Stanbic IBTC
A member of Standard Bank Group

STANBIC IBTC HOLDINGS PLC

CONSOLIDATED AND SEPARATE ANNUAL REPORT
31 DECEMBER 2015

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Directors' report
For the year ended 31 December 2015

The directors present their annual report on the affairs of Stanbic IBTC Holdings PLC ("the company") and its subsidiaries ("the group"), together with the consolidated financial statements and auditor's report for the year ended 31 December 2015.

a. Legal form

The company was incorporated in Nigeria under the Companies & Allied Matters Act (CAMA) as a public limited liability company on 14 March 2012. The company's shares were listed on 23 November 2012 on the floor of The Nigerian Stock Exchange.

b. Principal activity and business review

The principal activity of the company is to carry on business as a financial holding company, to invest and hold controlling shares, in as well as manage equity in its subsidiary companies.

The company has nine direct subsidiaries, namely: Stanbic IBTC Bank PLC, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Asset Management Limited, Stanbic IBTC Capital Limited, Stanbic IBTC Investments Limited, Stanbic IBTC Stockbrokers Limited, Stanbic IBTC Ventures Limited, Stanbic IBTC Insurance Brokers Limited and Stanbic IBTC Trustees Limited.

The company prepares consolidated financial statements, which includes separate financial statements of the company.

c. Operating results and dividends

The group's gross earnings increased by 7.17%, while profit before tax decreased by 45.66% for the year ended 31 December 2015. The board recommended the approval of a final dividend of 5 kobo per share (31 Dec 2014: 15 kobo) for the year ended ended 31 December 2015.

Highlights of the group's operating results for the year under review are as follows:

	31 Dec. 2015 Group	31 Dec. 2014 Group Restated	**31 Dec. 2015 Company**	31 Dec. 2014 Company
	₦'million	₦'million	**₦'million**	₦'million
Gross earnings	**140,027**	130,654	**10,987**	14,320
Profit before tax	**23,651**	43,527	**9,899**	12,898
Income tax	**(4,760)**	(9,068)	**(28)**	238
Profit after tax	**18,891**	34,459	**9,871**	13,136
Non controlling interest	**(3,393)**	(2,772)	**-**	-
Profit attributable to equity holders of the parent	**15,498**	31,687	**9,871**	13,136
Appropriations:				
Transfer to statutory reserve	**2,368**	4,455	**-**	-
Transfer to retained earnings reserve	**13,130**	27,232	**9,871**	13,136
	15,498	31,687	**9,871**	13,136
Dividend proposed/ paid (final)	**500**	1,500	**500**	1,500
Dividend paid (interim)	**9,000**	11,000	**9,000**	11,000

d. Directors who held office during the year and their interest in shares

The direct interest of directors in the issued share capital of the company as recorded in the register of directors shareholding and/or as notified by the directors for the purposes of section 275 and 276 of CAMA and the listing requirements of the Nigerian Stock Exchange as follows:

	Direct shareholding	
	Number of Ordinary Shares of Stanbic IBTC Holdings PLC held as at December 2015	Number of Ordinary Shares of Stanbic IBTC Holdings PLC held as at Dec 2014
Atedo N. A. Peterside CON *	**-**	-
Sola David - Borha	**527,839**	527,839
Dominic Bruynseels	**-**	-
Maryam Uwais MFR	**251,735**	251,735
Ifeoma Esiri**	**42,776,676**	42,776,676
Ratan Mahtani ***	**28,465,803**	28,465,803
Ngozi Edozien	**18,563**	-
Basil Omiyi	**-**	-
Ballama Manu	**151,667**	-
Simpiwe Tshabalala	-	-

* Mr Atedo Peterside has indirect shareholding amounting to 120,000,000 ordinary shares (Dec 2014: Nil) respectively through Stanbic IBTC Trustees Limited/ The First ANAP Domestic Trust.

** Mrs Ifeoma Esiri has indirect shareholding amounting to 2,666,670 ordinary shares through Ashbert Limited

*** Mr Ratan Mahtani has indirect shareholdings amounting to 1,066,032,524 ordinary shares (Dec 2014: 1,067,555,439) respectively through First Century International Limited, Churchgate Nigeria Limited, International Seafoods Limited, Foco International Limited and RB Properties Limited.

In terms of section 259 (1) of the Companies & Allied Matters Act 2004, the company shall hold its fourth annual general meeting in 2016, and Messrs. Basil Omiyi and Ballama Manu and Ms. Ngozi Edozien shall retire by rotation and being eligible shall offer themselves for re-election to the Board by Shareholders.

Also in terms of sections 252 and 256 of the Companies and Allied Matters Act 2004, Special Notice shall be given of the fact that Mr. Basil Omiyi would have attained the age of 70 years as at the date of the 2016 Annual General Meeting

e. Directors interest in contracts

Stanbic IBTC Bank Plc, one of the company's subsidiaries, rented an apartment for one of its employees in Victoria Island from ANAP Holdings Limited at a gross rent of N15 million per annum during the course of this financial year. Mr. Atedo Peterside is the majority shareholder of ANAP Holdings Limited as disclosed previously to the board of the company.

In addition to the above, the Bank also renewed the lease for one of its branches located on the Ground Floor at Churchgate Towers, PC 30, Churchgate Street, Victoria Island, Lagos. The lease renewal is for a period of three years at a cost of N146 million. This property is owned by First Continental Properties Limited, and Mr. Ratan Mahtani is a Director on the Board of this company.

f. Property and equipment

Information relating to changes in property and equipment is given in note 17 to the financial statements. In the directors' opinion the disclosures regarding the group's properties are in line with the related statement of accounting policy of the group.

g. Shareholding analysis

The shareholding pattern of the company as at 31 December 2015 is as stated below:

Share range			No. of shareholders	Percentage of shareholders	No. of holding	Percentage holdings
1	-	1,000	38,996	40.42	21,085,616	0.21
1,001	-	5,000	37,148	38.50	77,047,612	0.77
5001	-	1,0000	9,800	10.16	61,050,139	0.61
10,001	-	50,000	8,157	8.45	154,047,602	1.54
50,001	-	100,000	1,227	1.27	78,043,561	0.78
100,001	-	500,000	878	0.91	162,776,591	1.63
500,001	-	1,000,000	115	0.12	72,299,479	0.72
1,000,001	-	5,000,000	82	0.08	176,774,047	1.77
5,000,001	-	10,000,000	14	0.01	102,389,178	1.02
10,000,001	-	50,000,000	38	0.04	773,128,366	7.73
50,000,001	-	100,000,000	14	0.01	923,345,512	9.23
100,000,001	-	500,000,000	8	0.01	1,546,238,536	15.46
500,000,001	-	1,000,000,000	1	0.00	747,089,076	7.47
1,000,000,001	-	10,000,000,000	1	0.00	5,104,684,685	51.05
Grand Total			**96,479**	**100**	**10,000,000,000**	**100%**
Foreign shareholders			153		5,446,384,055	54.46%

h. Substantial interest in shares

According to the register of members as at 31 December 2015, no shareholder held more than 5% of the issued share capital of the company except the following:

	2015		2014	
Shareholder	**No of shares held**	**Percentage shareholding**	**No of shares held**	**Percentage shareholding**
Stanbic Africa Holdings Limited (SAHL)	5,318,957,354	53.2%	5,318,957,354	53.2%
First Century International Limited	747,089,076	7.47%	747,089,076	7.47%

i. Share capital history

Year	Authorised (No of shares) '000		Issued and fully paid up (N'000)		
	Increase	Cumulative	Increase	Cumulative	
2012	10,000,000	10,000,000	5,000,000	5,000,000	
2015	3,000,000	13,000,000	-	5,000,000	

j. Dividend history and unclaimed dividend as at 31 December 2015

Year end	Dividend type	Total dividend amount declared*	Dividend per share	amount unclaimed as at 31 Dec. 2015	Percentage unclaimed
		N		N	%
2005	Final	2,170,298,271	20 kobo	3,813,332	0.18
2006	Final	2,170,297,800	20 kobo	49,113,763	2.26
2007	Final	3,375,000,000	30 kobo	3,385,581	0.10
2008	Final	4,218,750,000	25 kobo	5,022,292	0.12
2009	Final	6,750,000,000	40 kobo	239,894,898	3.55
2010	Final	5,062,500,000	30 kobo	250,319,391	4.94
2011	Final	3,240,215,108	39 kobo	206,581,155	6.38
2012	Interim	1,687,500,000	10 kobo	57,244,170	3.39
2012	Final	900,570,889	10 kobo	30,164,949	3.35
2013	Interim	6,304,041,033	70 kobo	191,693,096	3.04
2013	Final	901,992,337	10 kobo	40,427,836	4.48
2014	Interim	9,920,077,516	110 kobo	404,310,507	4.08
2014	Final	1,352,701,559	15 kobo	91,578,595	6.77
2015	Interim	8,235,882,607	90 kobo		-
Total				**1,573,549,567**	

**Amount is less of withholding tax*

j. Dividend history and unclaimed dividend as at 31 December 2015 (continued)

The total unclaimed dividend fund as at 31 December 2015 amounted to N1,574 million. A sum of N523m of the fund balance is held in an investment account (money market mutual fund) managed by Stanbic IBTC Asset Management Limited, while the balance is held in demand deposits maintained with Stanbic IBTC Bank PLC. Total income earned on the investment account and recognised by the company for the year ended 31 December 2015 was N77 million (2014: N71 million).

k. Donations and Charitable Gifts

The group and company made contributions to charitable and non – political organizations amounting to N232.5 million and N169.5 million respectively (Dec 2014: Group - N486 million; Company - N162 million) during the year.

	Group N'000	Company N'000
University of Ibadan -Lecture theatre construction	100,000	100,000
Prostate Cancer treatment Equipment in favour of Focal One Project	50,000	-
Lagos State Security Trust Fund	20,000	20,000
Relaxation centre - Adekunle Ajasin University, Ondo	10,000	10,000
Donation for convocation-MAUTECH Yola	10,000	10,000
Sponsorship-FIRS capacity building training	9,133	9,133
CSI Programme - Work out for a Limb	6,428	6,428
CSI support for YOUWIN Project	5,000	-
Prosthesis for Children-Irede Foundation	3,244	3,244
Government Secondary School Apo, Abuja.	2,812	2,812
Sponsorship-Laboratory tool kits for the Army	2,500	2,500
Renovation of College-Unilag-NCMG College of Negotiation	2,500	2,500
Financial literacy curriculum development for secondary schools	6,357	1,857
Borehole construction and overhead tank at NYSC Camp Abuja	1,722	-
Donation of computer sets-Oke Ogun Polytechnics	680	-
National Quiz Competition-Secondary School	600	600
Donation to Save the Children Initiative	250	-
Thoughtful House Charity	250	-
U-Search Spelling Bee competition	250	-
Rehabilitation of Classroom-Lagos Progressive Schools, Surulere	243	-
Lagos Progressive School	200	200
World Malaria Day	200	200
Arch Deacon Adelaja School	60	60
Oritamefa Baptist Model School Year Book	50	-
Sponsorship NASFAT Women Leadership training	50	-
Sponsorship-Valedictory Service-Christ Redeemers Int School	20	-
Total	**232,549**	**169,534**

l. Events after the reporting date

Following the 14th December 2015 judgment of the Federal High Court, which dismissed the suit filed by Stanbic IBTC in relation to the 26 October 2015 Regulatory Decision of the Financial Reporting Council of Nigeria (FRC), SIBTC filed an appeal against the judgment. It also obtained an injunction restraining the enforcement of the Federal High Court's judgment pending the outcome of the appeal. The FRC filed a cross appeal and an appeal against the injunctive orders issued by the Federal High Court.

In March 2016 the FRC issued new Rules on its website that related to the accounting treatment for transactions that required the approval of statutory bodies such as the National Office of Technology Acquisition and Promotion (NOTAP) as well as certification requirements for those who attested to the financial statements of a company. In its reporting for the financial year ended 31 December 2015, Stanbic IBTC has taken account of the Regulatory Decision and the new Rules. Comparative balances for the years ended 2013 and 2014 have also been restated. It is important to mention that such restatement did not lead to additional current income tax liability.

In November 2016, Stanbic IBTC, the FRC and NOTAP reached an agreement on some of the issues that are related to FRC regulatory decision and Stanbic IBTC's appeal. Pursuant to such agreement, Stanbic IBTC's appeal has been amended and its sole focus now relates to the alleged illegality of the agreements between Stanbic IBTC and SBSA. The FRC, which has amended its brief of appeal in response to the amended appeal filed by Stanbic IBTC, has also withdrawn its cross - appeal and its appeal against the injunctive orders of the Federal High Court. The amended appeal is still pending before the Federal Court of Appeal.

m. Human resources

Employment of disabled persons

The company continues to maintain a policy of giving fair consideration to applications for employment made by disabled persons with due regard to their abilities and aptitude. The company's policy prohibits discrimination of disabled persons or persons with HIV in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that, as far as possible, their employment with company continues and appropriate training is arranged to ensure that they fit into the company's working environment.

Health safety and welfare at work

The company enforces strict health and safety rules and practices at the work environment which are reviewed and tested regularly. The company's staff are covered under a comprehensive health insurance scheme pursuant to which the medical expenses of staff and their immediate family are covered up to a defined limit.

Fire prevention and firefighting equipment are installed in strategic locations within the company's premises.

The company has both Group Personal Accident and Workmen's Compensation Insurance cover for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2014.

n. Employee involvement and training

The company ensures, through various fora, that employees are kept informed on matters concerning them. Formal and informal channels are employed for communication with employees with an appropriate two – way feedback mechanism. In accordance with the company's policy of continuous staff development, training facilities are provided in the group's well equipped Training School (the Blue Academy). Employees of the Company attend training programmes organized by the Standard Bank Group (SBG) in South Africa and elsewhere and participate in programmes at the Standard Bank Global Leadership centre in South Africa. The company also provides its employees with on the job training in the company and at various Standard Bank locations.

o. Auditors

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 357 (2) of the Companies and Allied Matters Act of Nigeria therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

By order of the Board

CHIDI OKEZIE
Company Secretary
FRC/2013/NBA/00000001082
08 December 2016

Statement of directors' responsibilities in relation to the financial statements
For the year ended 31 December 2015

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

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

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

SIGNED ON BEHALF OF THE DIRECTORS BY:

A.N.A. Peterside

Atedo N.A. Peterside CON
Chairman
FRC/2013/CIBN/00000001069
08 December 2016

Sola David-Borha
Chief Executive
FRC/2013/CIBN/00000001070
08 December 2016

Corporate governance report
For the year ended 31 December 2015

Introduction

The company is a member of the Standard Bank Group, which holds a 53.2% equity holding (through Stanbic Africa Holdings Limited) in the company.

Standard Bank Group ("SBG") is committed to implementing initiatives that improve corporate governance for the benefit of all stakeholders. SBG's board of directors remains steadfast in implementing governance practices that comply with international best practice, where substance prevails over form.

Subsidiary entities within SBG are guided by these principles in establishing their respective governance frameworks, which are aligned to SBG's standards in addition to meeting the relevant jurisdictional requirements in their areas of operation.

Stanbic IBTC Holdings PLC ("the company"), and its subsidiaries ("the group"), as a member of SBG, operate under a governance framework which enables the board to balance its role of providing oversight and strategic counsel with its responsibility to ensure conformance with regulatory requirements, group standards and acceptable risk tolerance parameters.

The direct subsidiaries of the company are: Stanbic IBTC Bank PLC, Stanbic IBTC Asset Management Limited, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Insurance Brokers Limited, Stanbic IBTC Trustees Limited, Stanbic IBTC Stockbrokers Limited, Stanbic IBTC Ventures Limited, Stanbic IBTC Investments Limited and Stanbic IBTC Capital Limited and their respective subisidiaries have their own distinct boards and take account of the particular statutory and regulatory requirements of the businesses they operate. These subsidiaries operate under a governance framework that enables their boards to balance their roles in providing oversight and strategic counsel with their responsibility for ensuring compliance with the regulatory requirements that apply in their areas of operation and the standards and acceptable risk tolerance parameters adopted by the company. In this regard they have aligned their respective governance frameworks to that of the company. As Stanbic IBTC Holdings PLC is the holding company for the subsidiaries in the group, the company's board also acts as the group board, with oversight of the full activities of the group.

A number of committees have been established by the company's board that assists the board in fulfilling its stated objectives. The committees' roles and responsibilities are set out in their mandates, which are reviewed periodically to ensure they remain relevant. The mandates set out their roles, responsibilities, scope of authority, composition and procedures for reporting to the board.

Codes and regulations

The company operates in highly regulated markets and compliance with applicable legislation, regulations, standards and codes, including transparency and accountability, remain an essential characteristic of its culture. The board monitors compliance with these by means of management reports, which include information on the outcome of any significant interaction with key stakeholders such as regulators.

The group complies with all applicable legislation, regulations, standards and codes.

Shareholders' responsibilities

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

Developments during 2015

During 2015, the following developments in the company's corporate governance practices occurred:

- The Financial Reporting Council of Nigeria (FRC) in April 2015 released an exposure draft of the National Code of Corporate Governance (NCCG), which is intended to operate as the main Code to regulate the activities of private and public sector entities in Nigeria. Our comments on this Code were forwarded to the FRC at the relevant time. Although a final version of the NCCG was issued in November 2016, its implementation has been suspended.

Corporate governance report (continued)
For the year ended 31 December 2015

Developments during 2015 (continued)

- The company held its 3rd Annual General Meeting of Stanbic IBTC Holdings PLC on Wednesday 03 June 2015, and shareholders amongst other things approved an increase in the authorized share capital of the company from N5 billion comprising of 10 billion ordinary shares of 50 Kobo each to N6.5 billion by the creation of an additional 3 billion ordinary shares of 50 Kobo each. Shareholders also approved the proposal to raise additional equity capital of up to N24 billion by way of a Rights Issue or offer for subscription on such terms, conditions and dates as may be determined by the Directors, subject to obtaining the approvals of the relevant regulatory authorities. The intention is to inject this additional capital into Stanbic IBTC Bank PLC towards the execution of its strategic growth plans and optimising returns to all of its stakeholders.
- The company held an Extra-Ordinary General Meeting on Thursday 06 August 2015, and shareholders authorised the Board of Directors to offer to shareholders the right to elect to receive new ordinary shares instead of the whole of any interim Dividend declared by Directors for the financial year ended 31 December 2015; Shareholders further authorized the Board to Issue Scrip Dividend from time to time as it may deem appropriate up to year 2020.
- The CBN issued the revised assessment criteria for approved persons' regime for financial institutions. The framework provides the criteria for the assessment of propriety and fitness (i.e. competence and compatibility) for candidates for board and top management positions. The effective date of this guideline is 1 January, 2016.
- The company received a number of petitions from a few minority shareholders with regard to Stanbic IBTC's contractual obligations with related parties. In addition to this, the FRC issued a Regulatory Decision on 26 October 2015 in relation to the treatment of the accounting for these accruals for payment of contractual obligations to related parties. See note 29.5 and 40.1 for details.
- There was a continued focus on directors training, particularly in the areas of business process improvement, financial oversight, board effectiveness and effective risk management.
- The provision of an enhanced level of information in the financial statements provided to shareholders and investors on an annual and quarterly basis continued.

Focus areas for 2016

The group intends during 2016 to:

- continue the focus on directors' training via formal training sessions and information bulletins on issues that are relevant;
- continue to enhance the level of information provided to and interaction with shareholders, investors and stakeholders generally.
- obtain the full license for the new brokerage business of the Group - Stanbic IBTC Insurance brokers Limited.

Board and directors

Board structure and composition

Ultimate responsibility for governance rests with the board of directors of the company, who ensure that appropriate controls, systems and practices are in place. The company has a unitary board structure and the roles of chairman and chief executive are separate and distinct. The company's chairman is a non-executive director. The number and stature of non-executive directors ensure that sufficient consideration and debate are brought to bear on decision making thereby contributing to the efficient running of the board.

One of the features of the manner in which the board operates is the role played by board committees, which facilitate the discharge of board responsibilities. The committees each have a board approved mandate that is regularly reviewed.

Strategy

The board considers and approves the company's strategy. Once the financial and governance objectives for the following year have been agreed, the board monitors performance against financial objectives and detailed budgets on an on-going basis, through quarterly reporting.

Regular interaction between the board and the executive is encouraged. Management is invited, as required, to make presentations to the board on material issues under consideration.

Directors are provided with unrestricted access to the company's management and company information, as well as the resources required to carry out their responsibilities, including external legal advice, at the company's expense.

It is the board's responsibility to ensure that effective management is in place to implement the agreed strategy, and to consider issues relating to succession planning. The board is satisfied that the current pool of talent available within the company, and the ongoing work to deepen the talent pool, provides adequate succession depth in both the short and long term.

Skills, knowledge, experience and attributes of directors

The board ensures that directors possess the skills, knowledge and experience necessary to fulfill their obligations. The directors bring a balanced mix of attributes to the board, including:

- international and domestic experience;
- operational experience;
- knowledge and understanding of both the macroeconomic and the microeconomic factors affecting the group;
- local knowledge and networks; and
- financial, legal, entrepreneurial and banking skills.

The credentials and demographic profile of the board are regularly reviewed, to ensure the board's composition remains both operationally and strategically appropriate.

Appointment philosophy

The appointment philosophy ensures alignment with all necessary legislation and regulations which include, but are not limited to the requirements of the Central Bank of Nigeria; SEC Code of Corporate Governance; the Companies & Allied Matters Act as well as the legislations of SBG's home country.

Consideration for the appointment of directors and key executives take into account compliance with legal and regulatory requirements and appointments to external boards to monitor potential for conflicts of interest and ensure directors can dedicate sufficient focus to the company's business. The board takes cognisance of the skills, knowledge and experience of the candidate, as well as other attributes considered necessary to the prospective role.

During the 2015 financial year, the appointments of Ms. Ngozi Edozien, Mr. Ballama Manu and Mr. Basil Omiyi were aproved by Shareholders of the Company having received all required regulatory approvals. In terms of Section 259 (1) of the Company and Allied Matters Act 2004, the company shall hold its fourth Annual General Meeting in 2016, and Ms. Ngozi Edozien, Messers. Basil Omiyi and Ballama Manu shall retire by rotation and being eligible shall offer themsselves for re-election. In compliance with Section 252 and 256 of the Companies and Allied Matters Act 2004, NOTICE will be given at the Annual General Meeting to be held in 2016, of the fact that Mr. Basil Omiyi has attained the age of 70.

With the above appointments and resignation the board's size as at 31 December 2015 has increased to ten (10), one (1) executive director and nine (9) non-executive directors . It is important to note that the Company now has two (2) Independent Non-Executive Directors; Mrs. Maryam Uwais (MFR) and Ms. Ngozi Edozien. The board has the right mix of competencies and experience.

Board responsibilities

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

- agree the group's objectives, strategies and plans for achieving those objectives;
- annually review the corporate governance process and assess achievement against objectives;
- review its mandate at least annually and approve recommended changes;

Board responsibilities (continued)

- delegate to the chief executive or any director holding any executive office or any senior executive any of the powers, authorities and discretions vested in the board's directors, including the power of sub-delegation; and to delegate similarly such powers, authorities and discretions to any committee and subsidiary company board as may exist or be created from time to time;
- determine the terms of reference and procedures of all board committees and review their reports and minutes;
- consider and evaluate reports submitted by members of the executive;
- ensure that an effective risk management process exists and is maintained throughout the bank and its subsidiaries to ensure financial integrity and safeguarding of the group's assets;
- review and monitor the performance of the chief executive and the executive team;
- ensure consideration is given to succession planning for the chief executive and executive management;
- establish and review annually, and approve major changes to, relevant group policies;
- approve the remuneration of non-executive directors on the board and board committees, based on recommendations made by the remuneration committee, and recommend to shareholders for approval;
- approve capital funding for the group, and the terms and conditions of rights or other issues and any prospectus in connection therewith;
- ensure that an adequate budget and planning process exists, performance is measured against budgets and plans, and approve annual budgets for the group;
- approve significant acquisitions, mergers, take-overs, divestments of operating companies, equity investments and new strategic alliances by the group;
- consider and approve capital expenditure recommended by the executive committee;
- consider and approve any significant changes proposed in accounting policy or practice, and consider the recommendations of the statutory audit committee;
- consider and approve the annual financial statements, quarterly results and dividend announcements and notices to shareholders, and consider the basis for determining that the group will be a going concern as per the recommendation of the audit committee;
- assume ultimate responsibility for financial, operational and internal systems of control, and ensure adequate reporting on these by committees to which they are delegated;
- take ultimate responsibility for regulatory compliance and ensure that management reporting to the board is comprehensive;
- ensure a balanced and understandable assessment of the group's position in reporting to stakeholders;
- review non financial matters that have not been specifically delegated to a management committee; and
- specifically agree, from time to time, matters that are reserved for its decision, retaining the right to delegate any of these matters to any committee from time to time in accordance with the articles of association.

Delegation of authority

The ultimate responsibility for the company and its operations rests with the board. The board retains effective control through a well-developed governance structure of board committees. These committees provide in-depth focus on specific areas of board responsibility.

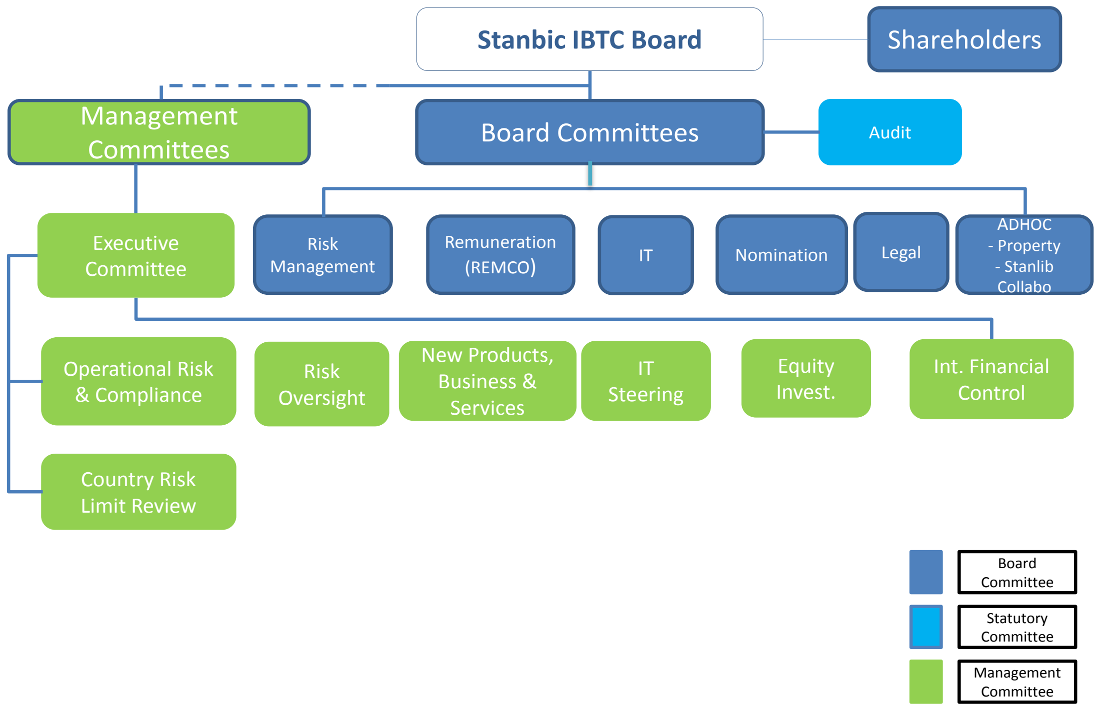
The board delegates authority to the chief executive to manage the business and affairs of the company. The executive committee assists the chief executive when the board is not in session, subject to specified parameters and any limits on the board's delegation of authority to the chief executive.

Membership of the executive committee is set out on page xiii.

In addition, a governance framework for executive management assists the chief executive in her task. Board-delegated authorities are regularly monitored by the company secretary's office.

The corporate governance framework adopted by the board on 28 November 2012 and formalised with mandate approvals which were reviewed in July 2015 is set out below:

STANBIC IBTC HOLDCO GOVERNANCE STRUCTURE



Board effectiveness and evaluation

The board is focused on continued improvements in its corporate governance performance and effectiveness.
During the year the directors underwent an evaluation by independent consultant Messrs PricewaterhouseCoopers (PwC) as required by Section 2.8.1 of the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks in Nigeria ("the Code"). In the report PwC indicated that our Board had complied in all material respect with the directives of the section 2.8.1 of the Code. Areas of compliance include the diversity in knowledge and experience of Directors, the existence of a talent management framework that addresses succession planning within the Bank, the existence of Board performance objectives, the quality of commitment and focus of Board members as evidenced by the level of attendance at Board and Committee meetings, regular management reporting to the Board and regular compliance reporting to CBN. The consultants also identified a few areas for improvement during the course of the review such as the need for the Board to ensure the development and implementation of a Trading Policy for Directors. The report also noted that the review facilitated the assessment of the performance of the individual Directors on the Board for the year under review as perceived by the other directors. This assessment was based on their individual competence, level of attendance to Board and Board Committee meetings, contribution and participation at these meetings and relationship with other Board members. Individual Director's Assessment reports were prepared and made available to each director while a consolidated report of the performance of all Directors was also submitted to the Chairman of the Board.

The report on this evaluation was discussed at a board meeting and relevant action points have been noted for implementation to further improve board functioning.
The performance of the chairman and chief executive are assessed annually, providing a basis to set their remuneration.

Report of the external consultants on board effectiveness and evaluation

18 May 2016

The Chairman
Stanbic IBTC Holdings Plc
IBTC Place
Walter Carrington Crescent
Victoria Island, Lagos.

Dear Sir

Report to the Directors of Stanbic IBTC Holdings Plc. on the outcome of the 2015 Board Performance Assessment

PricewaterhouseCoopers Limited was engaged to carry out an assessment of the Board of Directors of Stanbic IBTC Holdings Plc. as required by Section 15.1 of the Securities and Exchange Commission (SEC) Code of Corporate Governance for public companies in Nigeria ("the Code"). The review which was conducted for the period ended 31 December 2015 covers all aspects of the Board's structure and composition, responsibilities, processes and relationships, as well as individual members' competencies and respective roles on the Board's performance.

The Board is responsible for the preparation and presentation of information relevant to its performance. Our responsibility is to reach a conclusion on the Board's performance based on work carried out within the scope of our engagement as contained in our letter of engagement. In carrying out the evaluation, we have relied on representations made by members of the Board and management and on the documents provided for our review.

The Board has complied in all material respects with the directives of the Code. Areas of compliance include the structure and composition of the Board and Board Committees, the diversity of skills on the Board, and the Board members' commitment to the Company's business as evidenced by the level of attendance and participation at Board and Committee meetings. Other areas of strength include the establishment of new Board committees to provide oversight on legal and IT matters, and effective oversight over management in the performance of its functions.

Improvement opportunities, as well as value adding recommendations were also highlighted in the course of our review. Details of these and our other findings are contained in our full report to the Board.

We also assessed the performance of the individual Directors on the Board and the Company Secretary in the year under review. For the Directors, this assessment was based on their individual competence, level of attendance at Board and Board Committee meetings, communication and participation at these meetings, and relationship with other Board members amongst others; while the Company Secretary's assessment was based on his effectiveness in performing his role as prescribed by the Companies and Allied Matters Act Cap C20 LFN 2004 (CAMA), and other extant codes of corporate governance in Nigeria. Each Individual Director's Assessment report, and the Company Secretary's Assessment report was prepared and made available to them respectively, while a consolidated report of the performance of all Directors and the Company Secretary was also submitted to the Chairman of the Board.

Yours faithfully
For: PricewaterhouseCoopers Limited

Ifori Layegue
Director
FRC/2013/ICAN/00000002989

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RC 39418
Directors; S Abu, O Adekoya, W Adetokunbo-Ajayi, UN Akpata, O Alakhume, I Aruofor , K Asante-Poku (Ghanian), D Asapokhai, C Azobu, R Eastaugh (South African) E Erhie, A Eriksson (Kenyan), I Ezeuko, M Iwelumo, A Kehinde, D McGraw (American), A Nevin (Canadian), R Newsome (British), P Obianwa, B Odiaka, T Ogundipe, P Omontuemhen, T Oputa, T Oyedele, AB Rahji, O Ubah, A Ugarov (American)

In this document, "PwC" and "PricewaterhouseCoopers" refer to PricewaterhouseCoopers Nigeria which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

Induction and training

An induction programme designed to meet the needs of each new director is being implemented. One-on-one meetings are scheduled with management to introduce new directors to the company and its operations. The company secretary manages the induction programme. The CBN Code of Conduct as well as the Securities & Exchange Commission's code of corporate governance is provided to new directors on their appointment.

Directors are kept abreast of all relevant legislation and regulations as well as sector developments leading to changing risks to the organisation on an on - going basis. This is achieved by way of management reporting and quarterly board meetings, which are structured to form part of ongoing training.

Directors attended various trainings at different periods during 2015 that included trainings on Risk Management; enhancing Board performance, Change Management, and Financial Reporting. These trainings were aimed at enhancing the understanding of key issues, and skills of directors.

Executive committee members

As at 31 December 2015, the Group Executive committee comprised of 21 members drawn from key functions within the Company as well as its subsidiaries.

S/n.	Name	Responsibility
i	Sola David – Borha	Chief executive - Stanbic IBTC Holdings PLC
ii	Yinka Sanni	Chief executive - Stanbic IBTC Bank PLC
iii	Demola Sogunle	Deputy CE Stanbic IBTC Bank PLC
iv	Yewande Sadiku	Head; Corporate & Transactional Banking
v	Babatunde Macaulay	Executive Director, Personal & Business Banking
vi	Wole Adeniyi	Executive Director, Operations
vii	Angela Omo - Dare	Head, Legal Services SIBTC Holdings PLC
viii	Olufunke Amobi	Head, Human Capital
ix	Kola Lawal	Head, CIB Credit
x	Chidi Okezie	Company Secretary
xi	M'fon Akpan	Chief Risk Officer
xii	Nkiru Olumide-Ojo	Head, Marketing and Communications
xiii	Taiwo Ala	Head Internal Controls
xiv	Victor Yeboah-Manu	Chief Financial Officer
xv	Gboyega Dada	Head, Information Technology
xvi	Rotimi Adojutelegan	Chief Compliance Officer
xvii	Eric Fajemisin	Head, Wealth
xviii	Malcolm Irabor	Head, Legal Stanbic IBTC Bank PLC
xix	Tosin Odutayo	Ag. Head of Finance, Stanbic IBTC Bank PLC
xx	Sam Ocheho	Head, Global Markets
xxi	Kabir Garba	Head, Internal Audit

Board meetings

The board meets, at a minimum, once every quarter with ad-hoc meetings being held whenever it was deemed necessary. The board will hold a strategy session in July 2016. Directors, in accordance with the articles of association of the company, attend meetings either in person or via tele / video conferencing.

Directors are provided with comprehensive board documentation at least seven days prior to each of the scheduled meetings. Attendance at board meetings from 1 January – 31 December 2015 is set out in the following table:

Name	Feb	April	June	July	August	Sept	Oct	Nov
Atedo Peterside CON Chairman	√	√	√	√	√	√	√	√
Sim Tshabalala	√	√	√	√	A	√	√	√
Sola David-Borha	√	√	√	√	√	√	√	√
Dominic Bruynseels	√	√	√	√	√	√	√	√
Basil Omiyi*	-	√	√	√	√	√	√	√
Ifeoma Esiri	√	√	√	√	√	√	√	√
Ballama Manu**	-	√	√	√	√	√	√	√
Ratan Mahtani	√	√	√	√	√	√	√	√
Maryam Uwais MFR	A	√	√	√	√	A	√	√
Ngozi Edozien*	-	√	√	√	√	√	√	A

√ = Attendance

A = Apology

\- = Not applicable

*Mr Basil Omiyi and Ms Ngozi Edozien were appointed as non-executive directors of the Company with effect from 27 March 2015

**Mr. Ballama Manu was appointed as a non-executive director on the board of the Company with effect from 10 April 2015

Board committees

Some of the functions of the board have been delegated to board committees, consisting of board members appointed by the board, which operates under mandates approved at the board meeting of 22 July 2015.

Risk management committee

The board is ultimately responsible for risk management. The main purpose of the risk management committee, as specified in its mandate is the provision of independent and objective oversight of risk management within the company. The committee is assisted in fulfilling its mandate by a number of management commitees.

To achieve effective oversight, the committee reviews and assesses the integrity of risk control systems and ensures that risk policies and strategies are effectively managed and contribute to a culture of discipline and control that reduces the opportunity for fraud.

The risk management committee during the period under review was vested, among others, with the following responsibilities:

- to oversee management's activities in managing credit, market, liquidity, operational, legal and other risks of the group;
- to periodically review the group's risk management systems and report thereon to the board;
- to ensure that the group's material business risks are being effectively identified, quantified, monitored and controlled and that the systems in place to achieve this are operating effectively at all times; and
- such other matters relating to the group's risk assets as may be specifically delegated to the committee by the board.

The committee's mandate is in line with SBG's standards, while taking account of local circumstances.
As at 31 December 2015, the committee consisted of five directors, four of whom, including the chairman are non – executive directors.

Members' attendance at risk management committee meetings during the year ended 31 December 2015 is stated below:

Name	February	April	July	October
Ifeoma Esiri (Chairman)	√	√	√	√
Sola David-Borha	√	√	√	√
Dominic Bruynseels	√	√	√	√
Ngozi Edozien	_	_	_	√
Ballama Manu	_	_	_	√

√ = Attendance

A = Apology

\- = Not a member of the Committee at the relevant time

Remuneration committee

The remuneration committee (REMCO) was vested with responsibilities during the year under review that included:

- reviewing the remuneration philosophy and policy;
- considering the guaranteed remuneration, annual performance bonus and pension incentives of the group's executive directors and managers;
- reviewing the performance measures and criteria to be used for annual incentive payments for all employees;
- determining the remuneration of the chairman and non-executive directors, which are subject to board and shareholder approval;
- considering the average percentage increases of the guaranteed remuneration of executive management across the group, as well as long-term and short-term incentives; and
- agreeing incentive schemes across the group.

The chief executive attends meetings by invitation. Other members of executive management are invited to attend when appropriate. No individual, irrespective of position, is expected to be present when his or her remuneration is discussed.

Remuneration committee (continued)

When determining the remuneration of executive and non-executive directors as well as senior executives, REMCO is expected to review market and competitive data, taking into account the company's performance using indicators such as earnings.

REMCO utilises the services of a number of suppliers and advisors to assist it in tracking market trends relating to all levels of staff, including fees for non-executive directors.

The board reviews REMCO's proposals and, where relevant, will submit them to shareholders for approval at the annual general meeting (AGM.). The board remains ultimately responsible for the remuneration policy.

As at 31 December 2015, the committee consisted of four directors, all of whom are non–executives.

Members' attendance at REMCO meetings during the year ended 31 December 2015 is stated below:

Name	Feb	April	July	October
Dominic Bruynseels (Chairman)	√	√	√	√
Maryam Uwais	√	√	√	A
Sim Tshabalala	√	√	√	√
Basil Omiyi	-	-	-	√

√ = Attendance

\- = Not a member of the Committee at the relevant time

A = Apology

Remuneration

Introduction

The purpose of this section is to provide stakeholders with an understanding of the remuneration philosophy and policy applied across the group for executive management, employees, and directors (executive and non-executive).

Remuneration philosophy

The group's board and remuneration committee set a remuneration philosophy which is guided by SBG's philosophy and policy as well as the specific social, regulatory, legal and economic context of Nigeria.

In this regard, the group employs a cost to company structure, where all benefits are included in the listed salary and appropriately taxed.

The following key factors have informed the implementation of reward policies and procedures that support the achievement of business goals:

- the provision of rewards that enable the attraction, retention and motivation of employees and the development of a high performance culture;
- maintaining competitive remuneration in line with the market, trends and required statutory obligations;
- rewarding people according to their contribution;
- allowing a reasonable degree of flexibility in remuneration processes and choice of benefits by employees;
- utilising a cost-to-company remuneration structure; and
- educating employees on the full employee value proposition;

The group's remuneration philosophy aligns with its core values, including growing our people, appropriately remunerating high performers and delivering value to our shareholders. The philosophy emphasises the fundamental value of our people and their role in ensuring sustainable growth. This approach is crucial in an environment where skills remain scarce.

The board sets the principles for the group's remuneration philosophy in line with the approved business strategy and objectives. The philosophy aims to maintain an appropriate balance between employee and shareholder interests. The deliberations of REMCO inform the philosophy, taking into account reviews of performance at a number of absolute and relative levels – from a business, an individual and a competitive point of view.

A key success factor for the group is its ability to attract, retain and motivate the talent it requires to achieve its strategic and operational objectives. The group's remuneration philosophy includes short-term and long-term incentives to support this ability.

Short-term incentives, which are delivery specific, are viewed as strong drivers of competitiveness and performance. A significant portion of top management's reward is therefore variable, being determined by financial performance and personal contribution against specific criteria set in advance. This incites the commitment and focus required to achieve targets.

Long-term incentives seek to ensure that the objectives of management and shareholders are broadly aligned over longer time periods.

Remuneration policy

The group has always had a clear policy on the remuneration of staff, executive and non-executive directors which set such remuneration at levels that are fair and reasonable in a competitive market for the skills, knowledge, experience required and which complies with all relevant tax laws.

REMCO assists the group's board in monitoring the implementation of the group remuneration policy, which ensures that:

• salary structures and policies, as well as cash and long term incentives, motivate sustained high performance and are linked to corporate performance objectives;

• stakeholders are able to make a reasonable assessment of reward practices and the governance process; and

• the group complies with all applicable laws and codes.

Remuneration structure

Non-executive directors

Terms of service

Directors are appointed by the shareholders at the AGM, although board appointments may be made between AGMs. These appointments are made in terms of the company's policy. Shareholder approvals for such interim appointments are however sought at the annual general meeting that holds immediately after such appointments are made.

Non-executive directors are required to retire after three years and may offer themselves for re-election. If recommended by the board, their re-election is proposed to shareholders at the AGM.

In terms of CAMA, if a director over the age of 70 is seeking re-election to the board his age must be disclosed to shareholders at the meeting at which such reelection is to occur.

Fees

Non-executive directors' receive fixed annual fees and sitting allowances for service on the board and board committees. There are no contractual arrangements for compensation for loss of office. Non-executive directors do not receive short-term incentives, nor do they participate in any long-term incentive schemes.

REMCO reviews the non-executive directors' fees annually and makes recommendations on same to the board for consideration. Based on these recommendations, the board in turn recommends a gross fee to shareholders for approval at the Annual General Meeting (AGM).

Fees that are payable for the reporting period 1 January to 31 December of each year.

Category	**2016[(i)]**	**2015**
Chairman	59,500,000	54,800,000
Non-Executive Directors	16,650,000	15,250,000
Sitting Allowances for Board Meetings[(ii)]		
- Chairman	357,000	327,000
- Non-Executive Directors	238,000	218,000

[(i)] Proposed for approval by shareholders at the AGM taking place in 2016.

[(ii)] Fees quoted as sitting allowance represent per meeting sitting allowance paid for board, board committee and ad hoc meetings. No annual fees are payable to committee members with respect to their roles on such committees.

Retirement benefits

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

Executive directors

The company had one executive director as at 31 December 2015.

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

Executive director's bonus and pension incentives are subject to an assessment by REMCO of performance against various criteria. The criteria include the financial performance of the company, based on key financial measures and qualitative aspects of performance, such as effective implementation of group strategy and human resource leadership.

Management and general staff

Total remuneration packages for employees comprises the following:

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

Terms of service

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

Fixed remuneration

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

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

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

There is therefore a link between rating, measuring individual performance and reward.

Short-term incentives

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

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

The company has implemented a deferred bonus scheme (DBS) to compulsorily defer a portion of incentives over a minimum threshold for some senior managers and executives. This improves alignment of shareholder and management interests and enables clawback under certain conditions, which supports risk management.

Long-term incentives

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

Post-retirement benefits
Pension

Retirement benefits are typically provided on the same basis for employees of all levels and are in line and comply with the Pension Reform Act 2004.

Remuneration for 2015

The amounts specified below represent the total remuneration paid to executive and non-executive directors for the period under review:

	2015	2014
	Nmillion	Nmillion
Fees & sitting allowance	191	119
Executive compensation	72	63
Total	**263**	**182**

The group will continue to ensure its remuneration policies and practices remain competitive, drive performance and are aligned across the group and with its values.

The board nomination committee

The board nominations committee is a sub-committee of the Board of Directors (“the board”) of the company and has the responsibility to:

a) provide oversight on the selection nomination and re – election process for directors ;

b) provide oversight on the performance of directors on the various committees established by the board;

c) provide oversight in relation to the board evaluation and governance process and the reports that are to be made to the Securities & Exchange Commission, Central Bank of Nigeria and shareholders with respect to same.

