STANBIC IBTC BANK LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

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Directors' report
For the year ended 31 December 2023

The directors present their report on the affairs of Stanbic IBTC Bank Limited ("the bank") and its subsidiary, together with the consolidated and separate annual financial statements and auditor's report for the year ended 31 December 2023.

a. Legal form

The bank was incorporated in Nigeria under the Companies & Allied Matters Act (CAMA) as a private limited liability company on 02 February 1989. It was granted a banking licence on 03 February 1989 to carry on the business of merchant banking and commenced business on 01 March 1989. The bank was converted into a public limited liability company on 25 January 2005 and re-registered as a private company limited by shares on 26 October 2023.

Pursuant to the implementation of the Central Bank of Nigeria Regulation 3 of 2010, the bank's shares were de-listed on 23 November 2012 from the official trading list of The Nigerian Exchange Limited and became a wholly owned subsidiary of Stanbic IBTC Holdings PLC.

b. Principal activity and business review

The principal activity of the bank is the provision of banking and related financial services to corporate and individual customers. Such services include the granting of loans and advances and financial market activities. Stanbic IBTC Bank TIN is 00026526-0001

The bank has one wholly owned subsidiary which is Stanbic IBTC Nominees Limited (SINL). SINL carries on the business of nominees for clients, undertakes sub-contracts and acts in any of the businesses of its clients either solely or jointly with any other person, company or corporation.

The bank's financial statements consolidate the affairs of its subsidiary.

c. Operating results and dividends

The group's gross earnings increased by 71.95%, while the profit before tax increased by 106.5% compared to 31 December 2022 result. The directors propose a final dividend of 15 kobo per share (31 Dec 2022: 500k per share) from the retained earnings account as at 31 December 2023.

The gross dividend of N27.2bn paid in prior year was based on ordinary shares of 3,749,996,653.

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

	31 Dec 2023 Group ₦'million	31 Dec 2022 Group ₦'million	**31 Dec 2023 Bank ₦'million**	31 Dec 2022 Bank ₦'million
Gross earnings	**363,587**	211,256	**363,797**	211,549
Profit before tax	**123,930**	59,943	**123,384**	59,732
Income tax	(13,501)	(4,798)	**(13,244)**	(4,582)
Profit after tax	**110,429**	55,145	**110,140**	55,150
Appropriations:				
Transfer to reserves	**16,521**	9,752	**16,521**	9,752
Transfer to retained earnings reserve	**93,908**	45,393	**93,619**	45,398
	110,429	55,145	**110,140**	**55,150**
Dividend proposed/paid (final)	**6,000**	18,750	**6,000**	18,750
Dividend paid (Interim)	**4,000**	8,439	**4,000**	8,439
Total Dividend	**10,000**	27,189	**10,000**	27,189

d. Directors who served during the year and their interest in shares

No director of the Bank had a direct interest in the issued share capital of the bank as at 31 December 2023

Following the receipt of all required regulatory and shareholders approvals, the appointments of Mrs Funeka Montjane and Mr Yinka Sanni as Non-Executive Directors on the Board of the Bank became effective on 13 April 2023 and 26 June 2023 respectively. Furthermore at the Bank's Annual General Meeting held on 25 May 2023, Mr Remy Osuagwu, Mrs Miannaya Essien SAN and Mr Adebowale Oyedeji who retired by rotation, were re-elected by Shareholders of the Company. Mrs Sola David-Borha also retired as a director of the Company having not offered herself for re-election at the Annual General Meeting. Shareholders also approved the re-registration of the Company from a Public Company Limited by Shares to a Private Company Limited by Shares at the Annual General Meeting held on 25 May 2023. Following the receipt of all required regulatory approvals, the re-registration of the Bank as a private company became effective from 26 October 2023, with the bank now refered to as Stanbic IBTC Bank Limited. Post the reporting period, Mr Wale Oyedeji resigned as a director on the Board of the bank with effect from 02 January 2024. In compliance with the Corporate Governance Guidelines for Banks issued by the Central Bank of Nigeria in August 2023, Mr Sadiq Abubakar Bello was appointed as an Independent Non-Executive Director at the 26 October 2023 Board meeting subject to the receipt of all required regulatory and shareholders' approvals

e. Directors interest in contracts

The directors interest in contract during the year is nil.

f. Property and equipment

Information relating to changes in property and equipment is given in note 16 to the financial statements. In the directors’ opinion the disclosures regarding the group’s properties are in line with the related statement of accounting policy of the group.

g. Shareholding analysis

The shareholding pattern of the bank for the year ended 31 December 2023 is as stated below:

Shareholder	No. of holding	Percentage holdings	No. of holding	Percentage holdings
	31-Dec-23	31-Dec-23	31-Dec-22	31-Dec-22
Stanbic IBTC Holdings PLC	39,999,999,999	99.9999999%	3,749,996,653	99.9999999%
Yinka Sanni	1	0.00000001%	1	0.00000001%
Total	**40,000,000,000**	**100%**	**3,749,996,654**	**100%**

Following the approval of shareholders at the Bank's Annual General Meeting, the paid up capital of the Bank was increased to 40billion ordinary shares of 50k each, with the Capitalisation of the additional amount from the retained earning.

h. Substantial interest in shares

According to the register of members as at 31 December 2023, no shareholder held more than 5% of the issued share capital of the Bank except the following:

Shareholder	No of shares held	Percentage shareholding	No of shares held	Percentage shareholding
	31-Dec-23	31-Dec-23	31-Dec-22	31-Dec-22
Stanbic IBTC Holdings PLC	39,999,999,999	99.9999999%	3,749,996,653	99.9999999%

i. Dividend payment history

Period ended	Total amount paid	Dividend paid per share
	N'million	Kobo
31 March 2000	240	40
31 March 2001	270	45
31 March 2002	300	30
31 March 2003	400	40
31 March 2004	500	25
31 March 2005	1,174	20
31 March 2006	2,411	20
31 March 2007	3,750	30
31 December 2007	4,688	25
31 December 2008	7,500	40
31 December 2009	5,625	30
31 December 2010	7,313	39
31 December 2011	1,875	10
31 December 2012	3,938	105
31 December 2013	6,675	178
31 December 2014	1,500	40
31 December 2015	Nil	Nil
31 December 2016	Nil	Nil
30 June 2017 (Interim)	3,000	80
31 December 2017	5,000	133
30 June 2018 (Interim)	Nil	Nil
31 December 2018	14,974	399
30 June 2019 (Interim)	7,200	192
31 December 2019	15,686	417
30 June 2020 (Interim)	6,450	172
31 December 2020	16,441	438
31 December 2021	17,752	473
30 June 2022(Interim)	8,439	-
31 December 2022	18,750	500
30 June 2023 (interim)	4,000	10
31 December 2023	6,000	15

j. Share capital history

Year	Issued & fully paid-up (N000)		Consideration
	Increase	Cummulative	
1989	-	12,000	Cash
1991	12,000	24,000	Bonus (1:1)
1992	-	40,000	Bonus (2:3)
1994	60,000	100,000	Bonus (3:2)
1996	100,000	200,000	Bonus (1:1)
1997	400,000	600,000	Bonus (2:1)
2001	400,000	1,000,000	Bonus (2:3)
2003	1,000,000	2,000,000	Bonus (1:1)
2004	-	2,000,000	
2005	935,492	2,935,492	Cash
2006	3,314,508	6,250,000	Cash and share exchange
2007	3,125,000	9,375,000	Share exchange
2012	(7,500,000)	1,875,000	Share exchange
2015		1,875,000	
2016	-	1,875,000	
2017	-	1,875,000	
2018	-	1,875,000	
2019	-	1,875,000	
2020	-	1,875,000	
2021	-	1,875,000	
2022		1,875,000	
2023	18,125,001	20,000,000	Bonus (9.67:1)

STANBIC IBTC BANK LIMITED

Directors' report (continued)
For the year ended 31 December 2023

k. Donations and Charitable Gifts
The bank made contributions to charitable and non – political organisations amounting to N2.6 million (Dec 2022: N14.9 million) during the year.

		Group	Bank
		=N=	=N=
1	2023 Lagos Free Zone Science Challenge	1,000,000	1,000,000
2	Donation to Host communitites in Rivers State	1,000,000	1,000,000
3	Blue Women Network CSI Project 2023(breast and cervical cancer screenings for women of reproductive age in Kaduna and Jigawa States	645,522	637,246
		2,645,522	**2,637,246**

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 bank as at 31 December 2023 which have not been recognised or disclosed.

m. Human resources

Employment of disabled persons

The bank 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. The bank's policy prohibits discrimination of disabled persons or persons with HIV in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that, as far as possible, their employment with the bank continues and appropriate training is arranged to ensure that they fit into the bank's working environment.

Health safety and welfare at work

The bank enforces strict health and safety rules and practices at the work environment which are reviewed and tested regularly. The bank'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 fire fighting equipment are installed in strategic locations within the bank's premises.

The bank 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 bank 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 bank's policy of continuous staff development, training facilities are provided in the group's well equipped training school (the Blue Academy). Employees of the bank attend training programmes organized by the Standard Bank Group (SBG) in South Africa and elsewhere as well as participating in programmes at the Standard Bank Global Leadership Centre in South Africa. The bank also provides its employees with on the job training in the bank 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	December 2023	AAA(nga)	F1+(nga)	-	-	Stable
	Stanbic IBTC Holdings		AAA(nga)	F1+(nga)	-	-	-
Standard & Poor's	Stanbic IBTC Bank		ngBBB	ngA-3	B-	B	Stable
Global Credit Rating	Stanbic IBTC Bank		AAA(NG)	A1+(NG)	-	-	Stable

p. Auditor

The auditor, Messrs. PricewaterhouseCoopers, having been duly appointed as the Bank's External Auditors at the Bank's Annual General Meeting held on 25 May 2023, will continue in office as auditors until the next Annual General Meeting to be held in 2024.

By order of the Board

CHIDI OKEZIE
Company secretary
FRC/2013/NBA/00000001082
02 February 2024

Statement of Directors' responsibilities in relation to the financial statements
For the year ended 31 December 2023

The Directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria Act, 2011, 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, 2020 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 assessment of the Group and Bank's ability to continue as a going concern and have no reason to believe that the Group and Bank will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE DIRECTORS BY:

Demola Sogunle
Director
FRC/2013/CIBN/00000001034
02 February 2024

Wole Adeniyi
Chief Executive
FRC/2013/ICAN/00000001074
02 February 2024

Corporate governance report
For the year ended 31 December 2023

Introduction

The bank is a wholly owned subsidiary of Stanbic IBTC Holdings PLC ("the Holding Company"), which is a member of the Standard Bank Group. Standard Bank Group now holds 67.55% equity in the Holding 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 Bank Limited ("Stanbic IBTC or the bank"), and its subsidiary, as a member of SBG, operates 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 bank has one wholly owned subsidiary: Stanbic IBTC Nominees Limited (SINL). This subsidiary has its own distinct board and takes account of the particular statutory and regulatory requirements of the business it operates. This subsidiary operates under a governance framework that enable its board to balance its role in providing oversight and strategic counsel with its responsibility for ensuring compliance with the regulatory requirements that apply in its area of operation and the standards and acceptable risk tolerance parameters adopted by the bank. In this regard the subsidiary has aligned its governance framework to that of the bank.

A number of committees have been established by the bank's board that assist the board in fulfilling it's 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 bank operates in a highly regulated environment 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 and regulators.

Compliance with the Nigerian Code of Corporate Governance

Stanbic IBTC Bank Limited confirms that for the year ended 31 December 2023, the bank has complied with the principles set out in the Nigerian Code of Corporate Governance 2018 (NCCG) , the Securities and Exchange Commission's (SEC) Guidelines issued pursuant to the NCCG, the SEC Code of Corporate Governance as well as the Central Bank of Nigeria Corporate Governance Guidelines issued in 2023. The bank applies the NCCG'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 bank'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.

Shareholders' responsibilities

The shareholders' role is to approve appointments to the board of directors and of 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 2023

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

- The 34th Annual General Meeting of the Bank held on Thursday 25 May 2023, at which the Bank's 2022 Annual Report and Financial Statements were presented to and received by shareholders. Shareholders also approved the re-registration of the Bank from a Public Company Limited by Shares to a Private Company Limited by Shares subject to the approval of the Central Bank of Nigeria. The consequential amendments to the Memorandum and Articles of Association of the Company following the re-registration of the Company were also approved by Shareholders
- Following the receipt of all required regulatory approvals the re-registration of the bank from a public company limited by shares to a private company limited by shares became effective from 26 October 2023
- Following the receipt of all required regulatory approvals, the appointment of Mrs. Funeka Montjane as an additional Non-Executive Director on the Board of the Bank became effective from 13 April 2023
- Following the receipt of all required regulatory approvals, the appointment of Mr. Yinka Sanni as a Non-Executive Director on the Board of the Bank became effective from 26 June 2023
- The Bank ensured compliance with the requirements of the Central Bank of Nigeria Guidelines on Corporate Governance issued in August 2023
- The Bank filed its Corporate Governance report in respect of the Nigerian Code of Corporate Governance 2018.
- The Bank's Board Strategy Session was held on 27 July 2023 in accordance with regulatory and corporate Governance Best Practice Requirements.
- In compliance with regulatory requirements Ernst and Young Professional Services conducted the 2023 Board Evaluation and Corporate Governance review of the bank.

Focus areas for the year of 2023

In 2023, the Bank focused on:

- directors' education and development via formal training engagements, workshops and seminars as well as other documents and information on the evolving trend in governance, strategy and implementation;
- Enhancing the level of information provided to and interaction with shareholders, investors and stakeholders generally; and
- Broadening the composition of the board to ensure diversity of experience and gender on the Board in line with the CBN Code of Corporate Governance.
- Compliance with the Central Bank of Nigeria Corporate Governance Guidelines for Banks in Nigeria and other regulatory requirements.

Board and directors

Ultimate responsibility for governance rests with the board of directors of the bank, who ensure that appropriate controls, systems and practices are in place. The bank has a unitary board structure and the roles of chairman and chief executive are separate and distinct. The bank's chairman is a non-executive director. The number and stature of non-executive directors ensures that sufficient consideration and debate are brought to bear on decision making 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. Details on how these committees operate are provided elsewhere in this report.

Strategy

The board considers and approves the bank'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 bank's management and company information, as well as the resources required to carry out their responsibilities, including external legal advice, at the bank'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 bank 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 fulfil 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 bank;
- 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 Companies & Allied Matters Act and the Banks & Other Financial Institutions Act as well as the Companies and Banks Act of SBG'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 bank'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.

At the Bank's 34th Annual General Meeting held on 25 May 2023, the appointments of Mrs Funeka Montjane and Mr Yinka Sanni were approved by Shareholders. All required regulatory approvals for their appointments have since been received

The board's size as at 31 December 2023 was thirteen (13) members, comprising of six (6) executive directors; and seven (7) non-executive directors. It is important to note that Mrs. Miannaya Essien, SAN and Ms. Rabi Isma are Independent Non-Executive Directors. Following the resignation of Mr Wale Oyedeji who was an Independent Non-Executive Director with effect from 02 January 2024, the Board has appointed an additional Independent Non-Executive Director as his replacement subject to the receipt of all required regulatory and shareholders' approvals.

S/N	NAME OF DIRECTOR	DESIGNATION	CBN APPROVAL	CUMULATIVE YEARS OF SERVICE as at 31 DECEMBER 2023
1	Yinka Sanni	Chairman	26-Jun-23	Less than 1 year
2	Wole Adeniyi	Chief Executive	1-Jul-20	3 years, 5 months
3	Olubunmi Dayo-Olagunju	Executive Director	9-May-19	4 years, 7months
4	Kola Lawal	Executive Director	24-Mar-20	3 years, 9 months
5	Remy Osuagwu	Executive Director	1-Jul-20	3 years, 5 months
6	Eric Fajemisin	Executive Director	21-Jan-21	2 years, 11 months
7	Olu Delano	Executive Director	7-Oct-22	1 year,2 months
8	Adebowale Oyedeji	Independent Non-Executive Director	8-Sep-20	3 years, 3 months
9	Miannaya Essien SAN	Independent Non-Executive Director	27-Sep-17	6 years, 3 months
10	Rabi Isma	Independent Non-Executive Director	9-May-19	4 years, 7 months
11	Simon Ridley	Non-Executive Director	2-Jul-19	4 years, 5 months
12	Demola Sogunle	Non-Executive Director	1-Jul-20	3 years, 15 months
13	Helmut Engelbrecht	Non-Executive Director	27-Jun-22	1 year, 6 months
14	Funeka Montjane	Non-Executive Director	23-Apr-23	Less than 1 year

* Mrs Sola David-Borha retired as a director with effect from 25 May 2023

* Mr Adebowale Oyedeji resigned as a director with effect from 02 January 2024

Board responsibilities

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

- agree the bank's objectives, strategies and plans for achieving those objectives;
- annually review the corporate governance process and assess achievement against objectives;
- review its mandate at least annually and approve recommended changes;
- delegate to the Chief Executive or any Director holding any executive office or any senior executive any of the powers, authorities and discretions vested in the board's directors, including the power of sub-delegation; and to delegate similarly such powers, authorities and discretions to any committee and subsidiary company boards 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 bank'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 bank's 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 bank, 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 bank;
- approve significant acquisitions, mergers, take-overs, divestments of operating companies, equity investments and new strategic alliances by the bank;
- 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 bank 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;

Board responsibilities (continues)

- ensure a balanced and understandable assessment of the bank'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 bank's 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.

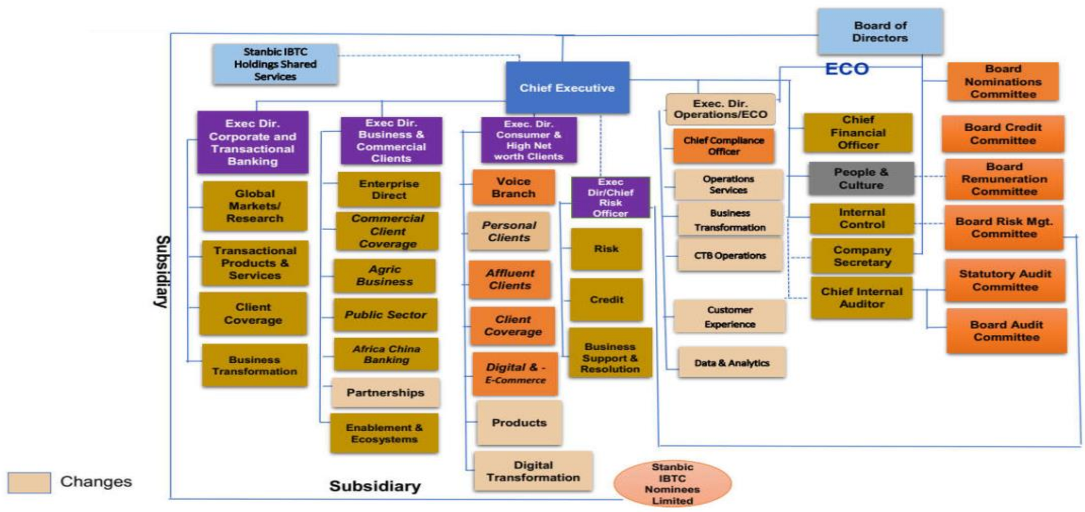
The board delegates authority to the chief executive to manage the business and affairs of the bank. The executive committee assists the chief executive when the board is not in session, subject to specified parameters and any limits on the board's delegation of authority to the chief executive.

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

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 adopted by the board on 03 February 2023 and formalised with mandates reviewed and approved in July 2022 is set out below

STANBIC IBTC BANK GOVERNANCE STRUCTURE



Board effectiveness and evaluation

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

The directors underwent an evaluation by independent consultants as required by Section 10 of the Central Bank of Nigeria (CBN) Guidelines on Code of Corporate Governance for Banks in Nigeria (“the Guidelines”). The report of the consultants assessed the performance of the individual Directors for the period 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 was 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. The performance of the Chairman and Chief Executive will also be assessed, providing a basis to set their remuneration.

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 bank and its operations. The company secretary manages the induction programme.

The CBN’s code of conduct 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 times during the period that included trainings on Risk Management; Strategy, Sustainability, enhancing Board performance, Anti- Money Laundering and Combating the Financing of Terrorism (AML/CFT) . These trainings were aimed at enhancing the understanding of key issues, and skills of directors.

Executive committee members.

As at 31 December 2023, the executive committee comprised 15 members each with individual responsibilities.

S/N.	Name	Responsibility
1	Wole Adeniyi	Chief Executive
2	Bunmi Dayo- Olagunju	Executive Director, Operations
3	Remy Osuagwu	Executive Director, Business and Commercial Banking
4	Kola Lawal	Executive Director, Risk Management / Chief Risk Officer
5	Eric Fajemisin	Executive Director, Corporate and Transactional Banking
6	Olu Delano	Executive Director, Personal and Private Banking
7	Chidi Okezie	Company Secretary
8	Bayo Olujobi	Chief Finance and Value Management Officer
9	Funke Isichie	Head, Internal Controls
10	Abiodun Gbadamosi	Head, Internal Audit
11	Sam Ocheho	Head, Global Markets
12	Adekola Adegbite	Chief Compliance Officer
13	Charles Onwude	Head, Risk Management
14	Babatunde Akindele	Head,Commercial Clients Coverage
15	Carol Olayi	Head, People and Culture

Board meetings

The board meets, at a minimum, once every quarter with ad-hoc meetings being held whenever deemed necessary. The board held a strategy session on 27 July 2023. Directors, in accordance with the articles of association of the bank, attend meetings either in person or via tele or video conferencing.

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

Attendance at board meetings from 01 January – 31 December 2023 is set out in the following table:

	Name	Feb	April	July	October
1	Yinka Sanni	/	/	√	√
2	Wole Adeniyi	√	√	√	√
3	Kola Lawal	√	√	√	√
4	Eric Fajemisin	√	√	√	√
5	Remy Osuagwu	√	√	√	√
6	Bunmi Dayo-Olagunju	√	√	√	√
7	Demola Sogunle	√	√	√	√
8	Miannaya Essien, SAN	√	√	√	√
9	Rabi Isma	√	√	√	√
10	Simon Ridley	√	√	√	√
11	Adebowale Oyedeji	√	√	√	Ab
12	Helmut Engelbrecht	√	√	√	√
13	Funeka Montjane	/	√	√	√
14	Sola David-Borha	√	√	/	/
15	Olu Delano	√	√	√	√

√ = Present

Ab = Absent with Apologies

/ = Yet to be appointed on the Board

* Mrs Sola David-Borha retired as a director on the Board with effect from 25 May 2023

* Mr Adebowale Oyedeji resigned as a director on the Board with effect from 02 January 2024

Board committees

Some of the functions of the board have been delegated to board committees, consisting of board members appointed by the board, which operate under mandates originally established on 29 January 2008 and revised anually.

Credit committee

The credit committee during the period under review was vested with the following responsibilities:

- recommend credit policies and guidelines for the board's approval;

- review and approve credit facilities to be granted by the bank that fall under the category of insider related credits or which are being granted to the bank staff in the cadres Assistant General Manager and above ; and

- such other matters relating to the credit operations of the bank as may be specifically delegated to the committee by the board.

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

The mandate ensures that effective frameworks for credit governance are in place across the bank. This involves ensuring that the committees within the structure operate according to clearly defined mandates and delegated authority, and providing for the adequate management, measurement, monitoring and control of credit risk, including country risk. The committee reports on credit portfolios, adequacy of provisions and status of non-performing loans.

The credit committee met its objectives in the period under review.

As at 31 December 2023, the committee consisted of eight directors, four of whom, including the chairman are Non-executives.

Members' attendance at credit committee meetings during the year ended 31 December 2023 are stated below:

S/n	Name	February	April	July	October
1	Simon Ridley (Chairman)	√	√	√	√
2	Wole Adeniyi	√	√	√	√
3	Remy Osuagwu	√	√	√	√
4	Kolawole Lawal	√	√	√	√
5	Adebowale Oyedeji	√	√	√	Ab
6	Helmut Engelbrecht	√	√	√	√
7	Funeka Montjane	/	/	√	√
8	Eric Fajemisin	/	/	√	√

√ = Present
/ = Yet to be appointed to the Committee
Ab= Absent with Apologies

Risk management committee

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

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

The risk management committee during the period 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 bank;

- 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 2023, the committee consisted of nine directors, five of whom, including the chairman were non-executives, while four were executive directors.

Members' attendance at risk management committee meetings for the year ended 31 December 2023 is stated below:

Name	Jan	April	July	October
Adebowale Oyedeji	√	√	√	Ab
Miannaya Essien, SAN (Chairman)	√	√	√	√
Rabi Isma	√	√	√	√
Wole Adeniyi	√	√	√	√
Bunmi Dayo-Olagunju	√	√	√	√
Simon Ridley	√	√	√	√
Rabi Isma	√	√	√	√
Helmut Engelbrecht	√	√	√	√
Olu Delano	√	√	√	√

√ = Present

Ab = Absent with Apologies

Board Audit Committee

The Board Audit Committee was established in July 2014 pursuant to the provisions of the revised CBN Code of Corporate Governance. The Mandate of the Committee was approved at the 29 October 2014 Board Meeting and revised annually and some of the responsibilities the committee was vested with are:

- Review the bank's interim and audited annual financial statements and all financial information intended for distribution to the shareholders and the general public, prior to submission to the full board;
- Assess the quality and integrity of the financial statements before submission to the board;
- reviewing the performance measures and criteria to be used for annual incentive payments for all employees;
- Assess the performance of financial management and review the quality of internal accounting control systems and reports produced by financial management;
- Review significant adjustments resulting from the audit and the appropriateness of major adjustments processed at year-end;
- Review written reports furnished by the internal audit departments of the Bank and of the Standard Bank Group, detailing the adequacy and overall effectiveness of the Bank's internal audit function and its implementation by Management, the scope and depth of coverage, reports on internal control and any recommendations and confirmation that appropriate action has been taken;
- Review the accounting policies adopted by the bank and all proposed changes in accounting policies and practices, and recommend such changes where these are considered appropriate in terms of generally accepted accounting practices. Consider also the adequacy of disclosures; and
- Obtain assurance from the external auditors that adequate accounting records are being maintained.

The Chief Executive attends meetings by invitation. Other members of executive management are invited to attend when appropriate.

As at 31 December 2023, the committee consisted of three directors, all of whom are non–executives, while the Chairman is an independent non-executive director.

Members' attendance at Board Audit Committee meetings for the year ended 31 December 2023 is stated below:

Name	February	April	July	October
Miannaya Essien, SAN (Chairman)	√	√	√	√
Simon Ridley	√	√	√	√
Demola Sogunle	√	√	√	√

√ = Present

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 bank's highest-paid executive directors and managers;
- reviewing the performance measures and criteria to be used for annual incentive payments for all employees;
- determining the remuneration of executive directors;
- determining the remuneration of the chairman and non-executive directors, which are subject to board and shareholder approval;

Remuneration committee (continued)

- considering the average percentage increases of the guaranteed remuneration of executive management across the bank, as well as long-term and short-term incentives; and
- agreeing incentive schemes across the bank.

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.

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 group'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 2023, the committee consisted of four directors, all of whom are non–executive directors, with the Chairperson being an Independent Non-Executive Director.

Members’ attendance at REMCO meetings for the year ended 31 December 2023 is stated below:

Name	February	April	July	September	October
Rabi Isma (Chairperson)	√	√	√	√	√
Miannaya Essien, SAN	√	Ab	√	√	√
Adebowale Oyedeji	√	√	√	√	Ab
Helmut Engelbrecht	√	√	√	√	√

√ = Present

Ab= Absent with Apologies

Remuneration

Introduction

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

Remuneration philosophy

The bank’s board and remuneration committee set a remuneration philosophy which is guided by SBG’s philosophy as well as the specific social, regulatory, legal and economic context of Nigeria.
In this regard, the bank 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 bank’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 bank's board sets the principles for the bank‘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.

Remuneration philosophy (continued)

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

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

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

Remuneration policy

The bank 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 bank's board in monitoring the implementation of the bank 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 bank 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 bank's policy. Shareholders approvals for such interim appointments are however sought at the annual general meeting that holds immediately after such appointments are made.

Non-executive directors are required to retire in accordance with the provisions of the Companies and Allied Matters Act and may offer themselves for re-election. If recommended by the board, their re-election is proposed to shareholders at the AGM at which they are retiring.
In terms of regulations, a non-executive director can not hold office for more than 12 consecutive years. 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 boards and board committees in line with the Central Bank of Nigeria's guidelines on the remuneration payable to such directors. 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 make 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 are payable for the reporting year 1 January to 31 December of each year.

Category	**2023**[(i)]	**2022**
Chairman	68,100,000	50,000,000
Non-Executive Directors	52,730,000	37,300,000
Sitting Allowances for Board Meetings[(ii)]		
- Chairman	830,000	720,000
- Non-Executive Directors	730,000	630,000

[(i)] This was approved by Shareholders at the 34th AGM of the Bank held on 25 May 2023

[(ii)]Fees quoted as sitting allowance represent per meeting sitting allowance paid for board, board committee 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 bank had six executive directors as at 31 December 2023

Executive Directors receive a remuneration package and qualify for long-term incentives on the same basis as other employees.

Executive Directors' bonuses and pension incentives are subject to an assessment by REMCO of performance against various criteria. The criteria include the financial performance of the bank, based on key financial measures and qualitative aspects of performance, such as effective implementation of group strategy and human resource leadership.

The employment contracts of executive directors have a termination clause of three months.

Like every other Director, Executive directors are required to retire from the board on a rotational basis, as required under the Companies and Allied Matters Act and may offer themselves for re-election. If recommended by the board, their re-election is proposed to shareholders at the AGM.

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, and

• where applicable, expatriate benefits in line with other expatriates in Nigeria.

Terms of service

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

Fixed remuneration

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

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

All employees (executives, managers and general staff) are rated on the basis of performance and potential and this is used to influence performance-related remuneration.

