



**Stanbic IBTC**

A member of Standard Bank Group

**STANBIC IBTC HOLDINGS PLC**

**UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**30 JUNE 2016**

**STANBIC IBTC HOLDINGS PLC**  
**UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**30 JUNE 2016**

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**STANBIC IBTC HOLDINGS PLC**

**Interim consolidated and separate statement of financial position  
as at 30 June 2016**

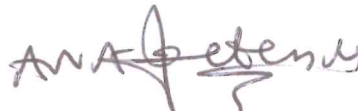
	Note	Group		Company	
		30 June 2016 N'million	31 Dec. 2015 N'million	30 June 2016 N'million	31 Dec. 2015 N'million
<b>Assets</b>					
Cash and cash equivalents	5	249,120	211,481	316	8
Pledged assets	9	45,509	86,570	-	-
Trading assets	7	98,067	37,956	-	-
Derivative assets	6	24,939	911	-	-
Financial investments	8	262,782	162,695	665	658
Asset held for sale		262	262	-	-
Loans and advances	10	403,274	380,295	-	-
Loans and advances to banks	10	27,638	26,782	-	-
Loans and advances to customers	10	375,636	353,513	-	-
Equity investment in group companies		-	-	69,191	69,191
Other assets	11	56,992	23,741	2,902	2,996
Deferred tax assets		8,026	8,342	438	555
Property and equipment		25,572	25,311	2,446	2,494
<b>Total assets</b>		<b>1,174,543</b>	<b>937,564</b>	<b>75,958</b>	<b>75,902</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Equity attributable to ordinary shareholders		137,746	128,967	72,100	72,360
Ordinary share capital		5,000	5,000	5,000	5,000
Ordinary share premium		65,450	65,450	65,450	65,450
Reserves		60,219	53,276	1,650	1,910
Non-controlling interest		7,077	5,241	-	-
<b>Liabilities</b>					
Trading liabilities	7	45,003	24,101	-	-
Derivative liabilities	6	1,397	383	-	-
Deposits and current accounts	12	694,418	588,959	-	-
Deposits from banks	12	100,775	95,446	-	-
Deposits from customers	12	593,643	493,513	-	-
Other borrowings	13	105,989	81,107	-	-
Subordinated debt	14	27,051	23,699	-	-
Current tax liabilities		4,898	8,727	61	60
Deferred tax liabilities		202	120	-	-
Provisions		10,173	10,027	-	-
Other liabilities	15	147,666	71,474	3,797	3,482
<b>Total equity and liabilities</b>		<b>1,174,543</b>	<b>937,564</b>	<b>75,958</b>	<b>75,902</b>



Sola David-Borha  
Chief Executive  
FRC/2013/CIBN/00000001070



Bayo Olujobi  
Finance  
FRC/2015/ICAN/00000012619



Atedo N. A. Peterside C O N  
Chairman  
FRC/2013/CIBN/00000001069

The accompanying notes form an integral part of these financial statements

## STANBIC IBTC HOLDINGS PLC

### Interim consolidated and separate statement of profit or loss for the six months period ended 30 June 2016

	Note	Group				Company			
		3 months 30-Jun-16 N'million	6 months 30-Jun-16 N'million	3 months 30-Jun-15 N'million	6 months 30-Jun-15 N'million	3 months 30-Jun-16 N'million	6 months 30-Jun-16 N'million	3 months 30-Jun-15 N'million	6 months 30-Jun-15 N'million
<b>Gross earnings</b>		<b>34,249</b>	<b>69,029</b>	34,508	68,295	<b>210</b>	<b>423</b>	10,364	10,566
Net interest income		<b>12,299</b>	<b>22,849</b>	11,434	22,135	<b>2</b>	<b>5</b>	7	7
Interest income	20.1	<b>19,037</b>	<b>36,713</b>	22,002	41,718	<b>2</b>	<b>5</b>	7	7
Interest expense	20.2	<b>(6,738)</b>	<b>(13,864)</b>	(10,568)	(19,583)	-	-	-	-
<b>Non-interest revenue</b>		<b>14,989</b>	<b>31,927</b>	12,379	26,346	<b>208</b>	<b>418</b>	10,357	10,559
Net fee and commission revenue	20.3	<b>13,222</b>	<b>27,406</b>	9,260	18,804	<b>200</b>	<b>397</b>	176	375
Fee and commission revenue	20.3	<b>13,445</b>	<b>27,795</b>	9,387	19,035	<b>200</b>	<b>397</b>	176	375
Fee and commission expense	20.3	<b>(223)</b>	<b>(389)</b>	(127)	(231)	-	-	-	-
Trading revenue	20.4	<b>1,681</b>	<b>4,316</b>	2,905	7,133	-	-	-	-
Other revenue	20.5	<b>86</b>	<b>205</b>	214	409	<b>8</b>	<b>21</b>	10,181	10,184
<b>Total income</b>		<b>27,288</b>	<b>54,776</b>	23,813	48,481	<b>210</b>	<b>423</b>	10,364	10,566
Credit impairment charges	20.6	<b>(6,181)</b>	<b>(8,450)</b>	(3,958)	(7,899)	-	-	-	-
<b>Income after credit impairment charges</b>		<b>21,107</b>	<b>46,326</b>	19,855	40,582	<b>210</b>	<b>423</b>	10,364	10,566
<b>Operating expenses</b>		<b>(16,725)</b>	<b>(31,701)</b>	(15,133)	(31,045)	<b>(25)</b>	<b>(247)</b>	(567)	(834)
Staff costs		<b>(7,161)</b>	<b>(14,378)</b>	(6,378)	(13,472)	<b>(45)</b>	<b>(137)</b>	(216)	(322)
Other operating expenses	20.7	<b>(9,564)</b>	<b>(17,323)</b>	(8,755)	(17,573)	<b>20</b>	<b>(110)</b>	(351)	(512)
<b>Profit before tax</b>		<b>4,382</b>	<b>14,625</b>	4,722	9,537	<b>185</b>	<b>176</b>	9,797	9,732
Income tax	20.8	<b>(1,913)</b>	<b>(4,365)</b>	759	158	<b>(108)</b>	<b>(438)</b>	204	183
<b>Profit for the period</b>		<b>2,469</b>	<b>10,260</b>	5,481	9,695	<b>77</b>	<b>(262)</b>	10,001	9,915
<b>Profit attributable to:</b>									
Non-controlling interests		<b>905</b>	<b>1,853</b>	952	1,663	-	-	-	-
Equity holders of the parent		<b>1,564</b>	<b>8,407</b>	4,529	8,032	<b>77</b>	<b>(262)</b>	10,001	9,915
<b>Profit for the period</b>		<b>2,469</b>	<b>10,260</b>	5,481	9,695	<b>77</b>	<b>(262)</b>	10,001	9,915
<b>Earnings per share</b>									
Basic /diluted earnings per ordinary share (kobo)	21	<b>16</b>	<b>84</b>	45	80				

The accompanying notes form an integral part of these financial statements

## STANBIC IBTC HOLDINGS PLC

### Interim consolidated and separate statement of other comprehensive income for the six months period ended 30 June 2016

	Note	Group				Company			
		3 months 30-Jun-16 N'million	6 months 30-Jun-16 N'million	3 months 30-Jun-15 N'million	6 months 30-Jun-15 N'million	3 months 30-Jun-16 N'million	6 months 30-Jun-16 N'million	3 months 30-Jun-15 N'million	6 months 30-Jun-15 N'million
<b>Profit for the period</b>		<b>2,469</b>	<b>10,260</b>	5,481	9,695	<b>77</b>	<b>(262)</b>	10,001	9,915
<b>Other comprehensive income</b>									
Items that will never be reclassified to profit or loss		-	-	-	-	-	-	-	-
<b>Items that are or may be reclassified subsequently to profit or loss:</b>									
Net change in fair value of available-for-sale financial assets		(297)	(1,617)	2,270	2,919	-	-	-	-
Realised fair value adjustments on available-for-sale financial assets reclassified to income statement		108	96	(1,471)	(732)	-	-	-	-
Income tax on other comprehensive income		-	-	-	-	-	-	-	-
		(189)	(1,521)	799	2,187	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>(189)</b>	<b>(1,521)</b>	799	2,187	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>2,280</b>	<b>8,739</b>	6,280	11,882	<b>77</b>	<b>(262)</b>	10,001	9,915
<b>Total comprehensive income attributable to:</b>									
Non-controlling interests		907	1,836	1,682	1,682	-	-	-	-
Equity holders of the parent		1,373	6,903	4,598	10,200	77	-	10,001	9,915
		<b>2,280</b>	<b>8,739</b>	6,280	11,882	<b>77</b>	-	10,001	9,915