The goal of the committee is to review nomination and election and re- election for directors in such a way as to attract and retain the highest quality directors whose attributes will ensure that their membership of the board will be of benefit and add value to the bank.

The committee consists of such number of directors as may be approved by the board, but shall not be less than three and shall include the Chief Executive. In addition, any member of senior management may be invited to attend meetings of the committee.

The audit committee

The role of the audit committee is defined by the Companies & Allied Matters Act and includes making recommendations to the board on financial matters. These matters include assessing the integrity and effectiveness of accounting, financial, compliance and other control systems. The committee also ensures effective communication between internal auditors, external auditors, the board and management.

The committee’s key terms of reference comprise various categories of responsibilities and include the following:

- review the audit plan with the external auditors with specific reference to the proposed audit scope, and approach to risk activities and the audit fee;
- meet with external auditors to discuss the audit findings and consider detailed internal audit reports with the internal auditors;
- annually evaluate the role, independence and effectiveness of the internal audit function in the overall context of the risk
- review the accounting policies adopted by the group and all proposed changes in accounting policies and practices;
- consider the adequacy of disclosures;
- review the significant differences of opinion between management and internal audit;
- review the independence and objectivity of the auditors; and
- all such other matters as are reserved to the audit committee by the Companies & Allied Matters Act and the company’s

As required by law, the audit committee members have recent and relevant financial experience.

Composition

The committee is made up of six members, three of whom are non - executive directors while the remaining three members are shareholders elected at the Annual General Meeting (AGM). The committee, whose membership is stated below, is chaired by a shareholder representative.

As at 31 December 2015, the committee consisted of the following persons:

Dr Daru Owei*	Chairman
Mr. Ibhade George*	Member
Mr. Olatunji Bamidele*	Member
Mr. Dominic Bruynseels**	Member
Mrs. Ifeoma Esiri**	Member
Mr. Ratan Mahtani**	Member

* = Shareholders representative

** = Non Executive Director

The audit committee (continued)

Members' attendance at audit committee meetings for the period 01 Jan to 31 December 2015 is stated below:

Name	January	April	July	October
Dr Daru Owei	√	√	√	√
Mr Dominic Bruynseels	√	A	√	√
Mrs Ifeoma Esiri	√	√	√	√
Mr Ratan Mahtani	√	√	√	√
Mr. Olatunji Bamidele	√	√	√	√
Mr Ibhade George	√	√	√	√

√ = Attendance

A = Apology

The board IT committee

The board IT committee is one of the new committees established by the Board in 2015. The committee has the following responsibilities:

a) provide guidance on how IT decisions are made, enforced and evaluated within Stanbic IBTC in accordance with Central Bank of Nigeria (CBN) IT standards blue print;

b) assist the Board to fulfil its oversight responsibilities for Stanbic IBTC's investments, operations and strategy in relation to IT;

c) review Stanbic IBTC's assessment of risks associated with IT including disaster recovery, business continuity and IT security.

The committee consists of a minimum of two Non-Executive Directors and shall also include the Chief Executive. In addition, any member of senior management may be invited to attend meetings of the committee.

Members' attendance at the Board IT Committee meetings for the period 01 Jan to 31 December 2015 is stated below:

Name	February	April	July	October
Mr Dominic Bruynseels	√	√	√	√
Mrs. Sola David - Borha	√	√	√	√
Ms. Ngozi Edozien	√	√	√	√
Mr. Ballama Manu	-	√	√	√

√ = Attendance

\- = Not a member of the Committee at the relevant time

The board legal committee

This Committee was also established by the Board in 2015 and has the following key responsibilities

The committee's key terms of reference comprise various categories of responsibilities and include the following:

1. reviewing the legal risks and other legal issues facing Stanbic IBTC and its subsidiaries and for discussing appropriate strategies to address the risk arising from the litigation portfolios of Stanbic IBTC and its subsidiaries (the litigation Portfolio).

2. review and assess the likely success of the individual matters included in the Litigation Portfolio and of any threatened litigation and where necessary shall recommend that Management seek appropriate out-of-court settlement of specific matters.

Composition

The committee is made up of at least two non-executive directors and one executive director appointed by the Board.

Members' attendance at the board legal committee meetings for the period 01 Jan to 31 December 2015 is stated below:

The board legal committee (continued)

Name	April	July	September	October
Mrs. Ifeoma Esiri	√	√	√	√
Mrs. Sola David - Borha	√	√	√	√
Mr. Dominic Bruynseels	√	√	√	√
Mrs. Maryam Uwais MFR	-	-	√	A

√ = Attendance

- = Not a member of the Committee at the relevant time

A = Apology

The Board has also established a number of Ad-Hoc Committees with specific responsibilities. As those Committees are not Standing Committees of the Board, those Ad-Hoc Committees would be dissolved as soon as they have concluded their responsibilities as delegated by the Board.

Company secretary

It is the role of the company secretary to ensure the board remains cognisant of its duties and responsibilities. In addition to providing the board with guidance on its responsibilities, the company secretary keeps the board abreast of relevant changes in legislation and governance best practices. The company secretary oversees the induction of new directors, including subsidiary directors, as well as the ongoing training of directors. All directors have access to the services of the company secretary.

Going concern

On the recommendation of the audit committee, the board annually considers and assesses the going concern basis for the preparation of the financial statements at the period end.

The board continues to view the company as a going concern for the foreseeable future.

Management committees

The group has the following management committees:

- Executive committee (Exco)
- Wealth Exco
- Shared services operations Exco
- IT steering committee (“program of works”)
- Operational risk and compliance committee
- New products committee
- Career management committee
- Risk oversight committee

Relationship with shareholders

As an indication of its fundamental responsibility to create shareholder value, effective and ongoing communication with shareholders is seen as essential. In addition to the ongoing engagement facilitated by the company secretary and the head of investor relations, the company encourages shareholders to attend the annual general meeting and other shareholder meetings where interaction is welcomed. The chairman of the company’s audit committee is available at the meeting to respond to questions from shareholders.

Voting at general meetings is conducted either a show of hands or a poll depending on the subject matter of the resolution on which a vote is being cast and separate resolutions are proposed on each significant issue.

Dealing in securities

In line with its commitment to conduct business professionally and ethically, the company has introduced policies to restrict the dealing in securities by directors, shareholder representatives on the audit committee and embargoed employees. A personal account trading policy is in place to prohibit employees and directors from trading in securities during close periods. Compliance with this policy is monitored on an ongoing basis.

Sustainability

The company as a member of the Standard Bank Group (SBG) is committed to conducting business professionally, ethically, with integrity and in accordance with international best practice. To this end, the company subscribes to and adopts risk management standards, policies and procedures that have been adopted by the SBG. The company is also bound by the Nigerian Sustainable Banking Principles ("the Principles") and the provisions of the Principles are incorporated into policies approved by the Board.

SBG's risk management standards, policies and procedures have been amended to be more reflective of the Nigerian business and regulatory environment. All such amendments to the risk management standards, policies and procedures have been agreed to by Standard Bank Africa (SBAF) Risk Management.

The group is committed to contributing to sustainable development through ethical, responsible financing and business practices which unlocks value for our stakeholders. We manage the environmental and social aspects that impact our activities, products and services whilst ensuring sustainable value creation for our customers. We are passionately committed to encouraging financial inclusion through the provision of banking and other financial services to all cadres of the society and a promoter of gender equality.

Social responsibility

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

The group is therefore committed not only to the promotion of economic development but also to the strengthening of civil society and human well being.

The group is concentrating its social investment expenditure in defined focus area which currently include education in order to make the greatest impact. These areas of focus will be subject to annual revision as the country socio-economic needs change.

Ethics and organisational integrity

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

Compliance with the Nigerian Stock Exchange's listing rule

Stanbic IBTC Holdings PLC ("SIBTC") has adopted a Personal Account Trading Policy ("PATP") for both employees and directors which incorporates a code of conduct regarding securities transactions by directors and employees. The PATP was circulated to all employees who in the course of the year had any insider or material information about SIBTC; it is also published in the company's internal communication on a regular basis and also hoisted on the company's website

For the year ended 31 December 2015, we confirm that all directors, complied with the PATP regarding their SIBTC securities transacted on their account during the period.

Compliance with the Securities and Exchange Commission's code of corporate governance

As a public company, Stanbic IBTC Holdings PLC confirms that as at the year ended 31 December 2015 the company has complied with the principles set out in the Securities and Exchange Commission's code of corporate governance.

The company applies the code's principles of transparency, integrity and accountability through its own behaviour, corporate governance best practice and by adopting, as appropriate and proportionate for a company of its size and nature. The policies and procedures adopted by the Board and applicable to the company's businesses are documented in mandates, which also set out the roles and delegated authorities applying to the Board, Board Committees, and the Executive Committee.

Payment card activities

In line with the Central Bank of Nigeria cashless policy, the group has as its priority a drive to issue cards of various types to meet the payment needs of various customer types and segments. Along with card issuance, the group provide various card enablement, protection and value added services, giving a robust value proposition to our card offering.

Transaction statistics for the last 2 years are as follows:

Card type	Volume of transaction (Number)		Value of transaction (N'000)	
	2015	2014	2015	2014
Debit cards	19,087,914	18,188,468	277,369,727	167,253,016
Credit cards	263,249	331,277	4,928,156	4,582,654
Prepaid cards	56,476	69,788	2,026,529	4,310,965

Disclosure on diversity in employment

The group is an equal opportunity employer that is committed to maintaining a positive work environment that facilitates high level of professional efficiency at all times. The group's policy prohibits discrimination of gender, disabled persons or persons with HIV in the recruitment, training and career development of its employees.

i) Persons with disability:

The group continues to maintain a policy of giving fair consideration to applications for employment made by disabled persons with due regard to their abilities and aptitude.

ii) Gender diversity within the group

	31 Dec. 2015		31 Dec. 2014	
	Workforce	**% of gender composition**	Workforce	% of gender composition
Total workforce:				
Women	1,139	42%	888	41%
Men	1,604	58%	1,293	59%
	2,743	**100%**	2,181	100%
Recruitments made during the period:				
Women	300	43%	133	42%
Men	404	57%	186	58%
	704	**100%**	319	100%
Diversity of members of board of directors - *Number of Board members*				
Women	4	29%	3	38%
Men	10	71%	5	63%
	14	**100%**	8	100%
Diversity of board executives - *Number of Executive directors to Chief executive officer*				
Women	2	33%	1	20%
Men	4	67%	4	80%
	6	**100%**	5	100%
Diversity of senior management team - *Number of Assistant General Manager to General Manager*				
Women	28	28%	24	27%
Men	72	72%	66	73%
	100	**100%**	90	100%

CHIDI OKEZIE
Company Secretary
FRC/2013/NBA/00000001082
08 December 2016

Report of the audit committee
For the year ended 31 December 2015

To the members of Stanbic IBTC Holdings PLC

In compliance with the provisions of Section 359(3) to (6) of the Companies & Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004, the audit committee considered the audited consolidated and separate financial statements for the year ended 31 December 2015 together with the management controls report from the auditors and the company's response to this report at its meeting held on 07 December 2016.

In our opinion, the scope and planning of the audit for the year ended 31 December 2015 were adequate.

We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the company and the group are in accordance with legal requirements and agreed ethical practices, and that the scope and planning of both the external and internal audits for the year ended 31 December 2015 were satisfactory and reinforce the group's internal control systems.

After due consideration, the audit committee accepted the report of the auditors that the financial statements were in accordance with ethical practice and International Financial Reporting Standards.

The committee reviewed management's response to the auditors findings in respect of management matters and we are satisfied with management's response thereto.

We are satisfied that the company has complied with the provisions of Central Bank of Nigeria circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks", and hereby confirm that an aggregate amount of N35,376,301,809 (31 December 2014: N23,209,023,114) was outstanding as at 31 December 2015. The perfomance status of insider related credits is as disclosed in note 36.

The committee therefore recommended that the audited consolidated financial statements of the company for the year ended 31 December 2015 and the auditor's report thereon be approved by the board.

The committee also approved the provision made in the consolidated and separate financial statements in relation to the remuneration of the auditors.

Dr Daru Owei
Chairman, Audit Committee
FRC/2013/NIM/00000006666
07 December 2016

Members of the audit committee are:

1. Dr Daru Owei
2. Mr. Ibhade George
3. Mr. Olatunji Bamidele
4. Mr. Dominic Bruynseels
5. Mrs. Ifeoma Esiri
6. Mr. Ratan Mahtani

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Stanbic IBTC Holdings PLC**
Report on the Financial Statements

We have audited the accompanying consolidated and separate financial statements of Stanbic IBTC Holdings PLC ('the Company') and its subsidiaries companies (together 'the Group'), which comprise the consolidated and separate statements of financial position as at 31 December 2015, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity, and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 1 to 133.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011, and the Bank and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

KPMG

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

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Stanbic IBTC Holdings (" the Company") and its subsidiaries (together " the Group") as at 31 December 2015, and of the Group and Company's financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standards, and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes 40.1 and 40.2 in the financial statements which describe the prior period restatement to the financial statements.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

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

Compliance with Section 27 (2) of the Banks and the other Financial Institutions Act of Nigeria and Central Bank of Nigeria circular BSD/1/2004

i. The Company and the Group paid penalties in respect of contravention of the Central Bank of Nigeria guidelines during the year ended 31 December 2015. Details of penalties paid are disclosed in note 39 to the financial statements

ii. Related party transactions and balances are disclosed in note 35 to the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Signed:

Kabir O. Okunlola, FCA
FRC/2012/ICAN/00000000428
For: KPMG Professional Services
Chartered Accountants
9 December 2016
Lagos, Nigeria

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statement of financial position at 31 December 2015

		Group			Company	
		31 Dec. 2015	31 Dec. 2014	1 Jan. 2014	31 Dec. 2015	31 Dec. 2014
			Restated*	Restated*		
	Note	N'million	N'million	N'million	N'million	N'million
Assets						
Cash and cash equivalents	7	211,481	143,171	120,312	8	784
Pledged assets	8.1	86,570	34,172	24,733	-	-
Trading assets	9.1	37,956	96,345	40,711	-	-
Derivative assets	10.6	911	4,860	1,526	-	-
Financial investments	11	162,695	204,502	139,304	658	58
Asset held for sale	11.4	262	-	-	-	-
Loans and advances	12	380,295	407,418	383,927	-	-
Loans and advances to banks	12	26,782	8,814	94,180	-	-
Loans and advances to customers	12	353,513	398,604	289,747	-	-
Equity investment in subsidiaries	13	-	-	-	69,191	69,151
Other assets	15	23,741	21,710	19,891	2,996	2,541
Deferred tax assets	16	8,342	5,737	6,059	555	484
Property and equipment	17	25,311	24,004	24,988	2,494	2,653
Total assets		937,564	941,919	761,451	75,902	75,671
Equity and liabilities						
Equity		128,967	120,244	101,209	72,360	72,990
Equity attributable to ordinary shareholders		123,726	116,021	97,888	72,360	72,990
Ordinary share capital	18.2	5,000	5,000	5,000	5,000	5,000
Share premium	18.2	65,450	65,450	65,450	65,450	65,450
Reserves		53,276	45,571	27,438	1,910	2,540
Non-controlling interest		5,241	4,223	3,321		
Liabilities		808,597	821,675	660,242	3,542	2,681
Trading liabilities	9.2	24,101	85,283	66,960	-	-
Derivative liabilities	10.6	383	2,677	1,085	-	-
Deposit and current accounts	20	588,959	554,056	468,038	-	-
Deposits from banks	20	95,446	59,121	51,686	-	-
Deposits from customers	20	493,513	494,935	416,352	-	-
Other borrowings	21	81,107	70,151	48,764	-	-
Subordinated debt	22	23,699	22,973	6,399	-	-
Current tax liabilities	23.1	8,727	9,847	7,681	60	129
Deferred tax liabilities	16.1	120	111	256	-	-
Provisions	24	10,027	4,967	2,338	-	-
Other liabilities	25	71,474	71,610	58,721	3,482	2,552
Total equity and liabilities		937,564	941,919	761,451	75,902	75,671

*See note 40.1

Sola David-Borha
Chief Executive
FRC/2013/CIBN/00000001070
08 December 2016

Bayo Olujobi
Acting Chief Financial Officer
FRC/2015/ICAN/00000012619
08 December 2016

Atedo N. A. Peterside CON
Chairman
FRC/2013/CIBN/00000001069
08 December 2016

The accompanying notes from page 7 to 133 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statement of profit or loss
For the year ended 31 December 2015

		Group		Company	
	Note	31-Dec-15 N'million	31-Dec-14 Restated* N'million	31-Dec-15 N'million	31-Dec-14 N'million
Gross earnings		140,027	130,654	10,987	14,320
Net interest income		43,860	46,658	14	-
Interest income	30.1	82,686	72,156	14	-
Interest expense	30.2	(38,826)	(25,498)	-	-
Non-interest revenue		56,788	57,987	10,973	14,320
Net fee and commission revenue	30.3	40,704	39,267	743	812
Fee and commission revenue	30.3	41,257	39,778	743	812
Fee and commission expense	30.3	(553)	(511)	-	-
Trading revenue	30.4	15,503	17,540	-	-
Other revenue	30.5	581	1,180	10,230	13,508
Income before credit impairment charges		100,648	104,645	10,987	14,320
Credit impairment charges	30.6	(14,931)	(3,217)	-	-
Income after credit impairment charges		85,717	101,428	10,987	14,320
Operating expenses		(62,066)	(57,901)	(1,088)	(1,422)
Staff costs	30.7	(24,825)	(25,779)	(429)	(455)
Other operating expenses	30.8	(37,241)	(32,122)	(659)	(967)
Profit before tax		23,651	43,527	9,899	12,898
Income tax	32.1	(4,760)	(9,068)	(28)	238
Profit for the year		18,891	34,459	9,871	13,136
Profit attributable to:					
Non-controlling interests	13.3	3,393	2,772	-	-
Equity holders of the parent		15,498	31,687	9,871	13,136
Profit for the year		18,891	34,459	9,871	13,136
*See note 40.1					
Earnings per share					
Basic earnings per ordinary share (kobo)	33	155	317	99	131
Diluted earnings per ordinary share (kobo)	33	155	317	99	131

The accompanying notes from page 7 to 133 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statement of profit or loss and other comprehensive income
For the year ended 31 December 2015

	Group		Company	
	31-Dec-15	31-Dec-14 Restated*	**31-Dec-15**	31-Dec-14
	N'million	N'million	**N'million**	N'million
Profit for the year	**18,891**	34,459	**9,871**	13,136
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Net change in fair value of available-for-sale financial assets	**2,072**	(1,685)	-	-
Realised fair value adjustments on available-for-sale financial assets reclassified to income statement	**653**	14	-	-
Income tax on other comprehensive income	**-**	-	-	-
	2,725	(1,671)	**-**	-
Other comprehensive income for the year net of tax	**2,725**	(1,671)	-	-
Total comprehensive income for the year	**21,616**	32,788	9,871	13,136
Total comprehensive income attributable to:				
Non-controlling interests	**3,430**	2,784	**-**	-
Equity holders of the parent	**18,186**	30,004	**9,871**	13,136
	21,616	32,788	**9,871**	13,136

*See note 40.1

The accompanying notes from page 7 to 133 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statement of changes in equity

For the year ended 31 December 2015

Group	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 2015 (restated)	**5,000**	**65,450**	**(19,123)**	**3,366**	**(1,462)**	**402**	**23,850**	**38,538**	**116,021**	**4,223**	**120,244**
Total comprehensive(loss)/ income for the year					**2,688**			**15,498**	**18,186**	**3,430**	**21,616**
Profit for the year	-	-	-	-	-	-	-	15,498	15,498	3,393	18,891
Other comprehensive (loss)/ income after tax for the year					2,688				2,688	37	2,725
Net change in fair value on available-for-sale financial assets	-	-	-	-	2,035	-	-	-	2,035	37	2,072
Realised fair value adjustments on available-for-sale financial assets	-	-	-	-	653	-	-	-	653	-	653
Statutory credit risk reserve				3,318				(3,318)	-	-	-
Transfer to statutory reserves	-	-	-	-	-	-	2,368	(2,368)	-	-	-
Transactions with shareholders, recorded directly in equity	-	-	-	-	-	(346)	-	(10,135)	(10,481)	(2,412)	(12 893)
Equity-settled share-based payment transactions	-	-	-	-	-	19	-	-	19		19
Transfer of vested portion of equity settled share based payment to retained earnings						(365)		365	-	-	-
Dividends paid to equity holders	-	-	-	-	-	-	-	(10,500)	(10,500)	(2,412)	(12,912)
Balance at 31 December 2015	**5,000**	**65,450**	**(19,123)**	**6,684**	**1,226**	**56**	**26,218**	**38,215**	**123,726**	**5,241**	**128,967**
Balance at 1 January 2014, as previously reported	5,000	65,450	(19,123)	769	221	273	18,859	22,864	94,313	3,321	97,634
Impact of prior period restatement (see note 40.1)							536	3,039	3,575	-	3,575
Restated balance at 1 January 2014	5,000	65,450	(19,123)	769	221	273	19,395	25,903	97,888	3,321	101,209
Total comprehensive income for the year					(1,683)		-	31,687	30,004	2 784	32,788
Profit for the year	-	-	-	-	-	-	-	31,687	31,687	2,772	34,459
Other comprehensive income after tax for the year					(1,683)		-		(1,683)	12	(1,671)
Net change in fair value on available-for-sale financial assets	-	-	-	-	(1,697)	-	-	-	(1,697)	12	(1,685)
Realised fair value adjustments on available-for-sale financial assets	-	-	-	-	14	-	-	-	14	-	14
Statutory credit risk reserve	-	-	-	2,597	-	-	-	(2,597)	-	-	-
Transfer to statutory reserves							4,455	(4,455)	-	-	-
Transactions with shareholders, recorded directly in equity	-	-	-	-	-	129	-	(12,000)	(11,871)	(1,882)	(13,753)
Equity-settled share-based payment transactions	-	-	-	-	-	129	-	-	129		129
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to equity holders	-	-	-	-	-	-	-	(12,000)	(12,000)	(1,882)	(13,882)
Balance at 31 December 2014 (restated)	5,000	65,450	(19,123)	3,366	(1,462)	402	23,850	38,538	116,021	4,223	120,244

Refer to note 18.3 for an explanation of the components of reserve

The accompanying notes from page 7 to 133 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statement of changes in equity

For the year ended 31 December 2015

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 2015	**5,000**	**65,450**	**-**	**16**	**-**	**2,524**	**72,990**
Total comprehensive income for the year			**-**			**9,871**	**9,871**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**9,871**	**9,871**
Transactions with shareholders, recorded directly in equity	**-**	**-**	**-**	**(7)**	**-**	**(10,494)**	- **(10,501)**
Equity-settled share-based payment transactions			**-**	**(1)**		**-**	**(1)**
Transfer of vested portion of equity settled share based payment to retained earnings				**(6)**		**6**	**-**
Dividends paid to equity holders	**-**	**-**	**-**	**-**	**-**	**(10,500)**	**(10,500)**
Balance at 31 December 2015	**5,000**	**65,450**	**-**	**9**	**-**	**1,901**	**72,360**
Balance at 1 January 2014	5,000	65,450	-	8	-	1,388	71,846
Total comprehensive income for the year			-			13,136	13,136
Profit for the year	-	-	-	-	-	13,136	13,136
Transactions with shareholders, recorded directly in equity	-	-	-	8	-	(12,000)	- (11 992)
Issue of shares			-	8	-	-	8
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	-	-	-	-	-
Dividends paid to equity holders	-		-	-	-	(12,000)	(12,000)
Balance at 31 December 2014	5,000	65,450	-	16	-	2,524	72,990

The accompanying notes from page 7 to 133 form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Consolidated and separate statement of cash flows
For the year ended 31 December 2015

	Note	Group 31-Dec-15 N million	Group 31-Dec-14 Restated* N million	Company 31-Dec-15 N million	Company 31-Dec-14 N million
Net cash flows from operating activities		**15,082**	28,383	**10,395**	10,548
Cash flows used in operations		**(23,335)**	(10,815)	**402**	(2,889)
Profit before tax		**23,651**	43,527	**9,899**	12,898
Adjusted for:		**(23,002)**	(36,920)	**(9,973)**	(13,283)
Credit impairment charges on loans and advances		**14,931**	3,217	**-**	-
Depreciation of property and equipment	30.8	**3,479**	3,500	**195**	146
Dividend income	30.5	**(208)**	(142)	**(10,148)**	(13,437)
Equity-settled share-based payments		**19**	129	**(1)**	8
Non-cash flow movements in other borrowings	21	**1,963**	2,186	**-**	-
Non-cash flow movements in subordinated debt	22	**726**	891	**-**	-
Interest expense		**38,826**	25,498	**-**	-
Interest income		**(82,686)**	(72,156)	**(14)**	-
Gains on sale of property and equipment		**(52)**	(43)	**(5)**	-
Decrease in income-earning assets	34.1	**3,474**	(135,023)	**(453)**	(1,502)
Increase/ (decrease) in deposits and other liabilities	34.2	**(27,458)**	117,601	**929**	(1,002)
Dividends received		**187**	128	**10,148**	13,437
Interest paid		**(37,815)**	(26,094)	**-**	-
Interest received		**84,551**	71,765	**14**	-
Direct taxation paid	23.1.1	**(8,506)**	(6,601)	**(169)**	-
Net cash flows from/ (used in) investing activities		**39,536**	(69,392)	**(671)**	(486)
Capital expenditure on - property	17	**(234)**	(698)	**-**	-
- equipment, furniture and vehicles	17	**(4,764)**	(2,685)	**(97)**	(281)
Proceeds from sale of property, equipment, furniture and vehicles		**264**	910	**66**	53
(Purchase)/ sale of financial investments		**44,270**	(66,919)	**(600)**	(58)
Investment in subsidiaries		**-**	-	**(40)**	(200)
Net cash flows (used in)/ from financing activities		**(3,919)**	21,002	**(10,500)**	(12,000)
Proceeds from addition to other borrowings	21	**30,734**	31,244	**-**	-
Repayment of other borrowings	21	**(21,741)**	(12,043)	**-**	-
Proceed from issue subordinated debt	22	**-**	15,683	**-**	-
Dividends paid		**(12,912)**	(13,882)	**(10,500)**	(12,000)
Net increase/ (decrease) in cash and cash equivalents		**50,699**	(20,007)	**(776)**	(1,938)
Effect of exchange rate changes on cash and cash equivalents	34.4	**5,143**	2,854	**-**	-
Cash and cash equivalents at beginning of the year		**51,556**	68,709	**784**	2,722
Cash and cash equivalents at end of the year	34.3	**107,398**	51,556	**8**	784

*See note 40.1

The accompanying notes from page 7 to 133 form an integral part of these financial statements

Notes to the consolidated and separate financial statements

For the year ended 31 December 2015

1 Reporting entity

Stanbic IBTC Holdings PLC (the 'company') is a company domiciled in Nigeria. The company registered office is at I.B.T.C. Place Walter Carrington Crescent Victoria Island, Lagos, Nigeria. These consolidated financial statements 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

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).The financial statements comply with the Company and Allied Matters Act of Nigeria, Bank and Other Financial Institution Act, Financial Reporting Council of Nigeria Act, and relevant Central Bank of Nigeria circulars.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 08 December 2016.

(b) Basis of measurement

The consolidated and separate 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 assets and liabilities are measured at fair value

The group applies accrual accounting for recognition of its income and expenses.

(c) Going concern assumption

The consolidated and separate financial statements have been prepared on the basis that the group and company will continue to operate as a going concern.

(d) Functional and presentation currency

The consolidated and separate 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.

(e) Use of estimates and judgement

The preparation of the consolidated and separate 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.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future period affected. Information about significant area of estimation uncertainty and critical judgement in applying accounting policies that have most significant effect on the amount recognised in the consolidated financial statements are included in note 6.

(f) New Rules issued by the Financial Reporting Council of Nigeria

The Financial Reporting Council published new accounting rules (Rules) on its website, which are to be adopted by all reporting entities in Nigeria. These new Rules have been adopted as part of our accounting policies for 2015. In compliance with the Rules and the Regulatory Decision and as provided by IAS 8 (*Accounting Policies, Changes in Accounting Estimates and Errors*) we have also restated the comparative period. The Rule which has significant impact on our financial reporting is:

(f) Rules issued by the Financial Reporting Council of Nigeria (continued)

(i) *Transactions requiring registration from statutory bodies such as the National Office for Technology Acquisition and Promotion*

Transactions and/or events of a financial nature that require approval and/or registration or any act to be performed by a statutory body in Nigeria and/or where a statute clearly provides for a particular act to be performed and/or registration to be obtained; such transactions or events shall be regarded as having financial reporting implication only when such act is performed and/or such registration is obtained.

Accordingly, the details of the required act and/or registration obtained from such statutory body shall be disclosed by way of note in the financial statements if the transaction is recognised as part of the financial reporting of the entity.

The group has entered into various agreements in relation to franchise and management services as well as information technology services which, as at the end of 2015 financial year, were yet to be registered by the appropriate statutory body. We have reported these liabilities in line with the rule specified above. The impact of these changes on current and prior year financial statements is disclosed in note 29.7 and note 40.1 & 40.2 respectively.

3 Changes in accounting policies

Except as noted in 2(f), 3.1 and 3.2 , the group has consistently applied the accounting policies as set out in Note 4 to all periods presented in these financial statements.

3.1 Adoption of new and amended standards effective for the current financial period

IAS 19 Employee benefits: Amendment to employee contributions for defined benefit plans (IAS 19)

This amendments clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

This amendment has no impact on the financial statements.

3.2 Early adoption of revised standards

(a) *Annual improvements 2012 – 2014*

The IASB issued various amendments and clarifications to existing IFRS as follows:

IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

IAS 19 — Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

None of amendments had a significant impact on the group’s financial statements.

(b) *Annual improvements 2010 – 2012 cycle and 2011 – 2013 cycle*

IFRS 1 — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only).

IFRS 2 — Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'.

IFRS 13 — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).

IAS 16 and IAS 38 — Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

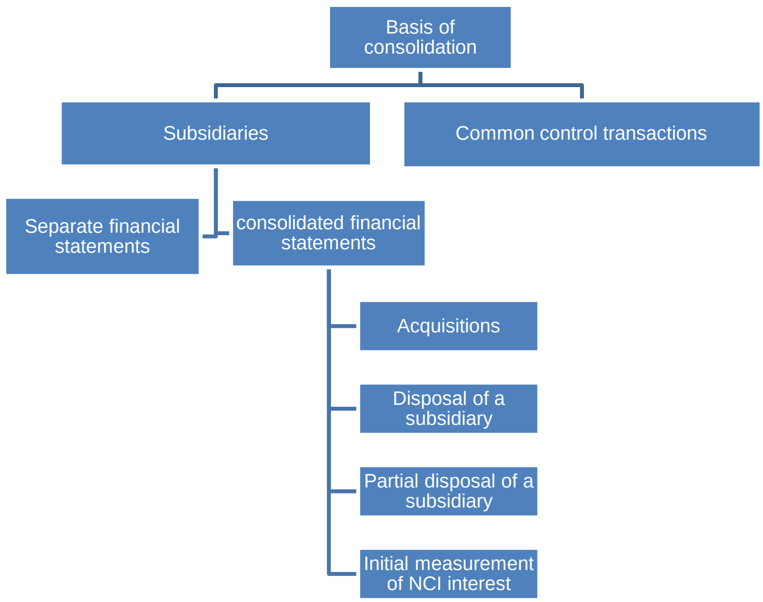
IAS 24 — Clarify how payments to entities providing management services are to be disclosed.

None of amendments had a significant impact on the group’s financial statements.

4 Statement of significant accounting policies

Except for the changes explained in note 2(f) and 3, the group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

4.1 Basis of consolidation



Subsidiaries (including mutual funds, in which the group has both an irrevocable asset management agreement and a significant investment)

Separate financial statements

Investments in subsidiaries are accounted for at cost less accumulated impairment losses (where applicable) in the separate financial statements. The carrying amounts of these investments are reviewed annually for impairment indicators and, where an indicator of impairment exists, are impaired to the higher of the investment's fair value less costs to sell and value in use.

Consolidated financial statements

The accounting policies of subsidiaries that are consolidated by the group conform to the group's accounting policies. Intragroup transactions, balances and unrealised gains (losses) are eliminated on consolidation. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. The proportion of comprehensive income and changes in equity allocated to the group and non controlling interests (NCI) are determined on the basis of the group's present ownership interest in the subsidiary.

Acquisitions	Subsidiaries are consolidated from the date on which the group acquires control up to the date that control is lost. Control is assessed on a continuous basis. For mutual funds the group further assesses its control by considering the existence of either voting rights or significant economic power. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the group. The consideration transferred is measured as the sum of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. The consideration includes any asset, liability or equity resulting from a contingent consideration arrangement. The obligation to pay contingent consideration is classified as either a liability or equity based on the terms of the arrangement. The right to a return of previously transferred consideration is classified as an asset. Transaction costs are recognised within profit or loss as and when they are incurred. Where the initial accounting is incomplete by the end of the reporting period in which the business combination occurs (but no later than 12 months since the acquisition date), the group reports provisional amounts.

4 Statement of significant accounting policies (continued)

Acquisitions	Where applicable, the group adjusts retrospectively the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and affected the measurement of the provisional amounts. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any NCI. The excess (shortage) of the sum of the consideration transferred (including contingent consideration), the value of NCI recognised and the acquisition date fair value of any previously held equity interest in the subsidiary over the fair value of identifiable net assets acquired is recorded as goodwill in the statement of financial position (gain on bargain purchase, which is recognised directly in profit or loss).When a business combination occurs in stages, the previously held equity interest is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss. Increases in the group's interest in a subsidiary, when the group already has control, are accounted for as transactions with equity holders of the group. The difference between the purchase consideration and the group's proportionate share of the subsidiary's additional net asset value acquired is accounted for directly in equity.
Loss of control in a subsidiary	When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.
Partial disposal of a subsidiary	A partial disposal arises as a result of a reduction in the group's ownership interest in an investee that is not a disposal (i.e. a reduction in the group's interest in a subsidiary whilst retaining control). Decreases in the group's interest in a subsidiary, where the group retains control, are accounted for as transactions with equity holders of the group. Gains or losses on the partial disposal of the group's interest in a subsidiary are computed as the difference between the sales consideration and the group's proportionate share of the investee's net asset value disposed of, and are accounted for directly in equity.
Initial measurement of NCI	The group elects on each acquisition to initially measure NCI on the acquisition date at either fair value or at the NCI's proportionate share of the investees' identifiable net assets.

Common control transactions

Common control transactions, in which the company is the ultimate parent entity both before and after the transaction, are accounted for at book value.

Foreign currency translations

Foreign currency transactions are translated into the respective group entities' functional currencies at exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date, and those measured at fair value are translated at the exchange rate at the date that the fair value was determined. Exchange rate differences on non-monetary items are accounted for based on the classification of the underlying items.

In the case of foreign currency gains and losses on debt instruments classified as available for sale, a distinction is made between foreign currency differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Foreign currency differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in equity. For available for sale equity investments, foreign currency differences are recognised in OCI.

Foreign currency gains and losses on intragroup loans are recognised in profit or loss except where the settlement of the loan is neither planned nor likely to occur in the foreseeable future.

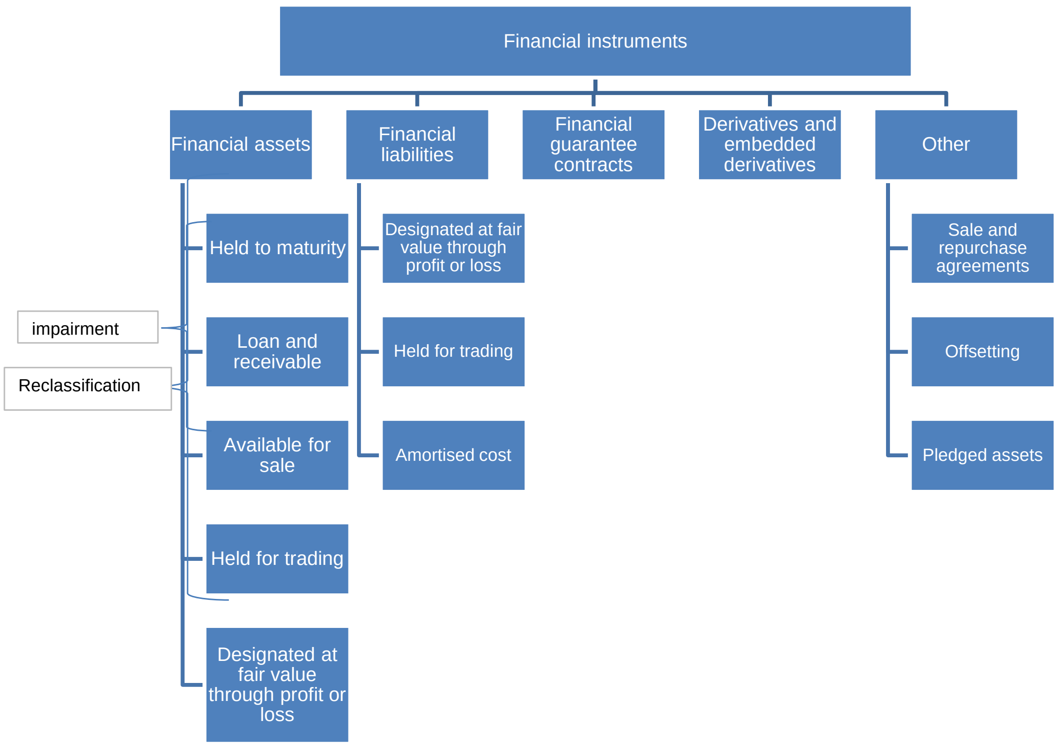
4.2 Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows consist of cash and balances with central banks (excluding cash reserve), and balances with other banks with original maturities of 3 months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair values. Cash and balances with central banks comprise coins and bank notes, and balances with central banks.

4 Statement of significant accounting policies (continued)

4.3 Financial instruments

The relevant financial instruments are financial assets held for trading, available for sale, loans and receivables and other liabilities.



Initial measurement – financial instruments

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

Financial assets

Held to maturity	Non-derivative financial assets with fixed or determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity.
Loans and receivables	Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified as at fair value through profit or loss or available-for-sale.
Held for trading	Those financial assets acquired principally for the purpose of selling in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial assets are designated to be measured at fair value in the following instances: - to eliminate or significantly reduce an accounting mismatch that would otherwise arise - where the financial assets are managed and their performance evaluated and reported on a fair value basis - where the financial asset contains one or more embedded derivatives that significantly modify the financial asset's cash flows.
Available for sale	Financial assets that are not classified into one of the above-mentioned financial asset categories.

4 Statement of significant accounting policies (continued)

Subsequent measurement

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

Held to maturity **Loans and receivables**	Amortised cost using the effective interest method with interest recognised in interest income, less any impairment losses which are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.
Available for sale	Fair value, with changes in fair value recognised directly in the available-for-sale reserve until the financial asset is derecognised or impaired. Interest income on debt financial assets is recognised in profit and loss in terms of the effective interest rate method. Dividends received on debt (equity) available-for-sale financial assets are recognised in interest income (other revenue) within profit or loss.
Held for trading	Fair value, with gains and losses arising from changes in fair value) (including interest and dividends) recognised in trading revenue.
Designated at fair value through profit or loss	Fair value, with gains and losses recognised in interest income for all debt financial assets and in other revenue within non-interest revenue for all equity instruments.

Impairment

A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition which has a negative effect on the estimated future cash flows of the financial asset that can be estimated reliably. The group assesses at each reporting date whether there is objective evidence that a financial asset which is either carried at amortised cost or classified as available-for-sale is impaired as follows:

Held to maturity **Loans and receivables**	The following criteria are used by the group in determining whether there is objective evidence of impairment for loans or groups of loans include: • known cash flow difficulties experienced by the borrower; • a breach of contract, such as default or delinquency in interest and/or principal payments; • breaches of loan covenants or conditions; • it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and • where the group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the group would not otherwise consider. The group first assesses whether there is objective evidence of impairment individually for loans that are individually significant, and individually or collectively for loans that are not individually significant. Non-performing loans include those loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition as well as those loans for which instalments are due and unpaid for 90 days or more. The impairment of non-performing loans takes into account past loss experience adjusted for changes in economic conditions and the nature and level of risk exposure since the recording of the historic losses. When a loan carried at amortised cost has been identified as specifically impaired, the carrying amount of the loan is reduced to an amount equal to the present value of its estimated future cash flows, including the recoverable amount of any collateral, discounted at the financial asset's original effective interest rate. The carrying amount of the loan is reduced through the use of a specific credit impairment account and the loss is recognised as a credit impairment charge in profit or loss. Increases in loan impairments and any subsequent reversals thereof, or recoveries of amounts previously impaired (including loans that have been written off), are reflected within credit impairment charges in profit or loss. Subsequent to impairment, the effects of discounting unwind over time as interest income. The calculation of the present value of the estimated future cash flows of collateralised financial assets recognised on an amortised cost basis includes cash flows that may result from foreclosure less costs of obtaining and selling the collateral, whether or not foreclosure is probable.

4 Statement of significant accounting policies (continued)

Held to maturity **Loans and receivables**	If the group determines that no objective evidence of impairment exists for an individually assessed loan, whether significant or not, it includes the loan in a group of financial loans with similar credit risk characteristics and collectively assesses for impairment. Loans that are individually assessed for impairment and for which an impairment loss is recognised are not included in a collective assessment for impairment. Impairment of groups of loans that are assessed collectively is recognised where there is objective evidence that a loss event has occurred after the initial recognition of the group of loans but before the reporting date. In order to provide for latent losses in a group of loans that have not yet been identified as specifically impaired, a credit impairment for incurred but not reported losses is recognised based on historic loss patterns and estimated emergence periods (time period between the loss trigger events and the date on which the group identifies the losses). Groups of loans are also impaired when adverse economic conditions develop after initial recognition, which may impact future cash flows. The carrying amount of groups of loans is reduced through the use of a portfolio credit impairment account and the loss is recognised as a credit impairment charge in profit or loss. Previously impaired loans are written off once all reasonable attempts at collection have been made and there is no realistic prospect of recovering outstanding amounts.
Available for sale	Available-for-sale financial assets are impaired when there has been a significant or prolonged decline in the fair value of the instrument below its cost and for equity instruments where there is information about significant changes with an adverse effect on the environment in which the issuer operates that indicates that the cost of the investment in the equity instrument may not be recovered. When an available for sale asset has been identified as impaired, the cumulative loss, measured as the difference between the acquisition price and the current fair value, less any previously recognised impairment losses on that financial asset, is reclassified from OCI to profit or loss. If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, where the instrument is a debt instrument, the impairment loss is reversed through profit or loss. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through profit or loss but accounted for directly in equity.

Reclassification

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

Held to maturity	Where the group is to sell more than an insignificant amount of held-to-maturity investments, the entire category would be tainted and reclassified as available-for-sale assets with the difference between amortised cost and fair value being accounted for in OCI.
Available for sale	The group may choose to reclassify financial assets that would meet the definition of loans and receivables if the group, at the date of reclassification, has the intention and ability to hold these financial assets for the foreseeable future or until maturity.
Held for trading	The group may choose to reclassify held for trading non-derivative financial assets in the following instances: - non-derivative trading assets out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. - non-derivative trading assets that would not otherwise have met the definition of loans and receivables are permitted to be reclassified only in rare circumstances. - non-derivative trading assets that would meet the definition of loans and receivables if the group, at the date of reclassification, has the intention and ability to hold these financial assets for the foreseeable future or until maturity.

Reclassifications are made at fair value as of the reclassification date. Effective interest rates for financial assets reclassified to loans and receivables, held-to-maturity and available-for-sale categories are determined at the reclassification date. Subsequent increases in estimates of cash flows adjust the financial asset’s effective interest rates prospectively. On reclassification of a trading asset, all embedded derivatives are reassessed and, if necessary, accounted for separately.

4 Statement of significant accounting policies (continued)

Financial liabilities

Nature

Held for trading	Those financial liabilities incurred principally for the purpose of re-purchasing in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial liabilities are designated to be measured at fair value in the following instances: - to eliminate or significantly reduce an accounting mismatch that would otherwise arise - where the financial liabilities are managed and their performance evaluated and reported on a fair value basis - where the financial liability contains one or more embedded derivatives that significantly modify the financial asset's cash flows.
At amortised cost	All other financial liabilities not included the above categories.

Subsequent measurement

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

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

Derecognition of financial assets and liabilities

Financial assets and liabilities are derecognised in the following instances:

Financial assets	Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability. The group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements. When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction, similar to repurchase transactions. In transactions where the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.
Financial liabilities	Financial liabilities are derecognised when the obligation of the financial liabilities are extinguished, that is, when the obligation is discharged, cancelled or expires.

