STANBIC IBTC NOMINEES LIMITED
FINANCIAL STATEMENT FOR THE YEAR ENDED
31 DECEMBER 2022

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Company Information

Registration number:	375064
Registered address:	I.B.T.C Place Walter Carrington Crescent Victoria Island Lagos Nigeria
Principal place of business:	I.B.T.C Place Walter Carrington Crescent Victoria Island Lagos Nigeria
Postal address:	P O Box 71707 Victoria Island Lagos Nigeria
Auditor:	PriceWaterhouseCoopers 5B Water Corporation Road Landmark Towers Victoria Island Lagos
Company Secretary:	Olugbenro Aju Email: olugbenro.aju@stanbicibtc.com

Directors' Report

In compliance with the Companies and Allied Matters Act (CAMA) 2020, the directors have pleasure in presenting their annual report on the affairs of Stanbic IBTC Nominees Limited ("the Company") together with the audited financial statements and the auditor's report for the year ended 31 December 2022.

Legal Form and Principal Activity

Stanbic IBTC Nominees Limited was incorporated on 06 March 2000 under the Companies and Allied Matters Act 2020 (CAMA) and is domiciled in Nigeria. The principal activity of the Company is investor services as well as acting as an agent of its parent company Stanbic IBTC Bank PLC in the execution of various mandates relating to the custody of assets.

In February 2013, the Company changed its name from Stanbic Nominees Nigeria Limited to Stanbic IBTC Nominees Limited.

Operating Results

The highlights of the company's operating results for the year ended 31 December 2022 were are follows:

	31 December 2022	31 December 2021
	N'000	N'000
Total Income	**1,204,205**	1,162,512
Profit before tax	**543,230**	705,205
	(205,070)	(233,514)
Profit for the year	**338,160**	471,691

Directors’ interest in contracts

For the purpose of section 303 of the Companies and Allied Matters Act, (CAMA), 2020, none of the directors have notified the Company of any direct or indirect interest in contracts or proposed contracts with the Company during the year.

Board of Directors

The Directors who held office during the year were:

Executive Directors

Babatunde Majiyagbe - Chief Executive

Directors' Report (continued)

Non-Executive Directors

Wole Adeniyi	- Chairman
Jesuseun Fatoyinbo	- Non-Executive Director
Rajesh Ramsundhar	- Non-Executive Director
Bunmi Dayo-Olagunju	- Non-Executive Director
Titilola Lawani	- Independent Non-Executive Director

Analysis of Shareholding

According to the register of members as at 31 December 2022 the spread of shareholding in the Company was as follows:

Analysis of shareholding

	Ordinary shares of N1 each	Percentage Holdings
Stanbic IBTC Bank Plc	99,999	99.9999%
Yinka Sanni	1	0.0001%
Total shareholding	100,000	100%

Donation

The Company did not make donations to any institution during the year (2021: nil).

Employment of disabled persons

The Company maintains 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 the 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 comprehensive medical, dental and optical cover enjoyed by all the staff of Stanbic Bank PLC and their dependants are also applicable to the staff of the Company.

Employee involvement and training

To ensure that it appropriately addressed employees' welfare and concerns throughout the period under review, the company:

a. kept staff informed of all matters affecting them and the Company in general and encouraged their contributions towards the development of staff policies;

b. held regular meetings to discuss the company's day to day operations, business focus and staff welfare issues; and

c. ensured that staff received continuous on-the-job training and also attended off-site training conducted by reputable third party facilitators.

Subsequent Events

There are no post balance sheet events which could have had a material effect on the state of affairs of the Company as at 31 December 2022.

Directors' Report (continued)

Independent Auditor

The auditors, Messrs. PricewaterhouseCoopers, having been duly appointed at the Parent Company's 9th Annual General Meeting held in May 2022, will continue in office as auditors until the next Annual General Meeting in 2023.

BY ORDER OF THE BOARD

Olugbenro Aju
Company Secretary
FRC/2021/002/00000024325
14 March 2023

Corporate Governance Report

Introduction

The Company is a wholly-owned subsidiary of Stanbic IBTC Bank PLC ("the Bank"). The Bank is a subsidiary of Stanbic IBTC Holdings PLC, a member of Standard Bank Group ("SBG"). SBG is committed to implementing initiatives that improve corporate governance for the benefit of all stakeholders. SBG's board of directors remains steadfast in implementing governance practices that comply with international best practice, where substance prevails over form. Subsidiary entities within SBG are guided by these principles in establishing their respective governance frameworks, which are aligned to SBG's standards in addition to meeting the relevant jurisdictional requirements in their areas of operation. Stanbic IBTC Bank PLC, and its subsidiaries, as a member of SBG, operate under a governance framework which enables the board to balance its role of providing oversight and Stanbic IBTC Nominees accordingly adopts and implements policies and governance standards that enables it align to the overall strategy of both the Bank and SBG.

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 Company complies with all applicable legislation, regulations, standards and codes.

Compliance with the Securities and Exchange Commission's Code of Corporate Governance

As a subsidiary of the Bank, Stanbic IBTC Nominees Limited confirms that throughout the year ended 31 December 2022, the Company complied with the principles set out in the Nigerian Code of Corporate Governance 2018 (NCCG) , the Securities and Exchange Commission's (SEC) Guidelines issued pursuant to the NCCG as well as the SEC Code of Corporate Governance, and the CBN Code of Corporate Governance. The Company applies the Code's principles of transparency, integrity and accountability through its own behavior, 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 and the Executive Committee.

Shareholders' Responsibilities

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

Developments during the year ended 31 December 2022

The Board appointed Mr. Jesuseun Fatoyinbo as a Non-Executive Director of the Company with effect from 21 February 2022. The appointment was approved at the Annual General Meeting of the Company which held in 12 May 2022.

The Company completed and submitted the Reporting Template to the Financial Reporting Council (FRC) in compliance with the Nigerian Code of Corporate Governance 2018.

The Annual General Meeting of the Company was held on 12 May 2022 at which the Company's 2021 Annual Report and Financial Statements were presented to and received by Shareholders.

The Board's Strategy Session was held in 07 November 2022 in accordance with Regulatory and Corporate Governance Best Practice Requirements.

Following the easing of the lockdown during the year under review, the Board started to operate physically, and all Board meetings and other Board activities were held physically and virtually (for those who could not attend physically).

Focus Areas for 2022

The Company focused on the continuous improvement of the Company's Corporate Governance profile in 2022.

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 the Chairman and Chief Executive are separate and distinct. The 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.

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 Company; local knowledge and networks; and financial, legal, entrepreneurial and banking skills. The credentials and demographic profile of the Board are regularly reviewed, to ensure the Board’s composition remains both operationally and strategically appropriate.

Appointment Philosophy

The appointment philosophy ensures alignment with all necessary legislation and regulations which include, but are not limited to the requirements of the Companies & Allied Matters Act as well as other Board appointment principles of the Bank and SBG.

Consideration for the appointment of directors and key executives take into account compliance with legal and regulatory requirements 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.