The accompanying notes form an integral part of these financial statements

**STANBIC IBTC HOLDINGS PLC**
**Statement of changes in equity  
for the six months period ended 30 June 2016**

Group	note	Ordinary share capital N'million	Share premium N'million	Merger reserve N'million	Statutory credit risk reserve N'million	Available-for- sale revaluation reserve N'million	Share-based payment reserve N'million	Other regulatory reserves N'million	Retained earnings N'million	Ordinary shareholders' equity N'million	Non- controlling interest N'million	Total equity N'million
Balance at 1 January 2016		5,000	65,450	(19,123)	6,684	1,226	56	26,218	38,215	123,726	5,241	128,967
Total comprehensive (loss)/income for the period						(1,504)		-	8,407	6,903	1,836	8,739
Profit for the period									8,407	8,407	1,853	10,260
Other comprehensive (loss)/income after tax for the period						(1,504)		-		(1,504)	(17)	(1,521)
Net change in fair value on available-for-sale financial assets						(1,600)				(1,600)	(17)	(1,617)
Realised fair value adjustments on available-for-sale financial assets						96				96		96
Statutory credit risk reserve									-			-
Transactions with shareholders, recorded directly in equity		-	-	-	-	-	40	-	-	40	-	40
Equity-settled share-based payment transactions							40			40		40
Dividends paid to equity holders										-		-
<b>Balance at 30 June 2016</b>		<b>5,000</b>	<b>65,450</b>	<b>(19,123)</b>	<b>6,684</b>	<b>(278)</b>	<b>96</b>	<b>26,218</b>	<b>46,622</b>	<b>130,669</b>	<b>7,077</b>	<b>137,746</b>
<b>Balance at 1 January 2015 (as previously reported)</b>		<b>5,000</b>	<b>65,450</b>	<b>(19,123)</b>	<b>3,366</b>	<b>(1,462)</b>	<b>402</b>	<b>22,955</b>	<b>33,464</b>	<b>110,052</b>	<b>4,223</b>	<b>114,275</b>
<b>Impact of prior period restatement</b>								895	5,074	5,969		5,969
<b>Restated balance at 1 January 2015</b>		<b>5,000</b>	<b>65,450</b>	<b>(19,123)</b>	<b>3,366</b>	<b>(1,462)</b>	<b>402</b>	<b>23,850</b>	<b>38,538</b>	<b>116,021</b>	<b>4,223</b>	<b>120,244</b>
<b>Total comprehensive income/(loss) for the period</b>						<b>2,168</b>			<b>8,032</b>	<b>10,200</b>	<b>1,682</b>	<b>11,882</b>
Profit for the period									8,032	8,032	1,663	9,695
Other comprehensive income/(loss) after tax for the period						2,168				2,168	19	2,187
Net change in fair value on available-for-sale financial assets						2,900				2,900	19	2,919
Realised fair value adjustments on available-for-sale financial assets						(732)				(732)		(732)
Statutory credit risk reserve					(3,366)				3,366			
Transfer to statutory reserves					-			-	-	-		-
<b>Transactions with shareholders, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>(1,500)</b>	<b>(1,489)</b>	<b>(2,412)</b>	<b>(3,901)</b>
Equity-settled share-based payment transactions							11		-	11		11
Transfer of vested portion of equity settled share based payment to retained earnings							-		-	-		-
Dividends paid to equity holders									(1,500)	(1,500)	(2,412)	(3,912)
<b>Balance at 30 June 2015</b>		<b>5,000</b>	<b>65,450</b>	<b>(19,123)</b>	<b>-</b>	<b>706</b>	<b>413</b>	<b>23,850</b>	<b>48,436</b>	<b>124,732</b>	<b>3,493</b>	<b>128,225</b>

The accompanying notes form an integral part of these financial statements

**STANBIC IBTC HOLDINGS PLC**

**Statement of changes in equity  
for the six months period ended 30 June 2016**

<b>Company</b>	<b>Ordinary share capital N'million</b>	<b>Share premium N'million</b>	<b>Available-for- sale revaluation reserve N'million</b>	<b>Share-based payment reserve N'million</b>	<b>Other regulatory reserves N'million</b>	<b>Retained earnings N'million</b>	<b>Ordinary shareholders' equity N'million</b>
Balance at 1 January 2016	5,000	65,450	-	9	-	1,901	72,360
Total comprehensive income/(loss) for the period			-			(262)	(262)
Profit for the period	-	-	-	-	-	(262)	(262)
Transactions with shareholders, recorded directly in equity							
Equity-settled share-based payment transactions	-	-	-	2	-	-	2
Dividends paid to equity holders				2	-	-	2
<b>Balance at 30 June 2016</b>	<b>5,000</b>	<b>65,450</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>1,639</b>	<b>72,100</b>
<b>Restated balance at 1 January 2015</b>	<b>5,000</b>	<b>65,450</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>2,524</b>	<b>72,990</b>
<b>Total comprehensive income for the period</b>						<b>9,915</b>	<b>9,915</b>
Profit for the period	-	-	-	-	-	9,915	9,915
Transactions with shareholders, recorded directly in equity							
Equity-settled share-based payment transactions	-	-	-	2	-	(1,500)	(1,498)
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	-	2	-	-	2
Dividends paid to equity holders	-	-	-	-	-	(1,500)	(1,500)
<b>Balance at 30 June 2015</b>	<b>5,000</b>	<b>65,450</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>10,939</b>	<b>81,407</b>

The accompanying notes form an integral part of these financial statements

# STANBIC IBTC HOLDINGS PLC

## Interim consolidated and separate statement of cash flows for the six months period ended 30 June 2016

	Note	Group		Company	
		30-Jun-16 N million	30-Jun-15 N million	30-Jun-16 N million	30-Jun-15 N million
<b>Net cash flows from operating activities</b>		<b>77,659</b>	38,543	<b>372</b>	10,684
<b>Cash flows used in operations</b>		<b>135,591</b>	20,612	<b>687</b>	658
Profit before tax		<b>14,625</b>	9,537	<b>176</b>	9,732
Adjusted for:		<b>64,125</b>	(12,013)	<b>102</b>	(10,062)
Credit impairment charges on loans and advances	20.6	<b>8,450</b>	7,899	-	-
Depreciation of property and equipment	20.7	<b>1,830</b>	1,715	<b>105</b>	95
Dividends included in other revenue	20.5	<b>(121)</b>	(83)	-	(10,148)
Equity-settled share-based payments		<b>40</b>	11	<b>2</b>	2
Interest expense		<b>36,713</b>	19,583	-	-
Interest income		<b>13,864</b>	(41,718)	<b>(5)</b>	(7)
Non-cash flow movements to subordinated debt		<b>3,352</b>	629	-	-
Loss/(profit) on sale of property and equipment		<b>(3)</b>	(49)	-	(4)
Increase in loans and other assets	16.1	<b>(125,939)</b>	(56,567)	<b>94</b>	(128)
Increase in deposits and other liabilities	16.2	<b>182,780</b>	79,655	<b>315</b>	1,116
Dividends received		<b>109</b>	83	-	10,148
Interest paid		<b>(36,713)</b>	(19,583)	-	-
Interest received		<b>(13,864)</b>	41,718	<b>5</b>	7
Direct taxation paid		<b>(7,464)</b>	(4,287)	<b>(320)</b>	(129)
<b>Net cash flows used in investing activities</b>		<b>(103,435)</b>	86,563	<b>(64)</b>	(68)
Capital expenditure on - property		<b>(131)</b>	(99)	-	-
- equipment, furniture and vehicles		<b>(1,731)</b>	(2,673)	<b>(57)</b>	(70)
Proceeds from sale of property, equipment, furniture and vehicles		<b>35</b>	135	-	57
Investment in new subsidiary- Stanbic IBTC Insurance Brokers Limited		-	-	-	(20)
(Purchase)/sale of financial investments		<b>(101,608)</b>	89,200	<b>-7</b>	(35)
<b>Net cash flows used in financing activities</b>		<b>24,882</b>	(5,648)	-	(1,500)
Net increase in other borrowings		<b>24,882</b>	(1,736)	-	-
Net dividends paid	22	-	(3,912)	-	(1,500)
<b>Net increase in cash and cash equivalents</b>		<b>(894)</b>	119,458	<b>308</b>	9,116
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>19,338</b>	5,766	-	-
<b>Cash and cash equivalents at beginning of the period</b>		<b>107,398</b>	51,556	<b>8</b>	784
<b>Cash and cash equivalents at end of the period</b>	16.3	<b>125,842</b>	176,780	<b>316</b>	9,900