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability, with the difference in the respective carrying amounts being recognised in profit or loss. In all other instances, the renegotiated asset or liability's effective interest rate is redetermined taking into account the renegotiated terms.

4 Statement of significant accounting policies (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the group (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee. Financial guarantee contracts are subsequently measured at the higher of the:

• present value of any expected payment, when a payment under the guarantee has become probable; and

• unamortised premium.

Derivatives and embedded derivatives

A derivative is a financial instrument whose fair value changes in response to an underlying variable, requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors and is settled at a future date. Derivatives are initially recognised at fair value on the date on which the derivatives are entered into and subsequently remeasured at fair value.

All derivative instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative, subject to offsetting principles as described under the heading "Offsetting financial instruments" above.

All gains and losses from changes in the fair values of derivatives are recognised immediately in profit or loss as trading revenue.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed.

Other

Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial investments or trading assets to pledged assets, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Initial recognition of pledged assets is at fair value, whilst subsequently measured at amortized cost or fair value as approriate. These transactions are performed in accordance with the usual terms of securities lending and borrowing.

Sale and repurchase agreements

Securities sold subject to linked repurchase agreements (repurchase agreements) are reclassified in the statement of financial position as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The liability to the counterparty is included under deposit and current accounts or trading liabilities, as appropriate.

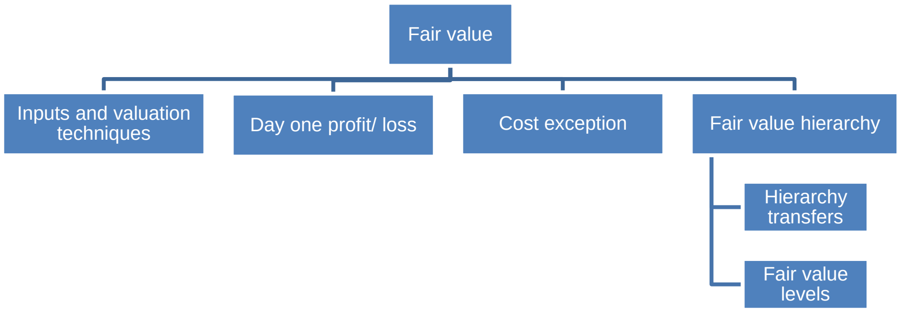
Securities purchased under agreements to resell (reverse repurchase agreements), at either a fixed price or the purchase price plus a lender's rate of return, are recorded as loans and included under trading assets or loans and advances, as appropriate. For repurchase and reverse repurchase agreements measured at amortised cost, the difference between the purchase and sales price is treated as interest and amortised over the expected life using the effective interest rate method.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis, or to realise the asset and settle the liability simultaneously.

4 Statement of significant accounting policies (continued)

4.4 Fair value



In terms of IFRS, the group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions. Fair value is a market based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Inputs and valuation techniques

Fair value is measured based on quoted market prices or dealer price quotations for identical assets and liabilities that are traded in active markets, which can be accessed at the measurement date, and where those quoted prices represent fair value. If the market for an asset or liability is not active or the instrument is not quoted in an active market, the fair value is determined using other applicable valuation techniques that maximise the use of relevant observable inputs and minimises the use of unobservable inputs. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants.

Fair value measurements are categorised into level 1, 2 or 3 within the fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.
Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and a market related discount rate at the reporting date for an asset or liability with similar terms and conditions.
If an asset or a liability measured at fair value has both a bid and an ask price, the price within the bid-ask spread that is most representative of fair value is used to measure fair value.

The group's valuation control framework governs internal control standards, methodologies, and procedures over its valuation processes, which include the following valuation techniques and main inputs and assumptions per type of instrument:

Item	Description	Valuation technique	Main inputs and assumptions (Level 2 and 3 fair value hierarchy items)
Derivative financial instruments	Derivative financial instruments comprise foreign exchange, and interest rate.	Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include: • Discounted cash flow model • Black-Scholes model	• Discount rate* • Spot prices of the underlying • Correlation factors • Volatilities • Dividend yields • Earnings yield • Valuation multiples
Trading assets and Trading liabilities	Trading assets and liabilities comprise instruments which are part of the group's underlying trading activities. These instruments primarily include sovereign and corporate debt, and collateral.	Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date.	

4 Statement of significant accounting policies (continued)

<table>
<tr><th>Item</th><th>Description</th><th>Valuation technique</th><th>Main inputs and assumptions (Level 2 and 3 fair value hierarchy items)</th></tr>
<tr><td>Pledged assets</td><td>Pledged assets comprise instruments that may be sold or repledged by the group's counterparty in the absence of default by the group. Pledged assets include sovereign debt (government treasury bills and bonds) pledged in terms of repurchase agreements.</td><td rowspan="2">Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial investment being fair valued. Where proxies are not available, the fair value is estimated using more complex modelling techniques. These techniques include discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility and other risks. Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.</td><td rowspan="2">• Discount rate*
• Spot prices of the underlying
• Correlation factors
• Volatilities
• Dividend yields
• Earnings yield
• Valuation multiples</td></tr>
<tr><td>Financial investments</td><td>Financial investments are non-trading financial assets and primarily comprise of sovereign and corporate debt, unlisted equity instruments, investments in mutual fund investments and unit-linked investments.</td></tr>
<tr><td>Loans and advances to banks and customers</td><td>Loans and advances comprise:
• Loans and advances to banks: call loans, loans granted under resale agreements and balances held with other banks.
• Loans and advances to customers: mortgage loans (home loans and commercial mortgages), other asset-based loans, including collateralised debt obligations (instalment sale and finance leases), and other secured and unsecured loans (card debtors, overdrafts, other demand lending, term lending and loans granted under resale agreements).</td><td>For certain loans fair value may be determined from the market price of a recently occurring transaction adjusted for changes in risks and information between the transaction and valuation dates. Loans and advances are reviewed for observed and verified changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for interest rate risk, foreign exchange risk, liquidity and credit risk, as appropriate. For credit risk, probability of default and loss given default parameters are determined using the relevant terms of the loan and loan counterparty such as the industry classification and subordination of the loan.</td><td>• Discount rate.</td></tr>
<tr><td>Deposits from bank and customers</td><td>Deposits from banks and customers comprise amounts owed to banks and customers, deposits under repurchase agreements, negotiable certificates of deposit, credit-linked deposits and other deposits.</td><td>For certain deposits, fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information between the transaction and valuation dates. In the absence of an observable market for these instruments discounted cash flow models are used to determine fair value based on the contractual cash flows related to the instrument. The fair value measurement incorporates all market risk factors including a measure of the group's credit risk relevant for that financial liability. The market risk parameters are valued consistently to similar instruments held as assets stated in the section above. For collateralised deposits that are designated to be measured at fair value through profit or loss, such as securities repurchase agreements, the credit enhancement is incorporated into the fair valuation of the liability.</td><td>• Discount rate.</td></tr>
</table>

** Discount rates, where applicable, include the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty as appropriate), timing of settlement, storage/service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.*

4 Statement of significant accounting policies (continued)

Day one profit or loss

For financial instruments, where the fair value of the financial instrument differs from the transaction price, the difference is commonly referred to as day one profit or loss. Day one profit or loss is recognised in profit or loss immediately where the fair value of the financial instrument is either evidenced by comparison with other observable current market transactions in the same instrument, or is determined using valuation models with only observable market data as inputs.

Day one profit or loss is deferred where the fair value of the financial instrument is not able to be evidenced by comparison with other observable current market transactions in the same instrument, or determined using valuation models that utilise non-observable market data as inputs.

The timing of the recognition of deferred day one profit or loss is determined individually depending on the nature of the instrument and availability of market observable inputs. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Cost exception

Where the fair value of investments in equity instruments or identical instruments do not have a quoted price in an active market, and derivatives that are linked to and must be settled by delivery of such equity instruments, are unable to be reliably determined, those instruments are measured at cost less impairment losses. Impairment losses on these financial assets are not reversed.

Fair value hierarchy

The group's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement

Hierarchy levels

The levels have been defined as follows:

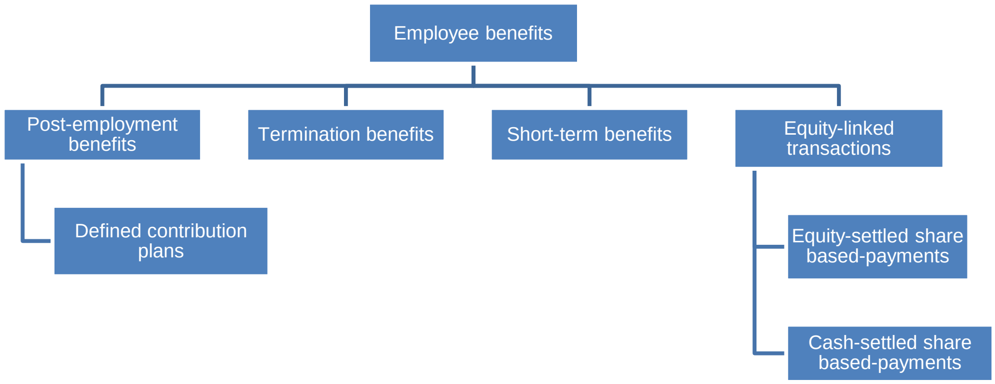
Level 1	Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
Level 2	Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those 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 value is determined through 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 instrument being valued and the similar instrument.

Hierarchy transfer policy

Transfers of financial assets and financial liabilities between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period during which change occurred.

4 Statement of significant accounting policies (continued)

4.5 Employee benefits



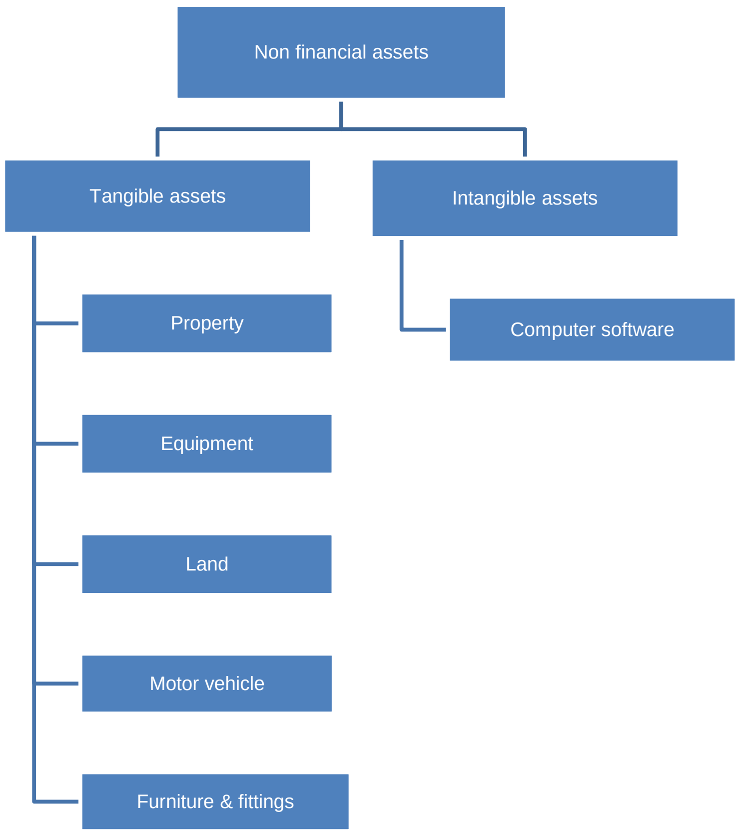
Type	Description	Statement of financial position	Statement of other comprehensive income	Income statement
Defined contribution plans	The group operates a contributory pension plan in line with the Pension Reform Act 2014. Employees and the Bank contribute 8% and 10% respectively of each of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2014.	Liability is recognised for unpaid contributions.	No impact.	Contributions are recognised as an expense in profit or loss in the periods during which services are rendered by employees.
Termination benefits	Termination benefits are recognised when the group is committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy when it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.	A liability is recognised for the termination benefit representing the best estimate of the amount payable.	No impact.	Termination benefits are recognised as an expense if the group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.
Short-term benefits	Short-term benefits consist of salaries, accumulated leave payments, profit share, bonuses and any non-monetary benefits such as medical aid contributions.	A liability is recognised for the amount expected to be paid under short-term cash bonus plans or accumulated leave if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.	No direct impact.	Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

4 Statement of significant accounting policies (continued)

Equity-linked transactions

Equity-settled share based payments	The fair value of the equity-settled share based payments are determined on grant date and accounted for within operating expenses - staff costs over the vesting period with a corresponding increase in the group's share-based payment reserve. Non-market vesting conditions, such as the resignation of employees and retrenchment of staff, are not considered in the valuation but are included in the estimate of the number of options expected to vest. At each reporting date, the estimate of the number of options expected to vest is reassessed and adjusted against profit or loss and equity over the remaining vesting period.
Cash-settled share based payments	Cash-settled share based payments are accounted for as liabilities at fair value until the date of settlement. The liability is recognised over the vesting period and is revalued at every reporting date up to and including the date of settlement. All changes in the fair value of the liability are recognised in operating expenses – staff costs.

4.6 Non-financial assets (Intangible assets, Property and equipment)

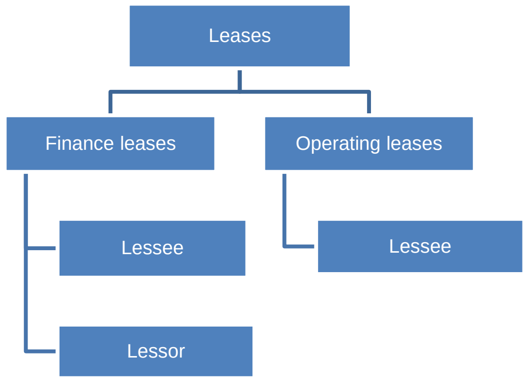


4 Statement of significant accounting policies (continued)

Type	Initial and subsequent measurement	Useful lives, depreciation/	Impairment	Derecognition
Tangible assets	Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Land is measured at cost less accumulative impairment loss. Costs that are subsequently incurred are included in the asset's related carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the group and the cost of the item can be measured reliably. Expenditure, which does not meet these criteria, is recognised in profit or loss as incurred. Where significant parts of an item of property or equipment have different useful lives, they are accounted for as separate major components of property and equipment.	Property and equipment are depreciated on the straight-line basis over estimated useful lives (see below) of the assets to their residual values. Land is not depreciated. Land: N/A Buildings: 25 years Computer: 3-5years Motor vehicles: 4 years Office: 6 years Furniture: 4 years Capitalised leased assets/ branch refurbishments: shorter of lease or useful life of underlying asset The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial year end.	Intangible assets that have an indefinite useful life and goodwill are tested annually for impairment and additionally when an indicator of impairment exists. Other non-financial assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.	The non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.
Computer software	Costs associated with developing or maintaining computer software programmes and the acquisition of software licences are generally recognised as an expense as incurred. However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the group and have a probable future economic benefit beyond one year, are recognised as intangible assets. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use. Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.	Amortisation is recognised in profit or loss on a straight-line basis at rates appropriate to the expected lives of the assets (2 to 15 years) from the date that the asset is available for use. Amortisation methods, useful lives and residual values are reviewed at each financial yearend and adjusted, if necessary.		

4 Statement of significant accounting policies (continued)

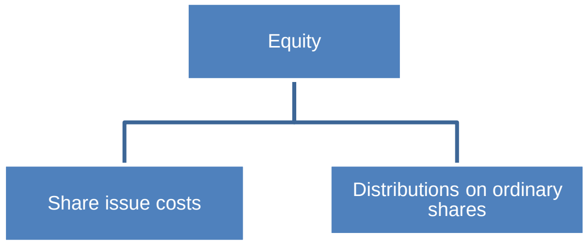
4.7 Leases



Type	Description	Statement of financial position	Income statement
Finance lease - lessee	Leases, where the group assumes substantially all the risks and rewards incidental to ownership, are classified as finance leases.	The leased asset is capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments together with an associated liability to the lessor. Lease payments less the interest component, which is calculated using the interest rate implicit in the lease or the group's incremental borrowing rate, are recognised as a capital repayment which reduces the liability to the lessor.	A lease finance cost, determined with reference to the interest rate implicit in the lease or the group's incremental borrowing rate, is recognised within interest expense over the lease period
Finance lease - lessor	Leases, where the group transfers substantially all the risks and rewards incidental to ownership, are classified as finance leases.	Finance lease receivable, including initial direct costs and fees, are primarily accounted for as financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges, being included in loans and receivables.	Finance charges earned within interest income are computed using the effective interest method, which reflects a constant periodic rate of return on the investment in the finance lease.
Operating lease - lessee	All leases that do not meet the criteria of a financial lease are classified as operating leases.	Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense) are recognised.	Payments made under operating leases, net of any incentives received from the lessor, are recognised in profit or loss on a straight-line basis over the term of the lease.Contingent rentals are expensed as they are incurred. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

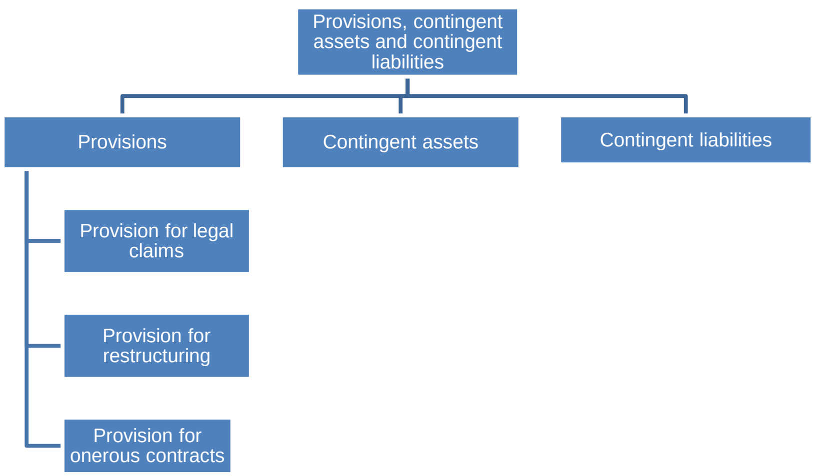
4 Statement of significant accounting policies (continued)

4.8 Equity



Share issue costs	Incremental external costs directly attributable to a transaction that increases or decreases equity are deducted from equity, net of related tax. All other share issue costs are expensed.
Distributions to owners	Distributions are recognised in equity in the period in which they are declared. Distributions declared after the reporting date are disclosed in the distributions note to the financial statements.

4.9 Provisions, contingent assets and contingent liabilities

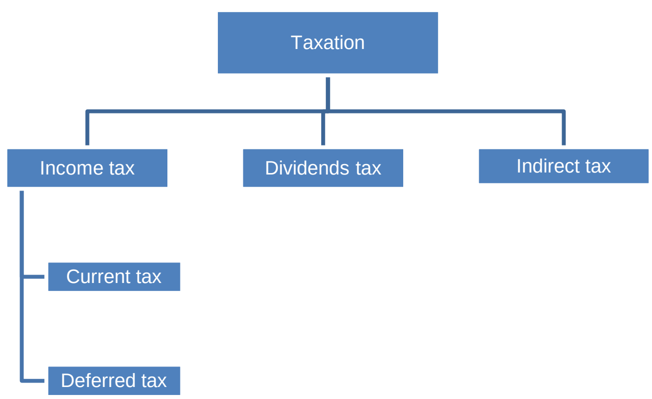


Provisions	Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can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

4 Statement of significant accounting policies (continued)

Provisions (continued)	**Provisions for legal claims** Provisions for legal claims are recognised on a prudent basis for the estimated cost for all legal claims that have not been settled or reached conclusion at the reporting date. In determining the provision management considers the probability and likely settlement (if any). Reimbursements of expenditure to settle the provision are recognised when and only when it is virtually certain that the reimbursement will be received. **Provision for restructuring** A provision for restructuring is recognised when the group has approved a detailed formal plan, and the restructuring either has commenced or has been announced publicly. Future operating costs or losses are not provided for. **Provision for onerous contracts** A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the group recognises any impairment loss on the assets associated with that contract.
Contingent assets	Contingent assets are not recognised in the annual financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the group, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the group's control.
Contingent liabilities	Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the annual financial statements but are disclosed in the notes to the annual financial statements unless they are considered remote.

4.10 Taxation

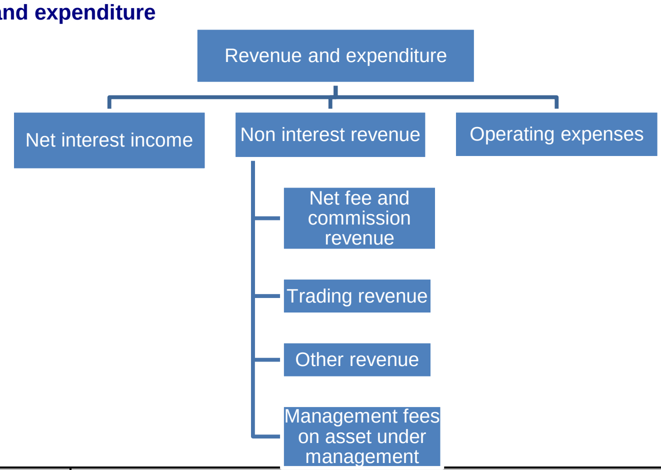


Type	Description, recognition and measurement	Offsetting
Current tax-determined for current period transactions and events	Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. Current tax also includes any tax arising from dividend. Current tax is recognised as an expense for the period and adjustments to past periods except to the extent that current tax related to items that are charged or credited in OCI or directly to equity. Nigerian tax laws mandates a minimu tax assessment for companies having no taxable profits for the year or where the tax on profits is below the minimum tax. Minimum tax is computed as 0.125% of turnover in excess of N500,000 plus the highest of: (i) 0.5% of gross profits; (ii) 0.5% of net assets; (iii) 0.25% of paid-up capital; or (iv) 0.25% of turnover.	

4 Statement of significant accounting policies (continued)

Type	Description, recognition and measurement	Offsetting
Deferred tax-determined for future tax consequences	Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination (relating to a measurement period adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly as part of OCI. Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognised for the following temporary differences: • the initial recognition of goodwill; • the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses; and • investments in subsidiaries, associates and jointly controlled arrangements (excluding mutual funds) where the group controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.	Current tax assets and liabilities, deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
Indirect taxation	Indirect taxes are recognised in profit or loss, as part of other operating expenses.	N/A
Dividend tax	Taxes on dividends declared by the group are recognised as part of the dividends paid within equity as dividend tax represents a tax on the shareholder and not the group.	N/A

4.11 Revenue and expenditure



Description	Recognition and measurement
Net interest income	Interest income and expense (with the exception of borrowing costs that are capitalised on qualifying assets, that is assets that necessarily take a substantial period of time to get ready for their intended use or sale and which are not measured at fair value) are recognised in profit or loss using the effective interest method for all interest-bearing financial instruments.

4 Statement of significant accounting policies (continued)

4.11 Revenue and expenditure (continued)

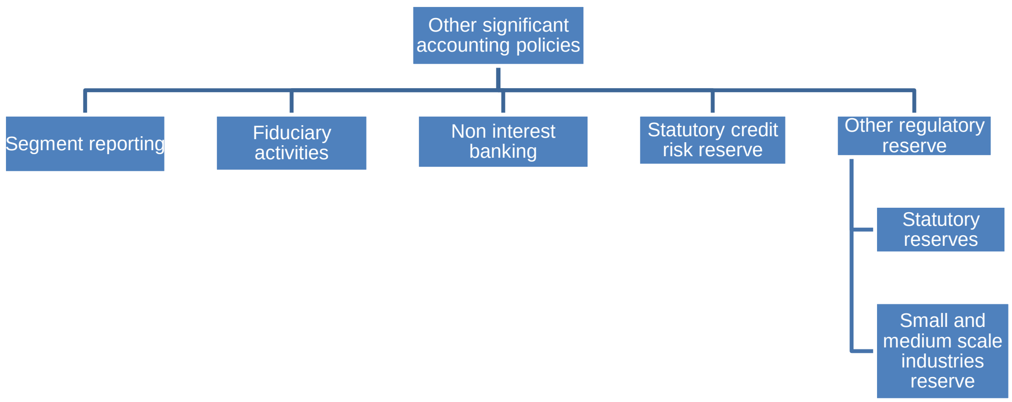
Description	Recognition and measurement
Net interest income	In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. Direct incremental transaction costs incurred and origination fees received, including loan commitment fees, as a result of bringing margin-yielding assets or liabilities into the statement of financial position, are capitalised to the carrying amount of financial instruments that are not at fair value through profit or loss and amortised as interest income or expense over the life of the asset or liability as part of the effective interest rate. Where the estimates of payments or receipts on financial assets (except those that have been reclassified from held for trading) or financial liabilities are subsequently revised, the carrying amount of the financial asset or financial liability is adjusted to reflect actual and revised estimated cash flows. The carrying amount is calculated by computing the present value of the adjusted cash flows at the financial asset or financial liability's original effective interest rate. Any adjustment to the carrying value is recognised in net interest income. Where financial assets have been impaired, interest income continues to be recognised on the impaired value based on the original effective interest rate. Fair value gains and losses on realised debt financial instruments, including amounts reclassified from OCI in respect of available-for-sale debt financial assets are included in net interest income.
Net fee and commission revenue	Fee and commission revenue, including transactional fees, account servicing fees, investment management fees, sales commissions and placement fees are recognised as the related services are performed. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment period. Loan syndication fees, where the group does not participate in the syndication or participates at the same effective interest rate for comparable risk as other participants, are recognised as revenue when the syndication has been completed. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised as interest income. The fair value of issued financial guarantee contracts on initial recognition is amortised as income over the term of the contract. Fee and commission expenses, included in net fee and commission revenue, are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received. Expenditure is recognised as fee and commission expenses where the expenditure is linked to the production of fee and commission revenue
Trading revenue	Trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income, expense and dividends.
Other revenue	Other revenue includes dividends on equity investments. Gains and losses on equity available-for-sale financial assets are reclassified from OCI to profit or loss on derecognition or impairment of the investments. Dividends on these instruments are recognised in profit or loss.
Dividend income	Dividends are recognised in profit or loss when the right to receipt is established. Scrip dividends are recognised as dividends received where the dividend declaration allows for a cash alternative.
Management fees on assets under management	Fee income includes management fees on assets under management and administration fees. Management fees on assets under management are recognised over the period for which the services are rendered, in accordance with the substance of the relevant agreements.
Operating expenses	Expenses are recognized on an accrual bases regardless of the time of cash outflows. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming years. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statements as assets.

Offsetting

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

4 Statement of significant accounting policies (continued)

4.12 Other significant accounting policies



Segment reporting	An operating segment is a component of the group engaged in business activities, whose operating results are reviewed regularly by management in order to make decisions about resources to be allocated to segments and assessing segment performance. The group's identification of segments and the measurement of segment results is based on the group's internal reporting to management. Transactions between segments are priced at market-related rates.
Fiduciary activities	The group commonly engages in trust or other fiduciary activities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions. These assets and the income arising directly thereon are excluded from these annual financial statements as they are not assets of the group. However, fee income earned and fee expenses incurred by the group relating to the group's responsibilities from fiduciary activities are recognised in profit or loss.
Non interest banking	The banking subsidiary operates a non-interest banking window. The window provides non-interest banking products and services (based on Islamic commercial jurisprudence) to its customers through existing infrastructure of the bank. The products and the accounting treatments are as follows: *Deposit liabilities:* Deposits liabilities generated by the non interest banking window are classified as financial liabilities at amortised cost. The non-interest banking deposits include Imaan Current account and Imaan Transact Plus. *Murabaha Financing:* The bank finances assets under its Imaan Local Purchase and Contract Finance Product. This is operated under the Murabaha mode of finance and its main purpose it to provide the avenue for contractors to obtain financial assistance required to execute supply contracts. Murabaha receivables from customers are stated net of deferred profits, impairment allowance, and any amounts written off. *Income and expenses:* Income from account transactions are included in fee and commission income, while income from murabaha financing is included in other income and is recognized on a time apportioned basis over the period of the contract based on the principal amounts outstanding. Administrative expenses of the window are included under staff costs and other operating expenses.
Statutory credit risk reserve	The statutory credit risk reserve represents a reserve component created when credit impairment on loans and advances as accounted for under IFRS using the incurred loss model differ from the Prudential Guidelines set by the Central Bank of Nigeria.
Statutory reserve	Nigerian banking and pension industry regulations require the banking and pension subsidiaries to make an annual appropriation to a statutory reserve. For the banking subsidiary, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share cap`ital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The pension subsidiary is required to transfer 12.5% of its profit after tax to a statutory reserve. Statutory reserve in not available for distribution to shareholders.

4 Statement of significant accounting policies (continued)

4.13 Non-current assets held for sale and disposal groups

Type	Description	Statement of financial position	Income statement
Non-current assets/disposal groups that are either held for sale	Comprising assets and liabilities that are expected to be recovered primarily through sale rather than continuing use (including regular purchases and sales in the ordinary course of business).	Immediately before classification, the assets (or components of a disposal group) are remeasured in accordance with the group's accounting policies and tested for impairment. Thereafter, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities (or components of a disposal group) are presented separately in the statement of financial position.	Impairment losses on initial classification as well as subsequent gains and losses on remeasurement of these assets or disposal groups are recognised in profit or loss. Property and equipment and intangible assets are not depreciated or amortised.

4.14 New standards and interpretations not yet effective

The following new or revised standards, amendments and interpretations are not yet effective for the year ended 31 December 2015 and have not been applied in preparing these annual financial statements.

Pronouncement	Title	Effective date
IFRS 11 (amendments)	**Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations** The amendments specify the appropriate accounting treatment for acquisitions of interests in joint operations in which the activities of the joint operation constitute a business. The amendments will be applied prospectively and are not expected to have a material impact on the group's financial statements.	Annual periods beginning on or after 1 January 2016
IFRS 9	**Financial Instruments** This standard will replace the existing standard on the recognition and measurement of financial instruments and requires all financial assets to be classified and measured on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The accounting for financial assets differs in various other areas to existing requirements such as embedded derivatives and the recognition of fair value adjustments in OCI. All changes in the fair value of financial liabilities that are designated at fair value through profit or loss due to changes in own credit risk will be required to be recognised within OCI. The standard has introduced a new expected-loss impairment model that will require more timely recognition of expected credit losses. This new model will apply to financial assets measured at either amortised cost or fair value through OCI, as well as loan commitments when there is present commitment to extend credit (unless these are measured at fair value through profit or loss). With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to either 12-month expected credit losses or full lifetime expected credit losses.	Annual periods beginning on or after 1 January 2018

4 Statement of significant accounting policies (continued)

4.14 New standards and interpretations not yet effective (continued)

Pronouncement	Title	Effective date
IFRS 9 (continued)	A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition as well as for certain contract assets or trade receivables. For all other financial instruments, expected credit losses are measured at an amount equal to 12-month expected credit losses. Based on current business and strategy of the group this new standard is expected to have significant impact on the classification and recognition of its financial assets. The group will continue to monitor developments in IFRS 9 and make more detailed assessment going forward to 2018.	
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be applied prospectively and are not expected to have a material impact on the group's financial statements.	Annual periods beginning on or after 1 January 2016
IFRS 15	**Revenue from Contracts with Customers** This standard will replace the existing revenue standards and their related interpretations. The standard sets out the requirements for recognising revenue that applies to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts or financial instruments). The core principle of the standard is that revenue recognised reflects the consideration to which the company expects to be entitled in exchange for the transfer of promised goods or services to the customer. The standard incorporates a five step analysis to determine the amount and timing of revenue recognition. The standard will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.	Annual periods beginning on or after 1 January 2018
IAS 27 (amendments)	**Equity Method in Separate Financial Statements** The amendments allow entities preparing separate financial statements to utilise the equity method to account for investments in subsidiaries, joint ventures and associates. The standard will be applied retrospectively. The impact is dependent on the decision of management to utilise the equity method or not. Management will decide prior to the first reporting in 2016.	Annual periods beginning on or after 1 January 2016

4 Statement of significant accounting policies (continued)

4.14 New standards and interpretations not yet effective (continued)

Pronouncement	Title	Effective date
IFRS 16	**Leases** This standard will replace the existing standard IAS 17 Leases as well as the related interpretations and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, being the lessee (customer) and the lessor (supplier). The core principle of this standard is that the lessee and lessor should recognise all rights and obligations arising from leasing arrangements on balance sheet. The most significant change pertaining to the accounting treatment of operating leases is from the lessees' perspective. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and introduces a single lessee accounting model, where a right of use (ROU) of an asset together with a liability for the future payments is to be recognised for all leases with a term of more than 12 months, unless the underlying asset is of low value. The lessor accounting requirements in IAS 17 has not changed substantially in terms of this standard as a result a lessor continues to classify its leases as operating leases or finance leases and accounts for these as it currently done in terms of IAS 17. In addition, the standard requires lessor to provide enhanced disclosures about its leasing activities and in particular about its exposure to residual value risk and how it is managed. The standard will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.	Annual periods beginning on or after 1 January 2019
IAS 1 (amendments)	The amendment to IAS 1 clarifies that materiality applies to the whole set of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendment further explains that professional judgement should be used in determining where and in what order information should be presented in the financial statements. During the year the group and company reviewed its financial statements to identify disclosures that were considered to be immaterial as well as to consider ways of better presenting financial information. The revised standard is not expected to have material impact on the group financial statements.	Annual periods beginning on or after 1 January 2016

5 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 and Business Banking	Banking and other financial services to individual customers and small-to-medium-sized enterprises. Mortgage lending – Provides residential accommodation loans to mainly personal market customers. Instalment sale and finance leases – Provides instalments finance to personal market customers and finance of vehicles and equipment in the business market. Card products – Provides credit and debit card facilities for individuals and businesses. 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.
Corporate and Investment Banking	Corporate and investment banking services to larger corporates, financial institutions and international counterparties. Global markets – Includes foreign exchange, fixed income, interest rates, and equity trading. Transactional and lending products – Includes corporate lending and transactional banking businesses, custodial services, trade finance business and property-related lending. Investment banking – Include project finance, structured finance, equity investments, advisory, corporate lending, primary market acquisition, leverage finance and structured trade finance.
Wealth	The wealth group is made up of the company's subsidiaries, whose activities involve investment management, portfolio management, unit trust/funds management, and trusteeship.

5 Segment reporting

Operating segments

	Personal & Business Banking		Corporate & Investment Banking		Wealth		Eliminations		Group	
	31 Dec 2015	31 Dec 2014	**31 Dec 2015**	31 Dec 2014	**31 Dec 2015**	31 Dec 2014	**31 Dec 2015**	31 Dec 2014	**31 Dec 2015**	31 Dec 2014
		Restated*		Restated*		Restated*		Restated*		Restated*
	N million	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**
Gross earnings	**42,972**	39,748	**71,834**	69,457	**26,637**	22,489	**(1,416)**	(1,040)	**140,027**	130,654
Net interest income	**21,600**	21,783	**19,398**	22,854	**2,862**	2,021	**-**	-	**43,860**	46,658
Interest income -external source	**33,073**	28,048	**47,076**	42,279	**2,862**	2,021	**(325)**	(192)	**82,686**	72,156
Interest expense - external source	**(11,747)**	(8,599)	**(27,404)**	(17,091)	**-**	-	**325**	192	**(38,826)**	(25,498)
Inter-segment revenue	**274**	2,334	**(274)**	(2,334)	**-**	-	**-**	-	**-**	-
Non-interest revenue	**8,213**	8,981	**25,891**	29,386	**23,775**	20,468	**(1,091)**	(848)	**56,788**	57,987
Net fee and commission revenue	**8,067**	8,332	**10,044**	11,377	**23,397**	20,406	**(804)**	(848)	**40,704**	39,267
Trading revenue	**-**	-	**15,503**	17,540	**-**	-	**-**	-	**15,503**	17,540
Other revenue	**146**	649	**344**	469	**378**	62	**(287)**	-	**581**	1,180
Revenue	**29,813**	30,764	**45,289**	52,240	**26,637**	22,489	**(1,091)**	(848)	**100,648**	104,645
Credit impairment charges	**(6,756)**	(2,679)	**(8,175)**	(538)	**-**	-	**-**	-	**(14,931)**	(3,217)
Income after credit impairment charges	**23,057**	28,085	**37,114**	51,702	**26,637**	22,489	**(1,091)**	(848)	**85,717**	101,428
Operating expenses	**(31,839)**	(29,009)	**(22,826)**	(22,592)	**(8,492)**	(7,148)	**1,091**	848	**(62,066)**	(57,901)
Staff costs	**(14,421)**	(14,282)	**(6,390)**	(8,156)	**(4,014)**	(3,341)	**-**	-	**(24,825)**	(25,779)
Other operating expenses	**(17,418)**	(14,727)	**(16,436)**	(14,436)	**(4,478)**	(3,807)	**1,091**	848	**(37,241)**	(32,122)
Profit before direct taxation	**(8,782)**	(924)	**14,288**	29,110	**18,145**	15,341	**-**	-	**23,651**	43,527
Direct taxation	**150**	791	**791**	(4,828)	**(5,701)**	(5,031)	**-**	-	**(4,760)**	(9,068)
Profit/ (loss) for the year	**(8,632)**	(133)	**15,079**	24,282	**12,444**	10,310	**-**	-	**18,891**	34,459
Total assets	**247,465**	256,432	**664,670**	665,124	**31,006**	26,896	**(5,577)**	(6,533)	**937,564**	941,919
Total liabilities	**200,230**	229,475	**604,629**	589,623	**9,315**	9,110	**(5,577)**	(6,533)	**808,597**	821,675
Depreciation and amortisation	**2,808**	2,943	**453**	398	**218**	159	**-**	-	**3,479**	3,500
Number of employees	**1,738**	1,358	**469**	402	**536**	421	**-**	-	**2,743**	2,181

*2014 numbers have been restated on the basis of restatement discussed in note 40.1

6 Key management assumptions

In preparing the financial statements, estimates and assumptions are made that could materially affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on factors such as historical experience and current best estimates of uncertain future events that are believed to be reasonable under the circumstances. No material changes to assumptions have occurred during the period.

6.1 Credit impairment losses on loans and advances

Portfolio loan impairments

The group assesses its loan portfolios for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be allocated to an individual loan in that portfolio. For corporate and investment banking portfolio, estimates are made of the duration between the occurrence of a loss event and the identification of a loss on an individual basis. This is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These include early arrears and other indicators of potential default, such as changes in macroeconomic conditions and legislation affecting credit recovery. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period. At the period end, the group applied the following loss emergence periods.

For Personal and Business Banking portfolio, the estimates for the duration between the occurrence of a loss event and the identification of a loss impairment for performing loans is calculated using portfolio loss given default and the probability of default for the arrears bucket and linked to the relevant emergence period.

	Average loss emergence period		**Sensitivity[1]**	
	Dec 2015	Dec 2014	**Dec 2015**	Dec 2014
	Months	Months	**Nm**	Nm
Personal & Business Banking			**883**	60
Mortgage lending	**3**	3	**(8)**	19
Instalment sale and finance leases	**3**	3	**745**	(5)
Card debtors	**3**	3	**0**	(3)
Other lending	**3**	3	**146**	49
Corporate & Investment Banking (total loan portfolio)	**12**	12	**1,129**	152

1 Sensitivity is based on the effect of a change of one month in the emergence period on the value of the impairment.

Specific loan impairments

Non-performing loans include those loans for which the group has identified objective evidence of default, such as a breach of a material loan covenant or condition as well as those loans for which instalments are due and unpaid for 90 days or more. Management's estimates of future cash flows on individually impaired loans are based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any difference between loss estimates and actual loss experience. Recoveries of individual loans as a percentage of the outstanding balances are estimated as follows:

	Expected time to recovery		**Expected recoveries as a percentage of impaired loans**		**Impairment loss sensitivity[1]**	
	Dec 2015	Dec 2014	**Dec 2015**	Dec 2014	**Dec 2015**	Dec 2014
	Months	Months	**%**	%	**Nm**	Nm
Personal & Business Banking					**60**	39
Mortgage lending	**12**	12	**38**	33	**5**	3
Instalment sale and finance leases	**6**	6	**48**	29	**6**	5
Card debtors	**8**	8	**9**	9	**1**	1
Other lending	**8**	8	**24**	33	**48**	30

Corporate & Investment Banking

The estimated recoveries for Corporate and Investment Banking non performing loans are calculated on a customer by customer basis

[1] Sensitivity is based on the effect of a change of one percentage point in the value of the estimated recovery on the value of the impairment.

6 Key management assumptions (continued)

Determination of statutory credit risk reserves

Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision regime, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

* Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve".
* Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account

The company's subsidiary Stanbic IBTC Bank, has complied with the requirements of the guidelines as follows:

	Note	31-Dec-15 N'million	31-Dec-14 N'million
Statement of prudential adjustments			
Prudential Provision			
Specific provision on loans and advances		**26,087**	14,287
General provision on loans and advances		**6,512**	3,915
Impairment on other financial assets and provision for other losses		**12,700**	5,433
		45,299	23,635
IFRS Provision			
Specific impairment on loans and advances	12.3	**18,691**	10,534
Portfolio Impairment on loans and advances	12.3	**7,224**	4,302
Impairment on other financial assets and provision for other losses		**12,700**	5,433
		38,615	20,269
Closing regulatory reserve		**6,684**	3,366
Opening regulatory reserve		**3,366**	769
Appropriation:Transfer (to)/from retained earnings		**3,318**	2,597

6 Key management assumptions (continued)

6.2 Fair value of financial instruments

The fair value of financial instruments, such as unlisted equity investments, that are not quoted in active markets is determined using valuation techniques. Wherever possible, models use only observable market data. Where required, these models incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on available observable market data. Such assumptions include risk premiums, liquidity discount rates, credit risk, volatilities and correlations. Changes in these assumptions could affect the reported fair values of financial instruments.

Additional disclosures on fair value measurements of financial instruments are set out in notes 27.

6.3 Impairment of available-for-sale equity investments

The group determines that available-for-sale equity investments are impaired and recognised as such in profit or loss when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the group evaluates, among other factors, the normal volatility in the fair value. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investee, industry or sector, or operational and financing cash flows or significant changes in technology.

Had the declines of financial instruments with fair values below cost been considered significant or prolonged, the group would have suffered an additional loss attributable to ordinary shareholders of N161 million (Dec 2014: N207 million) in its financial statements, being the transfer of the negative revaluations within the available-for-sale reserve to profit or loss.

6.4 Securitisations and structured entities

The group sponsors the formation of structured entities primarily for the purpose of allowing clients to hold investments, for asset securitisation transactions, asset financing and for buying or selling credit protection. The group consolidates structured entities that it controls in terms of IFRS. As it can sometimes be difficult to determine whether the group controls an structured entity, it makes judgements about its exposure to the risks and rewards, as well as about its ability to make operational decisions for the structure entity in question. In arriving at judgements, these factors are considered both jointly and separately.

6.5 Intangible assets

Direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the group and have a probable future economic benefit beyond one year, are capitalised and disclosed as computer software intangible assets.

Computer software intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The determination of the recoverable amount of each asset requires judgement. The recoverable amount is based on the value in use and calculated by estimating future cash benefits that will result from each asset and discounting these cash benefits at an appropriate pre-tax discount rate.

6.6 Investment funds

The group acts as fund manager to a number of investment funds. Determination of whether the group controls such an investment fund usually focuses on the assessment of the aggregate economic interest of the group in the fund and the investors' rights to remove the fund manager. For all funds managed by the group, the investors are able to vote by simple majority to remove the group as fund manager without cause, and the group's aggregate economic interest in each case is less than 25%. As a result, the group has concluded that it acts as agent for the investors in all cases, and therefore has not consolidated these funds.

Further disclosure in respect of investment funds in which the group has an interest is contained in note 14.

6 Key management assumptions (continued)

6.7 Recognition of deferred tax assets:

The assessment of availability of future taxable profit against which carry forward tax losses can be utilised is disclosed under Note 16.

6.8 Share-based payment

The group have both cash and equity-settled share incentive schemes which are issued to qualifying employees based on the rules of the respective schemes. The group uses the Black-Scholes option pricing model to determine the fair value of awards on grant date for its equity-settled share incentive schemes. The valuation of the group's obligations with respect to its cash-settled share incentive scheme obligations is determined with reference to the parent and ultimate parent's share price, which is an observable market input. In determining the expense to be recognised for both the cash and equity-settled share schemes, the group estimates the expected future vesting of the awards by considering staff attrition levels. The group also makes estimates of the future vesting of awards that are subject to non-market vesting conditions by taking into account the probability of such conditions being met.