Board Responsibilities

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

- agree on the Company's objectives, strategies and plans for achieving those objectives;
- annually review the corporate governance process and assess achievements against objectives;
- review its mandate at least annually and approve recommended changes.
- delegate to the Chief Executive or any senior executive any of the powers, authorities and discretions vested in the Board of
- determine the terms of reference and procedures of the board 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 company to ensure financial integrity and safeguarding of the Company'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 policies;
- approve the remuneration of non-executive directors on the board;
- ensure that an adequate budget and planning process exists, performance is measured against budgets and plans, and approve annual budgets for the Company;
- approve significant acquisitions, mergers, take-overs, divestments of operating companies, equity investments and new strategic alliances by the Company;
- consider and approve capital expenditure recommended by the executive committee;
- consider and approve any significant changes proposed in accounting policy or practice;
- consider and approve the annual financial statements, quarterly results and dividend announcements and notices to shareholders, and consider the basis for determining that the Company 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 Management;
- take ultimate responsibility for regulatory compliance and ensure that management reporting to the board is comprehensive;
- ensure a balanced and understandable assessment of the Company's position in reporting to stakeholders;
- review non financial matters that have not been specifically delegated to management ; and
- specifically agree, from time to time, matters that are reserved for its decision, retaining the right to delegate any of these matters to Management and/or 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 and an Executive Committee. The Board delegates authority to the Chief Executive to manage the business and affairs of the Company. The Executive Committee assist 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 v. In addition, a governance framework for executive management assists the Chief Executive in his task. Board-delegated authorities are regularly monitored by the Company Secretary's office.

Board Effectiveness and Evaluation

The Board is focused on continued improvement in its corporate governance performance and effectiveness.

The Directors will undergo an evaluation by Independent Consultants. The report of the consultants will also assess the performance of the individual Directors on the Board for the year under review as perceived by the other Directors based on their individual competence, level of attendance to Board meetings, contribution and participation at these meetings and relationship with other Board members. Individual Director's assessment reports will be prepared and made available to each Director while a consolidated report of the performance of all Directors will also be submitted to the Chairman of the Board.

The performance of the Chairman and Chief Executive will also be assessed, providing a basis to set their remuneration.

Induction and Training

An induction programme designed to meet the needs of each new director is being implemented. One-on-one meetings are scheduled with management to introduce new directors to the company and its operations. The Company Secretary manages the induction programme. Applicable Codes and Regulations are 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 ongoing 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 year. These trainings were aimed at enhancing the understanding of key issues, and skills of Directors.

Executive Committee Members

As at 31 December 2022, Executive Committee comprised 5 members drawn from key functions within the Company.

S/N	Name	Responsibility
1	Babatunde Majiyagbe	Chief Executive
2	Temitayo Olusanya	Head, Business Operations
3	Ademilola Aluko	Head, Business Development, Relationship Management
4	Olaide Badmus- Aribatise	Chief Finance & Value Management Officer
5	Olugbenro Aju	Company Secretary

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 November 2022. Directors, in accordance with the Articles of Association of the Company, attend meetings either in person or via tele / video conferencing.

Directors are provided with comprehensive board documentation at least seven days prior to each of the scheduled meetings. Below is Directors Board meetings attendance register in 2022.

	Feb	May	August	November
Wole Adeniyi	√	√	√	√
Bunmi Dayo-Olagunju	√	√	√	√
Babatunde Majiyagbe	√	√	√	√
Titilola Lawani ***	√	√	√	√
Jesuseun Fatoyinbo*	A*	√	√	√
Rajesh Ramsundhar	√	√	A	√
Inwang Akpan	A**	A**	A**	A**

√ = Attendance
A* = Absent — Appointed as a Non- Executive Director on 21 February 2022
A**= Absent — Resigned as a Non-Executive Director from the Board on 21 February 2022
*** Independent Director

Remuneration

Introduction

The purpose of this section is to provide stakeholders with an understanding of the remuneration philosophy and policy applied by the Company for Executive Management, Employees, and Directors (Executive and Non-Executive).

Remuneration Philosophy

The Board has established a remuneration philosophy which is guided by the Bank as well as SBG's philosophy and policy as well as the specific social, regulatory, legal and economic context of Nigeria.

In this regard, the Company 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 Company'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 Company'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.

A key success factor for the company is its ability to attract, retain and motivate the talent it requires to achieve its strategic and operational objectives. The company'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

Stanbic IBTC Bank PLC 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. This consideration applies to all subsidiaries of the Bank.

The Bank accordingly monitors the implementation of remuneration policies across all its subsidiaries, 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 in the Annual General Meeting (AGM), although board appointments may be made between AGMs. Shareholders' approvals for such interim appointments are however sought at the AGM that holds immediately after such appointments are made. Non-Executive directors are required to retire in accordance with the provisions of the Companies and Allied Matters Act and may offer themselves for re-election. If recommended by the Board, their re-election is proposed to shareholders at the AGM at which they are retiring.

Fees

Independent Non-executive directors' receive fixed annual fees and sitting allowances for service on the board. 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.

Fees that were paid to Non- Executive Directors during the reporting period are as follows:

Category	**2022**	**2021**
	=N=	**=N=**
Independent Non-Executive Directors	4,500,000	4,000,000
Total	4,500,000	4,000,000
Sitting Allowances per Board Meetings		
Independent Non-Executive Directors	230,000	200,000

Retirement Benefits

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

Executive Directors

The Company had one Executive Director as at 31 December 2022.

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

Management and General Staff

Total remuneration packages for employees comprises the following:

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

Terms of Service

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

Fixed Remuneration

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

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

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

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

Short-Term Incentives

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

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

Long-term incentives

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

The scheme is designed to align the interests of the group, its subsidiaries and key employees, as well as to attract and retain skilled, competent people.

Post-retirement benefits

Pension

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

Remuneration as at 31 December 2022

The amounts specified below represent the total remuneration paid to executive and Non-Executive Directors for the period under review:

	Dec-22	Dec-21
	N'000	N'000
Annual Fees	4,500	4,000
Sitting Allowance per Board meetings	230	200
Executive Compensation	127,198	80,888
Total	131,928	85,088

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, as well as the ongoing training of Directors. All Directors have access to the services of the Company Secretary.

Going Concern

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.

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.

Voting at General Meetings is conducted either by 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.

Sustainability

The Company as a subsidiary of the Bank and a member of the Standard Bank Group (SBG) is committed to conducting business professionally, ethically, with integrity and in accordance with international best practice. To this end, the company subscribes to and adopts risk management standards, policies and procedures that are required to continue to run a sustainable business.

The Company 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 financial services to all cadres of the society and a promoter of gender equality. We would continue to make a difference in our environment through our activities to provide a brighter and better tomorrow.

Social Responsibility

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

The Company is therefore committed not only to the promotion of economic development but also to the strengthening of civil society and human well being. The Company is concentrating its social investment expenditure in defined focus areas which currently include education in order to make the greatest impact. These areas of focus will be subject to annual revision as the countries socio-economic needs change.

Ethics and Organisational Integrity

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

Disclosure on Diversity in Employment

The Company 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 Company 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 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.

Statement of directors' responsibilities in relation to the financial statements for the year ended 31 December 2022

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Babatunde Majiyagbe
Chief Executive
FRC/2018/IODN/00000018497
14 March 2023

Wole Adeniyi
Chairman
FRC/2013/ICAN/00000001074
14 March 2023

Certification by Chief Executive and Chief Financial Officer

for the year ended 31 December 2022

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

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

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

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

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

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

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

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

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

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

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

Babatunde Majiyagbe
Chief Executive
FRC/2018/IODN/000000184
14 March 2023

Olaide Badmus-Aribatise
Chief Financial Officer
FRC/2013/ICAN/00000001866
14 March 2023

pwc

Independent auditor's report

To the Members of Stanbic IBTC Nominees Limited

Report on the audit of the financial statements

Our opinion

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

What we have audited

Stanbic IBTC Nominees Limited's financial statements comprise:

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

Basis for opinion

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

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

Independence

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

Other information

The directors are responsible for the other information. The other information comprises the Company information, Directors' report, Corporate governance report, Statement of directors' responsibilities in relation to the financial statements, Certification by Chief Executive and Chief Financial Officer, Value added statement, Five year financial summary and Details of professional who provided services to the financial statements, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, 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.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0791508

