STANBIC IBTC HOLDINGS PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2022

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Stanbic IBTC Holdings PLC RC 1018051

Stanbic IBTC

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31 DECEMBER 2022

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Directors' report
For the year ended 31 December 2022

The Directors present their annual report on the affairs of Stanbic IBTC Holdings PLC (“the Company”) and its subsidiaries (together “the Group”), together with the consolidated and separate annual financial statements and auditor's report for the year ended 31 December 2022.

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 (NGX).

b. Principal activity and business review

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

The company has ten direct subsidiaries, namely: Stanbic IBTC Bank PLC, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Asset Management Limited, Stanbic IBTC Capital Limited, Stanbic IBTC Insurance Limited, Stanbic IBTC Stockbrokers Limited, Stanbic IBTC Ventures Limited, Stanbic IBTC Insurance Brokers Limited, Stanbic IBTC Trustees Limited, Stanbic IBTC Financial Services Limited (formerly Stanbic IBTC Bureau De Change Limited) and one indirect subsidiary, namely: Stanbic IBTC Nominees Limited. Stanbic IBTC Financial Services Limited is yet to commence operations.

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 39.15%, profit before tax increased by 52.04% and profit after tax increased by 41.86% by for the year ended 31 December 2022. The directors' recommended the approval of an final dividend of 200 kobo per share (31 Dec 2021: 200 kobo per share) for the year ended 31 December 2022.

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

	31 Dec. 2022 Group	31 Dec. 2021 Group	**31 Dec. 2022 Company**	31 Dec. 2021 Company
	₦'million	₦'million	**₦'million**	₦'million
Gross earnings	**287,537**	206,644	**57,041**	37,025
Profit before tax	**100,349**	66,003	**50,705**	32,366
Income tax	**(19,535)**	(9,037)	**(10)**	(8)
Profit after tax	**80,814**	56,966	**50,695**	32,358
Non controlling interest	**(2,691)**	(2,588)	**-**	-
Profit attributable to equity holders of the parent	**78,123**	54,378	**50,695**	32,358
Dividend proposed/ paid (final)	**25,914**	25,914	**25,914**	25,914
Dividend paid (Interim)	**19,436**	12,957	**19,436**	12,957
Total Dividend	**45,350**	38,871	**45,350**	38,871

d. Directors interest in contracts

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

e. Property and equipment

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

f. Shareholding analysis

The shareholding pattern of the company as at 31 Dec 2022 is as stated below:

Share range	No. of shareholders	Percentage of shareholders	No. of holding	Percentage holdings
1 - 1,000	39,639	41.93	23,156,056	0.18
1,001 - 5,000	35,640	37.70	82,360,748	0.64
5,001 - 10,000	9,104	9.63	63,367,837	0.49
10,001 - 50,000	7,767	8.22	161,684,886	1.25
50,001 - 100,000	1,143	1.21	79,857,888	0.62
100,001 - 500,000	924	0.98	185,016,959	1.43
500,001 - 1,000,000	132	0.14	90,105,218	0.70
1,000,001 - 5,000,000	114	0.12	247,079,200	1.91
5,000,001 - 10,000,000	16	0.02	112,037,439	0.86
10,000,001 - 50,000,000	36	0.04	759,006,828	5.86
50,000,001 - 100,000,000	13	0.01	954,522,321	7.37
100,000,001 - 12,956,997,163	8	0.01	10,198,801,783	78.71
Grand Total	**94,536**	**100**	**12,956,997,163**	**100**
Foreign shareholders	217		8,876,249,294	68.51%

g. Substantial interest in shares

According to the register of members as at 31 Dec 2022, no shareholder held more than 5% of the issued share capital of the company except the following:

Free Float Analysis

Share Price as at end of reporting period: N33.45 (Dec 2021: N36.00)

	Dec-22		Dec-21	
	Units	**Percentage (In relation to Issued Share Capital)**	**Units**	**Percentage (In relation to Issued Share Capital)**
Issued Share Capital	12,956,997,163	100.00%	12,956,997,163	100.00%

DETAILS OF SUBSTANTIAL SHAREHOLDINGS (5% AND ABOVE)

	Dec-22		Dec-21	
	No of shares held	**Percentage shareholding**	**No of shares held**	**Percentage shareholding**
Shareholder				
Stanbic Africa Holdings Limited (SAHL)	8,752,863,865	67.55%	8,747,863,865	67.51%
Total Substantial Shareholdings	**8,752,863,865**	**67.55%**	8,747,863,865	67.51%

DETAILS OF DIRECTORS SHAREHOLDINGS (DIRECT & INDIRECT), EXCLUDING DIRECTORS HOLDING SUBSTANTIAL INTERESTS

	Dec-22		Dec-21	
	No of shares held	**Percentage shareholding**	**No of shares held**	**Percentage shareholding**
Directors				
	40,385,894 (Direct)		40,385,894 (Direct)	
Ifeoma Esiri	3,111,115 (Indirect)	0.31% + 0.02%	3,111,115 (Indirect)	0.31% + 0.02%
Ngozi Edozien	21,656	0.00%	21,656	0.00%
Ballama Manu	519,464	0.00%	189,977	0.00%
Demola Sogunle	3,417,940 (Indirect)	0.03%	2,417,940 (Indirect)	0.02%
Kunle Adedeji	116,666 (Direct)	0.00%	116,666 (Direct)	0.00%
Sola David-Borha	615,812	0.01%	615,812	0.01%
Total Directors' Shareholdings	**48,188,547**	**0.37%**	**46,859,060**	**0.36%**

DETAILS OF OTHER INFLUENTIAL SHAREHOLDINGS, IF ANY (E.G. GOVERNMENT, PROMOTERS)

	No of shares held	Percentage shareholding	No of shares held	Percentage shareholding
Directors				
SITL THE FIRST ANAP DOMESTIC TRUST	150,000,000	1.16%	150,000,000	1.16%
Total of Other Influential Shareholdings	**150,000,000**	**1.16%**	**150,000,000**	**1.16%**
Free Float in Unit and Percentage	**4,005,944,751**	**30.92%**	**4,012,274,238**	**30.97%**
Free Float in Value	**NGN 133,998,851,920.95**		**NGN 144,441,872,568.00**	

Stanbic IBTC Holdings PLC with a free float percentage of 30.92% as at 30 Dec 2022 (Dec 2021: 30.97%), is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Stanbic IBTC Holdings PLC with a free float value of NGN 133,998,851,920.95 as at 31 Dec 2022 (December 2021: NGN 144,441,872,568.00 is compliant with The Exchange's free float requirements for companies listed on the Main Board.

h. Share capital history

Year	Issued and fully paid up (N'000)		Number of shares (Issued and fully paid up) '000	
	Increase	Cumulative	Increase	Cumulative
2012	5,000,000	5,000,000	10,000,000	10,000,000
2015	-	5,000,000	-	10,000,000
2017	24,733	5,024,733	49,466	10,049,466
2018	32,104	5,056,837	64,208	10,113,674
2018	63,439	5,120,276	126,878	10,240,552
2019	116,450	5,236,726	232,900	10,473,452
2019	15,758	5,252,484	31,516	10,504,968
2020	300,515	5,552,999	601,030	11,105,998
2021	-	5,552,999	1,851,000	12,956,998

i. Dividend history and unclaimed dividend as at 31 December 2022

Period end	Dividend type	Total dividend amount declared*	Dividend per share	Net dividend amount unclaimed as at 31 December 2022	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	176,530,928	5.45
2011	Interim	1,687,500,000	10 kobo	21,456,051	1.27
2012	Final	900,570,889	10 kobo	15,336,018	1.70
2013	Interim	6,304,041,033	70 kobo	127,857,698	2.03
2013	Final	901,992,337	10 kobo	19,513,921	2.16
2014	Interim	9,920,077,516	110 kobo	212,449,053	2.14
2014	Final	1,352,701,559	15 kobo	29,903,784	2.21
2015	Interim	8,235,882,607	90 kobo	191,769,887	2.33
2015	Final	210,646,919	5 kobo	12,219,385	5.80
2016	Final	210,646,919	6 kobo	12,407,199	5.89
2017	Interim	1,494,304,738	60 kobo	141,604,764	9.48
2017	Final	1,712,614,735	50 kobo	151,471,664	8.84
2018	Interim	2,767,915,163	100 kobo	297,504,355	10.75
2018	Final	3,827,994,326	150 kobo	456,399,896	11.92
2019	Interim	2,197,589,117	100 kobo	301,484,871	13.72
2019	Final	4,355,729,540	200 kobo	603,215,732	13.85
2020	Interim	1,318,592,879	40 kobo	115,774,384	8.78
2020	Final	11,866,653,152	360 kobo	1,086,333,603	9.15
2021	Interim**	3,836,172,701	100 kobo		
2021	Final**	7,576,439,936	200 kobo		
2022	Interim**	6,313,700,595	150 kobo		
Total				**4,512,872,878**	

*Amount represent cash dividend paid to third parties less of withholding tax

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

j. Dividend history and unclaimed dividend as at 31 December 2022 (continued)

The total unclaimed dividend fund as at 31 Dec 2022 amounted to N4,115 million (Dec. 2021: N3,536 million). A sum of N1,105 million of the fund balance is held in an investment account (money market mutual fund) managed by Stanbic IBTC Asset Management Limited (Dec. 2021: N1,118 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 2022 was N38 million (Dec. 2021: N75 million).

k. Donations and Charitable Gifts

The Group and Company made contributions to charitable and non – political organizations amounting to N311.91 million and N183.00 million respectively (Dec 2021: Group - N1,280.5 million; Company - N114.8 million) during the year.

		Group N'	Company N'
1	Donation of relief items to residents of Trinitarian Foundation for the Orphans and Helpless	530,579	530,579
2	Breast and Cervical cancer screening for women in Gombe	117,138	117,138
3	Breast and Cervical cancer screening for women in Lagos	117,138	117,138
4	Coding Workshop and Financial Literacy Training for Secondary School Girls (Enugu and Port Harcourt)	234,275	234,275
5	Tree Planting Activity at Ilupeju Grammar School	100,000	100,000
6	Abu-ato Primary School Library Renovation, Asaba, Delta State	969,000	969,000
7	Donation to Home school for handicap children Oyo State	167,055	167,055
8	Renovation of University of Lagos Basketball Court	10,000,000	10,000,000
9	Purchase of Medical Equipment and Renovation of Maternity Ward at General Hospital Ibusa , Delta State	3,096,800	3,096,800
10	Donation to Rumuibkwe Youth Association, Portharcourt, Rivers State.	70,000	70,000
11	Construction of toilet facilities at the St Paul's Anglican primary school, Ido Osun State.	1,240,219	1,240,219
12	Donation of Medical Equipment to Comprehensive Health Centre, Batagarawa, Katsina State.	1,008,000	1,008,000
13	Renovation of National Grammar School multipurpose Hall, Nike, Enugu State.	659,201	659,201
14	Donation of food items ,cleaning items, furniture, renovation of the building and upgrade of plumbing system for Children Mission Home,Oyo State.	1,750,000	1,750,000
15	Donation of four lavatories with water system to Uwani General Hospital, Enugu State	1,356,301	1,356,301
16	Renovation of multipurpose hall, donation of Chairs and Desks at Christ the Light of Hope Orphanage (CLOHO), Ogun State	800,000	800,000
17	Donation of branded exercise books for the students, textbooks for the school's library and stationaries for the teachers at Awe High School, Oyo State	401,500	401,500
18	Donation of desks and chairs to Dabanzau Primary , Kano State	1,800,000	1,800,000
19	Donation of borehole and tanks to Obada Community , Abeokuta, Ogun State	1,588,750	1,588,750
20	Construction and renovation of classrooms and school structures at Daudu IDP Camp, Benue State	3,300,002	3,300,002
21	Donation of a Borehole to Niyes Community Secondary School, Plateau State	1,140,000	1,140,000
22	Donation of provisions to CNECOF International Ministry Orphanage Home, Gombe State	550,000	550,000
23	Donation of medical equipment, replacement of medical furniture in the general wards and operating theatre, repair of pre-existing plumbing and masonry structures at Primary Health Care Center, Agbara, Ogun state	2,921,000	2,921,000
24	Donation of food items to Oluyole Cheshire Home ,Oyo State	150,000	150,000
25	Donation of food items at the Tabitha Orphanage Home,Oyo State	553,000	553,000
26	Donation of food and educational materials at the Pacelli School (School for the blind and partially sighted children)	500,000	500,000
27	Donation of Neonatal Resuscitaire to Mushin General Hospital, Lagos State	1,250,000	1,250,000
28	Renovation of a block of 3 classrooms at Ogbomosho Girls' High School, Ogbomosho, Oyo state	460,000	460,000
29	Renovation of the laboratory of Bishop Onabanjo High School in Bodija, Ibadan, Oyo State.	1,783,535	1,783,535
30	Donation of food items to residents of "The Ibadan School for the Deaf"	150,000	150,000
31	Renovation of Kurba Community Primary School in Yamaltu Deba LGA in Gombe state school (Adopt A School)	31,187,896	31,187,896
32	Treatment and Prothesis for Together4Alimb Cohorts	84,319,437	84,319,437
33	Donation to Flood Victims in Bayelsa, Rivers, Anambra , Delta and Kogi States	25,000,000	25,000,000
34	Donation to Down Syndrome Foundation	500,000	500,000
35	Uzo- Igwe Primary School Renovation Asaba , Delta State	1,631,500	1,631,500
36	Donations of Learning Materials to 500 Students in Ile-Ife collaboration with Hope Alive Project	890,027	890,027
37	Donation of Inverter Solution to IMO PHC	712,500	712,500
38	Donation to Slum 2 School Africa for Malaria Day Activities	5,869,000	
39	Water Project for De African Child College, Bukuru Community, Plateau State	1,523,677	
40	Building project for Cereberal Palsy Centre, Lagos State	1,000,000	
41	International Boys summit- Boys Quarters Africa	500,000	
42	De African Child College, Bukuru Community, Plateau State	382,442	
43	Donation to Oyo State Universal Basic Education Board	1,040,477	
44	Donation to the Nigerian Police College - Ikeja Lagos State	924,000	
45	Renovation of Maternity Ward and donation of Medical Equipment to Sabon Tasha General Hospital	3,521,628	
46	Starchildren Initiative; Digitalisation, Entrepreneurship andConfidence Building Training for women with disabilities in Akwa, Anambra State,	5,090,000	
47	Red Cross	1,000,000	
48	Renovation of the Primary Health Care (PHC) Centre located at Kamwai Village, Bokkos Local Government Area, Plateau State.	5,657,000	
49	Renovation forHope for Orphanage Katampe ,Abuja	3,294,038	
50	Renovation of the computer lap and construction of chairs and desk for 1300 school children in Igwebuike Grammar school, Awka, Anambra State	2,298,856	
51	Planting of trees in collaboration with NCF at Okomu National Park in Edo State, Old Oyo National Park in Oyo State, Omo Forest Reserve in Ogun State and Abuja Conservation Centre, FCT Abuja as well as the Lekki Conservation Centre (LCC).	3,740,000	
52	Jerkwami Solar- Powered Borehole Project , Gombe State	2,750,000	
53	Womens Affairs Primary School Library Renovation Asaba, Delta State	2,426,855	
54	Renovaton of Awuko - Alagbon PHC and provison of medical equipment	2,994,033	
55	Prostheses and clinical treatment for Together4ALimb beneficiaries.	84,894,343	
Total		**311,911,200**	**183,004,852**

l. Events after the reporting date

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

m. Human resources

Employment of physically challenged

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

Health safety and welfare at work

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

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

n. Employee involvement and training

The company ensures, through various fora, that employees are kept informed on matters concerning them. Formal and informal channels are employed for communication with employees with an appropriate two – way feedback mechanism. In accordance with the company's policy of continuous staff development, training facilities are provided in the Group's well equipped Training School (the Blue Academy). Employees of the Company attend training programmes 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.

o. Credit Ratings

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

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

Rating Agency	Rated Entity	Report Date	National		Issuer		Outlook
			Long term	Short term	Long term	Short term	
Fitch	Stanbic IBTC Bank	June 2022	AAA(nga)	F1+(nga)	-	-	Stable
	Stanbic IBTC Holdings	December 2022	AAA(nga)	F1+(nga)	-	-	Stable
Standard & Poor's	Stanbic IBTC Bank	June 2022	ngBBB	ngA-2	B-	B	Stable
Global Credit Rating	Stanbic IBTC Bank		AAA(NG)	A1+(NG)	-	-	Stable

p. Auditor

The auditors, Messrs.PricewaterhouseCoopers Nigeria, beling eligible will be re-appointed as External Auditors for 2023 subject to Shareholders approval at the next AGM.

By order of the Board

Chidi Okezie
Company Secretary
FRC/2013/NBA/00000001082
3 February 2023

Statement of Directors’ responsibilities in relation to the financial statements
For the year ended 31 December 2022

The Directors accept responsibility for the preparation of consolidated and separate annual financial statements that give a true and fair view in accordance with International Financial Repoting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act, 2011 and the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

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

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

SIGNED ON BEHALF OF THE Directors BY:

Basil Omiyi
Chairman
FRC/2016/IODN/00000014093
3 February 2023

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
3 February 2023

Corporate governance report
For the year ended 31 December 2022

Introduction

The company is a member of the Standard Bank Group, which holds a 67.55% 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 Insurance Limited, Stanbic IBTC Financial Services 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 periodically to ensure they remain relevant. The mandates set out their roles, responsibilities, scope of authority, composition and procedures for reporting to the board.

Codes and regulations

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

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

Shareholders' responsibilities

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

Developments during the year ended 31 December 2022

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

- The Company held its 10th Annual General Meeting on Thursday 26 May 2022 at which shareholders approved the 2021 Audited Financial Statements as well as other resolutions tabled before the meeting.
- At the same meeting, shareholders approved a final dividend of N2.00 per ordinary share of N0.50kobo each payable to shareholders whose names were in the Register of Members as at 13 April 2022. Furthermore, pursuant to Section 868 of the Companies and Allied Matters Act 2020, which defines 'share capital' to mean 'issued share capital of a company at any given time', Shareholders also approved that a total of 43,002,837 (forty three million, two thousand, eight hundred and thirty seven) Ordinary Shares of 50 kobo each, being the outstanding Unissued Shares of the Company be cancelled. As such following the cancellation of the 43,002,837 (forty three million, two thousand, eight hundred and thirty seven) outstanding Unissued Shares of the Company, the Share Capital of the Company (being its Issued Share Capital) shall be N=6,478,498,581.50 (six billion, four hundred and seventy eight million, four hundred and ninety eight thousand, five hundred and eighty one Naira, fifty kobo) divided into 12,956,997,163 ordinary shares of 50 Kobo each, all of which shares are fully paid-up
- The company filed its annual corporate governance report to the Financial Reporting Council (FRC) in compliance with the Nigerian Code of Corporate Governance 2018.
- In response to the outbreak of the Corona Virus pandemic, the Board of the Company adopted the use of technology and collaborative tools that enabled the Board to continue to operate virtually, as all Board meetings and other board activities were held remotely or by virtual means enabled by technology. However following the ease of COVID-19 restrictions by the Federal Government of Nigeria on the back of the reduction in the rate of new infections, the Board has adopted a hybrid approach to its Board meetings, thereby providing the opportunity for Directors to either attend Board and Board Committee meetings either in-person or through virtual means.
- The Company made significant progress in the execution of its Sustainability Strategy.
- The Company's Board Strategy Session was held in July 2022 in accordance with regulatory and corporate Governance Best Practice Requirements.
- The Company appointed a third Independent Non-Executive Director in compliance with the requirements of the Companies and Allied Matters Act 2020

The Group intends going into 2022 to:

- continue the focus on directors' training via formal training sessions and information bulletins on relevant issues that they should have to adequatly supervise Management;
- focus on broadening the composition of the board by appointing an additional independent non- executive director, to ensure diversity of experience and gender on the Board in line with the CBN Code of Corporate Governance and the Companies and Allied Matters Act 2020.
- continue to enhance the level of information provided to and interaction with shareholders, investors and stakeholders generally.

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 2022 are as follows:

NAME OF DIRECTOR	DESIGNATION	CBN APPROVAL	CUMULATIVE YEARS OF SERVICE AS AT 31 December 2022
Basil Omiyi CON	Chairman	25-Mar-15	7years, 9 months
Demola Sogunle	Chief Executive	1-Jul-20	2years, 6 months
Kunle Adedeji	Executive Director	22-Feb-19	3 years , 10 months
Ballama Manu MFR	Non-Executive Director	25-Mar-15	7 years, 9 months
Salamatu Suleiman	Independent Non-Executive Director	13-Jul-16	6years, 5 months
Ngozi Edozien	Independent Non-Executive Director	25-Mar-15	7 years, 9 months
Ben Kruger	Non-Executive Director	27-Nov-18	4 Years, 1 month
Ifeoma Esiri	Non-Executive Director	1-Nov-12	10 Years, 1 month
Fabian Ajogwu SAN	Non-Executive Director	21-Jun-17	5 Years , 7 months
Nkemdilim Uwaje	Non-Executive Director	18-Nov-19	3 Years, 1 month
Sola David-Borha	Non-Executive Director	11-Aug-20	2 year, 4 months
Babs Omotowa	Independent Non-Executive Director	15-Jul-22	5 months

Strategy

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

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

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

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

Skills, knowledge, experience and attributes of Directors

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

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

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

Appointment philosophy

The appointment philosophy ensures alignment with all necessary legislation and regulations which include, but are not limited to the requirements of the Central Bank of Nigeria; Securities and Exchange Commission Code of Corporate Governance, Nigerian 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 285 (1) of the Company and Allied Matters Act 2020, Mrs Ifeoma Esiri, Mr Barend Kruger and Mrs Nkemdilim Begho who retired in accordance with Section 285 of the Companies and Allied Matters Act 2020 were re-elected by Sharehokders at the Annual General Meeting held on 26 May 2022

The board's size as at 31 December 2022 was twelve (12), comprising two (2) executive directors and nine (9) non-executive directors. It is important to note that of the nine (9) non-executive directors, three (3) namely; Dr Salamatu Hussaini Suleiman Ms. Ngozi Edozien and Mr. Babs Omotowa are Independent Non-Executive Directors in compliance with Section 275 of the Companies and Allied Matters Act 2020. The board has the right mix of competencies and experience.

Board responsibilities

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

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

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

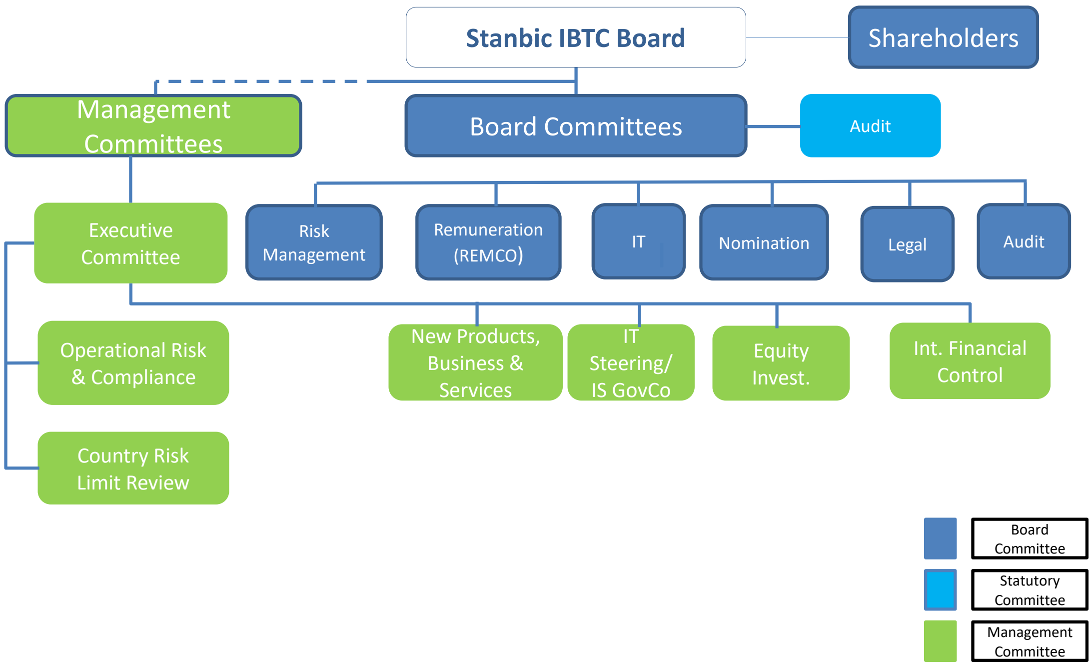
The ultimate responsibility for the company and its operations rests with the board. The board retains effective control through a well-developed governance structure of board committees. These committees provide in-depth focus on specific areas of board responsibility.

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

Membership of the executive committee is set out on page 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 has been adopted by the board and formalised with mandate approvals which were reviewed in July 2022. 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 in the 4th quarter of 2022 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 periods during the period 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 2022, the Group Executive committee comprised of 26 members drawn from key functions within the Company as well as its subsidiaries.

S/N	Name	Responsibility
i	Demola Sogunle	Chief Executive Stanbic IBTC Holdings PLC
ii	Wole Adeniyi	Chief Executive Stanbic IBTC Bank PLC
iii	Bunmi Dayo-Olagunju	Executive Director, Client Solutions, Stanbic IBTC Bank PLC
iv	Remy Osuagwu	Executive Director, Business and Commercial Clients Stanbic IBTC Bank PLC
v	Kunle Adedeji	Chief Finance and Value Management Officer Stanbic IBTC Holdings PLC
vi	Kola Lawal	Executive Director Risk/ Chief Risk Officer, Stanbic IBTC Bank PLC
vii	Eric Fajemisin	Executive Director, Corporate and Transactional Banking, Stanbic IBTC Bank PLC
viii	Chidi Okezie	Head, Country Legal Services Stanbic IBTC Holdings PLC/ Company Secretary
ix	Olufunke Amobi	Head, People and Culture, Stanbic IBTC Holdings PLC
x	Adenike Odukomaiya	Head, Internal Controls Stanbic IBTC Bank PLC
xi	Iretiola Lawal	Head, Bank Solutions, Stanbic IBTC Bank PLC
xii	Okechukwu Iroegbu	Head, Engineering Stanbic IBTC Holdings PLC
xiii	Adegbite Adekola	Chief Compliance Officer Stanbic IBTC Bank PLC
xiv	Olumide Oyetan	Chief Executive, Stanbic IBTC Pension Managers Limited
xv	Bayo Olujobi	Chief Financial Officer Stanbic IBTC Bank PLC
xvi	Sam Ocheho	Head, Global Markets Stanbic IBTC Bank PLC
xvii	Abiodun Gbadamosi	Head - Internal Audit Stanbic IBTC Bank PLC
xviii	Oladele Sotubo	Chief Executive, Stanbic IBTC Asset Management Limited
xix	Tosin Leye-Odeyemi	Head, Risk and Capital Management, Stanbic IBTC Holdings PLC
xx	Anthony Mogekwu	Head, CIB Legal, Stanbic IBTC Bank PLC
xxi	Bridget Oyefeso- Odusami	Head, Marketing and Communications
xxii	Olu Delano	Head, Consumer and High Net Worth Clients Stanbic IBTC Bank PLC
xxiii	Ezinne Anosike	Head, People & Culture Stanbic IBTC Bank PLC
xxiv	Charles Onwude	Head, Risk Management Stanbic IBTC Bank PLC
xxv	Babatunde Akindele	Head, Coverage, Commercial Clients
xxvi	Stanley Jacob	Chief Executive, Stanbic IBTC Financial Services Limited

Board meetings

The board meets, at a minimum, once every quarter with ad-hoc meetings being held whenever it was deemed necessary. The board held a strategy session on 28 July 2022. Directors, in accordance with the articles of association of the company, attend meetings either in person or via tele / video conferencing.

Directors are provided with comprehensive board documentation at least seven days prior to each of the scheduled meetings. Directors attendance at Board meetings for the period 01 January 2022 to 31 December 2022 is provided below:

Name	Feb	April	July	October
Basil Omiyi	√	√	√	√
Kunle Adedeji	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√
Ifeoma Esiri	√	√	√	√
Ballama Manu	√	√	√	√
Barend Kruger	√	√	√	√
Nkemdilim Uwaje	√	√	√	√
Ngozi Edozien*	√	√	√	√
Salamatu Suleiman*	√	√	√	√
Demola Sogunle	√	√	√	√
Sola David Borha	√	√	√	√
Babs Omotowa*	/	/	/	√

√ = Attendance

* = Independent Non-Executive Director

/ = Yet to be appointed on the Board

Board committees

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

Risk management committee

The board is ultimately responsible for risk management. The main purpose of the risk management committee, as specified in its mandate is the provision of independent and objective oversight of risk management within the company. The committee is assisted in fulfilling its mandate by a number of management 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 2022, the committee consisted of six directors, four of whom, including the chairman are non – executive directors.

Members' attendance at risk management committee meetings for the year ended 31 December 2022 is stated below:

Name	February	April	July	October
Ifeoma Esiri	√	√	√	√
Demola Sogunle	√	√	√	√
Prof. Fabian Ajogwu SAN	√	√	√	√
Kunle Adedeji	√	√	√	√
Ballama Manu	√	√	√	√
Ngozi Edozien	√	√	√	√

√ = Attendance

Remuneration committee

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

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

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

Remuneration committee (continued)

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

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

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

As at 31 December 2022, the committee consisted of four Directors, all of whom are non-executives, with the Chairman being an Independent Director.

Members' attendance at REMCO meetings during the year ended 31 December 2022 is stated below:

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

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

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 periods.

Remuneration policy

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

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

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

Remuneration structure

Non-executive Directors

Terms of service

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

Fees

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

Category	**2022**(i)	**2021**
	=N=	**=N=**
Chairman	55,500,000	49,420,000
Non-Executive Directors	37,300,000	33,200,000
Sitting Allowances for Board Meetings(ii)		
- Chairman	720,000	650,000
- Non-Executive Directors	630,000	570,000

(i) Approved by Shareholders at the 10th AGM of the Company to be held on 26 May 2022.
(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 2022.
Executive Directors receive a remuneration package and qualify for long-term incentives on the same basis as other employees.

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

Management and general staff

Total remuneration packages for employees comprises the following:

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

Terms of service

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

Fixed remuneration

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

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

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

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

Short-term incentives

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

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

The company has implemented a deferred bonus scheme (DBS) to compulsorily defer a portion of incentives over a minimum threshold for some senior managers and executives. This improves alignment of shareholder and management interests and enables 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 2022

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

	Dec. 2022	Dec. 2021
	N'million	N'million
Fees & sitting allowance	935	744
Executive compensation	1,217	928
Total	**2,152**	**1,672**

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 four non-executive Directors appointed by the Board. The Board Nomination Committee met twice in 2021 and all members of the Committee were in attendance.

Name	February	April	October
Ben Kruger	√	√	√
Ngozi Edozien	√	√	√
Fabian Ajogwu SAN	√	√	√
Sola David-Borha	√	√	√

/ = Not a member of the Committee at the relevant time
√ = Attendance

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 2022, the committee was made up of five members, two of whom are non-executive Directors while the remaining three members are shareholders elected at the annual General Meeting (AGM). The committee, whose membership is stated below, is chaired by a shareholder representative.

As at 31 December 2022, the committee consists of the following persons:

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

* = Shareholders representative
** = Non Executive Director

The Audit Committee (continued)

Members' attendance at audit committee meetings for the year 01 January to 31 December 2022 is stated below:

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

√ = 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 2022, the committee was made up of three members, two of whom are non-executive Directors while the Chairman of the committee is an independent non executive director.

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

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

Members' attendance at board audit committee meetings for the year 01 January to 31 December 2022 is stated below:

Name	February	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 2022 is stated below:

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

√ = Attendance
/ = 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 2022 is stated below:

The board legal committee (continued)

Name	February	April	May (OfC)	July	October
Mrs. Ifeoma Esiri	√	√	√	√	√
Dr Demola Sogunle	√	√	√	√	√
Prof Fabian Ajogwu SAN	√	√	√	√	√
Mrs. Salamatu Suleiman	√	√	√	√	√

√ = Attendance

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

Company secretary

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

Going concern

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

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

Management committees

The Group has the following management committees:

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

Relationship with shareholders

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

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

Dealing in securities

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

Sustainability

The company as a member of the Standard Bank Group (SBG) is committed to conducting business professionally, ethically, with integrity and in accordance with international best practice. To this end, the company subscribes to and adopts risk management standards, policies and procedures that have been adopted by the SBG. The company is also bound by the Nigerian 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 2022, 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 2022 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 2022 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-22		31 Dec. 2021	
	Workforce	**% of gender composition**	Workforce	% of gender composition
Total workforce:				
Women	**1,341**	**45%**	1,275	44%
Men	**1,667**	**55%**	1,620	56%
	3,008	**100%**	2,895	100%
Recruitments made during the year:				
Women	**307**	**44%**	145	46%
Men	**385**	**56%**	167	54%
	692	**100%**	312	100%
Diversity of members of board of Directors - Number of Board members				
Women	**5**	**42%**	5	45%
Men	**7**	**58%**	6	55%
	12	**100%**	11	100%
Diversity of board executives - Number of Executive Directors to Chief Executive				
Women	**-**	**0%**	-	0%
Men	**2**	**100%**	2	100%
	2	**100%**	2	100%
Diversity of senior management team - *Number of Assistant General Manager to General Manager*				
Women	**40**	**35%**	35	33%
Men	**75**	**65%**	71	67%
	115	**100%**	106	100%

Certification by Chief Executive and Chief Financial Officer
For the year ended 31 December 2022

Certification Under Section 405 (1) of the Companies and Allied Matters Act 2020

We the undersigned hereby certify the following with regards to our audited annual financial statements (AFS) for the year ended 31 December 2022 that:

1. We have reviewed the AFS and to the best of our knowledge:

   i. the AFS do not contain any untrue statement of material facts or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

   ii. the AFS and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the AFS;

2. We are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the company and its subsidiaries is made known to the officer by other officers of the companies, particularly during the period in which the audited financial statement report is being prepared;

3. We have evaluated the effectiveness of the company's internal controls within 90 days before the date of AFS, and certify that the company's internal controls are effective as of that date;

4. We have disclosed to the company's auditors and audit committee –

   i. all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and

   ii. any fraud whether or not, material that involves management or other employees who have a significant role in the company's internal control.

