# STANBIC IBTC HOLDINGS PLC

# UNAUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

# 31 DECEMBER 2024

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**Stanbic IBTC Holdings PLC RC 1018051**

**STANBIC IBTC HOLDINGS PLC**
**UNAUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

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## STANBIC IBTC HOLDINGS PLC

## Consolidated and separate annual statements of financial position
## as at 31 December 2024

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | **31 Dec. 2024 N'million** | 31 Dec. 2023 N'million | **31 Dec. 2024 N'million** | 31 Dec. 2023 N'million |
| **Assets** | | | | | |
| Cash and cash equivalents | 6 | **2,245,313** | 1,384,879 | **7,867** | 15,325 |
| Pledged assets | 7 | **127,928** | 374,912 | **-** | - |
| Trading assets | 8 | **591,531** | 67,917 | **-** | - |
| Derivative assets | 9 | **124,129** | 550,720 | **-** | - |
| Financial investments | 10 | **1,085,256** | 435,657 | **1,085** | 4,760 |
| Loans and advances | 11 | **2,400,232** | 2,041,019 | **-** | - |
| Loans and advances to banks | 11 | **51,854** | 8,668 | **-** | - |
| Loans and advances to customers | 11 | **2,348,378** | 2,032,351 | **-** | - |
| Other assets | 12 | **236,384** | 202,833 | **24,758** | 25,830 |
| Investment in subsidiaries | | **-** | - | **96,851** | 96,851 |
| Reinsurance assets | 14 | **1,051** | 468 | **-** | - |
| Property and equipment | 15 | **91,801** | 76,683 | **5,462** | 3,446 |
| Right of use assets | 17 | **6,763** | 4,388 | **556** | 129 |
| Intangible assets | 16 | **1,721** | 2,471 | **-** | - |
| Deferred tax assets | 13 | **324** | 3,649 | **-** | - |
| **Total assets** | | **6,912,433** | 5,145,596 | **136,579** | 146,341 |
| **Equity and liabilities** | | | | | |
| **Equity** | | **647,441** | 506,924 | **114,155** | 125,236 |
| Equity attributable to ordinary shareholders | | **638,683** | 499,576 | **114,155** | 125,236 |
| Ordinary share capital | 18 | **6,479** | 6,479 | **6,479** | 6,479 |
| Share premium | 18 | **102,780** | 102,780 | **102,780** | 102,780 |
| Reserves | | **529,424** | 390,317 | **4,896** | 15,977 |
| Non-controlling interest | | **8,758** | 7,348 | **-** | |
| **Liabilities** | | **6,264,992** | 4,638,672 | **22,424** | 21,105 |
| Trading liabilities | 8 | **1,248,905** | 480,465 | **-** | - |
| Derivative liabilities | 9 | **61,850** | 446,993 | **-** | - |
| Current tax liabilities | | **88,189** | 23,388 | **117** | 92 |
| Deposits and current accounts | 19 | **3,273,996** | 2,731,772 | **-** | - |
| Deposits from banks | 19 | **264,134** | 658,885 | **-** | - |
| Deposits from customers | 19 | **3,009,862** | 2,072,887 | **-** | - |
| Other borrowings | 20 | **417,589** | 375,959 | **-** | - |
| Debt securities issued | 21 | **112,697** | 74,311 | **-** | - |
| Provisions | 23 | **12,915** | 11,314 | **-** | - |
| Other liabilities | 22 | **1,036,027** | 493,277 | **22,307** | 21,013 |
| Deferred tax liabilities | 13 | **12,824** | 1,193 | **-** | - |
| **Total equity and liabilities** | | **6,912,433** | 5,145,596 | **136,579** | 146,341 |

Kunle Adedeji
Ag. Chief Executive/Chief Financial Officer
FRC/2013/ICAN/00000001137
30 January 2025

Olatokunbo Lawal
Finance Controller
FRC/2014/ICAN/00000008536
30 January 2025

Sola David-Borha
Chairman
FRC/2013/CIBN/00000001070
30 January 2025

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

**STANBIC IBTC HOLDINGS PLC**

## Consolidated and separate annual statements of profit or loss
## for the year ended 31 December 2024

| | | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **3 months 31-Dec-24 N'million** | **12 months 31-Dec-24 N'million** | 3 months 31-Dec-23 N'million | 12 months 31-Dec-23 N'million | **3 months 31-Dec-24 N'million** | **12 months 31-Dec-24 N'million** | 3 months 31-Dec-23 N'million | 12 months 31-Dec-23 N'million |
| | **Note** | | | | | | | | |
| **Net interest income** | | **123,092** | **410,451** | 54,687 | 175,190 | **37** | **211** | 128 | 299 |
| Interest income | 28.1 | **165,359** | **566,462** | 86,002 | 270,593 | **39** | **221** | 128 | 299 |
| Interest expense | 28.2 | **(42,267)** | **(156,011)** | (31,315) | (95,403) | **(2)** | **(10)** | - | - |
| **Non-interest revenue** | | **57,892** | **236,394** | 38,015 | 179,976 | **9,681** | **62,784** | 16,042 | 57,290 |
| Net fee and commission revenue | 28.3 | **45,757** | **170,397** | 30,751 | 110,277 | **810** | **3,106** | 539 | 2,081 |
| Fee and commission revenue | 28.3 | **52,032** | **186,412** | 33,241 | 117,839 | **810** | **3,106** | 539 | 2,081 |
| Fee and commission expense | 28.3 | **(6,275)** | **(16,015)** | (2,490) | (7,562) | **-** | **-** | - | - |
| Income from life insurance activities | 28.4 | **(1,094)** | **(2,266)** | (300) | (1,531) | **-** | **-** | - | - |
| Net insurance service result before reinsurance contracts held | 28.4 | **983** | **2,167** | 680 | 2,196 | **-** | **-** | - | - |
| Net expense from reinsurance contracts held | 28.4 | **(320)** | **(542)** | (221) | (670) | **-** | **-** | - | - |
| Net insurance finance expenses | 28.4 | **(1,316)** | **(863)** | (834) | (2,285) | **-** | **-** | - | - |
| Fair value adjustments | 28.4 | **(441)** | **(3,028)** | 75 | (772) | **-** | **-** | - | - |
| Trading revenue | 28.5 | **12,827** | **57,568** | 2,765 | 62,506 | **-** | **-** | - | - |
| Other revenue | 28.6 | **402** | **10,695** | 4,799 | 8,724 | **8,871** | **59,678** | 15,503 | 55,209 |
| **Total income** | | **180,984** | **646,845** | 92,702 | 355,166 | **9,718** | **62,995** | 16,170 | 57,589 |
| Net impairment write-back/(loss) on financial assets | 28.7 | **(39,983)** | **(99,360)** | (5,496) | (15,452) | **-** | **(550)** | (26) | (26) |
| **Income after credit impairment charges** | | **141,001** | **547,485** | 87,206 | 339,714 | **9,718** | **62,445** | 16,144 | 57,563 |
| **Operating expenses** | | **(60,136)** | **(243,689)** | (43,757) | (166,807) | **(6,785)** | **(19,023)** | (3,424) | (9,883) |
| Staff costs | | **(22,975)** | **(86,681)** | (19,774) | (65,760) | **(1,945)** | **(8,104)** | (659) | (2,833) |
| Other operating expenses | 28.8 | **(37,161)** | **(157,008)** | (23,983) | (101,047) | **(4,840)** | **(10,919)** | (2,765) | (7,050) |
| **Profit before tax** | | **80,865** | **303,796** | 43,449 | 172,907 | **2,933** | **43,422** | 12,720 | 47,680 |
| Income tax | 28.9 | **(61,632)** | **(101,692)** | (12,081) | (32,290) | **(11)** | **(84)** | (23) | (60) |
| **Profit for the year** | | **19,233** | **202,104** | 31,368 | 140,617 | **2,922** | **43,338** | 12,697 | 47,620 |
| **Profit attributable to:** | | | | | | | | | |
| Non-controlling interests | | **954** | **3,705** | 703 | 3,035 | **-** | **-** | - | - |
| Equity holders of the parent | | **18,279** | **198,399** | 30,665 | 137,582 | **2,922** | **43,338** | 12,697 | 47,620 |
| **Profit for the year** | | **19,233** | **202,104** | 31,368 | 140,617 | **2,922** | **43,338** | 12,697 | 47,620 |
| **Earnings per share** | | | | | | | | | |
| Basic /diluted earnings per ordinary share (kobo) | 29 | **141** | **1,531** | 237 | 1,062 | **23** | **334** | 98 | 368 |

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

**STANBIC IBTC HOLDINGS PLC**

## Consolidated and separate annual statements of other comprehensive income
## for the year ended 31 December 2024

| | | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **3 months** | **12 months** | 3 months | 12 months | **3 months** | **12 months** | 3 months | 12 months |
| | | **31-Dec-24** | **31-Dec-24** | 31-Dec-23 | 31-Dec-23 | **31-Dec-24** | **31-Dec-24** | 31-Dec-23 | 31-Dec-23 |
| | **Note** | **N'million** | **N'million** | N'million | N'million | **N'million** | **N'million** | N'million | N'million |
| **Profit for the period** | | **19,233** | **202,104** | 31,368 | 140,617 | **2,922** | **43,338** | 12,697 | 47,620 |
| **Other comprehensive income** | | | | | | | | | |
| Items that will never be reclassified to profit or loss | | | | | | | | | |
| **Movement in fair value reserve (equity instruments):** | | **(188)** | **(186)** | 471 | 480 | **-** | **-** | - | - |
| Net change in fair value | | **(188)** | **(186)** | 471 | 480 | - | - | - | - |
| Related income tax | | **-** | **-** | - | - | - | - | - | - |
| *Items that are or may be reclassified subsequently to profit or loss:* | | | | | | | | | |
| **Movement in debt instruments measured at fair value through other comprehensive income (OCI)** | | **(1,137)** | **(2,310)** | 5,983 | 7,269 | **-** | **-** | - | - |
| Net change in fair value of financial assets at FVOCI | | **(1,072)** | **(1,872)** | 6,057 | 6,724 | **-** | **-** | - | - |
| Realised fair value adjustments on financial assets at FVOCI reclassified to income statement | | **-** | **-** | (386) | (71) | **-** | **-** | - | - |
| Expected credit loss on debt financial assets at FVOCI | | **(65)** | **(438)** | 312 | 616 | **-** | **-** | - | - |
| Income tax on other comprehensive income | | **-** | **-** | - | - | **-** | **-** | - | - |
| **Other comprehensive income for the period, net of tax** | | **(1,325)** | **(2,496)** | 6,454 | 7,749 | - | - | - | - |
| **Total comprehensive income for the period** | | **17,908** | **199,608** | 37,822 | 148,366 | **2,922** | **43,338** | 12,697 | 47,620 |
| **Total comprehensive income attributable to:** | | | | | | | | | |
| Non-controlling interests | | **953** | **3,746** | 719 | 3,003 | **-** | **-** | - | - |
| Equity holders of the parent | | **16,955** | **195,862** | 37,103 | 145,363 | **2,922** | **43,338** | 12,697 | 47,620 |
| | | **17,908** | **199,608** | 37,822 | 148,366 | **2,922** | **43,338** | 12,697 | 47,620 |

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

## STANBIC IBTC HOLDINGS PLC

## Statement of changes in equity
## for the year ended 31 December 2024

| Group | Note | Ordinary share capital N'million | Share premium N'million | Statutory credit risk reserve N'million | Fair value through OCI reserve N'million | AGSMEIS reserve N'million | Other regulatory reserves N'million | Retained earnings N'million | Ordinary shareholders' equity N'million | Non-controlling interest N'million | Total equity N'million |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance at 1 January 2024 | | 6,479 | 102,780 | 15,800 | 10,864 | 19,983 | 55,492 | 288,178 | 499,576 | 7,348 | 506,924 |
| Total comprehensive income for the period | | | | | (2,537) | | - | 198,399 | 195,862 | 3,746 | 199,608 |
| Profit for the period | | | | | | | | 198,399 | 198,399 | 3,705 | 202,104 |
| Other comprehensive income after tax for the period | | - | - | - | (2,537) | - | - | - | (2,537) | 41 | (2,496) |
| Net change in fair value on debt financial assets at FVOCI | | - | - | - | (1,913) | - | - | - | (1,913) | 41 | (1,872) |
| Net change in fair value on equity financial assets at FVOCI | | - | - | - | (186) | - | - | - | (186) | - | (186) |
| Realised fair value adjustments on financial assets at FVOCI | | - | - | - | - | - | - | - | - | - | - |
| Expected credit loss on debt financial assets at FVOCI | | - | - | - | (438) | - | - | - | (438) | - | (438) |
| Income tax on other comprehensive income | | - | - | - | - | - | - | - | - | - | - |
| Transfer to statutory reserve | | - | - | (6,694) | - | - | - | 6,694 | - | - | - |
| Transfer to AGSMIEIS | | - | - | - | - | 7,988 | - | (7,988) | - | - | - |
| | | | | - | | | | | | | |
| Transactions with shareholders, recorded directly in equity | | - | - | - | - | - | - | (56,755) | (56,755) | (2,336) | (59,091) |
| Equity-settled share-based payment transactions | | - | - | - | - | - | - | - | - | - | - |
| Increase in paid-up capital (bonus issue) | | - | - | - | - | - | - | - | - | - | - |
| Dividends paid to equity holders | | - | - | - | - | - | - | (56,755) | (56,755) | (2,336) | (59,091) |
| **Balance at 31 December 2024** | | **6,479** | **102,780** | **9,106** | **8,327** | **27,971** | **55,492** | **428,528** | **638,683** | **8,758** | **647,441** |
| Balance at 1 January 2023 | | 6,479 | 102,780 | 3,904 | 3,083 | 14,476 | 55,492 | 213,348 | 399,562 | 8,008 | 407,570 |
| Total comprehensive income/(loss) for the period | | | | | 7,781 | | | 137,582 | 145,363 | 3,003 | 148,366 |
| Profit for the period | | | | | | | | 137,582 | 137,582 | 3,035 | 140,617 |
| Other comprehensive income after tax for the period | | - | - | - | 7,781 | - | - | - | 7,781 | (32) | 7,749 |
| Net change in fair value on debt financial assets at FVOCI | | - | - | - | 6,756 | - | - | - | 6,756 | (32) | 6 724 |
| Net change in fair value on equity financial assets at FVOCI | | - | - | - | 480 | - | - | - | 480 | - | 480 |
| Realised fair value adjustments on financial assets at FVOCI | | - | - | - | (71) | - | - | - | (71) | - | (71) |
| Expected credit loss on debt financial assets at FVOCI | | - | - | - | 616 | - | - | - | 616 | - | 616 |
| Income tax on other comprehensive income | | - | - | - | - | - | - | - | - | - | |
| Transfer to statutory reserves | | - | - | 11,896 | - | - | - | (11,896) | - | - | - |
| Transfer to AGSMIEIS | | - | - | - | - | 5,507 | - | (5,507) | - | - | - |
| Transactions with shareholders, recorded directly in equity | | - | - | - | - | - | - | (45,349) | (45,349) | (3,663) | (49,012) |
| Equity-settled share-based payment transactions | | - | - | - | - | | - | - | - | | - |
| Increase in paid-up capital (scrip issue) | | - | - | - | - | - | - | - | - | | - |
| Dividends paid to equity holders | | - | - | - | - | - | - | (45,349) | (45,349) | (3,663) | (49,012) |
| Balance at 31 December 2023 | | 6,479 | 102,780 | 15,800 | 10,864 | 19,983 | 55,492 | 288,178 | 499,576 | 7,348 | 506,924 |

