



Stanbic IBTC

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STANBIC IBTC HOLDINGS PLC

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2013

STANBIC IBTC HOLDINGS PLC
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STANBIC IBTC HOLDINGS PLC

Statement of financial position at 30 September 2013

		Group		Company	
		30 Sept. 2013 N'million	31 Dec. 2012 N'million	30 Sept. 2013 N'million	31 Dec. 2012 N'million
Note					
Assets					
Cash and balances with central bank	5	78,281	76,933	-	-
Trading assets	7	134,694	114,877	-	-
Pledged assets	8	23,239	24,440	-	-
Derivative assets	6	2,040	1,709	-	-
Financial investments	9	141,833	85,757	-	-
Loans and advances	10	427,498	320,662	2,925	2,625
Loans and advances to banks	10	138,703	54,318	2,925	2,625
Loans and advances to customers	10	288,795	266,344	-	-
Current tax assets	11	80	43	-	-
Equity Investment in group companies	12	-	-	68,951	68,951
Other assets	12	38,915	22,771	1,341	916
Deferred tax assets	11	5,597	5,169	-	-
Property and equipment		22,528	24,458	30	16
Total assets		874,705	676,819	73,247	72,508
Equity and liabilities					
Equity		93,534	85,651	71,777	71,503
Equity attributable to ordinary shareholders		90,917	83,341	71,777	71,503
Ordinary share capital		5,000	5,000	5,000	5,000
Ordinary share premium		65,450	65,450	65,450	65,450
Reserves		20,467	12,891	1,327	1,053
Non-controlling interest		2,617	2,310		
Liabilities		781,171	591,168	1,470	1,005
Trading liabilities	7	92,137	88,371	-	-
Derivative liabilities	6	627	772	-	-
Deposit and current accounts	13	557,173	382,051	-	-
Deposits from banks	13	65,314	26,632	-	-
Deposits from customers	13	491,859	355,419	-	-
Other borrowings	14	51,108	66,873	-	-
Subordinated debt	15	6,517	-		
Current tax liabilities	16	5,817	4,686	63	-
Deferred tax liabilities	16	242	158	19	-
Other liabilities	17	67,550	48,257	1,388	1,005
Total equity and liabilities		874,705	676,819	73,247	72,508

Sola David-Borha
Chief Executive Officer
FRC/2013/CIBN/00000001070
22 October 2013.

Arthur Oginga
Chief Financial Officer
FRC/2013/IODN/00000003181
22 October 2013.

The accompanying notes form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Statement of profit or loss

for the nine months period ended 30 September 2013

	Note	Group		Company	
		30-Sep-13 N'million	30-Sep-12 N'million	30-Sep-13 N'million	30-Sep-12 N'million
Gross earnings		82,921	64,030	8,898	-
Net interest income		27,094	26,601	-	-
Interest income	22.1	46,190	42,535	-	-
Interest expense	22.2	(19,096)	(15,934)	-	-
Non-interest revenue		36,446	21,318	8,898	-
Net fee and commission revenue	22.3	23,261	17,135	494	-
Fee and commission revenue	22.3	23,546	17,312	494	-
Fee and commission expense	22.3	(285)	(177)	-	-
Trading revenue	22.4	12,848	4,045	-	-
Other revenue	22.5	337	138	8,404	-
Total income		63,540	47,919	8,898	-
Credit impairment charges	22.6	(2,264)	(3,075)	-	-
Income after credit impairment charges		61,276	44,844	8,898	-
Operating expenses		(40,938)	(35,827)	(537)	-
Staff costs	22.7	(17,980)	(15,177)	(265)	-
Other operating expenses	22.8	(22,958)	(20,650)	(272)	-
Net income before indirect taxation		20,338	9,017	8,361	-
Indirect taxation	24.1	(106)	(277)	(11)	-
Profit before direct taxation		20,232	8,740	8,350	-
Direct taxation	24.2	(4,175)	(1,743)	(82)	-
Profit for the period		16,057	6,997	8,268	-
Profit attributable to:					
Non-controlling interests		1,459	971	-	-
Equity holders of the parent		14,598	6,026	8,268	-
Profit for the period		16,057	6,997	8,268	-
Earnings per share					
Basic /diluted earnings per ordinary share (kobo)	25	146	32	83	-