Obioma Ubah

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

14 March 2023

Engagement Partner: Obioma Ubah
FRC/2013/ICAN/00000002002

Statement of financial position

As at	Note	**31 Dec 2022** *N'000*	31 Dec 2021 *N'000*
Assets			
Cash and cash equivalents	5	**923,020**	904,767
Receivables and other assets	6	**1,314,233**	1,336,944
Deferred tax asset	7	**23,316**	24,131
Property and Equipment	8	**3,141**	2,380
Total assets		**2,263,710**	2,268,222
Liabilities			
Tax payable	9 (a)	**215,239**	243,625
Other liabilities	10	**206,508**	185,794
		421,747	429,419
Equity			
Ordinary share capital	11(a)	**100**	100
Retained earnings		**1,841,863**	1,838,703
Total equity		**1,841,963**	1,838,803
Total liabilities and equity		**2,263,710**	2,268,222

The financial statements were approved by the Board of Directors on 14 March 2023 and signed on its behalf by:

Babatunde Majiyagbe
Chief Executive
FRC/2018/IODN/00000018497
14 March 2023

Wole Adeniyi
Director
FRC/2013/ICAN/00000001074
14 March 2023

Olaide Badmus-Aribatise
Chief Financial Officer
FRC/2013/ICAN/00000001866
14 March 2023

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

Statement of profit or loss and other comprehensive income

For the year ended	Note	31 Dec 2022	31 Dec 2021
		N'000	*N'000*
Custody fee income	12	**1,203,630**	1,162,539
Other income/(Loss)	19	**575**	(27)
Total income		**1,204,205**	1,162,512
Credit impairment (charge)/write back	15.1	**(789)**	**19,459**
Income after credit impairment charges		**1,203,416**	**1,181,971**
		(660,186)	**(476,766)**
Staff costs	14	**(485,715)**	**(345,765)**
Other operating expenses	15	**(174,471)**	**(131,001)**
Profit before tax		**543,230**	705,205
Income tax	9 (b)	**(205,070)**	(233,514)
Profit for the year		**338,160**	471,691
Other comprehensive income, net of income tax		**-**	**-**
Total comprehensive income for the year		**338,160**	471,691
Earnings per share (basic and diluted) - kobo	16	**338,160k**	**471,691k**

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

Statement of changes in equity
For the year ended

	Share capital	Retained earnings	Total
	N'000	*N'000*	*N'000*
Balance as at 01 January 2022	100	1,838,703	1,838,803
Total comprehensive income for the year	-	338,160	338,160
Dividend paid to equity shareholders (see note 17b)		(335,000)	(335,000)
Balance as at 31 December 2022	**100**	**1,841,863**	**1,841,963**

	Share capital	Retained earnings	Total
	N'000	*N'000*	*N'000*
Balance as at 01 January 2021	100	1,767,012	1,767,112
Total comprehensive income for the year	-	471,691	471,691
Dividend paid to equity shareholders(see note 17b)		(400,000)	(400,000)
Balance as at 31 December 2021	**100**	**1,838,703**	**1,838,803**

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

Statement of cash flows
for the year ended

	Notes	31 Dec 2022 *N'000*	31 Dec 2021 *N'000*
Net cash flows from operating activities		**355,924**	**632,705**
Cash flows used in operations		**588,565**	**897,475**
Profit before tax		**543,230**	**705,205**
Profit after tax		338,160	471,691
Add: taxation	9 (b)	205,070	233,514
Adjust for:			
Impairment Charge/(Credit)	15.1	789	(19,459)
Depreciation	8.2	2,416	2,380
(Profit)/Loss on disposal of computer equipment	13	(506)	78
Changes in operating asset & liabilities			
Decrease in other assets	17.1	21,922	271,971
Increase/(Decrease) in other liabilities	17.1	20,714	(62,700)
Direct taxation paid	9(a)	(232,641)	(264,770)
Net cash flows used in investing activities		**(2,671)**	**10**
Purchase of property and equipment	8.1	(3,247)	-
Proceed on disposal of property & Equipment	17.2	576	10
Net cash flows generated from financing activities		**(335,000)**	**(400,000)**
Dividend Paid	11(b)	(335,000)	(400,000)
Net increase in cash and cash equivalents	5	**18,253**	**232,715**
Cash and cash equivalents at beginning of the year		904,767	672,052
Cash and cash equivalents at end of the year		**923,020**	**904,767**

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

Notes to the financial statements

1. General information

Stanbic IBTC Nominees Limited was incorporated in Nigeria under the Companies and Allied Matters Act, (CAMA), 2020, as a limited liability company on 6 March 2000 to act as agent in providing custodial services to international and local clients of its parent company, Stanbic IBTC Bank Plc. The Company is domiciled in Nigeria with its registered office address at IBTC Place, Walter Carrington Crescent, Victoria Island, Lagos.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except where otherwise stated.

Historical cost is generally based on the amount of cash and cash equivalents paid or received or fair value of the consideration received or paid in exchange for assets and liabilities.

2.3 Functional and presentation currency

The financial statements are presented in Naira, which is the functional currency of the Company. Amounts have been rounded to the nearest thousand except where otherwise noted.

2.4 Use of estimates and judgements

Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses within the current and subsequent financial years. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are information about estimations made as at 31 December 2022 that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following note.

- Note 12.1a Measurement of ECL allowance for trade and other receivables.

Fair value of financial instruments

The fair value of financial instruments, such as unlisted debt and/or 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. The measurement of fair value of financial instruments did not have an impact on the Company.

Judgements

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

- Note 14 Depreciation and useful life of property and equipment

2.5 Changes in accounting policies

Except as decribed below, the Company has consistently applied the accounting policies as set out in Note 3 to all periods presented in these annual financial statements.

Notes to the financial statements
Changes in significant accounting policies (continued)

3. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

- **Interest rate benchmark reform (IBOR)**: Phase 2 Amendment to IFRS 9 Financial Instruments, IFRS 16 Leases, IAS 39 Financial Instruments: Recognition and Measurement (amendments) IFRS 4 Insurance contracts, IFRS 7 Financial Instruments: Disclosures, IFRS 16 Leases: requirements to enable companies to deal with its effect on financial instruments and to continue providing useful information to investors. The amendments require entities to update the effective interest rate to reflect the change to the alternative benchmark rate instead of derecognising or adjusting the carrying amount of financial instruments for changes required by the reform. An entity will not have to discontinue hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria. In addition, the amendments require companies to provide additional information to investors about new risks arising from the reform and how it manages the transition to alternative benchmark rates. The reform does not have an impact in the Company.

- **Adoption of amended standards effective for the current financial year**
- **Onerous contracts** –Cost of Fulfilling a Contract (Amendments to IAS37): The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated

- **Annual improvements 2018-2020 cycle**: The IASB has issued various amendments and clarifications to existing IFRS, none of which has a significant impact on the Company's annual financial statements. The company elected not to apply this practical expedient.

  The above mentioned amendments and interpretation to the IFRS standards, adopted on 1 January 2022, did not effect the company's previously reported financial results, disclosures or accounting policies and did not impact the Company’s results materially upon transition.

Notes to the financial statements (continued)

3. Significant accounting policies(continued)

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company 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 statement of profit or loss.

3.2 Provisions, contingent assets and contingent liabilities

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

A provision for onerous contracts is recognised when the expected benefits to be derived by the company from a contract is 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 Company 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 highly likely that economic benefits will flow to the Company, 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 Company's control.

3.3 Share-based payment transactions

(a) Equity-settled share based payments

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

On vesting of the equity-settled share based payments, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer.