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

## STANBIC IBTC HOLDINGS PLC

## Statement of changes in equity
## for the year ended 31 December 2024

| Company | Ordinary share capital N'million | Share premium N'million | Retained earnings N'million | Ordinary shareholders' equity N'million |
|---|---|---|---|---|
| Balance at 1 January 2024 | 6,479 | 102,780 | 15,977 | 125,236 |
| Total comprehensive income for the period | - | - | 43,338 | 43,338 |
| Profit for the period | - | - | 43,338 | 43,338 |
| Transactions with shareholders, recorded directly in equity | - | - | (54,419) | (54,419) |
| Equity-settled share-based payment transactions | - | - | - | - |
| Increase in paid-up capital (bonus issue) | - | - | - | - |
| Dividends paid to equity holders | - | - | (54,419) | (54,419) |
| Balance at 31 December 2024 | 6,479 | 102,780 | 4,896 | 114,155 |
| | | | | |
| Balance at 1 January 2023 | 6,479 | 102,780 | 13,706 | 122,965 |
| Total comprehensive income/(loss) for the period | - | - | 47,620 | 47,620 |
| Profit for the period | - | - | 47,620 | 47,620 |
| Transactions with shareholders, recorded directly in equity | - | - | (45,349) | (45,349) |
| Equity-settled share-based payment transactions | - | - | - | - |
| Transfer of vested portion of equity settled share based payment to retained earnings | - | - | - | - |
| Increase in paid-up capital (scrip issue) | - | - | - | - |
| Dividends paid to equity holders | - | - | (45,349) | (45,349) |
| Balance at 31 December 2023 | 6,479 | 102,780 | 15,977 | 125,236 |

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

## STANBIC IBTC HOLDINGS PLC

## Consolidated and separate statement of cash flows
## for the year ended 31 December 2024

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | **31-Dec-24 N million** | 31-Dec-23 N million | **31-Dec-24 N million** | 31-Dec-23 N million |
| **Net cash flows from operating activities** | | **1,745,648** | 112,104 | **47,690** | (7,855) |
| **Cash flows used in operations** | | **1,292,036** | 25,252 | **(8,753)** | (61,529) |
| Profit before tax | | **303,796** | 172,907 | **43,422** | 47,680 |
| Adjusted for: | | **(294,303)** | (150,433) | **(54,040)** | (53,305) |
| Net impairment (write-back)/loss on financial assets | 28.7 | **99,360** | 15,452 | **550** | 26 |
| Depreciation of non-current assets | 28.8 | **13,949** | 8,332 | **1,357** | 294 |
| Amortisation of right of use assets | 17 | **4,159** | 1,736 | **558** | 50 |
| Dividends included in other revenue | 28.6 | **(1,040)** | (677) | **(56,290)** | (53,375) |
| Interest expense | | **156,011** | 95,403 | **10** | - |
| Interest income | | **(566,462)** | (270,593) | **(221)** | (299) |
| Loss/(profit) on sale of property and equipment | | **(280)** | (86) | **(4)** | (1) |
| Increase in assets | 24.1 | **(431,331)** | (1,514,471) | **1,072** | (12,631) |
| Increase in deposits and other liabilities | 24.2 | **1,713,874** | 1,517,249 | **793** | (43,273) |
| Dividends received | | **936** | 609 | **56,290** | 53,375 |
| Interest paid | | **(156,011)** | (88,623) | **(10)** | - |
| Interest received | | **608,687** | 190,669 | **221** | 299 |
| Direct taxation paid | | **-** | (15,803) | **(58)** | - |
| **Net cash flows used in investing activities** | | **(510,830)** | 14,540 | **(729)** | 22,476 |
| Capital expenditure on - property | | **(15,103)** | (1,754) | **-** | - |
| - equipment, furniture and vehicles | | **(21,723)** | (23,986) | **(3,520)** | (2,497) |
| - right of use | | **(6,534)** | (2,515) | **(1,031)** | (175) |
| - intangible assets | | **(15)** | (13) | **-** | - |
| Additional investment in existing subsidiary | | **-** | - | **-** | 2,100 |
| Proceeds from sale of property, equipment, furniture and vehicles | | **11,341** | 2,425 | **147** | 98 |
| Sale of /(Investment in) financial investment securities, net | | **(478,796)** | 40,383 | **3,675** | 22,950 |
| **Net cash flows used in financing activities** | | **23,261** | 141,423 | **(54,419)** | (45,349) |
| Net increase/(decrease) in other borrowings | | **41,630** | 188,002 | **-** | - |
| Net increase/(decrease) in debt securities issued | | **38,386** | 2,433 | **-** | - |
| Cash dividends paid | | **(56,755)** | (49,012) | **(54,419)** | (45,349) |
| **Net increase in cash and bank balances** | | **1,258,079** | 268,067 | **(7,458)** | (30,728) |
| **Effect of exchange rate changes on cash and bank balances** | | **(114,066)** | (124,359) | **-** | - |
| **Cash and cash equivalent at beginning of the year** | | **571,902** | 611,267 | **15,325** | 50,294 |
| **Cash and cash equivalent at end of the year** | 24.3 | **1,715,915** | 754,975 | **7,867** | 19,566 |

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

## 1 Reporting entity

Stanbic IBTC Holdings PLC (the 'company') is a company domiciled in Nigeria. The address of the company is IBTC Towers, Plot 1C Walter Carrington Crescent, Victoria Island, Lagos. The condensed consolidated annual financial statements as at and for the year ended 31 December 2024 comprise the company and its subsidiaries (together referred to as the 'group'). The group is primarily involved in the provision of banking and other financial services to corporate and individual customers.

## 2 Basis of preparation

### (a) Statement of compliance

The condensed consolidated annual financial statements for the year ended 31 December 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the last annual consolidated financial statements as at and for the year ended 31 December 2023.

This condensed consolidated annual financial statements for the year ended 31 December 2024 does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS), and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2023.

In compliance with the Financial Reporting Council of Nigeria (FRC) Rule 1, which require financial statements to be certified by Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), the company has obtained the No Objection consent of the FRC for the Acting CE/CFO and the Financial Controller to sign the financial statements.

Changes to significant accounting policies are described in note 3.

**Securities Trading Policy**

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

### (b) Basis of measurement

The condensed consolidated annual financial statements for the year ended 31 December 2024 have been prepared on the historical cost basis except for the following material items in the statement of financial position:

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

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

### (c) Functional and presentation currency

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

### (d) Use of estimates and judgement

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

In preparing these condensed consolidated annual 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 2023.

## 3 Statement of significant accounting policies

Except as described below, the accounting policies applied by the group in preparation of these condensed annual financial statements are consistent with those applied by the group in the preparation of its consolidated annual financial statements for the year ended 31 December 2023.

### 3.1 Changes in significant accounting policies (continued)

**Adoption of amended standards effective for the current financial year**

**Non-current Liabilities with Covenants (Amendments to IAS 1):** The first amendment clarifies how to classify debt and other liabilities as current or non-current. The objective of the amendment is aimed to promote consistency in applying the requirements by helping entities determine whether, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment also includes clarifying the classification requirements for debt an entity might settle by converting it into equity. These are clarifications, not changes, to the existing requirements, and so are not expected to affect entities' financial statements significantly. The impact on the annual financial statements has not yet been fully determined, however not expected to have a significant impact on the group.

The second amendment to IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company's ability to do so is often subject to complying with covenants. For example, a company might have long-term debt that could become repayable within 12 months if the company fails to comply with covenants in that 12-month period.

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements and the aim of the amendments therefore is to improve the information companies provide about long-term debt with covenants. The amendments will be applied retrospectively and are not expected to have a material impact on the group's financial statements. The adoption of this standard did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's results materially upon transition.

**Lease Liability in a Sale and Leaseback (Amendments to IFRS 16):** The amendments add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. IFRS 16 had not previously specified how to measure the transaction when reporting after that date. The amendments add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction. 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 results materially upon transition.

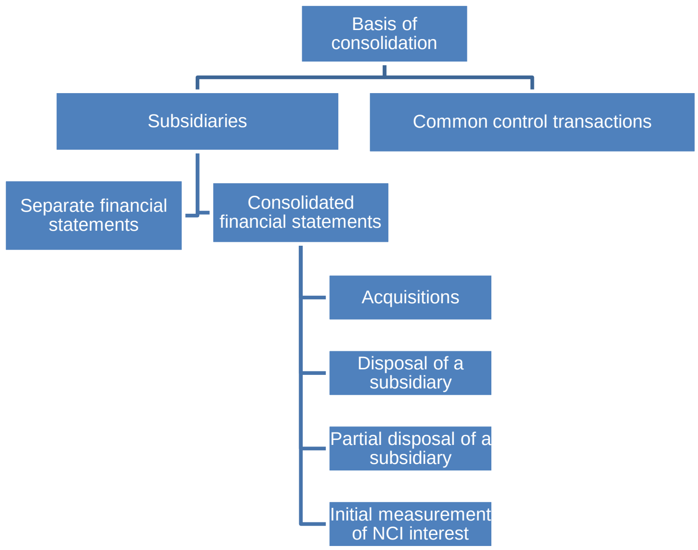
**Amendment to IAS 7 and IFRS 17 (Supplier Finance Agreements):** The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangemens on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. 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 results materially upon transition.

The above mentioned amendments and interpretation to the IFRS standards, adopted on 1 January 2024, did not effect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's results materially upon transition.

## 4 Statement of significant accounting policies

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

### 4.1 Basis of consolidation




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

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

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

| | |
|---|---|
| **Acquisitions** | Subsidiaries are entities controlled by the group and are consolidated from the date on which the group acquires control up to the date that control is lost. The group controls an entity if it is exposed to, or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control is assessed on a continuous basis. For mutual funds the group further assesses its control by considering the existence of either voting rights or significant economic power.<br><br>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.<br><br>Increases in the group’s interest in a subsidiary, when the group already has control, are accounted for as transactions with equity holders of the group. The difference between the purchase consideration and the group’s proportionate share of the subsidiary’s additional net asset value acquired is accounted for directly in equity. |
| **Loss of control in a subsidiary** | A disposal arises where the group loses control of a subsidiary. When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received (including the fair value of any retained interest in the underlying investee) and the carrying amount of the assets and liabilities and any non-controlling interest. Any gains or losses in OCI that relate to the subsidiary are reclassified to profit or loss at the time of the disposal. On disposal of a subsidiary that includes a foreign operation, the relevant amount in the FCTR is reclassified to profit or loss at the time at which the profit or loss on disposal of the foreign operation is recognised. |
| **Partial disposal of a subsidiary** | A partial disposal arises as a result of a reduction in the group’s ownership interest in an investee that is not a disposal (i.e. a reduction in the group’s interest in a subsidiary whilst retaining control). Decreases in the group’s interest in a subsidiary, where the group retains control, are accounted for as transactions with equity holders of the group. Gains or losses on the partial disposal of the group’s interest in a subsidiary are computed as the difference between the sales consideration and the group’s proportionate share of the investee’s net asset value disposed of, and are accounted for directly in equity. |
| **Initial measurement of NCI** | The group elects on each acquisition to initially measure NCI on the acquisition date at either fair value or at the NCI’s proportionate share of the investees’ identifiable net assets. |

**Common control transactions**

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

**Foreign currency translations**

Foreign currency transactions are translated into the respective group entities’ functional currencies at exchange rates prevailing at the date of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates, are recognised in profit or loss.

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

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

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

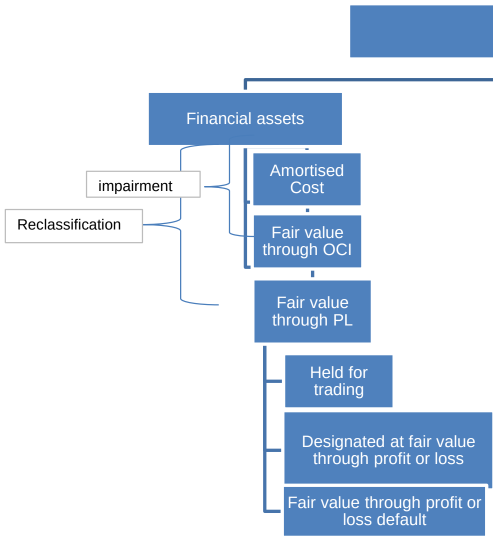
**4.2 Cash and cash equivalents**

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

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

## 4.3 Financial instruments

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




### Recognition and initial measurement – financial instruments

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

**Financial assets**

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

## 4 Statement of significant accounting policies (continued)

### Subsequent measurement

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

| | |
|---|---|
| **Amortised cost** | Amortised cost using the effective interest method with interest recognised in interest income, less any impairment losses which are recognised as part of credit impairment charges.<br>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 throughOCI 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 financialinstruments 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 withinprofit orloss. Equity instrument: Fair value, with gains and losses recognised directly in the fair valuethrough OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCIare reclassified within reserves to retained income.<br>Dividends received on equity instruments are recognised in other revenue within non-interest income. |
| **Held for trading** | Fair value, with gains and losses arising from changes in fair value) (including interest and dividends) recognised in trading revenue. |
| **Designated at fair value through profit or loss** | Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue. |
| **Fair value through profit or loss – default** | Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue. |

### Impairment

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

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

| | |
|---|---|
| **Stage 1** | A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR. |
| **Stage 2** | A lifetime ECL allowance is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk. |
| **Stage 3** | A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired:<br>• default<br>• significant financial difficulty of borrower and/or modification<br>• probability of bankruptcy or financial reorganisation<br>• 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.<br>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:<br>• significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower)<br>• a breach of contract, such as default or delinquency in interest and/or principal payments<br>• disappearance of active market due to financial difficulties<br>• it becomes probable that the borrower will enter bankruptcy or other financial reorganisation<br>• 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.<br>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:<br>- to eliminate or significantly reduce an accounting mismatch that would otherwise arise<br>- where the financial liabilities are managed and their performance evaluated and reported on a fair value basis<br>- where the financial liability contains one or more embedded derivatives that significantly modify the financial asset's cash flows. |
| **At amortised cost** | All other financial liabilities not included the above categories. |

**Subsequent measurement**

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

| | |
|---|---|
| **Held for trading** | Fair value, with gains and losses arising from changes in fair value) (including interest and dividends) recognised in trading revenue. |
| **Designated at fair value through profit or loss** | Fair value, with gains and losses arising from changes in fair value (including interest and dividends but excluding fair value gains and losses attributable to own credit risk) are recognised in the other gains and losses on financial instruments as part of non-interest revenue.<br><br>Fair value gains and losses attributable to changes in own credit risk are recognised within OCI, unless this would create or enlarge an accounting mismatch in which case the own credit risk changes are recognised within trading revenue. |
| **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.<br><br>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.<br><br>In transfers where control over the asset is retained, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. Any cummulative gain/loss recognised in OCI in respect of equity investment securities designated at FVOCI is not recognised in profit or loss on derecognition of such securities. |
| **Financial liabilities** | Financial liabilities are derecognised when the obligation of the financial liabilities are extinguished, that is, when the obligation is discharged, cancelled or expires. |

**Modification of financial assets and liabilities**

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

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

## 4 Statement of significant accounting policies (continued)

### Financial guarantee contracts

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

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

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

### Derivatives and embedded derivatives

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

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

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

### Other

#### Pledged assets

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

#### Sale and repurchase agreements

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

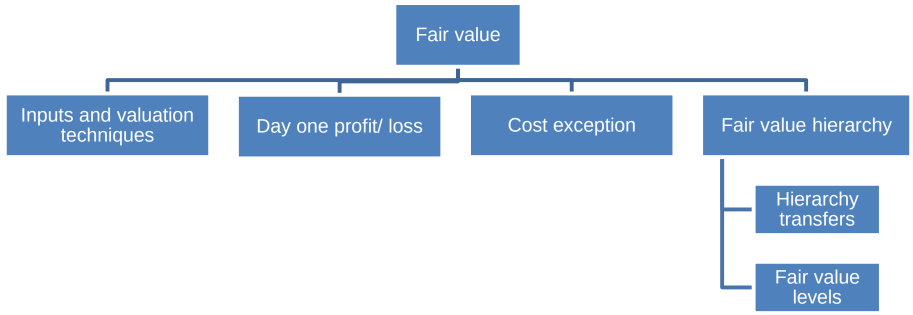
Securities purchased under agreements to resell (reverse repurchase agreements), at either a fixed price or the purchase price plus a lender’s rate of return, are recorded as loans and included under trading assets or loans and advances, as appropriate. For repurchase and reverse repurchase agreements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