5. There were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
3 February 2023

Kunle Adedeji
Chief Financial Officer
FRC/2013/ICAN/00000001137
3 February 2023

Report of the audit committee
For the year ended 31 December 2022

To the members of Stanbic IBTC Holdings PLC

In compliance with the provisions of Section 404 of the Companies & Allied Matters Act 2020, the Audit Committee considered the audited consolidated and separate annual financial statements for the year ended 31 December 2022 together with the management controls report from the auditors and the company's response to this report at its meeting held on 31 January 2023.

In our opinion, the scope and planning of the audit for the year ended 31 December 2022 were adequate.

We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the company and the Group are in accordance with legal requirements and agreed ethical practices, and that the scope and planning of both the external and internal audits for the year ended 31 December 2022 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 N56,502,814,105 (31 December 2021: N29,637,684,713) was outstanding as at 31 December 2022. 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
2 February 2023

Members of the audit committee are:

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

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

Independent auditor's report

To the Members of Stanbic IBTC Holdings PLC

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Stanbic IBTC Holdings PLC ("the company") and its subsidiaries (together "the group") as at 31 December 2022, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Stanbic IBTC Holdings PLC's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of profit or loss for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Impairment allowance of loans and advances to customers – N33.4 billion (refer to notes 4.3, 6.2 and 12.1b) The expected credit loss (ECL) on loans and advances to customers is considered a key audit matter as the measurement of impairment allowance involves the exercise of significant judgements and the use of complex models and assumptions. The size of the loans and advances to customers balance net of impairment is N1.20 trillion. The key areas of significant judgement in the calculation of Expected Credit Loss (ECL) include: • Definition of default applied by the bank; • Assessment of exposures which experienced significant increase in credit risk (SICR); • Estimation of point-in-time probability of default (PD) used in the ECL models; • Estimation of the Loss Given Default (LGD); • Estimation of the Exposure at default (EAD) used in computing expected credit losses over the life of risk assets as well as credit conversion factor (CCF) used for off balance sheet exposures; and • Incorporation of forward-looking information (FLI) in the PD parameter within the ECL model. This is considered a key audit matter in the consolidated financial statements.	We adopted a combination of controls and substantive approach in assessing the impairment allowance made by the management. We evaluated and tested the design and operating effectiveness of controls around the system's computation of days past due and we tested controls over inputs into the credit rating system. We evaluated management's default definition against the 90 days past due rebuttable presumption and examined customer specific information to assess the appropriateness of the days past due on sampled loan accounts. We assessed the classification of loan accounts into the various stages as well as transfers within stages by reviewing the identified indicators of SICR for selected exposures. With the assistance of our credit - modelling experts, we: • evaluated the appropriateness of the IFRS 9 impairment methodology; • assessed the modelling principles implemented in the ECL framework which includes definition of default, historical behavioural performance and forward-looking macroeconomic information in the estimation of risk parameters used in the ECL calculation; • assessed the reasonableness of the PD by performing a recalculation of the probability of default estimate; • checked the accuracy of the computed LGD. For stage 3 loans, we assessed the reasonableness of collateral information as well as the validity of recoveries applied;

- checked the appropriateness of the EAD estimation for on balance sheet exposures and CCF estimation used for loan commitments and off-balance sheet exposures by reviewing the methodology and logic applied;
- checked the methodology for incorporating FLI into the ECL model and assessed the FLI for reasonableness given current economic factors;
- assessed the methodology applied in the IFRS 9 impairment calculation engine used to combine PD, LGD and EAD term structures to arrive at an expected credit loss.

We checked the IFRS 9 disclosures for reasonableness.

Other information

The directors are responsible for the other information. The other information comprises Directors' report, Statement of Directors' responsibilities in relation to the financial statements, Corporate governance report, Certification by Chief Executive Officer and Chief Financial Officer, Report of the audit committee, Value added statement, Five year financial summary and Details of professionals who provided services to the financial statements (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Stanbic IBTC Holdings PLC 2022 Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Stanbic IBTC Holdings PLC 2022 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) the company's statement of financial position, statement of profit or loss and statement of comprehensive income are in agreement with the books of account and returns.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0074618

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

14 February 2023

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

STANBIC IBTC HOLDINGS PLC

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

		Group		Company	
	Note	**31 Dec. 2022 N'million**	31 Dec. 2021 N'million	**31 Dec. 2022 N'million**	31 Dec. 2021 N'million
Assets					
Cash and cash equivalents	7	**664,450**	653,070	**50,294**	53,236
Trading assets	9.1	**190,431**	98,743	**-**	-
Pledged assets	8.1	**127,990**	182,335	**-**	
Derivative assets	10.6	**42,134**	41,212	**-**	-
Financial investments	11	**582,019**	636,611	**27,710**	2,076
Loans and advances	12	**1,208,190**	937,140	**-**	-
Loans and advances to banks	12	**3,404**	16,096	**-**	-
Loans and advances to customers	12	**1,204,786**	921,044	**-**	-
Other assets	15	**132,390**	129,530	**13,199**	6,258
Investment in subsidiaries	13	**-**	-	**94,751**	94,751
Property and equipment	17	**61,548**	42,720	**2,040**	148
Intangible assets	18	**3,223**	4,011	**-**	-
Right of use assets	19	**3,609**	3,394	**4**	33
Deferred tax assets	16	**13,042**	13,998	**-**	-
Total assets		**3,029,026**	2,742,764	**187,998**	156,502
Equity and liabilities					
Equity		**407,670**	376,866	**122,965**	117,620
Equity attributable to ordinary shareholders		**399,662**	368,016	**122,965**	117,620
Ordinary share capital	20.1	**6,479**	6,479	**6,479**	6,479
Share premium	20.1	**102,780**	102,780	**102,780**	102,780
Reserves		**290,403**	258,757	**13,706**	8,361
Non-controlling interest	13.3	**8,008**	8,850		
Liabilities		**2,621,356**	2,365,898	**65,033**	38,882
Trading liabilities	9.2	**220,971**	112,023	**-**	-
Derivative liabilities	10.6	**26,099**	25,364	**-**	-
Current tax liabilities	25	**17,564**	16,441	**46**	50
Deposit and current accounts	22	**1,736,426**	1,558,397	**-**	-
Deposits from banks	22	**491,080**	431,862	**-**	-
Deposits from customers	22	**1,245,346**	1,126,535	**-**	-
Other borrowings	23	**187,957**	136,434	**-**	-
Debt securities issued	24	**71,878**	47,419	**-**	-
Provisions	26	**8,758**	9,302	**-**	-
Other liabilities	27	**351,703**	460,518	**64,987**	38,832
Deferred tax liabilities	16.1	**-**	-	**-**	-
Total equity and liabilities		**3,029,026**	2,742,764	**187,998**	156,502

Demola Sogunle
Chief Executive
FRC/2013/CIBN/00000001034
3 February 2023

Kunle Adedeji
Chief Financial Officer
FRC/2013/ICAN/00000001137
3 February 2023

Basil Omiyi
Chairman
FRC/2016/IODN/00000014093
3 February 2023

The accompanying notes from page 7 to 127 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 2022

	Note	Group		Company	
		31-Dec-22 N'million	31-Dec-21 N'million	**31-Dec-22 N'million**	31-Dec-21 N'million
Gross earnings		**287,537**	206,644	**57,041**	37,025
Net interest income		**113,119**	75,372	**147**	90
Interest income	32.1	**152,670**	104,751	**147**	90
Interest expense	32.2	**(39,551)**	(29,379)	**-**	-
Non-interest revenue		**126,994**	95,773	**56,894**	36,935
Net fee and commission revenue	32.3	**91,059**	82,877	**1,644**	1,517
Fee and commission revenue	32.3	**96,065**	88,321	**1,644**	1,517
Fee and commission expense	32.3	**(5,006)**	(5,444)	**-**	-
Income from life insurance activities		**66**	176	**-**	-
Insurance premium received	32.4	**2,933**	852	**-**	-
Insurance premium revenue ceded to reinsurers	32.4	**(1,078)**	(354)	**-**	-
Insurance benefits and claims paid	32.4	**(1,789)**	(322)	**-**	-
Trading revenue	32.5	**34,687**	13,286	**-**	-
Other income/(loss)	32.6	**1,182**	(566)	**55,250**	35,418
Income before credit impairment charges		**240,113**	171,145	**57,041**	37,025
Net impairment writeback/(loss) on financial instruments	32.7	**(10,290)**	1,505	**-**	-
Income after credit impairment charges		**229,823**	172,650	**57,041**	37,025
Operating expenses		**(129,474)**	(106,647)	**(6,336)**	(4,659)
Staff costs	32.8	**(50,996)**	(42,041)	**(2,696)**	(2,458)
Other operating expenses	32.9	**(78,478)**	(64,606)	**(3,640)**	(2,201)
Profit before tax		**100,349**	66,003	**50,705**	32,366
Income tax charge	34.1	**(19,535)**	(9,037)	**(10)**	(8)
Profit for the year		**80,814**	56,966	**50,695**	32,358
Profit attributable to:					
Non-controlling interests	13.3	**2,691**	2,588	**-**	-
Equity holders of the parent		**78,123**	54,378	**50,695**	32,358
Profit for the year		**80,814**	56,966	**50,695**	32,358
Earnings per share					
Basic earnings per ordinary share (kobo)	35	**603**	420	**456**	250
Diluted earnings per ordinary share (kobo)	35	**603**	420	**456**	250

The accompanying notes from page 7 to 127 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

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

		Group		Company	
	Note	**31-Dec-22 N'million**	31-Dec-21 N'million	**31-Dec-22 N'million**	31-Dec-21 N'million
Profit for the year		**80,814**	56,966	**50,695**	32,358
Other comprehensive (loss)/income					
Items that will never be reclassified to profit or loss					
Movement in equity instruments measured at fair value through other comprehensive income (OCI)		**621**	999	**-**	**-**
Net change in fair value	34.3	621	999	**-**	**-**
Related income tax	34.3	-		**-**	**-**
Items that are or may be reclassified subsequently to profit or loss:					
Movement in debt instruments measured at fair value through other comprehensive income (OCI)		**(1,762)**	(5,666)	**-**	**-**
Total expected credit loss		16	37	-	-
Net change in fair value	34.3	(1,752)	(7,285)	-	-
Realised fair value adjustments transfered to profit or loss	34.3	(26)	1,582	-	-
Related income tax		-	-	-	-
Other comprehensive (loss)/income for the year net of tax		**(1,141)**	(4,667)	-	-
Total comprehensive income for the year		**79,673**	52,299	**50,695**	32,358
Total comprehensive income attributable to:					
Non-controlling interests		**2,677**	2,367	**-**	-
Equity holders of the parent		**76,996**	49,932	**50,695**	32,358
		79,673	52,299	**50,695**	32,358

The accompanying notes from page 7 to 127 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Consolidated statements of changes in equity

For the year ended 31 December 2022

Group	Note	Ordinary share capital N'million	Share premium N'million	Merger reserve N'million	Statutory credit risk reserve N'million	Fair value through OCI reserve N'million	Share-based payment reserve N'million	AGSMEIS reserve N'million	Other regulatory reserves N'million	Retained earnings N'million	Ordinary shareholders' equity N'million	Non-controlling interest N'million	Total equity N'million
Balance as at 1 January 2022		6,479	102,780	-	5,439	4,210	76	10,240	55,492	183,300	368,016	8,850	376,866
Reclassification of share-based reserve				-			(76)			76			
Restated balance at 1 January 2022		6,479	102,780	-	5,439	4,210	-	10,240	55,492	183,376	368,016	8,850	376,866
Total comprehensive (loss)/income for the year						(1,127)	-		-	78,123	76,996	2,677	79,673
Profit for the year		-	-	-	-	-	-	-	-	78,123	78,123	2,691	80,814
Other comprehensive (loss) after tax for the year		-	-	-	-	(1,127)	-	-	-	-	(1,127)	(14)	(1,141)
Net change in fair value on debt financial assets at FVOCI		-	-	-	-	(1,738)	-	-	-	-	(1,738)	(14)	(1,752)
Net change in fair value on equity financial assets at FVOCI		-	-	-	-	621	-	-	-	-	621	-	621
Realised fair value adjustments on financial assets at FVOCI (debt)		-	-	-	-	(26)	-	-	-	-	(26)	-	(26)
Expected credit loss on debt financial assets at FVOCI		-	-	-	-	16	-	-	-	-	16	-	16
Income tax on other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-
Statutory credit risk reserve		-	-	-	(1,535)	-	-	-	-	1,535	-	-	-
Transfer to AGSMEIS reserves		-	-	-	-	-	-	4,236	-	(4,236)	-	-	-
Transfer to statutory reserves		-	-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders, recorded directly in equity		-	-	-	-	-	-	-	-	(45,350)	(45,350)	(3,519)	(48,869)
Equity-settled share-based payment transactions		-	-	-	-	-	-	-	-	-	-	-	-
Increase in paid-up capital (bonus issue)	20.1	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to equity holders		-	-	-	-	-	-	-	-	(45,350)	(45,350)	(3,519)	(48,869)
Balance at 31 December 2022		6,479	102,780	-	3,904	3,083	-	14,476	55,492	213,449	399,662	8,008	407,670
Balance at 1 January 2021		5,553	102,780	(19,123)	1,460	8,656	76	7,626	55,492	208,503	371,023	7,578	378,601
Reclassification of merger reserve				19,123						(19,123)			
Restated balance at 1 January 2021		5,553	102,780	-	1,460	8,656	76	7,626	55,492	189,380	371,023	7,578	378,601
Total comprehensive income for the year						(4,446)	-		-	54,378	49,932	2,367	52,299
Profit for the year		-	-	-	-	-	-		-	54,378	54,378	2,588	56,966
Other comprehensive income after tax for the year						(4,446)	-	-	-	-	(4,446)	(221)	(4,667)
Net change in fair value on debt financial assets at FVOCI		-	-	-	-	(7,064)	-		-	-	(7,064)	(221)	(7,285)
Net change in fair value on equity financial assets at FVOCI						999					999		999
Realised fair value adjustments on financial assets at FVOCI (debt)		-	-	-	-	1,582	-	-	-	-	1,582	-	1,582
Expected credit loss on debt financial assets at FVOCI		-	-	-	-	37	-		-	-	37	-	37
Income tax on other comprehensive income		-	-	-	-	-	-		-	-	-	-	-
Statutory credit risk reserve					3,979		-	-	-	(3,979)	-	-	-
Transfer to statutory reserves		-	-	-	-	-	-	-	-	-	-	-	-
Transfer to AGSMEIS reserves		-	-	-	-	-	-	2,614	-	(2,614)	-	-	-
Transactions with shareholders, recorded directly in equity		926	-	-	-	-	-	-	-	(53,865)	(52,939)	(1,095)	(54,034)
Equity-settled share-based payment transactions		-	-	-	-	-	-	-	-	-			
Increase in paid-up capital (scrip issue)	20.2	926	-	-	-	-	-	-	-	(926)	-		-
Dividends paid to equity holders		-	-	-	-	-	-	-	-	(52,939)	(52,939)	(1,095)	(54,034)
Balance at 31 December 2021		6,479	102,780	-	5,439	4,210	76	10,240	55,492	183,300	368,016	8,850	376,866

Refer to note 20.3 for an assumption of the components of reserve

The accompanying notes from page 7 to 127 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Separate statements of changes in equity

For the year ended 31 December 2022

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

The accompanying notes from page 7 to 127 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statements of cash flows
For the year ended 31 December 2022

	Note	Group 31-Dec-22 N million	Group 31-Dec-21 N million	Company 31-Dec-22 N million	Company 31-Dec-21 N million
Net cash flows from operating activities		**(84,232)**	83,601	**69,029**	64,699
Cash flows used in operations		**(171,242)**	35,926	**13,837**	29,336
Profit before tax		**100,349**	66,003	**50,705**	32,366
Adjusted for:		**(80,551)**	(76,262)	**(55,083)**	(35,397)
Credit impairment reversal on financial instruments	32.7	**10,290**	(1,505)	**-**	-
Depreciation of property and equipment	17	**5,831**	5,446	**99**	84
Amortisation of intangible asset	18	**765**	762	**-**	-
Depreciation of right of use assets	19	**1,560**	1,584	**29**	27
Dividend income	32.6	**(602)**	(636)	**(55,059)**	(35,404)
Net loss on sale of investment securities measured at FVOCI	36.7	**(1,141)**	(4,667)	**-**	-
Equity-settled share-based payments	36.2	**(930)**	(238)	**-**	-
Fair value adjustment for derivatives assets	36.5	**(922)**	5,021	**-**	-
Fair value adjustment for derivatives liabilities	36.5	**735**	(12,018)	**-**	-
Accrued interest and exchange rate movement in other borrowings	23	**14,072**	4,751	**-**	-
Accrued interest and exchange rate movement in debt issued	24	**3,789**	978	**-**	-
Interest expense	32.2	**39,551**	29,379	**-**	-
Interest income	32.1	**(152,670)**	(104,751)	**(147)**	(90)
Gain on sale of property and equipment	32.6	**(879)**	(368)	**(5)**	(14)
(Increase)/decrease in assets	36.1	**(368,661)**	(216,278)	**(6,941)**	2,897
Increase in deposits and other liabilities	36.2	**177,621**	262,463	**25,156**	29,470
Dividends received		**542**	572	**55,059**	35,404
Interest received		**143,666**	87,340	**147**	90
Interest paid		**(40,129)**	(26,729)	**-**	-
Direct taxation paid	25.1	**(17,069)**	(13,508)	**(14)**	(131)
Net cash flows (used in)/ from investing activities		**(98,828)**	(2,829)	**(27,620)**	(1,162)
Capital expenditure on - property	17	**(480)**	(342)	**-**	-
- equipment, furniture and vehicles	17	**(24,385)**	(17,461)	**(2,028)**	(98)
- intangible assets	18	**(16)**	(133)	**-**	-
- right of use	19	**(1,553)**	(1,625)	**-**	-
Proceeds from sale of property, equipment, furniture and vehicles		**1,124**	672	**42**	17
Additional investment in subsidiary		**-**	-	**-**	(1,232)
Purchase of financial investments	36.7	**(701,746)**	(625,705)	**-**	-
Sale of financial investments	36.7	**628,228**	641,765	**(25,634)**	151
Net cash flows (used in)/ from financing activities		**10,251**	(55,717)	**(44,351)**	(52,446)
Proceeds from addition to other borrowings	23	**64,829**	54,389	**-**	-
Repayment of other borrowings	23	**(27,378)**	(34,737)	**-**	-
Proceed from debt securities issued	24	**46,170**	3,296	**-**	-
Repayment of debt securities issued	24	**(25,500)**	(25,124)	**-**	-
Unclaimed dividend received	36.8	**1,086**	744	**1,086**	744
Unclaimed dividend paid	36.8	**(87)**	(251)	**(87)**	(251)
Cash dividends paid	20.2	**(48,869)**	(54,034)	**(45,350)**	(52,939)
Net increase/ (decrease) in cash and cash equivalents		**(172,809)**	25,055	**(2,942)**	11,091
Effect of foreign exchange rate changes on cash and cash equivalents	36.4	**649**	4,393	**-**	-
Cash and cash equivalents at beginning of the year		**783,427**	753,979	**53,236**	42,145
Cash and cash equivalents at end of the year	36.3	**611,267**	783,427	**50,294**	53,236

The accompanying notes from page 7 to 127 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 financial statements comprise the company and its subsidiaries (together referred to as the 'Group'). The separate financial statement relates to Stanbic IBTC Holdings PLC. The Group is primarily involved in the provision of banking and other financial services to corporate and individual customers.

2 Basis of preparation

(a) Statement of compliance

The consolidated and separate financial statements for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements comply with the Companies and Allied Matters Act of Nigeria, Bank and Other Financial Institution Act, Financial Reporting Council of Nigeria Act, and relevant Central Bank of Nigeria circulars.

The consolidated and separate financial statements for the year ended 31 December 2022 was approved and authorised for issue by the Board of Directors on 3 February 2023.

(b) Basis of measurement

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

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

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

(c) Going concern assumption

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgement

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

Judgements

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

- Note 6.9 Depreciation and useful life of property and equipment
- Impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition (see note 26).
- Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.
- Determination of whether the Group controls investment funds where it act as fund manager (see note 6.8).
- Provision for contingent items such as legal claims, fines, penalties and other tax penalties. (see note 6.7).
- Determination of the fair value of financial instruments with significant unobservable inputs (see note 6.3).
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (see notes 26 & 31).

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 2022 is included in the following notes.

- Determination of the fair value of financial instruments with significant unobservable inputs (see note 6.3).
- Determination of the fair value of share-based payments (see note 6.4).
- Impairment of financial instruments: incorporation of forward-looking information in the measurement of ECL.
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used (see note 16) as well as the likelihood and 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 the Group assumes is more than likely (see note 16).

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 periods presented in these financial statements.

3 Changes in significant accounting policies (continued)

Adoption of amended standards effective for the current financial year

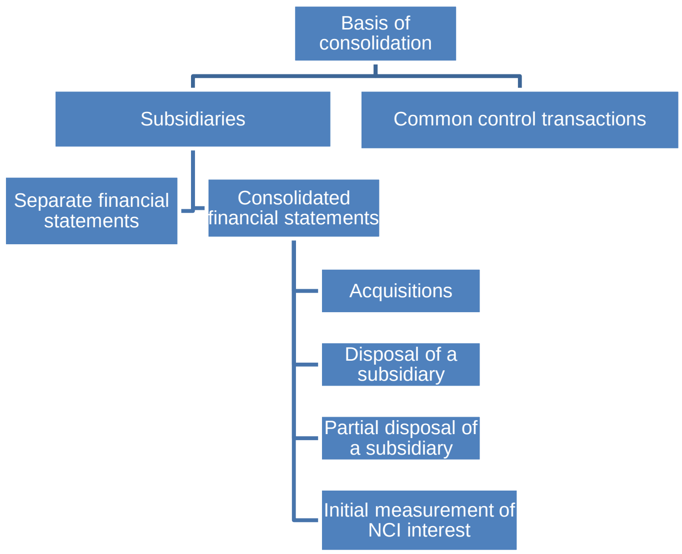
- **IFRS 4 Insurance Contracts (IFRS 4), IFRS 7 Financial Instruments: Disclosures (IFRS 7), IFRS 9 Financial Instruments (IFRS 9), IFRS 16 Leases (IFRS 16), IAS 39 Financial Instruments: Recognition and Measurement (IAS 39) (amendments)**: The second phase of Interest Rate Benchmark Reform (IBOR) resulted in amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 requirements to enable companies to deal with its effect on financial instruments and to continue providing useful information to investors. The amendments require entities to update the effective interest rate to reflect the change to the alternative risk-free rates (ARRs), instead of derecognising or adjusting the carrying amount of financial instruments, for changes required by the reform if the transition from the IBOR rate to the ARR is as a direct consequence of the reform and on an economically equivalent basis. The amendment also provides specific hedge accounting relief, including that an entity will not have to discontinue hedge accounting solely because it makes changes required by the reform to hedge designations and hedge documentation, if the hedge meets the other hedge accounting criteria. The amendments also require companies to provide additional information about new risks arising from the reform and how it manages the transition to ARRs. The group will transition to ARRs as each interest rate benchmark is replaced.
- **IFRS 16 Leases (amendment)**: In light of the recent Covid-19 pandemic and resultant rent concessions to be granted by lessors, the amendment permits lessees, as a practical expedient, not to assess whether particular Covid-19 related rent concessions are lease modifications and instead account for those rent concessions as if they were not lease modifications. The amendment permits lessees to apply the practical expedient as an accounting policy choice to rent concessions for which any reduction in lease payments affects payments originally due on or before 30 June 2021. The group elected not to apply this practical expedient.

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

4 Statement of significant accounting policies

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

4.1 Basis of consolidation



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

Separate financial statements

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

Consolidated financial statements

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

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

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	When the Group loses control of a subsidiary, the Group derecognizes the assets and liabilities of the subsidiary, any related non controlling interest and the other components of equity relating to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the profit or loss statement. If the loss of control is due to a disposal, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received (including the fair value of any retained interest in the underlying investee) and the carrying amount of the assets and liabilities and any non-controlling interest. Any gains or losses in OCI that relate to the subsidiary are reclassified to profit or loss at the time of the disposal. On disposal of a subsidiary that includes a foreign operation, the relevant amount in the FCTR is reclassified to profit or loss at the time at which the profit or loss on disposal of the foreign operation is recognised. Upon loss of control, the Group recognises any investment retained in the former subsidiary and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRSs.
Partial disposal of a subsidiary	A partial disposal arises as a result of a reduction in the Group's ownership interest in an investee that is not a disposal (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 period-end exchange rates, are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date, and those measured at fair value are translated at the exchange rate at the date that the fair value was determined. Foreign exchange rate differences on non-monetary items are accounted for based on the classification of the underlying items.

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

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

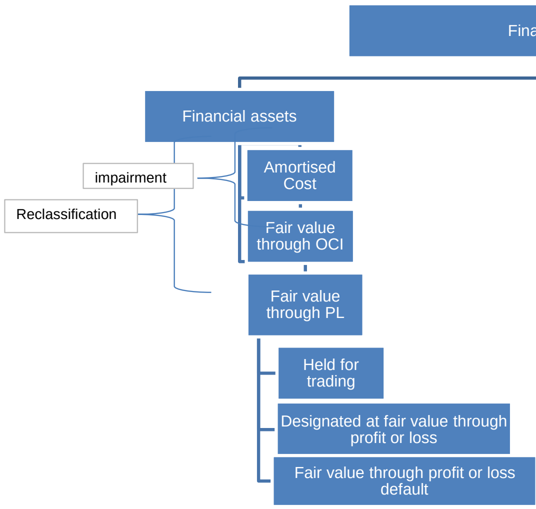
4.2 Cash and cash equivalents

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

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 are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in other gains and losses on financial instruments
• The fair value of a financial asset that is reclassified from fair value to amortised cost becomes the financial asset's new carrying value
• Financial assets that are reclassified from amortised cost to fair value through OCI are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in OCI
• The fair value of a financial asset that is reclassified from fair value through OCI to amortised cost becomes the financial asset's new carrying value with the cumulative fair value adjustment recognised in OCI being recognised against the new carrying value
• The carrying value of financial assets that are reclassified from fair value through profit or loss to fair value through OCI remains at fair value
• The carrying value of financial assets that are reclassified from fair value through OCI to fair value through profit or loss remains at fair value, with the cumulative fair value adjustment in OCI being recognised in the income statement at the date of reclassification.

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 but excluding fair value gains and losses attributable to own credit risk) are recognised in other gains and losses on financial instruments as part of non-interest revenue. Fair value gains and losses attributable to changes in own credit risk are recognised within OCI, unless this would create or enlarge an accounting mismatch in which case the own credit risk changes are recognised within
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 and loan commitments at a below market interest rate are initially recognised when the Group become party to the irrevocable commitment at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee. Financial guarantee contracts (that are not designated at fair value through profit or loss) and loan commitments at a below market interest rate, are subsequently measured at the higher of the:

• the ECL calculated for the financial guarantee; and

• unamortised premium.

Derivatives and embedded derivatives

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

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

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

Other

Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial investments or trading assets to pledged assets, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Initial recognition of pledged assets is at fair value, whilst subsequently measured at 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.

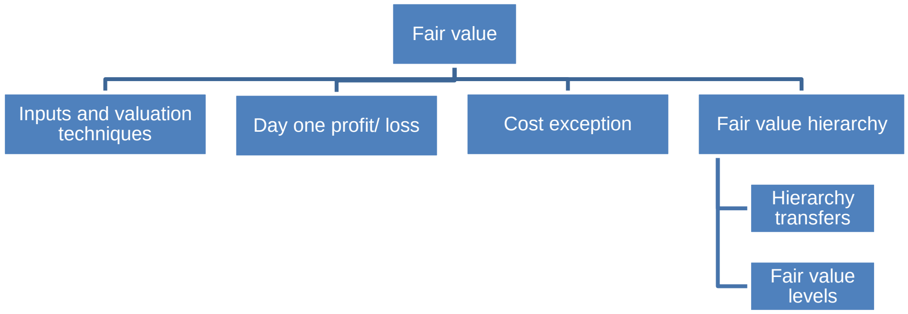
Securities purchased under agreements to resell (reverse repurchase agreements), at either a fixed price or the purchase price plus a lender’s rate of return, are recorded as loans and included under trading assets or loans and advances, as appropriate. For repurchase and reverse repurchase agreements 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 devoid of any circumstance that indicates a forced transaction, involuntary liquidation or a distressed sale. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Inputs and valuation techniques

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

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

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

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

4 Statement of significant accounting policies (continued)

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

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

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 the level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Hierarchy levels

The levels have been defined as follows:

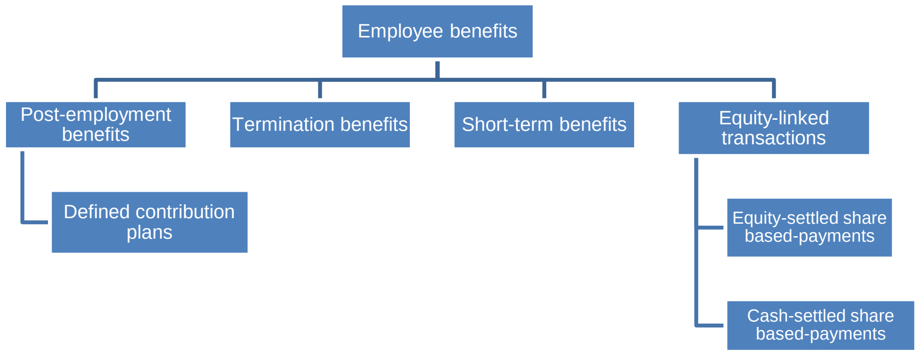
Level 1	Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing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

Hierarchy transfer policy

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

4 Statement of significant accounting policies (continued)

4.5 Employee benefits



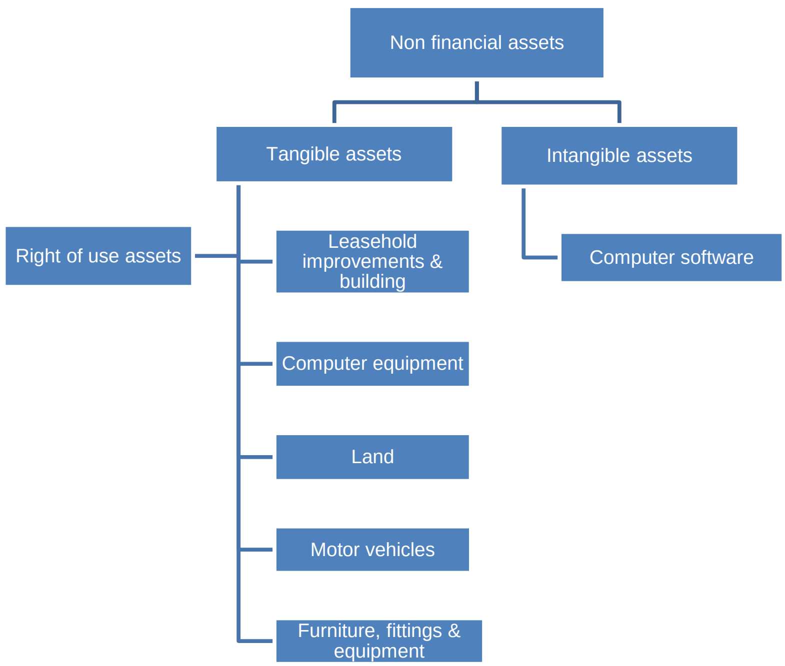
Type	Description	Statement of financial position	Statement of other comprehensive income	Income statement
Defined contribution plans	The Group operates a contributory pension plan in line with the Pension Reform Act 2014. Employees and the Bank contribute 8% and 10% respectively of each of the qualifying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

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

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



4 Statement of significant accounting policies (continued)

<table>
<tr><th>Type</th><th>Initial and subsequent measurement</th><th>Useful lives, depreciation/ amortisation method or fair value basis</th><th>Impairment</th><th>Derecognition</th></tr>
<tr><td>Tangible assets</td><td>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.</td><td>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
Leasehold improvements and Buildings: 25 years
Computer equipments: 3-5 years
Motor vehicles: 4 years
Office equipments: 6 years
Furniture & fittings: 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.</td><td rowspan="2">Intangible assets are tested annually for impairment and additionally when an indicator of impairment exists.

Other non-financial assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use.

Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.</td><td rowspan="2">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.</td></tr>
<tr><td>Intangible assets/ Computer software</td><td>Costs associated with developing or maintaining computer software programmes and the acquisition of software licences are generally recognised as an expense as incurred.
However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the Group and have a probable future economic benefit beyond one year as well as acquired software, are recognised as intangible assets.
Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use.

Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.</td><td>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.</td></tr>
</table>

4 Statement of significant accounting policies (continued)

4.7 Leases

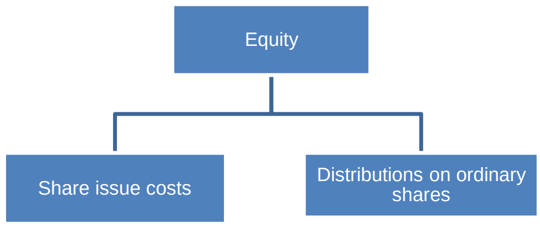
Type	Description	Statement of financial position	Income statement
Lessee Accounting			
Single lessee accounting model	All leases are accounted for by recognising a right-of-use asset and a lease liability except for: ● leases of low value assets; and ● leases with a duration of twelve months or less. All leases that meet the criteria as either a lease of a low value asset or a short term lease are accounted for on a straight-line basis over the lease term.	Lease liabilities: Initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case for the Group) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. The Group's standardised funding transfer pricing rate is the base on which the incremental borrowing rate is calculated. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the year to which they relate. On initial recognition, the carrying value of the lease liability also includes: ● Amounts expected to be payable under any residual value guarantee; ● The exercise price of any purchase option granted in favour of the Group, should it be reasonably certain that this option will be exercised; ● Any penalties payable for terminating the lease, should the term of the lease be estimated on the basis of this termination option being exercised. Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets: Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for: • lease payments made at or before commencement of the lease; • initial direct costs incurred; and • the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset. The Group applies the cost model subsequent to the initial measurement of the right-of-use assets. The Group measures the right-of-use assets at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Termination of leases: When the Group or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised. Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised.	Interest expense on lease liabilities: A lease finance cost, determined with reference to the interest rate implicit in the lease or the Group's incremental borrowing rate, is recognised within interest expense over the lease year. Depreciation on right-of-use assets: Subsequent to initial measurement, the right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term unless ownership of the underlying asset transfers to the Group at the end of the lease term, whereby the right-of-use assets are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of operating expenses. Termination of leases: On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss together with termination or cancelation costs in profit or loss. Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease year has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the year in which termination takes place.
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 stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero any further reduction in the measurement of the lease liability, is recognised in profit or loss.		
Lessor accounting			
Finance leases	Leases, where the Group transfers substantially all the risks and rewards incidental to ownership, are classified as finance leases.	Finance lease receivable, including initial direct costs and fees, are primarily accounted for as financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges, being included in loans and advances.	Finance charges earned within interest income are computed using the effective interest method, which reflects a constant yearic rate of return on the investment in the finance lease. The tax benefits arising from investment allowances on assets leased to clients are accounted for within direct taxation.
Operating leases	All leases that do not meet the criteria of a finance lease are classified as operating leases.	The asset underlying the lease continues to be recognised and accounted for in terms of the relevant Group accounting policies. Accruals for outstanding lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease income are recognised.	Operating lease income net of any incentives given to lessees, is recognised on the straight-line basis, or a more representative basis where applicable, over the lease term and is recognised in operating income. When an operating lease is terminated before the lease year has expired, any payment received/(paid) by the Group by way of a penalty is recognised as income/(expense) in the year in which termination takes place.

IFRS 16 - Lessor lease modifications

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

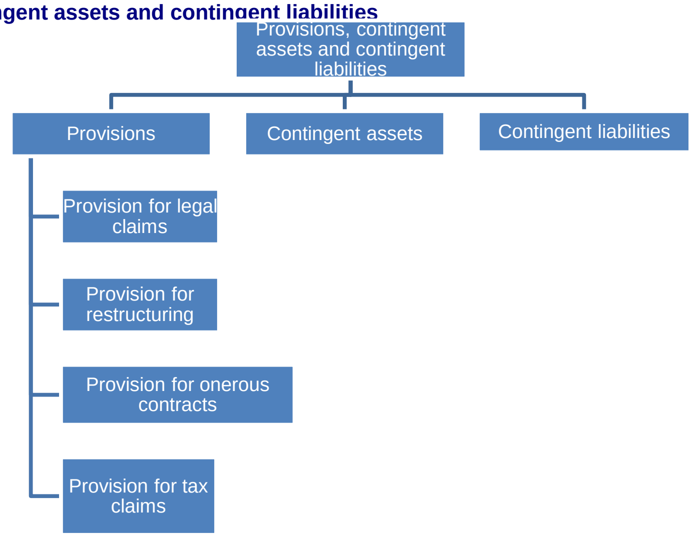
4 Statement of significant accounting policies (continued)

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

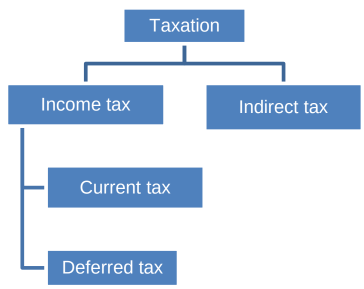


Provisions	Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can 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 financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the Group, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the Group's control.
Contingent liabilities	Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the financial statements but are disclosed in the notes to the financial statements.

4.10 Taxation

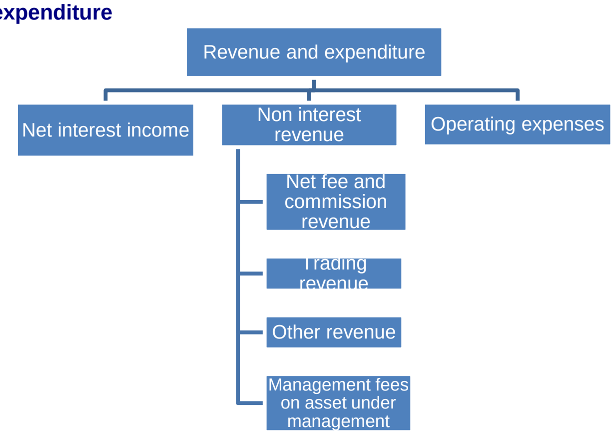


Type	Description, recognition and measurement	Offsetting
Current tax-determined for current year transactions and events	Current tax comprises the expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current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

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

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 i.e at a point in time. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment year. Loan syndication fees, where the Group does not participate in the syndication or participates at the same effective interest rate for comparable risk as other participants, are recognised as revenue when the syndication has been completed. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised as interest income. The fair value of issued financial guarantee contracts on initial recognition is amortised as income over the term of the contract. Fee and commission expenses, included in net fee and commission revenue, are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received. Expenditure is recognised as fee and commission expenses where the expenditure is linked to the production of fee and commission revenue.
Trading revenue	Trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income, expense and dividends.
Other revenue	Other revenue includes dividends on equity financial assets and re- measurement gains and losses from contingent consideration on disposals and purchases. Gains and losses on equity instruments designated at fair value through profit or loss are recognised within other revenue. This is however different from the trading revenue described above. Gains and losses on equity instruments classified as fair value through other comprehensive income (FVOCI) financial assets are reclassified from OCI to other revenue on derecognition or impairment.
Dividend income	Dividends are recognised in profit or loss when the right to receipt is established. Scrip dividends are recognised as dividends received where the dividend declaration allows for a cash alternative.
Management fees on assets under management	Fee income includes management fees on assets under management and administration fees. Management fees on assets under management are recognised over the year for which the services are rendered, in accordance with the substance of the relevant agreements.
Operating expenses	Expenses are 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.

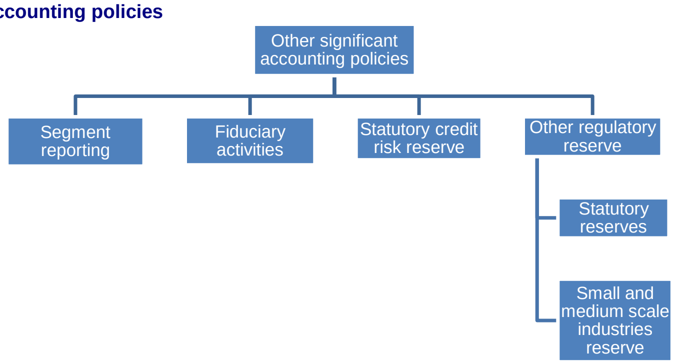
4 Statement of significant accounting policies (continued)

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 financial statements as they are not assets of the Group. However, fee income earned and fee expenses incurred by the Group relating to the Group's responsibilities from fiduciary activities are recognised in profit or loss.
Statutory credit risk reserve	The statutory credit risk reserve represents a reserve component created when credit impairment on loans and advances as accounted for under IFRS using the expected loss model differs from the Prudential Guidelines set by the Central Bank of Nigeria.
Statutory reserve	Nigerian banking and pension industry regulations require the banking and pension subsidiaries to make an annual appropriation to a statutory reserve. For the banking subsidiary, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The pension subsidiary is required to transfer 12.5% of its profit after tax to a statutory reserve. Statutory reserve is not available for distribution to shareholders. See note 20.4 (b)(i).

4 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

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

Pronouncement	
Title	**IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)** The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be applied prospectively and are not expected to have a material impact on the Group's financial statements.
Effective date	Effective date of this standard deferred indefinitely
Title	**IFRS 17 Insurance Contracts** This standard replaces IFRS 4 Insurance Contracts which provided entities with dispensation to account for insurance contracts (particularly measurement) using local actuarial practice, resulting in a multitude of different approaches. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts among entities issuing insurance contracts globally. The standard requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. A general measurement model (GMM) will be applied to long-term insurance contracts and is based on a fulfilment objective (risk-adjusted present value of best estimate future cash flows) and uses current estimates, informed by actual trends and investment markets. IFRS 17 establishes what is called a contractual service margin (CSM) in the initial measurement of the liability which represents the unearned profit on the contract and results in no gain on initial recognition. The CSM is released over the life of the contract, but interest on the CSM is locked in at inception rates. The CSM will be utilised as a "shock absorber" in the event of changes to best estimate cash flows. On loss making (onerous) contracts, no CSM is set up and the full loss is recognised at the point of contract inception. The GMM is modified for contracts which have participation features. An optional simplified premium allocation approach (PAA) is available for all contracts that are less than 12 months at inception. The PAA is similar to the current unearned premium reserve profile over time. The requirement to eliminate all treasury shares has been amended such that treasury shares held for a Group of direct participating contracts or investment funds are not required to be eliminated and can be accounted for as financial assets. These requirements will provide transparent reporting about an entities' financial position and risk and will provide metrics that can be used to evaluate the performance of insurers and how that performance changes over time. An entity may re-assess its classification and designation of financial instruments under IFRS 9, on adoption of IFRS 17. The amendment will be applied retrospectively and is not expected to have a material impact on the Group.
Effective date	1 January 2023.
Title	**IAS 1 Presentation of Financial Statements (amendments)** The amendment clarifies how to classify debt and other liabilities as current or non-current. The objective of the amendment is aimed to promote consistency in applying the requirements by helping entities determine whether, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment also includes clarifying the classification requirements for debt an entity might settle by converting it into equity. These are clarifications, not changes, to the existing requirements, and so are not expected to affect entities' financial statements significantly. However, these clarifications could result in reclassification of some liabilities from current to non-current, and vice versa. The amendment will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.
Effective date	1 January 2023.
Title	**Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2** The amendments seek to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: requiring companies to disclose their material accounting policies rather than their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".
Effective date	1 January 2023.
Title	**Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)** The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.
Effective date	1 January 2023.
Title	**Definition of Accounting Estimate – Amendments to IAS 8** The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.
Effective date	1 January 2023.

5 Segment reporting

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

Business unit	
Business & Commercial clients	The business & commercial client (BCC) segment provides broad based client solutions for a wide spectrum of small- and medium-sized businesses as well as large commercial enterprises. Our client coverage support extends across a wide range of industries, sectors and solutions that deliver the necessary advisory, networking and sustainability support required by our clients to enable their growth. Home services - Residential accommodation financing solutions, including related value added services. Vehicle and asset finance - Comprehensive finance solutions in instalment credit, fleet management and related services across our retail and business markets.
Corporate and Investment Banking	The Corporate and Investment Banking (CIB) client segment serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally. Our clients leverage our in-depth sector and regional expertise, our specialist capabilities and our access to global capital markets for advisory, transactional, trading and funding support. Global markets – Trading and risk management solutions across financial markets, including foreign exchange, money markets, interest rates, equities, credit and commodities. Transactional and lending products – Comprehensive suite of cash management, international trade finance, working capital and investor services solutions. Investment banking – Full suite of advisory and financing solutions, from term lending to structured and specialised products across equity and debt capital markets.
Consumer & High Net Worth clients	The consumer & high net worth (CHNW) client segment is responsible for the end-to-end lifecycle of clients. CHNW services individual clients across Nigeria. We enable our clients' daily lives by providing relevant solutions throughout their life journeys. Card and payments - Credit card facilities to individuals and businesses. Merchant acquiring services. Enablement of digital payment capabilities through various products and platforms. Mobile money and cross-border businesses. Retail lending - Comprehensive suite of lending products provided to individuals and small and medium-sized businesses. Retail transactional - Comprehensive suite of transactional, savings, payment and liquidity management solutions.

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

5 Segment reporting

Operating segments

	Business & Commercial clients		Corporate and Investment Banking		Consumer & High Net Worth clients		Eliminations		Group	
	31 Dec. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
	N million	N million	**N million**	N million	**N million**	N million	**N million**	N million	**N million**	N million
Net interest income	**35,054**	23,978	**56,324**	34,723	**21,741**	16,671	**-**	-	**113,119**	75,372
Interest income - external source	**42,136**	29,335	**88,279**	57,723	**22,255**	17,693	**-**	-	**152,670**	104,751
Interest expense - external source	**(7,082)**	(5,357)	**(31,955)**	(23,000)	**(514)**	(1,022)	**-**	-	**(39,551)**	(29,379)
Non-interest revenue	**12,122**	8,982	**50,712**	28,476	**67,777**	61,447	**(3,617)**	(3,132)	**126,994**	95,773
Net fee and commission revenue	9,608	8,724	19,307	16,504	65,761	60,781	(3,617)	(3,132)	91,059	82,877
Income from life insurance activities	-	-	-	-	66	176	-	-	66	176
Trading revenue	2,348	739	30,571	11,990	1,768	557	-	-	34,687	13,286
Other revenue	166	(481)	834	(18)	182	(67)	-	-	1,182	(566)
Revenue	**47,176**	32,960	**107,036**	63,199	**89,518**	78,118	**(3,617)**	(3,132)	**240,113**	171,145
Net impairment credit/(charge) on financial assets	**(4,259)**	572	**(3,940)**	1,405	**(2,091)**	(472)	**-**	-	**(10,290)**	1,505
Income after credit impairment charges	**42,917**	33,532	**103,096**	64,604	**87,427**	77,646	**-**	-	**229,823**	172,650
Operating expenses	**(29,593)**	(27,533)	**(45,755)**	(37,956)	**(57,743)**	(44,290)	**3,617**	3,132	**(129,474)**	(106,647)
Profit before direct taxation	**13,324**	5,999	**57,341**	26,648	**29,684**	33,356	**-**	-	**100,349**	66,003
Direct taxation	**(603)**	925	**(5,140)**	3,328	**(13,792)**	(13,290)	**-**	-	**(19,535)**	(9,037)
(Loss)/Profit for the year	**12,721**	6,924	**52,201**	29,976	**15,892**	20,066	**-**	-	**80,814**	56,966
	31 Dec 2022	31 Dec 2021	**31 Dec 2022**	31 Dec 2021	**31 Dec 2022**	31 Dec 2021	**31 Dec 2022**	31 Dec 2021	**31 Dec 2022**	31 Dec 2021
	N million	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**
Total assets	**381,598**	**267,239**	**1,877,604**	**1,582,485**	**950,066**	**970,081**	**(180,242)**	**(77,041)**	**3,029,026**	**2,742,764**
Total liabilities	**326,243**	**222,276**	**1,783,121**	**1,435,691**	**597,273**	**784,746**	**(85,281)**	**(76,815)**	**2,621,356**	**2,365,898**

6 Key management assumptions

Use of assumptions

6.1 Credit impairment losses on loans and advances

Determination of statutory credit risk reserves

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

Impairment allowance for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS impairment allowance should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

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

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

	Note	31-Dec-22 N'million	31-Dec-21 N'million
Statement of prudential adjustments			
Prudential Provision			
Specific provision on loans and advances		**21,437**	12,141
General provision on loans and advances		**23,980**	18,513
Provision for other credit losses		**2,965**	11,413
		48,382	42,067
IFRS Impairment allowance			
12-month ECL	12.1	**11,389**	8,025
Lifetime ECL not credit-impaired	12.1	**1,403**	1,283
Lifetime ECL credit-impaired	12.1	**20,617**	15,907
Impairment on other financial assets and provision for other losses		**11,069**	11,413
- Provision for other asset	15	**2,311**	2,111
- Provision for contigent litigations	26	**8,758**	9,302
		44,478	36,628
Closing regulatory reserve		**3,904**	5,439
Opening regulatory reserve		**5,439**	1,460
Appropriation:Transfer (to)/from retained earnings		**(1,535)**	3,979

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

Low credit risk financial instruments

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

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

Default

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

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

Write-off

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

Modified financial assets

A modification is a change to the contractual cash flows of a financial asset. It involves the renegotiation of the terms of the financial asset such that the contractual cash flows (amount, timing, basis, 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.

Forward-looking economic expectations applied in the determination of the ECL at the reporting date

- Nigeria expected inflation rate
- Expected GDP growth rate
- Nigeria expected employment rate
- Prime lending rate

6 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 payments

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

Refer to note 32.9 for further details regarding the carrying amount of the liabilities arising from the Group's cash-settled share incentive schemes and the expenses recognised in the income statement.

6.5 Intangible assets

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

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 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 future tax benefit will be realised. The most significant management assumption is the forecasts used to support the probability assessment that sufficient taxable profits will be generated by the entities in the Group in the future in order to utilise the deferred tax assets. The forecasts of taxable profits are determined based on approved budgets for future years and adjusted for any adjustments that management deems necessary and are supportable at the time of reporting.

The tax exempt status of income realised on Nigerian government securities is one of the major drivers for the negative taxable profit within Stanbic IBTC Bank PLC, which is the largest contributor to the deferred tax asset, through tax losses, in the Group. The uncertainty surrounding the extension or termination of the tax exempt status at the end of the year ended December 2022 has made management conclude that not all tax losses carried forward should be recorded as deferred tax assets. The assessment of availability of future taxable profit against which carry forward tax losses can be utilised is disclosed under Note 16.

6.7 Provisions

The Group make provisions for contingent items such as legal claims, fines, penalties and other tax penalties. The amount provided is based on the management best estimate of the amounts that will be required to settle the obligation in the event that it crystallises. Provisions 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.

Use of Judgements

6.8 Investment funds

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

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

6.9 Depreciation and useful life of property and equipment

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

		Group		Company	
		31 Dec. 2022 N'million	31 Dec. 2021 N'million	**31 Dec. 2022 N'million**	31 Dec. 2021 N'million
7	**Cash and cash equivalent**				
	Coins and bank notes	**24,661**	19,056		-
	Balances with central bank	**479,839**	466,696		-
	Current balances with banks within Nigeria	**20,545**	10,055	**50,294**	53,236
	Current balances with banks outside Nigeria	**139,405**	157,263		-
		664,450	653,070	**50,294**	53,236

Balances with central bank include cash reserve of N457,792 million (Dec. 2021: N423,178 million) and special intervention fund of N20,817 million (Dec. 2021: N20,817 million) that are not available for use by the Group on a day to day basis. These restricted cash balances are held with Central Bank of Nigeria (CBN).

Included in current balances with banks outside Nigeria is N23,679 million (Dec. 2021: N25,897 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 N27,732 million (Dec. 2021: N9,005 million) held with Standard Bank Group. See note 37.3 for details.

		Group		Company	
		31 Dec. 2022 N million	31 Dec. 2021 N million	**31 Dec. 2022 N million**	31 Dec. 2021 N million
8	**Pledged assets**				
8.1	**Pledged assets**				
	Financial assets that may be repledged or resold by counterparties				
	Treasury bills - Trading	**54,804**	95,187	**-**	-
	Treasury bills - FVOCI	**73,186**	87,148	**-**	
		127,990	182,335	**-**	-
	Maturity analysis				
	The maturities represent periods to contractual redemption of the pledged assets recorded.				
	Maturing within 1 month	**31,659**	85,446	**-**	-
	Maturing after 1 month but within 6 months	**96,331**	96,889	**-**	-
	Maturing after 6 months but within 12 months	**-**	-	**-**	-
		127,990	182,335	**-**	-

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 2022 was N96,413 million (Dec. 2021: N182,333 million). The transactions in respect of which the collaterals were pledged are as follows:

(i) N14,672 million (Dec 2021: N14,688 million) was pledged with the Central Bank of Nigeria with respect of real sector funding.

(ii) N54,804 million (Dec 2021: N125,723 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) N26,937 million (Dec. 2021: N41,922 million) pledged with FMDQ in respect of OTC futures.

9 Trading assets and trading liabilities

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

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

Maturity analysis

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

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	**31 Dec. 2022 N million**	31 Dec. 2021 N million
Redeemable on demand	**-**	-	**-**	-
Maturing within 1 month	**112,600**	13,298	**-**	-
Maturing after 1 month but within 6 months	**62,437**	55,439	**-**	-
Maturing after 6 months but within 12 months	**3,661**	29,508	**-**	-
Maturing after 12 months	**198**	498	**-**	-
Undated assets	**5**	-	**-**	-
	178,901	98,743	**-**	-
Current	**178,698**	98,245	**-**	-
Non-current	**203**	498	**-**	-
	178,901	98,743	**-**	-

9 Trading assets and trading liabilities (continued)

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	**31 Dec. 2022 N million**	31 Dec. 2021 N million
9.2 Trading liabilities				
Classification				
Listed	**11,077**	117	**-**	-
Unlisted	**209,894**	111,906	**-**	-
	220,971	112,023	**-**	-
Comprising:				
Government bonds (short positions)	**4,376**	117	**-**	-
Repurchase agreements	**47,866**	67,621	**-**	-
Deposits	**162,028**	44,285	**-**	-
Treasury bills (short positions)	**6,701**	-	**-**	-
	220,971	112,023	**-**	-
Dated liabilities	58,943	67,738	-	-
Undated liabilities	162,028	44,285	-	-
	220,971	112,023	-	-

Maturity analysis

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

Maturing within 1 month	**25,869**	71,192	**-**	-
Maturing after 1 month but within 6 months	**176,715**	29,834	**-**	-
Maturing after 6 months but within 12 months	**11,673**	10,880	**-**	-
Maturing after 12 months	**4,955**	117	**-**	-
	219,212	112,023	**-**	-
Current	**214,257**	111,906	**-**	-
Non-current	**4,955**	117	**-**	-
	219,212	112,023	**-**	-

10 Derivative instruments

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

10.1 Use and measurement of derivative instruments

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

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

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

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

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

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

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

10.2 Derivatives held-for-trading

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

10.2.1 Foreign exchange derivatives

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

10.2.2 Non-deliverable foreign exchange derivatives contract

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

10.2.3 Interest rate derivatives

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

10.3 Unobservable valuation differences on initial recognition

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

10.4 Fair values

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

10.5 Notional amount

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

10.6 Derivative assets and liabilities

	Maturity analysis of net fair value						
	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 2022							
Derivatives held-for-trading							
Forwards	**267**	**-**	**-**	**266**	**22,951**	**(22,685)**	**594,482**
Swaps	**15,769**	**-**	**-**	**15,769**	**19,183**	**(3,414)**	**445,089**
Total derivative assets/(liabilities)	**16,036**	**-**	**-**	**16,035**	**42,134**	**(26,099)**	**1,039,571**

	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 2021							
Derivatives held-for-trading							
Forwards	-	4,205	-	4,205	27,353	(23,148)	1,220,286
Swaps	5,802	5,841	-	11,643	13,859	(2,216)	260,612
Total derivative assets/(liabilities)	5,802	10,046	-	15,848	41,212	(25,364)	1,480,898

Included in derivative assets is N1,718 million (Dec. 2021: N399 million) due from related parties. See note 37.3 for details.

Included in derivative liabilities is N2,431 million (Dec. 2021: N673 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	
		31 Dec. 2022	31 Dec. 2021
	Note	**N million**	N million
Unrecognised profit at beginning of the year		**10,399**	994
Additional profit on new transactions		**3,235**	17,749
Recognised in profit or loss during the year		**(11,638)**	(8,344)
Unrecognised profit at end of the year		**1,996**	**10,399**

11 Financial investments

Financial investments comprise assets held for liquidity requirement purposes.

		Group		Company	
		31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
11	**Financial investments**				
	Short - term negotiable securities	**428,598**	568,738	-	-
	Listed	**428,598**	568,738	-	-
	Unlisted	-	-	-	-
	Other financial investments	**153,618**	67,896	**27,710**	2,076
	Listed	**81,497**	17,143	**27,710**	2,076
	Unlisted	**72,121**	50,753	-	-
	Gross financial investments	**582,216**	636,634	**27,710**	2,076
	Expected credit loss on financial investment				
	12-month ECL	**(197)**	(23)	-	-
	Total expected credit loss on financial investment	**(197)**	(23)	-	-
	Net financial investments	**582,019**	636,611	**27,710**	2,076

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

		Group 31 Dec. 2022	Group 31 Dec. 2021	Company 31 Dec. 2022	Company 31 Dec. 2021
11.1	**Comprising:**				
	Government bonds	**75,868**	9,814	-	-
	Treasury bills	**427,085**	568,738	-	-
	Corporate bonds	**5,629**	6,701	-	-
	Unlisted equities (see note 11.2 below)	**3,643**	3,021	-	-
	Mutual funds and unit-linked investments (see note 14)	**68,477**	47,732	**27,710**	2,076
	Listed equities	-	628	-	-
	Commerical papers	**1,513**	-	-	-
		582,216	636,634	**27,710**	2,076

Mutual funds and unit-linked investments include N1,104 million (Dec 2021: N1,117 million) held against unclaimed dividend liability as disclosed in note 27.

	Group 31 Dec. 2022	Group 31 Dec. 2021	Company 31 Dec. 2022	Company 31 Dec. 2021
Maturity analysis				
The maturities represent periods to contractual redemption of the financial investments recorded.				
Redeemable on demand	-	-	-	-
Maturing within 1 month	**466,864**	46,497	-	-
Maturing after 1 month but within 6 months	**7,674**	521,978	-	-
Maturing after 6 months but within 12 months	**1,633**	6,582	-	-
Maturing after 12 months but within 5 years	**8,760**	825	-	-
Maturing after 5 years	**32,579**	13,885	-	-
Undated investments[1]	**72,121**	51,381	**27,710**	2,076
	589,631	641,148	**27,710**	2,076

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

11.2 Analysis of unlisted equity investments

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

	Group 31 Dec. 2022	Group 31 Dec. 2021	Company 31 Dec. 2022	Company 31 Dec. 2021
Unified Payment Services Ltd	**465**	395	-	-
FMDQ OTC Plc	**562**	483	-	-
Nigeria Mortgage Refinance Company Ltd	**146**	146	-	-
Central Securities Clearing System Plc	**31**	46	-	-
Nigerian Interbank Settlement System Plc	**2,289**	1,831	-	-
NGX (Nigerian Exchange Ltd) shares	**150**	120	-	-
Total investment in unlisted equity investment	**3,643**	3,021	-	-

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

	Group 31 Dec. 2022	Group 31 Dec. 2021	Company 31 Dec. 2022	Company 31 Dec. 2021
Current	**548,292**	621,924	**27,710**	2,076
Non-current	**41,339**	14,710	-	-
	589,631	636,634	**27,710**	2,076

Analysis of movement in financial investment expected credit loss

As at 31 December 2022	Opening bal	Originated ECL	Subsqt changes	Derecognition	**Total**
12 Month- ECL	23	213	(8)	(31)	**197**
Life-time ECL not credit impaired	-	-	-	-	-
Life-time ECL credit impaired	-	-	-	-	-
	23	**213**	**(8)**	**(31)**	**197**

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	31 Dec. 2022 N million	31 Dec. 2021 N million
12 Loans and advances				
12.1 Loans and advances net of impairments				
(a) Loans and advances to banks	**3,404**	16,096	**-**	-
Placements with banks	**3,408**	16,102	**-**	**-**
12-month ECL	**(4)**	(6)	**-**	-
(b) Loans and advances to customers	**1,204,786**	**921,044**	**-**	-
Gross loans and advances to customers	**1,238,195**	946,259	**-**	-
Consumer and High Networth Clients (CHNWC)	**89,249**	78,519		
Mortgage loans	**5,217**	4,356	**-**	-
Instalment sale and finance leases	**1,687**	1,553	**-**	-
Card debtors	**1,903**	1,265	**-**	-
Other loans and advances	**80,442**	71,345	**-**	-
Business and Commercial Clients (BCC)	**334,655**	284,151		
Mortgage loans	**156**	425	**-**	-
Instalment sale and finance leases	**43,379**	34,238	**-**	-
Card debtors	**1**	5	**-**	-
Other loans and advances	**291,119**	249,483	**-**	-
Corporate and Investment Banking (CIB)	**814,291**	583,589		
Corporate loans	**814,291**	583,589	**-**	-
Credit impairments for loans and advances (note 12.3)	**(33,409)**	(25,215)	**-**	-
12-month ECL	**(11,389)**	(8,025)	**-**	-
Lifetime ECL not credit-impaired	**(1,403)**	(1,283)		
Lifetime ECL credit-impaired	**(20,617)**	(15,907)	**-**	-
Net loans and advances	**1,208,190**	937,140	**-**	-
Comprising:				
Gross loans and advances	**1,241,603**	962,361	**-**	-
Less: Credit impairments allowance	**(33,413)**	(25,221)	**-**	-
Net loans and advances	**1,208,190**	937,140	**-**	**-**

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 N48,416 million (2021: N39,262 million) relating to CHNWC, BCC and WC 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 114 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	**1,238,195**	**(11,389)**	**(1,403)**	**(20,617)**	**(33,409)**	**1,204,786**
Consumer and High Networth Clients (CHNWC)	**89,249**	**(1,200)**	**(406)**	**(3,738)**	**(5,344)**	**83,905**
Mortgage loans	5,217	(12)	(90)	(62)	(164)	5,053
Instalment sale and finance leases	1,687	(14)	(8)	(62)	(84)	1,603
Card debtors	1,903	(75)	(22)	(122)	(219)	1,684
Other loans and advances	80,442	(1,099)	(286)	(3,492)	(4,877)	75,565
Business and Commercial Clients (BCC)	**334,655**	**(4,171)**	**(900)**	**(9,683)**	**(14,754)**	**319,901**
Mortgage loans	156	(1)	-	-	(1)	155
Instalment sale and finance leases	43,379	(742)	(339)	(247)	(1,328)	42,051
Card debtors	1	(1)	-	1	-	1
Other loans and advances	291,119	(3,427)	(561)	(9,437)	(13,425)	277,694
Corporate and Investment Banking (CIB)	**814,291**	**(6,018)**	**(97)**	**(7,196)**	**(13,311)**	**800,980**
Corporate loans	814,291	(6,018)	(97)	(7,196)	(13,311)	800,980
Loans and advances to banks	**3,408**	**(4)**	**-**	**-**	**(4)**	**3,404**
Total	**1,241,603**	**(11,393)**	**(1,403)**	**(20,617)**	**(33,413)**	**1,208,190**

As at 31 December 2021

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	**946,259**	**(8,025)**	**(1,283)**	**(15,907)**	**(25,215)**	**921,044**
Consumer and High Networth Clients (CHNWC)	**78,519**	**(694)**	**(400)**	**(2,238)**	**(3,332)**	**75,187**
Mortgage loans	4,356	(16)	(3)	(92)	(111)	4,245
Instalment sale and finance leases	1,553	(11)	(3)	(19)	(33)	1,520
Card debtors	1,265	(7)	(28)	(136)	(171)	1,094
Other loans and advances	71,345	(660)	(366)	(1,991)	(3,017)	68,328
Business and Commercial Clients (BCC)	**284,151**	**(3,707)**	**(803)**	**(7,234)**	**(11,744)**	**272,407**
Mortgage loans	425	(13)	-	-	(13)	412
Instalment sale and finance leases	34,238	(533)	(173)	(91)	(797)	33,441
Card debtors	5	(1)	-	-	(1)	4
Other loans and advances	249,483	(3,160)	(630)	(7,143)	(10,933)	238,550
Corporate and Investment Banking (CIB)	**583,589**	**(3,624)**	**(80)**	**(6,435)**	**(10,139)**	**573,450**
Corporate loans	583,589	(3,624)	(80)	(6,435)	(10,139)	573,450
Loans and advances to banks	**16,102**	**(6)**	**-**	**-**	**(6)**	**16,096**
Total	**962,361**	**(8,031)**	**(1,283)**	**(15,907)**	**(25,221)**	**937,140**

		Group		Company	
		31 Dec. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
		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 period end.

Redeemable on demand	**21,373**	19,584	**-**	-
Maturing within 1 month	**215,424**	98,644	**-**	-
Maturing after 1 month but within 6 months	**394,769**	355,990	**-**	-
Maturing after 6 months but within 12 months	**59,168**	52,567	**-**	-
Maturing after 12 months	**550,869**	435,576	**-**	-
Gross loans and advances	**1,241,603**	962,361	**-**	-

Segmental analysis - industry

Agriculture	**57,179**	37,157	**-**	-
Business services	**44,105**	31,746	**-**	-
Communication	**84,272**	49,272	**-**	-
Construction & real estate	**78,777**	58,744	**-**	-
Electricity, gas & water supply	**9,012**	9,302	**-**	-
Financial intermediaries & insurance	**24,000**	40,830	**-**	-
Government	**80,765**	74,788	**-**	-
Hotels, restaurants and tourism	**319**	207	**-**	-
Manufacturing	**424,978**	304,862	**-**	-
Oil & gas	**252,387**	214,640	**-**	-
Private households	**99,828**	78,022	**-**	-
Transport, storage & distribution	**22,294**	9,603	**-**	-
Wholesale & retail trade	**63,687**	53,188	**-**	-
Gross loans and advances	**1,241,603**	962,361	-	-

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.