Rating and the consequent pay decision is done on an individual basis. There is therefore a link between rating, measuring individual performance and reward. In addition, 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 a particular business area.

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 talent. The scheme is designed to reward and retain top talent in the Senior Management cadre.

Corporate governance report (continued)
For the year ended 31 December 2023

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 for 2023
The amounts specified below represent the total remuneration paid to executive and non-executive directors for the year under review:

	Dec 2023 (N'm)	Dec 2022 (N'm)
Fees, sitting allowance & expenses	608	312
Executive compensation	1,025	786
Total	1,633	1,098

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

The Board nomination committee (NOMCO)

The board nominations committee is a sub-committee of the Board of Directors ("the board") of the bank 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.

Members' attendance at Board Nomination Committee meetings for the year ended 31 December 2023 is stated below:

Name	April	July
Miannaya Essien, SAN (Chairman)	√	√
Rabi Isma	√	√
Demola Sogunle	√	√

√ = Present

The Statutory 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 bank 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 Bank's Articles of Association.

As specified in the Central Bank of Nigeria (CBN) Code of Corporate Governance ("the CBN code"), the audit committee members have recent and relevant financial experience.

Composition

The committee is 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, as required by the CBN code, is chaired by a shareholder representative.

As at 31 December 2023, the committee consisted of the following persons:

Mr. Samuel Ayininuola*	Chairman
Barrister Jude Nosagie*	Member
Mr. Abas Alhassan*	Member
Mrs. Miannaya Essien, SAN**	Member
Mr. Simon Ridley**	Member

* = Shareholders representative
** = Non Executive Director

Members' attendance at audit committee meetings during the financial year ended 31 December 2023 is stated below:

Name	February	April	July	October
Mr. Samuel Ayininuola (Chairman)	√	√	√	√
Mrs. Miannaya Essien, SAN	√	√	√	√
Barr Jude Nosagie	Ab	Ab	Ab	√
Mr Abas Alhassan	√	√	√	√
Simon Ridley	√	√	√	√

√ = Attendance
A = Absent with Apologies

Given that the Companies and Allied Matters Act 2020 does not require private companies to constitute a Statutory Audit Committee, the operations of the Committee have ceased, following the re-registration of the bank from a public company limited by shares to a private company limited by shares which became effective from 26 October 2023

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, 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 bank has the following management committees:

- Stanbic IBTC Bank executive committee (EXCO)
- Corporate and Transactional Banking (CTB) ManCo
- Business and Commercial Banking (BCB) ManCo
- Personal and Private Banking (PPB) ManCo
- Credit Committee
- Credit Risk committee
- Asset and Liability Committee (ALCO)
- Pricing committee

Relationship with shareholders, and majority shareholder

With the implementation of the Scheme of Arrangement dated 04 July 2012 between the Bank and its shareholders, which Scheme became effective on 08 November 2012, Stanbic IBTC Holdings PLC became majority shareholder in the bank, with 99.99% shareholding. Mr. Yinka Sanni holds 1 share as a nominee shareholder.

Voting at general meetings is conducted by 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 Bank has introduced policies to restrict the dealing in securities by directors, shareholder representatives on the audit committee and employees.

Sustainability

The Bank as a subsidiary of Stanbic IBTC Holdings PLC and 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 Bank subscribes to and adopts risk management standards, policies and procedures that have been adopted by the SBG. The Bank is also bound by the Nigerian Sustainable Banking Principles (“the Principles”) and the provisions of the Principles are incorporated into a policy.

Stanbic IBTC is committed to contributing to sustainable development through ethical, responsible financing and business practice 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. We would continue to make a difference in our environment through our activities to provide a brighter and better tomorrow.

Social responsibility

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

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

The bank is concentrating its social investment expenditure in defined focus areas which currently include education in order to make the greatest impact. These areas of focus will be subject to annual revision as the countries 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 code of Corporate Governance.

Although Stanbic IBTC Bank Limited is primarily regulated by the Central Bank of Nigeria (“CBN”), we confirm that for the year ended 31 December 2023, the bank has complied with the principles set out in the Nigerian Code of Corporate Governance 2018 (NCCG) , the Securities and Exchange Commission’s (SEC) Guidelines issued pursuant to the NCCG, SEC Code of Corporate Governance, the CBN Code of Corporate Governance, as well as all regulations issued by the CBN for banks remain an essential characteristic of its culture. We confirm that as at the year ended 31 December 2023 the Bank has complied in all material respects with the principles set out in the CBN’s code of Corporate Governance, SEC code of Corporate Governance and the Nigerian Code of Corporate Governance.

Consumer complaints helpdesk activity

In line with customer experience strategy of the Bank and policy thrust of Central Bank of Nigeria (CBN), the customer complaints management desk of the Bank was set up to manage customer requests from every area of the business.

The activities of the desk for the year are summarised as follows:

	Number		Amount Claimed N'000		Amount Refunded N'000	
Financial Period	**Dec-23**	**Dec-22**	**Dec-23**	**Dec-22**	**Dec-23**	**Dec-22**
Pending complaints at start of period	8,452	1,017	190,319	454,203	N/A	N/A
Complaints received	484,074	296,053	5,085,603	30,940,108	N/A	N/A
Complaints resolved	489,117	288,618	5,030,899	30,749,790	2,056,537	1,170,045
Unresolved complaints escalated to CBN for intervention	-	-	N/A	-	N/A	N/A
Unresolved complaints pending with the bank at end of the year	3,409	8,452	245,022	190,319	N/A	N/A

Fraud and forgeries

In accordance with the CBN's Code of Corporate Governance, fraud and forgeries recorded for the period was as follows.

Fraud and forgeries	**Dec '23**	**Dec '22**
Number of fraud incidents	5,652	6,715
Amount involved (N million)	2,268	2,217
Amount involved ($ million)	0.203	20.3
Actual/ expected loss (N million)	95	244
Amount prevented/ recovered (N million)	53	590
Amount prevented/ recovered ($ million)	0.135	20.2

Whistle blowing

In line with the Central Bank of Nigeria's (CBN) guidelines on whistle blowing, the bank has a whistle blowing policy (policy) which has been approved by the Board. The Board supports the implementation of the policy which actively encourages the bank's employees and other stakeholders to report any unlawful, irregular or unethical conduct that is observed through the requisite whistle blowing channels through confidential or anonymous disclosures. A whistle blower may choose to reveal his or her identity when a report or disclosure is made, and the bank will respect and protect the confidentiality and identity of the whistle blower. A whistle-blower may also choose not to reveal his or her identity when reporting or disclosing any unlawful or unethical conduct and such report could be made through the bank's whistle blowing channels.

The dedicated whistle blowing channels are +234 1 2717739 or 01 4227777/fraud@stanbicibtc.com or fraud@kpmg.co.za and are managed by an independent third party. The policy also includes the CBN's whistle blowing channel which is anticorruptionunit@cbn.gov.ng

Whistle blowing disclosures are treated in confidence and the bank does not subject whistle blowers to any detriment, reprisals etc in relation to disclosures made in line with the policy.

Training and awareness on whistle blowing is conducted. Yearly returns on whistle blowing are also rendered to the CBN and Nigeria Deposit Insurance Company (NDIC) respectively.

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.

Succession planning policy

The group has a talent and succession policy. Succession management is a proactive approach to ensure that talent is available, in critical roles, at various levels, when needed, to drive organisational sustainability, in line with Stanbic IBTC's value of 'growing our people', it creates a culture that promotes the ongoing development of talent.

ii) Gender diversity within the Bank

	December 2023		December 2022	
	Workforce	**% of gender composition**	**Workforce**	**% of gender composition**
Total workforce:				
Women	912	47%	884	46%
Men	1,033	53%	1,051	56%
	1,945	**100%**	1,935	**100%**
Recruitments made during the period:				
Women	185	53%	209	48%
Men	163	47%	223	52%
	348	**100%**	432	**100%**
Diversity of members of board of directors - *Number of Board members*				
Women	3	20.0%	4	31%
Men	12	80.0%	9	69%
	15	**100%**	13	**100%**
Diversity of board executives - *Number of Executive directors to Chief executive officer*				
Women	1	17%	1	20%
Men	5	83%	5	80%
	6	**100%**	6	**100%**
Diversity of senior management team - *Number of Assistant General Manager to General Manager*				
Women	26	35%	22	33%
Men	49	65%	45	67%
	75	**100%**	67	**100%**

Mobile money activities

The following disclosure is made as required by the Central Bank of Nigeria's (CBN) regulations which mandate mobile operators to disclose mobile money activities in their annual report.
Our transaction statistics for the reporting period are as follows:

Transaction type	**Volume of transaction (Number)**		**Value of transaction (N'000)**	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
Money transfer (wallet to wallet)	**1,171,791**	777,936	**6,304,701**	2,164,729
Money transfer (bank account transfer)	**1,951,588**	1,393,167	**5,571,413**	3,219,183
Telephone airtime purchase	**326,342**	48,821	**130,446**	132,098
Bills payments	**77,175**	1,309	**264,332**	27,833
Withdrawals	**7,499**	1,258	**67,250**	23,425
Total	**3,534,395**	2,222,491	**12,338,142**	5,567,269

Payment card activities

In line with the Central Bank of Nigeria cashless policy, the group has as its priority a drive to issue cards of various types to meet the payment needs of various customer types and segments.

Our transaction statistics for the last 2 years are as follows:

Card type	**Volume of transaction (Number)**		**Value of transaction (N'000)**	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
Debit cards	**96,893,406**	45,102,560	**1,192,902,090**	641,764,445
Credit cards	**247,351**	261,265	**8,834,093**	5,825,270
Prepaid cards	**179,611**	170,080	**5,841,432**	5,539,326

Certification by Chief Executive Officer and Chief Financial Officer
For the year ended 31 December 2023

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 financial statements (AFS) for the year ended 31 December 2023 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 have 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.

Wole Adeniyi
Chief Executive
FRC/2013/ICAN/00000001074
02 February 2024

Bayo Olujobi
Chief Financial Officer
FRC/2015/ICAN/00000012619
02 February 2024

Report of the audit committee
For the year ended 31 December 2023

To the members of Stanbic IBTC Bank Limited

The Audit Committee has considered the audited consolidated and separate financial statements for the year ended 31 December 2023 together with the management controls report from the auditors and the bank's response to this report at its meeting held on 01 February 2024.

In our opinion, the scope and planning of the audit for the year ended 31 December 2023 was adequate.

We have exercised our function 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 Bank 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 2023 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 generally accepted accounting principles.

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

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

Mr. Samuel Ayininuola
Chairman, Audit Committee
FRC/2016/ICAN/00000015248
01 February 2024

Members of the audit committee are:

1.	Mr. Samuel Ayininuola	Chairman
2.	Barrister Jude Nosagie	Member
3.	Mr. Abas Alhassan	Member
4.	Mrs. Miannaya Essien, SAN	Member
5.	Mr. Simon Ridley	Member

Building a better
working world

Ernst & Young
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Fax: (234 -1) 4630481
E-mail: services@ng.ey.com

Report of External Consultants on the Board Performance Evaluation of Stanbic IBTC Bank Limited

We have performed the evaluation of the Board of Stanbic IBTC Bank Limited for the year ended 31st December 2023 in accordance with the guidelines of Section 10.1 of the Central Bank of Nigeria (CBN) Corporate Governance Guidelines (CGG) 2023 and Section 14.1 and 15.1 of the Financial Reporting Council (FRC) Nigerian Code of Corporate Governance (NCCG) 2018.

The CBN CGG 2023 and the FRC NCCG 2018 provides that there shall be an annual appraisal of the Board, its Committees, Chairman and individual directors covering all aspects of the Board's structure, composition, responsibilities, processes and relationships. Section 10.4 of the CBN CGG requires that the appraisal shall be conducted by an independent external consultant with adequate experience, knowledge and competence in corporate governance and performance management. Section 15.2 of the FRC NCCG states that the summary of the report of the evaluation should be included in the Company's annual report and on the investors' portal of the Company.

Our approach included the review of Stanbic IBTC Bank Limited's Corporate Governance framework and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the Directors and key personnel of the Bank.

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

On the basis of our work, the Board of Stanbic IBTC Bank Limited has complied with the Central Bank of Nigeria Corporate Governance Guidelines 2023 and the Financial Reporting Council (FRC) Nigerian Code of Corporate Governance (NCCG) 2018 during the year ended 31st December 2023.

The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Corporate Governance section of Stanbic IBTC Bank Limited's 2023 Annual Report.

For: Ernst & Young

Abiodun Ogunoiki
Associate Partner and Financial Services Risk Management Leader, West Africa
FRC/2022/PRO/DIR/003/119476

Independent auditor's report

To the Members of Stanbic IBTC Bank Limited

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 Bank Limited ("the bank") and it's subsidiary (together "the group") as at 31 December 2023, 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, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Stanbic IBTC Bank Limited's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of profit or loss for the year then ended;
- the consolidated and separate statements of other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of material 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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Impairment allowance of loans and advances to customers – N58.8bn (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 N2.032 trillion.

The key areas of significant judgement in the calculation of ECL include:

- Definition of default applied by the bank;
- Assessment of loans which experienced significant increase in credit risk (SICR);
- Estimation of point-in-time probability of default (PD) used in the ECL model;
- Estimation of Loss Given Default (LGD) as well as the assessment of the assumptions applied in estimating the LGD such as the collateral valuation included for stage 3 loans and recoveries applied;
- 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;
- Incorporation of forward looking information (FLI) and estimation of probability weights for each scenario applied in the ECL model.

This is considered a key audit matter in the consolidated and separate financial statements.

</td><td>

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 checked that it is consistent with IFRS 9 - Financial Instruments qualitative default criteria.

We selected a sample of credit facilities and evaluated the loan performance indicators to assess if there is any occurrence of SICR.

With the assistance of the 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 Bank's PD methodology and reperformed the 12 month and lifetime point in time PD per product category using the cohort approach.

</td></tr>
</table>

	• checked the accuracy of the computed LGD, for stage 3 loans and assessed the reasonableness of collateral valuation as well as the validity of recoveries applied in determining the LGD; • checked the appropriateness of the EAD estimates for the on-balance sheet exposure and CCF estimates used for loan commitments and off-balance sheet exposures by reviewing the methodology and logic applied; • checked the methodology for incorporating forward looking information (FLI) into the ECL model and assessed the FLI for reasonableness given current macroeconomic factors; • assessed the methodology applied in the IFRS 9 impairment calculation engine used to combine PD, LGD and EAD term structures in determining the 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 the Directors' Report, Statement of Directors' Responsibilities in relation to the financial statement, 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 statement, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Banks and Other Financial Institutions 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 the 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.

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 and the Banks and Other Financial Institutions Act require 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 bank 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 bank'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;

iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 37 to the consolidated and separate financial statements; and

v) as disclosed in Note 39 to the consolidated and separate financial statements, the bank paid penalties in respect of contraventions of relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2023.

Chioma Obaro

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0466254

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

13 February 2024

Engagement Partner: Chioma Obaro
FRC/2017/ICAN/00000017333

STANBIC IBTC BANK LIMITED

Consolidated and separate statements of financial position
As at 31 December 2023

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
	Note	**N'million**	N'million	**N'million**	N'million
Assets					
Cash and cash equivalents	7	**1,362,369**	643,810	**1,362,369**	643,810
Trading assets	9.1	**67,907**	190,427	**67,907**	190,427
Pledged assets	8	**374,912**	127,990	**374,912**	127,990
Derivative assets	10.6	**550,720**	42,134	**550,720**	42,134
Financial investments	11	**341,608**	478,086	**341,608**	478,086
Loans and advances	12	**2,041,018**	1,208,189	**2,041,018**	1,208,189
Loans and advances to banks	12	**8,668**	3,404	**8,668**	3,404
Loans and advances to customers	12	**2,032,350**	1,204,785	**2,032,350**	1,204,785
Other assets	14	**196,335**	117,673	**196,106**	117,555
Property and equipment	16	**30,677**	28,289	**30,629**	28,287
Intangible assets	17	**2,442**	3,207	**2,442**	3,207
Right of use assets	18	**2,730**	2,456	**2,730**	2,456
Deferred tax assets	15	**3,581**	12,390	**3,541**	12,368
Total assets		**4,974,299**	2,854,651	**4,973,982**	2,854,509
Equity and liabilities					
Equity		**374,919**	280,949	**372,788**	279,107
Equity attributable to ordinary shareholders		**374,919**	280,949	**372,788**	279,107
Share capital	19	**20,000**	1,875	**20,000**	1,875
Share premium	19	**42,469**	42,469	**42,469**	42,469
Reserves		**312,450**	236,605	**310,319**	234,763
Liabilities		**4,599,380**	2,573,702	**4,601,194**	2,575,402
Trading liabilities	9.2	**480,464**	220,971	**480,464**	220,971
Derivative liabilities	10.6	**446,993**	26,099	**446,993**	26,099
Current tax liabilities	24	**5,889**	2,128	**5,418**	1,911
Deposits and current accounts	21	**2,750,432**	1,751,838	**2,751,483**	1,752,928
Deposits from banks	21	**658,885**	491,080	**658,885**	491,080
Deposits from customers	21	**2,091,547**	1,260,758	**2,092,598**	1,261,848
Other borrowings	22	**375,959**	187,957	**375,959**	187,957
Debts Securities Issued	23	**74,311**	70,878	**74,311**	70,878
Provisions	25	**11,233**	8,236	**11,256**	8,197
Other liabilities	26	**454,099**	305,595	**455,310**	306,461
Total equity and liabilities		**4,974,299**	2,854,651	**4,973,982**	2,854,509

Wole Adeniyi
Chief Executive
FRC/2013/ICAN/00000001074
02 February 2024

Bayo Olujobi
Chief Financial Officer
FRC/2015/ICAN/00000012619
02 February 2024

Demola Sogunle
Director
FRC/2013/CIBN/00000001034
02 February 2024

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

STANBIC IBTC BANK LIMITED

Consolidated and separate statements of profit or loss
For the year ended 31 December 2023

		Group		Bank	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
For the year ended	**Note**	**N'million**	N'million	**N'million**	N'million
Gross earnings		**363,587**	211,256	**363,797**	211,549
Net interest income		**164,459**	105,522	**164,459**	105,522
Interest income	31.1	**260,386**	145,667	**260,386**	145,667
Interest expense	31.2	**(95,927)**	(40,145)	**(95,927)**	(40,145)
Non-interest revenue		**95,680**	60,588	**95,890**	60,881
Net fee and commission revenue	31.3	**31,548**	25,209	**31,524**	25,167
Fee and commission revenue	31.3	**39,069**	30,210	**39,045**	30,168
Fee and commission expense	31.3	**(7,521)**	(5,001)	**(7,521)**	(5,001)
Trading revenue	31.4	**62,502**	34,417	**62,502**	34,417
Other income	31.5	**1,630**	962	**1,864**	1,297
Income before credit impairment charges		**260,139**	166,110	**260,349**	166,403
Net impairment loss on financial instruments	31.6	**(15,093)**	(10,148)	**(15,068)**	(10,147)
Income after credit impairment charges		**245,046**	155,962	**245,281**	156,256
Operating expenses		**(121,116)**	(96,019)	**(121,897)**	(96,524)
Staff costs	31.7	**(45,441)**	(33,973)	**(44,838)**	(33,487)
Other operating expenses	31.8	**(75,675)**	(62,046)	**(77,059)**	(63,037)
Profit before tax		**123,930**	59,943	**123,384**	59,732
Income tax	33.1	**(13,501)**	(4,798)	**(13,244)**	(4,582)
Profit for the year		**110,429**	55,145	**110,140**	55,150
Profit attributable to:					
Equity holders of the parent		**110,429**	55,145	**110,140**	55,150
Profit for the year		**110,429**	55,145	**110,140**	55,150
Earnings per share					
Basic earnings per ordinary share (kobo)	34	**276**	138	**275**	138
Diluted earnings per ordinary share (kobo)	34	**276**	138	**275**	138

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

STANBIC IBTC BANK LIMITED

Consolidated statement of changes in equity
For the year ended 31 December 2023

Group	Note	Ordinary share capital N'million	Share premium N'million	Statutory credit risk reserve N'million	Fair value through OCI reserve N'million	Share-based payment reserve N'million	SMIEIS reserves N'million	AGSMIEIS reserves N'million	Statutory reserves N'million	Retained earnings N'million	Ordinary shareholders' equity N'million
Balance at 1 January 2023		**1,875**	**42,469**	**3,903**	**570**	**-**	**1,039**	**14,476**	**63,335**	**153,282**	**280,949**
Total comprehensive income for the year		**-**	**-**	**-**	**6,291**	**-**	**-**	**-**	**-**	**110,429**	**116,720**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**110,429**	**110,429**
Other comprehensive income after tax for the year		**-**	**-**	**-**	**6,291**	**-**	**-**		**-**	**-**	**6,291**
Net change in fair value on financial assets at FVOCI(debt)		**-**	**-**	**-**	**5,276**	**-**	**-**	**-**	**-**	**-**	**5,276**
Net changes in fair value on financial assets at FVOCI (equity)		**-**	**-**	**-**	**472**	**-**	**-**	**-**	**-**	**-**	**472**
Realised fair value adjustments on financial assets at FVOCI (debt)		**-**	**-**	**-**	**(71)**	**-**	**-**	**-**	**-**	**-**	**(71)**
Expected credit loss movement on debt financial assets at FVOCI		**-**	**-**	**-**	**614**	**-**	**-**	**-**	**-**	**-**	**614**
Statutory credit risk reserve	15	**-**	**-**	**11,897**	**-**		**-**	**-**	**-**	**(11,897)**	**-**
Transfer to statutory reserve		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,521**	**(16,521)**	**-**
Transfer to AGSMIEIS		**-**	**-**	**-**	**-**	**-**	**-**	**5,507**	**-**	**(5,507)**	**-**
Share Capital Increase		**18,125**								**(18,125)**	**-**
Transactions with shareholders, recorded directly in equity		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(22,750)**	**(22 750)**
Dividends paid to equity holders	20		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(22,750)**	**(22,750)**
Balance at 31 December 2023		**20,000**	**42,469**	**15,800**	**6,861**	**-**	**1,039**	**19,983**	**79,856**	**188,911**	**374,919**
Balance at 1 January 2022		1,875	42,469	5,439	2,192	36	1,039	10,240	55,062	135,263	253,615
Reclassification of share-based reserve		-	-	-		(36)	-	-	-	36	-
Total comprehensive(loss)/income for the year			``		(1,622)					55 145	53 523
Profit for the year		-	-	-	-	-	-	-	-	55,145	55,145
Other comprehensive income after tax for the year		-	-	-	(1,622)	-	-	-	-	-	(1,622)
Net change in fair value on financial assets at FVOCI(debt)					(2,392)						(2,392)
Net changes in fair value on financial assets at FVOCI (equity)		**-**	**-**	-	605	-	-	-	-	-	605
Realised fair value adjustments on financial assets at FVOCI (debt)		**-**	**-**	**-**	(26)	**-**	**-**	**-**	-	-	(26)
Expected credit loss movement on debt financial assets at FVOCI		**-**	**-**	**-**	191	**-**	**-**	-	**-**	-	191
Statutory credit risk reserve		-	-	(1,536)	-	-	-	-	-	1,536	-
Transfer to statutory reserve		-	-	-	-		-	-	8,273	(8,273)	-
Transfer to AGSMIEIS		-	-	-	-	-	-	4,236	-	(4,236)	-
Transactions with shareholders, recorded directly in equity		-	-	-	-	-	-	-	-	(26,189)	(26,189)
Dividends paid to equity holders		-	-	-	-	-	-	-	-	(26,189)	(26,189)
Balance at 31 December 2022		1,875	42,469	3,903	570	-	1,039	14,476	63,335	153,282	280,949

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

STANBIC IBTC BANK LIMITED

Separate statement of changes in equity
For the year ended 31 December 2023

Bank	Note	Ordinary share capital N'million	Share premium N'million	Statutory credit risk reserve N'million	Fair value through OCI reserve N'million	Share-based payment reserve N'million	SMIEIS reserves N'million	AGSMIEIS reserves N'million	Statutory reserves N'million	Retained earnings N'million	Ordinary shareholders' equity N'million
Balance at 1 January 2023		**1,875**	**42,469**	**3,903**	**692**	**-**	**1,039**	**14,476**	**63,337**	**151,316**	**279,107**
Total comprehensive income for the year		**-**	**-**	**-**	**6,291**	**-**	**-**	**-**	**-**	**110,140**	116,431
Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**		**-**	**110,140**	110,140
Other comprehensive profit after tax for the year		**-**	**-**	**-**	**6,291**	**-**	**-**	**-**	**-**	**-**	6,291
Net change in fair value on financial assets at FVOCI(debt)		**-**	**-**	**-**	**5,276**	**-**	**-**			**-**	**5,276**
Net changes in fair value on financial assets at FVOCI (equity)		**-**	**-**	**-**	**472**	**-**	**-**	**-**	**-**	**-**	**472.00**
Realised fair value adjustments on financial assets at FVOCI (debt)		**-**	**-**	**-**	**(71)**	**-**	**-**	**-**	**-**	**-**	**-71.00**
Expected credit loss movement on debt financial assets at FVOCI		**-**	**-**	**-**	**614**	**-**	**-**	**-**	**-**	**-**	**614**
Statutory credit risk reserve		**-**	**-**	**11,897**	**-**	**-**	**-**	**-**	**-**	**(11,897)**	**-**
Transfer to statutory reserve		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,521**	**(16,521)**	**-**
Transfer to AGSMIEIS		**-**	**-**	**-**	**-**	**-**	**-**	**5,507**	**-**	**(5,507)**	**-**
Share Capital Increase		**18,125**								**(18,125)**	**-**
Transactions with shareholders, recorded directly in equity		**-**								**(22,750)**	**(22,750)**
Dividends paid to equity holders	20	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(22,750)**	**(22,750)**
Balance at 31 December 2023		**20,000**	**42,469**	**15,800**	**6,983**	**-**	**1,039**	**19,983**	**79,858**	**186,656**	**372,788**

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

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

Consolidated and separate statements of other comprehensive income
For the year ended 31 December 2023

		Group		Bank	
		31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
For the year ended	**Note**	**N'million**	N'million	**N'million**	N'million
Profit for the year		**110,429**	55,145	**110,140**	55,150
Other comprehensive income:					
Items that will not be reclassified to profit or loss		**-**	-	**-**	-
Movement in financial assets at FVOCI (equity instruments):		**472**	605	**472**	605
Net change in fair value		**472**	605	**472**	605
Related income tax		**-**	-	**-**	-
Items that are or may be reclassified subsequently to profit or loss:					
Movement in debt instruments measured at fair value through other comprehensive income (OCI)		**5,819**	(2,227)	**5,819**	(2,234)
Total expected credit loss		**614**	191	**614**	191
Net change in fair value		**5,276**	(2,392)	**5,276**	(2,399)
Realised fair value adjustments transferred to profit or loss		**(71)**	(26)	**(71)**	(26)
Other comprehensive income/(loss) for the year net of tax		**6,291**	(1,622)	**6,291**	(1,629)
Total comprehensive income for the year		**116,720**	53,523	**116,431**	53,521
Total comprehensive income attributable to:					
Equity holders of the parent		**116,720**	53,523	**116,431**	53,521
		116,720	53,523	**116,431**	53,521

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

Consolidated and separate statement of cash flows

For the year ended 31 December 2023

For the year ended		Note	Group 31 Dec. 2023 N'million	Group 31 Dec. 2022 N'million	Bank 31 Dec. 2023 N'million	Bank 31 Dec. 2022 N'million
Net cash flows used in operating activities			**63,828**	(144,390)	**63,774**	(144,391)
Cash flows from operations			**(27,138)**	(238,424)	**(27,449)**	(238,959)
Profit before tax			**123,930**	59,943	**123,384**	59,732
Adjusted for:			**(9,943)**	(71,189)	**(10,156)**	(71,529)
Credit impairment charges on financial instruments		31.6	**15,093**	10,148	**15,068**	10,147
Depreciation of property and equipment		16.2	**5,712**	4,850	**5,760**	4,846
Amortisation of intangible assets		31.8	**765**	765	**765**	765
Depreciation of right of use assets		18.2	**1,193**	1,082	**1,193**	1,082
Unobservable valuation difference in derivatives		10.7	**(8,519)**	(11,638)	**(8,519)**	(11,638)
Dividend income		31.5	**(408)**	(480)	**(644)**	(815)
Unrealised Income from repossessed collateral		31.5	**(325)**	-	**(325)**	-
Net loss on sale of investment securities		35.8	**(6,291)**	(1,622)	**(6,291)**	(1,622)
Fair value adjustment for derivatives		35.5	**(79,173)**	13,295	**(79,173)**	13,295
Non-cash flow movements in other borrowings		22	**198,310**	14,073	**198,310**	14,073
Non-cash flow movements in debt securities issued		35.6	**28,780**	3,949	**28,780**	3,949
Interest expense		31.2	**95,927**	40,145	**95,927**	40,145
Interest income		31.1	**(260,386)**	(145,667)	**(260,386)**	(145,667)
Gains on disposal of property and equipment		31.5	**(621)**	(89)	**(621)**	(89)
Increase in loans and other assets		35.1	**(1,421,016)**	(364,483)	**(1,420,880)**	(364,058)
Increase in deposits and other liabilities		35.2	**1,279,891**	137,305	**1,280,203**	136,896
Dividends received			**408**	432	**644**	734
Interest paid			**(89,147)**	(40,724)	**(89,147)**	(40,724)
Interest received			**180,562**	136,898	**180,562**	136,898
Direct taxation paid		24.2	**(857)**	(2,572)	**(836)**	(2,340)
Net cash flows (used in)/ from investing activities			**(23,135)**	(58,300)	**(23,081)**	(58,297)
Capital expenditure on	- property	16	**(286)**	(446)	**(286)**	(446)
	- equipment, furniture and vehicles	16	**(9,868)**	(7,738)	**(9,814)**	(7,734)
	- intangible assets	17.1	**-**	-	**-**	-
	- right of use	18.1	**(1,467)**	(1,278)	**(1,467)**	(1,278)
Proceeds from sale of property, equipment, furniture and vehicles		35.7	**2,675**	254	**2,675**	253
Purchase of financial investment		35.8	**(465,163)**	(674,729)	**(465,163)**	(674,729)
Sale of Financial Investment		35.8	**450,974**	625,637	**450,974**	625,637
Net cash flows (used in)/ from financing activities			**(58,405)**	30,772	**(58,405)**	30,772
Proceeds from addition to other borrowings		22	**138,371**	64,829	**138,371**	64,829
Repayment of other borrowings		22	**(148,679)**	(27,378)	**(148,679)**	(27,378)
Proceeds from debt securities issued		23	**58,002**	45,010	**58,002**	45,010
Repayment of debt securities issued		23	**(83,349)**	(25,500)	**(83,349)**	(25,500)
Cash dividends paid			**(22,750)**	(26,189)	**(22,750)**	(26,189)
Net increase in cash and cash equivalents			**(17,712)**	(171,918)	**(17,712)**	(171,916)
Effect of exchange rate changes on cash and cash equivalents		35.4	**124,359**	513	**124,359**	513
Cash and cash equivalents at beginning of the year			**588,140**	759,545	**588,140**	759,543
Cash and cash equivalents at end of the year		35.3	**694,787**	588,140	**694,787**	588,140

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

1 Reporting entity

Stanbic IBTC Bank Limited ('the bank') is a company domiciled in Nigeria. The Bank's registered office is at I.B.T.C Place, Plot 1C Walter Carrington Crescent, Victoria Island, Lagos. The consolidated and separate financial statements as at and for the year ended 31 December 2023 comprise the bank and its subsidiary, Stanbic IBTC Nominees Limited (together referred to as 'the group'), and individually as group entities.