#### Offsetting

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

## 4 Statement of significant accounting policies (continued)

### 4.4 Fair value




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

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

**Inputs and valuation techniques**

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

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

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

| Item | Description | Valuation technique | Main inputs and assumptions (Level 2 and 3 fair value hierarchy items) |
|---|---|---|---|
| **Derivative financial instruments** | Derivative financial instruments comprise foreign exchange, and interest rate. | Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include:<br>• Discounted cash flow model<br>• Black-Scholes model | • Discount rate*<br>• Spot prices of the underlying assets<br>• Correlation factors<br>• Volatilities<br>• Dividend yields<br>• Earnings yield<br>• 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*<br>• Spot prices of the underlying<br>• Correlation factors<br>• Volatilities<br>• Dividend yields<br>• Earnings yield<br>• 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:<br>• Loans and advances to banks: call loans, loans granted under resale agreements and balances held with other banks.<br>• 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.<br>• Probability of default.<br>• 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.<br>• Probability of default.<br>• 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:

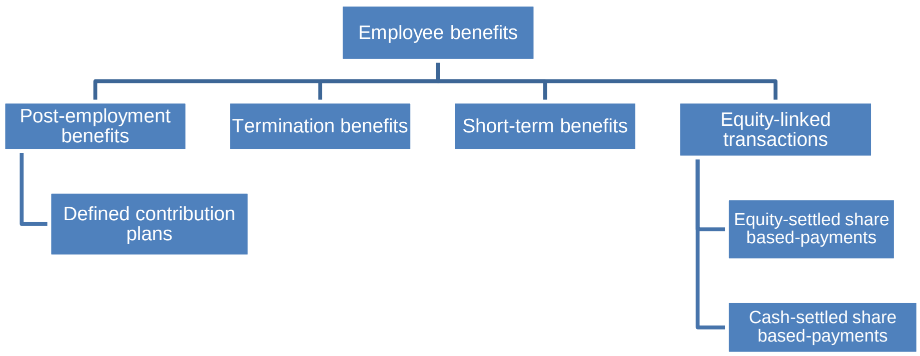
| | |
|---|---|
| **Level 1** | Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information 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



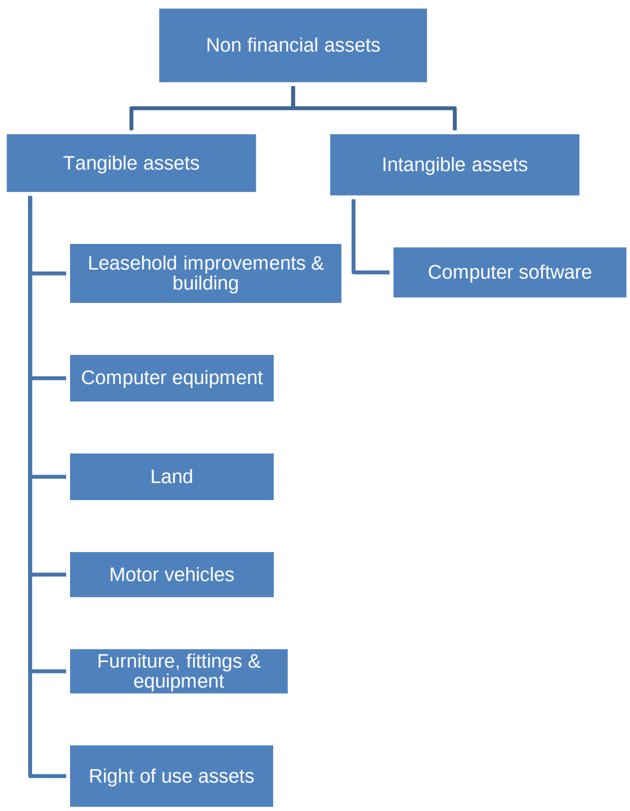

| Type | Description | Statement of financial position | Statement of other comprehensive income | Income statement |
|---|---|---|---|---|
| Defined contribution plans | The group operates a contributory pension plan in line with the Pension Reform Act 2014. Employees and the Bank contribute 8% and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

## 4 Statement of significant accounting policies (continued)

### Equity-linked transactions

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

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



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

| 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.<br><br>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.<br><br>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.<br><br>Land: N/A<br>Buildings: 25 years<br>Computer: 3-5 years<br>Motor vehicles: 4 years<br>Office: 6 years<br>Furniture: 4 years<br>Capitalised leased assets/ branch refurbishments: greater of 6 years or useful life of underlying asset<br><br>The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial period end. | Intangible assets that have an indefinite useful life are tested annually for impairment and additionally when an indicator of impairment exists.<br><br>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.<br><br>An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use. | The non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset. |
| Intangible assets/ Computer software | Costs associated with developing or maintaining computer software programmes and the acquisition of software licences are generally recognised as an expense as incurred.<br>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.<br>Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use.<br><br>Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it | Amortisation is recognised in profit or loss on a straight-line basis at rates appropriate to the expected lives of the assets (2 to 15 years) from the date that the asset is available for use.<br><br>Amortisation methods, useful lives and residual values are reviewed at each financial periodend and adjusted, if necessary. | Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset.<br><br>In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. | |
| Right of use assets | At cost (initial measurement of the lease liability) plus initial direct costs any lease payments made at or before the commencement date less any lease incentives received and estimate cost of demantling and removing underlying asset.<br><br>Cost Model: Cost less accumulated depreciated and accumulated impairment. The ROU asset is depreciated over the shorter of the lease term and useful life, except if ownership transfers to the lessee at the end of the lease term or cost reflects that the lessee will exercise a purchase option use useful life of the asset is used in these instances. | **Depreciation on right-of-use assets:**<br>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:**<br>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.<br><br>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. | |

## 4 Statement of significant accounting policies (continued)

### Leases

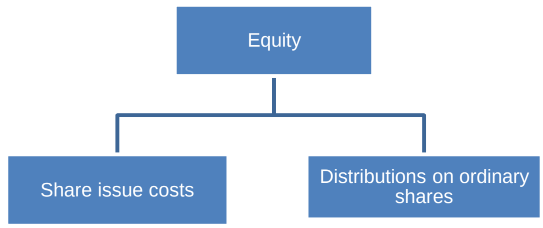
| Type | Description | Statement of financial position | Income statement |
|---|---|---|---|
| Single lessee accounting model | All leases are accounted for by recognising a right-of-use asset and a lease liability except for:<br>● leases of low value assets; and<br>● leases with a duration of twelve months or less.<br><br>All leases that meet the criteria as either a lease of a low value asset or a short term lease are accounted for on a straight-line basis over the lease term. | **Lease liabilities:**<br>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:<br>● Amounts expected to be payable under any residual value guarantee;<br>● The exercise price of any purchase option granted in favour of the Group, should it be reasonably certain that this option will be exercised;<br>● Any penalties payable for terminating the lease, should the term of the lease be estimated on the basis of this termination option being exercised.<br><br>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.<br><br>Right-of-use assets:<br>Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:<br>• lease payments made at or before commencement of the lease;<br>• initial direct costs incurred; and<br>• the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.<br><br>The Group applies the cost model subsequent to the initial measurement of the right-of-use assets.<br><br>Termination of leases:<br>When the Group or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised.<br><br>Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised. | **Interest expense on lease liabilities:**<br>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.<br><br>**Depreciation on right-of-use assets:**<br>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.<br><br>**Termination of leases:**<br>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.<br><br>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. |
| Reassessment and modification of leases | **Reassessment of lease terms and lease modifications that are not accounted for as a separate lease:**<br>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.<br><br>For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero any further reduction in the measurement of the lease liability, is recognised in profit or loss. | | |
| **Finance leases** | Leases, where the Group transfers substantially all the risks and rewards incidental to ownership, are classified as finance leases. | Finance lease receivable, including initial direct costs and fees, are primarily accounted for as financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges, being included in loans and advances. | Finance charges earned within interest income are computed using the effective interest method, which reflects a constant periodic rate of return on the investment in the finance lease. The tax benefits arising from investment allowances on assets leased to clients are accounted for within direct taxation. |
| **Operating leases** | All leases that do not meet the criteria of a finance lease are classified as operating leases. | The asset underlying the lease continues to be recognised and accounted for in terms of the relevant group accounting policies. Accruals for outstanding lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease income are recognised. | Operating lease income net of any incentives given to lessees, is recognised on the straight-line basis, or a more representative basis where applicable, over the lease term and is recognised in operating income.<br><br>When an operating lease is terminated before the lease period has expired, any payment received/(paid) by the group by way of a penalty is recognised as income/(expense) in the period in which termination takes place. |

**IFRS 16 - Lessor lease modifications**

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

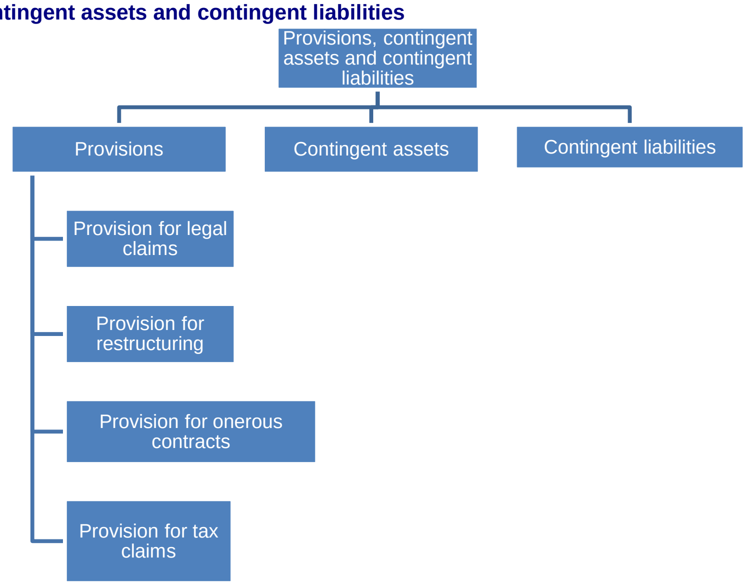
## 4 Statement of significant accounting policies (continued)

### 4.7 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

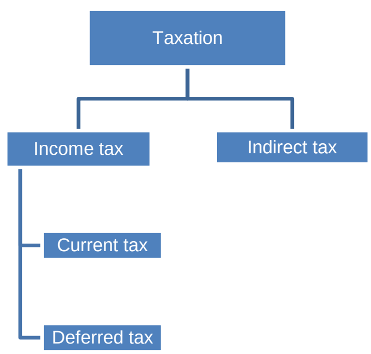



| | |
|---|---|
| **Provisions** | Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount 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**<br>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.<br>**Provision for restructuring**<br>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.<br>**Provision for onerous contracts**<br>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.<br>**Provision for tax claims**<br>Provisions for taxes claims relates to additional assessment on taxes, including withholding tax, value added tax, PAYE tax. |
| **Contingent assets** | Contingent assets are not recognised in the annual financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the group, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the group's control. |
| **Contingent liabilities** | Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the annual financial statements but are disclosed in the notes to the annual financial statements. |

## 4.9 Taxation

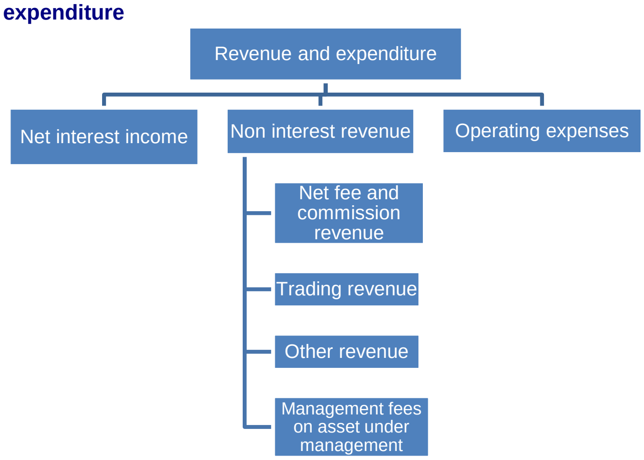



| Type | Description, recognition and measurement | Offsetting |
|---|---|---|
| **Current tax- determined for current period transactions and events** | Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividend.<br>Current tax is recognised as an expense for the year and adjustments to past years except to the extent that current tax related to items that are charged or credited in OCI or directly to equity.<br>Nigerian tax laws mandates a minimum tax assessment for companies having no taxable profits for the year or where the tax on profits is below the minimum tax. Minimum tax is computed at flat rate of 0.5% of turnover less franked investment.<br>Further, the Nigerian tax laws mandates that where a dividend is paid out of profit on which no tax is payable due to either: (a) no total profit; or (b) the total profit is less than the amount of dividend paid, the company paying the dividend will be subjected to tax at 30% of the dividends paid, as if the dividend is the total profits of the company for the year of assessment to which the accounts, out of which the dividends paid relates.<br>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.<br><br>Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognised for the following temporary differences:<br>• the initial recognition of goodwill;<br>• 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<br>• 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.<br><br>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.<br><br>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)

### 4.10 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.<br>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.<br>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.<br>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.<br><br>**Interest expense on lease liabilities:**<br>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.<br><br>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.<br><br>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.<br><br>Fee and commission expenses, included in net fee and commission revenue, are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received. Expenditure is recognised as fee and commission expenses where the expenditure is linked to the production of fee and commission revenue. |
| **Trading revenue** | Trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income, expense and dividends. |
| **Other revenue** | Other revenue includes dividends on equity financial assets, underwriting profit from the group's short-term insurance operations and related insurance activities and re- measurement gains and losses from contingent consideration on disposals and purchases.<br><br>Gains and losses on equity instruments designated at fair value through profit or loss are recognised within other revenue. Gains and losses on equity instruments classified as fair value through other comprehensive income financial assets are reclassified from OCI to other retained earnings. |
| **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.<br><br>Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming periods. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statements as assets. |

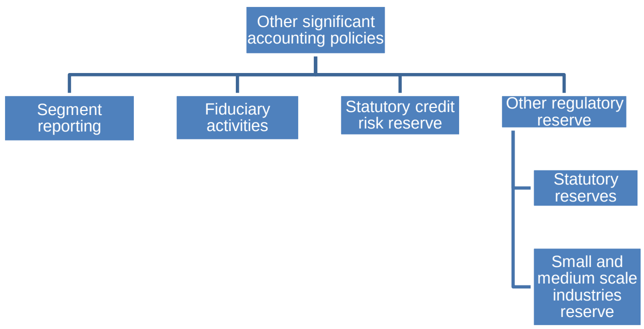
**4 Statement of significant accounting policies** (continued)

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.