South South	**42,235**	36,917	**-**	-
South West	**1,081,988**	809,446	**-**	-
South East	**27,331**	20,888	**-**	-
North West	**41,056**	39,671	**-**	-
North Central	**36,739**	34,495	**-**	-
North East	**8,846**	4,842	**-**	-
Outside Nigeria	**3,408**	16,102	**-**	-
Gross loans and advances	**1,241,603**	962,361	**-**	-

12.2 Instalment sale and finance leases

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

Gross investment in instalment sale and finance leases	**57,394**	39,262	**-**	-
Receivable within 1 year	**4,989**	2,635	**-**	-
Receivable after 1 year but within 5 years	**43,779**	36,627	**-**	-
Receivable after 5 years	**8,626**	-	**-**	-
Unearned finance charges deducted	**-**	**-**		

N12,328 million (Dec 2021: N3,471 million) of instalment sales and finance is included in corporate loans and advances and all loans and advances to customers are held at amortised cost.

Current	**690,734**	526,785	**-**	-
Non-current	**550,869**	435,576	**-**	-
	1,241,603	962,361	**-**	-

12.3 Credit impairments allowance for loans and advances

As at 31 December 2022

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

		Transfers between stages				Income statement movement									
	Opening ECL 1 January 2022	Transfer 12 month ECL to/from	Transfer Lifetime ECL not credit-impaired to/from	Transfer Lifetime ECL credit-impaired to/from	Total	Originated "New" impairments raised	Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised including write offs	Total	Impaired accounts written off	Unwind discount	Currency translation and other movements	Closing balance	Post write-off recoveries recognized in P/L
12 month ECL															
CHNWC															
Mortgage loans	16		(50)	-	(50)	6	-	42	(2)	46	-	-	-	12	-
Instalment sales and finance lease	11		(6)	(7)	(13)	6	-	11	(1)	16	-	-	-	14	-
Card debtors	7		(8)	(21)	(29)	53	-	46	(2)	97	-	-	-	75	-
Other loans and advances	660		(135)	(1,066)	(1,201)	332	-	1,458	(150)	1,640	-	-	-	1,099	-
BCC															
Mortgage loans	13		-	-	-	-	-	(12)	-	(12)	-	-	-	1	-
Instalment sales and finance lease	533		(31)	(56)	(87)	469	-	(10)	(163)	296	-	-	-	742	-
Card debtors	1		-	-	-	1	-	-	(1)	-	-	-	-	1	-
Other loans and advances	3,160		(22)	(2,577)	(2,599)	1,988	-	2,039	(1,161)	2,866	-	-	-	3,427	-
WC															
Corporate loans	3,630		(416)	-	(416)	2,851	-	25	(418)	2,458	-	-	350	6,022	-
Total	8,031	-	(668)	(3,727)	(4,395)	5,706	-	3,599	(1,898)	7,407	-	-	350	11,393	-
Lifetime ECL not credit-impaired															
CHNWC															
Mortgage loans	3	50		(34)	16	4	-	67	-	71	-	-	-	90	-
Instalment sales and finance lease	3	6		(17)	(11)	1	-	15	-	16	-	-	-	8	-
Card debtors	28	8		(11)	(3)	2	-	2	(7)	(3)	-	-	-	22	-
Other loans and advances	366	135		(692)	(557)	71	-	489	(83)	477	-	-	-	286	-
BCC															
Mortgage loans	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Instalment sales and finance lease	173	31		(56)	(25)	183	-	18	(10)	191	-	-	-	339	-
Card debtors	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Other loans and advances	630	22		(626)	(604)	353	-	432	(250)	535	-	-	-	561	-
WC															
Corporate loans	80	416		-	416	-	-	(49)	(1)	(50)	-	-	(349)	97	-
Total	1,283	668	-	(1,436)	(768)	614	-	974	(351)	1,237	-	-	(349)	1,403	-
Lifetime ECL credit-impaired (including IIS)															
CHNWC															
Mortgage loans	92	-	34		34	-	-	4	(25)	(21)	(31)	(12)	-	62	(39)
Instalment sales and finance lease	19	7	17		24	-	-	15	(1)	14	(2)	7	-	62	(9)
Card debtors	136	21	11		32	5	-	30	3	38	(84)	-	-	122	(24)
Other loans and advances	1,991	1,066	692		1,758	213	-	(309)	32	(64)	(650)	457	-	3,492	(343)
BCC															
Mortgage loans	-	-	-		-	-	-	-	-	-	-	-	-	-	-
Instalment sales and finance lease	91	56	56		112	27	-	36	(27)	36	(11)	19	-	247	(70)
Card debtors	-	-	-		-	-	-	-	(1)	(1)	-	-	-	(1)	(3)
Other loans and advances	7,143	2,577	626		3,203	1,063	-	1,586	(28)	2,621	(3,016)	(514)	-	9,437	(2,074)
WC															
Corporate loans	6,435	-	-		-	371	-	108	-	479	-	753	(471)	7,196	656
Total	15,907	3,727	1,436	-	5,163	1,679	-	1,470	(47)	3,102	(3,794)	710	(471)	20,617	(1,906)
Purchased/originated credit impaired	-	-	-	-	-	-	-	-	-						
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ECL	25,221	4,395	768	(5,163)	-	7,999	-	6,043	(2,296)	11,746	(3,794)	710	(470)	33,413	(1,906)

As at 31 December 2021

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

		Transfers between stages				Income statement movement									
	Opening ECL 1 January 2021	Transfer 12 month ECL to/from	Transfer Lifetime ECL not credit-impaired to/from	Transfer Lifetime ECL credit-impaired to/from	Total	Originated "New" impairments raised	Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised incuding write offs	Total	Impaired accounts written off	Unwind discount	Currency translation and other movements	Closing balance	Post write-off recoveries recognized in P/L
12 month ECL		-													
CHNWC															
Mortgage loans	45		8	(8)	-	4		(30)	(3)	(29)	-	-		16	-
Instalment sales and finance lease	2		-	(3)	(3)	5		7	-	12	-	-		11	-
Card debtors	38		2	(20)	(18)	2		(7)	(8)	(13)	-	-		7	-
Other loans and advances	493		(84)	(183)	(267)	343		207	(116)	434	-	-		660	-
BCC															
Mortgage loans	22		-	-	-	-		(9)	-	(9)	-	-		13	-
Instalment sales and finance lease	66		(16)	2	(14)	495		12	(26)	481	-	-		533	-
Card debtors	1		-	-	-	1		-	(1)	-	-	-		1	-
Other loans and advances	2,915		(37)	(632)	(669)	1,580		273	(939)	914	-	-		3,160	-
WC															
Corporate loans	3,106		147	-	147	2,034	-	(843)	(812)	379	-	-	(2)	3,630	-
Total	6,688		20	(844)	(824)	4,464	-	(390)	(1,905)	2,169	-	-	(2)	8,031	-
Lifetime ECL not credit-impaired															
CHNWC															
Mortgage loans	22	(8)		(31)	(39)	-		20	-	20	-	-		3	-
Instalment sales and finance lease	3	-		2	2	1		(3)	-	(2)	-	-		3	-
Card debtors	35	(2)		(12)	(14)	7		7	(7)	7	-	-		28	-
Other loans and advances	177	84		(63)	21	178		35	(45)	168	-	-		366	-
BCC															
Mortgage loans	1	-		-	-	-	-	-	(1)	(1)	-	-		-	-
Instalment sales and finance lease	216	16		(16)	-	16		(47)	(12)	(43)	-	-		173	-
Card debtors	-	-		-	-	-		-	-	-	-	-		-	-
Other loans and advances	593	37		(464)	(427)	302		351	(189)	464	-	-		630	-
WC															
Corporate loans	462	(147)		-	(147)	-		(196)	(39)	(235)	-	-		80	-
Total	1,509	(20)		(584)	(604)	504	-	167	(293)	378	-	-	-	1,283	-
Lifetime ECL credit-impaired (including IIS)											-				
CHNWC															
Mortgage loans	68	8	31		39	-		6	23	29	(46)		2	92	(382)
Instalment sales and finance lease	14	3	(2)		1	1		-	-	1	-		3	19	(7)
Card debtors	114	20	12		32	7		40	(2)	45	(55)			136	(19)
Other loans and advances	1,522	183	63		246	178		20	109	307	(397)		313	1,991	(428)
BCC															
Mortgage loans	-	-	-		-	-		-	-	-	-			-	-
Instalment sales and finance lease	54	(2)	16		14	17		18	16	51	(35)		7	91	(61)
Card debtors	-	-	-		-	-		-	-	-	-		-	-	(2)
Other loans and advances	9,191	632	464		1,096	314		(731)	1,880	1,463	(4,883)		276	7,143	(3,415)
WC					-										
Corporate loans	12,795	-	-		-	-		(487)	225	(262)	(6,389)		291	6,435	(608)
Total	23,758	844	584	-	1,428	517	-	(1,134)	2,251	1,634	(11,805)	-	892	15,907	(4,922)
Purchased/originated credit impaired		-	-	-	-	-									
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ECL	31,955	824	604	(1,428)	-	5,485	-	(1,357)	53	4,181	(11,805)	-	890	25,221	(4,922)

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. 2022 N million**	31 Dec. 2021 N million	**31 Dec. 2022 N million**	31 Dec. 2021 N million
Agriculture	**1,682**	4,127	**1,359**	2,727
Business services	**1,100**	3	**767**	3
Communication	**3**	2	**3**	2
Construction & real estate	**9,942**	8,861	**8,317**	7,205
Manufacturing	**103**	128	**88**	107
Oil and Gas	**8,280**	1,238	**3,744**	1,030
Private households	**5,350**	3,356	**4,040**	2,494
Transport, storage & distribution	**-**	1,217	**-**	1,174
Wholesale & retail trade	**2,978**	1,406	**2,299**	1,165
	29,438	20,338	**20,617**	15,907

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. 2022 N million	31 Dec. 2021 N million	**31 Dec. 2022 N million**	31 Dec. 2021 N million
South South	**8,107**	1,018	**3,704**	743
South West	**16,573**	12,507	**13,031**	10,148
South East	**860**	533	**723**	413
North West	**2,746**	4,606	**2,250**	3,052
North Central	**996**	1,589	**795**	1,488
North East	**156**	85	**114**	63
	29,438	20,338	**20,617**	15,907

		Group		Company	
		31 Dec. 2022 N million	31 Dec. 2021 N million	**31 Dec. 2022 N million**	31 Dec. 2021 N million
13 Investment in subsidiaries					
Stanbic IBTC Ventures Limited	100%	**-**	-	**1,500**	1,500
Stanbic IBTC Bank PLC	100%	**-**	-	**63,467**	63,467
Stanbic IBTC Capital Limited	100%	**-**	-	**3,500**	3,500
Stanbic IBTC Asset Management Limited	100%	**-**	-	**710**	710
Stanbic IBTC Pension Managers Limited	88.24%	**-**	-	**16,913**	16,913
Stanbic IBTC Trustees Limited	100%	**-**	-	**300**	300
Stanbic IBTC Insurance Brokers Limited*	100%	**-**	-	**20**	20
Stanbic IBTC Insurance Limited	100%	**-**	-	**8,000**	8,000
Stanbic IBTC Financial Services Limited	100%	**-**	-	**232**	232
Stanbic IBTC Stockbrokers Limited	100%	**-**	-	**109**	109
		-	-	**94,751**	94,751

*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 financial services	100%	31 December
Stanbic IBTC Capital Limited	Nigeria	Provision of general corporate finance and debt advisory services	100%	31 December
Stanbic IBTC Asset Management Limited	Nigeria	Acting as an investment manager, portfolio manager and as a promoter of unit trust and funds	100%	31 December
Stanbic IBTC Pension Managers Limited	Nigeria	Administration and management of pension fund assets	88.24%	31 December
Stanbic IBTC Trustees Limited	Nigeria	Acting as executors and trustees of wills and trusts and provision of agency services	100%	31 December
Stanbic IBTC Stockbrokers Limited	Nigeria	Provision of stockbroking services	100%	31 December
Stanbic IBTC Insurance Brokers Limited	Nigeria	Provision of insurance brokerage services	75% (direct) 25% (indirect)	31 December
Stanbic IBTC Insurance Limited	Nigeria	Provision of insurance services	100%	31 December
Stanbic IBTC Financial Services Limited	Nigeria	Not operational	100%	31 December
Stanbic IBTC Nominees Limited (Indirect holding)	Nigeria	Investor services as well as acting as an agent of its parent company Stanbic IBTC Bank PLC in the execution of various mandates relating to the custody of assets.	100%	31 December

13.2 Significant restrictions

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

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

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

13.3 Non-controlling interests (NCI) in subsidiaries

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

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

	31 Dec. 2022	31 Dec. 2021
NCI percentage	**11.76%**	11.76%
	N million	N million
Total assets	**90,907**	94,526
Total liabilities	**(22,810)**	(19,271)
Net assets	**68,097**	75,255
Carrying amount of NCI	**8,008**	8,850
	31 Dec. 2022	31 Dec. 2021
Revenue	**52,461**	46,059
Profit	**22,877**	21,895
Profit allocated to NCI	**2,691**	2,588
Cash flows from operating activities	**22,514**	24,266
Cash flows from investing activities	**6,128**	(16,350)
Cash flow from financing activities, before dividends to NCI	**(29,913)**	(9,310)
Cash flow from financing activities - cash dividends to NCI	**(3,519)**	(1,095)
Net increase in cash and cash equivalents	**(4,790)**	(2,489)

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 Insurance Ltd	Stanbic IBTC Stockbrokers Ltd	Stanbic IBTC Financial Services Ltd	Consoli-dations / Eliminations	Stanbic IBTC Holdings PLC Group
Income statement													
Net interest income	147	105,522	678	4,079	163	187	23	50	2,068	191	11	-	**113,119**
Non interest revenue	56,894	60,588	6,132	48,382	10,099	99	829	1,185	(442)	771	1	(57,544)	**126,994**
Total income	**57,041**	**166,110**	**6,810**	**52,461**	**10,262**	**286**	**852**	**1,235**	**1,626**	**962**	**12**	**(57,544)**	**240,113**
Staff costs	(2,696)	(33,973)	(1,902)	(7,110)	(3,106)	-	(445)	(477)	(688)	(399)	(200)	-	**(50,996)**
Operating expenses	(3,640)	(62,046)	(1,254)	(11,129)	(1,350)	(45)	(162)	(368)	(663)	(287)	(19)	2,485	**(78,478)**
Net impairment (charge) on financial assets	-	(10,148)	(13)	(2)	(8)	-	(122)	(1)	1	3	-	-	**(10,290)**
Total expenses	**(6,336)**	**(106,167)**	**(3,169)**	**(18,241)**	**(4,464)**	**(45)**	**(729)**	**(846)**	**(1,350)**	**(683)**	**(219)**	**2,485**	**(139,764)**
Profit before tax	**50,705**	**59,943**	**3,641**	**34,220**	**5,798**	**241**	**123**	**389**	**276**	**279**	**(207)**	**(55,059)**	**100,349**
Tax	(10)	(4,798)	(1,438)	(11,343)	(1,854)	210	(95)	(143)	30	(89)	(5)	-	**(19,535)**
Profit for the year	**50,695**	**55,145**	**2,203**	**22,877**	**3,944**	**451**	**28**	**246**	**306**	**190**	**(212)**	**(55,059)**	**80,814**
For the year ended 31 December 2021	32,358	29,766	1,596	21,895	5,833	174	237	294	122	217	10	(35,536)	**56,966**
Assets:													
Cash and cash equivalents	50,294	643,810	11,097	17,246	291	47	97	115	3,689	1,875	342	(64,453)	**664,450**
Derivative assets	-	42,134	-	-	-	-	-	-	-	-	-	-	**42,134**
Trading assets	-	190,427	-	-	-	-	-	-	-	4	-	-	**190,431**
Pledged assets	-	127,990	-	-	-	-	-	-	-	-	-	-	**127,990**
Financial investments	27,710	478,086	2,303	36,690	5,476	4,261	209	514	24,632	1,982	156	-	**582,019**
Loans and advances to banks	-	3,404	-	-	-	-	-	-	-	-	-	-	**3,404**
Loans and advances to customers	-	1,204,786	-	-	-	-	-	-	-	-	-	-	**1,204,786**
Deferred tax assets	-	12,390	278	62	185	-	35	26	40	26	-	-	**13,042**
Equity investment in Group companies	94,751	-	-	-	-	-	-	-	-	-	-	(94,751)	**-**
Other assets	13,199	117,675	843	9,176	5,699	-	373	360	637	2,286	101	(17,959)	**132,390**
Property and equipment	2,040	28,289	836	26,791	1,790	-	278	458	983	203	89	(209)	**61,548**
Right of Use Assets	4	2,456	-	942	99	-	31	37	40	-	-	-	**3,609**
Intangible assets	-	3,207	-	-	16	-	-	-	-	-	-	-	**3,223**
Total assets	**187,998**	**2,854,654**	**15,357**	**90,907**	**13,556**	**4,308**	**1,023**	**1,510**	**30,021**	**6,376**	**688**	**(177,372)**	**3,029,026**
At 31 December 2021	156,502	2,613,925	12,211	94,526	10,699	3,068	1,020	1,231	13,861	4,249	617	(169,145)	2,742,764

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 Insurance Ltd	Stanbic IBTC Stockbrokers Ltd	Stanbic IBTC Financial Services Ltd	Consoli-dations / Elimina-tions	Stanbic IBTC Holdings PLC Group
Liabilities and equity:													
Derivative liabilities	-	26,099	-	-	-	-	-	-	-	-	-	-	**26,099**
Trading liabilities	-	220,971	-	-	-	-	-	-	-	-	-	-	**220,971**
Deposits from banks	-	491,080	-	-	-	-	-	-	-	-	-	-	**491,080**
Deposits from customers	-	1,260,759	-	-	-	-	-	-	-	-	-	(15,413)	**1,245,346**
Other borrowings	-	187,957	-	-	-	-	-	-	-	-	-	-	**187,957**
Debt securities issued	-	70,878	-	-	-	1,000	-	-	-	-	-	-	**71,878**
Current tax liabilities	46	2,128	1,533	11,259	2,168	70	93	150	7	108	2	-	**17,564**
Provisions and other liabilities	64,987	313,833	7,343	11,551	2,724	24	392	863	21,613	4,059	656	(67,584)	**360,461**
Equity and reserves	122,965	280,949	6,481	68,097	8,664	3,214	538	497	8,401	2,209	30	(94,375)	**407,670**
Total liabilities and equity	**187,998**	**2,854,654**	**15,357**	**90,907**	**13,556**	**4,308**	**1,023**	**1,510**	**30,021**	**6,376**	**688**	**(177,372)**	**3,029,026**
At 31 December 2021	156,502	2,613,925	12,211	94,526	10,699	3,068	1,020	1,231	13,861	4,249	617	(169,145)	2,742,764

14 Involvement with unconsolidated investment funds

The table below describes the types of investment funds that the Group does not consolidate but in which it holds an interest. The funds are not consolidated because they are not controlled by the Group.

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

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

S/N	Investment fund	Asset under management		Interest held by the Group	
		31 Dec. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
		N million	N million	**N million**	N million
i	Stanbic IBTC Nigerian Equity Fund	**7,414**	6,970	**-**	550
ii	Stanbic IBTC Ethical Fund	**1,795**	1,568	**72**	63
iii	Stanbic IBTC Imaan Fund	**327**	253	**7**	6
iv	Stanbic IBTC Guaranteed Investment Fund	**22,527**	24,689	**173**	163
v	Stanbic IBTC Money Market Fund	**231,488**	219,597	**14,188**	27,023
vi	Stanbic IBTC Bond Fund	**65,754**	85,103	**22,627**	16,498
vii	Stanbic IBTC Balanced Fund	**1,717**	1,645	**140**	130
viii	Stanbic IBTC Dollar Fund	**178,721**	171,942	**2**	144
ix	Stanbic IBTC Umbrella Fund	**63,848**	45,516	**14,500**	1,756
x	Stanbic IBTC Exchange Traded Fund	**1,272**	1,196	**-**	215
xi	Stanbic IBTC Shari'ah Fixed Income Fund	**7,071**	7,390	**3,679**	58
xii	Stanbic IBTC Enhanced Short-Term Fixed Income Fund	**30,580**	17,652	**1,533**	53
xiii	Stanbic IBTC Infrastructure fund	**6,953**	6,854	**1,044**	1,000
xiv	UACN Property Development Company REIT	**26,156**	30,472	**-**	-
Total		**645,623**	620,847	**57,965**	47,659

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. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
	N million	N million	**N million**	N million
Trading settlement assets (see (v) below)	**8,248**	9,902	**-**	-
Due from Group companies (see note 37.3)	**507**	706	**8,333**	2,837
Deposit for shares	**-**	-	**600**	368
Insurance receivables	**558**	228	**-**	-
Accrued income	**779**	659	**-**	-
Indirect / withholding tax receivables	**3,860**	3,810	**644**	486
Accounts receivable (see (iv) below)	**87,874**	89,072	**1,182**	69
Receivable in respect of unclaimed dividends (see (i) below)	**2,373**	2,418	**2,373**	2,418
Deposit for investment (see (ii) below)	**11,719**	10,241	**-**	-
Prepayments	**5,914**	5,335	**87**	100
Other debtors	**12,869**	9,270	**-**	-
	134,701	131,641	**13,219**	6,278
Expected credit loss on doubtful receivables (see (iii) below)	**(2,311)**	(2,111)	**(20)**	(20)
	132,390	129,530	**13,199**	6,258
Current	**107,745**	107,067	**9,495**	2,886
Non-current	**24,645**	22,463	**3,704**	3,372
	132,390	129,530	**13,199**	6,258
Financial	**122,616**	120,385	**12,488**	5,692
Expected credit loss	**(2,311)**	(2,111)	**(20)**	(20)
	120,305	118,274	**12,468**	5,672
Non-financial	**12,085**	11,256	**731**	586
	132,390	129,530	**13,199**	6,258

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

15 Other assets (continued)

(ii) 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 N31.32 million (Dec 2021: N30.99 million) has been disbursed to small and medium scale enterprises through the Bank for the year ended 31 December 2022.

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

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

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

	Group		Company	
	31 Dec. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
Movement in expected credit loss for doubtful receivables	**N million**	N million	**N million**	N million
At start of year	**2,111**	2,391	**20**	20
Additions / (write back)	**407**	(60)	**-**	-
Amount written off	**(207)**	(220)	**-**	-
At end of Dec 2022	**2,311**	2,111	**20**	20

The Group has, based on a 5 year historical year, developed a matrix for its expected credit loss. The Group has arrived at this expectation by computing the average credit loss (on financial assets) as a percentage of the average gross financial asset balance. There was no movement between provision stages during the year ended 31 Dec 2022.

16 Deferred tax assets

	Group		Company	
	31 Dec. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
	N million	N million	**N million**	N million
Deferred tax assets (note 16.1)	**13,042**	13,998	**-**	-
	13,042	13,998	**-**	-

	Group		Company	
	31 Dec. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
Analysis of unrecognised deferred tax asset	**N million**	N million	**N million**	N million
Unutilised tax losses	**43,474**	34,253	**-**	-
Capital allowances	**-**	-	**-**	-
	43,474	34,253	**-**	-
Analysis of deferred tax asset	**N million**	N million	**N million**	N million
Current	**10,984**	10,457	**-**	-
Non-current	**2,058**	3,541	**-**	-
	13,042	13,998	**-**	-

16.1 Deferred tax analysis	**N million**	N million	**N million**	N million
Deferred tax liabilities	**-**	-	**-**	-
Deferred tax asset	**13,042**	13,998	**-**	-
Deferred tax closing balance	**13,042**	13,998	**-**	-

16.2 Deferred tax analysis by source

Deferred tax assets analysis by source	**N million**	N million	**N million**	N million
Credit impairment charges	**4,034**	3,684	**-**	-
Property and equipment	**10,984**	11,588	**-**	-
Deferred Income on CBN SWAP/Unutilised losses	**-**	-	**-**	-
Fair value adjustments on financial instruments	**(5,333)**	(3,465)	**-**	-
Unrelieved Loss carry forward	**776**	1,331	**-**	-
Provision for employee bonus & share incentive	**2,509**	111	**-**	-
Others	**72**	749	**-**	-
Deferred tax closing balance	**13,042**	13,998	**-**	-
ii) Deferred tax liabilities by source	**N million**	N million	**N million**	N million
Fair value adjustments on financial instruments	**-**	-	**-**	-
Deferred tax liabilities closing balance	**-**	-	**-**	-
Deferred tax asset at end of the year	**13,042**	13,998	**-**	-

16.3	Deferred tax reconciliation	N million	N million	N million	N million
	Deferred tax at beginning of the year	**13,998**	13,163	**-**	-
	Recognised in Profit or Loss:				
	Originating/(reversing) temporary differences for the year: (See note 34.1)	**(956)**	835		-
	Credit impairment charges	**350**	859	**-**	-
	Property and equipment	**(604)**	2,972	**-**	-
	Fair value adjustments on financial instruments	**(1,868)**	(3,467)	**-**	-
	Deferred Income on CBN SWAP/Unutilised losses	**-**	2,005	**-**	-
	Unutilised losses	**(555)**	(144)	**-**	-
	Others	**(677)**	587	**-**	-
	Provision for employee bonus & share incentive	**2,398**	(1,977)	**-**	-
	Recognised in Other Comprehensive Income:				
	Fair value adjustments on financial instruments-FVOCI	**-**	-	-	-
	Deferred tax at end of the year	**13,042**	13,998	**-**	-

17 Property and equipment

Group		Freehold Land and building N million	Leasehold improvements and building N million	Motor vehicles N million	Furniture, fittings & equipment N million	Computer equipment N million	Work in progress N million	Total N million
17.1	**Cost**							
	Balance at 1 January 2022	**20,967**	**8,050**	**1,297**	**10,343**	**25,560**	**14,262**	**80,479**
	Additions	427	53	317	1,850	2,971	19,247	24,865
	Disposals / expensed	(142)	-	(268)	(420)	(704)	(15)	(1,549)
	Write-offs	-	-	-	-	-	-	-
	Transfers / reclassifications	-	387	(3)	100	283	(767)	-
	Balance at 31 December 2022	**21,252**	**8,490**	**1,343**	**11,873**	**28,110**	**32,727**	**103,795**
	Balance at 1 January 2021	19,309	9,814	1,089	10,609	24,964	1,279	67,064
	Additions	62	280	414	602	2,834	13,611	17,803
	Disposals/expensed	-	(410)	(206)	(456)	(667)	(10)	(1,749)
	Write-offs	(154)	-	-	(540)	(1,945)	-	(2,639)
	Transfers/ reclassifications	1,750	(1,634)	-	128	374	(618)	-
	Balance at 31 December 2021	20,967	8,050	1,297	10,343	25,560	14,262	80,479
17.2	**Accumulated depreciation**							
	Balance at 1 January 2022	**5,534**	**7,052**	**813**	**8,336**	**16,024**	**-**	**37,759**
	Charge for the year	433	115	180	768	4,335	-	**5,831**
	Disposals	(69)	-	(285)	(351)	(638)	-	**(1,343)**
	Balance at 31 December 2022	**5,898**	**7,167**	**708**	**8,753**	**19,721**	**-**	**42,247**
	Balance at 1 January 2021	11,660	700	848	8,626	14,502	**-**	36,336
	Charge for the year	134	424	174	659	4,055	**-**	5,446
	Disposals	-	(178)	(209)	(440)	(618)	**-**	(1,445)
	Writeoff	(154)	-	-	(509)	(1,915)		(2,578)
	Depreciation on Reclassification	(6,106)	6,106	-	-	-	-	-
	Balance at 31 December 2021	5,534	7,052	813	8,336	16,024	-	37,759
	Net book value:							
	31 December 2022	**15,354**	**1,323**	**635**	**3,120**	**8,389**	**32,727**	**61,548**
	31 December 2021	15,433	998	484	2,007	9,536	14,262	42,720

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2021: Nil). None of the assets were pledged as security for liabilities and items written off relate to computer equipment, furniture and fittings no longer in use.

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 2022	**-**	**-**	**153**	**421**	**-**	**574**
Additions	**-**	**-**	**48**	**142**	**1,838**	**2,028**
Disposals	**-**	**-**	**(5)**	**(62)**	**(16)**	**(83)**
Balance at 31 December 2022	**-**	**-**	**196**	**501**	**1,822**	**2,519**
Balance at 1 January 2021	-	-	196	384	-	580
Additions	-	-	1	97	-	98
Disposals	-	-	-	(12)	-	(12)
Expensed/Written-off	-	-	(44)	(48)	-	(92)
Balance at 31 December 2021	-	-	153	421	-	574
17.4 Accumulated depreciation						
Balance at 1 January 2022	**-**	**-**	**108**	**318**	**-**	**426**
Charge for the year	**-**	**-**	**12**	**87**	**-**	**99**
Disposals/ expensed	**-**	**-**	**(5)**	**(41)**	**-**	**(46)**
Balance at 31 December 2022	**-**	**-**	**115**	**364**		**479**
Balance at 1 January 2021	-	-	145	298	-	443
Charge for the year	-	-	5	79	-	84
Disposals/expensed	-	-	-	(12)	-	(12)
Write-off			(42)	(47)		(89)
Transfers/ reclassifications	-	-	-	-	-	**-**
Balance at 31 December 2021	-	-	108	318	-	426
Net book value:						
31 December 2022	**-**	**-**	**81**	**137**	**1,822**	**2,040**
31 December 2021	**-**	**-**	45	103	**-**	148

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2021: Nil). None of the assets were pledged as security for liabilities and items written off relate to computer equipment, furniture and fittings no longer in use.

18 Intangible assets

Reconciliation of carrying amount

Group		Purchased Software N million	Total N million
18.1	**Cost**		
	Balance at 1 January 2022	**5,841**	**5,841**
	Additions	16	16
	Expensed	(39)	(39)
	Balance at 31 December 2022	**5,818**	**5,818**
	Balance at 1 January 2021	5,708	5,708
	Additions	133	133
	Balance at 31 December 2021	5,841	5,841
18.2	**Accumulated amortisation**		
	Balance at 1 January 2022	**1,830**	**1,830**
	Amortisation for the year (see note 32.8)	**765**	**765**
	Balance at 31 December 2022	**2,595**	**2,595**
	Balance at 1 January 2021	1,068	1,068
	Amortisation for the year (see note 32.8)	762	762
	Balance at 31 December 2021	1,830	1,830
	Carrying amount:		
	31 December 2022	**3,223**	**3,223**
	31 December 2021	4,011	4,011

There were no capitalised borrowing costs related to the internal development of software during the year (Dec 2021: Nil).

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 2022	3,209	677	4,364	48	8,298
Additions	545	39	1,298	64	1,946
Disposals / expensed	(47)	-	(92)	(32)	(171)
Transfers / reclassifications	(72)	80	(8)	-	-
Balance at 31 December 2022	3,635	796	5,562	80	10,073
Balance at 1 January 2021	2,035	510	3,748	2	6,295
Additions	1,174	167	616	46	2,003
Balance at 31 December 2021	3,209	677	4,364	48	8,298
19.2 Accumulated depreciation					
Balance at 1 January 2022	1,880	443	2,566	15	4,904
Charge for the year	536	171	811	42	1,560
Balance at 31 December 2022	2,416	614	3,377	57	6,464
Balance at 1 January 2021	1,322	272	1,726	-	3,320
Charge for the year	558	171	840	15	1,584
Balance at 31 December 2021	1,880	443	2,566	15	4,904
Net book value:					
Balance at 31 December 2022	1,219	182	2,185	23	3,609
Balance at 31 December 2021	1,329	234	1,798	33	3,394

Right of Use Assets Company	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 2022	100	-	25	-	125
Additions	-	-	-	-	-
Balance at 31 December 2022	100	-	25	-	125
Balance at 1 January 2021	100	-	25	-	125
Additions	-	-	-	-	-
Balance at 31 December 2021	100	-	25	-	125
19.4 Accumulated depreciation					
Balance at 1 January 2022	75	-	17	-	92
Charge for the year	23	-	6	-	29
Balance at 31 December 2022	98	-	23	-	121
Balance at 1 January 2021	53	-	12	-	65
Charge for the year	22	-	5	-	27
Balance at 31 December 2021	75	-	17	-	92
Net book value:					
Balance at 31 December 2022	2	-	2	-	4
Balance at 31 December 2021	25	-	8	-	33

*The group leases various branch offices, ATM sites, equipment and vehicles. Rental contracts are typically made for fixed periods of one month to eight years but may have extension options (also see note 4.7) and Right of Use assets titles are restricted by the lease liabilities.

		Group		Company	
		31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
		N million	N million	N million	N million
20	**Share capital and reserves**				
20.1	**Issued and fully paid-up**				
	12,956,997,163 Ordinary shares of 50k each				
	(December 2022: 12,956,997,163 Ordinary shares of 50k each)	**6,479**	6,479	**6,479**	6,479
	Ordinary share premium	**102,780**	102,780	**102,780**	102,780

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

		Group		Company	
		31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
		N million	N million	N million	N million
20.2	**Dividend Payment**				
	2020 Final Dividend				
	Scrip dividend	**-**	-	**-**	-
	Cash dividend	**-**	39,982	**-**	39,982
	Minority Interest	**-**	1,095	**-**	-
	2021 Interim Dividend				
	Scrip dividend	**-**	-	**-**	-
	Cash dividend	**-**	12,957	**-**	12,957
	2021 Final Dividend				
	Scrip dividend	**-**	-	**-**	-
	Cash dividend	**25,914**	-	**25,914**	-
	Minority Interest	**1,741**		**-**	-
	2022 Interim Dividend				
	Scrip dividend	**-**	-	**-**	-
	Cash dividend	**19,436**	-	**19,436**	-
	Minority Interest	**1,778**	-	**-**	-
	Total dividend paid	**48,869**	54,034	**45,350**	52,939

20.3 Reserves

a) Merger reserve

Amount in merger reserve which represents the difference between pre-restructuring share premium/share capital and post-restructuring share premium/share capital during the holding company restructuring have been reclassified to general reserves.

b) Other regulatory reserves

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

(i) Statutory reserves

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

As stipulated by S.15(1) of the Banks and Other Financial Institution Act of 2020 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The bank (a subsidiary) transferred 15% of its profit after tax to statutory reserves as at the end of the year.

