



Stanbic IBTC

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STANBIC IBTC HOLDINGS PLC

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 SEPTEMBER 2016

STANBIC IBTC HOLDINGS PLC
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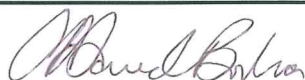
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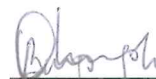
STANBIC IBTC HOLDINGS PLC

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

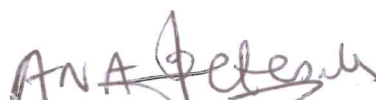
	Note	Group		Company	
		30 Sept. 2016 N'million	31 Dec. 2015 N'million	30 Sept. 2016 N'million	31 Dec. 2015 N'million
Assets					
Cash and cash equivalents	5	330,047	211,481	373	8
Pledged assets	9	33,029	86,570	-	-
Trading assets	7	31,079	37,956	-	-
Derivative assets	6	7,311	911	-	-
Financial investments	8	284,499	162,695	678	658
Asset held for sale	8.2	262	262	-	-
Loans and advances	10	365,771	380,295	-	-
Loans and advances to banks	10	8,394	26,782	-	-
Loans and advances to customers	10	357,377	353,513	-	-
Equity investment in group companies		-	-	69,191	69,191
Other assets	11	60,194	23,741	2,113	2,996
Deferred tax assets		9,113	8,342	463	555
Property and equipment		24,173	25,311	2,529	2,494
Intangible asset	12	746	-	-	-
Total assets		1,146,224	937,564	75,347	75,902
Equity and liabilities					
Equity		144,801	128,967	72,066	72,360
Equity attributable to ordinary shareholders		136,752	123,726	72,066	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		66,302	53,276	1,616	1,910
Non-controlling interest		8,049	5,241	-	-
Liabilities		1,001,423	808,597	3,281	3,542
Trading liabilities	7	26,079	24,101	-	-
Derivative liabilities	6	3,658	383	-	-
Deposits and current accounts	13	668,916	588,959	-	-
Deposits from banks	13	62,793	95,446	-	-
Deposits from customers	13	606,123	493,513	-	-
Other borrowings	14	112,890	81,107	-	-
Subordinated debt	15	27,898	23,699	-	-
Current tax liabilities		7,149	8,727	64	60
Deferred tax liabilities		86	120	-	-
Provisions		11,025	10,027	-	-
Other liabilities	16	143,722	71,474	3,217	3,482
Total equity and liabilities		1,146,224	937,564	75,347	75,902



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



Bayo Olujobi
Finance
FRC/2015/CAN/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 nine months period ended 30 September 2016

	Note	Group				Company			
		3 months 30-Sep-16 N million	9 months 30-Sep-16 N million	3 months 30-Sep-15 N million	9 months 30-Sep-15 N million	3 months 30-Sep-16 N million	9 months 30-Sep-16 N million	3 months 30-Sep-15 N million	9 months 30-Sep-15 N million
Gross earnings		45,593	114,622	36,123	104,418	234	657	188	10,754
Net interest income		16,240	39,089	10,794	32,929	5	10	1	8
Interest income	21.1	24,472	61,185	20,958	62,676	5	10	1	8
Interest expense	21.2	(8,232)	(22,096)	(10,164)	(29,747)	-	-	-	-
Non-interest revenue		20,968	52,895	14,978	41,324	229	647	187	10,746
Net fee and commission revenue	21.3	12,678	40,084	10,736	29,540	208	605	186	561
Fee and commission revenue	21.3	12,831	40,626	10,923	29,958	208	605	186	561
Fee and commission expense	21.3	(153)	(542)	(187)	(418)	-	-	-	-
Trading revenue	21.4	7,956	12,272	4,011	11,144	-	-	-	-
Other revenue	21.5	334	539	231	640	21	42	1	10,185
Total income		37,208	91,984	25,772	74,253	234	657	188	10,754
Credit impairment charges	21.6	(6,828)	(15,278)	(4,590)	(12,489)	-	-	-	-
Income after credit impairment charges		30,380	76,706	21,182	61,764	234	657	188	10,754
Operating expenses		(19,317)	(51,018)	(15,352)	(46,397)	(292)	(539)	(330)	(1,164)
Staff costs		(8,427)	(22,805)	(6,529)	(20,001)	(180)	(317)	(90)	(412)
Other operating expenses	21.7	(10,890)	(28,213)	(8,823)	(26,396)	(112)	(222)	(240)	(752)
Profit before tax		11,063	25,688	5,830	15,367	(58)	118	(142)	9,590
Income tax	21.8	(1,171)	(5,536)	(1,963)	(1,805)	22	(416)	18	201
Profit for the period		9,892	20,152	3,867	13,562	(36)	(298)	(124)	9,791
Profit attributable to:									
Non-controlling interests		1,034	2,887	881	2,544	-	-	-	-
Equity holders of the parent		8,858	17,265	2,986	11,018	(36)	(298)	(124)	9,791
Profit for the period		9,892	20,152	3,867	13,562	(36)	(298)	(124)	9,791
Earnings per share									
Basic /diluted earnings per ordinary share (kobo)	22	89	173	30	110				