**4.11 Other significant accounting policies**




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

## 4 Statement of significant accounting policies (continued)

### 4.12 Non-current assets held for sale and disposal groups

| Type | Description | Statement of financial position | Income statement |
|---|---|---|---|
| Non-current assets/disposal groups that are held for sale | Comprising assets and liabilities that are expected to be recovered primarily through sale rather than continuing use (including regular purchases and sales in the ordinary course of business). | Immediately before classification, the assets (or components of a disposal group) are remeasured in accordance with the group’s accounting policies and tested for impairment. Thereafter, the assets are measured at the lower of their carrying amount and fair value less costs to sell.<br><br>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.<br><br>Property and equipment and intangible assets are not depreciated or amortised. |

## 4 Statement of significant accounting policies

### 4.13 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)**<br>The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be applied prospectively and are not expected to have a material impact on the Group's financial statements. |
| Effective date | Effective date of this standard deferred indefinitely |
| | |
| Title | **Presentation and Disclosure in Financial Statements (IFRS 18)**<br>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 2027. |
| | |
| Title | **Amendment to IAS 21 (Lack of Exchanageability)**<br>The International Accounting Standards Board (IASB) issued 'Lack of Exchangeability' to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. These amendments will assist companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. The amendments will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined. |
| Effective date | 1 January 2025. |
| | |
| Title | **Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures**<br>The amendment ssettling financial liabilities using an electronic payment system; and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features.<br>The amendments will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined. |
| Effective date | 1 January 2026. |
| | |
| Title | **IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures**<br>The standard set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. |
| Effective date | 1 January 2027. |
| | |
| Title | **IFRS 19 Subsidiaries without Public Accountability: Disclosures**<br>The standard specify the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. |
| Effective date | 1 January 2027. |

## 5 Segment reporting

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

| **Business unit** | |
|---|---|
| Business & Commercial 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.<br>Home services - Residential accommodation financing solutions, including related value added services.<br>Vehicle and asset finance - Comprehensive finance solutions in instalment credit, fleet management and related services across our retail and business markets. |
| Corporate and Investment Banking | The Corporate and Investment Banking (CIB) segment serves large companies (multinational, regional and domestic), governments, parastatals and institutional clients across Africa and internationally. Our clients leverage our in-depth sector and regional expertise, our specialist capabilities and our access to global capital markets for advisory, transactional, trading and funding support.<br>Global markets – Trading and risk management solutions across financial markets, including foreign exchange, money markets, interest rates, equities, credit and commodities.<br>Transactional and lending products – Comprehensive suite of cash management, international trade finance, working capital and investor services solutions.<br>Investment banking – Full suite of advisory and financing solutions, from term lending to structured and specialised products across equity and debt capital markets |
| Personal and Private Banking | The Personal and Private Banking (PPB) 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.<br>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.<br>Retail lending - Comprehensive suite of lending products provided to individuals and small and medium-sized businesses<br>Retail transactional - Comprehensive suite of transactional, savings, payment and liquidity management solutions. |
| Insurance and Assets Management | The Insurance & Asset Management (IAM) segment is made up of the company's subsidiaries, whose activities involve investment management, portfolio management, unit trust/funds management, insurance brokerage, life insurance and trusteeship. Our clients, who range from individual customers to corporate and institutional clients, can leverage the Group's extensive market leading range of propositions and services to help build and protect their wealth and lifestyle |

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 Investment Banking | | Personal and Private Banking | | Insurance and Assets Management | | Eliminations | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
| **Net interest income** | **99,561** | 42,650 | **244,420** | 83,210 | **52,860** | 40,010 | **13,610** | 9,320 | **-** | - | **410,451** | 175,190 |
| **Non-interest revenue** | **27,235** | 17,141 | **108,723** | 83,463 | **11,427** | 7,962 | **102,029** | 73,773 | **(13,020)** | (2,363) | **236,394** | 179,976 |
| **Total income** | **126,796** | 59,791 | **353,143** | 166,673 | **64,287** | 47,972 | **115,639** | 83,093 | **(13,020)** | (2,363) | **646,845** | 355,166 |
| Credit impairment charges | **(58,715)** | (11,097) | **(30,515)** | (922) | **(9,975)** | (3,330) | **(155)** | (103) | | - | **(99,360)** | (15,452) |
| **Income after credit impairment charges** | **68,081** | 48,694 | **322,628** | 165,751 | **54,312** | 44,642 | **115,484** | 82,990 | **(13,020)** | (2,363) | **547,485** | 339,714 |
| **Operating expenses in banking activities** | **(61,596)** | (32,314) | **(98,727)** | (57,316) | **(51,696)** | (47,596) | **(44,690)** | (31,944) | **13,020** | 2,363 | **(243,689)** | (166,807) |
| **Profit before direct taxation** | **6,485** | 16,380 | **223,901** | 108,435 | **2,616** | (2,954) | **70,794** | 51,046 | **-** | - | **303,796** | 172,907 |
| Direct taxation | **(15,901)** | (1,011) | **(57,549)** | (14,014) | **(5,657)** | (479) | **(22,585)** | (16,786) | **-** | - | **(101,692)** | (32,290) |
| **Profit for the year** | **(9,416)** | 15,369 | **166,352** | 94,421 | **(3,041)** | (3,433) | **48,209** | 34,260 | **-** | - | **202,104** | 140,617 |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024 N'million** | 31 Dec. 2023 N'million | **31 Dec. 2024 N'million** | 31 Dec. 2023 N'million |
| **6** | **Cash and cash equivalents** | | | | |
| | Coins and bank notes | **42,327** | 17,266 | **-** | - |
| | Balances with central bank | **720,466** | 1,005,166 | **-** | - |
| | Current balances with banks within Nigeria | **12,026** | 22,511 | **7,867** | 15,325 |
| | Current balances with banks outside Nigeria | **1,470,494** | 339,936 | **-** | - |
| | | **2,245,313** | 1,384,879 | **7,867** | 15,325 |

Balances with central bank include cash reserve of N717,040 million (Dec. 2023: N927,598 million and special intervention fund of N20,817 million) that are not available for use by the Group on a day to day basis. These restricted cash balances are held with Central Bank of Nigeria (CBN).

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
| **7** | **Pledged assets** | | | | |
| **7.1** | **Pledged assets** | | | | |
| | **Financial assets that may be repledged or resold by counterparties** | | | | |
| | Bonds - Amortized cost | **69 634** | - | **-** | - |
| | Bonds - FVOCI | **58 294** | - | **-** | - |
| | Treasury bills - Trading | **-** | 70,104 | **-** | - |
| | Treasury bills - FVOCI | **-** | 304,808 | **-** | - |
| | | **127,928** | **374,912** | **-** | **-** |

## 8 Trading assets and trading liabilities

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

| | Group | | Company | |
|---|---|---|---|---|
| | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
| **8.1 Trading assets** | | | | |
| **Classification** | | | | |
| Listed | **27,141** | 16,327 | **-** | - |
| Unlisted | **564,390** | 51,590 | - | - |
| | **591,531** | 67,917 | **-** | - |
| **Comprising:** | | | | |
| Government bonds | **1,129** | 1,159 | **-** | - |
| Treasury bills | **26,012** | 15,159 | **-** | - |
| Listed equities | **-** | 9 | - | - |
| Reverse repurchase agreements | **564,390** | 51,590 | - | - |
| | **591,531** | 67,917 | **-** | - |

| | Group | | Company | |
|---|---|---|---|---|
| | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
| **8.2 Trading liabilities** | | | | |
| **Classification** | | | | |
| Listed | **381,932** | 261,263 | **-** | - |
| Unlisted | **866,973** | 219,202 | **-** | - |
| | **1,248,905** | 480,465 | **-** | - |
| **Comprising:** | | | | |
| Government bonds (short positions) | **15,952** | 6,082 | **-** | - |
| Repurchase agreements | **364,338** | 255,181 | **-** | - |
| Deposits | **866,973** | 219,202 | **-** | - |
| Treasury bills (short positions) | **1,642** | - | **-** | **-** |
| | **1,248,905** | 480,465 | **-** | - |

| | | Group | | Company | |
|---|---|---|---|---|---|
| **9** | **Derivative assets and liabilities** | **31 Dec. 2024 N'million** | 31 Dec. 2023 N'million | **31 Dec. 2024 N'million** | 31 Dec. 2023 N'million |
| **9.1** | **Derivative assets** | | | | |
| | **Foreign exchange derivatives** | **60,299** | 429,158 | **-** | **-** |
| | Forwards | **60,299** | 429,158 | **-** | **-** |
| | Options | **-** | - | **-** | **-** |
| | **Interest rate derivatives** | **63,830** | 121,562 | **-** | **-** |
| | Forwards | **-** | - | **-** | **-** |
| | Swaps | **63,830** | 121,562 | **-** | **-** |
| | **Total derivative assets** | **124,129** | 550,720 | **-** | **-** |
| **9.2** | **Derivative liabilities** | | | | |
| | **Foreign exchange derivatives** | **61,237** | 397,775 | **-** | **-** |
| | Forwards | **61,237** | 397,775 | **-** | **-** |
| | Options | **-** | - | **-** | **-** |
| | **Interest rate derivatives** | **613** | 49,218 | **-** | **-** |
| | Forwards | **-** | - | **-** | **-** |
| | Swaps | **613** | 49,218 | **-** | **-** |
| | **Total derivative liabilities** | **61,850** | 446,993 | **-** | **-** |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
| **10** | **Financial investments** | | | | |
| | **Short - term negotiable securities** | **503,044** | 289,407 | **-** | **-** |
| | Listed | **503,044** | 289,407 | - | - |
| | Unlisted | **-** | - | - | - |
| | **Other financial investments** | **584,316** | 147,173 | **1,085** | **4,760** |
| | Listed | **523,730** | 96,441 | 1,085 | 4,760 |
| | Unlisted | **60,586** | 50,732 | - | - |
| | **Gross financial investments** | **1,087,360** | 436,580 | **1,085** | **4,760** |
| | **Expected credit loss on financial investment** | | | | |
| | 12-month ECL | **(2,104)** | (923) | **-** | - |
| | **Total expected credit loss on financial investment** | **(2,104)** | (923) | **-** | - |
| | **Net financial investments** | **1,085,256** | 435,657 | **1,085** | 4,760 |

Included in financial investment is N1,041 million (Dec 2023: N1,091 million) investment in mutual fund for Unclaimed dividend while the increase in financial investments relates to treasury bills maturities during the period.

| | | | | | |
|---|---|---|---|---|---|
| **10.1** | **Comprising:** | | | | |
| | Government bonds | **523,730** | 90,812 | **-** | - |
| | Treasury bills | **502,902** | 282,000 | **-** | - |
| | Corporate bonds | **-** | 5,629 | **-** | - |
| | Unlisted equities | **4,145** | 4,124 | **-** | - |
| | Mutual funds and unit-linked investments | **56,441** | 46,607 | **1,085** | 4,760 |
| | Commerical papers | **142** | 7,408 | **-** | **-** |
| | | **1,087,360** | 436,580 | **1,085** | 4,760 |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
| **11** | **Loans and advances** | | | | |
| | **Loans and advances net of impairments** | | | | |
| **11.1** | **Loans and advances to banks** | **51,854** | 8,668 | **-** | - |
| | Placements with banks | **51,854** | 8,670 | **-** | - |
| | Expected credit losses | **-** | (2) | **-** | - |
| **11.2** | **Loans and advances to customers** | **2,348,378** | 2,032,351 | **-** | - |
| | **Gross loans and advances to customers** | **2,470,688** | 2,091,138 | **-** | - |
| | **PPB- Personal and Private Banking** | **193,640** | 129,018 | | |
| | Mortgage loans | **26,846** | 15,184 | **-** | - |
| | Instalment sale and finance leases | **4,267** | 1,739 | **-** | - |
| | Card debtors | **5,718** | 3,907 | **-** | - |
| | Others loans and advances | **156,809** | 108,188 | **-** | - |
| | **BCB- Business and Commercial Banking** | **657,106** | 450,649 | | |
| | Mortgage loans | **-** | - | **-** | - |
| | Instalment sale and finance leases | **130,886** | 75,602 | **-** | - |
| | Card debtors | **7** | 16 | **-** | - |
| | Others loans and advances | **526,213** | 375,031 | **-** | - |
| | **CIB- Corporate and Investment Banking** | **1,619,942** | 1,511,471 | | |
| | Corporate loans | **1,619,942** | 1,511,471 | | |
| | **Credit impairments for loans and advances** | **(122,310)** | (58,787) | **-** | - |
| | 12-month ECL | **(32,183)** | (17,101) | **-** | - |
| | Lifetime ECL not credit-impaired | **(4,470)** | (2,237) | | |
| | Lifetime ECL credit-impaired | **(85,657)** | (39,449) | **-** | - |
| | **Net loans and advances** | **2,400,232** | 2,041,019 | **-** | - |

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

**11.3 Analysis of gross loans and advances to customers by performance**

**31 December 2024**

| **Gross carrying value- *In Nmillions*** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
|---|---|---|---|---|
| **PPB- Personal and Private Banking** | **173,726** | **8,054** | **11,860** | **193,640** |
| Mortgage loans | 26,065 | 441 | 340 | 26,846 |
| Instalment sale and finance leases | 4,128 | 73 | 66 | 4,267 |
| Card debtors | 4,380 | 844 | 494 | 5,718 |
| Others term loans | 139,153 | 6,696 | 10,960 | 156,809 |
| **BCB- Business and Commercial Banking** | **562,891** | **19,949** | **74,266** | **657,106** |
| Instalment sale and finance leases | 130,164 | 685 | 37 | 130,886 |
| Card debtors | 7 | - | - | 7 |
| Others term loans | 432,720 | 19,264 | 74,229 | 526,213 |
| **CIB- Corporate and Investment Banking** | **1,601,171** | **1,401** | **17,370** | **1,619,942** |
| Corporate lending | 1,601,171 | 1,401 | 17,370 | 1,619,942 |
| | **2,337,788** | **29,404** | **103,496** | **2,470,688** |

**31 December 2023**

| **Gross carrying value- *In Nmillions*** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
|---|---|---|---|---|
| **PPB- Personal and Private Banking** | **113,449** | **7,555** | **8,014** | **129,018** |
| Mortgage loans | 14,749 | 216 | 219 | 15,184 |
| Instalment sale and finance leases | 1,597 | 58 | 84 | 1,739 |
| Card debtors | 2,757 | 915 | 235 | 3,907 |
| Others term loans | 94,346 | 6,366 | 7,476 | 108,188 |
| **BCB- Business and Commercial Banking** | **409,872** | **12,854** | **27,923** | **450,649** |
| Mortgage loans | - | - | - | - |
| Instalment sale and finance leases | 74,556 | 882 | 164 | 75,602 |
| Card debtors | 16 | - | - | 16 |
| Others term loans | 335,300 | 11,972 | 27,759 | 375,031 |
| **CIB- Corporate and Investment Banking** | **1,498,213** | **-** | **13,258** | **1,511,471** |
| Corporate lending | 1,498,213 | - | 13,258 | 1,511,471 |
| | **2,021,534** | **20,409** | **49,195** | **2,091,138** |

| | Group | | Company | |
|---|---|---|---|---|
| | **31 Dec. 2024** | 31 Dec. 2023 | **31 Dec. 2024** | 31 Dec. 2023 |
| **12** | **N million** | N million | **N million** | N million |
| **Other assets** | | | | |
| Trading settlement assets | **69,522** | 18,308 | **-** | - |
| Due from group companies | **1,365** | 346 | **11,922** | 17,746 |
| Repossessed assets | **123** | 325 | **-** | - |
| Accrued income | **3,355** | 1,335 | **-** | - |
| Indirect / withholding tax receivables | **3,243** | 2,783 | **618** | 802 |
| Accounts receivable | **136,759** | 141,851 | **75** | 805 |
| Receivable in respect of unclaimed dividends | **5,571** | 4,916 | **5,571** | 4,916 |
| Deposit for investment | **14,477** | 14,477 | **-** | - |
| Prepayments | **19,682** | 11,379 | **6,535** | 1,606 |
| Net investment in lease | **-** | - | **632** | - |
| Other debtors | **1,384** | 9,283 | **-** | - |
| | **255,481** | 205,003 | **25,353** | 25,875 |
| Impairment on doubtful recoveries | **(19,097)** | (2,170) | **(595)** | (45) |
| | **236,384** | **202,833** | **24,758** | **25,830** |

The increase in other assets is mainly as a result of increase in transit items that default into suspense accounts. By their nature,these receivables fluctuate as they will typically be settled or cleared the following day.