The group is primarily involved in the provision of corporate, personal and business banking, and custodian services.

2 Basis of preparation

(a) Statement of compliance

These consolidated and separate financial statements for the year ended 31 December 2023 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 Company 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 were authorised for issue by the Board of Directors on 02 February 2024.

(b) Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for the following material items:

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

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

(c) Going concern assumption

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

(d) Functional and presentation currency

The consolidated and separate financial statements are presented in Nigerian Naira, which is the bank and it's subsidiary's functional and presentation currency. All financial information presented in Naira has been rounded to the nearest million, except where otherwise stated.

(e) Use of estimates and judgement

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

In preparing these financial statements, significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes.

- 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 the fair value of financial instruments with significant unobservable inputs (see note 6.3).
- Provision for contingent items such as legal claims, fines, penalties and other tax penalties. (see note 6.7).
- Impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL (see note 12.3).

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 2023 is included in the following notes.

- Determination of the fair value of financial instruments with significant unobservable inputs (see note 6.3).
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used (see note 15).
  Included in the recoverability review of deferred tax assets is assumptions about interest rates, exchange rates and inflation rate.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (see notes 6.7).

3 Changes in significant accounting policies (continued)

Adoption of amended standards effective for the current financial year

- **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 Bank and Group are not involved in insurance business, hence, this amendment and interpretation to the IFRS standards, adopted on 1 January 2023 did not have any impact on the bank’s results upon transition.

- **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”.
  The adoption of this amendment did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's result materially upon transition.

- **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.

  The adoption of this amendment did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's result materially upon transition.

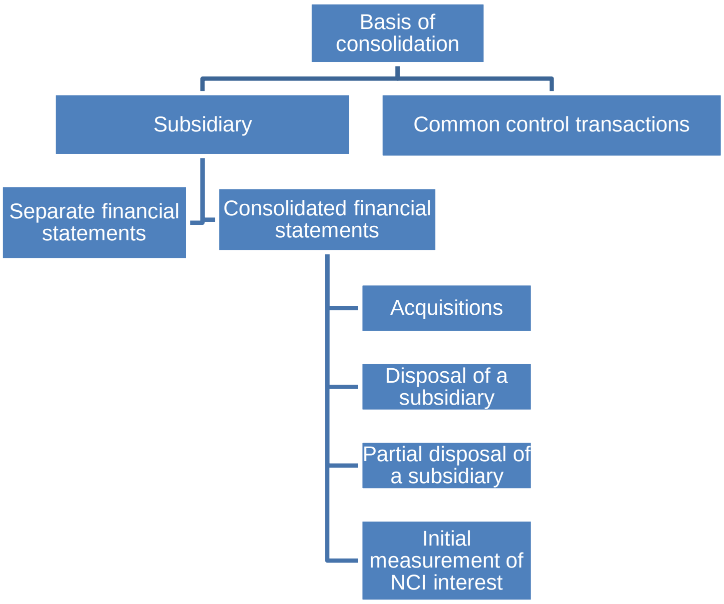
- **Definition of Accounting Estimate – Amendments to IAS 8:** The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting 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.

  The adoption of this amendment did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's result 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 years presented in these consolidated and separate financial statements.

4.1 Basis of consolidation



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

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

Acquisitions	Subsidiaries are entities controlled by the group and are consolidated from the date on which the group acquires control up to the date that control is lost. The group controls an entity if it is exposed to, or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control is assessed on a continuous basis. For mutual funds the group further assesses its control by considering the existence of either voting rights or significant economic power. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the group. The consideration transferred is measured as the sum of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. The consideration includes any asset, liability or equity resulting from a contingent consideration arrangement. The obligation to pay contingent consideration is classified as either a liability or equity based on the terms of the arrangement. The right to a return of previously transferred consideration is classified as an asset. Transaction costs are recognised within profit or loss as and when they are incurred. Where the initial accounting is incomplete by the end of the reporting 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	A disposal arises where the group loses control of a subsidiary. When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received (including the fair value of any retained interest in the underlying investee) and the carrying amount of the assets and liabilities and any non-controlling interest. Any gain or loss 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 foreign currency translation rate is reclassified to profit or loss at the time at which the profit or loss on disposal of the foreign operation is recognised.
Partial disposal of 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. 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 in line with IFRS

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.

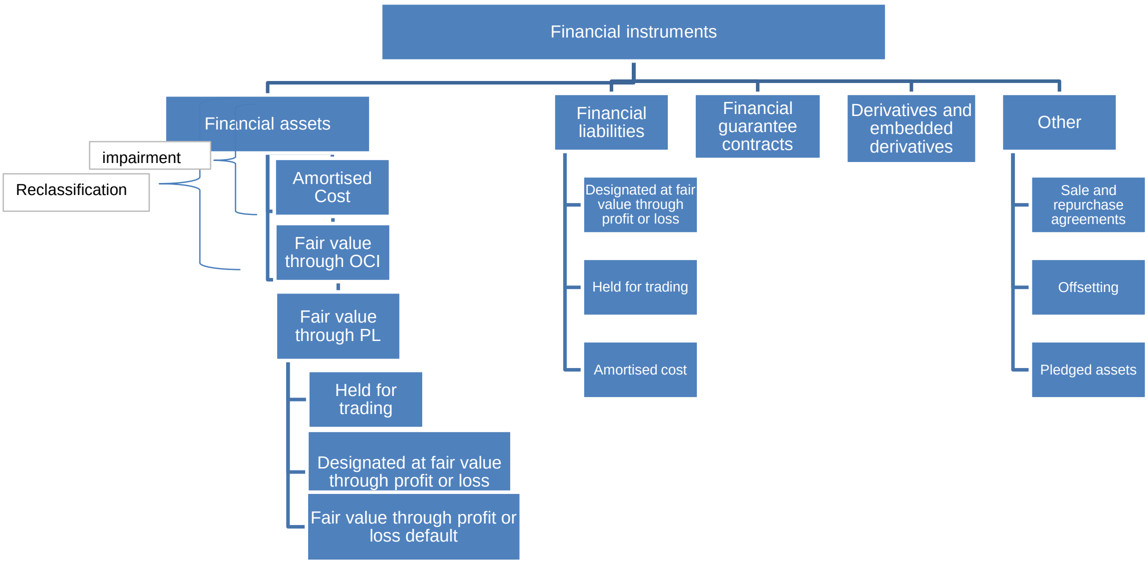
4.2 Cash and cash equivalents

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 Profit or Loss 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 fairvalue 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.
Fair value through P or L	• 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. • 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.

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
Fair value through P or L	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.

Impairment

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

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

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

4 Statement of significant accounting policies (continued)

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

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

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

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

Reclassification

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

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

4 Statement of significant accounting policies (continued)

Financial liabilities

Nature

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

Subsequent measurement

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

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

Derecognition of financial assets and liabilities

Financial assets and liabilities are derecognised in the following instances:

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

Modification of financial assets and liabilities

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

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

4 Statement of significant accounting policies (continued)

Financial guarantee contracts

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

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

• the 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.

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.

Repossesed Collateral

Repossessed collateral are equities, investment properties or other investments repossessed from a customer to be used to settle the outstanding obligation.

When collaterals are repossessed on written off loans recognised in other assets and income, the receivable is written down against the allowance for losses. Repossessed collaterals are included in the financial statement based on how the Bank intends to realize benefit from such collateral such as "Non current assets held for sale" and carried at the lower of cost or estimated fair value less cost to sell, if the group intends to sell or cost less accumulated depreciation, if for use in the normal course of business.

The group's accounting policy is to determined whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Asset for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the group's policy.

Collateral Valuation

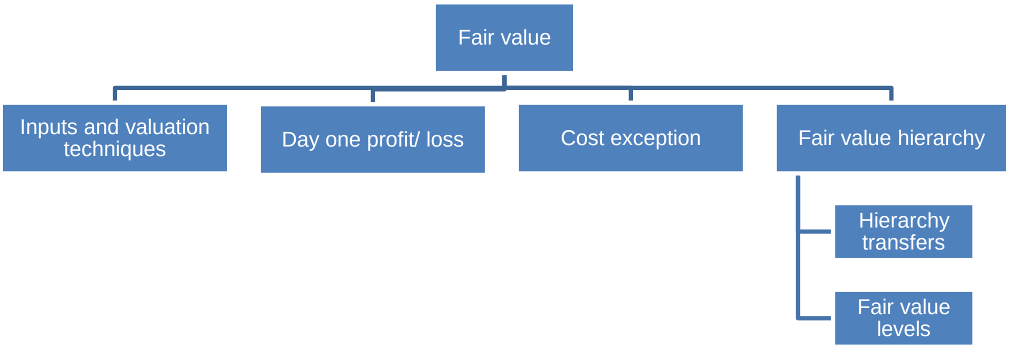
To mitigate its credit risks on financial assets, the group seeks to use collateral, where possible. The collaterals comes in various forms, such as cash, securities, letter of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed every three years.

To the extent possible, the Bank uses active market data for valuing financial assets held as collaterals. Other financial assets which do not have readily determinable market values are using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as external valuers.

4 Statement of significant accounting policies (continued)

4.4 Fair value



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

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

Inputs and valuation techniques

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

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

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

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

4 Statement of significant accounting policies (continued)

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

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

4 Statement of significant accounting policies (continued)

Day one profit or loss

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

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

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

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

Fair value hierarchy

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

Hierarchy levels

The levels have been defined as follows:

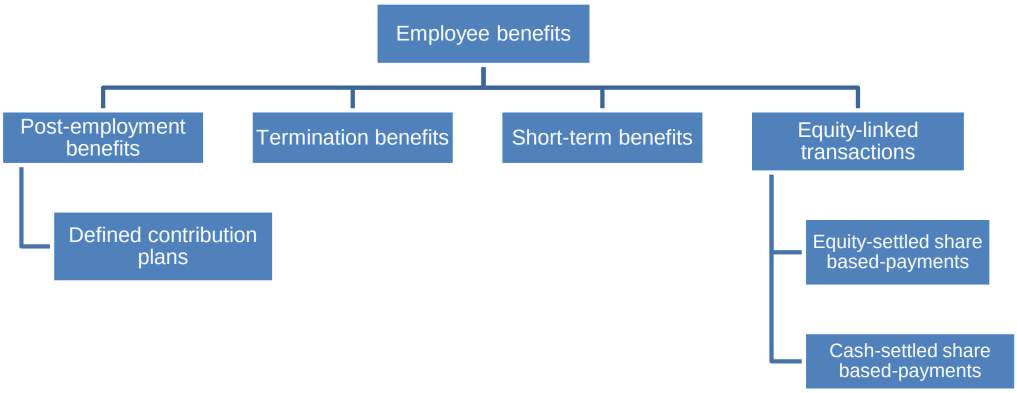
Level 1	Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing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

Hierarchy transfer policy

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

4 Statement of significant accounting policies (continued)

4.5 Employee benefits



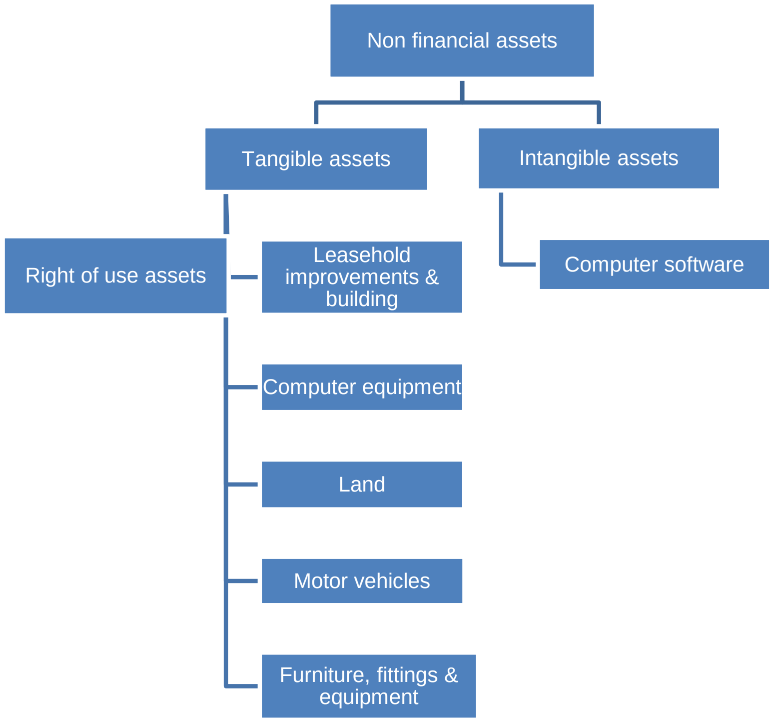
Type	Description	Statement of financial position	Statement of other comprehensive income	Income statement
Defined contribution plans	The group operates a contributory pension plan in line with the Pension Reform Act 2014. Employees and the Bank contribute 8% and 10% respectively of each of the qualifying 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 period 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)



4 Statement of significant accounting policies (continued)

Type	Initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment	Derecognition
Tangible assets	Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Land is measured at cost less accumulative impairment loss. Land is not depreciated. Costs that are subsequently incurred are included in the asset's related carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the group and the cost of the item can be measured reliably. Expenditure, which does not meet these criteria, is recognised in profit or loss as incurred. Where significant parts of an item of property or equipment have different useful lives, they are accounted for as separate major components of property and equipment.	Property and equipment are depreciated on the straight-line basis over estimated useful lives (see below) of the assets to their residual values. Land and Work-in progress are not depreciated. Land: N/A Leasehold improvements and Buildings: 25 years Computer equipments: 3-5 years Motor vehicles: 4-5 years Office equipments: 6 years Furniture: 4 years Capitalised leased assets/ branch refurbishments: greater of 6 years or useful life of underlying asset The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial reporting period end.	Intangible assets that have an indefinite useful life are tested annually for impairment and additionally when an indicator of impairment exists. Other non-financial assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.	The non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.
Intangible assets/ Computer software	Costs associated with developing or maintaining computer software programmes and the acquisition of software licences are generally recognised as an expense as incurred. However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the group and have a probable future economic benefit beyond one period, are recognised as intangible assets. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use. Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.	Amortisation is recognised in profit or loss on a straight-line basis at rates appropriate to the expected lives of the assets (2 to 15 periods) from the date that the asset is available for use. Amortisation methods, useful lives and residual values are reviewed at each financial period end and adjusted, if necessary.		

4 Statement of significant accounting policies (continued)

<table>
<tr><th>Type</th><th>Description</th><th>Statement of financial position</th><th>Income statement</th></tr>
<tr><td></td><td>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.</td><td>Lease liabilities:
Initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case for the Group) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. The Group's standardised funding transfer pricing rate is the base on which the incremental borrowing rate is calculated. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes:
● 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.</td><td>Interest expense on lease liabilities:
A lease finance cost, determined with reference to the interest rate implicit in the lease or the Group's incremental borrowing rate, is recognised within interest expense over the lease period.

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.

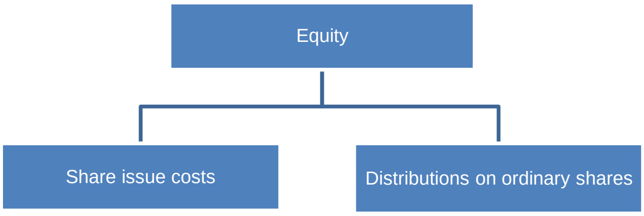
Termination of leases:
On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss together with termination or cancelation costs in profit or loss.

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 period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.</td></tr>
<tr><td>Reassessment and modification of leases</td><td colspan="3">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.</td></tr>
</table>

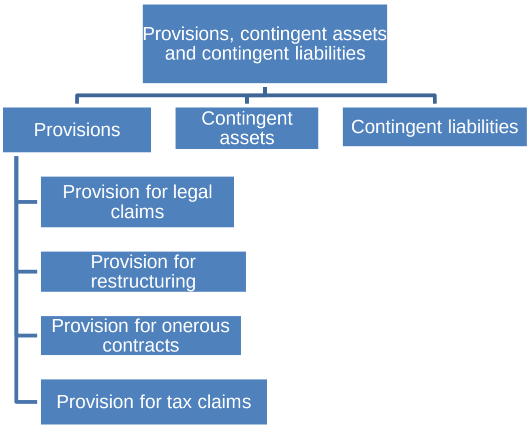
4 Statement of significant accounting policies (continued)

4.7 Equity



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

4.8 Provisions, contingent assets and contingent liabilities

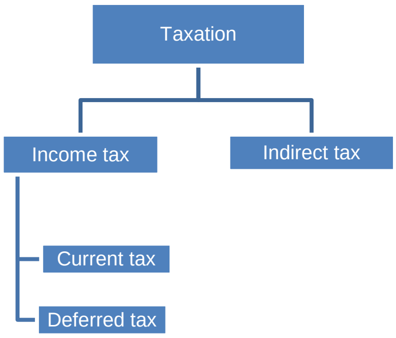


Provisions	Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can 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 annual financial statements.

4.9 Taxation

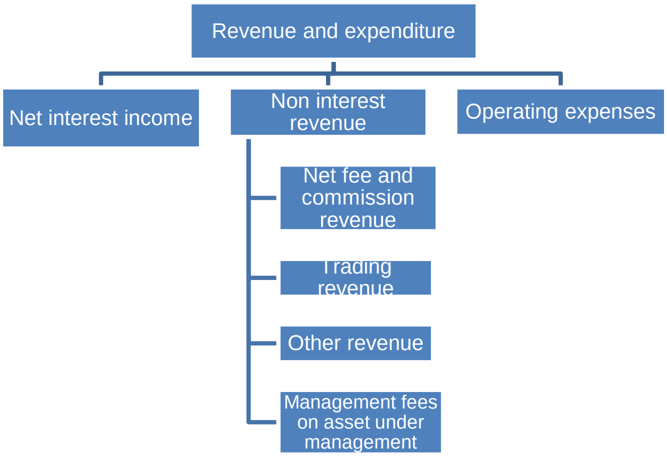


Type	Description, recognition and measurement	Offsetting
Current tax- determined for current period transactions and events	Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividend. Current tax is recognised as an expense for the period and adjustments to past periods 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 period or where the tax on profits is below the minimum tax. Minimum tax is computed at flat rate of 0.5% of turnover. Further, the Nigerian tax laws mandates that where a dividend is paid out of profit on which no tax is payable due to either: (a) no total profit; or (b) the total profit is less than the amount of dividend paid, the company paying the dividend will be subjected to tax at 30% of the dividends paid, as if the dividend is the total profits of the company for the period of assessment to which the accounts, out of which the dividends paid relates. However, dividends paid out of profit that have been subjected to tax, profits exempted from income tax or franked investment income are exempted from excess dividend tax provision 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 period adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly as part of OCI. Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any. Deferred tax is not recognised for the following temporary differences: • the initial recognition of goodwill; • the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses; and • investments in subsidiaries, associates and jointly controlled arrangements (excluding mutual funds) where the group controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.	Current tax assets and liabilities, deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
Indirect taxation	Indirect taxes are recognised in profit or loss, as part of other operating expenses.	N/A
Dividend tax	Taxes on dividends declared by the group are recognised as part of the dividends paid within equity as dividend tax represents a tax on the shareholder and not the group.	N/A

4.10 Revenue and expenditure



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

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 period, to the net carrying amount of the financial asset or financial liability. Direct incremental transaction costs incurred and origination fees received, including loan commitment fees, as a result of bringing margin- yielding assets or liabilities into the statement of financial position, are capitalised to the carrying amount of financial instruments that are not at fair value through profit or loss and amortised as interest income or expense over the life of the asset or liability as part of the effective interest rate. 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. Dividends received on preference share investments classified as debt form part of the group's lending activities and are included in interest income.
Net fee and commission revenue	Fee and commission revenue, including transactional fees, account servicing fees, investment management fees, sales commissions and placement fees are recognised as the related services are performed. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment period. 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 and expense.
Other revenue	Other revenue includes dividends on equity financial assets and re-measurement gains and losses from contingent consideration on disposals and purchases. Gains and losses on equity instruments designated at fair value through profit or loss are recognised within other revenue. Gains and losses on equity instruments classified as fair value through other comprehensive income (FVOCI) financial assets are reclassified from OCI to other revenue on derecognition or impairment.
Dividend income	Dividends are recognised in profit or loss when the right to receipt is established. Scrip dividends are recognised as dividends received where the dividend declaration allows for a cash alternative.
Management fees on assets under management	Fee income includes management fees on assets under management and administration fees. Management fees on assets under management are recognised over the period 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 period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming periods. Expenses that are not related to the income earned during the period, but expected to generate future economic benefits, are recorded in the financial statements as assets.

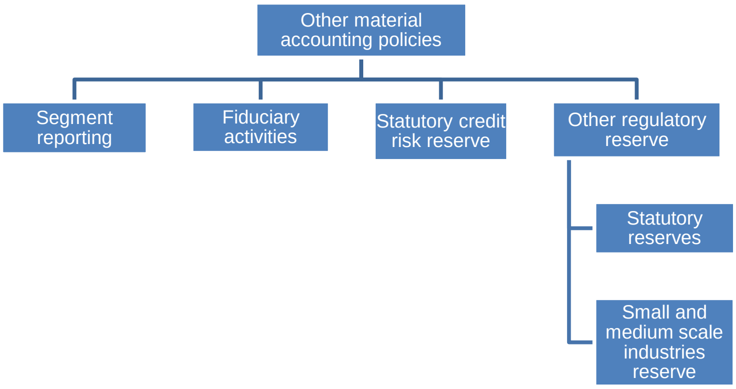
4 Statement of significant accounting policies (continued)

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

IFRS 9 accounting treatment

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

4.12 Other material accounting policies



Segment reporting	An operating segment is a component of the group engaged in business activities, whose operating results are reviewed regularly by management in order to make decisions about resources to be allocated to segments and assessing segment performance. The group's identification of segments and the measurement of segment results is based on the group's internal reporting to management. Transactions between segments are priced at market-related rates.
Fiduciary activities	The group commonly engages in trust or other fiduciary activities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions. These assets and the income arising directly thereon are excluded from these annual financial statements as they are not assets of the group. However, fee income earned and fee expenses incurred by the group relating to the group's responsibilities from fiduciary activities are recognised in profit or loss.
Statutory credit risk reserve	The statutory credit risk reserve represents a reserve component created when credit impairment on loans and advances as accounted for under IFRS using the expected loss model differ from the Prudential Guidelines set by the Central Bank of Nigeria.
Statutory reserve	Nigerian banking industry regulations require banks to make an annual appropriation to a statutory reserve. 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. See note 19.3 (a)(i)

4.13 Statement of significant accounting policies

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

4.14 New standards and interpretations not yet effective

Pronouncement	
Title	**IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)** The amendments address an inconsistency between the requirements in IFRS10 and those in IAS28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.The main consequence of the amendment 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 as sets 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	**Non-current Liabilities with Covenants (Amendments to IAS 1)**
	This standard seek to clarify the conditions on determining whether a liability is current or non-current, and requires new disclosures for the non-current liabilities that are subject to future convenants. The Group disclosed in note 23 and 24 it's debt securities issued and other borrowing that are subject to specific convenants. These liabilities are classified as non-current as at 31 December 2023, a future breach of the related convenants may require the Group to replay the obligations earlier than the contractual maturity dates. The Group is in the process of assessing the potential impact of the amendment on the classification of these liabilities and the related disclosures.
Effective date	1 January 2024.
Title	**Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)**
	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendment will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.
Effective date	1 January 2024.
Title	**Amendment to IAS 7 and IFRS 17 (Supplier Finance Agreements)**
	The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangemens on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.
Effective date	1 January 2024.
Title	**Amendment to IAS 21 (Lack of Exchanageability)**
	The amendments require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
Effective date	1 January 2025.

5 Segment reporting

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

Business unit	
Business & Commercial Banking	The Business & Commercial Banking (BCB) 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.
Personal and Private Banking	The Private & Personal Banking (PPB) Client segment is responsible for the end-to-end lifecycle of clients. PPB 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.
Corporate and Transactional Banking	Corporate and Transactional Banking services to larger corporates, financial institutions and international counterparties. Global markets – Includes foreign exchange, fixed income, interest rates, and equity trading. Transactional and lending products – Includes corporate lending and transactional banking businesses, custodial services, trade finance business and property-related lending.

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 Banking		Corporate and Transactional Banking		Personal & Private Banking		Eliminations		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Net interest income	**42,583**	35,001	**81,907**	55,217	**39,969**	15,304	**-**	-	**164,459**	105,522
Interest income -external source	**57,415**	42,282	**179,387**	87,369	**23,584**	16,016	**-**	-	**260,386**	145,667
Interest expense -external source	**(14,832)**	(7,281)	**(97,480)**	(32,152)	**16,385**	(712)	**-**	-	**(95,927)**	(40,145)
Inter-segment revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Non-interest revenue	**17,202**	12,082	**72,647**	43,603	**6,410**	6,319	**(579)**	(1,416)	**95,680**	60,588
Net fee and commission revenue	**12,166**	9,675	**14,267**	12,564	**5,694**	4,386	**(579)**	(1,416)	**31,548**	25,209
Trading revenue	**5,170**	2,348	**56,926**	30,298	**406**	1,771	**-**	-	**62,502**	34,417
Other revenue	**(134)**	59	**1,454**	741	**310**	162		-	**1,630**	962
Income before credit impairment	**59,785**	47,083	**154,554**	98,820	**46,379**	21,623	**-**	-	**260,139**	166,110
Credit impairment charges	**(10,780)**	(4,259)	**(998)**	(3,930)	**(3,315)**	(1,959)	**-**	-	**(15,093)**	(10,148)
Income after credit impairment charges	**49,005**	42,824	**153,556**	94,890	**43,064**	19,664	**(579)**	(1,416)	**245,046**	155,962
Operating expenses	**(30,788)**	(28,042)	**(46,341)**	(39,207)	**(44,566)**	(30,186)	**579**	1,416	**(121,116)**	(69,109)
Net income before indirect taxation	**18,217**	14,782	**107,215**	55,683	**(1,502)**	(10,522)	**-**	-	**123,930**	59,943
Profit/(loss) before tax	**18,217**	14,782	**107,215**	55,683	**(1,502)**	(10,522)	**-**	-	**123,930**	59,943
Income tax	**(1,005)**	(616)	**(12,037)**	(3,786)	**(459)**	(396)	**-**		**(13,501)**	(4,798)
Profit/ (loss) for the period	**17,212**	14,166	**95,178**	51,897	**(1,961)**	(10,918)	**-**	-	**110,429**	55,145

	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Total assets	**571,438**	381,322	**3,998,787**	1,994,494	**404,074**	478,835	**-**	-	**4,974,299**	2,854,651
Total liabilities	**491,440**	325,158	**3,752,814**	1,807,455	**355,125**	441,089	**-**	-	**4,599,380**	2,573,702

The business operation of the "bank" is carried out within Nigeria, and segmented into Business & Commercial Banking, Personal & Private Banking, and Corporate and Transactional Banking

6 Prudential disclosures

6.1 Credit impairment losses on loans and advances

Determination of statutory credit risk reserves

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

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

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

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

The bank has complied with the requirements of the guidelines as follows:

	Note	31 Dec. 2023 N'million	31 Dec. 2022 N'million
Statement of prudential adjustments			
Prudential Provision			
Specific provision on loans and advances		**44,807**	21,437
General provision on loans and advances		**40,824**	23,980
Impairment on other financial assets		**1,957**	2,068
		87,588	47,485
IFRS Provision			
12-month ECL	12.1	**17,103**	11,391
Lifetime ECL not credit-impaired	12.1	**2,236**	1,403
Lifetime ECL credit-impaired	12.1	**39,449**	20,616
Impairment on other financial assets		**13,000**	10,172
		71,788	43,582
Closing regulatory reserve		**15,800**	3,903
Opening regulatory reserve		**3,903**	5,439
Appropriation:Transfer (to)/from retained earnings		**11,897**	(1,536)

Key management assumptions

Use of assumptions:

6.2 Expected credit loss on On-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.
- For stage 3 exposures, being exposures that are either in default or where default is imminent, this would include consideration of cures and subsequent re-default. 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 and disappearance of an active market due to financial difficulties.
- Where a single customer has more than one loan with the group (for example, a home loan, revolving facility, vehicle and asset finance, etc.), a one customer view is taken when considering whether there has been a significant increase in credit risk. In this instance, a significant increase in the customer's credit risk on one loan account is taken into account when assessing the customer's other loan accounts. If it is assessed that there is a significant increase in credit risk in one exposure, then there is a presumption that the customer's other loans also have a significant increase in credit risk.
- In terms of IFRS 9, the group is required to incorporate both historical experience as well as forward looking information when assessing whether an instrument's credit risk has increased significantly since initial recognition. A useful reference tool that is used in the assessment of significant increase in credit risk is the exposure's credit rating.

