



Stanbic IBTC

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STANBIC IBTC HOLDINGS PLC

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

31 MARCH 2017

STANBIC IBTC HOLDINGS PLC
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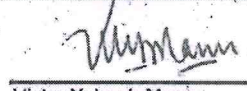
STANBIC IBTC HOLDINGS PLC

**Interim consolidated and separate statement of financial position
as at 31 March 2017**


	Note	Group		Company	
		31 Mar. 2017 N'million	31 Dec. 2016 N'million	31 Mar. 2017 N'million	31 Dec. 2016 N'million
Assets					
Cash and cash equivalents	5	302,272	301,351	2,532	1,768
Pledged assets	9	38,493	28,303	-	-
Trading assets	7	98,039	16,855	-	-
Derivative assets	6	25,960	14,317	-	-
Financial investments	8	281,130	252,823	951	920
Asset held for sale		112	112	-	-
Loans and advances	10	347,443	368,229	-	-
Loans and advances to banks	10	8,184	15,264	-	-
Loans and advances to customers	10	339,259	352,965	-	-
Other assets	11	40,189	39,220	2,384	2,226
Equity investment in group companies		-	-	85,539	85,539
Property and equipment		22,702	22,962	2,389	2,404
Intangible asset		638	713	-	-
Deferred tax assets		8,449	8,638	139	-
Total assets		1,165,427	1,053,523	93,934	92,857
Equity and liabilities					
Equity		156,048	140,798	80,522	72,970
Equity attributable to ordinary shareholders		152,986	137,102	80,522	72,970
Ordinary share capital		5,000	5,000	5,000	5,000
Ordinary share premium		65,450	65,450	65,450	65,450
Reserves		82,536	66,652	10,072	2,520
Non-controlling interest		3,062	3,696	-	-
Liabilities		1,009,379	912,725	13,412	19,887
Trading liabilities	7	46,003	5,325	-	-
Derivative liabilities	6	17,995	11,788	-	-
Current tax liabilities		11,749	9,508	59	68
Deposits and current accounts	12	678,322	614,735	-	-
Deposits from banks	12	85,035	53,766	-	-
Deposits from customers	12	593,287	560,969	-	-
Other borrowings	13	83,147	96,037	10,694	16,404
Subordinated debt	14	27,651	27,964	-	-
Provisions	16	10,145	10,581	-	-
Other liabilities	15	134,319	136,740	2,659	3,406
Deferred tax liabilities		48	47	-	9
Total equity and liabilities		1,165,427	1,053,523	93,934	92,857


Yinka Sanni
Chief Executive
FRC/2013/CISN/00000001072

21 April 2017


Victor Yeboah-Manu
Chief Financial Officer
FRC/2016/ANAN/00000015802

21 April 2017


Basil Omiyi
Director
FRC/2016/ODN/00000014093

21 April 2017

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 three months period ended 31 March 2017

	Note	Group		Company	
		31-Mar-17 N'million	31-Mar-16 N'million	31-Mar-17 N'million	31-Mar-16 N'million
Gross earnings		47,022	34,780	9,097	213
Net interest income		18,880	10,550	(782)	3
Interest income	21.1	26,841	17,676	9	3
Interest expense	21.2	(7,961)	(7,126)	(791)	-
Non-interest revenue		20,106	16,938	9,088	210
Net fee and commission revenue	21.3	13,194	14,184	241	197
Fee and commission revenue	21.3	13,269	14,350	241	197
Fee and commission expense	21.3	(75)	(166)	-	-
Trading revenue	21.4	6,651	2,635	-	-
Other revenue	21.5	261	119	8,847	13
Total income		38,986	27,488	8,306	213
Credit impairment charges	21.6	(3,327)	(2,269)	-	-
Income after credit impairment charges		35,659	25,219	8,306	213
Operating expenses		(17,033)	(14,976)	(403)	(222)
Staff costs		(7,234)	(7,217)	(202)	(92)
Other operating expenses	21.7	(9,799)	(7,759)	(201)	(130)
Profit before tax		18,626	10,243	7,903	(9)
Income tax	21.8	(2,552)	(2,452)	149	(330)
Profit for the period		16,074	7,791	8,052	(339)
Profit attributable to:					
Non-controlling interests		547	948	-	-
Equity holders of the parent		15,527	6,843	8,052	(339)
Profit for the period		16,074	7,791	8,052	(339)
Earnings per share					
Basic /diluted earnings per ordinary share (kobo)	22	155	68	81	(3)

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

STANBIC IBTC HOLDINGS PLC

Interim consolidated and separate statement of comprehensive income for the three months period ended 31 March 2017

	Note	Group		Company	
		31-Mar-17 N'million	31-Mar-16 N'million	31-Mar-17 N'million	31-Mar-16 N'million
Profit for the period		16,074	7,791	8,052	(339)
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		897	(1,320)	-	-
Realised fair value adjustments on available-for-sale financial assets reclassified to income statement		(46)	(12)	-	-
Income tax on other comprehensive income		-	-	-	-
		851	(1,332)	-	-
Other comprehensive income for the period, net of tax		851	(1,332)	-	-
Total comprehensive income for the period		16,925	6,459	8,052	(339)
Total comprehensive income attributable to:					
Non-controlling interests		541	929	-	-
Equity holders of the parent		16,384	5,530	8,052	(339)
		16,925	6,459	8,052	(339)