**13 Deferred tax analysis**

| | | | | |
|---|---|---|---|---|
| Deferred tax liabilities | **12,824** | 1,193 | **-** | - |
| Deferred tax asset | **324** | 3,649 | **-** | - |
| | | | **-** | - |

**14 Reinsurance assets**

| | | | | |
|---|---|---|---|---|
| Asset for remaining coverage - Group Life | **618** | 193 | **-** | - |
| Asset for remaining coverage - Credit Life | **175** | 171 | **-** | - |
| Asset for remaining coverage - Individual Life | **-** | - | **-** | - |
| Asset for incurred claims - Group Life | **231** | 82 | **-** | - |
| Asset for incurred claims - Credit Life | **27** | 22 | **-** | - |
| | **1,051** | 468 | **-** | - |
| Reinsurance assets -PAA | **1,051** | 468 | **-** | - |
| Reinsurance assets -GMM | **-** | - | **-** | - |
| | **1,051** | 468 | **-** | - |

## 15 Property and equipment

| Group | Freehold Land and building N million | Leasehold improvements and building N million | Motor vehicles N million | Furniture, fittings & equipment N million | Computer equipment N million | Work in progress N million | Total N million |
|---|---|---|---|---|---|---|---|
| **15.1 Cost** | | | | | | | |
| **Balance at 1 January 2024** | **21,112** | **8,624** | **10,819** | **12,337** | **32,054** | **40,228** | **125,174** |
| Additions | 1,000 | 1,421 | 4,400 | 6,269 | 11,054 | 12,682 | **36,826** |
| Disposals / expensed | - | - | (947) | (766) | (1,680) | (7,473) | **(10,866)** |
| Write-offs | (164) | (2,051) | - | (472) | (2,424) | (17) | **(5,128)** |
| Transfers / reclassifications | 28,982 | 326 | (20) | 3,420 | 807 | (33,515) | **-** |
| **Balance at 31 December 2024** | **50,930** | **8,320** | **14,252** | **20,788** | **39,811** | **11,905** | **146,006** |
| Balance at 1 January 2023 | 21,252 | 8,490 | 1,343 | 11,873 | 28,110 | 32,727 | 103,795 |
| Additions | 1,713 | 40 | 9,893 | 1,004 | 3,681 | 8,710 | 25,041 |
| Disposals | (1,932) | - | (409) | (524) | (700) | (39) | (3,604) |
| Write-offs | - | - | (8) | (36) | (14) | - | (58) |
| Transfers/ reclassifications | 79 | 94 | - | 20 | 977 | (1,170) | - |
| Balance at 31 December 2023 | 21,112 | 8,624 | 10,819 | 12,337 | 32,054 | 40,228 | 125,174 |
| **15.2 Accumulated depreciation** | | | | | | | |
| **Balance at 1 January 2024** | **6,343** | **7,298** | **2,015** | **9,163** | **23,672** | **-** | **48,491** |
| Charge for the period | 1,591 | 499 | 2,634 | 2,798 | 5,662 | - | 13,184 |
| Disposals | (106) | (1,838) | (126) | (445) | (2,418) | - | (4,933) |
| Write-offs | - | - | (167) | (703) | (1,667) | - | (2,537) |
| **Balance at 31 December 2024** | **7,828** | **5,959** | **4,356** | **10,813** | **25,249** | **-** | **54,205** |
| Balance at 1 January 2023 | 5,898 | 7,167 | 708 | 8,753 | 19,721 | **-** | 42,247 |
| Charge for the year | 445 | 131 | 1,410 | 938 | 4,643 | **-** | 7,567 |
| Disposals | - | - | (103) | (528) | (692) | **-** | (1,323) |
| Balance at 31 December 2023 | 6,343 | 7,298 | 2,015 | 9,163 | 23,672 | - | 48,491 |
| **Net book value:** | | | | | | | |
| **31 December 2024** | **43,102** | **2,361** | **9,896** | **9,975** | **14,562** | **11,905** | **91,801** |
| 31 December 2023 | 14,769 | 1,326 | 8,804 | 3,174 | 8,382 | 40,228 | 76,683 |

There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (2023: Nil). None of the assets were pledged as security for liabilities and items written off relate to computer equipment, furniture and fittings no longer in use.

| **15** | **Property and equipment** <br> **Company** | **Leasehold improvements and building N million** | **Motor vehicles N million** | **Furniture, fittings & equipment N million** | **Computer equipment N million** | **Work in progress N million** | **Total N million** |
|---|---|---|---|---|---|---|---|
| **15.3** | **Cost** | | | | | | |
| | **Balance at 1 January 2024** | - | **1,021** | **234** | **910** | **2,013** | **4,178** |
| | Additions | **-** | **273** | **1,363** | **1,636** | **248** | **3,520** |
| | Disposals / expensed | **-** | **(150)** | **(46)** | **(169)** | **-** | **(365)** |
| | Impairments | **-** | **-** | **(19)** | **-** | **-** | **(19)** |
| | Transfers / reclassifications | **1,135** | **-** | **923** | **111** | **(2,169)** | **-** |
| | **Balance at 31 December 2024** | **1,135** | **1,144** | **2,455** | **2,488** | **92** | **7,314** |
| | Balance at 1 January 2023 | - | - | 196 | 501 | 1,822 | 2,519 |
| | Additions | - | 1,075 | 44 | 394 | 285 | 1,798 |
| | Disposals | - | (54) | (6) | (40) | (39) | (139) |
| | Impairments | - | - | - | - | - | - |
| | Transfers/ reclassifications | - | - | - | 55 | (55) | - |
| | Balance at 31 December 2023 | - | 1,021 | 234 | 910 | 2,013 | 4,178 |
| **15.4** | **Accumulated depreciation** | | | | | | |
| | **Balance at 1 January 2024** | | **121** | **149** | **462** | **-** | **732** |
| | Charge for the period | **189** | **229** | **443** | **496** | **-** | **1,357** |
| | Disposals | **-** | **(29)** | **(44)** | **(164)** | **-** | **(237)** |
| | Transfers/ reclassifications | **-** | **-** | **22** | **(22)** | **-** | |
| | **Balance at 31 December 2024** | **189** | **321** | **570** | **772** | **-** | **1,852** |
| | Balance at 1 January 2023 | - | - | 115 | 364 | - | 479 |
| | Charge for the year | - | 125 | 18 | 151 | - | 294 |
| | Disposals/expensed | - | (4) | (6) | (31) | - | (41) |
| | Transfers/ reclassifications | - | - | 22 | (22) | - | - |
| | Balance at 31 December 2023 | - | 121 | 149 | 462 | - | 732 |
| | **Net book value:** | | | | | | |
| | **31 December 2024** | **946** | **823** | **1,885** | **1,716** | **92** | **5,462** |
| | 31 December 2023 | - | 900 | 85 | 448 | 2,013 | 3,446 |

There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (2023: Nil). None of the assets were pledged as security for liabilities and items written off relate to computer equipment, furniture and fittings no longer in use.

| **16** | **Intangible assets** | **Purchased Software N million** | **Total N million** |
|---|---|---|---|
| **Group** | | | |
| **16.1** | **Cost** | | |
| | **Balance at 1 January 2024** | **5,831** | **5,831** |
| | Addition | 15 | 15 |
| | Impairments | **-** | **-** |
| | **Balance at 31 December 2024** | **5,846** | **5,846** |
| | Balance at 1 January 2023 | 5,818 | 5,818 |
| | Additions | 13 | 13 |
| | Expensed | - | - |
| | Balance at 31 December 2023 | 5,831 | 5,831 |
| **16.2** | **Accumulated depreciation** | | |
| | **Balance at 1 January 2024** | **3,360** | **3,360** |
| | Amortisation for the period | **765** | **765** |
| | **Balance at 31 December 2024** | **4,125** | **4,125** |
| | Balance at 1 January 2023 | 2,595 | 2,595 |
| | Amortisation for the period | 765 | 765 |
| | Balance at 31 December 2023 | 3,360 | 3,360 |
| | **Net book value:** | | |
| | **31 December 2024** | **1,721** | **1,721** |
| | 31 December 2023 | 2,471 | 2,471 |

There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (2023: Nil). None of the assets were pledged as security for liabilities and items written off relate to computer equipment, furniture and fittings no longer in use.

## 17 Right of Use Assets

| Group | ROU Building Leases N million | ROU ATM Spaces Leases N million | ROU Branch Leases N million | ROU Other Leases N million | Total N million |
|---|---|---|---|---|---|
| **17.1 Cost** | | | | | |
| **Balance at 1 January 2024** | 5,135 | 796 | 6,521 | 136 | 12,588 |
| Additions | 5,448 | 24 | 998 | 64 | 6,534 |
| Disposals / expensed | - | - | - | - | - |
| Impairments | - | - | - | - | - |
| Transfers / reclassifications | - | - | - | - | - |
| **Balance at 31 December 2024** | 10,583 | 820 | 7,519 | 200 | 19,122 |
| Balance at 1 January 2023 | 3,635 | 796 | 5,562 | 80 | 10,073 |
| Additions | 1,500 | - | 959 | 56 | 2,515 |
| Disposals / expensed | - | - | - | - | - |
| Impairments | - | - | - | - | - |
| Transfers / reclassifications | - | - | - | - | - |
| **Balance at 31 December 2023** | 5,135 | 796 | 6,521 | 136 | 12,588 |
| **17.2 Accumulated depreciation** | | | | | |
| **Balance at 1 January 2024** | 3,169 | 731 | 4,210 | 90 | 8,200 |
| Charge for the year | 3,309 | 66 | 698 | 86 | 4,159 |
| Disposals | - | - | - | - | - |
| Expense/writeoff | - | - | - | - | - |
| **Balance at 31 December 2024** | 6,478 | 797 | 4,908 | 176 | 12,359 |
| **Balance at 1 January 2023** | 2,416 | 614 | 3,377 | 57 | 6,464 |
| Charge for the year | 753 | 117 | 833 | 33 | 1,736 |
| Disposals | - | - | | - | - |
| Expense/write-off | - | - | - | - | - |
| **Balance at 31 December 2023** | 3,169 | 731 | 4,210 | 90 | 8,200 |
| **Net book value:** | | | | | |
| **31 December 2024** | 4,105 | 23 | 2,611 | 24 | 6,763 |
| **31 December 2023** | 1,966 | 65 | 2,311 | 46 | 4,388 |

| Company – Right of Use Assets | ROU Building Leases N million | ROU ATM Spaces Leases N million | ROU Branch Leases N million | ROU Other Leases N million | Total N million |
|---|---|---|---|---|---|
| **17.3 Cost** | | | | | |
| **Balance at 1 January 2024** | 212 | - | 88 | - | 300 |
| Additions | 1,031 | - | | - | 1,031 |
| Terminated / expensed | - | - | (51) | - | (51) |
| Impairments | - | - | - | - | - |
| Transfers / reclassifications | - | - | - | - | - |
| **Balance at 31 December 2024** | 1,243 | - | 37 | - | 1,280 |
| **Balance at 1 January 2023** | 100 | - | 25 | - | 125 |
| Additions | 112 | - | 63 | - | 175 |
| Disposals / expensed | - | - | - | - | - |
| Impairments | - | - | - | - | - |
| Transfers / reclassifications | - | - | - | - | - |
| **Balance at 31 December 2023** | 212 | - | 88 | - | 300 |
| **17.4 Accumulated depreciation** | | | | | |
| **Balance at 1 January 2024** | 137 | - | 34 | - | 171 |
| Charge for the period | 555 | - | 3 | - | 558 |
| Disposals | - | - | - | - | - |
| Expense/writeoff | - | - | (5) | - | (5) |
| **Balance at 31 December 2024** | 692 | - | 32 | - | 724 |
| **Balance at 1 January 2023** | 98 | - | 23 | - | 121 |
| Charge for the period | 39 | - | 11 | - | 50 |
| Disposals | - | - | - | - | - |
| Expense/writeoff | - | - | - | - | - |
| **Balance at 31 December 2023** | 137 | - | 34 | - | 171 |
| **Net book value:** | | | | | |
| **31 December 2024** | 551 | - | 5 | - | 556 |
| **31 December 2023** | 75 | - | 54 | - | 129 |

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

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

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
| **18** | **Share capital and reserves** | | | | |
| **18.1** | **Issued and fully paid-up** | | | | |
| | 12,956,997,163 Ordinary shares of 50k each | | | | |
| | (Dec 2023: 12,956,997,163 Ordinary shares of 50k each) | **6,479** | 6,479 | **6,479** | 6,479 |
| | **Ordinary share premium** | **102,780** | **102,780** | **102,780** | **102,780** |

All issued shares are fully paid up.

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
| **18.2** | **Dividend Payment** | | | | |
| | 2022 Final Dividend | | | | |
| | Scrip dividend | **-** | - | **-** | - |
| | Cash dividend | **-** | 25,914 | **-** | 25,914 |
| | Minority Interest | **-** | 1,710 | **-** | - |
| | 2023 Interim Dividend | | | | |
| | Scrip dividend | **-** | - | **-** | - |
| | Cash dividend | **-** | 19,435 | **-** | 19,435 |
| | Minority Interest | **-** | 1,953 | **-** | - |
| | 2023 Final Dividend | | | | |
| | Scrip dividend | **-** | - | **-** | - |
| | Cash dividend | **28,505** | - | **28,505** | - |
| | Minority Interest | **1,803** | - | **-** | - |
| | 2024 Interim Dividend | | | | |
| | Scrip dividend | **-** | - | **-** | - |
| | Cash dividend | **25,914** | - | **25,914** | - |
| | Minority Interest | **533** | - | **-** | - |
| | **Total dividend paid** | **56,755** | 49,012 | **54,419** | 45,349 |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
| **19** | **Deposits and current accounts** | | | | |
| | **Deposits from banks** | **264,134** | 658,885 | **-** | - |
| | Other deposits from banks | **264,134** | 658,885 | **-** | - |
| | **Deposits from customers** | **3,009,862** | 2,072,887 | **-** | - |
| | Current accounts | **1,896,512** | 1,228,405 | **-** | - |
| | Call deposits | **161,833** | 97,904 | **-** | - |
| | Savings accounts | **362,297** | 264,935 | **-** | - |
| | Term deposits | **589,220** | 481,643 | **-** | - |
| | **Total deposits and current accounts** | **3,273,996** | 2,731,772 | **-** | - |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024 N million** | 31 Dec. 2023 N million | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
| **20** | **Other borrowings** | | | | |
| | **On-lending borrowings** | **417,589** | 375,959 | **-** | **-** |
| | Findev Canada (see (vii) below) | **62,174** | - | **-** | - |
| | Nigeria Mortgage Refinance Company (see (iv) below) | **2,829** | 3,043 | **-** | - |
| | Bank of Industry (see (i) below) | **56** | 265 | **-** | - |
| | Standard Bank Isle of Man (see (ii) below) | **279,192** | 254,107 | **-** | - |
| | CBN Real Sector Support Financing (see (v) below) | **2,557** | 5,262 | **-** | - |
| | CBN Commercial Agricultural Credit Scheme (see (iii) below) | **970** | 6,237 | **-** | - |
| | British International Investment (see (vi) below) | **69,811** | 107,045 | **-** | - |
| | | **417,589** | 375,959 | **-** | - |

The terms and conditions of other borrowings are as follows:

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

i 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.

ii The bank obtained 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 March 2024 was USD258 million (Dec 2023: USD267 million). The facilities have different expiry dates with the longest expiring on 30 September 2027.

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

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

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

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

vii This represents long-term borrowing of USD40m priced at 6-month Term SOFR+3.50% with a seven-year maturity date due in January 2031.

The Group has not had any default of principal, interest or any other breaches with respect to its debt securities during the year ended 31 December 2024 (Dec 2023: Nil).

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024** | 31 Dec. 2023 | **31 Dec. 2024** | 31 Dec. 2023 |
| | | **N million** | N million | **N million** | N million |
| **21** | **Debts Securities Issued** | | | | |
| (i) | Subordinated debt - US dollar (see (ii) below) | **112,697** | 69,348 | **-** | - |
| (ii) | Commercial Paper Issued (see (iii) below) | **-** | 4,963 | **-** | - |
| | | **112,697** | 74,311 | **-** | - |

(i) This represents US dollar denominated term subordinated non-collaterised facility of USD$40 million obtained from Standard Bank of South Africa effective 05 Feb 2021. The facility expires on 05 Feb 2031 and is repayable at maturity. Interest on the facility is payable semiannually at SOFR (Secured Overnight Financing Rate) plus 4.82%.

(ii) 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 group has not had any default of principal, interest or any other convenant breaches with respect to its debt securities during the year ended 31 December 2024 (2023: Nil).

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024** | 31 Dec. 2023 | **31 Dec. 2024** | 31 Dec. 2023 |
| | | **N million** | N million | **N million** | N million |
| **22** | **Other liabilities** | | | | |
| | Trading settlement liabilities | **47,787** | 6,321 | **-** | - |
| | Cash-settled share-based payment liability | **6,145** | 3,473 | **3,879** | 1,942 |
| | Accrued expenses - Staff | **16,529** | 12,511 | **1,605** | 2,087 |
| | Deferred revenue (iii) | **63,053** | 4,762 | **-** | - |
| | Accrued expenses - Others | **15,170** | 6,351 | **2,473** | 1,547 |
| | Due to group companies | **8,162** | 6,651 | **5,845** | 8,032 |
| | Collections / remmitance payable | **450,217** | 219,320 | **434** | 301 |
| | Customer deposit for letters of credit | **241,815** | 56,249 | **-** | - |
| | Unclaimed balance (i) | **6,325** | 4,905 | **-** | - |
| | Payables to suppliers and asset management clients | **5,032** | 4,681 | **65** | 58 |
| | Draft & bank cheque payable | **1,209** | 1,235 | **-** | - |
| | Electronic channels settlement liability | **6,300** | 6,554 | **-** | - |
| | Unclaimed dividends liability (ii) | **488** | 5,980 | **6,359** | 5,980 |
| | Insurance contract liabilities | **39,333** | 29,939 | **-** | - |
| | Clients cash collateral for derivative transactions (iv) | **61,771** | 22,560 | **-** | - |
| | Lease liability (v) | **4,506** | 1,508 | **525** | 32 |
| | Sundry liabilities (vi) | **62,185** | 100,277 | **1,122** | 1,034 |
| | | **1,036,027** | 493,277 | **22,307** | 21,013 |

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

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

(ii) Amount represents liability in respect of unclaimed dividends as at 31 December 2024.