(b) Cash-settled share based payments

Cash-settled share based payments are accounted for as liabilities at fair value until the date of settlement. The liability is recognised over the vesting period and is revalued at every reporting date up to and including the date of settlement. All changes in the fair value of the liability are recognised in operating expenses–staff costs.

3.4 Taxation

Current taxation includes all domestic and foreign taxes based on taxable profits. 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 other comprehensive income.

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.

3.4.2 Deferred tax

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 temporary difference below:

• 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;

• temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Notes to the financial statements (continued)

Significant accounting policies (continued)

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 profit 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.

3.4.3 Indirect tax

Indirect taxes, including non-recoverable value added tax (VAT) and other duties, are recognised in statement of profit or loss as operating expenses.

3.5 Equity

3.5.1 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.

3.5.2 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 note to the financial statements.

3.6 Custody fee income

The Company 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 are not recorded in the statement of financial position as they are not assets of the company. The value of these items is disclosed in note 10.
Custody fee income comprises of fees charged for safe keeping for clients with direct contracts with the parent company- Stanbic IBTC Bank PLC and non-proprietary clients' assets (see note 10) and are recognised as the related services are performed. Fees from clients directly contracted by the parent Company- Stanbic IBTC Bank PLC are recognized in accordance with the Management Service Agreement between the Company and Stanbic IBTC Bank PLC, while fees from non-proprietary clients are recognized in line with the substance of the relevant agreements and contracts with the non-proprietary clients. See Note 18.

3.6.1 Management fee expense

Management fee expense refers to fees paid to its Parent Company - Stanbic IBTC Bank PLC for management and administrative services rendered by the Bank to Stanbic IBTC Nominees. They are recognised in profit or loss as incurred in line with the Management Service Agreement with the Bank. Stanbic IBTC Nominees Limited (the Company) pays management and technical service fees equivalent to 10% (Dec 2021: 10%) of its net operating income (fee income less operating expenses) to Stanbic IBTC Bank PLC .

3.7 Significant accounting policies (continued)

3.7.1 Financial instruments

The relevant financial instruments are financial assets classified at amortised cost, fair value through OCI, fair value through Profit or Loss and financial liabilities.

Recognition and initial measurement – financial instruments

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

Financial assets

Amortised cost	A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): • held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and • The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss – default.
Fair value through OCI	Includes: • A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): — held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; and — the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss – default. • Equity financial assets which are not held for trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.
Designated at fair value through profit or loss	Financial assets are designated to be measured at fair value in the following instances: - to eliminate or significantly reduce an accounting mismatch that would otherwise arise
Fair value through profit or loss default	Financial assets that are not classified into one of the above-mentioned financial asset categories.

Notes to the financial statements

Significant accounting policies (continued)

3.7.2 Subsequent measurement

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

Financial assets-classification

Amortised cost	Amortised cost using the effective interest method with interest recognised in interest income, less any impairment losses which are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.
Fair value through OCI	Debt instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments,previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue. Interest income on debt financial asset is recognised in interest income in terms of the effective interest rate method. Dividends received are recognised in interest income within profit or loss. Equity instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income. Gains or losses on FVOCI equity are never taken to profit or loss. Dividends received on equity instruments are recognised in other revenue within non-interest income.
Designated at fair value through profit or loss	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.
Fair value through profit or loss default	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within interest revenue.

3.7.3 Impairment

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

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

Notes to the financial statements

Significant accounting policies (continued)

3.8 Impairment of financial assets

3.8 Assets carried at amortised cost

3.8.1 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 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.

Notes to the financial statements (continued)

3.9 significant accounting policies (continued)

3.9.1 Impairments of financial assets

IFRS 9 requires the use of an 'expected credit loss' (ECL) model. IFRS 9 expected credit loss impairment requirements contain the following key conditions:

• An expected credit loss impairment allowance is required to be recognised on financial assets that are measured on an amortised cost basis or debt instruments measured at fair value through other comprehensive income (OCI).

• IFRS 9 introduces a 3-bucket approach to calculating impairment on financial assets:

- Impairment losses on instruments included within bucket 1 are based on 12 month expected credit losses (i.e. the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within the 12 months after the reporting date). Assets are included within this bucket at initial recognition if they are not credit impaired (i.e. if they are not purchased or originated credit impaired financial assets). This is where all of the company's assets are expected to be classified since we do not expect them to become credit impaired due to the nature of these assets. These assets include treasury bills and mutual funds which have not history of default.

- Financial assets are included within bucket 2 when there has been a significant increase in credit risk since initial recognition and the assets do not have low credit risk. Impairment losses on assets included in bucket 2 are based on lifetime expected credit losses (i.e. the expected credit losses that result from all possible default events over the expected life of a financial instrument).

- One of the indicators for a financial asset to be included in bucket 3 is where there is evidence of default. As with loans in bucket 2, the impairment loss is based on lifetime expected credit losses (i.e. the expected credit losses that result from all possible default events over the expected life of a financial instrument).

• IFRS 9 requires interest income to be calculated based on the gross carrying amount for financial assets included within bucket 1 and 2 of the impairment model. The gross carrying amount of a financial asset is its amortised cost before deducting its impairment allowance. For financial assets within bucket 3 of the model, interest is required to be calculated based on the net carrying amount of the asset. The net carrying amount of a financial asset is its amortised cost after deducting its impairment allowance.

3.10 Significant increase in credit risk or low credit risk

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

• Change in the probability of default from initial recognition.

• A 30-day past due rebuttal, requiring exposures to be classified in bucket 2. It is however not considered sufficient to only look at arrears data such as days past due in considering whether there is a significant increase in credit risk and the company would need to assess for significant increase in credit risk through other means such as an adverse change in the financial standing and going concern of the counter party. Arrears data are used after exhausting all other methods of determining whether there has been a significant increase in credit risk.

• Other means of considering whether there is a significant increase in credit risk includes the evaluation of internal and external credit ratings as well as information from external credit bureaus. Information about the economic sector and geographical region of the borrower are also be taken into account.

3.10.1 Forward -looking information

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

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

Macro-economic forecast: In this stage, an alignment in the base / expected macro-economic outlook is created between the Company’s stress testing, budgeting and forward looking information for the IFRS expected credit loss impairment model.

Review of the outcome : In this stage the outcome of the model is reviewed by the relevant governance committee.

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

Notes to the financial statements (continued)

Significant accounting policies (continued)

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

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

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

Financial assets measured at fair value through OCI	Recognised in the fair value reserve within equity. The carrying value of the financial asset is recognised in the statement of financial position at fair value.

3.10.3 Reclassification

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

Reclassifications of debt financial assets are permitted when, and only when, the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified. Reclassifications are accounted for prospectively from the date of reclassification as follows:

• Financial assets that are reclassified from amortised cost to fair value are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in other gains and losses on financial instruments

• The fair value of a financial asset that is reclassified from fair value to amortised cost becomes the financial asset's new carrying value

• Financial assets that are reclassified from amortised cost to fair value through OCI are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in OCI

• The fair value of a financial asset that is reclassified from fair value through OCI to amortised cost becomes the financial asset's new carrying value with the cumulative fair value adjustment recognised in OCI being recognised against the new carrying value

• The carrying value of financial assets that are reclassified from fair value through profit or loss to fair value through OCI remains at fair value

• The carrying value of financial assets that are reclassified from fair value through OCI to fair value through profit or loss remains at fair value, with the cumulative fair value adjustment in OCI being recognised in the income statement at the date of reclassification.