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 nine months period ended 30 September 2016

	Note	Group				Company			
		3 months 30-Sep-16 N million	9 months 30-Sep-16 N million	3 months 30-Sep-15 N million	9 months 30-Sep-15 N million	3 months 30-Sep-16 N million	9 months 30-Sep-16 N million	3 months 30-Sep-15 N million	9 months 30-Sep-15 N million
Profit for the period		9,892	20,152	3,867	13,562	(36)	(298)	(124)	9,791
Other comprehensive income									
Items that will never be reclassified to profit or loss		-	-	-	-	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss:									
Net change in fair value of available-for-sale financial assets		(2,865)	(4,482)	-860	2,059	-	-	-	-
Realised fair value adjustments on available-for-sale financial assets reclassified to income statement		25	121	1,485	753	-	-	-	-
Income tax on other comprehensive income		-	-	-	-	-	-	-	-
		(2,840)	(4,361)	625	2,812	-	-	-	-
Other comprehensive income for the period, net of tax		(2,840)	(4,361)	625	2,812	-	-	-	-
Total comprehensive income for the period		7,052	15,791	4,492	16,374	(36)	(298)	(124)	9,791
Total comprehensive income attributable to:									
Non-controlling interests		972	2,808	903	2,585	-	-	-	-
Equity holders of the parent		6,080	12,983	3,589	13,789	(36)	(298)	(124)	9,791
		7,052	15,791	4,492	16,374	(36)	(298)	(124)	9,791

The accompanying notes form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

**Statement of changes in equity
for the nine months period ended 30 September 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						(4,282)		-	17,265	12,983	2,808	15,791
Profit for the period									17,265	17,265	2,887	20,152
Other comprehensive (loss)/income after tax for the period						(4,282)		-		(4,282)	(79)	(4,361)
Net change in fair value on available-for-sale financial assets						(4,403)				(4,403)	(79)	(4,482)
Realised fair value adjustments on available-for-sale financial assets						121				121		121
Statutory credit risk reserve									-			-
Transactions with shareholders, recorded directly in equity		-	-	-	-	-	43	-	-	43	-	43
Equity-settled share-based payment transactions							43			43		43
Dividends paid to equity holders										-		-
Balance at 30 September 2016		5,000	65,450	(19,123)	6,684	(3,056)	99	26,218	55,480	136,752	8,049	144,801
Balance at 1 January 2015 (as previously reported)		5,000	65,450	(19,123)	3,366	(1,462)	402	22,955	33,464	110,052	4,223	114,275
Impact of prior period restatement								895	5,074	5,969		5,969
Restated balance at 1 January 2015		5,000	65,450	(19,123)	3,366	(1,462)	402	23,850	38,538	116,021	4,223	120,244
Total comprehensive income/(loss) for the period						2,771			11,018	13,789	2,585	16,374
Profit for the year									11,018	11,018	2,544	13,562
Other comprehensive income/(loss) after tax for the period						2,771				2,771	41	2,812
Net change in fair value on available-for-sale financial assets						2,018				2,018	41	2,059
Realised fair value adjustments on available-for-sale financial assets						753				753		753
Statutory credit risk reserve					-				-			-
Transfer to statutory reserves					-				-			-
Transactions with shareholders, recorded directly in equity		-	-	-	-	-	17	-	(10,500)	(10,483)	(2,412)	(12,895)
Equity-settled share-based payment transactions							17		-	17		17
Transfer of vested portion of equity settled share based payment to retained earnings							-		-	-		-
Dividends paid to equity holders									(10,500)	(10,500)	(2,412)	(12,912)
Balance at 30 September 2015		5,000	65,450	(19,123)	3,366	1,309	419	23,850	39,056	119,327	4,396	123,723

The accompanying notes form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

**Statement of changes in equity
for the nine months period ended 30 September 2016**

Company	Ordinary share capital N'million	Share premium 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
Balance at 1 January 2016	5,000	65,450	-	9	-	1,901	72,360
Total comprehensive income/(loss) for the period			-			(298)	(298)
Profit for the period	-	-	-	-	-	(298)	(298)
Transactions with shareholders, recorded directly in equity							
Equity-settled share-based payment transactions	-	-	-	4	-	-	4
Dividends paid to equity holders				4			4
Balance at 30 September 2016	5,000	65,450	-	13	-	1,603	72,066
Restated balance at 1 January 2015	5,000	65,450	-	16	-	2,524	72,990
Total comprehensive income for the period						9,791	9,791
Profit for the period	-	-	-	-	-	9,791	9,791
Transactions with shareholders, recorded directly in equity							
Equity-settled share-based payment transactions	-	-	-	-	-	(10,500)	(10,500)
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	-	-	-	-	-
Dividends paid to equity holders	-	-	-	-	-	(10,500)	(10,500)
Balance at 30 September 2015	5,000	65,450	-	16	-	1,815	72,281

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 nine months period ended 30 September 2016