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

(iv) Amount represents margin cash collateral for FX futures

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

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

## 23 Provisions

| 31 December 2024 | Legal<br>N million | Taxes & levies<br>N million | Expected credit loss for off balance sheet exposures<br>N million | Total<br>N million |
|---|---|---|---|---|
| Balance at 1 January 2024 | 6,143 | 4,493 | 678 | **11,314** |
| Provisions made during the year | 592 | 15,206 | 3,177 | **18,975** |
| Provisions used during the year | - | (14,566) | - | **(14,566)** |
| Provisions reversed during the year | (6) | - | (2,802) | **(2,808)** |
| **Balance at 31 December 2024** | **6,729** | **5,133** | **1,053** | **12,915** |

| 31 December 2023 | Legal<br>N million | Taxes & levies<br>N million | Expected credit loss for off balance sheet exposures<br>N million | Total<br>N million |
|---|---|---|---|---|
| Balance at 1 January 2023 | 5,456 | 2,652 | 650 | 8,758 |
| Provisions made during the year | 697 | 7,968 | 1,654 | 10,319 |
| Provisions used during the year | - | (6,127) | - | (6,127) |
| Provisions reversed during the year | (10) | - | (1626) | (1,636) |
| **Balance at 31 December 2023** | **6,143** | **4,493** | **678** | **11,314** |

**(a) Legal**

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

**(b) Taxes & levies**

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

**(c) Expected credit loss for off balance sheet exposures**

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

STANBIC IBTC HOLDINGS PLC

## Notes to the condensed consolidated annual financial statements
for the year ended 31 December 2024

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec. 2024 N million | 31-Dec-2023 N million | 31 Dec. 2024 N million | 31-Dec-2023 N million |
| **24 Statement of cash flows notes** | | | | |
| **24.1** Decrease/(increase) in assets | | | | |
| Net derivative assets | **41,448** | (87,692) | **-** | - |
| Trading assets | **(523,614)** | 122,514 | **-** | - |
| Pledged assets | **246,984** | (246,922) | **-** | - |
| Loans and advances | **(448,944)** | (761,573) | **-** | - |
| Other assets | **(33,551)** | (70,443) | **1,072** | (12,631) |
| Restricted balance with the Central Bank | **286,346** | (470,355) | **-** | - |
| | **(431,331)** | (1,514,471) | **1,072** | (12,631) |
| **24.2 Increase/(decrease) in deposits and other liabilities** | | | | |
| Deposit and current accounts | **542,224** | 988,566 | **-** | - |
| Trading liabilities | **768,440** | 259,494 | **-** | - |
| Other liabilities and provisions | **517,276** | 144,830 | **793** | (43,273) |
| Effect of exchange rate on cash and cash equivalents | **(114,066)** | 124,359 | **-** | - |
| | **1,713,874** | 1,517,249 | **793** | (43,273) |

| | Group 31 Dec. 2024 N million | Group 31-Dec-2023 N million | Company 31 Dec. 2024 N million | Company 31-Dec-2023 N million |
|---|---|---|---|---|
| **24.3 Cash and cash equivalents - Statement of cash flows** | | | | |
| Cash and cash equivalents (note 6) | **2,245,313** | 1,384,879 | **7,867** | 15,325 |
| Less: restricted balance with the Central Bank of Nigeria | **(717,590)** | (948,964) | **-** | - |
| Add: Treasury bills below 90 days | **136,338** | 105,979 | | |
| Loans and advances to banks (90 days' tenor or less) | **51,854** | 8,668 | | |
| **Cash and bank balances at end of the year** | **1,715,915** | 550,562 | **7,867** | 15,325 |

## 25 Classification of financial instruments

### Accounting classifications and fair values

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

| | Note | Fair Value Through P&L | | | Amortised cost | Fair-value through other comprehensive income | | Other amotised cost | Total carrying amount | Fair value [1] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Held for trading | Designated at fair value | Fair value through P/L - default | | Debt Instrument | Equity Instrument | | | |
| | | N million | N million | N million | N million | N million | N million | N million | N million | N million |
| **31 December 2024** | | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Cash and cash equivalents | 6 | - | - | - | 2,245,313 | - | - | - | 2,245,313 | 2,245,313 |
| Derivative assets | 9 | 124,129 | - | - | - | - | - | - | 124,129 | 124,129 |
| Trading assets | 8 | 591,531 | - | - | - | - | - | - | 591,531 | 591,531 |
| Pledged assets | 7 | - | - | - | - | - | - | - | - | - |
| Financial investments | 10 | - | - | 260,210 | 4,126 | 816,775 | 4,145 | - | 1,085,256 | 1,085,256 |
| Reinsurance assets | 14 | | | | 1,051 | | - | - | 1,051 | 1,051 |
| Loans and advances to banks | 11 | - | - | - | 51,854 | - | - | - | 51,854 | 56,972 |
| Loans and advances to customers | 11 | - | - | - | 2,348,378 | - | - | - | 2,348,378 | 2,314,797 |
| Other assets (see note a below) | | - | - | - | 232,556 | - | - | - | 232,556 | 232,556 |
| | | 715,660 | - | 260,210 | 4,883,278 | 816,775 | 4,145 | - | 6,680,068 | 6,651,605 |
| **Liabilities** | | | | | | | | | | |
| Derivative liabilities | 9 | 61,850 | - | - | - | - | - | - | 61,850 | 61,850 |
| Trading liabilities | 8 | 1,248,905 | - | - | - | - | - | - | 1,248,905 | 1,248,905 |
| Deposits from banks | 19 | - | - | - | - | - | - | 264,134 | 264,134 | 264,134 |
| Deposits from customers | 19 | - | - | - | - | - | - | 3,009,862 | 3,009,862 | 3,009,862 |
| Debt securities issued | | - | - | - | - | - | - | 112,697 | 112,697 | 112,697 |
| Other borrowings | | - | - | - | - | - | - | 417,589 | 417,589 | 417,589 |
| Other liabilities (see note b below) | | - | - | - | - | - | - | 935,130 | 935,130 | 935,130 |
| | | 1,310,755 | - | - | - | - | - | 4,209,126 | 6,050,167 | 6,050,167 |

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

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

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

**25 Classification of financial instruments continued**

| | Note | Fair Value Through P&L | | | Amortised cost | Fair-value through other comprehensive income | | Other amotised cost | Total carrying amount | Fair value [1] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Held for trading | Designated at fair value | Fair value through P/L - default | | Debt Instrument | Equity Instrument | | | |
| | | N million | N million | N million | N million | N million | N million | N million | N million | N million |
| 31 December 2023 | | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Cash and cash equivalents | 6 | - | - | 1,328,705 | 56,174 | - | - | - | 1,384,879 | 1,384,879 |
| Derivative assets | 9 | 550,720 | - | - | - | - | - | - | 550,720 | 550,720 |
| Trading assets | 8 | 67,917 | - | - | - | - | - | - | 67,917 | 67,917 |
| Pledged assets | 7 | 70,104 | - | - | - | 304,808 | - | - | 374,912 | 374,912 |
| Financial investments | 10 | - | - | 45,851 | 57,506 | 328,176 | 4,124 | - | 435,657 | 435,657 |
| Reinsurance assets | 14 | - | - | - | 468 | - | - | - | 468 | 468 |
| Loans and advances to banks | 11 | - | - | - | 8,668 | | - | - | 8,668 | 9,522 |
| Loans and advances to customers | 11 | - | - | - | 2,032,351 | - | - | - | 2,032,351 | 2,003,288 |
| Other assets (see note a below) | | - | - | - | 188,671 | - | - | - | 188,671 | 188,671 |
| | | 688,741 | - | 1,374,556 | 2,343,838 | 632,984 | 4,124 | - | 5,044,243 | 5,016,034 |
| **Liabilities** | | | | | | | | | | |
| Derivative liabilities | 9 | 446,993 | - | - | - | - | - | - | 446,993 | 446,993 |
| Trading liabilities | 8 | 480,465 | - | - | - | - | - | - | 480,465 | 480,465 |
| Deposits from banks | 19 | - | - | - | - | - | - | 658,885 | 658,885 | 658,885 |
| Deposits from customers | 19 | - | - | - | - | - | - | 2,072,887 | 2,072,887 | 2,072,887 |
| Debt securities issued | | - | - | 4,963 | - | - | - | 69,348 | 74,311 | 74,311 |
| Other borrowings | | - | - | - | - | - | - | 375,959 | 375,959 | 375,959 |
| Other liabilities (see note b below) | | - | - | - | - | - | - | 488,515 | 488,515 | 488,515 |
| | | 927,458 | - | 4,963 | - | - | - | 3,665,594 | 4,598,015 | 4,598,015 |

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

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

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

## 26 Financial instruments measured at fair value

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

### 26.1 Valuation models

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

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

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

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

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

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

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

### 26.2 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 pf models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of level 3 instruments.

Significant valuation issues are reported to the audit committee.

### 26.3 Financial instruments measured at fair value - fair value hierarchy

The tables below analyze financial instruments carried at fair value at the end of the reporting period, by level of fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

| Group | Fair value N million | Level 1 N million | Level 2 N million | Level 3 N million | Total N million |
|---|---|---|---|---|---|
| **31 December 2024** | | | | | |
| **Assets** | | | | | |
| Cash and cash equivalents | **-** | **-** | **-** | **-** | **-** |
| Derivative assets | **124,129** | **-** | **124,129** | **-** | **124,129** |
| Trading assets | **591,531** | **27,141** | **564,390** | **-** | **591,531** |
| Pledged assets | **127,928** | **127,928** | **-** | **-** | **127,928** |
| Financial investments | **1,081,130** | **1,020,544** | **56,441** | **4,145** | **1,081,130** |
| | **1,924,718** | **1,175,613** | **744,960** | **4,145** | **1,924,718** |
| **Comprising:** | | | | | |
| Fair Value Through P&L | **715,660** | **27,141** | **688,519** | **-** | **715,660** |
| Fair Value Through OCI | **1,209,058** | **1,148,472** | **56,441** | **4,145** | **1,209,058** |
| | **1,924,718** | **1,175,613** | **744,960** | **4,145** | **1,924,718** |
| **Liabilities** | | | | | |
| Derivative liabilities | **61,850** | **-** | **61,850** | **-** | **61,850** |
| Trading liabilities | **1,248,905** | **381,932** | **866,973** | **-** | **1,248,905** |
| | **1,310,755** | **381,932** | **928,823** | **-** | **1,310,755** |
| **Comprising:** | | | | | |
| Fair Value Through P&L | **1,310,755** | **381,932** | **928,823** | **-** | **1,310,755** |
| Designated at fair value | **-** | | | | **-** |
| | **1,310,755** | **381,932** | **928,823** | **-** | **1,310,755** |

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

| Group | Fair value N million | Level 1 N million | Level 2 N million | Level 3 N million | Total N million |
|---|---|---|---|---|---|
| 31 December 2023 | | | | | |
| **Assets** | | | | | |
| Cash and cash equivalents | 1,328,705 | - | 1,328,705 | - | 1,328,705 |
| Derivative assets | 550,720 | - | 478,977 | 71,743 | 550,720 |
| Trading assets | 67,917 | 16,327 | 51,590 | - | 67,917 |
| Pledged assets | 374,912 | 374,912 | - | - | 374,912 |
| Financial investments | 379,074 | 374,950 | - | 4,124 | 379,074 |
| | 2,701,328 | 766,189 | 1,859,272 | 75,867 | 2,701,328 |
| **Comprising:** | | | | | |
| Held-for-trading | 1,965,856 | 86,431 | 1,807,682 | 71,743 | 1,965,856 |
| Fair Value Through OCI | 735,472 | 679,758 | 51,590 | 4,124 | 735,472 |
| | 2,701,328 | 766,189 | 1,859,272 | 75,867 | 2,701,328 |
| **Liabilities** | | | | | |
| Derivative liabilities | 446,993 | - | 446,993 | - | 446,993 |
| Trading liabilities | 480,465 | 6,082 | 474,383 | - | 480,465 |
| Debt Securities Issued | 4,963 | 4,963 | - | - | 4,963 |
| | 932,421 | 11,045 | 921,376 | - | 932,421 |
| **Comprising:** | | | | | |
| Held-for-trading | 932,421 | 11,045 | 921,376 | - | 932,421 |
| | 932,421 | 11,045 | 921,376 | - | 932,421 |

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

### 26.3 Level 3 fair value measurement

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

| | **31 Dec. 2024** | | 31 Dec. 2023 | |
|---|---|---|---|---|
| | **Derivative assets** | **Financial investments** | Derivative assets | Financial investments |
| | **N million** | **N million** | N million | N million |
| Balance at 1 January | **71,743** | **4,124** | 14,637 | 3,642 |
| Gains included in profit or loss - Trading revenue | **(71,743)** | **-** | 60,550 | **-** |
| Gains recognised in other comprehensive income | **-** | **21** | - | 482 |
| Day one Profit / (loss) recognised | **-** | **-** | (3,444) | - |
| Sales and settlements | **-** | **-** | - | - |
| **Balance at year end** | **-** | **4,145** | 71,743 | 4,124 |

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

| | **Derivative assets** | **Financial investments** | Derivative assets | Financial investments |
|---|---|---|---|---|
| | **N million** | **N million** | N million | N million |
| Trading revenue | **(71,743)** | | 60,550 | - |
| Other comprehensive income | **-** | **21** | - | 482 |

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

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

| **Type of financial instrument** | **Valuation technique** | **Significant unobservable input** | **Fair value measurement sensitivity to unobservable input** |
|---|---|---|---|
| Unquoted equities | Discounted cash flow | - Risk adjusted discount rate | A significant increase in the spread above the risk-free rate would result in a lower fair value. |
| Derivative assets | Discounted cash flow | - Own credit risk (DVA)<br>- Counterparty credit risk (CVA, basis risk and country risk premium)<br>- USD / NGN quanto risk<br>- Implied FX volatility | A significant move (either positive or negative) in the unobservable input will result in a significant move in the fair value. |

## 26.4 Financial instruments not measured at fair value - fair value hierarchy

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

| Group | Fair value N million | Level 1 N million | Level 2 N million | Level 3 N million | Total N million |
|---|---|---|---|---|---|
| **31 December 2024** | | | | | |
| **Assets** | | | | | |
| Cash and cash equivalents | **2,245,313** | **-** | **2,245,313** | **-** | **2,245,313** |
| Financial Investment | **4,126** | **-** | **4,126** | **-** | **4,126** |
| Loans and advances to banks | **56,972** | **-** | **56,972** | **-** | **56,972** |
| Loans and advances to customers | **2,314,797** | **-** | **2,314,797** | **-** | **2,314,797** |
| Reinsurance assets | **1,051** | **-** | **1,051** | **-** | **1,051** |
| Other financial assets | **232,556** | **-** | **232,556** | **-** | **232,556** |
| | **4,854,815** | **-** | **4,854,815** | **-** | **4,854,815** |
| **Liabilities** | | | | | |
| Deposits from banks | **264,134** | **-** | **264,134** | **-** | **264,134** |
| Deposits from customers | **3,009,862** | **-** | **3,009,862** | **-** | **3,009,862** |
| Other borrowings | **417,589** | **-** | **417,589** | **-** | **417,589** |
| Debt securities issued | **112,697** | **-** | **112,697** | **-** | **112,697** |
| Other financial liabilities | **935,130** | **-** | **935,130** | **-** | **935,130** |
| | **4,739,412** | **-** | **4,739,412** | **-** | **4,739,412** |

| Group | Fair value N million | Level 1 N million | Level 2 N million | Level 3 N million | Total N million |
|---|---|---|---|---|---|
| 31 December 2023 | | | | | |
| **Assets** | | | | | |
| Cash and cash equivalents | 56,174 | - | 56,174 | - | 56,174 |
| Financial investments | 57,506 | | 57,506 | | 57,506 |
| Loans and advances to banks | 9,522 | - | 9,522 | - | 9,522 |
| Loans and advances to customers | 2,003,288 | - | 2,003,288 | - | 2,003,288 |
| Reinsurance assets | 468 | - | 468 | - | 468 |
| Other financial assets | 188,671 | | 188,671 | | 188,671 |
| | 2,315,630 | - | 2,315,630 | - | 2,315,630 |
| **Liabilities** | | | | | |
| Deposits from banks | 658,885 | - | 658,885 | - | 658,885 |
| Deposits from customers | 2,072,887 | - | 2,072,887 | - | 2,072,887 |
| Other borrowings | 375,959 | - | 375,959 | - | 375,959 |
| Debt securities issued | 69,348 | - | 69,348 | - | 69,348 |
| Other financial liabilities | 488,515 | - | 488,515 | - | 488,515 |
| | 3,665,594 | - | 3,665,594 | - | 3,665,594 |

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

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

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31 Dec. 2024** | 31 Dec. 2023 | **31 Dec. 2024** | 31 Dec. 2023 |
| | | **N million** | N million | **N million** | N million |
| **27** | **Contingent liabilities and commitments** | | | | |
| **27.1** | **Contingent liabilities** | | | | |
| | Letters of credit | **348,473** | 164,946 | **-** | - |
| | Guarantees | **236,850** | 119,959 | **-** | - |
| | | **585,323** | 284,905 | **-** | - |

Bonds and Guarantees and letters of credit are given to third parties as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts. The expected credit loss of N1,053 million (Dec 2023: N678 million) on this has been included in provisions.

