Annual report and financial statements

Board of directors

Atedo N.A. Peterside CON
Chairman
B.Sc, Msc
Appointed: 2012

Directorships: Standard Bank Group, Standard Bank of South Africa, Cadbury Nigeria PLC, Nigerian Breweries PLC, Presco PLC, Unilever Nigeria PLC, Flour Mills of Nigeria PLC

Sola David-Borha
Chief executive Officer
B.Sc (Econs), MBA
Appointed: 2012

Directorships: Stanbic IBTC Bank PLC, Stanbic IBTC Nominees Ltd, Stanbic IBTC Stockbrokers Ltd, Stanbic IBTC Asset Management Ltd, Stanbic IBTC Pension Managers Ltd, Stanbic IBTC Ventures Ltd, Credit Reference Company, Frezone Plant Fabrication Int Ltd, Fate Foundation, Redeemers International School

Committee member: board nominations committee, board risk management committee, board legal committee, board IT committee

Dominic Bruynseels
Non-executive
BA Hons, MBA, Associate of Institute of Bankers, UK, Diploma in Financial Studies
Appointed: 2012

Directorships: Standard Bank de Angola, S.A, Stanbic Bank Ghana Limited, Standard Bank RDC SARL, Stanbic IBTC Pension Managers Limited

Committee member: board remunerations committee, board risk management committee, board nominations committee, board legal committee, board IT committee

Maryam Uwais MFR
Non-executive
LLB, LLM
Appointed: 2012

Directorships: Stanbic IBTC Bank PLC, Wali Uwais and Co

Committee member: board remuneration committee

Lilian. I. Esiri
Non-executive
LLB, BL, LLM
Appointed: 2012

Directorships: Stanbic IBTC Asset Management Limited, Podini International Limited, Veritas Geophysical Nigeria Limited, Ashburt Leisures Limited, Ashburt Beverages Limited, Ashburt Oil and Gas Limited

Committee member: board risk management committee, board nominations committee, board legal committee

Ratan Mahtani
Non-executive
Appointed: 2012

Directorships: Aegean Investments Limited, Churchgate Nigeria Limited, First Century International Limited, Foco International Investments Limited, T F Kuboye and Co, International Seafoods Limited

Committee member: audit committee

Sim Tshabalala
Non-executive
BA; LLB; LLM
Appointed: August 2013

Directorships: Stanbic IBTC Bank PLC; Standard Bank of South Africa; Standard Bank Group; Banking Association of South Africa.

Committee: board remunerations committee; board nominations committee

Directors' report

For the year ended 31 December 2014

The directors present their annual report on the affairs of Stanbic IBTC Holdings PLC ('the company') and its subsidiaries ('the group'), together with the consolidated financial statements and auditor's report for the year ended 31 December 2014.

a. Legal form

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

b. Principal activity and business review

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

The company has nine subsidiaries, namely: Stanbic IBTC Bank PLC, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Asset Management Limited, Stanbic IBTC Capital Limited, Stanbic IBTC Investments Limited, Stanbic IBTC Stockbrokers Limited, Stanbic IBTC Ventures Limited, Stanbic IBTC Trustees Limited and Stanbic IBTC Insurance Brokers Limited.

The company prepares consolidated financial statements, which includes separate financial statements of the company. Stanbic IBTC Investments Limited had not yet commenced operations as at 31 December 2014 and did not have assets, liabilities or operating results at reporting date.

c. Operating results and dividends

The group's gross earnings increased by 17.4%, while profit before tax increased by 62.8% for the year ended 31 December 2014. The board recommended the approval of a final dividend of 15 kobo per share (31 Dec 2013: 10 kobo) for the year ended ended 31 December 2014.

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

	2014 Group ₦million	2013 Group ₦million	**2014 Company ₦million**	2013 Company ₦million
Gross earnings	130,611	111,226	14,320	9,137
Profit before tax	40,070	24,617	12,898	8,216
Income tax	(8,005)	(3,844)	238	116
Profit after tax	32,065	20,773	13,136	8,332
Non controlling interest	(2,772)	(2,163)	-	-
Profit attributable to equity holders of the parent	29,293	18,610	13,136	8,332
Appropriations:				
Transfer to statutory reserve	4,096	2,439	-	-
Transfer to retained earnings reserve	25,197	16,171	13,136	8,332
	29,293	18,610	13,136	8,332

d. Directors' shareholding

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

	Number of Ordinary shares of Stanbic IBTC Holdings PLC held as at December 2014	Number of Ordinary shares of Stanbic IBTC Holdings PLC held as at December 2013
Atedo N. A. Peterside CON *	-	120,000,000
Sola David - Borha	527,839	527,839
Dominic Bruynseels	-	-
Maryam Uwais MFR	251,735	251,735
Ifeoma Esiri	42,776,676	42,776,676
Ratan Mahtani **	28,465,803	28,465,803
Simpiwe Tshabalala	-	-

* Mr Atedo Peterside has indirect shareholding amounting to 120,000,000 ordinary shares (Dec 2013: Nil) respectively through Stanbic IBTC Trustees Limited/ The First ANAP Domestic Trust.

** Mr Ratan Mahtani has indirect shareholdings amounting to 1,067,555,439 ordinary shares (Dec 2013: 1,067,555,439) through First Century International Limited, Churchgate Nigeria Limited, International Seafoods Limited, Foco International Limited and RB Properties Limited.

In terms of section 259 (1) of the Companies & Allied Matters Act 2004, the company shall hold its third annual general meeting in 2015, and Messrs. Ratan Mahtani and Dominic Bruynseels shall retire by rotation and being eligible shall offer themselves for re-election.

e. Directors interest in contracts

There were no director related contracts with the company disclosed to the board during 2014, in compliance with the requirements of Section 277 of CAMA.

f. Property and equipment

Information relating to changes in property and equipment is given in note 17 (page 210-211) of the financial statements. In the directors' opinion the disclosures regarding the group's properties are in line with the related statement of accounting policy of the group.

Directors' report (continued)

g. Shareholding analysis

The shareholding pattern of the company as at 31 December 2014 is as stated below:

Share range	No. of shareholders	Percentage of shareholders	No. of holding	Percentage holdings
1 - 1,000	39,020	40.03	21,176,928	0.21
1,001 - 5,000	37,606	38.58	78,090,116	0.78
5,001 - 10,000	10,027	10.29	62,347,278	0.62
10,001 - 50,000	8,378	8.60	158,083,156	1.58
50,001 - 100,000	1,242	1.27	78,255,473	0.78
100,001 - 500,000	907	0.93	166,519,106	1.67
500,001 - 1,000,000	115	0.12	72,235,694	0.72
1,000,001 - 5,000,000	91	0.09	195,794,564	1.96
5,000,001 - 10,000,000	14	0.01	96,424,884	0.96
10,000,001 - 50,000,000	42	0.04	875,654,282	8.76
10,000,001 - 100,000,000	15	0.02	977,411,112	9.77
10,000,001 - 500,000,000	8	0.01	1,366,233,646	13.66
500,000,001 - 1,000,000,000	1	0.00	747,089,076	7.47
1,000,000,001 - 10,000,000,000	1	0.00	5,104,684,685	51.05
Grand total	97,467	100%	10,000,000,000	100%
Foreign shareholders	154	-	5,446,626,477	54.46%

h. Substantial interest in shares

According to the register of members as at 31 December 2014, no shareholder held more than 5% of the issued share capital of the company except the following:

Shareholder	No. of shares held	Percentage shareholding
Stanbic Africa Holdings Limited (SAHL)	5,318,957,354	53.2%
First Century International Limited	747,089,076	7.47%

i. Share capital history

	Authorised (₦000)		Issued and fully paid up (₦'000)	
Year	**Increase**	**Cummulative**	**Increase**	**Cummulative**
2012	5,000,000	5,000,000	5,000,000	5,000,000

j. Donations and charitable gifts

The group made contributions to charitable and non-political organisations amounting to ₦162.5 million (Dec 2013: ₦105.1 million) during the year.

	₦
Support office construction – Federal University of Technology, FUTA	5,000,000
Formal launch event – African Organization for Research & Training	6,342,000
Fika Secondary School Yobe State	10,000,000
Lagos State Security Trust Fund, Lagos State	10,000,000
Inaboki Secondary School Kaduna	15,000,000
Zuru community – acquisition centre building	50,000,000
Sponsorship of vaccination – Female Sec Sch. – Chosen Vessels	2,200,000
Sponsorship of West African infectious diseases initiative training	2,435,000
Lagos State Economic Summit Group sponsorship	2,800,000
Oyo State Summit – Ministry of Trade Investment & Coop.	3,700,000
Setup cost for the Private Sector Health Alliance of Nigeria	10,000,000
Coaster bus for Benue State University	11,659,048
Sponsorship of University of Ibadan capacity building project	15,000,000
Anambra State security trust fund	10,000,000
Sponsorship – National Open University initiative	1,000,000
The Musical Society of Nigeria – 2015 Muson School music competition	2,140,000
Others	5,192,050
Total	162,468,098

k. Events after the reporting date

There were no events after the reporting date which could have a material effect on the financial position of the group as at 31 December 2014 which have not been recognised or disclosed.

l. Human resources

Employment of disabled persons

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

Health safety and welfare at work

The company enforces strict health and safety rules and practices at the work environment which are reviewed and tested regularly. The company's staff are covered under a comprehensive health insurance scheme pursuant to which the medical expenses of staff and their immediate family are covered up to a defined limit.

Fire prevention and firefighting equipment are installed in strategic locations within the company's premises.

Directors' report (continued)

The company has both Group Personal Accident and Workmen's Compensation Insurance cover for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004.

m. Employee involvement and training

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

n. Auditors

The company's auditors, Messrs KPMG Professional Services ('KPMG') have indicated their willingness to continue in office as auditors. In accordance with Section 361 (1) of CAMA, a resolution will be proposed, and if considered appropriate, passed by shareholders at the Annual General Meeting, to authorise the directors to fix their remuneration.

By order of the Board

Chidi Okezie
Company Secretary
FRC/2013/NBA/00000001082
04 February 2015

Statement of directors' responsibilities in relation to the financial statements

For the year ended 31 December 2014

The directors accept responsibility for the preparation of the annual financial statements set out on pages 158 to 248 and other financial reports in Annexure A and Annexure B that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria.

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

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

Signed on behalf of the directors by:

Atedo N.A. Peterside CON
Chairman
FRC/2013/CIBN/00000001069
04 February 2015

Sola David-Borha
Chief Executive Officer
FRC/2013/CIBN/00000001070
04 February 2015

Corporate governance report

+ Introduction

The company is a member of the Standard Bank Group, which holds a 53.2% equity holding (through Stanbic Africa Holdings Limited in the company).

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

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

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

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

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

Codes and regulations

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

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

Shareholders' responsibilities

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

Developments during 2014

During 2014, the following developments in the company's corporate governance practices occurred:

- There was a continued focus on directors training, particularly in the areas of business process improvement, financial oversight, board effectiveness and effective risk management.
- The provision of an enhanced level of information in the financial statements provided to shareholders and investors on an annual and quarterly basis continued.
- The Board conducted an annual review of its Mandate and the Mandates of the Board and Executive Committees and approved the revised mandates.
- A revised Personal Account Trading Policy and Conflict of Interest Policy was approved for implementation. The policies provide a broader responsibility for all parties that have a role to play in upholding the policies in the group right from the developing of the policy to adherence and disciplinary issues.
- We obtained regulatory approval to establlish a new subsidiary to be known as Stanbic IBTC Insurance Brokers Limited. The process of obtaining license from the National Insurance Commission is in progress.
- The CBN released a revised Code of Corporate Governance as well as the new Guidelines on the Regulation of Financial Holding Companies. In line with the requirements of both regulations, the Board of the Company has been restructured and the Organizational structure of the Company has been amended in order to align with the new CBN Regulations.

Focus areas for 2015

The group intends during 2015 to:

- continue the focus on directors' training via formal training sessions and information bulletins on issues that are relevant;
- continue to review current gaps in the implementation of the revised CBN Code of Corporate Governance as well as the new Guidelines on the Regulation of Financial Holding Companies, and obtain the required approvals where necessary to ensure that the Group structure is aligned to the new Regulations; and
- continue to enhance the level of information provided to and interaction with shareholders, investors and stakeholders generally.
- obtain the full license for the new brokerage business of the Group - Stanbic IBTC Insurance brokers limited.

+ Board and directors

Board structure and composition

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

One of the features of the manner in which the board operates is the role played by board committees, which facilitate the discharge of board responsibilities. The committees each have a board approved mandate that is regularly reviewed.

Strategy

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

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

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

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

Skills, knowledge, experience and attributes of directors

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

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

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

Appointment philosophy

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

Consideration for the appointment of directors and key executives take into account compliance with legal and regulatory requirements and appointments to external boards

Corporate governance report (continued)

to monitor potential for conflicts of interest and ensure directors can dedicate sufficient focus to the company's business. The board takes cognisance of the skills, knowledge and experience of the candidate, as well as other attributes considered necessary to the prospective role.

During the 2014 financial year, Mr. Chris Newson resigned from the Board in February 2014. Also in order to align the structure of the Board with the recently released Guidelines on the Regulation of Financial Holding Companies, the following Directors resigned from the Board of the Company with effect from 31 October 2014: Messrs. Moses Adedoyin; Sam Cookey and Arnold Gain. These would however remain as Directors on the Board of Stanbic IBTC Bank PLC, one of the Company's subsidiaries. In terms of Section 259 (1) of the Companies & Allied Matters Act 2004, the company shall hold its third Annual General Meeting in 2015, and Messrs. Ratan Mahtani and Dominic Bruynseels shall retire by rotation and being eligible shall offer themselves for re-election.

With the above resignations, the board's size as at 31 December 2014 has reduced to seven, one (1) executive director and six (6) non-executive directors. It is important to note only Mrs. Maryam Uwais (MFR) is currently designated as Independent non-executive director; however, the Company is in the process of selecting qualified nominees for possible appointment on the Board of the Company as additional non-executive directors, one of whom will be designated as an Independent non executive director. The board has the right mix of competencies and experience.

Board responsibilities

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

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

Delegation of authority

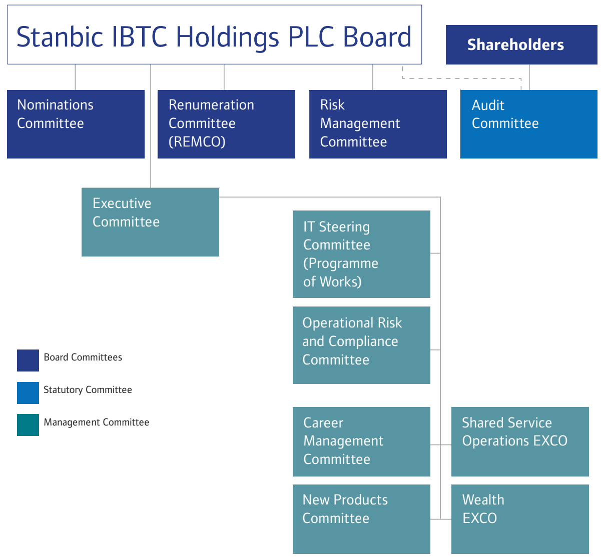
The ultimate responsibility for the company and its operations rests with the board. The board retains effective control through a well-developed governance structure of board committees. These committees provide in-depth focus on specific areas of board responsibility.

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

Membership of the executive committee is set out on page 147.

In addition, a governance framework for executive management assists the chief executive in her task. Board-delegated authorities are regularly monitored by the company secretary's office.

The corporate governance framework adopted by the board on 28 November 2012 and formalised with mandate approvals which were reviewed in October 2014 is set out below:



Corporate governance report (continued)

Board effectiveness and evaluation

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

During the year the directors underwent an evaluation conducted by an independent consultant Messrs PricewaterhouseCoopers. The aim of this evaluation was to assist individual directors, the board and committees to constantly improve their effectiveness. In summary, the Independent Consultants noted that the Board had complied in all material respect with the directives of the Codes. Areas of compliance include the structure and composition of the Board and Board Committees, the skills diversity on the Board and the commitment of Board members as evidenced by the level of attendance at Board and Committee meetings. Other areas of strength noted in the evaluation report include the quality of experience of Board members, regular management reporting to the Board and the effectiveness of the Company Secretariat. The evaluation report also identified areas for improvement during the course of the review, some of which include the need for the CEO and Chief Financial Officer to certify to the Board that the Company's financial statement presents a true and fair view of the affairs of the Company. This was implemented with effect from the half year audit.

The report on this evaluation was discussed at a board meeting and relevant action points have been noted for implementation to further improve board functioning.

The performance of the chairman and chief executive are assessed annually, providing a basis to set their remuneration.

Induction and training

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

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

Directors attended various trainings at different periods during the first half of 2014 that included business process improvement, financial oversight and effective risk management. These trainings were aimed at enhancing the understanding of key issues, and skills of directors.

Executive committee members

As at 31 December 2014, the Group executive committee comprised of 18 members each with individual responsibilities.

S/n.	Name	Responsibility
i	Sola David-Borha	Chief executive – Stanbic IBTC Holdings PLC
ii	Yinka Sanni	Chief executive – Stanbic IBTC Bank PLC
iii	Victor Williams	Executive Director, Corporate & Transactional Banking – SIBTC Bank
iv	Obinnia Abajue	Executive Director, Personal & Business Banking – SIBTC Bank
v	Wole Adeniyi	Executive Director, Business Support – SIBTC Bank
vi	Angela Omo-Dare	Group Head, Legal Services
vii	Olufunke Amobi	Group Head, Human Capital
viii	William le Roux	Head, CIB Credit – SIBTC Bank
ix	Chidi Okezie	Company Secretary
x	M'fon Akpan	Group Head, Risk
xi	Nkiru Olumide-Ojo	Head, Marketing and Communications
xii	Demola Sogunle	Head, Wealth
xiii	Babatunde Macaulay	Head, Transactional Products and Services – SIBTC Bank
xiv	Arthur Oginga	Chief Financial Officer
xv	Ruby Onwudiwe	Head, Information Technology
xvi	Yewande Sadiku	Chief executive – Stanbic IBTC Capital Limited
xvii	Rotimi Adojutelegan	Chief Compliance Officer
xviii	Adekola Adegbite	Ag Head, Internal Audit

Board meetings

The board meets, at a minimum, once every quarter with ad-hoc meetings being held whenever it was deemed necessary. The board held a strategy session in July 2014. Directors, in accordance with the articles of association of the company, attend meetings either in person or via tele/video conferencing.

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

Corporate governance report (continued)

Attendance at board meetings from 1 January – 31 December 2014 is set out in the following table:

Name	February	April	July	October	Dec
Atedo Peterside CON Chairman	/	/	/	/	/
Chris Newson*	/	-	-	-	-
Sola David-Borha	/	/	/	/	/
Dominic Bruynseels	/	/	/	/	/
Moses Adedoyin**	/	/	/	/	-
Sam Cookey**	/	/	/	/	-
Ifeoma Esiri	/	A	/	/	/
Arnold Gain**	/	/	/	/	-
Ratan Mahtani	/	/	/	/	/
Maryam Uwais MFR	/	/	/	/	/
Sim Tshabalala	/	/	/	/	/

/ = Attendance A = Apology - = Not applicable

* Mr Newson resigned with effect from 27 February 2014
** Messrs Moses Adedoyin; Sam Cookey; and Arnold Gain resigned with effect from 31 October 2014

Board committees

Some of the functions of the board have been delegated to board committees, consisting of board members appointed by the board, which operates under mandates approved at the board meeting of 29 October 2014.

a. Risk management committee

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

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

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

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

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

A more in-depth risk management section which provides details of the overall framework for risk management in the group commences on page 94 of the consolidated financial statements.

As at 31 December 2014, the committee consisted of three directors, two of whom, including the chairman are non-executives.

Members' attendance at risk management committee meetings during the year ended 31 December 2014 is stated below:

Name	February	April	July	October
Ifeoma Esiri (Chairman)	/	A	/	/
Sola David-Borha	/	/	/	/
Dominic Bruynseels	/	/	/	/

/ = Attendance A = Apology

b. Remuneration committee

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

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

The chief executive attends meetings by invitation. Other members of executive management are invited to attend when appropriate. No individual, irrespective of position, is expected to be present when his or her remuneration is discussed. When determining the remuneration of executive and non-executive directors as well as senior executives, REMCO is expected to review market and competitive data, taking into account the company's performance using indicators such as earnings.

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

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

As at 31 December 2014, the committee consisted of three directors, all of whom are non-executives.

Members' attendance at REMCO meetings during the financial year ended 31 December 2014 is stated below:

Name	Feb	April	Aug	Nov
Dominic Bruynseels (Chairman)	/	/	/	/
Maryam Uwais	/	/	/	/
Sim Tshabalala	/	/	/	/

/ = Attendance

Corporate governance report (continued)

Remuneration

Introduction

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

Remuneration philosophy

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

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

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

- the provision of rewards that enable the attraction, retention and motivation of employees and the development of a high performance culture;
- maintaining competitive remuneration in line with the market, trends and required statutory obligations;
- rewarding people according to their contribution;
- allowing a reasonable degree of flexibility in remuneration processes and choice of benefits by employees;
- utilising a cost-to-company remuneration structure; and
- educating employees on the full employee value proposition.

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

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

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

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

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

Remuneration policy

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

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

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

Remuneration structure

Non-executive directors

Terms of service
Directors are appointed by the shareholders at the AGM, although board appointments may be made between AGMs. These appointments are made in terms of the company's policy. Shareholder approvals for such interim appointments are however sought at the annual general meeting that holds immediately after such appointments are made.

Non-executive directors are required to retire after three years and may offer themselves for re-election. If recommended by the board, their re-election is proposed to shareholders at the AGM.

In terms of CAMA, if a director over the age of 70 is seeking re-election to the board his age must be disclosed to shareholders at the meeting at which such reelection is to occur.

Fees

Non-executive directors' receive fixed annual fees and sitting allowances for service on the board and board committees. There are no contractual arrangements for compensation for loss of office. Non-executive directors do not receive short-term incentives, nor do they participate in any long-term incentive schemes.

REMCO reviews the non-executive directors' fees annually and makes recommendations on same to the board for consideration. Based on these recommendations, the board in turn recommends a gross fee to shareholders for approval at the Annual General Meeting (AGM).

Fees that are payable for the reporting period 1 January to 31 December of each year.

Category	2015 (i)	2014
Chairman	54,800,000	50,287,360
Non-Executive Directors	15,250,000	13,977,536
Sitting Allowances for Board Meetings (ii)		
- Chairman	327,000	300,000
- Non-Executive Directors	218,000	200,000

(i) Proposed for approval by shareholders at the AGM taking place in 2015.
(ii) Fees quoted as sitting allowance represent per meeting sitting allowance paid for board, board committee and ad hoc meetings. No annual fees are payable to committee members with respect to their roles on such committees.

Retirement benefits

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

Executive directors

The company had one executive director as at 31 December 2014.