	Note	Group		Company	
		30-Sep-16 N million	30-Sep-15 N million	30-Sep-16 N million	30-Sep-15 N million
Net cash flows from operating activities		132,475	(43,986)	579	16,538
Cash flows used in operations		100,648	(68,687)	894	6,511
Profit before tax		25,688	15,367	118	9,590
Adjusted for:		(17,060)	(17,791)	158	(10,016)
Credit impairment charges on loans and advances	21.6	15,278	12,489	-	-
Depreciation of property and equipment	21.7	2,749	2,579	162	144
Dividends included in other revenue	21.5	(224)	(163)	-	(10,148)
Equity-settled share-based payments		43	17	4	-
Interest expense		22,096	29,747	-	-
Interest income		(61,185)	(62,676)	(5)	(8)
Non-cash flow movements to subordinated debt		4,199	267	-	-
Loss/(profit) on sale of property and equipment		(16)	(51)	(3)	(4)
Increase in loans and other assets	17.1	5,917	(124,585)	883	308
Increase in deposits and other liabilities	17.2	86,103	58,322	(265)	6,629
Dividends received		202	163	-	10,148
Interest paid		(22,096)	(29,747)	-	-
Interest received		61,185	62,676	5	8
Direct taxation paid		(7,464)	(8,391)	(320)	(129)
Net cash flows used in investing activities		(128,401)	103,145	(214)	(79)
Capital expenditure on - property		(141)	(157)	-	-
- equipment, furniture and vehicles		(1,368)	(3,935)	(194)	(90)
- intangible assets		(746)	-	-	-
Proceeds from sale of property, equipment, furniture and vehicles		19	228	-	66
Investment in new subsidiary- Stanbic IBTC Insurance Brokers Limited		-	-	-	(20)
(Purchase)/sale of financial investments		(126,165)	107,009	-20	(35)
Net cash flows used in financing activities		31,783	(18,296)	-	(10,500)
Net increase in other borrowings		31,783	(5,384)	-	-
Net dividends paid	22	-	(12,912)	-	(10,500)
Net increase in cash and cash equivalents		35,857	40,863	365	5,959
Effect of exchange rate changes on cash and cash equivalents		68,540	5,145	-	-
Cash and cash equivalents at beginning of the period		107,398	51,556	8	784
Cash and cash equivalents at end of the period	17.3	211,795	97,564	373	6,743

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 nine months period ended 30 September 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 September 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 nine months period ended 30 September 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

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. 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 nine months period ended 30 September 2016

4 Segment reporting

Operating segments

	Personal & Business Banking		Corporate & Investment Banking		Wealth		Eliminations		Group	
	30 Sept. 2016	30 Sept. 2015	30 Sept. 2016	30 Sept. 2015	30 Sept. 2016	30 Sept. 2015	30 Sept. 2016	30 Sept. 2015	30 Sept. 2016	30 Sept. 2015
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Net interest income	21,922	16,752	14,857	14,010	2,310	2,167	-	-	39,089	32,929
Non-interest revenue	11,205	5,913	22,860	18,558	20,643	17,465	(1,813)	(612)	52,895	41,324
Total income	33,127	22,665	37,717	32,568	22,953	19,632	(1,813)	(612)	91,984	74,253
Credit impairment charges	(5,106)	(5,016)	(10,172)	(7,473)	-	-	-	-	(15,278)	(12,489)
Income after credit impairment charges	28,021	17,649	27,545	25,095	22,953	19,632	(1,813)	(612)	76,706	61,764
Operating expenses in banking activities	(27,096)	(23,724)	(18,843)	(17,235)	(6,892)	(6,050)	1,813	612	(51,018)	(46,397)
Staff costs	(13,447)	(11,308)	(6,135)	(5,707)	(3,223)	(2,986)	-	-	(22,805)	(20,001)
Other operating expenses	(13,649)	(12,416)	(12,708)	(11,528)	(3,669)	(3,064)	1,813	612	(28,213)	(26,396)
Profit before direct taxation	925	(6,075)	8,702	7,860	16,061	13,582	-	-	25,688	15,367
Direct taxation	550	1,400	(877)	1,054	(5,209)	(4,259)	-	-	(5,536)	(1,805)
Profit for the period	1,475	(4,675)	7,825	8,914	10,852	9,323	-	-	20,152	13,562

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

	Group		Company	
	30 Sept. 2016 N'million	31 Dec. 2015 N'million	30 Sept. 2016 N'million	31 Dec. 2015 N'million
5 Cash and cash equivalents				
Coins and bank notes	44,275	36,541	-	-
Balances with central banks	118,372	107,695	-	-
Current balances with banks within Nigeria	6,426	17,507	373	8
Current balances with banks outside Nigeria	160,974	49,738	-	-
	330,047	211,481	373	8

