asset on its own or together with other resources that are readily available to the lessee; and
- The underlying asset is not highly dependent on, or highly interrelated with, other assets.

IFRS 16 provides examples of low value leases, which include tablets and personal computers, small items of office furniture and telephones.

Recognition and measurement as a lessee

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability.

sn	Description	Initial measurement	Subsequent measurement
1	Right of Use assets	At cost (initial measurement of the lease liability) plus initial direct costs any lease payments made at or before the commencement date less any lease incentives received and estimate cost of demantling and removing underlying asset.	Cost Model: Cost less accumulated depreciated and accumulated impairment. The ROU asset is depreciated over the shorter of the lease term and useful life, except if ownership transfers to the lessee at the end of the lease term or cost reflects that the lessee will exercise a purchase option in the useful life of the asset used in these instances.
2	Lease liability	At the present value of the lease payments that are not paid at the commencement date. Payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If not use the lessee's incremental borrowing rate.	Lessee shall measure the lease liability by: • increasing the carrying amount to reflect interest on the lease liability; • reducing the carrying amount to reflect the lease payments made.

In terms of IAS 1 Presentation of financial statements (IAS 1) the nature of these identified lease contract are aligned to tangible asset. Therefore, the Right of Use (ROU) assets are presented on the face of the statement of financial position. The depreciation on the ROU asset is presented as part of operating expenses. The lease liabilities are presented as part of the Other liabilities line on the face of the statement of financial position. The interest expense on the leased liability will be presented in net interest income.

The group formed an IFRS 16 working group and detailed project plan, identifying key responsibilities and milestones of the project. The estimated impact on the annual financial statements was assessed and the transition balance passed in January 2019. Given the group pays in advance on most of its lease obligations, the transition adjustment was largely a reclassification between Prepaid Rent to Right-of-use assets.

The group has elected to apply IFRS 16, using the modfified retrospective approach, without restating comparative years, which will continue to be presented in terms of IAS 17, with a transition adjustment as at 1 January 2019.

The single lessee accounting model, which comprises IFRS 16's most material impact for the group, resulted in an increase of approximately N119 million in total assets, N119 million in total liabilities and an increase in interest expenses of approximately N7 million.

3.1 IFRS 16 Leases (continues)

Adoption and transition

The group applied IFRS 16, using the modfified retrospective approach on 1 January 2019 without any adjustment to the group's opening 1 January 2019 reserves and, as permitted by IFRS 16, did not restate its comparative financial results. Accordingly, the group's previously reported financial results up to 31 December 2018 are presented in accordance with the requirements of IAS 17 and for 2019, and future reporting years, are presented in terms of IFRS 16.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The Group's standardised funding transfer pricing rate is the base on which the incremental borrowing rate is calculated.

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

Practical expedients applied:

In applying IFRS 16 for the first time, the group used the following practical expedients permitted by the IFRS 16:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases provided there was no option to extend the term
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

The groups leases activities and how these are accounted for:

The group leases various offices, branch space and ATM space. Rental contracts are typically made for fixed average years of between 3 - 10 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the year of the lease.

From 1 January 2019, all existing operating leases, which were either not less than 12 months or not deemed a low value asset, were recognised as a right-of-use asset and a corresponding lease liability.

Extension and termination options:

Extension and termination options are included in a number of building and branch space leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or years after termination options) are only included in the lease term when there is reasonable certainty that the option to extend or terminate will be exercised. The assessment of reasonable certainty is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

IFRS 16 key financial impacts

The single lessee accounting model which comprises IFRS 16's most material impact for the group resulted in an increase of N119 million gross up in total assets, N119 million gross up in total liabilities and no impact on reserves.

3.1 IFRS 16 Leases (continues)

Effect of IFRS 16 transition on the consolidated statement of financial position

Statement of financial position line items affected	Group IFRS 16 at 1 January 2019	Previously reported under IAS 17 31 December 2018	IFRS 16 transition adjustment at 1 January 2019	Note
	N'million	N'million	N'million	
Assets				
Other financial and non-financial assets	1,554,214	1,554,214	-	
Other assets	74,450	77,787	(3,337)	(a)
Property and equipment	21,652	21,652	-	
Intangible assets	827	827	-	
Right Of Use Assets	3,456	-	3,456	(b)
Deferred tax assets	9,181	9,181	-	
Total assets	**1,663,780**	**1,663,661**	**119**	
Liabilities				
Other financial and non-financial liabilities	1,256,664	1,256,664	-	
Other liabilities	167,312	167,193	119	(c)
Deferred tax liabilities	137	137	-	
Total liabilities	**1,424,113**	**1,423,994**	**119**	
Equity				
Share capital	5,120	5,120	-	
Share premium	76,030	76,030	-	
Reserves	154,256	154,256	-	
Non-controlling interest	4,261	4,261	-	
Total equity	**239,667**	**239,667**	**-**	
Total equity and liabilities	**1,663,780**	**1,663,661**	**119**	

*Other financial and non-financial assets: Included under this category is Cash and cash equivalent, Trading assets, Derivative assets, Pledged assets, Financial Investments and Loans advances
*Other financial and non-financial liabilities: Included under this category is Deposits, Other borrowings, Debt securities issued, Provisions, Trading liabilities and Derivatives liabilities.

Note

(a) The transition adjustment relating to Other Assets represents amount of prepaid lease previously captured under Other Assets.

(b) Right of Use Assets are the initial measurement of the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease;
initial direct costs incurred; and the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

(c) The transition adjustment relating to Other liabilities represents the Lease liabilities which are initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by applying the Group standardised funding rate on commencement of the lease as the rate implicit in the lease is not readily determinable.

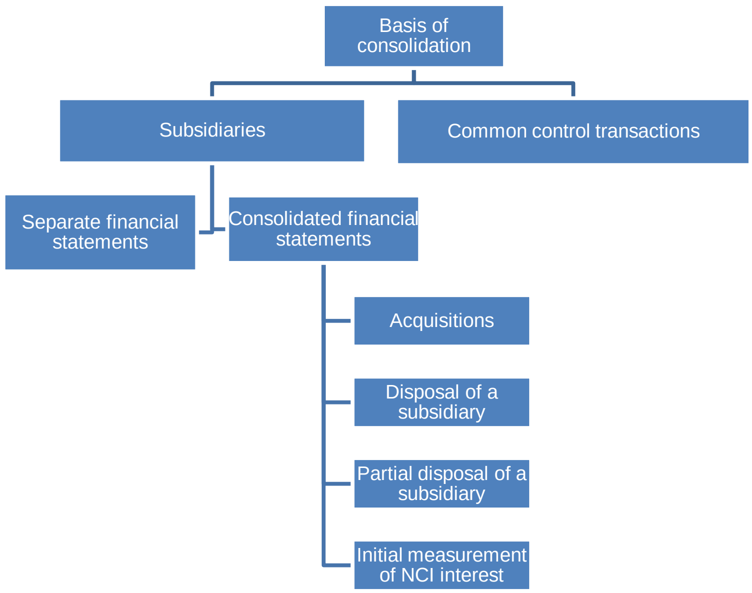
Explanation of any difference between operating lease commitments disclosed as at 31 December 2018 and the 1 January 2019 lease liability

	N'million
Operating lease commitment at 31 December 2018	127
Discounted using the incremental borrowing rate at 1 January 2019	(8)
Add Finance lease liabilities recognised as at 31 December 2018	-
Less recognition exemptions for leases	
Low-value assets	-
Short term leases	-
Add Extension options reasonable certainty to be exercised	-
Total lease liabilities recognised at 1 January 2019	**119**

4 Statement of significant accounting policies

Except for the changes explained in note 3, the group has consistently applied the following accounting policies to all years presented in these consolidated and separate annual financial statements.

4.1 Basis of consolidation



Subsidiaries (including mutual funds, in which the group has both an irrevocable asset management agreement and a significant investment)

Separate financial statements

Investments in subsidiaries are accounted for at cost less accumulated impairment losses (where applicable) in the separate financial statements. The carrying amounts of these investments are reviewed annually for impairment indicators and, where an indicator of impairment exists, are impaired to the higher of the investment's fair value less costs to sell and value in use.

Consolidated financial statements

The accounting policies of subsidiaries that are consolidated by the group conform to the group's accounting policies. Intragroup transactions, balances and unrealised gains (losses) are eliminated on consolidation. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. The proportion of comprehensive income and changes in equity allocated to the group and non controlling interests (NCI) are determined on the basis of the group's present ownership interest in the subsidiary.

Acquisitions	Subsidiaries are entities controlled by the group and are consolidated from the date on which the group acquires control up to the date that control is lost. The group controls an entity if it is exposed to, or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control is assessed on a continuous basis. For mutual funds the group further assesses its control by considering the existence of either voting rights or significant economic power. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the group. The consideration transferred is measured as the sum of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. The consideration includes any asset, liability or equity resulting from a contingent consideration arrangement. The obligation to pay contingent consideration is classified as either a liability or equity based on the terms of the arrangement. The right to a return of previously transferred consideration is classified as an asset. Transaction costs are recognised within profit or loss as and when they are incurred. Where the initial accounting is incomplete by the end of the reporting year in which the business combination occurs (but no later than 12 months since the acquisition date), the group reports provisional amounts.

4 Statement of significant accounting policies (continued)

Acquisitions (continued)	Where applicable, the group adjusts retrospectively the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and affected the measurement of the provisional amounts. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any NCI. The excess (shortage) of the sum of the consideration transferred (including contingent consideration), the value of NCI recognised and the acquisition date fair value of any previously held equity interest in the subsidiary over the fair value of identifiable net assets acquired is recorded as goodwill in the statement of financial position (gain on bargain purchase, which is recognised directly in profit or loss).When a business combination occurs in stages, the previously held equity interest is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss. Increases in the group's interest in a subsidiary, when the group already has control, are accounted for as transactions with equity holders of the group. The difference between the purchase consideration and the group's proportionate share of the subsidiary's additional net asset value acquired is accounted for directly in equity.
Loss of control in a subsidiary	A disposal arises where the group loses control of a subsidiary. When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received (including the fair value of any retained interest in the underlying investee) and the carrying amount of the assets and liabilities and any non-controlling interest. Any gains or losses in OCI that relate to the subsidiary are reclassified to profit or loss at the time of the disposal. On disposal of a subsidiary that includes a foreign operation, the relevant amount in the FCTR is reclassified to profit or loss at the time at which the profit or loss on disposal of the foreign operation is recognised.
Partial disposal of a subsidiary	A partial disposal arises as a result of a reduction in the group's ownership interest in an investee that is not a disposal (i.e. a reduction in the group's interest in a subsidiary whilst retaining control). Decreases in the group's interest in a subsidiary, where the group retains control, are accounted for as transactions with equity holders of the group. Gains or losses on the partial disposal of the group's interest in a subsidiary are computed as the difference between the sales consideration and the group's proportionate share of the investee's net asset value disposed of, and are accounted for directly in equity.
Initial measurement of NCI	The group elects on each acquisition to initially measure NCI on the acquisition date at either fair value or at the NCI's proportionate share of the investees' identifiable net assets.

Common control transactions

Common control transactions, in which the company is the ultimate parent entity both before and after the transaction, are accounted for at book value.

Foreign currency translations

Foreign currency transactions are translated into the respective group entities' functional currencies at exchange rates prevailing at the date of the transactions.
Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in profit or loss.
Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date, and those measured at fair value are translated at the exchange rate at the date that the fair value was determined. Exchange rate differences on non-monetary items are accounted for based on the classification of the underlying items.

In the case of foreign currency gains and losses on debt instruments classified as FVOCI, a distinction is made between foreign currency differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Foreign currency differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in equity. For FVOCI equity investments, foreign currency differences are recognised in OCI and cannot be reclassified to profit/loss.

Foreign currency gains and losses on intragroup loans are recognised in profit or loss except where the settlement of the loan is neither planned nor likely to occur in the foreseeable future.

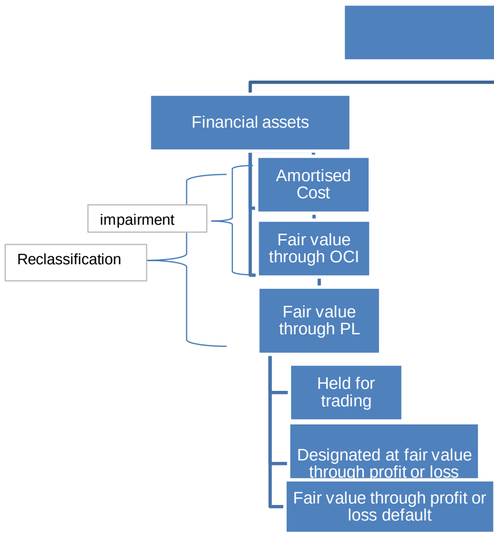
4.2 Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows consist of cash and balances with central banks (excluding cash reserve), and balances with other banks with original maturities of 3 months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair values and are used by management to fulfill short term commitments. Cash and balances with central banks comprise coins and bank notes, balances with central banks and other short term investments.

4 Statement of significant accounting policies (continued)

4.3 Financial instruments

The relevant financial instruments are financial assets classified at amortised cost, fair value through OCI, fair value through P/L and financial liabilities.



Recognition and initial measurement – financial instruments

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the group commits to purchase (sell) the instruments (trade date accounting).

Financial assets

Amortised cost	A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): • held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and • The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss – default.
Fair value through OCI	Includes: • A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): — held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; and — the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss – default. • Equity financial assets which are not held for trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.
Held for trading	Those financial assets acquired principally for the purpose of selling in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial assets are designated to be measured at fair value in the following instances: - to eliminate or significantly reduce an accounting mismatch that would otherwise arise - where the financial assets are managed and their performance evaluated and reported on a fair value basis - where the financial asset contains one or more embedded derivatives that significantly modify the financial asset's cash flows.
Fair value through profit or loss default	Financial assets that are not classified into one of the above-mentioned financial asset categories.

4 Statement of significant accounting policies (continued)

Subsequent measurement

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

Amortised cost	Amortised cost using the effective interest method with interest recognised in interest income, less any impairment losses which are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.
Fair value through OCI	Debt instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue. Interest income on debt financial asset is recognised in interest income in terms of the effective interest rate method. Dividends received are recognised in interest income within profit or loss. Equity instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income. Dividends received on equity instruments are recognised in other revenue within non-interest income.
Held for trading	Fair value, with gains and losses arising from changes in fair value) (including interest and dividends) recognised in trading revenue.
Designated at fair value through profit or loss	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.
Fair value through profit or loss – default	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.

Impairment

Expected credit losses (ECL) are recognised on debt financial assets classified as at either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide a loan at a below market interest rate.

The measurement basis of the ECL of a financial asset includes assessing whether there has been a significant increase in credit risk (SICR) at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL, which is set out in the table that follows, is measured as the unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward looking information.

Stage 1	A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR.
Stage 2	A lifetime ECL allowance is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.
Stage 3	A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired: • default • significant financial difficulty of borrower and/or modification • probability of bankruptcy or financial reorganisation • disappearance of an active market due to financial difficulties.

4 Statement of significant accounting policies (continued)

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

Significant increase in credit risk (SICR)	At each reporting date the group assesses whether the credit risk of its exposures has increased significantly since initial recognition by considering the change in the risk of default occurring over the expected life of the financial asset. Credit risk of exposures which are overdue for more than 30 days are also considered to have increased significantly.
Low credit risk	Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions may not necessarily reduce the exposure's ability to fulfil its contractual obligations.
Default	The group's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets: • significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower) • a breach of contract, such as default or delinquency in interest and/or principal payments • disappearance of active market due to financial difficulties • it becomes probable that the borrower will enter bankruptcy or other financial reorganisation • where the group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the group would not otherwise consider. Exposures which are overdue for more than 90 days are also considered to be in default.
Forward-looking information	Forward looking information is incorporated into the group's impairment methodology calculations and in the group's assessment of SICR. The group includes all forward looking information which is reasonable and available without undue cost or effort. The information will typically include expected macro-economic conditions and factors that are expected to impact portfolios or individual counterparty exposures.
Write-off	Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to enforcement activities.

ECLs are recognised within the statement of financial position as follows:

Financial assets measured at amortised cost (including loan commitments)	Recognised as a deduction from the gross carrying amount of the asset (group of assets). Where the impairment allowance exceeds the gross carrying amount of the asset (group of assets), the excess is recognised as a provision within other liabilities.
Off-balance sheet exposures (excluding loan commitments)	Recognised as a provision within provisions.
Financial assets measured at fair value through OCI	Recognised in the fair value reserve within equity. The carrying value of the financial asset is recognised in the statement of financial position at fair value.

Reclassification

Reclassifications of financial assets are permitted only in the following instances:

Reclassifications of debt financial assets are permitted when, and only when, the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified. Reclassifications are accounted for prospectively from the date of reclassification as follows:
• Financial assets that are reclassified from amortised cost to fair value through profit or loss are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in other gains and losses in the profit or loss amount.
• The fair value of a financial asset that is reclassified from fair value to amortised cost becomes the financial asset's new carrying value and calculate effective interest rate on the new carrying amount.
• Financial assets that are reclassified from amortised cost to fair value through OCI are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in OCI
• The fair value of a financial asset that is reclassified from fair value through OCI to amortised cost becomes the financial asset's new carrying value with the cumulative fair value adjustment recognised in OCI being recognised against the new carrying value.
• The carrying value of financial assets that are reclassified from fair value through profit or loss to fair value through OCI remains at fair value and calculate effective interest rate on the new carrying amount.
• The carrying value of financial assets that are reclassified from fair value through OCI to fair value through profit or loss remains at fair value, with the cumulative fair value adjustment in OCI being recognised in the income statement at the date of reclassification.

4 Statement of significant accounting policies (continued)

Financial liabilities

Nature

Held for trading	Those financial liabilities incurred principally for the purpose of re-purchasing in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial liabilities are designated to be measured at fair value in the following instances: - to eliminate or significantly reduce an accounting mismatch that would otherwise arise - where the financial liabilities are managed and their performance evaluated and reported on a fair value basis - where the financial liability contains one or more embedded derivatives that significantly modify the financial asset's cash flows.
At amortised cost	All other financial liabilities not included the above categories.

Subsequent measurement

Subsequent to initial measurement, financial liabilities are classified in their respective categories and measured at either amortised cost or fair value as follows:

Held for trading	Fair value, with gains and losses arising from changes in fair value) (including interest and dividends) recognised in trading revenue.
Designated at fair value through profit or loss	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in interest expense.
At amortised cost	Amortised cost using the effective interest method with interest recognised in interest expense.

Derecognition of financial assets and liabilities

Financial assets and liabilities are derecognised in the following instances:

Financial assets	Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability. The group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements. In transfers where control over the asset is retained, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. Any cummulative gain/loss recognised in OCI in respect of equity investment securities designated at FVOCI is not recognised in profit or loss on derecognition of such securities.
Financial liabilities	Financial liabilities are derecognised when the obligation of the financial liabilities are extinguished, that is, when the obligation is discharged, cancelled or expires.

Modification of financial assets and liabilities

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value and recalculates a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes.

If the terms are not substantially different for financial assets or financial liabilities, the group recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new carrying gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or gains and losses on financial instruments within non-interest revenue (for all other modifications).

4 Statement of significant accounting policies (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the group (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

- the ECL calculated for the financial guarantee; and
- unamortised premium.

Derivatives and embedded derivatives

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

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

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

Other

Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial investments or trading assets to pledged assets, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Initial recognition of pledged assets is at fair value, whilst subsequently measured at amortized cost or fair value as approriate. These transactions are performed in accordance with the usual terms of securities lending and borrowing.

Sale and repurchase agreements

Securities sold subject to linked repurchase agreements (repurchase agreements) are reclassified in the statement of financial position as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The liability to the counterparty is included under deposit and current accounts or trading liabilities, as appropriate.

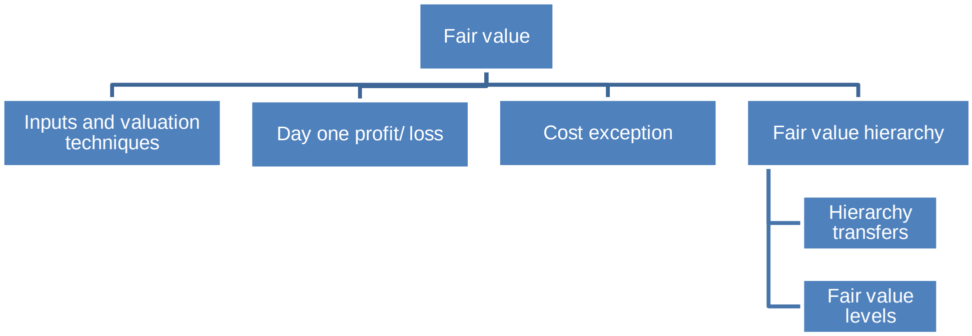
Securities purchased under agreements to resell (reverse repurchase agreements), at either a fixed price or the purchase price plus a lender’s rate of return, are recorded as loans and included under trading assets or loans and advances, as appropriate. For repurchase and reverse repurchase agreements measured at amortised cost, the difference between the purchase and sales price is treated as interest and amortised over the expected life using the effective interest rate method.

Offsetting

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

4 Statement of significant accounting policies (continued)

4.4 Fair value



In terms of IFRS, the group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions. Fair value is a market based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Inputs and valuation techniques

Fair value is measured based on quoted market prices or dealer price quotations for identical assets and liabilities that are traded in active markets, which can be accessed at the measurement date, and where those quoted prices represent fair value. If the market for an asset or liability is not active or the instrument is not quoted in an active market, the fair value is determined using other applicable valuation techniques that maximise the use of relevant observable inputs and minimises the use of unobservable inputs. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants.

Fair value measurements are categorised into level 1, 2 or 3 within the fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.
Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and a market related discount rate at the reporting date for an asset or liability with similar terms and conditions.
If an asset or a liability measured at fair value has both a bid and an ask price, the price within the bid-ask spread that is most representative of fair value is used to measure fair value.

The group's valuation control framework governs internal control standards, methodologies, and procedures over its valuation processes, which include the following valuation techniques and main inputs and assumptions per type of instrument:

Item	Description	Valuation technique	Main inputs and assumptions (Level 2 and 3 fair value hierarchy items)
Derivative financial instruments	Derivative financial instruments comprise foreign exchange, and interest rate.	Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include: • Discounted cash flow model • Black-Scholes model	• Discount rate* • Spot prices of the underlying assets • Correlation factors • Volatilities • Dividend yields • Earnings yield • Valuation multiples
Trading assets and Trading liabilities	Trading assets and liabilities comprise instruments which are part of the group's underlying trading activities. These instruments primarily include sovereign and corporate debt, and collateral.	Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date.	

4 Statement of significant accounting policies (continued)

<table>
<tr><th>Item</th><th>Description</th><th>Valuation technique</th><th>Main inputs and assumptions (Level 2 and 3 fair value hierarchy items)</th></tr>
<tr><td>Pledged assets</td><td>Pledged assets comprise instruments that may be sold or repledged by the group’s counterparty in the absence of default by the group. Pledged assets include sovereign debt (government treasury bills and bonds) pledged in terms of repurchase agreements.</td><td rowspan="2">Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial investment being fair valued. Where proxies are not available, the fair value is estimated using more complex modelling techniques. These techniques include discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility and other risks. Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.</td><td rowspan="2">• Discount rate*
• Spot prices of the underlying
• Correlation factors
• Volatilities
• Dividend yields
• Earnings yield
• Valuation multiples</td></tr>
<tr><td>Financial investments</td><td>Financial investments are non-trading financial assets and primarily comprise of sovereign and corporate debt, unlisted equity instruments, investments in mutual fund investments and unit-linked investments.</td></tr>
<tr><td>Loans and advances to banks and customers</td><td>Loans and advances comprise:
• Loans and advances to banks: call loans, loans granted under resale agreements and balances held with other banks.
• Loans and advances to customers: mortgage loans (home loans and commercial mortgages), other asset-based loans, including collateralised debt obligations (instalment sale and finance leases), and other secured and unsecured loans (card debtors, overdrafts, other demand lending, term lending and loans granted under resale agreements).</td><td>For certain loans, fair value may be determined from the market price of a recently occurring transaction adjusted for changes in risks and information between the transaction and valuation dates. Loans and advances are reviewed for observed and verified changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for interest rate risk, foreign exchange risk, liquidity and credit risk, as appropriate. For credit risk, probability of default and loss given default parameters are determined using the relevant terms of the loan and loan counterparty such as the industry classification and subordination of the loan.</td><td>• Discount rate.
• Probability of default.
• Loss given default.</td></tr>
<tr><td>Deposits from bank and customers</td><td>Deposits from banks and customers comprise amounts owed to banks and customers, deposits under repurchase agreements, negotiable certificates of deposit, credit-linked deposits and other deposits.</td><td>For certain deposits, fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information between the transaction and valuation dates. In the absence of an observable market for these instruments discounted cash flow models are used to determine fair value based on the contractual cash flows related to the instrument. The fair value measurement incorporates all market risk factors including a measure of the group’s credit risk relevant for that financial liability. The market risk parameters are valued consistently to similar instruments held as assets stated in the section above. For collateralised deposits that are designated to be measured at fair value through profit or loss, such as securities repurchase agreements, the credit enhancement is incorporated into the fair valuation of the liability.</td><td>• Discount rate.
• Probability of default.
• Loss given default.</td></tr>
</table>

** Discount rates, where applicable, include the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty as appropriate), timing of settlement, storage/service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.*

4 Statement of significant accounting policies (continued)

Day one profit or loss

For financial instruments, where the fair value of the financial instrument differs from the transaction price, the difference is commonly referred to as day one profit or loss. Day one profit or loss is recognised in profit or loss immediately where the fair value of the financial instrument is either evidenced by comparison with other observable current market transactions in the same instrument, or is determined using valuation models with only observable market data as inputs.

Day one profit or loss is deferred where the fair value of the financial instrument is not able to be evidenced by comparison with other observable current market transactions in the same instrument, or determined using valuation models that utilise non-observable market data as inputs.

The timing of the recognition of deferred day one profit or loss is determined individually depending on the nature of the instrument and availability of market observable inputs. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed.

Fair value hierarchy

The group's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Hierarchy levels

The levels have been defined as follows:

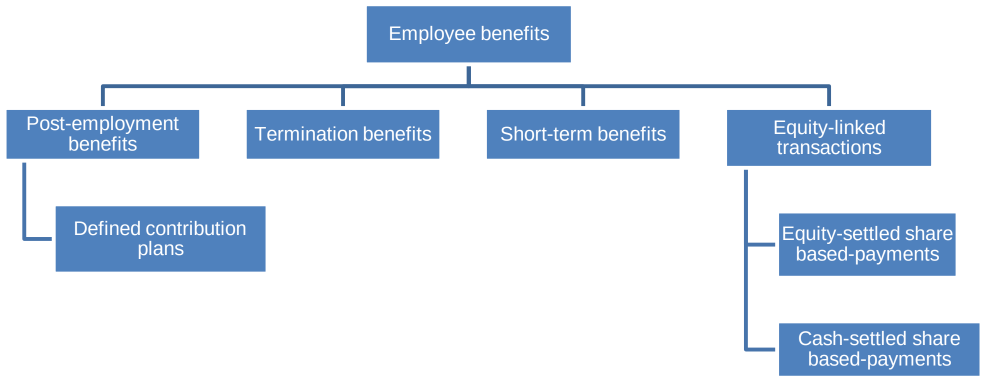
Level 1	Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
Level 2	Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
Level 3	Fair value is determined through valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

Hierarchy transfer policy

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

4 Statement of significant accounting policies (continued)

4.5 Employee benefits



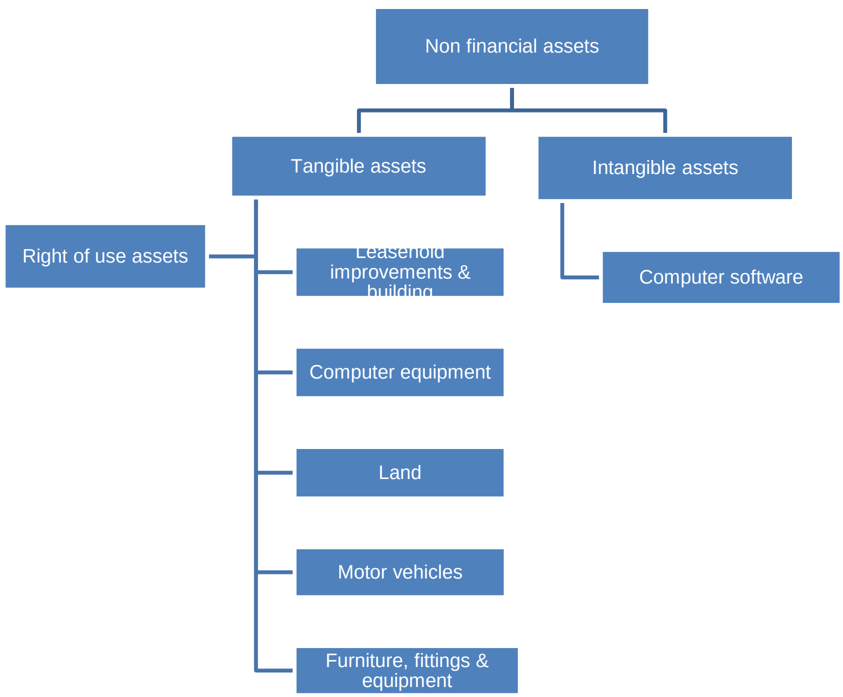
Type	Description	Statement of financial position	Statement of other comprehensive income	Income statement
Defined contribution plans	The group operates a contributory pension plan in line with the Pension Reform Act 2014. Employees and the Bank contribute 8% and 10% respectively of each of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2014.	Liability is recognised for unpaid contributions.	No impact.	Contributions are recognised as an expense in profit or loss in the years during which services are rendered by employees.
Termination benefits	Termination benefits are recognised when the group is committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy when it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.	A liability is recognised for the termination benefit representing the best estimate of the amount payable.	No impact.	Termination benefits are recognised as an expense if the group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.
Short-term benefits	Short-term benefits consist of salaries, accumulated leave payments, profit share, bonuses and any non-monetary benefits such as medical aid contributions.	A liability is recognised for the amount expected to be paid under short-term cash bonus plans or accumulated leave if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.	No direct impact.	Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

4 Statement of significant accounting policies (continued)

Equity-linked transactions

Equity-settled share based payments	The fair value of the equity-settled share based payments are determined on grant date and accounted for within operating expenses - staff costs over the vesting year with a corresponding increase in the group's share-based payment reserve. Non-market vesting conditions, such as the resignation of employees and retrenchment of staff, are not considered in the valuation but are included in the estimate of the number of options expected to vest. At each reporting date, the estimate of the number of options expected to vest is reassessed and adjusted against profit or loss and equity over the remaining vesting year. On vesting of the equity-settled share based payments, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer.
Cash-settled share based payments	Cash-settled share based payments are accounted for as liabilities at fair value until the date of settlement. The liability is recognised over the vesting year and is revalued at every reporting date up to and including the date of settlement. All changes in the fair value of the liability are recognised in operating expenses – staff costs.

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

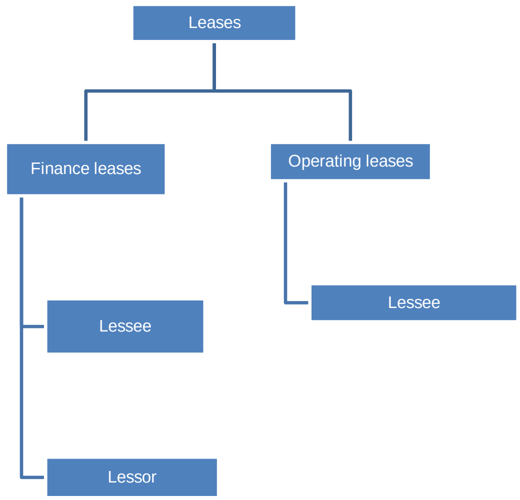


4 Statement of significant accounting policies (continued)

Type	Initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment	Derecognition
Tangible assets	Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Land is measured at cost less accumulative impairment loss. Land is not depreciated. Costs that are subsequently incurred are included in the asset's related carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the group and the cost of the item can be measured reliably. Expenditure, which does not meet these criteria, is recognised in profit or loss as incurred. Where significant parts of an item of property or equipment have different useful lives, they are accounted for as separate major components of property and equipment.	Property and equipment are depreciated on the straight-line basis over estimated useful lives (see below) of the assets to their residual values. Land and Work-in progress are not depreciated. Land: N/A Buildings: 25 years Computer: 3-5 years Motor vehicles: 4 years Office: 6 years Furniture: 4 years Capitalised leased assets/ branch refurbishments: greater of 6 years or useful life of underlying asset The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial year end.	Intangible assets that have an indefinite useful life are tested annually for impairment and additionally when an indicator of impairment exists. Other non-financial assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use.	The non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.
Intangible assets/ Computer software	Costs associated with developing or maintaining computer software programmes and the acquisition of software licences are generally recognised as an expense as incurred. However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the group and have a probable future economic benefit beyond one year, are recognised as intangible assets. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use. Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.	Amortisation is recognised in profit or loss on a straight-line basis at rates appropriate to the expected lives of the assets (2 to 15 years) from the date that the asset is available for use. Amortisation methods, useful lives and residual values are reviewed at each financial yearend and adjusted, if necessary.	Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.	
Right of use assets	At cost (initial measurement of the lease liability) plus initial direct costs any lease payments made at or before the commencement date less any lease incentives received and estimate cost of demantling and removing underlying asset. Cost Model: Cost less accumulated depreciated and accumulated impairment. The ROU asset is depreciated over the shorter of the lease term and useful life, except if ownership transfers to the lessee at the end of the lease term or cost reflects that the lessee will exercise a purchase option use useful life of the asset is used in these instances.	**Depreciation on right-of-use assets:** Subsequent to initial measurement, the right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term unless ownership of the underlying asset transfers to the Group at the end of the lease term, whereby the right-of-use assets are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of operating expenses.	Termination of leases: On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss together with termination or cancelation costs in profit or loss. Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease year has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the year in which termination takes place.	

4 **Statement of significant accounting policies** (continued)

4.7 Leases (Before January 1 2019)



Type	Description	Statement of financial position	Income statement
Finance lease - lessee	Leases, where the group assumes substantially all the risks and rewards incidental to ownership, are classified as finance leases.	The leased asset is capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments together with an associated liability to the lessor. Lease payments less the interest component, which is calculated using the interest rate implicit in the lease or the group's incremental borrowing rate, are recognised as a capital repayment which reduces the liability to the lessor.	A lease finance cost, determined with reference to the interest rate implicit in the lease or the group's incremental borrowing rate, is recognised within interest expense over the lease year
Finance lease - lessor	Leases, where the group transfers substantially all the risks and rewards incidental to ownership, are classified as finance leases.	Finance lease receivable, including initial direct costs and fees, are primarily accounted for as financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges, being included in loans and receivables.	Finance charges earned within interest income are computed using the effective interest method, which reflects a constant yearic rate of return on the investment in the finance lease.
Operating lease - lessee	All leases that do not meet the criteria of a financial lease are classified as operating leases.	Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense) are recognised.	Payments made under operating leases, net of any incentives received from the lessor, are recognised in profit or loss on a straight-line basis over the term of the lease.Contingent rentals are expensed as they are incurred. When an operating lease is terminated before the lease year has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

4 Statement of significant accounting policies (continued)

Leases (After January 1, 2019)

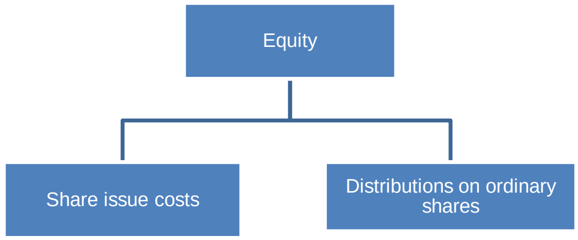
Type	Description	Statement of financial position	Income statement
Single lessee accounting model	All leases are accounted for by recognising a right-of-use asset and a lease liability except for: ● leases of low value assets; and ● leases with a duration of twelve months or less. All leases that meet the criteria as either a lease of a low value asset or a short term lease are accounted for on a straight-line basis over the lease term.	Lease liabilities: Initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case for the Group) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. The Group's standardised funding transfer pricing rate is the base on which the incremental borrowing rate is calculated. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the year to which they relate. On initial recognition, the carrying value of the lease liability also includes: ● Amounts expected to be payable under any residual value guarantee; ● The exercise price of any purchase option granted in favour of the Group, should it be reasonably certain that this option will be exercised; ● Any penalties payable for terminating the lease, should the term of the lease be estimated on the basis of this termination option being exercised. Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets: Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for: • lease payments made at or before commencement of the lease; • initial direct costs incurred; and • the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset. The Group applies the cost model subsequent to the initial measurement of the right-of-use assets. Termination of leases: When the Group or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised. Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised.	Interest expense on lease liabilities: A lease finance cost, determined with reference to the interest rate implicit in the lease or the Group's incremental borrowing rate, is recognised within interest expense over the lease year. Depreciation on right-of-use assets: Subsequent to initial measurement, the right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term unless ownership of the underlying asset transfers to the Group at the end of the lease term, whereby the right-of-use assets are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of operating expenses. Termination of leases: On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss together with termination or cancelation costs in profit or loss. Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease year has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the year in which termination takes place.
Reassessment and modification of leases	**Reassessment of lease terms and lease modifications that are not accounted for as a separate lease:** When the Group reassesses the terms of any lease (i.e. it re-assesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stan alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero any further reduction in the measurement of the lease liability, is recognised in profit or loss.		
Finance leases	Leases, where the Group transfers substantially all the risks and rewards incidental to ownership, are classified as finance leases.	Finance lease receivable, including initial direct costs and fees, are primarily accounted for as financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges, being included in loans and advances.	Finance charges earned within interest income are computed using the effective interest method, which reflects a constant yearic rate of return on the investment in the finance lease. The tax benefits arising from investment allowances on assets leased to clients are accounted for within direct taxation.
Operating leases	All leases that do not meet the criteria of a finance lease are classified as operating leases.	The asset underlying the lease continues to be recognised and accounted for in terms of the relevant group accounting policies. Accruals for outstanding lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease income are recognised.	Operating lease income net of any incentives given to lessees, is recognised on the straight-line basis, or a more representative basis where applicable, over the lease term and is recognised in operating income. When an operating lease is terminated before the lease year has expired, any payment received/(paid) by the group by way of a penalty is recognised as income/(expense) in the year in which termination takes place.