The accompanying notes form an integral part of these financial statements



## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements

for the six months period ended 30 June 2016

#### 1 Reporting entity

Stanbic IBTC Holdings PLC (the 'company') is a company domiciled in Nigeria. The address of the company is IBTC Place, Plot 1C Walter Carrington Crescent, Victoria Island, Lagos. The condensed consolidated interim financial statements as at and for the six months period ended 30 June 2016 comprise the company and its subsidiaries (together referred to as the 'group'). The group is primarily involved in the provision of banking and other financial services to corporate and individual customers.

#### 2 Basis of preparation

##### (a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the last annual consolidated financial statements as at and for the year ended 31 December 2015.

This condensed consolidated interim financial statement does not include all the information required for full annual financial statements prepared in accordance with International Financial reporting Standards (IFRS), and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2015.

The condensed consolidated interim financial statements was approved by the Board of Directors on 08 December 2016.

##### (b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial assets are measured at fair value
- liabilities for cash-settled share-based payment arrangements are measured at fair value
- trading liabilities are measured at fair value

##### (c) Functional and presentation currency

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

##### (d) Use of estimates and judgement

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

In preparing these condensed consolidated interim financial statements, significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015.

#### 3 Statement of significant accounting policies

The accounting policies applied by the group in preparation of these condensed interim financial statements are consistent with those applied by the group in the preparation of its consolidated annual financial statements for the year ended 31 December 2015.

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

#### 4 Segment reporting

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

##### Business unit

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

# STANBIC IBTC HOLDINGS PLC

## Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

### 4 Segment reporting

#### Operating segments

	Personal & Business Banking		Corporate & Investment Banking		Wealth		Eliminations		Group	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
<b>Net interest income</b>	<b>13,369</b>	11,052	<b>8,070</b>	9,562	<b>1,410</b>	1,521	-	-	<b>22,849</b>	22,135
<b>Non-interest revenue</b>	<b>8,118</b>	3,547	<b>11,008</b>	11,913	<b>13,451</b>	11,282	<b>(650)</b>	(396)	<b>31,927</b>	26,346
<b>Total income</b>	<b>21,487</b>	14,599	<b>19,078</b>	21,475	<b>14,861</b>	12,803	<b>(650)</b>	(396)	<b>54,776</b>	48,481
Credit impairment charges	<b>(3,362)</b>	(2,907)	<b>(5,088)</b>	(4,992)	-	-	-	-	<b>(8,450)</b>	(7,899)
<b>Income after credit impairment charges</b>	<b>18,125</b>	11,692	<b>13,990</b>	16,483	<b>14,861</b>	12,803	<b>(650)</b>	(396)	<b>46,326</b>	40,582
<b>Operating expenses in banking activities</b>	<b>(16,806)</b>	(15,517)	<b>(11,099)</b>	(11,825)	<b>(4,446)</b>	(4,099)	<b>650</b>	396	<b>(31,701)</b>	(31,045)
Staff costs	<b>(8,481)</b>	(7,555)	<b>(3,703)</b>	(3,963)	<b>(2,194)</b>	(1,954)	-	-	<b>(14,378)</b>	(13,472)
Other operating expenses	<b>(8,325)</b>	(7,962)	<b>(7,396)</b>	(7,862)	<b>(2,252)</b>	(2,145)	<b>650</b>	396	<b>(17,323)</b>	(17,573)
<b>Profit before direct taxation</b>	<b>1,319</b>	(3,825)	<b>2,891</b>	4,658	<b>10,415</b>	8,704	-	-	<b>14,625</b>	9,537
Direct taxation	<b>(357)</b>	1,267	<b>(607)</b>	1,479	<b>(3,401)</b>	(2,588)	-	-	<b>(4,365)</b>	158
<b>Profit for the period</b>	<b>962</b>	(2,558)	<b>2,284</b>	6,137	<b>7,014</b>	6,116	-	-	<b>10,260</b>	9,695

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

	Group		Company	
	30 June 2016 N'million	31 Dec. 2015 N'million	30 June 2016 N'million	31 Dec. 2015 N'million
<b>5 Cash and cash equivalents</b>				
Coins and bank notes	34,537	36,541	-	-
Balances with central banks	154,347	107,695	-	-
Current balances with banks within Nigeria	15,396	17,507	316	8
Current balances with banks outside Nigeria	44,840	49,738	-	-
	<b>249,120</b>	<b>211,481</b>	<b>316</b>	<b>8</b>

Cash and balances with central bank include N123,278 million (Dec. 2015: N104,083 million) that is not available for use by the group on a day to day basis. These restricted balances comprise primarily reserving requirements held with Central Bank of Nigeria (CBN).

### 6 Derivative assets and liabilities

	Group		Company	
	30 June 2016 N'million	31 Dec. 2015 N'million	30 June 2016 N'million	31 Dec. 2015 N'million
<b>6.1 Derivative assets</b>				
<b>Foreign exchange derivatives</b>	1,325	307	-	-
Forwards	1,325	307	-	-
Options	-	-	-	-
<b>Interest rate derivatives</b>	23,614	604	-	-
Forwards	-	-	-	-
Swaps	23,614	604	-	-
<b>Total derivative assets</b>	<b>24,939</b>	<b>911</b>	<b>-</b>	<b>-</b>
<b>6.2 Derivative liabilities</b>				
<b>Foreign exchange derivatives</b>	1,321	(306)	-	-
Forwards	1,321	(306)	-	-
Options	-	-	-	-
<b>Interest rate derivatives</b>	76	(77)	-	-
Forwards	-	-	-	-
Swaps	76	(77)	-	-
<b>Total derivative liabilities</b>	<b>1,397</b>	<b>(383)</b>	<b>-</b>	<b>-</b>

Increase in derivative assets resulted from increase in volume of foreign currency swap transactions and devaluation of Naira against US dollar.