Notes to the financial statements (continued)

Significant accounting policies (continued)

Financial liabilities

Nature

Designated at fair value through profit or loss	Financial liabilities are designated to be measured at fair value in the following instances: - to eliminate or significantly reduce an accounting mismatch that would otherwise arise - where the financial liabilities are managed and their performance evaluated and reported on a fair value basis - where the financial liability contains one or more embedded derivatives that significantly modify the financial asset's cash flows.
At amortised cost	All other financial liabilities not included the above categories.

Subsequent measurement

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

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

Derecognition of financial assets and liabilities

Financial assets and liabilities are derecognised in the following instances:

Financial assets	Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability. The group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements. In transfers where control over the asset is retained, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. From 1 January 2018 any cummulative gain/loss recognised in OCI in respect of equity investment securities designated at FVOCI is not recognised in profit or loss on derecognition of such securities.
Financial liabilities	Financial liabilities are derecognised when the obligation of the financial liabilities are extinguished, that is, when the obligation is discharged, cancelled or expires.

Modification of financial assets and liabilities

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

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

Notes to the financial statements (continued)

3.11 Significant accounting policies

Financial liabilities are derecognised when they are extinguished, i.e. when the obligation is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability with the difference in the respective carrying amounts being recognised in profit or loss.

3.11.1 Assets under custody

Assets under custody are financial instruments held by the entity in fiduciary capacity and are not recognised in the financial statements but are disclosed in the notes to the financial statements(see note 10). Assets under custody comprises quoted equities and debt instruments (bonds and treasury bills). Quoted equities and Eurobonds are stated at market value while other debt instruments are stated at par value. The Company has two classes of clients - the non-proprietary clients (those that have direct contracts with the Company for safe keeping of their assets) and clients that have direct contracts with the Parent Company- Stanbic IBTC Bank PLC.

3.11.2 Cash and cash equivalents

Cash comprises cash in hand and demand deposits held with banks. Cash equivalents consist of other short term, highly liquid, investments with original maturities of less than three months, that are convertible to a known amount of cash which are subject to insignificant risks of changes in value, all of which are available for use by the Company unless otherwise stated.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

3.12 New standards and interpretations not yet effective

Pronouncement	
Title	**IFRS 17 Insurance Contracts**
	This standard replaces the existing accounting standard IFRS 4 Insurance Contracts which gave entities dispensation to account for insurance contracts (particularly measurement) using local actuarial practice, resulting in a multitude of different approaches. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts among entities issuing insurance contracts globally. The standard requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. A general measurement model (GMM) will be applied to long-term insurance contracts, and is based on a fulfilment objective (risk-adjusted present value of best estimate future cash flows) and uses current estimates, informed by actual trends and investment markets. IFRS 17 establishes what is called a contractual service margin (CSM) in the initial measurement of the liability which represents the unearned profit on the contract and results in no gain on initial recognition. The CSM is released over the life of the contract, but interest on the CSM is locked in at inception rates. The CSM will be utilised as a “shock absorber” in the event of changes to best estimate cash flows. On loss making (onerous) contracts, no CSM is set up and the full loss is recognised at the point of contract inception. The GMM is modified for contracts which have participation features. An optional simplified premium allocation approach (PAA) is available for all contracts that are less than 12 months at inception. The PAA is similar to the current unearned premium reserve profile over time. The requirement to eliminate all treasury shares has been amended such that treasury shares held as underlying items for a group of direct participating contracts or investment funds are not required to be eliminated and can be accounted for as financial assets. These requirement will provide transparent reporting about an entities’ financial position and risk and will provide metrics that can be used to evaluate the performance of insurers and how that performance changes over time. An entity may re-assess its classification and designation of financial instruments under IFRS 9, on adoption of IFRS 17. The standard will be applied retrospectively. This is not expected to have any significant impact on the Company's financial statements.
Effective	1 January 2023 earlier application permitted
Title	**Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)** The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.
Effective	1 January 2023.
Title	**IAS 1 Presentation of Financial Statements (amendments)**
	The amendment clarifies how to classify debt and other liabilities as current or non-current. The objective of the amendment is aimed to promote consistency in applying the requirements by helping entities determine whether, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment also includes clarifying the classification requirements for debt an entity might settle by converting it into equity. These are clarifications, not changes, to the existing requirements, and so are not expected to affect entities' financial statements significantly. However, these clarifications could result in reclassification of some liabilities from current to non-current, and vice versa. The amendment will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.
Effective	1 January 2023.
Title	**Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2** The amendments seek to help companies provide useful accounting policy disclosures. The key amendments to IAS1 include: requiring companies to disclose their material accounting policies rather than their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions,other events or conditions are themselves material to a company’s financial statements.The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.The amendments are consistent with the refined definition of material: “Accounting policy information is material if,when considered together with other information included in an entity’s financial statements,it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements”.
Effective	1 January 2023.
Title	**Definition of Accounting Estimate – Amendments to IAS 8** The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: selecting a measurement technique (estimation or valuation technique)–e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS9 Financial Instruments; and choosing the inputs to be used when applying the chosen measurement technique–e.g.the expected cash outflows for determining a provision for warranty obligations when applying IAS37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.The definition of accounting policies remains unchanged.
Effective	1 January 2023.

Notes to the financial statements (continued)

4 Fiduciary activities

Stanbic IBTC Nominees Limited provides custodial services for its clients and clients of Stanbic IBTC Bank Plc. The Company does not allocate or make purchase or sale decisions on behalf of the customers. These financial instruments which are held in fiduciary capacity are not included in the statement of financial position. At the reporting date the Company had investment custody assets amounting to N4,147 Trillion (December 2021: N4.124 Trillion).

Analysis of asset under custody by instrument ***In thousands of Naira***	**31 December 2022**	31 December 2021
Equities	1,094,337,157	1,064,002,869
Treasury bills and other money market instruments	2,101,627,647	2,331,124,824
Government bonds	503,825,134	417,188,125
Eurobonds	272,906,179	195,249,926
Real estate investments	6,017,090	6,017,090
Corporate bonds	61,177,341	48,461,512
Fixed term deposits	107,471,249	61,979,140
	4,147,361,797	**4,124,023,486**

Analysis of asset under custody by client type		
Stanbic IBTC Bank Plc clients	3,994,520,124	3,879,877,261
Stanbic IBTC Nominees Limited's clients	152,841,673	244,146,225
	4,147,361,797	**4,124,023,486**

5 Cash and cash equivalents

In thousands of Naira	**31 December 2022**	31 December 2021
Bank balance with Stanbic IBTC Bank Plc	**923,020**	**904,767**
Current	923,020	904,767
Non-current	**-**	-
	923,020	**904,767**

6 Receivables and other assets

In thousands of Naira	**31 December 2022**	31 December 2021
Due from related parties (Note 18)	**1,195,676**	1,129,869
Due from external clients	**10,235**	11,162
Other debtors	**455**	455
Withholding tax (WHT) recoverables(see note 6.2 below)	**112,824**	199,626
	1,319,190	**1,341,112**
Impairment allowance (see note (6.1(a) below)	(4,957)	(4,168)
	1,314,233	**1,336,944**

6.1 Current	**1,319,190**	1,341,112
Non-current	**-**	-
	1,319,190	**1,341,112**
Financial	**1,206,366**	1,141,486
Non- financial	**112,824**	199,626
	1,319,190	**1,341,112**

6.1a Impairment allowance		
Financial assets		
12-month ECL	(2,075)	(1,527)
Lifetime ECL not credit-impaired	-	-
Lifetime ECL credit-impaired	(2,882)	(2,641)
	(4,957)	**(4,168)**
Non- financial assets		
Impairment allowance on WHT recoverable	**-**	**-**
	-	**-**
Total impairment allowance	**(4,957)**	**(4,168)**

Notes to the financial statements (continued)

6.2 Movement in withholding tax recoverable

In thousands of Naira	31 December 2022	31 December 2021
At the start of the year	**199,626**	302,331
Additions for WHT recoverable during the year	**129,055**	129,055
Write-off of WHT recoverable	**(26,398)**	**(26,398)**
Credit notes utilized	**(205,362)**	(205,362)
	96,921	**199,626**

Amount represents WHT receivable for which the credit notes from the Federal Inland Revenue Service (FIRS) are yet to be obtained. Consequently, the balance was not netted off tax payable.