Low credit risk financial instruments

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

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

Default

The group has Corporate and Transactional Banking (CTB), Business & Commercial Banking (BCB) as well as Personal & Private Banking (PPB) 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 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 the 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

6.3 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 note 27.

6 Key management assumptions (continued)

6.4 Recoverability of deferred tax assets:

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

The tax exempt status of income realised on Nigerian government securities is one of the major drivers for the negative taxable income. The tax exemption on short term Government securities expired on the 31 December 2021. The uncertainty surrounding the ability to generate sufficient future taxable income after the termination of the tax exempt status in 2022 has made management to 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 15

6.5 Share-based payment

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

Refer to Note 31.9 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.

6.6 Depreciation and useful life of property and equipment

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

6.7 Provisions

The group make provisions for contingent items such as legal claims, fines, penalties and other taxes penalties. The amount provided are based on the management best estimate of the amounts that will be required to settle the obligation in the event that it crystallises. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any material difference in management best estimates will have an impact to the carrying amount of the provisions. Refer to Note 25 for further details.

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
		N million	N million	**N million**	N million
7	**Cash and Bank Balances**				
	Coins and bank notes	**17,266**	24,567	**17,266**	24,567
	Balances with central bank	**1,005,166**	479,839	**1,005,166**	479,839
	Current balances with banks outside Nigeria	**339,937**	139,404	**339,937**	139,404
		1,362,369	643,810	**1,362,369**	643,810

Balances with Central Bank of Nigeria include mandatory reserve deposits of N927,597 million (Dec. 2022: N457,792 million) and special intervention fund of N20,817million (Dec. 2022: N20,817 million). These restricted balances comprise primarily reserving requirements held with Central Bank of Nigeria (CBN).

Included in current balances with banks outside Nigeria is N56,249 million (Dec. 2022: N23,679 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 26.1).

Included in current balances with banks outside Nigeria is N23,072 million (Dec. 2022: N8,713 million) held with Standard Bank Group. See Note 36.3 for details.

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
		N million	N million	**N million**	N million
8	**Pledged assets**				
8.1	**Pledged assets**				
	Financial assets that may be repledged or resold by counterparties				
	Treasury bills - Trading	**70,103**	54,804	**70,103**	54,804
	Treasury bills - FVOCI	**304,809**	73,186	**304,809**	73,186
		374,912	127,990	**374,912**	127,990
	Maturity analysis				
	The maturities represent years to contractual redemption of the pledged assets recorded.				
	Maturing after 6 months but within 12 months	**-**	-	**-**	-
	Maturing after 1 month but within 6 months	**-**	96,331	**-**	96,331
	Maturing within 1 month	**374,912**	31,659	**374,912**	31,659
		374,912	127,990	**374,912**	127,990
	Current	**374,912**	127,990	**374,912**	127,990
	Non-current	**-**	-	**-**	-
		374,912	127,990	**374,912**	127,990

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. Risks to which the group remains exposed include credit and interest rate risk.

Financial assets pledged as collateral for liabilities

The carrying amount of total financial assets that have been pledged as collateral for liabilities as at 31 Dec 2023 was N374.9 billion (Dec 2022: N127.9 billion). The transactions in respect of which the collaterals were pledged are as follows:

(i) N14.68 billion was pledged with the Central Bank of Nigeria with respect to real sector funding.

(ii) N70.1 billion was pledged in respect of repurchase lending agreements (Dec. 2022: N54.8 billion). These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities.

(iii) N45.9 billion (Dec. 2022: N26.9 billion) 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 assessed on a total portfolio basis and not as stand-alone assets and liability classes.

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
		N million	N million	**N million**	N million
9.1	**Trading assets**				
	Classification				
	Listed	**67,907**	190,427	**67,907**	190,427
	Unlisted	**-**	-	**-**	-
		67,907	190,427	**67,907**	190,427
	Comprising:				
	Government bonds	**1,159**	394	**1,159**	394
	Treasury bills	**15,159**	161,137	**15,159**	161,137
	Reverse repurchase agreements	**51,589**	28,896	**51,589**	28,896
		67,907	190,427	**67,907**	190,427
	Maturity analysis				
	The maturities represent years to contractual redemption of the trading assets recorded.				
	Maturing within 1 month	**5,444**	101,146	**5,444**	101,146
	Maturing after 1 month but within 6 months	**59,361**	85,519	**59,361**	85,519
	Maturing after 6 months but within 12 months	**1,719**	3,565	**1,719**	3,565
	Maturing after 12 months	**1,383**	197	**1,383**	197
		67,907	190,427	**67,907**	190,427
	Current	**66,524**	190,230	**66,524**	190,230
	Non-current	**1,383**	197	**1,383**	197
		67,907	190,427	**67,907**	190,427

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
		N million	N million	**N million**	N million
9.2	**Trading liabilities**				
	Classification				
	Listed	**6,082**	11,077	**6,082**	11,077
	Unlisted	**474,382**	209,894	**474,382**	209,894
		480,464	220,971	**480,464**	220,971
	Comprising:				
	Government, state and utility bonds (short position)	**6,082**	4,376	**6,082**	4,376
	Deposits with banks	**219,201**	162,028	**219,201**	162,028
	Repurchase agreements	**255,181**	47,866	**255,181**	47,866
	Treasury bills (short position)	**-**	6,701	**-**	6,701
		480,464	220,971	**480,464**	220,971
	Dated liabilities	**480,464**	220,971	**480,464**	220,971
	Undated liabilities	**-**	-	**-**	-
		480,464	220,971	**480,464**	220,971
	Maturity analysis				
	The maturity analysis is based on the remaining years to contractual maturity from year end.				
	Maturing within 1 month	**284,723**	25,947	**284,723**	25,947
	Maturing after 1 month but within 6 months	**187,092**	178,681	**187,092**	178,681
	Maturing after 6 months but within 12 months	**2,567**	11,967	**2,567**	11,967
	Maturing after 12 months	**6,082**	4,376	**6,082**	4,376
		480,464	220,971	**480,464**	220,971
	Current	**474,382**	216,595	**474,382**	216,595
	Non-current	**6,082**	4,376	**6,082**	4,376
		480,464	220,971	**480,464**	220,971

10 Derivative assets and liabilities

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 period.

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

If fair value on initial recognition is not evidenced by a quoted price in an active market or based on a valuation technique that uses data only from observable markets, then any difference between the fair value at initial recognition and the transaction price is not recognised in profit and loss immediately but is deferred. The 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 the 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 and 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 N million	After 1 year but within 5 years N million	After 5 years N million	Net fair value N million	Fair value of assets N million	Fair value of liabilities N million	Contract/ notional amount N million
31 December 2023							
Derivatives held-for-trading							
Forwards	31,393	-	-	31,392	429,158	(397,766)	924,307
Swaps	72,334	-	-	72,335	121,562	(49,227)	357,033
Total derivative assets/(liabilities)	103,727	-	-	103,727	550,720	(446,993)	1,281,340

	31 Dec. 2023 N million	31 Dec. 2022 N million	31 Dec. 2023 N million	31 Dec. 2022 N million
Derivative assets				
Current	521,354	31,766	521,354	31,766
Non-current	29,366	10,368	29,366	10,368
	550,720	42,134	550,720	42,134
Derivative liabilities				
Current	(417,627)	(15,730)	(417,627)	(15,730)
Non-current	(29,366)	(10,369)	(29,366)	(10,369)
	(446,993)	(26,099)	(446,993)	(26,099)

	Maturity analysis of net fair value: Within 1 year N million	After 1 year but within 5 years N million	After 5 years N million	Net fair value N million	Fair value of assets N million	Fair value of liabilities N million	Contract/ notional amount N million
31 December 2022							
Derivatives held-for-trading							
Forwards	268	-	-	266	22,951	(22,685)	594,483
Swaps	15,768	-	-	15,769	19,183	(3,414)	445,089
Total derivative assets/(liabilities)	16,036	-	-	16,035	42,134	(26,099)	1,039,572

Included in derivative assets was N6,643 million (Dec. 2022: N1,785 million) due from related parties. See Note 36.3 for details.

Included in derivative liabilities was N1,051 million (Dec. 2022: N4,752 million) due to related parties. See Note 36.3 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 trading assets and liabilities.

	Group 31 Dec. 2023 N million	Group 31 Dec. 2022 N million
Unrecognised profit at beginning of the year	1,996	10,399
Additional profit on new transactions	7,626	3,235
Recognised in profit or loss during the year	(8,519)	(11,638)
Unrecognised profit at end of the year	1,103	1,996

	Group 31 Dec. 2023 N million	Group 31 Dec. 2022 N million	Bank 31 Dec. 2023 N million	Bank 31 Dec. 2022 N million
11 Financial investments				
11.1 Summary				
Short - term negotiable securities	280,121	421,048	280,121	421,048
Listed	280,121	421,048	280,121	421,048
Unlisted	-	-	-	-
Other financial investments	62,403	57,229	62,403	57,229
Listed	58,470	53,768	58,470	53,768
Unlisted	3,933	3,461	3,933	3,461
Gross financial investments	342,524	478,277	342,524	478,277
Expected credit loss on financial investments	(916)	(191)	(916)	(191)
12-month ECL	(916)	(191)	(916)	(191)
Total expected credit loss on financial investment	(916)	(191)	(916)	(191)
Net financial investments	341,608	478,086	341,608	478,086

Analysis of movement in financial investment expected credit loss

As at 31 December 2023	Opening balance	Originated ECL	Subsequent changes	Derecognition	Total
12 Month- ECL	191	878	-	(153)	916
Life-time ECL not credit impaired	-	-	-	-	-
Life-time ECL credit impaired	-	-	-	-	-
	191	878	-	(153)	916

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
11 Financial investments (continued)				
Comprise:				
Government bonds	**58,470**	53,768	**58,470**	53,768
Treasury bills	**272,714**	419,535	**272,714**	419,535
Unlisted equities (see note 11.2 below)	**3,933**	3,461	**3,933**	3,461
Commercial paper	**7,407**	1,513	**7,407**	1,513
	342,524	478,277	**342,524**	478,277

Maturity analysis

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

	Group 31 Dec. 2023	Group 31 Dec. 2022	Bank 31 Dec. 2023	Bank 31 Dec. 2022
Redeemable on demand	**-**	-	**-**	-
Maturing within 1 month	**-**	86,824	**-**	86,824
Maturing after 1 month but within 6 months	**317,204**	274,388	**317,204**	274,388
Maturing after 6 months but within 12 months	**-**	60,745	**-**	60,745
Maturing after 12 months	**21,386**	52,859	**21,386**	52,859
Undated investments	**3,934**	3,461	**3,934**	3,461
	342,524	478,277	**342,524**	478,277
Current	**317,204**	421,957	**317,204**	421,957
Non-current	**25,320**	56,320	**25,320**	56,320
	342,524	478,277	**342,524**	478,277

11.2 Analysis of unlisted equity investments

	Group 31 Dec. 2023	Group 31 Dec. 2022	Bank 31 Dec. 2023	Bank 31 Dec. 2022
Other unquoted equity direct investments	**3,934**	3,461	**3,934**	3,461
Unified Payment Services Ltd (formerly Smart Card Nigeria PLC)	**479**	464	**479**	464
Nigeria Mortgage Refinance Corporation	**153**	146	**153**	146
FMDQ OTC PLC	**511**	562	**511**	562
Nigerian Interbank Settlement System PLC	**2,791**	2,289	**2,791**	2,289
	3,934	3,461	**3,934**	3,461

There were no additions or disposals in the year. Movement in the unquoted equity is due to fair value changes.

	Group		Bank	
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
	N million	N million	**N million**	N million
12 Loans and advances				
12.1 Loans and advances net of impairments				
(a) Loans and advances to banks	**8,668**	3,404	**8,668**	3,404
Placements with banks	**8,670**	3,408	**8,670**	3,408
12 month Expected credit losses	**(2)**	(4)	**(2)**	(4)
(b) Loans and advances to customers	**2,032,350**	1,204,785	**2,032,350**	1,204,785
Gross loans and advances to customers	**2,091,138**	1,238,195	**2,091,138**	1,238,195
Business & Commercial Banking (BCB)	**450,651**	334,655	**450,651**	334,655
Mortgage loans	**-**	156	**-**	156
Instalment sale and finance leases	**75,603**	43,379	**75,603**	43,379
Card debtors	**16**	1	**16**	1
Other loans and advances	**375,032**	291,119	**375,032**	291,119
Personal & Private Banking (PPB)	**129,017**	89,249	**129,017**	89,249
Mortgage loans	**15,184**	5,217	**15,184**	5,217
Instalment sale and finance leases	**1,740**	1,687	**1,740**	1,687
Card debtors	**3,906**	1,903	**3,906**	1,903
Other loans and advances	**108,187**	80,442	**108,187**	80,442
Corporate and Transactional Banking (CTB)	**1,511,470**	814,291	**1,511,470**	814,291
Corporate loans	**1,511,470**	814,291	**1,511,470**	814,291
Credit impairments for loans and advances	**(58,788)**	(33,410)	**(58,788)**	(33,410)
12-month ECL	**(17,103)**	(11,391)	**(17,103)**	(11,391)
Lifetime ECL not credit-impaired	**(2,236)**	(1,403)	**(2,236)**	(1,403)
Lifetime ECL credit-impaired	**(39,449)**	(20,616)	**(39,449)**	(20,616)
Net loans and advances	**2,041,018**	1,208,189	**2,041,018**	1,208,189
Comprising:				
Gross loans and advances	**2,099,808**	1,241,603	**2,099,808**	1,241,603
Less: Credit impairments (Note 12.3)	**(58,790)**	(33,414)	**(58,790)**	(33,414)
Net loans and advances	**2,041,018**	1,208,189	**2,041,018**	1,208,189

Other loans and advances comprises of term loans and overdraft facilities.
Loans and advances to banks due to related party is nil (Dec. 2022: nil) during the period.

Included in Gross loans and advances is N89,275 million (Dec 2022: N57,395 million) relating to Instalment sales and finance leases for both BCB, PPB and CTB clients. See Note 12.2 for analysis of receivables in respect of the instalment sale and finance leases.

The group has a standby contingency funding agreement with a Tier 1 bank under which the group commits to provide up to N10 billion liquidity cover to the bank. The agreement took effect from 09 February 2017 and is renewable annually. The bank did not draw on the commitment during the period. See "Liquidity Contingency" on page 102 for further details.

Maturity analysis

The maturity analysis is based on the remaining years to contractual maturity from the year end (see maximum exposure to credit risk by credit quality on page 92 for information on neither past due nor impaired assets).

	Group 31 Dec. 2023	Group 31 Dec. 2022	Bank 31 Dec. 2023	Bank 31 Dec. 2022
Redeemable on demand	**33,132**	21,373	**33,132**	21,373
Maturing within 1 month	**295,368**	215,424	**295,368**	215,424
Maturing after 1 month but within 6 months	**952,283**	398,177	**952,283**	398,177
Maturing after 6 months but within 12 months	**66,277**	55,759	**66,277**	55,759
Maturing after 12 months	**752,748**	550,870	**752,748**	550,870
Gross loans and advances	**2,099,808**	1,241,603	**2,099,808**	1,241,603
Current	**1,347,060**	690,733	**1,347,060**	690,733
Non-current	**752,748**	550,870	**752,748**	550,870
	2,099,808	1,241,603	**2,099,808**	1,241,603

	Group		Bank	
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
	N million	N million	**N million**	N million
12.2 Instalment sale and finance leases				
Included in gross loans and advances to customers are finance leases as analysed below				
Net investment in instalment sale and finance leases	**89,275**	57,394	**89,275**	57,394
Receivable within 1 year	**1,741**	4,989	**1,741**	4,989
Receivable after 1 year but within 5 years	**85,686**	43,779	**85,686**	43,779
Receivable after 5 years	**1,848**	8,626	**1,848**	8,626

N11,933 billion (Dec 2022: N12,328 billion) of instalment sales and finance is included in corporate loans and advances and all loans and advances to customers are held at amortised cost.

12 Loans and advances December 2023

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	**2,091,138**	**(17,105)**	**(2,236)**	**(39,449)**	**(58,788)**	**2,032,350**
Business & Commercial Banking (BCB)	**450,651**	**(6,377)**	**(993)**	**(23,501)**	**(30,871)**	**419,780**
Mortgage loans	-	-	-	-	-	-
Instalment sale and finance leases	75,603	(1,022)	(156)	(142)	(1,320)	74,283
Card debtors	16	1	-	1	2	18
Other loans and advances	375,032	(5,356)	(837)	(23,360)	(29,553)	345,479
Personal & Private Banking (PPB)	**129,017**	**(1,429)**	**(1,173)**	**(5,023)**	**(7,625)**	**121,392**
Mortgage loans	15,184	(32)	(61)	(132)	(225)	14,959
Instalment sale and finance leases	1,740	(14)	(15)	(51)	(80)	1,660
Card debtors	3,906	(60)	(251)	(219)	(530)	3,376
Other loans and advances	108,187	(1,323)	(846)	(4,621)	(6,790)	101,397
Corporate and Transactional Banking (CTB)	**1,511,470**	**(9,297)**	**(70)**	**(10,925)**	**(20,292)**	**1,491,178**
Corporate loans	1,511,470	(9,295)	(70)	(10,925)	(20,290)	1,491,180
Loans and advances to banks	8,670	(2)	-	-	(2)	**8,668**
Total	**2,099,808**	**(17,103)**	**(2,236)**	**(39,449)**	**(58,790)**	**2,041,018**

December 2022

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**	**(11,387)**	**(1,403)**	**(20,616)**	**(33,406)**	**1,204,789**
Business & Commercial Banking (BCB)	**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
Personal & Private Banking (PPB)	**89,249**	**(1,198)**	**(406)**	**(3,738)**	**(5,342)**	**83,907**
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	(74)	(22)	(122)	(218)	1,685
Other loans and advances	80,442	(1,098)	(286)	(3,492)	(4,876)	75,566
Corporate and Transactional Banking (CTB)	**814,291**	**(6,018)**	**(97)**	**(7,195)**	**(13,314)**	**800,977**
Corporate loans	814,291	(6,018)	(97)	(7,195)	(13,310)	800,981
Loans and advances to banks	3,408	(4)	-	-	(4)	**3,404**
Total	**1,241,603**	**(11,391)**	**(1,403)**	**(20,616)**	**(33,410)**	**1,208,189**

	Group		Bank	
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
	N million	N million	**N million**	N million
12 Loans and advances (continued)				
Segmental analysis - industry				
Agriculture	**94,115**	57,179	**94,115**	57,179
Business services	**48,802**	44,105	**48,802**	44,105
Communication	**247,211**	84,272	**247,211**	84,272
Construction & real estate	**112,949**	78,777	**112,949**	78,777
Electricity, gas & water supply	**15,935**	9,012	**15,935**	9,012
Financial intermediaries & insurance	**33,842**	24,001	**33,842**	24,001
Government	**121,926**	80,764	**121,926**	80,764
Hotels, restaurants and tourism	**-**	318	**-**	318
Manufacturing	**651,795**	424,979	**651,795**	424,979
Oil and Gas	**419,587**	252,387	**419,587**	252,387
Private households	**137,425**	99,828	**137,425**	99,828
Transport, storage & distribution	**58,793**	22,294	**58,793**	22,294
Wholesale & retail Trade	**157,428**	63,687	**157,428**	63,687
Gross loans and advances	**2,099,808**	1,241,603	**2,099,808**	1,241,603

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	**65,039**	42,237	**65,039**	42,237
South West	**1,873,088**	1,081,988	**1,873,088**	1,081,988
South East	**45,764**	27,330	**45,764**	27,330
North West	**72,674**	41,056	**72,674**	41,056
North Central	**34,573**	36,738	**34,573**	36,738
North East	**-**	8,846	**-**	8,846
Outside Nigeria	**8,670**	3,408	**8,670**	3,408
Gross loans and advances	**2,099,808**	1,241,603	**2,099,808**	1,241,603

	Stage 3 loans and advances	**Stage 3 loans and advances**	**Stage 3 loans and advances**	**Stage 3 loans and advances**
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
	N million	N million	**N million**	N million
Agriculture	**822**	1,682	**822**	1,682
Business services	**1,023**	1,100	**1,023**	1,100
Communication	**-**	3	**-**	3
Construction & real estate	**13,256**	9,941	**13,256**	9,941
Financial intermediaries & insurance	**28**	-	**28**	-
Manufacturing	**840**	103	**840**	103
Oil and Gas	**19,724**	8,280	**19,724**	8,280
Private households	**8,469**	5,350	**8,469**	5,350
Transport, storage & distribution	**-**	-	**-**	-
Wholesale & retail trade	**5,033**	2,978	**5,033**	2,978
Non-performing loans	**49,195**	29,437	**49,195**	29,437

South South	**16,794**	8,107	**16,794**	8,107
South West	**25,649**	16,573	**25,649**	16,573
South East	**871**	860	**871**	860
North West	**4,546**	2,746	**4,546**	2,746
North Central	**1,335**	995	**1,335**	995
North East	**-**	156	**-**	156
Non-performing loans	**49,195**	29,437	**49,195**	29,437

12.3 Credit impairments allowance

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

31 December 2023	Opening ECL	Transfers between stages: Transfer to/from 12-month ECL	Transfer to/from Lifetime ECL not credit-impaired	Transfer to/from Lifetime ECL credit-impaired	Total	Income statement movement: Originated "New" impairments raised	Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised incuding write offs	Total	Impaired accounts written off	Discount recycled to net interest income	Interest in suspense	Currency translation and other movements	Closing balance	Post write-off recoveries recognized in P/L
12-month ECL		-														
PPB																
Mortgage loans	12		(34)	-	(35)	23		32	(1)	54	-	-		-	32	-
Instalment sales and finance lease	14		(4.77)	(6)	(10)	7		7	(3)	10	-	-		-	14	-
Card debtors	75		(81)	(12)	(93)	26		69	(16)	78	-	-		-	60	-
Other loans and advances	1,099		(166)	(727)	(892)	844		656	(383)	1,117	-	-		-	1,323	-
BCB								-								
Mortgage loans	1		-	-	-	-		-	(1)	(1)	-	-		-	(0.31)	-
Instalment sales and finance lease	742		88	-	88	679		(318)	(168)	192	-	-		-	1,022	-
Card debtors	1		-	-	-	-		(1)	-	(1)	-	-		-	(1)	-
Other loans and advances	3,427		(542)	(3,143)	(3,685)	2,310		3,394	(940)	4,764	-	-		849	5,356	-
CTB								-								
Corporate loans	6,022		-	-	-	2,736		(1,728)	(1,282)	(274)	-	-		3,549	9,297	-
Total	**11,393**	**-**	**(741)**	**(3,887)**	**(4,628)**	**6,625**	**-**	**2,114**	**(2,796)**	**5,940**	**-**	**-**		**4,398**	**17,103**	**-**
Lifetime ECL not credit-impaired		-	-													
PPB																
Mortgage loans	90	34		-	34	-	-	(57)	(6)	(63)	-	-		-	61	-
Instalment sales and finance lease	8	4.77		10	15	-	-	(9)	-	(9)	-	-		-	15	-
Card debtors	22	81		-	81	126	-	(5)	27	147	-	-		-	250.79	-
Other loans and advances	286	166		(184)	(18)	168	-	469	(59)	578	-	-		-	845.77	-
BCB					-			-							-	
Mortgage loans	-	-		-	-	-	-	-		-	-	-		-	-	-
Instalment sales and finance lease	339	(88)		4	(84)	1	-	(78)	(21)	(99)	-	-		-	156.32	-
Card debtors	-	-		-	-	-	-	-	-	-	-	-		-	-	-
Other loans and advances	561	542		(396)	146	661	-	(423)	(238)	0.05	-	-		130	837	-
CTB					-			-							-	
Corporate loans	97	-		-	-	-	-	(27)	-	(27)	-	-		-	70	-
Total	**1,403**	**741**	**-**	**(566)**	**175**	**955**	**-**	**(131)**	**(297)**	**528**	**-**	**-**		**130**	**2,236**	**-**
Lifetime ECL credit-impaired (including IIS)																
PPB																
Mortgage loans	62	-	-	-	-	-		77	(12.02)	65	(3)		8	-	132	(70)
Instalment sales and finance lease	62	6	(10)	-	(5)	-		4	3.38	7	(17)		4	-	51	(7)
Card debtors	122	12	-	-	12	37		57	22	116.74	(39)		-	7.09	219	(31)
Other loans and advances	3,492	727	184	-	910	793		(451)	164	507	(752)		463	-	4,621	(328)
BCB		-	-					-	-		-			-	-	
Mortgage loans	-	-	-		-	-		-	-	-	-		-	-	-	-
Instalment sales and finance lease	247	-	(4)		(4)	-		(16)	(80)	(97)	(7)		3	-	142	(13)
Card debtors	(1)	-	-		-	-		-	-	-	-		-	-	(1)	(3)
Other loans and advances	9,437	3,143	396		3,539	1,469		8,007	265	9,741	(2,015)		970	1,688	23,360	(2,040)
CTB		-						-	-					-	-	
Corporate loans	7,196	-	-	-	-	-	-	(7)	20	13	(3)		2,505	1,215	10,925	(936)
Total	**20,617**	**3,887**	**566**	**-**	**4,453**	**2,300**	**-**	**7,671**	**383**	**10,353**	**(2,836)**	**-**	**3,953**	**2,910**	**39,449**	**(3,428)**
Total ECL	**33,413**	**4,628**	**(175)**	**(4,453)**	**-**	**9,880**	**-**	**9,654**	**(2,710)**	**16,821**	**(2,836)**	**-**	**3,953**	**7,438**	**58,788**	**(3,428)**

12.3 Credit impairments allowance

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

		Transfers between stages				Income statement movement								
31 December 2022	**Opening ECL**	**Transfer to/from 12-month ECL**	**Transfer to/from Lifetime ECL not credit-impaired**	**Transfer to/from Lifetime ECL credit-impaired**	**Total**	**Originated "New" impairments raised**	**Subsequent changes in ECL**	**Derecognised incuding write offs**	**Total**	**Impaired accounts written off**	**Discount recycled to net interest income**	**Currency translation and other movements**	**Closing balance**	**Post write-off recoveries recognized in P/L**
12-month ECL		-												
PPB														
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)	(1063)	(1,198)	332	1,461	(150)	1,643	-	-	-	1,105	-
BCB		-			-								-	
Mortgage loans	13	-	-	-	-	-	(12)	-	(12)	-	-		1	-
Instalment sales and finance lease	532	-	(31)	(56)	(87)	469	(10)	(163)	296	-	-	-	741	-
Card debtors	1	-	-	-	-	1	-	(1)	-	-	-	-	1	-
Other loans and advances	3,153	-	(22)	(2577)	(2,599)	1988	2039	(1161)	2,866	-	-	-	3,420	-
CTB					-								-	
Corporate loans	3,632	-	(416)	-	(416)	2,851	25	(418)	2,458	-	-	350	6,024	-
Total	8,025	-	(668)	(3,724)	(4,392)	5,706	3,602	(1,898)	7,410	-	-	350	11,393	-
Lifetime ECL not credit-impaired		-	-											
PPB														
Mortgage loans	2	50	-	(34)	16	4	67	-	71	-	-	-	89	-
Instalment sales and finance lease	3	6	-	(17)	(11)	1	15	-	16	-	-	-	8	-
Card debtors	29	8	-	(11)	(3)	2	2	(7)	(3)	-	-	-	23	-
Other loans and advances	367	135	-	(692)	(557)	71	489	(83)	477	-	-	-	287	-
BCB					-									
Mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sales and finance lease	173	31	-	(56)	(25)	183	18	(10)	191	-	-	-	339	-
Card debtors	0.07	-	-	-	-	-	-	-	-	-	-	-	0.07	-
Other loans and advances	629	22	-	(626)	(604)	353	432	(250)	535	-	-	-	560	-
CTB					-									
Corporate loans	80	416	-	-	416	-	(49)	(1)	(50)	-	-	(349)	97	-
Total	1,283	668	-	(1,436)	(768)	614	974.00	(351)	1,237	-	-	(349)	1,403	-
Lifetime ECL credit-impaired (including IIS)														
PPB														
Mortgage loans	92	-	34	-	34	-	4	(25)	(21)	(31)	(12)	-	62	(39)
Instalment sales and finance lease	21	7	17	-	24	-	15	(1)	14	(2)	7	-	64	(9)
Card debtors	135	21	11	-	32	5	30	3	38	(84)	-	-	121	(24)
Other loans and advances	2,246	1,066	692	-	1,758	213	(309)	32	(64)	(650)	457	-	3,747	(343)
BCB										-	-			-
Mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sales and finance lease	93	56	56	-	112	27	36	(27)	36	(11)	19	-	249	(70)
Card debtors	-	-	-	-	-	-	-	(1)	(1)	-	-	-	(1)	(3)
Other loans and advances	6,016	2,577	626	-	3,203	1,063	1,586	(28)	2,621	(3,016)	(514)	-	8,310	(2,073)
CTB											-			-
Corporate loans	7,304	-	-	-	-	371	108	-	479	-	753	(471)	8,065	656
Total	15,907	3,727	1,436	-	5,163	1,679	1,470	(47)	3,102	(3,794)	710	(471)	20,617	(1,905)
Total ECL	25,215	4,395	768	(5,160)	-	7,999	6,046	(2,296)	11,749	(3,794)	710	(470)	33,413	(1,905)

12. Loans and advances - continued

Segmental analysis of Lifetime ECL credit-impaired - industry

The following table sets out the segment analysis of the group Lifetime ECL credit-impaired by industry.