Section 81(2) of Pension Reform Act, 2014 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 N4,230 million was made into the AGSMEEIS reserve, which represents the Bank's annual commitment under the scheme, for the prior year (Dec 2021: N2,614 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.

20.3 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 impairment allowance; transfer the difference from the general reserve to a non-distributable regulatory reserve (statutory credit reserve).

(ii) If the Prudential Provision is less than IFRS impairment allowance; the excess charges resulting should be transferred from the regulatory reserve account to the general reserve to the extent of the non-distributable reserve previously 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 Standard Bank South Africa's Group's share incentive scheme which enables key management personnel and senior employees to benefit from the performance of Stanbic IBTC Holdings Plc and its subsidiaries. This is not settled from Stanbic IBTC Holdings shares.

f) Retained earnings

This represents the cumulative undistributed profits of the company to date, which have not been reclassified to the other reserves.

21 Dividend

The Directors recommended the approval of a final dividend of 200 kobo per share (31 December 2021: 200 kobo per share) for the year ended 31 December 2022. Withholding tax would be deducted at the time of payment.

22 Deposit and current accounts

	Group		Company	
	31 Dec. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
	N million	N million	**N million**	N million
Deposits from banks	**491,080**	431,862	**-**	-
Other deposits from banks	**491,080**	431,862	**-**	
Deposits from customers	**1,245,346**	1,126,535	**-**	-
Current accounts	**710,767**	591,963	**-**	-
Call deposits	**105,253**	109,013	**-**	-
Savings accounts	**182,134**	151,543	**-**	-
Term deposits	**247,192**	274,016	**-**	-
Total deposits and current accounts	**1,736,426**	1,558,397	**-**	-

Maturity analysis

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

Repayable on demand	**988,428**	1,297,121	**-**	-
Maturing within 1 month	**116,654**	92,887	**-**	-
Maturing after 1 month but within 6 months	**92,072**	138,573	**-**	-
Maturing after 6 months but within 12 months	**38,407**	42,021	**-**	-
Maturing after 12 months	**491,086**	527	**-**	-
Total deposits and current accounts	**1,726,647**	1,571,129	**-**	-
Current	**1,235,561**	1,557,870	**-**	-
Non-current	**491,086**	527	**-**	-
	1,726,647	1,558,397	**-**	-

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. 2022		31 Dec. 2021	
	%	**N million**	%	N million
South South	**5**	**80,556**	4	68,211
South West	**53**	**921,534**	55	851,606
South East	**2**	**34,802**	2	29,808
North West	**3**	**50,839**	3	44,718
North Central	**8**	**134,777**	8	123,307
North East	**1**	**13,058**	1	8,885
Outside Nigeria	**28**	**491,080**	28	431,862
Total deposits and current accounts	**100**	**1,726,646**	100	1,558,397

23 Other borrowings

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	**31 Dec. 2022 N million**	31 Dec. 2021 N million
	187,957	136,434	**-**	-
African Development Bank (see (i) below)	**-**	137	**-**	-
Nigeria Mortgage Refinance Company (see (v) below)	**3,279**	3,479	**-**	-
Bank of Industry (see (ii) below)	**476**	737	**-**	-
Standard Bank Isle of Man (see (iii) below & note 37.3)	**131,532**	80,108	**-**	-
CBN Real Sector Support Financing (see (vi) below)	**8,088**	10,999	**-**	-
CBN Commercial Agricultural Credit Scheme (see (iv) below)	**8,998**	9,155	**-**	-
British International Investment (see (vii) below)	**35,584**	31,819	**-**	-
Other borrowings	**187,957**	136,434	**-**	-

The terms and conditions of other borrowings are as follows:

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

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

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

iii The bank obtained dollar denominated long term on-lending facilities with floating rates tied to LIBOR from Standard Bank Isle of Man with average tenor of 5 years. The dollar value of the facility as at 31 December 2022 was USD284 million (Dec 2021: USD219 million). The facilities have different expiry dates with the longest expiring on 30 September 2027.

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

v. This represents N1,223 million (Tranche 1), N1,386 million (Tranche 2) and N770 million (Tranche 3) on-lending facilities obtained from Nigeria Mortgage Refinance Company in June 2016, June 2019 and August 2019 respectively. Tranche 1 is priced at 15.5% while Tranche 2 and 3 are priced at 14.5%. Tranche 1 expires on 07 August 2028, Tranche 2 expires on 07 June 2033 and Tranche 3 expires on 07 August 2034.

vi. The Bank obtained a real sector support funding of N10.9 billion from the Central Bank of Nigeria at an interest rate of 3% for 7 years. The facilities have different expiry dates with the longest expiring on 17 June 2027.

vii. This represents US$75 million on-lending facility obtained in October 2020 from the British International Investment. The facility which is a senior unsecured debt is priced at 6-month Libor + 4.0% with a maturity date of 10 November 2027

The Group has not had any default of principal, interest or any other breaches with respect to its debt securities during the year ended 31 December 2022 (Dec 2021: 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. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
	N million	N million	**N million**	N million
Repayable on demand	**-**	47,663	**-**	-
Maturing within 1 month	**-**	33,572	**-**	-
Maturing after 1 month but within 6 months	**123,984**	576	**-**	-
Maturing after 6 months but within 12 months	**16,716**	2,621	**-**	-
Maturing after 12 months	**70,857**	66,315	**-**	-
	211,557	150,747	**-**	-

Movement in other borrowings

	Group		Bank	
	31 Dec. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
	N million	N million	**N million**	N million
At start of year	**136,434**	112,031	**-**	-
Additions	**64,829**	54,389	**-**	-
Accrued interest	**2,734**	2	**-**	-
Effect of exchange rate changes [loss/(profit)]	**11,338**	4,749	**-**	
Payments made	**(27,378)**	(34,737)	**-**	-
At end of the year	**187,957**	136,434	**-**	-
Current	**140,700**	84,432	**-**	-
Non-current	**70,857**	52,002	**-**	-
	211,557	136,434	**-**	-

24 Debt securities issued

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

The terms and conditions of subordinated debt are as follows:

(i) This represents Naira denominated Unsecured senior debt of N30bn issued on 05 December 2018 at a fixed interest rate of 15.75% per annum payable semi-annually. It has a tenor of 5 years. The debt is unsecured.

(ii) This represents US dollar denominated term subordinated non-collaterised facility of USD$40 million obtained from Standard Bank of South Africa effective 05 Feb 2021. The facility expires on 05 Feb 2031 and is repayable at maturity. Interest on the facility is payable semi-annually at LIBOR (London Interbank Offered Rate) plus 4.82%. See note 37.3 (g).

(iii) The Commercial paper is a N100bn multicurrency programme established by the bank under which Stanbic IBTC Bank may from time to time issue Commercial Paper Notes ("CP Notes" or "Notes"), denominated in NGN or USD or in such other currency as may be agreed between the Arranger and the Issuer , in seperate series or tranches.

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

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

Movement in debt issued	Group		Company	
	31 Dec. 2022	**31 Dec. 2021**	**31 Dec. 2022**	**31 Dec. 2021**
	N million	N million	**N million**	N million
At start of year	**47,419**	68,269	**-**	-
Additions	**46,170**	3,296	**-**	-
Accrued interest for the year	**8,122**	5,871	**-**	-
Accrued interest paid	**(5,843)**	(5,986)	**-**	-
Exchange loss	**1,510**	1,093	**-**	-
Payments made	**(25,500)**	(25,124)	**-**	-
At end of the year	**71,878**	47,419	**-**	-

25	**Current tax asets and liabilities**	**Group**		**Company**	
		31 Dec. 2022	31 Dec. 2021	**31 Dec. 2022**	31 Dec. 2021
		N million	N million	**N million**	N million
	Current tax liabilities	**17,564**	16,441	**46**	50
		17,564	16,441	**46**	50
25.1	**Reconciliation of current tax liabilities**	**N million**	N million	**N million**	N million
	Current tax liabilities at beginning of the year	**16,441**	20,270	**50**	173
	Movement for the year	**1,123**	(3,829)	**(4)**	(123)
	Charge for the year (see note 34.1)	**19,535**	9,036	**10**	8
	Over/(under) provision - prior year	**(1,343)**	643	**-**	-
	WHT on dividend	**-**	-	**-**	-
	Payment made	**(17,069)**	(13,508)	**(14)**	(131)
	Current tax liabilities at end of the year	**17,564**	16,441	**46**	50

26 Provisions
Group

31 December 2022	Legal **N million**	Taxes & levies **N million**	Expected credit loss for off balance sheet exposures **N million**	Total **N million**
Balance at 1 January 2022	6,150	2,368	784	**9,302**
Provisions made during the year	1,199	8,737	952	**10,888**
Provisions utilised during the year	-	(8,453)	-	**(8,453)**
Provisions reversed during the year	(1,893)	-	(1,086)	**(2,979)**
Balance at 31 December 2022	**5,456**	**2,652**	**650**	**8,758**
Current	-	2,652	650	3,302
Non-current	5,456	-	-	5,456
	5,456	**2,652**	**650**	**8,758**

31 December 2021	Legal **N million**	Taxes & levies **N million**	Expected credit loss for off balance sheet exposures **N million**	Total **N million**
Balance at 1 January 2021	5,122	3,006	1,226	9,354
Provisions made during the year	5939	285	414	6,638
Provisions used during the year	-	(452)	-	(452)
Provisions reversed during the year	(4911)	(471)	(856)	(6,238)
Balance at 31 December 2021	**6,150**	**2,368**	**784**	**9,302**
Current	-	2,368	784	3,152
Non-current	6,150	-	-	6,150
	6,150	**2,368**	**784**	**9,302**

Analysis of movement in off-balance sheet

As at 31 December 2022	Opening balance	Originated ECL	Subsequent changes	Derecognition	**Total**
12 Month- ECL	716	55	37	(188)	**620**
Life-time ECL not credit impaired	68	-	-	(38)	**30**
Life-time ECL credit impaired	-	-	-	-	**-**
	784	**55**	**37**	**(226)**	**650**

(a) Legal

In the conduct of its ordinary course of business, the Group is exposed to various actual and potential claims, lawsuits. The Group makes provision for amounts that would be required to settle obligations that may crystallise in the event of unfavourable outcome of the lawsuits. Estimates of provisions required are based on management judgment. See note 31.5 for further details.

(b) Taxes & levies

Provisions for taxes and levies relates to additional assessment on taxes, including withholding tax, value added tax, PAYE tax. These claims are expected to be settled in the next financial year.

(c) Expected credit loss for off balance sheet exposures

This relates to expected credit loss on off balance sheet exposures in accordance with IFRS 9 Financial Instruments and are expected to be carried in the books till the maturity of the transactions.

27 Other liabilities

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	**31 Dec. 2022 N million**	31 Dec. 2021 N million
27.1 Summary				
Trading settlement liabilities (see note (vii) below)	**4,102**	38,230	**-**	-
Cash-settled share-based payment liability (note 32.1)	**1,855**	925	**809**	365
Accrued expenses - staff	**6,646**	4,371	**987**	753
Deferred revenue (see note (iv) below)	**3,577**	17,480	**-**	-
Accrued expenses - others	**6,190**	5,861	**761**	552
Due to Group companies (see note 36.3)	**62,422**	38,765	**57,628**	33,414
Collections / remittance payable (see note (i) below)	**146,210**	219,794	**155**	152
Customer deposit for letters of credit	**23,679**	25,897	**-**	-
Unclaimed balance (see note (ii) below)	**3,127**	2,963	**-**	-
Payables to suppliers and asset management clients	**4,145**	2,215	**114**	6
Draft & bank cheque payable	**1,014**	784	**-**	-
Electronic channels settlement liability	**7,157**	3,997	**-**	-
Unclaimed dividends liability (see note (iii) below)	**4,513**	3,514	**4,513**	3,514
Clients cash collateral for derivative transactions (see note (v)	**7,371**	46,945	**-**	-
Lease Liabilities (see note 27.2)	**705**	473	**-**	-
Sundry liabilities (viii)	**68,990**	48,304	**20**	76
	351,703	460,518	**64,987**	38,832
Current	**326,624**	428,951	**59,551**	34,947
Non-current	**25,079**	31,567	**5,436**	3,885
	351,703	460,518	**64,987**	38,832

(i) Collections and remittance payable includes N23bn (Dec 2021: N26bn) relating to balance held in respect of clearing and settlement activities for NIBSS, FMDQ over-the-counter foreign exchange transactions.

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

(iii) Amount represents liability in respect of unclaimed dividends not yet claimed as at 31 December 2022 by shareholders after 15 months as per the Securities and Exchange Commission circular. The assets held for the liability are presented in note 11.1 and note

(iv) In determining the fair value of derivative instruments such as Swap contracts, all valuation inputs used by management were not directly observable which gave raise to deferral Day one gain. Day one profit or loss could arise due to the fact that the counterparty credit risk, Own credit risk and Cross-Correlation Quanto Risk inherent in the swap contracts are not directly or are indirectly observable from current market transactions in the same instrument.

(v) Amount represents margin cash collateral for FX futures

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

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

(viii) Included in sundry liabilities are non-financial institution Vostro account.

27.2 Lease liabilities

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	**31 Dec. 2022 N million**	31 Dec. 2021 N million
Opening balance for the year	**473**	89	**-**	**-**
Additions	**222**	378	**-**	**-**
Finance cost	**10**	6	**-**	**-**
Terminated/Cancelled	**-**	-		
Payments during the year	**-**	-	**-**	**-**
Closing balance at end of the year	**705**	473	**-**	-

Maturity analysis of lease liabilities

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

	Group		Company	
	31 Dec. 2022 N million	31 Dec. 2021 N million	**31 Dec. 2022 N million**	31 Dec. 2021 N million
Repayable on demand	**-**	-	**-**	**-**
Maturing within 1 month	**-**	219	**-**	**-**
Maturing after 1 month but within 6 months	**-**	25	**-**	**-**
Maturing after 6 months but within 12 months	**-**	75	**-**	**-**
Maturing after 12 months	**705**	481	**-**	**-**
	705	800	**-**	-

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 amortised cost	Total carrying amount	Fair value [1]
		Held for trading	Designated at fair value	Fair value through P/L - default		Debt Instrument	Equity Instrument			
		N million	N million	N million	N million	N million	N million	N million	N million	N million
31 December 2022										
Assets										
Cash and cash equivalents	7	**-**	**-**	**663,223**	**1,227**	**-**	**-**	**-**	**664,450**	**664,450**
Derivative assets	10.6	**42,134**	**-**	**-**	**-**	**-**	**-**	**-**	**42,134**	**42,134**
Trading assets	9.1	**190,431**	**-**	**-**	**-**	**-**	**-**	**-**	**190,431**	**190,431**
Pledged assets	8	**54,804**	**-**	**-**	**-**	**73,186**	**-**	**-**	**127,990**	**127,990**
Financial investments	11	**-**	**-**	**67,893**	**53,205**	**457,476**	**3,643**	**-**	**582,217**	**582,217**
Loans and advances to banks	12	**-**	**-**	**-**	**3,404**		**-**	**-**	**3,404**	**3,740**
Loans and advances to customers	12	**-**	**-**	**-**	**1,204,786**	**-**	**-**	**-**	**1,204,786**	**1,187,558**
Other assets (see (a) below)		**-**	**-**	**-**	**122,616**	**-**	**-**	**-**	**122,616**	**122,616**
		287,369	**-**	**731,116**	**1,385,238**	**530,662**	**3,643**	**-**	**2,938,028**	**2,921,135**
Liabilities										
Derivative liabilities	10.6	**26,099**	**-**	**-**	**-**	**-**	**-**	**-**	**26,099**	**26,099**
Trading liabilities	9.2	**220,971**	**-**	**-**	**-**	**-**	**-**	**-**	**220,971**	**220,971**
Deposits from banks	22	**-**	**-**	**-**	**-**	**-**	**-**	**491,080**	**491,080**	**491,080**
Deposits from customers	22	**-**	**-**	**-**	**-**	**-**	**-**	**1,245,346**	**1,245,346**	**1,245,346**
Debt securities issued	24	**-**	**-**	**-**	**-**	**-**	**-**	**71,878**	**71,878**	**71,878**
Other borrowings	23	**-**	**-**	**-**	**-**	**-**	**-**	**187,957**	**187,957**	**187,957**
Other liabilities (see (b) below)		**-**	**-**	**-**	**-**	**-**	**-**	**348,126**	**348,126**	**348,126**
		247,070	**-**	**-**	**-**	**-**	**-**	**2,344,387**	**2,591,457**	**2,591,457**

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

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

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

(c) Assessment of the fair value is not material as the carrying amount closely resemble the fair value and over 70% of the assets matures within one year.

28 Classification of financial instruments (continued)

	Note	Fair Value Through P&L			Amortised cost	Fair-value through other comprehensive income		Other amortised cost	Total carrying amount	Fair value [1]
		Held for trading	Designated at fair value	Fair value through P/L - default		Debt Instrument	Equity Instrument			
		N million	N million	N million	N million	N million	N million	N million	N million	N million
31 December 2021										
Assets										
Cash and cash equivalents	7	-	-	623,216	29,854	-	-		653,070	653,070
Derivative assets	10.6	41,212	-	-	-	-	-	-	41,212	41,212
Trading assets	9.1	98,743	-	-	-	-	-	-	98,743	98,743
Pledged assets	8	95,187	-	-	-	87,148	-	-	182,335	182,335
Financial investments	11	-	-	47,795	5,109	580,709	3,021	-	636,634	636,634
Loans and advances to banks	12	-	-	-	16,096		-	-	16,096	16,096
Loans and advances to customers	12	-	-	-	921,044	-	-	-	921,044	907,873
Other assets (see (a) below)		-	-	-	120,385	-	-	-	120,385	120,385
		235,142	-	671,011	1,092,488	667,857	3,021	-	2,669,519	2,656,348
Liabilities										
Derivative liabilities	10.6	25,364	-	-	-	-	-	-	25,364	25,364
Trading liabilities	9.2	112,023	-	-	-	-	-	-	112,023	112,023
Deposits from banks	22	-	-	-	-	-	-	431,862	431,862	431,862
Deposits from customers	22	-	-	-	-	-	-	1,126,535	1,126,535	1,126,535
Subordinated debt	24	-	-	-	-	-	-	47,419	47,419	47,419
Other borrowings	23	-	-	-	-	-	-	136,434	136,434	136,434
Other liabilities (see (b) below)		-	-	-	-	-	-	443,038	443,038	443,038
		137,387	-	-	-	-	-	2,185,288	2,322,675	2,322,675

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

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

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

(c) Assessment of the fair value is not material as the carrying amount closely resemble the fair value and over 70% of the assets matures within one year.

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 2022						
Assets						
Cash and bank balances	7	663,223	-	663,223	-	663,223
Derivative assets	10.6	42,134	-	27,497	14,637	42,134
Trading assets	9.1	190,431	161,536	28,895	-	190,431
Pledged assets	8	127,990	127,990	-	-	127,990
Financial investments	28	529,011	525,368	-	3,643	529,011
		1,552,789	814,894	719,615	18,280	1,552,789
Comprising:						
Held-for-trading		287,369	216,340	690,720	14,637	921,697
FV through Other Comprehensive Income		1,265,420	598,554	28,895	3,643	631,092
		1,552,789	814,894	719,615	18,280	1,552,789
Liabilities						
Derivative liabilities	10.6	26,099	-	26,099	-	26,099
Trading liabilities	9.2	220,971	11,077	209,894	-	220,971
		247,070	11,077	235,993	-	247,070
Comprising:						
Held-for-trading		247,070	11,077	235,993	-	247,070
		247,070	11,077	235,993	-	247,070

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 2021						
Assets						
Cash and bank balances	7	623 216		623 216		623 216
Derivative assets	10.6	41,212	-	29,843	11,369	41,212
Trading assets	9.1	-	88,300	10,443	-	98,743
Pledged assets	8	182,335	182,335	-	-	182,335
Financial investments	28	631,525	628,504	-	3,021	631,525
		1,478,288	899,139	663,502	14,390	1,577,031
Comprising:						
Held-for-trading		136,399	183,487	653,059	11,369	847,915
FV through Other Comprehensive Income		1,341,889	715,652	10,443	3,021	729,116
		1,478,288	899,139	663,502	14,390	1,577,031
Liabilities						
Derivative liabilities	10.6	25,364	-	25,364	-	25,364
Trading liabilities	9.2	112,023	117	111,906	-	112,023
		137,387	117	137,270	-	137,387
Comprising:						
Held-for-trading		137,387	117	137,270	-	137,387
		137,387	117	137,270	-	137,387

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

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 2022	**11,369**	**3,021**	**14,390**
(losses) included in profit or loss - Trading revenue	**2,723**	**-**	**2,723**
Gain/(Loss) recognised in other comprehensive income	**-**	**621**	**621**
Originations and purchases	**-**	**-**	**-**
Day one profit / (loss) recognised	**545**	**-**	**545**
Sales and settlements	**-**	**-**	**-**
Write back of impairment	**-**	**-**	**-**
Balance at 31 December 2022	**14,637**	**3,642**	**18,279**
Balance at 1 January 2021	6,572	3,048	9,620
(Losses) included in profit or loss - Trading revenue	(10,930)	-	(10,930)
Gain/(Loss) recognised in other comprehensive income	-	519	519
Originations and purchases	-	-	-
Day one profit / (loss) recognised	15,727	-	15,727
Sales and settlements	-	(546)	(546)
Write back of impairment	-	-	-
Balance at 31 December 2021	**11,369**	3,021	14,390

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 2022			
Other comprehensive income	**-**	**621**	**621**
Trading revenue	**2,723**	**-**	**2,723**
	2,723	**621**	**3,344**
31 December 2021			
Other comprehensive income	-	519	519
Trading revenue	(10,930)	-	(10,930)
	(10,930)	**519**	**(10,411)**

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-2022 (N million)	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable input
Unquoted equities	3,642 (2021: 3,021)	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	14,637 (2021: 11,369)	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
December 2022					
Unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	57	(59)
Derivative assets	Discounted cash flow	- Own credit risk (DVA) - Counterparty credit risk (CVA, basis risk and country risk premium) - USD / NGN quanto risk - Implied FX volatility	From (1%) to 1%	441	(445)
December 2021					
Unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	57	(59)
Derivative assets	Discounted cash flow	- Own credit risk (DVA) - Counterparty credit risk (CVA, basis risk and country risk premium) - USD / NGN quanto risk - Implied FX volatility	From (1%) to 1%	441	(445)

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 2022					
Assets					
Cash and cash equivalents	**1,227**	**-**	**1,227**	**-**	**1,227**
Financial investments	**53,205**	**-**	**53,205**	**-**	**53,205**
Loans and advances to banks	**3,404**	**-**	**3,740**	**-**	**3,740**
Loans and advances to customers	**1,204,786**	**-**	**1,187,558**	**-**	**1,187,558**
Other financial assets	**122,616**	**-**	**122,616**	**-**	**122,616**
	1,385,238	**-**	**1,368,345**	**-**	**1,368,345**

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 2022					
Liabilities					
Deposits from banks	**491,080**	**-**	**491,080**	**-**	**491,080**
Deposits from customers	**1,245,346**	**-**	**1,245,346**	**-**	**1,245,346**
Other borrowings	**187,957**	**-**	**187,957**	**-**	**187,957**
Debt securities issued	**71,878**	**30,947**	**40,931**	**-**	**71,878**
Other financial liabilities	**348,126**	**-**	**348,126**	**-**	**348,126**
	2,344,387	**30,947**	**2,313,440**	**-**	**2,344,387**

Group	Carrying value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total Fair value N million
31 December 2021					
Assets					
Cash and cash equivalents	29,854	-	29,854	-	29,854
Financial Investment	5,109	-	5,109		5,109
Loans and advances to banks	16,096	-	16,096	-	16,096
Loans and advances to customers	921,044	-	907,873	-	907,873
Other financial assets	120,385	-	120,385	-	120,385
	1,092,488	-	1,079,317	-	1,079,317
Liabilities					
Deposits from banks	431,862	-	431,862	-	431,862
Deposits from customers	1,126,535	-	1,126,535	-	1,126,535
Other borrowings	136,434	-	136,434	-	136,434
Debts securities issued	47,419	30,107	17,312	-	47,419
Other financial liabilities	443,038	-	443,038	-	443,038
	2,185,288	30,107	2,155,181	-	2,185,288

Fair value of loans and advances is estimated using discounted cash flow techniques. Input into the valuation techniques includes interest rates and expected cash flows. Expected cash flows are discounted at current market rates to determine fair value.
Fair value of deposits from banks and customers is estimated using discounted cash flow techniques, applying the rates offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

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 2022					
Assets					
Derivative assets	42,133	-	42,133	(42,133)	-
Loans and advances to customers	52,132	-	52,132	(12,669)	39,463
	94,265	**-**	**94,265**	**(54,802)**	**39,463**

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 2022					
Liabilities					
Derivative liabilities	22,317	-	22,317	(22,317)	-
Deposits from customers	12,669	-	12,669	(12,669)	-
	34,986	**-**	**34,986**	**(34,986)**	**-**

[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 2021					
Assets					
Derivative assets	33,339	-	33,339	(33,339)	-
Loans and advances to customers	14,155	-	14,155	(1,332)	12,823
	47,494	**-**	**47,494**	**(34,671)**	**12,823**

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 2021					
Liabilities					
Derivative liabilities	24,805	-	24,805	(24,805)	-
Deposits from customers	1,332	-	1,332	(1,332)	-
	26,137	**-**	**26,137**	**(26,137)**	**-**

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

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

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

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

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

		Group		Company	
		31 Dec. 2021 N million	31 Dec. 2021 N million	**31 Dec. 2021 N million**	31 Dec. 2021 N million
31	**Contingent liabilities and commitments**				
31.1	**Contingent liabilities**				
	Letters of credit	**119,602**	185,714	**-**	-
	Bonds and Guarantees	**87,120**	104,418	**-**	-
		206,722	290,132	**-**	-

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 N650 million (Dec 2021: N794 million) on this has been included in provisions (see note 26).

		Group		Company	
31.2	**Capital commitments**				
	Contracted capital expenditure	**418**	829	**3**	35
	Capital expenditure authorised but not yet contracted	**28,095**	28,023	**386**	386
		28,513	28,852	**389**	421

The above commitments relates to capital expenditure on property plant and equipment and the expenditure will be funded from the Group's internal resources.

31.3 Loan commitments

As at 31 Dec 2022, the Group had loan commitments amounting to N55.11 billion (Dec 2021: N114.37 billion) in respect of various loan contracts. The expected credit loss on the off-balance sheet exposures amounts to N650 million (Dec 2021: N889 million).

31.4 Third party funds under management and funds under administration

Members of the Group provide discretionary and non-discretionary investment management services to institutional and private investors.
Commissions and fees earned in respect of trust and management activities performed are included in profit or loss.

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

	31 Dec. 2021 N million	31 Dec. 2020 N million
Pension funds	**4,729,566**	4,253,286
Unit Trusts / Collective investments	**950,831**	829,742
Trusts and Estates	**78,585**	63,186
Assets held under custody - custodial services	**4,147,362**	4,124,023
	9,906,344	9,270,237

Income earn in fiduciary capacity are disclosed in note 32.3

31.5 Legal proceedings

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

The Group litigation portfolio as at 31 December 2022 consisted of 411 cases and aggregate value of monetary claims against the Stanbic IBTC Group was N264,842,827,754.70; USD$4,438,678.78 & GB £74,284.64.

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

Below is the distribution of cases across the hierarchy of courts;

Court Hierarchy	Number of cases
a) Magistrate, High Court, Federal High Court and National Industrial Court	350
b) Court of Appeal	50
c) Supreme Court	11

In addition the Bank subsidiary is involved in litigation against AMCON, please refer to note 31.6 for further details.

31.6 Asset Management Corporation of Nigeria (AMCON) Clawback

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

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

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

Accordingly, the Bank instructed its lawyers to institute a Legal action against AMCON, pursuant to which it obtained an interim injunction (ex-parte), restraining AMCON and the CBN from debiting its Account for the alleged claw-back sum. However, the Bank subsequently discovered that AMCON had earlier filed a suit at the Ferderal High Court, Lagos Division on the same subject matter. Consequently, the Bank discontinued its suit against AMCON and filed a Counter-Claim against AMCON in its suit. The case is currently adjourned to 23 March 2023 for settlement of issues. (see note 15).

32 Income statement information

		Group		Company	
		31-Dec-22 N million	31-Dec-21 N million	31-Dec-22 N million	31-Dec-21 N million
32.1	**Interest income**				
	Interest on loans and advances to banks	**1,247**	737	**-**	-
	Interest on loans and advances to customers	**119,963**	77,715	**-**	-
	Interest on investments	**31,460**	26,299	**147**	90
		152,670	104,751	**147**	90
	Interest income on items measured at amortised cost	**129,624**	81,487	**-**	-
	Interest income on debt instruments measured at FVOCI	**23,046**	23,264	**147**	90

The amount reported above include interest income calculated using the effective interest rate method that relates to financial assets measured at amortised cost and carried at FVOCI. Interest income for the year ended 31 December 2022 includes N492 million (Dec 2021: N487 million) relating to interest income recognised on credit impaired financial assets.

Included in interest income is N245 million (Dec 2021: N21 million) earned from related party transactions. See note 37.3.

		Group 31-Dec-22 N million	Group 31-Dec-21 N million	Company 31-Dec-22 N million	Company 31-Dec-21 N million
32.2	**Interest expense**				
	Savings accounts	**2,430**	1,085	**-**	-
	Current accounts	**1,640**	1,825	**-**	-
	Call deposits	**829**	1,193	**-**	-
	Term deposits	**12,121**	10,195	**-**	-
	Interbank deposits	**5,665**	4,694	**-**	-
	Borrowed funds	**16,856**	10,382	**-**	-
	Lease Liabilities	**10**	5	**-**	-
		39,551	29,379	**-**	-
	Interest expense on items measured at amortised cost	**39,541**	29,374	**-**	-
	Interest expense on lease liabilities	**10**	5	**-**	-

Included in interest expense reported above is N4,817 million (Dec 2021: N893 million) from related party transactions. See note 37.3.

		Group 31-Dec-22 N million	Group 31-Dec-21 N million	Company 31-Dec-22 N million	Company 31-Dec-21 N million
32.3	**Net fee and commission revenue**				
	Fee and commission revenue	**96,065**	88,321	**1,644**	1,517
	Account transaction fees	**5,446**	5,088	**-**	-
	Card based commission	**5,073**	2,391	**-**	-
	Brokerage and financial advisory fees	**9,982**	8,027	**-**	-
	Asset management fees	**58,309**	54,726	**-**	-
	Custody transaction fees*	**2,253**	2,146	**-**	-
	Electronic banking	**2,513**	3,693	**-**	-
	Foreign currency service fees	**7,513**	7,034	**-**	-
	Documentation and administration fees	**3,120**	3,216	**-**	-
	Other fee and commision revenue	**1,856**	2,000	**1,644**	1,517
	Fee and commission expense	**(5,006)**	(5,444)	**-**	-
		91,059	82,877	**1,644**	1,517

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 N1,591 million (Dec 2021: N1,467 million) represents fee income earned by the company from technical and management service provided to subsidiaries.

Total fee and commission income recognised at a point in time amount to N95,582 million for Group (Dec 31, 2021: N87,578 million) while an amount of N819 million (Dec 31, 2021: N750 million) was recognised over the year.

* Relates to income earn in acting in fiduciary capacity

		Group		Company	
		31-Dec-22 N million	31-Dec-21 N million	**31-Dec-22 N million**	31-Dec-21 N million
32	**Income statement information (continued)**				
32.4	**Income from life insurance activities**				
	Insurance premium received				
	Gross premium written	17,199	6,000	-	-
	Unearned premium	(125)	(292)	-	-
		17,074	5,708	-	-
	Change in insurance contract liabilities	(14,141)	(4,856)	-	-
		2,933	852	-	-
	Insurance premium revenue ceded to reinsurers				
	Reinsurance expense	555	172	-	-
	Commission paid to brokers for reinsurance	728	276	-	-
	Unexpired risk premium on reinsurance	(54)	(50)	-	-
	Commission earned from reinsurance	(151)	(44)	-	-
		1,078	354	-	-
	Insurance benefits and claims paid				
	Unexpired risk premium on reinsurance	1,895	447	-	-
	Commission earned from reinsurance	(106)	(125)	-	-
		1,789	322	-	-
32.5	**Trading revenue**				
	Commodities	-	-	-	-
	Equities	2	(2)	-	-
	Fixed income and currencies	34,685	13,288	-	-
		34,687	13,286	-	-
32.6	**Other income**				
	Dividend income (see (a) below)	602	636	55,059	35,404
	Gain/(loss) on disposal of property and equipment	879	368	5	14
	Gain/(loss) on disposal of financial investment (see (b) below)	(485)	(1,570)	-	-
	Others	186	-	186	-
		1,182	(566)	**55,250**	35,418
(a)	Dividend income was earned from the following investees:				
	Stanbic IBTC Pension Managers Limited	-	-	**26,395**	8,215
	Stanbic IBTC Asset Management Limited	-	-	**900**	8,100
	Stanbic IBTC Ventures Limited	-	-	-	
	Stanbic IBTC Capital Limited	-	-	**960**	2,120
	Stanbic IBTC Stockbrokers Limited	-	-	**150**	180
	Stanbic IBTC Insurance Brokers Limited	-	-	**251**	136
	Stanbic IBTC Trustees Limited	-	-	**214**	212
	Stanbic IBTC Bank PLC	-	-	**26,189**	16,441
	Other equity investments	**602**	636	-	-
		602	636	**55,059**	35,404

For the Company, N31,525 million (Dec 2021 N26,414 million) of the dividend income earned by the company from its' subsidiaries relate to the subsidiaries' prior year income.