6.3 Movement in impairment allowance on receivables and other assets

In thousands of Naira		
Financial assets		
At start of year	4,168	26,395
Additions (see note 15.1)	10,808	41,007
Write-back of impairment on custody fees receivable(see note 15.1)	(10,031)	(53,644)
Write off on Custody fees receivables	-	(9,590)
At end of year	**4,945**	4,168
Non- financial assets		
At start of year	-	28,475
Additions	2,601	-
Write-back of Impairment for other asset during the year(see note 15.1)	(2,589)	(2,077)
Write off on WHT receivables	-	(26,398)
At end of year	**12**	-
Total impairment allowance	**4,957**	4,168

7 Deferred assets

Deferred tax assets	**23,316**	24,131
	23,316	**24,131**

There were no unrecognized deferred tax during the year.

7.1 Deferred tax anaylsis:

Property and equipment	**(396)**	(260)
Other provisions	**1,483**	12,302
Accrual for employee bonus	**22,229**	12,089
	23,316	**24,131**

The Directors have determined that based on the company's profit forecast, it is probable that there will be future taxable profits against which the temporary differences, from which a deferred tax assets have been recognised, can be utilised. Consequently, all the deferred tax assets of the company have been recognised in the current year.

7.2 Movement in deferred tax asset

Balance at beginning of the year	**24,131**	**24,310**
Charge for the year (see note 9b)	**(815)**	(179)
Balance at the end of the year	**23,316**	**24,131**

Notes to the financial statements (continued)

		Furniture, fittings & equipment N'000	Computer equipment N'000	Total N'000
8	**Property and Equipment**			
8.1	**Cost**			
	Balance at 1 January 2022	**318**	**8,536**	**8,854**
	Additions	**-**	**3,247**	**3,247**
	Disposal		**(980)**	**(980)**
	Write off	**-**	**-**	**-**
	Balance at 31 December 2022	**318**	**10,803**	**11,121**
	Balance at 1 January 2021	318	12,875	13,193
	Additions	-	-	-
	Disposal		(475)	(475)
	Write off	-	(3,864)	(3,864)
	Balance at 31 December 2021	318	8,536	8,854
8.2	**Accumulated depreciation**			
	Balance at 1 January 2022	**302**	**6,172**	**6,474**
	Charge for the period	**-**	**2,416**	**2,416**
	Disposal		**(910)**	**(910)**
	Write off	**-**	**-**	**-**
	Balance at 31 December 2022	**302**	**7,678**	**7,980**
	Balance at 1 January 2021	302	8,043	8,345
	Charge for the period	-	2,380	2,380
	Disposal		(475)	(475)
	Write off		(3,776)	(3,776)
	Balance at 31 December 2021	302	6,172	6,474
	Net book value:			
	31 December 2022	**16**	**3,125**	**3,141**
	31 December 2021	16	2,364	2,380

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2021: Nil). None of the assets were pledged as security for liabilities.

There were no impairment of property and equipment,capital commitment,liens/encumbrance on the asset.

9 Taxation

	In thousands of Naira	**31 December 2022**	31 December 2021
(a)	**Tax Payable**		
	At start of year	**243,625**	275,060
	Income tax charge (see note (i) below)	**204,255**	233,335
	Tax paid	**(24,462)**	(59,408)
	WHT Credit note utilized	**(208,179)**	(205,362)
	At end of year	**215,239**	**243,625**

(i) The income tax charge relates to income tax, Tertiary education tax, information technology tax and police trust fund contribution

Notes to the financial statements (continued)

(b) **Tax Charge**

	31 December 2022	31 December 2021
Income tax:		
Income tax	**183,431**	208,832
Tertiary education tax	**15,365**	17,427
Information technology tax	**5,432**	7,052
NASENI Levy	**-**	0
Police Trust Fund Contribution	**27**	24
	204,255	**233,335**
Deferred tax		
Deferred tax (see note 7.2 above)	**815**	**179**
	815	179
Income tax charge for the year	**205,070**	233,514

Reconciliation of effective tax rate	**Tax rate**	**N'000**	**Tax rate**	**N'000**
Profit before tax		543,230		705,205
Income tax using the domestic corporation tax rate	30%	163,852	30%	208,832
Non-taxable income	0%	(152)	0%	(9)
Non-allowable expense	2%	10,601	0%	87
Tertiary Education tax	3%	15,365	2%	17,427
Police Trust Fund Contribution	0%	27	0%	24.00
Information technology tax	1%	5,432	1%	7,052
NASENI Levy	0%	-	0%	0
Other permanent differences	2%	9,945	0%	101
Effective tax rate	38%	205,070	33%	233,514

10 Other liabilities

In thousands of Naira	31 December 2022	31 December 2021
Accrued expenses- others	**62,268**	16,421
Accrued expenses- staff	**74,413**	40,487
Accrued expenses- cash based payments		-
Due to related parties(see note 18)	**61,564**	121,198
Other payables	**8,263**	7,688
	206,508	**185,794**
Current	**206,508**	**185,794**
Non current	**-**	-
	206,508	**185,794**

Notes to the financial statements (continued)

11(a) Share capital *In thousands of Naira*	**31 December 2022**	31 December 2021
Authorised, issued and fully paid		
100,000 ordinary shares of N1 each	**100**	100

11(b) Dividend

The Board of Directors approved a final dividend of N236.7 (2021: N335m) on 13 of March 2023 for each unit of the issued and paid-up share capital of 100,000 ordinary shares of ₦1 each.The final dividend was paid during the year.

12 Custody fee income *In thousands of Naira*	**31 December 2022**	31 December 2021
Custody fees from Stanbic IBTC Bank Plc clients (see a below)	1,107,329	1,046,036
Custody fees from non proprietary clients (see b below)	96,301	116,503
	1,203,630	**1,162,539**

(a) Stanbic IBTC Nominees Limited has a management services agreement with Stanbic IBTC Bank Plc, the parent company, under which Stanbic IBTC Bank Plc agrees to pay to Stanbic IBTC Nominees Limited annually a fee not exceeding 50% (December 2021: 50%) of the revenue generated through Stanbic IBTC Nominees Limited. Total fee income accrued during the year ended 31 December 2022 was N1.10bn (December 2021: N1.04bn).

(b) The Company's total revenue from external clients during the year ended 31 December 2022 was N96.3m (December 2021: N116.5m).

13 Other income	**31 December 2022**	31 December 2021
Other Revenue	69	51
Profit on disposal of computer equipment	506	(78)
	575	(27)

14 Staff costs	**31 December 2022**	31 December 2021
Staff costs(see note(a))	**485,715**	345,765
	485,715	345,765

(a) Staff costs comprises of salaries,allowances and performance bonuses.