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
Agriculture	**383**	1,359	**383**	1,359
Business services	**806**	767	**806**	767
Communication	**-**	3	**-**	3
Construction & real estate	**11,782**	8,317	**11,782**	8,317
Financial intermediaries & insurance	**20**	-	**20**	-
Manufacturing	**618**	88	**618**	88
Oil and Gas	**16,251**	3,744	**16,251**	3,744
Private households	**5,943**	4,040	**5,943**	4,040
Wholesale & retail trade	**3,646**	2,298	**3,646**	2,298
	39,449	20,616	**39,449**	20,616

Segmental analysis of Lifetime ECL credit-impaired - geographic area

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

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
South South	**14,458**	3,704	**14,458**	3,704
South West	**20,563**	13,031	**20,563**	13,031
South East	**576**	723	**576**	723
North West	**2,830**	2,250	**2,830**	2,250
North Central	**1,022**	795	**1,022**	795
North East	**-**	113	**-**	113
	39,449	20,616	**39,449**	20,616

		Group		Bank
		31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**
13 Investment in subsidiaries				
Stanbic IBTC Nominees Limited ("SINL")	100%	**-**	-	**-**
		-	-	**-**

The cost of investment in Stanbic IBTC Nominees Limited as at 31 December 2023 was N100,000 (Dec 2022: N100,000). Due to the fact that amounts in these financial statements are stated in millions of naira, the cost of investment is rounded as nill. Stanbic IBTC Nominees Limited provides custodial services for Nigerian securities purchased by Stanbic IBTC Bank PLC's customers which does not involve the company making allocation or purchase and sale decisions on behalf of the customers. These securities, which are held in fiduciary capacity, are not included in these financial statements.

At the reporting date, SINL had investment custody assets amounting to N7,799 billion (December 2022: N4,147billion).

Other details about the bank's subsidiaries:	**SIBTC Nominees**
Country of incorporation :	Nigeria
Nature of business :	Custodial services
Percentage of capital held :	100%
Financial period end :	31 December

Summarised financial information of the subsidiaries

Summarised income statement	**SINL 31 Dec. 2023 N million**	SINL 31 Dec. 2022 N million
Net interest income	**-**	-
Non interest revenue	**1,565**	1,204
Total income	**1,565**	1,204
Staff costs	**(604)**	(486)
Other operating expenses	**(172)**	(164)
Operating expenses	**(776)**	(650)
Proft before tax	**789**	554
Tax	**(265)**	(222)
Profit for the year	**524**	332

Summarised statement of financial position	**31 Dec 2023 N million**	31 Dec 2022 N million
Assets		
Cash and cash equivalents	**1,050**	1,090
Deferred tax asset	**39**	22
Other assets	**1,757**	1,314
Property and Equipment	**49**	4
Total assets	**2 895**	2,430
Liabilities and equity		
Other liabilities	**293**	370
Current tax liabilities	**471**	217
Equity and reserves	**2,131**	1,843
	2,895	2,430

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
		N million	N million	**N million**	N million
14	**Other assets**				
	Trading settlement assets	**18,309**	8,248	**18,309**	8,248
	Accrued income	**1,334**	779	**1,334**	779
	Indirect / withholding tax receivables	**575**	131	**344**	18
	Accounts receivable (see note (iii) below)	**129,475**	71,504	**129,447**	71,494
	Due from group companies (see note 36)	**15,993**	9,624	**15,993**	9,624
	Repossessed assets	**325**	-	**325**	-
	Prepayments	**8,361**	4,739	**8,361**	4,739
	Deposit for investment (see note (ii) below)	**14,477**	11,719	**14,477**	11,719
	Other debtor (see note (i) below)	**9,283**	12,870	**9,283**	12,870
		198,132	119,614	**197,873**	119,491
	Expected Credit Loss on doubtful receivables (see 14.2 below)	**(1,797)**	(1,941)	**(1,767)**	(1,936)
		196,335	117,673	**196,106**	117,555

(i) Other debtors include an amount of N6.7 billion debited by CBN relating to the Asset Management Corporation of Nigeria (AMCON) clawback (see note 31 for details) and N2.58 billion representing a judgment sum held with Access Bank Plc pursuant to a garnishee order granted by the Federal high court.

(ii) Deposit for investment relates to SIBTC Bank Limited'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 reserve (see note 19.3(iii)). No amount (Dec 2022: Nil) has been disbursed to small and medium scale enterprises through the Bank for the year ended 31 December 2023.

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

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
		N million	N million	**N million**	N million
14.1	Current	**174,394**	103,025	**174,366**	103,015
	Non- current	**23,738**	16,589	**23,507**	16,476
		198,132	119,614	**197,873**	119,491
	Financial	**187,399**	112,803	**187,401**	112,798
	Expected Credit Loss	**(1,797)**	(1,941)	**(1,767)**	(1,936)
		185,602	110,862	**185,634**	110,862
	Non-financial	**10,733**	6,811	**10,472**	6,693
		196,335	117,673	**196,106**	117,555

14.2 Movement in expected credit loss for doubtful receivables

	Group		Bank	
	N million	N million	N million	N million
At start of period	**1,941**	1,770	**1,936**	1,766
Additions	**227**	629	**202**	629
Amount written off	**(371)**	(458)	**(371)**	(459)
At end of year	**1,797**	1,941	**1,767**	1,936

The Bank has, based on a 5 year historical period, developed a matrix for its expected credit loss. The Bank has arrived at this expectation by computing the average credit loss (on financial assets) as a percentage of the average gross financial asset balance

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
		N million	N million	**N million**	N million
15	**Deferred tax assets**				
	Deferred tax assets (note 15.1)	**3,581**	12,390	**3,541**	12,368
		3,581	12,390	**3,541**	12,368

The Bank's deferred tax asset which principally arose from deductible temporary differences, unutilized tax losses and capital allowances is N3,581 million as at 31 December 2023 (31 December 2022: N12,368 million). The directors have determined that based on the Bank’s profit forecast, it is probable that there will be future taxable profits against which the deferred tax assets of N3,581 million can be utilized.

15.1 Deferred tax analysis by source

	Group		Bank	
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
	N million	N million	**N million**	N million
Credit impairment charges (portfolio)	**6,065**	4,032	**6,065**	4,032
Property and equipment	**15,977**	11,486	**15,985**	11,486
MTM Adjustment	**(30,738)**	(5,333)	**(30,739)**	(5,333)
Unutilised losses	**10,426**	776	**10,426**	776
Provision for employee bonus & share incentive	**1,782**	1,427	**1,735**	1,405
Others	**69**	2	**69**	2
Deferred tax closing balance	**3,581**	12,390	**3,541**	12,368

15 Deferred tax assets (continued)

15.2 Deferred tax reconciliation

	Group		Bank	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	N million	N million	N million	N million
Deferred tax at beginning of the year	**12,390**	13,638	**12,368**	13,626
Originating/(reversing) temporary differences for the period	**(8,809)**	(1 248)	**(8,827)**	(1 258)
Credit impairment charges	**2,033**	349	**2,033**	349
Property and equipment	**4,491**	275	**4,499**	275
MTM Adjustment	**(25,405)**	(1,870)	**(25,406)**	(1,870)
Unutilised losses	**9,650**	(554)	**9,650**	(554)
Provision for employee bonus & share incentive	**355**	608	**330**	598
Other	**67**	(56)	**67**	(56)
Deferred tax at end of the year	**3,581**	12,390	**3,541**	12,368

16 Property and equipment

Group	Freehold land N million	Leasehold improvements and building N million	Motor vehicle N million	Furniture fittings & equipment N million	Computer equipment N million	Work in progress N million	Total N million
16.1 Cost							
Balance at 1 January 2023	**19,478**	**8,118**	**203**	**9,845**	**24,278**	**4,502**	**66,424**
Additions	**246**	**40**	**5,309**	**555**	**2,849**	**1,155**	**10,154**
Disposals	**(1,932)**	**-**	**(96)**	**(400)**	**(576)**	**-**	**(3,004)**
Transfers/ reclassifications	**(294)**	**467**	**-**	**21**	**894**	**(1,088)**	**-**
Write off	**-**	**-**	**(8)**	**(39)**	**(15)**	**-**	**(62)**
Balance at 31 December 2023	**17,498**	**8,625**	**5,408**	**9,982**	**27,430**	**4,569**	**73,512**
Balance at 1 January 2022	19,227	7,678	241	9,053	22,289	870	59,358
Additions	393	53	-	1,093	2,285	4,360	8,184
Disposals	(142)	-	(38)	(401)	(537)	-	(1,118)
Transfer/reclassifications	-	387	-	100	241	(728)	-
Balance at 31 December 2022	19,478	8,118	203	9,845	24,278	4,502	66,424
16.2 Accumulated depreciation							
Balance at 1 January 2023	**12,689**	**357**	**174**	**7,635**	**17,280**	**-**	**38,135**
Charge for the year	**437**	**130**	**617**	**668**	**3,855**	**-**	**5,707**
Disposals	**-**	**-**	**(8)**	**(377)**	**(565)**	**-**	**(950)**
Transfers/ reclassifications	**(6,809)**	**6,809**	**-**	**-**	**-**	**-**	**-**
Written off	**-**	**-**	**(8)**	**(35)**	**(14)**	**-**	**(57)**
Balance at 31 December 2023	**6,317**	**7,296**	**775**	**7,891**	**20,556**	**-**	**42,835**
Balance at 1 January 2022	12,335	243	206	7,362	14,092	-	34,238
Charge for the year	424	114	3.00	606	3,703	-	4,850
Disposals	(70)	-	(35)	(333)	(515)	-	(953)
Balance at 31 December 2022	12,689	357	174	7,635	17,280	-	38,135
Net book value:							
31 December 2023	**11,181**	**1,329**	**4,633**	**2,091**	**6,874**	**4,569**	**30,677**
31 December 2022	6,789	7,761	29	2,210	6,998	4,502	28,289

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2022: Nil)

(a) The items written off relate to computer equipment, motor vehicle, furniture and fittings no longer in use.

16 Property and equipment

Bank	Leasehold improvements and building N million	Freehold land N million	Motor vehicles N million	Furniture fittings & equipment N million	Computer equipment N million	Work in progress N million	Total N million
16.3 Cost							
Balance at 1 January 2023	**8,143**	**19,066**	**203**	**9,744**	**24,023**	**5,230**	**66,409**
Additions	**40**	**246**	**5,255**	**555**	**2,849**	**1,155**	**10,100**
Disposals	**-**	**(1 932)**	**(96)**	**(400)**	**(575)**	**-**	**(3,003)**
Expensed	**-**	**-**	**(8)**	**(38)**	**(14)**	**-**	**(60)**
Transfers/reclassifications	**441**	**119**	-	120	1,137	**(1 817)**	**-**
Balance at 31 December 2023	**8,624**	**17,499**	**5,354**	**9,981**	**27,420**	**4,568**	**73,446**
Balance at 1 January 2022	8,090	18,815	241	9,052	22,278	870	59,346
Additions	53	393	-	1,093	2,281	4,360	8,180
Disposals	-	(142)	(38)	(401)	(536)	-	(1,117)
Balance at 31 December 2022	8,143	19,066	203	9,744	24,023	5,230	66,409
16.4 Accumulated depreciation							
Balance at 1 January 2023	**357**	**12,690**	**175**	**7,634**	**17,266**	**-**	**38,122**
Charge for the year	**131**	**438**	**610**	**668**	**3,853**	**-**	**5,700**
Disposals	**-**	**-**	**(8)**	**(377)**	**(564)**	**-**	**(949)**
Transfers/ reclassifications	**6,810**	**(6,810)**	**-**	**-**	**-**	**-**	**-**
Written off	**-**	**-**	(8)	(34)	(14)		**(56)**
Balance at 31 December 2023	**7,298**	**6,318**	**769**	**7,891**	**20,541**	**-**	**42,817**
Balance at 1 January 2022	242	12,334	206	7,361	14,086	-	34,229
Charge for the year	115	425	3	606	3,697	-	4,846
Disposals	-	(69)	(34)	(333)	(517)	-	(953)
Written off	-	-	-	-	-	-	-
Balance at 31 December 2022	357	12,690	175	7,634	17,266	-	38,122
Net book value:							
31 December 2023	**1,326**	**11,181**	**4,585**	**2,090**	**6,879**	**4,568**	**30,629**
31 December 2022	7,786	6,376	28	2,110	6,757	5,230	28,287

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2022: Nil)

17 Intangible assets

Reconciliation of carrying amount Group and Bank	Purchased Software N million	Total N million
17.1 Cost		
Balance at 1 January 2023	5,801	**5,801**
Additions	**-**	**-**
Balance at 31 December 2023	**5,801**	**5,801**
Balance at 1 January 2022	5,801	5,801
Additions	-	-
Balance at 31 December 2022	5,801	5,801
17.2 Accumulated amortisation		
Balance at 1 January 2023	**2,594**	2,594
Amortisation for the year	**765**	765
Balance at 31 December 2023	**3,359**	**3,359**
Balance at 1 January 2022	1,829	1,829
Amortisation for the year	**765**	765
Balance at 31 December 2022	2,594	2,594
Carrying amount:		
31 December 2023	**2,442**	**2,442**
31 December 2022	3,207	3,207

There were no capitalised borrowing costs related to the internal development of software during the year (2022: Nil).

18 Right of Use Assets

Reconciliation of carrying amount	Building N million	Branch Space N million	ATM Space N million	Other Leases N million	Total N million
18.1 Cost					
Balance at 1 January 2023	**723**	**5,537**	**796**	**59**	**7,115**
Additions	**540**	**1,571**	**2**	**32**	**2,145**
Termination	**-**	**(676)**	**-**	**(2)**	**(678)**
Balance at 31 December 2023	**1,263**	**6,432**	**798**	**89**	**8,582**
Balance at 1 January 2022	794	4,339	677	27	5,837
Additions	71	971	172	64	1,278
Reclassification	(142)	227	(53)	(32)	-
Balance at 31 December 2022	723	5,537	796	59	7,115
18.2 Accumulated amortisation					
Balance at 1 January 2023	654	3,355	613	37	4,659
Charge for the year	**225**	**1,013**	**134**	31	1,403
Termination	-	(193)	(17)	-	(210)
Balance at 31 December 2023	**879**	**4,175**	**730**	**68**	**5,852**
Balance at 1 January 2022	575	2,550	443	9	3,577
Charge for the year	79	805	170	28	1,082
Balance at 31 December 2022	654	3,355	613	37	4,659
Carrying amount:					
31 December 2023	**384**	**2,257**	**68**	**21**	**2,730**
31 December 2022	69	2,182	183	22	2,456

*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 4.6) and Right of Use assets titles are restricted by the lease liabilities.

*Others include advert space, car parking space, accommodation amongst others

	Group		Bank	
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
	N million	N million	**N million**	N million
19 Share capital				
19.1 Issued and fully paid-up				
40,000,000,000 Ordinary shares of 50k each (see note(i) below) (2022: 3,749,996,654 Ordinary shares of 50k each)	**20,000**	1,875	**20,000**	1,875

(i) Following the approval of shareholders at the Bank's Annual General Meeting, the paid up capital of the Bank was increased to 40billion ordinary shares of 50k each, with the Capitalisation of the additional amount from the retained earning.

Share premium	**42,469**	42,469	**42,469**	42,469

All issued shares are fully paid up. Details of directors' interest in shares, the shareholder spread and major shareholders are given in the shareholder analysis on page ii of this annual report.

19.2 Reserves

a) Other regulatory reserves

The other regulatory reserve includes movements in the statutory reserves and the small and medium scale industries reserve (SMEEIS).

(i) Statutory reserves

Nigerian banking industry regulations require the bank to make an annual appropriation to a statutory reserve.

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

(ii) Small and medium scale industries reserve (SMEEIS)

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 (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable. No transfer was made into the small and medium scale idustries reserve for the period (2022: Nil).

(iii) Agri-Business / Small and medium scale industries reserve (AGSMEIS)

The transfer under AGSMEEIS reserve for the relates to appropriation to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (approved by the Bankers' Committee on 9 February 2017), participating banks shall set aside 5% of their profit after tax (PAT) annually.

b) Fair value through OCI reserve

This represents unrealised gains or losses arising from changes in the fair value of financial assets held at fair value through OCI which are recognised directly in the other comprehensive income reserve until the financial asset is derecognised or impaired.

c) Statutory credit risk reserve

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

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

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

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

d) Share based payment reserve

This represents the provision for liabilities under the equity settled portion of the group's share incentive scheme which enables key management personnel and senior employees to benefit from the performance of Stanbic IBTC Bank and its subsidiary.

20 Dividend

The management proposed a final dividend of 15 kobo per share during the year ended December 2023 (Dec 2022: 500k per share).

	Bank	
	31 Dec. 2023	31 Dec. 2022
	N million	N million
Final dividend proposed (million)	**6,000**	18,750
Number of shares in issue and ranking for dividend	**40,000**	3,750
Proposed dividend per share (Naira)	**0.15**	5
Dividend paid during the year	**10,000**	8,439
Total dividend paid during the year.	**10,000**	26,189

The management, pursuant to the powers vested in it by the provisions of Section 426 of the Companies and Allied Matters Act of Nigeria, 2020, proposed a final dividend of 15 kobo per share (31 Dec 2022: 500k per share) from the retained earnings account as at 31 December 2023.

The number of shares in issue and ranking for dividend represents the outstanding number of shares as at 31 December 2023 and 31 December, 2022 respectively.

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	31 Dec. 2023 N million	31 Dec. 2022 N million
21 Deposits and current accounts				
Deposits from banks	658,885	491,080	658,885	491,080
Deposits from banks	658,885	491,080	658,885	491,080
Deposits from customers	2,091,547	1,260,758	2,092,598	1,261,848
Current accounts	1,238,719	717,199	1,239,769	718,289
Call deposits	97,904	105,253	97,904	105,253
Savings accounts	264,934	182,134	264,935	182,134
Term deposits	489,990	256,172	489,990	256,172
Total deposits and current accounts	2,750,432	1,751,838	2,751,483	1,752,928

Included in deposits and current accounts is N19,209 million (Dec 2022: N37,381 million) due to related parties. See Note 36.3.

Maturity analysis

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

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	31 Dec. 2023 N million	31 Dec. 2022 N million
Repayable on demand	1,966,710	1,363,872	1,967,761	1,364,963
Maturing within 1 month	288,556	121,650	288,556	121,650
Maturing after 1 month but within 6 months	451,267	96,057	451,267	96,057
Maturing after 6 months but within 12 months	43,815	170,253	43,815	170,253
Maturing after 12 months	84	6	84	5
Total deposits and current accounts	2,750,432	1,751,838	2,751,483	1,752,928
Current	2,750,348	1,751,832	2,751,399	1,752,923
Non-current	84	6	84	5
	2,750,432	1,751,838	2,751,483	1,752,928

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. 2023		31 Dec. 2022	
	%	N million	%	N million
South South	4	116,494	5	80,556
South West	58	1,600,390	54	962,116
South East	2	42,984	2	34,802
North West	2	59,671	3	50,839
North Central	9	254,793	8	134,777
North East	1	17,215	1	13,058
Outside Nigeria	24	658,885	27	475,690
Total deposits and current accounts	100	2,750,432	100	1,751,838

Bank	31 Dec. 2023		31 Dec. 2022	
	%	N million	%	N million
South South	4	116,494	5	80,556
South West	58	1,601,440	55	963,206
South East	2	42,984	2	34,802
North West	2	59,671	3	50,839
North Central	9	254,794	7	134,777
North East	1	17,215	1	13,058
Outside Nigeria	24	658,885	27	475,690
Total deposits and current accounts	100	2,751,483	100	1,752,928

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
		N million	N million	**N million**	N million
22	**Other borrowings**				
	Nigeria Mortgage Refinance Company (see (i) below)	**3,043**	3,279	**3,043**	3,279
	Bank of Industry (see (ii) below)	**265**	476	**265**	476
	Standard Bank Isle of Man (see (iii) below)	**254,107**	131,532	**254,107**	131,532
	CBN Commercial Agricultural Credit Scheme (see (iv) below)	**6,237**	8,998	**6,237**	8,998
	CBN Real Sector Support Financing(v)	**5,262**	8,088	**5,262**	8,088
	British International Investment PLC(vi)	**107,045**	35,584	**107,045**	35,584
		375,959	187,957	**375,959**	187,957

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 N1.835million (Tranche 1) and N1.543 million (Tranche 2) on-lending facilities obtained from Nigeria Mortgage Refinance Company in June 2016 and June 2018 respectively. Tranche 1 is priced at 15.5% while Tranche 2 is priced at 14.5%. The facility is 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 an unsecured dollar denominated long term on-lending facilities with floating rates tied to SOFR from Standard Bank Isle of Man with average tenor of 5 years. The dollar value of the facility as at 31 December 2023 was USD$260.5 million (Dec 2022: USD$284 million). The facility was not secured.

iv. The bank obtained an unsecured loan from the Central Bank of Nigeria (CBN) at different periods 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 real sector support funding of N10.9bn from the Central Bank of Nigeria at an interest rate of 3% for 7 years.

vi. This represents US$75 million and US$50 million on-lending facility obtained in October 2020 & December 2023 respectively from the British International Investment Plc. The US$75 million facility which is a senior unsecured debt is priced at 6-month SOFR + 4.0% with a maturity date of 10 November 2027 while the US$50 million senior unsecured debt is priced at 3 month SOFR +2.5% with a maturity date of 15 December 2024.

The group has not had any default of principal, interest or any other breaches with respect to its other borrowings during the year ended 31 December 2023 (Dec 2022: Nil).

Maturity analysis

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

	Group		Bank	
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
	N million	N million	**N million**	N million
Repayable on demand	**2**	-	**2**	-
Maturing within 3 months	**224,376**	2 173	**224,376**	2,173
Maturing after 3 months but within 6 months	**24,691**	121 811	**24,691**	121,811
Maturing after 6 months but within 12 months	**54,225**	16 716	**54,225**	16,716
Maturing after 12 months	**95,895**	70 858	**95,895**	70,858
	399,189	211,558	**399,189**	211,558
Current	**303,294**	140,700	**303,294**	140,700
Non-current	**95,895**	70,858	**95,895**	70,858
	399,189	211,558	**399,189**	211,558

Movement in other borrowings

	Group		Bank	
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
	N million	N million	**N million**	N million
At start of year	**187,957**	136,433	**187,957**	136,433
Additions	**138,371**	64,829	**138,371**	64,829
Accrued interests	**17,187**	2,735	**17,187**	2,735
Effect of exchange rate changes [loss/(profit)]	**181,123**	11,338	**181,123**	11,338
Payments made	**(148,679)**	(27,378)	**(148,679)**	(27,378)
At end of year	**375,959**	187,957	**375,959**	187,957

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	31 Dec. 2023 N million	31 Dec. 2022 N million
23 Debt Securities Issued				
Subordinated debt - US dollar denominated (see (i) below)	**69,348**	19,071	**69,348**	19,071
Senior unsecured debt - (see (ii) below)	**-**	29,947	**-**	29,947
Commercial papers issued- (see (iii) below)	**4,963**	21,860	**4,963**	21,860
	74,311	70,878	**74,311**	70,878

The terms and conditions of Debt securities issues are as follows:

(i) This represents US dollar denominated term subordinated non-collaterised facility of $40 million and $30 million obtained from Standard Bank of South Africa effective 05 Feb 2021 & 16 August 2023 respectively. The $40 million facility expires on 05 Feb 2031 while the $30 million facility will expire on 16 August 2033 and is repayable at maturity. Interest on the facility is payable semi-annually at SOFR (Secured Overnight Financing Rate) plus 4.98% and 4.71% respectively.

(ii) 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 and has been fully repaid.

(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.

The bank has not had any default of principal, interest or any other convenants with respect to its debt securities during the year ended 31 December 2023 (Dec. 2022: Nil)

Movement in Debt Securities Issued

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	31 Dec. 2023 N million	31 Dec. 2022 N million
At start of the year	**70,878**	47,419	**70,878**	47,419
Additions	**58,002**	45,010	**58,002**	45,010
Accrued interest for the period	**13,114**	8,122	**13,114**	8,122
Interest paid	**(8,226)**	(5,683)	**(8,226)**	(5,683)
Effect of exchange rate changes ((profit)/loss)	**23,892**	1,510	**23,892**	1,510
Payments made	**(83,349)**	(25,500)	**(83,349)**	(25,500)
At end of year	**74,311**	70,878	**74,311**	70,878

24 Current tax liabilities

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	31 Dec. 2023 N million	31 Dec. 2022 N million
24.1 Summary				
Current tax liabilities	**5,889**	2,128	**5,418**	1,911
Deferred Taxation	**-**	-	**-**	-
	5,889	2,128	**5,418**	1,911

24.2 Movement in current tax liabilities

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	31 Dec. 2023 N million	31 Dec. 2022 N million
Balance at beginning of the year	**2,128**	1,118	**1,911**	889
Charge for the year	**4,618**	3,582	**4,343**	3,362
Payment made	**(857)**	(2,572)	**(836)**	(2,340)
Balance at end of the year	**5,889**	2,128	**5,418**	1,911

25 Provisions

31 December 2023	Legal N million	Taxes & levies N million	Expected credit loss for off balance sheet exposures N million	Total N million
Group and Bank				
Balance at 1 January 2023	5,457	2,130	649	8,236
Provisions made during the year	697	7,481	1,654	9,832
Provisions utilised during the year	-	(5,199)	-	(5,199)
Provisions reversed during the year	(10)	-	(1,626)	(1,636)
Balance at 31 December 2023	**6,144**	**4,412**	**677**	**11,233**
Current	687	2,282	28	2,997
Non-current	5,457	2,130	649	8,236
	6,144	**4,412**	**677**	**11,233**

Expected credit loss for off balance sheet exposures relates to off balance sheet letters of credits and commitments

31 December 2022	Legal N million	Taxes & levies N million	Expected credit loss for off balance sheet exposures	Total N million
Group and Bank				
Balance at 1 January 2022	6,113	1,858	793	8,764
Provisions made during the year	1,200	8,412	952	10,564
Provisions utilised during the year	-	(8,140)	-	(8,140)
Provisions reversed during the year	(1,856)	-	(1,096)	(2,952)
Balance at 31 December 2022	**5,457**	**2,130**	**649**	**8,236**
Current	-	2,130	649	2,779
Non-current	5,457	-	-	5,457
	5,457	**2,130**	**649**	**8,236**

(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 judgement supported by legal advice from the Bank's legal advisors. See Note 30.4 for further details.

(b) Taxes & levies

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

(c) 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.

	Analysis of movement in off-balance sheet					
As at 31 December 2023	Opening balance	Originated ECL		Subsequent changes	Derecognition	Total
12 Month- ECL	620	467		(32)	(468)	**587**
Life-time ECL not credit impaired	30	-		60	-	**90**
Life-time ECL credit impaired	-	-		-	-	-
	650	**467**	**-**	**28**	**(468)**	**677**

26 Other liabilities

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	31 Dec. 2023 N million	31 Dec. 2022 N million
26.1 Summary				
Trading settlement liabilities(see(iv) below)	6,321	4,102	6,321	4,102
Cash-settled share-based payment liability (note 31.9)	1,243	756	1,240	756
Accrued expenses - staff (see (ii) below)	6,373	3,233	6,247	3,170
Deferred income (vi)	4,351	3,133	4,351	3,133
Accrued expenses - Others (see (v) below)	4,330	4,601	4,274	4,569
Due to group companies (see note 36.3)	32,895	61,525	34,285	62,491
Collections / remittance payable (see (vii) below)	218,164	145,421	218,164	145,414
Customer deposit for letters of credit	56,249	23,680	56,249	23,680
Unclaimed balances (see (i) below)	4,905	3,127	4,905	3,127
Draft & bank cheque payable	1,235	1,014	1,235	1,014
Electronic channels settlement liability	6,554	7,157	6,554	7,157
Clients cash collateral for derivative transactions	22,560	7,370	22,560	7,370
Sundry liabilities (see (iii) below)	87,893	39,935	87,899	39,936
Lease liabilities(viii)	1,026	541	1,026	542
	454,099	305,595	455,310	306,461
Current	408,382	280,165	409,593	281,030
Non-current	45,717	25,430	45,717	25,431
	454,099	305,595	455,310	306,461

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

(ii) Accrued expense -staff relates to employee bonus and incentives.

(iii) Sundry liabilities include payable to vendors, sales agent commission payable and non-financial institution vostro accounts

(iv) Trade settlement liabilities relates to unsettled trade payables in respect of trading instruments

(v) Accrued expenses - Others includes accruals for audit fees and other miscellaneous provisions.

(vi) 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.

(vii) Collections and remittance payable includes N21.3bn (Dec 2022: N23bn) relating to balance held in respect of clearing and settlement activites from NIBBS,FMDQ over the counter foreign exchange transactions.

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

Movements in lease liabilities

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	31 Dec. 2023 N'million	31 Dec. 2022 N'million
Opening balance for the year	541	472	542	473
Additions	624	537	624	537
Finance cost	15	9	15	9
Terminated/Cancelled	(18)	(477)	(18)	(477)
Payments during the year	-	-	-	-
Closing balance for the year	1,162	541	1,163	542

Maturity analysis
The maturity analysis is based on the remaining years over the lease term.