The accompanying notes form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Statement of comprehensive income for the nine months period ended 30 September 2013

	Note	Group		Company	
		30-Sep-13 N'million	30-Sep-12 N'million	30-Sep-13 N'million	30-Sep-12 N'million
Profit for the period		16,057	6,997	8,268	-
Other comprehensive income					
Items that will never be reclassified to profit or loss		-	-	-	-
Items that are or may be reclassified subsequently to profit or loss:					
Net change in fair value of available-for-sale financial assets		1,016	3 062	-	-
Realised fair value adjustments on available-for-sale financial assets reclassified to income statement		(79)	257	-	-
Income tax on other comprehensive income		-	-	-	-
		937	3 319	-	-
Other comprehensive income for the period, net of tax		937	3,319	-	-
Total comprehensive income for the period		16,994	10,316	8,268	-
Total comprehensive income attributable to:					
Non-controlling interests		1,425	923	-	-
Equity holders of the parent		15,569	9,393	8,268	-
		16,994	10,316	8,268	-

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STANBIC IBTC HOLDINGS PLC

Statement of changes in equity for the nine months period ended 30 September 2013

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 2012	9,375	65,450	(19,123)	-	(3,982)	295	15,077	12,775	79,867	1,911	81,778
Total comprehensive (loss)/income for the period					3,367		-	6,026	9,393	923	10,316
Profit for the period								6,026	6,026	971	6,997
Other comprehensive (loss)/income after tax for the period					3,367		-		3,367	(48)	3,319
Net change in fair value on available-for-sale financial assets					3,110				3,110	(48)	3,062
Realised fair value adjustments on available-for-sale financial assets					257				257		257
Income tax on other comprehensive income									-		-
Transactions with shareholders, recorded directly in equity	-					67		(1,875)	(1,808)	(856)	(2,664)
Equity-settled share-based payment transactions						67			67		67
Dividends paid to equity holders											-
Dividends paid to equity holders								(1,875)	(1,875)	(856)	(2,731)
Balance at 30 September 2012	9,375	65,450	(19,123)	-	(615)	362	15,077	16,926	87,452	1,978	89,430
Balance at 1 January 2013	5,000	65,450	(19,123)	-	(68)	362	16,420	15,300	83,341	2,310	85,651
Total comprehensive income/(loss) for the period					937			14,598	15,535	1,425	16,960
Profit for the period								14,598	14,598	1,459	16,057
Other comprehensive income/(loss) after tax for the period					937				937	(34)	903
Net change in fair value on available-for-sale financial assets					1,016				1,016	(34)	982
Realised fair value adjustments on available-for-sale financial assets					(79)				(79)		(79)
Other											
Transactions with shareholders, recorded directly in equity	-	-	-	-	-	41	-	(8,000)	(7,959)	(1,118)	(9,077)
Equity-settled share-based payment transactions						41			41		41
Dividends paid to equity holders								(8,000)	(8,000)	(1,118)	(9,118)
Balance at 30 September 2013	5,000	65,450	(19,123)	-	869	403	16,420	21,898	90,917	2,617	93,534

The accompanying notes form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Statement of changes in equity for the nine months period ended 30 September 2013

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 2013	5,000	65,450	-	-	-	1,053	71,503
Total comprehensive income/(loss) for the period			-			8,268	8,268
Profit for the period	-	-	-	-	-	8,268	8,268
Other comprehensive income/(loss) after tax for the period	-	-	-	-	-	-	-
Net change in fair value on available-for-sale financial assets	-	-	-	-	-	-	-
Realised fair value adjustments on available-for-sale financial assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Transactions with shareholders, recorded directly in equity	-	-	-	6	-	(8,000)	(7 994)
Equity-settled share-based payment transactions			-	6	-	-	6
Dividends paid to equity holders						(8,000)	(8,000)
Balance at 30 September 2013	5,000	65,450	-	6	-	1,321	71,777