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

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

Management and general staff

Total remuneration packages for employees comprises the following:

- guaranteed remuneration – based on market value and the role played;
- annual bonus – used to stimulate the achievement of group objectives;

Corporate governance report (continued)

- long term incentives – rewards the sustainable creation of shareholder value and aligns behaviour to this goal;
- pension – provides a competitive post-retirement benefit in line with other employees.
- where applicable, expatriate benefits in line with other expatriates in Nigeria.

Terms of service

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

Fixed remuneration

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

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

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

There is therefore a link between rating, measuring individual performance and reward.

Short-term incentives

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

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

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

Post-retirement benefits

Pension

Retirement benefits are typically provided on the same basis for employees of all levels and are in line and comply with the Pension Reform Act 2004.

Remuneration for 2014

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

	2014 ₦million	2013 ₦million
Fees & sitting allowance	119	180
Executive compensation	63	73
Total	182	253

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

c. The board nomination committee

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

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

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

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

d. The audit committee

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

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

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

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

Composition

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

As at 31 December 2014, the committee consisted of the following persons:

Dr Daru Owei*	Chairman
Mr. Ibhade George*	Member
Mr. Olatunji Bamidele*	Member
Mr. Dominic Bruynseels**	Member
Mrs. Ifeoma Esiri**	Member
Mr. Ratan Mahtani**	Member

* Shareholders representative

** Non Executive Director

Members' attendance at audit committee meetings for the period 1 Jan to 31 December 2014 is stated below and is influenced by the restructure of the Board and the committee pursuant to the recent CBN guideline regulating Financial Holding Companies:

Name	January	April	July	October
Dr Daru Owei	/	/	/	/
Mr Dominic Bruynseels	-	-	-	/
Mrs Ifeoma Esiri	-	-	-	/
Mr Ratan Mahtani	/	/	/	A
Mr. Olatunji Bamidele	-	-	-	/
Mr Ibhade George	-	-	-	A

/ = Attendance A = Apology - = Not applicable

Corporate governance report (continued)

Company secretary

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

Going concern

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

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

Management committees

The group has the following management committees:

- Executive committee (Exco)
- Wealth Exco
- Shared services operations Exco
- IT steering committee ('program of works')
- Operational risk and compliance committee
- New products committee
- Career management committee
- Risk oversight committee

Relationship with shareholders

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

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

Dealing in securities

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

Sustainability

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

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

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

Social responsibility

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

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

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

Ethics and organisational integrity

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

Compliance with the Nigerian Stock Exchange's listing rule

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

For the year ended 31 December 2014, we confirm that all directors, complied with the PATP regarding their SIBTC securities transacted on their account during the period.

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

As a public company, Stanbic IBTC Holdings PLC confirms that as at the year ended 31 December 2014 the company has complied with the principles set out in the Securities and Exchange Commission's Code of Corporate Governance.

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

Payment card activities

In line with the Central Bank of Nigeria cashless policy, the group has as its priority a drive to issue cards of various types to meet the payment needs of various customer types and segments. Over the course of our card program, we have issued over 1,000,000 debit cards, 8,000 credit cards and 3,000 prepaid cards. Along with card issuance, the group provide various card enablement, protection and value added services, giving a robust value proposition to our card offering.

Transaction statistics for the last 2 years are as follows:

	Volume of transaction (Number)		Volume of transaction (₦'000)	
Card type	**2014**	2013	**2014**	2013
Debit cards	18,188,468	13,640,892	167,253,016	159,304,296
Credit cards	331,227	45,344	4,582,654	532,732
Prepaid cards	69,788	43	4,310,965	3

Report of the audit committee

To the members of Stanbic IBTC Holdings PLC

In compliance with the provisions of Section 359 (3) to (6) of the Companies & Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004, the audit committee considered the audited consolidated and separate financial statements for the year ended 31 December 2014 together with the management controls report from the auditors and the company's response to this report at its meeting held on 29 January 2015.

In our opinion, the scope and planning of the audit for the year ended 31 December 2014 were adequate.

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

We are of the opinion that the accounting and reporting policies of the company and the group are in accordance with legal requirements and agreed ethical practices, and that the scope and planning of both the external and internal audits for the year ended 31 December 2014 were satisfactory and reinforce the group's internal control systems.

After due consideration, the audit committee accepted the report of the auditors that the financial statements were in accordance with ethical practice and International Financial Reporting Standards and give a true and fair view of the state of the company's financial affairs.

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

We are satisfied that the company has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February 2004 on 'Disclosure of insider related credits in the financial statements of banks', and hereby confirm that an aggregate amount of N23,209,023,114 (31 December 2013: N27,851,980,227) was outstanding as at 31 December 2014. The perfomance status of insider related credits is as disclosed in note 35 on pages 244 & 245.

The committee therefore recommended that the audited consolidated financial statements of the company for the year ended 31 December 2014 and the auditor's report thereon be approved by the board.

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

Dr Daru Owei
Chairman, audit committee
FRC/2014/NIM/00000006666
29 January 2015

Members of the audit committee are:

1. Dr Daru Owei*
2. Mr. Ibhade George*
3. Mr. Olatunji Bamidele*
4. Mr. Dominic Bruynseels**
5. Mrs. Ifeoma Esiri**
6. Mr. Ratan Mahtani**

* Shareholders representatives
** Non-executive directors

Independent auditor's report

To the Members of Stanbic IBTC Holdings PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Stanbic IBTC Holdings PLC ('the Company') and its subsidiary companies (together 'the Group'), which comprise the consolidated and separate statements of financial position as at December 31, 2014, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity, and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 158 to 248.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council Act of Nigeria, 2011, and the Bank and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Stanbic IBTC Holdings PLC ('the Company') and its subsidiaries (together 'the Group') as at December 31, 2014, and of the Group and Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011, the Bank and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria circulars.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

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

Compliance with Section 27 (2) of the Banks and Other Financial Institutions Act of Nigeria and Central Bank of Nigeria circular BSD/1/2004

i. There were no penalties paid by the Company in respect of contraventions of the Banks and Other Financial Institutions Act during the year ended 31 December 2014. However, the Group paid penalties as disclosed in note 38 (page 248) to the financial statements.

ii. Related party transactions and balances are disclosed in note 34 to the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Signed:

Ayodele H. Othihiwa

FRC/2012/ICAN/00000000425
For: KPMG Professional Services
Chartered Accountants
27 March 2015
Lagos, Nigeria

Statement of financial position

	Note	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Assets					
Cash and cash equivalents	7	143,171	120,312	784	2,722
Pledged assets	8.1	34,172	24,733	-	-
Trading assets	9.1	96,345	40,711	-	-
Derivative assets	10.6	4,860	1,526	-	-
Financial investments	11	204,502	139,304	58	-
Loans and advances	12	407,418	383,927	-	-
Loans and advances to banks	12	8,814	94,180	-	-
Loans and advances to customers	12	398,604	289,747	-	-
Equity investment in group companies	13	-	-	69,151	68,951
Other assets	15	21,613	19,829	2,541	1,038
Current tax and deferred tax assets	16	8,457	7,716	484	118
Property and equipment	17	24,004	24,988	2,653	2,572
Total assets		944,542	763,046	75,671	75,401

	Note	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Equity and liabilities					
Equity		114,275	97,634	72,990	71,846
Equity attributable to ordinary shareholders		110,052	94,313	72,990	71,846
Ordinary share capital	18	5,000	5,000	5,000	5,000
Share premium	18	65,450	65,450	65,450	65,450
Reserves		39,602	23,863	2,540	1,396
Non-controlling interest		4,223	3,321	-	-
Liabilities		830,267	665,412	2,681	3,555
Trading liabilities	9	85,283	66,960	-	-
Derivative liabilities	10	2,677	1,085	-	-
Deposit and current accounts	20	554,056	468,038	-	-
Deposits from banks	20	59,121	51,686	-	-
Deposits from customers	20	494,935	416,352	-	-
Other borrowings	21	70,151	48,764	-	-
Subordinated debt	22	22,973	6,399	-	-
Current and deferred tax liabilities	23	9,774	7,788	129	2
Provisions and other liabilities	24	85,353	66,378	2,552	3,553
Total equity and liabilities		944,542	763,046	75,671	75,401

Sola David-Borha
Chief Executive Officer
FRC/2013/CIBN/00000001070
04 February 2015

Atedo N.A. Peterside CON
Chairman
FRC/2013/CIBN/00000001069
04 February 2015

Arthur Oginga
Chief Financial Officer
FRC/2013/IODN/00000003181
04 February 2015

Statement of profit or loss

	Note	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Gross earnings		130,611	111,226	14,320	9,137
Net interest income		46,658	37,013	-	-
Interest income	29.1	72,156	62,585	-	-
Interest expense	29.2	(25,498)	(25,572)	-	-
Non-interest revenue		57,944	48,219	14,320	9,137
Net fee and commission revenue	29.3	39,267	32,900	812	728
Fee and commission revenue	29.3	39,778	33,322	812	728
Fee and commission expense	29.3	(511)	(422)	-	-
Trading revenue	29.4	17,540	14,895	-	-
Other revenue	29.5	1,137	424	13,508	8,409
Total income		104,602	85,232	14,320	9,137
Credit impairment charges	29.6	(3,217)	(2,667)	-	-
Income after credit impairment charges		101,385	82,565	14,320	9,137
Operating expenses		(61,315)	(57,948)	(1,422)	(921)
Staff costs	29.7	(25,779)	(23,851)	(455)	(456)
Other operating expenses	29.8	(35,536)	(34,097)	(967)	(465)
Profit before tax		40,070	24,617	12,898	8,216
Income tax	31.1	(8,005)	(3,844)	238	116
Profit for the year		32,065	20,773	13,136	8,332
Profit attributable to:					
Non-controlling interests		2,772	2,163	-	-
Equity holders of the parent		29,293	18,610	13,136	8,332
Profit for the year		32,065	20,773	13,136	8,332
Earnings per share					
Basic earnings per ordinary share (kobo)	32	293	186	131	83
Diluted earnings per ordinary share (kobo)	32	293	186	131	83

The accompanying Notes from page 167 to 248 form an integral part of these financial statements

Statement of profit or loss and other comprehensive income

	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Profit for the year	32,065	20,773	13,136	8,332
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Net change in fair value of available-for-sale financial assets	(1,685)	408	-	-
Realised fair value adjustments on available-for-sale financial assets reclassified to income statement	14	(153)	-	-
Income tax on other comprehensive income	-	-	-	-
	(1,671)	255	-	-
Other comprehensive income for the year net of tax	(1,671)	255	-	-
Total comprehensive income for the year	30,394	21,028	13,136	8,332
Total comprehensive income attributable to:				
Non-controlling interests	2,784	2,129	-	-
Equity holders of the parent	27,610	18,899	13,136	8,332
	30,394	21,028	13,136	8,332

Statement of changes in equity

Group	Ordinary share capital ₦million	Share premium ₦million	Merger reserve ₦million	Statutory credit risk reserve ₦million	Available-for-sale revaluation reserve ₦million	Share-based payment reserve ₦million	Other regulatory reserves ₦million	Retained earnings ₦million	Ordinary sharehold-ers' equity ₦million	Non-controlling interest ₦million	Total equity ₦million
Balance at 1 January 2014	5,000	65,450	(19,123)	769	221	273	18,859	22,864	94,313	3,321	97,634
Total comprehensive(loss)/income for the year	-	-	-	-	(1,683)	-	4 096	25,197	27,610	2,784	30,394
Profit for the year	-	-	-	-	-	-	4,096	25,197	29,293	2,772	32,065
Other comprehensive (loss)/income after tax for the year	-	-	-	-	(1,683)	-	-	-	(1,683)	12	(1,671)
Net change in fair value on available-for-sale financial assets	-	-	-	-	(1,697)	-	-	-	(1,697)	12	(1,685)
Realised fair value adjustments on available-for-sale financial assets	-	-	-	-	14	-	-	-	14	-	14
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Statutory credit risk reserve	-	-	-	2,597	-	-	-	(2,597)	-	-	-
Transactions with shareholders, recorded directly in equity	-	-	-	-	-	129	-	(12,000)	(11,871)	(1,882)	(13,753)
Equity-settled share-based payment transactions	-	-	-	-	-	129	-	-	129	-	129
Dividends paid to equity holders	-	-	-	-	-	-	-	(12,000)	(12,000)	(1,882)	(13,882)
Balance at 31 December 2014	5,000	65,450	(19,123)	3,366	(1,462)	402	22,955	33,464	110,052	4,223	114,275
Balance at 1 January 2013	5,000	65,450	(19,123)	-	(68)	362	16,420	15,300	83,341	2,310	85,651
Total comprehensive income for the year	-	-	-	-	289	-	2,439	16,171	18,899	2 129	21,028
Profit for the year	-	-	-	-	-	-	2,439	16,171	18,610	2,163	20,773
Other comprehensive income after tax for the year	-	-	-	-	289	-	-	-	289	(34)	255
Net change in fair value on available-for-sale financial assets	-	-	-	-	442	-	-	-	442	(34)	408
Realised fair value adjustments on available-for-sale financial assets	-	-	-	-	(153)	-	-	-	(153)	-	(153)
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Statutory credit risk reserve	-	-	-	769	-	-	-	(769)	-	-	-
Transactions with shareholders, recorded directly in equity	-	-	-	-	-	(89)	-	(7,838)	(7,927)	(1,118)	(9,045)
Equity-settled share-based payment transactions	-	-	-	-	-	73	-	-	73	-	73
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	-	-	-	(162)	-	162	-	-	-
Dividends paid to equity holders	-	-	-	-	-	-	-	(8,000)	(8,000)	(1,118)	(9,118)
Balance at 31 December 2013	5,000	65,450	(19,123)	769	221	273	18,859	22,864	94,313	3,321	97,634

Refer to Note 18.3 (Page 212) for an explanation of the components of reserve
The accompanying Notes from page 167 to 248 form an integral part of these financial statements.

Statement of changes in equity

Company	Ordinary share capital ₦million	Share premium ₦million	Available-for-sale revaluation reserve ₦million	Share-based payment reserve ₦million	Other regulatory reserves ₦million	Retained earnings ₦million	Ordinary shareholders' equity ₦million
Balance at 1 January 2014	5,000	65,450	-	8	-	1,388	71,846
Total comprehensive income for the year			-			13,136	13,136
Profit for the year	-	-	-	-	-	13,136	13,136
Other comprehensive income after tax for the year	-	-	-	-	-	-	-
Net change in fair value on available-for-sale financial assets	-	-	-	-	-	-	-
Realised fair value adjustments on available-for-sale financial assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Transactions with shareholders, recorded directly in equity	-	-	-	8	-	(12,000)	(11,992)
Equity-settled share-based payment transactions			-	8		-	8
Dividends paid to equity holders	-	-	-	-	-	(12,000)	(12,000)
Balance at 31 December 2014	5,000	65,450	-	16	-	2,524	72,990
Balance at 1 January 2013	5,000	65,450	-	-	-	1,053	71,503
Total comprehensive income for the year	-	-	-	-	-	8,332	8,332
Profit for the year	-	-	-	-	-	8,332	8,332
Other comprehensive income after tax for the year	-	-	-	-	-	-	-
Net change in fair value on available-for-sale financial assets	-	-	-	-	-	-	-
Realised fair value adjustments on available-for-sale financial assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
							-
Transactions with shareholders, recorded directly in equity	-	-	-	8	-	(7,997)	(7,989)
Issue of shares			-	11	-	-	11
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	-	(3)	-	3	-
Dividends paid to equity holders	-	-	-	-	-	(8,000)	(8,000)
Balance at 31 December 2013	5,000	65,450	-	8	-	1,388	71,846

The accompanying Notes from page 167 to 248 form an integral part of these financial statements.

Statement of cash flows

	Note	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Net cash flows from operating activities		28,383	81,450	10,548	10,678
Cash flows used in operations		(11,682)	47,878	(2,889)	2,358
Profit before tax		40,070	24,617	12,898	8,216
Adjusted for:		(37,773)	(29,434)	(13,283)	(8,284)
Credit impairment charges on loans and advances		3,217	2,667	-	-
Depreciation of property and equipment	29.8	3,500	4,053	146	25
Dividend income	29.5	(995)	(98)	(13,437)	(8,320)
Equity-settled share-based payments		129	73	8	11
Non-cash flow movements in other borrowings	21	2,186	771	-	-
Non-cash flow movements in subordinated debt	22	891	80	-	-
Interest expense		25,498	25,572	-	-
Interest income		(72,156)	(62,585)	-	-
Loss/(profit) on sale of property and equipment		(43)	33	-	-
Increase in income-earning assets	33.1	(135,037)	(29,451)	(1,502)	(122)
Increase in deposits and other liabilities	33.2	121,058	82,146	(1,002)	2,548
Dividends received		995	98	13,437	8,320
Interest paid		(26,094)	(25,572)	-	-
Interest received		71,765	62,585	-	-
Direct taxation paid	23.1	(6,601)	(3,539)	-	-
Net cash flows used in investing activities		(69,392)	(57,908)	(486)	(2,581)
Capital expenditure on:					
– Property	17	(698)	(27)	-	-
– Equipment, furniture and vehicles	17	(2,685)	(4,715)	(281)	(2,581)
Proceeds from sale of property, equipment, furniture and vehicles		910	126	53	-
(Purchase)/sale of financial investments		(66,919)	(53,292)	(58)	-
Investment in existing subsidiary – Stanbic IBTC Trustees Ltd		-	-	(200)	-
Net cash flows from/(used) in financing activities		21,002	(21,679)	(12,000)	(8,000)
Proceeds from addition to other borrowings	21	31,244	1,095	-	-
Repayment of other borrowings	21	(12,043)	(19,975)	-	-
Proceed from issue subordinated debt	22	15,683	6,319	-	-
Dividends paid		(13,882)	(9,118)	(12,000)	(8,000)
Net (decreased)/increase in cash and cash equivalents		(20,007)	1,863	(1,938)	97
Effect of exchange rate changes on cash and cash equivalents		2,854	686	-	-
Cash and cash equivalents at beginning of the year		68,709	66,160	2,722	2,625
Cash and cash equivalents at end of the year	33.3	51,556	68,709	784	2,722

The accompanying notes from page *167 to 248* form an integral part of these financial statements.

Notes to the annual financial statements

1. Reporting entity

Stanbic IBTC Holdings PLC (the 'company') is a company domiciled in Nigeria. The company registered office is at I.B.T.C. Place Walter Carrington Crescent Victoria Island, Lagos, Nigeria. These consolidated financial statements comprise the company and its subsidiaries (together referred to as the 'group'). The 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
These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).The financial statements comply with the Company and Allied Matters Act of Nigeria, Bank and Other Financial Institution Act, Financial Reporting Council of Nigeria Act, and relevant Central Bank of Nigeria circulars.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 04 February 2015.

(b) Basis of measurement
The consolidated and separate financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value.
- Financial instruments at fair value through profit or loss are measured at fair value.
- Available-for-sale financial assets are measured at fair value.
- Liabilities for cash-settled share-based payment arrangements are measured at fair value.
- Trading liabilities are measured at fair value.

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

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future period affected. Information about significant area of estimation uncertainty and critical judgement in applying accounting policies that have most significant effect on the amount recognised in the consolidated financial statements are included in note 6 (page 190).

3. Changes in accounting policies

Except as noted below, the group has consistently applied the accounting policies as set out in Note 4 (page 170) to all periods presented in these financial statements.

3.1 New standards, interpretations and amendments adopted by the group

The group adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2014. The revised standards and interpretations did not have any effect on the group reported earnings or financial statement position and had no material impact on the accounting policies.

(a) Offsetting financial assets and financial liabilities – Amendments to IAS 32
Amendments to IAS 32 'Financial instruments: Presentation' clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting.

(b) Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
The amendments provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the

Notes to the annual financial statements (continued)

investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement.

The amendments also require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries.

Further, an investment entity will be required to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

(c) Recoverable amount disclosures for non-financial assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period.

(d) Novation of derivatives and continuation of hedge accounting – Amendments to IAS 39

Amendments to IAS 39 'Financial Instruments: Recognition and Measurement': These amendments make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

(e) IFRIC 21 Levies

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. It is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 Income Taxes) and fines or other penalties for breaches of legislation.

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached.

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 financial statements.

4.1 Basis of consolidation

Subsidiaries

The group consolidates the financial statements of investees which it controls. The group controls an investee when:

- it has power over the investee;
- has exposure or rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect the returns from its involvement with the investee.

Mutual funds, in which the group has both an irrevocable asset management agreement and a significant investment, are consolidated. The group further assesses its control over mutual funds by considering the existence of either voting rights or significant economic power. The consolidation principles applied to these mutual funds are consistent with those applied to the consolidation of subsidiary companies.

Investees that the group controls are consolidated from the date on which the group acquires control up to the date that control is lost. Control is assessed on a continuous basis.

When the group loses control of a subsidiary (including mutual funds), the profit or loss on disposal is calculated as the difference between the their fair value of the consideration received (including the fair value of any retained interest), the carrying amount of the subsidiary's assets and liabilities and any non-controlling interests. Any gains or losses in OCI that relate to the subsidiary are reclassified to profit or loss at the time of the disposal.

Intragroup transactions, balances and unrealised gains and 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 are determined on the basis of the group's present ownership interest in the subsidiary.

The accounting policies of subsidiaries that are consolidated by the group conform to these policies.

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.

Business combinations

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.

Where the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the group reports provisional amounts. 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.

The group elects on each acquisition to initially measure non-controlling interests on the acquisition date at either fair value or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets.

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 non-controlling interest. The excess of the sum of the consideration transferred (including contingent consideration), the value of non-controlling interest 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 and accounted for in terms of accounting policy 4.6 – Intangible assets.

If the sum of the consideration transferred including contingent consideration, the value of non-controlling interest recognised and the acquisition date fair value of any previously held equity interest in the subsidiary is less than the fair value of the identifiable net assets acquired, the difference, referred to as a gain from a bargain purchase, 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.

Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in the gain or loss of control, are accounted for as transactions with equity holders of the group. For purchases of additional interests from non-controlling interests, 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. Gains or losses on the partial disposal (where control is not lost) of the group's interest in a subsidiary to non-controlling interests are also accounted for directly in equity.

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.

4.2 Foreign currency translations

Items included in the annual financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The annual financial statements are presented in Nigerian Naira, which is the functional and presentation currency of Stanbic IBTC Holdings PLC.

Transactions and balances

Foreign currency transactions are translated into the respective functional currencies of group entities at exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in profit or loss (except when recognised in OCI as part of qualifying cash flow hedges and net investment hedges).

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

Notes to the annual financial statements (continued)

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. Foreign exchange gains and losses on equities (debt) classified as available-for-sale financial assets are recognised in OCI (profit or loss) whereas the exchange differences on equities and debt that are classified as held at fair value through profit or loss are reported as part of the fair value gain or loss in profit or loss.

4.3 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. Cash and balances with central banks comprise coins and bank notes, and balances with central banks.

4.4 Financial instruments

Initial recognition and measurement
Financial instruments include all financial assets and liabilities. These instruments are typically held for liquidity, investment, trading or hedging purposes. All financial instruments are initially recognised at fair value plus directly attributable transaction costs, except those carried at fair value through profit or loss where transaction costs are recognised immediately in profit or loss.