Cash and balances with central bank include N118,252 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 Sept. 2016 N'million	31 Dec. 2015 N'million	30 Sept. 2016 N'million	31 Dec. 2015 N'million
6.1 Derivative assets				
Foreign exchange derivatives	7,001	307	-	-
Forwards	7,001	307	-	-
Options	-	-	-	-
Interest rate derivatives	310	604	-	-
Forwards	-	-	-	-
Swaps	310	604	-	-
Total derivative assets	7,311	911	-	-
6.2 Derivative liabilities				
Foreign exchange derivatives	3,626	306	-	-
Forwards	3,626	306	-	-
Options	-	-	-	-
Interest rate derivatives	32	77	-	-
Forwards	-	-	-	-
Swaps	32	77	-	-
Total derivative liabilities	3,658	383	-	-

Increase in derivative assets resulted from growth in volume of non deliverable foreign exchange forward transactions transactions.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued) for the nine months period ended 30 September 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 Sept. 2016 N million	31 Dec. 2015 N million	30 Sept. 2016 N million	31 Dec. 2015 N million
7.1 Trading assets				
Classification				
Listed	31,079	37,145	-	-
Unlisted	-	811	-	-
	31,079	37,956	-	-
Comprising:				
Government bonds	2,137	2,027	-	-
Treasury bills	28,972	35,115	-	-
Listed equities	-	3	-	-
Placements	-	811	-	-
Spread provision	(30)	-	-	-
	31,079	37,956	-	-

	Group		Company	
	30 Sept. 2016 N million	31 Dec. 2015 N million	30 Sept. 2016 N million	31 Dec. 2015 N million
7.2 Trading liabilities				
Classification				
Listed	21,581	7,911	-	-
Unlisted	4,498	16,190	-	-
	26,079	24,101	-	-
Comprising:				
Government bonds (short positions)	3,418	6	-	-
Repurchase agreements	4,498	-	-	-
Deposits	-	16,190	-	-
Treasury bills (short positions)	18,163	7,905	-	-
	26,079	24,101	-	-

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

	Group		Company	
	30 Sept. 2016	31 Dec. 2015	30 Sept. 2016	31 Dec. 2015
	N million	N million	N million	N million
8 Financial investments				
Short - term negotiable securities	271,931	149,225	-	-
Listed	271,931	149,225	-	-
Unlisted	-	-	-	-
Other financial investments	12,568	13,470	678	658
Listed	11,811	12,689	678	658
Unlisted	757	781	-	-
	284,499	162,695	678	658
8.1 Comprising:				
Government bonds	1,409	1,273	-	-
Treasury bills	271,931	149,225	-	-
Unlisted equities	757	781	-	-
Mutual funds and unit-linked investments	10,402	11,416	678	658
	284,499	162,695	678	658

8.2 Asset classified as held for sale

Unquoted equity investment	262	262	-	-
	262	262	-	-

	Group		Company	
	30 Sept. 2016	31 Dec. 2015	30 Sept. 2016	31 Dec. 2015
	N million	N million	N million	N million
9 Pledged assets				
9.1 Pledged assets				
Financial assets that may be repledged or resold by counterparties				
Treasury bills	33,029	86,570	-	-
	33,029	86,570	-	-

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for the nine months period ended 30 September 2016

	Group		Company	
	30 Sept. 2016 N million	31 Dec. 2015 N million	30 Sept. 2016 N million	31 Dec. 2015 N million
10 Loans and advances				
Loans and advances net of impairments				
10.1 Loans and advances to banks	8,394	26,782	-	-
Call loans	-	-	-	-
Placements	8,394	26,782	-	-
10.2 Loans and advances to customers	357,377	353,513	-	-
Gross loans and advances to customers	392,524	379,428	-	-
Mortgage loans	9,234	9,953	-	-
Instalment sale and finance leases	21,249	23,376	-	-
Card debtors	2,130	1,386	-	-
Overdrafts and other demand loans	42,792	33,945	-	-
Medium term loans	313,507	307,186	-	-
Others loans and advances	3,612	3,582	-	-
Credit impairments for loans and advances	(35,147)	(25,915)	-	-
Specific credit impairments	(24,711)	(18,691)	-	-
Portfolio credit impairments	(10,436)	(7,224)	-	-
Net loans and advances	365,771	380,295	-	-

10.3 Analysis of gross loans and advances to customers by performance

Performing loans	360,398	379,174	-	-
Non- performing loans	32,126	27,036	-	-
	392,524	406,210	-	-

	Group		Company	
	30 Sept. 2016 N million	31 Dec. 2015 N million	30 Sept. 2016 N million	31 Dec. 2015 N million
11 Other assets				
Trading settlement assets	30,992	5,541	-	-
Due from group companies	42	978	731	1,433
Accrued income	566	238	-	-
Indirect / withholding tax receivables	770	741	54	114
Accounts receivable	21,878	9,152	47	72
Receivable in respect of unclaimed dividends	1,003	1,051	1,003	1,051
Prepayments	6,846	6,931	338	-
Other debtors	61	710	1	376
	62,158	25,342	2,174	3,046
Impairment on doubtful recoveries	(1,964)	(1,601)	(61)	(50)
	60,194	23,741	2,113	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.

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Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

12 Intangible assets

Amount represents the costs of upgrade to the Finacle core banking application.