Refer to note 30.11 for further details regarding the carrying amount of the liabilities arising from the group's cash-settled share incentive schemes and the expenses recognised in the income statement.

6.9 Depreciation and useful life of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

6.10 Provisions

The group make provisions for contingent items such as legal claims, fines, and penalties. The amount provided are based on the management best estimate of the amounts that will be required to settle the obligation in the event that it crystallises. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any material difference in management best estimates will have an impact to the carrying amount of the provisions. Refer to note 24 for further details.

		Group		Company	
		31 Dec. 2015 N'million	31 Dec. 2014 N'million	**31 Dec. 2015 N'million**	31 Dec. 2014 N'million
7	**Cash and cash equivalents**				
	Coins and bank notes	**36,541**	20,310		-
	Balances with central bank	**107,695**	96,106		-
	Current balances with banks within Nigeria	**17,507**	5,538	**8**	784
	Current balances with banks outside Nigeria	**49,738**	21,217		-
		211,481	143,171	**8**	784

Cash and balances with central bank include N104,083 million (Dec. 2014: N91,615 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).

Included in current balances with banks outside Nigeria is N17,203 million (Dec. 2014: N4,510 million) which represents Naira value of foreign currency bank balances held on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (See note 25.1).

Included in current balances with banks outside Nigeria is N15,219 million (Dec. 2014: N3,925 million) due from Standard Bank Group. See note 35.3 for details.

		Group		Company	
		31 Dec. 2015 N million	31 Dec. 2014 N million	**31 Dec. 2015 N million**	31 Dec. 2014 N million
8	**Pledged assets**				
8.1	**Pledged assets**				
	Financial assets that may be repledged or resold by counterparties				
	Treasury bills - Trading	**61,496**	10,164		-
	Treasury bills - Available-for-sale	**25,074**	24,008		-
		86,570	34,172		-

Maturity analysis

The maturities represent periods to contractual redemption of the pledged assets recorded.

	Group 31 Dec. 2015	Group 31 Dec. 2014	Company 31 Dec. 2015	Company 31 Dec. 2014
Maturing within 1 month	**15,966**	5,181		-
Maturing after 1 month but within 6 months	**30,700**	28,991		-
Maturing after 6 months but within 12 months	**39,904**	-		-
	86,570	34,172		-

8.2 Total assets pledged

The assets pledged by the group are strictly for the purpose of providing collateral to counterparties for various transactions. These transactions include assets pledged in connection with clearing/settlement activities of the group.

To the extent that the counterparty is permitted to sell and/or repledge the assets in the absence of default, the assets are classified in the statement of financial position as pledged assets.

The carrying amount of total financial assets that have been pledged as collateral for liabilities (included in amounts reflected in 8.1 above) at 31 December 2015 was N64,465 million (Dec. 2014: N10,164million). The liability in respect of which the collateral has been pledged relates to deposits taken under repurchase agreement (note 20) and on-lending facility obtained from Bank of Industry as disclosed under note 21.

9 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 Dec. 2015 N million	31 Dec. 2014 N million	31 Dec. 2015 N million	31 Dec. 2014 N million
9.1 Trading assets				
Classification				
Listed	**37,145**	26,568	**-**	-
Unlisted	**811**	69,777	**-**	-
	37,956	96,345	**-**	-
Comprising:				
Government bonds	**2,027**	8,819	**-**	-
Treasury bills	**35,115**	17,239	**-**	-
Corporate bonds	**-**	508	**-**	-
Listed equities	**3**	2	**-**	-
Placements	**811**	69,777	**-**	-
	37,956	96,345	**-**	-
Dated assets	**37,953**	96,343	**-**	-
Undated assets	**3**	2	**-**	**-**
	37,956	96,345	**-**	

Included in trading assets is N811 million (Dec. 2014: N69,777 million) due from related parties. See note 35.3 for details.

Maturity analysis

The maturities represent periods to contractual redemption of the trading assets recorded.

	Group 31 Dec. 2015	Group 31 Dec. 2014	Company 31 Dec. 2015	Company 31 Dec. 2014
Redeemable on demand	**-**	-	**-**	-
Maturing within 1 month	**2,697**	72,612	**-**	-
Maturing after 1 month but within 6 months	**12,292**	19,655	**-**	-
Maturing after 6 months but within 12 months	**21,096**	1,645	**-**	-
Maturing after 12 months	**1,868**	2,431	**-**	-
Undated assets	**3**	2	**-**	-
	37,956	96,345	**-**	-

Redemption value

Dated trading assets had a redemption value at 31 December 2015 of N37,882 million (Dec. 2014: N96,446 million).

9 Trading assets and trading liabilities (continued)

	Group		Company	
	31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
	N million	N million	**N million**	N million
9.2 Trading liabilities				
Classification				
Listed	**7,911**	35,632	**-**	-
Unlisted	**16,190**	49,651	**-**	-
	24,101	85,283	**-**	-
Comprising:				
Government bonds (short positions)	**6**	151	**-**	-
Repurchase agreements	**-**	9,999	**-**	-
Deposits	**16,190**	39,652	**-**	-
Treasury bills (short positions)	**7,905**	35,481	**-**	**-**
	24,101	85,283	**-**	-
Dated liabilities	24 101	85 283		
Undated liabilities	-	-		
	24 101	85 283		

Included in trading liabilities is N10,190 million (Dec. 2014: Nil) due to related parties. See note 35.3 for details.

Maturity analysis

The maturity analysis is based on the remaining periods to contractual maturity from period end.

	Group 31 Dec. 2015	Group 31 Dec. 2014	Company 31 Dec. 2015	Company 31 Dec. 2014
Repayable on demand	**-**	-	**-**	**-**
Maturing within 1 month	**6,616**	64,674	**-**	-
Maturing after 1 month but within 6 months	**7,065**	12,278	**-**	-
Maturing after 6 months but within 12 months	**10,414**	8,179	**-**	-
Maturing after 12 months	**6**	151	**-**	-
	24,101	85,283	**-**	-

10 Derivative instruments

All derivatives are classified as derivatives held for trading or risk management purposes.

10.1 Use and measurement of derivative instruments

In the normal course of business, the group enters into a variety of derivative transactions for both trading and risk management purposes. Derivative financial instruments are entered into for trading purposes and for hedging foreign exchange and interest rate exposures. Derivative instruments used by the group in both trading and hedging activities include swaps, forwards and other similar types of instruments based on foreign exchange rates and interest rates.

The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations.

The fair value of all derivatives is recognised on the statement of financial position and is only netted to the extent that there is both a legal right of set-off and an intention to settle on a net basis.

Swaps are transactions in which two parties exchange cash flows on a specified notional amount for a predetermined period.

The major types of swap transactions undertaken by the group are as follows:

(i) Foreign exchange swaps are contractual obligations between two parties to swap a pair of currencies. Foreign exchange swaps are tailor-made agreements that are transacted between counterparties in the Over-the-counter (OTC) market.

(ii) Forwards are contractual obligations to buy or sell financial instruments or commodities on a future date at a specified price. Forward contracts are tailor-made agreements that are transacted between counterparties in the OTC market.

10.2 Derivatives held-for-trading

The group trades derivative instruments on behalf of customers and for its own positions. The group transacts derivative contracts to address customer demand by structuring tailored derivatives for customers. The group also takes proprietary positions for its own account. Trading derivative products include the following derivative instruments:

10.2.1 Foreign exchange derivatives

Foreign exchange derivatives are primarily used to hedge foreign currency risks on behalf of customers and for the group's own positions. Foreign exchange derivatives primarily consist of foreign exchange forwards.

10.2.2 Interest rate derivatives

Interest rate derivatives are primarily used to modify the volatility and interest rate characteristics of interest-earning assets and interest-bearing liabilities on behalf of customers and for the group's own positions. Interest rate derivatives primarily consist of swaps.

10.3 Unobservable valuation differences on initial recognition

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed. Unobservable valuation difference is disclosed under note 10.7.

10.4 Fair values

The fair value of a derivative financial instrument represents for quoted instruments the quoted market price and for unquoted instruments the present value of the positive or negative cash flows, which would have occurred if the rights and obligations arising from that instrument were closed out in an orderly market place transaction at period end.

10.5 Notional amount

The gross notional amount is the sum of the absolute value of all bought and sold contracts. The notional amounts have been translated at the closing rate at the reporting date where cash flows are receivable in foreign currency. The amount cannot be used to assess the market risk associated with the positions held and should be used only as a means of assessing the group's participation in derivative contracts.

10.6 Derivative assets and liabilities

	Maturity analysis of net fair value						
	Within 1 year	**After 1 year but within 5 years**	**After 5 years**	**Net fair value**	**Fair value of assets**	**Fair value of liabilities**	**Contract/ notional amount**
	N million	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**
31 December 2015							
Derivatives held-for-trading							
Foreign exchange derivatives	**1**	**-**	**-**	**1**	**307**	**(306)**	**5,556**
Forwards	**1**			**1**	**307**	**(306)**	**5,556**
Interest rate derivatives	**527**		**-**	**527**	**604**	**(77)**	**78,427**
Swaps	**527**	**-**		**527**	**604**	**(77)**	**78,427**
Total derivative assets/(liabilities)	**528**	**-**	**-**	**528**	**911**	**(383)**	**83,983**

	Maturity analysis of net fair value						
	Within 1 year	After 1 year but within 5 years	After 5 years	Net fair value	Fair value of assets	Fair value of liabilities	Contract/ notional amount
	N million	N million	N million	N million	N million	N million	N million
31 December 2014							
Derivatives held-for-trading							
Foreign exchange derivatives	3,544	-	-	3,544	4,596	(1,052)	97,757
Forwards	3,544	-	-	3,544	4,596	(1,052)	97,757
Interest rate derivatives	(1,361)	-	-	(1,361)	264	(1,625)	62,267
Swaps	(1,361)	-	-	(1,361)	264	(1,625)	62,267
Total derivative assets/(liabilities)	2,183	-	-	2,183	4,860	(2,677)	160,024

Included in derivative assets is N18 million (Dec. 2014: N156 million) due from related parties. See note 35.3 for details.
Included in derivative liabilities is N373 million (Dec. 2014: N732 million) due to related parties. See note 35.3 for details.

10.7 Unobservable valuation differences on initial recognition

The table below sets out the aggregate difference yet to be recognised in profit or loss at the beginning and end of the period with a reconciliation of the changes of the balance during the period for trading assets and liabilities.

	Group	
	31 Dec. 2015	31 Dec. 2014
	N million	**N** million
Unrecognised profit at beginning of the year	**257**	3
Additional profit on new transactions	**5,361**	257
Recognised in profit or loss during the year	**(2,158)**	(3)
Unrecognised profit at end of the year	**3,460**	**257**

		Group		Company	
		31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
		N million	N million	N million	N million
11	**Financial investments**				
	Short - term negotiable securities	**149,225**	135,151	**-**	**-**
	Listed	**149,225**	135,151	**-**	-
	Unlisted	**-**	-	**-**	-
	Other financial investments	**13,470**	69,351	**658**	**58**
	Listed	**12,689**	66,043	**658**	58
	Unlisted	**781**	3,308	**-**	-
		162,695	204,502	**658**	**58**
	Comprising:				
	Government bonds	**1,273**	61,691	**-**	-
	Treasury bills	**149,225**	135,151	**-**	-
	Corporate bonds	**-**	2,562	**-**	-
	Unlisted equities (see note 11.2 below)	**781**	746	**-**	-
	Mutual funds and unit-linked investments (see note 14)	**11,416**	4,352	**658**	58
		162,695	204,502	**658**	58

Mutual funds and unit-linked investments include N523 million (2014: nil) held against unclaimed dividend liability as disclosed in note 25.

Maturity analysis

The maturities represent periods to contractual redemption of the financial investments recorded.

	Group 31 Dec. 2015	Group 31 Dec. 2014	Company 31 Dec. 2015	Company 31 Dec. 2014
Redeemable on demand	**-**	-	**-**	-
Maturing within 1 month	**29,918**	37,131	**-**	-
Maturing after 1 month but within 6 months	**108,212**	140,014	**-**	-
Maturing after 6 months but within 12 months	**11,482**	14,203	**-**	-
Maturing after 12 months	**885**	8,056	**-**	-
Undated investments[1]	**12,198**	5,098	**658**	58
	162,695	204,502	**658**	58

All financial investments of the group are classified as available for sale investments.

[1] Undated investments include unlisted equities and mutual funds and linked investments .

		Group 31 Dec. 2015	Group 31 Dec. 2014	Company 31 Dec. 2015	Company 31 Dec. 2014
11.2	**Analysis of unlisted equity investments**				
	Small and medium scale industries:	**1,040**	1,040	**-**	-
	Freezone Plant Fabrications Int'l Limited	**120**	120	**-**	-
	Tinapa Business Resort Limited	**500**	500	**-**	-
	Through African Capital Alliance Limited - (SME Partnership)	**283**	283	**-**	-
	Credit Reference Company Limited	**50**	50	**-**	-
	CR Services Limited	**87**	87	**-**	-
	Other unquoted equity direct investments	**813**	778		
	Smart Card Nigeria PLC	**23**	23	**-**	-
	FSDH Merchant Bank Limited	**-**	24	**-**	-
	FMDQ OTC PLC	**15**	15	**-**	-
	MTN Communications	**525**	582	**-**	-
	Nigeria Mortgage Refinance Company Ltd	**100**	-	**-**	-
	Central Securities Clearing System PLC	**16**	-	**-**	-
	Nigerian Interbank Settlement System PLC	**105**	105	**-**	-
	Other investments	**29**	29	**-**	-
	Total investment in unlisted equity investment	**1,853**	1,818	**-**	-
	Impairment allowance (note 11.3)	**(1,072)**	(1,072)	**-**	-
		781	746	**-**	-

Notes to the consolidated and separate annual financial statements (continued)
For the year ended 31 December 2015

	Group		Company	
	31 Dec. 2015 N million	31 Dec. 2014 N million	**31 Dec. 2015 N million**	31 Dec. 2014 N million
11.3 Impairment provision on unlisted equity investments				
At start of period	**1,072**	1,023	**-**	-
Additions	**-**	49	**-**	-
	1,072	1,072	**-**	-
11.4 Asset classified as held for sale				
Unquoted equity investment	**262**	-	**-**	**-**
	262	-	**-**	**-**

(i) The banking entity has been mandated to dispose its equity investment in FSDH merchant Bank Limited by the Central Bank of Nigeria (CBN). The group is currently searching for a buyer and expected to dispose the asset within the next 12 months. No impairment loss was recognised on reclassification of the unquoted equity investment as held for sale as at 31 December 2015 as the directors expect that the fair value less costs to sell is higher than the carrying amount.

	Group		Company	
	31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
	N million	N million	**N million**	N million
12 Loans and advances				
12.1 Loans and advances net of impairments				
Loans and advances to banks	**26,782**	8,814	**-**	-
Placements with banks	**26,782**	8,814	**-**	-
Loans and advances to customers	**353,513**	398,604	**-**	-
Gross loans and advances to customers	**379,428**	413,440	**-**	-
Mortgage loans	**9,953**	8,156	**-**	-
Instalment sale and finance leases (note 12.2)	**23,376**	30,377	**-**	-
Card debtors	**1,638**	1,278	**-**	-
Overdrafts and other demand loans	**33,945**	44,431	**-**	-
Medium term loans	**307,186**	326,038	**-**	-
Other loans and advances	**3,330**	3,160	**-**	-
Credit impairments for loans and advances (note 12.3)	**(25,915)**	(14,836)	**-**	-
Specific credit impairments	**(18,691)**	(10,534)	**-**	-
Portfolio credit impairments	**(7,224)**	(4,302)	**-**	-
Net loans and advances	**380,295**	407,418	**-**	-
Comprising:				
Gross loans and advances	**406,210**	422,254	**-**	-
Less: Credit impairments	**(25,915)**	(14,836)	**-**	-
Net loans and advances	**380,295**	407,418	**-**	**-**

Regulatory prudential disclosures on loans and advances have been disclosed under note 6 and credit risk management– prudential guidelines disclosures.

Included in loans and advances to banks is N23,782 million (Dec. 2014: N8,814 million) due from Standard Bank Group. See note 35.3 for details. Of this amount, N2,914 million (2014: N3,290 million) relates to proceed received from SBSA from sale of Finacle software. See note 29.6 for further details. The fund is placed in an escrow account and not available for use by the group on a day to day basis.

Analysis of gross loans and advances by performance

	Group 31 Dec. 2015	Group 31 Dec. 2014	Company 31 Dec. 2015	Company 31 Dec. 2014
Performing loans	**379,174**	404,303	**-**	-
- customers	**352,392**	395,489	**-**	-
- bank	**26,782**	8,814	**-**	-
Non- performing loans	**27,036**	17,951		
- substandard	**3,277**	5,570	**-**	-
- doubtful	**14,520**	7,840	**-**	-
- loss	**9,239**	4,541	**-**	-
Gross loans and advances to customers	**406,210**	422,254	**-**	**-**

Maturity analysis

The maturity analysis is based on the remaining periods to contractual maturity from the period end

	Group 31 Dec. 2015	Group 31 Dec. 2014	Company 31 Dec. 2015	Company 31 Dec. 2014
Redeemable on demand	**29,575**	15,212	**-**	-
Maturing within 1 month	**52,874**	44,209	**-**	-
Maturing after 1 month but within 6 months	**74,814**	91,030	**-**	-
Maturing after 6 months but within 12 months	**21,267**	28,613	**-**	-
Maturing after 12 months	**227,680**	243,190	**-**	-
Gross loans and advances	**406,210**	422,254	**-**	-

	Group		Company	
	31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
	N million	N million	**N million**	N million

12 Loans and advances (continued)

Segmental analysis - industry

	Group 31 Dec. 2015 N million	Group 31 Dec. 2014 N million	Company 31 Dec. 2015 N million	Company 31 Dec. 2014 N million
Agriculture	**23,186**	26,893	**-**	-
Business services	**5,704**	4,511	**-**	-
Communication	**35,693**	42,197	**-**	-
Community, social & personal services	**4**	14,774	**-**	-
Construction & real estate	**25,018**	25,745	**-**	-
Electricity, gas & water supply	**7,421**	12,114	**-**	-
Financial intermediaries & insurance	**33,028**	16,773	**-**	-
Government	**13,978**	2,164	**-**	-
Hotels, restaurants and tourism	**133**	255	**-**	-
Manufacturing	**76,911**	84,476	**-**	-
Mining & quarrying	**67,349**	80,520	**-**	-
Private households	**62,820**	67,272	**-**	-
Transport, storage & distribution	**16,250**	16,696	**-**	-
Wholesale & retail trade	**38,715**	27,864	**-**	-
Gross loans and advances	**406,210**	422,254	-	-

The total exposure to the oil and gas industry of N67,349 million as at 31 December 2015 (Dec 2014: N80,520 million) is included in the mining industry exposure above.

Segmental analysis - geographic area

The following table sets out the distribution of the group's loans and advances by geographic area where the loans are recorded.

	Group 31 Dec. 2015 N million	Group 31 Dec. 2014 N million	Company 31 Dec. 2015 N million	Company 31 Dec. 2014 N million
South South	**19,619**	18,872	**-**	-
South West	**305,188**	338,205	**-**	-
South East	**8,444**	7,409	**-**	-
North West	**24,704**	26,186	**-**	-
North Central	**22,698**	20,489	**-**	-
North East	**1,775**	2,279	**-**	-
Outside Nigeria	**23,782**	8,814	**-**	-
Gross loans and advances	**406,210**	422,254	**-**	-

12.2 Instalment sale and finance leases

Included in gross loans and advances to customers are finance leases as analysed below

	Group 31 Dec. 2015 N million	Group 31 Dec. 2014 N million	Company 31 Dec. 2015 N million	Company 31 Dec. 2014 N million
Gross investment in instalment sale and finance leases	**30,295**	37,094	**-**	-
Receivable within 1 year	**4,008**	7,022	**-**	-
Receivable after 1 year but within 5 years	**26,281**	30,064	**-**	-
Receivable after 5 years	**6**	8	**-**	-
Unearned finance charges deducted	**(6,919)**	(6,716)		
Net investment in instalment sale and finance leases	**23,376**	30,377	**-**	-
Receivable within 1 year	**3,869**	5,658	**-**	-
Receivable after 1 year but within 5 years	**19,502**	24,713	**-**	-
Receivable after 5 years	**5**	6	**-**	-

All loans and advances to customers are held at amortised cost.

12.3 Credit impairments for loans and advances

A reconciliation of the allowance for impairment losses for loans and advances, by class:

Group	Mortgage lending N million	Instalment sale and finance leases N million	Card debtors N million	Other loans and advances N million	Corporate loans N million	Total N million
31 December 2015						
Specific impairments						
Balance at beginning of the year	**252**	**1,458**	**96**	**5,000**	**3,728**	**10,534**
Net impairments raised	**214**	**2,186**	**79**	**4,314**	**5,399**	**12,192**
Impaired accounts written off	**(37)**	**(197)**	**(37)**	**(2,225)**	**(1,539)**	**(4,035)**
Balance at end of the year	**429**	**3,447**	**138**	**7,089**	**7,588**	**18,691**
Portfolio impairments						
Balance at beginning of the year	**126**	**332**	**22**	**1,790**	**2,032**	**4,302**
Net impairments raised /(released)	**(14)**	**164**	**(3)**	**(29)**	**2,804**	**2,922**
Balance at end of the year	**112**	**496**	**19**	**1,761**	**4,836**	**7,224**
Total	**541**	**3,943**	**157**	**8,850**	**12,424**	**25,915**

Group	Mortgage lending N million	Instalment sales and finance leases N million	Card debtors N million	Other loans and advances N million	Corporate loans N million	Total N million
31 December 2014						
Specific impairments						
Balance at beginning of the year	283	1,341	70	5,183	2,095	8,972
Net impairments raised /(released)	216	330	28	1,893	1,633	4,100
Impaired accounts written off	(247)	(213)	(2)	(2,076)	-	(2,538)
Balance at end of the year	252	1,458	96	5,000	3,728	10,534
Portfolio impairments						
Balance at beginning of the year	83	445	3	1,198	2,858	4,587
Net impairments (released)/ raised	43	(113)	19	592	(826)	(285)
Balance at end of the year	126	332	22	1,790	2,032	4,302
Total	378	1,790	118	6,790	5,760	14,836

12.3 Credit impairments for loans and advances (continued)

Segmental analysis of non performing loans and specific impairments - industry

The following table sets out the segment analysis of the group non performing loans and impairment by industry.

	Non-performing loans		Specific impairments	
	31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
Group	**N million**	N million	**N million**	N million
Agriculture	**952**	402	**520**	264
Business services	**882**	432	**562**	227
Communication	**2,678**	2,599	**1,293**	945
Community, social & personal services	**-**	1,304	**-**	490
Construction & real estate	**121**	1,914	**71**	1,101
Electricity, gas & water supply	**7,421**	3,214	**4,570**	1,217
Hotels, restaurants and tourism	**-**	5		5
Manufacturing	**46**	1,419	**28**	1,416
Mining & quarrying	**3,954**	848	**3,651**	600
Private households	**3,947**	2,517	**3,126**	1,885
Transport, storage & distribution	**4,156**	1,756	**2,891**	1,177
Wholesale & retail Trade	**2,879**	1,541	**1,979**	1,207
	27,036	17,951	**18,691**	10,534

Segmental analysis of non performing loans and specific impairment - geographic area

The following table sets out the distribution of the group's impairments by geographic area where the loans are recorded.

	Non-performing loans		Specific impairments	
	31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
	N million	N million	**N million**	N million
South South	**2,436**	954	**1,977**	602
South West	**18,773**	12,976	**13,479**	8,189
South East	**423**	372	**313**	281
North West	**1,952**	584	**1,178**	430
North Central	**3,352**	3,004	**1,661**	987
North East	**100**	61	**83**	45
	27,036	17,951	**18,691**	10,534

			Group		Company	
			31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
			N million	N million	**N million**	N million
13	**Equity investment in subsidiaries**					
	Stanbic IBTC Ventures Limited	100%	**-**	-	**500**	500
	Stanbic IBTC Bank PLC	100%	**-**	-	**63,467**	63,467
	Stanbic IBTC Capital Limited	100%	**-**	-	**3,500**	3,500
	Stanbic IBTC Asset Management Limited	100%	**-**	-	**710**	710
	Stanbic IBTC Pension Managers Limited	70.59%	**-**	-	**565**	565
	Stanbic IBTC Trustees Limited	100%	**-**	-	**300**	300
	Stanbic IBTC Insurance Brokers Limited	100%	**-**	-	**20**	-
	Stanbic IBTC Investments Limited	100%	**-**	-	**20**	-
	Stanbic IBTC Stockbrokers Limited	100%	**-**	-	**109**	109
			-	-	**69,191**	69,151

13 Equity investment in subsidiaries (continued)

13.1 List of significant subsidiaries

The table below provides details of the significant subsidiaries of the group.

Subsidiaries	Country of Incorporation	Nature of business	Perentage holdings	Financial year end
Stanbic IBTC Ventures Limited	Nigeria	Undertakes venture capital projects	100%	31 December
Stanbic IBTC Bank PLC	Nigeria	Provision of banking and related financial services	100%	31 December
Stanbic IBTC Capital Limited	Nigeria	Provision of general corporate finance and debt advisory services	100%	31 December
Stanbic IBTC Asset Management Limited	Nigeria	Acting as an investment manager, portfolio manager and as a promoter of unit trust and funds	100%	31 December
Stanbic IBTC Pension Managers Limited	Nigeria	Administration and management of pension fund assets	70.59%	31 December
Stanbic IBTC Trustees Limited	Nigeria	Acting as executors and trustees of wills and trusts and provision of agency services	100%	31 December
Stanbic IBTC Stockbrokers Limited	Nigeria	Provision of stockbroking services	100%	31 December
Stanbic IBTC Insurance Brokers Limited	Nigeria	Provision of insurance brokerage services	100%	31 December
Stanbic IBTC Investments Limited	Nigeria	Undertake private equity investments	100%	31 December

13.2 Significant restrictions

The group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the regulatory frameworks within which the subsidiaries operate.

The regulatory frameworks require all the subsidiaries (except Stanbic IBTC Ventures Ltd and Stanbic IBTC Investments Ltd) to maintain certain level of regulatory capital. In addition, the banking subsidiary (Stanbic IBTC Bank PLC) is required to keep certain levels of liquid assets, limit exposures to other parts of the group and comply with other ratios.

For information on assets, liabilities and earnings of the subsidiaries, see Note 13.4.

13.3 Non-controlling interests (NCI) in subsidiaries

The following table summarises the information relating to the group subsidiary that has material NCI.

Stanbic IBTC Pension Managers Limited

	31 Dec. 2015	31 Dec. 2014
NCI percentage	29.41%	29.41%
	N million	N million
Total assets	25,848	22,212
Total liabilities	(8,029)	(7,854)
Net assets	17,819	14,358
Carrying amount of NCI	5,241	4,223

	31 Dec. 2015	31 Dec. 2014
Revenue	23,472	19,832
Profit	11,536	9,424
Profit allocated to NCI	3,393	2,772
Cash flows from operating activities	11,547	11,547
Cash flows from investing activities	7,718	(669)
Cash flow from financing activities, before dividends to NCI	(5,788)	(4,518)
Cash flow from financing activities - cash dividends to NCI	(2,412)	(1,882)
Net increase in cash and cash equivalents	11,065	4,478

13.4 Summary financial information of the consolidated entities

	Stanbic IBTC Holdings PLC Company	Stanbic IBTC Bank PLC	Stanbic IBTC Capital Ltd	Stanbic IBTC Pension Mgrs Ltd	Stanbic IBTC Asset Mgt Ltd	Stanbic IBTC Ventures Ltd	Stanbic IBTC Trustees Ltd	Stanbic IBTC Insurance Brokers Ltd	Stanbic IBTC Investments Ltd	Stanbic IBTC Stockbrokers Ltd	Consoli-dations / Elimina-tions	Stanbic IBTC Holdings PLC Group
Income statement												
Net interest income	14	40,080	472	2,342	452	133	68	2	-	297	-	**43,860**
Non interest revenue	10,973	28,927	3,048	21,130	2,411	150	235	12	-	1,087	(11,185)	**56,788**
Total income	**10,987**	**69,007**	**3,520**	**23,472**	**2,863**	**283**	**303**	**14**	**-**	**1,384**	**(11,185)**	**100,648**
Staff costs	(429)	(19,065)	(1,004)	(2,870)	(1,019)	-	(126)	(22)	-	(290)	-	**(24,825)**
Operating expenses	(659)	(30,532)	(2,185)	(3,805)	(622)	(187)	(52)	(14)	-	(224)	1,039	**(37,241)**
Credit impairment charges	-	(14,931)	-	-	-	-	-	-	-	-	-	**(14,931)**
Total expenses	**(1,088)**	**(64,528)**	**(3,189)**	**(6,675)**	**(1,641)**	**(187)**	**(178)**	**(36)**	**-**	**(514)**	**1,039**	**(76,997)**
Profit before tax	9,899	4,479	331	16,797	1,222	96	125	(22)	-	870	(10,146)	**23,651**
Tax	(28)	1,753	(557)	(5,261)	(405)	(20)	(35)	7	-	(214)	-	**(4,760)**
Profit for the year	**9,871**	**6,232**	**(226)**	**11,536**	**817**	**76**	**90**	**(15)**	**-**	**656**	**(10,146)**	**18,891**
For the year ended 31 December 2014	13,136	21,851	1,386	9,424	820	154	66	-	-	1,058	(13,436)	**34,459**
Assets:												
Cash and cash equivalents	8	193,945	5,235	14,906	127	43	8	1	20	873	(3,685)	**211,481**
Derivative assets	-	911	-	-	-	-	-	-	-	-	-	**911**
Trading assets	-	36,590	1,363	-	-	-	-	-	-	3	-	**37,956**
Pledged assets	-	86,570	-	-	-	-	-	-	-	-	-	**86,570**
Financial investments	658	145,485	1,216	7,072	3,549	2,514	545	4	100	1,965	(413)	**162,695**
Asset held for sale	-	262										**262**
Loans and advances to banks	-	26,782	-	-	-	-	-	-	-	-	-	**26,782**
Loans and advances to customers	-	353,513	-	-	-	-	-	-	-	-	-	**353,513**
Deferred tax assets	555	7,329	325	55	43	-	9	7	-	19	-	**8,342**
Equity investment in group companies	69,191	-	-	-	-	-	-	-	-	-	(69,191)	**-**
Other assets	2,996	17,202	899	3,061	775	-	28	6	-	71	(1,297)	**23,741**
Property and equipment	2,494	21,991	11	754	54	-	1	1	-	5	-	**25,311**
Total assets	**75,902**	**890,580**	**9,049**	**25,848**	**4,548**	**2,557**	**591**	**19**	**120**	**2,936**	**(74,586)**	**937,564**
At 31 December 2014	75,671	908,429	8,224	22,212	4,435	2,382	484	-	-	3,857	(83,775)	941,919

13.4 Summarised financialinformation of the consolidated entities (continued)

	Stanbic IBTC Holdings PLC Company	Stanbic IBTC Bank PLC	Stanbic IBTC Capital Ltd	Stanbic IBTC Pension Mgrs Ltd	Stanbic IBTC Asset Mgt Ltd	Stanbic IBTC Ventures Ltd	Stanbic IBTC Trustees Ltd	Stanbic IBTC Insurance Brokers Ltd	Stanbic IBTC Investments Ltd	Stanbic IBTC Stockbrokers Ltd	Consoli-dations / Elimina - tions	Stanbic IBTC Holdings PLC Group
Liabilities and equity:												
Derivative liabilities	-	383	-	-	-	-	-	-	-	-	-	**383**
Trading liabilities	-	24,101	-	-	-	-	-	-	-	-	-	**24,101**
Deposits from banks	-	95,446	-	-	-	-	-	-	-	-	-	**95,446**
Deposits from customers	-	497,580	-	-	-	-	-	-	-	-	(4,067)	**493,513**
Other borrowings	-	81,107	-	-	-	-	-	-	-	-	-	**81,107**
Subordinated debt	-	23,699	-	-	-	-	-	-	-	-	-	**23,699**
Current tax liabilities	60	1,883	670	5,272	412	144	37	-	-	249	-	**8,727**
Deferred tax liabilities	-	-	-	-	-	120	-	-	-	-	-	**120**
Provisions and other liabilities	3,482	71,464	3,563	2,757	733	7	89	15	100	1,058	(1,767)	**81,501**
Equity and reserves	72,360	94,917	4,816	17,819	3,403	2,286	465	4	20	1,629	(68,752)	**128,967**
Total liabilities and equity	**75,902**	**890,580**	**9,049**	**25,848**	**4,548**	**2,557**	**591**	**19**	**120**	**2,936**	**(74,586)**	**937,564**
At 31 December 2014	75,671	908,429	8,224	22,212	4,435	2,382	484	-	-	3,857	(83,775)	941,919

14 Involvement with unconsolidated investment funds

The table below describes the types of investment funds that the group does not consolidate but in which it holds an interest.

Type of Investment funds	Nature and purpose	Interest held by the group
Mutual funds	To generate fees from managing assets on behalf of third party investors.	Investments in units issued by the funds
	These vehicles are financed through the issue of units to investors.	Management fees

The table below sets out an analysis of the investment funds managed by the group, their assets under management, and the carrying amounts of interests held by the group in the investment funds. The maximum exposure to loss is the carrying amount of the interest held by the group.

S/N	Investment fund	Asset under management		Interest held by the group	
		31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
		N million	N million	**N million**	N million
i	Stanbic IBTC Nigerian Equity Fund	**7,748**	9,481	**176**	213
ii	Stanbic IBTC Ethical Fund	**1,820**	2,115	**217**	246
iii	Stanbic IBTC Iman Fund	**141**	145	**3**	-
iv	Stanbic IBTC Guaranteed Investment Fund	**2,310**	2,108	**-**	-
v	Stanbic IBTC Money Market Fund	**61,352**	28,798	**10,659**	3,766
vi	Stanbic IBTC Bond Fund	**964**	1,027	**203**	127
vii	Stanbic IBTC Balanced Fund	**887**	1,084	**-**	-
viii	Stanbic IBTC Aggressive Fund	**276**	366	**10**	-
ix	Stanbic IBTC Conservative Fund	**543**	724	**27**	-
x	Stanbic IBTC Absolute Fund	**4,841**	1,611	**80**	-
xi	Stanbic IBTC Exchange Traded Fund	**978**	-	**41**	-
Total		**81,860**	**47,459**	**11,416**	4,352

The interest held by the group is presented under financial investments in the statement of financial position. See note 11.

15 Other assets

	Group		Company	
	31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
	N million	N million	**N million**	N million
Trading settlement assets	**5,541**	4,217	**-**	-
Due from group companies (see note 35.3)	**978**	432	**1,433**	1,989
Accrued income	**238**	683	**-**	-
Indirect / withholding tax receivables	**741**	1,017	**114**	73
Accounts receivable	**9,152**	10,497	**72**	196
Receivable in respect of unclaimed dividends (see note 15.1 below)	**1,051**	-	**1,051**	-
Prepayments	**6,931**	6,092	**-**	400
Other debtors	**710**	820	**376**	-
	25,342	23,758	**3,046**	2,658
Impairment allowance on doubtful receivables	**(1,601)**	(2,048)	**(50)**	(117)
	23,741	**21,710**	**2,996**	2,541
Current	**15,018**	14,601	**1,831**	2,068
Non-current	**8,723**	7,109	**1,165**	473
	23,741	**21,710**	**2,996**	2,541

15.1 Amount represents receivable from the company's registrar in respect of unclaimed dividends and forms part of the assets held against unclaimed dividend liabilities as disclosed in note 25. This is in accordance with new Securities and Exchange Commission (SEC) directives requiring transfer of unclaimed dividends previously held by the registrars to the company.

15 Other assets (continued)

Movement in provision for doubtful receivables	Group		Company	
	31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
	N million	N million	**N million**	N million
At start of year	**2,048**	1,396	**117**	15
Additions / (write back)	**982**	652	**449**	102
Amount written off	**(1,429)**	-	**(516)**	-
At end of year	**1,601**	2,048	**50**	117

16 Deferred tax assets

	Group		Company	
	31 Dec. 2015	31 Dec. 2014 Restated*	**31 Dec. 2015**	31 Dec. 2014
	N million	N million	**N million**	N million
Deferred tax assets (note 16.1)	**8,342**	5,737	**-** **555**	- 484
	8,342	5,737	**555**	484

*See note 40.1

Deferred tax asset amounting to N2,963 million arising from unutilised tax losses has not been recognised as at 31 December 2015 (2014: Nil), as it is not probable that future taxable profit will be available against which the group can use the benefits therefrom. The Untilised tax losses can be carried forward indefinitely.

16.1 Deferred tax analysis	**N million**	N million	**N million**	N million
Deferred tax liabilities	**(120)**	(111)	**-**	-
Deferred tax asset	**8,342**	5,737	**555**	484
Deferred tax closing balance	**8,222**	5,626	**555**	484

16.2 Deferred tax analysis by source	**N million**	N million	**N million**	N million
Credit impairment charges	**2,167**	1,291	**-**	-
Property and equipment	**3,981**	2,740	**190**	66
Fair value adjustments on financial instruments	**(234)**	(762)	**-**	-
Unutilised losses	**334**	354	**172**	112
Provision for employee bonus & share incentive	**1,974**	2,003	**193**	306
Deferred tax closing balance	**8,222**	5,626	**555**	484

16.3 Deferred tax reconciliation	**N million**	N million	**N million**	N million
Deferred tax at beginning of the year	**5,626**	5,803	**484**	**118**
Originating/(reversing) temporary differences for the year:	**2,610**	(227)	**71**	366
Credit impairment charges	**876**	(85)	-	-
Property and equipment	**1,241**	(1,098)	**124**	53
Fair value adjustments on financial instruments	**542**	(544)	**-**	-
Unutilised losses	**(20)**	16	**60**	112
Provision for employee bonus & share incentive	**(29)**	1,484	**(113)**	201
Fair value adjustments on financial instruments- Available for sale	**(14)**	50	**-**	-
Deferred tax at end of the year	**8,222**	5,626	**555**	484

17 Property and equipment

Group	Leasehold improvements and building N million	Land N million	Motor vehicles N million	Furniture, fittings & equipment N million	Computer equipment N million	Work in progress N million	Total N million
17.1 Cost							
Balance at 1 January 2015	**19,978**	**753**	**460**	**9,160**	**10,494**	**3,872**	**44,717**
Additions	**188**	**46**	**144**	**1,227**	**2,306**	**1,087**	**4,998**
Disposals/ expensed	**-**	**-**	**(78)**	**(232)**	**(375)**	**(108)**	**(793)**
Transfers/ reclassifications	**127**	**174**	**-**	**222**	**904**	**(1,427)**	**-**
Balance at 31 December 2015	**20,293**	**973**	**526**	**10,377**	**13,329**	**3,424**	**48,922**
Balance at 1 January 2014	19,166	753	421	8,611	9,261	4,287	42,499
Additions	698	-	87	591	594	1,413	3,383
Disposals	(19)	-	(48)	(216)	(229)	(653)	(1,165)
Transfers/ reclassifications	133	-	-	174	868	(1,175)	-
Balance at 31 December 2014	19,978	753	460	9,160	10,494	3,872	44,717
17.2 Accumulated depreciation							
Balance at 1 January 2015	**5,818**	**-**	**305**	**7,481**	**7,109**	**-**	**20,713**
Charge for the year	**1,026**	**-**	**73**	**726**	**1,654**		**3,479**
Disposals	**-**	**-**	**(66)**	**(181)**	**(334)**		**(581)**
Transfers/ reclassifications	**-**	**-**	**-**	**50**	**(50)**		**-**
Balance at 31 December 2015	**6,844**	**-**	**312**	**8,076**	**8,379**	**-**	**23,611**
Balance at 1 January 2014	5,099	-	285	6,481	5,646	-	17,511
Charge for the year	730	-	68	1,167	1,535	-	3,500
Disposals	(14)	-	(48)	(164)	(72)	-	(298)
Transfers/ reclassifications	3	-	-	(3)	-	-	-
Balance at 31 December 2014	5,818	-	305	7,481	7,109	-	20,713
Net book value:							
31 December 2015	**13,449**	**973**	**214**	**2,301**	**4,950**	**3,424**	**25,311**
31 December 2014	14,160	753	155	1,679	3,385	3,872	24,004

There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (2014: Nil).

17 Property and equipment (continued)

Company	Leasehold improvements and building N million	Motor vehicles N million	Furniture, fittings & equipment N million	Computer equipment N million	Work in progress N million	Total N million
17.1 Cost						
Balance at 1 January 2015	**-**	**-**	**135**	**735**	**1,954**	**2,824**
Additions	**-**	**-**	**40**	**57**	**-**	**97**
Disposals/ expensed	**-**	**-**	**(46)**	**-**	**(20)**	**(66)**
Transfers/ reclassifications	**-**	**-**	**-**	**34**	**(34)**	**-**
Balance at 31 December 2015	**-**	**-**	**129**	**826**	**1,900**	**2,855**
Balance at 1 January 2014	-	-	32	521	2,044	2,597
Additions	-	-	116	155	9	280
Disposals	-	-	(14)	-	(39)	(53)
Transfers/ reclassifications	-	-	1	59	(60)	-
Balance at 31 December 2014	-	-	135	735	1,954	2,824
17.2 Accumulated depreciation						
Balance at 1 January 2015	**-**	**-**	**23**	**148**	**-**	**171**
Charge for the year	**-**	**-**	**28**	**167**	**-**	**195**
Disposals/ expensed	**-**	**-**	**(5)**	**-**	**-**	**(5)**
Transfers/ reclassifications	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2015	**-**	**-**	**46**	**315**		**361**
Balance at 1 January 2014	-	-	3	22	-	25
Charge for the year	**-**	**-**	20	126	-	146
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Impairments	**-**	**-**	**-**	**-**	**-**	**-**
Transfers/ reclassifications	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2014	-	-	23	148	-	171
Net book value:						
31 December 2015	**-**	**-**	**83**	**511**	**1,900**	**2,494**
31 December 2014	-	-	112	587	1,954	2,653

		Group		Company	
		31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
		N million	N million	**N million**	N million
18	**Share capital and reserves**				
18.1	**Authorised**				
	13,000,000,000 Ordinary shares of 50k each (Dec 2014: 10,000,000,000 Ordinary shares of 50k each)	**6,500**	5,000	**6,500**	6,500
18.2	**Issued and fully paid-up**				
	10,000,000,000 Ordinary shares of 50k each (Dec 2014: 10,000,000,000 Ordinary shares of 50k each)	**5,000**	5,000	**5,000**	5,000
	Ordinary share premium	**65,450**	65,450	**65,450**	65,450

During the period, the company increase its authorised share capital to 13 billion ordinary shares of 50k each.

All issued shares are fully paid up. Details of directors' interest in shares, the shareholder spread and major shareholders are given in the directors' report on page ii and iii of this annual report.

18.3 Reserves

a) Merger reserve

Merger reserve arose as a result of the implementation of the holding company restructuring. It represents the difference between pre-restructuring share premium/share capital and the post-restructuring share premium/share capital.

b) Other regulatory reserves

The other regulatory reserves includes statutory reserve and the small and medium scale industries reserve (SMEEIS) as described below.

(i) Statutory reserves

Nigerian banking and pension industry regulations require the Stanbic IBTC Bank PLC ("the bank") and Stanbic IBTC Pension Managers Ltd ("SIPML) that are subsidiary entities, to make an annual appropriation to a statutory reserve.

As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. The bank (a subsidiary) transferred 15% of its profit after tax to statutory reserves as at year end.

Section 69 of Pension Reform Act, 2004 requires SIPML to transfer 12.5% of its profit after tax to a statutory reserve.

(ii) Small and medium scale industries reserve (SMEEIS)

The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable. No transfer was made into the small and medium scale idustries reserve for the year (2014: Nil).

c) Available for sale reserve

This represents unrealised gains or losses arising from changes in the fair value of available-for-sale financial assets which are recognised directly in the available-for-sale reserve until the financial asset is derecognised or impaired.

18.3 Reserves (continued)

d) Statutory credit risk reserve

Should credit impairment on loans and advances as accounted for under IFRS using the incurred loss model differ from the Prudential Guidelines set by the Central Bank of Nigeria the following adjustment is required.

(i) If the Prudential Provision is greater than IFRS provisions; transfer the difference from the general reserve to a non-distributable regulatory reserve (statutory credit reserve).

(ii) If the Prudential Provision is less than IFRS provisions; the excess charges resulting should be transferred from the regulatory reserve account to the general reserve to the extent of the non-distributable reserve previously recognized.

Analysis of the statutory credit risk reserve is disclosed under note 6.1.

e) Share based payment reserve

This represents obligations under the equity settled portion of the group's share incentive scheme which enables key management personnel and senior employees to benefit from the performance of Stanbic IBTC Holdings Plc and its subsidiaries.