IFRS 16 - Lessor lease modifications

Finance leases	When the Group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the Group accounts for these modifications as a separate new lease All other lease modifications that are not accounted for as a separate lease are accounted for in terms of IFRS 9, unless the classification of the lease would have been accounted for as an operating lease had the modification been in effect at inception of the lease. These lease modifications are accounted for as a separate new lease from the effective date of the modification and the net investment in the lease becomes the carrying amount of the underlying asset.
Operating leases	Modifications are accounted for as a new lease from the effective date of the modification.

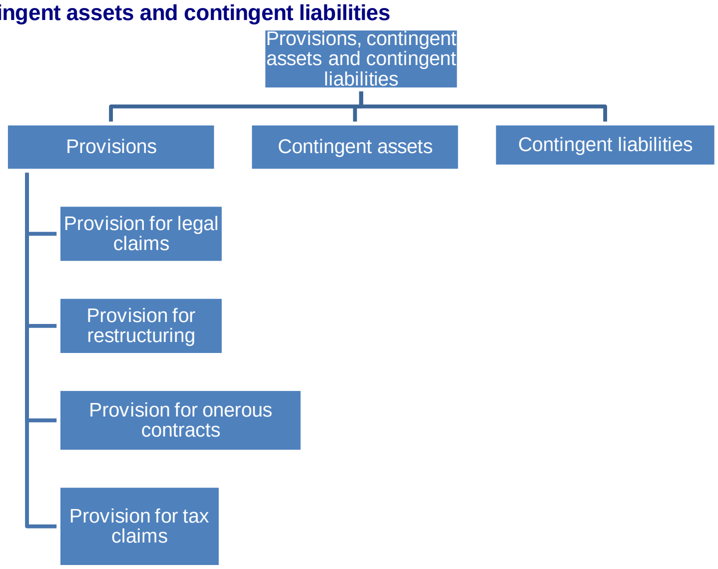
4 Statement of significant accounting policies (continued)

4.8 Equity



Share issue costs	Incremental external costs directly attributable to a transaction that increases or decreases equity are deducted from equity, net of related tax. All other share issue costs are expensed.
Distributions to owners	Distributions are recognised in equity in the year in which they are declared. Distributions declared after the reporting date are disclosed in the distributions note to the financial statements.

4.9 Provisions, contingent assets and contingent liabilities

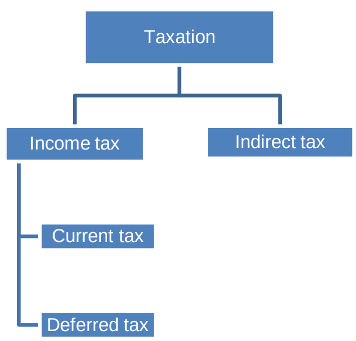


Provisions	Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The group's provisions typically (when applicable) include the following:

4 Statement of significant accounting policies (continued)

Provisions (continued)	**Provisions for legal claims** Provisions for legal claims are recognised on a prudent basis for the estimated cost for all legal claims that have not been settled or reached conclusion at the reporting date. In determining the provision management considers the probability and likely settlement (if any). Reimbursements of expenditure to settle the provision are recognised when and only when it is virtually certain that the reimbursement will be received. **Provision for restructuring** A provision for restructuring is recognised when the group has approved a detailed formal plan, and the restructuring either has commenced or has been announced publicly. Future operating costs or losses are not provided for. **Provision for onerous contracts** A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the group recognises any impairment loss on the assets associated with that contract. **Provision for tax claims** Provisions for taxes claims relates to additional assessment on taxes, including withholding tax, value added tax, PAYE tax.
Contingent assets	Contingent assets are not recognised in the annual financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the group, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the group's control.
Contingent liabilities	Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the annual financial statements but are disclosed in the notes to the annual financial statements.

4.10 Taxation

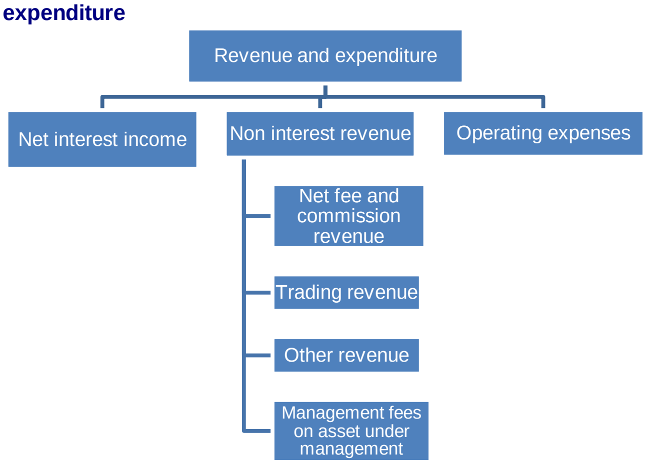


Type	Description, recognition and measurement	Offsetting
Current tax-determined for current year transactions and events	Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividend. Current tax is recognised as an expense for the year and adjustments to past years except to the extent that current tax related to items that are charged or credited in OCI or directly to equity. Nigerian tax laws mandates a minimum tax assessment for companies having no taxable profits for the year or where the tax on profits is below the minimum tax. Minimum tax is computed as 0.125% of turnover in excess of N500,000 plus the highest of: (i) 0.5% of gross profits; (ii) 0.5% of net assets; (iii) 0.25% of paid-up capital; or (iv) 0.25% of turnover. Further, the Nigerian tax laws mandates that where a dividend is paid out of profit on which no tax is payable due to either: (a) no total profit; or (b) the total profit is less than the amount of dividend paid, the company paying the dividend will be subjected to tax at 30% of the dividends paid, as if the dividend is the total profits of the company for the year of assessment to which the accounts, out of which the dividends paid relates. When applicable, minimum tax is recorded under current income tax in profit or loss.	

4 Statement of significant accounting policies (continued)

Type	Description, recognition and measurement	Offsetting
Deferred tax- determined for future tax consequences	Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination (relating to a measurement year adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly as part of OCI. Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date and reflects uncertainty related to income taxes, if there is any. Deferred tax is not recognised for the following temporary differences: • the initial recognition of goodwill; • the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses; and • investments in subsidiaries, associates and jointly controlled arrangements (excluding mutual funds) where the group controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.	Current tax assets and liabilities, deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
Indirect taxation	Indirect taxes are recognised in profit or loss, as part of other operating expenses.	N/A
Dividend tax	Taxes on dividends declared by the group are recognised as part of the dividends paid within equity as dividend tax represents a tax on the shareholder and not the group.	N/A

4.11 Revenue and expenditure



Description	Recognition and measurement
Net interest income	Interest income and expense (with the exception of borrowing costs that are capitalised on qualifying assets, that is assets that necessarily take a substantial year of time to get ready for their intended use or sale and which are not measured at fair value) are recognised in profit or loss using the effective interest method for all interest-bearing financial instruments.

4 Statement of significant accounting policies (continued)

4.11 Revenue and expenditure (continued)

Description	Recognition and measurement
Net interest income	In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter year, to the net carrying amount of the financial asset or financial liability. Direct incremental transaction costs incurred and origination fees received, including loan commitment fees, as a result of bringing margin- yielding assets or liabilities into the statement of financial position, are capitalised to the carrying amount of financial instruments that are not at fair value through profit or loss and amortised as interest income or expense over the life of the asset or liability as part of the effective interest rate. Where the estimates of payments or receipts on financial assets or financial liabilities are subsequently revised, the carrying amount of the financial asset or financial liability is adjusted to reflect actual and revised estimated cash flows. The carrying amount is calculated by computing the present value of the adjusted cash flows at the financial asset or financial liability's original effective interest rate. Any adjustment to the carrying value is recognised in net interest income. When a financial asset is classified as Stage 3 impaired, interest income is calculated on the impaired value (gross carrying value less specific impairment) based on the original effective interest rate. Interest expense on lease liabilities: A lease finance cost, determined with reference to the interest rate implicit in the lease or the Group's incremental borrowing rate, is recognised within interest expense over the lease year. Dividends received on preference share investments classified as debt form part of the group's lending activities and are included in interest income.
Net fee and commission revenue	Fee and commission revenue, including transactional fees, account servicing fees, investment management fees, sales commissions and placement fees are recognised as the related services are performed. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment year. Loan syndication fees, where the group does not participate in the syndication or participates at the same effective interest rate for comparable risk as other participants, are recognised as revenue when the syndication has been completed. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised as interest income. The fair value of issued financial guarantee contracts on initial recognition is amortised as income over the term of the contract. Fee and commission expenses, included in net fee and commission revenue, are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received. Expenditure is recognised as fee and commission expenses where the expenditure is linked to the production of fee and commission revenue.
Trading revenue	Trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income, expense and dividends.
Other revenue	Other revenue includes dividends on equity financial assets and re- measurement gains and losses from contingent consideration on disposals and purchases. Gains and losses on equity instruments designated at fair value through profit or loss are recognised within other revenue. Gains and losses on equity instruments classified as fair value through other comprehensive income (FVOCI) financial assets are reclassified from OCI to other revenue on derecognition or impairment.
Dividend income	Dividends are recognised in profit or loss when the right to receipt is established. Scrip dividends are recognised as dividends received where the dividend declaration allows for a cash alternative.
Management fees on assets under management	Fee income includes management fees on assets under management and administration fees. Management fees on assets under management are recognised over the year for which the services are rendered, in accordance with the substance of the relevant agreements.
Operating expenses	Expenses are recognized on an accrual bases regardless of the time of cash outflows. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are recognized in the same reporting year when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting year and when they are not expected to generate any income during the coming years. Expenses that are not related to the income earned during the reporting year, but expected to generate future economic benefits, are recorded in the financial statements as assets.

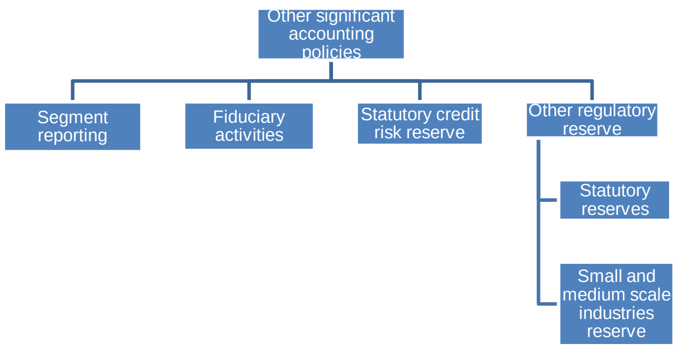
4 Statement of significant accounting policies (continued)

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

IFRS 9 accounting treatment

IFRS 9 requires that interest for financial assets classified as stage 3 (i.e. in default) only be calculated on the gross carrying amount less impairments (i.e. amortised cost less impairment balance). The group has applied this requirement by suspending all contractual interest on such financial assets and recognising interest on the amortised cost balance utilising the financial assets' effective interest rate. IFRS 9 requires that the suspended contractual interest be recognised as part of the financial assets' gross carrying amount and be deducted as part of the reconciliation to the net carrying amount which is reported in the balance sheet. Whilst the IIS is recognised in the gross carrying amount it does not impact the net carrying amount of the financial asset as presented on the face of the statement of financial position. Given the IFRS 9 requirement that the gross carrying amount would include the contractual suspended interest on financial assets classified as stage 3, the group reports the balance sheet interest in suspense account as part of stage 3 impairment when calculating the financial assets' net carrying amount. The group has elected to continue to present upon the curing of the non-performing financial asset, this suspended contractual interest (previously unrecognised interest) within credit impairment line in the income statement.

4.12 Other significant accounting policies



Segment reporting	An operating segment is a component of the group engaged in business activities, whose operating results are reviewed regularly by management in order to make decisions about resources to be allocated to segments and assessing segment performance. The group's identification of segments and the measurement of segment results is based on the group's internal reporting to management. Transactions between segments are priced at market-related rates.
Fiduciary activities	The group commonly engages in trust or other fiduciary activities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions. These assets and the income arising directly thereon are excluded from these annual financial statements as they are not assets of the group. However, fee income earned and fee expenses incurred by the group relating to the group's responsibilities from fiduciary activities are recognised in profit or loss.
Statutory credit risk reserve	The statutory credit risk reserve represents a reserve component created when credit impairment on loans and advances as accounted for under IFRS using the expected loss model differ from the Prudential Guidelines set by the Central Bank of Nigeria.
Statutory reserve	Nigerian banking and pension industry regulations require the banking and pension subsidiaries to make an annual appropriation to a statutory reserve. For the banking subsidiary, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The pension subsidiary is required to transfer 12.5% of its profit after tax to a statutory reserve. Statutory reserve is not available for distribution to shareholders. See note 20.4 (b)(i).

4 Statement of significant accounting policies (continued)

4.13 Non-current assets held for sale and disposal groups

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

4 Statement of significant accounting policies

4.14 New standards and interpretations not yet effective

Pronouncement	
Title	**IFRS 17 Insurance Contracts** This standard replaces the existing accounting standard IFRS 4 Insurance Contracts which gave entities dispensation to account for insurance contracts (particularly measurement) using local actuarial practice, resulting in a multitude of different approaches. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts among entities issuing insurance contracts globally. The standard requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. A general measurement model (GMM) will be applied to long-term insurance contracts, and is based on a fulfilment objective (risk-adjusted present value of best estimate future cash flows) and uses current estimates, informed by actual trends and investment markets. IFRS 17 establishes what is called a contractual service margin (CSM) in the initial measurement of the liability which represents the unearned profit on the contract and results in no gain on initial recognition. The CSM is released over the life of the contract, but interest on the CSM is locked in at inception rates. The CSM will be utilised as a “shock absorber” in the event of changes to best estimate cash flows. On loss making (onerous) contracts, no CSM is set up and the full loss is recognised at the point of contract inception. The GMM is modified for contracts which have participation features. An optional simplified premium allocation approach (PAA) is available for all contracts that are less than 12 months at inception. The PAA is similar to the current unearned premium reserve profile over time. The requirement to eliminate all treasury shares has been amended such that treasury shares held as underlying items for a group of direct participating contracts or investment funds are not required to be eliminated and can be accounted for as financial assets. These requirement will provide transparent reporting about an entities’ financial position and risk and will provide metrics that can be used to evaluate the performance of insurers and how that performance changes over time. An entity may re-assess its classification and designation of financial instruments under IFRS 9, on adoption of IFRS 17. The standard will be applied retrospectively. The impact on the financial statements has not yet been fully determined.
Effective date	1 January 2021 earlier application permitted
Title	**Amendments to IFRS 3 (Definition of Business)** This amendment provides more guidance on the definition of a business. The amendments will be applied retrospectively. The amendment is not expected to have a significant impact on the annual financial statements.
Effective date	1 January 2020 earlier application permitted
Title	**Amendments to IAS 1 and IAS 8 (Definition of Material)** This amendment provides more guidance on the definition of a materiality. The purpose of the amendment is to end the ‘checklist’ mentality by encouraging companies to use greater judgement. The amendments will be applied retrospectively. The amendment is not expected to have a significant impact on the annual financial statements.
Effective date	1 January 2020 earlier application permitted
Title	**Amendments to IAS 39, IFRS 9 and IFRS 7 (Interest Rate Benchmark Reform)** This amendment seek to address uncertainties related to the market-wide reform of interbank offered rates (IBOR reform). The amendments provide targeted relief for financial instruments qualifying for hedge accounting under IAS 39 or IFRS 9. They are effective for annual periods beginning on or after 1 January 2020 . The impact on the annual financial statements not expected to be significant.
Effective date	1 January 2020 earlier application permitted

5 Segment reporting

The group is organised on the basis of products and services, and the segments have been identified on this basis. The principal business units in the group are as follows:

Business unit	
Personal and Business Banking	Banking and other financial services to individual customers and small-to-medium-sized enterprises. Mortgage lending – Provides residential accommodation loans to mainly personal market customers. Instalment sale and finance leases – Provides instalments finance to personal market customers and finance of vehicles and equipment in the business market. Card products – Provides credit and debit card facilities for individuals and businesses. Transactional and lending products – Transactions in products associated with the various points of contact channels such as ATMs, internet, telephone banking and branches. This includes deposit taking activities, electronic banking, cheque accounts and other lending products coupled with debit card facilities to both personal and business market customers.
Corporate and Investment Banking	Corporate and investment banking services to larger corporates, financial institutions and international counterparties. Global markets – Includes foreign exchange, fixed income, interest rates, and equity trading. Transactional and lending products – Includes corporate lending and transactional banking businesses, custodial services, trade finance business and property-related lending. Investment banking – Include project finance, structured finance, equity investments, advisory, corporate lending, primary market acquisition, leverage finance and structured trade finance.
Wealth	The wealth group is made up of the company's subsidiaries, whose activities involve investment management, portfolio management, unit trust/funds management, insurance brokerage and trusteeship.

An operating segment is a component of the group engaged in business activities from which it can earn revenues, whose operating results are regularly reviewed by the group's executive management in order to make decisions about resources to be allocated to segments and assessing segment performance. The group’s identification of segments and the measurement of segment results is based on the group’s internal reporting to management. Segment results include customer-facing activities and support functions

STANBIC IBTC HOLDINGS PLC

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5 Segment reporting

Operating segments

	Personal & Business Banking		Corporate & Investment Banking		Wealth Management		Eliminations		Group	
	31 Dec 2019	31 Dec 2018	**31 Dec 2019**	31 Dec 2018	**31 Dec 2019**	31 Dec 2018	**31 Dec 2019**	31 Dec 2018	**31 Dec 2019**	31 Dec 2018
	N million	N million	**N million**	N million	**N million**	N million	**N million**	N million	**N million**	N million
Net interest income	**36,071**	32,176	**35,247**	40,952	**6,513**	5,081	**-**	-	**77,831**	78,209
Interest income -external source	**33,592**	**31,728**	**80,307**	**81,573**	**6,513**	**5,081**		-	**120,412**	118,382
Interest expense - external source	**(11,706)**	**(10,436)**	**(30,875)**	**(29,737)**	**-**	-	**-**	-	**(42,581)**	(40,173)
Inter-segment revenue	**14,185**	**10,884**	**(14,185)**	**(10,884)**	**-**	-	**-**	-	**-**	-
Non-interest revenue	**16,254**	16,720	**53,094**	48,422	**43,992**	42,284	**(4,585)**	(4,822)	**108,755**	102,604
Net fee and commission revenue	**16,164**	**16,515**	**14,947**	**16,013**	**43,867**	**42,139**	**(4,585)**	**(4,822)**	**70,393**	69,845
Trading revenue	**-**	-	**36,332**	**31,295**	**-**	**16**	**-**	-	**36,332**	31,311
Other revenue	**90**	**205**	**1,815**	**1,114**	**125**	**129**		**-**	**2,030**	1,448
Revenue	**52,325**	48,896	**88,341**	89,374	**50,505**	47,365	**(4,585)**	(4,822)	**186,586**	180,813
Credit impairment charges	**(2,191)**	**(618)**	**535**	**3,594**	**24**	**(36)**	**-**	-	**(1,632)**	2,940
Income after credit impairment charges	**50,134**	48,278	**88,876**	92,968	**50,529**	47,329	**-**	-	**184,954**	183,753
Operating expenses	**(47,669)**	(47,435)	**(33,254)**	(37,963)	**(17,699)**	(15,025)	**-**	-	**(94,029)**	(95,601)
Staff costs	**(23,702)**	(24,831)	**(9,507)**	**(11,097)**	**(7,409)**	(7,099)			**(40,618)**	(43,027)
Other operating expenses	**(23,967)**	(22,604)	**(23,747)**	**(26,866)**	**(10,290)**	(7,926)	**4,593**	4,822	**(53,411)**	(52,574)
Profit before direct taxation	**2,465**	843	**55,622**	55,005	**32,830**	32,304	**-**	-	**90,925**	88,152
Direct taxation	**(197)**	(262)	**(5,874)**	(3,787)	**(9,819)**	(9,663)	**-**	-	**(15,890)**	(13,712)
Profit/ (loss) for the year	**2,268**	581	**49,748**	51,218	**23,011**	22,641	**-**	-	**75,035**	74,440
	31 Dec 2019	31 Dec 2018	**31 Dec 2019**	31 Dec 2018	**31 Dec 2019**	31 Dec 2018	**31 Dec 2019**	31 Dec 2018	**31 Dec 2019**	31 Dec 2018
	N million	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**
Total assets	**349,616**	**341,342**	**1,522,966**	**1,188,167**	**73,576**	**58,656**	**(69,702)**	**75,496**	**1,876,456**	**1,663,661**
Total liabilities	**170,882**	**264,578**	**1,440,824**	**1,182,482**	**31,841**	**16,961**	**(69,320)**	**(40,027)**	**1,574,227**	**1,423,994**
	31 Dec 2019	31 Dec 2018	**31 Dec 2019**	31 Dec 2018	**31 Dec 2019**	31 Dec 2018	**31 Dec 2019**	31 Dec 2018	**31 Dec 2019**	31 Dec 2018
	N million	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**
Depreciation and amortisation	**4,897**	**1,619**	**886**	**413**	**1,027**	**209**		**-**	**6,810**	**2,241**
Number of employees	**1,970**	**2,003**	**418**	**422**	**548**	**533**		**-**	**2,936**	**2,958**

6 Key management assumptions

Use of assumptions

6.1 Credit impairment losses on loans and advances

Determination of statutory credit risk reserves

Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the expected loss model required by IFRS under IFRS 9. As a result of the differences in the methodology/provision regime, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:
Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

* Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve".
* Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account

The company's subsidiary Stanbic IBTC Bank, has complied with the requirements of the guidelines as follows:

	Note	31-Dec-19 N'million	31-Dec-18 N'million
Statement of prudential adjustments			
Prudential Provision			
Specific provision on loans and advances		**12,363**	12,697
General provision on loans and advances		**10,708**	8,830
Impairment on other financial assets and provision for other losses		**11,239**	17,683
		34,310	39,210
IFRS Provision			
12-month ECL	12.1	**4,949**	4,245
Lifetime ECL not credit-impaired	12.1	**5,551**	8,823
Lifetime ECL credit-impaired	12.1	**13,759**	10,843
Impairment on other financial assets and provision for other losses		**11,239**	17,683
		35,498	41,594
Closing regulatory reserve		**-**	-
Opening regulatory reserve		**-**	-
Appropriation:Transfer (to)/from retained earnings		**-**	-

Key management assumptions (Continues)

6.2 Expected credit loss on On-balance Sheet and Off-balance sheet exposures

Significant increase in credit risk

The following are considered by the group in determining whether there has been a significant increase in credit risk on a financial instrument since initial recognition:

- Change in the probability of default from initial recognition to the reporting date.
- A 30-day past due rebuttal, requiring exposures to be classified in stage 2. It is however not considered sufficient to only look at arrears data such as days past due in considering whether there is a significant increase in credit risk and the group would need to assess for significant increase in credit risk through other means. Arrears data are used after exhausting all other methods of determining whether there has been a significant increase in credit risk.
- Other means of considering whether there is a significant increase in credit risk includes the evaluation of internal and external credit ratings as well as information from external credit bureaus. Information about the economic sector and geographical region of the borrower are also be taken into account.
- Where a single customer has more than one loan with the group (for example, a home loan, revolving facility, vehicle and asset finance, etc.), a one customer view is taken when considering whether there has been a significant increase in credit risk. In this instance, a significant increase in the customer's credit risk on one loan account is taken into account when assessing the customer's other loan accounts. If it is assessed that there is a significant increase in credit risk in one exposure, then there is a presumption that the customer's other loans also have a significant increase in credit risk.
- In terms of IFRS 9, the group is required to incorporate both historical experience as well as forward looking information when assessing whether an instrument's credit risk has increased significantly since initial recognition. A useful reference tool that is used in the assessment of significant increase in credit risk is the exposure's credit rating.

Low credit risk financial instruments

Management assesses whether an instrument would be considered as having a low credit risk. In this regard:

- If internal risk gradings are based on external credit risk ratings, all instruments within the 'investment grade' category would be considered as having a low credit risk.
- If internal risk gradings are not based on external credit risk ratings, internal ratings is utilised in order to determine a low credit risk threshold. The threshold reflects a low credit risk assumption from a market participant's perspective taking into account the exposure's terms and conditions.

Default

The group has Corporate and Investment Banking (CIB) as well as Personal and Business Banking (PBB) exposures. Due to the different nature of financial instruments that the group holds, the group uses a single definition of default which applies to all financial assets, with implementation guidance for specific circumstances which would meet default in terms of this definition. Default is defined as follows:

- Based on objective evidence the counterparty is unlikely to pay amounts payable to the group on due date or shortly thereafter without recourse to actions such as realisation of security; or
- the counterparty is past due (or, in the case of revolving facilities such as overdrafts, is in excess of the current limit) for more than 90 days (for the avoidance of doubt, the overdue year may be measured using either a 'days past due' or a 'number of missed payments or part thereof' approach.), on any material credit obligation to the group, whichever occurs first.

Write-off

An impaired loan is written off once all reasonable attempts at collection have been made and there is no economic benefit expected from attempting to recover the balance outstanding.

Modified financial assets

A modification is a change to the contractual cash flows of a financial asset. It involves the renegotiation of the terms of the financial asset such that the contractual cash flows (amount, timing, basis, etc.) are changed or the contractual terms materially change the probability that the cash flows will be received (e.g. change in counterparty).

In calculating impairment losses, the group to assesses whether there has been a significant increase in the credit risk of modified financial assets that do not qualify for derecognition at the reporting date by comparing:

- the credit risk of the modified instrument at the reporting date based on the modified contractual terms; and
- the credit risk at initial recognition based on the original unmodified contractual terms.

Incorporation of forward-looking information

Forward-looking information

The process to include forward looking information into the expected credit loss impairment model when assessing whether a customer's credit risk has increased significantly, involves the following:

Building a forward looking information IFRS model: In this stage, a calculation model or expert driven approach is used to adjust the impairment requirement based on the forward looking macro-economic outlook.

Macro-economic forecast : In this stage, an alignment in the base / expected macro-economic outlook is created between the group's stress testing, budgeting and forward looking information for the IFRS expected credit loss impairment model. The same economic base case outlook is used for all these processes and across the group.

Review of the outcome : In this stage the outcome of the model is reviewed by Credit risk management committee (CRMC).

In certain instances, the assessment of significant increase in credit risk using forward looking information is done on a collective basis (i.e. portfolio of customers) and not on an individual basis. When demonstrated that a sufficient linkage between forward looking factors and a portfolio exist, a given factor is implemented at the appropriate level of aggregation.

6 Key management assumptions (continued)

6.3 Fair value of financial instruments

The fair value of financial instruments, such as unlisted equity investments and certain derivatives, that are not quoted in active markets is determined using valuation techniques. Wherever possible, models use only observable market data. Where required, these models incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on available observable market data. Such assumptions include risk premiums, liquidity discount rates, credit risk, volatilities and correlations. Changes in these assumptions could affect the reported fair values of financial instruments.

Additional disclosures on fair value measurements of financial instruments are set out in notes 29.

6.4 Share-based payment

The group have both cash and equity-settled share incentive schemes which are issued to qualifying employees based on the rules of the respective schemes. The group uses the Black-Scholes option pricing model to determine the fair value of awards on grant date for its equity-settled share incentive schemes. The valuation of the group's obligations with respect to its cash-settled share incentive scheme obligations is determined with reference to the parent and ultimate parent's share price, which is an observable market input. In determining the expense to be recognised for both the cash and equity-settled share schemes, the group estimates the expected future vesting of the awards by considering staff attrition levels. The group also makes estimates of the future vesting of awards that are subject to non-market vesting conditions by taking into account the probability of such conditions being met.

Refer to note 32.10 for further details regarding the carrying amount of the liabilities arising from the group's cash-settled share incentive schemes and the expenses recognised in the income statement.

6.5 Investment funds

The group acts as fund manager to a number of investment funds. Determination of whether the group controls such an investment fund usually focuses on the assessment of the aggregate economic interest of the group in the fund and the investors' rights to remove the fund manager. For all the investment funds managed by the group, the trust deed empowers the investors to vote for the removal of the fund manager without cause, but subject to approval of a vast majority of all unitholders, and the group's aggregate economic interest in each case is less than 25%. As a result, the group has concluded that it acts as agent for the investors in all cases, and therefore has not consolidated these funds.

Further disclosure in respect of investment funds in which the group has an interest is contained in note 14.

6 Key management assumptions (continued)

6.6 Recognition of deferred tax assets:

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The most significant management assumption is the forecasts used to support the probability assessment that sufficient taxable profits will be generated by the entities in the group in order to utilise the deferred tax assets. The forecasts of taxable profits are determined based on approved budgets for future years and adjusted for any adjustments that management deems necessary and are supportable at the time of reporting.

The tax exempt status of income realised on Nigerian government securities is one of the major drivers for the negative taxable profit within Stanbic IBTC Bank PLC, which is the largest contributor to the deferred tax asset, through tax losses, in the group. The uncertainty surrounding the extension or termination of the tax exempt status at the end of 2021 has made management conclude that not all tax losses carried forward should be recorded as deferred tax assets. The assessment of availability of future taxable profit against which carry forward tax losses can be utilised is disclosed under Note 16.

Use of Judgements

6.7 Intangible assets

Direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the group and have a probable future economic benefit beyond one year, are capitalised and disclosed as computer software intangible assets.

Computer software intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The determination of the recoverable amount of each asset requires judgement. The recoverable amount is based on the value in use and calculated by estimating future cash benefits that will result from each asset and discounting these cash benefits at an appropriate pre-tax discount rate (see note 4.6).

6.8 Depreciation and useful life of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

6.9 Provisions

The group make provisions for contingent items such as legal claims, fines, penalties and other tax penalties. The amount provided is based on the management best estimate of the amounts that will be required to settle the obligation in the event that it crystallises. Provisions is determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any material difference in management best estimates will have an impact on the carrying amount of the provisions. Refer to note 26 for further details.

		Group		Company	
		31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
		N'million	N'million	N'million	N'million
7	**Cash and cash equivalents**				
	Coins and bank notes	26,660	102,334		-
	Balances with central bank	317,354	230,679		-
	Current balances with banks within Nigeria	9,845	4,108	36,240	15,533
	Current balances with banks outside Nigeria	102,537	118,652		-
		456,396	455,773	36,240	15,533

Balances with central bank include cash reserve of N237,572 million (Dec. 2018: N207,755 million) and special intervention fund of N20,817 million (Dec. 2018: N20,817) that are not available for use by the group on a day to day basis. These restricted cash balances are held with Central Bank of Nigeria (CBN).

Included in current balances with banks outside Nigeria is N19,366 million (Dec. 2018: N24,344 million) which represents Naira value of foreign currency bank balances held on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (See note 27.1).

Included in current balances with banks outside Nigeria is N20,627 million (Dec. 2018: N10,586 million) held with Standard Bank Group. See note 37.3 for details.

		Group		Company	
		31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
		N million	N million	N million	N million
8	**Pledged assets**				
8.1	**Pledged assets**				
	Financial assets that may be repledged or resold by counterparties				
	Treasury bills - Trading	92,330	106,524	-	-
	Treasury bills - FVOCI	139,642	36,019	-	
		231,972	142,543	-	-

Maturity analysis

The maturities represent years to contractual redemption of the pledged assets recorded.

	Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
Maturing within 1 month	18,927	37,872	-	-
Maturing after 1 month but within 6 months	49,971	68,652	-	-
Maturing after 6 months but within 12 months	163,074	36,019	-	-
	231,972	142,543	-	-

8.2 Pledged assets

The assets pledged by the group are strictly for the purpose of providing collateral to counterparties for various transactions. These transactions include assets pledged in connection with clearing/settlement activities of the group.

To the extent that the counterparty is permitted to sell and/or repledge the assets in the absence of default, the assets are classified in the statement of financial position as pledged assets.

Financial assets pledged as collateral for liabilities

The carrying amount of total financial assets that have been pledged as collateral for liabilities (included in amounts reflected in 8.1 above) at 31 December 2019 was N192,513 million (Dec. 2018: N118,214 million). The transactions in respect of which the collaterals were pledged are as follows:

(i) N14,079 million (Dec 2018: nil) was pledged with the Central Bank of Nigeria with respect of real sector funding.

(ii) N156,980 million (Dec 2018: N106,524 million) was pledged in respect of repurchase lending agreements. These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities.

(iii) N15,500 million (Dec. 2018: N11,690 million) pledged with FMDQ in respect of OTC futures.

(iv) N5,954 million (Dec. 2018: Nil) pledged to Development Bank of Nigeria for onlending funds.

9 Trading assets and trading liabilities

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

	Group		Company	
	31 Dec. 2019 N million	31 Dec. 2018 N million	31 Dec. 2019 N million	31 Dec. 2018 N million
9.1 Trading assets				
Classification				
Listed	245,314	81,826	-	-
Unlisted	3,595	2,525	-	-
	248,909	84,351	-	-
Comprising:				
Government bonds	14,763	1,390	-	-
Treasury bills	230,551	80,436	-	-
Placements	3,595	2,525	-	-
	248,909	84,351	-	-
Dated assets	248,909	84,351	-	-
	248,909	84,351	-	-

Maturity analysis

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

	Group 31 Dec. 2019 N million	Group 31 Dec. 2018 N million	Company 31 Dec. 2019 N million	Company 31 Dec. 2018 N million
Redeemable on demand	-	-	-	-
Maturing within 1 month	11,447	3,587	-	-
Maturing after 1 month but within 6 months	126,853	69,319	-	-
Maturing after 6 months but within 12 months	95,859	10,237	-	-
Maturing after 12 months	14,750	1,208	-	-
	248,909	84,351	-	-

9 Trading assets and trading liabilities (continued)

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
	N million	N million	**N million**	N million
9.2 Trading liabilities				
Classification				
Listed	**55,343**	116,712	**-**	-
Unlisted	**194,860**	8,972	**-**	-
	250,203	125,684	**-**	-
Comprising:				
Government bonds (short positions)	**7,899**	934	**-**	-
Repurchase agreements	**75,612**	79,928	**-**	-
Deposits	**119,248**	8,972	**-**	-
Treasury bills (short positions)	**47,444**	35,850	**-**	-
	250,203	125,684	**-**	-

Dated liabilities	130,955	125,684
Undated liabilities	119,248	-
	250,203	125,684

Maturity analysis

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

	Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
Repayable on demand	**75,612**	-	**-**	-
Maturing within 1 month	**1,265**	32,175	**-**	-
Maturing after 1 month but within 6 months	**23,226**	83,634	**-**	-
Maturing after 6 months but within 12 months	**142,993**	-	**-**	-
Maturing after 12 months	**7,107**	9,875	**-**	-
	250,203	125,684	**-**	-

10 Derivative instruments

All derivatives are classified as derivatives held for trading and measured at fair value through profit or loss.

10.1 Use and measurement of derivative instruments

In the normal course of business, the group enters into a variety of derivative transactions for both trading and risk management purposes. Derivative financial instruments are entered into for trading purposes and for hedging foreign exchange and interest rate exposures. Derivative instruments used by the group in both trading and hedging activities include swaps, forwards and other similar types of instruments based on foreign exchange rates and interest rates.

The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations.

The fair value of all derivatives is recognised on the statement of financial position and is only netted to the extent that there is both a legal right of set-off and an intention to settle on a net basis.

Swaps are transactions in which two parties exchange cash flows on a specified notional amount for a predetermined year.

The major types of swap transactions undertaken by the group are as follows:

(i) Foreign exchange swaps are contractual obligations between two parties to swap a pair of currencies. Foreign exchange swaps are tailor-made agreements that are transacted between counterparties in the Over-the-counter (OTC) market.