	Group		Company	
	30 Sept. 2016 N million	31 Dec. 2015 N million	30 Sept. 2016 N million	31 Dec. 2015 N million
13 Deposits and current accounts				
Deposits from banks	62,793	95,446	-	-
Deposits under repurchase agreement	-	40,460		
Other deposits from banks	62,793	54,986	-	-
Deposits from customers	606,123	493,513	-	-
Current accounts	251,979	188,148	-	-
Call deposits	31,785	38,192	-	-
Savings accounts	36,413	27,301	-	-
Term deposits	248,209	192,646	-	-
Negotiable certificate of deposits	37,737	47,226	-	-
Total deposits and current accounts	668,916	588,959	-	-

	Group		Company	
	30 Sept. 2016 N million	31 Dec. 2015 N million	30 Sept. 2016 N million	31 Dec. 2015 N million
14 Other borrowings				
On-lending borrowings	80,819	60,808	-	-
FMO - Netherland Development Finance Company	13,856	8,907	-	-
African Development Bank	539	-	-	-
Bank of Industry	4,319	5,337	-	-
Standard Bank Isle of Man	50,178	37,229	-	-
Nigeria Mortgage Refinance Company	1,840	-	-	-
CBN Commercial Agricultural Credit Scheme (CACS)	10,087	9,335	-	-
Other debt funding	32,071	20,299	-	-
Debt funding from banks	32,071	20,299		
	112,890	81,107	-	-

The increase in other borrowings was mainly due to devaluation of Naira during the period and N1.8bn local currency funding obtained from Nigeria Mortgage Refinance Company applied to refinance existing mortgage facilities.

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 September 2016 (2015: Nil)

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	Group		Company	
	30 Sept. 2016 N million	31 Dec. 2015 N million	30 Sept. 2016 N million	31 Dec. 2015 N million
15 Subordinated debt				
Subordinated fixed rate notes- Naira denominated	15,138	15,594	-	-
Subordinated floating rate notes -Naira denominated	100	104	-	-
Subordinated debt - US dollar denominated	12,660	8,001	-	-
	27,898	23,699	-	-

The increase in other borrowings was mainly due to devaluation of Naira during the period. 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 September 2016 (2015: Nil)

Other liabilities	Group		Company	
	30 Sept. 2016 N million	31 Dec. 2015 N million	30 Sept. 2016 N million	31 Dec. 2015 N million
16 Summary				
Trading settlement liabilities	15,822	3,672	-	-
Cash-settled share-based payment liability	1,571	930	266	120
Accrued expenses - Staff	3,706	4,137	247	351
Deferred revenue liability	3,580	4,238	-	-
Accrued expenses - Others	10,914	5,892	971	1,045
Due to group companies	5,538	7,588	-	63
Collections / remittance payable	13,499	10,511	-	-
Customer deposit for letters of credit	69,158	17,203	-	-
Liability on refinanced letters of credit	-	1,438	-	-
Unclaimed balance	6,319	5,893	-	-
Payables to suppliers and asset management clients	1,513	1,468	-	4
Draft & bank cheque payable	1,880	1,423	-	-
Unclaimed dividends liability	1,507	1,574	1,507	1,574
Clients' Collateral Margins - OTC Futures	4,344	-	-	-
Electronic channels settlement liability	1,523	2,185	-	-
Sundry liabilities	2,848	3,322	226	325
	143,722	71,474	3,217	3,482

The increase in other liabilities is mainly as a result of outstanding payables in respect of unsettled trades on financial instruments and growth in customer deposit for letters of credit transactions.

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Notes to the condensed consolidated interim financial statements (continued)
for the nine months period ended 30 September 2016

16 Provisions

	Legal	Taxes & levies	Restructuring	Penalties & fines	Total
30 September 2016	N million	N million	N million	N million	N million
Balance at 1 January 2016	8,043	984	-	1,000	10,027
Provisions made during the year	1,219	140	-	-	1,359
Provisions used during the year	(359)	(2)	-	-	(361)
Provisions reversed during the year	-	-	-	-	-
Balance at 30 September 2016	8,903	1,122	-	1,000	11,025

	Legal	Taxes & levies	Restructuring	Penalties & fines	Total
31 December 2015	N million	N million	N million	N million	N million
Balance at 1 January 2015	2,978	689	1,300	-	4,967
Provisions made during the year	5,065	420	-	1,000	6,485
Provisions used during the year	-	(125)	-	-	(125)
Provisions reversed during the year	-	-	(1,300)	-	(1,300)
Balance at 31 December 2015	8,043	984	-	1,000	10,027

(a) Legal

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

(b) Taxes & levies

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

(c) Penalties & fines

Provision for penalties and fines relates to penalty imposed by the Financial Reporting Council of Nigeria on the group.