### 27.2 Legal proceedings

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

The Group litigation portfolio as at 31 December 2024 consisted of 431 cases and aggregate value of monetary claims against the Stanbic IBTC Group was N263,070,555,801.17; USD$2,267,141.61 & GBP £1,556.07.

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

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

There were no other events after the reporting date which could have a material effect on the financial position of the group as at 31 December 2024 which have not been recognized or disclosed.

**Asset Management Corporation of Nigeria**

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

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

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

Accordingly, the Bank instructed its lawyers to institute a Legal action against AMCON, pursuant to which it obtained an interim injunction (ex-parte), restraining AMCON and the CBN from debiting its Account for the alleged claw-back sum. However, the Bank subsequently discovered that AMCON had earlier filed a suit at the 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. When the case came up for hearing on 03 July 2024, the counsel for both parties adopted their respective issues for determination. On 04 November 2024, the Plaintiff's counsel informed the Court that the Plaintiff's witness was not present in Court. Consequently, the Court adjourned the matter to 24 February 2025 for commencement of trial.

## 28 Supplementary income statement information

| | | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **3 months 31 Dec. 2024 N million** | **12 months 31 Dec. 2024 N million** | 3 months 31 Dec. 2023 N million | 12 months 31 Dec. 2023 N million | **3 months 31 Dec. 2024 N million** | **12 months 31 Dec. 2024 N million** | 3 months 31 Dec. 2023 | 12 months 31 Dec. 2023 N million |
| **28.1** | **Interest income** | | | | | | | | |
| | Interest on loans and advances to banks | **2,941** | **13,434** | 1,752 | 4,923 | - | - | - | - |
| | Interest on loans and advances to customers | **107,669** | **391,619** | 73,336 | 229,578 | - | - | - | - |
| | Interest on investments | **54,749** | **161,404** | 10,914 | 36,092 | **39** | **221** | 128 | 299 |
| | Interest on instalment sales & finance lease | **(1)** | **5** | - | - | - | - | - | - |
| | | **165,359** | **566,462** | 86,002 | 270,593 | **39** | **221** | 128 | 299 |
| | Interest income on items measured at amortised cost | **108,877** | **480,190** | 78,927 | 249,030 | - | - | - | - |
| | Interest income on debt instruments measured at FVOCI | **31,805** | **86,272** | 7,075 | 21,563 | **39** | **221** | 128 | 299 |

The amount reported above include interest income calculated using the effective interest rate method that relates to financial assets measured at amortised cost and carried at FVOCI. Interest income for the year ended 31 Dec 2024 includes N1,075 million (Dec 2023: N1,549 million) relating to interest income recognised on credit impaired financial assets.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **28.2** | **Interest expense** | | | | | | | | |
| | Savings accounts | **3,079** | **10,807** | 1,381 | 5,484 | - | - | - | - |
| | Current accounts | **5,786** | **14,975** | 2,041 | 5,394 | - | - | - | - |
| | Call deposits | **4,269** | **13,871** | 997 | 2,349 | - | - | - | - |
| | Term deposits | **15,926** | **45,159** | 5,434 | 17,847 | - | - | - | - |
| | Interbank deposits | **5,766** | **28,650** | 5,355 | 14,492 | - | - | - | - |
| | Borrowed funds | **7,388** | **42,320** | 16,107 | 49,823 | - | - | - | - |
| | Lease Expense | **53** | **229** | - | 14 | **2** | **10** | - | - |
| | | **42,267** | **156,011** | 31,315 | 95,403 | **2** | **10** | - | - |
| | Interest expense on items measured at amortised cost | **42,214** | **155,782** | 31,315 | 95,389 | - | - | - | - |
| | Interest expense on lease liabilities | **53** | **229** | - | 14 | **2** | **10** | - | - |
| **28.3** | **Net fee and commission revenue** | | | | | | | | |
| | Fee and commission revenue | **52,032** | **186,412** | 33,241 | 117,839 | 810 | 3,106 | 539 | 2,081 |
| | Account transaction fees | **4,048** | **10,390** | 2,519 | 6,768 | - | - | - | - |
| | Card based commission | **2,085** | **5,836** | 1,072 | 3,801 | - | - | - | - |
| | Brokerage and financial advisory fees | **5,280** | **21,298** | 3,457 | 10,372 | - | - | - | - |
| | Asset management fees | **26,492** | **98,677** | 19,563 | 71,961 | - | - | - | - |
| | Custody transaction fees | **2,930** | **8,789** | 999 | 3,006 | - | - | - | - |
| | Electronic banking | **1,249** | **4,365** | 1,180 | 4,422 | - | - | - | - |
| | Foreign currency service fees | **7,472** | **24,050** | 3,233 | 10,541 | - | - | - | - |
| | Documentation and administration fees | **1,690** | **11,125** | 1,197 | 5,434 | - | - | - | - |
| | Others | **786** | **1,882** | 21 | 1,534 | 810 | 3,106 | 539 | 2,081 |
| | Fee and commission expense | **(6,275)** | **(16,015)** | (2,490) | (7,562) | - | - | | - |
| | | **45,757** | **170,397** | 30,751 | 110,277 | 810 | 3,106 | 539 | 2,081 |

Increase in fee and commission revenue is mainly attributable to increase in Asset mgt fees coupled with increase in brokerage and financial advisory transactions.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **28.4** | **Income from life insurance activities** | | | | | | | | |
| | **Insurance service result** | | | | | | | | |
| | Insurance revenue | **2,752** | **10,014** | 1,914 | 6,595 | - | - | - | - |
| | Insurance service expense | **(1,769)** | **(7,847)** | (1,234) | (4,399) | - | - | - | - |
| | Net insurance service result before reinsurance contracts held | **983** | **2,167** | 680 | 2,196 | - | - | - | - |
| | Net expense from reinsurance contracts held | **(320)** | **(542)** | (221) | (670) | - | - | - | - |
| | | **663** | **1,625** | 459 | 1,526 | - | - | - | - |
| | **Net insurance finance expenses** | | | | | | | | |
| | Net finance expenses from insurance contracts issued | **(1,316)** | **(863)** | (834) | (2,285) | - | - | - | - |
| | Net finance income from reinsurance contracts held | - | - | - | - | - | - | - | - |
| | | **(1,316)** | **(863)** | (834) | (2,285) | - | - | - | - |
| | **Fair value adjustments** | | | | | | | | |
| | Fair value adjustments to investment mgt liabilities and third party fund interests | **(441)** | **(3,028)** | 75 | (772) | - | - | - | - |
| | | **(441)** | **(3,028)** | 75 | (772) | - | - | - | - |
| **28.5** | **Trading revenue** | | | | | | | | |
| | Commodities | - | - | - | - | - | - | - | - |
| | Equities | - | - | 1 | 2 | - | - | - | - |
| | Fixed income and currencies | **12,827** | **57,568** | 2,764 | 62,504 | - | - | - | - |
| | | **12,827** | **57,568** | 2,765 | 62,506 | - | - | - | - |

**28 Supplementary income statement information** continued

| | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| | **3 months** | **12 months** | 3 months | 12 months | **3 months** | **12 months** | 3 months | 12 months |
| | **31 Dec. 2024** | **31 Dec. 2024** | 31 Dec. 2023 | 31 Dec. 2023 | **31 Dec. 2024** | **31 Dec. 2024** | 31 Dec. 2023 | 31 Dec. 2023 |
| | **N million** | **N million** | N million | N million | **N million** | **N million** | N million | N million |
| **28.6 Other revenue** | | | | | | | | |
| Dividend income | **20** | **1,040** | 22 | 677 | **8,570** | **56,290** | 14,650 | 53,375 |
| Gain/(loss) on disposal of property and equipment | **528** | **536** | 2,529 | 86 | **(2)** | **-** | - | 1 |
| Gain/(loss) on disposal of financial investment (see (b) below) | **(825)** | **179** | 153 | (106) | **-** | **-** | - | - |
| Others | **679** | **8,940** | 2,095 | 8,067 | **303** | **3,388** | 853 | 1,833 |
| | **402** | **10,695** | 4,799 | 8,724 | **8,871** | **59,678** | 15,503 | 55,209 |
| **28.7 Net impairment write-back/(loss) on financial assets** | | | | | | | | |
| **Net expected credit loses raised and released for financial** | **(299)** | **663** | 463 | 1,334 | **-** | **-** | - | - |
| 12 month ECL | **(299)** | **682** | 463 | 1,334 | **-** | **-** | - | - |
| Lifetime ECL not credit impaired | **-** | **(19)** | - | - | **-** | **-** | - | - |
| Lifetime ECL credit impaired | **-** | **-** | - | - | **-** | **-** | - | - |
| **Net expected credit loses raised and released for Loan and** | **1** | **5** | - | (2) | **-** | **-** | - | - |
| 12 month ECL | **1** | **5** | - | (2) | **-** | **-** | - | - |
| Lifetime ECL not credit impaired | **-** | **-** | - | - | **-** | **-** | - | - |
| Lifetime ECL credit impaired | **-** | **-** | - | - | **-** | **-** | - | - |
| **Net expected credit loses raised and released for Loan and** | **35,773** | **88,664** | 2,819 | 13,416 | **-** | **-** | - | - |
| 12 month ECL | **8,646** | **11,431** | (393) | 1,315 | **-** | **-** | - | - |
| Lifetime ECL not credit impaired | **(12,877)** | **280** | 233 | 702 | **-** | **-** | - | - |
| Lifetime ECL credit impaired | **40,004** | **76,953** | 2,979 | 11,399 | **-** | **-** | - | - |
| **Net expected credit loses raised and released on off** | **234** | **162** | (94) | (148) | **-** | **-** | - | - |
| 12 month ECL | **234** | **162** | (94) | (148) | **-** | **-** | - | - |
| Lifetime ECL not credit impaired | **-** | **-** | - | - | **-** | **-** | - | - |
| Lifetime ECL credit impaired | **-** | **-** | - | - | **-** | **-** | - | - |
| **Net expected credit losses raised and released on other** | **7,979** | **17,663** | 415 | 852 | **-** | **550** | 26 | 26 |
| 12 month ECL | **7,979** | **17,663** | 415 | 852 | **-** | **550** | 26 | 26 |
| Lifetime ECL not credit impaired | **-** | **-** | - | - | **-** | **-** | - | - |
| Lifetime ECL credit impaired | **-** | **-** | - | - | **-** | **-** | - | - |
| Recoveries on loans and advances previously written off | **(3,705)** | **(7,797)** | 1,893 | 0 | **-** | **-** | - | - |
| | **39,983** | **99,360** | 5,496 | 15,452 | **-** | **550** | 26 | 26 |
| **28.8 Other operating expenses** | | | | | | | | |
| Information technology | **11,221** | **33,485** | 6,200 | 19,341 | **270** | **373** | 76 | 179 |
| Communication expenses | **733** | **2,800** | 424 | 2,557 | **17** | **39** | 89 | 46 |
| Premises Expenses | **3,424** | **10,007** | 2,247 | 6,013 | **312** | **624** | 52 | 168 |
| Depreciation Expenses | **3,846** | **14,720** | 2,340 | 9,301 | **474** | **1,909** | 115 | 345 |
| Amortisation of intangible asset | **191** | **765** | 191 | 765 | **-** | **-** | - | - |
| Deposit insurance premium | **-** | **11,874** | 489 | 7,970 | **-** | **-** | - | - |
| AMCON expenses | **-** | **26,294** | - | 15,387 | **-** | **-** | - | - |
| Other insurance premium | **1,387** | **5,866** | 1,235 | 4,252 | **3** | **100** | 22 | 101 |
| Auditors remuneration | **161** | **634** | 147 | 570 | **19** | **76** | 20 | 80 |
| Non-audit service fee | **20** | **56** | 15 | 35 | **-** | **-** | - | - |
| Professional fees | **2,191** | **5,131** | 955 | 2,919 | **458** | **721** | 130 | 497 |
| Administration and membership fees | **595** | **3,249** | 767 | 1,294 | **82** | **370** | 50 | 248 |
| Training expenses | **1,182** | **2,779** | 539 | 1,580 | **189** | **488** | -15 | 166 |
| Security expenses | **1,101** | **3,026** | 738 | 2,599 | **82** | **123** | 58 | 102 |
| Travel and entertainment | **2,432** | **5,549** | 1,274 | 3,033 | **912** | **1,301** | 240 | 516 |
| Stationery and printing | **503** | **1,600** | 388 | 1,464 | **88** | **89** | 178 | 87 |
| Marketing and advertising | **2,613** | **6,818** | 3,138 | 7,115 | **1,062** | **2,296** | 1,192 | 2,566 |
| Pension administration expense | **(137)** | **-** | 434 | 937 | **-** | **-** | - | - |
| Penalties and fines | **162** | **593** | - | 90 | **-** | **-** | - | - |
| Donations | **242** | **1,026** | 42 | 794 | **90** | **848** | 77 | 790 |
| Operational losses | **73** | **572** | 82 | 210 | **-** | **-** | 1 | 1 |
| Directors fees & expenses | **522** | **2,020** | 492 | 1,496 | **196** | **920** | - | - |
| Pension protection levy | **532** | **1,971** | - | 1,655 | **-** | | - | - |
| Commission Paid | **181** | **528** | 100 | 425 | **-** | **-** | - | - |
| Others | **3,986** | **15,645** | 1,746 | 9,245 | **586** | **642** | 480 | 1,158 |
| | **37,161** | **157,008** | 23,983 | 101,047 | **4,840** | **10,919** | 2,765 | 7,050 |

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

| | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| **28.9 Income tax** | | | | | | | | |
| Current tax | **71,378** | **101,754** | 16,618 | 31,748 | **11** | **84** | 23 | 59 |
| Deferred tax | **(9,746)** | **(62)** | (4,537) | 542 | **-** | **-** | - | 1 |
| | **61,632** | **101,692** | 12,081 | 32,290 | **11** | **84** | 23 | 60 |

| | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| | **3 months 31 Dec. 2024 N million** | **12 months 31 Dec. 2024 N million** | 3 months 31-Dec-2023 N million | 12 months 31-Dec-2023 N million | **3 months 31 Dec. 2024 N million** | **12 months 31 Dec. 2024 N million** | 3 months 31-Dec-2023 N million | 12 months 31-Dec-2023 N million |
| **29 Earnings per ordinary share** | | | | | | | | |
| The calculation of basic earnings per ordinary share and diluted earnings per ordinary share are as follows: | | | | | | | | |
| **Earnings based on weighted average shares in issue** | | | | | | | | |
| Earnings attributable to ordinary shareholders (N million) | **18,279** | **198,399** | 30,665 | 137,582 | **2,922** | **43,338** | 12,697 | 47,620 |
| **Weighted average number of ordinary shares in issue (number of shares)** | | | | | | | | |
| Weighted average number of ordinary shares in issue | **12,957** | **12,957** | 12,957 | 12,957 | **12,957** | **12,957** | 12,957 | 12,957 |
| **Basic earnings per ordinary share (kobo)** | **141** | **1,531** | 237 | 1,062 | **23** | **334** | 98 | 368 |

## 30 Related party transactions

### 30.1 Parent and ultimate controlling party

The company is 67.55% owned by Stanbic Africa Holdings Limited, which is incorporated in the United Kingdom. The ultimate parent and controlling party of the group/ company is Standard Bank Group Limited, incorporated in South Africa. Stanbic IBTC Holdings PLC has 10 direct subsidiaries and 1 indirect subsidiaries as listed below.