19 Dividend

The directors recommend the payment of a final dividend of 5k per share (Dec 2014: 15k). Withholding tax is deducted at the time of payment.

20 Deposit and current accounts

	Group		Company	
	31 Dec. 2015 N million	31 Dec. 2014 N million	**31 Dec. 2015 N million**	31 Dec. 2014 N million
Deposits from banks	**95,446**	59,121	**-**	-
Deposits under repurchase agreements	**40,460**	-	**-**	-
Other deposits from banks	**54,986**	59,121	**-**	
Deposits from customers	**493,513**	494,935	**-**	-
Current accounts	**188,148**	219,264	**-**	-
Call deposits	**38,192**	42,678	**-**	-
Savings accounts	**27,301**	21,451	**-**	-
Term deposits	**192,646**	191,540	**-**	-
Negotiable certificate of deposits	**47,226**	20,002	**-**	-
Total deposits and current accounts	**588,959**	554,056	**-**	-

Included in deposits from banks is N71,115 million (Dec 2014: N19,233 million) due to Standard Bank Group. See note 35.3.

Maturity analysis

The maturity analysis is based on the remaining periods to contractual maturity from period end.

Repayable on demand	**279,280**	328,918	**-**	-
Maturing within 1 month	**126,217**	91,858	**-**	-
Maturing after 1 month but within 6 months	**120,882**	96,710	**-**	-
Maturing after 6 months but within 12 months	**62,545**	36,541	**-**	-
Maturing after 12 months	**35**	29	**-**	-
Total deposits and current accounts	**588,959**	554,056	**-**	-

20 Deposit and current accounts (continued)

Segmental analysis - geographic area

The following table sets out the distribution of the group's deposit and current accounts by geographic area.

Group	31 Dec. 2015		31 Dec. 2014	
	%	N million	%	N million
South South	6%	32,921	6	33,423
South West	66%	390,574	69	384,403
South East	2%	9,527	2	8,794
North West	3%	19,472	5	27,577
North Central	6%	36,807	7	37,712
North East	1%	4,212	1	4,372
Outside Nigeria	16%	95,446	10	57,775
Total deposits and current accounts	100%	588,959	100	554,056

21 Other borrowings

	Group		Company	
	31 Dec. 2015 N million	31 Dec. 2014 N million	31 Dec. 2015 N million	31 Dec. 2014 N million
On-lending borrowings	60,808	70,151	-	-
FMO - Netherland Development Finance Company (see (i) below)	8,907	1,372	-	-
European Investment Bank (see (ii) below)	-	2,074	-	-
Bank of Industry (see (iii) below)	5,337	5,962	-	-
Standard Bank Isle of Man (see (iv) below & note 35.3)	37,229	48,229	-	-
CBN Commercial Agricultural Credit Scheme (see (v) below)	9,335	12,514	-	-
Other debt funding	20,299	-	-	-
Debt funding from banks (see (vi) below)	20,299	-		
Other borrowings	81,107	70,151	-	-

The terms and conditions of other borrowings are as follows:

On-lending borrowings are funding obtained from Development Financial Institutions and banks which are simultaneously lent to loan customers. The group bears the credit risk on the loans granted to customers and are under obligation to repay the lenders. Specific terms of funding are provided below.

i. The bank, a subsidiary company, obtained a new on-lending dollar denominated loan of US$45 million from Netherland Development Finance Company (FMO) during the year after the expiry of the former US$75m facility which was fully repaid on 15 January 2015. The new US$45 million facility was effective from 08 April 2015 and expires on 20 December 2019. Repayment of principal will be made in seven equal instalments commencing from 20 December 2016 up till maturity. Interest is payable semi-annually at 6-month LIBOR plus 3.50%

ii. The outstanding balance of the dollar denominated facility from European Investment Bank with original maturity of 14 December 2018 was prepaid during the period as the beneficiary customer prepaid the loan owed to the group.

iii. The bank obtained a Central Bank of Nigeria (CBN) initiated on-lending naira facility from Bank of Industry in September 2010 at a fixed rate of 1% per annum on a tenor based on agreement with individual beneficiary customer. Disbursement of these funds are represented in loans and advances to customers.

iv. The bank obtained dollar denominated long term on-lending facilities with floating rates tied to LIBOR from Standard Bank Isle of Man with average tenor of 5 years. The dollar value of the facility as at 31 December 2015 was US$187 million (2014: USD$264 million).

v. The bank obtained an interest free loan from the Central Bank of Nigeria (CBN) for the purpose of on - lending to customers under the Commercial Agricultural Credit Scheme (CACS). The tenor is also based on agreement with individual beneficiary customer. Disbursement of these funds are represented in loans and advances to customers. Based on the structure of the facility, the bank assumes default risk of amount lent to its customers.

vi. Other debt funding relates to a dollar-denominated facility of US$103 million obtained from a consortium of foreign banks effective 24 November 2015. The facility expires on 24 November 2016 and is repayable at maturity. Interest on the facility is payable quarterly at 3-month LIBOR (London Interbank Offered Rate) plus 2.25%.

21 Other borrowings (continued)

vii The group has not had any default of principal, interest or any other breaches with respect to its debt securities during the year ended 31 December 2015 (2014: Nil)

Maturity analysis

The maturity analysis is based on the remaining periods to contractual maturity from period end.

	Group		Company	
	31 Dec. 2015 N million	31 Dec. 2014 N million	**31 Dec. 2015 N million**	31 Dec. 2014 N million
Repayable on demand	**134**	-	**-**	-
Maturing within 1 month	**750**	9,733	**-**	-
Maturing after 1 month but within 6 months	**9,566**	2,615	**-**	-
Maturing after 6 months but within 12 months	**23,350**	1,118	**-**	-
Maturing after 12 months	**47,307**	56,685	**-**	-
	81,107	70,151	**-**	-

Movement in other borrowings

At start of year	**70,151**	48,764	**-**	-
Additions	**30,734**	31,244	**-**	-
Effect of exchange rate changes [loss/(profit)]	**1,963**	2,186		
Payments made	**(21,741)**	(12,043)	**-**	-
At end of year	**81,107**	70,151	**-**	-

22 Subordinated debt

	Group		Company	
	31 Dec. 2015 N million	31 Dec. 2014 N million	**31 Dec. 2015 N million**	31 Dec. 2014 N million
Subordinated fixed rate notes- Naira (see (i) below)	**15,594**	15,575	**-**	-
Subordinated floating rate notes -Naira (see (ii) below)	**104**	103	**-**	-
Subordinated debt - US dollar (see (iii) below)	**8,001**	7,295	**-**	-
	23,699	**22,973**	**-**	-

The terms and conditions of subordinated debt are as follows:

(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$40 million 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%. See note 35.3.

The group has not had any default of principal, interest or any other breaches with respect to its debt securities during the year ended 31 December 2015 (2014: Nil)

Movement in subordinated debt	Group		Company	
	31 Dec. 2015 N million	**31 Dec. 2014** N million	**31 Dec. 2015 N million**	**31 Dec. 2014** N million
At start of year	**22,973**	6,399	**-**	-
Additions	**-**	15,540	**-**	-
Accrued interest	**23**	143	**-**	-
Effect of exchange rate changes [loss/(profit)]	**703**	891	**-**	-
Payments made	**-**	-	**-**	-
At end of year	**23,699**	22,973	**-**	-

23 Current tax asets and liabilities

	Group		Company	
	31 Dec. 2015	31 Dec. 2014 Restated	31 Dec. 2015	31 Dec. 2014
	N million	N million	N million	N million
23.1 Current tax liabilities	**8,727**	9,847	**60**	129
	8,727	9,847	**60**	129

23.1.1 Reconciliation of current tax liabilities

	N million	N million	N million	N million
Current tax liabilities at beginning of the year	**9,847**	7,681	**129**	2
Movement for the period	**(1,120)**	2,166	**(69)**	127
Charge for the period	**7,370**	8,841	**99**	128
Over / (under) provision - prior period	**16**	(74)	**1**	(1)
Payment made	**(8,506)**	(6,601)	**(169)**	-
Current tax liabilities at end of the year	**8,727**	9,847	**60**	129

24 Provisions

31 December 2015	Legal	Taxes & levies	Restructuring	Penalties & fines	Total
	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**
Current	-	-	-	1,000	1,000
Non-current	8,043	984			9,027
	8,043	**984**	**-**	**1,000**	**10,027**

31 December 2014	Legal	Taxes & levies	Restructuring	Penalties & fines	Total
	N million	N million	N million	N million	N million
Balance at 1 January 2014	2,258	80	-	-	2,338
Provisions made during the year	811	600	1,300	-	2,711
Reclassification	(48)	48	-	-	-
Provisions used during the year	(43)	(39)	-	-	(82)
Provisions reversed during the year	-	-	-	-	-
Balance at 31 December 2014	**2,978**	**689**	**1,300**	**-**	**4,967**
Current	-	-	1,300	-	1,300
Non-current	2,978	689			3,667
	2,978	**689**	**1,300**	**-**	**4,967**

(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. See note 29.4 for further details.

(b) Taxes & levies

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

(c) Restructuring

Provisions for restructuring relate to employee termination benefits and contracts termination costs emanating from planned restructuring of retail banking business in 2014.

(d) Penalties & fines

Provision for penalties and fines relates to penalty imposed by the Financial Reporting Council of Nigeria on the group. See note 29.5 for further details.

25	**Other liabilities**	**Group**		**Company**	
		31 Dec. 2015	31 Dec. 2014 Restated*	**31 Dec. 2015**	31 Dec. 2014
		N million	N million	**N million**	N million
25.1	**Summary**				
	Trading settlement liabilities	**3,672**	540	**-**	-
	Cash-settled share-based payment liability (note 30.11)	**930**	1,819	**120**	151
	Accrued expenses - staff	**4,137**	3,507	**351**	648
	Deferred revenue	**4,238**	1,364	**-**	-
	Accrued expenses - others	**5,892**	6,063	**1,045**	1,328
	Due to group companies (see note 35.3)	**7,588**	478	**63**	44
	Collections / remmitance payable	**10,511**	9,735	**-**	27
	Customer deposit for letters of credit	**17,203**	4,510	**-**	-
	Liability on refinanced letters of credit	**1,438**	27,675	**-**	-
	Unclaimed balance	**5,893**	6,832	**-**	-
	Payables to suppliers and asset management clients	**1,468**	2,217	**4**	113
	Draft & bank cheque payable	**1,423**	1,940	**-**	-
	Electronic channels settlement liability	**2,185**	416	**-**	-
	Unclaimed dividends liability (see 25.2 below)	**1,574**	-	**1,574**	-
	Sundry liabilities	**3,322**	4,514	**325**	241
		71,474	71,610	**3,482**	2,552
	*See note 40.1				
	Current	**55,186**	58,962	**1,784**	2,288
	Non-current	**16,288**	12,648	**1,698**	264
		71,474	71,610	**3,482**	2,552

25.2 Amount represents liability in respect of unclaimed dividends as at 31 December 2015. The assets held for the liability are presented in note 11 an note 15. The liability was first recognised in the current period by virtue of a recent directive of the Securities and Exchange Commission (SEC) which requires the registrar to transfer unclaimed dividends to the entity paying the dividends.

26 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 financial liabilities	Total carrying amount	Fair value [1]
		N million	N million	N million	N million	N million	N million
31 December 2015							
Assets							
Cash and cash equivalents	7	**-**	**211,481**	**-**	**-**	**211,481**	**211,481**
Derivative assets	10.6	**911**	**-**	**-**	**-**	**911**	**911**
Trading assets	9.1	**37,956**	**-**	**-**	**-**	**37,956**	**37,956**
Pledged assets	8	**61,496**	**-**	**25,074**	**-**	**86,570**	**86,570**
Financial investments	11	**-**	**-**	**162,695**	**-**	**162,695**	**162,695**
Asset held for sale	11	**-**	**-**	**262**	**-**	**262**	**262**
Loans and advances to banks	12	**-**	**26,782**	**-**	**-**	**26,782**	**26,790**
Loans and advances to customers	12	**-**	**353,513**	**-**	**-**	**353,513**	**333,109**
Other assets (see (a) below)		**-**	**15,831**	**-**	**-**	**15,831**	**15,831**
		100,363	**607,607**	**188,031**	**-**	**896,001**	**875,605**
Liabilities							
Derivative liabilities	10.6	**383**	**-**	**-**	**-**	**383**	**383**
Trading liabilities	9.2	**24,101**	**-**	**-**	**-**	**24,101**	**24,101**
Deposits from banks	20	**-**	**-**	**-**	**95,446**	**95,446**	**96,523**
Deposits from customers	20	**-**	**-**	**-**	**493,513**	**493,513**	**497,194**
Subordinated debt	22	**-**	**-**	**-**	**23,699**	**23,699**	**23,959**
Other borrowings	21	**-**	**-**	**-**	**81,107**	**81,107**	**76,369**
Other liabilities (see (b) below)		**-**	**-**	**-**	**67,236**	**67,236**	**67,236**
		24,484	**-**	**-**	**761,001**	**785,485**	**785,765**

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

(b) Other liabilities presented in the table above comprise financial liabilities only. The following items have been excluded: deferred revenue.

Notes to the consolidated and separate annual financial statements (continued)
For the year ended 31 December 2015

26 Classification of financial instruments (continued)

	Note	Held-for-trading	Loans and receivables	Available-for-sale	Other financial liabilities	Total carrying amount	Fair value [1]
		N million	N million	N million	N million	N million	N million
31 December 2014 (restated*)							
Assets							
Cash and cash equivalents	7	-	143,171	-	-	143,171	143,171
Derivative assets	10.6	4,860	-	-	-	4,860	4,860
Trading assets	9.1	96,345	-	-	-	96,345	96,345
Pledged assets	8	10,164	-	24,008	-	34,172	34,172
Financial investments	11	-	-	204,502	-	204,502	204,502
Loans and advances to banks	12	-	8,814	-	-	8,814	8,821
Loans and advances to customers	12	-	398,604	-	-	398,604	310,946
Other assets (see (a) below)		-	13,918	-	-	13,918	13,918
		111,369	564,507	228,510	-	904,386	816,735
Liabilities							
Derivative liabilities	10.6	2,677	-	-	-	2,677	2,677
Trading liabilities	9.2	85,283	-	-	-	85,283	85,283
Deposits from banks	20	-	-	-	59,121	59,121	59,134
Deposits from customers	20	-	-	-	494,935	494,935	495,906
Subordinated debt	22	-	-	-	22,973	22,973	20,790
Other borrowings	21	-	-	-	70,151	70,151	66,736
Other liabilities (see (b) below)		-	-	-	51,263	51,263	51,263
		87,960	-	-	698,443	786,403	781,789

*see note 40.1

[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.

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

(b) Other liabilities presented in the table above comprise financial liabilities only. The following items have been excluded: deferred revenue.

27 Fair values of financial instruments

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.

27.1 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 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 pricess 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 the credit valuation adjustment (CVA) when market participants take this into consideration in pricing the derivatives.

27 Fair values of financial instruments

27.2 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 independednt 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.

27.3 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. See note 4.4 on accounting policies on fair value.

Group	Note	Carrying amount N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2015						
Assets						
Derivative assets	10.6	911	-	911	-	911
Trading assets	9.1	37,956	37,145	811	-	37,956
Pledged assets	8	86,570	86,570	-	-	86,570
Financial investments	11	162,695	161,914	541	240	162,695
Asset held for sale	11.4	-	-	-	262	262
		288,132	285,629	2,263	502	288,394
Comprising:						
Held-for-trading		100,363	98,641	1,722	-	100,363
Available-for-sale		187,769	186,988	541	502	188,031
		288,132	285,629	2,263	502	288,394
Liabilities						
Derivative liabilities	10.6	383	-	383	-	383
Trading liabilities	9.2	24,101	7,911	16,190	-	24,101
		24,484	7,911	16,573	-	24,484
Comprising:						
Held-for-trading		24,484	7,911	16,573	-	24,484
Designated at fair value		-	-	-	-	-
		24,484	7,911	16,573	-	24,484

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

27 Financial instruments measured at fair value (continued)

27.3 Financial instruments measured at fair value - fair value hierarchy

Group	Note	Carrying amount N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2014 (restated*)						
Assets						
Derivative assets	10.6	4,860	-	4,860	-	4,860
Trading assets	9.1	96,345	26,568	69,777	-	96,345
Pledged assets	8	34,172	34,172	-	-	34,172
Financial investments	11	204,502	201,194	3,144	164	204,502
		339,879	261,934	77,781	164	339,879
Comprising:						
Held-for-trading		101,205	36,732	74,637	-	111,369
Available-for-sale		238,674	225,202	3,144	164	228,510
		339,879	261,934	77,781	164	339,879
Liabilities						
Derivative liabilities	10.6	2,677	-	2,677	-	2,677
Trading liabilities	9.2	85,283	35,632	49,651	-	85,283
		87,960	35,632	52,328	-	87,960
Comprising:						
Held-for-trading		87,960	35,632	52,328	-	87,960
Designated at fair value		-	-	-	-	
		87,960	35,632	52,328	-	87,960

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

27.4 Level 3 fair value measurement

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

Financial investments - unquoted equities	**31 Dec. 2015 N million**	31 Dec. 2014 N million
Balance at 1 January	**164**	213
Unrealised gain/(loss) recognised in other comprehensive income	**338**	(49)
Balance at period end	**502**	164

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

	31 Dec. 2015 N million	31 Dec. 2014 N million
Net change in fair value of available-for-sale financial assets	**338**	(49)

27.4 Level 3 fair value measurement (continued)

(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	Fair value as at 31-Dec-2015 (N million)	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable input
Unquoted equities	502 (2014: 164)	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.

(iii) The effect of unobservable inputs on fair value measurment

The table below indicates the valuation techniques and main assumptions used in the determination of the fair value of the level 3 assets and liabilities measured at fair value on a recurring basis. The table further indicates the effect that a significant change in one or more of the inputs to a reasonably possible alternative assumption would have on profit or loss at the reporting date

	Valuation technique	Significant unobservable input	Variance in fair value measurment	Effect on OCI	
				Favourable Nmillion	Unfavourable Nmillion
2015					
Financial investment - unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	**56**	**(39)**
2014					
Financial investment - unquoted equities	Discounted cash flow	Risk adjusted discount rate	From (2%) to 2%	73	(40)

27.5 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 hierachy into which each fair value measurement is categorised.

Group	Carrying amount	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	**-**	**227,312**	**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**

27.5 Financial instruments not measured at fair value - fair value hierarchy (continued)

Group	Carrying amount N million	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2014 (restated*)					
Assets					
Cash and cash equivalents	143,171	-	143,171	-	143,171
Loans and advances to banks	8,814	-	-	8,821	8,821
Loans and advances to customers	398,604	-	-	310,946	310,946
Other financial assets	13,918	-	13,918	-	13,918
	564,507	-	157,089	319,767	476,856
Liabilities					
Deposits from banks	59,121	-	59,134	-	59,134
Deposits from customers	494,935	-	495,906	-	495,906
Other borrowings	70,151	-	66,736	-	66,736
Subordinated debt	22,973	-	20,790	-	20,790
Other financial liabilities	51,263	-	51,263	-	51,263
	698,443	-	693,829	-	693,829

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.

28.0 Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

IFRS requires financial assets and financial liabilities to be offset and the net amount presented in the statement of financial position when, and only when, the group and company has a current legally enforceable right to set off recognised amounts, as well as the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accordingly, the following table sets out the impact of offset, as well as financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they have been offset in accordance with IFRS.

It should be noted that the information below is not intended to represent the group and company's actual credit exposure, nor will it agree to that presented in the statement of financial position.

28 Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements (continued)

Group	Gross amount of recognised financial assets[1] N million	Gross amounts of recognised financial liabilities offset in the statement of financial position[2] N million	Net amounts of financial assets presented in the statement of financial position N million	Financial instruments, financial collateral and cash collateral[3] N million	Net amount N million
31 December 2015					
Assets					
Derivative assets	364	-	364	(364)	-
Pledged assets	61,496	-	61,496	(40,460)	21,036
	61,860	**-**	**61,860**	**(40,824)**	**21,036**

Group	Gross amount of recognised financial liabilities[1] N million	Gross amounts of recognised financial assets offset in the statement of financial position[2] N million	Net amounts of financial liabilities presented in the statement of financial position N million	Financial instruments, financial collateral and cash collateral[3] N million	Net amount N million
31 December 2015					
Liabilities					
Derivative liabilities	364	-	364	(364)	-
Deposits from banks	40,460	-	40,460	(40,460)	-
	40,824	**-**	**40,824**	**(40,824)**	**-**

[1]Gross amounts are disclosed for recognised assets and liabilities that are either offset in the statement of financial position or subject to a master netting arrangement or a similar agreement, irrespective of whether the offsetting criteria is met.

[2]The amounts that qualify for offset in accordance with the criteria per IFRS.

[3]Related amounts not offset in the statement of financial position that are subject to a master netting arrangement or similar agreement, including financial collateral (whether recognised or unrecognised) and cash collateral.

The table below sets out the nature of agreement and the types of rights relating to items which do not qualify for offset but that are subject to a master netting arrangement or similar agreement.

	Nature of agreement	Related rights
Derivative assets and liabilities	ISDAs	The agreement allows for set off in the event of default
Trading liabilities	Global master repurchase agreements	The agreement allows for set off in the event of default

28 Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements (continued)

Group	Gross amount of recognised financial assets[1] N million	Gross amounts of recognised financial liabilities offset in the statement of financial position[2] N million	Net amounts of financial assets presented in the statement of financial position N million	Financial instruments, financial collateral and cash collateral[3] N million	Net amount N million
31 December 2014					
Assets					
Derivative assets	244	-	244	(244)	-
	10,408	**-**	**10,408**	**(10,408)**	**-**

Group	Gross amount of recognised financial liabilities[1] N million	Gross amounts of recognised financial assets offset in the statement of financial position[2] N million	Net amounts of financial liabilities presented in the statement of financial position N million	Financial instruments, financial collateral and cash collateral[3] N million	Net amount N million
31 December 2014					
Liabilities					
Derivative liabilities	200	-	200	(200)	-
Trading liabilities	9,999	-	9,999	(9,999)	-
	10,199	**-**	**10,199**	**(10,199)**	**-**

[1]Gross amounts are disclosed for recognised assets and liabilities that are either offset in the statement of financial position or subject to a master netting arrangement or a similar agreement, irrespective of whether the offsetting criteria is met.

[2]The amounts that qualify for offset in accordance with the criteria per IFRS.

[3]Related amounts not offset in the statement of financial position that are subject to a master netting arrangement or similar agreement, including financial collateral (whether recognised or unrecognised) and cash collateral.

The table below sets out the nature of agreement and the types of rights relating to items which do not qualify for offset but that are subject to a master netting arrangement or similar agreement.

	Nature of agreement	Related rights
Derivative assets and liabilities	ISDAs	The agreement allows for set off in the event of default
Trading liabilities	Global master repurchase agreements	The agreement allows for set off in the event of default

		Group		Company	
		31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
		N million	N million	**N million**	N million
29	**Contingent liabilities and commitments**				
29.1	**Contingent liabilities**				
	Letters of credit	**19,638**	31,020	**-**	-
	Guarantees	**30,335**	34,543	**-**	-
		49,973	65,563	**-**	-

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.

29.2	**Capital commitments**				
	Contracted capital expenditure	**4,117**	1,202	**-**	**-**
	Capital expenditure authorised but not yet contracted	**1,100**	**-**	**-**	**-**
		5,217	1,202	**-**	-

The expenditure will be funded from the group's internal resources.

29.3 Loan commitments

As at 31 December 2015, the group had loan commitments amounting to N29.9 billion (2014: N17.92 billion) in respect of various loan contracts.

29.4 Legal proceedings

In the ordinary course of business the group is exposed to various actual and potential claims, lawsuits and other proceedings that relate to alleged errors, omissions, breaches. The directors are satisfied, based on present information and the assessed probability of such existing claims crystallising that the group has adequate insurance cover and / or provisions in place to meet such claims.

There were a total of 217 legal proceedings outstanding as at 31 December 2015 (Dec. 2014: 181 cases). 125 of these were against the group with claims amounting to N399.6 billion (31 December 2014: N350 billion), while 92 other cases were instituted by the group with claims amounting to N9 billion (31 December 2014: N7.2 billion).

The claims against the group are generally considered to have a low likelihood of success and the group is actively defending same. Management believes that the ultimate resolution of any of the proceedings will not have a significantly adverse effect on the group. Where the group envisages that there is a more than average chance that a claim against it will succeed, adequate provisions are raised in respect of such claim. See note 24 for details of provisions raised.

29.5 The legal case between Stanbic IBTC Holdings and the Financial Reporting Council

In August 2015 the Trusted Shareholders Association submitted petition to amongst others; Financial Reporting Council of Nigeria (FRC) alleging that the management of Stanbic IBTC Holdings (SIBTC) had entered into unapproved transactions pursuant to which billions of Naira had been remitted to its parent company, Standard Bank of South Africa. The FRC commenced an investigation of these allegations with a particular focus on the sale of Stanbic IBTC Bank's core banking software, franchise fees and operating expenses. The Stanbic IBTC Bank core banking software is a customized software that utilizes the Finacle banking software application (which is a proprietary software of Infosys, an Indian software company) and a number of other components to record process and report on customer transactions and accounts across self - service and assisted banking channels. These other components include electronic banking software, on line data store and a Suntech pricing engine.

29.5 The legal case between Stanbic IBTC Holdings and the Financial Reporting Council (continued)

In October 2015 FRC concluded its investigations and issued a regulatory decision that directed SIBTC to withdraw its 2013 and 2014 financial statements. It also suspended the FRC registrations numbers of SIBTC's Chairman, Chief Executive, former Chief Financial Officer and Audit Committee Chairman as well as the KPMG engagement partner for the audit of the financial years in question. In addition SIBTC was fined N1 billion.

SIBTC instituted a legal action against the FRC and NOTAP which sought the interpretation of certain questions that had a bearing on the FRC's Regulatory Decision. These included an interpretation of the legality of transactions that were effected on the basis of agreements that were subject to the National Office of Technology Acquisition and Promotion (NOTAP) Act but which had not been registered in accordance with that Act. The Federal High Court in a judgment issued on 14 December 2015 was of the view:

(i) That agreements relating to the import into and export from Nigeria of technology require registration with NOTAP and that a failure to effect the required registration renders the relevant agreement illegal, null and void.

(ii) That the sale and purchase agreement between SIBTC and SBSA in relation to the sale of Stanbic IBTC Bank's Core Banking System is illegal, null and void.

(iii) That the software licence agreement between SIBTC and SBSA which granted SIBTC a licence to use the core banking system post its sale to Stanbic IBC was not registered and was therefore illegal, null and void.

(iv) That the FRC had the power to impose a fine of N1 billion on SIBTC.

(v) That as SIBTC was relying on Regulation 21 of the FRC Inspection and Monitoring Guidelines which regulation indicated that the issue of whether an account should be rectified by a revision or by restatement and also specified the procedure for restatement, it could not at the same time complain about Regulation 18 which vested the FRC with powers to impose a fine of the magnitude imposed on SIBTC.

(vi) That the suspension of the registration numbers of directors and officers of SIBTC did not violate the principles of fair hearing even though these officers were not advised of what they did wrong or given an opportunity to explain why disciplinary action should not be taken against them. The Court also felt that these individuals could follow the internal appeal process specified by Section 66(3) of the FRC Act to appeal to the FRC Council against their suspension.

SIBTC filed an appeal against the Federal High Court's judgment. It also obtained an injunction restraining the enforcement of the judgment pending the outcome of the appeal. The FRC filed a cross appeal and an appeal against the injunctive orders issued by the Federal High Court. This appeal has not as yet been heard. See Note 41 for subsequent event on the appeal.
Below is a summary of the two main transactions impacted by the court case.

Franchise and management fee payable

Standard Bank Africa (SBA), a division of The Standard Bank of South Africa (SBSA), has rendered support services and provided access to Intangible Property to SIBTC under a number of formal agreements. The support provided under these agreements include but are not limited to:

- Product and customer management support
- Operations support
- Risk management support
- Credit support
- Marketing and advertising
- Financial services support
- Strategy and planning support
- Human resources support

The fees for the management services provided to SIBTC from 2008 to 2010 were paid on the basis of a NOTAP approval (AG-1280/2/205) received on 7th December, 2009.
In 2010, SIBTC and SBA agreed that, with effect from 2011, SBA would avail its Intangible Property to SIBTC under a franchise arrangement and provide ancillary support services. Although SIBTC made arrangements to register the relevant franchise agreement, such registration was not concluded. In 2014, and following indications that NOTAP was more comfortable with a management fee arrangement, SIBTC and SBA agreed to revert to the former management fee arrangement for the services provided by SBA.

29.5 The legal case between Stanbic IBTC Holdings and the Financial Reporting Council (continued)

In 2015 NOTAP wrote to advise SIBTC that it would no longer approve franchise or management agreements for financial institutions. By the time SIBTC received this communication the total amount claimed by SBA for services provided by SIBTC amounted to N7.8 billion.

See note 40.1 for the impact of the reversal of transactions yet to receive regulatory approval. The reversal is aligned to the new reporting rules issued by the FRC as specified in note 2(f).

Finacle Core Banking software

In 2012, SBSA purchased from Stanbic IBTC Bank PLC its Finacle banking software for a consideration of ZAR 189million which sale was captured in a Sale, Purchase and Assignment Agreement (SPA) submitted to the National Office for Technology Acquisition and Promotion ("NOTAP") for approval in 2013. NOTAP advised the Bank to license the application instead of an outright sale. NOTAP therefore did not approve the Agreement. Subsequently an affiliate software agreement was established with Stanbic IBTC Bank which related to the SBSA licensing back the purchased software to Stanbic IBTC Bank in consideration of the payment of an annual license fee.

On 27 December 2013, NOTAP approved and registered the Affiliate Software License with a total technology fee not exceeding US$10,324,286.70 expiring on 31 May 2015 (Certificate No. NOTAP/AG/FI/1280/12/217). An amount of US$ 9.6m was remitted to SBSA on account of this authorisation. Following the expiration of NOTAP's approval for this license, no additional accruals have been made in relation to the fees payable for the use of the software as a result of the Bank's inability to obtain NOTAP's further approval on the said affiliate software agreement subsequent to 31 May 2015. Stanbic IBTC Bank will ensure that an arrangement is in place for the continued use of Finacle software.

The approval received from NOTAP for the payment of US$10.3m under the affiliate software agreement (ASA) is related to the software sold to SBSA pursuant to the SPA. The legality of the SPA is the issue before the Court of Appeal, Lagos Division in Appeal No. CA/L/208/2016. The transactions involved in the SPA will be reviewed, determined and accounted for after the judgement of the Court of Appeal, Lagos Division.

29.6 Sale, Purchase and Assignment Agreement (SPA) in relation to the Finacle banking software

As part of the Federal High Court judgement of the 14th December, 2015, in the legal case between Stanbic IBTC Holdings PLC (SIBTC) and the FRC, the Court ruled that the original sale of the Finacle banking software to Standard Bank of South Africa (SBSA) through the SPA was illegal, null and void, because NOTAP's approval to the SPA had not been obtained. The Court also ruled that the agreement between SIBTC and SBSA by which the exported technology was leased back to Stanbic IBTC Bank was also illegal, null and void. Below is a consideration of the accounting implication.

In 2012, SIBTC sold its existing Finacle software license from Infosys to SBSA under an SPA. Among the intended benefits were:

- Improved conservation of capital to support business growth
- Additional cost reduction from better bargaining power given SBSA's ability to take advantage of an enterprise wide licensing arrangement
- Increased economies of scale in future improvements over a larger customer base.

The SPA agreement involved SBSA paying ZAR 189million to SIBTC to acquire the Finacle V1 software in 2012. The proceed of the sale has since been held in an interest bearing deposit account with SBSA. As at 31 December 2015, the balance in the account was ZAR 226 million (made up of ZAR 189 million plus ZAR 37 million accrued interest up to 31 December 2015). Both balance and accrued interest over the period are effectively continuously rolled over as they had not been withdrawn and had not been brought back to Nigeria as at 31 December 2015. Refer to note 12.1 and 35.3(b).

SIBTC is in the process of implementing an upgrade of the Finacle software into a Version 3. In addition SIBTC is currently reviewing a number of options to successfully separate its IT infrastructure from those of SBSA. Any chosen approach would require approvals from the Board, shareholders, NOTAP and the CBN.

29.7 Liability not recognised on transactions with pending regulatory registration

In compliance with the rules of the Financial Reporting Council of Nigeria (FRC), the group has not recognised in these financial statements its liabilities under some agreements where regulatory registration was yet to be received as at the end of the reporting period.

The details of the affected transactions and the associated liabilities are as follows:

Type of agreement	Transferor	Registration status	Contingent liability (Nmillion)
Software License Agreement with SunTec Business Solutions FZE	External	Pending	4
Master Agreement between Wizzit Technologies and Stanbic IBTC Bank PLC	External	Pending	8
Information Technology Agreement between Stanbic IBTC Bank PLC and Infosys Technologies Limited (Online Procurement Request)	External	Pending	87
Agreement with Infosys Technologies Limited (Finacle ITMS Integration Programme) Cash Management Solution	External	Pending	837

Third party funds under management and funds under administration

Members of the group provide discretionary and non-discretionary investment management services to institutional and private investors.

Commissions and fees earned in respect of trust and management activities performed are included in profit or loss.

Assets managed and funds administrated on behalf of third parties include:

	31 Dec. 2015 N million	31 Dec. 2014 N million
Pension funds	**1,592,000**	1,374,000
Unit Trusts / Collective investments	**81,860**	47,459
Trusts and Estates	**24,756**	24,347
Assets held under custody - custodial services	**1,696,850**	2,332,860
	3,395,466	3,778,666

30 Income statement information

		Group		Company	
		31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
		N million	N million	N million	N million
30.1	**Interest income**				
	Interest on loans and advances to banks	**2,560**	3,931		-
	Interest on loans and advances to customers	**59,734**	45,540	**-**	-
	Interest on investments	**20,392**	22,685	**14**	-
		82,686	72,156	**14**	-

All interest income reported above relates to financial assets not carried at fair value through profit or loss. Interest income for the year ended 31 December 2015 includes N2,536 million (2014: N1,519 million) accrued on impaired financial assets.
Included in interest income is N281m (2014: N53 million) earned from related party transactions. See note 35.3.

Interest on investments of N14 million (2014: nil) reported by the company relates to interest earned on money market mutual funds held by the company.

		Group		Company	
30.2	**Interest expense**				
	Savings accounts	**623**	458	**-**	-
	Current accounts	**2,141**	3,062	**-**	-
	Call deposits	**4,734**	2,765	**-**	-
	Term deposits	**25,136**	15,905	**-**	-
	Interbank deposits	**2,336**	1,535	**-**	-
	Borrowed funds	**3,856**	1,773	**-**	-
		38,826	25,498	**-**	-

All interest expense reported above relates to financial assets not carried at fair value through profit or loss.

Included in interest expense reported above is N2,470m (2014: N1,944 million) from related party transactions. See note 35.3.

		Group		Company	
30.3	**Net fee and commission revenue**		Restated*		
	Fee and commission revenue	**41,257**	**39,778**	**743**	**812**
	Account transaction fees	**2,814**	3,038	**-**	-
	Card based commission	**2,372**	2,000	**-**	-
	Brokerage and financial advisory fees	**5,218**	7,111	**-**	-
	Asset management fees	**23,220**	20,334	**-**	-
	Custody transaction fees	**1,851**	2,213	**-**	-
	Electronic banking	**926**	499	**-**	-
	Foreign currency service fees	**2,664**	1,763	**-**	-
	Documentation and administration fees	**1,572**	2,136	**-**	-
	Other fee and commision revenue	**620**	684	**743**	812
	Fee and commission expense	**(553)**	(511)	**-**	-
		40,704	39,267	**743**	812

*See note 40.2(iii)

Other fee income includes commission on sale of government securities, agency fee, account statement fee, funds transfer charges, salary processing and administration charges, reference letter charges, and cash withdrawal charges.

Other fee and commission income of N743 million (2014: N812 million) represent fee income earned by the company from technical and management service provided to subsidiaries. See note 35.3(o) for details.

		Group		Company	
		31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
		N million	N million	**N million**	N million
30	**Income statement information (continued)**				
30.4	**Trading revenue**				
	Foreign exchange	**7,227**	9,603	**-**	-
	Fixed income	**11,991**	7,397	**-**	-
	Interest rates	**(3,735)**	556	**-**	-
	Equities	**20**	(16)	**-**	-
		15,503	17,540	**-**	-

Included in trading revenue reported above is an amount of N432m (2014: 456m) from related party transactions. See note 35.3 for details.

		31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
30.5	**Other revenue**				
	Dividend income (see (a) below)	**208**	142	**10,148**	13,437
	Gains on disposal of property and equipment	**52**	43	**5**	-
	Other (see (b) below)	**321**	995	**77**	71
		581	1,180	**10,230**	13,508
(a)	Dividend income was earned from the following investees:				
	Stanbic IBTC Pension Managers Limited	**-**	-	**5,788**	4,517
	Stanbic IBTC Bank PLC	**-**	-	**1,500**	6,675
	Stanbic IBTC Capital Limited	**-**	-	**1,200**	800
	Stanbic IBTC Asset Management Limited	**-**	-	**810**	600
	Stanbic IBTC Stockbrokers Limited	**-**	-	**850**	800
	Stanbic IBTC Trustees Limited	**-**	-	**-**	45
	Other equity investments	**208**	142	**-**	-
		208	142	**10,148**	13,437

(b) This include gains from investment of unclaimed dividends, investment administration charges, and distribution received from liquidation of unquoted equity investments.

		31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
30.6	**Credit impairment charges**				
	Net credit impairments raised and released for loans and advances	**15,114**	3,815	**-**	-
	Recoveries on loans and advances previously written off	**(183)**	(598)	**-**	-
		14,931	3,217	**-**	-
	Comprising:				
	Net specific credit impairment charges	**12,009**	3,502	**-**	-
	Specific credit impairment charges (note 12.3)	**12,192**	4,100	**-**	-
	Recoveries on loans and advances previously written off	**(183)**	(598)	**-**	-
	Portfolio credit impairment charges/(reversal) (note 12.3)	**2,922**	(285)		
		14,931	3,217	**-**	-
30.7	**Staff costs**				
	Salaries and allowances	**26,146**	23,206	**408**	408
	Provision for restructuring (see note 24)	**(1,300)**	1,300	**-**	-
	Staff cost: below-market loan adjustment	**135**	175	**-**	-
	Equity-linked transactions (note 30.11)	**(156)**	1,098	**21**	47
		24,825	25,779	**429**	455

Included in staff costs is N300m (2014: N265 million) representing salaries and allowances paid to executive directors for the year. See note 31.

		Group		Company	
		31 Dec. 2015	31 Dec. 2014 Restated*	**31 Dec. 2015**	31 Dec. 2014 Restated*
		N million	N million	**N million**	N million
30	**Income statement information (continued)**				
30.8	**Other operating expenses**				
	Information technology	**4,159**	2,693	**-**	-
	Communication expenses	**919**	827	**-**	-
	Premises and maintenance	**2,593**	3,762	**-**	-
	Depreciation expense	**3,479**	3,500	**195**	146
	Finacle core banking software (see (i) below)	**(967)**	898	**-**	-
	Deposit insurance premium	**2,309**	2,114		
	AMCON expenses	**4,664**	3,665		
	Other insurance premium	**199**	445	**-**	-
	Auditors renumeration	**263**	220	**18**	15
	Non audit service fee (see (ii) below)	**47**	42	**9**	18
	Professional fees	**1,602**	2,437	**-**	-
	Administration and membership fees	**1,367**	1,021	**-**	-
	Training expenses	**730**	498	**-**	-
	Security expenses	**1,216**	1,026	**-**	-
	Travel and entertainment	**1,457**	1,494	**-**	-
	Stationery and printing	**919**	709	**-**	-
	Marketing and advertising	**2,485**	2,808	**-**	-
	Pension sales agent commission	**90**	99	**-**	-
	Penalties and fines	**100**	34	**-**	-
	Donations	**233**	486	**170**	162
	Operational losses	**181**	321	**-**	-
	Directors fees	**312**	224	**191**	119
	Provision for legal costs, levies and fines	**6,485**	1,411	**-**	-
	Impairment of other financial assets	**964**	631	**-**	-
	Indirect tax (VAT)	**437**	308	**54**	50
	Motor vehicle maintenance expense, conference expenses, and other office administration expenses	**998**	449	**22**	457
		37,241	32,122	**659**	967

*See note 40.1 and 40.2

(i) This represents amount incurred in respect of usage of Finacle core banking software under the Affiliate Software Agreement with Standard Bank of South Africa. Amount recorded for the year represents release of excess accrual upon expiration of regulatory approval on the agreement in May 2015. Refer to 29.5 for further details.

30 Income statement information (continued)

(ii) Non-audit services

The details of services provided by the auditors (Messrs KPMG Professional Services) during the year, other than statutory audit of financial statements, are as follows:

	Group		Company	
	31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
	N million	N million	**N million**	N million
Tax services – review tax implementation plan NGR transaction	**2**	-	**-**	-
Advisory services – general banking remuneration survey	**1**	-	**1**	-
Advisory services – provision of research information on retail market	**25**	-		-
Tax services – review transfer pricing documentation	**5**	6	**5**	6
Assurance services – review of loan certification report	**3**	3		3
Advisory service – survey staff relocation	**3**	-	**3**	-
Review of deposit insurance certification	**2**	2	**-**	-
Advisory services – general advice on compensation	**-**	2	**-**	1
Tax advisory services	**2**	3	**-**	-
Assurance services – ISAE 3000 review of controls at Stanbic IBTC Nominees Limited	**4**	3	**-**	-
Audit services – letter for facility agreement	**-**	3	**-**	-
Advisory services – survey financial services industry	**-**	1	**-**	1
Non executive director survey	**-**	4	**-**	4
Assurance services – forensic investigation	**-**	5	**-**	-
Assurance services – IT review GBM system	**-**	4	**-**	-
Audit services – audit procedures on BA 610 reporting for SBSA	**-**	6	**-**	3
	47	42	**9**	18

30.9 Transactions requiring regulatory approval

The rules of Financial Reporting Council of Nigeria require that transactions or agreements requiring registration by regulatory body in Nigeria shall only be recognised in the financial statements to the extent that approval is obtained. For transactions recognised, the relevant registration details are required to be disclosed.

The group obtained approval of National Office for Technology and Promotion (NOTAP) for some information technology project, the cost of which have been recognised in these financial statements. Relevant details are disclosed as follows:

30 Income statement information (continued)

30.9 Transactions requiring regulatory approval (continued)

	Transaction involved	Registration certificate number	Approved basis and amount	Certificate validity	Amounts recognised in financial statements 2015 N million	2014 N million
(i)	Affiliate Software License Agreement with Standard Bank South Africa (Project Sapphire)	NOTAP/AG-1280/12/217	$10,324,286.7	3 years expiring on 31 May 2015	-	898
(ii)	Affiliate Software License Agreement Nucleus Software Export Limited India	NOTAP/AG/FI/1280/13/228	Bulk remittance of $1,510,879.83	03 March 2014 to 02 March 2016	-	293
(iii)	Microsoft Volume Licensing Agreement between Microsoft and Stanbic IBTC Bank PLC	NOTAP/AG/FI/1280/15/64	Bulk remittance of $3,396,240.00	01 March 2015 to 28 February 2018	253	-
(iv)	Software License and Support Agreement between Intellinx Limited and Stanbic IBTC Bank PLC	NOTAP/AG/FT/1280/17/138	Bulk remittance of $425,880.00	02-05-14 to 01-05-2017	121	34
					374	1,225

(i) NOTAP issued approval for three years for payment of the cost of Finacle software use. During this period, a total payment of N1,427 million was made. The approval expired in 2015. In 2015, no additional invoices were raised by The Standard Bank of South Africa for the use of the software. Consequently, no expense was raised. See note 30.8(i).

(ii) NOTAP approved the transfer of technology agreement with Nucleus Software Limited, India for a period of two years expiring in 2016. During this period, a total amount of N293 million was paid to Nucleus Software Export Limited. The agreement with Nucleus expired in February 2015. Consequently, no expense was raised.

(iii) The software agreement with Microsoft was approved by NOTAP in 2015 for a validity period of 3 years.

(iv) NOTAP approval was received for a period of 3 years, effective May 2014, for a software license agreement with Intellinx Limited. During this period, a total amount of N155 million was paid to Intellinx Limited. The approval expires in 2017.

30.10 Operating leases

The group leases a number of branch and office premises under operating leases. The lease period varies, and typically run for a period of 3 to 10 years, with an option to renew the lease after that date. Lease payments are increased periodically (usually every three years) to reflect market rentals.