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

STANBIC IBTC HOLDINGS PLC

**Statement of changes in equity
for the three months period ended 31 March 2017**

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
Group											
Balance at 1 January 2017	5,000	65,450	(19,123)	1,025	942	36	33,615	50,157	137,102	3,696	140,798
Total comprehensive income for the period					857		-	15,527	16,384	542	16,926
Profit for the period								15,527	15,527	547	16,074
Other comprehensive income after tax for the period					857		-		857	(5)	852
Net change in fair value on available-for-sale financial assets					903				903	(5)	898
Realised fair value adjustments on available-for-sale financial assets					(46)				(46)		(46)
Statutory credit risk reserve								-			-
Transactions with shareholders, recorded directly in equity	-					-		(500)	(500)	(1,176)	(1,676)
Equity-settled share-based payment transactions						-			-		-
Dividends paid to equity holders								(500)	(500)	(1,176)	(1,676)
Balance at 31 March 2017	5,000	65,450	(19,123)	1,025	1,799	36	33,615	65,184	152,986	3,062	156,048
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 income/(loss) for the period					(1,313)			6,843	5,530	929	6,459
Profit for the period								6,843	6,843	948	7,791
Other comprehensive income/(loss) after tax for the period					(1,313)				(1,313)	(19)	(1,332)
Net change in fair value on available-for-sale financial assets					(1,301)				(1,301)	(19)	(1,320)
Realised fair value adjustments on available-for-sale financial assets					(12)				(12)		(12)
Statutory credit risk reserve				-				-			-
Transactions with shareholders, recorded directly in equity	-	-	-	-	-	14	-	-	14	-	14
Equity-settled share-based payment transactions	-	-	-	-	-	14	-	-	14	-	14
Dividends paid to equity holders								-	-	-	-
Balance at 31 March 2016	5,000	65,450	(19,123)	6,684	(87)	70	26,218	45,058	129,270	6,170	135,440

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

STANBIC IBTC HOLDINGS PLC

Statement of changes in equity for the three months period ended 31 March 2017

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 2017	5,000	65,450	-	5	-	2,515	72,970
Total comprehensive income for the period			-			8,052	8,052
Profit for the period	-	-	-	-	-	8,052	8,052
Transactions with shareholders, recorded directly in equity						(500)	(500)
Equity-settled share-based payment transactions			-	-	-	-	-
Dividends paid to equity holders						(500)	(500)
Balance at 31 March 2017	5,000	65,450	-	5	-	10,067	80,522
Balance at 1 January 2016	5,000	65,450	-	9	-	1,901	72,360
Total comprehensive income/(loss) for the period			-			(339)	(339)
Profit for the period	-	-	-	-	-	(339)	(339)
Transactions with shareholders, recorded directly in equity				2		-	2
Equity-settled share-based payment transactions				2		-	2
Dividends paid to equity holders				-		-	-
Balance at 31 March 2016	5,000	65,450	-	11	-	1,562	72,023

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 three months period ended 31 March 2017

	Note	Group		Company	
		31-Mar-17 N million	31-Mar-16 N million	31-Mar-17 N million	31-Mar-16 N million
Net cash flows from operating activities		28,313	111,702	7,857	1,186
Cash flows used in operations		9,879	100,925	(963)	1,503
Profit before tax		18,626	10,243	7,903	(9)
Adjusted for:		(14,892)	(6,817)	(7,965)	51
Credit impairment charges on loans and advances	21.6	3,327	2,269	-	-
Depreciation and amortisation	21.7	1,001	904	77	52
Dividends included in other revenue	21.5	-	-	(8,824)	-
Equity-settled share-based payments		-	14	-	2
Interest expense		7,961	7,126	791	-
Interest income		(26,841)	(17,676)	(9)	(3)
Non-cash flow movements to subordinated debt/ other borrowings		(313)	547	-	-
Loss/(profit) on sale of property and equipment		(27)	(1)	-	-
Increase in income-earning assets	17.1	(95,146)	(35,318)	(158)	(67)
Increase in deposits and other liabilities	17.2	101,291	132,817	(743)	1,528
Dividends received		-	-	8,824	-
Interest paid		(8,274)	(6,579)	-	-
Interest received		26,841	17,676	5	3
Direct taxation paid		(133)	(320)	(9)	(320)
Net cash flows used in investing activities		(28,095)	(18,909)	(93)	(279)
Capital expenditure on - property		(15)	(80)	-	-
- equipment, furniture and vehicles		(668)	(798)	(62)	(21)
Proceeds from sale of property, equipment, furniture and vehicles		44	43	-	-
Sale of /(Investment in) financial investment securities, net		(27,456)	(18,074)	(31)	(258)
Net cash flows used in financing activities		(14,566)	(3,419)	(7,000)	-
Net decrease in other borrowings		(12,890)	(3,419)	(6,500)	-
Dividends paid		(1,676)	-	(500)	-
Net increase in cash and cash equivalents		(14,348)	89,374	764	907
Effect of exchange rate changes on cash and cash equivalents		443	(142)	-	-
Cash and cash equivalents at beginning of the period		191,761	107,398	1,768	8
Cash and cash equivalents at end of the period	17.3	177,856	196,630	2,532	915

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 three months period ended 31 March 2017

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 three months period ended 31 March 2017 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 for the period ended 31 March 2017 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 2016.

This condensed consolidated interim financial statements for the period ended 31 March 2017 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 2016.

The condensed consolidated interim financial statements for the period ended 31 March 2017 was approved by the Board of Directors on 21 April 2017.