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

32.7	**Net impairment writeback/(loss) on financial instruments**				
	Net expected credit losses raised and released for financial investments	**205**	(43)	-	
	12 month ECL	**205**	(43)	-	-
	Lifetime ECL not credit impaired	-		-	-
	Lifetime ECL credit impaired	-		-	-
	Net expected credit losses raised and released for Loan and advances to Banks	**(3)**	1	-	
	12 month ECL	**(3)**	1	-	-
	Lifetime ECL not credit impaired	-	-	-	-
	Lifetime ECL credit impaired	-	-	-	-
	Net expected credit losses raised and released for Loan and advances to customers	**11,749**	4,181	-	
	12 month ECL	**3,015**	1,345	-	-
	Lifetime ECL not credit impaired	**469**	(226)	-	-
	Lifetime ECL credit impaired	**8,265**	3,062	-	-
	Net expected credit losses raised and released on off balance sheet exposures	**(157)**	(442)	-	
	12 month ECL	**(115)**	(434)	-	-
	Lifetime ECL not credit impaired	**(42)**	(8)	-	-
	Lifetime ECL credit impaired	-		-	-
	Net expected credit losses raised and released on other assets	**402**	(280)	-	-
	12 month ECL	**402**	(280)	-	-
	Lifetime ECL not credit impaired	-		-	-
	Lifetime ECL credit impaired	-		-	-
	Recoveries on loans and advances previously written off	**(1,906)**	(4,922)	-	-
	Total credit impairment charge	**10,290**	(1,505)	-	-

The Group has a modification gain of N66.62 million (Dec 2021: N23.34m) on restructured facilities during the year which has not been recognised due to it's materiality. Included in net impairment credit losses on financial investment is N3 million for cash with the Central bank.

32.8	**Staff costs**				
	Short term - salaries and allowances	**49,165**	41,055	**1,901**	1,968
	Staff cost: below-market loan adjustment	**2**	3	-	2
	Equity-linked transactions (note 32.10)	**1,829**	983	**795**	488
		50,996	42,041	**2,696**	2,458

Included in staff costs is N1,154 million (Dec 2021: N878 million) representing salaries and allowances paid to executive Directors for the year. See note 33.

The equity-linked transactions in staff cost are cash settled.

	Group		Company	
	31-Dec-22 N million	31-Dec-21 N million	**31-Dec-22 N million**	31-Dec-21 N million
32 Income statement information (continued)				
32.9 Other operating expenses				
Information technology	**13,532**	9,853	**5**	159
Communication expenses	**1,781**	1,273	**2**	2
Premises and maintenance	**5,332**	3,603	**137**	1
Depreciation expense	**7,391**	6,595	**128**	106
Amortisation of intangible assets (see note 18)	**765**	762	**-**	
Deposit insurance premium	**6,932**	5,223	**-**	
AMCON expenses (see (i) below)	**14,602**	12,920	**-**	
Other insurance premium	**2,450**	2,273	**2**	2
Auditors renumeration	**490**	422	**69**	60
Non-audit service fee (see (ii) below)	**28**	-	**-**	
Professional fees	**2,375**	1,658	**206**	99
Administration and membership fees	**2,139**	2,287	**117**	73
Training expenses	**954**	408	**209**	106
Security expenses	**1,894**	1,860	**50**	19
Travel and entertainment	**1,628**	494	**349**	63
Stationery and printing	**1,410**	933	**53**	73
Marketing and advertising	**5,587**	3,289	**1,453**	847
Commission paid	**158**	185	**-**	
Pension administration expense	**381**	566	**-**	
Penalties and fines	**159**	481	**-**	
Donations	**312**	1,386	**183**	122
Operational losses	**148**	548	**1**	
Directors fees	**935**	744	**451**	324
Indirect tax (VAT)	**2,408**	1,830	**209**	140
Others (iii)	**4,687**	5,013	**16**	5
	78,478	64,606	**3,640**	2,201

(i) 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.

32.9 Income statement information (continued)

(ii) Non-audit services

The details of services provided by the auditors (Messrs Pricewaterhouse Coopers in 2022) during the year, other than statutory audit of financial statements, are as follows:

	Group		Company	
	31-Dec-22	31-Dec-21	**31-Dec-22**	31-Dec-21
	N million	N million	**N million**	N million
Professional fees on NDIC Certification	**5**	-	**-**	-
Risk, Whistleblowing and Corporate Governance	**17**	-	**-**	
Reporting accountant on SIVL bond issuance	**1**	-	**-**	
Audit services – audit procedures on BA 610 reporting for SBSA	**5**	-	**-**	-
	28	-	**-**	**-**

(iii) Others

Included in others are FMDQ OTC futures charges, Bank charges, motor vechicle maintenance expense amongst others.

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 2022, the Group had the following share-based arrangements.

(a) Share appreciation rights based on equity instrument of Stanbic IBTC Holdings PLC (Stanbic IBTC Equity Growth Scheme) - cash settled
(b) Share options and appreciation rights based on equity instrument of Standard Bank Group (Parent company share incentive schemes) - equity settled.
(c) Deferred bonus scheme.
(d) Cash settled deferred bonus scheme (CSDBS)
(e) Performance reward plan (PRP)

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

Expenses recognised in staff costs	31-Dec-22 N million	31-Dec-21 N million
Expenses recognised in staff costs		
Stanbic IBTC Equity Growth Scheme (credit)/charge	598	93
Parent company share incentive schemes**	1,033	850
Deferred bonus scheme (DBS)	-	39
	1,631	982

	31-Dec-22 N million	31-Dec-21 N million
Liabilities recognised in other liabilities		
Stanbic IBTC Equity Growth Scheme	2,999	-
Deferred bonus scheme	742	1
	3,741	1

**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 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-22	31 Dec. 2021
Reconciliation		
Units outstanding at beginning of the year	**-**	**-**
Granted	**-**	-
Forfeited	**-**	-
Exercised	**-**	-
Lapsed	**-**	-
Units outstanding at end of the year	**-**	-

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

	31-Dec-22	31 Dec. 2021
Weighted average fair value at grant date (Naira) - Rights granted 1 March 2010	-	-
Weighted average fair value at grant date (Naira) - Rights granted 1 March 2011*	-	-
Expected life (years)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Dividend yield (%)	-	-

* The weighted average fair value is the exercise price as at the end of year

(b) Parent company share incentive schemes

Share options and appreciation rights

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

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

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

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

32.10 Share-based payment transactions (continued)

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

	Option price range (ZAR)	Option price range (Naira)	Number of options 31-Dec-22	Number of options 31 Dec. 2021
	31-Dec-22			
Options outstanding at beginning of the year			-	31,250
Transfers	-	-	-	-
Exercised	-	-	-	-
Lapsed	-	-	-	(31,250)
Options outstanding at end of the year	-	-	-	-

The weighted average SBG share price for the year to 31 December 2022 was ZAR161.86 (N4,158) (December 2021: ZAR131.66 (N3,438)).

The following options granted to employees had not been exercised at 31 December 2022:

Number of ordinary shares	(ZAR)	(Naira)	Weighted average price (ZAR)	Weighted average price (Naira)	Option expiry year
-	-	-	-	-	year to 31 December 2021

The following options granted to employees had not been exercised at 31 December 2021:

Number of ordinary shares	Option price range (ZAR)	Option price range (Naira)	Weighted average price (ZAR)	Weighted average price (Naira)	Option expiry year
-	-	-	-	-	year to 31 December 2021

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

	Appreciation right price range (ZAR)	Appreciation right price range (Naira)	Number of rights 31 Dec. 2022	Number of rights 31 Dec. 2021
	31 Dec. 2022			
Rights outstanding at beginning of the year	**6,622,770**	**180,006,895**	**42,194**	36,026
Transfers	2,089,608	56,795,558	13,313	6,168
Exercised	(1,376,735)	(37,419,651)	(8,771)	-
Lapsed	-	-	-	-
Rights outstanding at end of the year	**7,335,644**	**199,382,803**	**46,736**	42,194

The following options granted to employees had not been exercised at 31 December 2022:

Number of ordinary shares	(ZAR)	(Naira)	Weighted average price (ZAR)	Weighted average price (Naira)	Option expiry year
12,402	156.96	4,266	156.96	4,266	Year to 31 December 2025
34,334	122.24	3,322	122.24	3,322	Year to 31 December 2026
46,736					

The following options granted to employees had not been exercised at 31 December 2021:

Number of ordinary shares	Option price range (ZAR)	Option price range (Naira)	Weighted average price (ZAR)	Weighted average price (Naira)	Option expiry year
21,173	156.96	4,167	156.96	4,167	Year to 31 December 2025
21,021	122.24	3,245	122.24	3,245	Year to 31 December 2026
42,194					

32.10 Share-based payment transactions (continued)

(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-22	31 Dec. 2021
Reconciliation		
Units outstanding at beginning of the year	**15,101**	-
Granted	56,802	15,101
Exercised	(17,199)	-
Transfers	1,569	-
Forfeited	-	-
Units outstanding at end of the year	**56,273**	15,101
Weighted average fair value at grant date (ZAR)	-	-
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 price of the SBG shares listed on the JSE and accrue notional dividends over the vesting year which are payable on vesting.

Awards vest in three equal tranches at 18 months, 30 months and 42 months from the date of award. Final payout is determined with referenace to SBG share price on vesting date.

Currency	**Naira Units**		**Pound Sterling Units**		**Rand Units**		**Cedi Units**	
	31-Dec-22	31 Dec. 2021	**31-Dec-22**	31 Dec. 2021	**31-Dec-22**	31 Dec. 2021	**31-Dec-22**	31 Dec. 2021
Reconciliation								
Units outstanding at beginning of the year	11,655,323	10,449,999	-	-	4,103	-	-	-
Granted	5,359,383	6,109,412	1,385	-	34,707	1,409	125	-
Forfeited	(1,065,179)	(50,178)	(63)	-	-	-	-	-
Transferred to Group companies	1,889,704	(355,947)	126	-	-	4,417	63	-
Exercised	(4,498,599)	(4,497,963)	(572)	-	(19,078)	(1,723)	(37)	-
Units outstanding at end of the year	**13,340,632**	11,655,323	**876**	-	**19,732**	4,103	**151**	-
Weighted average fair value at grant date (ZAR)	142.06	142.06						
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-22	31 Dec. 2021
Reconciliation		
Units outstanding at beginning of the year	**169,697**	100,700
Granted	149,213	93,997
Cancelled	(62,066)	(25,000)
Transferred to Group companies	**-**	-
Exercised	**-**	-
Units outstanding at end of the year	**256,844**	169,697
Weighted average fair value at grant date (ZAR)	**160**	**142**
Expected life at grant date (years)	**3**	**3**

(f) Share appreciation Rights scheme

	Units	
	31-Dec-22	31 Dec. 2021
Reconciliation		
Rights outstanding at beginning of the year	**-**	-
Net Transfers	**-**	-
Granted	**-**	-
Exercised	**-**	-
Lapsed	**-**	-
Rights outstanding at end of the year	**-**	-

Number of	**--Option price range--**		**--Weighted average price--**		
ordinary shares	**(ZAR)**	**(Naira)**	**(ZAR)**	**(Naira)**	**Option expiry year**

The following rights granted to employees had not been exercised at 31 December 2022:

Number of	**--Option price range--**		**---Weighted average price---**		
ordinary shares	**(ZAR)**	**(Naira)**	**(ZAR)**	**(Naira)**	**Option expiry year**

		Group		Company	
		31-Dec-22 N million	31-Dec-21 N million	**31-Dec-22 N million**	31-Dec-21 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	**1,154**	878	369	312
	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	**935**	744	451	324
	otherwise in connection with the affairs of Stanbic IBTC Holdings PLC or its subsidiaries				
	Pensions of Directors and past Directors	**63**	50	19	17
		2,152	1,672	839	653

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-22 N million	31-Dec-21 N million
Emoluments disclosed above include amounts paid to:		
(i) the chairman	**56**	**49**
(ii) the highest paid director	**245**	**204**

		Group		Company	
		31-Dec-22	31-Dec-21	**31-Dec-22**	31-Dec-21
		N million	N million	**N million**	N million
34	**Taxation**				
	Income tax (note 34.1)	**19,535**	9,037	**10**	8
		19,535	9,037	**10**	8

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 and other adjustments. However, in line with the provisions of Section 33 of the Companies Income Tax Act (as amended), the Company has been subjected to minimum tax accordingly.

		Group 31-Dec-22 N million	Group 31-Dec-21 N million	Company 31-Dec-22 N million	Company 31-Dec-21 N million
34.1	**Income tax credit/(charge)**				
	Current year (see note 25.1)	**19,535**	9,037	**10**	8
	Current tax	**18,579**	9,872	**10**	8
	Corporate tax	**14,890**	13,595	**10**	8
	Withholding Tax on Dividend Income	**43**	37	**-**	-
	Contigency	**-**	-	**-**	-
	Education Tax	**2,581**	1,128	**-**	-
	National Agency for Science & Eng. Infrastructure	**149**	173	**-**	-
	IT Levy	**1,055**	691	**-**	-
	Police Trust Fund	**6**	3	**-**	-
	Prior year	**(145)**	(5,755)	**-**	-
	Deferred tax (see note 16.3)	**956**	(835)	**-**	-
	Taxation per statement of profit or loss	**19,535**	9,037	**10**	8
	Income tax recognised in other comprehensive income	**-**	-	**-**	-
	Deferred tax	**-**	-	**-**	-
	Current tax	**-**	-	**-**	-
	Taxation per total comprehensive income	**19,535**	9,037	**10**	8

34.2 Rate reconciliation

	Group		Company	
	31-Dec-22	31-Dec-21	**31-Dec-22**	31-Dec-21
	%	%	**%**	%
Rate reconciliation				
The total tax charge for the year as a percentage of profit before taxation	**15**	20	**-**	-
Information technology levy	**1**	2	**-**	-
Education tax	**3**	1	**-**	-
The corporate tax charge for the year as a percentage of profit before tax	**19**	30	**-**	-
Tax relating to prior years	**-**	-	**-**	-
Net tax charge	**19**	30	**-**	-
The charge for the year has been reduced/(increased) as a consequence of:				
Current income tax	**-**	15	**-**	-
Non-taxable interest	**(3)**	10	**-**	-
Other non-deductible expense	**1**	(4)	**8**	3
Other non-taxable income	**(1)**	10	**-**	-
IT levy paid	**-**	1	**-**	-
Temporary difference not accounted for in deferred tax asset	**13**	3	**-**	-
Other permanent differences	**-**	(5)	**22**	27
Standard rate of tax	**30**	30	**30**	30

Temporary differences not accounted for in deferred tax asset relates to temporary differences relating to mainly tax losses carried forward for which no deferred tax asset is 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 2022			
Net change in fair value of debt financial assets at FVOCI	**(1,752)**		**(1,752)**
Net change in fair value of equity financial assets at FVOCI	**621**	**-**	**621**
Realised fair value adjustments on FVOCI financial assets transferred to profit or loss	**(26)**	**-**	**(26)**
	(1,157)	**-**	**(1,157)**
31 December 2021			
Net change in fair value of debt financial assets at FVOCI	(7,285)		(7,285)
Net change in fair value of equity financial assets at FVOCI	999		999
Realised fair value adjustments on FVOCI		-	-
financial assets transferred to profit or loss	1,582	-	1,582
	(4,704)	-	(4,704)

35 Earnings per ordinary share

	Group		Company	
	31-Dec-22	31-Dec-21	**31-Dec-22**	31-Dec-21
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)	**78,123**	54,378	**50,695**	32,358
Weighted average number of ordinary shares in issue	**12,957**	12,957	**12,957**	12,957
Basic earnings per ordinary share (kobo)	**603**	420	**456**	250
Diluted earnings per ordinary share	**603**	420	**456**	250

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-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Earnings attributable to ordinary shareholders (N million)	**78,123**	54,378	**50,695**	32,358
Weighted average number of ordinary shares in issue	**12,957**	11,106	**11,106**	11,106
Effect of bonus shares in issue	**-**	1,851	**-**	1,851
Weighted-average number of ordinary shares (diluted) at 31 December 2022	**12,957**	12,957	**11,106**	12,957
Diluted earnings per ordinary share	**603**	420	**456**	250

		Group		Company	
		31-Dec-22 N million	31-Dec-21 N million	**31-Dec-22 N million**	31-Dec-21 N million
36	**Statement of cash flows notes**				
36.1	**(Increase)/decrease in assets**				
	Trading assets	**(91,688)**	70,912	**-**	-
	Pledged assets	**54,345**	(11,757)	**-**	-
	Loans and advances	**(286,487)**	(275,165)	**-**	-
	Other assets	**(3,060)**	46,730	**(6,941)**	2,897
	Restricted balance with the Central Bank	**(41,771)**	(46,998)	**-**	-
		(368,661)	(216,278)	**(6,941)**	2,897
36.2	**Increase/(decrease) in deposits and other liabilities**				
	Deposit and current accounts	**178,607**	230,181	**-**	-
	Lease liabilities	**(222)**	(378)	**-**	-
	Equity-settled share-based payments	**(930)**	(238)	**-**	-
	Trading liabilities	**108,948**	(76,477)	**-**	-
	Other liabilities and provisions	**(108,782)**	109,375	**25,156**	29,470
		177,621	262,463	**25,156**	29,470
36.3	**Cash and cash equivalents - Statement of cash flows**				
	Cash and cash equivalents (note 7)	**664,450**	653,070	**50,294**	53,236
	Less: restricted balance with the Central Bank of Nigeria	**(478,609)**	(436,838)	**-**	-
	Treasury bills (90 days' tenor or less)	**422,022**	551,099	**-**	-
	Loans and advances to banks (90 days' tenor or less)	**3,404**	16,096	**-**	-
	Cash and cash equivalents at end of the year	**611,267**	783,427	**50,294**	53,236
36.4	**Effect of foreign exchange rate changes on cash and cash equivalents**				
	Currency				
	USD	**1,991**	4,250	**-**	-
	EUR	**(328)**	(130)	**-**	-
	GBP	**(585)**	209	**-**	-
	Other currency	**(429)**	64	**-**	-
	Effect of exhange rate	**649**	4,393	**-**	-
36.5	**Net derivative assets**				
	Movement in derivative assets	**(922)**	5,021	**-**	-
	Movement in derivative liabilities	**735**	(12,018)	**-**	-
		(187)	(6,997)	**-**	-
36.6	**Net movement in right of use assets**				
	Movement in right of use assets	**(1,775)**	(2,003)	**-**	-
	Movement in lease liabilities	**222**	378	**-**	-
		(1,553)	(1,625)	**-**	-
36.7	**Net movement in financial investment**				
	Purchase of financial investment	**(701,746)**	(625,705)	**-**	-
	Disposal of financial investment	**628,228**	641,765	**-**	-
	Mark to market gain/(loss)	**(1,141)**	(4,667)	**-**	-
		(74,659)	11,393	**-**	-
36.8	**Net movement in Unclaimed dividend**				
	Payment from unclaimed dividend liabilities	**(87)**	(251)	**(87)**	(251)
	Addition to unclaimed dividend liabilities	**1,086**	744	**1,086**	744
		999	493	**999**	493

37 Related party transactions

37.1 Parent and ultimate controlling party

The company is 67.55% owned by Stanbic Africa Holdings Limited, which is incorporated in the United Kingdom. The ultimate parent and controlling party of the Group/ company is Standard Bank Group Limited, incorporated in South Africa. Stanbic IBTC Holdings PLC has 10 direct subsidiaries and 1 indirect subsidiaries as listed 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 Insurance Limited ("SIIL")	100%
Stanbic IBTC Stockbrokers Limited ("SISL")	100%
Stanbic IBTC Trustees Limited ("SITL")	100%
Stanbic IBTC Insurance Brokers Limited ("SIIBL")*	100%
Stanbic IBTC Financial Services Limited	100%

*Stanbic IBTC holdings owns additional 25% indirect shares in Stanbic IBTC Insurance Brokers Limited ("SIIBL")

Indirect subsidiaries

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	
	Note	**31-Dec-22 N million**	31-Dec-21 N million	**31-Dec-22 N million**	31-Dec-21 N million
Amounts due from related parties					
Loans to banks	12	**530**	-	**-**	-
Current account balances	7	**14,784**	8,411	**50,294**	53,236
Derivatives	10.6	**1,718**	399	**-**	-
Other assets	15	**507**	706	**8,933**	3,205
		17,539	9,516	**59,227**	56,441

(a) Loans to banks: These represent foreign currency placements with Standard Bank Group entities. Placements are usually denominated in US dollars. USD interest rate ranges between 1.96%. Tenor is usually short ranging between 1-6 months. The contract terms are based on normal market terms. Details per counterparty are as follows:

Standard Bank of South Africa (see note i below)	**530**	-	**-**	-
Standard Bank Isle of man	**-**	-	**-**	-
	530	-	**-**	-

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 N102.43bn (Dec 2021: N71.17bn). 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	
	Note	**31-Dec-22 N million**	31-Dec-21 N million	**31-Dec-22 N million**	31-Dec-21 N million
Amounts due to related parties					
Deposits and current accounts	22	**27,735**	9,008	**-**	-
Derivatives	10.6	**2,431**	673	**-**	-
Subordinated debt	24	**19,071**	17,312	**-**	-
Other borrowings	23	**131,532**	80,108	**-**	-
Other liabilities	27	**62,422**	38,765	**57,628**	33,414
		243,191	145,866	**57,628**	33,414

(e) **Deposits and current accounts:** These represent demand deposits with related parties. Balances are denominated in NGN with no interest rates and are repayable on demand.

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Standard Bank of South Africa	**27,732**	9,005	**-**	-
Standard Bank De Angola SA	**3**	3	**-**	-
	27,735	9,008	**-**	-

(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:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Standard Bank of South Africa	**2,425**	344	**-**	-
ICBC London PLC	**6**	329	**-**	-
	2,431	673	**-**	-

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 N102.43bn (Dec 2021: N71.17bn). Maturity dates of the contracts ranges from one month to twelve 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-22 N million**	31-Dec-21 N million	**31-Dec-22 N million**	31-Dec-21 N million
Interest income earned	32.1	**245**	27	**-**	-
Interest expense	32.2	**(4,817)**	(1,923)	**-**	-
Trading revenue/ (loss)	32.5	**190**	(884)	**-**	-
Fee and commission income	32.3	**407**	40	**1,644**	1,517
Dividend income	32.6	**-**		**-**	35,404

(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-22 N million	31-Dec-21 N million
Salaries and other short-term benefits	**996**	726
Post-employment benefits	**33**	25
Value of share options and rights expensed	**-**	-
	1,029	751

(ii) Loans and deposit transactions with key management personnel

	31-Dec-22 N million	31-Dec-21 N million
Loans and advances		
Loans outstanding at the beginning of the year	**353**	332
Net movement during the year	**429**	21
Loans outstanding at the end of the year	**782**	353
Net interest earned	**3**	1

Loans include mortgage loans, instalment sale and finance leases and credit cards. Loans granted to employees and executive Directors are granted at concessionary rates 14%-16% below the prime lending rate. The mortgage loans and instalment sale and finance leases are secured by the underlying assets. All other loans are unsecured.

Deposit and current accounts		
Deposits outstanding at beginning of the year	**316**	565
Net movement during the year	**613**	(249)
Deposits outstanding at end of the year	**929**	316
Net interest expense	**2**	1

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	**919**	474
Net movement during the year	**(882)**	445
Balance at the end of the year	**37**	919

37.4 Transactions with key management personnel (continued)

(iv) **Shares and share options held**	**31-Dec-22 Number**	31-Dec-21 Number
Aggregate number of share options issued to Stanbic IBTC key management personnel:		
Share options held (Stanbic IBTC Holdings PLC scheme)	**14,510,640**	14,510,640
Share options held (ultimate parent company schemes)	**359,853**	226,992

(v) Other transactions with key management personnel

Loans to entities affiliated to Directors and ex-Directors / loans to employees

The Group has some exposures in terms of loans and advances to employees and to customers that are affiliated to its present and past Directors. Loans granted to customers that are affiliated to Directors are granted at commercial rates while those granted to executive Directors and employees are granted at a below-the market rates. There were no non-performing director related exposures as at balance sheet date (2021: 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 (2021: 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 N721 million (Dec 2021: N576 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 (2021: Nil). In cases where outstanding balance exceeds approved credit limit, no principal payment was due on the facility and the excess therefore relates to accrued interest.

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'	Interest Rate %	Status	Security nature
ANAP HOLDINGS LIMITED	EX-CHAIRMAN (HOLDCO)	ATEDO PETERSIDE	Card	NGN	17-Aug-20	31-Aug-23	1,500,000	230,053	30.00	Performing	SHARES
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	18-Mar-21	22-Feb-23	116,386,731	49,411,361	8.19	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	18-Mar-21	22-Feb-23	219,775,845	113,256,064	8.19	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	23-Mar-21	22-Feb-23	17,747,591	2,344,196	8.19	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	26-Mar-21	22-Feb-23	25,732,331	3,374,187	8.20	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	22-Apr-21	11-Feb-23	34,776,946	39,671,933	8.19	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	30-Apr-21	19-Feb-23	171,742,228	77,676,740	8.19	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	25-May-21	14-Feb-23	42,052,320	7,133,231	8.15	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	4-Jun-21	24-Feb-23	11,963,046	13,518,913	8.13	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	GBP	23-Jun-21	13-Feb-23	188,681,518	211,947,615	8.08	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	28-Jun-21	18-Feb-23	153,384,731	149,537,340	8.15	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	28-Jun-21	18-Feb-23	35,037,112	39,413,435	8.15	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	28-Jun-21	17-Feb-23	119,700,306	115,974,858	8.15	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	6-Jul-21	26-Feb-23	59,845,459	67,204,799	8.14	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	6-Jul-21	26-Feb-23	59,950,331	67,322,569	8.14	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	8-Jul-21	28-Feb-23	62,761,437	70,448,154	8.13	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	23-Jul-21	13-Feb-23	59,897,287	67,033,146	8.14	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	23-Jul-21	13-Feb-23	59,878,105	67,011,677	8.14	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	23-Jul-21	13-Feb-23	36,000,899	40,283,610	8.13	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	28-Jul-21	18-Feb-23	255,186,136	284,382,224	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	2-Aug-21	23-Feb-23	67,514,262	75,395,494	8.13	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	6-Aug-21	27-Feb-23	127,604,712	141,952,378	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	17-Aug-21	9-Jan-23	126,621,282	102,113,599	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	17-Aug-21	9-Jan-23	127,593,068	101,184,611	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	20-Aug-21	11-Feb-23	69,667,627	77,519,380	8.13	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	27-Aug-21	18-Feb-23	134,067,253	119,815,713	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	3-Sep-21	25-Feb-23	45,021,804	49,946,260	8.12	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	3-Sep-21	25-Feb-23	22,510,902	24,973,130	8.12	Performing	NEGATIVE PLEDGE

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 (2021: Nil). In cases where outstanding balance exceeds approved credit limit, no principal payment was due on the facility and the excess therefore relates to accrued interest.

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'	Interest Rate %	Status	Security nature
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	GBP	10-Sep-21	2-Feb-23	206,817,975	228,644,821	8.06	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	22-Sep-21	14-Feb-23	22,510,902	24,878,129	8.12	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	5-Oct-21	27-Feb-23	57,586,730	12,851,132	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	27-Oct-21	20-Jan-23	20,080,702	22,036,324	8.13	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	5-Nov-21	29-Jan-23	140,168,157	153,551,063	8.15	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	10-Nov-21	3-Feb-23	62,761,437	68,681,108	8.14	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	17-Dec-21	11-Jan-23	62,761,437	68,192,628	8.20	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	23-Dec-21	17-Jan-23	94,123,711	102,154,358	8.21	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	30-Dec-21	24-Jan-23	94,123,711	44,468,410	8.22	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	11-Jan-22	5-Feb-23	62,761,437	67,858,764	8.24	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	28-Sep-22	25-Feb-23	30,702,045	31,341,321	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	29-Sep-22	26-Feb-23	240,694,200	247,948,862	11.54	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Overdraft	NGN	15-Nov-22	13-Jan-23	1,000,000,000	-	15.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	18-Oct-22	16-Jan-23	3,011,012	3,060,509	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	30-Dec-22	30-Mar-23	18,641,294	18,649,465	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	30-Dec-22	30-Mar-23	51,691,940	51,714,598	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	GBP	23-Dec-22	23-Mar-23	8,954,628	8,980,402	11.67	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	30-Dec-22	30-Mar-23	13,334,186	13,340,032	8.00	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	USD	28-Dec-22	28-Mar-23	25,959,930	26,001,987	14.58	Performing	NEGATIVE PLEDGE
Guinness Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO) NON- EXECUTIVE DIRECTOR (HOLDCO)	NGOZI EDOZIEN (DIAGGEO GUINNESS) FABIAN AJOGWU (SAN)	Term Loan	EUR	30-Dec-22	30-Mar-23	6,099,508	6,102,182	8.00	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO)	SALAMATU SULEIMAN	Overdraft	NGN	9-Dec-22	11-Jan-23	10,360,000,000	8,701,993,029	20.00	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO)	SALAMATU SULEIMAN	Term Loan	USD	22-Nov-21	15-Feb-23	181,193,063	193,748,987	6.16	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO)	SALAMATU SULEIMAN	Term Loan	USD	19-Apr-22	14-Jan-23	4,462,440,100	814,005,025	6.89	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO)	SALAMATU SULEIMAN	Term Loan	USD	30-Jun-22	26-Jan-23	163,782,720	122,041,112	8.08	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO)	SALAMATU SULEIMAN	Term Loan	USD	30-Jun-22	26-Jan-23	272,971,200	217,400,991	8.08	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO)	SALAMATU SULEIMAN	Term Loan	USD	31-Aug-22	28-Jan-23	5,333,820,360	3,086,824,585	10.95	Performing	NEGATIVE PLEDGE
Flour Mills of Nigeria Plc	NON-EXECUTIVE DIRECTOR (HOLDCO)	SALAMATU SULEIMAN	Term Loan	USD	22-Nov-22	20-Feb-23	6,092,606,520	6,196,578,949	15.36	Performing	NEGATIVE PLEDGE
Nampak Nigeria Plc	NON EXECUTIVE DIRECTOR (BANK)	SIMON RIDLEY	Term Loan	USD	23-Jun-21	13-Feb-23	35,819,262	29,569,601	8.08	Performing	NEGATIVE PLEDGE

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 (2021: Nil). In cases where outstanding balance exceeds approved credit limit, no principal payment was due on the facility and the excess therefore relates to accrued interest.

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'	Interest Rate %	Status	Security nature
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Overdraft	NGN	11-Nov-22	11-Jan-23	1,500,000,000	-	15.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	16-Sep-21	13-Feb-23	84,191,985	9,468,367	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Sep-21	21-Feb-23	113,286,500	10,508,727	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	8-Oct-21	2-Mar-23	11,895,083	12,921,645	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Dec-21	23-Jan-23	165,638,531	137,064,859	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	10-Jan-22	4-Feb-23	460,746,303	56,169,767	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	USD	24-May-22	18-Feb-23	115,275,369	93,680,760	8.33	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	24-May-22	18-Feb-23	57,365,082	59,807,421	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	USD	24-May-22	18-Feb-23	36,574,037	34,145,580	8.33	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	USD	24-May-22	18-Feb-23	128,526,138	124,402,013	8.33	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	17-Jun-22	12-Feb-23	30,301,676	18,940,257	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jun-22	25-Jan-23	44,753,802	46,350,226	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jul-22	24-Feb-23	13,379,776	13,780,071	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jul-22	24-Feb-23	13,659,495	14,068,159	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	14-Jul-22	9-Feb-23	318,482,830	328,927,323	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jul-22	24-Feb-23	69,868,218	71,958,521	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	26-Jul-22	21-Feb-23	131,033,776	135,029,410	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	26-Jul-22	21-Feb-23	246,358,980	253,871,239	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jul-22	24-Feb-23	114,949,497	118,388,535	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	29-Jul-22	24-Feb-23	4,374,681	4,505,562	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	22-Aug-22	19-Jan-23	98,430,167	100,921,934	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	4-Aug-22	2-Mar-23	33,148,615	34,102,207	7.00	Performing	NEGATIVE PLEDGE
Nigerian Bottling Co Plc	CHAIRMAN (BANK)	OLUSOLA DAVID-BORHA	Term Loan	EUR	19-Sep-22	16-Feb-23	2,348,066,796	2,394,899,469	7.00	Performing	NEGATIVE PLEDGE
Elysium Diem (Nigeria) Ltd	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	NGN	11-Nov-22	30-Jun-25	10,000,000	10,010,411	19.00	Performing	Legal Mortgage
Nep Mall Limited	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	USD	11-Nov-22	30-Jun-25	3,207,960,457	3,253,401,940	10.27	Performing	Legal Mortgage
Urshday Ltd	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	NGN	11-Nov-22	30-Jun-25	10,000,000	10,265,479	19.00	Performing	Legal Mortgage
Gray-Bar Alliance Ltd	NON- EXECUTIVE DIRECTOR (HOLDCO)	FABIAN AJOGWU (SAN)	Term Loan	NGN	11-Nov-22	30-Jun-25	10,000,000	10,265,479	19.00	Performing	Legal Mortgage

38 Directors and staff related exposures (Contn)

The Group has some exposures in terms of loans and advances to employees and to customers that are affiliated to its present and past Directors. Loans granted to customers that are affiliated to Directors are granted at commercial rates while those granted to executive Directors and employees are granted at below-the market rates. There were no non-performing director related exposures as at balance sheet date (2021: Nil). In cases where outstanding balance exceeds approved credit limit, no principal payment was due on the facility and the excess therefore relates to accrued interest.