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	31 Dec. 2023 N million	31 Dec. 2022 N million
1-5 yrs	1,162	541	1,163	541
6-12mths	-	-	-	-
On demand	-	-	-	-
Within 3mths	-	-	-	-
Within 6mths	-	-	-	-
	1,162	541	1,163	541

27 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		Carrying amount	Fair value
		Held for trading	Fair value through P/L - default		Debt Instruments	Equity Instruments		
		N million	N million	N million	N million	N million	N million	N million
31 December 2023								
Assets								
Cash and cash equivalents	7	-	-	1,362,369	-	-	1,362,369	**1,362,369**
Trading assets	9.1	67,907	-	-	-	-	67,907	**67,907**
Pledged assets	8	70,103	-	-	304,809	-	374,912	**374,912**
Derivative assets	10.6	550,720	-	-	-	-	550,720	**550,720**
Financial investments	11	-	-	58,429	280,161	3,934	342,524	**342,524**
Loans and advances to banks	12	-	-	8,668	-	-	8,668	**8,544**
Loans and advances to customers	12	-	-	2,032,350	-	-	2,032,350	**2,003,287**
Other assets (see (a) below)		-	-	187,399	-	-	187,399	**187,399**
		688,730		**3,649,215**	**584,970**	**3,934**	**4,926,849**	**4,897,662**
Liabilities								
Derivative liabilities	10.6	446,993	-	-	-	-	446,993	**446,993**
Trading liabilities	9.2	480,464	-	-	-	-	480,464	**480,464**
Deposits from banks	21	-	-	658,885	-	-	658,885	**658,885**
Deposits from customers	21	-	-	2,091,547	-	-	2,091,547	**2,091,547**
Other borrowings	22	-	-	375,959	-	-	375,959	**375,959**
Subordinated debt	23	-	-	74,311	-	-	74,311	**74,311**
Other liabilities (see (b) below)		-	-	449,748	-	-	449,748	**449,748**
		927,457	**-**	**3,650,450**	**-**	**-**	**4,577,907**	**4,577,907**

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

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

27 Classification of financial instruments - (continued)

	Note	Fair Value through P&L		Amortised cost	Fair-value through other comprehensive income		Carrying amount	Fair value
		Held for trading	Designated at fair value		Debt Instruments	Equity Instruments		
		N million	N million	N million	N million	N million		
31 December 2022								
Assets								
Cash and cash equivalents	7	-	-	643,810	-	-	643,810	643,810
Trading assets	9.1	190,427	-	-	-	-	190,427	190,427
Pledged assets	8	54,804	-	-	73,186	-	127,990	127,990
Derivative assets	10.6	42,134	-	-	-	-	42,134	42,134
Financial investments	11	-	-	53,205	421,611	3,461	478,277	478,277
Loans and advances to banks	12	-	-	3,404	-	-	3,404	3,355
Loans and advances to customers	12	-	-	1,204,785	-	-	1,204,785	1,187,557
Other assets (see (a) below)		-	-	112,803	-	-	112,803	112,803
		287,365	-	2,018,007	494,797	3,461	**2,803,630**	**2,786,353**
Liabilities								
Derivative liabilities	10.6	26,099	-	-	-	-	26,099	26,099
Trading liabilities	9.2	220,971	-	-	-	-	220,971	220,971
Deposits from banks	21	-	-	491,080	-	-	491,080	491,080
Deposits from customers	21	-	-	1,260,758	-	-	1,260,758	1,260,758
Other borrowings	22	-	-	187,957	-	-	187,957	187,957
Subordinated debt	23	-	-	70,878	-	-	70,878	70,878
Other liabilities (see (b) below)		-	-	302,462	-	-	302,462	302,462
		247,070	**-**	**2,313,135**	**-**	**-**	**2,560,205**	**2,560,205**

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. The fair value is a hypothetical value applicable at a given reporting date, and hence can only be used as an indicator of the value realisable in a future sale.

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

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

28 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.

28.1 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; and
- 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.

28.2 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.

28.3 Financial instruments measured at fair value - fair value hierarchy

The tables below analyse financial instruments carried at fair value at the end of the 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	**Fair value N million**	**Level 1 N million**	**Level 2 N million**	**Level 3 N million**	**Total N million**
31 December 2023						
Assets						
Derivative assets	10.6	550,720	-	478,977	71,743	**550,720**
Trading assets	9.1	-	3,849	64,058	-	**67,907**
Pledged assets	8	374,912	304,808	70,104	-	**374,912**
Financial investments	11	341,608	320,283	-	3,934	**324,217**
		1,267,240	**628,940**	**613,139**	**75,677**	**1,317,756**
Comprising:						
Held-for-trading		620,823	73,952	543,035	71 743	**688,730**
Amortised Cost		58,429	58,429	-	-	**58,429**
FV through Other Comprehensive Income		587,988	496,559	70,104	3,934	**570,597**
		1,267,240	**628,940**	**613,139**	**75,677**	**1,317,756**
Liabilities						
Derivative liabilities	10.6	446,993	-	446,993	-	**446,993**
Trading liabilities	9.2	480,464	5,989	474,475	-	**480,464**
		927,457	**5,989**	**921,468**	**-**	**927,457**
Comprising:						
Held-for-trading		927,457	5,989	921,468	-	**927,457**
		927,457	**5,989**	**921,468**	**-**	**927,457**

There have been no transfers between Level 1 and Level 2 during the year

Group	Note	Fair value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2022						
Assets						
Derivative assets	10.6	42,134	-	27,497	14 637	42,134
Trading assets	9.1	-	190,427	-	-	190,427
Pledged assets	8	127,990	127,990	-	-	127,990
Financial investments	11	478,086	454,853	19,772	3,461	478,086
		648,210	773,270	47,269	18,098	838,637
Comprising:						
Held-for-trading		96,938	245,231	27,497	14 637	287,365
Amortised Cost		53,205	53,205	-	-	53,205
FV through Other Comprehensive Income		498,067	474,834	19,772	3,461	498,067
		648,210	773,270	47,269	18,098	838,637
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 period. No reclassifications were made in or out of level 3 during the year.

28.4 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 N million	Financial investments N million	Total N million
Balance at 1 January 2023	**14,637**	**3 461**	**18,098**
Gains/(losses) included in profit or loss - Trading revenue	**-**	-	**-**
Gain/(loss) recognised in other comprehensive income	**-**	**472**	**472**
Recognised in profit or loss during the year	**60,550**	-	**60,550**
Originations and purchases	-	-	**-**
Day one profit/ (loss) recognised	**(3,444)**	-	**(3,444)**
Sales and settlements	-	-	**-**
Balance at 31 December 2023	**71,743**	**3 933**	**75 676**
Balance at 1 January 2022	11,369	2,856	14,225
Gain/(Losses) included in profit or loss - Trading revenue	-	-	-
Gain/(loss) recognised in other comprehensive income	-	605	605
Recognised in profit or loss during the year	2,723	-	2,723
Origination and purchases	-	-	-
Day one profit/ (loss) recognised	545	-	545
Sales and settlements	-	-	-
Balance at 31 December 2022	**14,637**	**3,461**	18,098

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 N million	Financial investments N million	Total N million
31 December 2023			
Other comprehensive income	**-**	**472**	**472**
Trading revenue	**-**	**-**	**-**
	-	**472**	**472**
31 December 2022			
Other comprehensive income	**-**	605	605
Trading revenue	**-**	**-**	**-**
	-	**605**	**605**

28.4 Level 3 fair value measurement (continued)

(ii) Unobservable inputs used in measuring fair value

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

Type of financial instrument	Fair value as at 31-Dec-2023 Nmillion	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable input
Unquoted equities	3,933 (2022: 3,642)	Discounted cash flow	- Risk adjusted discount rate	A significant increase in the spread above the risk-free rate would result in a lower fair value.
Derivative assets	71,743 (2022: 14,636)	Discounted cash flow technique	• Own credit risk (DVA) • Counterparty credit risk (CVA, basis risk and country risk premium) • USD/NGN Quanto Risk • FX Volatility	A significant move (either positive or negative) in the unobservable input will result in a significant move in the fair value.

(iii) 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 measurment	Effect on OCI/Profit or Loss Favourable Nmillion	Effect on OCI/Profit or Loss Unfavourable Nmillion
31 December 2023					
Unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	**250**	**(274)**
Derivative assets	Discounted cash flow technique	• Own credit risk (DVA) • Counterparty credit risk (CVA, basis risk and country risk premium) • USD/NGN Quanto Risk • FX Volatility	From (1%) to 1%	**441**	**(445)**
31 December 2022					
Unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	122	(111)
Derivative assets	Discounted cash flow technique	• Own credit risk (DVA) • Counterparty credit risk (CVA, basis risk and country risk premium) • USD/NGN Quanto Risk • FX Volatility	From (1%) to 1%	441	(445)

28.5 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.

Where carrying amount of financial instruments approximates their fair value, the fair values of such financial instruments are not disclosed in the table below. These financial instruments includes, short term receivables, and short term payables, other assets and other liabilities.

Group	Carrying Amount N million	Level 1 N million	Level 2 N million	Level 3 N million	Total Fair Value N million
31 December 2023					
Assets					
Cash and cash equivalents	1,362,369	-	1,362,369	-	**1,362,369**
Loans and advances to banks	8,544	-	8,668	-	**8,668**
Loans and advances to customers	2,032,350	-	2,003,287	-	**2,003,287**
Other financial assets	187,399	-	187,399	-	**187,399**
	3,590,662	**-**	**3,561,723**	**-**	**3,561,723**
Liabilities					
Deposits from banks	658,885	-	658,885	-	**658,885**
Deposits from customers	2,091,547	-	2,091,547	-	**2,091,547**
Other borrowings	375,959	-	375,959	-	**375,959**
Debt securities issued	74,311	-	74,311	-	**74,311**
Other financial liabilities	449,748		449,748	-	**449,748**
	3,650,450	**-**	**3,650,450**	**-**	**3,650,450**

Group	Fair 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	643,810	-	643,810	-	643,810
Loans and advances to banks	3,355	-	3,404	-	3,404
Loans and advances to customers	1,204,785	-	1,187,557	-	1,187,557
Other financial assets	112,803	-	112,803	-	-
	1,964,753	-	1,947,574	-	1,834,771
Liabilities					
Deposits from banks	491,080	-	491,080	-	491,080
Deposits from customers	1,260,758	-	1,260,758	-	1,260,758
Other borrowings	187,957	-	187,957	-	187,957
Debt securities issued	70,878	-	70,878	-	70,878
Other financial liabilites	302,462		302,462		302,462
	2,313,135	-	2,313,135	-	2,313,135

Fair value of loans and advances is estimated using discounted cash flow techniques. Input into the valuation techniques includes interest rates and value of underlying collateral.

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.

29 Financial assets 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 has 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 bank’s actual credit exposure, nor will it agree to that presented in the statement of financial position.

29 Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements (continued)

Group and bank	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
Assets					
31 December 2023					
Derivative assets	550,720	-	550,720	(550,720)	-
Loans and advances to customers	81,325	-	81,325	(11,770)	69,555
	632,045	**-**	**632,045**	**(562,490)**	**69,555**
31 December 2022					
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 and bank	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
Liabilities					
31 December 2023					
Derivative liabilities	103,198	-	103,198	(103,198)	-
Deposits from customers	11,770	-	11,770	(11,770)	-
	114,968	**-**	**114,968**	**(114,968)**	**-**
31 December 2022					
Derivative liabilities	22,317	-	22,317	(22,317)	-
Deposits from customers	12,669	-	12,669	(12,669)	-
Other liabilities	-	-	-	-	-
	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
International Swaps and Derivative Associations	The agreement allows for set off in the event of default
Global master repurchase agreements	The agreement allows for set off in the event of default

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
		N million	N million	**N million**	N million
30	**Contingent liabilities and commitments**				
30.1	**Contingent liabilities**				
	Letters of credit	**164,946**	119,602	**164,946**	119,602
	Bonds and Guarantees	**119,959**	87,120	**119,959**	87,120
		284,905	206,722	**284,905**	206,722

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 on this has been included in provisions (see note 25).

		Group		Bank	
		31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
		N million	N million	**N million**	N million
30.2	**Capital commitments**				
	Contracted capital expenditure	**677**	415	**677**	415
	Capital expenditure authorised but not yet contracted	**-**	24,252	**-**	24,230
		677	24,667	**677**	24,645

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

30.3 Loan commitments

As at 31 December 2023, the group had irrevocable loan commitments amounting to N237.2 billion (Dec 2022: N55.1 billion) in respect of various loan contracts and the expected credit loss on this amounts to N677 million (Dec 2022: N649 million).

30.4 Legal proceedings

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

As at 31 December 2023, the Bank's Litigation Portfolio consist of 345 cases with the aggregate monetary claims in Naira made against Stanbic IBTC Bank via litigation being N273,113,420,488.59. There were also monetary claims against the Bank in other currencies namely: USD$1,447,819.15 & GB £74,284.64

The total Counter-Claim as at 31 December 2023 was N13,151,193,981.86

There were no other events after the reporting date which could have a material effect on the financial position of the group as at 31 December 2023 which have not been recognized or disclosed.

Below is the distribution of cases across the hierarchy of courts for the Bank

	Court	**No of Cases**
a	Court of first instance (Magistrate, High Court, Federal High Court and National Industrial Court)	290
b	Court of Appeal	46
c	Supreme Court	9

31 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 court did not sit on 18 December 2023 as the Judge has been transferred to another division. The case is now adjourned to 29 April 2024 for settlement of issues for determination.

31 Income statement information

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
31.1 Interest income				
Interest on loans and advances to banks	**4,183**	756	**4,183**	756
Interest on loans and advances to customers	**229,579**	119,963	**229,579**	119,963
Interest on investments	**26,624**	24,948	**26,624**	24,948
	260,386	145,667	**260,386**	145,667
Comprising:				
Interest income on items measured at amortised cost	**233,762**	120,719	**233,762**	120,719
Interest income on debt instruments measured at FVOCI	**26,624**	24,948	**26,624**	24,948
	260,386	145,667	**260,386**	145,667

The amount reported above include interest income calculated using the effective interest rate method that relates to loans and advances measured at amortised cost and financial assets carried at FVOCI.

Included in interest income reported above is N945 million (Dec 2022: N237 million) from related party transactions. See Note 36.3.

Interest income for the year ended December 2023 includes N1,549 million (Dec 2022: N492 million) relating to interest income recognised on credit impaired financial assets.

31.2 Interest expense

	Group 31 Dec. 2023	Group 31 Dec. 2022	Bank 31 Dec. 2023	Bank 31 Dec. 2022
Savings accounts	**5,484**	2,429	**5,484**	2,429
Current accounts	**5,394**	1,640	**5,394**	1,640
Call deposits	**2,349**	829	**2,349**	829
Term deposits	**18,546**	12,717	**18,546**	12,717
Interbank deposits	**14,492**	5,665	**14,492**	5,665
Borrowed funds	**49,653**	16,856	**49,653**	16,856
Lease liabilities	**9**	9	**9**	9
	95,927	40,145	**95,927**	40,145

Interest expense reported above is on financial liabilities measured at amortized cost. It includes N14,712 million (Dec. 2022:N4,817 million) from related party transactions. See note 36.3

31.3 Net fee and commission revenue

	Group 31 Dec. 2023	Group 31 Dec. 2022	Bank 31 Dec. 2023	Bank 31 Dec. 2022
Fee and commission revenue	**39,069**	30,210	**39,045**	30,168
Account transaction fees	**6,767**	5,446	**6,767**	5,446
Card based commission	**3,801**	5,073	**3,801**	5,073
Knowledge based fees and commission	**6,609**	4,742	**6,585**	4,700
Electronic banking	**4,422**	2,513	**4,422**	2,513
Foreign currency service fees	**10,541**	7,513	**10,541**	7,513
Documentation and administration fees	**5,434**	620	**5,434**	620
Other fee and commission revenue	**1,495**	4,303	**1,495**	4,303
Fee and commission expense	**(7,521)**	(5,001)	**(7,521)**	(5,001)
	31,548	25,209	**31,524**	25,167

Other fee and commission revenue includes commission from sale of government securities, account statement fee, funds transfer charges, salary processing and administration charges, reference letter charges, and cash withdrawal charges.

Total fee and commission income recognised at a point in time amount to N38,737 million (31 December 2022: N29,801 million) while an amount of N332 million (31 December 2022: N409 million) was recognised over the period.

31.4 Trading revenue

	Group 31 Dec. 2023	Group 31 Dec. 2022	Bank 31 Dec. 2023	Bank 31 Dec. 2022
Equities	**-**	-	**-**	-
Fixed income& currencies	**62,502**	34,417	**62,502**	34,417
	62,502	34,417	**62,502**	34,417

Included in trading revenue reported above is a loss of N58,268 million (Dec. 2022: profit: N190 million) from related party transactions. See Note 36.3 for details.

31.5 Other income

	Group 31 Dec. 2023	Group 31 Dec. 2022	Bank 31 Dec. 2023	Bank 31 Dec. 2022
Dividend income	**408**	480	**644**	815
Gains on disposal of property and equipment	**621**	89	**621**	89
Unrealised income on repossessed collateral	**325**	-	**325**	-
Others (see (i) below)	**276**	393	**274**	393
	1,630	962	**1,864**	1,297

(i) Others includes mainly gains/losses from sale of treasury bills, modification loss on restructured facilities, administrative charges and commissions on non-banking transactions.

		Group		Bank	
		31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
31.6	**Net impairment (write-back)/loss on financial assets**				
	Net expected credit losses raised and released for financial investments	**1,337**	221	**1,337**	221
	12 month ECL	**1,337**	221	**1,337**	221
	Lifetime ECL not credit impaired	**-**	-	**-**	-
	Lifetime ECL credit impaired	**-**	-	**-**	-
	Net expected credit losses raised and released for Loan and advances	**16,820**	11,746	**16,820**	11,746
	12 month ECL	**1,312**	3,012	**1,312**	3,012
	Lifetime ECL not credit impaired	**702**	469	**702**	469
	Lifetime ECL credit impaired	**14,806**	8,265	**14,806**	8,265
	Net expected credit losses raised and released on off balance sheet exposures	**(148)**	(157)	**(148)**	(157)
	12 month ECL	**(148)**	(115)	**(148)**	(115)
	Lifetime ECL not credit impaired	**-**	(42)	**-**	(42)
	Lifetime ECL credit impaired	**-**		**-**	
	Net expected credit losses raised and released on other assets	**490**	244	**465**	243
	12 month ECL	**490**	244	**465**	243
	Lifetime ECL not credit impaired	**-**	-	**-**	-
	Lifetime ECL credit impaired	**-**	-	**-**	-
	Recoveries on loans and advances previously written off	**(3,406)**	(1,906)	**(3,406)**	(1,906)
		15,093	10,148	**15,068**	10,147
31.7	**Staff costs**				
	Salaries and allowances	**44,371**	33,203	**43,771**	32,717
	Equity-linked transactions (Note 31.9)	**1,070**	770	**1,067**	770
		45,441	33,973	**44,838**	33,487
31.8	**Other operating expenses**				
	Information technology	**15,901**	11,788	**15,892**	11,784
	Communication expenses	**2,326**	1,669	**2,322**	1,664
	Premises expenses	**4,519**	4,124	**4,506**	4,105
	Depreciation	**6,899**	5,931	**6,890**	5,930
	Amortisation of intangible asset	**765**	765	**765**	765
	Deposit insurance premium	**7,970**	6,932	**7,970**	6,932
	AMCON expenses	**15,387**	14,602	**15,387**	14,602
	Other insurance premium	**3,295**	1,940	**3,289**	1,940
	Auditors' renumeration	**328**	279	**322**	275
	Non-audit service fee (see note (i))	**48**	27	**48**	27
	Professional fees	**1,564**	1,576	**3,043**	2,678
	Administration and membership fees	**895**	506	**893**	505
	Training expenses	**736**	422	**726**	415
	Security expenses	**2,300**	1,688	**2,300**	1,688
	Travel and entertainment	**1,671**	772	**1,648**	768
	Stationery and printing	**1,149**	1,102	**1,149**	1,100
	Marketing and advertising	**1,336**	1,087	**1,331**	1,083
	Donations	**3**	15	**3**	15
	Operational losses	**230**	145	**230**	145
	Directors' fees	**608**	312	**599**	309
	Penalties and fines	**40**	55	**40**	55
	Bank Charges	**1,127**	3,064	**1,127**	3,064
	Indirect tax (VAT)	**2,009**	1,883	**2,000**	1,876
	Others (see note (ii))	**4,569**	1,362	**4,579**	1,312
		75,675	62,046	**77,059**	63,037

Included in staff costs is N1,025 million (Dec 2022: N786 million) representing salaries and allowances paid to executive Directors for the year. See note 32.

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

31.8 Other operating expenses (continued)

(i) Non-audit services

The details of prior year non-audit services provided by the (PriceWaterhouseCoopers), other than statutory audit of financial statements, are as follows:

	Group		Bank	
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
	N million	N million	**N million**	N million
Professional Fees on NDIC Certification	**5**	5	**5**	5
Risk, Whistleblowing and Corporate Governance Assessment	**22**	17	**22**	17
ISAE 3402 Engagement	**15**	-	**15**	-
Comfort Letter on Financial Summary	**0.5**	-		
Assurance services- audit procedures on BA 610 reporting	**5**	5	**5**	5

Non-audit service provided by Messrs PricewaterhouseCoopers during the year was N48m (December 2022: N27m)

(ii) Others

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

31.9 Share-based payment transactions

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

At 31 December 2023, the group had the following share-based arrangements:

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

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

(c) Deferred bonus scheme.

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

	31 Dec. 2023	31 Dec. 2022
Expenses recognised in staff costs (see note 31.7)	**N million**	N million
Expenses recognised in staff costs		
Stanbic IBTC Equity Growth Scheme	38	245
Deferred bonus scheme (DBS)	1 030	445
	1 068	690

	31 Dec. 2023	31 Dec. 2022
	N million	N million
Liabilities recognised in other liabilities		
Deferred bonus scheme	1,243	756
	1,243	756

(a) Stanbic IBTC Equity Growth Scheme

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

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

The terms and conditions of the grants are as follows:

Vesting category	**Year**	**% vesting**	Expiry
Type A	3, 4, 5	50, 75, 100	10 Years

A reconciliation of the movement of the share appreciation rights is detailed below:

	Units	
	31 Dec. 2023	31-Dec-22
Reconciliation		
Units outstanding at beginning of the year	-	-
Exercised	-	-
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:

31.9 Share-based payment transactions (continued)

(b) Parent company share incentive schemes

Equity compensation plans

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 below:

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

	Option price range (ZAR)	Option price range (Naira)	Number of options 31 Dec. 2023	Number of options 31-Dec-22
	31 Dec. 2023			
Options outstanding at beginning of the year		-	-	-
Lapsed		-	-	-
Options outstanding at end of the year		-	-	-

No options were outstanding at 31 December 2023.

31.9 Share-based payment transactions (continued)

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

	Number of rights	
	31 Dec. 2023	31 Dec. 2022
Rights outstanding at beginning of the year	**11,549**	13,313
Net transfers	**-**	-
Granted	**-**	-
Exercised	**(11,549)**	**(1,764)**
Lapsed	**-**	-
Rights outstanding at end of the year	**-**	11,549

The following rights granted to employees had not been exercised at 31 December 2023:

Number of rights	Price range (ZAR)	Weighted average price (ZAR)	Expiry period
-	156.96	156.96	Year to 31 December 2025
-	122.24	122.24	Year to 31 December 2026
-			

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

Number of rights	Price range (ZAR)	Weighted average price (ZAR)	Expiry period
5,353	156.96	156.96	Year to 31 December 2025
6,196	122.24	122.24	Year to 31 December 2026
11,549			

(c)(i) 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, will now be 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.

(c)(ii) Deferred bonus scheme 2012 (DBS 2012)

In 2012, changes were made to the existing DBS to provide for a single global incentive deferral scheme across the regions. 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 group'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 group's share price on vesting date.

	Units	
	31-Dec-23	31-Dec-22
Reconciliation		
Units outstanding at beginning of the year	**45,252**	1,568
Granted	**-**	24,014
Transfers	**-**	34,667
Exercised	**(37,252)**	(14,997)
Transferred to group companies	**-**	-
Units outstanding at end of the year	**8,000**	45,252
Weighted average fair value at grant date (R)	**-**	-
Expected life (years)	**2.51**	2.51

31.9 Share-based payment transactions (continued)

(c)(iii) 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 demonimated in employee's host countries' local contract, the value of which moves parrallel to the changes in the proce of the SBG shares listed on the JSE and accrue notional dividends over the vesting period 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.

	Naira Units		Rand Units	
	31 Dec. 2023	31 Dec. 2022	**31 Dec. 2023**	31 Dec. 2022
Reconciliation				
Units outstanding at beginning of the year	5,056,340	4,911,519	2,778	**2,778**
Granted	3,494,249	2,631,832	-	**-**
Forfeited	(19,280)	(659,496)	-	**-**
Transferred to group companies	-	278,602	-	-
Exercised	(2,366,128)	(2,106,117)	-	-
Units outstanding at end of the year	**6,165,181**	**5,056,340**	**2,778**	**2,778**
Weighted average fair value at grant date (NGN)	**163**	**163**		
Expected life at grant date (years)	**2.51**	**2.51**	**2.51**	**2.51**

(d) Performance Reward Plan (PRP)

The PRP is a long-term performance drive share plan which 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, the group share incentive scheme (GSIS) and DBS post 2011.

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	
Number of ordinary shares	**Option price range**	**Weighted average price**	**Option expire period**
5,839	220.97	220.97	Year to 31 March 2022
5,839	220.97	220.97	Year to 31 March 2023
5,841	220.97	220.97	Year to 31 March 2024
5,305	183.43	183.43	Year to 31 March 2023
5,305	183.43	183.43	Year to 31 March 2024
5,307	183.43	183.43	Year to 31 March 2025

The following rights granted to employees had not been exercised at 31 December 2023:

Number of ordinary shares	**Option price range(ZAR)**	**Weighted average price**	**Option expire period**
5,839	220.97	220.97	Year to 31 March 2022
5,839	220.97	220.97	Year to 31 March 2023
5,841	220.97	220.97	Year to 31 March 2024
5,305	183.43	183.43	Year to 31 March 2023
5,305	183.43	183.43	Year to 31 March 2024
5,307	183.43	183.43	Year to 31 March 2025

	Units	
	31-Dec-23	**31-Dec-22**
Reconciliation		
Units outstanding at beginning of the year	**93,244**	21,200
Granted	**7,832**	46,900
Exercised	**-**	
Forfeited	**(8,266)**	(2,169)
Cancelled	**-**	-
Transferred to group companies	**-**	27,313
Units outstanding at end of the year	**92,810**	93,244
Weighted average fair value at grant date (ZAR)	**160**	160
Expected life at grant date (years)	**3**	3

	31 Dec. 2023 N million	31 Dec. 2022 N million
32 Emoluments of Stanbic IBTC Bank PLC directors		
Executive directors		
Emoluments of directors in respect of services rendered[1]:		
While directors of Stanbic IBTC Bank PLC		
- as directors of the bank and/ or subsidiary company	**1,025**	786
Non-executive directors		
Emoluments of directors in respect of services rendered:		
While directors of Stanbic IBTC Bank PLC		
- as directors of the bank and/ or subsidiary company	**608**	312
Pensions of directors and past directors	**52**	44
	1 685	1 142

[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. 2023 N million	31 Dec. 2022 N million
Emoluments disclosed above include amounts paid to:		
(i) the chairman	**68**	50
(ii) the highest paid director	**253**	190

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
33 Taxation				
Income tax (credit) (note 33.1)	**13,501**	4,798	**13,244**	4,582
	13,501	4,798	**13,244**	4,582
33.1 Income tax				
Current year				
Current tax	**2,168**	1,364	**1,926**	1,179
Capital Gain Tax	**55**	-	**55**	-
NITDA Levy	**1,240**	602	**1,232**	597
Tertiary Education Tax	**895**	1,426	**870**	1,411
Police Trust Fund	**6**	3	**6**	3
National Agency for Science &Engineering Infrastructure	**308**	149	**308**	149
Withholding tax on dIvidend	**20**	43	**20**	43
Deferred tax	**8,810**	1,248	**8,827**	1,258
Prior year tax	**(1)**	(37)	**-**	(58)
Taxation per income statement	**13,501**	4,798	**13,244**	4,582

33.2 Rate reconciliation

	Group		Bank	
	31 Dec. 2023 %	31 Dec. 2022 %	**31 Dec. 2023 %**	31 Dec. 2022 %
Rate reconciliation including indirect and direct tax				
The total tax charge for the period as a percentage of profit before taxation	**30**	2	**30**	2
Information technology levy	**1**	1	**1**	1
Education tax	**1**	**2**	**1**	**2**
The corporate tax charge for the period as a percentage of profit before taxation	**30**	5	**30**	5
Net tax charge	**30**	5	**30**	5
The charge for the period has been reduced/(increased) as a consequence of:				
Tax exempt income and government securities	**-**	30	**-**	30
Non taxable profits from other tax jurisdictions	**(4)**	(4)	**(4)**	(4)
IT Levy Paid	**1**	1	**1**	1
Other Non-deductible expense	**4**	1	**4**	1
Unrecognised deferred tax assets	**7**	2	**7**	2
Education tax	**1**	2	**1**	2
Non-taxable income - other	**(24)**	-	**(24)**	-
Minimum tax	**2**	2	**2**	2
Other temporary differences	**(6)**	(26)	**(6)**	(26)
Standard rate of tax	**11**	8	**11**	8

Temporary differences not accounted for in deferred tax asset relate to temporary differences on 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.

33.3 Income tax recognised in other comprehensive income

The table below sets out the net of tax amounts relating to each component within other comprehensive income:

Group and bank	Gross value N million	Tax N million	Net of tax N million
31 Dec 2023			
Net change in fair value on financial assets at FVOCI (debt)	5,276	-	5,276
Realised fair value adjustment on financial assets at FVOCI (equity)	(71)	-	(71)
	5,205	**-**	**5,205**
31 Dec 2022			
Net change in fair value on financial assets at FVOCI (debt)	(2,392)	-	(2,392)
Realised fair value adjustments on FVOCI financial assets transferred to profit or loss	(26)		(26)
	(2,418)	-	(2,418)

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
34 Earnings per ordinary share				
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	110,429	55,145	110,140	55,150
Weighted average number of ordinary shares in issue	40,000	40,000	40,000	40,000
Basic earnings per ordinary share (kobo)	**276**	138	**275**	138

Diluted earnings per ordinary share

The group has no dilutive instruments. As a result diluted earnings per share is same as basic earnings per ordinary share.