(b) Basis of measurement

The condensed consolidated interim financial statements for the period ended 31 March 2017 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 2016.

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 2016.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

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.</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 three months period ended 31 March 2017

4 Segment reporting

Operating segments

	Personal & Business Banking		Corporate & Investment Banking		Wealth		Eliminations		Group	
	31 Mar. 2017 N million	31 Mar. 2016 N million	31 Mar. 2017 N million	31 Mar. 2016 N million	31 Mar. 2017 N million	31 Mar. 2016 N million	31 Mar. 2017 N million	31 Mar. 2016 N million	31 Mar. 2017 N million	31 Mar. 2016 N million
Net interest income	8,377	6,330	9,624	3,578	879	642	-	-	18,880	10,550
Non-interest revenue	3,369	4,434	9,543	6,069	7,887	6,653	(693)	(218)	20,106	16,938
Total income	11,746	10,764	19,167	9,647	8,766	7,295	(693)	(218)	38,986	27,488
Credit impairment charges	(1,509)	(1,276)	(1,818)	(993)	-	-	-	-	(3,327)	(2,269)
Income after credit impairment charges	10,237	9,488	17,349	8,654	8,766	7,295	(693)	(218)	35,659	25,219
Operating expenses in banking activities	(9,438)	(8,074)	(6,104)	(5,255)	(2,184)	(1,865)	693	218	(17,033)	(14,976)
Staff costs	(4,255)	(4,274)	(1,997)	(1,964)	(982)	(979)	-	-	(7,234)	(7,217)
Other operating expenses	(5,183)	(3,800)	(4,107)	(3,291)	(1,202)	(886)	693	218	(9,799)	(7,759)
Profit before direct taxation	799	1,414	11,245	3,399	6,582	5,430	-	-	18,626	10,243
Direct taxation	(16)	(254)	(331)	(412)	(2,205)	(1,786)	-	-	(2,552)	(2,452)
Profit for the period	783	1,160	10,914	2,987	4,377	3,644	-	-	16,074	7,791

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

	Group		Company	
	31 Mar. 2017 N'million	31 Dec. 2016 N'million	31 Mar. 2017 N'million	31 Dec. 2016 N'million
5 Cash and cash equivalents				
Coins and bank notes	27,741	66,300	-	-
Balances with central bank	136,253	113,656	-	-
Current balances with banks within Nigeria	12,652	12,047	2,532	1,768
Current balances with banks outside Nigeria	125,626	109,348	-	-
	302,272	301,351	2,532	1,768

Balances with central bank include cash reserve of N101,491 million (Dec. 2016: N88,773 million) and special intervention fund of N20,817 million (Dec. 2016: N20,817 million) that are not available for use by the group on a day to day basis. These restricted cash balances are held with Central Bank of Nigeria (CBN).

6 Derivative assets and liabilities

	Group		Company	
	31 Mar. 2017 N'million	31 Dec. 2016 N'million	31 Mar. 2017 N'million	31 Dec. 2016 N'million
6.1 Derivative assets				
Foreign exchange derivatives	21,243	13,713	-	-
Forwards	21,243	13,713	-	-
Options	-	-	-	-
Interest rate derivatives	4,717	604	-	-
Forwards	-	-	-	-
Swaps	4,717	604	-	-
Total derivative assets	25,960	14,317	-	-

Growth in derivative assets was driven by increase in volume of transactions during the period.

6.2 Derivative liabilities

Foreign exchange derivatives	17,910	11,732	-	-
Forwards	17,910	11,732	-	-
Options	-	-	-	-
Interest rate derivatives	85	56	-	-
Forwards	-	-	-	-
Swaps	85	56	-	-
Total derivative liabilities	17,995	11,788	-	-

Growth in derivative liabilities reflects increase in volume of foreign exchange forward contracts during the period.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued) for the three months period ended 31 March 2017

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	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
7.1 Trading assets				
Classification				
Listed	90,537	11,854	-	-
Unlisted	7,502	5,001	-	-
	98,039	16,855	-	-
Comprising:				
Government bonds	2,972	2,185	-	-
Treasury bills	87,559	9,669	-	-
Listed equities	6	-	-	-
Placements	7,502	5,001	-	-
	98,039	16,855	-	-

Increase in trading assets was driven by additional long positions in treasury bills.

	Group		Company	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
7.2 Trading liabilities				
Classification				
Listed	27,306	5,325	-	-
Unlisted	18,697	-	-	-
	46,003	5,325	-	-
Comprising:				
Government bonds (short positions)	871	655	-	-
Repurchase agreements	6,998	-	-	-
Deposits	11,699	-	-	-
Treasury bills (short positions)	26,435	4,670	-	-
	46,003	5,325	-	-

Growth in trading liabilities relates to short term funding from repo and interbank deposits.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

	Group		Company	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
8 Financial investments				
Short - term negotiable securities	264,413	240,059	-	-
Listed	264,413	240,059	-	-
Unlisted	-	-	-	-
Other financial investments	16,717	12,764	951	920
Listed	15,076	11,174	951	920
Unlisted	1,641	1,590	-	-
	281,130	252,823	951	920

Increase in financial investments relates to purchase of treasury bills to cater for additional liquidity requirement occasioned by growth in deposit liabilities.