Financial instruments are recognised (derecognised) on the date the group commits to purchase (sell) the instruments (trade date accounting).

Subsequent measurement
Subsequent to initial measurement, financial instruments are measured , depending on their classifications as follows:

Held-to-maturity
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity. Where the group is to sell more than an insignificant amount of held-to-maturity investments, the entire category would be tainted and reclassified as available-for-sale assets with the difference between amortised cost and fair value being accounted for in OCI.

Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any impairment losses.

Held-for-trading assets and liabilities
Held-for-trading assets and liabilities include those financial assets and liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term, those forming 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, and commodities that are acquired principally by the group for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin. Derivatives other than those designated for hedging are always categorised as held-for-trading.

Subsequent to initial recognition, the financial instruments' fair values are remeasured at each reporting date. All gains and losses, including interest and dividends arising from changes in fair value are recognised in profit or loss as trading revenue within non-interest revenue.

Financial assets and liabilities designated at fair value through profit or loss
The group designates certain financial assets and liabilities, other than those classified as held-for-trading, as at fair value through profit or loss when:

- this designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. Under this criterion, the main classes of financial instruments designated by the group are loans and advances to banks and financial investments. The designation significantly reduces measurement inconsistencies that would have otherwise arisen. For example, where the related derivatives were treated as held-for-trading and the underlying financial instruments were carried at amortised cost;
- groups of financial assets, financial liabilities or both are managed, and their performance evaluated, on a fair value basis in accordance with a documented risk management or investment strategy, and reported to the group's key management personnel on a fair-value basis.
- financial instruments containing one or more embedded derivatives that significantly modify the instruments' cash flows.

The fair value designation is made on initial recognition and is irrevocable. Subsequent to initial recognition, the fair values are remeasured at each reporting date. Gains and losses arising from changes in fair value are recognised in interest income (interest expense) for all debt financial assets (financial liabilities) and in other revenue within non-interest revenue for all equity instruments.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the group as at fair value through profit or loss or available-for-sale.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Origination transaction costs and origination fees received that are integral to the effective rate are capitalised to the value of the loan and amortised through interest income as part of the effective interest rate. The majority of the group's loans and advances are included in the loans and receivables category.

Available-for-sale
Financial assets classified by the group as available-for-sale are generally strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, or non-derivative financial assets that are not classified within another category of financial assets.

Available-for-sale financial assets are subsequently measured at fair value. Unrealised gains or losses are recognised directly in OCI until the financial asset is derecognised or impaired. When debt (equity) available-for-sale financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified to interest income (other revenue).

Available-for-sale financial assets are impaired when there has been a significant or prolonged decline in the fair value of the financial asset below its cost. The cumulative fair value adjustments previously recognised in OCI on the impaired financial assets are reclassified to profit or loss.

Interest income, calculated using the effective interest method, is recognised in profit or loss. Dividends received on debt (equity) available-for-sale instruments are recognised in interest income (other revenue) within profit or loss when the group's right to receive payment has been established.

Financial liabilities at amortised cost
Financial liabilities that are neither held for trading nor designated at fair value are measured at amortised cost.

Reclassification of financial assets
The group may choose to reclassify non-derivative trading assets out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets that would not otherwise have met the definition of loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances. In addition, the group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the group, at the date of reclassification, has the intention and ability to hold these financial assets for the foreseeable future or until maturity.

Derivatives or any financial instrument designated at fair value through profit or loss shall not be reclassified out of their respective categories.

Reclassifications are made at fair value as of the reclassification date. Effective interest rates for financial assets reclassified to loans and receivables, held-to-maturity and available-for-sale categories are determined at the reclassification date. Subsequent increases in estimates of cash flows adjust the financial asset's effective interest rates prospectively.

On reclassification of a trading asset, all embedded derivatives are reassessed and, if necessary, accounted for separately.

Impairment of financial assets

Assets carried at amortised cost

The group assesses at each reporting date whether there is objective evidence that a loan or group of loans is impaired. A loan or group of loans is impaired if objective evidence indicates that a loss event has occurred after initial recognition which has a negative effect on the estimated future cash flows of the loan or group of loans that can be estimated reliably.

Criteria that are used by the group in determining whether there is objective evidence of impairment include:

- known cash flow difficulties experienced by the borrower;
- a breach of contract, such as default or delinquency in interest and/or principal payments;
- breaches of loan covenants or conditions;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and
- 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.

The group first assesses whether there is objective evidence of impairment individually for loans that are individually significant, and individually or collectively for loans that are not individually significant. Non-performing loans include those

Notes to the annual financial statements (continued)

loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition as well as those loans for which instalments are due and unpaid for 90 days or more.

The impairment of non-performing loans takes into account past loss experience adjusted for changes in economic conditions and the nature and level of risk exposure since the recording of the historic losses.

When a loan carried at amortised cost has been identified as specifically impaired, the carrying amount of the loan is reduced to an amount equal to the present value of its estimated future cash flows, including the recoverable amount of any collateral, discounted at the financial asset's original effective interest rate. The carrying amount of the loan is reduced through the use of a specific credit impairment account and the loss is recognised as a credit impairment charge in profit or loss.

The calculation of the present value of the estimated future cash flows of collateralised financial assets recognised on an amortised cost basis includes cash flows that may result from foreclosure less costs of obtaining and selling the collateral, whether or not foreclosure is probable.

If the group determines that no objective evidence of impairment exists for an individually assessed loan, whether significant or not, it includes the loan in a group of financial loans with similar credit risk characteristics and collectively assesses for impairment. Loans that are individually assessed for impairment and for which an impairment loss is recognised are not included in a collective assessment for impairment.

Impairment of groups of loans that are assessed collectively is recognised where there is objective evidence that a loss event has occurred after the initial recognition of the group of loans but before the reporting date. In order to provide for latent losses in a group of loans that have not yet been identified as specifically impaired, a credit impairment for incurred but not reported losses is recognised based on historic loss patterns and estimated emergence periods (time period between the loss trigger events and the date on which the group identifies the losses). Groups of loans are also impaired when adverse economic conditions develop after initial recognition, which may impact future cash flows. The carrying amount of groups of loans is reduced through the use of a portfolio credit impairment account and the loss is recognised as a credit impairment charge in profit or loss.

Increases in loan impairments and any subsequent reversals thereof, or recoveries of amounts previously impaired (including loans that have been written off), are reflected within credit impairment charges in profit or loss. Previously impaired loans are written off once all reasonable attempts at collection have been made and there is no realistic prospect of recovering outstanding amounts. Any subsequent reductions in amounts previously impaired are reversed by adjusting the allowance account with the amount of the reversal recognised as a reduction in impairment for credit losses in profit or loss.

Subsequent to impairment, the effects of discounting unwind over time as interest income.

Renegotiated loans

Loans that would otherwise be past due or impaired and whose terms have been renegotiated and exhibit the characteristics of a performing loan are reset to performing loan status. Loans whose terms have been renegotiated are subject to ongoing review to determine whether they are considered to be impaired or past due.

The effective interest rate of renegotiated loans that have not been derecognised (described under the heading Derecognition of financial instruments), is redetermined based on the loan's renegotiated terms.

Available-for-sale financial assets

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have a negative impact on the future cash flows of the asset. In addition, an available-for-sale equity instrument is considered to be impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred. In that instance, the cumulative loss, measured as the difference between the acquisition price and the current fair value, less any previously recognised impairment losses on that financial asset, is reclassified from OCI to profit or loss.

If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss for available-for-sale debt instruments.

Offsetting financial instruments

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.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Derivative financial instruments

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 as described under the fair value policy under note 4.16.

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 financial instruments' above.

Embedded derivatives included in hybrid instruments are treated and disclosed as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, the terms of the embedded derivative are the same as those of a stand-alone derivative and the combined contract is not measured at fair value through profit or loss. The financial host contracts are accounted for and measured applying the rules of the relevant financial instrument category.

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

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.

Borrowings

Borrowings are recognised initially at fair value, generally being their issue proceeds, net of directly attributable transaction costs incurred. Borrowings are subsequently measured at amortised cost and interest is recognised using the effective interest method.

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. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the present value of any expected payment, when a payment under the guarantee has become probable, and the unamortised premium.

De-recognition of financial instruments

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.

The group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction, similar to repurchase transactions. In transactions where the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate.

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.

Financial liabilities are derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expires.

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

Notes to the annual financial statements (continued)

the recognition of a new asset or liability, with the difference in the respective carrying amounts being recognised in profit or loss. In all other instances, the renegotiated asset or liability's effective interest rate is redetermined taking into account the renegotiated terms.

Sale and repurchase agreements and lending of securities
Securities sold subject to linked 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 life using the effective interest method.

Securities lent to counterparties are retained in the annual financial statements and are classified and measured in accordance with the measurement policy of the group. Securities borrowed are not recognised in the annual financial statements unless sold to third parties. In these cases, the obligation to return the securities borrowed is recorded at fair value as a trading liability.

Income and expenses arising from the securities borrowing and lending business are recognised over the period of the transactions.

4.5 Interest in associates and joint ventures

Associates and joint ventures
Those entities in which the group has significant influence, but not control, over the financial and operating policies are classified as associates.

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and joint rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement which only exists when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in associates and joint ventures are accounted for using the equity method and are measured in the consolidated statement of financial position at an amount that reflects the group's share of the net assets of the associate or joint venture (including goodwill).

Equity accounting involves recognising the investment initially at fair value, including goodwill, and subsequently adjusting the carrying value for the group's share of the associates' and joint ventures income and expenses and OCI. Equity accounting of losses in associates and joint ventures is restricted to the interests in these entities, including unsecured receivables or other commitments, unless the group has an obligation or has made payments on behalf of the associate or joint ventures. Unrealised intragroup profits are eliminated in determining the group's share of equity accounted profits. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Equity accounting is applied from the date on which the entity becomes an associate or joint venture up to the date on which it ceases to be an associate or joint venture. The accounting policies of associates and joint venture have been changed where necessary to ensure consistency with the policies of the group.

Investments in associates and joint ventures are accounted for at cost less impairment losses in the company's annual financial statements.

Joint operations
A joint operation is a joint arrangement whereby the joint operators who have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. The joint operator recognises:

- assets it controls, including the assets jointly controlled;
- liabilities including its share of liabilities incurred jointly;
- revenue from the sale of its share of output and from the sale of the output by a joint operation; and
- expenses including the share of expenses incurred jointly.

4.6 Intangible assets

Goodwill
Goodwill represents the excess of the consideration transferred and the acquisition date fair value of any previously held equity interest over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, associate or jointly controlled entity at the date of the acquisition. The group's interest in acquired subsidiaries takes into account any non-controlling interest.

Goodwill arising on the acquisition of subsidiaries is reported in the statement of financial position as part of 'Goodwill and other intangible assets'. Goodwill arising on the acquisition of associates or joint ventures are included in 'Interest in associates and joint ventures' in the statement of financial position. Goodwill is allocated to cash-generating units (not larger than operating segments of the group as defined) and is tested annually for impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount.

If the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred plus the amount of any non-controlling interest in the acquiree and the fair value of the acquiree's previously held equity interest (if any), this excess results in a gain from a bargain purchase.

A gain from a bargain purchase is recognised as income in profit or loss in the period in which it arises. Gains or losses on the disposal of an entity are determined after taking into account the carrying amount of goodwill (if any) relating to the entity sold.

Computer software
Costs associated with developing or maintaining computer software programmes and the acquisition of software licences are generally recognised as an expense as incurred. However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the group and have a probable future economic benefit beyond one year, are recognised as intangible assets.

Capitalisation is further limited to development costs where the group is able to demonstrate its intention and ability to complete and use the software, the technical feasibility of the development, the availability of resources to complete the development, how the development will generate probable future economic benefits and the ability to reliably measure costs relating to the development. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

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

Direct computer software development costs recognised as intangible assets are amortised on the straight-line basis at rates appropriate to the expected useful lives of the assets (two to ten years) from the date that the assets are available for use, and are carried at cost less accumulated amortisation and accumulated impairment losses. The carrying amount of capitalised computer software is reviewed annually and is written down when impaired.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if necessary.

There have been no changes in the estimated useful lives from those applied in the previous financial year.

Other intangible assets
The group recognises the costs incurred on internally generated intangible assets such as brands, customer lists, customer contracts and similar rights and assets, in profit or loss as incurred.

The group capitalises brands, customer lists, customer contracts, distribution forces and similar rights acquired in business combinations.

Capitalised intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, not exceeding 20 years, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if necessary. There have been no changes in the estimated useful lives from those applied in the previous financial year.

4.7 Property and equipment

Equipment and owner-occupied properties, furniture, vehicles and other tangible assets are measured at cost less accumulated depreciation and accumulated impairment losses.

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. Depreciation, impairment losses and gains and losses on disposal of assets are included in profit or loss.

Owner-occupied properties are held for use in the supply of services or for administrative purposes. Property and equipment are depreciated on the straight-line basis over the estimated useful lives of the assets to their residual values. Land is not depreciated. Leasehold buildings are depreciated over the period of the lease or over a lesser period, as is considered appropriate.

Notes to the annual financial statements (continued)

The assets' residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial year end.

The estimated useful lives of tangible assets are typically as follows:

- Buildings – 25 years
- Computer equipment – 3 to 5 years
- Motor vehicles – 4 years
- Office equipment – 6 years
- Furniture and fittings – 4 years
- Capitalised leased assets/branch refurbishment cost premises – over the shorter of the lease term or useful life of underlying asset.

There has been no change to the estimated useful lives from those applied in the previous financial year.

Items of property and equipment 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 item.

4.8 Property developments and properties in possession

Property developments are stated at the lower of cost or net realisable value. Cost is assigned by specific identification and includes the cost of acquisition and where applicable, development and borrowing costs during development. When development is completed borrowing costs and other charges are expensed as incurred.

Properties in possession are properties acquired by the group which were previously held as collateral for underlying lending arrangements that, subsequent to origination, have defaulted.

The property is recognised at the time at which the risks and rewards of the properties are transferred to the group. The properties are initially recognised at the carrying amount and are subsequently measured at lower of the carrying amount and its net realisable value. Any subsequent write-down in the value of the acquired properties is recognised as an operating expense. Any subsequent increases in the net realisable value, to the extent that it does not exceed its original cost, are also recognised within operating expenses.

4.9 Capitalisation of borrowing costs

Borrowing costs that relate to 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 capitalised. All other borrowing costs are recognised in profit or loss.

4.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life and goodwill are tested annually for impairment and additionally when an indicator of impairment exists. Intangible assets that are subject to amortisation and other non-financial assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets that cannot be tested individually are grouped at the lowest levels for which there are separately identifiable cash inflows from continuing use (cash-generating units). Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other non-financial assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed through profit or loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.11 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A lease of assets is either classified as a finance lease or operating lease. Lease of assets under which the group transfers substantially all the risks and rewards incidental to ownership of the assets are classified as finance leases. Similarly leases of assets under which the group retains a significant portion of the risks and rewards of ownership are classified as operating leases.

Group as lessee
Leases, where the group assumes substantially all the risks and rewards incidental to ownership, are classified as finance leases. All other leases are classified as operating leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are calculated using the interest rate implicit in the lease to identify the finance cost, which is recognised in profit or loss over the lease period, and the capital repayment, which reduces the liability to the lessor.

Payments made under operating leases, net of any incentives received from the lessor, are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent rentals are expensed as they are incurred. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Group as lessor
Lease and instalment sale contracts are primarily financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges, being included in loans and advances in the statement of financial position.

Finance charges earned are computed using the effective interest method, which reflects a constant periodic rate of return on the investment in the finance lease. Initial direct costs and fees are capitalised to the value of the lease receivable and accounted for over the lease term as an adjustment to the effective rate of return. The tax benefits arising from investment allowances on assets leased to clients are accounted for in the direct taxation line.

When an operating lease is terminated before the lease period has expired, any payment required by the group by way of a penalty is recognised as income in the period in which termination takes place.

4.12 Provisions, contingent assets and contingent liabilities

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, only where time value of money is material, 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.

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.

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.

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 include certain guarantees, other than financial guarantees, and letters of credit. Contingent liabilities are not recognised in the annual financial statements but are disclosed in the notes to the annual financial statements unless they are remote.

4.13 Employee benefits

Post-employment benefits

Defined contribution plans
The group operates a defined contribution plan, based on a percentage of pensionable earnings funded by both employer

Notes to the annual financial statements (continued)

companies and employees, the assets of which are generally held in separate trustee-administered funds.

Contributions to these plans 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 as an expense 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. Termination benefits for voluntary redundancies 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.'

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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.

4.14 Tax

Direct tax
Direct taxation includes all domestic and foreign taxes based on taxable profits and capital gains tax. Current tax is determined for current period transactions and events and deferred tax is determined for future tax consequences. Current tax and deferred tax are 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 in equity or in OCI.

Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

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:

- the initial recognition of goodwill;
- the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses;
- investments in subsidiaries and jointly controlled entities (excluding mutual funds) where the group controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and 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.

Dividends 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.

Indirect tax
Indirect taxes, including non-recoverable VAT and other duties for banking activities, are recognised in profit or loss and disclosed separately in the income statement.

4.15 Non-current assets held for sale and disposal groups

Non-current assets, or disposal groups comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather than continuing use, are classified as held for sale or for distribution and are accounted for as follows:

- Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the group's accounting policies and tested for impairment (refer accounting policy 4.10 – Impairment of non-financial assets). Thereafter, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.
- Current assets (or components of a disposal group) are presented separately in the statement of financial position.
- Property and equipment and intangible assets once classified as held for sale, are not depreciated or amortised.
- Once an interest in an associate or joint venture is classified as held for sale, equity accounting is suspended.
- In presenting the group's non-current assets and liabilities as held for sale, intercompany balances are eliminated in full.

The group classifies a component of the business as a discontinued operation when that component has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations ;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are presented separately within the income statement and the cash flow statement.

Intercompany income and expense transactions between the group's continuing and discontinued operations are not eliminated.

4.16 Fair value

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.

When a price for an identical asset or liability is not observable, fair value is measured using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

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 measurement date.

For financial instruments, where the fair value of the financial instrument differs to the transaction price, the difference is commonly referred to as day one gain or loss. Day one gain 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 gain 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 gain 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.

Subsequent to initial recognition, fair value is measured based on quoted market prices or dealer price quotations for the assets and liabilities that are traded in active markets and where those quoted prices represent fair value at the measurement date. If the market for an asset or liability is not active or the instrument is unlisted, the fair value is determined using other applicable valuation techniques. 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.

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.

Notes to the annual financial statements (continued)

The group has elected the portfolio exception to measure the fair value of certain groups of financial assets and financial liabilities. This exception permits the group of financial assets and financial liabilities to be measured at fair value on a net basis. This election is applied where the group:

- manages the group of financial assets and financial liabilities on the basis of the group's net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty in accordance with the group's documented risk management or investment strategy;
- provides information on that basis about the group of financial assets and financial liabilities to the group's key management personnel; and
- is required to or has elected to measure those financial assets and financial liabilities at fair value at the end of each reporting period.

Where the fair value of investments in equity instruments or identical instruments do not have a quoted price in an active market, and derivatives that are linked to and must be settled by delivery of such equity instruments, are unable to be reliably determined, those instruments are measured at cost less impairment losses. Impairment losses on these financial assets are not reversed.

Fair value measurements are categorised into level 1, 2 or 3 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.

4.17 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 on ordinary shares
Distributions are recognised in equity in the period in which they are declared. Distributions declared after the reporting date are disclosed in the notes to the financial statements.

Reacquired equity instruments
Where subsidiaries purchase/(short) the holding entity's equity instruments, the consideration paid/(received) is deducted/ (added) from/(to) equity attributable to ordinary shareholders as treasury shares on consolidation.

Fair value changes recognised by subsidiaries on these instruments are reversed on consolidation and dividends received are eliminated against dividends paid. Where such shares are subsequently sold or reissued/(reacquired) outside the group, any consideration received/(paid) is included in equity attributable to ordinary shareholders.

4.18 Equity-linked transactions

Equity compensation plans
The group operates cash and equity share-based compensation plans.

The fair value of equity-settled share options is determined on the grant date and accounted for as staff costs over the vesting period of the share options, with a corresponding increase in the share-based payment reserve. Non-market vesting conditions, such as the resignation of employees and retrenchment of staff, are not considered in the valuation but are included in the estimate of the number of options expected to vest. At each reporting date, the estimate of the number of options expected to vest is reassessed and adjusted against profit or loss and equity over the remaining vesting period.

On vesting of share options, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer. On exercise of equity- settled share options, proceeds received are credited to share capital and premium.

Share-based payments settled in cash are accounted for as liabilities at fair value until settled. The liability is recognised over the vesting period and is revalued at every reporting date and on settlement. Any changes in the liability are recognised in profit or loss.

4.19 Revenue and expenditure

Banking activities
Revenue is derived substantially from the business of banking and related activities and comprises interest income, fee and commission revenue, trading revenue and other non-interest revenue.

Net interest income
Interest income and expense (with the exception of those borrowing costs that are capitalised – refer to accounting policy 4.9 – Capitalisation of borrowing costs) are recognised in profit or loss on an accrual basis using the effective interest method for all interest-bearing financial instruments, except for those classified at fair value through profit or loss. In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Direct incremental transaction costs incurred and origination fees received, including loan commitment fees, as a result of bringing margin-yielding assets or liabilities into the statement of financial position, are capitalised to the carrying amount of financial instruments that are not at fair value through profit or loss and amortised as interest income or expense over the life of the asset or liability as part of the effective interest rate.

Where the estimates of payments or receipts on financial assets (except those that have been reclassified – refer to accounting policy 4.4 – Financial instruments) or financial liabilities are subsequently revised, the carrying amount of the financial asset or financial liability is adjusted to reflect actual and revised estimated cash flows.

The carrying amount is calculated by computing the present value of the estimated 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.

Where financial assets have been impaired, interest income continues to be recognised on the carrying value of the impaired financial asset, based on the original effective interest rate.

Fair value gains and losses on realised debt financial instruments, including amounts removed from OCI in respect of available-for-sale debt financial assets, and excluding those classified as held-for-trading, are included in net interest income.

Dividends received on redeemable preference share investments form part of the group's lending activities and are included in interest income.

Non-interest revenue

Net fee and commission revenue
Fee and commission revenue, including transactional fees, account servicing fees, investment management fees, sales commissions and placement fees are recognised as the related services are performed. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment period. Loan syndication fees, where the group does not participate in the syndication or participates at the same effective interest rate for comparable risk as other participants, are recognised as revenue when the syndication has been completed. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised as interest income.

The fair value of issued financial guarantee contracts on initial recognition is amortised as income over the term of the contract.

Fee and commission expense included in net fee and commission revenue are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received.

Expenditure is recognised as fee and commission expenses where the expenditure is linked to the production of fee and commission revenue.

Trading revenue
Trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income and expense.

Other revenue
Other revenue includes dividends on equity investments. Gains and losses on equity available-for-sale financial assets are reclassified from OCI to profit or loss on derecognition or impairment of the investments. Dividends on these instruments are recognised in profit or loss.