Stanbic IBTC Holdings PLC (Holdco) is related to other companies that are fellow subsidiaries of Standard Bank Group Limited. These include Standard Bank Isle of Man Limited, Standard Bank of South Africa (SBSA), Stanbic Bank Ghana Limited, CfC Stanbic Bank Kenya Limited, Stanbic Bank Botswana, Stanbic Bank Uganda Limited, Liberty Holdings Limited and Standard Bank (Mauritius) Limited. ICBC Standard Bank PLC, which is an associate of Standard Bank Group Limited, is also a related party.

### 30.2 Subsidiaries

Details of effective interest in subsidiaries are disclosed below.

| | |
|---|---|
| Stanbic IBTC Bank PLC | 100% |
| Stanbic IBTC Ventures Limited | 100% |
| Stanbic IBTC Capital Limited | 100% |
| Stanbic IBTC  Asset Management Limited | 100% |
| Stanbic IBTC Pension Managers Limited | 88.24% |
| Stanbic IBTC Stockbrokers Limited | 100% |
| Stanbic IBTC Trustees Limited | 100% |
| Stanbic IBTC Insurance Brokers Limited | Direct 75%, Indirect 25% |
| Stanbic IBTC Insurance Limited | 100% |
| Zest payments services | 100% |
| Stanbic IBTC Nominees Limited - Indirect subsidiary | 100% |

### 30.3 Key management personnel

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

| | **31 Dec. 2024 N million** | 31-Dec-2023 N million |
|---|---|---|
| **Key management compensation** | | |
| Salaries and other short-term benefits | **1,372** | 1,431 |
| Post-employment benefits | **34** | 39 |
| Value of share options and rights expensed | **3,559** | 3,497 |
| | **4,965** | 4,967 |

| The transactions below are entered into in the normal course of business. | **31 Dec. 2024 N million** | 31 Dec. 2023 N million |
|---|---|---|
| **Loans and advances** | | |
| Loans outstanding at the beginning of the period | **1,050** | 782 |
| Net movement during the period | **100** | 268 |
| **Loans outstanding at the end of the period** | **1,150** | 1,050 |

Loans include mortgage loans, instalment sale and finance leases and credit cards. No specific impairments have been recognised in respect of loans granted to key management (2023: nil). The mortgage loans and instalment sale and finance leases are secured by the underlying assets. All other loans are unsecured.

## 31 Related party transactions continued

| | 31 Dec. 2024 N million | 31 Dec. 2023 N million |
|---|---|---|
| **Deposit and current accounts** | | |
| Deposits outstanding at beginning of the period | **960** | 929 |
| Net movement during the period | **(260)** | 31 |
| **Deposits outstanding at end of the period** | **700** | 960 |

Deposits include cheque, current and savings accounts.

### 31.1 Service contracts with related parties

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

The relevant balances are shown below:

| | | 31 Dec. 2024 N million | 31 Dec. 2023 N million |
|---|---|---|---|
| (i) | **Due from group companies** | | |
| | Loans to banks | **4,275** | 1,104 |
| | Current account balances | **141,032** | 23,072 |
| | Derivatives | **681** | 6,643 |
| | Other assets | **1,365** | 346 |
| | | **147,353** | 31,165 |
| (ii) | **Due to group companies** | | |
| | Deposits and current accounts | **163,195** | 8,283 |
| | Derivatives | **1,168** | 59,098 |
| | Debt securities issued | **112,697** | 69,348 |
| | Other borrowings | **283,086** | 254,107 |
| | Other liabilities | **7,887** | 6,651 |
| | | **568,033** | 397,487 |

| | | 31 Dec. 2024 N million | 31-Dec-2023 N million |
|---|---|---|---|
| (iii) | **Profit or loss impact of transactions with group entities** | | |
| | Interest income earned | **18,125** | 157 |
| | Interest expense paid | **(37,450)** | (4,346) |
| | Trading revenue | **13,383** | (61,786) |
| | Fee and commission income | **(13)** | 249 |
| | Operating expense incurred | **(793)** | - |

### 31 Summarised financial statements of the consolidated entities

| | Stanbic IBTC Holdings PLC Company N'million | Stanbic IBTC Bank PLC N'million | Stanbic IBTC Capital Ltd N'million | Stanbic IBTC Pension Managers Ltd N'million | Stanbic IBTC Asset Mgt Ltd N'million | Stanbic IBTC Ventures Ltd N'million | Stanbic IBTC Trustees Ltd N'million | Stanbic IBTC Stockbrokers Ltd N'million | Stanbic IBTC Insurance Ltd N'million | Stanbic IBTC Insurance Brokers Ltd N'million | Zest Payment Services Ltd N'million | Consolidations / Eliminations N'million | Stanbic IBTC Holdings PLC Group N'million |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income statement** | | | | | | | | | | | | | |
| Net interest income | 211 | 394,073 | 1,980 | 6,440 | 310 | 88 | 97 | 264 | 6,499 | 394 | 95 | - | **410,451** |
| Non interest revenue | 62,784 | 118,606 | 11,979 | 69,565 | 30,426 | 415 | 1,877 | 2,459 | (2,298) | 2,232 | 29 | (61,680) | **236,394** |
| **Total income** | **62,995** | **512,679** | **13,959** | **76,005** | **30,736** | **503** | **1,974** | **2,723** | **4,201** | **2,626** | **124** | **(61,680)** | **646,845** |
| Staff costs | (8,104) | (55,638) | (3,458) | (10,815) | (4,380) | - | (588) | (687) | (1,306) | (673) | (1,032) | - | **(86,681)** |
| Operating expenses | (10,919) | (120,288) | (2,636) | (18,273) | (5,414) | (45) | (489) | (726) | (1,748) | (677) | (1,182) | 5,389 | **(157,008)** |
| Credit impairment charges | (550) | (98,926) | 271 | 1 | (130) | - | (37) | 2 | 8 | 1 | - | - | **(99,360)** |
| **Total expenses** | **(19,573)** | **(274,852)** | **(5,823)** | **(29,087)** | **(9,924)** | **(45)** | **(1,114)** | **(1,411)** | **(3,046)** | **(1,349)** | **(2,214)** | **5,389** | **(343,049)** |
| **Profit before tax** | **43,422** | **237,827** | **8,136** | **46,918** | **20,812** | **458** | **860** | **1,312** | **1,155** | **1,277** | **(2,090)** | **(56,291)** | **303,796** |
| Tax | (84) | (76,199) | (2,417) | (15,416) | (6,368) | 30 | (277) | (462) | (62) | (436) | (1) | - | **(101,692)** |
| **Profit for the year** | **43,338** | **161,628** | **5,719** | **31,502** | **14,444** | **488** | **583** | **850** | **1,093** | **841** | **(2,091)** | **(56,291)** | **202,104** |
| At 31 December 2023 | 47,620 | 110,429 | 3,137 | 25,801 | 7,159 | 101 | 458 | 476 | 364 | 203 | (1,209) | (53,922) | **140,617** |

## Risk management

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

The most important types of risk arising from financial instruments are credit risk, liquidity risk and market risk. The management of these risks is discussed in the consolidated financial statements of the group as at and for the year ended 31 December 2023.

There have been no significant change in the group's risk factors and uncertainties relative to those described in the consolidated financial statements as at and for the year ended 31 December 2023.

## Capital management

### Capital adequacy

The group manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth and depositor confidence, and providing competitive returns to shareholders. The capital management process ensures that each group entity maintains sufficient capital levels for legal and regulatory compliance purposes. The group ensures that its actions do not compromise sound governance and appropriate business practices and it eliminates any negative effect on payment capacity, liquidity and profitability.

The Central Bank of Nigeria (CBN) adopted the Basel II capital framework with effect from 1 October 2014 and revised the framework in June 2015. Stanbic IBTC Bank has been compliant with the requirements of Basel II capital framework since it was adopted.

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

### Regulatory Capital

The group's regulatory capital is split into two:

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

Tier 2 capital includes subordinated debts and revaluation reserves.

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

### Capital management - BASEL II regulatory capital

| Stanbic IBTC Group | Basel II<br>Group<br>31 Dec. 2024<br>N'million | *Basel III<br>Group<br>31 Dec. 2024<br>N'million | Basel II<br>Group<br>31 Dec 2023<br>N'million | *Basel III<br>Group<br>31 Dec 2023<br>N'million |
|---|---|---|---|---|
| **Tier 1** | 535,238 | 535,238 | 474,052 | 481,400 |
| Paid-up share capital | 6,479 | 6,479 | 6,479 | 6,479 |
| Share premium | 102,780 | 102,780 | 102,780 | 102,780 |
| General reserve (retained profit) | 340,707 | 340,707 | 288,279 | 288,279 |
| SMEEIS reserve | 1,039 | 1,039 | 1,039 | 1,039 |
| AGSMEIS reserve | 19,983 | 19,983 | 19,983 | 19,983 |
| Statutory reserve | 55,492 | 55,492 | 55,492 | 55,492 |
| Other reserves | - | - | - | - |
| IFRS 9 Transitional Adjustment Relief | - | - | - | - |
| Non controlling interests | 8,758 | 8,758 | - | 7,348 |
| Less: regulatory deduction | 2,800 | 2,800 | 6,120 | 6,120 |
| Goodwill | - | - | - | - |
| Deferred tax assets | 1,079 | 1,079 | 3,649 | 3,649 |
| Other intangible assets | 1,721 | 1,721 | 2,471 | 2,471 |
| Current period losses | - | - | - | - |
| Under impairment | - | - | - | - |
| Reciprocal cross-holdings in ordinary shares of financial institutions | - | - | - | - |
| Investment in the capital of banking and financial institutions | - | - | - | - |
| Investment in the capital of financial subsidiaries | - | - | - | - |
| Excess exposure(s) over single obligor without CBN approval | - | - | - | - |
| Exposures to own financial holding company | - | - | - | - |
| Unsecured lending to subsidiaries within the same group | - | - | - | - |
| Eligible Tier I capital | 532,438 | 532,438 | 467,932 | 475,280 |
| **Additional Tier I Capital** | | | | |
| Instruments issued by consolidated subsidiaries and held by third parties | 44 | 44 | | 34 |
| Eligible Tier I capital | 532,482 | 532,482 | 467,932 | 475,315 |
| **Tier II** | 115,527 | 115,527 | 80,319 | 80,319 |
| Instruments issued by consolidated subsidiaries and held by third parties | 220 | 220 | 208 | 208 |
| Subordinated term debt | 112,697 | 112,697 | 69,348 | 69,348 |
| Other comprehensive income (OCI) | 2,610 | 2,610 | 10,763 | 10,763 |
| Less: regulatory deduction | - | - | - | - |
| Reciprocal cross-holdings in ordinary shares of financial institutions | - | - | - | - |
| Investment in the capital of banking and financial institutions | - | - | - | - |
| Investment in the capital of financial subsidiaries | - | - | - | - |
| Exposures to own financial holding company | - | - | - | - |
| Unsecured lending to subsidiaries within the same group | - | - | - | - |
| Eligible Tier II capital | 115,527 | 115,527 | 80,319 | 80,319 |
| Total regulatory capital | **648,009** | **648,009** | **548,251** | **555,634** |
| **Risk weighted assets:** | | | | |
| Credit risk | 3,571,512 | 3,571,512 | 2,461,312 | 2,461,312 |
| Operational risk | 530,838 | 530,838 | 381,317 | 381,317 |
| Market risk | 54,355 | 54,355 | 46,755 | 46,755 |
| Total risk weighted asset | **4,156,705** | **4,156,705** | **2,889,384** | **2,889,384** |
| Total capital adequacy ratio | 15.6% | 15.6% | 19.0% | 19.2% |
| Tier I capital adequacy ratio | 12.8% | 12.8% | 16.2% | 16.5% |
| Common Equity Tier I capital adequacy ratio | 12.8% | 12.8% | 16.2% | 16.4% |
| **Leverage:** | | | | |
| Total exposure measure | N/A | 530,567 | N/A | 475,322 |
| Capital measure | N/A | 6,399,075 | N/A | 5,622,943 |
| Leverage ratio | N/A | 8.3% | N/A | 8.5% |

*Capital adequacy ratio stood at 15.59 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.

## Risk and capital management (continued)
## for the year ended 31 December 2024

### Capital management - BASEL II regulatory capital

| Stanbic IBTC Bank Ltd | Basel II * 31 Dec. 2024 N'million | Basel III 31 Dec. 2024 N'million | Basel II 31 Dec 2023 N'million | *Basel III 31 Dec 2023 N'million |
|---|---|---|---|---|
| **Tier 1** | 408,444 | 408,444 | 350,005 | 350,005 |
| Paid-up share capital | 20,000 | 20,000 | 20,000 | 20,000 |
| Share premium | 42,469 | 42,469 | 42,469 | 42,469 |
| General reserve (Retained Profit) | 231,299 | 231,299 | 186,656 | 186,656 |
| SMEEIS reserve | 1,039 | 1,039 | 1,039 | 1,039 |
| AGSMEEIS reserve | 19,983 | 19,983 | 19,983 | 19,983 |
| Statutory reserve | 93,654 | 93,654 | 79,858 | 79,858 |
| Other reserves | - | - | - | - |
| IFRS 9 Transitional Adjustment Relief | - | - | - | - |
| Non controlling interests | - | - | - | - |
| Less: regulatory deduction | 2,218 | 2,218 | 5,984 | 5,984 |
| Goodwill | - | - | - | - |
| Deferred tax assets | 541 | 541 | 3,542 | 3,542 |
| Other intangible assets | 1,677 | 1,677 | 2,442 | 2,442 |
| Investment in the capital of financial subsidiaries | - | - | - | - |
| Excess exposure(s) over single obligor without CBN approval | - | - | - | - |
| Exposures to own financial holding company | - | - | - | - |
| Unsecured lending to subsidiaries within the same group | - | - | - | - |
| Unsecured lending to subsidiaries within the same group | - | - | - | - |
| Eligible Tier I capital | 406,226 | 406,226 | 344,021 | 344,021 |
| **Tier II** | 112,450 | 112,450 | 76,331 | 76,331 |
| Hybrid (debt/equity) capital instruments | - | - | - | - |
| Subordinated term debt | 112,697 | 112,697 | 69,348 | 69,348 |
| Other comprehensive income (OCI) | (247) | (247) | 6,983 | 6,983 |
| | - | - | - | - |
| 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 | 112,450 | 112,450 | 76,331 | 76,331 |
| Total regulatory capital | **518,676** | **518,676** | **420,352** | **420,352** |
| **Risk weighted assets:** | | | | |
| Credit risk | 3,541,207 | 3,499,559 | 2,345,409 | 2,341,287 |
| Operational risk | 332,690 | 332,690 | 259,174 | 259,174 |
| Market risk | 61,327 | 61,347 | 32,952 | 32,952 |
| Total risk weight asset | **3,935,224** | **3,893,596** | **2,637,535** | **2,633,413** |
| Total capital adequacy ratio | 13.2% | 13.3% | 15.9% | 16.0% |
| Tier I capital adequacy ratio | 10.3% | 10.4% | 13.0% | 13.1% |
| Common Equity Tier I capital adequacy ratio | 10.3% | 10.4% | 13.0% | 13.1% |
| **Leverage:** | | | | |
| Capital measure | N/A | 406,226 | N/A | 344,021 |
| Total exposure measure | N/A | 7,009,196 | N/A | 5,453,587 |
| Leverage ratio | N/A | 5.8% | N/A | 6.3% |

*Capital adequacy ratio stood at 13.18% under Basel II and 13.32% under 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.