At period end, the future minimum lease payments under non-cancellable operating leases were payable as follows:

	Group		Company	
	31 Dec. 2015 N million	31 Dec. 2014 N million	**31 Dec. 2015 N million**	31 Dec. 2014 N million
Less than one year	**135**	-	**-**	-
Between one and five years	**203**	179	**-**	-
More than five years	**-**	-	**-**	-
	338	179	**-**	-

30.11 Share-based payment transactions

The group operates a number of share- based payment arrangements under which the entity receives services from employees as a consideraion for equity instrument of the group or cash settlement based on equity instrument of the group.

At 31 December 2015, the group had the following share-based arrangements.

(a) Share appreciation rights based on equity instrument of Stanbic IBTC Holdings PLC (Stanbic IBTC Equity Growth Scheme) - cash settled

(b) Share options and appreciation rights based on equity instrument of Standard Bank Group (Parent company share incentive schemes) - equity settled.

(c) Deferred bonus scheme.

The expenses and liabilities recognised in respect of the share based arrangements are as follows:

	31 Dec. 2015	31 Dec. 2014
Expenses recognised in staff costs	**N million**	N million
Expenses recognised in staff costs		
Stanbic IBTC Equity Growth Scheme (credit)/ charge	**(625)**	492
Parent company share incentive schemes**	**19**	129
Deferred bonus scheme (DBS)	**450**	477
	(156)	1,098

	31 Dec. 2015 N million	31 Dec. 2014 N million
Liabilities recognised in other liabilities		
Stanbic IBTC Equity Growth Scheme	**306**	1,245
Deferred bonus scheme	**624**	574
	930	1,819

**The Parent company share incentive scheme is equity settled. As such, a corresponding increase in equity has been recognised. See Statement of changes in equity for further details.

(a) Stanbic IBTC Equity Growth Scheme

On 1 March 2010 and 1 March 2011, the group granted share appreciation rights to key management personnel that entitles the employees to cash value determined based on the increase in share price of Stanbic IBTC Holdings PLC between grant date and exercise date.

30.11 Share-based payment transactions (continued)

(a) Stanbic IBTC Equity Growth Scheme (continued)

The object and purpose of the scheme is to promote an identity of interest between the group and its senior employees, to attract, retain and motivate skilled and competent personnel with high potential to influence the direction, growth and profitability of the group by enhancing leadership commitment and drive to grow the group market value and position in support of shareholder interests.

The provision in respect of liabilities under the scheme amounts to NGN306 million at 31 December 2015. (2014: N1,245 million)

The terms and conditions of the grants are as follows.

Vesting category	**Year**	**% vesting**	Expiry
Type A	3, 4, 5	50, 75, 100	10 Years

	Units	
	31 Dec. 2015	31-Dec-14
Reconciliation		
Units outstanding at beginning of the period	**89,691,073**	158,269,427
Granted	**-**	-
Forfeited	**-**	(9,630,504)
Exercised	**(21,866,371)**	(58,947,850)
Lapsed	**-**	-
Units outstanding at end of the period	**67,824,702**	89,691,073

The fair value of share appreciation rights is determined using Black-Scholes formula. The inputs used in the measurement of their fair value were as follows:

	31 Dec. 2015	31-Dec-14
Weighted average fair value at grant date (Naira) - Rights granted 1 March 2010	15.30	15.30
Weighted average fair value at grant date (Naira) - Rights granted 1 March 2011	17.83	17.83
Expected life (years)	4.67	2.07
Expected volatility (%)	43.08	35.03
Risk-free interest rate (%)	11.04	15.81
Dividend yield (%)	6.35	3.57

(b) Parent company share incentive schemes

Share options and appreciation rights

A number of employees of the group participate in the Standard Bank Group's share schemes. Standard Bank Group (SBG) has two equity-settled schemes, namely the Group Share Incentive Scheme and the Equity Growth Scheme. The Group Share Incentive Scheme confers rights to employees to acquire ordinary shares at the value of the SBG share price at the date the option is granted. The Equity Growth Scheme was implemented in 2005 and represents appreciation rights allocated to employees. The eventual value of the right is effectively settled by the issue of shares equivalent in value to the value of the rights.

The two schemes have five different sub-types of vesting categories as illustrated by the table below:

	Year	**% vesting**	Expiry
Type A	**3, 4, 5**	**50, 75, 100**	10 Years
Type B	**5, 6, 7**	**50, 75, 100**	10 Years
Type C	**2, 3, 4**	**50, 75, 100**	10 Years
Type D	**2, 3, 4**	**33, 67, 100**	10 Years
Type E	**3, 4, 5**	**33, 67, 100**	10 Years

A reconciliation of the movement of share options and appreciation rights is detailed as follows:

30.11 Share-based payment transactions (continued)

(b)(i) Group Share Incentive Scheme - Share options

	Option price range (ZAR)	Option price range (Naira)	Number of options 31 Dec. 2015	Number of options 31-Dec-14
	31 Dec. 2015			
Options outstanding at beginning of the period			**278,900**	436,550
Transfers	**62.39 - 111,94**	**804-1,442**	**18,800**	(53,450)
Exercised	**62.39 - 111,94**	**804-1,442**	**(52,923)**	(104,200)
Lapsed	**62.39 - 111,94**	**804-1,442**	**(17,252)**	
Options outstanding at end of the period			**227,525**	278,900

The weighted average SBG share price for the period to 31 December 2015 year end was ZAR147.88 (December 2014: ZAR135.92).

The following options granted to employees had not been exercised at 31 December 2015:

Number of ordinary shares	Option price range (ZAR)	Option price range (Naira)	Weighted average price (ZAR)	Weighted average price (Naira)	Option expiry period
2,400	**98.00**	**1,262.24**	**98.00**	**1,262.24**	**Year to 31 December 2017**
68,250	**92.00**	**1,184.96**	**92.00**	**1,184.96**	**Year to 31 December 2018**
11,875	**62.39**	**803.58**	**62.39**	**803.58**	**Year to 31 December 2019**
78,125	**104.53**	**1,346.35**	**104.53**	**1,346.35**	**Year to 31 December 2020**
66,875	**98.80 - 103.03**	**1,273-1,327**	**100.38**	**1,292.91**	**Year to 31 December 2021**
227,525					

The following options granted to employees had not been exercised at 31 December 2014

Number of ordinary shares	Option price range (ZAR)	Option price range (Naira)	Weighted average price (ZAR)	Weighted average price (Naira)	Option expiry period
5,300	98,00	1,540	98,00	1,490.58	Year to 31 December 2017
89,950	92,00	1,445	92,00	1,399.32	Year to 31 December 2018
21,650	62,39	980	62,39	948.95	Year to 31 December 2019
82,625	104,53 - 111,94	1,642-1759	106,24	1,615.91	Year to 31 December 2020
79,375	98,80 - 103.03	1,552-1,619	99,72	1,516.74	Year to 31 December 2021
278,900					

(b)(ii) *Equity Growth Scheme - Appreciation rights*

	Appreciation right price range (ZAR)	Appreciation right price range (Naira)	Number of rights 31 Dec. 2015	Number of rights 31-Dec-14
	31 Dec. 2015			
Rights outstanding at beginning of the period			**58,250**	197,438
Transfers	**62,39 - 98,00**		**43,000**	(122,388)
Exercised	**156.96**		**15,005**	(16,800)
Lapsed	**62,39 - 98,00**		**(51,125)**	-
Rights outstanding at end of the period			**65,130**	58,250

30.11 Share-based payment transactions (continued)

(b)(ii) *Equity Growth Scheme - Appreciation rights* *(continued)*

The following rights granted to employees had not been exercised at 31 December 2015:

Number of rights	**Price range (ZAR)**	**Price range (Naira)**	**Weighted average price (ZAR)**	**Weighted average price (Naira)**	**Expiry period**
3,000	98.00		98.00		Year to 31 December 2017
6,000	92.00		92.00		Year to 31 December 2018
19,875	62.39 - 82.50		70.99		Year to 31 December 2019
8,750	111.94		111.94		Year to 31 December 2020
12,500	98.80		98.80		Year to 31 December 2021
15,005	156.96		156.96		Year to 31 December 2025
65,130					

The following rights granted to employees had not been exercised at 31 December 2014:

Number of rights	Price range (ZAR)	Price range (Naira)	Weighted average price (ZAR)	Weighted average price (Naira)	Expiry period
6,500	79,50	1,249	79,50	1,249	Year to 31 December 2016
6,000	98,00	1,540	98,00	1,540	Year to 31 December 2017
6,000	92,00	1,445	92,00	1,445	Year to 31 December 2018
18,500	62,39 -82,50	980-1,296	67,90	1,067	Year to 31 December 2019
8,750	111,94	1,759	111,94	1,759	Year to 31 December 2020
12,500	98,80	1,552	98,80	1,552	Year to 31 December 2021
58,250					

(c) Deferred bonus scheme (DBS)

It is essential for the group to retain key skills over the longer term. This is done particularly through share-based incentive plans. The purpose of these plans is to align the interests of the group, its subsidiaries and employees, as well as to attract and retain skilled, competent people.

The group has implemented a scheme to defer a portion of incentive bonuses over a minimum threshold for key management and executives. This improves the alignment of shareholder and management interests by creating a closer linkage between risk and reward, and also facilitates retention of key employees.

All employees, who are awarded short-term incentives over a certain threshold, are subject to a mandatory deferral of a percentage of their cash incentive into the DBS. Vesting of the deferred bonus occurs after three years, conditional on continued employment at that time. The final payment of the deferred bonus is calculated with reference to the Standard Bank Group share price at payment date. To enhance the retention component of the scheme, additional increments on the deferred bonus become payable at vesting and one year thereafter. Variables on thresholds and additional increments in the DBS are subject to annual review by the remuneration committee, and may differ from one performance year to the next.

30.11 Share-based payment transactions (continued)

(c) Deferred bonus scheme (DBS) -continued

Reconciliation of outstanding units

	Units	
	31-Dec-15	**31-Dec-14**
Reconciliation		
Units outstanding at beginning of the period	**7,320**	33,482
Granted	**-**	-
Exercised	**(7,320)**	(22,688)
Transfers	**-**	(3,474)
Lapsed	**-**	-
Units outstanding at end of the period	**-**	7,320
Weighted average fair value at grant date (ZAR)	**98.80**	98.80
Expected life (years)	**3.00**	3.00
Risk-free interest rate (%)	**6.90**	6.90
Dividend yield (%)	**3.80**	3.80

Deferred bonus scheme 2012 (DBS 2012)

In 2012, changes were made to the DBS to provide for a single global incentive deferral scheme across the Standard Bank Group (SBG). The purpose of the Deferred Bonus Scheme 2012 is to encourage a longer-term outlook in business decision-making and closer alignment of performance with long-term value creation.

All employees granted an annual performance award over a threshold have part of their award deferred. The award is indexed to the SBG's share price and accrues notional dividends during the vesting period, which are payable on vesting. The awards vest in three equal amounts at 18 months, 30 months and 42 months from the date of award. The final payout is determined with reference to the SBG's share price on vesting date.

	Units	
	31-Dec-15	31-Dec-14
Reconciliation		
Units outstanding at beginning of the period	**323,755**	230,113
Granted	**296,744**	209,732
Exercised	**(156,062)**	(35,213)
Transfers	**159**	(80,877)
Lapsed	**(7,146)**	0
Units outstanding at end of the period	**457,450**	323,755
Weighted average fair value at grant date (ZAR)	**156.96**	119.22
Expected life (years)	**2.51**	2.51
Risk-free interest rate (%)	**6.90**	6.78

(d) Performance reward plan (PRP)

A new performance driven share plan commenced in March 2014 which rewards value delivered against specific targets. The PRP incentivises a group of senior executives to meet the strategic long-term objectives that deliver value to shareholders, to align the interests of those executives with those of shareholders and to act as an attraction and retention mechanism in a highly competitive marketplace for skills. The PRP operates alongside the existing conditional, equity-settled long-term plans, namely the EGS, GSIS and DBS.

30.11 Share-based payment transactions (continued)

(d) Performance reward plan (PRP)-continued

The PRP is settled in shares to the employee on the applicable vesting dates together with notional dividends that are settled in cash. The shares that vest (if any) and that are delivered to the employee are conditional on the pre-specified performance metrics.

	Units	
	31-Dec-15	31-Dec-14
Reconciliation		
Units outstanding at beginning of the period	**63,000**	-
Granted	**47,800**	63,000
Units outstanding at end of the period	**110,800**	63,000
Weighted average fair value at grant date (ZAR)	**156.96**	126.87
Expected life at grant date (years)	**3.00**	3.00

(e) Quanto stock scheme

Since 2007 Standard Bank Plc has operated a deferred incentive arrangement in the form of the Quanto stock unit plan. Qualifying employees, with an incentive award above a set threshold are awarded Quanto stock units denominated in USD for nil consideration, the value of which moves in parallel to the change in price of the SBG shares listed on the JSE. The cost of the award is accrued over the vesting period (generally three years), normally commencing the year in which these are awarded and communicated to employees.

Special terms apply to employees designated by the Prudential Regulatory Authority (PRA) as Code Staff. For these employees the deferred portion of the incentive is delivered in Quanto stock units with three year vesting and an additional six months holding period after vesting. Thereafter half of the remaining incentive (non-deferred portion) is paid immediately in cash and the other half is delivered in Quanto stock units with a six month vesting period.

The change in liability due to the change in the SBG share price, is hedged through the use of equity options designated as cash flow hedges

	Units	
	31-Dec-15	31-Dec-14
Reconciliation		
Units outstanding at beginning of the period	**-**	-
Transfers	**287,000**	-
Units outstanding at end of the period	**287,000**	-

Quanto stock units granted not yet exercised at yearend:

	Number of units 31-Dec-15	Number of units 31-Dec-14
Unit expiry period		
Year to 31 December 2016	140,000	-
Year to 31 December 2017	94,000	-
Year to 31 December 2018	53,000	-
Units outstanding at end of the period	**287,000**	-

		Group		Company	
		31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
		N million	N million	**N million**	N million
31	**Emoluments of directors**				
	Executive directors				
	Emoluments of directors in respect of services rendered[1]:				
	While directors of Stanbic IBTC Holdings PLC				
	as directors of the company and/ or subsidiary companies	**300**	265	**72**	63
	otherwise in connection with the affairs of Stanbic IBTC Holdings PLC or its subsidiaries				
	Non-executive directors				
	Emoluments of directors in respect of services rendered:				
	While directors of Stanbic IBTC Holdings PLC				
	as directors of the company and/ or subsidiary companies	**312**	224	**191**	119
	otherwise in connection with the affairs of Stanbic IBTC Holdings PLC or its subsidiaries				
	Pensions of directors and past directors	**20**		**4**	6
		632	**489**	**267**	**188**

[1] *In order to align emoluments with the performance to which they relate, emoluments reflect the amounts accrued in respect of each period and not the amounts paid.*

	31 Dec. 2015	31 Dec. 2014
	N million	N million
Emoluments disclosed above include amounts paid to:		
(i) the chairman	**58**	52
(ii) the highest paid director	**72**	63

	Group		Company	
	31 Dec. 2015	31 Dec. 2014 Restated*	**31 Dec. 2015**	31 Dec. 2014
	N million	N million	**N million**	N million
32 Taxation				
Income tax (note 32.1)	**4,760**	9,068	**28**	(238)
	4,760	9,068	**28**	(238)

In accordance with Nigerian tax regime, dividends received by the company from its subsidiaries are exempted from tax. Hence, the company has no taxable profit as a result of tax exempt dividends. The company has also not been subject to minimum tax, (in line with the provisions of the Nigerian tax laws - Section 33 of Companies Income Tax Act CAP C21 LFN 2007 (as amended)) as it has more than 25% of imported capital.

	Group		Company	
32.1 Income tax				
Current period	**4,760**	9,068	**28**	(238)
Current tax	**7,370**	8,841	**99**	128
Deferred tax	**(2,610)**	227	**(71)**	(366)
Taxation per statement of profit or loss	**4,760**	9,068	**28**	(238)
Income tax recognised in other comprehensive income	**-**	-	**-**	-
Deferred tax	**-**	-	**-**	-
Current tax	**-**	-	**-**	-
Taxation per total comprehensive income	**4,760**	9,068	**28**	(238)

32.2 Rate reconciliation

	Group		Company	
	31 Dec. 2015	31 Dec. 2014 Restated*	**31 Dec. 2015**	31 Dec. 2014
	%	%	**%**	%
Rate reconciliation				
The total tax charge for the year as a percentage of profit before taxation	**20**	21	**-**	(2)
Information technology levy	**-**	(1)	**(1)**	(1)
Education tax	**(1)**	(1)	**-**	-
The corporate tax charge for the year as a percentage of profit before tax	**19**	19	**(1)**	(3)
Tax relating to prior years	**-**	2	**-**	-
Net tax charge	**19**	21	**(1)**	(3)
The charge for the year has been reduced/(increased) as a consequence of:				-
Dividend received	**-**	-	**30**	32
Tax exempt income from government securities	**23**	20	**-**	-
Other non-taxable income	**16**	1	**-**	-
Unrecognised deferred tax assets	**(11)**	-		
Other permanent differences	**(17)**	(12)	**1**	1
Standard rate of tax	**30**	30	**30**	30

*see note 40.1

32 Taxation (continued)

32.3 Income tax recognised in other comprehensive income

The table below sets out the amount of income tax relating to each component within other comprehensive income:

Group	Before tax N million	Tax (expense)/ benefit N million	Net of tax N million
31 December 2015			
Net change in fair value of available-for-sale financial assets	**2,072**	**-**	**2,072**
Realised fair value adjustments on available-for-sale financial assets transferred to profit or loss	**653**	**-**	**653**
	2,725	**-**	**2,725**
31 December 2014			
Net change in fair value of available-for-sale financial assets	(1,685)	-	(1,685)
Realised fair value adjustments on available-for-sale financial assets transferred to profit or loss	14	-	14
	(1,671)	-	(1,671)

33 Earnings per ordinary share

	Group		Company	
	31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
The calculations of basic earnings per ordinary share has been based on the following profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding:				
Earnings attributable to ordinary shareholders (N million)	**15,498**	31,687	**9,871**	13,136
Weighted average number of ordinary shares in issue	**10,000**	10,000	**10,000**	10,000
Basic earnings per ordinary share (kobo)	**155**	317	**99**	131

Diluted earnings per ordinary share
Basic earnings per ordinary share equals diluted earnings per share as there are no potential dilutive ordinary shares in issue.

		Group		Company	
		31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
		N million	N million	N million	N million
34	**Statement of cash flows notes**				
34.1	**(Increase)/decrease in assets**				
	Net derivative assets	**1,655**	(1,742)	**-**	-
	Trading assets	**58,389**	(55,634)	**-**	-
	Pledged assets	**(52,398)**	(9,439)	**-**	-
	Loans and advances	**10,327**	(26,317)	**-**	-
	Other assets	**(2,031)**	(1,879)	**(453)**	(1,502)
	Restricted balance with the Central Bank	**(12,468)**	(40,012)	**-**	-
		3,474	(135,023)	**(453)**	(1,502)
34.2	**Increase/(decrease) in deposits and other liabilities**				
	Deposit and current accounts	**33,892**	86,614	**-**	-
	Trading liabilities	**(61,182)**	18,323	**-**	-
	Other liabilities and provisions	**(168)**	12,664	**930**	(1,002)
		(27,458)	117,601	**930**	(1,002)
34.3	**Cash and cash equivalents - Statement of cash flows**				
	Cash and cash equivalents (note 7)	**211,481**	143,171	**8**	784
	Less: restricted balance with the Central Bank of Nigeria	**(104,083)**	(91,615)	**-**	-
	Cash and cash equivalents at end of the period	**107,398**	51,556	**8**	784

34.4 Effect of exchange rate changes on cash and cash equivalents

31 December 2015

Currency - Amount in Nmillion	USD	EUR	GBP	NGN	Other currency	Total
Balance 31 Dec 2015 (currency amount)	296	24	3	24,691	-	
Balance 31 Dec 2015 (equivalent in NGN)	58,966	5,138	812	24,691	256	**30,896**
Exchange rate-31 Dec 2015	199	217	295	1	-	
Exchange rate-31 Dec 2014	182	220	283	1	-	
Rate differential	18	(3)	12	-	-	
Effect of exhange rate	**5,201**	**(82)**	**33**	**-**	**(9)**	**5,143**

31 December 2014

Currency	USD	EUR	GBP	NGN	Other currency	Total
Balance 31 Dec 2014 (currency amount)	121	11	8		-	
Balance 31 Dec 2014 (equivalent in NGN)	21,972	2,437	2,155	18,394	980	**23,966**
Exchange rate-31 Dec 2014	182	220	283		-	
Exchange rate-31 Dec 2013	159	220	264	1	-	
Rate differential	22	1	19	(1)	-	
Effect of exhange rate	**2,694**	**9**	**145**	**-**	**6**	**2,854**

35 Related party transactions

35.1 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 under note 35.2 below.

Stanbic IBTC Holdings PLC 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.

35.2 Subsidiaries

Details of effective interest in subsidiaries are disclosed below, and also in Note 13.

Direct subsidiaries	% holding
Stanbic IBTC Bank PLC	100%
Stanbic IBTC Ventures Limited ("SIVL")	100%
Stanbic IBTC Capital Limited	100%
Stanbic IBTC Asset Managers Limited ("SIAML")	100%
Stanbic IBTC Pension Managers Limited ("SIPML")	70.59%
Stanbic IBTC Investments Limited ("SIIL")	100%
Stanbic IBTC Stockbrokers Limited ("SISL")	100%
Stanbic IBTC Trustees Limited ("SITL")	100%
Stanbic IBTC Insurance Brokers Limited ("SITL")	100%

Indirect subsidiaries

Stanbic IBTC Bureau De Change Limited
Stanbic IBTC Nominees Limited

35.3 Transactions with Standard Bank of South Africa (SBSA) and other related parties

In the normal course of business, current accounts are operated and placements of foreign currencies and trades between currencies are made with SBSA and other entities within the Standard Bank Group.

The relevant balances are shown below:

		Group		**Company**	
	Note	**31 Dec. 2015 N million**	31 Dec. 2014 N million	**31 Dec. 2015 N million**	31 Dec. 2014 N million
Amounts due from related parties					
Trading assets	9.1	**811**	69,776	**-**	-
Loans to banks	12	**23,782**	8,814	**-**	-
Current account balances	7	**15,219**	3,925	**8**	784
Derivatives	10.6	**18**	156	**-**	-
Other assets	15	**978**	432	**1,433**	1,989
		40,808	83,103	**1,441**	2,773

(a) **Trading assets**: These represent trading linked foreign currency placement with SBSA. Placements are usually denominated in US dollars with interest rate ranges between 0.15% - 2.0%. Tenor is usually short ranging between 1-6 months.

(b) **Loans to banks**: These represent foreign currency placement with Standard Bank Group entities. Placements are usually denominated in US dollars with interest rate ranges between 0.15% - 2.0%. Tenor is usually short ranging between 1-6 months. The contract terms are based on normal market terms. Details per counterparty are as follows:

Standard Bank of South Africa*	**23,545**	8,814	**-**	-
ICBC Standard Bank PLC	**237**	-	**-**	-
	23,782	8,814	**-**	-

*Included in the balance with SBSA is N2,913 million (2014: N3,290 million) representing amount received from SBSA under the Sale, Purchase Agreement for Finacle banking software as disclosed under note 29.6

35 Related party transactions (continued)

(c) **Current account balances (Group):** These represent trade related balances held with SBSA and are particularly used for letters of credit and other foreign trade transactions. The balances are repayable on demand and usually non interest bearing.

Current account balances (Company): This relate to demand deposit held with Stanbic IBTC Bank PLC. The deposit is non interest bearing and the terms are based on normal market terms.

(d) **Derivatives:** These represent fair value of currency swap transactions with SBSA. The transaction includes EUR/ USD swap, USD/ ZAR swap, and USD/ NGN swap with a combined notional principal of N5.25bn. The contracts mature within one month from the balance sheet date.

(e) **Other assets (Group)**: These represent amount due from SBSA in respect of financial advisory services jointly rendered to clients and reimbursable expenses. No specific impairments have been recognised in respect of the amount.

Other assets (Company): These represent receivable from subsidiary entities in respect of reimbursable expenses and management service agreement. There exist technical and management service agreements between the company and some of its subsidiaries. Under the agreement, the company provides technical expertise and management skills to the subsidiaries in functional areas including marketing and branding, internal audit, human resources, compliance, financial control, and information technology. In return, subsidiaries pay fee based on percentage of their commission income to the company. The percentage ranges from 2% to 10% of commission income.

		Group		Company	
		31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
	Note	**N million**	N million	**N million**	N million
Amounts due to related parties					
Deposits and current accounts	20	**71,115**	19,233	**-**	-
Derivatives	10.6	**373**	732	**-**	-
Trading liabilities	9.2	**10,190**	-	**-**	-
Subordinated debt	22	**8,001**	7,295	**-**	-
Other borrowings	21	**37,229**	48,229	**-**	-
Other liabilities	25	**7,588**	478	**63**	44
		134,496	75,967	**63**	44

(f) **Deposits and current accounts:** These represent interbank takings, demand deposits, and deposits under repurchase agreements with related parties. Balances are usually denominated in US dollars with interest rates ranging from 0% for demand deposits to 5.2% for repo transactions. Tenor is usually within 12 months.

Standard Bank of South Africa	**20,682**	18,418	**-**	-
ICBC Standard Bank PLC - repurchase agreements	**40,460**	-	**-**	-
Standard Bank (Mauritius) Ltd	**9,973**	-	**-**	-
ICBC Standard Bank PLC	**-**	815	**-**	-
	71,115	19,233	**-**	-

(g) **Derivatives:** These represent fair value of currency swap and forward transactions with entities within the Standard Bank Group. Details per counterparty are as follows:

Standard Bank of South Africa	**67**	352	**-**	-
ICBC London PLC	**306**	380	**-**	-
	373	732	**-**	-

The contract terms include currency swaps of USD/ CAD, USD/ ZAR, EUR/ USD, and USD/ NGN as well as non-deliverable forwards of USD/ NGN. The contracts have a total notional principal of N8.9bn (Dec 2014: N27.5bn). Maturity dates of the contracts ranges from one month to three years.

35.3 Transactions with Standard Bank of South Africa (SBSA) and other related parties

(h) **Trading liabilities**: This represents trading linked foreign currency deposits from SBSA. Balances are usually denominated in US dollars with interest rates ranging from 0% for demand deposits to 5.2% for repo transactions. Tenor is usually within 12 months.

(i) **Subordinated debt**: See note 22 for details of the transaction

(j) **Other borrowings**: See note 21 for details of the transaction

(k) **Other liabilities (Group)**: These relate to amount owed to SBSA in respect of refinanced letter of credits. Comparative balance relates to payable to SBSA in respect of Finacle core banking software usage.

Other liabilities (Company): These represent reimbursable expenses payable to Stanbic IBTC Holdings Group.

		Group		Company	
		31 Dec. 2015	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
	Note	**N million**	N million	**N million**	N million
Profit or loss impact of transactions with Standard Bank of South Africa and other related parties					
Interest income earned	30.1	**281**	53	**-**	-
Interest expense	30.2	**(2,470)**	(1,944)	**-**	-
Trading revenue	30.4	**(432)**	(456)	**-**	-
Fee and commission income	30.3	**-**	-	**743**	812
Dividend income	30.5	**-**	-	**10,148**	13,437
Operating expense incurred	30.8	**(967)**	898	**-**	-

(l) **Interest income earned**: This represent interest earned on placement with group entities. The nature of transaction is presented in note 35.3(b)

(m) **Interest expense**: This represent interest expense booked in respect of deposits, subordinated debt, and other borrowing transactions with group entities. The nature of transaction is presented in note 35.3(f), (i), & (j).

(n) **Trading revenue**: These represent fair value gain/ (loss) on trading and derivative transactions with group entities. The nature of transaction is presented in note 35.3(a), (d), (g) & (h).

(o) **Fee and commission income**: These represent fee income earned by the Company from technical and management service provided to subsidiaries. Details on the nature and terms of the agreement are provided in note 35.3 (e).

(p) **Dividend income**: represents dividend received from subsidiaries.

(q) **Operating expense incurred** : This represents amount incurred in respect of usage of Finacle core banking software under the Sale, Purchase Agreement with SBSA.

35.4 Transactions with key management personnel

Key management personnel includes: members of the Stanbic IBTC Holdings PLC board of directors and Stanbic IBTC Holdings PLC executive committee. The definition of key management includes close members of key management personnel and any entity over which key management exercise control, joint control or significant influence. Close family members are those family members who may 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.

35.4 Transactions with key management personnel (continued)

(i) Key management compensation

	Group	
	31 Dec. 2015 N million	31 Dec. 2014 N million
Salaries and other short-term benefits	**820**	694
Post-employment benefits	**42**	33
Value of share options and rights expensed	**(62)**	439
	800	1,166

(ii) Loans and deposit transactions with key management personnel

	31 Dec. 2015 N million	31 Dec. 2014 N million
Loans and advances		
Loans outstanding at the beginning of the period	**200**	215
Net movement during the period	**130**	(15)
Loans outstanding at the end of the period	**330**	200
Net interest earned	**34**	20

Loans include mortgage loans, instalment sale and finance leases and credit cards. Loans granted to employees and executive directors are granted at concessionary rates 14%-16% below the prime lending rate. No specific impairments have been recognised in respect of loans granted to key management at the reporting date (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	**352**	717
Net movement during the period	**21**	(365)
Deposits outstanding at end of the period	**373**	352
Net interest expense	**8**	18

Deposits include cheque, current and savings accounts.

(iii) Investments

Details of key management personnel's investment transactions and balances with Stanbic IBTC Holdings PLC are set out below.

Investment products		
Balance at the beginning of the period	**65**	24
Net movement during the period	**(2)**	41
Balance at the end of the period	**63**	65
Net investment return	**13.36%**	18.95%

35.4 Transactions with key management personnel (continued)

(iv)	**Shares and share options held**	**31 Dec. 2015 Number**	31 Dec. 2014 Number
	Aggregate number of share options issued to Stanbic IBTC key management personnel:		
	Share options held (Stanbic IBTC Holdings PLC scheme)	**67,824,702**	89,691,073
	Share options held (ultimate parent company schemes)	**227,525**	278,900

(vi) Other transactions with key management personnel

Directors interests in contracts

Stanbic IBTC Bank Plc, one of the company's subsidiaries, rented an apartment for one of its employees in Victoria Island from ANAP Holdings Limited at a gross rent of N15 million per annum during the course of this financial year. Mr. Atedo Peterside is the majority shareholder of ANAP Holdings Limited as disclosed previously to the board of the company.

In addition to the above, the Bank also renewed the lease for one of its branches located on the Ground Floor at Churchgate Towers, PC 30, Churchgate Street, Victoria Island, Lagos. The lease renewal is for a period of three years at a cost of N146 million. This property is owned by First Continental Properties Limited, and Mr. Ratan Mahtani is a Director on the Board of this Company.

Loans to entities affiliated to directors and ex-directors/ Loans to employees

The group has some exposures in terms of loans and advances to employees and to customers that are affiliated to its present and past directors. Loans granted to customers that are affiliated to directors are granted at commercial rates while those granted to executive directors and employees are granted at a below-the market rates.. There were no non-performing director related exposures as at balance sheet date (2014: Nil). Details of the exposures is presented in note 36.

35.5 Other related party transactions

Shared service arrangement with subsidiaries

Stanbic IBTC Holdings PLC provides some business support functions to some of its subsidiaries. The business support functions include internal audit, marketing and branding, internal control, legal and secretarial services, and compliance. The costs incurred by Stanbic IBTC Holdings PLC in respect of the functions are shared between Stanbic IBTC Holdings PLC and subsidiaries in agreed ratio that reflect the rate of consumption by each entity. The costs shared are actual cost incurred with no mark-up included.

36 Director and staff related exposures

The group has some exposures in terms of loans and advances to employees and to customers that are affiliated to its present and past directors. Loans granted to customers that are affiliated to directors are granted at commercial rates while those granted to executive directors and employees are granted at a below-the market rates.. There were no non-performing director related exposures as at balance sheet date (2014: Nil). In cases where outstanding balance exceeds approved credit limit, no principal payment was due on the facility and the excess therefore relates to accrued interest.

Schedule of directors and staff related credits

Name of Company/ Individual	Relationship	Name of related interest	Facility type	Date granted	Expiry date	Approved credit limit N'million	Outstanding plus Accrued Interest N million	Status	Interest Rate %	Security nature
Golden Sugar Company Limited (A Subsidiary of Flour Mills)	Chairman, Board of Directors	Atedo Peterside	Term Loan	15-Dec-15	14-Jan-16	2,700	2,715	Performing	12.00	Debenture on fixed and floating assets
Golden Sugar Company Limited (A Subsidiary of Flour Mills)	Chairman, Board of Directors	Atedo Peterside	Term Loan	13-Jul-12	14-Jun-22	1,854	1,422	Performing	7.00	Debenture on fixed and floating assets
Golden Sugar Company Limited (A Subsidiary of Flour Mills)	Chairman, Board of Directors	Atedo Peterside	Term Loan	15-Dec-14	15-Mar-16	1,347	229	Performing	15.34	Debenture on fixed and floating assets
Golden Sugar Company Limited (A Subsidiary of Flour Mills)	Chairman, Board of Directors	Atedo Peterside	Overdraft	16-Dec-15	23-Feb-16	3,650	1,898	Performing	15.00	Debenture on fixed and floating assets
Cadbury Nigeria Plc	Chairman, Board of Directors	Atedo Peterside	Overdraft	31-Dec-15	21-Apr-16	60	61	Performing	17.94	Letter of comfort
Flour Mills of Nigeria Plc	Chairman, Board of Directors	Atedo Peterside	Overdraft	21-Dec-15	20-Jan-16	3,000	3,011	Performing	12.00	Negative pledge
Nigerian Breweries Plc	Chairman, Board of Directors	Atedo Peterside	Overdraft	1-Dec-15	29-Feb-16	500	277	Performing	16.00	Negative pledge
Seplat Petroleum Development Company Plc	Non Executive Director	Basil Omiyi	Term Loan	13-May-15	31-Dec-17	4,484	4,547	Performing	6.29	Asset debenture and borrower personal guarantee
Seplat Petroleum Development Company Plc	Non Executive Director	Basil Omiyi	Term Loan	30-Jun-15	30-Sep-21	5,075	5,066	Performing	9.08	Asset debenture and borrower personal guarantee
INT Towers Limited	Ex Non-Executive Director	Ahmed I Dasuki	Term Loan	15-Jul-15	13-Dec-21	2,355	2,383	Performing	5.57	Negative pledge
MTN Nigeria Communications Ltd	Ex Non-Executive Director	Ahmed I Dasuki	Term Loan	30-Nov-15	29-Nov-19	2,593	1,483	Performing	15.95	Negative pledge
MTN Nigeria Communications Ltd	Ex Non-Executive Director	Ahmed I Dasuki	Term Loan	31-Mar-14	29-Nov-19	7,500	6,672	Performing	15.95	Negative pledge
Presco Plc	Chairman, Board of Directors	Atedo Peterside	Term Loan	8-Nov-13	12-Nov-20	1,066	897	Performing	7.00	Negative pledge
Atedo .N.A Peterside	Chairman, Board of Directors	Atedo Peterside	Card	10-Feb-15	10-Feb-18	36	1	Performing	30.00	Shares
Abajue Ifeoma & Obinnia	Ex-Executive Director	Obinnia Abajue	Card	5-Nov-15	31-Dec-18	15	1	Performing	30.00	Cash
Lilian Ifeoma Esiri	Non Executive Director	Lilian Ifeoma Esiri	Card	15-Apr-13	15-Apr-16	7	-	Performing	30.00	Cash
Babatunde Macaulay	Executive Director	Babatunde Macaulay	Term Loan	8-May-15	20-Apr-19	9	9	Performing	11.00	Unsecured
Babatunde Macaulay	Executive Director	Babatunde Macaulay	Card	22-Jul-15		1	1	Performing	30.00	Unsecured
Oluwole Adeniyi	Executive Director	Oluwole Adeniyi	Home loan	26-Mar-10	20-Nov-26	41	41	Performing	9.00	Asset financed
Yewande Sadiku	Executive Director	Yewande Sadiku	Home loan	24-Nov-09	20-Nov-29	52	52	Performing	9.00	Asset financed
Key management staff	Key management staff	Key management staff				227	227	Performing		
Other staff related lending	Staff	Other staff related lending				8,318	4,383	Performing		
		Total				44,890	**35,376**			

Off balance sheet engagements

Name of Company	Relationship	Name of related interest	Facility type	Outstanding Nmillion	Status
Golden Sugar Company Limited (A Subsidiary of Flour Mills)	Chairman	Atedo Peterside	Letter of Credit	198	Performing
Flour Mills of Nigeria Plc	Chairman	Atedo Peterside	Letter of Credit	1,420	Performing
Nigerian Breweries Plc	Chairman	Atedo Peterside	Letter of Credit	749	Performing
MTN Nigeria Communications Ltd	Past non-executive director	Ahmed I Dasuki	Letter of Credit	636	Performing
			Total	**3,003**	

37 Retirement benefit obligations

The group operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act 2014, with contributions based on the sum of employees' basic salary, housing and transport allowances in the ratio 8% by the employee and 10% by the employer. The amount contributed by the group and remitted to the Pension Fund Administrators during the period was N1,757 million (2014: N1,528 million).

The group's contribution to this scheme is charged to the income statement in the period to which it relates. Contributions to the scheme are managed by Stanbic IBTC Pension Managers Limited, and other appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act. Consequently, the group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.
Details of transactions between the group and the group's post-employment benefit plans (that is, the contributory pension scheme) are listed below:

	31 Dec. 2015	31 Dec. 2014
	N million	N million
Deposits held with the group	7,600	40,203
Interest paid	4,273	666
Value of asset under management	12,355	12,303
Number of Stanbic IBTC Holdings shares held	Nil	Nil

38 Employees and Directors

a) Employees

The average number of persons employed by the group during the period by category:

	Group	
	31 Dec. 2015	31 Dec. 2014
	Number	Number
Executive directors	5	5
Management	508	441
Non-management	2,230	1,735
	2,743	2,181

			Number	Number
Below N1,000,001			-	-
N1,000,001	-	N2,000,000	447	141
N2,000,001	-	N3,000,000	270	290
N3,000,001	-	N4,000,000	294	179
N4,000,001	-	N5,000,000	186	434
N5,000,001	-	N6,000,000	356	265
N6,000,001 and above			1,190	872
			2,743	2,181

39 Compliance with banking regulation

The group was penalised by the Central Bank of Nigeria (CBN) and Nigerian Stock Exchange (NSE) during the period as follows:

- CBN imposed a penalty of N2million on the banking entity for providing new credit facilities to customers without BVN.
- CBN imposed a penalty of N10million on the banking entity for AML/CFT related issues arising from the AML/CFT spot check in some of the branches.
- CBN imposed a penalty of N2million on the banking entity for failure to display conspicuously at the branches notices informing customers of the transfer of non-proprietary assets to custodians and that brokerage will be charged for purchase of financial assets on their behalf.
- CBN imposed a penalty of N100,000 on the banking entity for late rendition of a monthly return on mobile money scheme.
- CBN imposed a penalty of N75,000 for late rendition of a daily returns for 21st September 2015, 22nd October 2015, and 30th October 2015.
- CBN imposed a fine of N2million on Stanbic IBTC Holdings PLC for failure to seek the CBN's approval prior to paying the 2015 interim dividend.
- CBN imposed a fine of N2million on the banking entity for failure to provide information relating to the Treasury Single Account (TSA) within the given deadline.

NSE imposed a penalty of N2.1million on Stanbic IBTC Holdings PLC for failing to obtain prior approval before the publication of a press release.

40 Prior period restatement and presentation of prior period balances

40.1 Prior period restatement

The Financial Reporting Council in its 26 October 2015 Regulatory Decision on Stanbic IBTC Holdings PLC and in the new Rule published in March 2016 that relates to the accounting treatment of transactions requiring regulatory approval from statutory bodies in Nigeria such as the National Office for Technology Acquisition and Promotion (NOTAP) indicated that transactions that require regulatory approval should only be recognised in the financial statements when the approval has been obtained.
The group has transactions relating to franchise and management service agreements, mostly with ultimate parent and controlling entity - Standard Bank Group or fellow subsidiaries, where regulatory approvals have not been granted. The amounts accrued under the transactions have been restated in the prior periods in line with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). The following tables summarise the impacts on the consolidated and separate financial statements.

(i) Statement of financial position

01 January 2014		**As previously reported**	**Reclassifications**	**Adjustments**	**As restated**
Group	Note	N million	N million	N million	N million
Other assets	a	19,829	62	-	19,891
Current tax and deferred tax assets	b	7,716	(7,716)	-	-
Deferred tax assets	c	-	7,654	(1,595)	6,059
Others		735,501		-	735,501
Total assets		**763,046**	**-**	**(1,595)**	**761,451**
Current and deferred tax liabilities	d	7,788	(7,788)	-	-
Current tax liabilities	e	-	7,532	149	7,681
Deferred tax liabilities	f	-	256	-	256
Provisions and other liabilities	g	66,378	(66,378)	-	-
Provisions	h	-	2,338	-	2,338
Other liabilities	i	-	64,040	(5,319)	58,721
Others		591,246		-	591,246
Total liabilities		**665,412**	**-**	**(5,170)**	**660,242**
Retained earnings	j	22,864	-	3,039	25,903
Other regulatory reserves	k	18,859	-	536	19,395
Others		55,911	-	-	55,911
Total equity		**97,634**	**-**	**3,575**	**101,209**

31 December 2014		**As previously reported**	**Reclassifications**	**Adjustments**	**As restated**
Group		N million	N million	N million	N million
Other assets	l	21,613	97	-	21,710
Current tax and deferred tax assets	m	8,457	(8,457)	-	-
Deferred tax assets	n	-	8,360	(2,623)	5,737
Others		914,472	-	-	914,472
Total assets		**944,542**	**-**	**(2,623)**	**941,919**
Current and deferred tax liabilities	o	9,774	(9,774)	-	-
Current tax liabilities	p	-	9,663	184	9,847
Deferred tax liabilities	q	-	111	-	111
Provisions and other liabilities	r	85,353	(85,353)	-	-
Provisions	s	-	4,967	-	4,967
Other liabilities	t	-	80,386	(8,776)	71,610
Others		735,140		-	735,140
Total liabilities		**830,267**	**-**	**(8,592)**	**821,675**
Retained earnings	u	33,464	-	5,074	38,538
Other regulatory reserves	v	22,955	-	895	23,850
Others		57,856	-	-	57,856
Total equity		**114,275**	**-**	**5,969**	**120,244**

40.1 Prior period restatement (continued)

(ii) **Statement of profit or loss**

For the year ended 31 December 2014		**As previously reported**	**Reclassifications**	**Adjustments**	**As restated**
Group	Note	N million	N million	N million	N million
Net interest income		46,658	-	-	46,658
Net fee and commission revenue		39,267	-	-	39,267
Trading revenue		17,540	-	-	17,540
Other revenue	w	1,137	43	-	1,180
Total income		**104,602**	**43**	**-**	**104,645**
Credit impairment charges		(3,217)			-3,217
Income after credit impairment charges		**101,385**	**43**	**-**	**101,428**
Operating expenses		**(61,315)**	**(43)**	**3,457**	**(57,901)**
Staff costs		(25,779)			(25,779)
Other operating expenses	x	(35,536)	(43)	3,457	(32,122)
Profit before tax		**40,070**	**-**	**3,457**	**43,527**
Income tax	y	(8,005)	-	(1,063)	(9,068)
Profit for the year		**32,065**	**-**	**2,394**	**34,459**

For the year ended 31 December 2013		**As previously reported**	**Reclassifications**	**Adjustments**	**As restated**
Group		N million	N million	N million	N million
Net interest income		37,013	-	-	37,013
Net fee and commission revenue		32,900	-	-	32,900
Trading revenue		14,895	-	-	14,895
Other revenue		424	-	-	424
Total income		**85,232**	**-**	**-**	**85,232**
Credit impairment charges		(2,667)	-	**-**	(2,667)
Income after credit impairment charges		**82,565**	**-**	**-**	**82,565**
Operating expenses		**(57,948)**	**-**	**2,143**	**(55,805)**
Staff costs		(23,851)	-	**-**	(23,851)
Other operating expenses	z	(34,097)		2,143	(31,954)
Profit before tax		**24,617**	**-**	**2,143**	**26,760**
Income tax	aa	(3,844)		(703)	(4,547)
Profit for the year		**20,773**	**-**	**1,440**	**22,213**

40.1 Prior period restatement (continued)

(iii) Earning per share

For the year ended 31 December 2014	As previously reported	Restatements	Adjustments	As restated
Group				
Basic earnings per ordinary share (kobo)	293	-	24	317
Diluted earnings per ordinary share (kobo)	293	-	24	317

Earning per share

For the year ended 31 December 2013	As previously reported	Restatements	Adjustments	As restated
Group				
Basic earnings per ordinary share (kobo)	186	-	14	200
Diluted earnings per ordinary share (kobo)	186	-	14	200

(iv) Statement of cash flows

For the year ended 31 December 2014	As previously reported	Restatements	Adjustments	As restated
Group	N million	N million	N million	N million
Net cash flows from operating activities	**28,383**	**-**	**-**	**28,383**
Profit before tax	40,070	-	3,457	43,527
Changes in assets	(135,037)	-	14	(135,023)
Changes in deposits and other liabilities	121,058	-	(3,457)	117,601
Others	2,292	-	(14)	2,278
Net cash flows used in investing activities	(69,392)	-	-	(69,392)
Net cash flows from in financing activities	21,002	-	-	21,002
Net decrease in cash and cash equivalents	**(20,007)**	**-**	-	**(20,007)**

For the year ended 31 December 2013	As previously reported	Restatements	Adjustments	As restated
Group	N million	N million	N million	N million
Net cash flows from operating activities	**91,682**	**-**	**-**	**91,682**
Profit before tax	24,617	-	2,143	26,760
Changes in assets	(18,368)	-	-	(18,368)
Changes in deposits and other liabilities	82,146	-	(2,143)	80,003
Others	3,287	-	-	3,287
Net cash flows used in investing activities	(57,908)	-	-	(57,908)
Net cash flows from in financing activities	(20,828)	-	-	(20,828)
Effect of exchange rate changes on cash and cash equivalents	686	-	-	686
Net decrease in cash and cash equivalents	**13,632**	**-**	**-**	**13,632**

40.1 Prior period restatement (continued)

(a) Reclassification of N62 million represents withholding tax receivables reclassified from current and deferred tax assets to other assets following FRC regulatory decision.