8.1 Comprising:				
Government bonds	3,855	1,456	-	-
Treasury bills	264,413	240,059	-	-
Unlisted equities	1,641	1,590	-	-
Mutual funds and unit-linked investments	11,221	9,718	951	920
	281,130	252,823	951	920

	Group		Company	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
9 Pledged assets				
9.1 Pledged assets				
Financial assets that may be repledged or resold by counterparties				
Treasury bills	38,493	28,303	-	-
	38,493	28,303	-	-

Growth in pledged assets relates to assets pledged for repo deposits. See note 7.2.

STANBIC IBTC HOLDINGS PLC
Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

	Group		Company	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
10 Loans and advances				
Loans and advances net of impairments				
10.1 Loans and advances to banks	8,184	15,264	-	-
Placements	8,184	15,264	-	-
10.2 Loans and advances to customers	339,259	352,965	-	-
Gross loans and advances to customers	365,470	375,316	-	-
Mortgage loans	8,471	8,924	-	-
Instalment sale and finance leases	16,639	17,272	-	-
Card debtors	1,258	1,501	-	-
Overdrafts and other demand loans	43,080	45,970	-	-
Medium term loans	290,214	298,014	-	-
Others loans and advances	5,808	3,635	-	-
Credit impairments for loans and advances	(26,211)	(22,351)	-	-
Specific credit impairments	(17,000)	(11,249)	-	-
Portfolio credit impairments	(9,211)	(11,102)	-	-
Net loans and advances	347,443	368,229	-	-

The decrease in loans and advances to customers relates to net repayments and slower origination of new loans due to less benign economic environment.

10.3 Analysis of gross loans and advances to customers by performance

Performing loans	327,225	371,905	-	-
Non-performing loans	38,245	18,675	-	-
	365,470	390,580	-	-

	Group		Company	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
11 Other assets				
Trading settlement assets	11,003	20,863	-	-
Due from group companies	89	561	1,227	1,082
Accrued income	473	432	-	-
Indirect / withholding tax receivables	884	784	189	55
Accounts receivable	21,910	11,550	61	92
Receivable in respect of unclaimed dividends	817	817	817	817
Prepayments	7,668	6,539	275	252
Other debtors	67	-	-	-
	42,911	41,546	2,569	2,298
Impairment on doubtful recoveries	(2,722)	(2,326)	(185)	(72)
	40,189	39,220	2,384	2,226

STANBIC IBTC HOLDINGS PLC
Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

	Group		Company	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
12 Deposits and current accounts				
Deposits from banks	85,035	53,766	-	-
Deposits under repurchase agreement	-	-	-	-
Other deposits from banks	85,035	53,766	-	-
Deposits from customers	593,287	560,969	-	-
Current accounts	292,317	281,523	-	-
Call deposits	27,216	42,303	-	-
Savings accounts	42,967	38,630	-	-
Term deposits	230,787	191,535	-	-
Negotiable certificate of deposits	-	6,978	-	-
Total deposits and current accounts	678,322	614,735	-	-

Growth in deposits and current accounts represents increase in inflows from custody clients as well as growth in wholesale customer deposits.

	Group		Company	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
13 Other borrowings				
On-lending borrowings	72,453	79,633	-	-
(i) FMO - Netherland Development Finance Company	11,808	11,562	-	-
(ii) African Development Bank	472	427	-	-
(iii) Nigeria Mortgage Refinance Company	1,703	1,839	-	-
(iv) Bank of Industry	3,659	4,153	-	-
(v) Standard Bank Isle of Man	45,777	50,524	-	-
(vi) CBN Commercial Agricultural Credit Scheme (CACCS)	9,034	11,128	-	-
Other debt funding	10,694	16,404	10,694	-
(vii) Debt funding from banks	10,694	16,404	10,694	-
	83,147	96,037	10,694	-

The decrease in other borrowings mainly relates to repayment during the period in line with contractual terms of each facility, with the exception of debt funding from banks, where N6.5bn was prepaid.

The group has not had any default of principal, interest or any other breaches with respect to its other borrowings during the period (2016: Nil).

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

	Group		Company	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
14 Subordinated debt				
(i) Subordinated fixed rate notes- Naira denominated	15,096	15,609	-	-
(ii) Subordinated floating rate notes -Naira denominated	100	104	-	-
(iii) Subordinated debt - US dollar denominated	12,455	12,251	-	-
	27,651	27,964	-	-

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

The group has not had any default of principal, interest or any other covenant breaches with respect to its debt securities during the year ended 31 March 2017 (2016: Nil).

	Group		Company	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
15 Other liabilities				
Trading settlement liabilities	5,676	19,078	-	-
Cash-settled share-based payment liability	1,293	1,246	240	240
Accrued expenses - Staff	3,093	4,581	(616)	258
Deferred revenue	1,072	331	-	-
Accrued expenses - Others	5,918	5,445	978	968
Due to group companies	36,252	34,335	254	86
Collections / remittance payable	18,993	9,498	59	40
Customer deposit for letters of credit	35,867	41,420	-	-
Unclaimed balance	1,770	1,766	-	-
Payables to suppliers and asset management clients	2,480	1,621	76	12
Draft & bank cheque payable	1,892	1,629	-	-
Electronic channels settlement liability	430	1,611	-	-
Unclaimed dividends liability	1,594	1,540	1,594	1,540
Clients cash collateral for derivative transactions	7,900	5,527	-	-
Sundry liabilities	10,089	7,112	74	262
	134,319	136,740	2,659	3,406

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)
for the three months period ended 31 March 2017