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.

4.20 Segment reporting

An operating segment is a component of the group engaged in business activities, whose operating results are reviewed regularly by management in order to make decisions about resources to be allocated to segments and assessing segment performance. The group's identification of segments and the measurement of segment results is based on the group's internal reporting to management.

Transactions between segments are priced at market-related rates.

Notes to the annual financial statements (continued)

4.21 Earnings per share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

4.22 Fiduciary activities

The group commonly engages in trust or other fiduciary activities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions.

These assets and the income arising directly thereon are excluded from these financial statements as they are not assets of the group. However, fee income earned and fee expenses incurred by the group relating to the group's responsibilities from fiduciary activities are recognised in profit or loss.

4.23 Comparative figures

Where necessary, comparative figures within notes have been restated to conform to changes in presentation in the current year.

4.24 New standards and interpretations not yet adopted

The following new or revised standards, amendments and interpretations are not yet effective for the year ended 31 December 2014 and have not been applied in preparing these annual financial statements.

Pronouncement	Title	Effective date
IFRS 7 (annual improvements)	Financial Instruments: Disclosures - Servicing Contracts The amendments relate to when an entity transfers a financial asset, and may retain the right to a servicing contract for a fee. The entity assesses the servicing contract in accordance with the guidance provided to decide whether the entity has continuing involvement as a result of the servicing contract for the purposes of the disclosure requirements. TBased on the current business and strategy of the group, the amendment is not expected to be applicable.	Annual periods beginning on or after 1 January 2016
IFRS 9	Financial Instruments This standard will replace the existing standard on the recognition and measurement of financial instruments and requires all financial assets to be classified and measured on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The accounting for financial assets differs in various other areas to existing requirements such as embedded derivatives and the recognition of fair value adjustments in OCI. All changes in the fair value of financial liabilities that are designated at fair value through profit or loss due to changes in own credit risk will be required to be recognised within OCI. The standard has introduced a new expected-loss impairment model that will require more timely recognition of expected credit losses. This new model will apply to financial assets measured at either amortised cost or fair value through OCI, as well as loan commitments when there is present commitment to extend credit (unless these are measured at fair value through profit or loss).	Annual periods beginning on or after 1 January 2018
	With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to either 12-month expected credit losses or full lifetime expected credit losses. A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition as well as for certain contract assets or trade receivables. For all other financial instruments, expected credit losses are measured at an amount equal to 12-month expected credit losses. Based on current business and strategy of the group this new standard is expected to have significant impact on the classification and recognition of its financial assets. The group will continue to monitor developments in IFRS 9 and make more detailed assessment going forward to 2018.	

Notes to the annual financial statements (continued)

Pronouncement	Title	Effective date
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 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.	Annual periods beginning on or after 1 January 2016
IFRS 15	Revenue from Contracts with Customers This standard will replace the existing revenue standards and their related interpretations. The standard sets out the requirements for recognising revenue that applies to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts or financial instruments). The core principle of the standard is that revenue recognised reflects the consideration to which the company expects to be entitled in exchange for the transfer of promised goods or services to the customer. The standard incorporates a five step analysis to determine the amount and timing of revenue recognition. Given the scope out of financial instrument the impact on the group as a whole is expected to be relatively limited.	Annual periods beginning on or after 1 January 2017
IAS 27 (amendments)	Equity Method in Separate Financial Statements The amendments allow entities preparing separate financial statements to utilise the equity method to account for investments in subsidiaries, joint ventures and associates. The standard will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.	Annual periods beginning on or after 1 January 2016

5. Segment reporting

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

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

Notes to the annual financial statements (continued)

5. Segment reporting (continued)

	Personal and Business Banking		Corporate and Investment Banking		Wealth		Eliminations		Group	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million	**2014 ₦million**	2013 ₦million	**2014 ₦million**	2013 ₦million	**2014 ₦million**	2013 ₦million
Gross earnings	39,705	34,391	69,457	59,058	22,489	18,660	(1,040)	(883)	130,611	111,226
Net interest income	21,783	18,442	22,854	16,623	2,021	1,948	-	-	46,658	37,013
Interest income – external source	28,048	21,986	42,279	38,806	2,021	1,948	(192)	(155)	72,156	62,585
Interest expense – external source	(8,599)	(8,682)	(17,091)	(17,045)	-	-	192	155	(25,498)	(25,572)
Inter-segment revenue	2,334	5,138	(2,334)	(5,138)	-	-	-	-	-	-
Non-interest revenue	8,938	6,909	29,386	25,326	20,468	16,712	(848)	(728)	57,944	48,219
Net fee and commission revenue	8,332	6,769	11,377	10,147	20,406	16,712	(848)	(728)	39,267	32,900
Fee and commission revenue	8,717	7,127	11,503	10,211	20,406	16,712	(848)	(728)	39,778	33,322
Fee and commission expense	(385)	(358)	(126)	(64)	-	-		-	(511)	(422)
Trading revenue	-	-	17,540	14,895	-	-	-	-	17,540	14,895
Other revenue	606	140	469	284	62	-	-	-	1,137	424
Total income	30,721	25,351	52,240	41,949	22,489	18,660	(848)	(728)	104,602	85,232
Credit impairment charges	(2,679)	(2,344)	(538)	(323)	-	-	-		(3,217)	(2,667)
Income after credit impairment charges	28,042	23,007	51,702	41,626	22,489	18,660	(848)	(728)	101,385	82,565
Operating expenses	(30,020)	(30,703)	(24,995)	(21,572)	(7,148)	(6,401)	848	728	(61,315)	(57,948)
Staff costs	(14,282)	(13,366)	(8,156)	(7,586)	(3,341)	(2,899)	-	-	(25,779)	(23,851)
Other operating expenses	(15,738)	(17,337)	(16,839)	(13,986)	(3,807)	(3,502)	848	728	(35,536)	(34,097)
Profit before direct taxation	(1,978)	(7,696)	26,707	20,054	15,341	12,259	-	-	40,070	24,617
Direct taxation	1,116	1,689	(4,090)	(1,660)	(5,031)	(3,873)	-	-	(8,005)	(3,844)
Profit/(loss) for the year	(862)	(6,007)	22,617	18,394	10,310	8,386	-	-	32,065	20,773
Total assets	257,447	284,810	666,732	459,605	26,896	22,572	(6,533)	(3,941)	944,542	763,046
Total liabilities	232,703	272,001	594,987	389,426	9,110	7,926	(6,533)	(3,941)	830,267	665,412
Depreciation and amortisation	2,943	3,259	398	635	159	159	-	-	3,500	4,053
Number of employees	1,358	1,346	402	395	421	336	-	-	2,181	2,077

Notes to the annual financial statements (continued)

6. Key management assumptions

In preparing the financial statements, estimates and assumptions are made that could materially affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on factors such as historical experience and current best estimates of uncertain future events that are believed to be reasonable under the circumstances. No material changes to assumptions have occurred during the period.

6.1 Credit impairment losses on loans and advances

Portfolio loan impairments

The group assesses its loan portfolios for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be allocated to an individual loan in that portfolio. For corporate and investment banking, estimates are made of the duration between the occurrence of a loss event and the identification of a loss on an individual basis. This is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These include early arrears and other indicators of potential default, such as changes in macroeconomic conditions and legislation affecting credit recovery. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period. At the period end, the group applied the following loss emergence periods:

For Personal and Business Banking, the estimates for the duration between the occurrence of a loss event and the identification of a loss impairment for performing loans is calculated using portfolio loss given default and the probability of default for the arrears bucket and linked to the relevant emergence period.

	Average loss emergence period		Sensitivity[1]	
	2014 Months	2013 Months	**2014 ₦million**	2013 ₦million
Personal & Business Banking			60	(15)
Mortgage lending	3	3	19	(2)
Instalment sale and finance leases	3	3	(5)	(1)
Card debtors	3	3	(3)	(1)
Other lending	3	3	49	(11)
Corporate & Investment Banking (total loan portfolio)	12	12	152	238

[1] *Sensitivity is based on the effect of a change of one month in the emergence period on the value of the impairment.*

Specific loan impairments

Non-performing loans include those loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition as well as those loans for which instalments are due and unpaid for 90 days or more. Management's estimates of future cash flows on individually impaired loans are based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. Recoveries of individual loans as a percentage of the outstanding balances are estimated as follows:

	Expected time to recovery		Expected recoveries as a percentage of impaired loans		Impairment loss sensitivity[1]	
	2014 Months	2013 Months	**2014 %**	2013 %	**2014 ₦million**	2014 ₦million
Personal & Business Banking					39	43
Mortgage lending	12	12	33	33	3	3
Instalment sale and finance leases	6	6	29	29	5	7
Card debtors	8	8	9	9	1	1
Other lending	8	8	33	33	30	32

Corporate & Investment Banking

The estimated recoveries for Corporate and Investment Banking non performing loans are calculated on a customer by customer basis.

[1] *Sensitivity is based on the effect of a change of one percentage point in the value of the estimated recovery on the value of the impairment.*

Determination of regulatory risk reserves

Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision regime, there will be variances in the impairments allowances required under the two methodologies.

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

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

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

Notes to the annual financial statements (continued)

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

Statement of prudential adjustments	Note	2014 ₦million	2013 ₦million
Prudential Provision			
Specific provision on loans and advances	-	14,287	11,420
General provision on loans and advances	-	3,915	2,909
Provision on other losses	-	5,433	3,653
	-	23,635	17,982
IFRS Provision			
Specific impairment on loans and advances	12.3	10,534	8,972
Portfolio Impairment on loans and advances	12.3	4,302	4,587
Impairment on other losses	-	5,433	3,654
	-	20,269	17,213
Closing regulatory reserve	-	3,366	769
Opening regulatory reserve	-	769	-
Appropriation: Transfer (to)/from retained earnings	-	2,597	769

6.2 Fair value of financial instruments

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

Additional disclosures on fair value measurements of financial instruments are set out in note 26.

6.3 Impairment of available-for-sale equity investments

The group determines that available-for-sale equity investments are impaired and recognised as such in profit or loss when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the group evaluates, among other factors, the normal volatility in the fair value. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investee, industry or sector, or operational and financing cash flows or significant changes in technology.

Had the declines of financial instruments with fair values below cost been considered significant or prolonged, the group would have suffered an additional loss attributable to ordinary shareholders of ₦207 million (Dec 2013: N98 million) in its financial statements, being the transfer of the negative revaluations within the available-for-sale reserve to profit or loss.

6.4 Securitisations and special purpose entities (SPEs)

The group sponsors the formation of SPEs primarily for the purpose of allowing clients to hold investments, for asset securitisation transactions, asset financing and for buying or selling credit protection. The group consolidates SPEs that it controls in terms of IFRS. As it can sometimes be difficult to determine whether the group controls an SPE, it makes judgements about its exposure to the risks and rewards, as well as about its ability to make operational decisions for the SPE in question. In arriving at judgements, these factors are considered both jointly and separately.

6.5 Intangible assets

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

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

6.6 Investment funds

The group acts as fund manager to a number of investment funds. Determination of whether the group controls such an investment fund usually focuses on the assessment of the aggregate economic interest of the group in the fund and the investors' rights to remove the fund manager. For all funds managed by the group, the investors are able to vote by simple majority to remove the group as fund manager without cause, and the group's aggregate economic interest is in each case less than 15%. As a result, the group has concluded that it acts as agent for the investors in all cases, and therefore has not consolidated these funds.

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

6.7 Recognition of deferred tax assets:

The assessment of availability of future taxable profit against which carry forward tax losses can used is disclosed under Note 16.

6.8 Other

The nature of the assumptions or other estimation uncertainty for group share incentive schemes are disclosed in note 29.9.

7. Cash and cash equivalents

	Group		Company	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
Cash and cash equivalents				
Coins and bank notes	20,310	16,481	-	-
Balances with central bank	96,106	66,018	-	-
Current balances with banks within Nigeria	5,538	10,866	784	2,722
Current balances with banks outside Nigeria	21,217	26,947	-	-
	143,171	120,312	784	2,722

Cash and balances with central bank include ₦91,615 million (Dec. 2013: ₦51,603 million) that is not available for use by the group on a day to day basis. These restricted balances comprise primarily reserving requirements held with Central Bank of Nigeria (CBN).

Included in current balances with banks outside Nigeria is ₦4,510 million (Dec. 2013: ₦5,448 million) which represents Naira value of foreign currency bank balances held on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (See note 24.1).

Notes to the annual financial statements (continued)

8. Pledged assets

8.1 Pledged assets	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Financial assets that may be repledged or resold by counterparties				
Treasury bills	34,172	24,733	-	-
	34,172	24,733	-	-

Maturity analysis
The maturities represent periods to contractual redemption of the pledged assets recorded.

	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Maturing within 1 month	5,181	24,341	-	-
Maturing after 1 month but within 6 months	28,991	392	-	-
	34,172	24,733	-	-

8.2 Total assets pledged

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

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

The carrying amount of total financial assets that have been pledged as collateral for liabilities (included in amounts reflected in 8.1 above) at 31 December 2014 was ₦10,164 million (Dec. 2013: ₦2,955 million). The liability in respect of which the collateral has been pledged relates to on-lending facility obtained from Bank of Industry as disclosed under note 21 (page 214).

9. 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.

9.1 Trading assets

Classification	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Listed	26,568	40,711	-	-
Unlisted	69,777	-	-	-
	96,345	40,711	-	-
Comprising:				
Government bonds	8,819	2,634	-	-
Treasury bills	17,239	38,026	-	-
Corporate bonds	508	-	-	-
Listed equities	2	51	-	-
Placements	69,777	-	-	-
	96,345	40,711	-	-
Dated assets	96,343	40,660	-	-
Undated assets	2	51	-	-
	96,345	40,711	-	-

Maturity analysis

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

	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Redeemable on demand	-	-	-	-
Maturing within 1 month	72,612	35,069	-	-
Maturing after 1 month but within 6 months	19,655	3,030	-	-
Maturing after 6 months but within 12 months	1,645	863	-	-
Maturing after 12 months	2,431	1,698	-	-
Undated assets	2	51	-	-
	96,345	40,711	-	-

Redemption value
Dated trading assets had a redemption value at 31 December 2014 of ₦96,446 million (Dec. 2013: ₦41,398 million).

Notes to the annual financial statements (continued)

9.2 Trading liabilities

Classification	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Listed	35,632	6,438	-	-
Unlisted	49,651	60,522	-	-
	85,283	66,960	-	-
Comprising:				
Government bonds (short positions)	151	1,714	-	-
Repurchase agreements	9,999	-	-	-
Deposits	39,652	60,522	-	-
Treasury bills (short positions)	35,481	4,724	-	-
	85,283	66,960	-	-
Dated liabilities	85,283	66 960	-	-
Undated liabilities	-	-	-	-
	85,283	66 960	-	-

Maturity analysis
The maturity analysis is based on the remaining periods to contractual maturity from period end.

	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Redeemable on demand	-	-	-	-
Maturing within 1 month	64,675	20,664	-	-
Maturing after 1 month but within 6 months	12,278	34,988	-	-
Maturing after 6 months but within 12 months	8,179	9,594	-	-
Maturing after 12 months	151	1,714	-	-
	85,283	66,960	-	-

10. Derivative instruments

All derivatives are classified as either derivatives held for risk management or hedging purposes.

10.1 Use and measurement of derivative instruments

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

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

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

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

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

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

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

10.2 Derivatives held-for-trading

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

10.2.1 Foreign exchange derivatives

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

10.2.2 Interest rate derivatives

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

10.3 Unobservable valuation differences on initial recognition

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed. Unobservable valuatuion difference is disclosed under note 10.7 (page 196).

10.4 Fair values

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

10.5 Notional amount

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

Notes to the annual financial statements (continued)

10.6 Derivative assets and liabilities

31 December 2014	Maturity analysis of net fair value: Within 1 year ₦million	After 1 year but within 5 years ₦million	After 5 years ₦million	Net fair value ₦million	Fair value of assets ₦million	Fair value of liabilities ₦million	Contract /notional amount ₦million
Derivatives held-for-trading							
Foreign exchange derivatives	3,544	-	-	3,544	4,596	(1,052)	97,757
Forwards	3,544	-	-	3,544	4,596	(1,052)	97,757
Interest rate derivatives	(1,361)	-	-	(1,361)	264	(1,625)	62,267
Swaps	(1,361)	-	-	(1,361)	264	(1,625)	62,267
Total derivative assets/(liabilities)	2,183	-	-	2,183	4,860	(2,677)	160,024

31 December 2013	Maturity analysis of net fair value: Within 1 year ₦million	After 1 year but within 5 years ₦million	After 5 years ₦million	Net fair value ₦million	Fair value of assets ₦million	Fair value of liabilities ₦million	Contract/ notional amount ₦million
Derivatives held-for-trading							
Foreign exchange derivatives	(161)	(18)	-	(179)	422	(601)	10,691
Forwards	(161)	(18)	-	(179)	422	(601)	10,691
Interest rate derivatives	(116)	736	-	620	1,104	(484)	102,093
Swaps	(116)	736	-	620	1,104	(484)	102,093
Total derivative assets/(liabilities)	(277)	718	-	441	1,526	(1,085)	112,784

10.7 Unobservable valuation differences on initial recognition

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

	2014 ₦million	2013 ₦million
Unrecognised profit at beginning of the year	3	277
Additional profit on new transactions	257	-
Recognised in profit or loss during the year	(3)	(274)
Unrecognised profit at end of the year	257	3

11. Financial investments

	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Short-term negotiable securities	135,151	125,695	-	-
Listed	135,151	125,695	-	-
Unlisted	-	-	-	-
Other financial investments	69,351	13,609	58	-
Listed	66,043	11,001	58	-
Unlisted	3,308	2,608	-	-
	204,502	139,304	58	-
Comprising:				
Government bonds	61,691	9,781	-	-
Treasury bills	135,151	125,695	-	-
Corporate bonds	2,562	1,867	-	-
Unlisted equities	746	741	-	-
Mutual funds and unit-linked investments	4,352	1,220	58	-
	204,502	139,304	58	-

Maturity analysis

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

	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Redeemable on demand	-	-	-	-
Maturing within 1 month	37,131	57,439	-	-
Maturing after 1 month but within 6 months	140,014	67,972	-	-
Maturing after 6 months but within 12 months	14,203	6,709	-	-
Maturing after 12 months	8,056	5,223	-	-
Undated investments[1]	5,098	1,961	58	-
	204,502	139,304	58	-

All financial investments of the group are classified as available for sale investments.

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

Notes to the annual financial statements (continued)

12. Loans and advances

12.1 Loans and advances net of impairments

	Group		Company	
	2014 ₦million	2013 ₦million	2014 ₦million	2013 ₦million
Loans and advances to banks	8,814	94,180	-	-
Placements with banks	8,814	94,180	-	-
Loans and advances to customers	398,604	289,747	-	-
Gross loans and advances to customers	413,440	303,306	-	-
Mortgage loans	8,156	8,667	-	-
Instalment sale and finance leases (note 12.2)	30,377	27,012	-	-
Card debtors	1,063	850	-	-
Overdrafts and other demand loans	44,431	32,676	-	-
Medium term loans	326,038	232,635	-	-
Other loans and advances	3,375	1,466	-	-
Credit impairments for loans and advances (note 12.3)	(14,836)	(13,559)	-	-
Specific credit impairments	(10,534)	(8,972)	-	-
Portfolio credit impairments	(4,302)	(4,587)	-	-
Net loans and advances	407,418	383,927	-	-
Comprising:				
Gross loans and advances	422,254	397,486	-	-
Less: Credit impairments	(14,836)	(13,559)	-	-
Net loans and advances	407,418	383,927	-	-

Regulatory prudential disclosures on loans and advances have been disclosed under note 6 (page 189) and credit risk management–prudential guidelines disclosure (page 190).

Analysis of gross loans and advances to customers by performance

Performing loans	395,489	289,899	-	-
Non-performing loans	17,951	13,407	-	-
– substandard	5,570	4,781	-	-
– doubtful	7,840	3,320	-	-
– loss	4,541	5,306	-	-
Gross loans and advances to customers	413,440	303,306	-	-

Maturity analysis

The maturity analysis is based on the remaining periods to contractual maturity from the period end.

Redeemable on demand	15,212	23,132	-	-
Maturing within 1 month	44,209	123,297	-	-
Maturing after 1 month but within 6 months	91,030	39,433	-	-
Maturing after 6 months but within 12 months	28,613	19,935	-	-
Maturing after 12 months	243,190	191,689	-	-
Gross loans and advances	422,254	397,486	-	-

Segmental analysis – industry

	Group		Company	
	2014 ₦million	2013 ₦million	2014 ₦million	2013 ₦million
Agriculture	26,893	12,703	-	-
Construction and real estate	25,745	15,294	-	-
Electricity	12,114	10,671	-	-
Finance and other business services	21,284	107,197	-	-
Individuals	67,272	55,853	-	-
Manufacturing	84,476	55,741	-	-
Mining	80,520	55,568	-	-
Other services	59,390	48,016	-	-
Transport	16,696	11,318	-	-
Wholesale	27,864	25,125	-	-
Gross loans and advances	422,254	397,486	-	-

Segmental analysis – geographic area

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

South South	18,872	17,157	-	-
South West	338,205	329,525	-	-
South East	7,409	4,682	-	-
North West	26,186	19,709	-	-
North Central	20,489	15,332	-	-
North East	2,279	1,924	-	-
Outside Nigeria	8,814	9,157	-	-
Gross loans and advances	422,254	397,486	-	-

12.2 Instalment sale and finance leases

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

	Group		Company	
	2014 ₦million	2013 ₦million	2014 ₦million	2013 ₦million
Gross investment in instalment sale and finance leases	37,093	33,632	-	-
Receivable within 1 year	7,022	2,728	-	-
Receivable after 1 year but within 5 years	30,063	30,898	-	-
Receivable after 5 years	8	6	-	-
Unearned finance charges deducted	(6,716)	(6,620)	-	-
Net investment in instalment sale and finance leases	30,377	27,012	-	-
Receivable within 1 year	5,658	2,582	-	-
Receivable after 1 year but within 5 years	24,713	24,427	-	-
Receivable after 5 years	6	3	-	-

All loans and advances to customers are held at amortised cost.