(ii) Forwards are contractual obligations to buy or sell financial instruments or commodities on a future date at a specified price. Forward contracts are tailor-made agreements that are transacted between counterparties in the OTC market.

10.2 Derivatives held-for-trading

The group trades derivative instruments on behalf of customers and for its own positions. The group transacts derivative contracts to address customer demand by structuring tailored derivatives for customers. The group also takes proprietary positions for its own account. Trading derivative products include the following derivative instruments:

10.2.1 Foreign exchange derivatives

Foreign exchange derivatives are primarily used to hedge foreign currency risks on behalf of customers and for the group's own positions. Foreign exchange derivatives primarily consist of foreign exchange forwards.

10.2.2 Non-deliverable foreign exchange derivatives contract

Non-deliverable foreign exchange derivative contracts (NDFs) is a variation of foreign exchange derivatives described above. in NDFs are cash settled and do not require physical delivery of foreign currency. The counterparties settle the difference between the contracted NDF price or rate and the prevailing spot price or rate on an agreed notional amount.

10.2.3 Interest rate derivatives

Interest rate derivatives are primarily used to modify the volatility and interest rate characteristics of interest-earning assets and interest-bearing liabilities on behalf of customers and for the group's own positions. Interest rate derivatives primarily consist of swaps.

10.3 Unobservable valuation differences on initial recognition

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed. Unobservable valuation difference is disclosed under note 10.7.

10.4 Fair values

The fair value of a derivative financial instrument represents for quoted instruments the quoted market price and for unquoted instruments the present value of the positive or negative cash flows, which would have occurred if the rights and obligations arising from that instrument were closed out in an orderly market place transaction at year end.

10.5 Notional amount

The gross notional amount is the sum of the absolute value of all bought and sold contracts. The notional amounts have been translated at the closing rate at the reporting date where cash flows are receivable in foreign currency. The amount cannot be used to assess the market risk associated with the positions held but should be used only as a means of assessing the group's participation in derivative contracts.

10.6 Derivative assets and liabilities

	Maturity analysis of net fair value						
	Within 1 year	**After 1 year but within 5 years**	**After 5 years**	**Net fair value**	**Fair value of assets**	**Fair value of liabilities**	**Contract/ notional amount**
	N million	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**
31 December 2019							
Derivatives held-for-trading							
Forwards	**6,872**	**-**	**-**	**6,872**	**11,207**	**(4,335)**	**331,762**
Swaps	**21,656**	**-**	**-**	**21,656**	**21,664**	**(8)**	**184,885**
Total derivative assets/(liabilities)	**28,528**	**-**	**-**	**28,528**	**32,871**	**(4,343)**	**516,647**

	Maturity analysis of net fair value						
	Within 1 year	After 1 year but within 5 years	After 5 years	Net fair value	Fair value of assets	Fair value of liabilities	Contract/ notional amount
	N million	N million	N million	N million	N million	N million	N million
31 December 2018							
Derivatives held-for-trading							
Forwards	1,052	-	-	1,052	5,170	(4,118)	622,264
Swaps	25,082	-	-	25,082	25,116	(34)	237,813
Total derivative assets/(liabilities)	26,134	-	-	26,134	30,286	(4,152)	860,077

Included in derivative assets is N460 million (Dec. 2018: N169 million) due from related parties. See note 37.3 for details.

Included in derivative liabilities is N195 million (Dec. 2018: N87 million) due to related parties. See note 37.3 for details.

10.7 Unobservable valuation differences on initial recognition

The table below sets out the aggregate difference yet to be recognised in profit or loss at the beginning and end of the year with a reconciliation of the changes of the balance during the year for derivative assets and liabilities.

		Group	
	Note	**31 Dec. 2019 N million**	31 Dec. 2018 N million
Unrecognised profit at beginning of the year		**4,358**	4,500
Additional profit on new transactions		**9,644**	8,685
Recognised in profit or loss during the year		**(7,801)**	(8,827)
Unrecognised profit at end of the year		**6,201**	**4,358**

11 Financial investments

Financial investments comprise assets held for liquidity requirement purposes.

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
	N million	N million	N million	N million
11 Financial investments				
Short - term negotiable securities	**96,231**	376,917	**-**	**-**
Listed	**96,231**	376,917	-	-
Unlisted	**-**	-	-	-
Other financial investments	**59,151**	23,150	**1,981**	1,796
Listed	**56,460**	13,320	**1,981**	1,796
Unlisted	**2,691**	9,830	**-**	-
Gross financial investments	**155,382**	400,067	**1,981**	1,796
Expected credit loss on financial investment				
Stage 1	**(52)**	(67)	**-**	-
Stage 2	**-**	-	**-**	-
Stage 3	**-**	-	**-**	-
Total expected credit loss on financial investment	**(52)**	(67)	**-**	-
Net financial investments	**155,330**	400,000	**1,981**	1,796
11.1 Comprising:				
Government bonds	**4,917**	2,290	**-**	-
Treasury bills	**89,759**	376,917	**-**	-
Corporate bonds	**15,900**	6,735	**-**	-
Unlisted equities (see note 11.2 below)	**2,685**	2,815	**-**	-
Mutual funds and unit-linked investments (see note 14)	**34,973**	11,030	**1,981**	1,797
Listed equities	**670**	-	**-**	-
Promisory Notes	**1,532**	-	**-**	**-**
Commerical papers	**4,940**	280	**-**	**-**
Deposits	**6**		**-**	**-**
	155,382	400,067	**1,981**	1,797

Mutual funds and unit-linked investments include N1.24 billion (Dec 2018: N1.25 billion) held against unclaimed dividend liability as disclosed in note 27.

Maturity analysis

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

	Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
Redeemable on demand	**-**	**-**	**-**	**-**
Maturing within 1 month	**47,820**	51,789	**-**	-
Maturing after 1 month but within 6 months	**31,144**	101,328	**-**	-
Maturing after 6 months but within 12 months	**15,738**	223,801	**-**	-
Maturing after 12 months but within 5 years	**18,849**	9,025	**-**	-
Maturing after 5 years	**3,498**	-	**-**	-
Undated investments[1]	**38,333**	14,124	**1,981**	1,797
	155,382	400,067	**1,981**	1,797

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

[1] Undated investments include unlisted equities and mutual funds and linked investments .

11.2 Analysis of unlisted equity investments

The Group designated certain investments shown in the following table as equity securities at FVOCI. The FVOCI designation was made because the investments are expected to be held for the long term for strategic purposes.

	Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
Unified Payment Services Ltd (formerly Smart Card Nigeria Plc)	**360**	307	**-**	-
FSDH Merchant Bank Limited	**751**	659	**-**	-
FMDQ OTC Plc	**190**	35	**-**	-
MTN Communications	**-**	655	**-**	-
Nigeria Mortgage Refinance Company Ltd	**126**	156	**-**	-
Central Securities Clearing System Plc	**29**	30	**-**	-
Nigerian Interbank Settlement System Plc	**1,229**	973	**-**	-
Total investment in unlisted equity investment	**2,685**	2,815	**-**	-

		Group		Company	
		31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
		N million	N million	N million	N million
12	**Loans and advances**				
12.1	**Loans and advances net of impairments**				
	Loans and advances to banks	**3,046**	8,548	**-**	-
	Placements with banks	**3,049**	8,605	**-**	**-**
	12-month ECL	**(3)**	(57)	**-**	-
	Loans and advances to customers	**532,124**	**432,713**	**-**	-
	Gross loans and advances to customers	**556,383**	458,946	**-**	-
	Personal and business banking (PBB)	**198,775**	179,813		
	Mortgage loans	**4,488**	5,801	**-**	-
	Instalment sale and finance leases	**8,073**	8,671	**-**	-
	Card debtors	**1,376**	1,155	**-**	-
	Other loans and advances	**184,838**	164,186	**-**	-
	Corporate and Investment banking (CIB)	**357,608**	279,133		
	Corporate loans	**357,608**	**279,133**	**-**	-
	Interest in suspense		(2,322)		
	Credit impairments for loans and advances (note 12.3)	**(24,259)**	(23,911)	**-**	-
	12-month ECL	**(4,949)**	(4,245)	**-**	-
	Lifetime ECL not credit-impaired	**(5,551)**	(8,823)		
	Lifetime ECL credit-impaired	**(13,759)**	(10,843)	**-**	-
	Net loans and advances	**535,170**	441,261	**-**	-
	Comprising:				
	Gross loans and advances	**559,432**	467,551	**-**	-
	Less: Credit impairments allowance	**(24,262)**	(23,968)	**-**	-
	Interest in suspense		(2,322)		
	Net loans and advances	**535,170**	**441,261**	**-**	**-**

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

Included in gross loans and advances to customers is an amount of N8,281 million (2018: N11,974 million) relating to both PBB and CIB instalmental sale and finance leases. See note 12.2 for analysis of finance lease receivable.

The banking subsidiary has a standby contingency funding agreement with a Tier 1 bank under which the Tier 1 bank commits to provide up to N10 billion liquidity cover to the bank. The agreement took effect from 09 February 2017 and renewable annually. There was no draw down on the commitment during the year. See page 128 under "Liquidity Contingency" for further details.

Analysis of gross loans and advances by product	**Gross carrying value**	**Total expected credit loss**				**Net carrying value**
		12-month ECL	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Total**	
Gross loans and advances to customers	**556,383**	**(4,949)**	**(5,551)**	**(13,759)**	**(24,259)**	**532,124**
Personal and business banking (PBB)	**198,775**	**(2,393)**	**(1,432)**	**(13,231)**	**(17,056)**	**181,719**
Mortgage loans	4,488	(65)	(414)	(574)	(1,053)	3,435
Instalment sale and finance leases	8,073	(238)	(287)	(1,704)	(2,229)	5,844
Card debtors	1,376	(25)	(57)	(167)	(249)	1,127
Other loans and advances	184,838	(2,065)	(674)	(10,786)	(13,525)	171,313
Corporate and Investment banking (CIB)	**357,608**	**(2,556)**	**(4,119)**	**(528)**	**(7,203)**	**350,405**
Corporate loans	357,608	(2,556)	(4,119)	(528)	(7,203)	350,405
Loans and advances to banks	**3,049**	**(3)**	**-**	**-**	**(3)**	**3,046**
Total	**559,432**	**(4,952)**	**(5,551)**	**(13,759)**	**(24,262)**	**535,170**

As at 31 December 2018

Analysis of gross loans and advances by product	**Gross carrying value**	**Total expected credit loss**				**Interest in suspense**	**Net carrying value**
		12-month ECL	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Total**		
Gross loans and advances to customers	**467,551**	**(4,302)**	**(8,823)**	**(10,843)**	**(23,968)**	**(2,322)**	**441,261**
Personal and business banking (PBB)	**179,813**	**(2,991)**	**(3,914)**	**(10,093)**	**(16,998)**	**(485)**	**162,330**
Mortgage loans	5,801	(117)	(500)	(509)	(1,126)	(84)	4,591
Instalment sale and finance leases	8,671	(176)	(280)	(1,650)	(2,106)	-	6,565
Card debtors	1,155	(83)	(96)	14,468	14,289	-	15,444
Other loans and advances	164,186	(2,615)	(3,038)	(22,402)	(28,055)	(401)	135,730
Corporate and Investment banking (CIB)	**279,133**	**(1,254)**	**(4,909)**	**(750)**	**(6,913)**	**(1,837)**	**270,383**
Corporate loans	279,133	(1,254)	(4,909)	(750)	(6,913)	(1,837)	270,383
Loans and advances to banks	**8,605**	**(57)**	**-**	**-**	**(57)**	**-**	**8,548**
Total	**467,551**	**(4,302)**	**(8,823)**	**(10,843)**	**(23,968)**	**(2,322)**	**441,261**

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
	N million	N million	**N million**	N million

12 Loans and advances (continued)

Maturity analysis

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

	Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
Redeemable on demand	**20,886**	52,691	**-**	-
Maturing within 1 month	**89,356**	57,401	**-**	-
Maturing after 1 month but within 6 months	**98,991**	125,133	**-**	-
Maturing after 6 months but within 12 months	**15,696**	24,542	**-**	-
Maturing after 12 months	**334,504**	207,784	**-**	-
Gross loans and advances	**559,433**	467,551	**-**	-

Segmental analysis - industry

	Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
Agriculture	**31,465**	37,466	**-**	-
Business services	**6,146**	9,126	**-**	-
Communication	**21,123**	8,162	**-**	-
Construction & real estate	**44,355**	43,507	**-**	-
Electricity, gas & water supply	**-**	56	**-**	-
Financial intermediaries & insurance	**6,706**	9,866	**-**	-
Government	**33,686**	32,656	**-**	-
Hotels, restaurants and tourism	**217**	428	**-**	-
Manufacturing	**153,571**	163,057	**-**	-
Oil & gas	**164,359**	70,757	**-**	-
Private households	**56,543**	51,452	**-**	-
Transport, storage & distribution	**4,061**	4,600	**-**	-
Wholesale & retail trade	**37,201**	36,418	**-**	-
Gross loans and advances	**559,433**	467,551	**-**	-

Segmental analysis - geographic area

The following table sets out the distribution of the group's loans and advances by geographic area where the loans are recorded.

	Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
South South	**32,298**	24,112	**-**	-
South West	**484,811**	377,983	**-**	-
South East	**7,763**	10,876	**-**	-
North West	**18,689**	21,468	**-**	-
North Central	**11,826**	23,385	**-**	-
North East	**997**	1,122	**-**	-
Outside Nigeria	**3,049**	8,605	**-**	-
Gross loans and advances	**559,433**	467,551	**-**	-

12.2 Instalment sale and finance leases

Included in gross loans and advances to customers are finance leases as analysed below

	Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
Gross investment in instalment sale and finance leases	**8,281**	11,974	**-**	-
Receivable within 1 year	**2,298**	1,774	**-**	-
Receivable after 1 year but within 5 years	**5,983**	10,200	**-**	-
Unearned finance charges deducted	**-**	**(2,359)**		
Net investment in instalment sale and finance leases	**8,281**	9,615	**-**	-
Receivable within 1 year	**2,298**	1,665	**-**	-
Receivable after 1 year but within 5 years	**5,983**	7,950	**-**	-

N208 million (Dec 2018: N944 million) of instalment sales and finance is included in corporate loans and advances and all loans and advances to customers are held at amortised cost.

12.3 Credit impairments allowance for loans and advances

As at 31 December 2019

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

	Opening ECL 1 January 2019	Transfers between stages				Income statement movement					Impaired accounts written off	Currency translation and other movements	Closing balance	Post write-off recoveries recognized in P/L
		Transfer 12 month ECL to/from	Transfer Lifetime ECL not credit-impaired	Transfer Lifetime ECL credit-impaired to/from	Total	Originated "New" impairments raised	Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised incuding write offs	Total				
12 month ECL		-												
Mortgage loans	117		(28)	(13)	(41)	9	-	(20)	-	(11)	-	-	65	-
Instalment sales and finance lease	176		(31)	(2)	(33)	88	-	7	-	95	-	-	238	-
Card debtors	83		(16)	(30)	(46)	7	-	(19)	-	(12)	-	-	25	-
Other loans and advances	2,615		(154)	(664)	(818)	1,281	-	(1,022)	-	259	-	9	2,065	-
Corporate loans	1,254		(74)	-	(74)	1,471	-	(95)	-	1,376	-		2,556	-
Total	4,245	-	(303)	(709)	(1,012)	2,856	-	(1,149)	-	1,707	-	9	4,949	-
Lifetime ECL not credit-impaired		-	-	-	-									
Mortgage loans	500	28		(9)	19	-	-	(105)		(105)	-	-	414	-
Instalment sales and finance lease	280	31		(1)	30	142	-	(165)		(23)	-	-	287	-
Card debtors	96	16		(11)	5	9	-	(53)		(44)	-	-	57	-
Other loans and advances	3,038	154		(3,240)	(3,086)	219	-	300		519	-	203	674	-
Corporate loans	4,909	74	-	(15)	59	41	-	(1,058)		(1,017)	-	168	4,119	-
Total	8,823	303	-	(3,276)	(2,973)	411	-	(1,081)	-	(670)	-	371	5,551	-
Lifetime ECL credit-impaired (including IIS)				-	-	-		-	-		-			-
Mortgage loans	593	13	9		22	-	-	(12)	-	(12)	(129)	100	574	(54)
Instalment sales and finance lease	1,650	2	1		3	7	-	217	-	224	(718)	545	1,704	(534)
Card debtors	318	30	11		41	8	-	62	-	70	(262)	-	167	(6)
Other loans and advances	9,854	664	3,240		3,904	709	-	2,615	-	3,324	(4,821)	(1,475)	10,786	(1,731)
Corporate loans	750	-	15	-	15	-	-	(223)	-	(223)	-	(14)	528	(861)
Total	13,165	709	3,276	-	3,985	724	-	2,659	-	3,383	(5,930)	(844)	13,759	(3,187)
Purchased/originated credit impaired		-	-	-	-	-								
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ECL	26,233	1,012	2,973	(3,985)	-	3,991	-	429	-	4,420	(5,930)	(464)	24,259	(3,187)

As at 31 December 2018

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

	Opening ECL 1 January 2018	Transfers between stages				Income statement movement					Impaired accounts written off	Currency translation and other movements	Closing balance	Post write-off recoveries recognized in P/L
		Transfer 12 month ECL to/from	Transfer Lifetime ECL not credit-impaired	Transfer Lifetime ECL credit-impaired to/from	Total	Originated "New" impairments raised	Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised incuding write offs	Total				
12 month ECL		-												
Mortgage loans	52		(8)	-	(8)	4		69	-	73	-	-	117	-
Instalment sales and finance lease	148		(164)	(3)	(167)	22		173	-	195	-	-	176	-
Card debtors	56		12	(1)	11	1		15	-	16	-	-	83	-
Other loans and advances	3,177		(1,791)	(127)	(1,918)	1,242		114	-	1,356	-	-	2,615	-
Corporate loans	1,182		-	-	-	156		(84)	-	72	-	-	1,254	-
Total	4,615	-	(1,951)	(131)	(2,082)	1,425	-	287	-	1,712	-	-	4,245	-
Lifetime ECL not credit-impaired		-	-											
Mortgage loans	89	8		(1)	7	-	-	404		404	-	-	500	-
Instalment sales and finance lease	357	164		(13)	151	-	(2)	(226)		(228)	-	-	280	-
Card debtors	129	(12)		(6)	(18)	-	-	(15)		(15)	-	-	96	-
Other loans and advances	6,962	1,791		(1,012)	779	1	(51)	(4,653)		(4,703)	-	-	3,038	-
Corporate loans	8,257		-	-	-	92		3,765		3,857	(7,205)	-	4,909	-
Total	15,794	1,951	-	(1,032)	919	93	(53)	(725)	-	(685)	(7,205)	-	8,823	-
Lifetime ECL credit-impaired (excluding IIS)				-	-	-					-			-
Mortgage loans	655	-	1		1	497	-	(533)	-	(36)	(111)	-	509	(138)
Instalment sales and finance lease	2,550	3	13		16	222	-	2,046	-	2,268	(3,184)	-	1,650	(93)
Card debtors	288	1	6		7	45	-	(14,700)	-	(14,655)	(108)	-	(14,468)	(13)
Other loans and advances	7,320	127	1,012		1,139	1,788	-	16,107	437	18,332	(4,389)	-	22,402	(2,217)
Corporate loans	10,103	-		-	-	124	-	(6,984)		(6,860)	(2,493)	-	750	(590)
Total	20,916	131	1,032	-	1,163	2,676	-	(4,064)	437	(951)	(10,285)	-	10,843	(3,051)
Purchased/originated credit impaired		-	-	-	-	-								
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ECL	41,325	2,082	(919)	(1,163)	-	4,194	(53)	(4,502)	437	76	(17,490)	-	23,911	(3,051)

12.3 Credit impairments for loans and advances (continued)

Segmental analysis of Stage 3 loans - industry

The following table sets out the segment analysis of the group credit impaired loans and impairment by industry.

	Stage 3 loans and advances		Lifetime ECL credit impairment	
Group	31 Dec. 2019 N million	31 Dec. 2018 N million	31 Dec. 2019 N million	31 Dec. 2018 N million
Agriculture	8,861	2,201	5,567	1,411
Business services	279	288	217	140
Communication	-	-	-	-
Construction & real estate	3,429	518	977	316
Electricity, gas & water supply	-	44	-	44
Government	85	1,660	75	803
Hotels, restaurants and tourism	-	18	-	10
Manufacturing	70	130	57	91
Oil and Gas	843	945	539	636
Private households	3,836	7,948	2,965	4,333
Transport, storage & distribution	3,268	2,502	2,642	1,639
Wholesale & retail trade	923	1,460	720	1,420
	21,594	17,714	13,759	10,843

Segmental analysis of lifetime ECL credit impaired loans - geographic area

The following table sets out the distribution of the group's impairments by geographic area where the loans are recorded.

	Stage 3 loans and advances		Lifetime ECL credit impairment	
	31 Dec. 2019 N million	31 Dec. 2018 N million	31 Dec. 2019 N million	31 Dec. 2018 N million
South South	691	1,401	499	805
South West	13,263	9,266	8,135	5,932
South East	2,405	3,118	2,044	1,968
North West	3,533	824	1,841	479
North Central	1,628	2,962	1,185	1,582
North East	74	143	55	77
	21,594	17,714	13,759	10,843

			Group		Company	
			31 Dec. 2019 N million	31 Dec. 2018 N million	31 Dec. 2019 N million	31 Dec. 2018 N million
13	**Equity investment in subsidiaries**					
	Stanbic IBTC Ventures Limited	100%	-	-	500	500
	Stanbic IBTC Bank PLC	100%	-	-	63,467	63,467
	Stanbic IBTC Capital Limited	100%	-	-	3,500	3,500
	Stanbic IBTC Asset Management Limited	100%	-	-	710	710
	Stanbic IBTC Pension Managers Limited	88.24%	-	-	16,913	16,913
	Stanbic IBTC Trustees Limited	100%	-	-	300	300
	Stanbic IBTC Insurance Brokers Limited*	75%	-	-	20	20
	Stanbic IBTC Investments Limited	100%	-	-	20	20
	Stanbic IBTC Stockbrokers Limited	100%	-	-	109	109
			-	-	85,539	85,539

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

13 Equity investment in subsidiaries (continued)

13.1 List of significant subsidiaries

The table below provides details of the direct and indirect subsidiaries of the group.

Subsidiaries	Country of Incorporation	Nature of business	Percentage holdings	Financial year end
Stanbic IBTC Ventures Limited	Nigeria	Undertakes venture capital projects	100%	31 December
Stanbic IBTC Bank PLC	Nigeria	Provision of banking and related	100%	31 December
Stanbic IBTC Capital Limited	Nigeria	Provision of general corporate finance and debt advisory services	100%	31 December
Stanbic IBTC Asset Management Limited	Nigeria	Acting as an investment manager, portfolio manager and as a promoter of unit trust and funds	100%	31 December
Stanbic IBTC Pension Managers Limited	Nigeria	Administration and management of pension fund assets	88.24%	31 December
Stanbic IBTC Trustees Limited	Nigeria	Acting as executors and trustees of wills and trusts and provision of agency services	100%	31 December
Stanbic IBTC Stockbrokers Limited	Nigeria	Provision of stockbroking services	100%	31 December
Stanbic IBTC Insurance Brokers Limited	Nigeria	Provision of insurance brokerage services	75%	31 December
Stanbic IBTC Investments Limited	Nigeria	Undertake private equity investments	100%	31 December
Stanbic IBTC Bureau De Change Limited (Indirect holding)	Nigeria	Buying and selling of currencies	100%	31 December
Stanbic IBTC Nominees Limited (Indirect holding)	Nigeria	Investor services as well as acting as an agent of its parent company Stanbic IBTC Bank PLC in the execution of various mandates relating to the custody of assets.	100%	31 December

13.2 Significant restrictions

The group did not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the regulatory frameworks within which the subsidiaries operate.

The regulatory frameworks require all the subsidiaries (except Stanbic IBTC Ventures Ltd and Stanbic IBTC Investments Ltd) to maintain certain level of regulatory capital. In addition, the banking subsidiary (Stanbic IBTC Bank PLC) is required to keep certain levels of liquid assets, limit exposures to other parts of the group and comply with other ratios.

For information on assets, liabilities and earnings of the subsidiaries, see Note 13.4.

13.3 Non-controlling interests (NCI) in subsidiaries

The following table summarises the information relating to the group subsidiary that has material NCI.

Stanbic IBTC Pension Managers Limited: The principal place of business is Wealth House, Plot 1678, Olakunle Bakare Close, Off Sanusi Fafunwa Street, Victoria Island, Lagos.

	31 Dec. 2019	31 Dec. 2018
NCI percentage	**11.76%**	11.76%
	N million	N million
Total assets	**64,941**	49,591
Total liabilities	**(14,541)**	(13,406)
Net assets	**50,400**	36,233
Carrying amount of NCI	**5,927**	4,261
	31 Dec. 2019	31 Dec. 2018
Revenue	**40,374**	39,078
Profit	**20,178**	20,002
Profit allocated to NCI	**2,373**	2,353
Cash flows from operating activities	**21,237**	18,668
Cash flows from investing activities	**(14,278)**	(1,239)
Cash flow from financing activities, before dividends to NCI	**(7,200)**	(8,824)
Cash flow from financing activities - cash dividends to NCI	**(847)**	(1,176)
Net increase in cash and cash equivalents	**(1,088)**	7,429

13.4 Summary financial information of the consolidated entities

	Stanbic IBTC Holdings PLC	Stanbic IBTC Bank PLC	Stanbic IBTC Capital Ltd	Stanbic IBTC Pension Mgrs Ltd	Stanbic IBTC Asset Mgt Ltd	Stanbic IBTC Ventures Ltd	Stanbic IBTC Trustees Ltd	Stanbic IBTC Insurance Brokers Ltd	Stanbic IBTC Investments Ltd	Stanbic IBTC Stockbrokers Ltd	Consoli-dations / Elimina -tions	Stanbic IBTC Holdings PLC Group
Income statement												
Net interest income	148	69,846	817	6,078	272	153	64	99	-	354	-	**77,831**
Non interest revenue	37,734	60,444	4,633	34,296	8,154	82	670	871	-	1,068	(39,197)	**108,755**
Total income	**37,882**	**130,290**	**5,450**	**40,374**	**8,426**	**235**	**734**	**970**	**-**	**1,422**	**(39,197)**	**186,586**
Staff costs	(1,056)	(30,100)	(1,606)	(4,931)	(1,927)	-	(266)	(285)	-	(447)	-	**(40,618)**
Operating expenses	(3,353)	(40,784)	(1,301)	(7,162)	(2,726)	(18)	(144)	(258)	-	(251)	2,586	**(53,411)**
Credit impairment charges	-	(1,664)	-	26	(2)	3	-	-	-	5	-	**(1,632)**
Total expenses	**(4,409)**	**(72,548)**	**(2,907)**	**(12,067)**	**(4,655)**	**(15)**	**(410)**	**(543)**	**-**	**(693)**	**2,586**	**(95,661)**
Profit before tax	**33,473**	**57,742**	**2,543**	**28,307**	**3,771**	**220**	**324**	**427**	**-**	**729**	**(36,611)**	**90,925**
Tax	254	(5,233)	(834)	(8,129)	(1,438)	(93)	(113)	(140)	-	(164)	-	**(15,890)**
Profit for the year	**33,727**	**52,509**	**1,709**	**20,178**	**2,333**	**127**	**211**	**287**	**-**	**565**	**(36,611)**	**75,035**
For the year ended 31 December 2018	15,499	50,790	1,593	20,002	2,316	105	157	166	(1)	751	(16,938)	**74,440**
Assets:												
Cash and cash equivalents	36,240	446,551	7,699	9,951	208	5	9	3	24	1,428	(45,722)	**456,396**
Derivative assets	-	32,871	-	-	-	-	-	-	-	-	-	**32,871**
Trading assets	-	248,909	-	-	-	-	-	-	-	-	-	**248,909**
Pledged assets	-	231,972	-	-	-	-	-	-	-	-	-	**231,972**
Financial investments	1,981	99,233	2,756	43,672	2,665	1,392	594	799	-	2,260	(22)	**155,330**
Loans and advances to banks	-	3,046	-	-	-	-	-	-	-	-		**3,046**
Loans and advances to customers	-	532,124	-	-	-	-	-	-	-	-	-	**532,124**
Deferred tax assets	-	10,248	246	207	121	10	12	17	-	31	-	**10,892**
Equity investment in group companies	85,539	-	-	-	-	-	-	-	-	-	(85,539)	**-**
Other assets	2,923	156,019	989	7,071	3,426	-	282	56	146	103	(2,326)	**168,689**
Property and equipment	132	23,988	23	3,529	268	-	13	27	-	7	(209)	**27,778**
Right of Use Assets	71	2,500	-	511	91	-	21	23	-	-	-	**3,217**
Intangible assets	-	5,232	-	-	-	-	-	-	-	-	-	**5,232**
Total assets	**126,886**	**1,792,693**	**11,713**	**64,941**	**6,779**	**1,407**	**931**	**925**	**170**	**3,829**	**(133,818)**	**1,876,456**
At 31 December 2018	107,952	1,599,514	11,808	49,591	7,336	2,214	844	915	25	3,768	(120,306)	1,663,661

13.4 Summarised financial information of the consolidated entities (continued)

	Stanbic IBTC Holdings PLC Company	Stanbic IBTC Bank PLC	Stanbic IBTC Capital Ltd	Stanbic IBTC Pension Mgrs Ltd	Stanbic IBTC Asset Mgt Ltd	Stanbic IBTC Ventures Ltd	Stanbic IBTC Trustees Ltd	Stanbic IBTC Insurance Brokers Ltd	Stanbic IBTC Investments Ltd	Stanbic IBTC Stockbrokers Ltd	Consoli-dations / Elimina -tions	Stanbic IBTC Holdings PLC Group
Liabilities and equity:												
Derivative liabilities	-	4,343	-	-	-	-	-	-	-	-	-	**4,343**
Trading liabilities	-	250,203	-	-	-	-	-	-	-	-	-	**250,203**
Deposits from banks	-	248,903	-	-	-	-	-	-	-	-	-	**248,903**
Deposits from customers	-	647,455	-	-	-	-	-	-	-	-	(9,615)	**637,840**
Other borrowings	-	92,165	-	-	-	-	-	-	-	-	-	**92,165**
Debt securities issued	-	106,658	-	-	-	-	-	-	-	-	-	**106,658**
Current tax liabilities	179	7,812	970	8,008	1,614	255	97	128	-	167	-	**19,230**
Provisions and other liabilities	4,322	231,913	6,116	6,533	2,139	14	174	373	150	1,602	(38,451)	**214,885**
Equity and reserves	122,385	203,241	4,627	50,400	3,026	1,138	660	424	20	2,060	(85,752)	**302,229**
Total liabilities and equity	**126,886**	**1,792,693**	**11,713**	**64,941**	**6,779**	**1,407**	**931**	**925**	**170**	**3,829**	**(133,818)**	**1,876,456**
At 31 December 2018	107,952	1,599,514	11,808	49,591	7,336	2,214	844	915	25	3,768	(120,306)	1,663,661

14 Involvement with unconsolidated investment funds

The table below describes the types of investment funds that the group does not consolidate but in which it holds an interest. The funds are not consolidated because they are held in other organisations and are separate legal entities.

Type of Investment funds	Nature and purpose	Interest held by the group
Mutual funds	To generate fees from managing assets on behalf of third party investors.	Investments in units issued by the funds
	These vehicles are financed through the issue of units to investors.	Management fees

The table below sets out an analysis of the investment funds managed by the group, their assets under management, and the carrying amounts of interests held by the group in the investment funds. The maximum exposure to loss is the carrying amount of the interest held by the group.

S/N	Investment fund	Asset under management		Interest held by the group	
		31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
		N million	N million	**N million**	N million
i	Stanbic IBTC Nigerian Equity Fund	**4,855**	5,849	**391**	424
ii	Stanbic IBTC Ethical Fund	**1,236**	1,644	**44**	228
iii	Stanbic IBTC Imaan Fund	**173**	179	**4**	4
iv	Stanbic IBTC Guaranteed Investment Fund	**10,826**	9,681	**143**	126
v	Stanbic IBTC Money Market Fund	**337,907**	229,849	**30,889**	8,574
vi	Stanbic IBTC Bond Fund	**13,276**	1,298	**2,616**	191
vii	Stanbic IBTC Balanced Fund	**1,194**	1,096	**98**	89
viii	Stanbic IBTC Dollar Fund	**81,889**	22,308	**111**	583
ix	Stanbic IBTC Umbrella Fund	**20,278**	13,211	**325**	642
x	Stanbic IBTC Exchange Traded Fund	**1,110**	1,391	**232**	287
xi	Stanbic IBTC Shari'ah Fixed Income Fund	**1,514**		**52**	
Total		**474,258**	286,506	**34,905**	11,148

The interest held by the group is presented under financial investments in the statement of financial position. See note 11.

15 Other assets

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
	N million	N million	**N million**	N million
Trading settlement assets (see (vi) below)	**94,040**	25,210	**-**	-
Due from group companies (see note 37.3)	**208**	543	**1,501**	2,464
Accrued income	**1,285**	1,204	**-**	-
Indirect / withholding tax receivables	**2,370**	1,709	**347**	236
Accounts receivable (see (v) below)	**52,921**	40,719	**35**	49
Receivable in respect of unclaimed dividends (see (ii) below)	**1,472**	441	**1,472**	441
Deposit for investment (see (iii) below)	**4,652**	2,156	**-**	-
Prepayments	**4,542**	7,318	**134**	943
Other debtors (see note (i) below)	**9,578**	2,581	**-**	-
	171,068	81,881	**3,489**	4,133
Expected credit loss on doubtful receivables (see (iv) below)	**(2,379)**	(4,094)	**(566)**	(42)
	168,689	77,787	**2,923**	4,091
Current	**155,653**	66,163	**970**	2,471
Non-current	**13,036**	11,624	**1,953**	1,620
	168,689	77,787	**2,923**	4,091

(i) Other debtors includes an amount of N2.5 billion representing a judgment sum held with Access Bank PLC pursuant to a garnishee order granted by the Federal high court. It also includes fee receivables and short term receivables in respect of electronic payment transactions. Also included is a balance of N6.7 billion in Escrow account with the Central Bank of Nigeria in respect of a clawback claim by AMCON.

(ii) Amount represents receivable from the company's registrar in respect of unclaimed dividends and forms part of the assets held against unclaimed dividend liabilities as disclosed in note 27. This is in accordance with new Securities and Exchange Commission (SEC) directives requiring transfer of unclaimed dividends previously held by the registrars to the company.

15 Other assets (continued)

(iii) Deposit for investment relates to SIBTC Bank PLC's annual commitment towards Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS) based on CBN guidelines. The investment scheme represents 5% of annual profit after tax appropriated from reserves (see note 20.4(b)(ii)). An amount of N40.8 million (Dec 2018: N17.5 million) has been disbursed to small and medium scale enterprises through the Bank for the year ended 31 December 2019.

(iv) Provision on other assets are computed using the simplified approach as stipulated by IFRS 9 and are all in stage 1.

(v) Account receivable includes fee receivables and short term receivables in respect of electronic payment transactions.

(vi) Amount relates to unsettled dealing balances as at end of the year.

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Movement in expected credit loss for doubtful receivables	N million	N million	N million	N million
At start of year	4,094	5,032	42	106
Additions / (write back)	(1,632)	(838)	532	-
Amount written off	(83)	(100)	(8)	(64)
At end of year	2,379	4,094	566	42

The Group has, based on a 5 year historical period, developed a matrix for its expected credit loss. The Group has arrived at this expectation by computing the average credit loss (on financial assets) as a percentage of the average gross financial asset balance. There was no movement between provision stages during the year.

16 Deferred tax assets

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
	N million	N million	N million	N million
Deferred tax assets (note 16.1)	10,892	9,181	-	-
	10,892	9,181	-	-

The Directors have determined that based on the group's profit forecast, it is probable that there will be future taxable profits against which the tax losses, from which the deferred tax asset has been recognised, can be utilised. Deferred tax asset amounting to N28,436 million arising from deductible temporary differences, unutilised tax losses and capital allowances have not been recognised as at 31 December 2019 (Dec 2018: N24,284 million)(Company nil, Dec 2018: N1,638 million), (unrecognised income statement impact of deferred tax for year ended 31 December 2019 is N28,436 million (2018: N24,284 million)) as it is not probable that future taxable profit will be available against which the group can use the benefits therefrom. The untilised tax losses can be carried forward indefinitely.

In recognizing the DTA of N10,892 million as at 31 December 2019, the Group has assumed that the Company Income Tax (Exemption Bonds and short term government securities) Order issued on January 2012 for a period of 10 years would be extended beyond 2021. Based on this, below is the total DTA recognized as at 31 December 2019 and the DTA subject to uncertainty.