16 Provisions

	Legal	Taxes & levies	Restructuring	Interest cost on judgment debt	Penalties & fines	Total
	N million	N million	N million	N million	N million	N million
31 March 2017						
Balance at 1 January 2017	8,040	1,541	-	1,000	-	10,581
Provisions made during the year	-	70				70
Provisions used during the year	(99)	(106)				(205)
Provisions reversed during the year	(301)					(301)
Balance at 31 March 2017	7,640	1,505	-	1,000	-	10,145
	Legal	Taxes & levies	Restructuring	Interest cost on judgment debt	Penalties & fines	Total
	N million	N million	N million	N million	N million	N million
31 December 2016						
Balance at 1 January 2016	8,043	984	-	-	1,000	10,027
Provisions made during the year	1,272	610	-	1,000	-	2,882
Provisions used during the year	(371)	(53)	-		(1,000)	(1,424)
Provisions reversed during the year	(904)	-	-		-	(904)
Balance at 31 December 2016	8,040	1,541	-	1,000	-	10,581

(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) Interest cost on judgment debt

Provisions for interest cost on judgment debt relates to additional liability that management estimates the group would be required to settle over and above a judgment debt in legal cases where the group appealed a lower court decision but believes its appeal is unlikely to be successful.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

	Group		Company	
	31 Mar. 2017 N million	31 Mar. 2016 N million	31 Mar. 2017 N million	31 Mar. 2016 N million
17 Statement of cash flows notes				
17.1 Decrease/(increase) in income-earning assets				
Net derivative assets	(5,436)	3,316	-	-
Trading assets	(81,184)	(35,665)	-	-
Pledged assets	(10,190)	(42,948)	-	-
Loans and advances	17,459	1,193	-	-
Other assets	(969)	(24,511)	(158)	(837)
Restricted balance with the Central Bank	(14,826)	(5,150)	-	-
	(95,146)	(103,765)	(158)	(837)
17.2 Increase/(decrease) in deposits and other liabilities				
Deposit and current accounts	63,587	38,061	-	-
Trading liabilities	40,678	46,864	-	-
Other liabilities and provisions	(2,974)	(24,374)	(743)	1,604
	101,291	60,551	(743)	1,604
17.3 Cash and cash equivalents - Statement of cash flows				
Cash and cash equivalents (note 7)	302,272	311,370	2,532	915
Less: restricted balance with the Central Bank of Nigeria	(124,416)	(114,740)	-	-
Cash and cash equivalents at end of the period	177,856	196,630	2,532	915

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued) for the three months period ended 31 March 2017

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 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 March 2017							
Assets							
Cash and cash equivalents	5	-	-	-	302,272	302,272	302,272
Derivative assets	6	25,960	-	-	-	25,960	25,960
Trading assets	7	98,039	-	-	-	98,039	98,039
Pledged assets	9	-	-	38,493	-	38,493	38,493
Financial investments	8	-	-	281,130	-	281,130	281,130
Asset held for sale		-	-	112	-	112	112
Loans and advances to banks	10	-	8,184	-	-	8,184	8,184
Loans and advances to customers	10	-	339,259	-	-	339,259	318,903
Other assets (see note a below)		-	30,258	-	-	30,258	30,258
		123,999	347,443	319,735	302,272	1,123,707	1,103,351
Liabilities							
Derivative liabilities	6	17,995	-	-	-	17,995	17,995
Trading liabilities	7	46,003	-	-	-	46,003	46,003
Deposits from banks	12	-	-	-	85,035	85,035	85,035
Deposits from customers	12	-	-	-	593,287	593,287	597,737
Subordinated debt		-	-	-	27,651	27,651	25,162
Other borrowings		-	-	-	83,147	83,147	78,158
Other liabilities (see note b below)		-	-	-	122,943	122,943	122,943
		63,998	-	-	801,265	865,263	869,713

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

(b) Other liabilities presented in the table above comprise financial liabilities only. Deferred revenue was excluded.

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Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

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 2016							
Assets							
Cash and cash equivalents	5	-	301,351	-	-	301,351	301,351
Derivative assets	6	14,317	-	-	-	14,317	14,317
Trading assets	7	16,855	-	-	-	16,855	16,855
Pledged assets	9	-	-	28,303	-	28,303	28,303
Financial investments	8	-	-	252,823	-	252,823	252,823
Loans and advances to banks	10	-	15,264	-	-	15,264	15,265
Loans and advances to customers	10	-	352,965	-	-	352,965	341,941
Other assets		-	31,897	-	-	31,897	31,897
		31,172	701,477	281,126	-	1,013,775	1,002,752
Liabilities							
Derivative liabilities	6	11,788	-	-	-	11,788	11,788
Trading liabilities	7	5,325	-	-	-	5,325	5,325
Deposits from banks	12	-	-	-	53,766	53,766	53,766
Deposits from customers	12	-	-	-	560,969	560,969	574,310
Subordinated debt		-	-	-	27,964	27,964	25,423
Other borrowings		-	-	-	96,037	96,037	91,555
Other liabilities		-	-	-	136,409	136,409	136,409
		17,113	-	-	875,145	892,258	898,576

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.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