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued) for the six months period ended 30 June 2016

#### 7 Trading assets and trading liabilities

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

	Group		Company	
	30 June 2016 N million	31 Dec. 2015 N million	30 June 2016 N million	31 Dec. 2015 N million
<b>7.1 Trading assets</b>				
<b>Classification</b>				
Listed	63,991	37,145	-	-
Unlisted	34,076	811	-	-
	<b>98,067</b>	<b>37,956</b>	<b>-</b>	<b>-</b>
<b>Comprising:</b>				
Government bonds	1,074	2,027	-	-
Corporate bonds	1,281	-	-	-
Treasury bills	61,627	35,115	-	-
Listed equities	9	3	-	-
Reverse repurchase agreements	27,300	-	-	-
Placements	6,801	811	-	-
Spread provision	(25)	-	-	-
	<b>98,067</b>	<b>37,956</b>	<b>-</b>	<b>-</b>

	Group		Company	
	30 June 2016 N million	31 Dec. 2015 N million	30 June 2016 N million	31 Dec. 2015 N million
<b>7.2 Trading liabilities</b>				
<b>Classification</b>				
Listed	30,730	7,911	-	-
Unlisted	14,273	16,190	-	-
	<b>45,003</b>	<b>24,101</b>	<b>-</b>	<b>-</b>
<b>Comprising:</b>				
Government bonds (short positions)	1,556	6	-	-
Deposits	14,273	16,190	-	-
Treasury bills (short positions)	29,174	7,905	-	-
	<b>45,003</b>	<b>24,101</b>	<b>-</b>	<b>-</b>

**STANBIC IBTC HOLDINGS PLC**

**Notes to the condensed consolidated interim financial statements (continued)**

for the six months period ended 30 June 2016

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2016</b>	<b>31 Dec. 2015</b>	<b>30 June 2016</b>	<b>31 Dec. 2015</b>
	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>
<b>8 Financial investments</b>				
<b>Short - term negotiable securities</b>	<b>222,693</b>	149,225	-	-
Listed	222,693	149,225	-	-
Unlisted	-	-	-	-
<b>Other financial investments</b>	<b>40,089</b>	13,470	<b>665</b>	<b>658</b>
Listed	39,338	12,689	665	658
Unlisted	751	781	-	-
	<b>262,782</b>	162,695	<b>665</b>	<b>658</b>
<b>8.1 Comprising:</b>				
Government bonds	32,979	1,273	-	-
Treasury bills	222,693	149,225	-	-
Unlisted equities	751	781	-	-
Mutual funds and unit-linked investments	6,359	11,416	665	658
	<b>262,782</b>	162,695	<b>665</b>	<b>658</b>

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2016</b>	<b>31 Dec. 2015</b>	<b>30 June 2016</b>	<b>31 Dec. 2015</b>
	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>
<b>9 Pledged assets</b>				
<b>9.1 Pledged assets</b>				
<b>Financial assets that may be repledged or resold by counterparties</b>				
Treasury bills	45,509	86,570	-	-
	<b>45,509</b>	<b>86,570</b>	<b>-</b>	<b>-</b>

Decrease in pledged assets relates to unwinding of treasury bills pledged in respect of maturity of deposits taken under repurchase agreements.

**STANBIC IBTC HOLDINGS PLC**

**Notes to the condensed consolidated interim financial statements (continued)**

for the six months period ended 30 June 2016

	Group		Company	
	30 June 2016 N million	31 Dec. 2015 N million	30 June 2016 N million	31 Dec. 2015 N million
<b>10 Loans and advances</b>				
<b>Loans and advances net of impairments</b>				
<b>10.1 Loans and advances to banks</b>	27,638	26,782	-	-
Call loans	-	-	-	-
Placements	27,638	26,782	-	-
<b>10.2 Loans and advances to customers</b>	375,636	353,513	-	-
<b>Gross loans and advances to customers</b>	407,087	379,428	-	-
Mortgage loans	8,918	9,953	-	-
Instalment sale and finance leases	22,306	23,376	-	-
Card debtors	2,369	1,386	-	-
Overdrafts and other demand loans	38,920	33,945	-	-
Medium term loans	330,974	307,186	-	-
Others loans and advances	3,600	3,582	-	-
<b>Credit impairments for loans and advances</b>	(31,451)	(25,915)	-	-
Specific credit impairments	(20,712)	(18,691)	-	-
Portfolio credit impairments	(10,739)	(7,224)	-	-
<b>Net loans and advances</b>	403,274	380,295	-	-

Included in loans and advances to banks is N19,759 million (Dec. 2014: N23,782 million) due from Standard Bank Group. Of this amount, N4,529 million (2015: N2,914 million) relates to proceed received from SBSA from sale of Finacle software. The fund is placed in an escrow account is not available for use by the group on a day to day basis.

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

Performing loans	378,995	379,174	-	-
Non-performing loans	28,092	27,036	-	-
	407,087	406,210	-	-

	Group		Company	
	30 June 2016 N million	31 Dec. 2015 N million	30 June 2016 N million	31 Dec. 2015 N million
<b>11 Other assets</b>				
Trading settlement assets	23,235	5,541	-	-
Due from group companies	7,787	978	1,287	1,433
Accrued income	470	238	-	-
Indirect / withholding tax receivables	749	741	188	114
Accounts receivable	17,931	9,152	17	72
Receivable in respect of unclaimed dividends	1,024	1,051	1,024	1,051
Prepayments	7,769	6,931	446	-
Other debtors	281	710	1	376
	59,246	25,342	2,963	3,046
Impairment on doubtful recoveries	(2,254)	(1,601)	(61)	(50)
	56,992	23,741	2,902	2,996

The increase in other assets is as a result of outstanding receivables in respect of unsettled trades on financial instruments. By their nature, these receivables are transit items and have been settled subsequent to period end.

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

	Group		Company	
	30 June 2016 N million	31 Dec. 2015 N million	30 June 2016 N million	31 Dec. 2015 N million
<b>12 Deposits and current accounts</b>				
<b>Deposits from banks</b>	<b>100,775</b>	95,446	-	-
Deposits under repurchase agreement	14,689	40,460	-	-
Other deposits from banks	86,086	54,986	-	-
<b>Deposits from customers</b>	<b>593,643</b>	493,513	-	-
Current accounts	223,488	188,148	-	-
Call deposits	30,925	38,192	-	-
Savings accounts	34,532	27,301	-	-
Term deposits	254,381	192,646	-	-
Negotiable certificate of deposits	50,317	47,226	-	-
<b>Total deposits and current accounts</b>	<b>694,418</b>	588,959	-	-

	Group		Company	
	30 June 2016 N million	31 Dec. 2015 N million	30 June 2016 N million	31 Dec. 2015 N million
<b>13 Other borrowings</b>				
<b>On-lending borrowings</b>	<b>77,430</b>	60,808	-	-
(i) FMO - Netherland Development Finance Company	12,734	8,907	-	-
(ii) African Development Bank	707	-	-	-
(iii) Bank of Industry	4,512	5,337	-	-
(iv) Standard Bank Isle of Man	46,985	37,229	-	-
(v) CBN Commercial Agricultural Credit Scheme (CACS)	12,492	9,335	-	-
<b>Other debt funding</b>	<b>28,559</b>	20,299	-	-
(vi) Debt funding from banks	28,559	20,299	-	-
	<b>105,989</b>	81,107	-	-

- (i) Stanbic IBTC Bank PLC ("the bank"), a subsidiary of the company, obtained a new on-lending dollar-denominated loan of USD\$45 million from Netherland Development Finance Company (FMO) during the period after the expiration of the initial loan on 15 January 2015. The new facility is effective from 08 April 2015 and has a maturity date of 20 December 2019. Interest rate on the loan is 6 months LIBOR plus 3.50%. The facility is unsecured.
- (ii) This represents US\$2.5m on-lending facility obtained during the period from African Development Bank. The facility was disbursed in two tranches of US\$1.25 million each. Tranch A is priced at 6-month LIBOR + 3.6%, while Tranche B is priced at 6-month LIBOR + 1.9%. Both tranches expires 09 June 2022 and are unsecured.
- (iii) This represents existing Central Bank of Nigeria (CBN) initiated on-lending naira facility obtained from Bank of Industry in September 2010 at a fixed rate of 1% per annum on a tenor based on agreement with individual beneficiary customer. Disbursement of these funds are represented in loans and advances to customers.
- (iv) This represents existing dollar denominated long term on-lending facilities with floating rates tied to LIBOR from Standard Bank Isle of Man with average tenor of 5 years.
- (v) This represents existing facility from the Central Bank of Nigeria (CBN) for the purpose of on-lending to customers under the Commercial Agricultural Credit Scheme (CACS). The tenor is based on agreement with individual beneficiary customer. Disbursement of these funds are represented in loans and advances to customers. Based on the structure of the facility, the bank assumes default risk of amount lent to its customers.
- (vi) Other debt funding relates to a dollar-denominated facility of US\$103 million obtained from a consortium of foreign banks effective 24 November 2015. The facility expires on 24 November 2016 and is repayable at maturity. Interest on the facility is payable quarterly at 3-month LIBOR (London Interbank Offered Rate) plus 2.25%.



## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

	Group		Company	
	30 June 2016 N million	31 Dec. 2015 N million	30 June 2016 N million	31 Dec. 2015 N million
<b>14 Subordinated debt</b>				
(i) Subordinated fixed rate notes- Naira denominated	15,586	15,594	-	-
(ii) Subordinated floating rate notes -Naira denominated	102	104	-	-
(iii) Subordinated debt - US dollar denominated	11,363	8,001	-	-
	<b>27,051</b>	<b>23,699</b>	<b>-</b>	<b>-</b>

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

(ii) This represents N100 million Naira denominated subordinated debt issued on 30 September 2014. Interest is payable semi-annually at 6-month Nigerian Treasury Bills yield plus 1.20%. It has a tenor of 10 years and is callable after 5 years from the issue date. The debt is unsecured.

(iii) US dollar denominated term subordinated non-collateralised facility of USD\$40 million from Standard Bank of South Africa on 31 May 2013. The facility expires on 31 May 2025 and is repayable at maturity. Interest on the facility is payable semi-annually at LIBOR (London Interbank Offered Rate) plus 3.60%.

The group has not had any default of principal, interest or any other breaches with respect to its debt securities during the period ended 30 June 2016 (Dec. 2015: Nil)

	Group		Company	
	30 June 2016 N million	31 Dec. 2015 N million	30 June 2016 N million	31 Dec. 2015 N million
<b>15 Provisions and other liabilities</b>				
Trading settlement liabilities	50,940	3,672	-	-
Cash-settled share-based payment liability	1,205	930	184	120
Accrued expenses - Staff	2,723	4,137	218	351
Deferred revenue liability	3,945	4,238	-	-
Accrued expenses - Others	9,646	5,892	912	1,045
Due to group companies	27,453	7,588	540	63
Collections / remittance payable	15,750	10,511	-	-
Customer deposit for letters of credit	19,736	17,203	-	-
Liability on refinanced letters of credit	-	1,438	-	-
Unclaimed balance	6,148	5,893	-	-
Payables to suppliers and asset management clients	2,087	1,468	2	4
Draft & bank cheque payable	1,732	1,423	-	-
Electronic channels settlement liability	1,523	2,185	-	-
Unclaimed dividends liability	1,528	1,574	1,528	1,574
Sundry liabilities	13,423	3,322	413	325
	<b>157,839</b>	<b>71,474</b>	<b>3,797</b>	<b>3,482</b>

The increase in other liabilities is mainly as a result of outstanding payables in respect of unsettled trades on financial instruments. By their nature, these payables are transit items and have been settled subsequent to period end.

**STANBIC IBTC HOLDINGS PLC**

**Notes to the condensed consolidated interim financial statements (continued)**

for the six months period ended 30 June 2016

	Group		Company	
	3 months N million	6 months N million	3 months N million	6 months N million
<b>16 Statement of cash flows notes</b>				
<b>16.1 Decrease/(increase) in income-earning assets</b>				
Net derivative assets	(23,014)	1,952	-	-
Trading assets	(60,111)	22,006	-	-
Pledged assets	41,061	7,877	-	-
Loans and advances	(31,429)	(33,092)	-	-
Other assets	(33,251)	(27,663)	94	(128)
Restricted balance with the Central Bank	(19,195)	(27,647)	-	-
	<b>(125,939)</b>	<b>(56,567)</b>	<b>94</b>	<b>(128)</b>
<b>16.2 Increase/(decrease) in deposits and other liabilities</b>				
Deposit and current accounts	105,459	79,866	-	-
Trading liabilities	20,902	(61,613)	-	-
Other liabilities and provisions	56,419	61,402	315	1,116
	<b>182,780</b>	<b>79,655</b>	<b>315</b>	<b>1,116</b>
<b>16.3 Cash and cash equivalents - Statement of cash flows</b>				
Cash and cash equivalents (note 7)	249,120	296,042	316	9,900
Less: restricted balance with the Central Bank of Nigeria	(123,278)	(119,262)	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>125,842</b>	<b>176,780</b>	<b>316</b>	<b>9,900</b>

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued) for the six months period ended 30 June 2016

#### 17 Classification of financial instruments

##### Accounting classifications and fair values

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

	Note	Held-for- trading	Loans and receivables	Available-for- sale	Other amortised cost	Total carrying amount	Fair value <sup>1</sup>
		N million	N million	N million	N million	N million	N million
<b>30 June 2016</b>							
<b>Assets</b>							
Cash and cash equivalents	5	-	-	-	249,120	249,120	249,120
Derivative assets	6	24,939	-	-	-	24,939	24,939
Trading assets	7	98,067	-	-	-	98,067	98,067
Pledged assets	9	-	-	45,509	-	45,509	45,509
Financial investments	8	-	-	262,782	-	262,782	262,782
Asset held for sale		-	-	262	-	262	262
Loans and advances to banks	10	-	27,638	-	-	27,638	27,638
Loans and advances to customers	10	-	375,636	-	-	375,636	353,098
Other financial assets		-	39,193	-	-	39,193	39,193
		<b>123,006</b>	<b>403,274</b>	<b>308,553</b>	<b>249,120</b>	<b>1,123,146</b>	<b>1,100,346</b>
<b>Liabilities</b>							
Derivative liabilities	6	1,397	-	-	-	1,397	1,397
Trading liabilities	7	45,003	-	-	-	45,003	45,003
Deposits from banks	12	-	-	-	100,775	100,775	100,775
Deposits from customers	12	-	-	-	593,643	593,643	598,095
Subordinated debt		-	-	-	27,051	27,051	24,616
Other borrowings		-	-	-	105,989	105,989	99,630
Other financial liabilities		-	-	-	140,320	140,320	140,320
		<b>46,400</b>	<b>-</b>	<b>-</b>	<b>834,738</b>	<b>881,138</b>	<b>885,590</b>

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

#### 17 Classification of financial instruments continued

	Note	Held-for-trading N million	Loans and receivables N million	Available-for-sale N million	Other amortised cost N million	Total carrying amount N million	Fair value <sup>1</sup> N million
<b>31 December 2015</b>							
<b>Assets</b>							
Cash and cash equivalents	5	-	-	-	211,481	211,481	211,481
Derivative assets	6	911	-	-	-	911	911
Trading assets	7	37,956	-	-	-	37,956	37,956
Pledged assets	9	61,496	-	25,074	-	86,570	86,570
Financial investments	8	-	-	162,695	-	162,695	162,695
Asset held for sale		-	-	262	-	262	262
Loans and advances to banks	10	-	26,782	-	-	26,782	26,790
Loans and advances to customers	10	-	353,513	-	-	353,513	333,109
Other financial assets		-	15,831	-	-	15,831	15,831
		<b>38,867</b>	<b>380,295</b>	<b>188,031</b>	<b>211,481</b>	<b>896,001</b>	<b>875,605</b>
<b>Liabilities</b>							
Derivative liabilities	6	383	-	-	-	383	383
Trading liabilities	7	24,101	-	-	-	24,101	24,101
Deposits from banks	12	-	-	-	95,446	95,446	96,523
Deposits from customers	12	-	-	-	493,513	493,513	497,194
Subordinated debt		-	-	-	23,699	23,699	23,959
Other borrowings		-	-	-	81,107	81,107	76,369
Other financial liabilities		-	-	-	67,236	67,236	67,236
		<b>24,484</b>	<b>-</b>	<b>-</b>	<b>761,001</b>	<b>785,485</b>	<b>785,765</b>

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

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**18 Financial instruments measured at fair value**

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

**18.1 Valuation models**

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

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

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

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

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

Specific valuation techniques used to value financial instruments include:

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

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

**18.2 Valuation framework**

The group has an established control framework with respect to the measurement of fair values. This framework includes a *market risk function*, which has overall responsibility for independently verifying the results of trading operations and all significant fair value measurements, and a *product control function*, which is independent of front office management and reports to the Chief Financial Officer. The roles performed by both functions include:

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

Significant valuation issues are reported to the audit committee.