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'	Interest Rate %	Status	Security nature
Westport Oil Limited	CHAIRMAN (HOLDCO)	BASIL OMIYI	Term Loan	USD	3-Jan-20	31-Mar-26	18,444,000,005	18,548,261,364	12.17	Performing	(a) the Parent Nigerian Law Assignment; (b) each Parent Share Charge; (c) the Parent English Law Security Agreement; (d) the Borrower Nigerian Law Assignment; (e) the Borrower English Law Security Agreement; (f) the Eland Nigeria Debenture; (g) the Elcrest Debenture; (h) the Elcrest English Law Security Agreement; (i) each Supplemental Security Document; (j) the Second Borrower English Law Security Agreement; (k) the Second Borrower Jersey Share Agreement; (l) the Second Elcrest English Law Security Agreement; (m) the Second Parent English Law Security Agreement;
Westport Oil Limited	CHAIRMAN (HOLDCO)	BASIL OMIYI	Term Loan	USD	31-Jan-20	31-Mar-26	51,232,618	52,843,314	12.17	Performing	
Westport Oil Limited	CHAIRMAN (HOLDCO)	BASIL OMIYI	Term Loan	USD	23-Jul-20	31-Mar-26	40,986,667	42,275,239	12.17	Performing	
VARIOUS STAFF	STAFF	VARIOUS STAFF	STAFF LOAN				12,180,391,146	7,758,883,788			
			Total-Insider related credits				**73,922,897,663**	**56,502,814,105**			

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

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 N2,052 million (December 2021: N2,053 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. 2022	31 Dec. 2021
	N million	N million
Deposits held with the Group	**1,858**	1,858
Interest paid	**57**	57
Value of asset under management	**29,299**	29,299
Number of Stanbic IBTC Holdings shares held	**-**	-

40 Employees and Directors

a) Employees

The average number of persons employed by the Group during the year by category:

	Group	
	31-Dec-22	31 Dec. 2021
	Number	Number
Executive Directors	**9**	7
Management	**541**	532
Non-management	**2,458**	2,356
	3,008	2,895

		Number	Number
Below N1,000,001		**-**	**-**
N1,000,001	- N2,000,000	**-**	-
N2,000,001	- N3,000,000	**149**	221
N3,000,001	- N4,000,000	**453**	369
N4,000,001	- N5,000,000	**207**	92
N5,000,001	- N6,000,000	**191**	418
N6,000,001 and above		**2,008**	1,795
		3,008	2,895

41 Compliance with banking and other regulations

The Group paid penaties to the Central Bank of Nigeria (CBN) & SEC during the year as follows:

- PenCom imposed a penalty of N69,600,000 on Stanbic IBTC Pension Managers Limited for contravening the provisions of the Revised Registration Guidelines
- PenCom imposed a fine of N10,000,000 on Stanbic IBTC Pension Managers Limited as an administrative sanction for the publication of an unapproved advert by Stanbic IBTC Group
- The SEC imposed a fine of N500,161.25 on Stanbic IBTC Capital Limited for not depositing all the proceeds of the Stanbic Infrastructure Fund issue in an interest-yielding account with the custodian.
- NAICOM imposed a fine of N15,250,000 on Stanbic IBTC Insurance Brokers Limited for alleged failure to avail an on-site inspector with the full representation of KYC/CDD documents conducted on customers.
- NAICOM imposed a fine of N250,161.25 on Stanbic IBTC Insurance Limited for late upload of online real-time data of policies booked.
- Federal Inland Revenue Service imposed a fine of N50,000 on Stanbic IBTC Insurance Limited for late filling and remittance of Value Added Tax (VAT).
- SEC imposed a fine of N8,205,000 on Stanbic IBTC Trustees Limited for misinformation of the income earned on the investment of Bond sinking funds on the year 2020 returns.
- The CBN imposed a fine of N44,850,000 on Stanbic IBTC Bank PLC for failure to report export proceeds and Certificate of Capital Importations to CBN and NFIU.
- The CBN imposed a fine of N5,000,000 on Stanbic IBTC Bank PLC for late rendition of daily return.
- The CBN imposed a fine of N5,000,000 on Stanbic IBTC Bank PLC for late rendition of monthly return.

The total penalties paid by the Group amounted to N159 million (Dec 2021: N233 million).

42 Events after the reporting date

There were no events after the reporting date which could have a material effect on the financial position of the Group as at 31 December 2022 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.

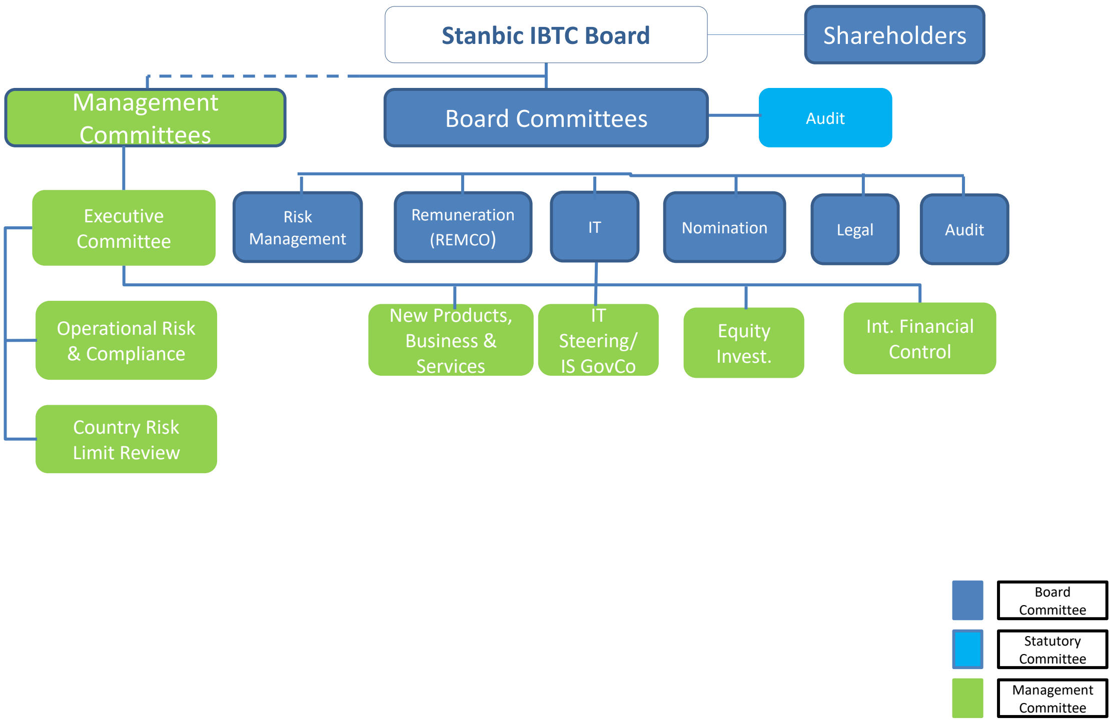
Governance structure

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.

Managing interest rate benchmark reform and associated

The Group adopted the interest rate benchmarks including the replacement of some interbank offered rates (IBORs) with alternative "risk-free" reference rates as part of its IBOR reform program. The Group's main IBOR exposures as at 31 December 2021 were indexed to the Euro, GBP and USD LIBOR.

The alternative reference rates for Euro LIBOR adopted by the Group is the EURIBOR while the GBP and USD LIBOR alternative reference rates are the Sterling Overnight Index Average (SONIA) the Secured Overnight Financing Rate (SOFR) respectively.

Amendments to financial instruments with contractual terms indexed to the EUR and GBP LIBORs were transitioned such that they incorporate the new benchmark rates and the transitioning were completed by 31 December 2021. The transition of USD LIBOR exposures to the SOFR benchmark rate has been extended to 31 December 2023 by the Alternative Reference Rate Committee (ARRC). This only applies to certain USD LIBOR tenures such as (o/n, 1-month, 3-month, 6-month, 12-month). However, the Group is working to an internal timeline of 31 December 2022 for the transition of all legacy USD-LIBOR linked exposures.

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

- LIBOR is a **forward-looking term rate** published for 7 different tenors, whilst the Risk-Free Rates are **overnight rates** with interest calculated in **arrears** through specific calculation methodologies.
- LIBOR incorporates **credit risk and liquidity premiums** while Risk-Free Rates are nearly risk free.
- Term rates version for SONIA and SOFR have also been developed and endorsed for the loans market as an alternative to the overnight rates.

In accordance with the transition provisions, the amendments have been adopted retrospectively to financial instruments only as the Group has no hedging transactions referencing these IBORs. Comparative amounts have not been restated, and there was no impact on the current year opening reserves amounts on adoption.

During the year, management established a steering committee, consisting of key finance, risk, IT, treasury, legal, marketing, credit, compliance and business segment personnel, to oversee the Group's LIBOR transition plan. This steering committee put in place a transition project for those contracts which reference LIBOR to transition them to the alternative reference rates, with the aim of minimizing the potential disruption to business and mitigating operational and conduct risks and possible financial losses. This transition project considered changes to systems, processes, risk management and valuation models, as well as managing related tax and accounting implications.

As at 31 December 2022, changes required to systems, processes and models have been identified and have been largely implemented. There have been general communications with counterparties on the IBOR reform and specific changes to contracts as required by the IBOR transition plan have also been agreed with and executed by clients.

Financial instruments measured using amortized

'Phase 2' of the amendments requires that, for financial instruments measured using amortized cost measurement (that is, financial instruments classified as amortized cost and debt financial assets classified as FVOCI), changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognized. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change).

Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability does not meet the above criteria, the above practical expedient is first applied to the changes required by interest rate benchmark reform, including updating the instrument's effective interest rate. Any additional changes are accounted for in the normal way (that is, assessed for modification or derecognition, with the resulting modification gain / loss recognized immediately in profit or loss where the instrument is not derecognized).

Effect of IBOR reform

The Group's exposure to the effects of IBOR reform on its financial assets and liabilities are as set out in the table below;

Statement of financial position category	Value of assets and liabilities subject to IBOR, yet to transition at reporting date (N'million) USD LIBOR
Cash and cash equivalent	67
Derivative assets	50
Loans and advances	180

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), Business and Commerical Client and Consumer and High Networth Clients Global Credit Policies have been designed to expand the Group Credit Risk Governance Standard requirements by embodying the core principles for identifying, measuring, approving, and managing credit risk. These policies provide a comprehensive framework within which all credit risk emanating from the operations of the bank are legally executed, properly monitored and controlled in order to 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, WC, BCC and CHNWC 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.

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

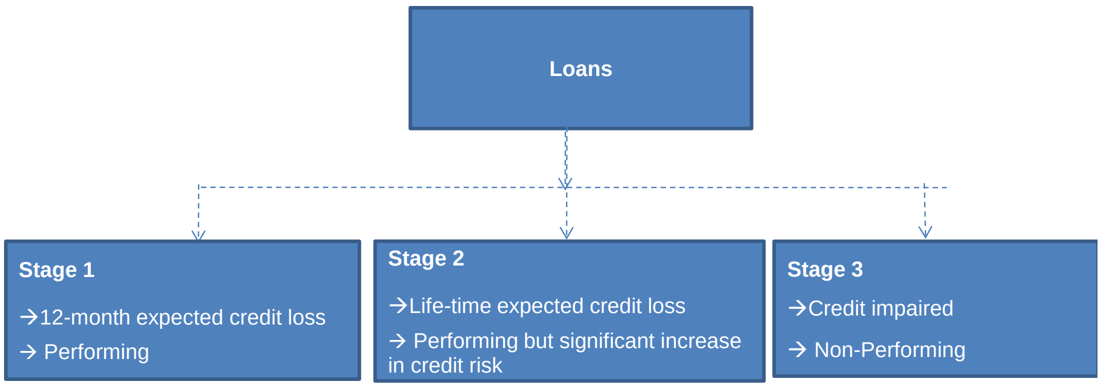
Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month expected credit loss allowance is recognised.

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 Financial instruments. The main methodology principles and approach adopted by the Group are set out below;

Approach to determining expected credit losses

The accounting policies under IFRS 9 are set out in Note 4.3 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).

Maximum exposure to credit risk by credit quality

31 Dec. 2022	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											Total non-performing loans N'million	Non-performing 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 %		
				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							
Consumer and High Networth Clients (CHNWC)		89,249	1,095	73,777	966	-	31	6,272	1,974	963	547	1,846	-	-	-	4,994	1,256	3,738	3,738	75	4,994	5.6
Mortgage loans		5,217	114	4,578	-		138	145	264	65	-	27	-	-	-	92	30	62	62	67	92	1.76
Instalment sale and finance leases		1,687	21	1,571	-		15	-	18	22	9	52	-	-	-	83	21	62	62	75	83	4.92
Card debtors		1,903	99	1,214	42		5	376	96	39	40	91	-	-	-	170	48	122	122	72	170	8.93
Other loans and advances		80,442	1,373	66,414	863		57	6,791	1,668	1,019	1,168	2,462	-	-	-	4,649	1,157	3,492	3,492	75	4,649	5.78
Business and Commercial Client (BCC)		336,855	4,501	294,891	505	-	2,855	12,547	2,145	3,177	1,222	3,722	-	-	-	14,504	4,821	9,683	9,683	67	14,504	4.3
Mortgage loans		156	1	156	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sale and finance leases		45,579	1,082	41,506	89		1,062	145	2,450	156	90	81	-	-	-	327	80	247	247	76	327	0.72
Card debtors		1	1	1	-		-	-	-	-	-	-	-	-	-	-	1	-1	-1	-	-	-
Other loans and advances		291,119	3,976	253,228	1,952		6,211	14,668	884	7,691	1,350	5,136	-	-	-	14,177	4,740	9,437	9,437	67	14,177	4.87
Corporate and Investment Banking (CIB)		814,291	6,123	765,691	933			37,725				5,988	-	-	-	9,087	1,891	7,196	7,196	79	9,087	1.12
Corporate loans		814,291	6,123	765,691	933		-	37,725	-	604	3,349	5,988	-	-	-	9,087	1,891	7,196	7,196	79	9,087	1.12
Gross loans and advances		**1,240,395**	11,719	1,134,359	2,404	-	2,886	56,545	4,118	4,140	1,769	11,555	-	-	-	28,585	7,968	20,617	20,617	72	28,585	2.30
Less: Total expected credit loss for loans and advances at amortised cost																						
12-month ECL		(11,389)																				
Lifetime ECL not credit-impaired		(1,403)																				
Lifetime ECL credit-impaired		(20,617)																				
Purchased/originated credit impaired		-																				
Net loans and advances	12	1,206,986																				
Add the following other banking activities exposures:																						
Cash and cash equivalents	7	664,450																				
Derivatives	10.6	42,134																				
Financial investments (excluding equity)	11	578,574																				
Loans and advances to banks	12	3,404																				
Trading assets	9.1	190,431																				
Pledged assets	8	127,990																				
Other financial assets[1]		122,616																				
Total on-balance sheet exposure		2,936,585																				
Off-balance sheet exposure:																						
Letters of credit		124,930	98	124,930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees		87,120	517	87,120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan commitments		172,304	373	172,304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to credit risk		**3,320,940**																				
Expected credit loss for off balance Sheet exposures																						
12-month ECL		**(650)**																				
Lifetime ECL not credit-impaired																						
Lifetime ECL credit-impaired																						
advances at amortised cost		**3,320,290**																				

[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 2021	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							
Consumer and High Networth Clients (CHNWC)		78,519	1,095	65,920	966	-	31	6,272	1,974	963	547	1,846	-	-	-	3,356	-382	3,738	3,738	111	3,356	4.3
Mortgage loans		4,356	20	3,867	93		-	118	135	83	2	57	-	-	-	143	81	62	62	43	143	3.27
Instalment sale and finance leases		1,553	13	1,452	-		-	14	47	11	20	9	-	-	-	40	(22)	62	62	154	40	2.59
Card debtors		1,265	35	746	36		-	171	128	49	27	108	-	-	-	185	63	122	122	66	185	14.59
Other loans and advances		71,345	1,027	59,855	837		31	5,970	1,664	820	497	1,672	-	-	-	2,989	(503)	3,492	3,492	117	2,989	4.19
Business and Commercial Client (BCC)		284,151	4,501	257,978	505	-	2,855	12,547	2,145	3,177	1,222	3,722	-	-	-	8,121	-1,562	9,683	9,683	119	8,121	2.9
Mortgage loans		425	13	425	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sale and finance leases		34,238	706	32,286	-		1,323	172	224	104	92	38	-	-	-	233	(14)	247	247	106	233	0.68
Card debtors		4	1	4	-		-	-	-	-	-	-	-	-	-	-	1	-1	-1	-	-	-
Other loans and advances		249,483	3,781	225,263	505		1,532	12,374	1,920	3,073	1,130	3,685	-	-	-	7,888	(1,549)	9,437	9,437	120	7,888	3.16
Corporate and Investment Banking (CIB)		583,589	3,712	572,071	1,477			1,180				8,861	-	-	-	8,861	1,665	7,196	7,196	81	8,861	1.52
Corporate loans		583,589	3,712	572,071	1,477		-	1,180	-	-	-	8,861	-	-	-	8,861	1,665	7,196	7,196	81	8,861	1.52
Gross loans and advances		**946,259**	9,308	895,970	2,948	-	2,886	19,999	4,118	4,140	1,769	14,428	-	-	-	20,338	(279)	20,617	20,617	101	20,338	2.15
Less: Total expected credit loss for loans and advances at amortised cost																						
12-month ECL		(11,389)																				
Lifetime ECL not credit-impaired		(1,403)																				
Lifetime ECL credit-impaired		(20,617)																				
Purchased/originated credit impaired		-																				
Net loans and advances	12	912,850																				
Add the following other banking activities exposures:																						
Cash and cash equivalents	7	664,450																				
Derivatives	10.6	42,134																				
Financial investments (excluding equity)	11	578,574																				
Loans and advances to banks	12	3,404																				
Trading assets	9.1	-																				
Pledged assets	8	127,990																				
Other financial assets[1]		122,616																				
Total on-balance sheet exposure		2,452,018																				
Off-balance sheet exposure:																						
Letters of credit		197,866	132	196,684	1,181	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees		104,418	644	103,963	455	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan commitments		114,374	206	114,374	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure to credit risk		**2,868,677**																				
Expected credit loss for off balance Sheet exposures																						
12-month ECL		**(650)**																				
Lifetime ECL not credit-impaired																						
Lifetime ECL credit-impaired																						
advances at amortised cost		**2,868,027**																				

[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
31 Dec. 2022						
Consumer and High Networt Clients (CHNWC)	**8,317**	**777**	**390**	**-**	**-**	**9,484**
Mortgage loans	224	218	29	-	-	470
Instalment sales and finance lease	13	18	2	-	-	33
Card debtors	412	50	15	-	-	477
Other loans and advances	7,669	491	344	-	-	8,504
Business and Commercial Client (BCC)	**16,141**	**450**	**423**	**-**	**-**	**17,015**
Mortgage loans	-	-	-	-	-	-
Instalment sales and finance lease	405	129	48	-	-	582
Card debtors	-	-	-	-	-	-
Other loans and advances	15,736	322	375	-	-	16,433
Corporate and Investment Banking (CIB)	37,725	-	-	-	-	37,725
Corporate loans	37,725	-	-	-	-	37,725
Total	**62,184**	**1,227**	**813**	**-**	**-**	**64,224**
December 2021						
Consumer and High Networt Clients (CHNWC)	7,173	741	333	-	-	8,245
Mortgage loans	180	62	12	-	-	253
Instalment sales and finance lease	16	40	5	-	-	60
Card debtors	222	60	17	-	-	299
Other loans and advances	6,756	579	299	-	-	7,633
Business and Commercial Client (BCC)	14,102	376	212	-	-	14,691
Mortgage loans	-	-	-	-	-	-
Instalment sales and finance lease	324	44	28	-	-	397
Card debtors	-	-	-	-	-	-
Other loans and advances	13,778	332	184	-	-	14,294
Corporate and Investment Banking (CIB)	1,043	137	-	-	-	1,180
Corporate loans	1,043	137	-	-	-	1,180
Total	22,318	1,254	545	-	-	24,115

*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 N11.7 billion as at 31 Dec 2022 (Dec 2021: N10.0billion).

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, 38% (Dec 2021: 31%) is collateralised. Of the Group's total exposure, 83% (Dec 2021: 89%) 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
31 Dec. 2022									
Corporate		1,048,547	727,030	321,517	-	-	49,009	271,592	916
Sovereign		1,349,940	1,349,940	-	-	-	-		
Bank		167,657	167,657	-	-	-	-	-	-
Retail		583,514	363,867	219,647	-	-	12,605	204,872	2,170
Retail Mortgage		5,372	-	5,372	-	-	365	5,007	-
Other retail		578,142	363,867	214,275	-	-	12,240	199,865	2,170
Total		**3,149,658**	**2,608,494**	**541,164**	**-**	**-**	**61,614**	**476,464**	**3,086**

Add: Financial assets not exposed to credit risk		24,661
Less: Impairments for loans and advances and IIS		(33,409)
Less: Unrecognised off balance sheet items		(206,723)
Total exposure		**2,934,187**

Reconciliation to statement of financial position:

	Note	
Cash and cash equivalents	7	664,450
Derivatives	10.6	42,134
Financial investments (excluding equity)	11	578,376
Loans and advances	12	1,208,190
Trading assets	9	190,431
Pledged assets	8	127,990
Other financial assets		122,616
Total		**2,934,187**

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
31 Dec. 2021									
Corporate		877,271	729,067	148,204	-	-	18,362	10,973	118,869
Sovereign		1,316,789	1,316,789	-	-	-	-	-	-
Bank		207,558	207,558	-	-	-	-	-	-
Retail		551,030	382,576	168,454	-	-	18,238	15,557	134,659
Retail Mortgage		4,781	-	4,781	-	-	-	1,936	2,845
Other retail		546,249	382,576	163,673	-	-	18,238	13,621	131,814
Total		**2,952,648**	**2,635,990**	**316,658**	**-**	**-**	**36,600**	**26,530**	**253,528**

Add: Financial assets not exposed to credit risk		19,056
Less: Impairments for loans and advances and IIS		(25,215)
Less: Unrecognised off balance sheet items		(280,014)
Total exposure		**2,666,475**
Reconciliation to statement of financial position:		
Cash and cash equivalents	7	653,070
Derivatives	10.6	41,212
Financial investments (excluding equity)	11	633,590
Loans and advances	12	937,140
Trading assets	9	98,743
Pledged assets	8	182,335
Other financial assets		120,385
Total		**2,666,475**

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 2022. For this table, the Group has allocated exposures to regions based on the region of domicile of our counterparties.

At 31 December 2022	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	-	3	-	-	42,235	-	**42,238**
South West	5	1,009	-	75,619	1,081,988	-	**1,158,621**
South East	-	1	-	-	27,331	-	**27,332**
North West	-	1	-	-	41,056	-	**41,057**
North Central	190,426	37,206	127,990	502,953	36,739	2,001	**897,315**
North East	-	-	-	-	8,845	-	**8,845**
Outside Nigeria	-	3,913	-	-	-	1,407	**5,320**
Carrying amount	**190,431**	**42,133**	**127,990**	**578,572**	**1,238,194**	**3,408**	**2,180,728**

At 31 December 2021	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	-	6,102	-	-	36,917	-	43,019
South West	449	2,818	-	55,060	809,446	7,221	874,994
South East	-	1	-	-	20,888	-	20,889
North West	-	-	-	-	39,671	-	39,671
North Central	98,294	25,743	182,335	578,552	34,495	-	919,419
North East	-	-	-	-	4,842	-	4,842
Outside Nigeria	-	6,548	-	-	-	8,881	15,429
	98,743	32,871	182,335	633,612	946,259	16,102	1,918,263

(b) Industry sectors

At 31 December 2022	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	-	2	-	-	57,179	-	**57,181**
Business services	-	182	-	-	44,105	-	**44,287**
Communication	-	-	-	5,487	84,272	-	**89,759**
Community, social & personal services	-	-	-	-	-	-	**-**
Construction and real estate	-	16	-	-	78,777	-	**78,793**
Electricity	-	4,304	-	-	9,012	-	**13,316**
Financial intermediaries & insurance	-	37,207	-	73,254	20,592	3,408	**134,461**
Government (including Central Bank)	190,431	219	127,990	499,311	80,764	-	**898,715**
Hotels, restaurants and tourism	-	-	-	-	319	-	**319**
Manufacturing	-	57	-	520	424,978	-	**425,555**
Mining	-	146	-	-	252,387	-	**252,533**
Private households	-	-	-	-	99,828	-	**99,828**
Transport, storage and distribution	-	-	-	-	22,294	-	**22,294**
Wholesale & retail trade	-	-	-	-	63,687	-	**63,687**
Carrying amount	**190,431**	**42,133**	**127,990**	**578,572**	**1,238,194**	**3,408**	**2,180,728**

(b) Industry sectors (continued)

At 31 December 2021	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	-	48	-	-	37,157	-	**37,205**
Business services	-	1,637	-	6,701	31,746	-	**40,084**
Communication	-	-	-	-	49,272	-	**49,272**
Community, social & personal services	-	-	-	-	-	-	**-**
Construction and real estate	-	-	-	-	58,744	-	**58,744**
Electricity	-	-	-	-	9,302	-	**9,302**
Financial intermediaries & insurance	-	6,578	-	50,753	24,728	16,102	**98,161**
Government (including Central Bank)	98,743	25,741	182,335	575,531	74,788	-	**957,138**
Hotels, restaurants and tourism	-	-	-	-	207	-	**207**
Manufacturing	-	6,812	-	-	304,862	-	**311,674**
Mining	-	386	-	627	214,640	-	**215,653**
Private households	-	10	-	-	78,022	-	**78,032**
Transport, storage and distribution	-	-	-	-	9,603	-	**9,603**
Wholesale & retail trade	-	-	-	-	53,188	-	**53,188**
Carrying amount	98,743	41,212	182,335	633,612	946,259	16,102	**1,918,263**

(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 2022	**2,456**	**1,052,786**	**980,970**	**144,516**	**2,180,728**
At 31 December 2021	**2,262**	**921,076**	**865,713**	129,212	1,918,263

Concentration of risks of off-balance sheet engagements

(a) Geographical sectors

At 31 December 2022	**Loan Commitment**	**Bonds and guarantees**	**Letters of credit***	**Total**
	N'million	**N'million**	**N'million**	**N'million**
South South	2,986	5,822	-	**8,808**
South West	136,352	48,487	119,264	**304,103**
South East	1,512	170	-	**1,682**
North West	12,915	4,908	41	**17,864**
North Central	17,984	27,734	297	**46,015**
North East	555	-	-	**555**
Outside Nigeria	-	-	-	**-**
Total	**172,304**	**87,121**	**119,602**	**379,027**

At 31 December 2021	Loan Commitment	Bonds and guarantees	Letters of credit*	Total
	N'million	N'million	N'million	N'million
South South	475	21,209	2,241	23,925
South West	111,301	42,922	174,563	328,786
South East	764	153	83	1,000
North West	1,399	11,023	345	12,767
North Central	416	3,438	-	3,854
North East	19	11,023	-	11,042
Outside Nigeria	-	14,650	8,482	**23,132**
Total	114,374	104,418	185,714	**404,506**

*Amount excludes letters of credit for which cash collateral has been received.

(b) Industry sectors

	31 December 2022				31 December 2021			
	Bonds and guarantees N' million	Letters of credit N' million	Loan commitment N' million	2022 Total N'million	Bonds and guarantees N' million	Letters of credit N' million	Loan commitment N' million	2021 Total N' million
Agriculture	3,177	2,900	15,940	**6,077**	1,588	2,869	-	4,457
Business services	2,497	3,567	3,274	**6,064**	28,844	16,560	-	45,404
Communication	798	12,055	1,062	**12,853**	-	5,209	-	5,209
Construction and real estate	4,793	29	16,870	**4,822**	7,808	7,004	400	14,812
Electricity	-	865	-	**865**	-	267	-	267
Financial intermediaries & insurance	11,555	-	93	**11,555**	14,332	-	-	14,332
Hotels, Restaurants and Tourism	801	-	192	**801**	-	-	-	-
Manufacturing	18,584	84,258	91,934	**102,842**	24,550	104,174	100,700	128,724
Mining/oil and gas	39,871	2,006	19,197	**41,877**	25,086	7,636	4,678	32,722
Private households	-	-	6,721	**-**	-	-	2,412	-
Transport, storage and distribution	-	335	150	**335**	-	16,184	-	16,184
Wholesale & retail trade	5,046	13,587	16,871	**18,633**	2,210	25,811	6,184	28,021
Carrying amount	87,122	119,602	172,304	**206,724**	104,418	185,714	114,374	290,132

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. 2022 N million	31 Dec. 2021 N million
Prudential disclosure of loan and advances to customers		
Gross customer exposure for loans and advances	**1,238,195**	946,259
Mortgage loans	5,373	4,781
Instalment sale and finance leases	45,066	35,791
Card debtors	1,904	1,270
Overdrafts and other demand loans	371,561	320,828
Other term loans	814,291	583,589
Interest in suspense	**(3,447)**	(2,738)
Credit impairments for loans and advances	**(45,417)**	(30,654)
Specific provision	**(21,437)**	(12,141)
General provision	**(23,980)**	(18,513)
Net loans and advances to customers	**1,189,331**	**912,867**
Prudential disclosure of loan classification		
Performing	1,209,176	925,921
Non performing loans	29,437	20,338
Substandard	9,596	4,140
Doubtful	6,005	10,630
Loss	13,836	5,568
Total performing and non performing loans	**1,238,613**	946,259
Adjustment for Interest in suspense and below-market interest staff loans	(3,447)	(2,738)
Customer exposure for loans and advances	**1,235,166**	943,521
Non-performing loan ratio (Regulatory)	**2.38%**	**2.15%**

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-22	December-21
Minimum	85.04%	99.07%
Average	114.98%	114.73%
Maximum	138.32%	126.45%
As at year end	85.04%	105.35%

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 2022. This ratio is subject to review quarterly. The Bank subsidiary LDR as at 31 December 2022 was 82.60% (Dec 2021 72.08%)

Intra-day liquidity management

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

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

Daily cash flow management

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

Interbank reliance

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

Liquidity stress testing and scenario testing

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

Maturity analysis of financial liabilities by contractual maturity

The tables below analyse cash flows on a contractual, undiscounted basis based on the earliest date on which the Group can be required to pay (except for trading liabilities and trading derivatives) and may therefore not agree directly to the balances disclosed in the consolidated statement of financial position.

Derivative liabilities are included in the maturity analysis on a contractual, undiscounted basis when contractual maturities are essential for an understanding of the derivatives' future cash flows. All other derivative liabilities are treated as trading instruments and are included at fair value in the redeemable on demand stage since these positions are typically held for short periods of time.

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 2022						
Financial liabilities						
Derivative financial instruments	-	68,333	155,444	84,248	52,444	360,469
Trading liabilities	-	25,869	176,715	11,673	4,955	219,212
Deposits and current accounts	988,428	116,654	92,072	38,407	982,166	2,217,727
Debt securities issued	-	-	-	1,000	70,878	71,878
Other borrowings	-	-	123,984	16,716	70,857	211,557
Other financial liabilities	348,126	-	-	-	-	348,126
Total	**1,336,554**	**210,856**	**548,215**	**152,044**	**1,181,300**	**3,080,843**
Unrecognised financial instruments						
Letters of credit	-	18,642	90,033	10,927	-	119,602
Guarantees	1,183	1,123	26,560	16,024	42,230	87,120
Loan commitments	-	12,701	152,208	6,046	1,348	172,304
Total	**1,183**	**32,466**	**268,801**	**32,997**	**43,578**	**379,026**

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

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 2022 %	Dec 2021 %
Single depositor	**4**	2
Top 10 depositors	**18**	11

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 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 foreign currency trading position
- daily VaR;
- back-testing;
- PV01; and
- annual net interest income at risk.

Daily foreign currency trading position

The board on the input of ALCO, sets limits on the level of exposure by currency and in aggregate for overnight positions. The latter is also aligned to the foreign currency trading position limit as specified by the regulators, which is usually a proportion of the Groups' capital.

Daily value-at-risk (VaR)

VaR is a technique that estimates the potential losses that may occur as a result of market movements over a specified time period at a predetermined probability.

VaR limits and exposure measurements are in place for all market risks the trading desk is exposed to. The bank generally uses the historical VaR approach to derive quantitative measures, specifically for market risk under normal market conditions. Normal VaR is based on a holding period of one day and a confidence level of 95%. Daily losses exceeding the VaR are likely to occur, on average, 13 times in every 250 days.

The use of historic VaR has limitations as it is based on historical correlations and volatilities in market prices and assumes that future prices will follow the observed historical distribution. Hence, there is a need to back-test the VaR model regularly.

VaR back-testing

The Group and the banking business back-test its foreign currency, interest rate and credit trading exposure VaR model to verify the predictive ability of the VaR calculations thereby ensuring the appropriateness of the model. Back-testing exercise is an ex-post comparison of the daily hypothetical profit and loss under the one-day buy and hold assumption to the prior day VaR. Profit or loss for back-testing is based on the theoretical profits or losses derived purely from market moves both interest rate and foreign currency spot moves and it is calculated over 250 cumulative trading-days at 95% confidence level.

Stress tests

Stress testing provides an indication of the potential losses that could occur in extreme market conditions.
The stress tests carried out include individual market risk factor testing and combinations of market factors on individual asset classes and across different asset classes. Stress tests include a combination of historical and hypothetical simulations.

PV01

PV01 is a risk measure used to assess the effect of a change of rate of one basis point on the price of an asset. This limit is set for the fixed income, money market trading, credit trading, derivatives and foreign exchange trading portfolios.

Other market risk measures

Other market risk measures specific to individual business units include permissible instruments, concentration of exposures, gap limits, maximum tenor and stop loss triggers. In addition, only approved products that can be independently priced and properly processed are permitted to be traded.

Pricing models and risk metrics used in production systems, whether these systems are off-the-shelf or in-house developed, are independently validated by the market risk unit before their use and periodically thereafter to confirm the continued applicability of the models. In addition, the market risk unit assesses the daily liquid closing price inputs used to value instruments and performs a review of less liquid prices from a reasonableness perspective at least fortnightly. Where differences are significant, mark-to-market adjustments are made.