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	Fair value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 March 2017					
Assets					
Derivative assets	25,960	-	25,960	-	25,960
Trading assets	98,039	90,537	7,502	-	98,039
Pledged assets	38,493	38,493	-	-	38,493
Financial investments	281,130	279,506	512	1,112	281,130
	443,622	408,536	33,974	1,112	443,622
Comprising:					
Held-for-trading	123,999	90,537	33,462	-	123,999
Available-for-sale	319,623	317,999	512	1,112	319,623
	443,622	408,536	33,974	1,112	443,622
Liabilities					
Derivative liabilities	17,995	-	17,995	-	17,995
Trading liabilities	46,003	27,306	18,697	-	46,003
	63,998	27,306	36,692	-	63,998
Comprising:					
Held-for-trading	63,998	27,306	36,692	-	63,998
Designated at fair value	-	-	-	-	-
	63,998	27,306	36,692	-	63,998

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

Group	Fair value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2016					
Assets					
Derivative assets	14,317	-	14,317	-	14,317
Trading assets	16,855	11,854	5,001	-	16,855
Pledged assets	28,303	28,303	-	-	28,303
Financial investments	252,823	251,247	470	1,106	252,823
	312,298	291,404	19,788	1,106	312,298
Comprising:					
Held-for-trading	31,172	11,854	19,318	-	31,172
Available-for-sale	281,126	279,550	470	1,106	281,126
	312,298	291,404	19,788	1,106	312,298
Liabilities					
Derivative liabilities	11,788	-	11,788	-	11,788
Trading liabilities	5,325	5,325	-	-	5,325
	17,113	5,325	11,788	-	17,113
Comprising:					
Held-for-trading	17,113	5,325	11,788	-	17,113
	17,113	5,325	11,788	-	17,113

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

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

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.

	31 Mar. 2017 N million	31 Dec. 2016 N million
Financial investments - unquoted equities		
Balance at 1 January	1,106	502
Unrealised gain/(loss) recognised in other comprehensive income	6	604
Balance at period end	1,112	1,106

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

	31 Mar. 2017 N million	31 Dec. 2016 N million
Net change in fair value of available-for-sale financial assets	6	604

(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	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 three months period ended 31 March 2017

19.4 Financial instruments not measured at fair value - fair value hierarchy

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

Group	Fair value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 March 2017					
Assets					
Cash and cash equivalents	302,272	-	302,272	-	302,272
Loans and advances to banks	8,184	-	-	8,184	8,184
Loans and advances to customers	339,259	-	-	318,903	318,903
Other financial assets	30,258	-	30,258	-	30,258
					-
	679,973	-	332,530	327,087	659,617
Liabilities					
Deposits from banks	85,035	-	85,035	-	85,035
Deposits from customers	593,287	-	597,737	-	597,737
Other borrowings	83,147	-	78,158	-	78,158
Subordinated debt	27,651	-	25,162	-	25,162
Other financial liabilities	122,943	-	122,943	-	122,943
					-
	912,063	-	909,035	-	909,035

Group	Fair value N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2016					
Assets					
Cash and cash equivalents	301,351	-	301,351	-	301,351
Loans and advances to banks	15,264	-	-	15,265	15,265
Loans and advances to customers	352,965	-	-	341,941	341,941
Other financial assets	31,897	-	31,897	-	31,897
					-
	701,477	-	333,248	357,206	690,454
Liabilities					
Deposits from banks	53,766	-	53,766	-	53,766
Deposits from customers	560,969	-	574,310	-	574,310
Other borrowings	96,037	-	91,555	-	91,555
Subordinated debt	27,964	-	25,423	-	25,423
Other financial liabilities	136,409	-	136,409	-	136,409
					-
	875,145	-	881,463	-	881,463

Fair value of loans and advances is estimated using discounted cash flow techniques. Input into the valuation techniques includes interest rates and expected cash flows. Expected cash flows are discounted at current market rates to determine fair value.

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	
	31 Mar. 2017 N million	31 Dec. 2016 N million	31 Mar. 2017 N million	31 Dec. 2016 N million
20 Contingent liabilities and commitments				
20.1 Contingent liabilities				
Letters of credit	45,166	15,620	-	-
Guarantees	24,998	38,523	-	-
	70,164	54,143	-	-

Guarantees and letters of credit are given to third parties as security to support the performance of a customer to third parties. As the group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

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 321 legal proceedings outstanding as at 31 March 2017 (Dec. 2016: 282 cases). 223 of these were against the group with claims amounting to N161.9 billion (Dec. 2016: N158 billion), while 99 other cases were instituted by the group with claims amounting to N12.8 billion (31 Dec. 2016: N13 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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Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

21 Supplementary income statement information

	Group		Company	
	31 Mar. 2017 N million	31 Mar. 2016 N million	31 Mar. 2017 N million	31 Mar. 2016 N million
21.1 Interest income				
Interest on loans and advances to banks	413	203		
Interest on loans and advances to customers	13,555	13,551	-	-
Interest on investments	12,873	3,922	9	3
	26,841	17,676	9	3

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 treasury bills investment during the period.

21.2 Interest expense				
Savings accounts	247	168	-	-
Current accounts	449	130	-	-
Call deposits	320	237	-	-
Term deposits	4,528	4,645	-	-
Interbank deposits	560	833	-	-
Borrowed funds	1,857	1,113	791	-
	7,961	7,126	791	-

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	13,269	14,350	241	197
Account transaction fees	786	2,721	-	-
Card based commission	838	958	-	-
Brokerage and financial advisory fees	1,001	599	241	197
Asset management fees	7,618	6,442	-	-
Custody transaction fees	553	320	-	-
Electronic banking	526	254	-	-
Foreign currency service fees	1,187	2,586	-	-
Documentation and administration fees	205	183	-	-
Others	555	287	-	-
Fee and commission expense	(75)	(166)	-	-
	13,194	14,184	241	197

Decrease in net fee and commission revenue is mainly attributable to lower income from electronic channels as a result of regulation of the foreign exchange by the Central Bank with resultant impact on consumer's spending on foreign currency transactions.