Notes to the annual financial statements (continued)

12.3 Credit impairments for loans and advances

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

Group	**Mortgage lending ₦million**	**Instalment sale and finance leases ₦million**	**Card debtors ₦million**	**Other loans and advances ₦million**	**Corporate loans ₦million**	**Total ₦million**
31 December 2014						
Specific impairments						
Balance at beginning of the year	283	1,341	70	5,183	2,095	8,972
Net impairments raised/(released)	216	330	28	1,893	1,633	4,100
Impaired accounts written off	(247)	(213)	(2)	(2,076)	-	(2,538)
Balance at end of the year	252	1,458	96	5,000	3,728	10,534
Portfolio impairments						
Balance at beginning of the year	83	445	3	1,198	2,858	4,587
Net impairments raised/(released)	43	(113)	19	592	(826)	(285)
Balance at end of the year	126	332	22	1,790	2,032	4,302
Total	378	1,790	118	6,790	5,760	14,836

Group	Mortgage lending ₦million	Instalment sale and finance leases ₦million	Card debtors ₦million	Other loans and advances ₦million	Corporate loans ₦million	Total ₦million
31 December 2013						
Specific impairments						
Balance at beginning of the year	730	778	27	4,026	3,726	9,287
Net impairments raised/(released)	(105)	1,062	43	2,049	(575)	2,474
Impaired accounts written off	(342)	(499)	-	(892)	(1,056)	(2,789)
Balance at end of the year	283	1,341	70	5,183	2,095	8,972
Portfolio impairments						
Balance at beginning of the year	190	617	18	1,157	1,860	3,842
Net impairments raised/(released)	(107)	(172)	(15)	41	998	745
Balance at end of the year	83	445	3	1,198	2,858	4,587
Total	366	1,786	73	6,381	4,953	13,559

12.3 Credit impairments for loans and advances (continued)

Segmental analysis of non performing loans and specific impairments – industry

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

	Non-performing loans		**Specific impairments**	
Group	**2014 ₦million**	2013 ₦million	**2014 ₦million**	2013 ₦million
Agriculture	402	2,359	264	994
Business services	432	1,463	227	825
Communication	2,599	596	945	584
Community, social & personal services	1,304	450	490	407
Construction & real estate	1,914	2,070	1,101	1,102
Electricity, gas & water supply	3,214	-	1,217	-
Hotels, restaurants and tourism	5	5	5	5
Manufacturing	1,419	1,332	1,416	970
Mining & quarrying	848	352	600	302
Private households	2,517	2,443	1,885	1,811
Transport, storage & distribution	1,756	450	1,177	329
Wholesale & retail Trade	1,541	1,887	1,207	1,643
	17,951	13,407	10,534	8,972

Segmental analysis of non performing loans and specific impairment – geographic area

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

	Non-performing loans		**Specific impairments**	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
South South	954	1,463	602	927
South West	12,976	10,900	8,189	7,289
South East	372	182	281	161
North West	584	250	430	197
North Central	3,004	571	987	366
North East	61	41	45	32
	17,951	13,407	10,534	8,972

Notes to the annual financial statements (continued)

13. Equity investment in group companies

		Group		Company	
	%	2014 ₦million	2013 ₦million	2014 ₦million	2013 ₦million
Stanbic IBTC Ventures Limited	100	-	-	500	500
Stanbic IBTC Bank PLC	100	-	-	63,467	63,467
Stanbic IBTC Capital Limited	100	-	-	3,500	3,500
Stanbic IBTC Asset Management Limited	100	-	-	710	710
Stanbic IBTC Pension Managers Limited	70.59	-	-	565	565
Stanbic IBTC Trustees Limited	100	-	-	300	100
Stanbic IBTC Stockbrokers Limited	100	-	-	109	109
		-	-	69,151	68,951

13.1 List of significant subsidiaries

The table below provides details of the significant subsidiaries of the group.

Subsidiaries	Country of incorporation	Nature of business	Percentage of capital held	Financial year end
Stanbic IBTC Ventures Limited ('SIVL')	Nigeria	Undertakes venture capital projects	99.99%	31 December
Stanbic IBTC Bank PLC	Nigeria	Provision of banking and related financial services	99.99%	31 December
Stanbic IBTC Capital Limited	Nigeria	Provision of general corporate finance and debt advisory services	99.99%	31 December
Stanbic IBTC Asset Management Limited ('SIAML')	Nigeria	Acting as investment manager, portfolio manager and as a promoter and manager of unit trusts and funds	99.99%	31 December
Stanbic IBTC Pension Managers Limited ('SIPML')	Nigeria	Administration and management of pension fund assets	70.59%	31 December
Stanbic IBTC Trustees Limited ('SITL')	Nigeria	Acting as executors and trustees of wills and trusts and provision of agency services	99.99%	31 December
Stanbic IBTC Stockbrokers Limited ('SISL')	Nigeria	Provision of stockbroking services	99.99%	31 December

13.2 Significant restrictions

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

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

For information on assets, liabilities and earnings of the subsidiaries, see Note 13.4 (pages 204 and 205).

13.3 Non-controlling interests (NCI) in subsidiaries

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

	Group	
Stanbic IBTC Pension Managers Limited	2014 ₦million	2013 ₦million
NCI percentage	29.41%	29.41%
Total assets	22,212	18,060
Total liabilities	(7,854)	(6,648)
Net assets	14,358	11,412
Carrying amount of NCI	4,223	3,356
Revenue	19,832	15,739
Profit	9,424	7,356
Profit allocated to NCI	2,772	2,163
Cash flows from operating activities	11,547	8,210
Cash flows from investing activities	(669)	(3,435)
Cash flow from financing activities, before dividends to NCI	(4,518)	(2,682)
Cash flow from financing activities – cash dividends to NCI	(1,882)	(1,118)
Net increase in cash and cash equivalents	4,478	975

Notes to the annual financial statements (continued)

13.4 Summarised financial statements of the consolidated entities

	Stanbic IBTC Holdings PLC Company ₦million	Stanbic IBTC Bank PLC ₦million	Stanbic IBTC Capital Ltd ₦million	Stanbic IBTC Pension Mgt Ltd ₦million	Stanbic IBTC Asset Mgt Ltd ₦million	Stanbic IBTC Ventures Ltd ₦million	Stanbic IBTC Trustees Ltd ₦million	Stanbic IBTC Stockbroking Ltd ₦million	Consolidations/ Eliminations ₦million	Stanbic IBTC Holdings PLC Group ₦million
Income statement										
Net interest income	-	43,959	384	1,600	390	83	31	211	-	46,658
Non interest revenue	14,320	31,327	3,920	18,232	2,035	82	201	2,075	(14,248)	57,944
Total income	14,320	75,286	4,304	19,832	2,425	165	232	2,286	(14,248)	104,602
Staff costs	(455)	(20,350)	(1,350)	(2,574)	(679)	-	(88)	(283)	-	(25,779)
Operating expenses	(967)	(30,109)	(1,022)	(3,283)	(478)	(7)	(46)	(436)	812	(35,536)
Credit impairment charges	-	(3,217)	-	-	-	-	-	-	-	(3,217)
Total expenses	(1,422)	(53,676)	(2,372)	(5,857)	(1,157)	(7)	(134)	(719)	812	(64,532)
Profit before tax	12,898	21,610	1,932	13,975	1,268	158	98	1,567	(13,436)	40,070
Tax	238	(2,154)	(546)	(4,551)	(448)	(4)	(32)	(509)	-	(8,005)
Profit for the year	13,136	19,456	1,386	9,424	820	154	66	1,058	(13,436)	32,065
At 31 December 2013	8,332	10,129	1,207	7,356	1,001	163	28	877	(8,320)	20,773
31 December 2014										
Cost-to-income ratio (%)	-	67.0	55.1	29.5	47.7	4.2	57.8	31.5	5.7	58.6
31 December 2013										
Cost-to-income ratio (%)	-	80.2	50.2	31.5	49.1	4.9	70.1	35.2	8.0	68.0
Balance Sheet										
Assets										
Cash and cash equivalents	784	137,553	4,822	3,451	88	100	(5)	1,353	(4,975)	143,171
Derivative assets	-	4,860	-	-	-	-	-	-	-	4,860
Trading assets	-	95,121	1,222	-	-	-	-	2	-	96,345
Pledged assets	-	34,172	-	-	-	-	-	-	-	34,172
Financial investments	58	186,757	1,074	15,653	3,616	2,281	469	2,417	(7,823)	204,502
Loans and advances to banks	-	8,814	-	-	-	-	-	-	-	8,814
Loans and advances to customers	-	398,604	-	-	-	-	-	-	-	398,604
Current and deferred tax assets	484	7,506	231	100	83	1	8	44	-	8,457
Equity investment in group companies	69,151	-	-	-	-	-	-	-	(69,151)	-
Other assets	2,540	16,826	870	2,557	601	-	12	32	(1,826)	21,612
Property and equipment	2,654	20,839	5	451	47	-	-	9	-	24,005
Total assets	75,671	911,052	8,224	22,212	4,435	2,382	484	3,857	(83,775)	944,542
At 31 December 2013	75,401	725,100	6,603	18,060	4,270	2,351	243	3,913	(72,895)	763,046

Notes to the annual financial statements (continued)

13.4 Summarised financial statements of the consolidated entities (continued)

Liabilities and equity	Stanbic IBTC Holdings PLC Company ₦million	Stanbic IBTC Bank PLC ₦million	Stanbic IBTC Capital Ltd ₦million	Stanbic IBTC Pension Mgt Ltd ₦million	Stanbic IBTC Asset Mgt Ltd ₦million	Stanbic IBTC Ventures Ltd ₦million	Stanbic IBTC Trustees Ltd ₦million	Stanbic IBTC Stockbroking Ltd ₦million	Consolidations/ Eliminations ₦million	Stanbic IBTC Holdings PLC Group ₦million
Derivative liabilities	-	2,677	-	-	-	-	-	-	-	2,677
Trading liabilities	-	85,283	-	-	-	-	-	-	-	85,283
Deposits from banks	-	59,121	-	-	-	-	-	-	-	59,121
Deposits from customers	-	507,734	-	-	-	-	-	-	(12,799)	494,935
Other borrowings	-	70,151	-	-	-	-	-	-	-	70,151
Subordinated debt	-	22,973	-	-	-	-	-	-	-	22,973
Current and deferred tax liabilities	129	3,244	540	4,721	384	198	36	522	-	9,774
Other liabilities	2,552	78,048	1,460	3,133	753	9	83	1,545	(2,230)	85,353
Equity and reserves	72,990	81,821	6,224	14,358	3,298	2,175	365	1,790	(68,746)	114,275
Total liabilities and equity	75,671	911,052	8,224	22,212	4,435	2,382	484	3,857	(83,775)	944,542
At 31 December 2013	75,401	725,100	6,603	18,060	4,270	2,351	243	3,913	(72,895)	763,046

Notes to the annual financial statements (continued)

14. Involvement with unconsolidated investment funds

The table below describes the types of investment funds that the group does not consolidate but in which it holds an interest.

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

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

		Asset under management		Interest held by the group	
S/N	Group	2014 ₦million	2013 ₦million	2014 ₦million	2013 ₦million
i	Stanbic IBTC Nigerian Equity Fund	9,481	14,908	213	294
ii	Stanbic IBTC Ethical Fund	2,115	3,561	246	334
iii	Stanbic IBTC Iman Fund	145	127	-	-
iv	Stanbic IBTC Guaranteed Investment Fund	2,108	2,386	-	-
v	Stanbic IBTC Money Market Fund	28,798	19,787	3,766	471
vi	Stanbic IBTC Bond Fund	1,027	1,060	127	122
vii	Stanbic IBTC Balanced Fund	1,084	1,073	-	-
viii	Stanbic IBTC Aggressive Fund	366	614	-	-
ix	Stanbic IBTC Conservative Fund	724	680	-	-
x	Stanbic IBTC Absolute Fund	1,611	1,205	-	-
Total		47,459	45,401	4,352	1,221

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

15. Other assets

	Group		Company	
	31 Dec 2014 ₦million	31 Dec 2013 ₦million	31 Dec 2014 ₦million	31 Dec 2013 ₦million
Trading settlement assets	4,217	1,196	-	-
Accrued income	683	2,407	-	-
Indirect/withholding tax receivables	920	609	73	-
Accounts receivable	10,929	10,071	2,184	657
Prepayments	6,092	6,467	400	396
Other debtors	820	475	-	-
	23,661	21,225	2,657	1,053
Impairment provision on doubtful receivable	(2,048)	(1,396)	(117)	(15)
	21,613	19,829	2,540	1,038

Movement in provision for doubtful receivables				
At start of year	1,396	1,900	15	-
Additions/(write back)	652	1,120	102	15
Amount written off	-	(1,624)	-	-
At end of year	2,048	1,396	117	15

16. Current and deferred tax assets

	Group		Company	
	31 Dec 2014 ₦million	31 Dec 2013 ₦million	31 Dec 2014 ₦million	31 Dec 2013 ₦million
Current tax assets	97	62	-	-
Deferred tax assets (note 23.2)	8,360	7,654	484	118
	8,457	7,716	484	118

The directors have determined that based on company's profit forecast, it is probable that there will be future taxable profits against which the tax losses, from which a deferred tax asset has been recognised, can be utilised. There was no unrecognised deferred tax asset as at 31 December 2014 (2013: Nil).

Notes to the annual financial statements (continued)

17. Property and equipment

Group 17.1 Cost	Leasehold improve-ments and buildings ₦million	Land ₦million	Motor vehicles ₦million	Furniture, fittings and equipment ₦million	Computer equipment ₦million	Work in progress ₦million	Total ₦million
Balance at 1 January 2014	19,166	753	421	8,611	9,261	4,287	42,499
Additions	698	-	87	591	594	1,413	3,383
Disposals	(19)	-	(48)	(216)	(229)	(653)	(1,165)
Transfers/reclassifications	133	-	-	174	868	(1,175)	-
Balance at 31 December 2014	19,978	753	460	9,160	10,494	3,872	44,717
Balance at 1 January 2013	18,433	753	481	8,318	7,792	2,401	38,178
Additions	27	-	60	226	689	3,740	4,742
Disposals	(105)	-	(120)	(99)	(70)	(27)	(421)
Transfers/reclassifications	811	-	-	166	850	(1,827)	-
Balance at 31 December 2013	19,166	753	421	8,611	9,261	4,287	42,499
17.2 Accumulated depreciation							
Balance at 1 January 2014	5,099	-	285	6,481	5,646	-	17,511
Charge for the year	730	-	68	1,167	1,535	-	3,500
Disposals	(14)	-	(48)	(164)	(72)	-	(298)
Transfers/reclassifications	3	-	-	(3)	-	-	-
Balance at 31 December 2014	5,818	-	305	7,481	7,109	-	20,713
Balance at 1 January 2013	3,978	-	302	5,119	4,321	-	13,720
Charge for the year	1,167	-	73	1,456	1,357	-	4,053
Disposals	(46)	-	(90)	(94)	(32)	-	(262)
Transfers/reclassifications	-	-	-	-	-	-	-
Balance at 31 December 2013	5,099	-	285	6,481	5,646	-	17,511
Net book value:							
31 December 2014	14,160	753	155	1,679	3,385	3,872	24,004
31 December 2013	14,067	753	136	2,130	3,615	4,287	24,988

There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (2013: Nil).

Company 17.1 Cost	Leasehold land and buildings ₦million	Motor vehicles ₦million	Furniture, fittings and equipment ₦million	Computer equipment ₦million	Work in progress ₦million	Total ₦million
Balance at 1 January 2014	-	-	32	521	2,044	2,597
Additions	-	-	116	155	10	281
Disposals	-	-	(14)	-	(39)	(53)
Transfers/reclassifications	-	-	1	59	(60)	-
Balance at 31 December 2014	-	-	135	735	1,955	2,825
Balance at 1 January 2013	-	-	-	-	16	16
Additions	-	-	27	520	2,034	2,581
Disposals	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Transfers/reclassifications	-	-	5	1	(6)	-
Balance at 31 December 2013	-	-	32	521	2,044	2,597
17.2 Accumulated depreciation						
Balance at 1 January 2014	-	-	3	22	-	25
Charge for the year	-	-	20	126	-	146
Disposals	-	-	-	-	-	-
Transfers/reclassifications	-	-	-	-	-	-
Balance at 31 December 2014	-	-	23	148	-	171
Balance at 1 January 2013	-	-	-	-	-	-
Charge for the year	-	-	3	22	-	25
Disposals	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Transfers/reclassifications	-	-	-	-	-	-
Balance at 31 December 2013	-	-	3	22	-	25
Net book value:						
31 December 2014	-	-	112	587	1,955	2,654
31 December 2013	-	-	29	499	2,044	2,572

Notes to the annual financial statements (continued)

18. Share capital and reserves

	Group		Company	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
18 Share capital and reserves				
18.1 Authorised				
10,000,000,000 Ordinary shares of 50k each				
(Dec 2013: 10,000,000,000 Ordinary shares of 50k each)	5,000	5,000	5,000	5,000
18.2 Issued and fully paid-up				
10,000,000,000 Ordinary shares of 50k each				
(Dec 2013: 10,000,000,000 Ordinary shares of 50k each)	5,000	5,000	5,000	5,000
Ordinary share premium	65,450	65,450	65,450	65,450

All issued shares are fully paid up. Details of directors' interest in shares, the shareholder spread and major shareholders are given in the directors' report on page 137 and 138 of these financial statements.

18.3 Reserves

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

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

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

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

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

(ii) *Small and medium scale industries reserve (SMEEIS)*
The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable. No transfer was made into the small and medium scale industries reserve for the year (2013: Nil).

c) *Available for sale reserve*
This represents unrealised gains or losses arising from changes in the fair value of available-for-sale financial assets which are recognised directly in the available-for-sale reserve until the financial asset is de-recognised or impaired.

d) *Statutory credit risk reserve*
Should credit impairment on loans and advances as accounted for under IFRS using the incurred loss model differ from the Prudential Guidelines set by the Central Bank of Nigeria the following adjustment is required.

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

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

Analysis of the Statutory credit risk reserve is disclosed under Note 6 (pages 189 and 190)

e) *Share based payment reserve*
This represents obligations under the equity settled portion of the group's share incentive scheme which enables key management personnel and senior employees to benefit from the performance of Stanbic IBTC Holdings PLC and its subsidiaries.

19. Dividend

The directors recommend the payment of a final dividend of 15k per share (Dec 2013: 10k). Withholding tax will be deducted at the time of payment.

20. Deposit and current accounts

	Group		Company	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
Deposits from banks	59,121	51,686	-	-
Deposits from banks	59,121	51,686	-	-
Deposits from customers	494,935	416,352	-	-
Current accounts	219,264	198,320	-	-
Call deposits	42,678	52,927	-	-
Savings accounts	21,451	19,097	-	-
Term deposits	191,540	130,940	-	-
Negotiable certificate of deposits	20,002	15,068	-	-
Total deposits and current accounts	554,056	468,038	-	-

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

Repayable on demand	328,918	310,915	-	-
Maturing within 1 month	91,858	87,923	-	-
Maturing after 1 month but within 6 months	96,710	56,952	-	-
Maturing after 6 months but within 12 months	36,541	12,209	-	-
Maturing after 12 months	29	39	-	-
Total deposits and current accounts	554,056	468,038	-	-

Notes to the annual financial statements (continued)

Segmental analysis – geographic area

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

	2014		2013	
Group	**%**	**₦million**	%	₦million
South South	6	33,423	4	19,990
South West	69	384,403	70	329,755
South East	2	8,794	2	8,310
North West	5	27,577	3	14,666
North Central	7	37,712	11	49,306
North East	1	4,372	1	5,689
Outside Nigeria	10	57,775	9	40,322
Total deposits and current accounts	100	554,056	100	468,038

21. Other borrowings

	Group		Company	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
FMO – Netherland Development Finance Company	1,372	3,595	-	-
European Investment Bank	2,074	2,275	-	-
Bank of Industry	5,962	6,479	-	-
Standard Bank Isle of Man	48,229	23,762	-	-
CBN Commercial Agricultural Credit Scheme (CACS)	12,514	12,653	-	-
	70,151	48,764	-	-

The terms and conditions of other borrowings are as follows:

(i) The bank, a subsidiary company, obtained an on-lending dollar denominated loan of USD75 million from Netherland Development Finance Company (FMO) which expires on 15 January 2015, and has a rate of 2.0% above 6 month's LIBOR. The facility is unsecured.

(ii) The bank also has a current dollar denominated facility from European Investment Bank which expires on 14 December 2018 and has a rate of 2.5% above 3 month's LIBOR.

(iii) The bank obtained a Central Bank of Nigeria (CBN) initiated on-lending naira facility from Bank of Industry in September 2010 at a fixed rate of 1% per annum on a tenor based on agreement with individual beneficiary customer. Disbursement of these funds are represented in loans and advances to customers.

(iv) The bank obtained dollar denominated long term on-lending facilities with floating rates tied to LIBOR from Standard Bank Isle of Man with average tenor of 5 years. The dollar value of the facility as at 31 December 2014 was USD264 million (2013: USD149 million).

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

(vi) 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 2014 (2013: Nil).

Maturity analysis

The maturity analysis is based on the remaining periods to contractual maturity from period end.

	Group		Company	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
Repayable on demand	-	-	-	-
Maturing within 1 month	9,733	1,196	-	-
Maturing after 1 month but within 6 months	2,615	308	-	-
Maturing after 6 months but within 12 months	1,118	1,422	-	-
Maturing after 12 months	56,685	45,838	-	-
	70,151	48,764	-	-
Movement in other borrowings				
At start of period	48,764	66,873	-	-
Additions	31,244	1,095	-	-
Effect of exchange rate changes [loss/(profit)]	2,186	771	-	-
Payments made	(12,043)	(19,975)	-	-
At end of period	70,151	48,764	-	-

22. Subordinated debt

	Group		Company	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
Subordinated fixed rate notes – ₦ (see (i) below)	15,575	-	-	-
Subordinated floating rate notes – ₦ (see (ii) below)	103	-	-	-
Subordinated debt – USD (see (iii) below)	7,295	6,399	-	-
	22,973	6,399	-	-

The terms and conditions of subordinated debt are as follows:

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

(ii) This represents ₦100 million Naira denominated subordinated debt issued on 30 September 2014. Interest is payable semi-annually at 6-month Nigerian Treasury Bills yield plus 1.20%. It has a tenor of 10 years and is callable after 5 years from the issue date. The debt is unsecured.

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

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 2014 (2013: Nil).