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for the nine months period ended 30 September 2016

	Group		Company	
	42643 N million	30-Sep-16 N million	42643 N million	30-Sep-16 N million
17 Statement of cash flows notes				
17.1 Decrease/(increase) in income-earning assets				
Net derivative assets	(3,125)	(2,619)	-	-
Trading assets	6,877	12,519	-	-
Pledged assets	53,541	(20,644)	-	-
Loans and advances	(754)	(11,252)	-	-
Other assets	(36,453)	(65,549)	883	308
Restricted balance with the Central Bank	(14,169)	(37,040)	-	-
	5,917	(124,585)	883	308
17.2 Increase/(decrease) in deposits and other liabilities				
Deposit and current accounts	79,957	38,452	-	-
Trading liabilities	1,978	(33,694)	-	-
Other liabilities and provisions	4,168	53,564	(265)	6,629
	86,103	58,322	(265)	6,629
17.3 Cash and cash equivalents - Statement of cash flows				
Cash and cash equivalents (note 7)	330,047	226,219	373	6,743
Less: restricted balance with the Central Bank of Nigeria	(118,252)	(128,655)	-	-
Cash and cash equivalents at end of the period	211,795	97,564	373	6,743

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Notes to the condensed consolidated interim financial statements (continued) for the nine months period ended 30 September 2016

18 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 ¹
		N million	N million	N million	N million	N million	N million
30 September 2016							
Assets							
Cash and cash equivalents	5	-	-	-	330,047	330,047	330,047
Derivative assets	6	7,311	-	-	-	7,311	7,311
Trading assets	7	31,079	-	-	-	31,079	31,079
Pledged assets	9	-	-	33,029	-	33,029	33,029
Financial investments	8	-	-	284,499	-	284,499	284,499
Loans and advances to banks	10	-	8,394	-	-	8,394	8,394
Loans and advances to customers	10	-	357,377	-	-	357,377	335,934
Other financial assets		-	50,967	-	-	50,967	50,967
		38,390	365,771	317,528	330,047	1,102,703	1,081,260
Liabilities							
Derivative liabilities	6	3,658	-	-	-	3,658	3,658
Trading liabilities	7	26,079	-	-	-	26,079	26,079
Deposits from banks	13	-	-	-	62,793	62,793	62,793
Deposits from customers	13	-	-	-	606,123	606,123	610,669
Subordinated debt		-	-	-	27,898	27,898	28,205
Other borrowings		-	-	-	112,890	112,890	106,117
Other financial liabilities		-	-	-	123,951	123,951	123,951
		29,737	-	-	792,867	822,604	827,150

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Notes to the condensed consolidated interim financial statements (continued)

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18 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 ¹ N million
31 December 2015							
Assets							
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
		38,867	380,295	187,769	211,481	896,001	875,605
Liabilities							
Derivative liabilities	6	383	-	-	-	383	383
Trading liabilities	7	24,101	-	-	-	24,101	24,101
Deposits from banks	13	-	-	-	95,446	95,446	96,523
Deposits from customers	13	-	-	-	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
		24,484	-	-	761,001	785,485	785,765

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

19 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.

19.1 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.

19.2 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.

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Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

19.3 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
30 September 2016				
Assets				
Derivative assets	-	7,311	-	7,311
Trading assets	31,079	-	-	31,079
Pledged assets	33,029	-	-	33,029
Financial investments	283,742	537	220	284,499
Asset held for sale	-	-	262	262
	347,850	7,848	482	356,180
Comprising:				
Held-for-trading	31,079	7,311	-	38,390
Available-for-sale	316,771	537	482	317,790
	347,850	7,848	482	356,180
Liabilities				
Derivative liabilities	-	3,658	-	3,658
Trading liabilities	21,581	4,498	-	26,079
	21,581	8,156	-	29,737
Comprising:				
Held-for-trading	21,581	8,156	-	29,737
Designated at fair value	-	-	-	-
	21,581	8,156	-	29,737

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
31 December 2015				
Assets				
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
	285,629	2,263	502	288,394
Comprising:				
Held-for-trading	123,715	1,722	-	125,437
Available-for-sale	161,914	541	502	162,957
	285,629	2,263	502	288,394
Liabilities				
Derivative liabilities	-	383	-	383
Trading liabilities	7,911	16,190	-	24,101
	7,911	16,573	-	24,484
Comprising:				
Held-for-trading	7,911	16,573	-	24,484
Designated at fair value	-	-	-	-
	7,911	16,573	-	24,484

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

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19.3 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 Sept. 2016 N million	31 Dec. 2015 N million
Financial investments - unquoted equities		
Balance at 1 January	502	164
Gain/(loss) recognised in other comprehensive income	(20)	338
Purchases	-	-
Balance at period end	482	502

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

	30 Sept. 2016 N million	31 Dec. 2015 N million
Net change in fair value of available-for-sale financial assets	(20)	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.

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Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

19.4 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	
30 September 2016					
Assets					
Loans and advances to banks	8,394	-	-	8,394	8,394
Loans and advances to customers	357,377	-	-	335,934	335,934
Other financial assets	50,967	-	50,967	-	50,967
	416,738	-	50,967	344,328	395,295
Liabilities					
Deposits from banks	62,793		62,793	-	62,793
Deposits from customers	606,123	320,177	290,492	-	610,669
Other borrowings	112,890	-	106,117	-	106,117
Subordinated debt	27,898	-	28,205	-	28,205
Other financial liabilities	123,951	-	123,951	-	123,951
	933,655	320,177	611,558	-	931,735

Group		Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2015					
Assets					
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
	607,607	211,481	15,831	359,899	587,211
Liabilities					
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
	761,001	-	761,281	-	761,281

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.