In millions of Naira	Total deferred tax	Most likely amount	DTA Uncertainty
	39,328	10,892	28,436

In the event that the exemption is not extended, the DTA subject to uncertainty of N28.436 billion would immediately become recognized as an asset with the same effect on profit after tax. Although IAS 12 only requires the disclosure of the amount of deductible temporary differences and unused tax losses for which no deferred tax asset has been recognised, the Group has also disclosed their respective tax effects.

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Analysis of unrecognised deferred tax asset	N million	N million	N million	N million
Unutilised tax losses	28,436	24,284	-	1,638
Capital allowances	-	-	-	-
	28,436	24,284	-	1,638
Gross analysis of unrecognised deferred tax asset	N million	N million	N million	N million
Unutilised tax losses	94,787	80,947	-	5,460
Capital allowances	-	-	-	-
	94,787	80,947	-	5,460

16.1 Deferred tax analysis

Deferred tax analysis	N million	N million	N million	N million
Deferred tax liabilities	-	(137)	-	-
Deferred tax asset	10,892	9,181	-	-
Deferred tax closing balance	10,892	9,044	-	-

16.2 Deferred tax analysis by source

Deferred tax assets analysis by source	N million	N million	N million	N million
Credit impairment charges	3,150	4,055	-	-
Property and equipment	6,655	7,114	-	-
Fair value adjustments on financial instruments	20	(7,874)	-	-
Unutilised losses	(1,506)	2,814	-	-
Provision for employee bonus & share incentive	2,454	2,947	-	-
Others	119	125	-	-
Deferred tax closing balance	10,892	9,181	-	-
ii) Deferred tax liabilities by source	N million	N million	N million	N million
Fair value adjustments on financial instruments	-	(137)	-	-
Deferred tax liabilities closing balance	-	(137)	-	-
Deferred tax asset at end of the year	10,892	9,044	-	-

16.3 Deferred tax reconciliation	N million	N million	N million	N million
Deferred tax at beginning of the year	**9,044**	8,781	**-**	-
Originating/(reversing) temporary differences for the year: (See note 34.1)	**1,711**	280		-
Credit impairment charges	**(905)**	299	**-**	-
Property and equipment	**(459)**	3,683	**-**	-
Fair value adjustments on financial instruments	**7,894**	(5,521)	**-**	-
Unutilised losses	**(4,320)**	1,215	**-**	-
Others	**(6)**	125	**-**	-
Provision for employee bonus & share incentive	**(493)**	479	**-**	-
Fair value adjustments on financial instruments-FVOCI	**137**	(17)	-	-
Deferred tax at end of the year	10,892	9,044	**-**	-

The Group has assessed the recoverability of the deferred tax assets on the tax loss and has only recognised deferred tax assets to the extent that it is probable to recover from future tax profits. Consequently, additional deferred tax assets of N28,436 million (December 2018: N24,284 million) have not been recognised during the year.

17 Property and equipment

Group	Leasehold improvements and building N million	Land N million	Motor vehicles N million	Furniture, fittings & equipment N million	Computer equipment N million	Work in progress N million	Total N million
17.1 Cost							
Balance at 1 January 2019	**20,739**	**3,666**	**1,056**	**9,464**	**14,420**	**14**	**49,359**
Additions	29	2,952	212	657	7,066	1,021	11,937
Disposals / expensed	-	-	(85)	(141)	(1,544)	-	(1,770)
Impairments	-	(4)	-	(14)	(3)	-	(21)
Transfers / reclassifications	-	12	-	84	164	(260)	-
Balance at 31 December 2019	**20,768**	**6,626**	**1,183**	**10,050**	**20,103**	**775**	**59,505**
Balance at 1 January 2018	20,572	2,620	1,059	11,480	17,306	50	53,087
Additions	182	1,046	44	638	2,524	4	4,438
Disposals/expensed	-	-	(48)	(99)	(107)	-	(254)
Impairments	(15)		(41)	(2,551)	(5,305)		(7,912)
Transfers/ reclassifications	-	-	42	(4)	2	(40)	-
Balance at 31 December 2018	20,739	3,666	1,056	9,464	14,420	14	49,359
17.2 Accumulated depreciation							
Balance at 1 January 2019	**10,643**	**-**	**610**	**7,583**	**8,871**	**-**	**27,707**
Charge for the year	634	342	222	688	2,995	-	**4,881**
Disposals	-	-	(80)	(135)	(646)	-	**(861)**
Writeoff	-	-	-	-	-	-	**-**
Balance at 31 December 2019	**11,277**	**342**	**752**	**8,136**	**11,220**	**-**	**31,727**
Balance at 1 January 2018	9,468	-	486	9,318	11,932	**-**	31,204
Charge for the year	1,190	-	210	771	2,262	**-**	4,433
Disposals	-	-	(47)	(95)	(93)	**-**	(235)
Write off	(15)	-	(39)	(2,411)	(5,230)	**-**	(7,695)
Balance at 31 December 2018	10,643	-	610	7,583	8,871	-	27,707
Net book value:							
31 December 2019	**9,491**	**6,284**	**431**	**1,914**	**8,883**	**775**	**27,778**
31 December 2018	10,096	3,666	446	1,881	5,549	14	21,652

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2018: Nil).

17 Property and equipment (continued)

Company	Freehold land and building N million	Motor vehicles N million	Furniture, fittings & equipment N million	Computer equipment N million	Work in progress N million	Total N million
17.3 Cost						
Balance at 1 January 2019	-	-	195	2,024	-	2,219
Additions	-	-	6	79	-	85
Disposals	-	-	(2)	(1,322)	-	(1,324)
Expensed/Written-off	-	-	-	(4)	-	(4)
Transfers/ reclassifications	-	-	-	-	-	-
Balance at 31 December 2019	-	-	199	777	-	976
Balance at 1 January 2018	-	-	186	1,221	-	1,407
Additions	-	-	14	815	-	829
Disposals	-	-	(5)	(12)	-	(17)
Transfers/ reclassifications						-
Balance at 31 December 2018	-	-	195	2,024	-	2,219
17.4 Accumulated depreciation						
Balance at 1 January 2019	-	-	139	1,087	-	1,226
Charge for the year	-	-	9	43	-	52
Disposals/ expensed	-	-	(2)	(432)	-	(434)
Transfers/ reclassifications						-
Balance at 31 December 2019	-	-	146	698		844
Balance at 1 January 2018	-	-	119	771	-	890
Charge for the year	-	-	25	321	-	346
Disposals/expensed	-	-	(5)	(5)	-	(10)
Transfers/ reclassifications						-
Balance at 31 December 2018	-	-	139	1,087	-	1,226
Net book value:						
31 December 2019	-	-	53	79	-	132
31 December 2018	-	-	56	937	-	993

18 Intangible assets

Reconciliation of carrying amount Group	Purchased Software N million	Total N million
18.1 Cost		
Balance at 1 January 2019	**951**	**951**
Additions	**4,668**	**4,668**
Balance at 31 December 2019	**5,619**	**5,619**
Balance at 1 January 2018	684	684
Additions	267	267
Impairments		-
Balance at 31 December 2018	951	951
18.2 Accumulated amortisation		
Balance at 1 January 2019	**124**	**124**
Amortisation for the year (see note 32.8)	**263**	**263**
Balance at 31 December 2019	**387**	**387**
Balance at 1 January 2018	79	79
Amortisation for the year (see note 32.8)	45	45
Balance at 31 December 2018	124	124
Carrying amount:		
31 December 2019	**5,232**	**5,232**
31 December 2018	827	827

There were no capitalised borrowing costs related to the internal development of software during the year (Dec 2018: Nil).
Included in the additions during the year is the sum of N4,668 million which represents the amount capitalized in respect of the Finacle software upon unwinding of the SPA agreement with the Standard Bank of South Africa.

19 Right of Use Assets

Group		ROU Building Leases N million	ROU ATM Space Leases N million	ROU Branch Leases N million	ROU Other Leases N million	Total N million
19.1	**Cost**					
	Balance at 1 January 2019-Transition Adjustment	1,372	95	1,987	1	3,455
	Additions	360	264	772	-	1,396
	Disposals / expensed	-	-	-	-	-
	Impairments	-	-	-	-	-
	Transfers / reclassifications	-	-	-	-	-
	Balance at 31 December 2019	1,732	359	2,759	1	4,851
19.2	**Accumulated depreciation**					
	Balance at 1 January 2019	-	-	-	-	-
	Charge for the year	643	112	879	-	1,634
	Disposals	-	-		-	-
	Expense/write-off	-	-	-	-	-
	Balance at 31 December 2019	643	112	879	-	1,634
	Net book value:					
	31 December 2019	1,089	247	1,880	1	3,217

Company	Right of Use Assets	ROU Building Leases N million	ROU ATM Spaces Leases N million	ROU Branch Leases N million	ROU Other Leases N million	Total N million
19.3	**Cost**					
	Balance at 1 January 2019-Transition Adjustment	6	-	7	-	13
	Additions	94	-	-	-	94
	Disposals / expensed	-	-	-	-	-
	Impairments	-	-	-	-	-
	Transfers / reclassifications	-	-	-	-	-
	Balance at 31 December 2019	100	-	7	-	107
19.4	**Accumulated depreciation**					
	Balance at 1 January 2019	-	-	-	-	-
	Charge for the year	30	-	6	-	36
	Disposals	-	-		-	-
	Expense/write-off	-	-	-	-	-
	Balance at 31 December 2019	30	-	6	-	36
	Net book value:					
	Balance at 31 December 2019	70	-	1	-	71

*In accordance with IFRS 16 Leases the group has elected not to restate its comparative financial statements. Therefore comparability will not be achieved by the fact that the comparative financial information has been prepared on an IAS 17 Leases basis. Refer to note 3.1 for more detail on the adoption of IFRS 16.

		Group		Company	
		31 Dec. 2019 N million	31 Dec. 2018 N million	31 Dec. 2019 N million	31 Dec. 2018 N million
20	**Share capital and reserves**				
20.1	**Authorised**				
	13,000,000,000 Ordinary shares of 50k each (Dec 2018: 13,000,000,000 Ordinary shares of 50k each)	6,500	6,500	6,500	6,500
20.2	**Issued and fully paid-up**				
	10,504,967,358 Ordinary shares of 50k each (Dec 2018: 10,240,552,945 Ordinary shares of 50k each)	5,252	5,120	5,252	5,120
	Ordinary share premium	88,181	76,030	88,181	76,030

There was no increase in authorised share capital during the year.
All issued shares are fully paid up.

Reconciliation of shares issued	Number of ordinary shares million	Value of ordinary shares N'million	Ordinary share premium N'million
Balance as at 31 December 2018	**10,240**	**5,120**	**76,030**
Shares issued in terms of the final scrip distribution declared in respect of 2018 final dividend*	233	116	11,037
Shares issued in terms of the interim scrip distribution declared in respect of 2019 interim dividend**	32	16	1,114
Total scrip	265	132	12,151
Balance as at 31 December 2019	**10,505**	**5,252**	**88,181**

*The scrip was issued at N47.89 per share. 50k (i.e nominal value of the shares) was applied to share capital while N47.39 was applied to share premium.

` **The scrip was issued at N35.86 per share. 50k (i.e nominal value of the shares) was applied to share capital while N35.36 was applied to share premium.

		Group		Company	
		31 Dec. 2019 N million	31 Dec. 2018 N million	31 Dec. 2019 N million	31 Dec. 2018 N million
20.3	**Dividend Payment**				
	2017 Final Dividend				
	Scrip dividend	-	3,122	-	3,122
	Cash dividend	-	1,903	-	1,903
	2018 annual Dividend				
	Scrip dividend	-	3,122	-	3,122
	Cash dividend	-	1,903	-	1,903
	Minority Interest	-	1,176	-	-
	2018 Final Dividend				
	Scrip dividend	11,154		11,154	
	Cash dividend	4,207		4,207	
	2019 Interim Dividend				
	Scrip dividend	1,130		1,130	
	Cash dividend	9,344		9,344	
	Minority Interest	847		-	
	Total dividend paid	**26,682**	6,201	**25,835**	10,050

20.4 Reserves

a) Merger reserve

Merger reserve arose as a result of the implementation of the holding company restructuring. It represents the difference between pre-restructuring share premium/share capital and the post-restructuring share premium/share capital.

b) Other regulatory reserves

The other regulatory reserves includes statutory reserve and the small and medium scale industries reserve (SMEEIS) as described below.

(i) Statutory reserves

Nigerian banking and pension industry regulations require the Stanbic IBTC Bank PLC ("the bank") and Stanbic IBTC Pension Managers Ltd ("SIPML") that are subsidiary entities, to make an annual appropriation to a statutory reserve.

As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The bank (a subsidiary) transferred 15% of its profit after tax to statutory reserves as at year end.

Section 69 of Pension Reform Act, 2004 requires SIPML to transfer 12.5% of its profit after tax to a statutory reserve.

(ii) Agri-Business / Small and medium scale industries reserve (AGSMEEIS)

The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (approved by the Bankers' Committee on 9 February 2017), participating banks shall set aside 5% of their PAT annually. A transfer of N3,602 million was made into the AGSMEEIS reserve, which represents the Bank's annual commitment under the scheme, for the year (2018: N1,407 million) (see note 15 (iii)).

c) Fair value through OCI reserve

This represents unrealised gains or losses arising from changes in the fair value of FVOCI financial assets which are recognised directly in the FVOCI reserve. For equity investment under this category, such changes cannot be recycled into income statement when the financial asset is derecognised or impaired.

20.4 Reserves (continued)

d) Statutory credit risk reserve

When credit impairment on loans and advances as accounted for under IFRS using the expected loss model differ from the Prudential Guidelines set by the Central Bank of Nigeria the following adjustment is required.

(i) If the Prudential Provision is greater than IFRS provisions; transfer the difference from the general reserve to a non-distributable regulatory reserve (statutory credit reserve).

(ii) If the Prudential Provision is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory reserve account to the general reserve to the extent of the non-distributable reserve previously recognized.

Analysis of the statutory credit risk reserve is disclosed under note 6.1.

e) Share based payment reserve

This represents obligations under the equity settled portion of the group's share incentive scheme which enables key management personnel and senior employees to benefit from the performance of Stanbic IBTC Holdings Plc and its subsidiaries.

21 Dividend

The Directors recommend the payment of a final dividend of 200 kobo per share (Dec 2018: 150 kobo per share). Withholding tax would be deducted at the time of payment.

22 Deposit and current accounts

	Group		Company	
	31 Dec. 2019 N million	31 Dec. 2018 N million	**31 Dec. 2019 N million**	31 Dec. 2018 N million
Deposits from banks	**248,903**	160,272	**-**	-
Other deposits from banks	**248,903**	160,272	**-**	
Deposits from customers	**637,840**	807,692	**-**	-
Current accounts	**366,031**	391,195	**-**	-
Call deposits	**30,429**	73,627	**-**	-
Savings accounts	**87,401**	67,340	**-**	-
Term deposits	**153,979**	275,530	**-**	-
Total deposits and current accounts	**886,743**	967,964	**-**	-

Included in deposits from banks is N20,630 million (Dec 2018: N36,207 million) due to Standard Bank Group. See note 37.3(e).

Maturity analysis

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

Repayable on demand	**793,272**	674,666	**-**	-
Maturing within 1 month	**47,839**	116,690	**-**	-
Maturing after 1 month but within 6 months	**41,567**	171,192	**-**	-
Maturing after 6 months but within 12 months	**4,064**	5,412	**-**	-
Maturing after 12 months	**1**	4	**-**	-
Total deposits and current accounts	**886,743**	967,964	**-**	-

22 Deposit and current accounts (continued)

Segmental analysis - geographic area

The following table sets out the distribution of the group's deposit and current accounts by geographic area.

Group	31 Dec. 2019		31 Dec. 2018	
	%	N million	%	N million
South South	**8**	**67,791**	6	58,555
South West	**50**	**439,550**	61	587,929
South East	**2**	**18,740**	2	21,250
North West	**4**	**34,598**	4	34,653
North Central	**8**	**70,088**	10	98,454
North East	**1**	**7,073**	1	6,851
Outside Nigeria	**28**	**248,903**	17	160,272
Total deposits and current accounts	**100**	**886,743**	100	967,964

23 Other borrowings

	Group		Company	
	31 Dec. 2019 N million	31 Dec. 2018 N million	31 Dec. 2019 N million	31 Dec. 2018 N million
FMO - Netherland Development Finance Company (see (i) below)	**-**	10,090	**-**	-
African Development Bank (see (ii) below)	**455**	641	**-**	-
Development Bank of Nigeria	**9,804**	-		-
Nigeria Mortgage Refinance Company (see (vi) below)	**3,851**	3,139	**-**	-
Bank of Industry (see (iii) below)	**1,875**	2,509	**-**	-
Standard Bank Isle of Man (see (iv) below & note 37.3)	**54,164**	43,825	**-**	-
CBN Real Sector Support Financing (see (vii) below)	**11,701**	-	**-**	-
CBN Commercial Agricultural Credit Scheme (see (v) below)	**10,315**	9,714	**-**	-
Other borrowings	**92,165**	69,918	**-**	-

The terms and conditions of other borrowings are as follows:

On-lending borrowings are funding obtained from Development Financial Institutions and banks which are simultaneously lent to loan customers. The group bears the credit risk on the loans granted to customers and are under obligation to repay the lenders. Specific terms of funding are provided below.

i. This represents an on-lending dollar denominated loan of USD with nil balance (2018: US$42 million) obtained from Netherlands Development Finance Company (FMO). No additional disbursements was received during the year. The initial facility amount of US$45 million was effective from 08 April 2015, while the second disbursement of US$45 million was effective from 10 May 2017. The entire facility amount expired on 20 December 2019. Repayment of principal was made in seven equal instalments and commenced on 20 December 2016 (for the initial disbursement) and 06 June 2017 (for the second disbursement) up till maturity. Interest was payable semi-annually at 6-month LIBOR plus 3.50%.

ii. This represents US$2.5 million on-lending facility obtained during the year from African Development Bank. The facility was disbursed in two tranches of US$1.25 million each. Tranch A is priced at 6-month LIBOR + 3.6%, while Tranche B is priced at 6-month LIBOR +1.9%. Both tranches expires on 09 June 2022 and are unsecured.

iii. The bank obtained a Central Bank of Nigeria (CBN) initiated on-lending naira facility from Bank of Industry in September 2010 at a fixed rate of 1% per annum on a tenor based on agreement with individual beneficiary customer. The facility was granted under the Power and Aviation Intervention Fund scheme and Restructuring and Refinancing Facilities scheme. Disbursement of these funds are represented in loans and advances to customers. Based on the structure of the facility, the bank assumes default risk of amount lent to its customers. The facility was not secured.

iv. The bank obtained dollar denominated long term on-lending facilities with floating rates tied to LIBOR from Standard Bank Isle of Man with average tenor of 5 years. The dollar value of the facility as at 31 December 2019 was USD$155 million (Dec 2018: USD$98 million).

v. The bank obtained an interest free loan from the Central Bank of Nigeria (CBN) for the purpose of on - lending to customers under the Commercial Agricultural Credit Scheme (CACS). The tenor is also based on agreement with individual beneficiary customer. Disbursement of these funds are represented in loans and advances to customers. Based on the structure of the facility, the bank assumes default risk of amount lent to its customers.

vi. This represents N1.835m (Tranche 1) and N1.543 million (Tranche 2) on-lending facilities obtained from Nigeria Mortgage Refinance Company in June 2016 and June 2018 respectively. Tranche 1 is priced at 15.5% while Tranche 2 is priced at 14.5%.

vii. The Bank obtained a real sector support funding of N5 billion from the Central Bank of Nigeria at an interest rate of 3% for 7 years.

The group has not had any default of principal, interest or any other breaches with respect to its debt securities during the year ended 31 December 2019 (Dec 2018: Nil).

23 Other borrowings (continued)

Maturity analysis

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

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
	N million	N million	**N million**	N million
Repayable on demand	**339**	279	**-**	-
Maturing within 1 month	**1,669**	24,196	**-**	-
Maturing after 1 month but within 6 months	**4,644**	25,154	**-**	-
Maturing after 6 months but within 12 months	**817**	5,900	**-**	-
Maturing after 12 months	**84,696**	14,389	**-**	-
	92,165	69,918	**-**	-

Movement in other borrowings

	Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
At start of year	**69,918**	74,892	**-**	-
Additions	**39,509**	13,158	**-**	-
Accrued interest	**399**	(100)	**-**	-
Effect of exchange rate changes [loss/(profit)]	**92**	6,168	**-**	
Payments made	**(17,753)**	(24,200)	**-**	-
At end of year	**92,165**	69,918	**-**	-

24 Debts securities issued

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
	N million	N million	**N million**	N million
Senior unsecured debt Naira (see (i) below)	**30,350**	30,181		
Subordinated fixed rate notes- Naira (see (ii) below)	**15,772**	15,668	**-**	-
Subordinated floating rate notes -Naira (see (iii) below)	**103**	103	**-**	-
Subordinated debt - US dollar (see (iv) below)	**14,588**	14,643	**-**	-
Commercial Paper Issued (see (v) below)	**45,845**			
	106,658	**60,595**	**-**	-

The terms and conditions of subordinated debt are as follows:

(i) This represents Naira denominated Unsecured senior debt issued on 5 December 2018 at a fixed interest rate of 15.75% per annum payable semi-annually. It has a tenor of 5 years. The debt is unsecured.

(ii) This represents Naira denominated subordinated debt issued on 30 September 2014 at an interest rate of 13.25% per annum payable semi-annually. It has a tenor of 10 years and is callable after 5 years from the issue date. The debt is unsecured.

(iii) This represents N100 million Naira denominated subordinated debt issued on 30 September 2014. Interest is payable semi-annually at 6-month Nigerian Treasury Bills yield plus 1.20%. It has a tenor of 10 years and is callable after 5 years from the issue date. The debt is unsecured.

(iv) This represents US dollar denominated term subordinated non-collaterised facility of USD40 million obtained from Standard Bank of South Africa effective 31 May 2013. The facility expires on 31 May 2025 and is repayable at maturity. Interest on the facility is payable semi-annually at LIBOR (London Interbank Offered Rate) plus 3.60%. See note 37.3 (g).

(v) The Commercial paper is a N100bn multicurrency programme established by the Bank under which Stanbic IBTC Bank may from time to time issue Commercial Paper Notes (“CP Notes” or “Notes”), denominated in NGN or USD or in such other currency as may be agreed between the Arranger and the Issuer, in separate series or tranches. The current issuance is in two tranches of $27 million and N36,742 million.

The group has not had any default of principal, interest or any other convenant breaches with respect to its debt securities during the year ended 31 December 2019 (2018: Nil).

Movement in debt issued	Group		Company	
	31 Dec. 2019	**31 Dec. 2018**	**31 Dec. 2019**	**31 Dec. 2018**
	N million	N million	**N million**	N million
At start of year	**60,595**	29,046	**-**	-
Additions	**42,903**	30,181	**-**	-
Accrued interest for the year	**10,915**	2,928	**-**	-
Accrued interest paid	**(7,700)**	(2,897)		
Effect of exchange rate changes [loss/(profit)]	**(55)**	1,337	**-**	-
At end of year	**106,658**	60,595	**-**	-

25 Current tax asets and liabilities	Group		Company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
	N million	N million	N million	N million
Current tax liabilities	19,230	14,899	179	463
	19,230	14,899	179	463

25.1 Reconciliation of current tax liabilities	N million	N million	N million	N million
Current tax liabilities at beginning of the year	14,899	12,240	463	157
Movement for the year	4,331	2,659	(284)	306
Charge for the year (see note 34.1)	17,627	14,008	(254)	501
Over provision - prior year	-	(8)	-	-
WHT on dividend	(31)			
Payment made	(13,265)	(11,341)	(30)	(195)
Current tax liabilities at end of the year	19,230	14,899	179	463

26 Provisions
Group

	Legal	Taxes & levies	Expected credit loss for off balance sheet exposures	Total
31 December 2019	**N million**	**N million**	**N million**	**N million**
Balance at 1 January 2019	7,539	5,249	664	**13,452**
Provisions made during the year	378	2,758	(772)	**2,364**
Provisions utilised during the year	(2,546)	(635)	1,143	**(2,038)**
Provisions reversed during the year	(191)	(4,727)	-	**(4,918)**
Balance at 31 December 2019	**5,180**	**2,645**	**1,035**	**8,860**
Current	-	2,645	1,035	3,680
Non-current	5,180	-	-	5,180
	5,180	**2,645**	**1,035**	**8,860**

	Legal	Taxes & levies	Expected credit loss for off balance sheet exposures	Total
31 December 2018	**N million**	**N million**	**N million**	**N million**
Balance at 1 January 2018	7,293	5,686	-	12,979
Provisions made during the year	629	1,392	664	2,685
Provisions used/reversed during the year	(383)	(1,829)	-	(2,212)
Balance at 31 December 2018	**7,539**	**5,249**	**664**	**13,452**
Current	-	-	664	664
Non-current	7,539	5,249	-	12,788
	7,539	**5,249**	**664**	**13,452**

(a) Legal

In the conduct of its ordinary course of business, the group is exposed to various actual and potential claims, lawsuits. The group makes provision for amounts that would be required to settle obligations that may crystallise in the event of unfavourable outcome of the lawsuits. Estimates of provisions required are based on management judgment. See note 31.4 for further details.

(b) Taxes & levies

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

(c) Interest cost on judgment debt

Provisions for interest cost on judgment debt relates to additional liability that management estimates the group would be required to settle over and above a judgment debt in legal cases where the group appealed a lower court decision but believes its appeal is unlikely to be successful.

(d) Expected credit loss for off balance sheet exposures

This relates to expected credit loss on off balance sheet exposures in accordance with IFRS 9 Financial Instruments.

27 Other liabilities

	Group		Company	
	31 Dec. 2019 N million	31 Dec. 2018 N million	**31 Dec. 2019 N million**	31 Dec. 2018 N million
27.1 Summary				
Trading settlement liabilities (see note (vii) below)	**25,710**	15,232	**-**	-
Cash-settled share-based payment liability (note 32.10)	**1,616**	4,286	**256**	613
Accrued expenses - staff	**5,430**	5,815	**791**	1,287
Deferred revenue (see note (iv) below)	**6,672**	5,482	**-**	-
Accrued expenses - others	**5,046**	4,748	**585**	1,181
Due to group companies (see note 36.3)	**4,992**	5,892	**14**	32
Collections / remittance payable (see note (i) below)	**90,203**	68,098	**53**	96
Customer deposit for letters of credit	**19,366**	24,344	**-**	-
Unclaimed balance (see note (ii) below)	**2,546**	2,019	**-**	-
Payables to suppliers and asset management clients	**2,150**	1,878	**1**	13
Draft & bank cheque payable	**1,548**	1,737	**-**	-
Electronic channels settlement liability	**5,461**	2,725	**-**	-
Unclaimed dividends liability (see note (iii) below)	**2,180**	1,647	**2,180**	1,647
Clients cash collateral for derivative transactions (see note (v) below)	**25,521**	15,975	**-**	-
Lease Liabilities (see note (vi) below)	**132**	-	**-**	-
Sundry liabilities	**7,452**	7,315	**442**	410
	206,025	167,193	**4,322**	5,279
Current	**185,268**	149,156	**1,885**	3,006
Non-current	**20,757**	18,037	**2,437**	2,273
	206,025	167,193	**4,322**	5,279

(i) Collections and remittance payable includes N56bn (Dec 2018: N54bn) relating to balance held in respect of clearing and settlement activities for NIBSS, FMDQ over-the-counter foreign exchange transactions.

(ii) Unclaimed balances include demand drafts not yet presented for payment by beneficiaries.

(iii) Amount represents liability in respect of unclaimed dividends as at 31 December 2019. The assets held for the liability are presented in note 11.1 and note 15 (ii).

(iv) Deferred revenue include unrecognised gains on swaps transaction with the Central Bank

(v) Amount represents margin cash collateral for FX futures

(vi) Lease liabilities represents the Lease liabilities which are initially measured at the present value of the contractual payments due to the lessor over the lease term,

(vii) Amount relates to unsettled dealing balances as at end of the year.

Notes to the consolidated and separate annual financial statements
For the year ended 31 December 2019

28 Classification of financial instruments

Accounting classifications and fair values

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

	Note	Fair Value Through P&L			Amortised cost	Fair-value through other comprehensive income		Other amotised cost	Total carrying amount	Fair value [1]
		Held for trading	Designated at fair value	Fair value through P/L - default		Debt Instrument	Equity Instrument			
		N million	N million	N million	N million	N million	N million	N million	N million	N million
31 December 2019										
Assets										
Cash and cash equivalents	7	-	-	-	456,396	-	-		456,396	456,396
Derivative assets	10.6	32,871	-	-	-	-	-	-	32,871	32,871
Trading assets	9.1	248,909	-	-	-	-	-	-	248,909	248,909
Pledged assets	8	92,330	-	-	-	139,642	-	-	231,972	231,972
Financial investments	11	-	-	-	21,257	131,439	2,685	-	155,381	155,381
Loans and advances to banks	12	-	-	-	3,046		-	-	3,046	3,046
Loans and advances to customers	12	-	-	-	532,124	-	-	-	532,124	532,124
Other assets (see (a) below)		-	-	-	161,777	-	-	-	161,777	161,777
		374,110			1,174,600	271,081	2,685	-	1,822,476	1,822,476
Liabilities										
Derivative liabilities	10.6	4,343	-	-	-	-	-	-	4,343	4,343
Trading liabilities	9.2	250,203	-	-	-	-	-	-	250,203	250,203
Deposits from banks	22	-	-	-	-	-	-	248,903	248,903	248,903
Deposits from customers	22	-	-	-	-	-	-	637,840	637,840	637,840
Debts securities issued	24	-	-	-	-	-	-	106,658	106,658	106,658
Other borrowings	23	-	-	-	-	-	-	92,165	92,165	92,165
Other liabilities (see (b) below)		-	-	-	-	-	-	199,353	199,353	199,353
		254,546	-	-	-	-	-	1,284,919	1,539,465	1,539,465

[1] Carrying value has been used where it closely approximates fair values. Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price. In the absence of organised secondary markets for financial instruments, such as loans, deposits and unlisted derivatives, direct market prices are not always available. The fair value of such instruments was therefore calculated on the basis of well-established valuation techniques using current market parameters.

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

(b) Other liabilities presented in the table above comprise financial liabilities only other than deferred revenue.

28 Classification of financial instruments (continued)

	Note	Fair Value Through P&L			Amortised cost	Fair-value through other comprehensive income		Other amotised cost	Total carrying amount	Fair value [1]
		Held for trading	Designated at fair value	Fair value through P/L - default		Debt Instrument	Equity Instrument			
		N million	N million	N million	N million	N million	N million	N million	N million	N million
31 December 2018										
Assets										
Cash and cash equivalents	7	-	-	-	455,773	-	-		455,773	455,773
Derivative assets	10.6	30,286	-	-	-	-	-	-	30,286	30,286
Trading assets	9.1	84,351	-	-	-	-	-	-	84,351	84,351
Pledged assets	8	-	-	-	-	142,543	-	-	142,543	142,543
Financial investments	11	-	-	2,322	45,047	349,883	2,815	-	400,067	400,067
Loans and advances to banks	12	-	-	-	8,548	-	-	-	8,548	8,548
Loans and advances to customers	12	-	-	-	432,713	-	-	-	432,713	432,713
Other assets (see (a) below)		-	-	-	68,760	-	-	-	68,760	68,760
		114,637	-	2,322	1,010,841	492,426	2,815		1,623,041	1,623,041
Liabilities										
Derivative liabilities	10.6	4,152	-	-	-	-	-	-	4,152	4,152
Trading liabilities	9.2	125,684	-	-	-	-	-	-	125,684	125,684
Deposits from banks	22	-	-	-	-	-	-	160,272	160,272	160,272
Deposits from customers	22	-	-	-	-	-	-	807,692	807,692	782,524
Subordinated debt	24	-	-	-	-	-	-	60,595	60,595	29,259
Other borrowings	23	-	-	-	-	-	-	69,918	69,918	63,270
Other liabilities (see (b) below)		-	-	-	-	-	-	161,711	161,711	161,711
		129,836	-	-	-	-	-	1,260,188	1,390,024	1,326,872

[1] Carrying value has been used where it closely approximates fair values. Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price. In the absence of organised secondary markets for financial instruments, such as loans, deposits and unlisted derivatives, direct market prices are not always available. The fair value of such instruments was therefore calculated on the basis of well-established valuation techniques using current market parameters.

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

(b) Other liabilities presented in the table above comprise financial liabilities only. The following items have been excluded: deferred revenue.

29 Fair values of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, fair values are determined using other valuation techniques.

29.1 Valuation models

The group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 - fair values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2 - fair values are calculated using valuation techniques based on observable inputs, either directly (i.e. as quoted prices) or indirectly (i.e. derived from quoted prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include discounted cash flow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, bonds and equity prices, foreign exchange rates, equity pricess and expected volatilities and correlations.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the group believes that a third party market participant would take them into account in pricing a transaction. For measuring derivatives that might change classification from being an asset to a liability or vice versa such as interest rate swaps, fair values take into account the credit valuation adjustment (CVA) when market participants take this into consideration in pricing the derivatives.

29 Fair values of financial instruments

29.2 Valuation framework

The group has an established control framework with respect to the measurement of fair values. This framework includes a *market risk function*, which has overall responsibility for independently verifying the results of trading operations and all significant fair value measurements, and a *product control function*, which is independednt of front office management and reports to the Chief Financial Officer. The roles performed by both functions include:

- verification of observable pricing
- re-performance of model valuations;
- review and approval process for new models and changes to models
- calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of level 3 instruments.

Significant valuation issues are reported to the audit committee.

29.3 Financial instruments measured at fair value - fair value hierarchy

The tables below analyse financial instruments carried at fair value at the end of the reporting year, by level of fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. See note 4.5 on accounting policies on fair value.

Group	Note	Carrying amount N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2019						
Assets						
Derivative assets	10.6	32,871	-	6,728	26,143	32,871
Trading assets	9.1	248,909	245,314	3,595	-	248,909
Pledged assets	8	231,972	231,972	-	-	231,972
Financial investments	28	134,073	129,232	2,156	2,685	134,073
		647,825	606,518	12,479	28,828	647,825
Comprising:						
Held-for-trading		374,110	337,644	10,323	26,143	374,110
FV through Other Comprehensive Income		273,715	268,874	2,156	2,685	273,715
		647,825	606,518	12,479	28,828	647,825
Liabilities						
Derivative liabilities	10.6	4,343	-	4,343	-	4,343
Trading liabilities	9.2	250,203	55,343	194,860	-	250,203
		254,546	55,343	199,203	-	254,546
Comprising:						
Held-for-trading		254,546	55,343	199,203	-	254,546
		254,546	55,343	199,203	-	254,546

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

29 Financial instruments measured at fair value (continued)

29.3 Financial instruments measured at fair value - fair value hierarchy

Group	Note	Carrying amount N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2018						
Assets						
Derivative assets	10.6	30,286	-	5,322	24,964	30,286
Trading assets	9.1	84,351	81,826	2,525	-	84,351
Pledged assets	8	142,543	142,543	-	-	142,543
Financial investments	28	354,953	352,138	-	2,815	354,953
		612,133	576,507	7,847	27,779	612,133
Comprising:						
Held-for-trading		114,637	81,826	7,847	24,964	114,637
FV through Other Comprehensive Income		497,496	494,681	-	2,815	497,496
		612,133	576,507	7,847	27,779	612,133
Liabilities						
Derivative liabilities	10.6	4,152	-	4,152	-	4,152
Trading liabilities	9.2	125,684	36,784	88,900	-	125,684
		129,836	36,784	93,052	-	129,836
Comprising:						
Held-for-trading		129,836	36,784	93,052	-	129,836
		129,836	36,784	93,052	-	129,836

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

29.4 Level 3 fair value measurement

(i) The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

	Derivative assets	Financial investments	Total
	N million	N million	N million
Balance at 1 January 2019	**24,964**	**2,815**	**27,779**
(losses) included in profit or loss - Trading revenue	**(5,834)**	**-**	**(5,834)**
Loss recognised in other comprehensive income	**-**	**(130)**	**(130)**
Originations and purchases	**-**	**-**	**-**
Day one profit / (loss) recognised	**31,976**	**-**	**31,976**
Sales and settlements	**(24,963)**	**-**	**(24,963)**
Write back of impairment	**-**	**-**	**-**
Balance at 31 December 2019	**26,143**	**2,685**	**28,828**
Balance at 1 January 2018	6,247	1,817	8,064
Gains included in profit or loss - Trading revenue	1,708	-	1,708
Gain recognised in other comprehensive income	-	998	998
Originations and purchases	-	-	-
Day one profit / (loss) recognised	23,256	-	23,256
Sales and settlements	(6,247)	-	(6,247)
Write back of impairment	-	-	-
Balance at 31 December 2018	**24,964**	2,815	27,779

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

	Derivative assets	Financial investments	Total
	N million	N million	N million
31 December 2019			
Other comprehensive income	**-**	**(130)**	**(130)**
Trading revenue	**(5,834)**	**-**	**(5,834)**
	(5,834)	**(130)**	**(5,964)**
31 December 2018			
Other comprehensive income	-	998	998
Trading revenue	1,708	-	1,708
	1,708	**998**	**2,706**

29.4 Level 3 fair value measurement (continued)

(ii) Unobservable inputs used in measuring fair value

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

Type of financial instrument	Fair value as at 31-Dec-2019 (N million)	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable input
Unquoted equities	2,685 (2018: 2,815)	Dividend valuation method, Average maintainable earnings method, Weighted average maintainable earnings method amongst others	- Risk adjusted discount rate '- Earning capitalization rate	A significant increase in the spread above the risk-free rate would result in a lower fair value.
Derivative assets	26,143 (2018: 24,965)	Discounted cash flow	- Own credit risk (DVA) - Counterparty credit risk (CVA, basis risk and country risk premium) - USD / NGN quanto risk - Implied FX volatility	A significant move (either positive or negative) in the unobservable input will result in a significant move in the fair value.