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

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

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

Group	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
<b>30 June 2016</b>				
<b>Assets</b>				
Derivative assets	-	24,939	-	24,939
Trading assets	63,991	34,076	-	98,067
Pledged assets	45,509	-	-	45,509
Financial investments	262,031	511	240	262,782
Asset held for sale	-	-	262	262
	<b>371,531</b>	<b>59,526</b>	<b>502</b>	<b>431,559</b>
<b>Comprising:</b>				
Held-for-trading	63,991	59,015	-	123,006
Available-for-sale	307,540	511	502	308,553
	<b>371,531</b>	<b>59,526</b>	<b>502</b>	<b>431,559</b>
<b>Liabilities</b>				
Derivative liabilities	-	1,397	-	1,397
Trading liabilities	30,730	14,273	-	45,003
	<b>30,730</b>	<b>15,670</b>	<b>-</b>	<b>46,400</b>
<b>Comprising:</b>				
Held-for-trading	30,730	15,670	-	46,400
Designated at fair value	-	-	-	-
	<b>30,730</b>	<b>15,670</b>	<b>-</b>	<b>46,400</b>

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

Group	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
<b>31 December 2015</b>				
<b>Assets</b>				
Derivative assets	-	911	-	911
Trading assets	37,145	811	-	37,956
Pledged assets	86,570	-	-	86,570
Financial investments	161,914	541	240	162,695
Asset held for sale	-	-	262	262
	<b>285,629</b>	<b>2,263</b>	<b>502</b>	<b>288,394</b>
<b>Comprising:</b>				
Held-for-trading	98,641	1,722	-	100,363
Available-for-sale	186,988	541	502	188,031
	<b>285,629</b>	<b>2,263</b>	<b>502</b>	<b>288,394</b>
<b>Liabilities</b>				
Derivative liabilities	-	383	-	383
Trading liabilities	7,911	16,190	-	24,101
	<b>7,911</b>	<b>16,573</b>	<b>-</b>	<b>24,484</b>
<b>Comprising:</b>				
Held-for-trading	7,911	16,573	-	24,484
Designated at fair value	-	-	-	-
	<b>7,911</b>	<b>16,573</b>	<b>-</b>	<b>24,484</b>

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

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

#### 18.3 Level 3 fair value measurement

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

	30 June 2016 N million	31 Dec. 2015 N million
<b>Financial investments - unquoted equities</b>		
Balance at 1 January	502	164
Gain/(loss) recognised in other comprehensive income	-	338
Purchases	-	-
<b>Balance at period end</b>	<b>502</b>	<b>502</b>

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

	30 June 2016 N million	31 Dec. 2015 N million
Net change in fair value of available-for-sale financial assets	-	338

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

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

Type of financial instrument	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable input
Unquoted equities	Discounted cash flow	- Risk adjusted discount rate '- Cash flow estimates	A significant increase in the spread above the risk-free rate would result in a lower fair value.

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

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

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

Group	Carrying amount N million	Fair value			Total N million
		Level 1 N million	Level 2 N million	Level 3 N million	
<b>30 June 2016</b>					
<b>Assets</b>					
Loans and advances to banks	27,638	-	-	27,638	27,638
Loans and advances to customers	375,636	-	-	353,098	353,098
Other financial assets	39,193	-	39,193	-	39,193
	<b>442,467</b>	<b>-</b>	<b>39,193</b>	<b>380,736</b>	<b>419,929</b>
<b>Liabilities</b>					
Deposits from banks	100,775	-	100,775	-	100,775
Deposits from customers	593,643	288,945	309,150	-	598,095
Other borrowings	105,989	-	99,630	-	99,630
Subordinated debt	27,051	-	24,616	-	24,616
Other financial liabilities	140,320	-	140,320	-	140,320
	<b>967,778</b>	<b>288,945</b>	<b>674,491</b>	<b>-</b>	<b>963,436</b>

Group		Level 1 N million	Level 2 N million	Level 3 N million	Total N million
<b>31 December 2015</b>					
<b>Assets</b>					
Cash and cash equivalents	211,481	211,481	-	-	211,481
Loans and advances to banks	26,782	-	-	26,790	26,790
Loans and advances to customers	353,513	-	-	333,109	333,109
Other financial assets	15,831	-	15,831	-	15,831
	<b>607,607</b>	<b>211,481</b>	<b>15,831</b>	<b>359,899</b>	<b>587,211</b>
<b>Liabilities</b>					
Deposits from banks	95,446	-	96,523	-	96,523
Deposits from customers	493,513	-	497,194	-	497,194
Other borrowings	81,107	-	76,369	-	76,369
Subordinated debt	23,699	-	23,959	-	23,959
Other financial liabilities	67,236	-	67,236	-	67,236
	<b>761,001</b>	<b>-</b>	<b>761,281</b>	<b>-</b>	<b>761,281</b>

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

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



## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

	Group		Company	
	30 June 2016 N million	31 Dec. 2015 N million	30 June 2016 N million	31 Dec. 2015 N million
<b>19</b>	<b>Contingent liabilities and commitments</b>			
<b>19.1</b>	<b>Contingent liabilities</b>			
Letters of credit	17,927	19,638	-	-
Guarantees	24,262	30,335	-	-
	<b>42,189</b>	<b>49,973</b>	<b>-</b>	<b>-</b>

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

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

#### 19.2 Legal proceedings

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

There were a total of 214 legal proceedings outstanding as at 30 June 2016. 150 of these were against the group with claims amounting to N485 billion (Dec. 2015: N399.6 billion), while 64 other cases were instituted by the group with claims amounting to N12 billion (31 Dec. 2015: N9 billion).

The claims against the bank are being vigorously defended. It is not expected that the ultimate resolution of any of the proceedings will have a significant adverse effect on the financial position of the group.

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

#### 20 Supplementary income statement information

	Group				Company			
	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months
	30-Jun-16	30-Jun-16	30-Jun-15	30-Jun-15	30-Jun-16	30-Jun-16	30-Jun-15	30-Jun-15
	N million	N million	N million	N million	N million	N million	N million	N million
<b>20.1 Interest income</b>								
Interest on loans and advances to banks	291	494	1,436	1,713	-	-	-	-
Interest on loans and advances to customers	12,931	26,482	15,453	29,354	-	-	-	-
Interest on investments	5,815	9,737	5,113	10,651	2	5	7	7
	<b>19,037</b>	<b>36,713</b>	<b>22,002</b>	<b>41,718</b>	<b>2</b>	<b>5</b>	<b>7</b>	<b>7</b>

All interest income reported above relates to financial assets not carried at fair value through profit or loss. Increase in interest income is mainly on the back of growth in volume of loans and advances to customers as well as the upward re-pricing of customer loans carried out during the period.

<b>20.2 Interest expense</b>								
Savings accounts	113	281	159	306	-	-	-	-
Current accounts	112	242	922	1,335	-	-	-	-
Call deposits	141	378	1,584	2,959	-	-	-	-
Term deposits	4,343	8,987	6,618	12,367	-	-	-	-
Interbank deposits	793	1,627	384	735	-	-	-	-
Borrowed funds	1,236	2,349	901	1,881	-	-	-	-
	<b>6,738</b>	<b>13,864</b>	<b>10,568</b>	<b>19,583</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The interest expense reported above relates to financial liabilities not carried at fair value through profit or loss. Growth in interest expense is largely driven by increase in deposits volume as well as rates.