35 Statement of cash flow notes

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
35.1 (Increase)/decrease in loans & advances & other assets				
Trading assets	**122,520**	(91,688)	**122,520**	(91,688)
Pledged assets	**(246,922)**	54,345	**(246,922)**	54,345
Loans and advances	**(747,741)**	(286,575)	**(747,741)**	(286,575)
Other assets	**(78,518)**	1,202	**(78,382)**	1,627
Restricted balance with the Central Bank	**(470,355)**	(41,767)	**(470,355)**	(41,767)
	(1,421,016)	(364,483)	**(1,420,880)**	(364,058)

	Group		Bank	
	31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
35.2 Increase or decrease in deposits and other liabilities				
Deposit and current accounts	**868,897**	181,284	**868,802**	181,002
Trading liabilities	**259,493**	108,948	**259,493**	108,948
Other liabilities and provisions	**151,501**	(152,927)	**151,908**	(153,054)
	1,279,891	137,305	**1,280,203**	136,896
35.3 Cash and cash equivalents - Statement of cash flows				
Cash and cash equivalents (Note 7)	**1,362,369**	643,810	**1,362,369**	643,810
Treasury Bills (90 days tenor or less)	**272,714**	419,535	**272,714**	419,535
Loans and Advances to Banks (90 days tenor or less)	**8,668**	3,404	**8,668**	3,404
Less: restricted balance with the Central Bank of Nigeria	**(948,964)**	(478,609)	**(948,964)**	(478,609)
Cash and cash equivalents at end of the year	**694,787**	588,140	**694,787**	588,140
35.4 Effect of exchange rate changes on cash and cash equivalents				
Currency				
USD	**103,098**	1,981	**103,098**	1,981
EUR	**9,052**	(328)	**9,052**	(328)
GBP	**9,081**	(712)	**9,081**	(712)
Other currency	**3,128**	(428)	**3,128**	(428)
Effect of exchange rate	**124,359**	513	**124,359**	513
35.5 Net derivative assets				
Movement in derivative assets	**(508,586)**	922	**(508,586)**	922
Movement in derivative liabilities	**420,894**	735	**420,894**	735
Unobservable valuation difference	**8,519**	11,638	**8,519**	11,638
	(79,173)	13,295	**(79,173)**	13,295
35.6 Non-cash flow movements in debts securities issued				
Movement in debts securities issued	**3,433**	23,459	**3,433**	23,459
	3,433	23,459	**3,433**	23,459
35.7 Proceeds from sale of property, equipment, furniture and vehicles				
Cost(see note 16.1)	**3,004**	1,118	**3,003**	1,117
Accummulated depreciation (see note 16.2)	**(950)**	(953)	**(949)**	(953)
Net book value	**2,054**	165	**2,054**	164
Sales proceeds	**2,675**	254	**2,675**	253
Profit on disposal	**621**	89	**621**	89
35.8 Net movement in financial investment				
Purchase of financial investment	**(465,163)**	(674,729)	**(465,163)**	(674,729)
Disposal of financial investment	**450,974**	625,637	**450,974**	625,637
MTM gain or (loss)	**6,291**	(1,622)	**6,291**	(1,622)
	(7,898)	(50,714)	**(7,898)**	(50,714)

36 Related party transactions

36.1 Parent and ultimate controlling party

The Bank is wholly owned by Stanbic IBTC Holdings PLC, a Nigerian company incorporated in Nigeria on the March of 2012 to satisfy the regulatory requirement of the Regulation 3 of 2010 of the Central Bank of Nigeria. The ultimate parent and controlling entity of the bank is Standard Bank Group Limited incorporated in South Africa.
The Bank is related to other companies that are 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.

36.2 Subsidiaries

Details of interest in subsidiaries are disclosed below.

Stanbic IBTC Nominees Limited ("SINL")	100%

36.3 Transactions 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		Bank	
	Note	**31 Dec. 2023 N million**	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
Due from group companies					
Loans to banks	12	**1,104**	530	**1,104**	530
Current account balances	7	**23,072**	8,713	**23,072**	8,713
Derivatives	10.6	**6,643**	1,718	**6,643**	1,718
Other assets	14	**16,126**	507	**15,993**	9,624
		46,945	11,468	**46,812**	20,585

(a) **Loans to banks**:These represent foreign currency placement with Standard Bank Group entities. Placements are usually denominated in US dollars with interest rate ranges between 0.14% - 1.79%. 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 Isle of Man	**1,104**	530	**1,104**	530
	1,104	530	**1,104**	530

(b) **Current account balances:** These represent trade related balances held with SBSA and Stanbic Bank Ghana which are particularly used for letters of credit and other foreign trade transactions. The balances are repayable on demand and usually non interest bearing.

(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 N377.98 bn (2022: N102.43bn). The contracts maturities are within 1 year.

(d) Other assets: These represent reimbursable expenses recoverable from related parties. N7.3 billion (2022: N2.5 billion) is due from the parent entity, Stanbic IBTC Holdings PLC while the balance is due from fellow subsidiaries within the Stanbic IBTC Holdings group.

36 Related party transactions (continued)

36.3 Transactions with Standard Bank of South Africa (SBSA) and other related parties (continued)

	Note	Group		Bank	
		31 Dec. 2023 N million	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
Due to group companies					
Deposits and current accounts (see (e) below)	21	**19,209**	37,381	**20,259**	38,471
Derivatives (see (f) below)	10.6	**1,051**	2,431	**1,051**	2,431
Subordinated debt	23	**69,348**	19,071	**69,348**	19,071
Other borrowings	22	**254,107**	131,532	**254,107**	131,532
Other liabilities	26	**32,895**	61,525	**34,285**	62,491
		376,610	251,940	**379,050**	253,996

(e) **Deposits and current accounts:** These represent deposits with related parties. Balances are denominated in various currencies including NGN, USD, EUR, GBP, JPY, and CNY.

Standard Bank of South Africa	**8,280**	27,732	**8,280**	27,732
Standard Bank De Angola SA	**3**	3	**3**	3
Stanbic IBTC Holdings PLC	**388**	-	**388**	-
Fellow subsidiaries within Stanbic IBTC group	**10,538**	9,646	**11,588**	10,736
	19,209	37,381	**20,259**	38,471

(f) **Derivatives:** These represent fair value of currency swap and forward transactions with entities within the Standard Bank Group. Details per counterparty are as follows:

Standard Bank of South Africa	**249,486**	2,425	**249,486**	2,425
ICBC Standard Bank PLC	**128,492**	6	**128,492**	6
	377,978	2,431	**377,978**	2,431

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 N377.98bn (Dec 2022: N102.43bn). Maturity dates of the contracts are within one year.

(g) **Subordinated debt**: See note 23 for details of the transaction.

(h) **Other borrowings**: See note 22iv for details of the transaction.

(i) Other liabilities: These represent short term payables to related entities in respect of reimbursable expense. Amount due to parent entity (Stanbic IBTC Holdings PLC) amounted to N24.6 billion.

36 Related party transactions (continued)

		Group		Bank	
	Note	**31 Dec. 2023 N million**	31 Dec. 2022 N million	**31 Dec. 2023 N million**	31 Dec. 2022 N million
Profit or loss impact of transactions with Standard Bank of South Africa and other related parties					
Interest income earned		**944**	237	**944**	237
Interest expense paid		**(14,712)**	(5,414)	**(14,712)**	(5,414)
Trading revenue /(loss)		**(58,268)**	190	**(58,268)**	190
Other revenue		**-**	-	**237**	-
Fee and commission income		**311**	172	**358**	172
Operating expense incurred		**(6,054)**	(1,002)	**(7,455)**	(1,002)

Interest income earned: This represent interest earned on placement with group entities. The nature of transaction is presented in Note 36.3

Interest expense: This represents interest expense in respect of deposits, subordinated debt, and other borrowing transactions with group entities. The nature of transaction is presented in Note 36.3(e), (g), & (h).

Trading revenue/ (loss): These represent fair value gain/ (loss) on trading and derivative transactions with group entities. The nature of transaction is presented in Note 36.3(c) and (f) .

Fee and commission income: These represent fee income earned by the bank from technical and management service provided to a subsidiary entities, Stanbic IBTC Nominees Limited (SINL) and Stanbic IBTC Financial Services Limited. Under the agreement, the bank provides managerial and operational support to its subsidiaries. In return, SINL pays 10% (2022: 10%) of its profit before tax to the bank.

Operating expense incurred (Group): This represents sales commission due to Stanbic IBTC Asset Management Limited and management fee due to the parent, Stanbic IBTC Holdings PLC.

Operating expense incurred (Bank): This includes sales commission paid to Stanbic IBTC Asset Management Limited and Stanbic IBTC Holdings PLC and and staff costs recovery from Standard Bank Group entities in respect of employees with regional roles. It also includes amount incurred under technical and management service agreement with SINL. Under the agreement, SINL operates the custody license on behalf of the bank. In return, the bank pays 50% (2022:50%) of the total custody fee generated to SINL.

36.4 Transactions with key management personnel

Key management personnel includes: members of the Stanbic IBTC Bank PLC board of directors and Stanbic IBTC Bank PLC executive committee. Non-executive directors are included in the definition of key management personnel as required by IAS 24 Related Party Disclosure. The definition of key management includes the close members of family of key management personnel and any entity over which key management exercise control, joint control or significant influence. Close members of family are those family members who may be expected to influence, or be influenced by that person in their dealings with Stanbic IBTC Bank PLC. They include the person's domestic partner and children, the children of the person's domestic partner, and dependents of the person or the person's domestic partner

	31 Dec. 2023 N million	31 Dec. 2022 N million
(i) Key management compensation		
Salaries and other short-term benefits	**1 786**	1 352
Post-employment benefits	**49**	44
Value of share options and rights expensed/ (credit)	**-**	-
	1 835	1,396

The transactions below are entered into in the normal course of business.

	31 Dec. 2023 N million	31 Dec. 2022 N million
(ii) Loans to key management personnel		
Loans outstanding at the beginning of the year	**782**	312
Net movement during the year	**268**	470
Loans outstanding at the end of the year	**1 050**	782
Net interest earned	**3**	3

36 Related party transactions (continued)

36.4 Transactions with key management personnel (continued)

Loans include mortgage loans, instalment sale and finance leases and credit cards. Loans granted to employees and executive directors are granted at concessionary rates of 14%-16% below the prime lending rate. No specific impairments have been recognised in respect of loans granted to key management at the reporting date (2022: nil). The mortgage loans and instalment sale and finance leases are secured by the underlying assets. All other loans are unsecured.

(iii) Deposit and current accounts - key management personnel

	31 Dec. 2023 N million	31 Dec. 2022 N million
Deposits outstanding at beginning of the year	929	528
Net movement during the year	31	401
Deposits outstanding at year end	**960**	929
Net interest expense	**2**	**2**

Deposits include cheque, current and savings accounts.

(iv) Investments

Details of key management personnel's investment transactions and balances with entities related to Stanbic IBTC Bank PLC are set out below. The investment include mutual funds investment managed by fellow subsidiary of the bank.

Investment products

	31 Dec. 2023 N million	31 Dec. 2022 N million
Balance at the beginning of the year	37	954
Net movement during the year	-	(917)
Balance at the end of the year	**37**	37

(vi) Other transactions with key management personnel

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 (2022: Nil). Details of the exposures is presented in Note 37.

36.5 Other related party transactions

Shared service arrangement with parent entity - Stanbic IBTC Holdings PLC

Stanbic IBTC Holdings PLC, the parent entity, provides some business support functions to the bank and other entities related to the bank. 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 by the bank and other related entities 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 entered into 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 120 under "Liquidity Contingency" for further details.

Stanbic IBTC Bank PLC did not draw any fund under the agreement during the year (2022: nil).

37 Directors related exposures

There were no director related exposures as at balance sheet date.

38 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 allowance in the ratio 8% by the employee and 10% by the employer. The minimum rate of contribution as required by Pension Reform Act 2004 is 8% for employee and 10% for employer. The amount contributed by the group, and remitted to the Pension Fund Administrators, during the year was N1,472 million (December 2022: N1,307 million).

The group's contributions to this scheme is charged to profit or loss in the year to which they relate. Contributions to the scheme are managed by Stanbic IBTC Pension Management 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 bank and the group’s post-employment contribution plans (that is, the contributory pension scheme) are listed below:

	31 Dec. 2023 N million	31 Dec. 2022 N million
Deposits held with the bank	**39,000**	23,932
Interest paid	**60**	1,330
Value of asset under management	**39,448**	30,606
Number of Stanbic IBTC Holdings shares held	**Nil**	Nil

39 Compliance with banking regulation

The bank paid penalties to the Central Bank of Nigeria (CBN) during the year as follows:

The CBN imposed a fine of N5,000,000 on Stanbic IBTC Bank Limited for alleged failure to obtain CBN prior approval before staff employment.

The CBN imposed a fine of N35,000,000 on Stanbic IBTC Bank Limited for alleged failure to file STR/SAR to the Nigerian Financial Intelligence Unit (NFIU).

The total penalties paid by the bank amounted to N40 million (December 2023: N54.85 million)

40 Employees and Directors

a) Employees

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

	31 Dec. 2023	31 Dec. 2022
	Number	Number
Executive directors	6	6
Management	339	322
Non-management	1,600	1,607
	1,945	1,935

The number of employees of the group, other than directors, who received emoluments in the following ranges (excluding pension contributions), were:

		Number	Number
N2,000,001	- N3,000,000	20	110
N3,000,001	- N4,000,000	103	356
N4,000,001	- N5,000,000	216	145
N5,000,001	- N6,000,000	220	128
N6,000,001 and above		1,380	1,196
		1,939	1,935

41 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 of Stanbic IBTC Bank and also through a matrix reporting line to the Standard Bank Group (SBG).

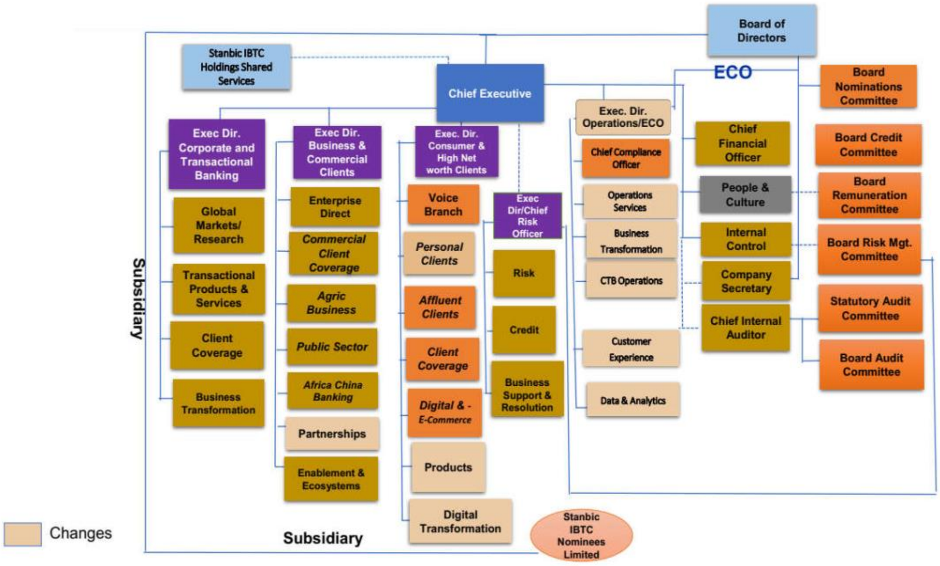
All principal risks are supported by the Risk Management department.

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 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.

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 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 frameworks. They are applied consistently across the group 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 frameworks 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.

Risk categories

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 moves in market variables such as equity, bond and commodity prices, foreign exchange rates, interest rates, credit spreads, recovery rates, correlations and implied volatilities in the market variables. Market risk covers both the impact of these risk factors on the market value of traded instruments as well as the impact on the group's net interest margin as a consequence of interest rate risk on banking book assets and liabilities.

Managing interest rate benchmark reform and associated risks

The Group adopted the interest rate benchmarks including the replacement of some interbank offered rates (IBORs) with alternative "risk-free" reference rates as part of its IBOR reform program. The Group's main IBOR exposures as at 31 December 2023 were indexed to the Euro, GBP and USD LIBOR.

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

Amendments to financial instruments with contractual terms indexed to the EUR and GBP LIBORs were transitioned such that they incorporate the new benchmark rates and the transitioning were completed by 31 December 2021. The transition of USD LIBOR exposures to the SOFR benchmark rate has been extended to 30 June 2023 by the Alternative Reference Rate Committee (ARRC). This only applies to certain USD LIBOR tenures such as (o/n, 1-month, 3-month, 6-month, 12-month). However, the Group is working to an internal timeline of 30 June 2022 for the transition of all legacy USD-LIBOR linked exposures.

	LIBOR				ALTERNATIVE "RISK-FREE" REFERENCE RATES			
REGION	Reference rate	Rate economics	Terms	Administrator	Reference rate	Rate economics	Term	Administrator
	GBP LIBOR	Unsecured lending	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 period opening reserves amounts on adoption.

During the year, management established a steering committee, consisting of key finance, risk, IT, treasury, legal, marketing, credit, compliance and business segment personnel, to oversee the Group's LIBOR transition plan. This steering committee put in place a transition project for those contracts which reference LIBOR to transition them to the alternative reference rates, with the aim of 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 2023, 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 cost measurement

'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
Loans and advances	434

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 Transactional Banking, Business & Commercial Banking and the Personal & Private Banking (BCB & PPB) 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, CTB, BCB and PPB 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.

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:

Methodology for risk rating (continued)

• 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 reserve, 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 bank 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 9 Financial Instruments

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). This applies to all financial debt instruments held at amortised cost, fair value through other commprehensive income (FVOCI), undrawn loan commitments and financial guarantees.

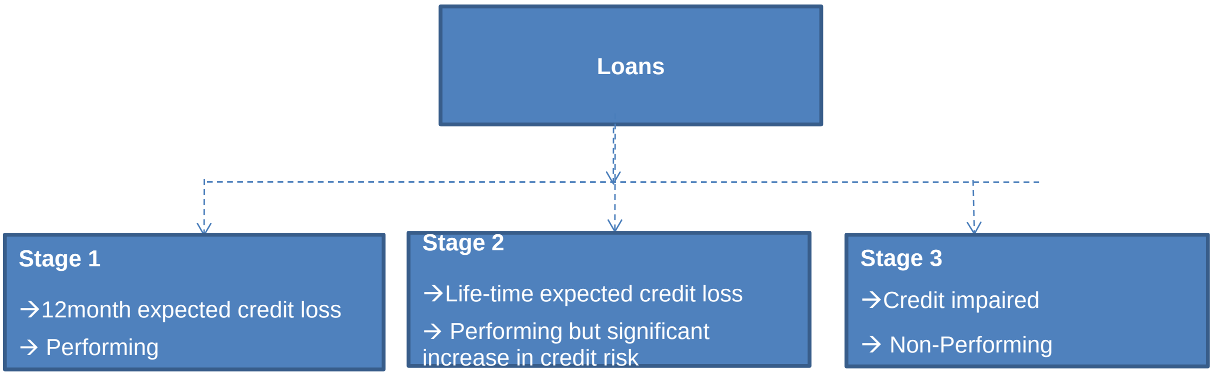
Staging of financial instruments

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 provision recognised when there has been a significant change in the credit risk compared with what was expected at origination.

Instruments are classified as stage 3 when they become credit-impaired.
The framework used to determine a significant increase in credit risk is set out below.



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

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 financial assets will transfer from a 12 month basis to a lifetime basis when there is a significant increase in credit risk (SICR) relative to that which was expected at the time of origination, or when the asset becomes credit impaired. On transfer to a lifetime basis, the expected credit loss for those assets will reflect the impact of a default event expected to occur over the remaining lifetime of the instrument rather than just over the 12 months from the reporting date.

SICR is assessed by comparing the risk of default of an exposure at the reporting date with the risk of default at origination (after considering the passage of time). 'Significant' does not mean statistically significant nor is it reflective of the extent of the impact on the Group's financial statements. Whether a change in the risk of default is significant or not is assessed using quantitative and qualitative criteria, the weight of which will depend on the type of product and counterparty.

The Group uses a mix of quantitative and qualitative criteria to assess SICR.

IFRS 7 (Continued)

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 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 be immediate when the original PD based transfer criteria are no longer met (and as long as none of the other transfer criteria apply). Where assets were transferred using other measures, the assets will only transfer back to stage 1 when the condition that caused the significant increase in credit risk no longer applies (and as long as none of the other transfer criteria apply).

Governance and application of expert credit judgement in respect of expected credit losses

The determination of expected credit losses requires a significant degree of management judgement which is being assessed by the Credit Risk Management Committee (CRMC).

STANBIC IBTC BANK LIMITED

Risk and capital management (continued)
For the year ended 31 December 2023

Maximum exposure to credit risk by credit quality

December 2023	Note	Total Loans and Advances to Customers N'million	Balance sheet impairments for performing loans N'million	Performing loans						Non-performing loans												
				Neither past due nor specifically impaired				Not specifically impaired		Specifically impaired loans											Total non-performing loans N'million	Non-performing loans %
										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							
Personal & Private Banking (PPB)		129,018	2,406	97,259	1,515	-	151	16,190	5,891	1,599	2,620	3,793	-	-	-	8,012	2,526	5,488	5,488	68	8,012	6.2
Mortgage loans		15,184	99	13,974	15		110	775	91	147	15	57	-	-	-	219	97	122	122	56	219	1.4
Instalment sale and finance leases		1,740	27	1,597	4		-	-	55	16	30	38	-	-	-	84	30	54	54	64	84	4.8
Card debtors		3,907	316	2,262	254		-	495	662	127	31	76	-	-	-	234	95	140	140	60	234	6.0
Other loans and advances		108,187	1,964	79,426	1,242		41	14,920	5,083	1,309	2,544	3,622	-	-	-	7,475	2,304	5,172	5,172	69	7,475	6.9
Business and Commercial Banking (BCB)		450,650	7,413	398,263	1,572	-	7,952	11,609	3,331	7,527	2,420	17,976	-	-	-	27,923	5,745	22,178	22,178	79	27,923	6.2
Mortgage loans		-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sale and finance leases		75,602	1,472	74,335	297		394	221	191	16	10	138	-	-	-	164	34	130	130	79	164	0.22
Card debtors		16	1	16	-		-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-
Other loans and advances		375,032	5,940	323,912	1,275		7,558	11,388	3,140	7,511	2,410	17,838	-	-	-	27,759	5,711	22,048	22,048	79	27,759	7.4
Corporate and Transactional Banking		1,511,470	9,301	1,446,029	-	-	-	52,183	-	-	-	13,258	-	-	-	13,258	1,475	11,783	11,783	89	13,258	0.9
Corporate loans		1,511,470	9,301	1,446,029	-		-	52,183	-	-	-	13,258	-	-	-	13,258	1,475	11,783	11,783	89	13,258	0.9
Gross loans and advances		**2,091,138**	19,120	1,941,551	3,087	-	8,103	79,982	9,222	9,126	5,040	35,027	-	-	-	49,193	9,746	39,449	39,449	237	49,193	2.4
Less: Total expected credit loss for loans and advances at amortised cost																						
12-month ECL		(17,101)																				
Lifetime ECL not credit-impaired		(2,237)																				
Lifetime ECL credit-impaired		(39,449)																				
Purchased/originated credit impaired																						
Interest In Suspense (IIS)		-																				
Net loans and advances	12	2,032,351																				
Add the following other banking activities exposures:																						
Cash and cash equivalents	7	1,362,369																				
Derivatives	10.6	550,720																				
Financial investments (excluding equity)	11	338,591																				
Loans and advances to banks	12	8,668																				
Trading assets	9.1	67,907																				
Pledged assets	8	374,912																				
Other financial assets		187,399																				
Total on-balance sheet exposure		4,922,917																				
Off balance sheet exposures																						
Letters of credit		171,275	151	171,275	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Guarantees		119,959	513	119,959	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loan commitments		97,706	218	97,706	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total exposure to credit risk		**5,311,857**																				
Expected credit loss for off balance Sheet exposures																						
12-month ECL		**883**																				
Lifetime ECL not credit-impaired		**-**																				
Lifetime ECL credit-impaired		**-**																				
Total exposure to credit risk on Financial Instruments at amortised cost		5,312,740																				

Maximum exposure to credit risk by credit quality

December 2022				Performing loans						Non-performing loans												
				Neither past due nor specifically impaired				Not specifically impaired		Specifically impaired loans											Total non-performing loans N'million	Non-performing loans %
										Non-performing loans												
	Note	Total Loans and Advances to Customers N'million	Balance sheet impairments for performing loans N'million	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							
Personal & Private Banking(PPB)		89,248	1,607	73,779	905	-	215	7,311	2,046	1,145	1,216	2,632	-	-	-	4,993	2,878	5,023	5,023	101	4,993	5.6
Mortgage loans		5,217	114	4,578	-		138	145	264	65	-	27	-	-	-	92	47	132	132	144	92	1.8
Instalment sale and finance leases		1,687	21	1,572	-		15	-	18	22	9	52	-	-	-	82	52	51	51	62	82	4.9
Card debtors		1,903	99	1,215	42		5	376	96	39	40	91	-	-	-	169	101	219	219	129	169	8.9
Other loans and advances		80,442	1,373	66,414	863		57	6,791	1,668	1,019	1,168	2,462	-	-	-	4,649	2,678	4,621	4,621	99	4,649	5.8
Business and Commercial Banking (BCB)		334,656	5,061	294,891	2,041	-	7,274	14,813	1,134	7,847	1,440	5,217	-	-	-	14,504	7,751	23,501	23,501	162	14,504	4.3
Mortgage loans		156	1	156	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instalment sale and finance leases		43,380	1,082	41,506	89		1,062	145	250	156	90	81	-	-	-	327	179	142	142	43	327	0.8
Card debtors		1	1	1	-		-	-	0	-	-	0	-	-	-	0	0	-1	-1	-4,823,927	0	0.0
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	7,572	23,360	23,360	165	14,177	4.9
Corporate and Transactional Banking		814,291	6,123	765,691	933	-	-	37,725	-	604	3,349	5,988	-	-	-	9,941	6,540	6,281	6,281	63	9,941	1.2
Corporate loans		814,291	6,123	765,691	933		-	37,725	-	604	3,349	5,988	-	-	-	9,941	6,540	6,281	6,281	63	9,941	1.2
Gross loans and advances		**1,238,195**	12,791	1,134,360	3,878	-	7,488	59,850	3,180	9,596	6,005	13,836	-	-	-	29,437	17,170	34,805	34,805	326	29,437	2.4
Less: Total expected credit loss for loans and advances at amortised cost																						
12-month ECL		11,388																				
Lifetime ECL not credit-impaired		1,403																				
Lifetime ECL credit-impaired		17,170																				
Purchased/originated credit impaired																						
Interest In Suspense (IIS)		3,447																				
Net loans and advances	12	1,234,748																				
Add the following other banking activities exposures:																						
Cash and cash equivalents	7	1,362,369																				
Derivatives	10.6	550,720																				
Financial investments (excluding equity)	11	338,591																				
Loans and advances to banks	12	8,668																				
Trading assets	9.1	67,907																				
Pledged assets	8	374,912																				
Other financial assets		187,399																				
Total on-balance sheet exposure		4,125,314																				
Off balance sheet exposures																						
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		**4,509,669**																				
Expected credit loss for off balance Sheet exposures																						
12-month ECL		**1,351**																				
Lifetime ECL not credit-impaired		**-**																				
Lifetime ECL credit-impaired		**-**																				
Total exposure to credit risk on Financial Instrument at amortised cost		**4,511,020**																				

Ageing of loans and advances past due but not specifically impaired

	Less than 31 days N'million	31-60 days N'million	61-89 days N'million	90-180 days N'million	More than 180 days N'million	Total N'million
December 2023						
Personal & Private Banking (PPB)	**17,813**	**3,674**	**669**	**-**	**-**	**22,156**
Mortgage loans	798	68	75	-	-	941
Instalment sales and finance lease	-	51	4	-	-	55
Card debtors	933	117	107	-	-	1,157
Other loans and advances	16,082	3,438	483	-	-	20,003
Business and Commercial Banking (BCB)	**15,572**	**2,763**	**658**	**-**	**-**	**18,993**
Mortgage loans	-	-	-	-	-	-
Instalment sales and finance lease	635	26	9	-	-	670
Card debtors	-	-	-	-	-	-
Other loans and advances	14,937	2,737	649	-	-	18,323
Corporate and Transactional Banking	52,183	-	-	-	-	52,183
Corporate loans	52,183	-	-	-	-	52,183
Total	**85,568**	**6,437**	**1,327**	**-**	**-**	**93,332**
December 2022						
Personal & Private Banking (PPB)	8,318	777	390	-	-	9,485
Mortgage loans	224	218	29	-	-	470
Instalment sales and finance lease	13	18	2	-	-	34
Card debtors	412	50	15	-	-	477
Other loans and advances	7,669	491	344	-	-	8,504
Business and Commercial Banking (BCB)	**16,142**	**451**	**423**	**-**	**-**	**17,016**
Mortgage loans	-	-	-	-	-	-
Instalment sales and finance lease	406	129	48	-	-	583
Card debtors	-	-	-	-	-	-
Other loans and advances	15,736	322	375	-	-	16,433
Corporate and Transactional Banking	37,725	-	-	-	-	37,725
Corporate loans	37,725	-	-	-	-	37,725
Total	62,185	1,228	813	-	-	64,226

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 N19.8 billion as at 31 December 2023 (Dec 2022: N9.4 billion).

Collateral

The table that follows shows the financial effect that collateral has on the group's maximum exposure to credit risk. The table is presented according to Basel II asset categories and includes collateral that may not be eligible for recognition under Basel II but that management takes into consideration in the management of the group's exposures to credit risk. All on- and off-balance sheet exposures which are exposed to credit risk, including non-performing assets, have been included.

Collateral includes:
- financial securities that have a tradable market, such as shares and other securities;
- physical items, such as property, plant and equipment;and
- financial guarantees, suretyships and intangible assets.

All exposures are presented before the effect of any impairment provisions.