(iii) The effect of unobservable inputs on fair value measurement (sensitivity analysis)

The table below indicates the valuation techniques and main assumptions used in the determination of the fair value of the level 3 assets and liabilities measured at fair value on a recurring basis. The table further indicates the effect that a significant change in one or more of the inputs to a reasonably possible alternative assumption would have on profit or loss at the reporting date.

	Valuation technique	Significant unobservable input	Variance in fair value measurement	Effect on OCI	
				Favourable Nmillion	Unfavourable Nmillion
2019					
Unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	**341**	**(283)**
Derivative assets	Discounted cash flow	- Own credit risk (DVA) - Counterparty credit risk (CVA, basis risk and country risk premium) - USD / NGN quanto risk - Implied FX volatility	From (1%) to 1%	**1,146**	**(1,136)**
2018					
Unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	216	(225)
Derivative assets	Discounted cash flow	- Own credit risk (DVA) - Counterparty credit risk (CVA, basis risk and country risk premium) - USD / NGN quanto risk - Implied FX volatility	From (1%) to 1%	586	(580)

29.5 Financial instruments not measured at fair value - fair value hierarchy

The following table set out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierachy into which each fair value measurement is categorised.

Group	Carrying value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total Fair value N million
31 December 2019					
Assets					
Cash and cash equivalents	**456,396**	**-**	**456,396**	**-**	**456,396**
Loans and advances to banks	**3,046**	**-**	**-**	**3,046**	**3,046**
Loans and advances to customers	**532,124**	**-**	**-**	**532,124**	**532,124**
Other financial assets	**161,777**	**-**	**161,777**	**-**	**161,777**
	1,153,343	**-**	**618,173**	**535,170**	**1,153,343**

29.5 Financial instruments not measured at fair value - fair value hierarchy (continued)

Group	Carrying value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total Fair value N million
31 December 2019					
Liabilities					
Deposits from banks	**248,903**	**-**	**248,903**	**-**	**248,903**
Deposits from customers	**637,840**	**-**	**637,840**	**-**	**637,840**
Other borrowings	**92,165**	**-**	**92,165**	**-**	**92,165**
Debts securities issued	**106,658**	**-**	**106,658**	**-**	**106,658**
Other financial liabilities	**199,353**	**-**	**199,353**	**-**	**199,353**
	1,284,919	**-**	**1,284,919**	**-**	**1,284,919**

Group	Carrying value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total Fair value N million
31 December 2018					
Assets					
Cash and cash equivalents	455,773	-	455,773	-	455,773
Loans and advances to banks	8,548	-	-	8,815	8,815
Loans and advances to customers	432,713	-	-	382,526	382,526
Other financial assets	68,760	-	68,760	-	68,760
	965,794	-	524,533	391,341	915,874
Liabilities					
Deposits from banks	160,272	-	160,272	-	160,272
Deposits from customers	807,692	-	782,524	-	782,524
Other borrowings	69,918	-	63,270	-	63,270
Subordinated debt	60,595	-	29,259	-	29,259
Other financial liabilities	161,711	-	161,711	-	161,711
	1,260,188	-	1,197,036	-	1,197,036

Fair value of loans and advances is estimated using discounted cash flow techniques. Input into the valuation techniques includes interest rates and expected cash flows. Expected cash flows are discounted at current market rates to determine fair value.

Fair value of deposits from banks and customers is estimated using discounted cash flow techniques, applying the rates offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

30 Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

IFRS requires financial assets and financial liabilities to be offset and the net amount presented in the statement of financial position when, and only when, the group and company have a current legally enforceable right to set off recognised amounts, as well as the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accordingly, the following table sets out the impact of offset, as well as financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they have been offset in accordance with IFRS.

It should be noted that the information below is not intended to represent the group and company's actual credit exposure, nor will it agree to that presented in the statement of financial position.

30 Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements (continued)

Group	Gross amount of recognised financial assets[1] N million	Gross amounts of recognised financial liabilities offset in the statement of financial position[2] N million	Net amounts of financial assets presented in the statement of financial position N million	Financial instruments, financial collateral and cash collateral[3] N million	Net amount N million
31 December 2019					
Assets					
Derivative assets	32,155	-	32,155	(32,155)	-
Loans and advances to customers	20,518	-	20,518	(1,076)	19,442
	52,673	**-**	**52,673**	**(33,231)**	**19,442**

Group	Gross amount of recognised financial liabilities[1] N million	Gross amounts of recognised financial assets offset in the statement of financial position[2] N million	Net amounts of financial liabilities presented in the statement of financial position N million	Financial instruments, financial collateral and cash collateral[3] N million	Net amount N million
31 December 2019					
Liabilities					
Derivative liabilities	1,947	-	1,947	(1,947)	-
Deposits from customers	1,076	-	1,076	(1,076)	-
Other liabilities	20,951	-	20,951	166.00	21,117
	23,974	**-**	**23,974**	**(2,857)**	**21,117**

[1]Gross amounts are disclosed for recognised assets and liabilities that are either offset in the statement of financial position or subject to a master netting arrangement or a similar agreement, irrespective of whether the offsetting criteria is met.

[2]The amounts that qualify for offset in accordance with the criteria per IFRS.

[3]Related amounts not offset in the statement of financial position that are subject to a master netting arrangement or similar agreement, including financial collateral (whether recognised or unrecognised) and cash collateral.

The table below sets out the nature of agreement and the types of rights relating to items which do not qualify for offset but that are subject to a master netting arrangement or similar agreement.

	Nature of agreement	Related rights
Derivative assets and liabilities	ISDAs	The agreement allows for set off in the event of default
Trading liabilities	Global master repurchase agreements	The agreement allows for set off in the event of default

30 Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements (continued)

Group	Gross amount of recognised financial assets[1] N million	Gross amounts of recognised financial liabilities offset in the statement of financial position[2] N million	Net amounts of financial assets presented in the statement of financial position N million	Financial instruments, financial collateral and cash collateral[3] N million	Net amount N million
31 December 2018					
Assets					
Derivative assets	1,428	-	1,428	(1,428)	-
Loans and advances to customers	14,542		14,542	(4,954)	9,588
	15,970	**-**	**15,970**	**(6,382)**	**9,588**

Group	Gross amount of recognised financial liabilities[1] N million	Gross amounts of recognised financial assets offset in the statement of financial position[2] N million	Net amounts of financial liabilities presented in the statement of financial position N million	Financial instruments, financial collateral and cash collateral[3] N million	Net amount N million
31 December 2018					
Liabilities					
Derivative liabilities	1,073	-	1,073	(1,073)	-
Deposits from customers	4,954		4,954	(4,954)	-
Other liabilities	21,348		21,348	(852)	20,496
	27,375	**-**	**27,375**	**(6,879)**	**20,496**

[1]Gross amounts are disclosed for recognised assets and liabilities that are either offset in the statement of financial position or subject to a master netting arrangement or a similar agreement, irrespective of whether the offsetting criteria is met.

[2]The amounts that qualify for offset in accordance with the criteria per IFRS.

[3]Related amounts not offset in the statement of financial position that are subject to a master netting arrangement or similar agreement, including financial collateral (whether recognised or unrecognised) and cash collateral.

The table below sets out the nature of agreement and the types of rights relating to items which do not qualify for offset but that are subject to a master netting arrangement or similar agreement.

	Nature of agreement	Related rights
Derivative assets and liabilities	ISDAs	The agreement allows for set off in the event of default
Trading liabilities	Global master repurchase agreements	The agreement allows for set off in the event of default

		Group		Company	
		31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
		N million	N million	**N million**	N million
31	**Contingent liabilities and commitments**				
31.1	**Contingent liabilities**				
	Letters of credit	**93,753**	83,199	**-**	-
	Bonds and Guarantees	**79,502**	63,282	**-**	-
		173,255	146,481	**-**	-

Bonds and Guarantees and letters of credit are given to third parties as security to support the performance of a customer to third parties. As the group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts. The expected credit loss of N1,035 million (Dec 2018: N664 million) on this has been included in provisions (see note 26).

31.2	**Capital commitments**				
	Contracted capital expenditure	**2,999**	1,322	**173**	14
	Capital expenditure authorised but not yet contracted	**23,906**	17,252	**549**	2,067
		26,905	18,574	**722**	2,081

The expenditure will be funded from the group's internal resources.

31.3 Loan commitments

As at 31 December 2019, the group had loan commitments amounting to N100.86 billion (Dec 2018: N46.5 billion) in respect of various loan contracts. The expected credit loss on the off-balance sheet exposures amounts to N1,035 million (Dec 2018: N664 million).

31.4 Legal proceedings

In the ordinary course of business the Group is exposed to various actual and potential claims, lawsuits and other proceedings that relate to alleged errors, omissions, breaches. The Directors are satisfied, based on present information and the assessed probability of such existing claims crystallising that the group has adequate insurance cover and / or provisions in place to meet such claims.

There were a total of 344 legal proceedings outstanding as at 31 December 2019 (December 2018: 336 cases). 263 (December 2018: 247) of these were against the group with claims amounting to N118,152,451,498.96, USD$7,039.15 & GB £74,284.64 (December 2018: 151.9bn), while 108 other cases (December 2018: 95) were instituted by the group with claims amounting to N25.7bn (December 2018: N21.2bn).

Included in the total number of litigations above is a case involving Stanbic IBTC Bank Plc ("the Bank") and a claimaint.. On 31 July 2017, the Lagos State High Court awarded general damages of N50 billion jointly and severally against Stanbic IBTC Bank PLC (the Bank) and another defendant. The claimant in this legal proceeding asserted that the Bank and the other defendant acted maliciously by filing an erroneous report on the claimant's indebtedness to the Bank to a credit bureau. On 1 August 2017, the Bank filed a Notice of Appeal and an application for an injunction against the enforcement of the judgement pending the hearing and determination of the Appeal. The Appeal is still pending and is currently adjourned to 26 March 2020 for hearing.

These claims against the group are generally considered to have a low likelihood of success and the group is actively defending these claims. Management believes that the ultimate resolution of any of the proceedings will not have a significantly adverse effect on the group. Where the group envisages that there is a more than average chance that a claim against it will succeed, adequate provisions are raised in respect of such claim. See note 26 for details of provisions raised.

Management, after consideration of all information available, assessed that this appeal has a high likelihood of success in Appeal and/or further legal proceedings and will be actively pursuing the same. Based on this assessment, management believes that the ultimate resolution will not have a significantly adverse effect on the financial position of the group.

*Included in the claims above are foreign currency denominated claims converted at the Group's closing exchange rates.

31.5 Finacle Core Banking software

In 2012, SBSA purchased from Stanbic IBTC Bank PLC its Finacle banking software for a consideration of ZAR 189million, which sale was captured in a Sale, Purchase and Assignment Agreement (SPA) that was submitted to the National Office for Technology Acquisition and Promotion ("NOTAP") in 2013. Subsequently, an affiliate software agreement was established with Stanbic IBTC Bank which related to SBSA licensing back the purchased software to Stanbic IBTC Bank in consideration of an annual license fee payment.

On 27 December 2013, NOTAP approved and registered the Affiliate Software License with a total technology fee not exceeding US$10.3 million (N3.76 billion) expiring on 31 May 2015 (Certificate No. NOTAP/AG/FI/1280/12/217). An amount of US$ 9.6m was remitted to SBSA on account of such authorisation. Following the expiration of NOTAP's approval for this license, no additional accruals have been made in relation to the fees payable for the use of the software, which situation was based on the Bank's inability to obtain NOTAP's further approval on the said affiliate software agreement.

The approval received from NOTAP for the payment of US$10.3m under the affiliate software agreement (ASA) is related to the software sold to SBSA pursuant to the SPA.

In alignment to the tenets set out in the SPA agreement for unwinding the transaction, SBSA and Stanbic IBTC Bank appointed senior executives from both institutions to negotiate a seamless unwinding of the SPA agreement. SBSA and Stanbic IBTC in an agreement dated 12 July 2019 decided to unwind the agreement after receiving CBN approval. Based on the agreement, the ownership of the Finacle software was returned to Stanbic IBTC Bank as an intangible asset (See Note 18) to be amortised over the remaining useful life of eight years. The purchase consideration, which was held in an escrow account pending approval of NOTAP, was released to SBSA in line with the SPA agreement. Also, two-thirds of the interest accrued on the escrow account were released to SBSA with SIBTC Bank receiving a third of the interest accrued being interest due for the license period.

31.6 Third party funds under management and funds under administration

Members of the group provide discretionary and non-discretionary investment management services to institutional and private investors.

Commissions and fees earned in respect of trust and management activities performed are included in profit or loss.

Assets managed and funds administrated on behalf of third parties include:

	31 Dec. 2019 N million	31 Dec. 2018 N million
Pension funds	**3,168,193**	2,688,953
Unit Trusts / Collective investments	**688,527**	532,621
Trusts and Estates	**31,966**	29,578
Assets held under custody - custodial services	**5,326,389**	4,892,089
	9,215,075	8,143,241

31.7 Asset Management Corporation of Nigeria (AMCON) Clawback

The Bank had in December 2012 entered into an agreement with AMCON to purchase the Eligible Assets (non-performing loan) of a client, which the Bank had classified as "doubtful". AMCON confirmed its willingness to purchase the proposed Eligible Assets at a total consideration of about N10 billion, which sale/purchase was concluded in December of 2012. As a precondition for the sale, AMCON unequivocally stated that the pricing of the Eligible Bank Assets was subject to adjustment within twelve (12) months in line with AMCON guidelines after due diligence on information the Bank had supplied to AMCON.

AMCON by a letter dated October 4, 2017 informed the Bank of its intention to reprice the loan and claw back the sum of N5.7bn, being what was alleged to be excess overpaid consideration, as a result of what was felt was an overvaluation. The Bank in its response to the allegation, emphatically denied the allegations and provided evidence to AMCON to the contrary. The Bank noted that AMCON's attempt to reprice the sold Assets, were outside the 12-month claw-back period provided in AMCON's guidelines.

Notwithstanding all the clarifications made by the Bank, AMCON proceeded to apply to the Central Bank of Nigeria (CBN) to debit the Bank's account with the sum requested to be clawed back, plus possible accrued interest. Sequel to this, the CBN wrote to Stanbic IBTC on 31 July 2019, informing the Bank of AMCON's request to debit the Bank's account.

Accordingly, the Bank instructed its lawyers to institute a Legal action against AMCON, pursuant to which it obtained an interim injunction (exparte), restraining AMCON and the CBN from debiting its Account for the alleged claw-back sum. The Notice of the Court Order was served on AMCON and CBN on 9 August 2019. The CBN warehoused the amount of N6.704 billion, having debited the Bank's current account with it on the 10th of September 2019, in an escrow account domiciled with the Bank to insulate the funds until the determination of the Suit filed by the Bank. The case is adjourned to 5 March 2020.

32 Income statement information

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
	N million	N million	**N million**	N million
32.1 Interest income				
Interest on loans and advances to banks	**3,037**	3,455	**-**	-
Interest on loans and advances to customers	**66,523**	64,083	**-**	-
Interest on investments	**50,852**	50,844	**148**	271
	120,412	118,382	**148**	271

The amount reported above include interest income calculated using the effective interest rate method that relates to financial assets measured at amortised cost and carried at FVOCI. Interest income for the year ended 31 December 2019 includes N543 million (Dec 2018: N437 million) relating to the unwinding of discount element of credit impairments.

Included in interest income is N598 million (2018: N582 million) earned from related party transactions. See note 37.3.

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
32.2 Interest expense				
Savings accounts	**2,067**	1,611	**-**	-
Current accounts	**5,146**	3,796	**-**	-
Call deposits	**144**	2,254	**-**	-
Term deposits	**16,430**	20,208		-
Interbank deposits	**5,110**	3,431	**-**	-
Borrowed funds	**13,671**	8,873	**-**	-
Lease Liabilities	**13**	-		
	42,581	40,173	**-**	-

Included in interest expense reported above is N2,987 million (2018: N1,284 million) from related party transactions. See note 37.3.

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
32.3 Net fee and commission revenue				
Fee and commission revenue	**75,034**	71,219	**1,119**	2,171
Account transaction fees	**4,164**	3,530	**-**	-
Card based commission	**3,792**	3,459	**-**	-
Brokerage and financial advisory fees	**7,349**	6,624	**-**	-
Asset management fees	**42,358**	41,154	**-**	-
Custody transaction fees	**3,775**	3,826	**-**	-
Electronic banking	**3,394**	2,062	**-**	-
Foreign currency service fees	**6,529**	7,325	**-**	-
Documentation and administration fees	**2,139**	1,906	**-**	-
Other fee and commision revenue	**1,534**	1,333	**1,119**	2,171
Fee and commission expense	**(4,641)**	(1,374)	**-**	-
	70,393	69,845	**1,119**	2,171

Other fee income for Group includes commission on sale of government securities, agency fee, account statement fee, funds transfer charges, salary processing and administration charges, reference letter charges, and cash withdrawal charges.

Other fee and commission income for the Company of N1,101 million (2018: N2,164 million) represents fee income earned by the company from technical and management service provided to subsidiaries.

		Group		Company	
		31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
		N million	N million	N million	N million
32	**Income statement information (continued)**				
32.4	**Trading revenue**				
	Foreign exchange	5,596	9,306	-	-
	Fixed income	35,662	23,878	-	-
	Interest rates	(4,926)	(1,872)	-	-
	Equities	-	(1)	-	-
		36,332	31,311	-	-

Included in trading revenue reported above is a trading revenue amount of N538m (trading revenue 2018: N83m) from related party transactions. See note 37.3 for details.

		Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
32.5	**Other revenue**				
	Dividend income (see (a) below)	456	261	36,613	16,941
	Gain/loss on disposal of property and equipment	34	71	-	-
	Gain/loss on disposal of financial investment	1,266	-	-	-
	Others (see (b) below)	274	1,116	2	80
		2,030	1,448	36,615	17,021
(a)	Dividend income was earned from the following investees:				
	Stanbic IBTC Pension Managers Limited	-	-	6,353	8,823
	Stanbic IBTC Asset Management Limited	-	-	3,588	1,380
	Stanbic IBTC Ventures Limited	-	-	1,000	-
	Stanbic IBTC Capital Limited	-	-	2,740	1,185
	Stanbic IBTC Stockbrokers Limited	-	-	500	450
	Stanbic IBTC Insurance Limited	-	-	156	-
	Stanbic IBTC Trustees Limited	-	-	113	103
	Stanbic IBTC Bank PLC	-	-	22,163	5,000
	Other equity investments	456	261	-	-
		456	261	36,613	16,941

Only N10,540 million of the dividend income earned by the company from its' subsidiaries relate to the subsidiaries' current year income.

(b) Included in others is gains from disposal of Treasury bills and investment administration charges.

		Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
32.6	**Impairment (charge)/release on financial assets**				
	Net expected credit loses raised and released for financial investments	(91)	191		
	12 month ECL	(91)	191	-	-
	Lifetime ECL not credit impaired	-	-	-	-
	Lifetime ECL credit impaired	-	-	-	-
	Net expected credit loses raised and released for Loan and advances to Banks	(54)	54		
	12 month ECL	(54)	54	-	-
	Lifetime ECL not credit impaired	-	-	-	-
	Lifetime ECL credit impaired	-	-	-	-
	Net expected credit loses raised and released for Loan and advances to customers	4,422	(123)		
	12 month ECL	694	(2,333)	-	-
	Lifetime ECL not credit impaired	(3,642)	(5,183)	-	-
	Lifetime ECL credit impaired	7,370	7,393	-	-
	Net expected credit loses raised and released on off balance sheet exposures	542	(11)		
	12 month ECL	572	76	-	-
	Lifetime ECL not credit impaired	(30)	(87)	-	-
	Lifetime ECL credit impaired	-	-	-	-
	Recoveries on loans and advances previously written off	(3,187)	(3,051)	-	-
	Total credit impairment charge	1,632	(2,940)	-	-
32.7	**Staff costs**				
	Short term - salaries and allowances	41,050	40,504	1,116	1,311
	Staff cost: below-market loan adjustment	72	54	4	8
	Equity-linked transactions (note 32.10)	(504)	2,469	(64)	343
		40,618	43,027	1,056	1,662

Included in staff costs is N626 million (2018: N513 million) representing salaries and allowances paid to executive Directors for the year. See note 33.

		Group		Company	
		31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
		N million	N million	**N million**	N million
32	**Income statement information (continued)**				
32.8	**Other operating expenses**				
	Information technology	**7,956**	6,933	**-**	-
	Communication expenses	**1,622**	1,310	**-**	-
	Premises and maintenance	**3,035**	4,170	**-**	-
	Depreciation expense (see (i) below)	**6,547**	4,432	**84**	346
	Amortisation of intangible assets (see note 18)	**246**	45	**-**	-
	Deposit insurance premium	**4,247**	4,212	**-**	-
	AMCON expenses (see (ii) below)	**8,729**	7,836	**-**	-
	Other insurance premium	**1,782**	929	**-**	-
	Auditors renumeration	**411**	387	**59**	56
	Non-audit service fee (see (iii) below)	**57**	44	**27**	4
	Professional fees	**1,404**	1,181	**-**	-
	Administration and membership fees	**1,806**	2,820	**-**	-
	Training expenses	**1,370**	1,643	**-**	-
	Security expenses	**1,721**	1,676	**-**	-
	Travel and entertainment	**1,731**	1,897	**-**	-
	Stationery and printing	**870**	586	**-**	-
	Marketing and advertising	**2,842**	3,336	**-**	-
	Pension administration expense	**315**	377	**-**	-
	Penalties and fines	**262**	1,902	**-**	-
	Donations	**318**	233	**309**	175
	Operational losses/(Gain)	**273**	196	**-**	-
	Directors fees	**599**	429	**326**	243
	(Reversal)/Provision for legal costs, levies and fines (see (iv) below)	**(1,664)**	300	**-**	-
	Impairment /(Recovery) of other financial assets	**653**	(232)	**-**	-
	Motor vehicle maintenance expense	**1,730**	1,556	**-**	-
	Bank Charges	**2,220**	1,831	**-**	-
	Indirect tax (VAT)	**1,376**	950	**109**	117
	Others	**953**	1,595	**2,439**	860
		53,411	52,574	**3,353**	1,801

(i) Depreciation expenses
The group, having adopted the modified approach to IFRS 16 adoption elected not to restate its comparative annual financial statements.

(ii) AMCON expenses
AMCON charges (0.5% of total assest on and off balance sheet items) is a statutory levy by the Asset Management Corpoartion of Nigeria on all Commercial Banks operating in Nigeria.

32 Income statement information (continued)

(iii) Non-audit services

The details of services provided by the auditors (Messrs KPMG Professional Services) during the year, other than statutory audit of financial statements, are as follows:

	Group		Company	
	31 Dec. 2019 N million	31 Dec. 2018 N million	**31 Dec. 2019 N million**	31 Dec. 2018 N million
IFRS 9 assurance service	**18**	19	**18**	-
Professional fees on Scrip dividend issue	**2**	2	**2**	2
Professional fees on NDIC Certification	**4**	4		
Advisory services – survey financial services industry	**11**	1	**7**	1
Review of IFRS 16 Transition Adjustment	**3**	-	**-**	-
CBN corporate governance and whistle blowing guidelines	**15**	14	**-**	-
Banking Industry Remuneration Survey exercise	**-**	1	**-**	1
Audit services – audit procedures on BA 610 reporting for SBSA	**4**	4	**-**	-
	57	45	**27**	**4**

(iv) (Reversal)/Provision for legal costs, levies

This relates to release of unutilised prior year provision on taxes no longer required

32.9 Operating leases (before January 1 2019)

The group leases a number of branch and office premises under operating leases. The lease year varies, and typically run for a year of 3 to 10 years, with an option to renew the lease after that date. Lease payments are increased yearically (usually every three years) to reflect market rentals.

At year end, the future minimum lease payments under non-cancellable operating leases were payable as follows:

	Group		Company	
	31 Dec. 2019 N million	31 Dec. 2018 N million	**31 Dec. 2019 N million**	31 Dec. 2018 N million
Less than one year	**-**	62	**-**	-
Between one and five years	**-**	140	**-**	-
More than five years	**-**	-	**-**	-
	-	202	**-**	-

32.10 Share-based payment transactions

The group operates a number of share- based payment arrangements under which the entity receives services from employees as a consideraion for equity instrument of the group or cash settlement based on equity instrument of the group.

At 31 December 2019, the group had the following share-based arrangements.

(a) Share appreciation rights based on equity instrument of Stanbic IBTC Holdings PLC (Stanbic IBTC Equity Growth Scheme) - cash settled

(b) Share options and appreciation rights based on equity instrument of Standard Bank Group (Parent company share incentive schemes) - equity settled.

(c) Deferred bonus scheme.

The expenses and liabilities recognised in respect of the share based arrangements are as follows:

Expenses recognised in staff costs	**31 Dec. 2019 N million**	31 Dec. 2018 N million
Expenses recognised in staff costs		
Stanbic IBTC Equity Growth Scheme (credit)/charge	**(621)**	301
Parent company share incentive schemes**	**-**	47
Deferred bonus scheme (DBS)	**117**	2,121
	(504)	2,469

	31 Dec. 2019 N million	31 Dec. 2018 N million
Liabilities recognised in other liabilities		
Stanbic IBTC Equity Growth Scheme	**654**	1,539
Deferred bonus scheme	**962**	2,746
	1,616	4,285

**The parent company share incentive scheme is equity settled. As such, a corresponding increase in equity has been recognised. See Statement of changes in equity for further details.

(a) Stanbic IBTC Equity Growth Scheme

On 1 March 2010 and 1 March 2011, the Group granted share appreciation rights to key management personnel that entitles the employees to cash value determined based on the increase in share price of Stanbic IBTC Holdings PLC between grant date and exercise date.

32.10 Share-based payment transactions (continued)

(a) Stanbic IBTC Equity Growth Scheme (continued)

The object and purpose of the scheme is to promote an identity of interest between the group and its senior employees, to attract, retain and motivate skilled and competent personnel with high potential to influence the direction, growth and profitability of the group by enhancing leadership commitment and drive to grow the group market value and position in support of shareholder interests.

The provision in respect of liabilities under the scheme amounts to N748 million at 31 Dec 2019 (Dec 2018: N1,539 million).

The terms and conditions of the grants are as follows.

Vesting category	year	% Vesting	Expiry
Type A	3, 4, 5	50, 75, 100	10 years

	Units	
	31 Dec. 2019	31 Dec. 2018
Reconciliation		
Units outstanding at beginning of the year	**24,253,102**	25,327,713
Granted	**-**	-
Forfeited	**-**	-
Exercised	**(9,742,462)**	(1,074,611)
Lapsed	**-**	-
Units outstanding at end of the year	**14,510,640**	24,253,102

The fair value of share appreciation rights is determined using Black-Scholes formula. The inputs used in the measurement of their fair value were as follows:

	31 Dec. 2019	31 Dec. 2018
Weighted average fair value at grant date (Naira) - Rights granted 1 March 2010	15.30	15.30
Weighted average fair value at grant date (Naira) - Rights granted 1 March 2011	17.83	17.83
Expected life (years)	1.25	3.19
Expected volatility (%)	36.32	37.46
Risk-free interest rate (%)	10.17	13.88
Dividend yield (%)	6.10	1.57

(b) Parent company share incentive schemes

Share options and appreciation rights

A number of employees of the group participate in the Standard Bank Group's share schemes. Standard Bank Group (SBG) has two equity-settled schemes, namely the Group Share Incentive Scheme and the Equity Growth Scheme. The Group Share Incentive Scheme confers rights to employees to acquire ordinary shares at the value of the SBG share price at the date the option is granted. The Equity Growth Scheme was implemented in 2005 and represents appreciation rights allocated to employees. The eventual value of the right is effectively settled by the issue of shares equivalent in value to the value of the rights.

The two schemes have five different sub-types of vesting categories as illustrated by the table below:

	year	% vesting	Expiry
Type A	**3, 4, 5**	**50, 75, 100**	10 years
Type B	**5, 6, 7**	**50, 75, 100**	10 years
Type C	**2, 3, 4**	**50, 75, 100**	10 years
Type D	**2, 3, 4**	**33, 67, 100**	10 years
Type E	**3, 4, 5**	**33, 67, 100**	10 years

A reconciliation of the movement of share options and appreciation rights is detailed as follows:

32.10 Share-based payment transactions (continued)

(b)(i) Group Share Incentive Scheme - Share options

	------Option price range------		-------Number of options------	
	(ZAR)	**(Naira)**		
	31 Dec. 2019		**31 Dec. 2019**	31 Dec. 2018
Options outstanding at beginning of the year			**53,125**	44,850
Transfers	-	-	**(6,250)**	15,625
Exercised	-	-	**-**	(7,350)
Lapsed	-	-	**-**	-
Options outstanding at end of the year	**-**	-	**46,875**	53,125

The weighted average SBG share price for the year to 31 December 2019 year end was ZAR184.52 (N4,805) (December 2018: ZAR193.31 N4,895).

The following options granted to employees had not been exercised at 31 December 2019:

Number of ordinary shares	**(ZAR)**	**(Naira)**	---Weighted average price--- **(ZAR)**	**(Naira)**	**Option expiry year**
15,625	104.53	2,672	104.53	2,721.96	year to 31 December 2020
37,500	98-103.03	2,552 - 2,683	101.62	2,646.18	year to 31 December 2021
53,125					

The following options granted to employees had not been exercised at 31 December 2018:

Number of ordinary shares	------Option price range------ **(ZAR)**	**(Naira)**	---Weighted average price--- **(ZAR)**	**(Naira)**	**Option expiry year**
15,625	104.53	2,672	104.53	2,646.70	year to 31 December 2020
37,500	98-103.03	2,581 - 2,714	102.18	2,587.20	year to 31 December 2021
53,125					

(b)(ii) *Equity Growth Scheme - Appreciation rights*

	Appreciation right price range		---------Number of rights-------	
	(ZAR)	**(Naira)**		
	31 Dec. 2019		**31 Dec. 2019**	31 Dec. 2018
Rights outstanding at beginning of the year			**36,026**	36,026
Transfers	-	-	**-**	-
Exercised	-	-	**-**	-
Lapsed	-	-	**-**	-
Rights outstanding at end of the year	**-**	-	**36,026**	36,026

The following options granted to employees had not been exercised at 31 December 2019:

Number of ordinary shares	**(ZAR)**	**(Naira)**	---Weighted average price--- **(ZAR)**	**(Naira)**	**Option expiry year**
15,005	156.96	4,087	156.96	4,087	Year to 31 December 2025
21,021	122	3,183	122.24	3,183	Year to 31 December 2026
36,026					

The following options granted to employees had not been exercised at 31 December 2018:

Number of ordinary shares	------Option price range------ **(ZAR)**	**(Naira)**	---Weighted average price--- **(ZAR)**	**(Naira)**	**Option expiry year**
15,005	156.96	2,355,185	156.96	3,974	Year to 31 December 2025
21,021	122	2,569,607	122.24	3,095	Year to 31 December 2026
36,026					

32.10 Share-based payment transactions (continued)

(b)(ii) ***Equity Growth Scheme - Appreciation rights*** *(continued)*

The following rights granted to employees had not been exercised at 31 December 2019:

Number of rights	-----------Price range-----------		---Weighted average price---		
	(ZAR)	(Naira)	(ZAR)	(Naira)	----------Expiry year----------
15,005	156.96	4,087	156.96	4,087	year to 31 December 2025
21,021	122.24	3,183	122.24	3,183	year to 31 December 2026
36,026					

The following rights granted to employees had not been exercised at 31 December 2018:

Number of rights	-----------Price range-----------		---Weighted average price---		
	(ZAR)	(Naira)	(ZAR)	(Naira)	----------Expiry year----------
15,005	156.96	3,974	156.96	3,974	year to 31 December 2025
21,021	122.24	3,095	122.24	3,095	year to 31 December 2026
36,026					

(c) Deferred bonus scheme (DBS)

It is essential for the group to retain key skills over the longer term. This is done particularly through share-based incentive plans. The purpose of these plans is to align the interests of the group, its subsidiaries and employees, as well as to attract and retain skilled, competent people.

The group has implemented a scheme to defer a portion of incentive bonuses over a minimum threshold for key management and executives. This improves the alignment of shareholder and management interests by creating a closer linkage between risk and reward, and also facilitates retention of key employees.

All employees, who are awarded short-term incentives over a certain threshold, are subject to a mandatory deferral of a percentage of their cash incentive into the DBS. Vesting of the deferred bonus occurs after three years, conditional on continued employment at that time. The final payment of the deferred bonus is calculated with reference to the Standard Bank Group share price at payment date. To enhance the retention component of the scheme, additional increments on the deferred bonus become payable at vesting and one year thereafter. Variables on thresholds and additional increments in the DBS are subject to annual review by the remuneration committee, and may differ from one performance year to the next.

32.10 Share-based payment transactions (continued)

Deferred bonus scheme 2012 (DBS 2012)

In 2012, changes were made to the DBS to provide for a single global incentive deferral scheme across the Standard Bank Group (SBG). The purpose of the Deferred Bonus Scheme 2012 is to encourage a longer-term outlook in business decision-making and closer alignment of performance with long-term value creation.

All employees granted an annual performance award over a threshold have part of their award deferred. The award is indexed to the SBG's share price and accrues notional dividends during the vesting year, which are payable on vesting. The awards vest in three equal amounts at 18 months, 30 months and 42 months from the date of award. The final payout is determined with reference to the SBG's share price on vesting date.

	Units	
	31 Dec. 2019	31 Dec. 2018
Reconciliation		
Units outstanding at beginning of the year	**125,979**	233,681
Granted	**16,008**	25,431
Exercised	**(76,873)**	(157,680)
Transfers	**(35,131)**	34,351
Forfeited	**(2,003)**	(9,804)
Units outstanding at end of the year	**27,980**	125,979
Weighted average fair value at grant date (ZAR)	**182.43**	**220.97**
Expected life (years)	**2.51**	**2.51**

(d) Cash settled deferred bonus scheme (CSDBS)

Employees granted an annual performance award over a threshold have part of their award deferred. In addition the group makes special awards of CSDBS to qualifying employees.

The award units are demoninated in employee's host countries' local currency, the value of which moves parrallel to the changes in the proce of the SBG shares listed on the JSE and accrue notional dividends over the vesting year which are payable on vesting.

Awards vest in three equal tranches at 18 months, 30 months and 42 months from the date of award. Final payout is determined with referenace to SBG share price on vesting date.

Currency	**Naira Units**		**Pound Sterling Units**		**Rand Units**		**Ugandan Shilling Units**	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
Reconciliation								
Units outstanding at beginning of the year	**6,462,219**	4,067,869	**179**	97	**28,694**	7,573	**-**	**-**
Granted	**4,759,194**	3,874,557		114	**-**	23,645	**54,816**	**-**
Forfeited	**(307,890)**	(208,305)	**-**	**-**	**-**	**-**	**-**	**-**
Transferred to group companies	**(1,614,540)**	78,905	**-**	**-**	**-**	-	**-**	**-**
Exercised	**-**	(1,350,807)	**-**	(32)	**-**	(2,524)	**-**	**-**
Units outstanding at end of the year	**9,298,983**	6,462,219	**179**	179	**28,694**	28,694	**54,816**	-
Weighted average fair value at grant date (ZAR)	182.43	220.97						
Expected life at grant date (years)	2.51	2.51						

(e) Performance reward plan (PRP)

A new performance driven share plan commenced in March 2014 which rewards value delivered against specific targets. The PRP incentivises a group of senior executives to meet the strategic long-term objectives that deliver value to shareholders, to align the interests of those executives with those of shareholders and to act as an attraction and retention mechanism in a highly competitive marketplace for skills. The PRP operates alongside the existing conditional, equity-settled long-term plans, namely the EGS, GSIS and DBS.

32.10 Share-based payment transactions (continued)

Performance reward plan (PRP)-continued

The PRP is settled in shares to the employee on the applicable vesting dates together with notional dividends that are settled in cash. The shares that vest (if any) and that are delivered to the employee are conditional on the pre-specified performance metrics.