<b>20.3 Net fee and commission revenue</b>								
Fee and commission revenue	13,445	27,795	9,387	19,035	200	397	176	375
Account transaction fees	2,873	5,594	424	911	-	-	-	-
Card based commission	611	1,569	505	973	-	-	-	-
Brokerage and financial advisory fees	803	1,401	886	2,536	-	-	-	-
Asset management fees	6,534	12,977	5,752	11,004	-	-	-	-
Custody transaction fees	378	698	480	1,027	-	-	-	-
Electronic banking	343	597	162	300	-	-	-	-
Foreign currency service fees	1,517	4,104	626	993	-	-	-	-
Documentation and administration fees	180	363	159	368	-	-	-	-
Others	206	492	393	923	200	397	176	375
Fee and commission expense	(223)	(389)	(127)	(231)	-	-	-	-
	<b>13,222</b>	<b>27,406</b>	<b>9,260</b>	<b>18,804</b>	<b>200</b>	<b>397</b>	<b>176</b>	<b>375</b>

**STANBIC IBTC HOLDINGS PLC**

**Notes to the condensed consolidated interim financial statements (continued)**

for the six months period ended 30 June 2016

**20 Supplementary income statement information** continued

	<b>Group</b>				<b>Company</b>			
	<b>3 months</b>	<b>6 months</b>	<b>3 months</b>	<b>6 months</b>	<b>3 months</b>	<b>6 months</b>	<b>3 months</b>	<b>6 months</b>
	<b>30-Jun-16</b>	<b>30-Jun-16</b>	<b>30-Jun-15</b>	<b>30-Jun-15</b>	<b>30-Jun-16</b>	<b>30-Jun-16</b>	<b>30-Jun-15</b>	<b>30-Jun-15</b>
	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>
<b>20.4 Trading revenue</b>								
Foreign exchange	(702)	(846)	1,527	5,474	-	-	-	-
Fixed income	1,108	2,446	1,671	1,979	-	-	-	-
Interest rates	1,277	2,719	(293)	(320)	-	-	-	-
Equities	(2)	(3)	-	-	-	-	-	-
	<b>1,681</b>	<b>4,316</b>	<b>2,905</b>	<b>7,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20.5 Other revenue</b>								
Dividend income	121	121	68	83	-	-	10,148	10,148
Others	(35)	84	146	326	8	21	33	36
	<b>86</b>	<b>205</b>	<b>214</b>	<b>409</b>	<b>8</b>	<b>21</b>	<b>10,181</b>	<b>10,184</b>
<b>20.6 Credit impairment charges</b>								
Net specific credit impairment charges	3,810	4,935	3,840	5,525	-	-	-	-
Specific credit impairment charges	3,969	5,173	3,873	5,602	-	-	-	-
Recoveries on loans and advances previously written off	(159)	(238)	(33)	(77)	-	-	-	-
Portfolio credit impairment charges/(reversal)	2,371	3,515	118	2,374	-	-	-	-
	<b>6,181</b>	<b>8,450</b>	<b>3,958</b>	<b>7,899</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**STANBIC IBTC HOLDINGS PLC**

**Notes to the condensed consolidated interim financial statements (continued)**

for the six months period ended 30 June 2016

**20 Supplementary income statement information** continued

	<b>Group</b>				<b>Company</b>			
	<b>3 months</b>	<b>6 months</b>	<b>3 months</b>	<b>6 months</b>	<b>3 months</b>	<b>6 months</b>	<b>3 months</b>	<b>6 months</b>
	<b>30-Jun-16</b>	<b>30-Jun-16</b>	<b>30-Jun-15</b>	<b>30-Jun-15</b>	<b>30-Jun-16</b>	<b>30-Jun-16</b>	<b>30-Jun-15</b>	<b>30-Jun-15</b>
	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>	<b>N million</b>
<b>20.7 Other operating expenses</b>								
Information technology	1,073	2,017	1,180	2,364	66	2	8	8
Communication	273	528	202	432	24	2	-	-
Premises and maintenance	965	1,895	905	1,807	59	9	18	18
Marketing and advertising	546	822	607	1,078	(44)	8	17	17
Insurance	1,899	3,715	1,730	3,531	39	67	40	40
Professional fees	(54)	513	1,282	2,588	(3)	181	46	46
Depreciation	925	1,830	860	1,715	53	105	50	95
Stationery and printing	195	332	168	351	(14)	2	7	7
Security	290	599	304	569	6	11	1	1
Travel and entertainment	1,010	1,218	344	736	(48)	5	13	13
Administration and membership fees	446	794	308	623	(34)	6	14	14
Training	234	285	186	334	(6)	2	10	10
Others	1,762	2,775	679	1,445	(118)	(290)	127	243
	<b>9,564</b>	<b>17,323</b>	<b>8,755</b>	<b>17,573</b>	<b>(20)</b>	<b>110</b>	<b>351</b>	<b>512</b>

'Others' include pension administration expenses, donations, and miscellaneous expenses.

<b>20.8 Income tax</b>								
Current tax	1,557	4,053	1,226	3,063	1	321	97	97
Deferred tax	356	312	(1,985)	(3,221)	107	117	(301)	(280)
	<b>1,913</b>	<b>4,365</b>	<b>(759)</b>	<b>(158)</b>	<b>108</b>	<b>438</b>	<b>(204)</b>	<b>(183)</b>

**STANBIC IBTC HOLDINGS PLC**

**Notes to the condensed consolidated interim financial statements (continued)**

for the six months period ended 30 June 2016

	<b>Group</b>			
	<b>3 months</b>	<b>6 months</b>	3 months	6 months
	<b>30-Jun-16</b>	<b>30-Jun-16</b>	30-Jun-15	30-Jun-15
	<b>N'million</b>	<b>N'million</b>	N'million	N'million
<b>21 Earnings per ordinary share</b>				
The calculation of basic earnings per ordinary share and diluted earnings per ordinary share are as follows:				
<b>Earnings based on weighted average shares in issue</b>				
Earnings attributable to ordinary shareholders (N million)	<b>1,564</b>	<b>8,407</b>	4,529	8,032
<b>Weighted average number of ordinary shares in issue (number of shares)</b>				
Weighted average number of ordinary shares in issue	<b>10,000</b>	<b>10,000</b>	10,000	10,000
<b>Basic earnings per ordinary share (kobo)</b>	<b>16</b>	<b>84</b>	45	80

## STANBIC IBTC HOLDINGS PLC

### Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

#### 22 Related party transactions

##### 22.1 Parent

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

##### 22.2 Subsidiaries

Details of effective interest in subsidiaries are disclosed below.

Stanbic IBTC Bank PLC	100%
Stanbic IBTC Ventures Limited	100%
Stanbic IBTC Capital Limited	100%
Stanbic IBTC Asset Management Limited	100%
Stanbic IBTC Pension Managers Limited	70.59%
Stanbic IBTC Nominees Limited	100%
Stanbic IBTC Stockbrokers Limited	100%
Stanbic IBTC Trustees Limited	100%
Stanbic IBTC Insurance Brokers Limited	100%
Stanbic IBTC Investments Limited	100%
Stanbic IBTC Bureau De Change Limited - Indirect subsidiary	100%
Stanbic IBTC Nominees Limited - Indirect subsidiary	100%

##### 22.3 Key management personnel

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

	30-Jun-16 N million	30-Jun-15 N million
<b>Key management compensation</b>		
Salaries and other short-term benefits	242	408
Post-employment benefits	14	21
Value of share options and rights expensed	(11)	9
	<b>245</b>	<b>438</b>

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

	30-Jun-16 N million	31 Dec. 2015 N million
<b>Loans and advances</b>		
Loans outstanding at the beginning of the period	330	200
Net movement during the period	(81)	130
<b>Loans outstanding at the end of the period</b>	<b>249</b>	<b>330</b>

Loans include mortgage loans, instalment sale and finance leases and credit cards. No specific impairments have been recognised in respect of loans granted to key management (2015: nil). The mortgage loans and instalment sale and finance leases are secured by the underlying assets. All other loans are unsecured.