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	Group		Company	
	30 Sept. 2016 N million	31 Dec. 2015 N million	30 Sept. 2016 N million	31 Dec. 2015 N million
20	Contingent liabilities and commitments			
20.1	Contingent liabilities			
Letters of credit	35,074	19,638	-	-
Guarantees	23,906	30,335	-	-
	58,980	49,973	-	-

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.

20.2 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 245 legal proceedings outstanding as at 30 September 2016. 159 of these were against the group with claims amounting to N524 billion (Dec. 2015: N399.6 billion) , while 86 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.

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21 Supplementary income statement information

	Group				Company			
	3 months	9 months	3 months	9 months	3 months	9 months	3 months	9 months
	30-Sep-16	30-Sep-16	30-Sep-15	30-Sep-15	30-Sep-16	30-Sep-16	30-Sep-15	30-Sep-15
	N million	N million	N million	N million	N million	N million	N million	N million
21.1 Interest income								
Interest on loans and advances to banks	346	840	588	2,301				
Interest on loans and advances to customers	14,432	40,914	15,060	44,414	-	-	-	-
Interest on investments	9,694	19,431	5,310	15,961	5	10	1	8
	24,472	61,185	20,958	62,676	5	10	1	8
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.								
21.2 Interest expense								
Savings accounts	24	305	159	465	-	-	-	-
Current accounts	169	411	562	1,897	-	-	-	-
Call deposits	637	1,015	1,212	4,171	-	-	-	-
Term deposits	4,946	13,933	6,631	18,998	-	-	-	-
Interbank deposits	813	2,440	595	1,330	-	-	-	-
Borrowed funds	1,643	3,992	1,005	2,886	-	-	-	-
	8,232	22,096	10,164	29,747	-	-	-	-
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.								
21.3 Net fee and commission revenue								
Fee and commission revenue	12,831	40,626	10,923	29,958	208	605	186	561
Account transaction fees	812	6,406	1,018	1,929	-	-	-	-
Card based commission	1,109	2,678	653	1,626	-	-	-	-
Brokerage and financial advisory fees	905	2,306	1,068	3,604	-	-	-	-
Asset management fees	6,963	19,940	6,023	17,027	-	-	-	-
Custody transaction fees	519	1,217	444	1,471	-	-	-	-
Electronic banking	239	836	285	585	-	-	-	-
Foreign currency service fees	1,612	5,716	902	1,895	-	-	-	-
Documentation and administration fees	175	538	185	553	-	-	-	-
Others	497	989	345	1,268	208	605	186	561
Fee and commission expense	(153)	(542)	(187)	(418)	-	-	-	-
	12,678	40,084	10,736	29,540	208	605	186	561

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

21 Supplementary income statement information continued

	Group				Company			
	3 months	9 months	3 months	9 months	3 months	9 months	3 months	9 months
	30-Sep-16	30-Sep-16	30-Sep-15	30-Sep-15	30-Sep-16	30-Sep-16	30-Sep-15	30-Sep-15
	N million	N million	N million	N million	N million	N million	N million	N million
21.4 Trading revenue								
Foreign exchange	5,260	4,414	4,759	10,233	-	-	-	-
Fixed income	1,053	3,499	2,317	4,296	-	-	-	-
Interest rates	1,643	4,362	(3,086)	(3,406)	-	-	-	-
Equities	-	(3)	21	21	-	-	-	-
	7,956	12,272	4,011	11,144	-	-	-	-
21.5 Other revenue								
Dividend income	103	224	80	163	-	-	-	10,148
Others	231	315	151	477	21	42	1	37
	334	539	231	640	21	42	1	10,185
21.6 Credit impairment charges								
Net specific credit impairment charges	7,131	12,066	5,307	10,832	-	-	-	-
Specific credit impairment charges	7,218	12,391	5,335	10,937	-	-	-	-
Recoveries on loans and advances previously written off	(87)	(325)	(28)	(105)	-	-	-	-
Portfolio credit impairment charges/(reversal)	(303)	3,212	(717)	1,657	-	-	-	-
	6,828	15,278	4,590	12,489	-	-	-	-