Notes to the annual financial statements (continued)

Movement in subordinated debt	Group		Company	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
At start of year	6,399	-	-	-
Additions	15,683	6,319	-	-
Effect of exchange rate changes [loss/(profit)]	891	80	-	-
Payments made	-	-	-	-
At end of year	22,973	6,399	-	-

23. Current and deferred tax liabilities

	Group		Company	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
Current tax liabilities	9,663	7,532	129	2
Deferred tax liabilities	111	256	-	-
	9,774	7,788	129	2
23.1 Reconciliation of current tax liabilities				
Current tax liabilities at beginning of the year	7 532	4,686	2	-
Movement for the period	2,131	2,846	127	-
Charge for the period	8,806	6,326	128	-
Over/(under) provision – prior period	(74)	59	(1)	-
Payment made	(6,601)	(3,539)	-	-
Current tax liabilities at end of the year	9,663	7,532	129	-
23.2 Deferred tax analysis				
Credit impairment charges	1,291	1,376	-	-
Property and equipment	2,740	3,838	66	13
Fair value adjustments on financial instruments	(762)	(268)	-	-
Unutilised losses	2,977	1,933	112	-
Others	2,003	519	306	105
Deferred tax closing balance	8,249	7,398	484	118
Deferred tax liabilities	(111)	(256)	-	-
Deferred tax asset (note 16)	8,360	7,654	484	118
Deferred tax closing balance	8,249	7,398	484	118
23.3 Deferred tax reconciliation				
Deferred tax at beginning of the period	7,398	5,011	118	-
Originating/(reversing) temporary differences for the period:	851	2,387	366	118
Credit impairment charges	(85)	222	-	-
Property and equipment	(1,098)	1,575	53	13
Fair value adjustments on financial instruments	(494)	(95)	-	-
Unutilised losses	1,044	166	112	-
Others	1,484	519	201	105
Deferred tax at end of the period	8,249	7,398	484	118

24. Provisions and other liabilities

	Group		Company	
24.1 Summary	**2014 ₦million**	2013 ₦million	**2014 ₦million**	2013 ₦million
Trading settlement liabilities	956	1,197	-	-
Cash-settled share-based payment liability (note 29.9)	1,245	1,093	151	-
Accrued expenses – staff	4,081	3,450	648	506
Deferred revenue liability	1,364	627	-	-
Accrued expenses – others	16,045	15,437	1,372	2,845
Collections/remmitance payable	9,735	9,669	-	-
Customer deposit for letters of credit	4,510	5,448	-	-
Liability on refinanced letters of credit	27,675	12,263	-	-
Unclaimed balance	6,832	3,974	-	-
Provision for contingent losses (note 24.2)	2,578	2,258	-	-
Draft & bank cheque payable	1,940	1,687	-	-
Sundry liabilities	8,392	9,275	381	202
	85,353	66,378	2,552	3,553

24.2 Provision for contingent losses

The group makes provision for contingent losses at the reporting date. Estimates of provisions required are based on advice and recommendation of legal counsel retained by the group. Movement on the provision balance is contained below.

Movement in provision for contigent losses				
Balance at beginning of the year	2,258	845	-	-
Net provision made	320	1,413	-	-
Balance at end of the period	2,578	2,258	-	-

Notes to the annual financial statements (continued)

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.

31 December 2014	Note	Held-for-trading ₦million	Designated at fair value ₦million	Loans and receivables ₦million	Available-for-sale ₦million	Other amortised cost ₦million	Total carrying amount ₦million	Fair value[1] ₦million
Assets								
Cash and cash equivalents	7	-	-	143,171	-	-	143,171	143,171
Derivative assets	10.6	4,860	-	-	-	-	4,860	4,860
Trading assets	9.1	96,345	-	-	-	-	96,345	96,345
Pledged assets	8	10,164	-	-	24,008	-	34,172	34,172
Financial investments	11	-	-	-	204,502	-	204,502	204,502
Loans and advances to banks	12	-	-	8,814	-	-	8,814	8,821
Loans and advances to customers	12	-	-	398,604	-	-	398,604	310,946
Other financial assets		-	-	13,918	-	-	13,918	13,918
		111,369	-	564,507	228,510	-	904,386	816,735
Liabilities								
Derivative liabilities	10.6	2,677	-	-	-	-	2,677	2,677
Trading liabilities	9.2	85,283	-	-	-	-	85,283	85,283
Deposits from banks	20	-	-	-	-	59,121	59,121	59,134
Deposits from customers	20	-	-	-	-	494,935	494,935	495,906
Subordinated debt	22	-	-	-	-	22,973	22,973	20,790
Other borrowings	21	-	-	-	-	70,151	70,151	66,736
Other financial liabilities		-	-	-	-	60,040	60,040	60,040
		87,960	-	-	-	707,220	795,180	790,566

Notes to the annual financial statements (continued)

25. Classification of financial instruments (continued)

31 December 2013	Note	Held-for-trading ₦million	Designated at fair value ₦million	Loans and receivables ₦million	Available-for-sale ₦million	Other amortised cost ₦million	Total carrying amount ₦million	Fair value[1] ₦million
Assets								
Cash and cash equivalents	7	-	-	120,312	-	-	120,312	120,312
Derivative assets	10	1,526	-	-	-	-	1,526	1,526
Trading assets	9	40,711	-	-	-	-	40,711	40,711
Pledged assets	8	-	-	-	24,733	-	24,733	24,733
Financial investments	11	-	-	-	139,304	-	139,304	139,304
Loans and advances to banks	12	-	-	94,180	-	-	94,180	94,164
Loans and advances to customers	12	-	-	289,747	-	-	289,747	259,076
Other financial assets	-	-	-	10,346	-	-	10,346	10,346
		42,237	-	514,585	164,037	-	720,859	690,172
Liabilities								
Derivative liabilities	10	1,085	-	-	-	-	1,085	1,085
Trading liabilities	9	66,960	-	-	-	-	66,960	66,960
Deposits from banks	20	-	-	-	-	51,686	51,686	51,692
Deposits from customers	20	-	-	-	-	416,352	416,352	415,625
Subordinated debt	22	-	-	-	-	6,399	6,399	5,721
Other financial liabilities	-	-	-	-	-	112,257	112,257	112,358
		68,045	-	-	-	586,694	654,739	653,441

[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.

Notes to the annual financial statements (continued)

26. Fair values of financial instruments

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

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 prices and expected volatilities and correlations.

Specific valuation techniques used to value financial instruments include:

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

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

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 independent of front office management and reports to the Chief Financial Officer. The roles performed by both functions include:

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

Significant valuation issues are reported to the audit committee.

26.3 Financial instruments measured at fair value – fair value hierarchy

The tables below analyse financial instruments carried at fair value at the end of the reporting 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	Note	Carrying amount ₦million	Level 1 ₦million	Level 2 ₦million	Level 3 ₦million	Total ₦million
31 December 2014						
Assets						
Derivative assets	10.6	4,860	-	4,860	-	4,860
Trading assets	9.1	96,345	26,568	69,777	-	96,345
Pledged assets	8	34,172	34,172	-	-	34,172
Financial investments	11	204,502	201,194	3,144	164	204,502
		339,879	261,934	77,781	164	339,879
Comprising:						
Held-for-trading			36,732	74,637	-	111,369
Available-for-sale			225,202	3,144	164	228,510
			261,934	77,781	164	339,879
Liabilities						
Derivative liabilities	10.6	2,677	-	2,677	-	2,677
Trading liabilities	9.2	85,283	35,632	49,651	-	85,283
		87,960	35,632	52,328	-	87,960
Comprising:						
Held-for-trading			35,632	52,328	-	87,960
Designated at fair value			-	-	-	-
			35,632	52,328	-	87,960

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

Notes to the annual financial statements (continued)

26.3 Financial instruments measured at fair value hierarchy (continued)

Group	Note	Carrying amount ₦million	Level 1 ₦million	Level 2 ₦million	Level 3 ₦million	Total ₦million
31 December 2013						
Assets						
Derivative assets	10.6	1,526	-	1,526	-	1,526
Trading assets	9.1	40,711	51	40,660	-	40,711
Pledged assets	8	24,733	-	24,733	-	24,733
Financial investments	11	139,304	-	139,091	213	139,304
		206,274	51	206,010	213	206,274
Comprising:						
Held-for-trading			51	42,186	-	42,237
Designated at fair value			-	-	-	-
Available-for-sale			-	163,824	213	164,037
			51	206,010	213	206,274
Liabilities						
Derivative liabilities	10.6	1,085	-	1,085	-	1,085
Trading liabilities	9.2	66,960	-	66,960	-	66,960
		68,045	-	68,045	-	68,045
Comprising:						
Held-for-trading			-	68,045	-	68,045
Designated at fair value			-	-	-	-
			-	68,045	-	68,045

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

26.4 Level 3 fair value measurement

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

Financial investments – unquoted equities	**2014 ₦million**	2013 ₦million
Balance at 1 January	213	281
Gain/(loss) recognised in other comprehensive income	(49)	(68)
Balance at period end	164	213

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

Net change in fair value of available-for-sale financial assets	(49)	(68)

(ii) Unobservable inputs used in measuring fair value

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

Type of financial instrument	Fair value as at 31 Dec 2014 ₦million	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable input
Unquoted equities	185 (2013: 213)	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

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

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

				Effect on OCI	
	Valuation technique	Significant unobservable input	Variance in fair value measurement	Favourable ₦million	Unfavourable ₦million
2014					
Financial investment – unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	73	(40)
2013					
Financial investment – unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	28	(19)

26.5 Financial instruments not measured at fair value – fair value hierarchy

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

Group	Level 1 ₦million	Level 2 ₦million	Level 3 ₦million	Total ₦million
31 December 2014				
Assets				
Loans and advances to banks	-	-	8,821	8,821
Loans and advances to customers	-	-	310,946	310,946
Other financial assets	-	13,918	-	13,918
	-	13,918	319,767	333,685
Liabilities				
Deposits from banks	-	59,134	-	59,134
Deposits from customers	-	495,906	-	495,906
Other borrowings	-	66,736	-	66,736
Subordinated debt	-	20,790	-	20,790
Other financial liabilities	-	60,040	-	60,040
	-	702,606	-	702,606

Notes to the annual financial statements (continued)

26.5 Financial instruments not measured at fair value – fair value hierarchy (continued)

Group	Level 1 ₦million	Level 2 ₦million	Level 3 ₦million	Total ₦million
31 December 2013				
Assets				
Cash and cash equivalents	120,312	-	-	120,312
Loans and advances to banks	-	94,164	-	94,164
Loans and advances to customers	-	259,076	-	259,076
Other financial assets	-	10,346	-	10,346
	120,312	363,586	-	483,898
Liabilities				
Deposits from banks	-	51,692	-	51,692
Deposits from customers	270,621	145,004	-	415,625
Other borrowings	-	48,865	-	48,865
Subordinated debt	-	5,721	-	5,721
Other financial liabilities	-	63,493	-	63,493
	270,621	314,775	-	585,396

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

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

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

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

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

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

27.1 Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

The group had no offsetting financial assets and liabilities as at period end.

Group	Gross amount of recgnised financial assets[1] ₦million	Gross amounts of recognised financial liabilities offset in the statement of financial position[2] ₦million	Net amounts of financial assets presented in the statement of financial position ₦million	Financial instruments, financial collateral & cash collateral[3] ₦million	Net amount ₦million
31 December 2014					
Assets					
Derivative assets	244	-	244	(244)	-
	244	-	244	(244)	-

Group	Gross amount of recgnised financial assets[1] ₦million	Gross amounts of recognised financial liabilities offset in the statement of financial position[2] ₦million	Net amounts of financial assets presented in the statement of financial position ₦million	Financial instruments, financial collateral & cash collateral[3] ₦million	Net amount ₦million
31 December 2014					
Liabilities					
Derivative liabilities	200	-	200	(200)	-
Trading liabilities	9,999	-	9,999	(9,999)	-
	10,199	-	10,199	(10,199)	-

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

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

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

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

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

Notes to the annual financial statements (continued)

28. Contingent liabilities and commitments

28.1 Contingent liabilities	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Letters of credit	31,020	20,836	-	-
Guarantees	34,543	23,779	-	-
	65,563	44,615	-	-

Performance bonds and guarantees are generally short term commitments to third parties which are not directly dependent on the customer's credit worthiness.

Letters of credit are agreements to lend to a customer in the future, subject to certain conditions. They are secured by different types of collaterals similar to those accepted for actual credit facilities.

28.2 Capital commitments	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Contracted capital expenditure	1,202	445	-	-
Capital expenditure authorised but not yet contracted	-	-	-	-
	1,202	445	-	-

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

28.3 Legal proceedings

In the conduct of its ordinary course of business, the group is exposed to various actual and potential claims, lawsuits and other proceedings relating to alleged errors and omissions, or non-compliance with laws and regulations. The directors are satisfied, based on present information and the assessed probability of claims crystallising, that the group has adequate insurance programmes and provisions in place to meet such claims.

There were a total of 181 legal proceedings outstanding as at 31 December 2014 (Dec. 2013: 147 cases). 104 of these were against the group with claims amounting to ₦350 billion (31 December 2013: ₦168.63 billion), while 77 other cases were instituted by the group with claims amounting to ₦7.2 billion (31 December 2013: ₦4.23 billion).

The claims against the group are considered without merit, and the group is defending them vigorously. Based on legal advice, management believes that the ultimate resolution of any of the proceedings will not have a significantly adverse effect on the financial position of the group.

29. Supplementary income statement information

29.1 Interest income	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Interest on loans and advances to banks	3,931	3,152	-	-
Interest on loans and advances to customers	45,540	40,234	-	-
Interest on investments	22,685	19,199	-	-
	72,156	62,585	-	-

All interest income reported above relates to financial assets not carried at fair value through profit or loss. Interest income for the year ended 31 December 2014 includes ₦1,519 million (2013: ₦2,534 million) accrued on impaired financial assets.

29.2 Interest expense	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Savings accounts	458	373	-	-
Current accounts	3,062	694	-	-
Call deposits	2,765	2,741	-	-
Term deposits	15,905	19,599	-	-
Interbank deposits	1,535	1,105	-	-
Borrowed funds	1,773	1,060	-	-
	25,498	25,572	-	-

All interest expense reported above relates to financial assets not carried at fair value through profit or loss.

29.3 Net fee and commission revenue	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Fee and commission revenue	39,778	33,322	812	728
Account transaction fees	3,038	3,543	-	-
Card based commission	2,000	1,460	-	-
Brokerage and financial advisory fees	7,111	5,028	-	-
Asset management fees	20,334	16,613	-	-
Custody transaction fees	2,213	2,508	-	-
Electronic banking	499	241	-	-
Foreign currency service fees	1,763	1,299	-	-
Documentation and administration fees	827	1,005	-	-
Other	1,993	1,625	812	728
Fee and commission expense	(511)	(422)	-	-
	39,267	32,900	812	728

29.4 Trading revenue	Group 2014 ₦million	Group 2013 ₦million	Company 2014 ₦million	Company 2013 ₦million
Foreign exchange	9,603	6,644	-	-
Credit	385	1,329	-	-
Interest rates	7,568	6,911	-	-
Equities	(16)	11	-	-
	17,540	14,895	-	-

Notes to the annual financial statements (continued)

	Group		Company	
	2014 ₦million	2013 ₦million	2014 ₦million	2013 ₦million
29.5 Other revenue				
Dividend income	142	98	13,437	8,320
Others	995	326	71	89
	1,137	424	13,508	8,409
29.6 Credit impairment charges				
Net credit impairments raised and released for loans and advances	3,815	3,219	-	-
Recoveries on loans and advances previously written off	(598)	(552)	-	-
	3,217	2,667	-	-
Comprising:				
Net specific credit impairment charges	3,502	1,922	-	-
Specific credit impairment charges (note 12.3)	4,100	2,474	-	-
Recoveries on loans and advances previously written off	(598)	(552)	-	-
Portfolio credit impairment charges/(reversal) (note 12.3)	(285)	745	-	-
	3,217	2,667	-	-
29.7 Staff costs – banking activities				
Salaries and allowances	24,506	22,393	408	456
Staff cost: below-market loan adjustment	175	245	-	-
Equity-linked transactions (note 28.9)	1,098	1,213	47	-
	25,779	23,851	455	456
29.8 Other operating expenses				
Information technology	4,704	3,517	-	-
Communication	827	755	28	-
Premises and maintenance	3,762	3,428	59	-
Marketing and advertising	2,808	2,658	137	-
Insurance	6,224	5,543	77	42
Professional fees	6,083	4,467	138	107
Depreciation	3,500	4,053	146	25
Stationery and printing	709	774	18	10
Security	1,026	1,169	-	-
Travel and entertainment	1,494	1,382	43	30
Provision on contingent and other known losses	972	2,533	102	-
Administration and membership fees	1,021	661	16	-
Training	498	680	17	-
Other	1,908	2,477	186	251
	35,536	34,097	967	465

The following disclosable items are included in other operating expenses

	Group		Company	
	2014 ₦million	2013 ₦million	2014 ₦million	2013 ₦million
Auditors' remuneration	227	200	15	15
Audit fees	220	200	15	15
Current year	220	200	15	15
Fees for other services	7	-	-	-
Depreciation	3,500	4,053	146	25
Property	730	1,167	-	-
Freehold	-	28	-	-
Leasehold	730	1,139	-	-
Equipment	2,770	2,886	146	25
Computer equipment	1,535	1,357	126	22
Motor vehicles	68	73	-	-
Office equipment	128	103	20	3
Furniture and fittings	1,039	1,353	-	-
Operating lease charges	1,245	949	-	-
Properties	1,245	949	-	-
Equipment	-	-	-	-
Loss (profit) on sale of property and equipment	(43)	33	-	-

Notes to the annual financial statements (continued)

29.9 Share-based payment transactions

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

At 31 December 2014, the group had the following share-based arrangements.

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

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

(c) Deferred bonus scheme.

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

Expenses recognised in staff costs	2014 ₦million	2013 ₦million
Stanbic IBTC Equity Growth Scheme	492	908
Parent company share incentive schemes**	129	73
Deferred bonus scheme (DBS)	477	232
	1,098	1,213
Liabilities recognised in other liabilities		
Stanbic IBTC Equity Growth Scheme	1,245	1,159
Deferred bonus scheme	574	380
	1,819	1,539

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

(a) Stanbic IBTC Equity Growth Scheme

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

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

The terms and conditions of the grants are as follows.

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

Stanbic IBTC Equity Growth Scheme (continued)

	Units	
	2014	2013
Reconciliation		
Units outstanding at beginning of the year	158,269,427	219,110,923
Granted	-	-
Transferred out	-	-
Forfeited	(9,630,504)	(42,829,525)
Exercised	(58,947,850)	(18,011,971)
Lapsed	-	-
Units outstanding at end of the year	89,691,073	158,269,427

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

	2014	2013
Weighted average fair value at grant date (₦) – Rights granted 1 March 2010	15.30	15.30
Weighted average fair value at grant date (₦) – Rights granted 1 March 2011	17.83	20.06
Expected life (years)	2.07	5.07
Expected volatility (%)	35.03	37.34
Risk-free interest rate (%)	15.81	13.09
Dividend yield (%)	3.57	3.75

Notes to the annual financial statements (continued)

(b) Parent company share incentive schemes

Share options and appreciation rights

A number of employees of the group participate in the Standard Bank Group's share schemes. There are two equity-settled schemes, namely the Group Share Incentive Scheme and the Equity Growth Scheme. The Group Share Incentive Scheme confers rights to employees to acquire ordinary shares at the value of the Standard Bank Group share price at the date the option is granted. The Equity Growth Scheme was implemented in 2005 and allocates appreciation rights to employees. The eventual value of the right is settled by receipt of value of shares equivalent to the full value of the rights.

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

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

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

(b)(i) Group share incentive scheme – share options

	Option price range		Number of options	
	2014 (ZAR)	2014 (Naira)	2014	2013
Options outstanding at beginning of the period			436,550	469,000
Transfers	40,65-111,94	639-1,759	(53,450)	219,900
Exercised	40,65-111,94	639-1,759	(104,200)	(161,400)
Lapsed				(90,950)
Options outstanding at the end of the period			278,900	436,550

The weighted average SBG share price for the period to 31 December 2014 was ZAR135.92 (₦2,135) ((December 2013: ZAR 115.39 (₦1,747)).

The following options granted to employees had not been exercised at 31 December 2014:

	Option price range		Weighted average price		
No. of ordinary shares	**(ZAR)**	**(Naira)**	**(ZAR)**	**(Naira)**	**Option expiry period**
5,300	98,00	1,540	98,00	1,490.58	Year to 31 Dec 2017
89,950	92,00	1,445	92,00	1,399.32	Year to 31 Dec 2018
21,650	62,39	980	62,39	948.95	Year to 31 Dec 2019
82,625	104,53 - 111,94	1,642-1,759	106,24	1,615.91	Year to 31 Dec 2020
79,375	98,80 - 103.03	1,552-1,619	99,72	1,516.74	Year to 31 Dec 2021
278,900					

The following options granted to employees had not been exercised at 31 December 2013:

	Option price range		Weighted average price		Option expiry period
No. of ordinary shares	(ZAR)	(Naira)	(ZAR)	(Naira)	
4,600	79,50	1,204	79,50	1,203.63	Year to 31 Dec 2016
7,800	98,00	1,484	98,00	1,483.72	Year to 31 Dec 2017
131,500	92,00	1,392.88	92,00	1,392.88	Year to 31 Dec 2018
55,100	62,39	945	62,39	944.58	Year to 31 Dec 2019
122,550	104,53 - 111,94	1,582.58-1,694.77	106,24	1,608.47	Year to 31 Dec 2020
115,000	98,80 - 103.03	1,495.83-1,559.87	99,72	1,509.76	Year to 31 Dec 2021
436,550					

(b)(ii) Equity Growth Scheme – Appreciation rights

	Appreciation right price range		Number of rights	
	2014 (ZAR)	2014 (Naira)	2014	2013
Rights outstanding at beginning of the year			197,438	134,725
Transfers	62,39-111,94	980-1,759	(122,388)	111,025
Exercised	62,39-111,94	980-1,759	(16,800)	(47,062)
Lapsed	62,39	980		(1,250)
Rights outstanding at end of the period			58,250	197,438

The following options granted to employees had not been exercised at 31 December 2014:

	Price range		Weighted average price		
Number of rights	**(ZAR)**	**(Naira)**	**(ZAR)**	**(Naira)**	Expiry period
6,500	79,50	1,249	79,50	1,249	Year to 31 December 2016
6,000	98,00	1,540	98,00	1,540	Year to 31 December 2017
6,000	92,00	1,445	92,00	1,445	Year to 31 December 2018
18,500	62,39-82,50	980-1,296	67,90	1,067	Year to 31 December 2019
8,750	111,94	1,759	111,94	1,759	Year to 31 December 2020
12,500	98,80	1,552	98,80	1,552	Year to 31 December 2021
58,250					

Notes to the annual financial statements (continued)

The following rights granted to employees had not been exercised at 31 December 2013:

	Price range		Weighted average price		
Number of rights	(ZAR)	(Naira)	(ZAR)	(Naira)	Expiry period
11,000	65,60	-	65,60	993.18	Year to 31 December 2015
22,500	79,50	-	79,50	1,203.63	Year to 31 December 2016
19,563	98,00	-	98,00	1,483.72	Year to 31 December 2017
34,500	92,00	-	92,00	1,392.88	Year to 31 December 2018
64,250	62,39-82,50	-	65,05	991.67	Year to 31 December 2019
33,125	111,94	-	111,94	1,694.77	Year to 31 December 2020
12,500	98,80	-	98,80	1,495.83	Year to 31 December 2021
197,438					

(c) Deferred bonus scheme (DBS)

It is essential for the group to retain key skills over the longer term. This is done particularly through share-based incentive plans. The purpose of these plans is to align the interests of the group, its subsidiaries and employees, as well as to attract and retain skilled, competent people.

The group has implemented a scheme to defer a portion of incentive bonuses over a minimum threshold for key management and executives. This improves the alignment of shareholder and management interests by creating a closer linkage between risk and reward, and also facilitates retention of key employees.

All employees, who are awarded short-term incentives over a certain threshold, are subject to a mandatory deferral of a percentage of their cash incentive into the DBS. Vesting of the deferred bonus occurs after three years, conditional on continued employment at that time. The final payment of the deferred bonus is calculated with reference to the Standard Bank Group share price at payment date. To enhance the retention component of the scheme, additional increments on the deferred bonus become payable at vesting and one year thereafter. Variables on thresholds and additional increments in the DBS are subject to annual review by the remuneration committee, and may differ from one performance year to the next.