##### Deposit and current accounts

Deposits outstanding at beginning of the period	373	352
Net movement during the period	227	21
<b>Deposits outstanding at end of the period</b>	<b>600</b>	<b>373</b>

Deposits include cheque, current and savings accounts.

**STANBIC IBTC HOLDINGS PLC**

**Notes to the condensed consolidated interim financial statements (continued)**

for the six months period ended 30 June 2016

**22 Related party transactions continued**

**22.4 Service contracts with related parties**

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

	<b>30-Jun-16</b>	31 Dec. 2015
	N million	N million
<b>(i) Due from group companies</b>		
Trading assets	-	811
Loans to banks	<b>19,759</b>	23,782
Current account balances	<b>17,104</b>	15,219
Derivatives	1	18
Other assets	<b>7,787</b>	978
	<b>44,651</b>	40,808
<b>(ii) Due to group companies</b>		
Deposits and current accounts	<b>15,450</b>	71,115
Derivatives	<b>195</b>	67
Trading liabilities	<b>14,273</b>	10,190
Subordinated debt	<b>11,363</b>	8,001
Other borrowings	<b>46,985</b>	37,229
Other liabilities	<b>27,453</b>	7,588
	<b>115,719</b>	134,190
<b>(iii) Profit or loss impact of transactions with group entities</b>		
Interest income earned	<b>193</b>	24
Interest expense paid	<b>(1 638)</b>	(651)
Trading revenue	<b>(188)</b>	(8)

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the six months period ended 30 June 2016

23 Summarised financial statements of the consolidated entities

	Stanbic IBTC Holdings PLC Company N'million	Stanbic IBTC Bank PLC N'million	Stanbic IBTC Capital Ltd N'million	Stanbic IBTC Pension Managers Ltd N'million	Stanbic IBTC Asset Mgt Ltd N'million	Stanbic IBTC Ventures Ltd N'million	Stanbic IBTC Trustees Ltd N'million	Stanbic IBTC Stockbrokers Ltd N'million	Stanbic IBTC Insurance Brokers Ltd N'million	Consoli-dations / Elimina -tions N'million	Stanbic IBTC Holdings PLC Group N'million
<b>Income statement</b>											
Net interest income	5	21,177	134	1,054	330	46	24	78	1	-	22,849
Non interest revenue	418	17,863	524	11,687	1,463	4	129	280	172	(613)	31,927
<b>Total income</b>	<b>423</b>	<b>39,040</b>	<b>658</b>	<b>12,741</b>	<b>1,793</b>	<b>50</b>	<b>153</b>	<b>358</b>	<b>173</b>	<b>(613)</b>	<b>54,776</b>
Staff costs	(137)	(11,405)	(518)	(1,552)	(518)	-	(87)	(124)	(37)	-	(14,378)
Operating expenses	(110)	(14,742)	(731)	(1,835)	(363)	(3)	(27)	(98)	(27)	613	(17,323)
Credit impairment charges	-	(8,450)	-	-	-	-	-	-	-	-	(8,450)
<b>Total expenses</b>	<b>(247)</b>	<b>(34,597)</b>	<b>(1,249)</b>	<b>(3,387)</b>	<b>(881)</b>	<b>(3)</b>	<b>(114)</b>	<b>(222)</b>	<b>(64)</b>	<b>613</b>	<b>(40,151)</b>
<b>Profit before tax</b>	<b>176</b>	<b>4,443</b>	<b>(591)</b>	<b>9,354</b>	<b>912</b>	<b>47</b>	<b>39</b>	<b>136</b>	<b>109</b>	<b>-</b>	<b>14,625</b>
Tax	(438)	(347)	(100)	(3,057)	(287)	(10)	(9)	(68)	(49)	-	(4,365)
<b>Profit for the period</b>	<b>(262)</b>	<b>4,096</b>	<b>(691)</b>	<b>6,297</b>	<b>625</b>	<b>37</b>	<b>30</b>	<b>68</b>	<b>60</b>	<b>-</b>	<b>10,260</b>
At 30 June 2015	9,915	3,108	294	5,655	426	(27)	35	437	-	(10,148)	9,695



**Risk management  
for the six months period ended 30 June 2016**

**Risk management**

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

The most important types of risk arising from financial instruments are credit risk, liquidity risk and market risk. The management of these risks is discussed in the consolidated financial statements of the group as at and for the year ended 31 December 2015.

There have been no significant change in the group's risk factors and uncertainties relative to those described in the consolidated financial statements as at and for the year ended 31 December 2015.

**Capital management**

**Capital adequacy**

Capital adequacy ratio, which reflects the capital strength of an entity compared to the minimum regulatory requirements, is monitored by the management, essentially employing approaches based on the guidelines developed by the regulators for supervisory purposes. It is calculated by dividing the regulatory capital held by the bank by its risk-weighted assets. Regulatory capital comprises Tier 1 and Tier 2 capital as disclosed below while risk weighted assets comprise computed risk assets from credit, operational and market risks.

Risk-weighted assets for credit risk adopt the standardised approach using risk weight assigned to individual asset classes by the Central Bank in place of external credit assessment institutions' ratings, and taking into account any eligible collateral or guarantees. A similar treatment is adopted for off balance sheet exposures, with some adjustments to reflect the more contingent nature of the potential losses.

Notional risk weighted asset for market risk is calculated using the standardised approach while operational risk is determined using the basic indicator approach.

The Central Bank requires the bank to hold a minimum regulatory capital of N25 billion and maintain a minimum of 10% capital adequacy ratio.

**Regulatory Capital**

The group's regulatory capital is split into two:

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

Tier 2 capital includes subordinated debts and revaluation reserves.

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

# STANBIC IBTC HOLDINGS PLC

## Risk management for the six months period ended 30 June 2016

### Capital management - BASEL II regulatory capital

#### Stanbic IBTC Bank PLC

	30 June 2016 N'million	31 Dec. 2015 N'million
<b>Tier 1</b>	94,502	96,402
Paid-up ordinary shares	1,875	1,875
Share premium	42,469	42,469
Retained profits	30,725	30,725
Statutory reserve	18,086	20,262
Other reserves	308	32
Non controlling interest	-	-
SMEEIS Reserve	1,039	1,039
Less: regulatory deduction	9,494	9,494
Increase in equity capital resulting from a securitization	-	-
Investment in own shares (treasury stock).	-	-
Losses for the current financial year	-	-
Goodwill	-	-
Deferred tax assets	9,444	9,444
Other intangible assets	-	-
Under-impairment	-	-
	50	50
50% of investments in banking and financial subsidiary/associate companies	-	-
Excess exposure(s) over single obligor without CBN approval	-	-
Exposures to own financial holding company	-	-
Unsecured lending to subsidiaries within the same group	-	-
Eligible Tier I capital	85,008	86,908
<b>Tier II</b>	23,685	24,282
Hybrid (debt/equity) capital instruments	-	-
Subordinated term debt	24,246	23,699
Other comprehensive income (OCI)	(561)	583
Less: regulatory deduction	50	-
50% of investments in unconsolidated banking and financial subsidiary/associate companies	50	50
Eligible Tier II capital	23,635	24,282
<b>Total regulatory capital</b>	<b>108,643</b>	<b>111,190</b>
<b>Risk weighted assets:</b>		
Credit risk	397,087	445,378
Operational risk	128,524	128,524
Market risk	2,487	2,004
<b>Total risk weight</b>	<b>528,098</b>	<b>575,907</b>
<b>Total capital adequacy ratio</b>	<b>20.6%</b>	<b>19.3%</b>
<b>Tier I capital adequacy ratio</b>	<b>16.1%</b>	<b>15.1%</b>