21.4 Trading revenue				
Foreign exchange	3,438	(144)	-	-
Fixed income	3,120	1,338	-	-
Interest rates	92	1,442	-	-
Equities	1	(1)	-	-
	6,651	2,635	-	-

Growth in trading revenue is on the back of foreign exchange margins from plain vanilla forward transactions and non-derivative forward trades.

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Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

21 Supplementary income statement information continued

	Group		Company	
	31 Mar. 2017 N million	31 Mar. 2016 N million	31 Mar. 2017 N million	31 Mar. 2016 N million
21.5 Other revenue				
Dividend income	-	-	8,824	-
Others	261	119	23	13
	261	119	8,847	13
21.6 Credit impairment charges				
Net specific credit impairment charges	5,219	1,125	-	-
Specific credit impairment charges	5,384	1,204	-	-
Recoveries on loans and advances previously written	(602)	(79)	-	-
Portfolio credit impairment charges/(reversal)	(1,892)	1,144	-	-
	3,327	2,269	-	-
Increase in credit impairment charges mainly relates to newly classified exposure to a corporate client in the telecommunication sector.				
21.7 Other operating expenses				
Information technology	1,159	944	-	-
Communication	341	255	-	-
Premises and maintenance	1,189	930	-	-
Marketing and advertising	495	276	-	-
AMCON expenses	1,262	1,136	-	-
Deposit insurance premium	644	529	-	-
Other insurance premium	236	151	-	-
Professional fees	297	344	-	-
Depreciation and amortisation	1,001	904	77	52
Stationery and printing	187	137	-	-
Security	336	309	-	-
Travel and entertainment	331	208	-	-
Administration and membership fees	818	348	-	-
Training	127	51	-	-
Bank charges	225	70	-	-
Motor vehicle maintenance expenses	337	223	-	-
Others	814	944	124	78
	9,799	7,759	201	130

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

Growth in other operating expenses mainly reflects the effect of inflation and unfavourable exchange rates compared to prior year.

21.8 Income tax				
Current tax	2,374	2,496	-	320
Deferred tax	178	(44)	(149)	10
	2,552	2,452	(149)	330

Although the Group net income before tax (NIBT) doubled, the tax has remained as flat because Bank has continued to account for tax based on minimum tax principle and it accounts for more than 50% of the NIBT. Bank reported tax loss position due to exempted income from government securities hence the tax is based on minimum tax principle.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

	Group		Company	
	31 Mar. 2017 N million	31 Mar. 2016 N million	31 Mar. 2017 N million	31 Mar. 2016 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)	15,527	6,843	8,052	(339)
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)	155	68	81	(3)

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

23 Related party transactions

23.1 Parent and ultimate controlling party

The company is 53.2% owned by Stanbic Africa Holdings Limited, which is incorporated in the United Kingdom. The ultimate parent and controlling party of the group/ company is Standard Bank Group Limited, incorporated in South Africa. Stanbic IBTC Holdings PLC has 9 direct subsidiaries and 2 indirect subsidiaries as listed below.

Stanbic IBTC Holdings PLC (Holdco) is related to other companies that are fellow subsidiaries of Standard Bank Group Limited. These include Standard Bank Isle of Man Limited, Standard Bank of South Africa (SBSA), Stanbic Bank Ghana Limited, CFC Stanbic Bank Kenya Limited, Stanbic Bank Botswana, Stanbic Bank Uganda Limited, and Standard Bank (Mauritius) Limited. ICBC Standard Bank PLC, which is an associate of Standard Bank Group Limited, is also a related party.

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	88.24%
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.

	31 Mar. 2017 N million	31 Mar. 2016 N million
Key management compensation		
Salaries and other short-term benefits	129	229
Post-employment benefits	7	13
Value of share options and rights expensed	40	(26)
	176	216
The transactions below are entered into in the normal course of business.	31 Mar. 2017 N million	31 Dec. 2016 N million
Loans and advances		
Loans outstanding at the beginning of the period	214	330
Net movement during the period	(71)	(116)
Loans outstanding at the end of the period	143	214

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 (2016: nil). The mortgage loans and instalment sale and finance leases are secured by the underlying assets. All other loans are unsecured.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2017

24 Related party transactions continued

	31 Mar. 2017 N million	31 Dec. 2016 N million
Deposit and current accounts		
Deposits outstanding at beginning of the period	247	373
Net movement during the period	94	(126)
Deposits outstanding at end of the period	341	247

Deposits include cheque, current and savings accounts.

24.1 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.