	Units	
Reconciliation of outstanding units	**2014**	2013
Units outstanding at beginning of the year	33,482	34,494
Granted	-	-
Exercised	(22,688)	-
Transfers	(3,474)	-
Lapsed	-	(1,012)
Units outstanding at end of the year	7,320	33,482

Weighted average fair value at grant date (R)	98.80	87.93
Expected life (years)	3.00	3.00
Risk-free interest rate (%)	6.90	5.54
Dividend yeild (%)	3.80	3.63

Deferred bonus scheme 2012 (DBS 2012)

In 2012, changes were made to the DBS to provide for a single global incentive deferral scheme accross the Standard Bank Group (SBG). The purpose of the Deferred Bonus Scheme 2012 is to encourage a longer-term outlook in business decision-making and closer alignment of performance with long-term value creation.

All employees granted an annual performance award over a threshold have part of their award deferred. The award is indexed to the SBG's share price and accrues notional dividends during the vesting period, which are payable on vesting. The awards vest in three equal amounts at 18 months, 30 months and 42 months from the date of award. The final payout is determined with reference to the SBG's share price on vesting date.

	Units	
Reconciliation	**2014**	2013
Units outstanding at beginning of the year	230,113	147,807
Granted	209,732	132,481
Exercised	(35,213)	(48,807)
Transfers	(80,877)	-
Lapsed	-	(1,368)
Units outstanding at end of the year	323,755	230,113

Weighted average fair value at grant date (R)	119.22	115.51
Expected life (years)	2.51	2.51
Risk-free interest rate (%)	6.78	5.54

30. Emoluments of Stanbic IBTC Holdings PLC directors

	2014 ₦million	2013 ₦million
Executive directors		
Emoluments of directors in respect of services rendered[1]:		
While directors of Stanbic IBTC Holdings PLC		
- as directors of the company and/or subsidiary companies	63	73
- otherwise in connection with the affairs of Stanbic IBTC Holdings PLC or its subsidiaries	-	-
Non-executive directors		
Emoluments of directors in respect of services rendered:		
While directors of Stanbic IBTC Holdings PLC		
- as directors of the company and/or subsidiary companies	119	178
- otherwise in connection with the affairs of Stanbic IBTC Holdings PLC or its subsidiaries	-	-
Pensions of directors and past directors	6	2
	188	253

[1] *In order to align emoluments with the performance to which they relate, emoluments reflect the amounts accrued in respect of each period and not the amounts paid.*

	2014 ₦million	2013 ₦million
Emoluments disclosed above include amounts paid to:		
(i) the chairman	52	46
(ii) the highest paid director	63	52

Notes to the annual financial statements (continued)

31. Taxation

	Group		Company	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
Income tax (note 31.1)	8,005	3,844	(238)	(116)
	8,005	3,844	(238)	(116)
31.1 Income tax				
Current period	8,005	3,844	(238)	(116)
Current tax	8,806	6,326	128	2
Deferred tax	(801)	(2,482)	(366)	(118)
	8,005	3,844	(238)	(116)
Taxation per statement of profit or loss				
Income tax recognised in other comprehensive income	-	-		
Deferred tax	-	-	-	-
Current tax	-	-	-	-
Taxation per total comprehensive income	8,005	3,844	**(238)**	(116)

31.2 Rate reconciliation

	Group		Company	
	2014 %	2013 %	**2014 %**	2013 %
Rate reconciliation including indirect and direct tax				
The total tax charge for the year as a percentage of profit before taxation	20	16	(2)	(1)
Information technology levy	(1)	(1)	(1)	-
Education tax	(1)	(1)	-	-
The corporate tax charge for the year as a percentage of profit before tax	18	14	(3)	(1)
Tax relating to prior years	1	1	-	-
Net tax charge	19	15	(3)	(1)
The charge for the year has been reduced/(increased) as a consequence of:				
Dividend received	-	-	32	31
Income from government securities	13	16	-	-
Other non-taxable income	-	-	-	-
Other permanent differences	(2)	(1)	1	-
Standard rate of tax	30	30	30	30

31.3 Income tax recognised in other comprehensive income

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

Group	**Before tax ₦million**	**Tax (expense) /benefit ₦million**	**Net of tax ₦million**
31 December 2014			
Net change in fair value of available-for-sale financial assets	(1,685)	-	(1,685)
Realised fair value adjustments on available-for-sale financial assets transferred to profit or loss	14	-	14
	(1,671)	-	(1,671)
31 December 2013			
Net change in fair value of available-for-sale financial assets	408	-	408
Realised fair value adjustments on available-for-sale financial assets transferred to profit or loss	(153)	-	(153)
	255	-	255

32. Earnings per ordinary share

	Group		Company	
	2014 ₦million	2013 ₦million	**2014 ₦million**	2013 ₦million
The calculation of basic earnings per ordinary share has been based on the following profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding:				
Earnings based on weighted average shares in issue				
Earnings attributable to ordinary shareholders	29,293	18,610	13,136	8,332
Weighted average number of ordinary shares in issue (number of shares)				
Weighted average number of ordinary shares in issue	10,000	10,000	10,000	10,000
Basic earnings per ordinary share (kobo)	293	186	131	83

Diluted earnings per ordinary share

Basic earnings per ordinary share equals diluted earnings per share as there are no potential dilutive ordinary shares in issue.

Notes to the annual financial statements (continued)

33. Statement of cash flows notes

	Group		Company	
33.1 Increase/(decrease) in assets	**2014 ₦million**	2013 ₦million	**2014 ₦million**	2013 ₦million
Net derivative assets	(1,742)	496	-	-
Trading assets	(55,634)	74,166	-	-
Pledged assets	(9,439)	(293)	-	-
Loans and advances	(26,317)	(95,679)	-	-
Other assets	(1,893)	2,942	(1,502)	(122)
Restricted balance with the Central Bank	(40,012)	(11,083)	-	-
	(135,037)	(29,451)	(1,502)	(122)
33.2 Increase/(decrease) in deposits and other liabilities				
Deposit and current accounts	86,614	85,987	-	-
Trading liabilities	18,323	(21,411)	-	-
Other liabilities and provisions	16,121	17,570	(1,001)	2,548
	121,058	82,146	(1,001)	2,548
33.3 Cash and cash equivalents				
Cash and cash equivalents (note 7)	143,171	120,312	784	2,722
Less: restricted balance with the Central Bank of Nigeria	(91,615)	(51,603)	-	-
Cash and cash equivalents at end of the year	51,556	68,709	784	2,722

34. Related party transactions

34.1 Parent and ultimate controlling party

Standard Bank Group ('SBG') of South Africa is the ultimate parent holding company of Stanbic IBTC Holdings PLC.

34.2 Subsidiaries

Details of effective interest in subsidaries are disclosed in Note 13.

Stanbic IBTC Bank PLC	100%
Stanbic IBTC Ventures Limited ('SIVL')	100%
Stanbic IBTC Capital Limited	100%
Stanbic IBTC Asset Managers Limited ('SIAML')	100%
Stanbic IBTC Pension Managers Limited ('SIPML')	70.59%
Stanbic IBTC Investments Limited ('SIIL')	100%
Stanbic IBTC Stockbrokers Limited ('SISL')	100%
Stanbic IBTC Trustees Limited ('SITL').	100%

34.3 Key management personnel

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

	2014 ₦million	2013 ₦million
Key management compensation		
Salaries and other short-term benefits	694	699
Post-employment benefits	33	43
Value of share options and rights expensed	439	310
	1,166	1,052
The transactions below are entered into in the normal course of business.		
Loans and advances		
Loans outstanding at the beginning of the year	215	422
Net movement during the year	(15)	(207)
Loans outstanding at the end of the year	200	215

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 (2013: nil). The mortgage loans and instalment sale and finance leases are secured by the underlying assets. All other loans are unsecured.

Deposit and current accounts	**2014 ₦million**	2013 ₦million
Deposits outstanding at beginning of the year	717	574
Net movement during the year	(365)	143
Deposits outstanding at end of the year	352	717

Deposits include cheque, current and savings accounts.

Notes to the annual financial statements (continued)

Investments

Details of key management personnel's investment transactions and balances with Stanbic IBTC Holdings PLC are set out below.

Investment products	2014 ₦million	2013 ₦million
Balance at the beginning of the year	24	46
Net movement during the year	41	(22)
Balance at the end of the year	65	24

Shares and share options held	2014 Number	2013 Number
Aggregate number of share options issued to Stanbic IBTC key management:		
Share options held (Stanbic IBTC Holdings PLC scheme)	89,691,073	158,269,427
Share options held (ultimate parent company schemes)	278,900	436,550

34.4 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.

Some of the subsidiaries have entered into service agreements with other Standard Bank Group companies for the provision of marketing, technical and other support services. These agreements are entered into at rates prevailing market rates.

34.5 Transactions with Ultimate Holding company (Standard Bank Group)	2014 ₦million	2013 ₦million
Revenue		
Trading revenue - Income/(expense)	(456)	(592)
Net interest income - Income/(expense)	(1,891)	(580)
Total revenue earned	(2,347)	(1,172)
Operating expenses		
Information technology and professional fee	3,338	3,129
Loans		
Loans outstanding at the beginning of the period	21,392	25,647
Net loans received during the period	61,124	-4,255
Loans outstanding at the end of the period	82,516	21,392
Loans disclosed above are included in the statement of financial position as follows:		
Cash and cash equivalents	3,925	15,267
Loans to banks	8,814	6,125
Trading assets	69,777	-
Loans outstanding at the end of the period	82,516	21,392

34.5 Transactions with Ultimate Holding company (Standard Bank Group) (continued)

Deposits and other borrowings		
Deposits outstanding at the beginning of the period	99,256	49,248
Net deposits received/(repaid) during the period	(31,793)	50,008
Deposits outstanding at the end of the period	67,463	99,256
Deposits disclosed above are included in the statement of financial position as follows:		
Other borrowings	48,229	23,762
Trading liabilities	-	60,522
Deposits from banks	2,839	14,972
Deposits outstanding at the end of the period	51,068	99,256
Other liabilities and other assets		
Other liabilities	7,561	5,638
Other assets	432	2,648

Notes to the annual financial statements (continued)

35. Director and staff related exposures

The group has some exposures in terms of loans and advances to customers that are related to its directors and employees. These facilities were granted at rates and terms comparable to other facilities. There were no non-performing director related exposures as at balance sheet date (2013: Nil).

Below is a list of directors and staff related lending as at balance sheet date.

Schedule of directors and staff related credits

Name of Company/Individual	Relationship	Name of related interest	Facility type	Date granted	Expiry date	Approved credit limit ₦000	Outstanding plus accrued interest ₦000	Status	Interest rate	Perfected security: Security nature	Perfected security: Security value ₦000
Nigerian Breweries PLC	Former Chairman	Atedo Peterside	Term Loan	30 Aug 2014	28 Feb 2015	1,000,000	1,040,767	Performing	12.00%	Negative Pledge	-
Nigerian Breweries PLC	Former Chairman	Atedo Peterside	Term Loan	4 Aug 2014	2 Feb 2015	3,000,000	3,147,945	Performing	12.00%	Negative Pledge	-
Nigerian Breweries PLC	Former Chairman	Atedo Peterside	Term Loan	11 Nov 2014	9 Feb 2015	3,000,000	3,050,301	Performing	12.00%	Negative Pledge	-
Golden Sugar Company Limited	Former Chairman	Atedo Peterside	Term Loan	13 Nov 2014	12 Jan 2015	55,997	56,281	Performing	7.00%	Debenture on Fixed & Floating Asset	2,151,000
Golden Sugar Company Limited	Former Chairman	Atedo Peterside	Term Loan	6 Nov 2014	5 Jan 2015	101,298	101,886	Performing	16.00%	Debenture on Fixed & Floating Asset	2,151,000
Presco Plc	Former Chairman	Atedo Peterside	Term Loan	8 Nov 2013	12 Nov 2020	1,066,070	1,076,293	Performing	7.00%	Negative Pledge	-
MTN Nigeria Communications Ltd	Ex-Non Executive Director	Ahmed I Dasuki	Term Loan	22 May 2013	30 Nov 2019	2,500,000	1,667,325	Performing	14.40%	Negative Pledge	-
MTN Nigeria Communications Ltd	Ex-Non Executive Director	Ahmed I Dasuki	Term Loan	31 Mar 2014	29 Nov 2019	7,500,000	7,505,921	Performing	14.40%	Negative Pledge	-
Cadbury Nigeria PLC	Former Chairman	Atedo Peterside	Term Loan	-		65,616	67,146	Performing	14.5-14.9%	Letter of Comfort	-
Redeemers International School	Chief executive (HOLDCO)	Olusola David-Borha	Term Loan	28 Aug 2013	30 Jan 2016	19,000	11,044	Performing	24.00%	-	-
Atedo Peterside	Former Chairman	Atedo Peterside	Card	15 Apr 2013	15 Apr 2016	7,178	4,121	Performing	30.00%	Unsecured	-
Lilian Ifeoma Esiri	Non Executive Director (HOLDCO)	Lilian Ifeoma Esiri	Card	15 Apr 2013	15 Apr 2016	7,178	36	Performing	30.00%	Unsecured	-
Abajue Ifeoma & Obinnia	Executive	Obinnia Abajue	Card	2 Aug 2013	2 Aug 2016	7,155	244	Performing	30.00%	Unsecured	-
Abajue Ifeoma & Obinnia	Executive	Obinnia Abajue	Term Loan	7 Apr 2014	20 Apr 2018	20,000	17,502	Performing	30.00%	Unsecured	-
PPC Limited	Ex-Non Executive Director	Sam U Unuigbe / Ahmed I Dasuki	VAF	20 Jan 2012	29 Jan 2015	21,375	822	Performing	24.00%	Asset Financed	822
Various Staff	Staff	Various Staff	Staff Loan	-		9,740,398	5,461,390	Performing		-	-
		Total				**28,111,265**	**23,209,024**				**4,302,822**

Off balance sheet engagements

Name of Company	Relationship	Name of related interest	Facility type	Outstanding ₦000	Status
Golden Sugar Company Limited	Former Chairman	Atedo Peterside	Letter of credit	140,834	Performing
Flour Mills of Nigeria	Former Chairman	Atedo Peterside	Letter of credit	864,004	Performing
Nigerian Breweries PLC	Former Chairman	Atedo Peterside	Letter of credit	78,110	Performing
			Total	**1,082,948**	

Notes to the annual financial statements (continued)

36. Retirement benefit obligations

The group operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act 2004, with contributions based on the sum of employees' basic salary, housing and transport allowances in the ratio 8.0% by the employee and 10.0% by the employer. The amount contributed by the group and remitted to the Pension Fund Administrators during the period was ₦1,528 million (2013: ₦1,397 million).

The group's contribution to this scheme is charged to the income statement in the period to which it relates. Contributions to the scheme are managed by Stanbic IBTC Pension Managers Limited, and other appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act. Consequently, the group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

Details of transactions between the group's post-employment benefit plans (that is, the contributory pension scheme) are listed below:

	2014 ₦million	2013 ₦million
Deposits held with the group	40,203	4,000
Interest paid	666	711
Value of asset under management	12,303	11,087
Number of Stanbic IBTC Hodings shares held	Nil	Nil

37. Employees and Directors

a) Employees

	Group	
The average number of persons employed by the group during the year by category:	**2014 Number**	2013 Number
Executive directors	5	5
Management	441	429
Non-management	1,735	1,643
	2,181	2,077

Below ₦1,000,001	-	-
₦1,000,001-₦2,000,000	141	13
₦2,000,001-₦3,000,000	290	345
₦3,000,001-₦4,000,000	179	91
₦4,000,001-₦5,000,000	434	545
₦5,000,001-₦6,000,000	265	341
₦6,000,001 and above	872	742
	2,181	2,077

c) Disclosure on diversity in employment

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

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

(ii) Gender diversity within the group

	31 December 2014		31 December 2013	
	Workforce	**% of gender composition**	Workforce	% of gender composition
Total workforce:				
Women	888	41%	830	39%
Men	1,293	59%	1,274	61%
	2,181	100%	2,104	100%
Recruitments made during the year:				
Women	133	42%	94	32%
Men	186	58%	200	68%
	319	100%	294	100%
Diversity of members of board of directors – Number of Board members				
Women	3	43%	3	23%
Men	4	57%	10	77%
	7	100%	13	100%
Diversity of board executives – Number of Executive directors to Chief executive officer				
Women	1	20%	1	20%
Men	4	80%	4	80%
	5	100%	5	100%
Diversity of senior management team – Number of Assistant General Manager to General Manager				
Women	24	27%	23	28%
Men	66	73%	60	72%
	90	100%	83	100%

Notes to the annual financial statements (continued)

38. Compliance with banking regulation

The group was penalised by the Central Bank of Nigeria (CBN) during the period as follows:

- A fine of ₦2 million was imposed by the CBN for a contravention of the provisions of the Regulation on the scope of Banking Activities and Ancillary Matters No.3, 2010 and the CBN scope, Condition and Minimum Standards for Commercial Banking Regulations No. 01. 2010.
- A fine of ₦8 million was imposed on the group for failure to obtain the CBN's approval before employing two staff members at senior management level in 2009.
- A fine of ₦8 million was imposed on the group for contravening the CBN regulation on the Assessment Criteria for Approved Person's Regime for Financial Institutions.
- A fine of ₦10 million was imposed on the bank for under-reporting public sector deposits as at August 29, 2014 in contravention of the circulars on the review of cash reserve requirements for Deposit Money Banks dated July 25 2013 and September 5, 2013 respectively.

Annexure A: Statement of value added

	Group				Company			
	2014		2013		**2014**		2013	
	₦million	**%**	₦million	%	**₦million**	**%**	₦million	%
Gross earnings	130,611		111,226		14,320		9,137	
Interest paid:								
local	(24,159)		(24,279)					
foreign	(1,339)		(1,293)					
	(25,498)		(25,572)					
Administrative overhead:								
local	(29,059)		(29,061)		(821)		(440)	
foreign	(3,488)		(1,405)					
	(32,547)		(30,466)		(821)		(440)	
Provision for losses	(3,217)		(2,667)					
Value added	69,349	100	52,521	100	13,499	100	8,697	
Distribution								
Employees and Directors								
Salaries and benefits	25,779	37	23,851	45	455	3	456	5
Government								
Taxation	8,005	12	3,844	7	(238)	(2)	(116)	(1)
The Future								
Asset replacement (depreciation)	3,500		4,053		146		25	
Expansion (retained in the business)	32,065		20,773		13,136		8,332	
Total	35,565	51	24,826	48	13,282	99	8,357	96
	69,349	100	52,521	100	13,499	100	8,697	100

Annexure B: Financial summary

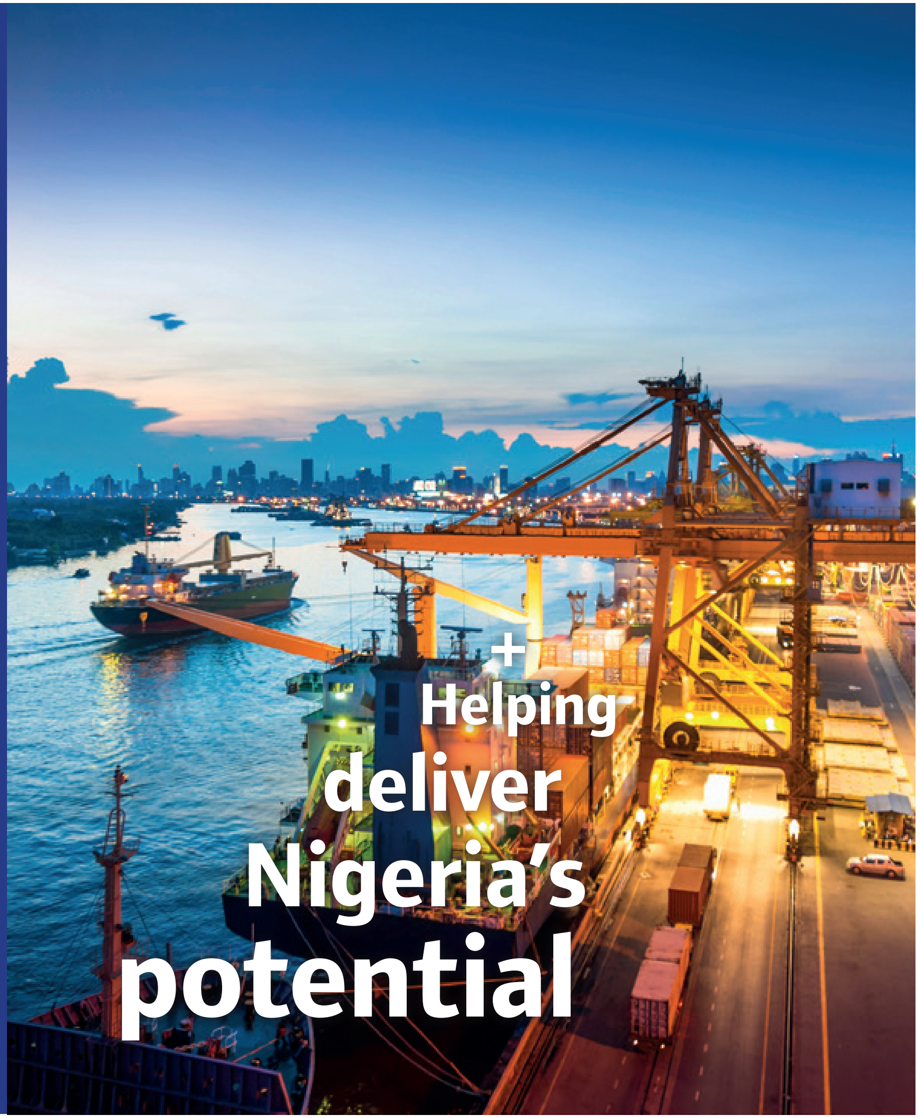
Statement of financial position

	Group					Company			
	2014 ₦million	2013 ₦million	2012 ₦million	2011 ₦million	2010 ₦million	**2014 ₦million**	2013 ₦million	2012 ₦million	2011 ₦million
Assets									
Cash and cash equivalents	143,171	120,312	106,680	30,074	10,048	784	2,722	2,625	-
Derivative assets	4,860	1,526	1,709	3,081	263	-	-	-	-
Trading assets	96,345	40,711	114,877	66,476	70,886	-	-	-	-
Pledged assets	34,172	24,733	24,440	19,501	18,573	-	-	-	-
Financial investments	204,502	139,304	85,757	88,877	29,203	58	-	-	-
Loans and advances to banks	8,814	94,180	24,571	46,051	33,291	-	-	-	-
Loans and advances to customers	398,604	289,747	266,344	256,720	176,679	-	-	-	-
Current and deferred tax assets	8,457	7,716	5,212	2,668	1,696	484	118	-	-
Equity Investment in group companies	-	-	-	-	-	69,151	68,951	68,951	-
Other assets	21,613	19,829	22,771	11,299	16,375	2,540	1,038	916	-
Intangible assets	-	-	-	5,036	4,559	-	-	-	-
Property and equipment	24,004	24,988	24,458	24,724	25,645	2,654	2,572	16	-
	944,542	763,046	676,819	554,507	387,218	75,671	75,401	72,508	-
Equity and liabilities									
Share capital	5,000	5,000	5,000	9,375	9,375	5,000	5,000	5,000	-
Reserves	105,052	89,313	78,341	70,492	76,227	67,990	66,846	66,503	-
Non-controlling interest	4,223	3,321	2,310	1,911	1,376	-	-	-	
Derivative liabilities	2,677	1,085	772	749	-	-	-	-	-
Trading liabilities	85,283	66,960	88,371	63,173	50,116	-	-	-	-
Deposits from banks	59,121	51,686	26,632	12,545	6,232	-	-	-	-
Deposits from customers	494,935	416,352	355,419	287,242	186,118	-	-	-	-
Other borrowings	70,151	48,764	66,873	47,618	18,272	-	-	-	-
Subordinated debt	22,973	6,399	-	-	-	-	-	-	-
Current and deferred tax liabilities	9,774	7,788	4,844	5,187	4,703	129	2	-	-
Other liabilities	85,353	66,378	48,257	56,215	34,799	2,552	3,553	1,005	-
	944,542	763,046	676,819	554,507	387,218	75,671	75,401	72,508	-
Acceptances and guarantees	65,563	44,817	44,817	37,752	14,861	-	-	-	-