(b) The number of employees of the company who received emoluments in the following ranges was:

	Number	**Number**
N3,000,001 - N4,000,000	3	2
N4,000,001 - N5,000,000	1	2
N5,000,001 - N6,000,000	1	3
N6,000,001 and above	16	14
	21	21

15 Other operating expenses

In thousands of Naira	**31 December 2022**	31 December 2021
Audit fees*	**4,800**	4,200
Professional fees	**5,722**	9,057
Premises expenses	**17,934**	7,686
Administrative and membership fees	**1,143**	940
Depreciation expenses	**2,416**	2,380
Training expenses	**7,887**	4,074
Travel and entertainment	**4,117**	6,613
Marketing and advertising	**3,036**	563
Communication expenses	**4,807**	4,087
Indirect tax (VAT)	**6,221**	7,102
Information Technology	**3,676**	497
Fines and penalties**	**-**	**-**
Director fees & expenses	**5,880**	5,200
Net other operating expenses	**52,225**	5 343
Management fees (see note (a) below)	**54,607**	73,259
	174,471	**131,001**

* No non-audit fees was paid to the auditors during the year (2021: Nil)
** No fines and penalties or clawbacks were paid during the year.

15.1 Net Impairment charge on other assets & receivables

Custody fee receivables- impairment during the year(see note 6.3)	10,808	41,007
Other assets- impairment during the year	2,601	-
Other assets- write-back of impairment on WHT during the year (see note 6.3)	(2 589)	(2 077)
Other assets-write-back of impairment on custody fees receivable(see note 6.3)	(10 031)	(53 644)
Recoveries- fee receivables during the year	-	(4 745)
	789	**(19 459)**

Notes to the financial statements (continued)

(i) Included in other operating expenses is medicine and supplies, bank charges, motor vehicle expenses, refreshment and indirect tax.

(a) **Management service agreements**
Stanbic IBTC Nominees Limited (the company) has a management services agreement with Stanbic IBTC Bank Plc, the parent company, under which the Company pays management and technical service fees equivalent to 10% (Dec 2021: 10%) of its net operating income (fee income less operating expenses) to Stanbic IBTC Bank Plc. The management fee accrued and due to the parent company during the year was N58m (Dec 2021: N78m). The prior year management fees due to the parent company- Stanbic IBTC Bank PLC has been paid.

16 Earnings per ordinary share

Earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	31 December 2022	31 December 2021
Net profit attributable to ordinary shareholders (N'000)	**338,160**	471,691
Weighted average number of ordinary shares in issue ('000)	**100**	100
Basic earnings per ordinary share (kobo)	**338,160k**	471,691k

The company has no dilutive instruments so basic and diluted earnings per share are the same

17.1 Statement of cash flow notes

	31 December 2022	31 December 2021
Other asset		
Opening balance	**1,336,944**	1,589,456
Impairment allowance	**(789)**	19,459
Closing balance	**(1,314,233)**	(1,336,944)
Changes in other assets	**21,922**	271,971
Other Liabilities		
Opening balance	**(185,794)**	(248,494)
Closing balance	**206,508**	185,794
Changes in other liabilities	**20,714**	(62,700)

17.2 Proceeds from sale of computer equipment

Cost (see note 8.1)	**980**	475
Accumulated depreciation(see note 8.2)	**(910)**	(475)
Net book value	**70**	-
Sales proceeds	**576**	10
Gain on disposal	**506**	10

18 Related party transactions

The Company is wholly owned by its parent entity, Stanbic IBTC Bank PLC. Stanbic IBTC Bank PLC (a subsidiary of Stanbic IBTC Holdings PLC) is a Nigerian company incorporated in Nigeria on 02 February 1989. The ultimate parent and controlling entity of the company is Standard Bank Group Limited incorporated in South Africa.

During the year, Stanbic IBTC Nominees Limited entered into transactions with Stanbic IBTC Bank Plc (SIBTC). At the year end, balances due from/to the bank are as follows:

In thousands of Naira	**Note**	**31 December 2022**	31 December 2021
Outstanding balances with Stanbic IBTC Bank PLC			
Bank balance with Stanbic IBTC Bank Plc)-see (a) below	5	**923,020**	904,767
Due from Stanbic IBTC Bank PLC- see (b) below	6	**1,195,676**	1,129,869
Due to Stanbic IBTC Bank PLC- see(c) below		**58,702**	116,114
Custody fee income	12	**1,107,329**	1,046,036
Management fees expense	15	**54,607**	73,259
Outstanding balances with Stanbic IBTC Holding PLC			
Due to Stanbic IBTC Holdings PLC- see(d) below		**4,649**	5,065
Outstanding balances with Stanbic IBTC Capital Limited			
Due to Stanbic IBTC Capital Limited- see(e) below		**175**	19

(a) The bank balance is a current account which is non interest bearing and payable on demand.

(b) Due from Stanbic IBTC Bank Plc relates to management fees recoverable and VAT thereon in line with the Management Service Agreement. See note 12

(c) Due to Stanbic IBTC Bank PLC relates to management fees payable and VAT thereon and other reimbursable expenses.

(d) Due to Stanbic IBTC Holdings PLC relates to reimbursable expenses of N4.6m (Dec 2021: N5.0m)

(e) Due to Stanbic IBTC Capital Limited relates to reimbursable expenses of N175,100(Dec 2021:19,000)

Notes to the financial statements (continued)

19 Key management personnel compensation

Key management personnel include: members of the Stanbic IBTC Nominees Limited board of directors, Stanbic IBTC Nominees Limited executive committee and non-executive directors are included in the definition of key management personnel as required by IAS 24 Related Party Disclosures. The definition of key management includes the close members of family of key management personnel and any entity over which key management exercise control, joint control or significant influence. Close members of family are those family members who may be expected to influence, or be influenced by that person in their dealings with Stanbic IBTC Nominees Limited. 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.

Key management compensation *In thousands of Naira*	**31 December 2022**	31 December 2021
Salaries and other short-term benefits	127,198	80,888
Post-employment benefits	3,422	2,369
	130,620	83,256

Fees and other emoluments disclosed above include amount paid to:

(i)	the chairman	**Nil**	Nil
(ii)	the highest paid director	49,883	42,307

20 Contingent liabilities and commitments

a) Legal Proceedings

As at year end there were no legal proceedings outstanding against the Company (December 2021: nil)

b) Capital Commitments

The Company had no capital commitments as at year end (December 2021: nil).

Notes to the financial statements

21 Accounting classifications and fair values

	Fair Value Through P&L			Fair-value through other comprehensive income			
	Held for trading	Designated at fair value	Amortised cost	Debt Instruments	Equity Instruments	Carrying amount[1]	Fair value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
31 December 2022							
Assets							
Cash and cash equivalents (see (5))	-	-	923,020	-	-	923,020	**923,020**
Other assets (see (a) below)	-	-	1,205,911	-	-	1,205,911	**1,205,911**
	-	-	2,128,931	-	-	**2,128,931**	**2,128,931**
Liabilities							
Other financial liabilities	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

31 December 2021	Fair Value Through P&L			Fair-value through other			Fair value
	Held for trading	Designated at fair value	Amortised cost	Debt Instruments	Equity Instruments	Carrying amount	
Assets							
Cash and cash equivalents (see (5))	-	-	904,767	-	-	904,767	**904,767**
Other assets (see (a) below)	-	-	1,141,031	-	-	1,141,031	**1,141,031**
	-	-	2,045,798	-	-	2,045,798	**2,045,798**
Liabilities							
Other financial liabilities	-	-	-	-	-		
	-	-	-	-	-		

[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.

(a) Other assets presented in the table above comprise financial assets only. The following items have been excluded: prepayment, indirect / withholding tax receivable, and accrued income. see note 12.1

Notes to the financial statements (continued)

22 Financial risk management

As a member of Standard Bank Group, the Company leverages on the risk management capabilities of the parent entity to create a risk awareness culture.

Risk exposures of the company

The Company seeks to achieve an appropriate balance between risk and reward in its businesses, and continues to build and enhance the risk management capabilities that will assist in achieving its dynamic growth plans in a controlled environment.