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

21 Supplementary income statement information continued

	Group				Company			
	3 months	9 months	3 months	9 months	3 months	9 months	3 months	9 months
	30-Sep-16	30-Sep-16	30-Sep-15	30-Sep-15	30-Sep-16	30-Sep-16	30-Sep-15	30-Sep-15
	N million	N million	N million	N million	N million	N million	N million	N million
21.7 Other operating expenses								
Information technology	1,709	3,726	1,158	3,522	38	40	3	11
Communication	278	806	184	616	(1)	1	(4)	(4)
Premises and maintenance	1,146	3,041	955	2,762	(9)	-	9	27
Marketing and advertising	717	1,539	787	1,865	5	13	12	29
Insurance	1,930	5,645	1,767	5,298	81	148	21	61
Professional fees	279	792	1,076	3,664	42	223	13	59
Depreciation	919	2,749	864	2,579	57	162	49	144
Stationery and printing	331	663	214	565	5	7	5	12
Security	296	895	317	886	6	17	-	1
Travel and entertainment	(203)	1,015	345	1,081	4	9	6	19
Administration and membership fees	504	1,298	482	1,105	4	10	11	25
Training	266	551	200	534	4	6	(5)	5
Others	2,719	5,494	474	1,919	(124)	(414)	120	363
	10,890	28,213	8,823	26,396	112	222	240	752

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

21.8 Income tax								
Current tax	2,257	6,310	2,016	5,079	3	324	-	97
Deferred tax	(1,086)	(774)	(53)	(3,274)	(25)	92	(18)	(298)
	1,171	5,536	1,963	1,805	(22)	416	(18)	(201)

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

	Group			
	3 months	9 months	3 months	9 months
	30-Sep-16	30-Sep-16	30-Sep-15	30-Sep-15
	N million	N million	N million	N million
22 Earnings per ordinary share				
The calculation of basic earnings per ordinary share and diluted earnings per ordinary share are as follows:				
Earnings based on weighted average shares in issue				
Earnings attributable to ordinary shareholders (N million)	8,858	17,265	2,986	11,018
Weighted average number of ordinary shares in issue (number of shares)				
Weighted average number of ordinary shares in issue	10,000	10,000	10,000	10,000
Basic earnings per ordinary share (kobo)	89	173	30	110

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

23 Related party transactions

23.1 Parent

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

23.2 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%

23.3 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-Sep-16 N million	30-Sep-16 N million
Key management compensation		
Salaries and other short-term benefits	687	1,262
Post-employment benefits	39	31
Value of share options and rights expensed	3	15
	729	1,308

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

	30-Sep-16 N million	31 Dec. 2015 N million
Loans and advances		
Loans outstanding at the beginning of the period	330	200
Net movement during the period	(92)	130
Loans outstanding at the end of the period	238	330

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 (2014: 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	44	21
Deposits outstanding at end of the period	417	373

Deposits include cheque, current and savings accounts.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

23 Related party transactions continued

23.4 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.

	30-Sep-16	31 Dec. 2015
	N million	N million
(i) Due from group companies		
Trading assets	-	811
Loans to banks	8,022	23,782
Current account balances	39,833	15,219
Derivatives	2	18
Other assets	42	978
	47,899	40,808
(ii) Due to group companies		
Deposits and current accounts	51,392	71,115
Derivatives	2,635	67
Trading liabilities	-	10,190
Subordinated debt	12,660	8,001
Other borrowings	50,178	37,229
Other liabilities	5,538	7,588
	122,403	134,190
(iii) Profit or loss impact of transactions with group entities		
Interest income earned	444	35
Interest expense paid	(2 110)	(1 066)
Trading revenue	(2 640)	(452)
Operating expense incurred	-	2,518

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2016

24 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
Income statement											
Net interest income	10	36,137	434	1,814	454	79	38	119	4	-	39,089
Non interest revenue	647	31,251	670	18,000	2,165	174	217	445	261	(935)	52,895
Total income	657	67,388	1,104	19,814	2,619	253	255	564	265	(935)	91,984
Staff costs	(317)	(18,141)	(918)	(2,315)	(720)	-	(121)	(207)	(66)	-	(22,805)
Operating expenses	(222)	(23,534)	(1,567)	(2,991)	(580)	(6)	(53)	(150)	(45)	935	(28,213)
Credit impairment charges	-	(15,278)	-	-	-	-	-	-	-	-	(15,278)
Total expenses	(539)	(56,953)	(2,485)	(5,306)	(1,300)	(6)	(174)	(357)	(111)	935	(66,296)
Profit before tax	118	10,435	(1,381)	14,508	1,319	247	81	207	154	-	25,688
Tax	(416)	360	(118)	(4,693)	(427)	(70)	(23)	(82)	(67)	-	(5,536)
Profit for the period	(298)	10,795	(1,499)	9,815	892	177	58	125	87	-	20,152
At 30 September 2015	9,791	3,526	413	8,649	596	78	79	580	(2)	(10,148)	13,562

**Risk management
for the nine months period ended 30 September 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 nine months period ended 30 September 2016

Capital management - BASEL II regulatory capital

Stanbic IBTC Bank PLC

	30 Sept. 2016 N'million	31 Dec. 2015 N'million
Tier 1		
	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
Tier II		
	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
Total regulatory capital	108,643	111,190
Risk weighted assets:		
Credit risk	397,087	445,378
Operational risk	128,524	128,524
Market risk	2,487	2,004
Total risk weight	528,098	575,907
Total capital adequacy ratio	20.6%	19.3%
Tier I capital adequacy ratio	16.1%	15.1%