Annual net interest income at risk

A dynamic forward-looking annual net interest income forecast is used to quantify the banks' anticipated interest rate exposure. This approach involves the forecasting of both changing balance sheet structures and interest rate scenarios, to determine the effect these changes may have on future earnings. The analysis is completed under both normal market conditions as well as stressed market conditions.

Analysis of Value-at-Risk (VaR) and actual income

The table below highlights the historical diversified normal VaR across the various trading desks. The minimum and maximum trading diversified normal VaR stood at N311m and N1,198m respectively with an annual average of N612m which translates to a conservative VaR limit utilisation of 35.3% on average.

Diversified Normal Var Exposures (N'million)

Desk	Maximum	Minimum	Average	31-Dec-22	31-Dec-21	Limit
Bankwide	1,198	311	612	171	498	1,734
FX Trading	147	8	21	32	46	548
Money markets trading	351	18	99	93	202	112
Fixed income trading	80	4	21	22	8	390
Credit trading	5.00	0.00	0.17	-	-	118
Derivatives	0.23	0.01	0.04	-	-	40
CVA	291	102	215	156	291	450

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 decreased to N0.915m from that of the previous year mainly due to decreased T-bills position from maturities of CBN swaps and forwards as well as a reduction in the duration of the book, the money markets banking book PV01 exposure stood at N9.9m higher than that of the previous year, while the fixed income trading book PV01 exposure increased to N2.9m from that of previous year. Overall trading PV01 exposure was N3.8m against a limit of N26m thus reflecting a very conservative exposure utilisation.

PV01 (NGN'000)	31-Dec-22	31-Dec-21	Limit
Money market trading book	915	2,301	20,476
Fixed income trading book	2,926	237	4,000
Credit trading book	-	-	1,032
Derivatives trading book	-	-	405
Total trading book	3,841	2,537	25,913
Money market banking book	9,897	6,477	18,150

Interest rate risk in the banking book

Interest rate risk in the banking book (IRRBB) can be defined as the reduction in banking book net interest income due to changes in interest rates arising from the different re-pricing characteristics of banking book assets and liabilities. IRRBB is further divided into the following sub-risk types:

• Repricing risk referring to the timing differences in the maturity (fixed rate) and repricing (floating rate) of assets and liabilities.

• Yield curve risk arising when unanticipated shifts in the yield curve have adverse effects on the Group's income.

• Basis risk arising from the imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics.

• Optionality risk arising from the options embedded in bank asset and liability portfolios, providing the holder with the right, but not the obligation, to buy, sell, or in some manner alter the cash flow of an instrument or financial contract.

• Endowment risk referring to the interest rate risk exposure arising from the net differential between interest rate insensitive assets such as non-earning assets and interest rate insensitive liabilities such as non-paying liabilities and equity.

Approach to managing interest rate risk on positions in the banking book

Banking-related market risk exposure principally involves the management of the potential adverse effect of interest movements on banking book earnings (net interest income and banking book mark-to-market profit or loss).

The Group's approach to managing IRRBB is governed by prudence and is in accordance with the applicable laws and regulations, best international practice and the competitive situation within which it operates in financial markets. Interest rate risk is transferred to and managed within the bank's treasury operations under supervision of ALCO.

The table below summarizes the Group's interest rate gap position:

As at 31 December 2022	Note	Carrying amount	Rate Sensitive	Non-rate sensitive
Assets N'million				
Cash and balances with central banks	7	664,450	-	664,450
Pledged Assets	8	127,990	-	127,990
Derivative Assets	10.6	42,134	-	42,134
Financial Investment	11	582,217	-	582,217
Loans and advances to Banks	12	3,408	-	3,408
Loans and advances to Customers (Gross)	12	1,238,195	901,609	336,586
Other financial assets		122,616	-	122,616
		2,781,010	**901,609**	**1,879,401**
Liabilities				
Derivative liabilities	10.6	26,099	-	26,099
Trading liabilities	9.2	220,971	-	220,971
Deposits from banks	22	491,080	-	491,080
Deposits from customers	22	1,245,346	-	1,245,346
Debt securities issued	24	71,878	19,071	52,807
Other borrowings	23	187,957	167,116	20,841
Other liabilities (see (b) below)		348,126	-	348,126
		2,591,457	**186,187**	**2,405,270**
Total interest repricing gap		189,553	715,422	(525,869)

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 (2021: 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 2022		NGN	USD	Other	Total
Increase in basis points		300	100	100	
Sensitivity of annual net interest income	NGNm	19,205	2,511	196	21,912
Decrease in basis points		300	100	100	
Sensitivity of annual net interest income	NGNm	(18,285)	(5,226)	5	(23,506)

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

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 2022.

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

At 31 December 2022 **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	519,987	143,874	77	183	329	664,450
Trading assets	161,607	28,824	-	-	-	190,431
Pledged assets	89,796	38,194	-	-	-	127,990
Derivative assets	40,463	1,671	-	-	-	42,134
Financial investments	578,249	3,770	-	-	-	582,019
Loans and advances to banks	2,001	1,403	-	-	-	3,404
Loans and advances to customers	598,840	523,090	1,927	55,353	25,576	1,204,786
Other financial assets	(49,343)	178,448	479	(3,761)	(3,207)	122,616
	1,941,600	**919,274**	**2,483**	**51,775**	**22,698**	**2,937,830**
Financial liabilities						
Trading liabilities	27,289	193,682	-	-	-	220,971
Derivative liabilities	24,851	1,248	-	-	-	26,099
Deposits and current accounts from banks	361,499	110,027	57	3,650	15,847	491,080
Deposits and current accounts from customers	831,140	392,193	9,181	10,076	2,756	1,245,346
Other borrowings	20,841	167,116	-	-	-	187,957
Debt securities issued	30,947	40,931	-	-	-	71,878
Other financial liabilitiies	177,055	161,697	420	5,642	3,312	348,126
	1,473,622	**1,066,894**	**9,658**	**19,368**	**21,915**	**2,591,457**
Net on-balance sheet financial position	467,978	(147,620)	(7,175)	32,407	783	346,373
Off balance sheet	215,602	121,129	655	38,326	3,314	379,026

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

At 31 December 2021 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	534,991	96,032	7,106	11,300	3,641	653,070
Trading assets	98,743	-	-	-	-	98,743
Pledged assets	182,335	-	-	-	-	182,335
Derivative assets	41,212	-	-	-	-	41,212
Financial investments	636,475	136	-	-	-	636,611
Loans and advances to banks	15,090	1,006	-	-	-	16,096
Loans and advances to customers	511,356	355,455	997	50,390	2,846	921,044
Other financial assets	25,518	141,090	(3,778)	(41,665)	(780)	120,385
	2,045,720	**593,719**	**4,325**	**20,025**	**5,707**	**2,669,496**
Financial liabilities						
Trading liabilities	112,023	-	-	-	-	112,023
Derivative liabilities	25,364	-	-	-	-	25,364
Deposits and current accounts from banks	390,793	34,127	287	3,944	2,711	431,862
Deposits and current accounts from customers	820,300	291,486	3,796	10,335	618	1,126,535
Debt security issued	63,932	72,502	-	-	-	136,434
Other financial liabilitiies	27,563	19,856	-	-	-	47,419
Other borrowings	407,651	(219,690)	255	5,728	249,094	443,038
	1,847,626	**198,281**	**4,338**	**20,007**	**252,423**	**2,322,675**
Net on-balance sheet financial position	198,094	395,438	(13)	18	(246,716)	346,821
Off balance sheet	96,647	178,639	420	41,583	87,217	404,506

Exchange rates applied

Year-end spot rate*	Dec-22	Dec-21
US Dollar	**461.10**	424.11
GBP	**556.43**	573.10
Euro	**492.55**	481.20

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 2022				
USD (20% movement)	**(29,524)**	**29,524**	**(20,667)**	**20,667**
GBP (10% movement)	**(718)**	**718**	**(502)**	**502**
EUR (5% movement)	**1,620**	**(1,620)**	**1,134**	**(1,134)**
At 31 December 2021				
USD (20% movement)	79,088	(79,088)	55,361	(55,361)
GBP (10% movement)	(1)	1	(1)	1
EUR (5% movement)	1	(1)	1	(1)

Basel II framework

The Basel II framework stipulates a minimum level of capital that banks must maintain to ensure that they can meet their obligations, cover unexpected losses; and can, very importantly, promote public confidence. It also specifies comprehensive disclosure requirements for banks operating under the framework.

"The Basel II framework is based on three pillars:
• Pillar I - Minimum Capital Requirements. This details various approaches to measure and quantify capital required for the three major risk components that a bank faces: credit risk, market risk and operational risk. Stanbic IBTC has adopted the 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 is published and made available through the bank’s website at www.stanbicibtcbank.com.

Capital management

Capital adequacy

The Stanbic IBTC Group manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth and depositor confidence and providing competitive returns to shareholders. The capital management function is designed to ensure that Stanbic IBTC Group and its principal subsidiaries are capitalized in line with the Group’s risk appetite and target ratios, both of which are approved by the board for legal and regulatory compliance purposes. The Group ensures that its actions do not compromise sound governance and appropriate business practices and it eliminates any negative effect on payment capacity, liquidity and profitability.

The regulatory capital requirement for entities within the Group are as follows:

SN	Name of Entity	Primary Regulator	Minimum Capital Requirement
1	Stanbic IBTC Holdings	Central Bank of Nigeria	N38.57 billion*
2	Stanbic IBTC Bank	Central Bank of Nigeria	N25 billion
2.1	Stanbic IBTC Nominees Limited	Central Bank of Nigeria	Nil
3	Stanbic IBTC Pension Managers Limited	National Pension Commission	N5 billion
4	Stanbic IBTC Asset Management Limited	Securities & Exchange Commission	N155 million
5	Stanbic IBTC Capital Limited	Securities & Exchange Commission	N400 million
6	Stanbic IBTC Trustees Limited	Securities & Exchange Commission	N300 million
7	Stanbic IBTC Stockbrokers Limited	Nigerian Stock Exchange	N300 million
8	Stanbic IBTC Insurance Brokers Limited	National Insurance Commission	N5 million
9	Stanbic IBTC Insurance Limited	National Insurance Commission	N3 billion
10	Stanbic IBTC Ventures Limited	-	Nil
11	Stanbic IBTC Financial Services Limited	-	N100 million

**Sum of the stakes of Stanbic IBTC Holdings PLC in the minimum paid up capital of all the subsidiaries*

The Central Bank of Nigeria (CBN) on 29 August 2014 issued Guidelines for Licensing and Regulation of Financial Holding Companies in Nigeria ("Guidelines"). According to the Guidelines, a financial holding company shall have a minimum paid up capital which shall exceed the sum of the minimum paid up capital of all its subsidiaries, as may be prescribed from time to time by the sector regulators. A review of the capital level as at the end of the year shows that Stanbic IBTC Holdings is in compliance with the regulation of having minimum paid up capital which exceeds the aggregate of the minimum paid up capital of all its subsidiaries;

Figures in N'million	**Minimum Share Capital**	**% Holding**	**Holdco Share**
Bank	25,000	100%	25,000
Pension	5,000	88.24%	4,412
Asset Management	155	100%	155
Capital	400	100%	400
Trustees	300	100%	300
Stockbroking	300	100%	300
Insurance Brokers*	5	75%	4
Insurance	8,000	100%	8,000
Ventures	-	100%	-
Financials	-	100%	-
	39,160		**38,571**
Holdco Company (Share Capital and Reserves)			**122,965**
Surplus/(Deficit)			**84,394**

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

The Group's capital management aims to facilitate the allocation and use of capital, such that it generates a return that appropriately compensates shareholders for the risks incurred. Capital is actively managed and forms a key component of the Group's budget and forecasting process. The capital plan is also tested under a range of stress scenarios as part of the Group's recovery plan and the Internal Capital Adequacy Assessment Process (ICAAP) for the bank. The ICAAP is an extensive internal assessment of the quality and robustness of the bank's governance, risk management, capital management and financial planning frameworks, and an assessment of the resilience of the bank's business model under stress. Monitoring and reporting of risks also occurs at the Group level to ensure compliance with Group standards.

The Group's capital management function is governed primarily by the Asset and Liability Committee (ALCO), a management level sub-committee that oversees the risks associated with capital management. It is also governed at the board level through the Board Risk Management Committee (BRMC). The principal governance document is the capital management framework.

The Group manages its capital levels to support business growth, maintain depositor and creditor confidence, create value for shareholders and ensure regulatory compliance.

Regulatory Capital

The Central Bank of Nigeria (CBN) adopted the Basel III capital framework with effect from 01 November 2021. The Group and its banking subsidiary have established processes and necessary measures to ensure full compliance with the requirements of the Basel III capital framework since it was adopted.

Regulatory capital is divided into two tiers:

- Tier 1 capital which comprises Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1) capital. CET1 includes share capital, share premium, retained earnings and reserves created by appropriations of retained earnings. Deferred tax asset, intangible assets and total investment in subsidiaries are deductible in arriving at CET1 capital. AT1 capital is made up of perpetual non-cummulative preference shares, perpetual non-callable bonds and related instruments.

- Tier 2 capital which includes subordinated debts and other comprehensive income. 50% of total investment in subsidiaries is deductible in arriving at Tier 2 capital. Subordinated debt at the end of the year is described as follows:

  - Tier 2 capital which includes subordinated debt and other comprehensive income. The subordinated debt at the end of year is a USD denominated term subordinated non-collaterised facility of USD40 million obtained from Standard Bank of South Africa effective 05 February 2021. The facility expires on 05 February 2031 and is repayable at maturity. Interest on the facility is payable semi-annually at LIBOR (London Interbank Offered Rate) plus 4.82%.

Total eligible Tier 2 Capital as at 31 December 2022 was N19.64 billion (December 2021: N21.69 billion).

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

Capital Adequacy

The Group’s capital adequacy is measured by both regulatory capital and economic capital. Economic capital measures and reports all quantifiable risks on a consistent risk-adjusted basis.

Regulatory capital adequacy is measured based on Pillar 1 of the Basel II capital framework. Capital adequacy ratio is calculated by dividing the capital held by total risk-weighted assets. Risk weighted assets comprise computed risk weights from credit, operational and market risks associated with the business of the Group. Notional risk weighted asset for market risk is calculated using the standardised approach while operational risk is determined using the basic indicator approach. Management monitors the capital adequacy ratio on a proactive basis.

Throughout the year under review, the banking subsidiary operated above its capital adequacy ratio risk appetite limit and well over the minimum regulatory capital adequacy ratio of 10% as mandated by CBN.

Leverage Ratio

This is non-risk based capital measure introduced in the CBN Basel III guidelines to act as a supplementary measure to the risk-based capital requirements. The leverage ratio is calculated as capital measure divided by exposure measure and is expressed as a percentage. The capital measure is the Tier I capital of banks while the exposure measure comprises on-balance sheet exposures, derivatives, securities financing transactions and off-balance sheet exposures. Banks are required to maintain a minimum leverage ratio of 4% at all times.

Regulatory Recommended transition adjustments of IFRS 9

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

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

Capital management - BASEL II regulatory capital

Stanbic IBTC Group	Basel II Group 31 December 2022 N'million	*Basel III Group 31 December 2022 N'million	Basel II Group 31 December 2021 N'million	*Basel II - Adjusted for impact of IFRS 9 transitional adjustment Group 31 December 2021 N'million
Tier 1	375,809	368,506	339,925	331,623
Paid-up share capital	6,479	6,479	6,478	6,478
Share premium	102,780	102,780	102,780	102,780
General reserve (retained profit)	187,535	187,535	156,008	156,008
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEIS reserve	14,476	14,476	10,241	10,241
Statutory reserve	55,492	55,492	54,453	54,453
Other reserves	-	-	76	76
IFRS 9 Transitional Adjustment Relief	-	-	-	-
Non controlling interests	8,008	705	8,850	548
Less: regulatory deduction	16,265	16,265	18,008	18,008
Goodwill	-	-	-	-
Deferred tax assets	13,042	13,042	13,997	13,997
Other intangible assets	3,223	3,223	4,011	4,011
Current year losses	-	-	-	-
Under impairment	-	-	-	-
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-	-	-
Investment in the capital of banking and financial institutions	-	-	-	-
Investment in the capital of financial subsidiaries	-	-	-	-
Excess exposure(s) over single obligor without CBN approval	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same Group	-	-	-	-
Eligible Common Equity Tier I capital	359,544	352,241	321,917	313,615
Additional Tier I Capital				
Instruments issued by consolidated subsidiaries and held by third parties	-	34		34
Eligible Tier I capital	359,544	352,275	321,917	313,649
	22,154	22,154	21,522	21,522
Hybrid (debt/equity) capital instruments	-	-	-	-
Subordinated term debt	19,071	19,071	17,312	17,312
Other comprehensive income (OCI)	3,083	3,083	4,210	4,210
Less: regulatory deduction	-	-	-	-
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-	-	-
Investment in the capital of banking and financial institutions	-	-	-	-
Investment in the capital of financial subsidiaries	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same Group	-	-	-	-
Eligible Tier II capital	22,154	22,154	21,522	21,522
Total regulatory capital	**381,698**	**374,395**	**343,439**	**335,137**
Risk weighted assets:				
Credit risk	1,417,470	1,417,470	1,224,036	1,224,036
Operational risk	348,878	348,878	348,878	348,878
Market risk	35,576	35,576	52,924	52,924
Total risk weighted asset	**1,801,924**	**1,801,924**	**1,625,838**	**1,625,838**
Total capital adequacy ratio	21.2%	20.8%	21.1%	20.6%
Tier I capital adequacy ratio	20.0%	19.5%	19.8%	19.3%
Common Equity Tier I capital adequacy ratio	20.0%	19.5%	19.8%	19.3%
Leverage:				
Total exposure measure	N/A	352,274	N/A	313,649
Capital measure	N/A	3,182,737	N/A	2,966,724
Leverage ratio	N/A	11.1%	N/A	10.6%

*Capital adequacy ratio decreases by 39bps under the Basel III guidelines compared to Basel II largely as a result of decrease in the amount of non-controlling interest that can be recognised due to the new recognition methodology. The Basel III guidelines were released on 02 September 2021 by the CBN to further strengthen the resilience of Nigerian banks by increasing the minimum requirement for high quality capital which can absorb losses on a going concern basis, and by requiring banks to build up additional capital buffers to cushion against future unexpected losses. The implementation of the Basel III guidelines commenced with a parallel run with the Basel II guidelines effective from November 2021 for an initial period of six months which may be extended by another three months subject to the milestones achieved by banks based on CBN supervisory expectations.

Capital management - BASEL II regulatory capital

Stanbic IBTC Bank PLC	Basel II 31 December 2022 N'million	*Basel III 31 December 2022 N'million	Basel II 31 December 2021 N'million	*Basel II - Adjusted for impact of IFRS 9 transitional adjustment 31 December 2021 N'million
Tier 1	257,726	257,726	224,903	224,903
Paid-up share capital	1,875	1,875	1,875	1,875
Share premium	42,469	42,469	42,469	42,469
General reserve (Retained Profit)	134,532	134,532	114,178	114,178
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEEIS reserve	14,476	14,476	10,241	10,241
Statutory reserve	63,335	63,335	55,065	55,065
Other reserves	-	-	36	36
IFRS 9 Transitional Adjustment Relief	-	-	-	-
Non controlling interests	-	-	-	-
Less: regulatory deduction	15,575	15,575	17,598	17,598
Goodwill	-	-	-	-
Deferred tax assets	12,368	12,368	13,626	13,626
Other intangible assets	3,207	3,207	3,972	3,972
Investment in the capital of financial subsidiaries	-	-	-	-
Excess exposure(s) over single obligor without CBN approval	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same Group	-	-	-	-
Unsecured lending to subsidiaries within the same Group	-	-	-	-
Eligible Tier I capital	242,151	242,151	207,305	207,305
Tier II	19,641	19,641	19,633	19,633
Hybrid (debt/equity) capital instruments	-	-	-	-
Subordinated term debt	19,641	19,641	19,633	19,633
Other comprehensive income (OCI)	-	-	-	-
	-	-	-	-
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	19,641	19,641	19,633	19,633
Total regulatory capital	**261,792**	**261,792**	**226,938**	**226,938**
Risk weighted assets:				
Credit risk	1,276,363	1,276,363	1,122,528	1,122,528
Operational risk	237,015	237,015	237,015	237,015
Market risk	31,739	31,739	46,398	46,398
Total risk weight asset	**1,545,117**	**1,545,117**	**1,405,941**	**1,405,941**
Total capital adequacy ratio	16.9%	16.9%	16.1%	16.1%
Tier I capital adequacy ratio	15.7%	15.7%	17.8%	18.0%
Common Equity Tier I capital adequacy ratio	15.7%	15.7%	14.7%	14.7%
Leverage:				
Capital measure	N/A	242,150	N/A	207,304
Total exposure measure	N/A	3,008,993	N/A	2,835,427
Leverage ratio	N/A	8.0%	N/A	7.3%

*Capital adequacy ratio stood at 16.9% under Basel II and Basel III guidelines. The Basel III guidelines were released on 02 September 2021 by the CBN to further strengthen the resilience of Nigerian banks by increasing the minimum requirement for high quality capital which can absorb losses on a going concern basis, and by requiring banks to build up additional capital buffers to cushion against future unexpected losses. The implementation of the Basel III guidelines commenced with a parallel run with the Basel II guidelines effective from November 2021 for an initial period of six months which may be extended by another three months subject to the milestones achieved by banks based on CBN supervisory expectations.

Income statement for the year ended 31 December 2022

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statement of profit or loss and other Comprehensive Income for the year ended 31 December, 2022

	Group				Company			
For the year ended 31 December (Unaudited)	**3 months 31-Dec-22 N'million**	**12 months 31-Dec-22 N'million**	3 months 31-Dec-21 N'million	12 months 31-Dec-21 N'million	**3 months 31-Dec-22 N'million**	**12 months 31-Dec-22 N'million**	3 months 31-Dec-21 N'million	12 months 31-Dec-21 N'million
Gross earnings	**79,993**	**284,604**	59,634	205,792	**674**	**57,041**	5,760	37,025
Net interest income	**33,458**	**113,119**	21,377	75,372	**43**	**147**	29	90
Interest income	**45,613**	**152,670**	31,748	104,751	**43**	**147**	29	90
Interest expense	**(12,155)**	**(39,551)**	(10,371)	(29,379)	**-**	**-**	-	-
Non-interest revenue	**32,599**	**126,994**	26,519	95,773	**631**	**56,894**	5,731	36,935
Net fee and commission revenue	**22,605**	**91,059**	21,924	82,877	**444**	**1,644**	385	1,517
Fee and commission revenue	**23,595**	**96,065**	23,384	88,321	**444**	**1,644**	385	1,517
Fee and commission expense	**(990)**	**(5,006)**	(1,460)	(5,444)	**-**	**-**	-	-
Income from life insurance activities	**(791)**	**66**	93	176	**-**	-	**-**	**-**
Trading revenue	**9,801**	**34,687**	4,267	13,286	**-**	**-**	-	-
Other revenue	**984**	**1,182**	235	(566)	**187**	**55,250**	5,346	35,418
Income before credit impairment charges	**66,057**	**240,113**	47,896	171,145	**674**	**57,041**	5,760	37,025
Net impairment write-back/(loss) on financial assets	**(2,830)**	**(10,290)**	90	1,505	**-**	**-**	-	-
Income after credit impairment charges	**63,227**	**229,823**	47,986	172,650	**674**	**57,041**	5,760	37,025
Operating expenses	**(31,824)**	**(129,474)**	(27,295)	(106,647)	**(2,107)**	**(6,336)**	(1,111)	(4,659)
Staff costs	**(13,726)**	**(50,996)**	(10,673)	(42,041)	**(976)**	**(2,696)**	(437)	(2,458)
Other operating expenses	**(18,098)**	**(78,478)**	(16,622)	(64,606)	**(1,131)**	**(3,640)**	(674)	(2,201)
Profit before tax	**31,403**	**100,349**	20,691	66,003	**(1,433)**	**50,705**	4,649	32,366
Income tax	**(5,774)**	**(19,535)**	(3,674)	(9,037)	**(3)**	**(10)**	(2)	(8)
Profit for the year	**25,629**	**80,814**	17,017	56,966	**(1,436)**	**50,695**	4,647	32,358
Profit attributable to:								
Non-controlling interests	**637**	**2,691**	621	2,588	**-**	**-**	-	-
Equity holders of the parent	**24,992**	**78,123**	16,396	54,378	**(1,436)**	**50,695**	4,647	32,358
Profit for the year	**25,629**	**80,814**	17,017	56,966	**(1,436)**	**50,695**	4,647	32,358
Other comprehensive income								
Items that will never be reclassified to profit or loss								
Movement in fair value reserve (equity instruments):	**(10)**	**621**	**835**	**999**	**-**	**-**	**-**	**-**
Net change in fair value	**(10)**	**621**	**835**	**999**	**-**	**-**	**-**	**-**
Related income tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Items that are or may be reclassified subsequently to profit or loss:								
Movement in debt instruments measured at fair value through other comprehensive income (OCI)	**1,874**	**(1,762)**	(1,329)	(5,666)	**-**	**-**	-	-
Total expected credit loss	**(139)**	**16**	(60)	37	**-**	**-**	-	-
Net change in fair value	**1,912**	**(1,752)**	(1,254)	(7,285)	**-**	**-**	-	-
Realised fair value adjustments transfered to profit or loss	**101**	**(26)**	(15)	1,582	**-**	**-**	-	-
Related income tax	**-**	**-**	-	-	-	-	-	-
Other comprehensive income for the year net of tax	**1,864**	**(1,141)**	(494)	(4,667)	-	-	-	-
Total comprehensive income for the year	**27,493**	**79,673**	16,523	52,299	**(1,436)**	**50,695**	4,647	32,358
Earnings per share								
Basic earnings per ordinary share (kobo)	**193**	**603**	127	420	**(11)**	**456**	36	250
Diluted earnings per ordinary share (kobo)	**193**	**603**	127	420	**(11)**	**456**	36	250

Annexure A: Statements of value added

Annexure B: Five year financial summary

Annexure C: Details of professionals who provided services to the financial statements

STANBIC IBTC HOLDINGS PLC

Annexure A: Value added statement
For the year ended 31 December 2022

	Group				Company			
	31-Dec-22		31-Dec-21		**31-Dec-22**		31-Dec-21	
	N'million	**%**	N'million	**%**	**N'million**	%	N'million	**%**
Gross earnings	**287,537**		205,792		**57,041**		27,517	
Interest paid:								
- local	**(39,551)**		(29,379)		**-**		-	
- foreign	**-**		-		**-**		-	
	(39,551)		(29,379)		**-**		-	
Administrative overhead:								
- local	**(77,653)**		(35,950)		**(3,640)**		(870)	
- foreign	**-**		-		**-**		-	
	(77,653)		(35,950)		**(3,640)**		(870)	
Recovery/(Provision) for losses	**(10,290)**		1,284		**-**		-	
Value added	**160,043**	**100**	141,747	100	**53,401**	**100**	26,647	100
DISTRIBUTION								
EMPLOYEES & Directors								
Salaries and benefits	**50,996**	**32**	42,041	38	**2,696**	**5**	1,472	6
GOVERNMENT								
Taxation	**19,535**	**12**	9,037	8	**10**	**-**	5	-
THE FUTURE								
Asset replacement (depreciation)	**5,831**		2,669		**-**		-	
Expansion (retained in the business)	**80,814**		56,966		**50,695**		25,170	
Total	**86,645**	**56**	59,635	54	**50,695**	**95**	25,170	94
	157,176	**100**	110,713	100	**53,401**	**100**	26,647	100

STANBIC IBTC HOLDINGS PLC

Annexure B: Five year financial summary

	Group	Group	Group	Group	Group	Company	Company	Company	Company	Company
	31 Dec 2022	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	31 Dec 2018	**31 Dec 2022**	31 Dec. 2021	31 Dec. 2020	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
STATEMENT OF FINANCIAL POSITION										
Assets										
Cash and cash equivalents	**664,450**	653,070	627,111	456,396	455,773	**50,294**	53,236	42,145	36,240	15,533
Derivative assets	**42,134**	41,212	46,233	32,871	30,286	**-**	-	-	-	-
Trading assets	**190,431**	98,743	169,655	248,909	84,351	**-**	-	-	-	-
Pledged assets	**127,990**	182,335	170,578	231,972	142,543	**-**	-	-	-	-
Financial investments	**582,019**	636,611	612,276	155,330	400,000	**27,710**	2,076	2,227	1,981	1,796
Asset held on sale	**-**	-	-	-	-	**-**	-	-	-	-
Loans and advances to banks	**3,404**	16,096	7,828	3,046	8,548	**-**	-	-	-	-
Loans and advances to customers	**1,204,786**	921,044	625,139	532,124	432,713	-	-	-	-	-
Deferred tax assets	**13,042**	13,998	13,163	10,892	9,181	**-**	-	-	-	-
Equity Investment in Group companies	**-**	-	-	-	-	**94,751**	94,751	93,519	85,539	85,539
Other assets	**132,390**	129,530	175,980	168,689	77,787	**13,199**	6,258	9,155	2,923	4,091
Right of Use Assets	**3,609**	3,394	2,975	3,217	-	**4**	33	60	71	-
Intangible assets	**3,223**	4,011	4,640	5,232	827	-	-	-	-	-
Property and equipment	**61,548**	42,720	30,728	27,778	21,652	**2,040**	148	137	132	993
	3,029,026	2,742,764	2,486,306	1,876,456	1,663,661	**187,998**	156,502	147,243	126,886	107,952
Equity and liabilities										
Share capital	**6,479**	6,479	5,553	5,252	5,120	**6,479**	6,479	5,553	5,252	5,120
Reserves	**393,183**	361,537	365,470	291,050	230,286	**116,486**	111,141	132,648	117,133	97,090
Non-controlling interest	**8,008**	8,850	7,578	5,927	4,261	**-**	-	-	-	-
Derivative liabilities	**26,099**	25,364	37,382	4,343	4,152	-	-	-	-	-
Trading liabilities	**220,971**	112,023	188,500	250,203	125,684	-	-	-	-	-
Deposits from banks	**491,080**	431,862	505,622	248,903	160,272	-	-	-	-	-
Deposits from customers	**1,245,346**	1,126,535	819,944	637,840	807,692	-	-	-	-	-
Other borrowings	**187,957**	136,434	112,031	92,165	69,918	**-**	-	-	-	-
Subordinated debt	**71,878**	47,419	68,269	106,658	60,595	-	-	-	-	-
Current tax liabilities	**17,564**	16,441	20,270	19,230	14,899	**46**	50	173	179	463
Deferred tax liabilities	**-**	-	-	-	137	**-**	-	-	-	-
Provisions & other liabilities	**360,461**	469,820	355,687	214,885	180,645	**64,987**	38,832	8,869	4,322	5,279
	3,029,026	2,742,764	2,486,306	1,876,456	1,663,661	**187,998**	156,502	147,243	126,886	107,952
Acceptances and guarantees	**206,722**	290,132	213,622	173,255	146,481	**-**	-	-	-	-
	31 Dec 2022	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	31 Dec 2018	**31 Dec 2022**	31 Dec. 2021	31 Dec. 2020	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
STATEMENT OF PROFIT OR LOSS										
Net operating income	**240,113**	171,145	198,924	186,586	180,813	**57,041**	37,025	30,775	37,882	19,463
Operating expenses and provisions	**(139,764)**	(105,142)	(104,207)	(95,661)	(92,661)	**(6,336)**	(4,659)	(4,402)	(4,409)	(3,463)
Profit before tax	**100,349**	66,003	94,717	90,925	88,152	**50,705**	32,366	26,373	33,473	16,000
Taxation	**(19,535)**	(9,037)	(11,506)	(15,890)	(13,712)	**(10)**	(8)	(4)	254	(501)
Profit after taxation	**80,814**	56,966	83,211	75,035	74,440	**50,695**	32,358	26,369	33,727	15,499
Profit attributable to :										
Non-controlling interests	**2,691**	2,588	2,272	2,373	2,353	**-**	-	-	-	-
Equity holders of the parent	**78,123**	54,378	80,939	72,662	72,087	**50,695**	32,358	26,369	33,727	15,499
Profit for the year	**80,814**	56,966	83,211	75,035	74,440	**50,695**	32,358	26,369	33,727	15,499
STATISTICAL INFORMATION										
Earnings per share (EPS) - basic	**603k**	420k	729k	692k	704k	**456k**	250k	237k	321K	151k
Earnings per share (EPS) - diluted	**603k**	420k	729k	692k	704k	**456k**	250k	237k	321K	151k

STANBIC IBTC HOLDINGS PLC

Details of professionals who provided services to the financial statements
For the year ended 31 December 2022

The following professionals provided a form of service on this audited financial statements:

i	Name	PricewaterhouseCoopers
	Address	5B Water Corporation Road Landmark
		Towers Victoria Island,
		PMB 101233, Eti-Osa
		Lagos
	FRC No	FRC/2013/ICAN/00000001495
	Service provided	Auditor
ii	Name	Bakertilly Nigeria
	Address	4th Floor, Kresta Laurel Complex
		376 Ikorodu road, Maryland
		P.O. Box 15016
		Ikeja, Lagos.
	FRC No	FRC/ICAN/2013/00000002824
	Service provided	Valuation of unquoted securities
iii	Name	Pedabo Professional services
	Address	67 Norman Williams Street
		Off Keffi Street, SW Ikoyi
		Lagos
	FRC No	FRC/2013/ICAN/00000000908
	Service provided	Tax consultancy services
iv	Name	WA Kareem & Co
	Address	Asiyahu Abewon Place
		205B Ikorodu Road, Ilupeju
		Lagos
	FRC No	FRC/2013/ICAN/00000001093
	Service provided	Tax consultancy services
v	Name	Olaniwun Ajayi LP
	Address	The Adunola, Plot L2, 401 Close,
		Banana Island
		Lagos
	FRC No	FRC/2013/00000001615
	Service provided	Legal consultancy services