	Units 31 Dec. 2019	31 Dec. 2018
Reconciliation		
Units outstanding at beginning of the year	**196,100**	165,300
Granted	**35,594**	75,726
Cancelled	**-**	-
Transferred to group companies	**-**	-
Exercised	**(27,094)**	(44,926)
Units outstanding at end of the year	**204,600**	196,100
Weighted average fair value at grant date (ZAR)	**182.43**	**220.97**
Expected life at grant date (years)	**3.00**	**3.00**

(f) Share appreciation Rights scheme

	Units 31 Dec. 2019	31 Dec. 2018
Reconciliation		
Rights outstanding at beginning of the year	**17,519**	-
Net Transfers	**(17,519)**	-
Granted	**-**	17,519
Exercised	**-**	-
Lapsed	**-**	-
Rights outstanding at end of the year	**-**	17,519

Number of ordinary shares	--Option price range-- (ZAR)	(Naira)	--Weighted average price-- (ZAR)	(Naira)	Option expiry year
5,839	**220.97**	**5,754.06**	**220.97**	**5,754.06**	**Year to 31 March 2022**
5,839	**220.97**	**5,754.06**	**220.97**	**5,754.06**	**Year to 31 March 2023**
5,841	**220.97**	**5,754.06**	**220.97**	**5,754.06**	**Year to 31 March 2024**
17,519					

The following rights granted to employees had not been exercised at 31 December 2018:

Number of ordinary shares	--Option price range-- (ZAR)	(Naira)	---Weighted average price--- (ZAR)	(Naira)	Option expiry year
5,839	220.97	5,648	104.53	5,648	Year to 31 March 2022
5,839	220.97	5,648	104.53	5,648	Year to 31 March 2023
5,841	220.97	5,648	101.62	5,648	Year to 31 March 2024
17,519					

(g) Quanto stock scheme

Since 2007 Standard Bank PLC has operated a deferred incentive arrangement in the form of the Quanto stock unit plan. Qualifying employees, with an incentive award above a set threshold are awarded Quanto stock units denominated in USD for nil consideration, the value of which moves in parallel to the change in price of the SBG shares listed on the JSE. The cost of the award is accrued over the vesting year (generally three years), normally commencing the year in which these are awarded and communicated to employees.

Special terms apply to employees designated by the Prudential Regulatory Authority (PRA) as Code Staff. For these employees the deferred portion of the incentive is delivered in Quanto stock units with three year vesting and an additional six months holding year after vesting. Thereafter half of the remaining incentive (non-deferred portion) is paid immediately in cash and the other half is delivered in Quanto stock units with a six month vesting year.

The change in liability due to the change in the SBG share price, is hedged through the use of equity options designated as cash flow hedges.

	Units 31 Dec. 2019	31 Dec. 2018
Reconciliation		
Units outstanding at beginning of the year	**-**	**53,000**
Exercised	**-**	**(53,000)**
Transfers	**-**	-
Units outstanding at end of the year	**-**	-

Quanto stock units granted not yet exercised at year end:

	Number of units 31 Dec. 2019	Number of units 31 Dec. 2018
Unit expiry year		
year to 31 December 2016	**-**	-
year to 31 December 2017	**-**	**-**
year to 31 December 2018	**-**	-
Units outstanding at end of the year	**-**	-

		Group		Company	
		31 Dec. 2019 N million	31 Dec. 2018 N million	**31 Dec. 2019 N million**	31 Dec. 2018 N million
33	**Emoluments of Directors**				
	Executive Directors				
	Emoluments of Directors in respect of services rendered1:				
	While Directors of Stanbic IBTC Holdings PLC				
	as Directors of the company and/ or subsidiary companies	**626**	513	230	125
	otherwise in connection with the affairs of Stanbic IBTC Holdings PLC or its subsidiaries				
	Non-executive Directors				
	Emoluments of Directors in respect of services rendered:				
	While Directors of Stanbic IBTC Holdings PLC				
	as Directors of the company and/ or subsidiary companies	**599**	429	326	243
	otherwise in connection with the affairs of Stanbic IBTC Holdings PLC or its subsidiaries				
	Pensions of Directors and past Directors	**35**	32	16	9
		1,260	974	572	377

1 In order to align emoluments with the performance to which they relate, emoluments reflect the amounts accrued in respect of each year and not the amounts paid.

	31 Dec. 2019 N million	31 Dec. 2018 N million
Emoluments disclosed above include amounts paid to:		
(i) the chairman	**44**	**38**
(ii) the highest paid director	**155**	**125**

		Group		Company	
		31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
		N million	N million	**N million**	N million
34	**Taxation**				
	Income tax (note 34.1)	**15,890**	13,712	**(254)**	501
		15,890	13,712	**(254)**	501

In accordance with Nigerian tax regime, dividends received by the company from its subsidiaries are exempted from tax. Hence, the company has no taxable profit as a result of tax exempt dividends. The company has also not been subject to minimum tax, (in line with the provisions of the Nigerian tax laws - Section 33 of Companies Income Tax Act CAP C21 LFN 2007 (as amended)) as it has more than 25% of imported capital. However, the entity is subjected to tax on management fees earn from subsidiaries for it managerial oversight and strategic functions.

		Group 31 Dec. 2019 N million	Group 31 Dec. 2018 N million	Company 31 Dec. 2019 N million	Company 31 Dec. 2018 N million
34.1	**Income tax**				
	Current year	**15,890**	13,712	**(254)**	501
	Current tax (see note 25.1)	**17,679**	14,008	**(254)**	501
	Corporate tax	**16,761**	12,051	**-**	322
	Withholding Tax on Dividend Income	**30**	116	**-**	-
	Education Tax	**685**	694	**-**	18
	Contingency	**145**	-	**42**	-
	IT Levy	**958**	1,063	**-**	-
	Police Trust Fund	**4**	-	**-**	-
	Prior Year	**(904)**	84	**(296)**	161
	Deferred tax (see note 16.3)	**(1,789)**	(296)	**-**	-
	Taxation per statement of profit or loss	**15,890**	13,712	**(254)**	501
	Income tax recognised in other comprehensive income	**36**	27	**-**	-
	Deferred tax	**36**	27	**-**	-
	Current tax	**-**	-	**-**	-
	Taxation per total comprehensive income	**15,926**	13,739	**(254)**	501

34.2 Rate reconciliation

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
	%	%	**%**	%
Rate reconciliation				
The total tax charge for the year as a percentage of profit before taxation	**18**	14	**-**	3
Information technology levy	**1**	1	**-**	-
Education tax	**1**	1	**-**	-
The corporate tax charge for the year as a percentage of profit before tax	**20**	16	**-**	3
Tax relating to prior years	**-**	-	**-**	-
Net tax charge	**20**	16	**-**	3
The charge for the year has been reduced/(increased) as a consequence of:		-		-
Non-taxable dividends	**-**	-	**32**	32
Non-taxable interest	**16**	18	**-**	-
WHT on Dividend not distributed & other taxes not at 30%	**-**		**-**	-
Other Non-deductible expense	**-**	(1)	**-**	
Other non-taxable income	**12**	9	**1**	-
IT levy paid		-		
Temporary difference not accounted for in deferred tax asset	**(15)**	(9)	**(2)**	-
Other permanent differences	**(3)**	(1)		-
Standard rate of tax	**30**	32	**31**	35

Temporary differences not accounted for in deferred tax asset relates to temporary differences relating to mainly tax losses carried forward for which no deferred tax asset is recognized although the tax losses will continue to be available to offset future tax liability. The tax law permits the Company to continue to carry forward the tax losses indefinitely.

34 Taxation (continued)

34.3 Income tax recognised in other comprehensive income

The table below sets out the amount of income tax relating to each component within other comprehensive income:

Group	Before tax N million	Tax (expense)/ benefit N million	Net of tax N million
31 December 2019			
Net change in fair value of debt financial assets at FVOCI	**739**		**739**
Net change in fair value of equity financial assets at FVOCI	**2,152**	**36**	**2,188**
Realised fair value adjustments on FVOCI financial assets transferred to profit or loss	**(1,245)**	**-**	**(1,245)**
	1,646	**36**	**1,682**
31 December 2018			
Net change in fair value of FVOCI financial assets	(2,203)		(2,203)
Realised fair value adjustments on FVOCI			
Net change in fair value of equity financial assets at FVOCI	356	27	383
financial assets transferred to profit or loss	(783)	-	(783)
	(2,630)	27	(2,603)

35 Earnings per ordinary share

	Group		Company	
	31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
The calculations of basic earnings per ordinary share has been based on the following profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding:				
Earnings attributable to ordinary shareholders (N million)	**72,662**	72,087	**33,727**	15,499
Weighted average number of ordinary shares in issue	**10,505**	10,241	**10,505**	10,241
Basic earnings per ordinary share (kobo)	**692**	704	**321**	151

Diluted earnings per ordinary share

The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	Group 31 Dec. 2019	Group 31 Dec. 2018	Company 31 Dec. 2019	Company 31 Dec. 2018
Earnings attributable to ordinary shareholders (N million)	**72,662**	72,087	**33,727**	15,499
Weighted average number of ordinary shares in issue	**10,505**	10,241	**10,505**	10,241
Weighted-average number of ordinary shares (diluted) at 31 Dec 2019	**10,505**	10,241	**10,505**	10,241
Diluted earnings per ordinary share	**692**	704	**321**	151

		Group		Company	
		31 Dec. 2019 N million	31 Dec. 2018 N million	31 Dec. 2019 N million	31 Dec. 2018 N million
36	**Statement of cash flows notes**				
36.1	**(Increase)/decrease in assets**				
	Trading assets	**(164,558)**	67,128	**-**	-
	Pledged assets	**(89,429)**	(99,303)	**-**	-
	Loans and advances	**(100,440)**	(67,244)	**-**	-
	Other assets	**(90,902)**	(28,345)	**1,168**	(1,943)
	Restricted balance with the Central Bank	**(29,816)**	(57,233)	**-**	-
		(475,145)	(184,997)	**1,168**	-1,943
36.2	**Increase/(decrease) in deposits and other liabilities**				
	Deposit and current accounts	**(80,044)**	153,597	**-**	-
	Trading liabilities	**124,519**	63,235	**-**	-
	Other liabilities and provisions	**32,224**	(26,884)	**(959)**	716
		76,699	189,948	**(959)**	716
36.3	**Cash and cash equivalents - Statement of cash flows**				
	Cash and cash equivalents (note 7)	**456,396**	455,773	**36,240**	15,533
	Less: restricted balance with the Central Bank of Nigeria	**(258,388)**	(228,572)	**-**	-
	Cash and cash equivalents at end of the year	**198,008**	227,201	**36,240**	15,533
36.4	**Effect of exchange rate changes on cash and cash equivalents**				
	Currency				
	USD	**788**	3,339	**-**	-
	EUR	**251**	(69)	**-**	-
	GBP	**846**	(81)	**-**	-
	Other currency	**34**	9	**-**	-
	Effect of exhange rate	**1,919**	3,198	**-**	-
36.5	**Net derivative assets**				
	Movement in derivative assets	**(2,585)**	(19,234)	**-**	-
	Movement in derivative liabilities	**191**	1,560	**-**	-
	Unobservable valuation difference	**7,801**	8,827	**-**	-
		5,407	(8,847)	**-**	-

37 Related party transactions

37.1 Parent and ultimate controlling party

The company is 65.70% owned by Stanbic Africa Holdings Limited, which is incorporated in the United Kingdom. The ultimate parent and controlling party of the group/ company is Standard Bank Group Limited, incorporated in South Africa. Stanbic IBTC Holdings PLC has 9 direct subsidiaries and 2 indirect subsidiaries as listed under note 37.2 below.

Stanbic IBTC Holdings PLC (Holdco) is related to other companies that are fellow subsidiaries of Standard Bank Group Limited. These include Standard Bank Isle of Man Limited, Standard Bank of South Africa (SBSA), Stanbic Bank Ghana Limited, CfC Stanbic Bank Kenya Limited, Stanbic Bank Botswana, Stanbic Bank Uganda Limited, and Standard Bank (Mauritius) Limited. ICBC Standard Bank PLC, which is an associate of Standard Bank Group Limited, is also a related party.

37.2 Subsidiaries

Details of effective interest in subsidiaries are disclosed below, and also in Note 13.

Direct subsidiaries	% holding
Stanbic IBTC Bank PLC	100%
Stanbic IBTC Ventures Limited ("SIVL")	100%
Stanbic IBTC Capital Limited	100%
Stanbic IBTC Asset Management Limited ("SIAML")	100%
Stanbic IBTC Pension Managers Limited ("SIPML")	88.24%
Stanbic IBTC Investments Limited ("SIIL")	100%
Stanbic IBTC Stockbrokers Limited ("SISL")	100%
Stanbic IBTC Trustees Limited ("SITL")	100%
Stanbic IBTC Insurance Brokers Limited ("SITL")*	75%

*Stanbic IBTC holdings owns additional 25% indirect shares in Stanbic IBTC Insurance Brokers Limited ("SITL")

Indirect subsidiaries

Stanbic IBTC Bureau De Change Limited
Stanbic IBTC Nominees Limited

37.3 Balances with Standard Bank of South Africa (SBSA) and other related parties

In the normal course of business, current accounts are operated and placements of foreign currencies and trades between currencies are made with SBSA and other entities within the Standard Bank Group.

The relevant balances are shown below:

		Group		Company	
		31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
	Note	**N million**	N million	**N million**	N million
Amounts due from related parties					
Loans to banks	12	**84**	8,546	**-**	-
Current account balances	7	**13,555**	10,586	**13,555**	22,577
Derivatives	10.6	**460**	169	**-**	-
Other assets	15	**208**	543	**1,501**	2,464
		14,307	19,844	**15,056**	25,041

(a) **Loans to banks**: These represent foreign currency placements with Standard Bank Group entities. Placements are usually denominated in US dollars and Rands. USD interest rate ranges between 2.99% - 3.91%, while Rand rate ranges between 6.82% - 7.07%. Tenor is usually short ranging between 1-6 months. The contract terms are based on normal market terms. Details per counterparty are as follows:

Standard Bank of South Africa (see note i below)	**-**	7,088	**-**	-
ICBC Standard Bank PLC	**84**	1,458	**-**	-
	84	8,546	**-**	-

(i) Included in the balance with SBSA in Dec 2018 is N7,088 million representing amount received from SBSA under the Sale, Purchase Agreement for Finacle banking software settled during the year 2019. The funds are placed in an escrow account and not available for use by the group on a day to day basis. Interest rate applicable on the balance as at year end was 6.82%.

37 Related party transactions (continued)

(b) **Current account balances (Group):** These represent trade related balances held with SBSA and are particularly used for letters of credit and other foreign trade transactions. The balances are repayable on demand and usually non interest bearing.

Current account balances (Company): This relate to demand deposit held with Stanbic IBTC Bank PLC. The deposit is non interest bearing and the terms are based on normal market terms.

(c) **Derivatives:** These represent fair value of currency swap and foreign exchange forward transactions with related parties. The transaction includes EUR/ USD swap, USD/ ZAR swap, and USD/ NGN swap with a combined notional principal of N61.1bn (Dec 2018: N107.4bn). The contracts maturity ranges from one month to 1 year.

(d) **Other assets (Group)**: These represent reimbursable expenses recoverable from related parties. No specific impairments have been recognised in respect of the amount.

Other assets (Company): These represent receivable from subsidiary entities in respect of reimbursable expenses and management service agreement. There exist technical and management service agreements between the company and some of its subsidiaries. Under the agreement, the company provides technical expertise and management skills to the subsidiaries in functional areas including marketing and branding, internal audit, human resources, compliance, financial control, and information technology. In return, subsidiaries pay fee based on percentage of their commission income to the company. The percentage ranges from 2% to 10% of profit before tax or commission income.

		Group		Company	
		31 Dec. 2019	31 Dec. 2018	**31 Dec. 2019**	31 Dec. 2018
	Note	**N million**	N million	**N million**	N million
Amounts due to related parties					
Deposits and current accounts	22	**20,630**	36,207	**-**	-
Derivatives	10.6	**195**	87	**-**	-
Subordinated debt	24	**14,588**	14,643	**-**	-
Other borrowings	23	**54,164**	43,825	**-**	-
Other liabilities	27	**4,992**	5,892	**14**	32
		94,569	100,654	**14**	32

(e) **Deposits and current accounts:** These represent demand deposits with related parties. Balances are denominated in NGN with no interest rates and are repayable on demand.

Standard Bank of South Africa	**20,627**	36,204	**-**	-
Standard Bank De Angola SA	**3**	3	**-**	-
	20,630	36,207	**-**	-

(f) **Derivatives:** These represent fair value of currency swap and forward transactions with entities within the Standard Bank Group. Details per counterparty are as follows:

Standard Bank of South Africa	**23**	46	**-**	-
ICBC London PLC	**172**	41	**-**	-
	195	87	**-**	-

The contract terms include currency swaps and forward exchange of EUR/ USD, GBB/USD, and USD/ NGN. The contracts have a total notional principal of N61.1bn (Dec 2018: N27.5bn). Maturity dates of the contracts ranges from one month to six months.

37.3 Balances with Standard Bank of South Africa (SBSA) and other related parties

(g) **Subordinated debt:** See note 24 for details of the transaction.

(h) **Other borrowings**: See note 23 for details of the transaction.

(i) **Other liabilities (Group)**: These relate to short term trade related payable to SBSA and dividend payable to South African Holdings Limited (SAHL).

Profit or loss impact of transactions with Standard Bank of South Africa and other related parties

		Group		Company	
	Note	**31 Dec. 2019 N million**	31 Dec. 2018 N million	**31 Dec. 2019 N million**	31 Dec. 2018 N million
Interest income earned	32.1	**598**	582	**-**	-
Interest expense	32.2	**(2,987)**	(1,284)	**-**	-
Trading revenue/ (loss)	32.4	**538**	(83)	**-**	-
Fee and commission income	32.3	**-**	-	**1,423**	1,198
Dividend income	32.5	**-**	-	**-**	16,941

(j) **Interest income earned**: This represents interest earned on placement with group entities. The nature of transaction is presented in note 37.3(a)

(k) **Interest expense**: This represents interest expense booked in respect of deposits, subordinated debt, and other borrowing transactions with group entities. The nature of transaction is presented in note 37.3(e), (g), & (h).

(l) **Trading revenue / (loss)**: This represents fair value gain/ (loss) on trading and derivative transactions with group entities. The nature of transaction is presented in note 37.3(c), and (f).

(m) **Fee and commission income**: This represents fee income earned by the Company from technical and management service provided to subsidiaries. Details on the nature and terms of the agreement are provided in note 37.3 (d).

(n) **Dividend income**: represents dividend received from subsidiaries.

37.4 Balances with key management personnel

Key management personnel includes: members of the Stanbic IBTC Holdings PLC board of Directors and Stanbic IBTC Holdings PLC executive committee. The definition of key management includes close members of key management personnel and any entity over which key management exercise control, joint control or significant influence. Close family members are those family members who may influence, or be influenced by that person in their dealings with Stanbic IBTC Holdings PLC. They include the person's domestic partner and children, the children of the person's domestic partner, and dependents of the person or the person's domestic partner.

37.4 Transactions with key management personnel (continued)

(i) Key management compensation

	Group	
	31 Dec. 2019 N million	31 Dec. 2018 N million
Salaries and other short-term benefits	**1,364**	566
Post-employment benefits	**53**	25
Value of share options and rights expensed	**94**	52
	1,511	643

(ii) Loans and deposit transactions with key management personnel

	31 Dec. 2019 N million	31 Dec. 2018 N million
Loans and advances		
Loans outstanding at the beginning of the year	**191**	191
Net movement during the year	**(96)**	(67)
Loans outstanding at the end of the year	**95**	124
Net interest earned	**2**	8

Loans include mortgage loans, instalment sale and finance leases and credit cards. Loans granted to employees and executive Directors are granted at concessionary rates 14%-16% below the prime lending rate. No specific impairments have been recognised in respect of loans granted to key management at the reporting date (2018: nil). The mortgage loans and instalment sale and finance leases are secured by the underlying assets. All other loans are unsecured.

Deposit and current accounts		
Deposits outstanding at beginning of the year	**236**	277
Net movement during the year	**121**	(32)
Deposits outstanding at end of the year	**357**	245
Net interest expense	**1**	2

Deposits include cheque, current and savings accounts.

(iii) Investments

Details of key management personnel's investment transactions and balances with Stanbic IBTC Holdings PLC are set out below.

Investment products		
Balance at the beginning of the year	**351**	351
Net movement during the year	**125**	46
Balance at the end of the year	**476**	397

37.4 Transactions with key management personnel (continued)

(iv) Shares and share options held	31 Dec. 2019 Number	31 Dec. 2018 Number
Aggregate number of share options issued to Stanbic IBTC key management personnel:		
Share options held (Stanbic IBTC Holdings PLC scheme)	**14,510,640**	2,569,101
Share options held (ultimate parent company schemes)	**315,481**	411,230

(vi) Other transactions with key management personnel

Loans to entities affiliated to Directors and ex-Directors / loans to employees

The group has some exposures in terms of loans and advances to employees and to customers that are affiliated to its present and past Directors. Loans granted to customers that are affiliated to Directors are granted at commercial rates while those granted to executive Directors and employees are granted at a below-the market rates. There were no non-performing director related exposures as at balance sheet date (2018: Nil). Details of the exposures is presented in note 38.

37.5 Other related party transactions

Shared service arrangement with subsidiaries

Stanbic IBTC Holdings PLC provides some business support functions to some of its subsidiaries. The business support functions include internal audit, marketing and branding, internal control, legal and secretarial services, and compliance. The costs incurred by Stanbic IBTC Holdings PLC in respect of the functions are shared between Stanbic IBTC Holdings PLC and subsidiaries in agreed ratio that reflect the rate of consumption by each entity. The costs shared are actual cost incurred with no mark-up included.

Foreign currency revolving facility from Standard Bank of South Africa

Stanbic IBTC Bank PLC has a standby funding agreement with Standard Bank of South Africa (Isle of Man Branch) where Standard Bank of South Africa commits to provide up to US$50 million to Stanbic IBTC Bank PLC. The agreement is effective from 18 July 2017 and renewable annually. See page 10 under "Liquidity Contingency" for further details.

Stanbic IBTC Bank PLC did not draw any fund under the agreement during the year (2018: nil).

Staff health insurance scheme

The group's employees are covered under a comprehensive health insurance scheme provided by Total Health Trust Limited, a subsidiary of Liberty Holdings Limited. Liberty Holdings Limited is a subsidiary of Standard Bank Group Limited. Expenses incurred by the group in respect of the scheme for the year amounted to N360 million (Dec 2018: N574 million).

38 Directors and staff related exposures

The group has some exposures in terms of loans and advances to employees and to customers that are affiliated to its present and past Directors. Loans granted to customers that are affiliated to Directors are granted at commercial rates while those granted to executive Directors and employees are granted at below-the market rates. There were no non-performing director related exposures as at balance sheet date (2018: Nil). In cases where outstanding balance exceeds approved credit limit, no principal payment was due on the facility and the excess therefore relates to accrued interest.

Schedule of Directors and staff related credits

Name of Company/Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N'	Outstanding plus Accrued Interest N'	Status	Interest Rate %	Security nature
Unilever Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Overdraft	NGN	26-Jun-19	25-Jun-20	1,000,000,000	-	Performing	18	UNSECURED
Seplat Petroleum Development C	CHAIRMAN (HOLDCO)	BASIL OMIYI	Term Loan	USD	20-Dec-19	29-Dec-23	7,294,000,000	7,313,226,984.00	Performing	8	ALL ASSET DEBENTURE AND BORROWER PERSONAL GUARANTEE (CASH COLLATERAL ON THE LC/ADVANCE)
Seplat Petroleum Development Company Plc	CHAIRMAN (HOLDCO)	BASIL OMIYI	Term Loan	USD	27-Dec-19	29-Dec-23	7,294,000,000	7,302,011,244.55	Performing	8	ALL ASSET DEBENTURE AND BORROWER PERSONAL GUARANTEE (CASH COLLATERAL ON THE LC/ADVANCE)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-13	12-Nov-20	1,066,070,000	179,382,098.24	Performing	7	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	22-Jun-17	30-Jun-22	2,000,000,000	1,250,498,302.46	Performing	15	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	17-Jul-17	30-Jun-22	1,700,000,000	1,062,923,557.10	Performing	15	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	26-Jul-17	30-Jun-22	10,000,000	6,231,770.16	Performing	15	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	23-Nov-17	30-Jun-22	1,290,000,000	806,571,405.09	Performing	15	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Mar-18	28-Feb-25	2,000,000,000	1,879,611,457.05	Performing	16	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	USD	26-Jun-18	20-Jan-20	535,379,600	45,124,108.53	Performing	8	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	USD	12-Sep-18	22-Jan-20	69,685,042	14,865,339.76	Performing	7	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	20-Sep-18	20-Jan-20	39,686,050	40,750,129.81	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	22-Oct-18	20-Jan-20	41,172,960	43,632,058.45	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	6-Nov-18	11-Jan-20	97,444,340	31,928,612.44	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	14-Nov-18	20-Jan-20	244,449,109	80,879,064.24	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	29-Nov-18	20-Jan-20	281,720,255	214,201,644.59	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	7-Dec-18	20-Jan-20	121,131,516	37,929,660.71	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	13-Dec-18	12-Jan-20	49,272,747	41,208,081.36	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	USD	23-Jan-19	20-Jan-20	95,226,416	81,815,382.96	Performing	8	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	23-Jan-19	20-Jan-20	41,775,134	2,915,006.49	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	USD	24-Jan-19	20-Jan-20	95,226,416	102,257,707.83	Performing	8	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	USD	25-Jan-19	20-Jan-20	98,888,970	106,167,707.59	Performing	8	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	USD	25-Jan-19	20-Jan-20	95,226,416	102,235,570.54	Performing	8	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	USD	25-Jan-19	20-Jan-20	95,226,416	102,235,570.54	Performing	8	NEGATIVE PLEDGE (Letter of Comfort from SIAT)

38 Directors and staff related

Schedule of Directors and staff related credits (continued)

Name of Company/Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N'	Outstanding plus Accrued Interest N'	Status	Interest Rate %	Security nature
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	USD	28-Jan-19	22-Jan-20	115,551,548	88,896,365	Performing	8	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	USD	1-Feb-19	20-Jan-20	95,226,416	102,061,313	Performing	8	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	22-Feb-19	20-Jan-20	103,734,962	108,182,776	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	22-Feb-19	20-Jan-20	47,987,202	30,606,571	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	13-Mar-19	20-Jan-20	35,646,851	7,349,223	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	5-Apr-19	20-Jan-20	180,735,295	35,416,845	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	10-Apr-19	20-Jan-20	20,551,531	11,309,284	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	10-Apr-19	20-Jan-20	24,414,536	25,304,162	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	25-Apr-19	12-Jan-20	63,440,114	65,621,410	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	6-May-19	20-Jan-20	32,541,369	22,587,209	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	6-May-19	11-Jan-20	23,694,287	10,195,487	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	USD	6-May-19	1-Jan-20	4,699,889	4,928,640	Performing	7	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	16-May-19	11-Jan-20	7,520,120	7,757,057	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Overdraft	NGN	5-Nov-19	3-Nov-20	1,500,000,000	336,044,871	Performing	15	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	8-Nov-19	6-Feb-20	95,116,943	95,820,549	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	15-Nov-19	13-Feb-20	46,218,452	46,516,022	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Presco Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	EUR	26-Nov-19	24-Feb-20	57,299,970	57,582,546	Performing	5	NEGATIVE PLEDGE (Letter of Comfort from SIAT)
Nigerian Breweries Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Overdraft	NGN	16-Dec-19	15-Jan-20	4,000,000,000	0	Performing	14	NEGATIVE PLEDGE
Nigerian Breweries Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	15-Oct-19	13-Jan-20	8,000,000,000	8,196,602,740	Performing	12	NEGATIVE PLEDGE
Nigerian Breweries Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	15-Oct-19	13-Jan-20	5,000,000,000	5,122,876,712	Performing	12	NEGATIVE PLEDGE
Nigerian Breweries Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	12-Nov-19	10-Feb-20	2,000,000,000	2,036,468,219	Performing	13	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	EX CHIEF EXECUTIVE (HOLDCO)	OLUSOLA DAVID-BORHA	Overdraft	NGN	29-Nov-19	28-Feb-20	750,000,000	0	Performing	20	UNSECURED
MTN Nigeria Communications Ltd	EX-NON EXECUTIVE DIRECTOR	AHMED I DASUKI	Term Loan	NGN	21-Jan-19	15-Aug-25	10,200,000,000	9,457,690,177	Performing	15	SHARES
MTN Nigeria Communications Ltd	EX-NON EXECUTIVE DIRECTOR	AHMED I DASUKI	Term Loan	NGN	2-May-19	15-Aug-25	10,200,000,000	10,208,300,508	Performing	15	SHARES
INT TOWERS LIMITED	EX-NON EXECUTIVE DIRECTOR	AHMED I DASUKI	Term Loan	USD	15-Jul-15	13-Dec-21	4,283,055,650	0	paid off	7	NEGATIVE PLEDGE
GOLDEN SUGAR COMPANY LIMITED (A Subsidiary of Flour Mills)	NON-EXECUTIVE DIRECTOR (HOLDCO) EX-CHAIRMAN (HOLDCO)	SALAMATU SULEIMAN ATEDO PETERSIDE	Term Loan	NGN	13-Jul-12	15-Jun-22	1,854,000,000	546,977,807	Performing	7	ALL ASSET DEBENTURE ON FIXED AND FLOATING ASSETS
GOLDEN SUGAR COMPANY LIMITED (A Subsidiary of Flour Mills)	NON-EXECUTIVE DIRECTOR (HOLDCO) EX-CHAIRMAN (HOLDCO)	SALAMATU SULEIMAN ATEDO PETERSIDE	Term Loan	USD	30-Sep-19	29-Dec-19	2,190,321,825	29,769,462	Performing	6	ALL ASSET DEBENTURE ON FIXED AND FLOATING ASSETS
GOLDEN SUGAR COMPANY LIMITED (A Subsidiary of Flour Mills)	NON-EXECUTIVE DIRECTOR (HOLDCO) EX-CHAIRMAN (HOLDCO)	SALAMATU SULEIMAN ATEDO PETERSIDE	Overdraft	NGN	19-Dec-19	18-Jan-20	2,300,000,000	1,989,220,370	Performing	14	ALL ASSET DEBENTURE ON FIXED AND FLOATING ASSETS

38 Directors and staff related exposures (continued)
Schedule of Directors and staff related credits (continued)

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N'	Outstanding plus Accrued Interest N'	Status	Interest Rate %	Security nature
Aptics Nigeria Ltd (Subsidiary of Novare Africa Fund Pcc)	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	USD	27-Mar-14	30-Sep-21	4,741,100,000	2,287,514,706	Performing	10	ALL ASSET MORTGAGE DEBENTURE
Urshday Limited (Subsidiary of Novare Africa Fund Pcc)	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	NGN	23-Dec-16	30-Jun-22	2,500,000,000	63,907,387	Performing	16	ALL ASSET MORTGAGE DEBENTURE
Urshday Limited (Subsidiary of Novare Africa Fund Pcc)	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	NGN	28-Mar-17	30-Jun-22	450,000,000	475,635,706	Performing	16	ALL ASSET MORTGAGE DEBENTURE
GRAY-BAR ALLIANCE LTD	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	NGN	2-Jan-18	30-Jun-21	1,400,000,000	368,647,431	Performing	22	ALL ASSET MORTGAGE DEBENTURE
Elysium Diem (Nigeria) Ltd	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	NGN	3-Sep-18	31-Dec-21	250,000,000	300,003,471	Performing	22	ALL ASSET MORTGAGE DEBENTURE
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Overdraft	NGN	5-Dec-19	2-Dec-20	900,000,000	0	Performing	16	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	13,351,010	13,351,010	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	140,000	140,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	209,500	209,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	3,348,750	3,348,750	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	72,500	72,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	678,134	678,134	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	1,536,000	1,536,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	65,000	65,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	288,700	288,700	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	135,600	135,600	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	6,100,000	6,100,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	2-Oct-19	3-Jan-20	353,400	353,400	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	996,160	996,160	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	3,462,545	3,462,545	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	3,379,815	3,379,815	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	91,000	91,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	1,172,333	1,172,333	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	124,000	124,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	880,000	880,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	91,000	91,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	13,300	13,300	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	3,408,961	3,408,961	Performing	17	UNSECURED

38 Directors and staff related exposures (continued)

Schedule of Directors and staff related credits (continued)

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N'	Outstanding plus Accrued Interest N'	Status	Interest Rate %	Security nature
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	108,063	108,063	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	12,065	12,065	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	346,610	346,610	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	3,446,851	3,446,851	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	3,392,670	3,392,670	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	10-Oct-19	9-Jan-20	72,000	72,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	13,371,749	13,371,749	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	5,490,550	5,490,550	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	4,030,892	4,030,892	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	80,000	80,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	5,432,050	5,432,050	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	236,000	236,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	134,650	134,650	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	605,325	605,325	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	269,325	269,325	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	1,333,000	1,333,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	769,000	769,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	1,460,000	1,460,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	11-Oct-19	16-Jan-20	92,895	92,895	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	90,000	90,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	1,206,038	1,206,038	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	111,150	111,150	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	377,500	377,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	100,000	100,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	5,729,414	5,729,414	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	679,010	679,010	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	4,301,018	4,301,018	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	900,000	900,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	87,000	87,000	Performing	17	UNSECURED

38 Directors and staff related exposures (continued)

Schedule of Directors and staff related credits (continued)

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N'	Outstanding plus Accrued Interest N'	Status	Interest Rate %	Security nature
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	24-Oct-19	23-Jan-20	6,678,850	6,678,850	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	476,250	476,250	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	259,524	259,524	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	3,500,000	3,500,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	259,524	259,524	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	243,711	243,711	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	6,092,450	6,092,450	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	380,952	380,952	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	91,000	91,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	91,000	91,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	291,136	291,136	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	259,524	259,524	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	2,327,000	2,327,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	91,000	91,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	6,714,530	6,714,530	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	1,766,100	1,766,100	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	75,000	75,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	1,144,500	1,144,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	78,000	78,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	30-Oct-19	30-Jan-20	1,776,770	1,776,770	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	62,700	62,700	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	270,000	270,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	756,900	756,900	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	124,000	124,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	76,950	76,950	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	19,500	19,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	19,029	19,029	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	844,365	844,365	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	3,525,000	3,525,000	Performing	17	UNSECURED

38 Directors and staff related exposures (continued)
Schedule of Directors and staff related credits (continued)

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N'	Outstanding plus Accrued Interest N'	Status	Interest Rate %	Security nature
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	197,500	197,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	350,000	350,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	467,850	467,850	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	43,000	43,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	4-Nov-19	6-Feb-20	57,000	57,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	157,675	157,675	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	232,500	232,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	1,152,000	1,152,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	160,100	160,100	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	413,763	413,763	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	199,050	199,050	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	13,402,300	13,402,300	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	303,101	303,101	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	435,305	435,305	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	150,000	150,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	1,333,000	1,333,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	8-Nov-19	13-Feb-20	100,000	100,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	87,000	87,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	1,940,750	1,940,750	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	673,257	673,257	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	191,900	191,900	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	1,180,000	1,180,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	439,850	439,850	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	2,000,000	2,000,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	682,240	682,240	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	447,000	447,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	490,500	490,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	385,000	385,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	1,195,000	1,195,000	Performing	17	UNSECURED

38 Directors and staff related exposures (continued)

Schedule of Directors and staff related credits (continued)

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N'	Outstanding plus Accrued Interest N'	Status	Interest Rate %	Security nature
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	178,000	178,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	149,880	149,880	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	1,940,750	1,940,750	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	130,000	130,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	150,000	150,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	13,375,540	13,375,540	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	7,298,200	7,298,200	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	653,175	653,175	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	19-Nov-19	20-Feb-20	87,000	87,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	16,000	16,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	21,771	21,771	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	800,000	800,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	542,857	542,857	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	248,250	248,250	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	45,000	45,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	1,269,735	1,269,735	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	402,000	402,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	7,848,784	7,848,784	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	2,502,818	2,502,818	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	1,720,000	1,720,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	1,306,630	1,306,630	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	679,226	679,226	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	21-Nov-19	27-Feb-20	111,150	111,150	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	25-Nov-19	27-Feb-20	1,547,268	1,547,268	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	152,000	152,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	15,675	15,675	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	85,899	85,899	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	179,100	179,100	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	19,081	19,081	Performing	17	UNSECURED

38 Directors and staff related exposures (continued)

Schedule of Directors and staff related credits (continued)

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N'	Outstanding plus Accrued Interest N'	Status	Interest Rate %	Security nature
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	702,000	702,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	58,340	58,340	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	900,000	900,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	19,000	19,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	119,500	119,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	119,700	119,700	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	157,106	157,106	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	6,650	6,650	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	67,500	67,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	224,438	224,438	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	56,240	56,240	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	29-Nov-19	6-Mar-20	15,400	15,400	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	6-Dec-19	13-Mar-20	176,675	176,675	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	6-Dec-19	13-Mar-20	41,750	41,750	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	6-Dec-19	13-Mar-20	17,700	17,700	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	6-Dec-19	13-Mar-20	522,460	522,460	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	200,200	200,200	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	1,000,000	1,000,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	36,908	36,908	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	87,000	87,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	7,334,600	7,334,600	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	220,000	220,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	111,150	111,150	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	612,856	612,856	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	467,100	467,100	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	2,393,800	2,393,800	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	19,635	19,635	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	5,480,000	5,480,000	Performing	17	UNSECURED