(b) Reclassification serves to separate deferred tax asset from current tax asset following regulatory decision.

(c) Reclassification amount of N7,654 million results from separation of deferred tax from current tax as stated in note (b) above.
Adjustment of N1,595 million represents the deferred tax impact arising from reversal of N5,319 million arising from franchise fees and IT costs as per note (i) below.

(d) Reclassification serves to separate deferred tax liabilities from current tax liabilities following regulatory decision.

(e) Reclassification amount of N7,532 million results from separation of deferred tax from current tax as stated in note (d) above.
Adjustment of N149 million comprises education tax (N96 million) and information technology levy (N53 million) arising from reversal of N5,319 million arising from franchise fees and IT costs as per note (i) below. No additional current income tax liability arose as the banking entity was in a tax loss position before and after the adjustment.

(f) Reclassification amount of N256 million serves to separately disclose deferred tax liabilities following regulatory decision.

(g) Reclassification serves to disclose provisions separate from other liabilities in the the statement of financial position.

(h) This is a new disclosure that serves to separately disclose provisions from other liabilities. Refer to note (g) above.

(i) Reclassification serves to separately disclose other liabilities from provisions in the statement of financial position.

Adjustment of N5,319 million relates to reversal of accruals in respect of franchise fee and IT project in respect of which regulatory approvals have not been obtained as at 31 December 2013. This is further analysed in the table below.

	2013 N million	2011& 2012 N million	Total N million
Franchise fee	1,903	2,964	4,867
IT royalty fee:			
Calypso	64	141	205
GBM	78	23	101
Other IT costs	98	48	146
Total	**2,143**	**3,176**	**5,319**

(j) After tax impact of the adjustment stated in (i) above less transfer to statutory reserve. This is analysed further as follows.

	2013 N million	2011& 2012 N million	Total N million
Gross amount reversed (see note i above)	**2,143**	**3,176**	**5,319**
Less Tax	**(703)**	**(1,041)**	**(1,744)**
Current tax liabilities:	(60)	(89)	(149)
Direct tax	-	-	-
Education tax	(39)	(58)	(97)
Information technology levy	(21)	(31)	(52)
Deferred tax	(643)	(952)	(1,595)
After tax amount reversed	**1,440**	**2,135**	**3,575**

Breakdown into reserve component	**Amount (Nm)**
Statutory reserves @ 15% of N3,575 million	536
Retained earnings impact	3,039
Total	**3,575**

40.1 Prior period restatement (continued)

(k) Transfer to statutory reserve calculated at 15% of after tax impact of the adjustment. See j above.

(l) Reclassification of N97 million represents withholding tax receivables reclassified from current and deferred tax assets to other assets following FRC regulatory decision.

(m) Reclassification serves to separate deferred tax asset from current tax asset following regulatory decision.

(n) Reclassification amount of N8,457 million results from separation of deferred tax from current tax as stated in note (m) above.

(o) Reclassification serves to separate deferred tax liabilities from current tax liabilities following regulatory decision.

(p) Reclassification amount of N9,663 million results from separation of deferred tax from current tax as stated in note (o) above.
Adjustment of N184 million comprises education tax (N96 million) and information technology levy (N88 million) arising from reversal of N8,776 million arising from franchise fees and IT costs as per note (t) below. No additional current income tax liability arose as the banking entity was in a tax loss position before and after the adjustment.

(q) Reclassification amount of N111 million serves to separately disclose deferred tax liabilities following regulatory decision.

(r) Reclassification serves to separately disclose provision as a separate line item on the statement of financial position.

(s) This is a new disclosure that serves to separately disclose provisions from other liabilities. Refer to note (r) above.

(t) Reclassification serves to separately disclose other liabilities from provisions in the statement of financial position.

Adjustment of N8,776 million relates to reversal of cumulative accruals in respect of franchise fee and IT project in respect of which regulatory approvals have not been obtained as at 31 December 2014. This is further analysed in the table below.

	2014 N million	2013 N million	2011& 2012 N million	Total N million
Franchise fee	2,314	1,903	2,964	7,181
IT royalty fee:				
Calypso	59	64	141	264
GBM	67	78	23	168
Other IT costs	1,017	98	48	1,163
Total	**3,457**	**2,143**	**3,176**	**8,776**

(u) After tax impact of the adjustment stated in (t) above less transfer to statutory reserve. This is analysed further as follows.

	2014 N million	2013 N million	2011& 2012 N million	Total N million
Gross amount reversed (see note t above)	**3,457**	**2,143**	**3,176**	**8,776**
Less Tax	**(1,063)**	**(703)**	**(1,041)**	**(2,807)**
Current tax liabilities:	(35)	(60)	(89)	(184)
Direct tax	-	-	-	-
Education tax	-	(39)	(58)	(97)
Information technology levy	(35)	(21)	(31)	(87)
Deferred tax	(1,028)	(643)	(952)	(1,595)
After tax amount reversed	**2,394**	**1,440**	**2,135**	**5,969**

Breakdown into reserve component	**Amount (Nm)**
Statutory reserves @ 15% of N3,575 million	895
Retained earnings impact	5,074
Total	**5,969**

40.1 Prior period restatement (continued)

(v) Transfer to statutory reserve calculated at 15% of after tax impact of the adjustment. See note u above.

(w) This is a recalssification made between operating expenses and other revenue following from regulatory decision relating to treatment of profit or loss on disposal on fixed assets.

(x) This relates to reclassification of N43m, representing gains of disposal of property and equipment, previously reported under other operating expenses to other revenue.
Adjustment of N3,457 million relates to reversal of expense incurred in 2014 financial year in respect of franchise fee (N2,314 million), IT royalty fee (N306m) and other IT projects (N837m) for which regulatory registration was not received.

(y) This represents deferred tax (N1,028 million) and information technology (N35 million) arising from the adjustment in note x above.No additional current income tax liability arose as the banking entity was in a tax loss position before and after the adjustment.

(z) Adjustment of N2,143 million relates to reversal of expense incurred in 2013 financial year in respect of franchise fee (N1,903 million) and IT costs (N240m) for which regulatory registration was not received.

(aa) Adjustment to income tax charge of N703 million is made up of deferred tax (N643 million), education tax (N39 million) and information technology (N21 million) arising from the adjustment of N2,143 million as stated in note (z) above. No additional current income tax liability arose as the banking entity was in a tax loss position before and after the adjustment.

40.2 Prior period corresponding balances

Certain prior period balances have been reclassified in line with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, to reflect current period presentation:

Statement of profit or loss

(i)

Other operating expenses- 31 December 2014		**As previously reported**	**Reclassification***	**Adjustment****	**As restated**
Group	Note	N million	N million	N million	N million
Information technology	a	4,704	(898)	(1,113)	2,693
Professional fees	b	6,083	(1,332)	(2,314)	2,437
Insurance	c	6,224	(6,224)	-	-
Deposit insurance premium	d	-	2,114	-	2,114
AMCON expenses	e	-	3,665	-	3,665
Other insurance premium	f	-	445	-	445
Provision on contingent and other known losses	g	972	(972)	-	-
Other operating costs	h	1,908	(1,878)	(30)	-
Motor vehicle maintenance expense, conference expenses, and other office administration expenses	i	-	449	-	449
Non audit service fee	j	-	42	-	42
Auditors renumeration	k	-	220	-	220
Finacle core banking software	l	-	898	-	898
Pension sales agent commission	m	-	99	-	99
Penalties & fines	n	-	34	-	34
Donations	o	-	486	-	486
Operational losses	p	-	321	-	321
Directors fees	q	-	224	-	224
Provisions for legal costs, levies & fines	r	-	1,411	-	1,411
Impairment of other financial assets	s	-	631	-	631
Indirect tax (VAT)	t	-	308	-	308
Communication		827	-	-	827
Premises and maintenance		3,762	-	-	3,762
Administration and membership fees		1,021	-	-	1,021
Training expenses		498	-	-	498
Security expenses		1,026	-	-	1,026
Travel and entertainment		1,494	-	-	1,494
Stationery and printing		709	-	-	709
Marketing and advertising		2,808	-	-	2,808
Depreciation		3,500	-	-	3,500
		35,536	43	(3,457)	32,122

* This represents additional enhancements to discosure on operating expenses following from the regulatory decision of the FRC noted in note 29.5. Net reclassification amount of N43 million represents gains on disposal of property and equipment reclassified to other revenue as noted in (b) below.

** See note 40.1(x) for details on adjustment.

40.2 Prior period corresponding balances (continued)

Other operating expenses- 31 December 2014	As previously reported	Reclassification*	Adjustment	As restated
Company	N million	N million	N million	N million
Communication	28	(28)	-	-
Premises and maintenance	59	(59)	-	-
Marketing and advertising	137	(137)	-	-
Insurance	77	(77)	-	-
Professional fees	138	(138)	-	-
Depreciation	146	-	-	146
Stationery and printing	18	(18)	-	-
Auditors remuneration	-	15	-	15
Non audit services	-	18	-	18
Donation	-	162	-	162
Director's fees	-	119	-	119
Travel and entertainment	43	(43)	-	-
Indirect tax (VAT)	-	50	-	50
Impairment of other financial assets	-	50	-	50
Provision on contingent and other known loss	102	(102)	-	-
Motor vehicle maintenance expense, conferer	-	407	-	407
Administration and membership fees	16	(16)	-	-
Training	17	(17)	-	-
Other	186	(186)	-	-
	967	**-**	**-**	**967**

*The reclassifications have done to conform with current period presentation

(a) Adjustment of N1,113 million relates to reversal of accruals in respect of IT costs where regulatory approvals had not been received. Refer to note 40.1(x).
Reclassification amount of N898 million (2013: N1,084m ; 2012: N412m) relates to support services and usage cost in respect of Finacle core banking software which is now been disclosed separately. See note (l).

(b) Adjustment of N2,314 million relates to reversal of amount accrued for franchise and mangement service agreement with related Standard Bank Africa, a division of Standard Bank of South Africa. Refer to note 40.1(x).
Reclassification amount of N1,332 million relates to items reallocated from professional fees to other operating expense lines as follows:

Item	Amount (Nm)
Auditors renumeration	220
Non audit service fee	42
Provision for legal cost	470
Provision for indirect taxes & levies	600
Total	**1,332**

(c) Reclassification of N6,224 million has been done to provide a further breakdown and enhance the disclosure. The analysis is given below:

Item	Amount (Nm)
Deposit insurance premium	2,114
AMCON expenses	3,665
Other insurance premium	445
Total	**6,224**

(d) This is a new disclosure item and amount of N2,114 million has been reclassified from Insurance (note c)

(e) This is a new disclosure item and amount of N3,665 million has been reclassified from Insurance (note c)

40.2 Prior period corresponding balances (continued)

(f) This is a new disclosure item and amount of N445 million has been reclassified from Insurance (note c)

(g) Adjustment of N972 million relates to reclassification out to provision for legal costs (note r) N341 million and impairment of other financial assets (note s) N631 million.

Item	Amount (Nm)
Provision for legal costs	341
Impairment of other financial assets	631
Total	**972**

(h) This relates to reallocation of other operating costs to other line items as follows:

Item	Amount (Nm)
Pension sales agent commission	99
Penalties & fines	34
Donations	486
Operational losses	321
Directors fees	224
Motor vehicle maintenance expense, conference expenses, and other office administration expenses	449
Indirect VAT	308
Gains on disposal of property and equipment	(43)
Total	**1,878**

(i) This relates to reclassification of *Motor vehicle maintenance expense, conference expenses, and other office administration expenses* out of other operating expenses. See note h above.

(j) This relates to reclassification of non audit fee from professional fee. See note b.

(k) This relates to reclassification of audit remuneration from professional fee. See note b.

(l) This relates to a reclassification of cost of support services and usage in respect of Finacle core banking software from information technology. See note a.

(m) This relates to reclassification of pension agent commission from other operating costs. See note h above.

(n) This relates to reclassification of penalties and fines from other operating costs following. See note h above.

(o) This relates to reclassification of donations from other operating costs and includes N275m contribution to victim support funds. See note h above.

(p) This relates to reclassification of operational losses from other operating costs following regulatory decision item 9d. See note h above.

(q) This relates to reclassification of directors fees from other operating costs. See note h above.

(r) This relates to reclassification of provisions for litigation, levies and fines from professional fees and provision for contingent and other known losses. Analysis of the amount reclassified is presented below:

Item	Amount (Nm)
Provision for legal cost (note i)	341
Provision for legal cost (note b)	470
Provision for indirect taxes & levies (note b)	600
Total	**1,411**

(s) This relates to reclassification of impairment of other assets from provision for contingent and other known losses. See note g.

40.2 Prior period corresponding balances (continued)

(t) This relates to reclassification of indirect tax (VAT) from other operating costs. See note h above.

(ii)

Other revenue- 31 December 2014	**As previously reported**	**Reclassification**	**Adjustment**	**As restated**
Group	N million	N million		N million
Dividend income	142	-	-	142
Gains on disposal of property and equipment	-	43	-	43
Other	995	-	-	995
	1,137	43	-	1,180

(iii)

Fees and commission revenue- 31 December 2014	**As previously reported**	**Reclassification**	**Adjustment**	**As restated**
Group	N million	N million		N million
Account transaction fees	3,038	-	-	3,038
Card based commission	2,000	-	-	2,000
Brokerage and financial advisory fees	7,111	-	-	7,111
Asset management fees	20,334	-	-	20,334
Custody transaction fees	2,213	-	-	2,213
Electronic banking	499	-	-	499
Foreign currency service fees	1,763	-	-	1,763
Documentation and administration fees	827	1,309	-	2,136
Other fee and commision revenue	1,993	(1,309)	-	684
	39,778	-	-	39,778

Reclassification relates to commitment fee and processing fee on credit facilities reallocated from other fee and commission revenue to documentation and administration fee. This is to align with current period presentation.

Statement of financial position

(iv)

Other assets - 31 December 2014	**As previously reported**	**Reclassification†**	**Adjustment**	**As restated**
Group	N million	N million	N million	N million
Trading settlement assets	4,217	-	-	4,217
Due from group companies	-	432	-	432
Accrued Income	683	-	-	683
Indirect / withholding tax receivables	920	97	-	1,017
Accounts receivable	10,929	(432)	-	10,497
Prepayments	6,092	-	-	6,092
Other debtors	820	-	-	820
Provision on doubtful receivables	(2,048)	-	-	(2,048)
Total other assets (see note 15)	**21,613**	**97**	**-**	**21,710**

† The net impact of N97 million represents withholding tax receivables reclassified from current tax assets to other assets. See note (v) below.

(v)

Current and deferred tax assets - 31 December 2014	**As previously reported**	**Reclassification**	**Adjustment††**	**As restated**
Group	N million	N million	N million	N million
Current tax assets	97	(97)	-	-
Deferred tax assets	8,360	-	(2,623)	5,737
	8,457	**(97)**	**(2,623)**	**5,737**

†† See note 40.1(n) for details on adjustments.

40.2 Prior period corresponding balances (continued)

(vi) **Other liabilities - 31 December 2014**

Group	As previously reported	Reclassification*	Adjustment**	As restated
	N million	N million	N million	N million
Trading settlement liabilities	956	(416)	-	540
Cash-settled share-based payment liability	1,245	574	-	1,819
Accrued expenses - staff	4,081	(574)	-	3,507
Deferred revenue	1,364	-	-	1,364
Accrued expenses - others	16,045	(1,206)	(8,776)	6,063
Due to group companies	-	478	-	478
Collections / remmitance payable	9,735	-	-	9,735
Customer deposit for letters of credit	4,510	-	-	4,510
Liability on refinanced letters of credit	27,675	-	-	27,675
Unclaimed balance	6,832	-	-	6,832
Provision for contingent losses	2,578	(2,578)	-	-
Payables to suppliers and asset management	-	2,217	-	2,217
Draft & bank cheque payable	1,940	-	-	1,940
Electronic channels settlement liability	-	416	-	416
Sundry liabilities	8,392	(3,878)	-	4,514
Total (see note 25)	**85,353**	**(4,967)**	**(8,776)**	**71,610**

* The net impact of N4,967 million represents amount reclassified from other liabilities to provisions. See note (g) below.

** See note 40.1(t) for details.

(vii) **Provisions - 31 December 2014**

Group	As previously reported	Reclassification***	Adjustment	As restated
	N million	N million	N million	N million
Provisions	-	4,967	-	4,967
Total (see note 24)	-	4,967	-	4,967

*** This represents amount reclassified from other liabilities. See note (vi) above. Note 24 provide details on each component of provisions.

41 Events after the reporting period

On 19th January 2016, Stanbic IBTC Holdings PLC (SIBTC) obtained an injunction in the Federal High Court in relation to the Federal High Court judgment of 14 December 2015. The injunction was intended to suspend any adverse implication of the court judgment on the operations of SIBTC pending the conclusion of the appeal filed at the Federal Court of Appeal.

In March 2016, the FRC issued new Rules on its website that related to the accounting treatment for transactions that require the approval of statutory bodies such as the National Office of Technology Acquisition and Promotion (NOTAP) as well as certification requirements for those who attest to the financial statements of a company. In its reporting for the financial year ended 31 December 2015, SIBTC has taken account of the Regulatory Decision and the new Rules. Comparative balances for the years ended 2013 and 2014 have been restated as a result. See note 40.1 for details.

In November 2016, SIBTC, the FRC and NOTAP reached an agreement on some of the issues that are related to the FRC regulatory decision and SIBTC's appeal, including a settlement payment. Pursuant to such agreement, SIBTC's appeal has been amended and its sole focus now relates to the alleged illegality of the agreements between Stanbic IBTC and SBSA (see note 29.5; items iv, v, and vi are no longer part of the issues addressed in the appeal). The appeal (as amended) is however still pending before the Federal Court of Appeal. The FRC, which has amended its brief of appeal in response to the amended appeal filed by SIBTC has also withdrawn its cross appeal and its appeal against the injunctive orders of the Federal High Court.

Enterprise risk review

Overview

The group's strong enterprise risk management practice is the bedrock of its commitment to continually enhance shareholders' value in strict adherence to the risk appetite as set by the board whilst considering the wider interest of other stakeholders amongst who are depositors and regulators.

The tone for a responsive and accountable risk management culture is set at the board level and this flows down through the organisation to each business manager and independent risk officer.
Risks are managed according to set risk governance standards, which are implemented across the group and are supported by appropriate risk policies and procedures. The bank and other subsidiaries within the group have each adopted the Enterprise Risk Management (ERM) framework with an independent control process that provides an objective view of risk taking activities across all business and risk types at both an individual and aggregated portfolio level.

The group seeks to achieve the right balance between risk and reward in its businesses, and limits adverse variations in earnings by appropriately managing its capital within specified risk appetite levels.

Key achievements in 2015

Amidst randomly unfolding new regulatory guidelines and frameworks, the group was able to distinguish itself in the industry by the quality and robustness of its risk management practices and tools. Some specific achievements include:

Operational Risk

- Set up of the information risk desk to bring the organization's information risks under explicit management control in order to prevent significant reputational, financial or other loss to the bank and its clients.
- Development of the IT Risk Profile to reflect and monitor the Bank's IT risk. The profile also highlights progress made in remediating high risk findings as well as key future and ongoing projects (go-to-green actions).
- Review of Business Impact Assessment (BIA) reports for branches and Head Office units and subsequent alignment of BCM plans across the enterprise.
- Full fledge Business Continuity Management (BCM) simulation exercise '' operation logjam'' impacting the Bank and other subsidiaries in the Stanbic IBTC Group. The objective of the exercise amongst others was to strengthen crisis management response and capability across the enterprise. Specific focus was on building requisite capacity in-house
- Deployment of the new integrated Operational Risk System –Accelus Risk Manager (ARM Version 05) to replace AVANON.

  Facilitation of business risk assessments for the strategic business divisions notably the PBB and CIB businesses focusing on key risks to strategy execution.

Fraud risk

- Rollout and Management of Fraud Monitoring Systems: We supported the implementation of the Internal Employee Fraud (IEF) module on the Intellinx Enterprise fraud monitoring solution deployed in April 2015 as part of the measures instituted to proactively manage fraud risk exposures in the Bank
- Training of staff members on fraud prevention: Fraud awareness sessions were facilitated across the group and a total of 3,499 staff members have been trained (in 73 workshops) so far in the year. Also 12 fraud prevention circulars were communicated during the period to sensitize staff members on fraud prevention and reporting.
- Prosecution of staff and external parties involved in fraud : 30 criminal cases instituted through the Nigeria Police against fraudulent ex-staff members and external parties and are being pursued in different law courts in Nigeria.

Market risk

- Full introduction of consolidated global Market Risk reporting system COMPASS
- Implementation of Credit Value Adjustment

Compliance

- Improved focus in monitoring compliance and mitigating risk of non-compliance with regulatory rules
- Compilation of a Regulatory rulebook for the Bank
- Systems upgrade in compliance with NFIU Currency Transaction Reports(CTR) in line with the new XML Schema

Technology risk

- Bank's complied with re-certification requirements to maintain PCIDSS (Payment Card Industry Data Security Standard) status
- Security Operations Center was setup and real-time monitoring of Cyber security incidents commenced with one staff
- Completed surveillance audit to maintain ISO 27001 information security standard

Credit risk

- Implemented a credit risk appetite framework which will provide clear guidance for the responsible growth of the credit portfolio;
- Strengthened the credit capabilities through up-skilling and onboarding of new talent;
- Conducted periodic stress testing and scenario analysis to proactively identify risks as well as opportunities for growth.

Focus areas for 2016

Against a backdrop of an ever changing economic and political situation both globally and at home, declining oil prices, a slow down in the Chinese economy and increasing terrorist incidents, 2016 is expected to bring with it a unique set of challenges and opportunities. To better equip the Risk department to add value in this climate, a few of the risk focus areas for 2016 are:

- Proactive and continuous engagement with stakeholders to manage fraud risks in alignment with the Bank's new focus/structure
- Prompt investigation of referred cases in line with Service Level Agreements
- Follow up with Law enforcement to ensure diligent prosecution of cases in court
- Optimization of all Information Security investments
- Implement strategy around mobile devices to mitigate risk to operating environment
- Drive Cyber Security awareness across the SIBTC Group
- leveraging technology using systems to enhance monitoring and surveillance thereby improving the effectiveness of compliance risk management
- Defend the existing portfolio against macroeconomic stress with a key focus on sectors most likely to be impacted like upstream Oil & Gas and Foreign Currency dependant sectors.
- Improve risk awareness at point of representation to drive the right behavior at representation.
- Focusing on recovery of bad debt to reduce non performing loan ratios
- Reorganisation of the recovery function to improve efficiency and improved performance

Risk management framework

Approach and structure

The group's approach to risk management is based on governance processes that rely on both individual responsibility and collective oversight that is supported by MIS. This approach balances corporate oversight at senior management level with independent risk management structures in the business. Business unit heads are known as the first line of defense and are specifically responsible for the management of risk within their businesses using appropriate risk management frameworks that meet the required group minimum standards.

An important element that underpins the group's approach to the management of all risk is independence and appropriate segregation of responsibilities between business and risk. Risk officers report separately to the Head of Group Risk who reports to the Chief Executive Officer of Stanbic IBTC and also through a matrix reporting line to the Standard Bank Group (SBG).

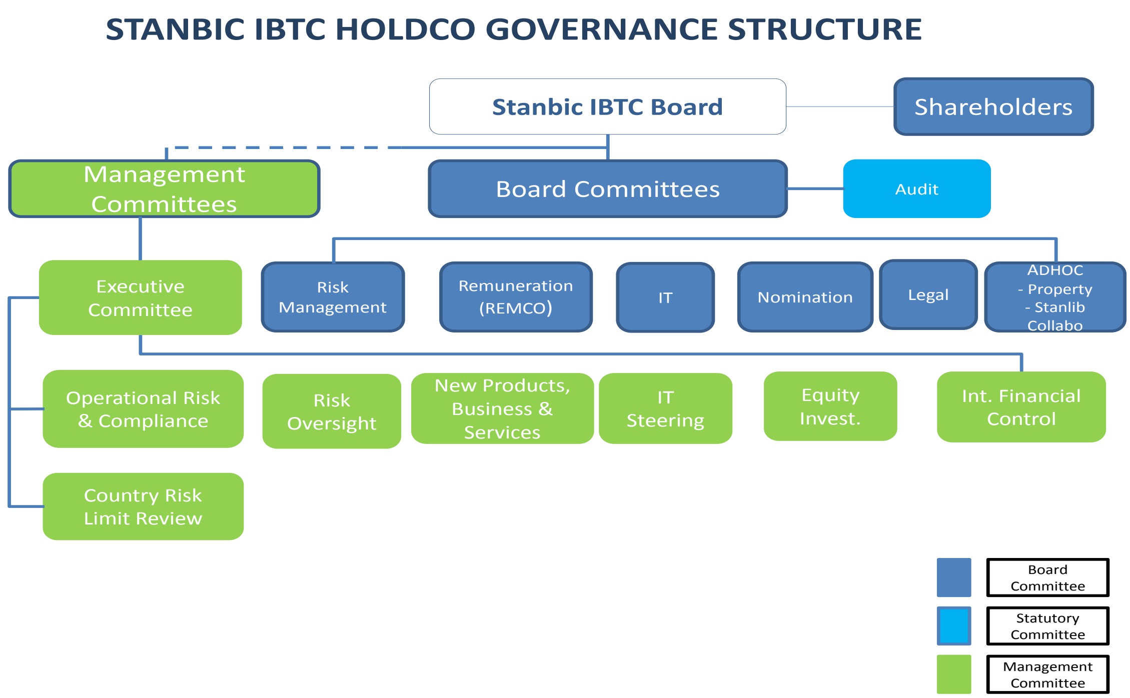
All key risks are supported by the Risk department.

Governance structure

The risk governance structure provides the board and executive / senior management through the various committees, with the platforms to evaluate and debate key risks faced by the group and assess the effectiveness of risk responses through the risk profiles received from the chief risk officers across the group (please refer to the pictorial representation of the group risk governance structure below).

The board committees comprise the statutory audit committee, board credit committee and board risk management committee, while executive management oversight at the subsidiary and group levels are achieved through management committees that focus on specific risks. Each of the board and management committees is governed by mandates that set out the expected committee terms of reference.

Governance structure[a]



[a]This is continuously evolving to meet changing needs and requirements.

Risk governance standards, policies and procedures

The group has developed a set of risk governance standards for each major financial risk type i.e. credit, and market risks. The standards define the acceptable conditions for the assumption of the major risks and ensure alignment and consistency in the manner in which these risks are identified, measured, managed, controlled and reported, across the group.

Risk appetite

Risk appetite is an expression of the amount, type and tenure of risk that the group is prepared to accept in order to deliver its business objectives. It is the balance of risk and return as the group implements business plans, whilst recognising a range of possible outcomes.

The Board establishes the group’s parameters for risk appetite by:

- providing strategic leadership and guidance;
- reviewing and approving annual budgets and forecasts for the group and each subsidiary; and
- regularly reviewing and monitoring the group’s performance in relation to set risk appetite.

The risk appetite is defined by several metrics which are then converted into limits and triggers across the relevant risk types, at both entity and business line level, through an analysis of the risks that impact them.

Stress testing

Stress testing serves as a diagnostic and forward looking tool to improve the group’s understanding of its credit; market and operational risks profile under event based scenarios.

Management reviews the outcome of stress tests and selects appropriate mitigating actions to minimise and manage the impact of the risks to the group.

Residual risk is then evaluated against the risk appetite.

Risk categories

The group’s enterprise risk management framework is designed to govern, identify, measure, manage, control and report on the principal risks to which the group is exposed. The principal financial risks are defined as follows:

Credit risk

Credit risk arises primarily in the group operations where an obligor / counterparty fails to perform in accordance with agreed terms or where the counterparty’s ability to meet such contractual obligation is impaired.

Credit risk comprises counterparty risk, wrong-way risk, settlement risk, country risk and concentration risk.

Counterparty risk

Counterparty risk is the risk of loss to the group as a result of failure by a counterparty to meet its financial and/or contractual obligations to the group. It has three components:

• primary credit risk which is the exposure at default (EAD) arising from lending and related banking product activities, including their underwriting;

• pre-settlement credit risk which is the EAD arising from unsettled forward and derivative transactions, arising from the default of the counterparty to the transaction and measured as the cost of replacing the transaction at current market rates; and

• issuer risk which is the EAD arising from traded credit and equity products, and including their underwriting.

Wrong-way risk

Wrong-way risk is the risk that arises when default risk and credit exposure increase together. There are two types of wrong-way risk as follows: specific wrong way risk (which arises through poorly structured transactions, for example, those collateralized by own or related party shares) and general wrong way risk (which arises where the credit quality of the counterparty may for non-specific reasons be held to be correlated with a macroeconomic factor which also affects the credit quality of the counterparty).

Settlement risk

Settlement risk is the risk of loss to the group from a transaction settlement, where value is exchanged, failing such that the counter value is not received in whole or part.

Country and cross border risk

Country and cross border risk is the risk of loss arising from political or economical conditions or events in a particular country which reduce the ability of counterparties in that particular country to fulfill their obligations to the group.

Cross border risks is the risk of restriction on the transfer and convertibility of local currency funds, into foreign currency funds thereby limiting payment by offshore counterparties to the group.

Concentration risk

Concentration risk refers to any single exposure or group of exposures large enough to cause credit losses which threaten the group's capital adequacy or ability to maintain its core operations. It is the risk that common factors within a risk type or across risk types cause credit losses or an event occurs within a risk type which results to credit losses.

Market risk

Market risk is defined as the risk of a change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse moves in market variables such as equity, bond and commodity prices, foreign exchange rates, interest rates, credit spreads, recovery rates, correlations and implied volatilities in the market variables. Market risk covers both the impact of these risk factors on the market value of traded instruments as well as the impact on the group's net interest margin as a consequence of interest rate risk on banking book assets and liabilities.

Liquidity risk

Liquidity risk is defined as the risk that the group, although balance-sheet solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due (as a result of funding liquidity risk), or can only do so at materially disadvantageous terms (as a result of market liquidity risk).

Funding liquidity risk refers to the risk that the counterparties, who provide the group with funding, will withdraw or not roll-over that funding.

Market liquidity risk refers to the risk of a generalised disruption in asset markets that makes normal liquid assets illiquid and the potential loss through the forced-sale of assets resulting in proceeds being below their fair market value.

Credit risk

Principal credit standard and policies

The group's Governance Standard, as reviewed regularly, sets out the broad overall principles to be applied in credit risk decisions and sets out the overall framework for the consistent and unified governance, identification, measurement, management and reporting of credit risk in the group.

The Corporate and Investment Banking (CIB) and the Personal and Business Banking (PBB) Global Credit Policies have been designed to expand the Group Credit Risk Governance Standard requirements by embodying the core principles for identifying, measuring, approving, and managing credit risk. These policies provide a comprehensive framework within which all credit risk emanating from the operations of the bank are legally executed, properly monitored and controlled in order to minimize the risk of financial loss; and assure consistency of approach in the treatment of regulatory compliance requirements.

In addition to the Credit Risk Governance Standard, CIB and PBB Global Credit Policies, a number of related credit policies and documents have been developed, with contents that are relevant to the full implementation and understanding of the credit policies.

Methodology for risk rating

Internal counterparty ratings and default estimates that are updated and enhanced from time-to-time play an essential role in the credit risk management and decision-making process, credit approvals, internal capital allocation, and corporate governance functions. Ratings are used for the following purposes:

- Credit assessment and evaluation
- Credit monitoring
- Credit approval and delegated authority
- Economic capital calculation, portfolio and management reporting
- Regulatory capital calculation
- RARORC (Risk-Adjusted Return on Regulatory Capital) calculation
- Pricing: PDs, EADs, and LGDs may be used to assess and compare relative pricing of assets/facilities, in conjunction with strategic, relationship, market practice and competitive factors.

Methodology for risk rating (continued)

The starting point of all credit risk assessment and evaluation lies in the counterparty risk grading, which is quantified and calculated in compliance with the group's credit rating policy and using such Basel-2 compliant models as are in current use and which are updated or enhanced from time to time.

Credit risk quantification for any exposure or portfolio is summarised by the calculation of the expected loss (EL), which is arrived at in the following way:

- Based on the risk grading foundation which yields the counterparty's probability of default (PD), the nature and quantum of the credit facilities are considered;
- A forward-looking quantification of the exposure at default (EAD) is determined in accordance with group standard guidelines.
- Risk mitigants such as security and asset recovery propensities are then quantified to moderate exposure at default to yield the loss given default (LGD).
- Finally, the EL is a function of the PD, the LGD and the EAD.

These parameters are in turn used in quantifying the required regulatory capital reserving, using the Regulatory Capital Calculator developed, maintained and updated in terms of Basel 2, and the economic capital implications through the use of Credit Portfolio Management's (CPM's) Economic Capital tools. Furthermore, bearing in mind the quantum of the facility and the risk/reward thereof, an appropriate consideration of Basel 2 capital requirements (where applicable) and the revenue and return implications of the credit proposal.

Framework and governance

Credit risk remains a key component of financial risks faced by any bank given the very nature of its business. The importance of credit risk management cannot be over emphasised as consequences can be severe when neglected. The bank has established governance principles to ensure that credit risk is managed effectively within a comprehensive risk management and control framework.

In reaching credit decisions and taking credit risk, both the credit and business functions must consistently and responsibly balance risk and return, as return is not the sole prerogative of business neither is credit risk the sole prerogative of credit. Credit (and the other risk functions, as applicable) and business must work in partnership to understand the risk and apply appropriate risk pricing, with the overall aim of optimising the bank's risk adjusted performance.

The reporting lines, responsibilities and authority for managing credit risk in the group are clear and independent. However, ultimate responsibility for credit risk rests with the board.

Credit risk mitigation

Credit risk mitigation is defined as all methods of reducing credit expected loss whether by means of reduction of EAD (e.g. netting), risk transfer (e.g. guarantees) or risk transformation.

Guarantees, collateral and the transaction structures are used by the group to mitigate credit risks both identified and inherent though the amount and type of credit risk is determined on a case by case basis. The group's credit policy and guidelines are used in a consistent manner while security is valued appropriately and reviewed regularly for enforceability and to meet changing business needs.

The credit risk mitigation policy establishes and defines the principles of risk transfer, transformation and reduction. Processes and procedures for accepting, verifying, maintaining, and releasing collateral are well documented in order to ensure appropriate application of the collateral management techniques.

Credit risk measurement

A key element in the measurement of credit risk is the assignment of credit ratings, which are used to determine expected defaults across asset portfolios and risk bands. The risk ratings attributed to counterparties are based on a combination of factors which cover business and financial risks:

The group uses the PD Master Scale rating concept with a single scale to measure the credit riskiness of all counterparty types. The grading system is a 25-point scale, with three additional default grades.

Group's rating	Grade description	Standard & Poor's	Fitch
SB01 - SB12/SB13	Investment grades	AAA to BBB-	AAA to BBB-
SB13 - SB25	Speculative grades	BB+ to CCC	BB+ to CCC

Risk and capital management (continued)
For the year ended 31 December 2015

IFRS 7
The tables that follow analyse the credit quality of loans and advances measured in terms of IFRS.

Maximum exposure to credit risk
Loans and advances are analysed and categorised based on credit quality using the following definitions.

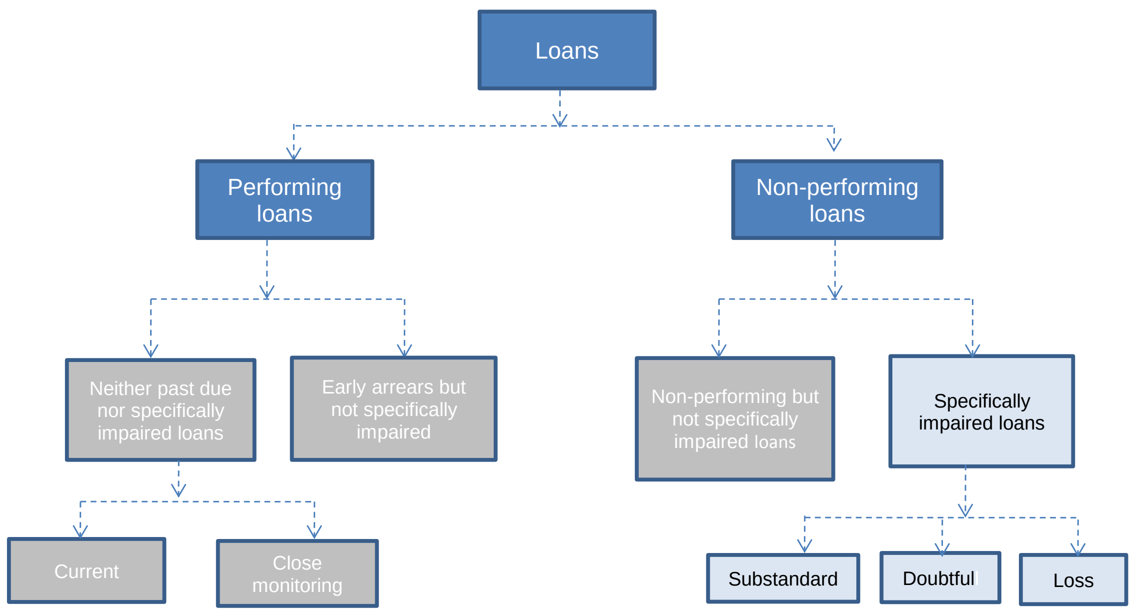
Performing loans
Neither past due nor specifically impaired loans are loans that are current and fully compliant with all contractual terms and conditions.

Early arrears but not specifically impaired loans include those loans where the counterparty has failed to make contractual payments and payments are less than 90 days past due, but it is expected that the full carrying value will be recovered when considering future cash flows, including collateral. Ultimate loss is not expected but could occur if the adverse conditions persist.

Non-performing loans
Non-performing loans are those loans for which:
- the group has identified objective evidence of default, such as a breach of a material loan covenant or condition; or

Non-performing but not specifically impaired loans are not specifically impaired due to the expected recoverability of the full carrying value when considering future cash flows, including collateral.
Non-performing specifically impaired loans are those loans that are regarded as non-performing and for which there has been a measurable decrease in estimated future cash flows. Specifically impaired loans are further analysed into the following categories:

- *substandard items* that show underlying well-defined weaknesses and are considered to be specifically impaired;
- *doubtful items* that are not yet considered final losses due to some pending factors that may strengthen the quality of the items; and
- *loss items* that are considered to be uncollectible in whole or in part. The group provides fully for its anticipated loss, after taking



Portfolio credit impairments
Specific credit impairments

Maximum exposure to credit risk by credit quality

December 2015				Performing loans			Non-performing loans										
				Neither past due nor specifically impaired		Not specifically impaired		Specifically impaired loans									
								Non-performing loans									
	Note	Total Loans and Advances to Customers N'million	Balance sheet impairments for performing loans N'million	Normal monitoring N'million	Close monitoring N'million	Early arrears N'million	Non-performing N'million	Sub-standard N'million	Doubtful N'million	Loss N'million	Total N'million	Securities and expected recoveries on specifically impaired loans N'million	Net after securities and expected recoveries on specifically impaired loans N'million	Balance sheet impairments for non-performing specifically impaired loans N'million	Gross specific impairment coverage %	Total non-performing loans N'million	Non-performing loans %
Personal & Business Banking		163,977	2,387	95,644	19,386	32,348	-	3,277	7,099	6,223	16,599	5,496	11,103	11,103	67	16,599	10.1
Mortgage loans		9,953	112	7,220	-	2 123	-	173	154	283	610	181	429	429	70	610	6.1
Instalment sale and finance leases		22,235	496	5,506	6,764	5,163	-	1,014	3,788	-	4,802	1,354	3,448	3,448	72	4,802	21.6
Card debtors		1,638	18	1,440	5	45	-	26	122	-	148	11	137	137	93	148	9.0
Other loans and advances		130,151	1,761	81,478	12,617	25,017	-	2,064	3,035	5,940	11,039	3,950	7,089	7,089	64	11,039	8.5
Corporate & Investment Banking		215,451	4,837	192,418	12,514	82	-	-	7,421	3,016	10,437	2,849	7,588	7,588	73	10,437	4.8
Corporate loans		215,451	4,837	192,418	12,514	82	-	-	7,421	3,016	10,437	2,849	7,588	7,588	73	10,437	4.8
Gross loans and advances		**379,428**	7,224	288,062	31,900	32,430	-	3,277	14,520	9,239	27,036	8,345	18,691	18,691	69	27,036	7.1

Less:		
Impairment for loans and advances		(25,915)
Net loans and advances	12	353,513
Add the following other banking activities		
Cash and cash equivalents	7	211,481
Derivatives	10.6	911
Financial investments	11	162,695
Asset held for sale	11.4	262
Loans and advances to banks	12	26,782
Trading assets	9.1	37,956
Pledged assets	8	86,570
Other financial assets		15,831
Total on-balance sheet exposure		896,001
Unrecognised financial assets:		
Letters of credit	29.1	19,638
Guarantees	29.1	30,335
Loan commitments		29,902
Total exposure to credit risk		**975,876**

Additional disclosures on loans and advances is set out in note 12.

Maximum exposure to credit risk by credit quality

December 2014	Note	Total Loans and Advances to Customers N'million	Balance sheet impairments for performing loans N'million	Performing loans – Neither past due nor specifically impaired – Normal monitoring N'million	Performing loans – Neither past due nor specifically impaired – Close monitoring N'million	Performing loans – Not specifically impaired – Early arrears N'million	Performing loans – Not specifically impaired – Non-performing N'million	Non-performing loans – Specifically impaired loans – Non-performing loans – Sub-standard N'million	Non-performing loans – Specifically impaired loans – Non-performing loans – Doubtful N'million	Non-performing loans – Specifically impaired loans – Non-performing loans – Loss N'million	Non-performing loans – Specifically impaired loans – Total N'million	Securities and expected recoveries on specifically impaired loans N'million	Net after securities and expected recoveries on specifically impaired loans N'million	Balance sheet impairments for non-performing specifically impaired loans N'million	Gross specific impairment coverage %	Total non-performing loans N'million	Non-performing loans %
Personal & Business Banking		166,391	2,270	108,768	15,331	30,878	-	5,569	2,713	3,132	11,414	4,608	6,806	6,806	60	11,414	6.9
Mortgage loans		8,156	126	6,480	-	1 332	-	92	202	50	344	93	251	251	73	344	4.2
Instalment sale and finance leases		23,870	332	7,480	6,324	7,988	-	462	1,185	431	2,078	620	1,458	1,458	70	2,078	8.7
Card debtors		1,278	22	878	-	298	-	18	34	50	102	6	96	96	94	102	8.0
Other loans and advances		133,087	1,790	93,930	9,007	21,260	-	4,997	1,292	2,601	8,890	3,889	5,001	5,001	56	8,890	6.7
Corporate & Investment Banking		247,049	2,032	226,752	9,060	4,700	-	-	5,127	1,410	6,537	2,809	3,728	3,728	57	6,537	2.6
Corporate loans		247,049	2,032	226,752	9,060	4,700	-	-	5,127	1,410	6,537	2,809	3,728	3,728	57	6,537	2.6
Gross loans and advances		**413,440**	4,302	335,520	24,391	35,578	-	5,569	7,840	4,542	17,951	7,417	10,534	10,534	59	17,951	4.3
Less:																	
Impairment for loans and advances		(14,836)															
Net loans and advances	12	**398,604**															
Add the following other banking activities exposures:																	
Cash and cash equivalents	7	143,171															
Derivatives	10.6	4,860															
Financial investments	11	204,502															
Loans and advances to banks	12	8,814															
Trading assets	9.1	96,345															
Pledged assets	8.1	34,172															
Other financial assets		13,918															
Total on-balance sheet exposure		**904,386**															
Unrecognised financial assets:																	
Letters of credit	29.1	31,020															
Guarantees	29.1	34,543															
Loan commitments		17,972															
Total exposure to credit risk		**987,921**															

Additional disclosures on loans and advances is set out in note 12.