Statement of profit or loss

	Group					Company			
	2014 ₦million	2013 ₦million	2012 ₦million	2011 ₦million	2010 ₦million	**2014 ₦million**	2013 ₦million	2012 ₦million	2011 ₦million
Net operating income	104,602	85,232	67,410	55,247		14,320	9,137	1,250	-
Operating expenses and provisions	(64,532)	(60,615)	(55,998)	(45,141)		(1,422)	(921)	(72)	-
Profit before tax	40,070	24,617	11,412	10,106		12,898	8,216	1,178	-
Taxation	(8,005)	(3,844)	(1,255)	(3,463)		238	116	(125)	-
Profit after taxation	32,065	20,773	10,157	6,643		13,136	8,332	1,053	-
Profit attributable to:									
Non-controlling interests	2,772	2,163	1,289	976		-	-	-	-
Equity holders of the parent	29,293	18,610	8,868	5,667		13,136	8,332	1,053	-
Profit for the period	32,065	20,773	10,157	6,643		13,136	8,332	1,053	-
Statistical information									
Earnings per share (EPS) - basic	293k	186k	50k	30k		131k	83k	11k	-

Other information



Management team

Jumoke Adejumobi
Financial Institutions

Aderenle Adesina
Research

Olaronke Agunbiade
Group real estate services

Funsho Akere
Stanbic IBTC Capital Ltd

Oyinda Akinyemi
Stanbic IBTC Capital Ltd

Shuaibu Audu
Stanbic IBTC Investments Ltd

Kobby Bentsi-Enchill
Stanbic IBTC Capital Ltd

Olawatobi Boshoro
E-Business

Bunmi Dayo-Olagunju
Stanbic IBTC Asset Management Ltd

Olu Delano
Corporate Banking

Steve Elusope
Stanbic IBTC Pension Managers Ltd

Eric Fajemisin
Stanbic IBTC Pension Managers Ltd

Abiodun Gbadamosi
PBB Channels

Jerry Gushop
Agriculture Banking

Malcolm Irabor
Head: Legal Services Stanbic IBTC Bank

Busola Jejelowo
Wealth Coverage

Dele Kuti
Oil, Gas and Renewables

Anton Marias
Corporate Banking

Binta Max-Gbinije
Stanbic IBTC Trustees Ltd

Management team

Yusufu Modibbo
Public Sector

Charles Molteno
PBB Credit

Samuel Ocheho
Global Markets

Bunmi Odunowo
Country Operations

Oluwatosin Odutayo
Finance

Titilope Ogungbesan
Stanbic IBTC Stockbrokers Ltd

Oyekola Olufemi
Stanbic IBTC Bureau de change

Adebayo Olujobi
Finance

Soji Omisore
Mining, Energy and Infrastructure

Lloyd Onaghinon
Business Banking

Akintunde Oyebode
Small and medium enterprises

Olumide Oyetan
Stanbic IBTC Asset management Ltd

Akeem Oyewale
Stanbic IBTC Nominees Ltd

Babayo Saidu
Non-interest Banking

Segun Sanni
Stanbic IBTC Nominees Ltd

Bolanle Shobowale
Customer Experience

Oladele Sotubo
Stanbic IBTC Stockbrokers Ltd

Adeola Soyoye
Procurement

Joyce Uredi
Personal Markets

Branch network

+FCT Abuja region

1. Ahmadu Bello Way branch
   Plot 1049, Ahmadu Bello Way
   Area 11, Garki, Abuja
2. Deidei branch
   Deidei-Gwaga road
   Deidei Abuja
3. Edo House branch
   No. 75, Ralph Sodeinde street
   Central Business District
   Garki, Abuja
4. Garki Area 3 branch
   11 Kaura Namoda street off
   Faskari crescent
   Garki Area 3, Abuja
5. Garki Model Market branch
   Plot CBN 2 Ladoke Akintola bvld
   Garki 11, Abuja
6. Grand Tower Mall Branch
   Shop 10, Grand Tower Mall
   Apo, Abuja
7. Gwagwalada branch
   Plot 415, Specialist Hospital road
   Gwagwalada, Abuja
8. Kubwa branch
   Plot No. CM71/72 Gado Nasko road
   Kubwa, Abuja
9. Maitama branch
   Plot 2777, Cadastral Zone A6
   Maitama District, Abuja
10. Nigerian Immigration Service Hqtrs
    Airport Road
    Sauka, Abuja
11. NNPC Complex branch
    Herbert Macaulay way
    Abuja
12. Utako branch
    Plot 37, Ekunkinam street
    (Opposite ABC Transport)
    Utako, Abuja
13. Wuse 11 branch
    Plot 1387, Aminu Kano crescent
    Wuse 11, Abuja

+ Lagos Island region

1. Adetokunbo Ademola branch
   No. 76, Adetokunbo Ademola street
   Victoria Island, Lagos
2. Afribank Street branch
   Churchgate Towers
   Plot 30, Afribank street
   Victoria Island, Lagos
3. Ajah branch
   Mega Wave Plaza
   4A Addo roundabout
   Off Badore road, Ajah
   Lagos
4. Ajose Adeogun branch
   Plot 290E Ajose Adeogun street
   Victoria Island, Lagos
5. Awolowo Road branch
   No. 85, Awolowo road, Ikoyi
   Lagos
6. Federal Palace Hotel branch
   Ahmadu Bello way
   Victoria Island, Lagos
7. Idejo branch
   Plot 1712, Idejo street
   Victoria Island, Lagos
8. Idumagbo branch
   No. 16, Idumagbo Avenue
   Lagos
9. Ikota branch
   Shop 167-194, Block 1
   Ikota Shopping Complex
   Ajah, Lagos
10. Karimu Kotun branch
    Plot 1321B, Karimu Kotun street
    Victoria Island, Lagos
11. Lekki Admiralty branch
    Plot A Block 12E, Admiralty way
    Lekki Phase 1
    Lekki, Lagos
12. Lekki-Ajah Expressway branch
    Km 18, Lekki-Epe Expressway
    Agungi, Lekki
    Lagos
13. Lekki Phase 1 branch
    The Palms Shopping Complex
    Lekki, Lagos
14. Martins Street branch
    No. 19, Martins Street
    Lagos
15. Oke Arin branch
    120, Alakoro Street, Oke Arin
    Lagos Island, Lagos
16. Walter Carrington branch
    IBTC Place
    Walter Carrington Crescent
    Victoria Island, Lagos

+ Lagos Mainland region

1. Abule Egba branch
   633, Lagos Abeokuta Expressway
   Abule Egba, Lagos
2. Agege branch
   173, Old Abeokuta motor road
   Agege, Lagos
3. Aguda Branch
   1/3 Enitan Street, Aguda
   Surulere, Lagos
4. Ajegunle branch
   No. 11, Orodu street
   Ajegunle, Lagos
5. Akoka branch
   No. 100, St. Finbarr's road
   Akoka, Lagos state
6. Alaba branch
   H48/H49
   Alaba international market
   Ojo, Lagos
7. Alausa branch
   WAPCO Building, Alausa
   Ikeja, Lagos
8. Allen Avenue branch
   No. 80, Allen Avenue
   Ikeja, Lagos
9. Balogun Business Association branch
   Executive plaza, No.12, BBA market
   Trade fair complex
   Badagry, Lagos
10. Daleko branch
    Bank road, Daleko market
    off Isolo road
    Mushin, Lagos
11. Egbeda branch
    38, Shasha road
    Egbeda, Lagos
12. Ejigbo branch
    Isolo ikotun road
    Ejigbo, Lagos
13. Festac branch
    Gacoun shopping plaza
    23 road, off 2nd avenue
    Festac town, Lagos
14. Gbagada branch
    Plot 15, Diya Street Gbagada
    Kosofe, Lagos
15. Gbaja market branch
    No. 12, Gbaja market
    Surulere, Lagos
16. Herbert Macaulay branch
    No. 220, Herbert Macaulay way
    Yaba, Lagos
17. Igando branch
    No. 51, Lasu-Iba road
    Igando, Lagos
18. Ikeja City Mall branch
    Shop L55, Ikeja City Mall
    (Opposite Elephant House)
    Alausa, Ikeja, Lagos
19. Ikorodu branch
    No. 108, Lagos road
    Ikorodu, Lagos
20. Ikotun branch
    45 Idimu road
    Ikotun, Lagos
21. Ipaja branch
    142, Ipaja road
    Baruwa-Ipaja
    Lagos
22. Ketu branch
    463, Ikorodu road
    Ketu, Lagos
23. Lawanson branch
    35, Lawanson road
    Lawanson, Lagos
24. Maryland branch
    10, Mobolaji Bank Anthony way
    Maryland, Lagos
25. NAHCO Complex
    NAHCO Complex, MMIA
    Ikeja, Lagos
26. Nigeria Ports Authority branch
    Account block, NPA
    Wharf road, Apapa, Lagos
27. Oba Akran branch
    No. 20, Oba Akran Avenue
    Ikeja, Lagos
28. Ogba branch
    No. 32, Ijaiye road
    Ogba, Lagos
29. Ogudu branch
    54 Ogudu-Ojota road
    Ogudu, Lagos
30. Ojodu branch
    102 Isheri road
    Ojodu Berger, Lagos
31. Ojuwoye branch
    No. 214, Agege motor road
    Ojuwoye, Mushin, Lagos
32. Oko-Oba branch
    Abattoire Market, New Oko Oba
    Agege, Lagos
33. Okota branch
    Adenekan Mega Plaza
    Okota, Isolo
    Lagos
34. Opebi branch
    No. 43, Opebi road
    Ikeja, Lagos
35. Oshodi branch
    Plot 14A – Oshodi Apapa Express way
    Lagos
36. Osolo Way branch
    Ajao Estate
    (Beside ASCON Filling station)
    Isolo, Lagos
37. Oyingbo branch
    7, Coates street, Ebute metta
    Oyingbo, Lagos
38. Palms Avenue branch
    103, Ladipo street
    Mushin, Lagos
39. Shomolu branch
    22 Market street
    Shomolu, Lagos
40. Surulere branch
    39, Adeniran Ogunsanya street
    Surulere, Lagos
41. Tejuosho branch
    77, Ojuelegba road
    Yaba, Lagos
42. Tin can branch
    Suite 7 and 27, container complex
    Lagos
43. Toyin street branch
    No. 36A, Toyin street
    Ikeja, Lagos
44. Trade fair branch
    International trade fair complex
    ASPAMDA plaza
    Alaba, Lagos
45. Warehouse road branch
    No. 10/12, Warehouse road
    Apapa, Lagos
46. Yinka folawiyo branch
    No. 38, warehouse road
    Folawiyo plaza
    Apapa, Lagos

+ North Central region

1. Bauchi branch
   16, Yandoka Road, Bauchi
   Bauchi State
2. Jos branch
   No.34, Ahmadu Bello way
   Jos, Plateau state
3. Kontagora branch
   Lagos-Kaduna road
   Kontagora
   Niger State
4. Lokoja branch
   IBB Way, Opposite new Specialist
   Hospital
   Lokoja, Kogi State
5. Mararaba branch
   Shop No 1A Kwad Shopping Complex
   at Mararaba Gurku along Keffi
   Abuja
6. Minna branch
   Paiko road, Minna
   Niger State
7. Nyanyan branch
   Bomma Plaza
   Abuja-Keffi expressway, Nyanyan
   Nassarawa State
8. Suleja branch
   Minna road
   Opposite Forec A Division, Suleja
   Niger State

Branch network (continued)

+North East region

1. Bauchi branch
   No. 16, Yandoka road
   Bauchi state
2. Damaturu branch
   Plot 591A, Njiwaji layout
   Damaturu, Yobe state
3. Gombe branch
   No. 1, Biu road
   Gombe state
4. Jalingo branch
   22 Hammaruwa way, Jalingo
   Taraba State
5. Lafia branch
   Plot 1, Jos road, Lafia
   Nassarawa State
6. Maiduguri branch
   No. 38, Baga road
   Maiduguri, Borno State
7. Markurdi branch
   No 12, Ali Akilu road
   Makurdi,Benue state
8. Otukpo branch
   Enugu-Markurdi road, Otukpo
   Benue State
9. Yola branch
   No. 1, Muhammad Mustapha way
   Jimeta, Yola, Adamawa State

+ North West region

1. Bello road branch
   No. 13, Bello road, Kano
   Kano state
2. Birnin-Kebbi branch
   No. 68, Ahmadu Bello Way
   Birnin-Kebbi, Kebbi state
3. Dutse branch
   Plot 14/15, Sanni Abacha Way
   Dutse, Jigawa state
4. Gusua branch
   No. 10 Sanni Abacha road
   Gusua, Zamfara state
5. Hotoro market branch
   No. 4 Maiduguri road, Kano
   Kano state
6. Kachia road branch
   No. 7A, Kachia road, Kaduna south
   Kaduna state
7. Kaduna branch
   No. 14, Ahmadu Bello Way
   Kaduna, Kaduna state
8. Kaduna Central Market branch
   No. 001 Bayajida road
   Central Market, Kaduna North
   Kaduna state
9. Kasuwa Barci branch
   AH6 Kasuwa Barci, Tundun Wada
   Kaduna, Kaduna state
10. Katin Kwari branch
    71A, Fagge ta Kudu (Opposite Kanti
    Kwari Market)
    Kano, Kano State
11. Katsina branch
    No. 175, Kurfi House, IBB Way
    Katsina, Katsina state
12. Kawo Mando branch
    Kawo-Zaria road
    Kawo Market, Kaduna
    Kaduna State
13. KSC Bank road branch
    No. 4 Bank Road
    Kano, Kano state
14. PPMC/NNPC branch
    Kaduna Refining and
    Petrochemical complex
    Sabon Tasha road, Kaduna South
    Kaduna state
15. Sabon Gari branch
    7A, Amino road
    Sabongari, Zaria
    Kaduna State
16. Sabon Gari branch
    No. 4A Galadima Road
    Sabon Gari, Kano
17. Sabon Tasha branch
    No. 32, Kachia road, Sabon Tasha
    Kaduna, Kaduna state
18. Samaru branch
    2 Sokoto road, Samaru
    Zaria, Kaduna state
19. Shauchi branch
    1, Rimi Quarters, Umma Bayero road
    Kano, Kano state
20. Sokoto branch
    No. 8, Maiduguri road
    Sokoto, Sokoto state
21. Zaria branch
    No. 9, Kaduna road
    Zaria, Kaduna state
22. Zaria City branch
    No. 90 Anguwan
    Mallam Sule Kasuwa
    Zaria, Kaduns State

+ South East region

1. Aba Main branch
   No. 7, Aba-Owerri road
   Abia state
2. Aba Market branch
   No. 7, Duru Street, off Cemetry road
   Aba, Abia state
3. Abakaliki branch
   10 Ogoja road,Abakaliki
   Ebonyi State
4. Airport road branch
   23, Ogunu – Airport Road, Warri
   Delta State
5. Ariaria Market branch
   189 Faulks road, Ariaria market
   Aba, Abia state
6. Asaba branch
   206, Nnebisi Road
   Asaba
7. Awka branch
   No. 49, Zik avenue
   Awka, Anambra state
8. Benin City branch
   71, Apkakpava Street, Benin City
   Edo State
9. Calabar branch
   71, Ndidem Isong Road, Calabar
   Cross River State
10. Enugu branch
    No. 252, Ogui Road
    Enugu, Enugu state
11. Enugu Polo Mall branch
    Shop 54, Polo Park Mall
    Abakaliki road, Enugu
    Enugu State
12. Head-bridge branch
    No. 56, Port Harcourt road
    Onitsha, Anambra state
13. Ikom branch
    28 Calabar Road, Ikom
    Cross River State
14. New Benin branch
    136, Upper Mission Road
    New Benin Market, Benin
15. Onitsha branch
    No. 13, Bright street
    Onitsha, Anambra state
16. Owerri branch
    No. 8, Wetheral road
    Owerri, Imo state
17. Sapele road branch
    No. 131A Sapele Road, Benin
    Edo State
18. Umuahia branch
    2 Market road, Umuahia
    Abia State
19. Uniben – Ugbowo branch
    Bank Road, University of Benin
    Edo state
20. WATT Market branch
    CITA House Complex, 54 Bedwell Street
    Calabar
21. Warri branch
    84, Warri/Sapele Road, Warri
    Delta State

+ South South region

1. Aba Road PH branch
   171, Aba Road
   Port Harcourt
2. Artillery branch
   234, Aba road
   Artillery, Port Harcourt
   Rivers State
3. Eleme Petrochemical branch
   EPCL Complex
   Port Harcourt, Rivers state
4. Olu Obasanjo branch
   No. 133A, Olu Obasanjo road
   Port Harcourt, Rivers state
5. Olu Obasanjo road branch
   No. 58, Olu Obasanjo Road
   Port Harcourt, Rivers state
6. Onne branch
   Oil and Gas Free Zone Authority
   Federal Ocean Terminal road, Onne
   Rivers State
7. Oyigbo branch
   Aba – Port Harcourt road, Oyigbo
   Rivers State
8. Port Harcourt Airport branch
   International Airport, Port Harcourt
   Rivers state
9. Trans Amadi branch
   No. 7, Trans Amadi road
   Port Harcourt, Rivers state
10. Trans Amadi 2 branch
    87 Trans Amadi road
    Port Harcourt
    Rivers State
11. Uyo Branch
    No. 5B, Nwaniba road
    Uyo, Akwa Ibom state
12. Yenagoa branch
    No. 623, Mbiama-Yenagoa road
    Yenagoa, Bayelsa state

Branch network (continued)

+South West region

1. Abeokuta branch
No. 2A , Lantoro road, Isale-Ake
Abeokuta, Ogun state

2. Ado-Ekiti branch
Ado/Iyin express (old secretariat) rd
Ado-Ekiti, Ekiti state

3. Agbara branch
Agbara Estate Shopping Mall
Agbara, Ogun state

4. Agodi Gate branch
Inaolaji Business Complex
Agodi Gate, Ibadan
Oyo state

5. Akure branch
Great Nigerian Insurance House
Owo/Ado Ekiti road
Akure, Ondo State

6. Aleshinloye branch
Shop 37-39, Nigerian Army Post
Service Housing Scheme, Phase 2
Eleyele road, Ibadan
Oyo state

7. Apata branch
Abeokuta-Ibadan road
Apata, Ibadan
Oyo state

8. Bodija market branch
Trans Wonderland
Opposite Bodija market
Secretariat road, Bodija
Ibadan, Oyo state

9. Gbagi branch
No. 15, Jimoh Odutola street
Ogunpa/Dugbe
Ibadan, Oyo state

10. Ibadan Main branch
UCH/Secretariat road
Total Garden, Ibadan
Oyo state

11. Ife branch
No. 5 Obalofun Lagere road
Lagere junction, Ile–Ife
Osun state

12. Ijebu-Ode branch
58 Ibadan road,
Ijebu-Ode, Ogun state

13. Ilesha branch
A198 Oshogbo road
Ishokun, Ilesha
Osun state

14. Ilorin branch
NO11, Unity Road (Amosan House)
Ilorin, Kwara State

15. Iwo Town branch
147, Ejigbo Road, Araromi – Sabo
Iwo Town, Osun State

16. Iwo road branch
32 Iwo road, (beside Tantalizers)
Ibadan, Oyo state

17. Iyana Church branch
Ibitola Plaza, Iyana Church
Ibadan, Oyo state

18. Kwara Mall branch
Kwara Mall, Ilorin

19. Mokola branch
No. 18B, Oyo road,
Mokola, Ibadan
Oyo state

20. New Gbagi Market branch
Bashmur and Ayimur Plaza
Old Ife road, Gbagi
Ibadan, Oyo state

21. Ogbomosho branch
Ogbomosho Ilorin road, Ogbomosho
Oyo State

22. Ojatuntun branch
A171 Abdulazeez Attah Road, Surulere
Ilorin, Kwara State

23. Ondo branch
62, Yaba road, Ondo
Ondo State

24. Orita Challenge branch
No 127 Orita challenge
Ibadan, Oyo state

25. Oshogbo branch
No. 201, Gbogan/Ibadan road
Oshogbo, Osun state

26. Oyo Town branch
Oyo- Ogbomosho road, beside Oyo
East Local Government Secretariat
Oyo Town, Oyo state

27. Ring road branch
18, Moshood Abiola Way
Ring road, Ibadan
Oyo state

28. Sagamu branch
167, Akarigbo street
Sagamu, Ogun state

29. Saki branch
Sango-Ajegunle road (beside Saki
West Local Government secretariat)
Saki, Oyo state

30. Sango-Otta branch
No. 101, Idi-iroko/Otta road
Sango-Otta, Ogun state

31. Sango Otta 2 branch
KM 38 Abeokuta Expressway
Sango Otta, Ogun state

31. Sapon branch
House 42a, Isale Igbehin
Sapon Abeokuta
Ogun state

32. University of Ibadan road branch
Sayora Building
University of Ibadan road
Ibadan, Oyo State

Contact information

Henry Anah
Head: Investor Relations

T: +234 1 4228742
E: henry.anah@stanbicibtc.com

Arthur Oginga
Chief Financial Officer

T: +234 1 4228746
E: arthur.oginga@stanbicibtc.com

Chidi Okezie
Company secretary

T: +234 1 4228695
E: chidi.okezie@stanbicibtc.com

Bolanle Shobowale
Customer Experience

T: +234 1 4226054
E: bolanle.shobowale@stanbicibtc.com

+ Registered address:

Stanbic IBTC Holdings PLC
I.B.T.C. Place
Walter Carrington Crescent
P. O. Box 71707
Victoria Island
Lagos
Nigeria

E: investor.relations@stanbicibtc.com