38 Directors and staff related exposures (continued)

Schedule of Directors and staff related credits (continued)

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N'	Outstanding plus Accrued Interest N'	Status	Interest Rate %	Security nature
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	40,166	40,166	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	209,966	209,966	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	243,711	243,711	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	550,000	550,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	585,012	585,012	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	57,500	57,500	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	716,110	716,110	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	780,000	780,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	23-Dec-19	26-Mar-20	540,000	540,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	23-Dec-19	26-Mar-20	32,950	32,950	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	23-Dec-19	26-Mar-20	250,000	250,000	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	23-Dec-19	26-Mar-20	3,619,048	3,619,048	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	23-Dec-19	26-Mar-20	226,397	226,397	Performing	17	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	23-Dec-19	26-Mar-20	4,000,000	4,000,000	Performing	17	UNSECURED
ANAP BUSINESS JETS LIMITED (ANAP HOLDINGS LIMITED)	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Card	NGN	23-Aug-18	31-Aug-21	1,500,000	53	Performing	30	SHARES
ANAP HOLDINGS LIMITED	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Card	NGN	25-Jan-17	31-Jan-20	1,500,000	105	Performing	30	SHARES
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN FABIAN AJOGWU (SAN)	Term Loan	USD	31-Oct-19	29-Jan-20	251,854,891	204,108,159	Performing	6	UNSECURED
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	17-Jul-19	13-Jan-20	51,906,934	53,340,418	Performing	6	UNSECURED
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	20-Aug-19	17-Jan-20	7,345,522	7,507,325	Performing	6	UNSECURED
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	20-Aug-19	17-Jan-20	29,700,773	30,355,005	Performing	6	UNSECURED
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	GBP	22-Aug-19	19-Jan-20	76,230,536	78,094,289	Performing	7	UNSECURED
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	27-Aug-19	24-Jan-20	251,854,891	259,091,075	Performing	8	UNSECURED
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	28-Aug-19	25-Jan-20	16,345,879	16,684,440	Performing	6	UNSECURED
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	29-Aug-19	26-Jan-20	12,011,934	12,350,496	Performing	8	UNSECURED
Cadbury Nigeria Plc	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Term Loan	NGN	16-Dec-19	21-Mar-20	679,283	679,283	Performing	17	UNSECURED

38 Directors and staff related exposures (continued)

Schedule of Directors and staff related credits (continued)

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Currency	Date granted	Expiry date	Approved credit limit N'	Outstanding plus Accrued Interest N'	Status	Interest Rate %	Security nature
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	NGN	28-Oct-19	26-Jan-20	2,000,000,000	2,048,082,192	Performing	14	UNSECURED
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	NGN	30-Dec-19	28-Feb-20	2,000,000,000	2,001,095,890	Performing	10	UNSECURED
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Overdraft	NGN	1-Dec-19	29-Jan-20	1,415,494,939	-	Performing	15	UNSECURED
Makon Engineering and Technical Services Ltd	NON EXECUTIVE DIRECTOR (BANK)	MIANNAYA ESSIEN (SAN)	Term Loan	USD	18-Apr-19	22-Jan-20	167,314,353	8,109,852	Performing	11	UNSECURED
Makon Engineering and Technical Services Ltd	NON EXECUTIVE DIRECTOR (BANK)	MIANNAYA ESSIEN (SAN)	Term Loan	NGN	3-Jun-19	28-Feb-20	47,404,310	53,461,672	Performing	22	UNSECURED
Makon Engineering and Technical Services Ltd	NON EXECUTIVE DIRECTOR (BANK)	MIANNAYA ESSIEN (SAN)	Term Loan	USD	3-Jun-19	28-Feb-20	119,795,040	127,234,206	Performing	11	UNSECURED
Nampak Bevcan Nigeria Limited	NON EXECUTIVE DIRECTOR (BANK)	SIMON RIDLEY	Overdraft	NGN	20-Dec-19	19-Jan-20	60,200,000	-	Performing	19	UNSECURED (120% naira cover for LCs at the time of issuance)
ATEDO .N.APETERSIDE	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Card	NGN	24-Oct-19	31-Oct-22	20,000,000	596,871	Performing	30	SHARES
BABATUNDE MACAULAY	FORMER EXECUTIVE DIRECTOR (BANK)	BABATUNDE MACAULAY	Term Loan	NGN	6-Jun-19	20-May-23	10,000,000	8,592,215	Performing	18	UNSECURED
OLUWOLE ADELAJA ADENIYI	DEPUTY CHIEF EXECUTIVE (BANK)	ADENIYI OLUWOLE	Card	NGN	10-Oct-18	31-Oct-21	2,916,000	1,145,533	Performing	30	EURO BOND
OLUWOLE ADELAJA ADENIYI	DEPUTY CHIEF EXECUTIVE (BANK)	ADENIYI OLUWOLE	Card	USD	12-Jul-19	31-Jul-22	9,117,500	3,931,951	Performing	30	EURO BOND
DR AAE AND MRS JAO SOGUNLE	CEO (BANK)	DEMOLA SOGUNLE	Term Loan	NGN	28-Nov-17	20-Nov-22	60,000,000	41,133,956	Performing	18	CASH (DOLLAR FUND) /LEGAL MORTGAGE
DR AAE AND MRS JAO SOGUNLE	CEO (BANK)	DEMOLA SOGUNLE	VAF	NGN	8-Nov-18	20-Jan-20	26,702,949	768,672	Performing	18	CASH (DOLLAR FUND) /LEGAL MORTGAGE
DR AAE AND MRS JAO SOGUNLE	CEO (BANK)	DEMOLA SOGUNLE	Card	USD	4-Nov-19	30-Nov-22	9,117,500	404,219	Performing	30	CASH (DOLLAR FUND)
ADEKUNLE RAIMI ADEDEJI	EXECUTIVE DIRECTOR (HOLDCO)	ADEKUNLE RAIMI ADEDEJI	Card	NGN	11-Dec-18	31-Dec-21	1,879,200	1,435,610	Performing	30	UNSECURED
ADEKUNLE RAIMI ADEDEJI	EXECUTIVE DIRECTOR (HOLDCO)	ADEKUNLE RAIMI ADEDEJI	VAF	NGN	24-Jul-19	20-Jun-22	3,000,000	2,672,560	Performing	18	FINANCED ASSET (GENERATOR)
OLUBUNMI ONAJITE DAYO-OLAGUNJU	EXECUTIVE DIRECTOR (BANK)	OLUBUNMI ONAJITE DAYO-OLAGUNJU	Card	NGN	17-Apr-18	30-Apr-21	1,080,000	615,735	Performing	30	UNSECURED
OLUBUNMI ONAJITE DAYO-OLAGUNJU	EXECUTIVE DIRECTOR (BANK)	OLUBUNMI ONAJITE DAYO-OLAGUNJU	Overdraft	NGN	6-Dec-19	5-Jan-20	1,000,000	1,019,629	Performing	36	UNSECURED
VARIOUS STAFF	STAFF	VARIOUS STAFF	STAFF LOAN				8,495,788,435	4,393,757,507			
			Total-Insider related credits				**104,517,998,008**	**72,582,485,200**			

Off balance sheet engagements

Name of Company	Name of Related Interest	Relationship	Facility type	Currency	Outstanding N'000	Status
CADBURY NIG PLC	ATEDO PETERSIDE	EX-CHAIRMAN (HOLDCO)	Letter of Credit	USD	1,447,780	Performing
FLOUR MILLS OF NIGERIA PLC	SALAMATU SULEIMAN ATEDO PETERSIDE	NON-EXECUTIVE DIRECTOR (HOLDCO) EX-CHAIRMAN (HOLDCO)	Letter of Credit	USD	2,188,200	Performing
GOLDEN SUGAR COMPANY LIMITED	SALAMATU SULEIMAN ATEDO PETERSIDE	NON-EXECUTIVE DIRECTOR (HOLDCO) EX-CHAIRMAN (HOLDCO)	Letter of Credit	USD	2,381,773	Performing
MAKON ENGINEERING & TECHNICAL SERVICES	MIANNAYA ESSIEN (SAN)	NON EXECUTIVE DIRECTOR (BANK)	Bonds & Guarantees	USD	450,782	Performing
MTN NIGERIA COMMUNICATIONS LTD	AHMED I DASUKI	EX-NON EXECUTIVE DIRECTOR	Letter of Credit (Cash Backed)	USD	2,305,824	Performing
NAMPAK NIGERIA PLC	SIMON RIDLEY	NON EXECUTIVE DIRECTOR (BANK)	Letter of Credit	USD	465,062	Performing
NIGERIAN BOTTLING COMPANY LTD	OLUSOLA DAVID-BORHA	EX CHIEF EXECUTIVE (HOLDCO)	Bonds & Guarantees Letter of Credit	NGN EUR	628,361	Performing
NIGERIAN BREWERIES PLC	ATEDO PETERSIDE	EX-CHAIRMAN (HOLDCO)	Letter of Credit	EUR	1,988,577	Performing
PRESCO PLC	ATEDO PETERSIDE	EX-CHAIRMAN (HOLDCO)	Letter of Credit	EUR	72,572	Performing
PZ CUSSONS NIGERIA PLC	NGOZI EDOZIEN (formerly on the Board of PZ Cussons)	NON EXECUTIVE DIRECTOR (HOLDCO)	Letter of Credit	USD	374,243	Performing
UNILEVER NIGERIA PLC	ATEDO PETERSIDE	EX-CHAIRMAN (HOLDCO)	Letter of Credit	EUR USD	69,443	Performing
Total					**12,372,619**	

39 Retirement benefit obligations

The group operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act 2014, with contributions based on the sum of employees' basic salary, housing and transport allowances in the ratio 8% by the employee and 10% by the employer. The amount contributed by the group and remitted to the Pension Fund Administrators during the year was N2,038 million (December 2018: N1,030 million).

The group's contribution to this scheme is charged to the income statement in the year to which it relates. Contributions to the scheme are managed by Stanbic IBTC Pension Managers Limited, and other appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act. Consequently, the group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

Details of transactions between the group and the group's post-employment contribution plans (that is, the contributory pension scheme) are listed below:

	31 Dec. 2019	31 Dec. 2018
	N million	N million
Deposits held with the group	**7,000**	6,000
Interest paid	**506**	181
Value of asset under management	**22,720**	20,909

40 Employees and Directors

a) Employees

The average number of persons employed by the group during the year by category:

	Group	
	31 Dec. 2019	31 Dec. 2018
	Number	Number
Executive Directors	**6**	5
Management	**528**	550
Non-management	**2,402**	2,403
	2,936	2,958

			Number	Number
Below N1,000,001			**-**	-
N1,000,001	-	N2,000,000	**-**	12
N2,000,001	-	N3,000,000	**206**	312
N3,000,001	-	N4,000,000	**491**	427
N4,000,001	-	N5,000,000	**77**	20
N5,000,001	-	N6,000,000	**423**	350
N6,000,001 and above			**1,739**	1,837
			2,936	2,958

41 Compliance with banking and other regulations

The group paid penaties to the Central Bank of Nigeria (CBN) & SEC during the year as follows:

- The CBN imposed on Holdco for contravening CBN circular reference BPS/DIR GEN/CIR/01/015 of October 21, 2014 on bank veriification number(BVN) Three corporate obligors (PXF Funding, NGL Funding and RDP Funding) were operating without Bank Verification Numbers (BVN) in contravention of the referenced Circular- N2,000,000
- Breach of SEC rules- SIAML did not comply with the Commission's Rule on Trading in Unlisted Securities 2017 (as amended), and the breach of Section 106 of the ISA 2007 and Schedule IX of the Code of Conduct for Capital Market Operators- N50,000,000
- Breach of SEC rules- SISL was being penalised the sum of 20 million naira for its role in the MTN listing on the Nigerian Stock Exchange that was conducted in May 2019. The regulator cited breach of their Rule on Trading in Unlisted Securities- N20,000,000
- Breach of SEC rules- SICL was fined for violating Sections 106 and 110 of the ISA 2007, Commission's Rules on dealing in the Securities of Public Unlisted Companies, 2017 (as amended) and Schedule IX(i) (iii) and (ix) of the Code of Conduct for Capital Market Operators- N30,000,000

The total penalties paid by the group amounted to N102 million (December 2018: N1.9 billion).

42 Events after the reporting date

There were no events after the reporting date which could have a material effect on the financial position of the group as at 31 December 2019 which have not been recognised or disclosed.

43 Risk and capital management

Enterprise risk review

Overview

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

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

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

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

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

Risk management framework

Approach and structure

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

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

All principal risks are supported by the Risk department.

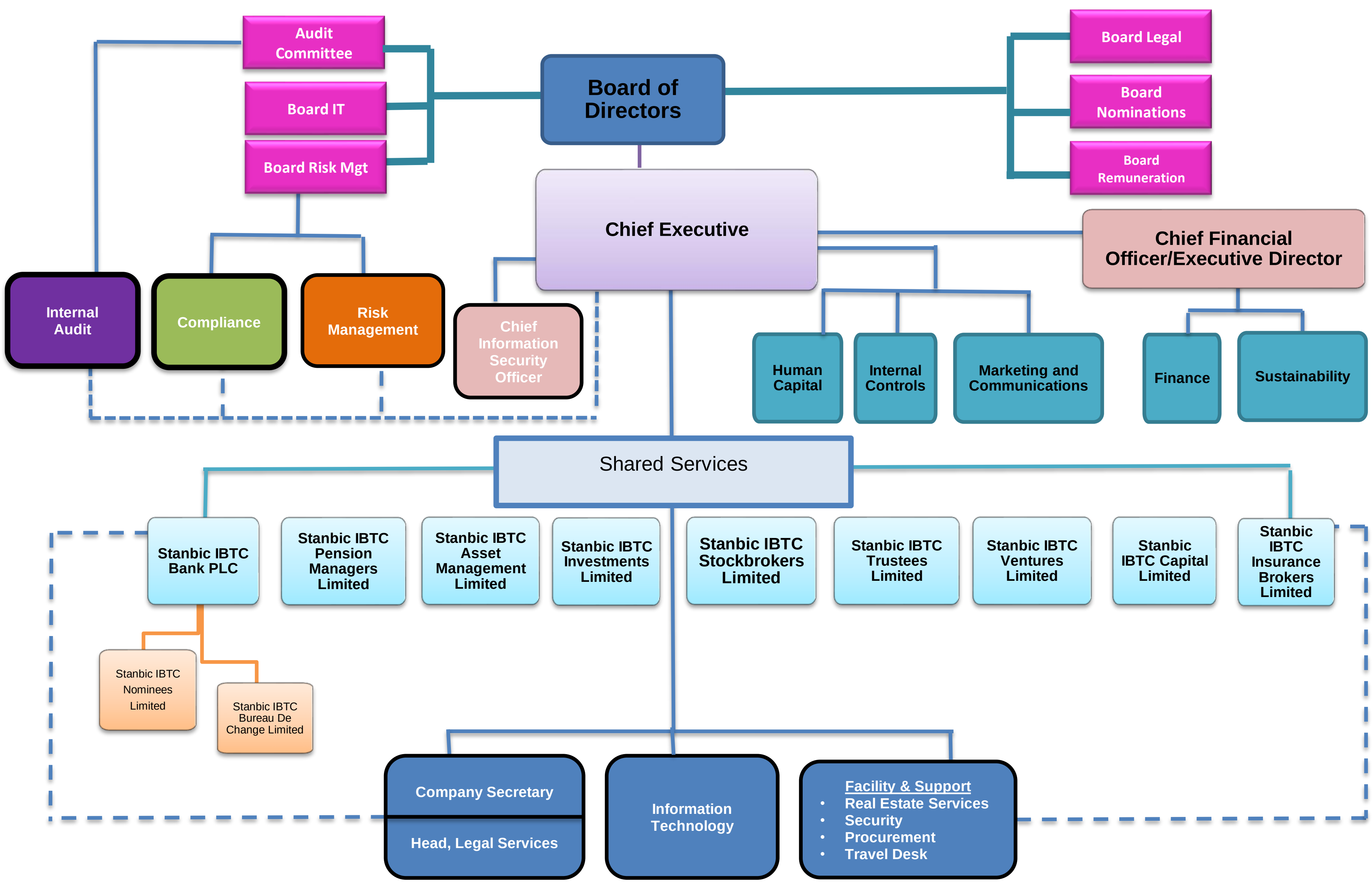
Governance structure

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

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

Risk management framework

Governance structure[a]



[a]This is continuously evolving to meet changing needs.

Risk governance standards, policies and procedures

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

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

Risk appetite

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

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

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

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

Stress testing

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

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

Residual risk is then evaluated against the risk appetite.

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

Credit risk

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

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

Counterparty risk

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

• primary credit risk which is the exposure at default (EAD) arising from lending and related banking product activities, including their underwriting;

• pre-settlement credit risk which is the EAD arising from unsettled forward and derivative transactions, arising from the default of the counterparty to the transaction and measured as the cost of replacing the transaction at current market rates; and

• issuer risk which is the EAD arising from traded credit and equity products, and including their underwriting.

Wrong-way risk

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

Settlement risk

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

Country and cross border risk

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

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

Concentration risk

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

Market risk

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

Liquidity risk

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

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

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

Credit risk

Principal credit standard and policies

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

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

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

Methodology for risk rating

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

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

Methodology for risk rating (continued)

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

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

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

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

Framework and governance

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

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

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

Credit risk mitigation

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

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

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

Credit risk measurement

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

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

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

IFRS 7
The tables that follow analyse the credit quality of loans and advances measured in terms of IFRS 9.

IFRS 9 changes and methodology

A summary of the primary changes for the Group are provided below.

Impairment model

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

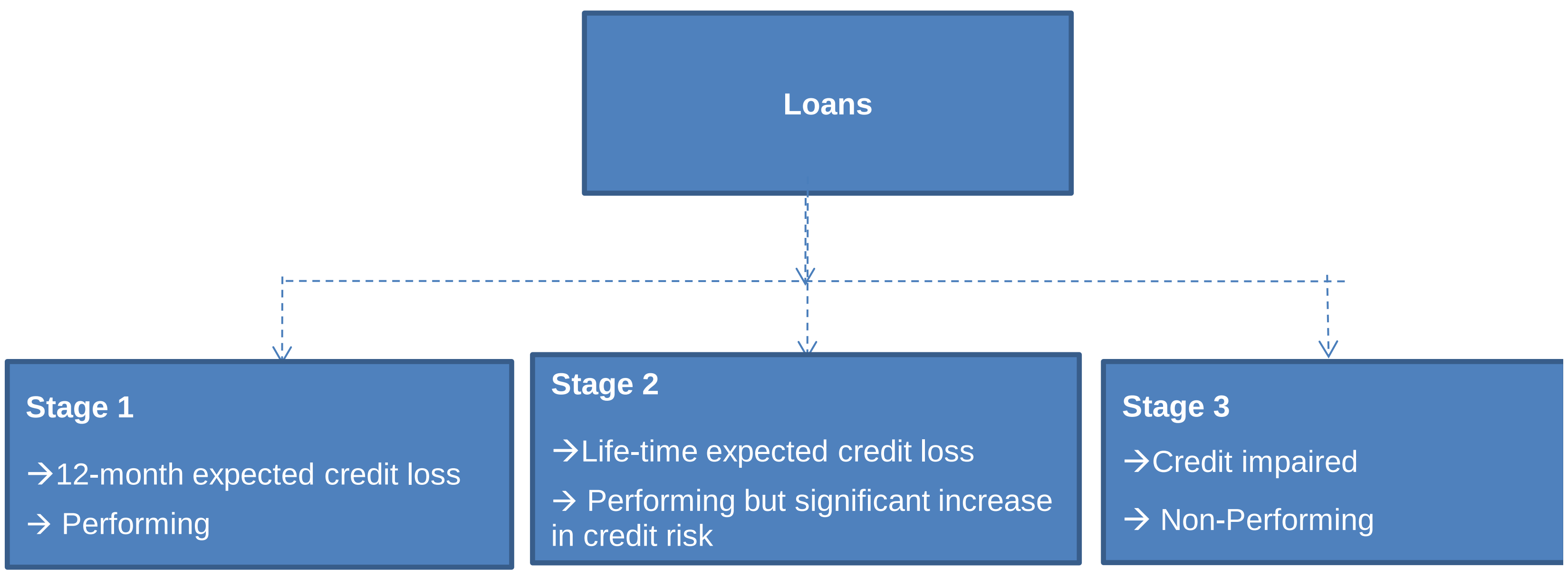
Staging of financial instruments

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

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

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

Instruments are classified as stage 3 when they become credit-impaired.
The framework used to determine a significant increase in credit risk is set out below.



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

Approach to determining expected credit losses

The accounting policies under IFRS 9 are set out in Note 4.3 Credit impairment and Note 3.2 Financial instruments. The main methodology principles and approach adopted by the bank are set out in the following table with cross references to other sections.

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

Incorporation of forward looking information

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

Significant increase in credit risk ('SICR')

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

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

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

IFRS 7 (Continue)

Assessment of credit-impaired financial assets

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

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

Modified financial assets

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

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

Transfers between stages

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

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

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

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

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

STANBIC IBTC HOLDINGS PLC

Risk and capital management (continued)
For the year ended 31 December 2019

Maximum exposure to credit risk by credit quality

December 2019	Note	Total Loans and Advances to Customers N'million	Balance sheet impairments for performing loans N'million	Stage 1 and Stage 2						Stage 3												
				Neither past due nor specifically impaired				Not specifically impaired		Specifically impaired loans												
				Performing						Non-performing loans												
				Normal monitoring N'million		Close monitoring N'million		Early arrears N'million		Stage 3			Purchased/Originated as credit impaired			Total N'million	Securities and expected recoveries on specifically impaired loans N'million	Net after securities and expected recoveries on specifically impaired loans N'million	Balance sheet impairments for non-performing specifically impaired loans N'million	Gross specific impairment coverage %	Total non-performing loans N'million	Non-performing loans %
				Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub-standard N'million	Doubtful N'million	Loss N'million	Sub-standard N'million	Doubtful N'million	Loss N'million							
Personal & Business Banking		198,775	3,825	165,054	2,132	-	3,820	6,356	2,535	5,648	3,917	9,311	-	-	-	18,876	7,268	13,231	13,231	70	18,876	9.5
Mortgage loans		4,488	479	2,536	224	-	683	51	357	7	86	542	-	-	-	635	245	574	574	90	635	14.15
Instalment sale and finance leases		8,073	525	4,657	338	-	46	619	414	124	181	1,694	-	-	-	1,999	838	1,704	1,704	85	1,999	24.76
Card debtors		1,376	82	870	59	-	-	159	109	36	35	108	-	-	-	179	12	167	167	93	179	13.01
Other loans and advances		184,838	2,739	156,991	1,511	-	3,091	5,527	1,655	5,481	3,615	6,967	-	-	-	16,063	6,173	10,786	10,786	67	16,063	8.69
Corporate & Investment Banking		357,608	6,675	335,383	1,884	-	13,077	4,546	-	2,718	-	-	-	-	-	2,718	2,174	528	528	19	2,718	0.76
Corporate loans		357,608	6,675	335,383	1,884	-	13,077	4,546	-	2,718	-	-	-	-	-	2,718	2,174	528	528	19	2,718	0.76
Gross loans and advances		**556,383**	10,500	500,437	4,016	-	16,897	10,902	2,535	8,365	3,917	9,312	-	-	-	21,594	9,442	13,759	13,759	64	21,594	3.88
Less: Total expected credit loss for loans and advances at amortised cost																						
12-month ECL		(4,949)																				
Lifetime ECL not credit-impaired		(5,551)																				
Lifetime ECL credit-impaired		(13,759)																				
Purchased/originated credit impaired																						
Net loans and advances	12	532,124																				
Add the following other banking activities exposures:																						
Cash and cash equivalents	7	456,396																				
Derivatives	10.6	32,871																				
Financial investments (excluding equity)	11	152,696																				
Loans and advances to banks	12	3,046																				
Trading assets	9.1	248,909																				
Pledged assets	8	231,972																				
Other financial assets[1]		161,777																				
Total on-balance sheet exposure		1,819,791																				
Unrecognised financial assets:																						
Letters of credit		104,253	88	103,862	391	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees		79,502	948	79,185	317	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan commitments		94,374	173	93,815	559	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to credit risk		**2,097,920**																				
Expected credit loss for off balance Sheet exposures																						
12-month ECL		**(1,035)**																				
Lifetime ECL not credit-impaired																						
Lifetime ECL credit-impaired																						
advances at amortised cost		**2,096,885**																				

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

Maximum exposure to credit risk by credit quality

December 2018	Note	Total Loans and Advances to Customers N'million	Balance sheet impairments for performing loans N'million	Stage 1 and Stage 2 – Neither past due nor specifically impaired – Performing – Normal monitoring N'million – Stage 1	Normal monitoring N'million – Stage 2	Not specifically impaired – Close monitoring N'million – Stage 1	Close monitoring N'million – Stage 2	Early arrears N'million – Stage 1	Early arrears N'million – Stage 2	Stage 3 – Specifically impaired loans – Non-performing loans – Stage 3 – Sub-standard N'million	Stage 3 – Doubtful N'million	Stage 3 – Loss N'million	Purchased/Originated as credit impaired – Sub-standard N'million	Purchased/Originated as credit impaired – Doubtful N'million	Purchased/Originated as credit impaired – Loss N'million	Total N'million	Securities and expected recoveries on specifically impaired loans N'million	Net after securities and expected recoveries on specifically impaired loans N'million	Balance sheet impairments for non-performing specifically impaired loans N'million	Gross specific impairment coverage %	Total non-performing loans N'million	Non-performing loans %
Personal & Business Banking		179,813	6,903	140,580	6,458	-	842	6,401	9,394	1,760	4,076	10,303	-	-	-	16,139	6,046	10,093	10,093	63	16,139	9.0
Mortgage loans		5,801	616	3,319	271	-	842	47	464	72	490	296	-	-	-	858	349	509	509	59	858	14.8
Instalment sale and finance leases		8,671	456	4,542	496	-	-	934	189	7	1,659	844	-	-	-	2,510	860	1,650	1,650	66	2,510	28.9
Card debtors		1,155	178	553	42	-	-	119	118	28	33	263	-	-	-	324	6	318	318	98	324	28.1
Other loans and advances		164,186	5,653	132,166	5,649	-	-	5,301	8,623	1,653	1,894	8,900	-	-	-	12,447	4,831	7,616	7,616	61	12,447	7.6
Corporate & Investment Banking		279,133	5,891	238,798	6,613	-	19,973	1,521	10,653	1,575	-	-	-	-	-	1,575	825	750	750	48	1,575	0.6
Corporate loans		279,133	5,891	238,798	6,613	-	19,973	1,521	10,653	1,575	-	-	-	-	-	1,575	825	750	750	48	1,575	0.6
Gross loans and advances		**458,946**	12,794	379,378	13,071	-	20,815	7,922	20,047	3,335	4,076	10,303	-	-	-	17,714	6,871	10,843	10,843	61	17,714	3.9
Percentage of total book (%)		**100.0**	**1.3**	**84.1**		**-**		**9.4**				**0.0**	**5.3**	**1.0**	**0.2**	**6.7**	**4.4**	**2.3**	**2.3**	**0.0**	**6.7**	**0.0**
Less: Total expected credit loss for loans and advances at amortised cost																						
12-month ECL		(4,245)																				
Lifetime ECL not credit-impaired		(8,823)																				
Lifetime ECL credit-impaired		(10,843)																				
Purchased/originated credit impaired																						
Interest In Suspense (IIS)																						
Net loans and advances	12	435,035																				
Add the following other banking activities exposures:																						
Cash and cash equivalents	7	455,773																				
Derivatives	10.6	30,286																				
Financial investments (excluding equity	11	397,185																				
Loans and advances to banks	12	8,548																				
Trading assets	9.1	84,351																				
Pledged assets	8	142,543																				
Other financial assets[1]		68,760																				
Total on-balance sheet exposure		1,622,481																				
Unrecognised financial assets:																						
Letters of credit		20,543	70	18,499	2,044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees		41,299	462	41,248	52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan commitments		32,334	142	31,895	438	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to credit risk		**1,716,657**																				
Expected credit loss for off balance Sheet exposures																						
12-month ECL		**(664)**																				
Lifetime ECL not credit-impaired																						
Lifetime ECL credit-impaired																						
advances at amortised cost		**1,715,993**																				

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

Ageing of loans and advances past due but not specifically impaired.

	Less than 31 days N'million	31-60 days N'million	61-89 days N'million	90-180 days N'million	More than 180 days N'million	Total N'million
December 2019						
Personal and Business Banking	**9,435**	**709**	**469**	**-**	**-**	**10,613**
Mortgage loans	932	104	56	-	-	1,092
Instalment sales and finance lease	1,049	20	10	-	-	1,079
Card debtors	218	34	16	-	-	268
Other loans and advances	7,236	551	387	-	-	8,174
Corporate and Investment Banking	4,546	-	-	-	-	4,546
Corporate loans	4,546	-	-	-	-	4,546
Total	**13,981**	**709**	**469**	**-**	**-**	**15,159**
December 2018						
Personal and Business Banking	939	1,151	99	-	-	2,189
Mortgage loans	101	46	6	-	-	153
Instalment sales and finance lease	60	42	-	-	-	102
Card debtors	42	23	7	-	-	72
Other loans and advances	736	1,040	86	-	-	1,862
Corporate and Investment Banking	19	5	1	-	-	25
Corporate loans	19	5	1	-	-	25
Total	958	1,156	100	-	-	2,214

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

Renegotiated loans and advances

Renegotiated loans and advances are exposures which have been refinanced, rescheduled, rolled over or otherwise modified due to weaknesses in the counterparty's financial position, and where it has been judged that normal repayment will likely continue after the restructure. Renegotiated loans that would otherwise be past due or impaired amounted to N884.2 million as at 31 Dec 2019 (Dec 2018: N10.3 billion).

Collateral

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

Collateral includes:
- financial securities that have a tradable market, such as shares and other securities;
- physical items, such as property, plant and equipment;and
- financial guarantees, suretyships and intangible assets.

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

In the retail portfolio, 48% (Dec 2018: 39%) is collateralised. Of the group's total exposure, 85% (Dec 2018: 85%) is unsecured and mainly reflects exposures to well-rated corporate counterparties, bank counterparties and sovereign entities.

Collateral

	Note	Total exposure N'million	Unsecured N'million	Secured N'million	Netting agreements N'million	Secured exposure after netting N'million	Total collateral coverage 1%-50% N'million	50%-100% N'million	Greater than 100% N'million
December 2019									
Corporate		632,884	464,770	168,114	-	-	62,697	26,243	79,174
Sovereign		969,561	969,561	-	-	-	-		
Bank		123,174	123,174	-	-	-	-	-	-
Retail		264,975	137,053	127,922	-	-	40,855	63,893	23,174
Retail Mortgage		4,488	-	4,488	-	-	-	4,488	-
Other retail		260,487	137,053	123,434	-	-	40,855	59,405	23,174
Total		**1,990,594**	**1,694,558**	**296,036**	**-**	**-**	**103,552**	**90,136**	**102,348**

Add: Financial assets not exposed to credit risk		26,660
Less: Impairments for loans and advances and IIS		(24,259)
Less: Unrecognised off balance sheet items		(173,255)
Total exposure		**1,819,740**

Reconciliation to statement of financial position:

	Note	
Cash and cash equivalents	7	456,396
Derivatives	10.6	32,871
Financial investments (excluding equity)	11	152,645
Loans and advances	12	535,170
Trading assets	9	248,909
Pledged assets	8	231,972
Other financial assets		161,777
Total		**1,819,740**

Risk and capital management (continued)
For the year ended 31 December 2019

Collateral

	Note	Total exposure N'million	Unsecured N'million	Secured N'million	Netting agreements N'million	Secured exposure after netting N'million	Total collateral coverage 1%-50% N'million	50%-100% N'million	Greater than 100% N'million
December 2018									
Corporate		445,336	289,697	155,639	-	-	63,368	76,818	15,453
Sovereign		868,336	868,336	-	-	-	-		
Bank		134,658	134,658	-	-	-	-	-	-
Retail		259,360	158,726	100,633	-	-	25,705	68,244	49,414
Retail Mortgage		5,801	-	5,801	-	-	-	42,772	5,759
Other retail		253,558	158,726	94,832	-	-	25,705	25,472	43,655
Total		1,707,690	1,451,417	256,272	-	-	89,073	145,062	64,867

Add: Financial assets not exposed to credit risk		102,324
Less: Impairments for loans and advances		(26,290)
Less: Unrecognised off balance sheet items		(163,565)
Total exposure		1,620,159

Reconciliation to statement of financial position:

	Note	
Cash and cash equivalents	7	455,773
Derivatives	10.6	30,286
Financial investments (excluding equities)	11	397,185
Loans and advances	12	441,261
Trading assets	9.1	84,351
Pledged assets	8.1	142,543
Other financial assets		68,760
Total		1,620,159

Concentration of risks of financial assets with credit risk exposure

(a) Geographical sectors

The following table breaks down the group's main credit exposure at their carrying amounts, as categorised by geographical region as of 31 December 2019 For this table, the group has allocated exposures to regions based on the region of domicile of our counterparties.