Ageing of loans and advances past due but not specifically impaired

	Less than 31 days N'million	31-60 days N'million	61-89 days N'million	90-180 days N'million	More than 180 days N'million	Total N'million
December 2015						
Personal and Business Banking	**23,878**	**6,092**	**2,378**	**-**	**-**	**32,348**
Mortgage loans	1,788	114	221	-	-	2,123
Instalment sales and finance lease	3,038	1,391	734	-	-	5,163
Card debtors	-	32	13	-	-	45
Other loans and advances	19,052	4,555	1,410	-	-	25,017
Corporate and Investment Banking	-	-	82	-	-	82
Corporate loans	-	-	82	-	-	82
Total	**23,878**	**6,092**	**2,460**	**-**	**-**	**32,430**
December 2014						
Personal and Business Banking	24,338	4,874	1,666	-	-	30,878
Mortgage loans	947	294	91	-	-	1,332
Instalment sales and finance lease	5,994	1,930	64	-	-	7,988
Card debtors	254	28	16	-	-	298
Other loans and advances	17,143	2,622	1,495	-	-	21,260
Corporate and Investment Banking	3	4,386	311	-	-	4,700
Corporate loans	3	4,386	311	-	-	4,700
Total	24,341	9,260	1,977	-	-	35,578

Renegotiated loans and advances

Renegotiated loans and advances are exposures which have been refinanced, rescheduled, rolled over or otherwise modified due to weaknesses in the counterparty's financial position, and where it has been judged that normal repayment will likely continue after the restructure. Renegotiated loans that would otherwise be past due or impaired comprised N28.7 billion as at 31 December 2015 (Dec 2014: N3.4 billion).

Collateral

The table that follows shows the financial effect that collateral has on the group's maximum exposure to credit risk. The table is presented according to Basel II asset categories and includes collateral that may not be eligible for recognition under Basel II but that management takes into consideration in the management of the group's exposures to credit risk. All on- and off-balance sheet exposures which are exposed to credit risk, including non-performing assets, have been included.

Collateral includes:
- financial securities that have a tradable market, such as shares and other securities;
- physical items, such as property, plant and equipment;and
- financial guarantees, suretyships and intangible assets.

All exposures are presented before the effect of any impairment provisions.

In the retail portfolio, 66% (Dec 2014: 60%) is collateralised. Of the group's total exposure, 64% (Dec 2014: 63%) is unsecured and mainly reflects exposures to well-rated corporate counterparties, bank counterparties and sovereign entities.

Collateral

	Note	Total exposure N'million	Unsecured N'million	Secured N'million	Netting agreements N'million	Secured exposure after netting N'million	Total collateral coverage 1%-50% N'million	50%-100% N'million	Greater than 100% N'million
Dec 2015									
Corporate		274,245	58,814	215,431	-	-	188,781	368	26,282
Sovereign		385,035	385,035		-	-			
Bank		91,857	91,857		-	-	-	-	-
Retail		184,211	64,057	120,154	-	-	44,518	21,702	53,934
Retail Mortgage		9,953	-	9,953	-	-	1,368	1,905	6,679
Other retail		174,258	64,057	110,201	-	-	43,150	19,797	47,255
Total		**935,348**	**599,763**	**335,585**	**-**	**-**	**233,299**	**22,070**	**80,216**

Add: Financial assets not exposed to credit risk	36,541
Less: Impairments for loans and advances	(25,915)
Less: Unrecognised off balance sheet items	(49,973)
Total exposure	**896,001**

Reconciliation to statement of financial position:

	Note	
Cash and cash equivalents	7	211,481
Derivatives	10.6	911
Financial investments	11	162,695
Asset held for sale	11.4	262
Loans and advances	12	380,295
Trading assets	9	37,956
Pledged assets	8	86,570
Other financial assets		15,831
Total		**896,001**

Collateral

	Note	Total exposure N'million	Unsecured N'million	Secured N'million	Netting agreements N'million	Secured exposure after netting N'million	Total collateral coverage 1%-50% N'million	50%-100% N'million	Greater than 100% N'million
December 2014									
Corporate		304,205	66,039	238,166	-	-	187,456	16,854	33,856
Sovereign		357,885	357,885		-	-	-	-	-
Bank		111,673	111,673		-	-	-	-	-
Retail		190,712	76,246	114,466	-	-	23,261	21,067	70,138
Retail Mortgage		8,156	-	8,156	-	-	173	386	7,597
Other retail		182,556	76,246	106,310	-	-	23,088	20,681	62,541
Total		964,475	611,843	352,632	-	-	210,717	37,921	103,994
Add: Financial assets not exposed to credit risk		20,310							
Less: Impairments for loans and advances		(14,836)							
Less: Unrecognised off balance sheet items		(65,563)							
Total exposure		904,386							

Reconciliation to statement of financial position:

	Note	N'million
Cash and cash equivalents	7	143,171
Derivatives	10.6	4,860
Financial investments	11	204,502
Loans and advances	12	407,418
Trading assets	9.1	96,345
Pledged assets	8.1	34,172
Other financial assets		13,918
Total		904,386

Concentration of risks of financial assets with credit risk exposure

(a) Geographical sectors

The following table breaks down the group's main credit exposure at their carrying amounts, as categorised by geographical region as of 31 December 2015. For this table, the group has allocated exposures to regions based on the region of domicile of our counterparties.

At 31 December 2015	**Trading assets N'million**	**Derivative assets N'million**	**Pledged assets N'million**	**Financial investments & Asset held for sale N'million**	**Loans and advances to customers N'million**	**Loans and advances to banks N'million**	**Total N'million**
South South	1,363	-	-	-	17,428	-	**18,791**
South West	3	365	-	12,866	285,440	-	**298,674**
South East	-	-	-	397	7,977	-	**8,374**
North West	-	-	-	-	23,186	-	**23,186**
North Central	35,779	528	86,570	149,694	17,810	3,000	**293,381**
North East	-	-	-	-	1,672	-	**1,672**
Outside Nigeria	811	18	-	-	-	23,782	**24,611**
Carrying amount	**37,956**	**911**	**86,570**	**162,957**	**353,513**	**26,782**	**668,689**

At 31 December 2014	Trading assets N' million	Derivative assets N' million	Pledged assets N'million	Financial investments N' million	Loans and advances to customers N' million	Loans and advances to banks N' million	Total N' million
South South	1,196	-	-	-	17,980	-	19,176
South West	375	1,106	-	7,998	326,601	-	336,080
South East	26	-	-	1,058	7,050	-	8,134
North West	-	-	-	-	25,452	-	25,452
North Central	24,972	3,579	34,172	195,446	19,311	-	277,480
North East	-	-	-	-	2,210	-	2,210
Outside Nigeria	69,776	175	-	-	-	8,814	78,765
	96,345	4,860	34,172	204,502	398,604	8,814	747,297

(b) Industry sectors

At 31 December 2015	**Trading assets N'million**	**Derivative assets N'million**	**Pledged assets N'million**	**Financial investments & Asset held for sale N'million**	**Loans and advances to customers N'million**	**Loans and advances to banks N'million**	**Total N'million**
Agriculture	-	-	-	-	22,280	-	**22,280**
Business services	-	-	-	-	5,017	-	**5,017**
Communication	-	-	-	525	34,216	-	**34,741**
Community, social & personal services	-	-	-	-	4	-	**4**
Construction and real estate	-	364	-	-	24,852	-	**25,216**
Electricity	-	-	-	-	2,851	-	**2,851**
Financial intermediaries & insurance	814	19	-	11,934	6,216	23,782	**42,765**
Government (including Central Bank)	37,142	528	86,570	150,498	12,989	3,000	**290,727**
Hotels, restaurants and tourism	-	-	-	-	128	-	**128**
Manufacturing	-	-	-	-	76,371	-	**76,371**
Mining	-	-	-	-	60,453	-	**60,453**
Private households	-	-	-	-	58,881	-	**58,881**
Transport, storage and distribution	-	-	-	-	13,014	-	**13,014**
Wholesale & retail trade	-	-	-	-	36,241	-	**36,241**
Carrying amount	**37,956**	**911**	**86,570**	**162,957**	**353,513**	**26,782**	**668,689**

(b) Industry sectors (continued)

At 31 December 2014	Trading assets N' million	Derivative assets N' million	Pledged assets N'million	Financial investments N' million	Loans and advances to customers N' million	Loans and advances to banks N' million	Total N' million
Agriculture	-	237	-	-	26,387	-	26,624
Business services	-	-	-	-	4,181	-	4,181
Communication	-	7	-	581	40,656	-	41,244
Community, social & personal services	-	-	-	-	14,055	-	14,055
Construction and real estate	-	554	-	338	24,529	-	25,421
Electricity	-	-	-	-	10,739	-	10,739
Financial intermediaries & insurance	70,152	185	-	6,249	7,933	8,814	93,333
Government (including Central Bank)	26,193	3,579	34,172	196,841	2,045	-	262,830
Hotels, restaurants and tourism	-	-	-	-	247	-	247
Manufacturing	-	196	-	493	82,569	-	83,258
Mining	-	-	-	-	79,072	-	79,072
Private households	-	-	-	-	64,768	-	64,768
Transport, storage and distribution	-	-	-	-	15,185	-	15,185
Wholesale & retail trade	-	102	-	-	26,238	-	26,340
Carrying amount	96,345	4,860	34,172	204,502	398,604	8,814	747,297

(c) Analysis of financial assets disclosed above by portfolio distribution and risk rating

	AAA to A- N'million	BBB+ to BBB- N'million	Below BBB- N'million	Unrated N'million	Total N'million
At 31 December 2015	**4,141**	**40,720**	**554,457**	**69,371**	**668,689**
At 31 December 2014	75,217	3,785	668,128	167	747,297

Concentration of risks of off-balance sheet engagements

(a) Geographical sectors

At 31 December 2015	**Bonds and guarantees N'million**	**Letters of credit N'million**	**Total N'million**
South South	480	-	**480**
South West	28,963	19,638	**48,601**
South East	23	-	**23**
North West	57	-	**57**
North Central	800	-	**800**
North East	12	-	**12**
Outside Nigeria	-	-	**-**
Carrying amount	30,335	19,638	**49,973**

At 31 December 2014					Bonds and guarantees N'million	Letters of credit N'million	Total N'million
South South					732	-	732
South West					33,277	31,020	64,297
South East					3	-	3
North West					12	-	12
North Central					519	-	519
North East					-	-	-
Outside Nigeria					-	-	-
Carrying amount	-	-	-	-	34,543	31,020	65,563

(b) Industry sectors

	31 Decemeber 2015			31 Decemeber 2014		
	Bonds and guarantees N' million	Letters of credit N' million	2015 Total N'million	Bonds and guarantees N' million	Letters of credit N' million	2014 Total N' million
Agriculture	-	60	**60**	-	2,022	2,022
Business services	416	-	**416**	100	93	193
Communication	269	-	**269**	336	-	336
Community, social & personal service:	-	-	**-**	2	-	2
Construction and real estate	9,098	-	**9,098**	10,212	-	10,212
Financial intermediaries & insurance	3,708	1,420	**5,128**	9,151	-	9,151
Hotels, Restaurants and Tourism	10	-	**10**	-	-	-
Manufacturing	8,450	6,425	**14,875**	4,019	6,891	10,910
Mining	1,080	9,581	**10,661**	2,560	17,778	20,338
Private households	-	-	**-**	8	-	8
Transport, storage and distribution	12	-	**12**	12	-	12
Wholesale & retail trade	7,292	2,152	**9,444**	8,143	4,236	12,379
Carrying amount	30,335	19,638	**49,973**	34,543	31,020	65,563

Credit provisioning based on prudential guidelines

In accordance with the Prudential Guidelines issued by the Central Bank of Nigeria, provision against credit risk is as follows.

Non performing accounts

Interest and/or principal outstanding for over:	Classification	Minimum provision
90 days but less than 180 days	Substandard	10%
180 days but less than 360 days	Doubtful	50%
Over 360 days	Lost	100%

When a loan is deemed uncollectible, it is written off against the related provision for impairments. Subsequent recoveries are credited to the provision for loan losses in the profit and loss account. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited as a reduction of the provision for impairment in the profit and loss account.

Performing accounts

A minimum of 2% general provision on performing loans is made in accordance with the Prudential Guidelines.

Prudential guidelines disclosures

Had the Prudential Guidelines been employed in the preparation of these financial statements, the impairments for loans and advances to customers as well as related disclosures, would have been made as follows:

	Group	
	31 Dec. 2015 N million	31 Dec. 2014 N million
Prudential disclosure of loan and advances to customer		
Customer exposure for loans and advances	**379,428**	413,440
Mortgage loans	9,953	8,156
Instalment sale and finance leases	23,376	30,377
Card debtors	1,638	1,063
Overdrafts and other demand loans	33,945	44,431
Other term loans	310,516	329,413
Provision for loans and advances	**(32,599)**	(18,202)
Specific provision	(26,087)	(14,287)
General provision	(6,512)	(3,915)
Net loans and advances to customers	**346,829**	395,238

Liquidity risk

Framework and governance

The nature of banking and trading activities results in a continuous exposure to liquidity risk. Liquidity problems can have an adverse impact on a group's earnings and capital and, in extreme circumstances, may even lead to the collapse of a group which is otherwise solvent.

The group's liquidity risk management framework is designed to measure and manage the liquidity position at various levels of consolidation such that payment obligations can be met at all times, under both normal and considerably stressed conditions. Under the delegated authority of the board of directors, the Asset and Liability Committee (ALCO) sets liquidity risk policies in accordance with regulatory requirements and international best practice.

Limits and guidelines are prudently set and reflect the group's conservative appetite for liquidity risk. ALCO is charged with ensuring compliance with liquidity risk standards and policies.

Liquidity and funding management

A sound and robust liquidity process is required to measure, monitor and manage liquidity exposures. The group has incorporated the following liquidity principles as part of a cohesive liquidity management process:

• structural liquidity mismatch management;
• long-term funding ratio;
• back-testing;
• maintaining minimum levels of liquid and marketable securities;
• depositor concentration;
• local currency loan to deposit limit;
• foreign currency loan to deposit limit;
• intra-day liquidity management;
• daily cash flow management;
• liquidity stress and scenario testing; and
• liquidity contingency planning.

The cumulative impact of the above principle is monitored, at least monthly by ALCO and the process is underpinned by a system of extensive controls. The latter includes the application of purpose-built technology, documented processes and procedures, independent oversight and regular independent reviews and evaluations of the effectiveness of the system.

The group ensures that the banking entity (Stanbic IBTC Bank PLC) is within the regulatory liquidity ratio of 30% at all times.

Liquidity ratio	2015	2014
Minimum	37.85%	50.83%
Average	49.04%	72.60%
Maximum	57.13%	84.73%

Maintaining minimum levels of liquid and marketable assets

Minimum levels of prudential liquid assets are held in accordance with all prudential requirements as specified by the regulatory authorities. The group needs to hold additional unencumbered marketable assets, in excess of any minimum prudential liquid asset requirement, to cater for volatile depositor withdrawals, draw-downs under committed facilities, collateral calls, etc.

The following criteria apply to readily marketable securities:

• prices must be quoted by a range of counterparties;
• the asset class must be regularly traded;
• the asset may be sold or repurchased in a liquid market, for payment in cash; and
settlement must be according to a prescribed, rather than a negotiated, timetable.

Depositor concentration

To ensure that the group does not place undue reliance on any single entity as a funding source, restrictions are imposed on the short dated (0 – 3 months term) deposits accepted from any entity. These include:

• the sum of 0 – 3 month deposits and standby facilities provided by any single deposit counterparty must not, at any time, exceed 10% of total funding related liabilities to the public; and

• the aggregate of 0 – 3 month deposits and standby facilities from the 10 largest single deposit counterparties must not, at any time, exceed 20% of total funding related liabilities to the public.

Concentration risk limits are used to ensure that funding diversification is maintained across products, sectors, and counterparties. Primary sources of funding are in the form of deposits across a spectrum of retail and wholesale clients. As mitigants, the group maintains marketable securities in excess of regulatory requirement in order to condone occasional breaches of concentration limits.

Loan to deposit limit

A limit is put in place, restricting the local currency loan to deposit ratio to a maximum specified level, which is reviewed periodically. Similarly, in order to restrict the extent of foreign currency lending from the foreign currency deposit base, a foreign currency loan to deposit limit, which is also referred to as own resource lending, is observed. As mitigants, the group maintains high levels of unencumbered marketable and liquid assets in excess of regulatory benchmark.

Intra-day liquidity management

The group manages its exposures in respect of payment and settlement systems. Counterparties may view the failure to settle payments when expected as a sign of financial weakness and in turn delay payments to the group. This can also disrupt the functioning of payment and settlement systems. At a minimum, the following operational elements are included in the group's intra-day liquidity management:

- capacity to measure expected daily gross liquidity inflows and outflows, including anticipated timing where possible;
- capacity to monitor its intraday liquidity positions, including available credit and collateral;
- sufficient intraday funding to meet its objectives;
- ability to manage and mobilise collateral as required;
- robust capacity to manage the timing of its intraday outflows; and
- readiness to deal with unexpected disruptions to its intraday liquidity flows.

Daily cash flow management

The group generates a daily report to monitor significant cash flows. Maturities and withdrawals are forecast at least 3-months in advance and management is alerted to large outflows. The report, which is made available to the funding team, ALM and market risk also summarises material daily new deposit as well as the interbank and top depositor reliance (by value and product).
The daily cash flow management report forms an integral part of the ongoing liquidity management process and is a crucial tool to proactively anticipate and plan for large cash outflows.

Liquidity stress testing and scenario testing

Anticipated on- and off-balance sheet cash flows are subjected to a variety of the group specific and systemic stress scenarios in order to evaluate the impact of unlikely but plausible events on liquidity positions. Scenarios are based on both historical events, such as past emerging markets crises, past local financial markets crisis and hypothetical events, such as a entity specific crisis. The results obtained from stress testing provide meaningful input when defining target liquidity risk positions.

Maturity analysis of financial liabilities by contractual maturity

The tables below analyses cash flows on a contractual, undiscounted basis based on the earliest date on which the group can be required to pay (except for trading liabilities and trading derivatives) and may therefore not agree directly to the balances disclosed in the consolidated statement of financial position.

Derivative liabilities are included in the maturity analysis on a contractual, undiscounted basis when contractual maturities are essential for an understanding of the derivatives' future cash flows. Management considers only contractual maturities to be essential for understanding the future cash flows of derivative liabilities that are designated as hedging instruments in effective hedge accounting relationships. All other derivative liabilities are treated as trading and are included at fair value in the redeemable on demand bucket since these positions are typically held for short periods of time.

The following tables also include contractual cash flows with respect to off-balance sheet items which have not yet been recorded on-balance sheet. Where cash flows are exchanged simultaneously, the net amounts have been reflected.

Maturity analysis of financial liabilities by contractual maturity

	Redeemable on demand N'million	Maturing within 1 month N'million	Maturing between 1-6 months N'million	Maturing between 6-12 months N'million	Maturing after 12 months N'million	Total N'million
December 2015						
Financial liabilities						
Derivative financial instruments	-	225	75	21	62	383
Trading liabilities	-	6,616	7,066	10,515	6	24,203
Deposits and current accounts	279,280	130,439	128,462	64,287	37	602,505
Subordinated debt	-	-	1,208	1,209	43,023	45,440
Other borrowings	134	750	10,030	25,323	46,592	82,829
Total	**279,414**	**138,030**	**146,841**	**101,355**	**89,720**	**755,360**
Unrecognised financial instruments						
Letters of credit	2,527	668	16,443	-	-	19,638
Guarantees	2,705	818	8,734	13,504	4,574	30,335
Loan commitments	-	15,693	11,238	2,968	3	29,902
Total	**5,232**	**17,179**	**36,415**	**16,472**	**4,577**	**79,875**

Maturity analysis of financial liabilities by contractual maturity (continued)

	Redeemable on demand N'million	Maturing within 1 month N'million	Maturing between 1-6 months N'million	Maturing between 6-12 months N'million	Maturing after 12 months N'million	Total N'million
December 2014						
Financial liabilities						
Derivative financial instruments	21	1,735	631	130	160	2,677
Trading liabilities	-	65,207	12,284	8,179	151	85,821
Deposits and current accounts	328,917	91,939	99,267	40,123	31	560,277
Subordinated debt	-	-	1,172	1,172	44,042	46,386
Other borrowings	-	10,115	5,270	4,560	50,681	70,626
Total	328,938	168,996	118,624	54,164	95,065	765,787
Unrecognised financial instruments						
Letters of credit	6,865	2,432	21,723	-	-	31,020
Guarantees	3	3,305	18,033	4,719	8,483	34,543
Loan commitments	361	10,525	4,422	2,664	-	17,972
Total	7,229	16,262	44,178	7,383	8,483	83,535

Liquidity contingency plans

The group recognises that it is not possible to hold sufficiently large enough quantity of readily available liquidity to cover the least likely liquidity events. However, as such events can have devastating consequences, it is imperative to bridge the gap between the liquidity the group chooses to hold and the maximum liquidity the group might need.

The group's liquidity contingency plan is designed to, as far as possible, protect stakeholder interests and maintain market confidence in order to ensure a positive outcome in the event of a liquidity crisis. The plan incorporates an extensive early warning indicator methodology supported by a clear and decisive crisis response strategy. Early warning indicators span group specific crises, systemic crises, contingency planning, and liquidity risk management governance and are monitored based on assigned frequencies and tolerance levels. The crisis response strategy is formulated around the relevant crisis management structures and addresses internal and external communications, liquidity generation, operations, as well as heightened and supplementary information requirements.

Foreign currency liquidity management

A number of indicators are observed to monitor changes in either market liquidity or exchange rates. Foreign currency loans and advances are restricted to the availability of foreign currency deposits.

Funding strategy

Funding markets are evaluated on an ongoing basis to ensure appropriate group funding strategies are executed depending on the market, competitive and regulatory environment. The group employs a diversified funding strategy, sourcing liquidity in both domestic and offshore markets, and incorporates a coordinated approach to accessing capital and loan markets across the group.
Concentration risk limits are used within the group to ensure that funding diversification is maintained across products, sectors, geographic regions and counterparties.

Primary funding sources are in the form of deposits across a spectrum of retail and wholesale clients, as well as long-term capital and loan markets. The group remains committed to increasing its core deposits and accessing domestic and foreign capital markets when appropriate to meet its anticipated funding requirements.

Depositor concentrations

	Dec 2015 %	Dec 2014 %
Single depositor	3	10
Top 10 depositors	20	29

Market risk

The identification, management, control, measurement and reporting of market risk is categorised as follows:

Trading market risk

These risks arise in trading activities where the bank acts as a principal with clients in the market. The group policy is that all trading activities are contained within the bank's Corporate and Investment Banking (CIB) trading operations.

Banking book interest rate risk

These risks arise from the structural interest rate risk caused by the differing re-pricing characteristics of banking assets and liabilities.

Foreign currency risk

These risks arise as a result of changes in the fair value or future cash flows of financial exposures due to changes in foreign exchange rates.

Equity investment risk

These risks arise from equity price changes in listed and unlisted investments, and managed through the equity investment committee, which is a sub-committee of the executive committee.

Framework and governance

The board approves the market risk appetite and standards for all types of market risk. The board grants general authority to take on market risk exposure to the asset and liability committee (ALCO). ALCO sets market risk policies to ensure that the measurement, reporting, monitoring and management of market risk associated with operations of the bank follow a common governance framework. The bank’s ALCO reports to EXCO and also to the board risk management committee.

The in-country risk management is subject to SBG oversight for compliance with group standards and minimum requirements.

The market risk management unit which is independent of trading operations and accountable to ALCO, monitors market risk exposures due to trading and banking activities. This unit monitors exposures and respective excesses daily, report monthly to ALCO and quarterly to the board risk management committee.

Market risk measurement

The techniques used to measure and control market risk include:

• daily net open position

• daily VaR;

• back-testing;

• PV01;

• annual net interest income at risk; and

Daily net open position

The board on the input of ALCO sets limits on the level of exposure by currency and in aggregate for overnight positions. The latter is also aligned to the net open position limit as specified by the regulators, which is usually a proportion of the groups’ capital.

Daily value-at-risk (VaR)

VaR is a technique that estimates the potential losses that may occur as a result of market movements over a specified time period at a predetermined probability.

VaR limits and exposure measurements are in place for all market risks the trading desk is exposed to. The bank generally uses the historical VaR approach to derive quantitative measures, specifically for market risk under normal market conditions. Normal VaR is based on a holding period of one day and a confidence level of 95%. Daily losses exceeding the VaR are likely to occur, on average, 13 times in every 250 days.

The use of historic VaR has limitations as it is based on historical correlations and volatilities in market prices and assumes that future prices will follow the observed historical distribution. Hence, there is a need to back-test the VaR model regularly.

VaR back-testing

The group and the banking business back-test its foreign currency, interest rate and credit trading exposure VaR model to verify the predictive ability of the VaR calculations thereby ensuring the appropriateness of the model. Back-testing exercise is an ex-post comparison of the daily hypothetical profit and loss under the one-day buy and hold assumption to the prior day VaR. Profit or loss for back-testing is based on the theoretical profits or losses derived purely from market moves both interest rate and foreign currency spot moves and it is calculated over 250 cumulative trading-days at 95% confidence level.

Stress tests

Stress testing provides an indication of the potential losses that could occur in extreme market conditions.

The stress tests carried out include individual market risk factor testing and combinations of market factors on individual asset classes and across different asset classes. Stress tests include a combination of historical and hypothetical simulations.

PV01

PV01 is a risk measure used to assess the effect of a change of rate of one basis point on the price of an asset. This limit is set for the fixed income, money market trading, credit trading, derivatives and foreign exchange trading portfolios.

Other market risk measures

Other market risk measures specific to individual business units include permissible instruments, concentration of exposures, gap limits, maximum tenor and stop loss triggers. In addition, only approved products that can be independently priced and properly processed are permitted to be traded.

Pricing models and risk metrics used in production systems, whether these systems are off-the-shelf or in-house developed, are independently validated by the market risk unit before their use and periodically thereafter to confirm the continued applicability of the models. In addition, the market risk unit assesses the daily liquid closing price inputs used to value instruments and performs a review of less liquid prices from a reasonableness perspective at least fortnightly. Where differences are significant, mark-to-market adjustments are made.

Annual net interest income at risk

A dynamic forward-looking annual net interest income forecast is used to quantify the banks' anticipated interest rate exposure. This approach involves the forecasting of both changing balance sheet structures and interest rate scenarios, to determine the effect these changes may have on future earnings. The analysis is completed under both normal market conditions as well as stressed market conditions.

Analysis of Value-at-Risk (VaR) and actual income

The table below highlights the historical diversified normal VaR across the various trading desks. The minimum and maximum trading diversified normal VaR stood at USD61.8k and USD1.7m respectively with an annual average of USD1m which translates to a conservative VaR base limit utilisation of 15% on average.

Diversified Normal Var Exposures (USD'000)						
Desk	Maximum	Minimum	Average	31-Dec-15	31-Dec-14	Limit
Bankwide	1,702	62	746	1,007	136	4,815
FX Trading	70	2	16	20	4	88
Money Markets Trading	1,582	61	699	980	104	2,058
Fixed Income Trading	474	5	109	45	24	1,547
Credit Trading	184	0	24	0	58	1,001
Derivatives	0	0	0	0	0	200

Analysis of PV01

The table below shows the PV01 of the money markets banking and the individual trading books. The money markets trading book PV01 exposure increased to N911k from that of the previous year as a result of T-bills purchase of N95bn, the money markets banking book PV01 exposure stood at N3.9m lower than that of the previous year as a result of several maturities of T-bills, FGN bonds and Eurobonds while the fixed income trading book PV01 exposure was N316k. Overall trading PV01 exposure was N1.2m against a limit of N8.2m thus reflecting a very conservative exposure utilisation.

PV01 (NGN'000)	31-Dec-15	31-Dec-14	Limit
Money market trading book	911	208	2,775
Fixed income trading book	316	260	2,550
Credit trading book	-	414	2,478
Derivatives trading book	-	-	375
Total trading book	1,227	882	8,178
Money market banking book	3,969	6,804	10,000

Analysis of banking book market risk exposures

Banking-related market risk exposure principally involves the management of the potential adverse effect of interest movements on net interest income.

The risk is transferred to and managed within the bank's treasury operations under supervision of ALCO. A dynamic, forward-looking net interest income forecast is used to quantify the bank's anticipated interest rate exposure. This approach involves the forecasting of both changing balance sheet structures and interest rate scenarios, to determine the effect these changes may have on future earnings. Balance sheet projections and the impact on net interest income due to rate changes normally cover a minimum of 12 months forecasting. The analysis allows for the dynamic interaction of payments, new business and interest rates, and also captures the effects of embedded or explicit options.

The analyses are done under normal market conditions i.e. under a bullish, expected and bearish interest rate scenario and, under stressed market conditions in which the banking book is subjected to an upward and downward 450 basis points parallel rate shock for local currency and 75 basis points for foreign currency.

The table below shows the sensitivity of the bank's net interest income in response to standardised parallel rate shocks. The impacts of the rate shocks on the bank's net interest income are well within the 10% limit.

Measure	Stress Condition	Utilisation (%) Dec-15	Utilisation (%) Dec-14	Limit
LCY Parallel Rate Shock	350bps	7.59	9.72	10%
	400bps	-10.69	-12.34	
FCY Parallel Rate Shock	350bps	5.12	6.24	
	400bps	-2.67	-5.96	

Market risk on equity investment

The equity committee (EC) has governance and oversight of all investment decisions. The committee is tasked with the formulation of risk appetite and oversight of investment performance. In this regard, a loss trigger is in place for the non-strategic portion.

Exposure to currency risks

The group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The board sets limits on the level of exposure by currency and in aggregate for both overnight and intra day positions, which are monitored daily. The table below summarises the group's exposure to foreign currency exchange risk as at 31 December 2015.

Concentrations of currency risk – on- and off-balance sheet financial instruments

At 31 December 2015	**Naira**	**US Dollar**	**GBP**	**Euro**	**Others**	**Total**
Financial assets	**N' million**	**N' million**	**N' million**	**N' million**	**N' million**	**N' million**
Cash and cash equivalents	141,652	63,460	859	5,175	335	211,481
Trading assets	37,145	-	811	-	-	37,956
Pledged assets	86,570	-	-	-	-	86,570
Derivative assets	911	-	-	-	-	911
Financial investments	162,695	-	-	-	-	162,695
Asset held for sale	262	-	-	-	-	262
Loans and advances to banks	3,000	20,868	-	-	2,914	26,782
Loans and advances to customers	218,636	134,811	62	4	-	353,513
Other financial assets	(38,090)	57,193	(47)	(1,295)	(1,930)	15,831
	612,781	**276,332**	**1,685**	**3,884**	**1,319**	**896,001**
Financial liabilities						
Trading liabilities	13,911	10,190	-	-	-	24,101
Derivative liabilities	383	-	-	-	-	383
Deposits and current accounts from banks	23,000	72,446	-	-	-	95,446
Deposits and current accounts from customers	381,542	109,747	1,327	834	63	493,513
Other borrowings	14,672	66,435	-	-	-	81,107
Subordinated debt	15,698	8,001	-	-	-	23,699
Other financial liabilitiies	36,189	27,418	348	3,052	229	67,236
	485,395	**294,237**	**1,675**	**3,886**	**292**	**785,485**
Net on-balance sheet financial position	127,386	(17,905)	10	(2)	1,027	110,516
Off balance sheet	2,074	44,993	56	1,826	1,024	49,973

Concentrations of currency risk – on- and off-balance sheet financial instruments

At 31 December 2014 Financial assets	Naira N' million	US Dollar N' million	GBP N' million	Euro N' million	Others N' million	Total N' million
Cash and cash equivalents	116,659	20,943	2,154	2,435	980	143,171
Trading assets	26,060	63,214	7,071	-	-	96,345
Pledged assets	34,172	-	-	-	-	34,172
Derivative assets	4,855	5	-	-	-	4,860
Financial investments	202,737	1,765	-	-	-	204,502
Loans and advances to banks	-	5,524	-	-	3,290	8,814
Loans and advances to customers	227,435	170,830	116	223	-	398,604
Other financial assets	11,444	2,439	35	-	-	13,918
	623,362	**264,720**	**9,376**	**2,658**	**4,270**	**904,386**
Financial liabilities						
Trading liabilities	85,283	-	-	-	-	85,283
Derivative liabilities	2,675	2	-	-	-	2,677
Deposits and current accounts from banks	42,546	16,571	-	4	-	59,121
Deposits and current accounts from customers	358,531	132,110	3,376	775	143	494,935
Other borrowings	18,476	51,675	-	-	-	70,151
Subordinated debt	15,678	7,295	-	-	-	22,973
Other financial liabilitiies (restated)	3,387	41,481	297	2,234	3,864	51,263
	526,576	**249,134**	**3,673**	**3,013**	**4,007**	**786,403**
Net on-balance sheet financial position	96,786	15,586	5,703	(355)	263	117,983
Off balance sheet	25,273	37,957	34	1,446	853	65,563

Exchange rates applied

Year-end spot rate	2015	2014
US Dollar	199.3	181.72
GBP	294.93	282.86
Euro	216.86	220.34

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar, GBP or Euro against Naira at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss		Equity, net of tax	
Effect in N million	Strengthenin(	Weakening	Strengthenin(	Weakening
At 31 December 2015				
USD (20% movement)	**(3,581)**	**3,581**	**(2,507)**	**2,507**
GBP (10% movement)	**1**	**(1)**	**1**	**(1)**
EUR (5% movement)	**(0)**	**0**	**(0)**	**0**
At 31 December 2014				
USD (5% movement)	779	(779)	546	(546)
GBP (2% movement)	114	(114)	80	(80)
EUR (1% movement)	(4)	4	(2)	2

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 divided into two tiers:

- Tier 1 capital which comprises share capital, share premium, retained earnings and reserves created by appropriations of retained earnings. The closing balance on deferred tax asset is deducted in arriving at Tier 1 capital;
- Tier 2 capital which includes subordinated debts and other comprehensive income. Subordinated debt at the end of the year totalled N23bn and is broken down as follows:
    - Naira denominated subordinated debt totalling N15.5bn issued on 30 September 2014 at an interest rate of 13.25% per annum;
    - 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;
    - USD denominated term subordinated non-collaterised facility of USD40 million 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%.

Total eligible Tier 2 Capital as at 31 December 2015 was N24bn (2014: N22bn).
Investment in unconsolidated subsidiaries and associations are deducted from Tier 1 and 2 capital to arrive at total regulatory capital.

Capital Adequacy

Regulatory capital adequacy is measured based on Pillar 1 of the Basel II capital framework. Capital adequacy ratio is calculated by dividing the capital held by total risk-weighted assets. Risk weighted assets comprise computed risk weights from credit, operational and market risks associated with the business of the bank. Notional risk weighted asset for market risk is calculated using the standardised approach while operational risk is determined using the basic indicator approach. Management monitors the capital adequacy ratio on a proactive basis.

Throughout the year under review, Stanbic IBTC Bank operated above its targeted capitalization range and well over the minimum regulatory capital adequacy ratio of 10% as mandated by CBN.

Capital management - BASEL II regulatory capital

Stanbic IBTC Group	B II **Group** **31 Dec 2015** **N'million**	B II Group 31 Dec 2014 Restated N'million
Tier 1	121,057	118,340
Paid-up Share capital	5,000	5,000
Share premium	65,450	65,450
General reserve (Retained Profit)	38,215	38,538
SMEEIS reserve	1,039	1,039
Statutory reserve	25,179	22,811
Other reserves	(19,067)	(18,721)
Non controlling interests	5,241	4,223
Less: regulatory deduction	8,342	5,737
Goodwill	-	-
Deferred tax assets	8,342	5,737
Other intangible assets	-	-
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	112,715	112,603
Tier II	24,925	21,511
Hybrid (debt/equity) capital instruments	-	-
Subordinated term debt	23,699	22,973
Other comprehensive income (OCI)	1,226	(1,462)
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	24,925	21,511
Total regulatory capital	**137,640**	**134,114**
Risk weighted assets:		
Credit risk	483,455	526,320
Operational risk	160,884	129,931
Market risk	2,004	2,336
Total risk weight	**646,343**	**658,587**
Total capital adequacy ratio	21.3%	20.4%
Tier I capital adequacy ratio	17.4%	17.1%

Risk and capital management (continued)
For the year ended 31 December 2015

Capital management - BASEL II regulatory capital

Stanbic IBTC Bank PLC	B II **31 Dec 2015** **N'million**	B II 31 Dec 2014 Restated N'million
Tier 1		
	87,355	86,122
Paid-up share capital	1,875	1,875
Share premium	42,469	42,469
General reserve (Retained profit)	22,033	21,434
SMEEIS reserve	1,039	1,039
Statutory reserve	19,907	19,001
Other reserves	32	304
Non controlling interests	-	-
Goodwill	7,371	4,930
Deferred Tax Assets	7,321	4,880
Other intangible assets	-	-
Current year losses	-	-
Under impairment	-	-
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	-	-
Excess exposure(s) over single obligor without CBN approval	50	50
Exposures to own financial holding company	-	-
Unsecured lending to subsidiaries within the same group	-	-
Unsecured lending to subsidiaries within the same group	-	-
Eligible Tier I capital	79,984	81,192
Tier II		
	24,282	21,404
Hybrid (debt/equity) capital instruments	-	-
Subordinated term debt	23,699	22,973
Other comprehensive income (OCI)	583	(1,569)
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	-	-
	24,232	21,354
Eligible Tier II capital	**104,216**	**102,546**
Risk weighted assets:		
Credit risk	438,694	509,846
Operational risk	128,524	99,637
Market risk	2,004	2,336
Total risk weight	**569,223**	**611,819**
Total capital adequacy ratio	18.3%	16.8%
Tier I capital adequacy ratio	14.1%	13.3%

Annexure A: Statements of value added

Annexure B: Five-year financial summary

STANBIC IBTC HOLDINGS PLC

Annexure A: Value added statement
For the year ended 31 December 2015

	Group				Company			
	31-Dec-15		31-Dec-14 Restated		31-Dec-15		31-Dec-14	
	N'million	%	N'million	%	N'million	%	N'million	%
Gross earnings	140,027		130,654		10,987		14,320	
Interest paid:								
- local	(36,248)		(24,159)		-		-	
- foreign	(2,578)		(1,339)		-		-	
	(38,826)		(25,498)		-		-	
Administrative overhead:								
- local	(33,715)		(27,806)		(659)		(821)	
- foreign	(600)		(1,327)		-			
	(34,315)		(29,133)		(659)		(821)	
Provision for losses	(14,931)		(3,217)		-		-	
Value added	51,955	100	72,806	100	10,328	100	13,499	
DISTRIBUTION								
EMPLOYEES & DIRECTORS								
Salaries and benefits	24,825	48	25,779	35	429	4	455	3
GOVERNMENT								
Taxation	4,760	9	9,068	12	28	0	(238)	(2)
THE FUTURE								
Asset replacement (depreciation)	3,479		3,500		-		146	
Expansion (retained in the business)	18,891		34,459		9,871		13,136	
Total	22,370	43	37,959	53	9,871	96	13,282	99
	51,955	100	72,806	100	10,328	100	13,499	100

STANBIC IBTC HOLDINGS PLC

Annexure B: Financial summary

	Group **31 Dec. 2015** **N'million**	Group 31 Dec 2014 Restated N'million	Group 31 Dec 2013 Restated N'million	Group 31 Dec 2012 N'million	Group 31 Dec 2011 N'million	**Company** **31 Dec. 2015** **N'million**	Company 31 Dec 2014 N'million	Company 31 Dec 2013 N'million	Company 31 Dec 2012 N'million
STATEMENT OF FINANCIAL POSITION									
Assets									
Cash and cash equivalents	**211,481**	143,171	120,312	106,680	30,074	**8**	784	2,722	2,625
Derivative assets	**911**	4,860	1,526	1,709	3,081	**-**	-	-	-
Trading assets	**37,956**	96,345	40,711	114,877	66,476	**-**	-	-	-
Pledged assets	**86,570**	34,172	24,733	24,440	19,501	**-**	-	-	-
Financial investments	**162,695**	204,502	139,304	85,757	88,877	**658**	58	-	-
Asset held on sale	**262**	-	-	-	-	**-**	-	-	-
Loans and advances to banks	**26,782**	8,814	94,180	24,571	46,051	**-**	-	-	-
Loans and advances to customers	**353,513**	398,604	289,747	266,344	256,720	-	-	-	-
Deferred tax assets	**8,342**	5,737	6,059	5,169	2,638	**555**	484	118	-
Equity Investment in group companies	**-**	-	-	-	-	**69,191**	69,151	68,951	68,951
Other assets	**23,741**	21,710	19,891	22,814	11,329	**2,996**	2,541	1,038	916
Intangible assets	**-**	-	-	-	5,036	-	-	-	-
Property and equipment	**25,311**	24,004	24,988	24,458	24,724	**2,494**	2,653	2,572	16
	937,564	941,919	761,451	676,819	554,507	**75,902**	75,671	75,401	72,508
Equity and liabilities									
Share capital	**5,000**	5,000	5,000	5,000	9,375	**5,000**	5,000	5,000	5,000
Reserves	**118,726**	111,021	92,888	78,341	70,492	**67,360**	67,990	66,846	66,503
Non-controlling interest	**5,241**	4,223	3,321	2,310	1,911	**-**	-	-	-
Derivative liabilities	**383**	2,677	1,085	772	749	-	-	-	-
Trading liabilities	**24,101**	85,283	66,960	88,371	63,173	-	-	-	-
Deposits from banks	**95,446**	59,121	51,686	26,632	12,545	-	-	-	-
Deposits from customers	**493,513**	494,935	416,352	355,419	287,242	-	-	-	-
Other borrowings	**81,107**	70,151	48,764	66,873	47,618	-	-	-	-
Subordinated debt	**23,699**	22,973	6,399	-	-	-	-	-	-
Current tax liabilities	**8,727**	9,847	7,681	4,686	5,112	**60**	129	2	-
Deferred tax liabilities	**120**	111	256	158	75				
Provisions & other liabilities	**81,501**	76,577	61,059	48,257	56,215	**3,482**	2,552	3,553	1,005
	937,564	941,919	761,451	676,819	554,507	**75,902**	75,671	75,401	72,508
Acceptances and guarantees	**49,973**	65,563	44,615	44,817	37,752	**-**	-	-	-
STATEMENT OF PROFIT OR LOSS									
Net operating income	**100,648**	104,645	85,232	67,410	55,247	**10,987**	14,320	9,137	1,250
Operating expenses and provisions	**(76,997)**	(61,118)	(58,472)	(55,998)	(45,141)	**(1,088)**	(1,422)	(921)	(72)
Profit before tax	**23,651**	43,527	26,760	11,412	10,106	**9,899**	12,898	8,216	1,178
Taxation	**(4,760)**	(9,068)	(4,547)	(1,255)	(3,463)	**(28)**	238	116	(125)
Profit after taxation	**18,891**	34,459	22,213	10,157	6,643	**9,871**	13,136	8,332	1,053
Profit attributable to :									
Non-controlling interests	**3,393**	2,772	2,163	1,289	976	**-**	-	-	-
Equity holders of the parent	**15,498**	31,687	20,050	8,868	5,667	**9,871**	13,136	8,332	1,053
Profit for the period	**18,891**	34,459	22,213	10,157	6,643	**9,871**	13,136	8,332	1,053
STATISTICAL INFORMATION									
Earnings per share (EPS) - basic	**155k**	317k	200k	50k	30k	**99k**	131k	83k	11k