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 December 2023									
Corporate		1,895,965	1,301,051	594,914	-	472,189	121,005	147,779	203,405
Sovereign		2,275,595	2,275,595	-	-	-	-	-	-
Bank		355,248	355,248	-	-	-	-	-	-
Retail		722,538	365,182	357,356	-	286,937	22,442	90,479	174,016
Retail Mortgage		15,184	-	15,184	-	8,849	375	3,190	5,284
Other retail		707,356	365,183	342,173	-	278,088	22,067	87,289	168,732
Total		**5,249,346**	**4,297,076**	**952,270**	**-**	**759,126**	**143,447**	**238,258**	**377,421**

Add: Financial assets not exposed to credit risk		17,266
Less: Impairments for loans and advances		(58,790)
Less: Unrecognised off balance sheet items		(284,905)
Total exposure		**4,922,917**
Reconciliation to statement of financial position:		
Cash and balances with central bank	7	1,362,369
Derivatives	10.6	550,720
Financial investments(excluding equities)	11	338,591
Loans and advances	12	2,041,018
Trading assets	9.1	67,907
Pledged assets	8	374,912
Other financial assets	27	187,400
Total		**4,922,917**

-

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 December 2022									
Corporate		992,651	671,134	321,517	-	321,518	49,009	271,593	916
Sovereign		1,314,857	1,314,857	-	-	-	-	-	-
Bank		147,112	147,112	-	-	-	-	-	-
Retail		564,761	345,114	219,647	-	219,647	12,605	204,872	2,170
Retail Mortgage		5,372	-	5,372	-	5,372	365	5,007	-
Other retail		559,389	345,114	214,275	-	214,275	12,240	199,865	2,170
Total		3,019,381	2,478,217	541,164	-	541,165	61,614	476,465	3,086
Add: Financial assets not exposed to credit risk		24,660							
Less: Impairments for loans and advances		(25,639)							
Less: Unrecognised off balance sheet items		(206,723)							
Total exposure		2,811,679							

Reconciliation to statement of financial position:

	Note	N'million
Cash and balances with central bank	7	643,810
Derivatives	10.6	42,134
Financial investments(excluding equities)	11	474,816
Loans and advances	12	1,208,189
Trading assets	9.1	190,427
Pledged assets	8	127,990
Other financial assets	27	124,313
Total		2,811,679

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 2023. For this table, the group has allocated exposures to regions based on the region of domicile of our counterparties.

At 31 December 2023	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	-	40	-	-	65,039	-	65,079
South West	56,574	-	-	16,447	1,873,089	-	1,946,110
South East	-	-	-	-	45,764	-	45,764
North West	-	-	-	-	72,673	-	72,673
North Central	11,333	544,036	374,912	326,076	34,573	-	1,290,930
North East	-	-	-	-	-	-	-
Outside Nigeria	-	6,644	-	-	-	-	6,644
Carrying amount	**67,907**	**550,720**	**374,912**	**342,523**	**2,091,138**	**-**	**3,427,200**

At 31 December 2022	Trading assets N' million	Derivative assets N' million	Pledged assets N'million	Financial investments(excluding 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	33,748	1,009	-	10,603	1,081,988	-	1,127,348
South East	-	1	-	-	27,331	-	27,332
North West	-	1	-	-	41,056	-	41,057
North Central	153,818	37,206	127,990	467,674	36,739	-	823,427
North East	-	-	-	-	8,846	-	8,846
Outside Nigeria	2,861	3,912	-	-	-	-	6,773
	190,427	42,132	127,990	478,277	1,238,195	-	2,077,021

(b) Industry sectors

At 31 December 2023	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	-	-	-	-	94,115	-	94,115
Business services	-	-	-		48,802	-	48,802
Communication	-	-	-	5,593	247,210	-	252,803
Community, social & personal services	-	-	-	-	-	-	-
Construction and real estate	-		-	-	112,949	-	112,949
Electricity	-		-	-	15,935	-	15,935
Financial intermediaries & insurance	-	6,644	-	8,004	25,172	-	39,820
Government (including Central Bank)	67,907	543,865	374,912	326,076	121,927	-	1,434,687
Hotels, restaurants and tourism	-		-	-	-	-	-
Manufacturing	-	211	-	-	651,796	-	652,007
Mining	-	-	-	-	419,587	-	419,587
Private households	-		-		137,424	-	137,424
Transport, storage and distribution	-	-	-	-	58,793	-	58,793
Wholesale & retail trade	-		-	2,850	157,428	-	160,278
Carrying amount	**67,907**	**550,720**	**374,912**	**342,523**	**2,091,138**	**-**	**3,427,200**

(b) Industry sectors (continued)

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	-	-	-	5,488	84,271	-	89,759
Community, social & personal services	-	-	-	-	-	-	-
Construction and real estate	-		-	-	78,777	-	78,777
Electricity	-		-	-	9,012	-	9,012
Financial intermediaries & insurance	-	4,304	-	1,134	20,592	-	26,030
Government (including Central Bank)	190,427	37,207	127,990	467,674	80,765	-	904,063
Hotels, restaurants and tourism	-		-	-	319	-	319
Manufacturing	-	219	-	-	424,979	-	425,198
Mining	-	218	-	-	252,387	-	252,605
Private households	-		-		99,828	-	99,828
Transport, storage and distribution	-	1	-	-	22,294	-	22,295
Wholesale & retail trade	-		-	521	63,687	-	64,208
Carrying amount	190,427	42,133	127,990	474,817	1,238,195	-	2,073,562

(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 2023	**9,396**	**498,327**	**1,467,231**	**191,968**	**2,166,922**
At 31 December 2022	2,456	1,018,818	938,941	144,515	2,104,730

Concentration of risks of off-balance sheet engagements

(a) Geographical sectors

At 31 December 2023	**Loan Commitments N'million**	**Bonds and guarantees N'million**	**Letters of credit* N'million**	**Total N'million**
South South	1,973	8,456	342	**10,771**
South West	85,824	90,316	160,670	**336,810**
South East	1,307	205	3,934	**5,446**
North West	6,516	3,339		**9,855**
North Central	2,060	3,812		**5,872**
North East	26	-	-	**26**
Outside Nigeria	-	13,831	-	**13,831**
Total	97,706	119,959	164,946	**382,611**

At 31 December 2022	Commitments N'million	Bonds and guarantees N'million	Letters of credit N'million	Total N'million
South South	2,986	5,822		8,808
South West	136,352	48,487	119,602	304,441
South East	1,512	170		1,682
North West	12,915	4,908		17,823
North Central	17,984	27,733		45,717
North East	555	-	-	555
Total	172,304	87,120	119,602	379,026

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

(b) Industry sectors

	31 December 2023				31 December 2022			
	Bonds and guarantees N' million	**Letters of credit N' million**	**Loan Commitments N' million**	**2023 Total N'million**	Bonds and guarantees N' million	Letters of credit N' million	Loan Commitments N' million	2022 Total N' million
Agriculture	1,663	66	11,068	12,797	3,177	2,900	15,940	22,017
Automobile	-	4,292	-	4,292	-	-	-	-
Business services	38,698	-	952	39,650	2,497	3,567	3,274	9,338
Communication	-	-	5,310	5,310	-	12,055	1,062	13,117
Construction and real estate	2,844	-	-	2,844	4,793	29	16,870	21,692
General commerce	2,862	173	-	3,035	-	-	-	-
Government	-	-	-	-	-	-	-	-
Electricity	-	2,917	-	2,917	-	-	-	-
Telecommunications	-	6,677	-	6,677	798	865	-	1,663
Financial intermediaries & insurance	13,830	-	43	13,873	11,554	-	93	11,647
Food and Beverages	-	-	-	-	-	-	-	-
Hotels, restaurants and tourism	-	-	500	500	801	-	192	993
Manufacturing	20,810	140,766	26,567	188,143	18,584	84,259	91,934	194,777
Mining / Oil and Gas	39,222	10,055	16,460	65,737	39,871	2,006	19,197	61,074
Private households	-		20,933	20,933		-	6,721	6,721
Pharmaceutical	-	-	-	-	-	-	-	-
Transport, storage and distribution	-		210	210	-	335	150	485
Wholesale & retail trade	30	-	15,663	15,693	5,045	13,586	16,871	35,502
Carrying amount	119,959	164,946	97,706	382,611	87,120	119,602	172,304	379,026

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**
Past due date but less than 90days	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 profit and loss account.

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. 2023 N million	**31 Dec. 2022** N million
Prudential disclosure of loan and advances to customers		
Customer exposure for loans and advances	**2,091,138**	1,234,747
Mortgage loans	15,184	5,373
Instalment sale and finance leases	77,343	45,066
Card debtors	3,922	1,904
Overdrafts and other demand loans	135,838	80,749
Other term loans	1,858,851	1,105,103
Interest in suspense	**(7,400)**	(3,448)
Credit impairments for loans and advances	**(85,631)**	(45,417)
Specific credit impairments	(44,807)	(21,437)
Portfolio credit impairments	(40,824)	(23,980)
Net loans and advances to customers	**1,998,107**	1,189,330
Prudential disclosure of loan classification		
Performing	**2,041,943**	1,199,043
Non performing loans	49,194	39,571
Substandard	9,127	376
Doubtful	5,040	26,278
Loss	35,027	12,917
Total performing and non performing loans	**2,091,137**	1,238,614
Adjustment for Interest in suspense	(7,400)	(3,448)
Customer exposure for loans and advances	**2,083,737**	1,235,166
Non-performing loan ratio (regulatory)	2.35%	3.19%

Liquidity risk

Framework and governance

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

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

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

Liquidity and funding management

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

• structural liquidity mismatch management;
• long-term funding ratio;
• maintaining minimum levels of liquid and marketable assets;
• depositor restrictions;
• local currency loan to deposit ratio;
• foreign currency loan to deposit ratio;
• interbank reliance limit;
• intra-day liquidity management;
• collateral management;
• daily cash flow management;
• liquidity stress and scenario testing;
• funding plans; and
• liquidity contingency planning.

The cumulative impact of the above principle is monitored, at least monthly by ALCO through a process which is underpinned by a system of 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	Dec-23	Dec-22
Minimum	42.92%	89.19%
Average	72.96%	107.60%
Maximum	94.31%	130.81%
Actual	42.92%	89.19%

Structural liquidity mismatch management

The mismatch approach measures the group's liquidity by assessing the mismatch between its inflow and outflow of funds within
A net mismatch figure is obtained by subtracting liabilities and net off-balance sheet positions from assets in each time band. The
The minimum, average and maximum liquidity ratio presented in the table above are derived from daily liquidity ratio computations.

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:
• 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 condone 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 periodically. 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 Central of Bank of Nigeria requires all Bank to maintain a minimum Loan to Deposit ratio of 65%. This ratio is subject to review quarterly. The bank's LDR as at 31 December 2023 was 85.68%

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 intraday liquidity positions, including available credit and collateral;
- sufficient intraday funding to meet its objectives;
- ability to manage and mobilise collateral as required;
- robust capacity to manage the timing of its intraday outflows; and
- readiness to deal with unexpected disruptions to its intraday liquidity flows.

Daily cash flow management

The group generates a daily report to monitor significant cash flows. Maturities and withdrawals are forecast at least 3-months 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 a 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 analyses 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. Management considers only contractual maturities to be essential for understanding the future cash flows of derivative liabilities that are designated as hedging instruments in effective hedge accounting relationships. All other derivative liabilities are treated as trading and are included at fair value in the redeemable on demand stage since these positions are typically held for short years of time.

The following tables also include contractual cash flows with respect to off-balance sheet items which have not yet been recorded on-balance sheet. Where cash flows are exchanged simultaneously, the net amounts have been reflected.

Maturity analysis of financial liabilities by contractual maturity (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 N'million
31 December 2023						
Financial liabilities						
Derivative financial instruments	-	-	-	417,627	29,366	446,993
Trading liabilities	-	284,723	187,092	2,567	6,082	480,464
Deposits and current accounts	1,562,294	77,406	347,711	530	64,343	2,052,284
Debt securities issued	-	-	-	-	74,311	74,311
Other borrowings	2	30,646	218,421	54,225	95,895	399,189
Other financial liabilities	449,748	-	-	-	-	449,748
Total	**2,012,044**	**392,775**	**753,224**	**474,949**	**269,997**	**3,902,989**
Unrecognised financial instruments						
Letters of credit	-	10,411	128,743	25,792	-	164,946
Guarantees	10,916	610	52,968	43,198	12,267	119,959
Total	**10,916**	**11,021**	**181,711**	**68,990**	**12,267**	**284,905**

	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 N'million
31 December 2022						
Financial liabilities						
Derivative financial instruments	-	-	-	15,730	10,369	26,099
Trading liabilities	-	25,947	178,681	11,967	4,376	220,971
Deposits and current accounts	994,861	121,650	96,057	38,406	5	1,250,979
Debt securities issued	-	-	-	-	70,878	70,878
Other borrowings	-	-	123,984	16,716	70,858	211,558
Other financial liabilities	302,462	-	-	-	-	302,462
Total	1,297,323	147,597	398,722	82,819	156,486	2,082,947
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	-	-	-	-	-	-
Total	1,183	19,765	116,593	26,951	42,230	206,722

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 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.

Liquidity contingency plans (continues)

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.

To ensure adherence to international best practices for prudent liquidity risk management and in line with the Central Bank of Nigeria's guideline for the development of liquidity contingency funding plans by way of a binding standby funding agreement contracts between banks, Stanbic IBTC Bank PLC has entered into the following funding agreements:

(i) A local currency contingency standby funding agreement with a Tier 1 bank up to a limit of N10 billion effective 09 February 2017 and renewable annually. See note 12.1.

(ii) A foreign currency revolving facility from Standard Bank of South Africa (Isle of Man Branch) of US$50 million. The facility is effective from 18 July 2017 and renewable annually. See note 36.5

The group did not draw on any of the commitments during the year.

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 2023	Dec. 2022
	%	%
Single depositor	**6**	4
Top 10 depositors	**24**	18

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 policy is that all trading activities are contained within the bank's Corporate and Transactional 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 listed and unlisted investments, and managed through the equity investment committee, which is a sub-committee of the executive committee.

Framework and governance

The board approves the market risk appetite and standards for all types of market risk. The board grants general authority to take on market risk exposure to the asset and liability committee (ALCO). ALCO sets market risk policies to ensure that the measurement, reporting, monitoring and management of market risk associated with operations of the bank follow a common governance framework. The bank's ALCO reports to EXCO and also to the board risk management committee.

The in-country risk management is subject to SBG oversight for compliance with group standards and minimum requirements.

The market risk management unit which is independent of trading operations and accountable to ALCO, monitors market risk exposures due to trading and banking activities. This unit monitors exposures and respective excesses daily, report monthly to ALCO and quarterly to the board risk management committee.

Market risk measurement

The techniques used to measure and control market risk include:

- daily net open position
- daily VaR;
- back-testing;
- PV01;
- annual net interest income at risk; and

Daily net open position

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

Daily value-at-risk (VaR)

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

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

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

VaR back-testing

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

Stress tests

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

PV01

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

Other market risk measures

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

Pricing models and risk metrics used in production systems, whether these systems are off-the-shelf or in-house developed, are independently validated by the market risk unit before their use and 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-23	31-Dec-22	Limit
Bankwide	1,198	311	612	171	171	1,734
FX Trading	147	8	21	32	32	548
Money markets trading	351	18	99	93	93	112
Fixed income trading	80	4	21	22	22	390
Credit trading	5	0	0	-	-	118
Derivatives	0.23	0.01	0.04	-	-	40
CVA	291	102	215	156	156	450

Analysis of PV01

The table below shows the PV01 of the money markets banking and the individual trading books as at year 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-23	31-Dec-22	Limit
Money market trading book	915	915	20,476
Fixed income trading book	2,926	2,926	4,000
Credit trading book	-	-	1,032
Derivatives trading book	-	-	405
Total trading book	3,841	3,841	25,913
Money market banking book	9,897	9,897	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.

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 (2022: 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 Dec 2023		NGN	USD	Other	Total
Increase in basis points		300	100	100	
Sensitivity of annual net interest income	NGNm	19,205	2511	196	21,912
Decrease in basis points		300	100	100	
Sensitivity of annual net interest income	NGNm	(18,285)	(5226)	5	(23,506)

31 Dec 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)	(5226)	5	(23,506)

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 equity committee (EC) 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.

The group's policy is not to hold open exposures in respect of the banking book of any significance.

The table below summarises foreign currency exposures of the group as at year end and the net open position thereof.

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

At 31 December 2023 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	927,180	371,519	26,780	25,958	10,932	1,362,369
Trading assets	29,306	38,601	-	-	-	67,907
Pledged assets	315,941	58,971	-	-	-	374,912
Derivative assets	549,351	1,369	-	-	-	550,720
Financial investments	336,070	5,538	-	-	-	341,608
Loans and advances to banks	5,984	2,684	-	-	-	8,668
Loans and advances to customers	758,824	1,135,065	7,546	108,783	22,132	2,032,350
Other financial assets	-	196,106	-	-	-	196,106
	2,922,656	**1,809,853**	**34,326**	**134,741**	**33,064**	**4,934,640**
Financial liabilities						
Trading liabilities	200,817	279,647	-	-	-	480,464
Derivative liabilities	445,441	1,552	-	-	-	446,993
Deposits and current accounts from banks	243,633	397,770	402	14,427	2,653	658,885
Deposits and current accounts from customers	1,131,698	907,322	20,005	29,533	4,040	2,092,598
Other borrowings	14,807	361,152	-	-	-	375,959
Subordinated debt	4,963	69,348	-	-	-	74,311
Other financial liabilities	206,722	131,920	426	90,894	25,348	455,310
	2,248,081	**2,148,711**	**20,833**	**134,854**	**32,041**	**4,584,520**
Net on-balance sheet position	674,575	(338,858)	13,493	(113)	1,023	350,120
Off balance sheet	37,943	214,541	857	850	37,042	291,234

*Others include ZAR, JPY, CHF, CAD, GHS.

Currency risk (continued)

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

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	504,406	112,594	13,434	7,205	6,171	643,810
Trading assets	161,603	28,824.00	-	-	-	190,427
Pledged assets	89,796	38,194.00	-	-	-	127,990
Derivative assets	40,464	1,670	-	-	-	42,134
Financial investments	475,437	2,649	-	-	-	478,086
Loans and advances to banks	2,000	1,404	-	-	-	3,404
Loans and advances to customers	598,839	523,090	1,927	55,353	25,576	1,204,785
Other financial assets	(65,718)	227,498	(5,812)	(35,667)	(2,746)	117,555
	1,806,827	**935,923**	**9,549**	**26,891**	**29,001**	**2,808,191**
Financial liabilities						
Trading liabilities	27,289	193,682	-	-	-	220,971
Derivative liabilities	24,851	1,248	-	-	-	26,099
Deposits and current accounts from customers	847,642	392,193	9,181	10,076	2,756	1,261,848
Deposits and current accounts from banks	361,499	110,027	57	3,650	15,847	491,080
Subordinated debt	20,841	167,116	-	-	-	187,957
Other borrowings	29,947	40,931	-	-	-	70,878
Other financial liabilities	145,436	161,025	-	-	-	306,461
	1,457,505	**1,066,222**	**9,238**	**13,726**	**18,603**	**2,565,294**
Net on-balance sheet position	349,322	(130,299)	311	13,165	10,398	242,897
Off balance sheet	43,299	121,129	655	38,326	3,314	206,723

Exchange rates applied

year-end spot rate*	2023	2022
US Dollar	951.79	461.1
GBP	1,212.63	556.43
Euro	1,053.54	492.55

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar, GBP or Euro against Naira at year end 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 2023				
USD (20% movement)	**(67,772)**	**67,772**	**(47,440)**	**47,440**
GBP (10% movement)	**(3)**	**3**	**(2)**	**2**
EUR (5% movement)	**(65)**	**65**	**(45)**	**45**
At 31 December 2022				
USD (20% movement)	(26,060)	26,060	(18,242)	18,242
GBP (10% movement)	31	(31)	22	(22)
EUR (5% movement)	658	(658)	461	(461)

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 debt and other comprehensive income. The subordinated debt at the end of period 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 2023 was N32.15 billion (December 2022: N19.64 billion).

Capital Adequacy

The bank'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 capital framework. Capital adequacy ratio is calculated by dividing the capital held by total risk-weighted assets. Risk weighted assets comprise computed risk weights from credit, operational and market risks associated with the business of the bank. Risk weighted assets for credit and market risks are 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 period under review, Stanbic IBTC Bank operated above its capital adequacy ratio risk appetite limit and well over the minimum regulatory capital adequacy ratio of 10% as mandated by CBN. The CBN also mandates banks to maintain a capital conservation buffer of one percent of total risk weighted assets in the form of Common Equity Tier I capital during business as usual periods to withstand potential business stress.

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. In line with the referenced letter, no adjusted Day One would be recognised from the beginning of the first day of year four which was 31 December 2021. This has been incorporated into the 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 Bank PLC	Basel II **31 Dec 2023** **N'million**	*Basel II - Adjusted for impact of IFRS 9 transitional adjustment **31 Dec 2023** **N'million**	Basel II 31 Dec 2022 N'million	*Basel II - Adjusted for impact of IFRS 9 transitional adjustment 31 Dec 2022 N'million
	350,005	350,005	257,726	257,726
Paid-up share capital	20,000	20,000	1,875	1,875
Share premium	42,469	42,469	42,469	42,469
General reserve (Retained Profit)	186,656	186,656	134,532	134,532
SMEEIS reserve	1,039	1,039	1,039	1,039
AGSMEEIS reserve	19,983	19,983	14,476	14,476
Statutory reserve	79,858	79,858	63,335	63,335
Other reserves	-	-	-	-
IFRS 9 Transitional Adjustment Relief	-	-	-	-
Non controlling interests	-	-	-	-
Less: regulatory deduction	5,984	5,984	15,575	15,575
Goodwill	-	-	-	-
Deferred tax assets	3,542	3,542	12,368	12,368
Other intangible assets	2,442	2,442	3,207	3,207
Investment in the capital of financial subsidiaries	-	-	-	-
Excess exposure(s) over single obligor without CB	-	-	-	-
Exposures to own financial holding company	-	-	-	-
Unsecured lending to subsidiaries within the same	-	-	-	-
Unsecured lending to subsidiaries within the same	-	-	-	-
Eligible Tier I capital	344,021	344,021	242,151	242,151
Tier II	76,331	76,331	19,641	19,641
Hybrid (debt/equity) capital instruments	-	-	-	-
Subordinated term debt	69,348	69,348	19,071	19,071
Other comprehensive income (OCI)	6,983	6,983	570	570
	-	-	-	-
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	76,331	76,331	19,641	19,641
Total regulatory capital	**420,352**	**420,352**	**261,792**	**261,792**
Risk weighted assets:				
Credit risk	2,345,409	2,341,287	1,276,363	1,276,363
Operational risk	259,174	259,174	237,015	237,015
Market risk	32,952	32,952	31,739	31,739
Total risk weight asset	**2,637,535**	**2,633,413**	**1,545,117**	**1,545,117**
Total capital adequacy ratio	15.94%	16.0%	16.9%	16.9%
Tier I capital adequacy ratio	13.0%	13.1%	15.7%	15.7%
Common Equity Tier I capital adequacy ratio	13.0%	13.1%	15.7%	15.7%
Leverage:				
Capital measure	N/A	344,021		242,151
Total exposure measure	N/A	5,453,587		3,008,993
Leverage ratio	N/A	6.31%		8.0%

*Capital adequacy ratio stood at 15.94% 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.

Annexure A: Value added statement

Annexure B: Financial summary

STANBIC IBTC BANK LIMITED

Annexure A: Value added statement

	Group				Bank			
	31 Dec 2023		31 Dec 2022		**31 Dec 2023**		31 Dec 2022	
	N'million	**%**	N'million	**%**	**N'million**	%	N'million	**%**
Gross earnings:								
- local	**363,587**		211,256		**363,797**		211,549	
- foreign								
	363,587		211,256		**363,797**		211,549	
Interest paid:								
- local	**(92,167)**		(36,385)		**(92,167)**		(36,385)	
- foreign	**(3,760)**		(3,760)		**(3,760)**		(3,760)	
	(95,927)		(40,145)		**(95,927)**		(40,145)	
Administrative overhead:								
- local	**(77,011)**		(61,724)		**(78,360)**		(62,732)	
- foreign	**(473)**		(473)		**(460)**		(460)	
	(77,484)		(62,197)		**(78,820)**		(63,192)	
Provision for losses	**(15,093)**		(10,148)		**(15,068)**		(10,143)	
Value added	**175,083**	**100**	**98,766**	100	**173,982**	**100**	98,069	100
DISTRIBUTION								
EMPLOYEES & DIRECTORS								
Salaries and benefits	**45,441**	**25**	33,973	34	**44,838**	**26**	33,487	34
GOVERNMENT								
Taxation	**13,501**	**8**	4,798	5	**13,244**	**7**	4,582	5
THE FUTURE								
Asset replacement (depreciation)	**5,712**		4,850		**5,760**		4,850	
Expansion (retained in the business)	**110,429**		55,145		**110,140**		55,150	
Total	**116,141**	**67**	59,995	61	**115,900**	**67**	60,000	61
	175,083	**100**	98,766	100	**173,982**	**100**	98,069	100

STANBIC IBTC BANK LIMITED

Annexure B: Five Year Financial Summary

	Group Dec. 2023	Group Dec. 2022	Group Dec. 2021	Group Dec. 2020	Group Dec. 2019	Bank Dec. 2023	Bank Dec. 2022	Bank Dec. 2021	Bank Dec. 2020	Bank Dec. 2019
	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	1,362,369	643,810	643,014	613,887	451,666	1,362,369	643,810	643,014	613,887	451,666
Pledged assets	374,912	127,990	182,335	170,578	142,543	374,912	127,990	182,335	170,578	142,543
Trading assets	67,907	190,427	98,739	169,655	84,276	67,907	190,427	98,739	169,655	84,276
Derivative assets	550,720	42,134	41,212	46,232	30,286	550,720	42,134	41,212	46,232	30,286
Financial investments	341,608	478,086	560,682	529,202	357,574	341,608	478,086	560,682	529,065	357,456
Loans and advances to banks	8,668	3,404	2,273	6,323	8,548	8,668	3,404	2,741	6,323	8,548
Loans and advances to customers	2,032,350	1,204,785	921,044	625,139	432,713	2,032,350	1,204,785	921,044	625,139	432,713
Other assets	196,335	117,673	119,551	163,756	64,687	196,106	117,555	119,344	163,500	64,516
Investment in subsidiaries	-	-	-	-	-	-	-	-	100	100
Property and equipment	30,677	28,289	25,120	26,430	18,004	30,629	28,287	25,117	26,424	18,001
Intangible assets	2,442	3,207	3,972	4,641	819	2,442	3,207	3,972	4,641	819
Right of use assets	2,730	2,456	2,261	2,422	-	2,730	2,456	2,261	2,422	-
Deferred tax assets	3,581	12,390	13,638	12,411	8,398	3,541	12,368	13,626	12,381	8,321
	4,974,299	2,854,651	2,613,841	2,370,676	1,599,514	4,973,982	2,854,509	2,614,087	2,370,347	1,599,245
Equity and liabilities										
Share capital	20,000	1,875	1,875	1,875	1,875	20,000	1,875	1,875	1,875	1,875
Reserves	354,919	279,074	251,740	242,127	170,144	352,788	277,232	249,900	240,246	168,466
Trading liabilities	480,464	220,971	112,023	188,501	125,684	480,464	220,971	112,023	188,501	125,684
Derivative liabilities	446,993	26,099	25,364	37,382	4,152	446,993	26,099	25,364	37,382	4,152
Current tax liabilities	5,889	2,128	1,118	7,205	3,217	5,418	1,911	889	6,929	2,866
Deposits from banks	658,885	491,080	431,863	505,622	160,272	658,885	491,080	431,863	505,622	160,272
Deposits from customers	2,091,547	1,260,758	1,139,269	831,886	839,473	2,092,598	1,261,848	1,140,641	832,646	839,709
Other borrowings	375,959	187,957	136,433	112,032	69,918	375,959	187,957	136,433	112,032	69,918
Debts securities issued	74,311	70,878	47,419	68,269	60,595	74,311	70,878	47,419	68,269	60,595
Provisions & other liabilities	465,332	313,831	466,737	375,776	164,184	466,566	314,658	467,680	376,845	165,708
	4,974,299	2,854,651	2,613,841	2,370,676	1,599,514	4,973,982	2,854,509	2,614,087	2,370,347	1,599,245

Acceptances and guarantees	284,905	206,722	213,622	146,481	93,514	284,905	206,722	213,622	146,481	93,514

	Group Dec. 2023	Group Dec. 2022	Group Dec. 2021	Group Dec. 2020	Group Dec. 2019	Bank Jun. 2023	Bank Jun. 2022	Bank Jun. 2021	Bank Jun. 2020	Bank Jun. 2019
	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	260,139	166,110	104,356	78,844	65,727	260,349	166,403	104,713	78,829	66,376
Operating expenses and provisions	(136,209)	(106,167)	(80,604)	(45,450)	(39,140)	(136,965)	(106,671)	(81,280)	(45,891)	(39,846)
Profit/(Loss) before tax	123,930	59,943	23,752	33,394	26,587	123,384	59,732	23,433	32,938	26,530
Taxation	(13,501)	(4,798)	5,906	(817)	(2,758)	(13,244)	(4,582)	6,137	(639)	(2,514)
Profit after taxation	110,429	55,145	29,658	32,577	23,829	110,140	55,150	29,570	32,299	24,016
Transfer to reserves	110,429	55,145	29,658	32,577	23,829	110,140	55,150	29,570	32,299	24,016
Earnings per share (EPS) - basic	276k	138k	74k	81k	60k	275k	138k	74k	81k	60k

STANBIC IBTC BANK LIMITED

Annexure C:Details of professionals who provided services to the financial statements
For the year ended 31 December 2023

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/2017/ICAN/00000017333
	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/2013/ICAN/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