At 31 December 2019	Trading assets N'million	Derivative assets N'million	Pledged assets N'million	Financial investments (excluding equity) N'million	Loans and advances to customers N'million	Loans and advances to banks N'million	Total N'million
South South	1,332	318	-	-	32,298		**33,948**
South West	2,263	281	-	59,534	484,811		**546,889**
South East	-	-	-	-	7,763		**7,763**
North West	-	-	-	-	18,689		**18,689**
North Central	245,314	30,960	74,992	93,163	11,825		**456,254**
North East	-	-	-	-	997		**997**
Outside Nigeria	-	1,312	156,980	-	-	3,049	**161,341**
Carrying amount	**248,909**	**32,871**	**231,972**	**152,697**	**556,383**	**3,049**	**1,225,881**

At 31 December 2018	Trading assets N' million	Derivative assets N' million	Pledged assets N'million	Financial investments (excluding equity) N' million	Loans and advances to customers N' million	Loans and advances to banks N' million	Total N' million
South South	-	-	-	-	24,112		24,112
South West	2,526	533	-	19,958	377,983		401,000
South East	-	8	-	-	10,876		10,884
North West	-	1	-	-	21,468		21,469
North Central	81,825	29,350	142,543	377,294	23,384		654,396
North East	-	-	-	-	1,122		1,122
Outside Nigeria	-	394	-	-	-	8,605	8,999
	84,351	30,286	142,543	397,252	458,945	8,605	1,121,982

(b) Industry sectors

At 31 December 2019	Trading assets N'million	Derivative assets N'million	Pledged assets N'million	Financial investments (excluding equity) N'million	Loans and advances to customers N'million	Loans and advances to banks N'million	Total N'million
Agriculture	-	25	-	-	31,465	-	**31,490**
Business services	3,595	165	-	16,308	6,146	-	**26,214**
Communication	-	-	-	669	21,123	-	**21,792**
Community, social & personal services	-	-	-	-	-	-	**-**
Construction and real estate	-	-	-	-	44,355	-	**44,355**
Electricity	-	-	-	-	-	-	**-**
Financial intermediaries & insurance	-	1,279	156,980	40,500	3,657	3,049	**205,465**
Government (including Central Bank)	245,314	30,960	74,992	89,546	33,686	-	**474,498**
Hotels, restaurants and tourism	-	-	-	-	217	-	**217**
Manufacturing	-	308	-	-	153,571	-	**153,879**
Mining	-	134	-	5,674	164,359	-	**170,167**
Private households	-	-	-	-	56,543	-	**56,543**
Transport, storage and distribution	-	-	-	-	4,061	-	**4,061**
Wholesale & retail trade	-	-	-	-	37,200	-	**37,200**
Carrying amount	**248,909**	**32,871**	**231,972**	**152,697**	**556,383**	**3,049**	**1,225,881**

(b) Industry sectors (continued)

At 31 December 2018	Trading assets	Derivative assets	Pledged assets	Financial investments (excluding equity)	Loans and advances to customers	Loans and advances to banks	**Total**
	N' million	N' million	N'million	N' million	N' million	N' million	**N' million**
Agriculture	-	-	-	-	37,466	-	**37,466**
Business services	-	-	-	-	9,126	-	**9,126**
Communication	-	-	-	655	8,162	-	**8,817**
Community, social & personal services	-	-	-	-	-	-	**-**
Construction and real estate	-	-	-	-	43,506	-	**43,506**
Electricity	-	-	-	-	-	-	**-**
Financial intermediaries & insurance	2,525	320	-	20,219	1,262	8,605	**32,931**
Government (including Central Bank)	81,826	616	142,543	374,955	32,656	-	**632,596**
Hotels, restaurants and tourism	-	-	-	-	428	-	**428**
Manufacturing	-	-	-	-	163,055	-	**163,055**
Mining	-	-	-	-	70,814	-	**70,814**
Private households	-	-	-	-	51,452	-	**51,452**
Transport, storage and distribution	-	-	-	-	4,600	-	**4,600**
Wholesale & retail trade	-	29,350	-	1,423	36,418	-	**67,191**
Carrying amount	84,351	30,286	142,543	397,252	458,945	8,605	**1,121,982**

(c) Analysis of financial assets disclosed above by portfolio distribution and risk rating

	AAA to A- N'million	**BBB+ to BBB- N'million**	**Below BBB- N'million**	**Unrated N'million**	**Total N'million**
At 31 December 2019	**13,757**	**1,006,143**	**105,850**	**100,131**	**1,225,881**
At 31 December 2018	**240**	**874,373**	**247,369**	-	1,121,982

Concentration of risks of off-balance sheet engagements

(a) Geographical sectors

At 31 December 2019	**Loan Commitment N'million**	**Bonds and guarantees N'million**	**Letters of credit* N'million**	**Total N'million**
South South	414	296	**-**	**710**
South West	96,064	59,578	93,753	**249,395**
South East	663	17,263	**-**	**17,926**
North West	796	493	**-**	**1,289**
North Central	2,902	1,872	**-**	**4,774**
North East	20	**-**	**-**	**20**
Outside Nigeria	**-**	**-**	**-**	**-**
Total	**100,859**	**79,502**	**93,753**	**274,114**

At 31 December 2018	Loan Commitment N'million	Bonds and guarantees N'million	Letters of credit* N'million	Total N'million
South South	1,837	1,391	-	3,228
South West	41,743	59,447	83,199	184,389
South East	720	33	-	753
North West	1,615	1,254	-	2,869
North Central	608	1,154	-	1,762
North East	44	2	-	46
Outside Nigeria	-	-	-	**-**
Total	46,567	63,281	83,199	**193,047**

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

(b) Industry sectors

	31 December 2019				31 December 2018			
	Bonds and guarantees N' million	Letters of credit N' million	Loan commitment N' million	2019 Total N'million	Bonds and guarantees N' million	Letters of credit N' million	Loan commitment N' million	2018 Total N' million
Agriculture	4,173	1,418	690	**5,591**	1,677	-	1,493	1,677
Business services	267	1,247	199	**1,514**	17,160	1,246	52	18,406
Communication	127	2,941	10,029	**3,068**	-	-	746	-
Construction and real estate	3,900	65	2,000	**3,965**	-	-		-
Electricity	210	-	-	**210**	-	-		-
Financial intermediaries & insurance	13,732	-	1,134	**13,732**	25,939	-	1,260	25,939
Hotels, Restaurants and Tourism	1,720	-	85	**1,720**	-	37,850	101	37,850
Manufacturing	15,977	73,264	66,059	**89,241**	13,279	34,038	22,029	47,317
Mining/oil and gas	30,158	1,207	9,729	**31,365**	199	8,432	6,193	8,631
Private households	179	-	2,767	**179**	-	-	11,257	-
Transport, storage and distribution	66	-	2	**66**	-	129	-	129
Wholesale & retail trade	8,993	13,611	8,166	**22,604**	5,018	1,504	3,435	6,522
Carrying amount	79,502	93,753	100,860	**173,255**	63,282	83,199	46,566	146,481

Credit provisioning based on prudential guidelines

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

Non performing accounts

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

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

Performing accounts

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

Prudential guidelines disclosures

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

	Group	
	31 Dec. 2019 N million	31 Dec. 2018 N million
Prudential disclosure of loan and advances to customers		
Gross customer exposure for loans and advances	**556,383**	458,946
Mortgage loans	4,488	5,801
Instalment sale and finance leases	8,073	8,671
Card debtors	1,376	1,155
Overdrafts and other demand loans	184,838	164,186
Other term loans	357,608	279,133
Interest in suspense	**(1,608)**	(2,322)
Credit impairments for loans and advances	**(23,071)**	(21,527)
Specific provision	**(12,363)**	(12,697)
General provision	**(10,708)**	(8,830)
Net loans and advances to customers	**531,704**	**435,097**
Prudential disclosure of loan classification		
Performing	535,407	440,608
Non performing loans	20,976	18,338
Substandard	8,466	3,808
Doubtful	3,715	1,563
Loss	8,795	12,967
Total performing and non performing loans	**556,383**	458,946
Adjustment for Interest in suspense and below-market interest staff loans	(1,608)	(2,322)
Customer exposure for loans and advances	**554,775**	456,624
Non-performing loan ratio (Regulatory)	**3.77%**	**4.00%**

Liquidity risk

Framework and governance

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

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

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

Liquidity and funding management

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

• structural liquidity mismatch management;
• long-term funding ratio;
• maintaining minimum levels of liquid and marketable assets;
• depositor restrictions;
• local currency loan to deposit ratio;
• foreign currency loan to deposit ratio;
• interbank reliance limit;
• intra-day liquidity management;
• collateral management;
• daily cash flow management;
• liquidity stress and scenario testing; and
• 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 within the regulatory liquidity ratio of 30% on a daily basis.

Liquidity ratio	December-19	December-18
Minimum	72.86%	98.60%
Average	102.34%	106.67%
Maximum	144.04%	122.68%
As at year end	106.92%	117.30%

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

Structural liquidity mismatch management

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

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

Maintaining minimum levels of liquid and marketable assets

Minimum levels of prudential liquid assets are held in accordance with all prudential requirements as specified by the regulatory authorities. The group needs to hold additional unencumbered marketable assets, in excess of any minimum prudential liquid asset requirement, to cater for volatile depositor withdrawals, draw-downs 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 class must be regularly traded;
• the asset may be sold or repurchased in a liquid market, for payment in cash; and
• settlement must be according to a prescribed, rather than a negotiated, timetable.

Depositor concentration

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

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

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

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

Loan to deposit limit

A limit is put in place, restricting the local currency loan to deposit ratio to a maximum specified level, which is reviewed yearically. Similarly, in order to restrict the extent of foreign currency lending from the foreign currency deposit base, a foreign currency loan to deposit limit, which is also referred to as own resource lending, is observed. As mitigants, the group maintains high levels of unencumbered marketable and liquid assets in excess of regulatory benchmark. The CBN requires all Bank to mainatain a minimum loan to deposit ratio of 65% by December 2019. This ratio is subject to review quarterly. The Bank subsidiary LDR as at 31 December 2019 was 67.48%.

Intra-day liquidity management

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

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

Daily cash flow management

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

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

Interbank reliance

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

Liquidity stress testing and scenario testing

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

Maturity analysis of financial liabilities by contractual maturity

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

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

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

Maturity analysis of financial liabilities by contractual maturity

	Redeemable on demand N'million	Maturing within 1 month N'million	Maturing between 1-6 months N'million	Maturing between 6-12 months N'million	Maturing after 12 months N'million	Total gross undiscounted cashflow N'million
December 2019						
Financial liabilities						
Derivative financial instruments	-	892	2,872	579	-	4,343
Trading liabilities	75,612	1,265	23,226	142,993	7,107	250,203
Deposits and current accounts	544,409	47,839	41,567	4,024	248,904	886,743
Debt securities issued	-	9,922	36,608	-	60,128	106,658
Other borrowings	339	1,669	4,644	817	84,696	92,165
Other financial liabilties	199,353	-	-	-	-	199,353
Total	**819,713**	**61,587**	**108,917**	**148,413**	**400,835**	**1,340,112**
Unrecognised financial instruments						
Letters of credit	-	14,894	57,348	21,344	167	93,753
Guarantees	-	2,079	22,163	16,702	38,558	79,502
Loan commitments	-	34,278	49,512	15,217	1,852	100,859
Total	**-**	**51,251**	**129,023**	**53,263**	**40,577**	**274,114**

Maturity analysis of financial liabilities by contractual maturity (continued)

	Redeemable on demand N'million	Maturing within 1 month N'million	Maturing between 1-6 months N'million	Maturing between 6-12 months N'million	Maturing after 12 months N'million	Total gross undiscounted cashflow N'million
December 2018						
Financial liabilities						
Derivative financial instruments	313	1,782	1,434	623	-	4,152
Trading liabilities	-	32,175	83,633	-	9,876	125,684
Deposits and current accounts	585,568	88,940	288,373	5,079	4	967,964
Subordinated debt	-	-	-	-	60,595	60,595
Other borrowings	279	6,771	6,106	5,900	50,862	69,918
Total	586,160	129,668	379,546	11,602	121,337	1,228,313
Unrecognised financial instruments						
Letters of credit	-	8,620	66,069	8,510	-	83,199
Guarantees	-	416	13,543	26,623	22,700	63,282
Loan commitments	-	23,345	15,991	6,201	1,031	46,568
Total	-	32,381	95,603	41,334	23,731	193,049

Liquidity contingency plans

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

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

Foreign currency liquidity management

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

Funding strategy

Funding markets are evaluated on an ongoing basis to ensure appropriate group funding strategies are executed depending on the market, competitive and regulatory environment. The group employs a diversified funding strategy, sourcing liquidity in both domestic and offshore markets, and incorporates a coordinated approach to accessing capital and loan markets across the group.
Concentration risk limits are used within the group to ensure that funding diversification is maintained across products, sectors, geographic regions and counterparties.

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

Depositor concentrations

	Dec 2019 **%**	Dec 2018 %
Single depositor	**10**	7
Top 10 depositors	**23**	31

Market risk

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

Trading market risk
These risks arise in trading activities where the bank acts as a principal with clients in the market. The group's policy is that all trading activities are contained within the bank's Corporate and Investment Banking (CIB) trading operations.

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

Foreign currency risk
These risks arise as a result of changes in the fair value or future cash flows of financial exposures due to changes in foreign exchange rates.

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

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

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

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

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

Market risk measurement
The techniques used to measure and control market risk include:
• daily net open position
• daily VaR;
• back-testing;
• PV01;
• annual net interest income at risk; and

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

Daily value-at-risk (VaR)
VaR is a technique that estimates the potential losses that may occur as a result of market movements over a specified time year at a predetermined probability.

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

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

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

Stress tests

Stress testing provides an indication of the potential losses that could occur in extreme market conditions.
The stress tests carried out include individual market risk factor testing and combinations of market factors on individual asset classes and across different asset classes. Stress tests include a combination of historical and hypothetical simulations.

PV01

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

Other market risk measures

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

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

Annual net interest income at risk

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

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

The table below highlights the historical diversified normal VaR across the various trading desks. The minimum and maximum bankwide diversified normal VaR stood at N145m and N473m respectively with an annual average of N264m which translates to a conservative VaR limit utilisation of 18.1% on average.

Diversified Normal Var Exposures (N'million)

Desk	Maximum	Minimum	Average	31-Dec-19	31-Dec-18	Limit
Bankwide	473	145	264	367	135	1,881
FX Trading	99	3	43	42	75	411
Money markets trading	435	123	239	314	124	982
Fixed income trading	59	1	16	44	10	403
Credit trading	-	-	-	-	-	234
Derivatives	-	-	-	-	-	52

Analysis of PV01

The table below shows the PV01 of the money markets banking and the individual trading books as at period end. The money markets trading book PV01 exposure increased to N3.8m from that of the previous year mainly due to T-bill purchases of N164bn, the money markets banking book PV01 exposure stood at N11.3m; lower than that of the previous year as a result of a reduction in the duration of the book, while the fixed income trading book PV01 exposure increased to N4.5m from that of pervious year largely on the back of the purchase of N2bn worth of 30yr bonds. Overall trading PV01 exposure was N8.3m against a limit of N18m thus reflecting a very conservative exposure utilisation.

PV01 (NGN'000)	31-Dec-19	31-Dec-18	Limit
Money market trading book	3,785	1,169	6,099
Fixed income trading book	4,545	117	3,872
Credit trading book	-	-	2,050
Derivatives trading book	-	-	539
Total trading book	8,329	1,287	12,560
Money market banking book	11,256	15,263	17,000

Interest rate risk in the banking book

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

• Repricing risk referring to the timing differences in the maturity (fixed rate) and repricing (floating rate) of assets and liabilities.

• Yield curve risk arising when unanticipated shifts in the yield curve have adverse effects on the group’s income.

• Basis risk arising from the imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics.

• Optionality risk arising from the options embedded in bank asset and liability portfolios, providing the holder with the right, but not the obligation, to buy, sell, or in some manner alter the cash flow of an instrument or financial contract.

• Endowment risk referring to the interest rate risk exposure arising from the net differential between interest rate insensitive assets such as non-earning assets and interest rate insensitive liabilities such as non-paying liabilities and equity.

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

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

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

Measurement of IRRBB

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

The impact on net interest income due to interest rate changes cover 12 months of forecasting and allows for the dynamic interaction of payments, new business and interest rates. The analyses are done under stressed market conditions in which the banking book is subjected to an upward 300 basis points and downward 300 basis points (2018: 300 basis points) parallel rate shocks for local currency and 100 basis points upward and downward parallel rate shocks for foreign currency positions. The table below shows the sensitivity of the bank’s net interest income in response to standardised parallel rate shocks.

31 December 2019		NGN	USD	Other	Total
Increase in basis points		300	100	100	
Sensitivity of annual net interest income	NGNm	9,279	1,044	(16)	10,307
Decrease in basis points		300	100	100	
Sensitivity of annual net interest income	NGNm	(8,779)	(1,053)	16	(9,816)

31 December 2018		NGN	USD	Other	Total
Increase in basis points		300	100	100	
Sensitivity of annual net interest income	NGNm	5,549	1,053	-	6 602
Decrease in basis points		300	100	100	
Sensitivity of annual net interest income	NGNm	(5,827)	(1,127)	-	(6 954)

Hedging of endowment risk

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

Market risk on equity investment

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

Exposure to currency risks

The group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The board sets limits on the level of exposure by currency and in aggregate for both overnight and intra day positions, which are monitored daily. The table below summarises the group's exposure to foreign currency exchange risk as at 31 December 2019.

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

At 31 December 2019 Financial assets	Naira N' million	US Dollar N' million	GBP N' million	Euro N' million	Others N' million	Total N' million
Cash and cash equivalents	343,018	92,690	4,851	12,981	2,856	456,396
Trading assets	248,909	-	-	-	-	248,909
Pledged assets	231,972	-	-	-	-	231,972
Derivative assets	32,871	-	-	-	-	32,871
Financial investments	149,556	5,774	-	-	-	155,330
Loans and advances to banks	1,998	1,048	-	-	-	3,046
Loans and advances to customers	284,056	241,095	468	5,706	799	532,124
Other financial assets	(107,115)	265,442	(83)	2,516	1,017	161,777
	1,185,265	**606,049**	**5,236**	**21,203**	**4,672**	**1,822,425**
Financial liabilities						
Trading liabilities	55,332	194,871	-	-	-	250,203
Derivative liabilities	4,343	-	-	-	-	4,343
Deposits and current accounts from banks	131,278	108,451	349	6,927	1,898	248,903
Deposits and current accounts from customers	418,064	205,694	4,717	9,222	143	637,840
Other borrowings	37,542	54,623	-	-	-	92,165
Debt securities issued	82,079	24,579	-	-	-	106,658
Other financial liabilitiies	185,845	5,907	59	5,299	2,243	199,353
	914,483	**594,125**	**5,125**	**21,448**	**4,284**	**1,539,465**
Net on-balance sheet financial position	270,782	11,924	111	(245)	388	282,960
Off balance sheet	140,569	121,441	313	9,803	1,988	274,114

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

At 31 December 2018 **Financial assets**	**Naira** **N' million**	**US Dollar** **N' million**	**GBP** **N' million**	**Euro** **N' million**	**Others** **N' million**	**Total** **N' million**
Cash and cash equivalents	250,505	177,028	4,413	21,468	2,359	455,773
Trading assets	84,351	-	-	-	-	84,351
Pledged assets	142,543	-	-	-	-	142,543
Derivative assets	30,286	8	-	-	-	30,294
Financial investments	393,460	6,540	-	-	-	400,000
Asset held for sale	-	-	-	-	-	-
Loans and advances to banks	1,401	7,146	-	-	-	8,547
Loans and advances to customers	218,925	198,069	465	13,433	1,821	432,713
Other financial assets	57,862	19,366	478	32	49	77,787
	1,179,333	**408,157**	**5,356**	**34,933**	**4,229**	**1,632,008**
Financial liabilities						
Trading liabilities	50,755	74,929	-	-	-	125,684
Derivative liabilities	4,152	-	-	-	-	4,152
Deposits and current accounts from banks	84,510	62,661	453	10,927	1,721	160,272
Deposits and current accounts from customers	510,600	284,825	3,839	7,713	715	807,692
Debt security issued	46,028	14,567	-	-	-	60,595
Other financial liabilitiies	134,816	19,056	483	5,841	1,515	161,711
Other borrowings	15,363	54,555	-	-	-	69,918
	846,224	**510,593**	**4,775**	**24,481**	**3,951**	**1,390,024**
Net on-balance sheet financial position	333,109	(102,436)	581	10,452	278	241,985
Off balance sheet	52,686	74,561	697	11,713	6,824	146,481

Exchange rates applied

year-end spot rate*	**Dec-19**	Dec-18
US Dollar	**364.70**	364.18
GBP	**482.52**	466.22
Euro	**409.43**	416.51

Sensitivity analysis

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

	Profit or loss		**Equity, net of tax**	
Effect in N million	Strengthening	Weakening	Strengthening	Weakening
At 31 December 2019				
USD (20% movement)	**2,385**	**(2,385)**	**1,669**	**(1,669)**
GBP (10% movement)	**11**	**(11)**	**8**	**(8)**
EUR (5% movement)	**(12)**	**12**	**(9)**	**9**
At 31 December 2018				
USD (5% movement)	(20,487)	20,487	(14,341)	14,341
GBP (2% movement)	58	(58)	41	(41)
EUR (1% movement)	523	(523)	366	(366)

Basel II framework

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

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

The Pillar III Disclosures Report will be published on bi-annual basis and will be made available through the bank's website at www.stanbicibtcbank.com.

Capital management

Capital adequacy

The group manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth and depositor confidence, and providing competitive returns to shareholders. The capital management process ensures that each group entity maintains sufficient capital levels for legal and regulatory compliance purposes. The group ensures that its actions do not compromise sound governance and appropriate business practices and it eliminates any negative effect on payment capacity, liquidity and profitability

The Central Bank of Nigeria (CBN) adopted the Basel II capital framework with effect from 1 October 2014 and revised the framework in June 2015. Stanbic IBTC Bank has been compliant with the requirements of Basel II capital framework since it was adopted.

Regulatory Capital

The group's regulatory capital is divided into two tiers:

- Tier 1 capital which comprises share capital, share premium, retained earnings and reserves created by appropriations of retained earnings. The closing balance on deferred tax asset is deducted in arriving at Tier 1 capital;

- Tier 2 capital which includes subordinated debts and other comprehensive income. Subordinated debt at the end of the year totalled N30bn and is broken down as follows:
  - Naira denominated subordinated debt totalling N15.6bn issued on 30 September 2014 at an interest rate of 13.25% per annum;
  - N100 million Naira denominated subordinated debt issued on 30 September 2014. Interest is payable semi-annually at 6-month Nigerian Treasury Bills yield plus 1.20%. It has a tenor of 10 years and is callable after 5 years from the issue date. The debt is unsecured;
  - USD denominated term subordinated non-collaterised facility of USD40 million obtained from Standard Bank of South Africa effective 31 May 2013. The facility expires on 31 May 2025 and is repayable at maturity. Interest on the facility is payable semi-annually at LIBOR (London Interbank Offered Rate) plus 3.60%.

Total eligible Tier 2 Capital as at 31 Dec 2019 was N38.04bn (Dec 2018: N30.4bn).
Investment in unconsolidated subsidiaries and associations are deducted from Tier 1 and 2 capital to arrive at total regulatory capital.

Capital Adequacy

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

Throughout the year under review, Stanbic IBTC Bank operated above its targeted capitalization range and well over the minimum regulatory capital adequacy ratio of 10% as mandated by CBN.

Regulatory Recommended transition adjustments of IFRS 9

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

Banks are required to hold static the adjusted Day One impact and amortise on a straight-line basis over the four-year transition year. The Group (Bank) wrote to the Central Bank on November 9, 2018 advising that the impact of IFRS 9 transition adjustment has been fully absorbed in reserves and audited as part of our half year audit process. The impact of the transitional adjustments has been incorporated into the Group's (Bank's) capital plan, which covers a three-year horizon and the Group's (Bank's) should remain adequately capitalized during these years.

Risk and capital management (continued)
for the year ended 31 December 2019

Capital management - BASEL II regulatory capital

Stanbic IBTC Group	Basel II **Group** **31 Dec 2019** **N'million**	*Basel II - Adjusted for impact of IFRS 9 transitional adjustment **Group** **31 Dec 2019** **N'million**	Basel II **Group** **31 Dec. 2018** **N'million**	*Basel II - Adjusted for impact of IFRS 9 transitional adjustment **Group** **31 Dec. 2018** **N'million**
Tier 1				
	276,898	280,969	214,285	220,391
Paid-up share capital	5,252	5,252	5,120	5,120
Share premium	88,181	88,181	76,030	76,030
General reserve (retained profit)	144,284	144,284	105,602	105,602
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEIS reserve	4,652	4,652	2,156	2,156
Statutory reserve	27,487	27,487	20,000	20,000
Other reserves	76	76	76	76
IFRS 9 Transitional Adjustment Relief	-	4,071	-	6,106
Non controlling interests	5,927	5,927	4,261	4,261
Less: regulatory deduction	16,124	16,124	10,008	10,008
Goodwill	-	-	-	-
Deferred tax assets	10,892	10,892	9,181	9,181
Other intangible assets	5,232	5,232	827	827
Current year losses	-	-	-	-
Under impairment	-	-	-	-
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-	-	-
Investment in the capital of banking and financial institutions	-	-	-	-
Excess exposure(s) over single obligor without CBN approval	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same group	-	-	-	-
Eligible Tier I capital	260,774	264,845	204,277	210,383
Tier II				
	31,610	31,610	32,949	32,949
Hybrid (debt/equity) capital instruments	-	-	-	-
Subordinated term debt	27,289	27,289	30,414	30,414
Other comprehensive income (OCI)	4,321	4,321	2,535	2,535
Less: regulatory deduction	-	-	-	-
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-	-	-
Investment in the capital of banking and financial institutions	-	-	-	-
Investment in the capital of financial subsidiaries	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same group	-	-	-	-
Eligible Tier II capital	31,610	31,610	32,949	32,949
Total regulatory capital	**292,384**	**296,455**	**237,226**	**243,332**
Risk weighted assets:				
Credit risk	835,460	835,460	635,860	635,860
Operational risk	337,605	337,605	299,944	299,944
Market risk	16,082	16,082	24,185	24,185
Total risk weighted asset	**1,189,147**	**1,189,147**	**959,989**	**959,989**
Total capital adequacy ratio	24.6%	24.9%	24.7%	25.3%
Tier I capital adequacy ratio	21.9%	22.3%	21.3%	21.9%

*Capital adequacy ratio will decrease by 36bps from 24.9% to 24.6% without the transitional adjustment relief given by the CBN to Banks. The transitional adjustment relief is in adherence to the CBN circular on "Transitional Arrangements - Treatment of IFRS 9 Expected Credit Loss for Regulatory Purposes by Banks in Nigeria", dated 18 October 2018. The transitional adjustment is a 20% discount on excess IFRS 9 day one impact over regulatory risk reserve (RRR) on day one 01 January 2018, and which is further discounted over a four year period at annual discount rate of 20%.
IFRS 9 day one impact amounted to N10.18bn as at 01 January 2018.

Capital management - BASEL II regulatory capital

Stanbic IBTC Bank PLC	Basel II **31 Dec 2019** **N'million**	*Basel II - Adjusted for impact of IFRS 9 transitional adjustment **31 Dec 2019** **N'million**	Basel II **31 Dec 2018** **N'million**	*Basel II - Adjusted for impact of IFRS 9 transitional adjustment **31 Dec 2018** **N'million**
	183,237	187,355	153,824	160,002
Paid-up share capital	1,875	1,875	1,875	1,875
Share premium	42,469	42,469	42,469	42,469
General reserve (Retained Profit)	91,460	91,460	72,386	72,386
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEEIS reserve	4,652	4,652	2,156	2,156
Statutory reserve	41,706	41,706	33,863	33,863
Other reserves	36	36	36	36
IFRS 9 Transitional Adjustment Relief	-	4,118	-	6,177
Non controlling interests	-	-	-	-
Less: regulatory deduction	15,470	15,470	9,190	9,190
Goodwill	-	-	-	-
Deferred tax assets	10,188	10,188	8,321	8,321
Other intangible assets	5,232	5,232	819	819
Investment in the capital of financial subsidiaries	50	50	50	50
Excess exposure(s) over single obligor without CBN approval	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same group	-	-	-	-
Unsecured lending to subsidiaries within the same group	-	-	-	-
Eligible Tier I capital	167,767	171,885	144,634	150,812
Tier II	29,706	29,706	31,958	31,958
Hybrid (debt/equity) capital instruments	-	-	-	-
Subordinated term debt	27,289	27,289	30,414	30,414
Other comprehensive income (OCI)	2,417	2,417	1,544	1,544
	50	50	50	50
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-	-	-
Investment in the capital of banking and financial institutions	-	-	-	-
Investment in the capital of financial subsidiaries	50	50	50	50
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same group	-	-	-	-
Eligible Tier II capital	29,656	29,656	31,908	31,908
Total regulatory capital	**197,423**	**201,541**	**176,542**	**182,720**
Risk weighted assets:				
Credit risk	761,350	761,350	598,610	598,610
Operational risk	240,921	240,921	215,971	215,971
Market risk	16,082	16,082	24,185	24,185
Total risk weight asset	**1,018,353**	**1,018,353**	**838,766**	**838,766**
Total capital adequacy ratio	19.4%	19.8%	21.0%	21.8%
Tier I capital adequacy ratio	16.5%	16.9%	17.2%	18.0%

Capital adequacy ratio will decrease by 40bps from 19.8% to 19.4% without the transitional adjustment relief given by the CBN to Banks. The transitional adjustment relief is in adherence to the CBN circular on "Transitional Arrangements - Treatment of IFRS 9 Expected Credit Loss for Regulatory Purposes by Banks in Nigeria", dated 18 October 2018. The transitional adjustment is a 20% discount on excess IFRS 9 day one impact over regulatory risk reserve (RRR) on day one 01 January 2018, and which is further discounted over a four year period at annual discount rate of 20%.
IFRS 9 day one impact amounted to N10.30bn as at 01 January 2018.

Income statement for three months year ended December 2019

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statement of profit or loss and other Comprehensive Income for the Three Months Ended 31 December, 2019

	Group				Company			
For the three months ended 31 December (Unaudited)	3 months 31-Dec-19 N'million	12 months 31-Dec-19 N'million	3 months year 31-Dec-18 N'million	12 months 31-Dec-18 N'million	3 months 31-Dec-19 N'million	12 months 31-Dec-19 N'million	3 months 31-Dec-18 N'million	12 months 31-Dec-18 N'million
Gross earnings	57,651	233,808	53,560	222,360	3,952	38,934	1,368	19,463
Net interest income	19,159	77,831	19,766	78,209	2	148	55	271
Interest income	29,374	120,412	30,495	118,382	2	148	55	271
Interest expense	(10,215)	(42,581)	(10,729)	(40,173)	-	-	-	-
Non-interest revenue	26,816	108,755	22,630	102,604	3,950	38,786	1,313	19,192
Net fee and commission revenue	17,020	70,393	16,929	69,845	452	2,171	1,308	2,171
Fee and commission revenue	18,481	75,034	17,364	71,219	452	2,171	1,308	2,171
Fee and commission expense	(1,461)	(4,641)	(435)	(1,374)	-	-	-	-
Trading revenue	9,144	36,332	5,591	31,311	-	-	-	-
Other revenue	652	2,030	110	1,448	3,498	36,615	5	17,021
Income before credit impairment charges	45,975	186,586	42,396	180,813	3,952	38,934	1,368	19,463
Net impairment write-back/(loss) on financial assets	(1,722)	(1,632)	(1,196)	2,940	-	-	-	-
Income after credit impairment charges	44,253	184,954	41,200	183,753	3,952	38,934	1,368	19,463
Operating expenses	(22,436)	(94,029)	(23,428)	(95,601)	(730)	(4,409)	(2,275)	(3,463)
Staff costs	(10,045)	(40,618)	(11,690)	(43,027)	(70)	(1,056)	(1,053)	(1,662)
Other operating expenses	(12,391)	(53,411)	(11,738)	(52,574)	(660)	(3,353)	(1,222)	(1,801)
Profit before tax	21,817	90,925	17,773	88,152	3,222	34,525	(907)	16,000
Income tax	(2,334)	(15,890)	(3,089)	(13,712)	289	254	(132)	(501)
Profit for the year	19,483	75,035	14,684	74,440	3,511	34,779	(1,039)	15,499
Profit attributable to:								
Non-controlling interests	555	2,373	1,735	2,353	-	-	-	-
Equity holders of the parent	18,928	72,662	12,949	72,087	3,511	34,779	(1,039)	15,499
Profit for the year	19,483	75,035	14,684	74,440	3,511	34,779	(1,039)	15,499
Other comprehensive income								
Items that will never be reclassified to profit or loss								
Movement in fair value reserve (equity instruments):	224	2,188	383	383	-	-	-	-
Net change in fair value	281	2,152	356	356	-	-	-	-
Related income tax	(57)	36	27	27	-	-	-	-
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)	(355)	(262)	(3,054)	(3,063)	-	-	-	-
Total expected credit loss	151	244	(68)	(77)	-	-	-	-
Net change in fair value	739	739	(2,203)	(2,203)	-	-	-	-
Realised fair value adjustments transfered to profit or loss	(1,245)	(1,245)	(783)	(783)	-	-	-	-
Related income tax								
Other comprehensive income for the year net of tax	(131)	1,926	(2,671)	(2,680)	-	-	-	-
Total comprehensive income for the year	19,352	76,961	12,013	71,760	3,511	34,779	(1,039)	15,499
Earnings per share								
Basic earnings per ordinary share (kobo)	180	692	126	704	33	321	(10)	151
Diluted earnings per ordinary share (kobo)	180	692	126	704	33	321	(10)	151

Annexure A: Statements of value added

Annexure B: Financial summary

STANBIC IBTC HOLDINGS PLC

Annexure A: Value added statement
For the year ended 31 December 2019

	Group				Company			
	31-Dec-19		31-Dec-18		**31-Dec-19**		31-Dec-18	
	N'million	**%**	N'million	**%**	**N'million**	%	N'million	**%**
Gross earnings	**233,808**		222,360		**37,882**		19,463	
Interest paid:								
- local	**(37,646)**		(36,413)		**-**		-	
- foreign	**(4,935)**		(3,760)		**-**		-	
	(42,581)		(40,173)		**-**		-	
Administrative overhead:								
- local	**(52,585)**		(48,806)		**(3,353)**		(1,801)	
- foreign	**(586)**		(710)		**-**		-	
	(53,171)		(49,516)		**(3,353)**		(1,801)	
Recovery/(Provision) for losses	**(1,632)**		2,940		**-**		-	
Value added	**136,424**	**100**	135,611	100	**34,529**	**100**	17,662	100
DISTRIBUTION								
EMPLOYEES & Directors								
Salaries and benefits	**40,618**	**30**	43,027	32	**1,056**	**3**	1,662	9
GOVERNMENT								
Taxation	**15,890**	**11**	13,712	10	**(254)**	**-1**	501	3
THE FUTURE								
Asset replacement (depreciation)	**4,881**		4,432		**-**		-	
Expansion (retained in the business)	**75,035**		74,440		**33,727**		15,499	
Total	**79,916**	**59**	78,872	58	**33,727**	**98**	15,499	88
	136,424	**100**	135,611	100	**34,529**	**100**	17,662	100

STANBIC IBTC HOLDINGS PLC

Annexure B: Financial summary

	Group 31 Dec 2019 N'million	Group 31 Dec. 2018 N'million	Group 31 Dec. 2017 N'million	Group 31 Dec 2016 N'million	Group 31 Dec 2015 N'million	**Company 31 Dec 2019 N'million**	Company 31 Dec. 2018 N'million	Company 31 Dec. 2017 N'million	Company 31 Dec 2016 N'million	Company 31 Dec 2015 N'million
STATEMENT OF FINANCIAL POSITION										
Assets										
Cash and cash equivalents	**456,396**	455,773	401,348	301,351	211,481	**36,240**	15,533	7,545	1,768	8
Derivative assets	**32,871**	30,286	11,052	14,317	911	**-**	-	-	-	-
Trading assets	**248,909**	84,351	151,479	16,855	37,956	**-**	-	-	-	-
Pledged assets	**231,972**	142,543	43,240	28,303	86,570	**-**	-	-	-	-
Financial investments	**155,330**	400,000	316,641	252,823	162,695	**1,981**	1,796	1,625	920	658
Asset held on sale	**-**	-	114	112	262	**-**	-	-	-	-
Loans and advances to banks	**3,046**	8,548	9,623	15,264	26,782	**-**	-	-	-	-
Loans and advances to customers	**532,124**	432,713	372,088	352,965	353,513	-	-	-	-	-
Deferred tax assets	**10,892**	9,181	8,901	8,638	8,342	**-**	-	-	-	555
Equity Investment in group companies	**-**	-	-	-	-	**85,539**	85,539	85,539	85,539	69,191
Other assets	**168,689**	77,787	49,442	39,220	23,741	**2,923**	4,091	2,148	2,226	2,996
Right of Use Assets	**3,217**	-	-	-	-	**71**	-	-	-	-
Intangible assets	**5,232**	827	605	713	-	-	-	-	-	-
Property and equipment	**27,778**	21,652	21,883	22,962	25,311	**132**	993	517	2,404	2,494
	1,876,456	1,663,661	1,386,416	1,053,523	937,564	**126,886**	107,952	97,374	92,857	75,902
Equity and liabilities										
Share capital	**5,252**	5,120	5,025	5,000	5,000	**5,252**	5,120	5,025	5,000	5,000
Reserves	**291,050**	230,286	177,035	132,102	118,726	**117,133**	97,090	87,629	67,970	67,360
Non-controlling interest	**5,927**	4,261	3,158	3,696	5,241	**-**	-	-	-	-
Derivative liabilities	**4,343**	4,152	2,592	11,788	383	-	-	-	-	-
Trading liabilities	**250,203**	125,684	62,449	5,325	24,101	-	-	-	-	-
Deposits from banks	**248,903**	160,272	61,721	53,766	95,446	-	-	-	-	-
Deposits from customers	**637,840**	807,692	753,642	560,969	493,513	-	-	-	-	-
Other borrowings	**92,165**	69,918	74,892	96,037	81,107	**-**	-	-	16,404	-
Subordinated debt	**106,658**	60,595	29,046	27,964	23,699	-	-	-	-	-
Current tax liabilities	**19,230**	14,899	12,240	9,508	8,727	**179**	463	157	68	60
Deferred tax liabilities	**-**	137	120	47	120	**-**	-	-	9	
Provisions & other liabilities	**214,885**	180,645	204,496	147,321	81,501	**4,322**	5,279	4,563	3,406	3,482
	1,876,456	1,663,661	1,386,416	1,053,523	937,564	**126,886**	107,952	97,374	92,857	75,902
Acceptances and guarantees	**173,255**	146,481	153,377	54,143	49,973	**-**	-	-	-	-
	31 Dec 2019 N'million	31 Dec. 2018 N'million	31 Dec. 2017 N'million	31 Dec 2016 N'million	31 Dec 2015 N'million	**31 Dec 2019 N'million**	31 Dec. 2018 N'million	31 Dec. 2017 N'million	31 Dec 2016 N'million	31 Dec 2015 N'million
STATEMENT OF PROFIT OR LOSS										
Net operating income	**186,586**	180,813	172,769	126,053	100,648	**37,882**	19,463	28,827	2,431	10,982
Operating expenses and provisions	**(95,661)**	(92,661)	(111,603)	(88,844)	(76,997)	**(4,409)**	(3,463)	(1,282)	(930)	(1,083)
Profit before tax	**90,925**	88,152	61,166	37,209	23,651	**33,473**	16,000	27,545	1,501	9,899
Taxation	**(15,890)**	(13,712)	(12,785)	(8,689)	(4,760)	**254**	(501)	(2,380)	(892)	(28)
Profit after taxation	**75,035**	74,440	48,381	28,520	18,891	**33,727**	15,499	25,165	609	9,871
Profit attributable to :										
Non-controlling interests	**2,373**	2,353	2,186	3,878	3,393	**-**	-	-	-	-
Equity holders of the parent	**72,662**	72,087	46,195	24,642	15,498	**33,727**	15,499	25,165	609	9,871
Profit for the year	**75,035**	74,440	48,381	28,520	18,891	**33,727**	15,499	25,165	609	9,871
STATISTICAL INFORMATION										
Earnings per share (EPS) - basic	**692k**	704k	460k	246k	155k	**321k**	151k	250k	6k	99k