The Company's enterprise risk management framework is designed to govern, identify, measure, manage, control and report on the principal risks to which the company is exposed. These risks, with applicability as appropriate, are defined as follows:

Risk categories

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises mainly from receivables from clients.

Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. The Company has exposure to counterparties and routinely executes transactions with counterparties in the financial services industry. While we regularly conduct assessments of such risk posed by counterparties, the risk of non-performance by such parties is subject to sudden swings in the financial and credit markets, including the effects of banking crisis.

As at reporting date, the Company's exposure to credit risk is as follows:

Maximum exposure to credit risk	31 December 2022	31 December 2021
	N'000	N'000
Bank balance with Stanbic IBTC Bank PLC	**923,020**	904,767
Account receivables (see note 6.1)	**1,205,911**	1,141,031
Total exposure to credit risk	**2,128,931**	**2,045,798**

The account receivable stated above represents an intercompany balance with the parent entity, Stanbic IBTC Bank PLC and exclude withholding tax recoverables and prepayments.

Market risk

Market risk is defined as the risk of a change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse movements in market variables such as equity, bond and commodity prices, foreign exchange rates, interest rates, credit spreads, recovery rates, correlations and implied volatilities in the market variables.

The company had no exposure to market risk (2021:Nil)

Interest rate risk

This is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates. A loss in interest receivable will arise where the investment is terminated before maturity and upon maturity when interest rates have moved unfavourably.

The Company has no exposure to interest rate risk (2021:Nil)

Foreign currency risk

The risk arise as a result of changes in the fair value of financial instruments as a result of changes in foreign exchange rates. The translation exposure is the extent to which the financial reporting is affected by exchange rate movements. The Company ensures that cash position on foreign currency are revalued at the spot rate as at a reporting date.

The Company had no foreign currency exposure on its statement of financial position as at 31 December 2022.(2021:Nil)

Capital management

The Company manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth and providing competitive returns to shareholders. The Company ensures that its actions do not compromise sound governance and appropriate business practices and it eliminates any negative effect on payment capacity, liquidity and profitability.

Liquidity risk

Liquidity risk refers to the risk that the company will be unable to meet with obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. To manage this risk the company prepares a periodic cash flow statement projection to monitor all obligations falling due to clients and manage the cash flows required to meet this obligation.

Notes to the financial statements (continued)

Maturity analysis of financial assets by contractual maturity

The tables below analyses cash flows on a contractual, undiscounted basis based on the earliest date on which the Company can be required to receive and may therefore not agree directly to the balances disclosed in the statement of financial position.

31 December 2022	Note	Redeemable on demand N'000	Maturing within 1 month N'000	Maturing between 1-6 months N'000	Maturing between 6-12 months N'000	Maturing after 12 months N'000	Total N'000
Financial assets							
Cash and cash equivalents	5	**923,020**	-	-	**-**	**-**	**923,020**
Other assets	6.1	**-**	**-**	**1,206,366**	**-**	**-**	**1,206,366**
		923,020	**-**	**1,206,366**	**-**	**-**	**2,129,386**

31 December 2021	Note	Redeemable on demand N'000	Maturing within 1 month N'000	Maturing between 1-6 months N'000	Maturing between 6-12 months N'000	Maturing after 12 months N'000	Total N'000
Financial assets							
Cash and cash equivalents	5	904,767	-	-	**-**	**-**	904,767
Other assets	6.1	-	-	1,141,486	**-**	**-**	1,141,486
			-	-	**-**	**-**	-
					-	**-**	
		904,767	**-**	**1,141,486**	**-**	**-**	**2,046,253**

Notes to the financial statements (continued)

Maturity analysis of financial liabilities by contractual maturity

The tables below analyses cash flows on a contractual, undiscounted basis based on the earliest date on which the Company can be required to pay and may therefore not agree directly to the balances disclosed in the statement of financial position.

31 December 2022	Note	Redeemable on demand **N'000**	Maturing within 1 month **N'000**	Maturing between 1-6 months **N'000**	Maturing between 6-12 months **N'000**	Maturing after 12 months **N'000**	Total **N'000**
Financial liabilities							
Accrued expenses - Staff	10	-	-	**74,413**	-	-	**74,413**
Other liabilities (Audit fees & Accrued expenses others)	10	-	-	**70,531**	-	-	**70,531**
Payable to Stanbic IBTC Bank PLC	10	**61,564**	-	-	-	-	**61,564**
		61,564	-	**144,944**	-	-	**206,508**

31 December 2021	Note	Redeemable on demand **N'000**	Maturing within 1 month **N'000**	Maturing between 1-6 months **N'000**	Maturing between 6-12 months **N'000**	Maturing after 12 months **N'000**	Total **N'000**
Financial liabilities							
Accrued expenses - Staff	10	-	-	40,487	-	-	40,487
Other liabilities (Audit fees & Accrued expenses others)	10	-	-	24,109	-	-	24,109
Payable to Stanbic IBTC Bank PLC	10	121,198	-	-	-	-	121,198
					-	-	
		121,198	-	**64,596**	-	-	**185,794**

Fair value

Since the Company does not have any assets or liabilities recorded at fair value and the carrying value of the assets and liabilities approximate fair value, no further disclosures regarding fair value have been included.

Other National Disclosures

Appendix A: Value added statement

	31 Dec 2022		31 Dec 2021	
	N'000	**%**	N'000	%
Gross earnings	**1,204,205**		1,162,512	
Administrative overhead	**(172,844)**		(109,162)	
Value added	**1,031,361**	**100**	1,053,350	100
D I S T R I B U T I O N				
Employees and directors:				
Salaries and benefits	**485,715**	47	345,765	33
Government				
	205,070	20	233,514	22
The Future				
Asset replacement (depreciation)	**2,416**	-	2,380	-
Expansion (retained in the business)	**338,160**		471,691	
	340,576	33	474,071	45
Value added	**1,031,361**	100	1,053,350	100

Appendix B: Five Year Financial Summary

In thousands of Naira	31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Statement of financial position					
Assets					
Total assets	2,263,710	2,268,222	2,290,666	2,593,609	2,344,825
	2,263,710	2,268,222	2,290,666	2,593,609	2,344,825
Liabilities					
Tax payable	215,239	243,625	275,060	451,320	450,687
Other liabilities	206,508	185,794	248,494	442,878	452,199
	421,747	429,419	523,554	894,198	902,886
	1,841,963	1,838,803	1,767,112	1,699,411	1,441,939
Shareholders' equity					
Share capital	100	100	100	100	100
Reserves	1,841,863	1,838,703	1,767,012	1,699,311	1,441,839
	1,841,963	1,838,803	1,767,112	1,699,411	1,441,939
Liabilities and Equity	2,263,710	2,268,222	2,290,666	2,593,609	2,344,825

Income statements	12 months	12 months	12 months	12 months	12 months
Gross earnings	1,204,205	1,162,512	1,336,897	2,082,192	2,045,235
Custody fee income	1,204,205	1,162,512	1,336,897	2,082,192	2,045,235
Staff Cost	(485,715)	(345,765)	(337,997)	(385,344)	(377,261)
Operating expenses	(174,471)	(111,542)	(149,553)	(276,723)	(329,442)
Profit before tax	544,019	705,205	849,347	1,420,125	1,338,532
Tax	(205,070)	(233,514)	(281,646)	(462,653)	(446,325)
Profit after tax	338,949	471,691	567,701	957,472	892,207

Stanbic IBTC Nominees Limited

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

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

i	Name	PriceWaterhouseCoopers
	Address	5B Water Corporation Road
		Landmark Towers
		Victoria Island
	FRC No	FRC/2013/ICAN/00000001495
	Service provided	Auditor