The relevant balances are shown below:

	31 Mar. 2017 N million	31 Dec. 2016 N million
(i) Due from group companies		
Trading assets	7,502	-
Loans to banks	7,819	7,760
Current account balances	10,355	15,151
Derivatives	95	265
Other assets	89	561
	25,859	23,737
(ii) Due to group companies		
Deposits and current accounts	8,781	605
Derivatives	4,903	5,336
Subordinated debt	12,455	12,251
Other borrowings	45,777	50,524
Other liabilities	36,252	34,335
	108,168	103,051

	31 Mar. 2017 N million	31 Mar 2016 N million
(iii) Profit or loss impact of transactions with group entities		
Interest income earned	82	89
Interest expense paid	(446)	(912)
Trading revenue	1 608	(119)
Operating expense incurred	-	-

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)
for the three months period ended 31 March 2017

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	Consolidations / Eliminations N'million	Stanbic IBTC Holdings PLC Group N'million
Income statement											
Net interest income	(782)	17,690	174	1,492	129	57	30	71	19	-	18,880
Non interest revenue	9,088	11,544	539	6,790	894	61	68	212	136	(9,226)	20,106
Total income	8,306	29,234	713	8,282	1,023	118	98	283	155	(9,226)	38,986
Staff costs	(202)	(5,693)	(270)	(692)	(236)	-	(24)	(89)	(28)	-	(7,234)
Operating expenses	(201)	(8,655)	(98)	(954)	(201)	-	(20)	(42)	(26)	398	(9,799)
Credit impairment charges	-	(3,327)	-	-	-	-	-	-	-	-	(3,327)
Total expenses	(403)	(17,675)	(368)	(1,646)	(437)	-	(44)	(131)	(54)	398	(20,360)
Profit before tax	7,903	11,559	345	6,636	586	118	54	152	101	(8,828)	18,626
Tax	149	(349)	(93)	(1,982)	(171)	(24)	(15)	(30)	(37)	-	(2,552)
Profit for the period	8,052	11,210	252	4,654	415	94	39	122	64	(8,828)	16,074
At 31 March 2016	(339)	4,787	(320)	3,221	347	20	30	2	43	-	7,791

**Risk management
for the three months period ended 31 March 2017**

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 2016.

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 2016.

Capital management

Capital adequacy

The group manages its capital base to achieve a prudent balance between maintaining capital ratios to support business growth and depositor confidence, and providing competitive returns to shareholders. The capital management process ensures that each group entity maintains sufficient capital levels for legal and regulatory compliance purposes. The group ensures that its actions do not compromise sound governance and appropriate business practices and it eliminates any negative effect on payment capacity, liquidity and profitability.

The Central Bank of Nigeria (CBN) adopted the Basel II capital framework with effect from 1 October 2014 and revised the framework in June 2015. Stanbic IBTC Bank has been compliant with the requirements of Basel II capital framework since it was adopted.

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 and capital management (continued)
for the three months period ended 31 March 2017**
Capital management - BASEL II regulatory capital
Stanbic IBTC Group

	B II Group 31 Mar 2017 N'million	B II Group 31 Dec 2016 N'million
Tier 1	138,831	138,831
Paid-up Share capital	5,000	5,000
Share premium	65,450	65,450
General reserve (Retained Profit)	50,157	50,157
SMEEIS reserve	1,039	1,039
Statutory reserve	32,576	32,576
Other reserves	(19,087)	(19,087)
Non controlling interests	3,696	3,696
Less: regulatory deduction	9,351	9,351
Goodwill	-	-
Deferred tax assets	8,638	8,638
Other intangible assets	713	713
Current year losses	-	-
Under impairment	-	-
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-
Investment in the capital of banking and financial institutions	-	-
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	129,480	129,480
Tier II	28,593	28,906
Hybrid (debt/equity) capital instruments	-	-
Subordinated term debt	27,651	27,964
Other comprehensive income (OCI)	942	942
Less: regulatory deduction	-	-
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-
Investment in the capital of banking and financial institutions	-	-
Investment in the capital of financial subsidiaries	-	-
Exposures to own financial holding company	-	-
Unsecured lending to subsidiaries within the same group	-	-
Eligible Tier II capital	28,593	28,906
Total regulatory capital	158,073	158,386
Risk weighted assets:		
Credit risk	516,951	486,430
Operational risk	207,092	207,092
Market risk	9,592	1,917
Total risk weight	733,634	695,439
Total capital adequacy ratio	21.5%	22.8%
Tier I capital adequacy ratio	17.6%	18.6%

STANBIC IBTC HOLDINGS PLC

Risk and capital management (continued) for the three months period ended 31 March 2017

Capital management - BASEL II regulatory capital

Stanbic IBTC Bank PLC	B II 31 Mar 2017 N'million	B II 31 Dec 2016 N'million
Tier 1	108,228	108,228
Paid-up share capital	1,875	1,875
Share premium	42,469	42,469
General reserve (Retained profit)	40,664	40,664
SMEEIS reserve	1,039	1,039
Statutory reserve	22,153	22,153
Other reserves	28	28
Non controlling interests	-	-
Less: regulatory deduction	9,084	9,084
Deferred Tax Assets	8,321	8,321
Other intangible assets	713	713
Investment in the capital of financial subsidiaries	50	50
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	99,144	99,144
Tier II	27,836	28,149
Hybrid (debt/equity) capital instruments	-	-
Subordinated term debt	27,651	27,964
Other comprehensive income (OCI)	185	185
Less: regulatory deduction	50	50
Reciprocal cross-holdings in ordinary shares of financial institutions	-	-
Investment in the capital of banking and financial institutions	-	-
Investment in the capital of financial subsidiaries	50	50
Exposures to own financial holding company	-	-
Unsecured lending to subsidiaries within the same group	-	-
	27,786	28,099
Eligible Tier II capital	126,930	127,243
Risk weighted assets:		
Credit risk	484,260	458,266
Operational risk	146,986	146,986
Market risk	9,592	1,917
Total risk weight	640,837	607,169
Total capital adequacy ratio	19.8%	21.0%
Tier I capital adequacy ratio	15.5%	16.3%