

**KPMG Professional Services**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stanbic IBTC Capital Limited

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of Stanbic IBTC Capital Limited (the Company), which comprise the statement of financial position as at 31 December, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 5 to 39.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the Company Information, Directors' Report, Statement of Directors' Responsibilities and Other National Disclosures, 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 any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, 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.

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Partners:

Adebisi O. Lamikanra	Adegoke A. Oyelami	Adekunle A. Elebute	Adetola P. Adeyemi
Adewale K. Ajayi	Ajibola O. Olomola	Ayobami L. Salami	Ayodele A. Soyinka
Ayodele H. Othihiwa	Chibuzor N. Anyanechi	Chineme B. Nwigbo	Ehile A. Aibangbee
Elijah O. Oladunmoye	Goodluck C. Obi	Ibitomi M. Adepoju	Ijeoma T. Ernezie-Ezigbo
Joseph O. Tegbe	Kabir O. Okunlola	Lawrence C. Amadi	Mohammed M. Adama
Nneka C. Eluma	Oguntayo I. Ogungbenro	Olabimpe S. Afolabi	Oladimeji I. Salaudeen
Olanike I. James	Olumide O. Olayinka	Olusegun A. Sowande	Olutoyin I. Ogunlowo
Oluwafemi O. Awotoye	Oluwatoyin A. Gbagi	Temitope A. Onitiri	Tolulope A. Odukale
Victor U. Onyenkpa			



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.

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 skepticism 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 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 the Board of Directors 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

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

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

Chuboye

Oluwafemi O. Awotoye, FCA
FRC/2013/ICAN/0000001182
For: KPMG Professional Services
Chartered Accountants
13 March 2020
Lagos, Nigeria



Stanbic IBTC Capital Limited

Statement of financial position

As at 31 December 2019

	Note	31-Dec-19 N'000	31-Dec-18 N'000
Assets			
Cash and cash equivalents	14	7,762,577	8,112,559
Financial Investments	15	2,962,927	2,454,812
Fees receivables	16	384,985	444,763
Other assets	17	576,432	517,587
Deferred tax assets	18	349,227	241,069
Property and equipment	19	22,933	16,268
Total assets		12,059,081	11,787,058
Liabilities			
Tax payable	21	988,231	848,158
Provisions	22	4,035,361	3,657,145
Employees benefits	23	69,709	98,099
Other liabilities	24	1,968,515	1,456,582
Total liabilities		7,061,816	6,059,984
Equity			
Share capital	25	2,000,000	2,000,000
Share premium	26	1,500,000	1,500,000
Reserves		1,497,265	2,227,074
		4,997,265	5,727,074
Liabilities and equity		12,059,081	11,787,058

The financial statements and notes were approved by the Board of Directors on 13 March 2020 and signed on its behalf by:



Funso Akere
Chief Executive
FRC/2016/IODN/00000014199
13 March 2020



Seun Omole
Chief Financial Officer
FRC/2017/ICAN/00000017693
13 March 2020



Yinka Sanni
Chairman
FRC/2013/CISN/00000001072
13 March 2020

The accompanying notes on pages 5 to 39 form an integral part of these financial statements

Stanbic IBTC Capital Limited

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Note	31-Dec-19 N'000	31-Dec-18 N'000
Gross revenue		5,932,673	4,959,973
Fee and commission income	28	5,035,585	3,985,066
Fee and commission expense	29	(482,831)	-
Net fee and commission income		4,552,754	3,985,066
Interest income	30	817,060	715,156
Other revenue	31	80,028	259,751
Total income		5,449,842	4,959,973
Operating expenses		(2,827,429)	(2,525,056)
Staff costs	32	(1,623,026)	(1,647,515)
Other operating expenses	32	(891,282)	(899,436)
Impairment charge/write-back	32.3	(313,121)	21,895
Profit before taxation		2,622,413	2,434,917
Income tax	34	(907,292)	(793,376)
Profit for the year		1,715,121	1,641,541
<i>Other comprehensive income</i>			
Net change in fair value of FVOCI financial assets		295,070	8,254
Total comprehensive income		2,010,191	1,649,795
Earnings per share (basic/dilluted) -Kobo	35	86	82

The accompanying notes on pages 5 to 39 form an integral part of these financial statements