The accompanying notes form an integral part of these financial statements

Statement of cash flows

for the nine months period ended 30 September 2013

	Group		Company	
	30 Sept. 2013 N million	30 Sept. 2012 N million	30 Sept. 2013 N million	30 Sept. 2012 N million
Net cash flows from operating activities	75,571	(16,475)	8,317	-
Cash flows used in operations	51,947	(38,650)	(87)	-
Net income before indirect taxes	20,338	9,017	8,361	-
Adjusted for:	(22,271)	(21,167)	(8,406)	-
Credit impairment charges on loans and advances	2,264	3,075	-	-
Depreciation of property and equipment	2,660	2,671	3	-
Dividends included in trading revenue and investment income	(69)	(73)	(8 404)	-
Equity-settled share-based payments	41	67	6	-
Indirect taxation	(106)	(277)	(11)	-
Interest expense	19,096	15,934	-	-
Interest income	(46,190)	(42,535)	-	-
Loss/(profit) on sale of property and equipment	33	(29)	-	-
Increase in income-earning assets	(144,336)	(93,994)	(425)	-
Increase in deposits and other liabilities	198,216	67,494	383	-
Dividends received	69	73	8,404	-
Interest paid	(19,096)	(15,934)	-	-
Interest received	46,190	42,535	-	-
Direct taxation paid	(3,539)	(4,499)	-	-
Net cash flows used in investing activities	(55 936)	26 342	(17)	-
Capital expenditure on - property	(21)	(76)	(17)	-
- equipment, furniture and vehicles	(852)	(1,085)	-	-
Proceeds from sale of property, equipment, furniture and vehicles	110	270	-	-
Investment in financial investment securities	(55 173)	27,233	-	-
Net cash flows used in financing activities	(18,366)	4 880	(8,000)	-
Net increase/(decrease) in other borrowings	(15,765)	7,611	-	-
Subordinated debt issued	6,517	-	-	-
Net dividends paid	(9,118)	(2,731)	(8,000)	-
Effect of exchange rate changes on cash and cash equivalents	79	(31)	-	-
Net increase in cash and cash equivalents	1,348	14,716	300	-
Cash and cash equivalents at beginning of the period	76,933	30,074	2,625	-
Cash and cash equivalents at end of the period	78,281	44,790	2,925	-

The accompanying notes form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements

for the nine months period ended 30 September 2013

1 Reporting entity

Stanbic IBTC Holdings PLC (the 'company') is a company domiciled in Nigeria. The address of the company is IBTC Place, Plot 1C Walter Carrington Crescent, Victoria Island, Lagos. The condensed consolidated interim financial statements as at and for the nine months ended 30 September 2013 comprise the company and its subsidiaries (together referred to as the 'group'). The group is primarily involved in the provision of banking and other financial services to corporate and individual customers.

2 Basis of preparation

(a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the last annual consolidated financial statements as at and for the year ended 31 December 2012.

This condensed consolidated interim financial statement does not include all the information required for full annual financial statements prepared in accordance with International Financial reporting Standards (IFRS), and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2012.

The condensed consolidated interim financial statements was approved by the Board of Directors on 22 October 2013.

(b) Basis of measurement

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

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgement

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

In preparing these condensed consolidated interim financial statements, significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

3 Statement of significant accounting policies

Except as described below, the accounting policies applied by the group in these condensed interim financial statements are the same as those as those applied by the group in its consolidated financial statements as at and for the year ended 31 December 2012. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2013.

3.1 Standards adopted during the period ended 30 September 2013

On 1 January 2013, the group adopted the following significant new standards and revisions to standards for which the financial effect is insignificant to these interim consolidated financial statements:

- IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities" and amendments to IFRS 10, IFRS 11 and IFRS 12 "Transition Guidance". IFRS 10 and 11 are required to be applied retrospectively;
- Under IFRS 10, there is one approach for determining consolidation for all entities, based on the concept of power, variability of returns and their linkage. This replaces the approach which applied to previous financial statements which emphasised legal control or exposure to risks and rewards, depending on the nature of the entity. The group controls and consequently consolidates an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity;
- IFRS 11 places more focus on the investors' rights and obligations than on the structure of the arrangement when determining the type of joint arrangement in which the group is involved, unlike the previous approach, and introduces the concept of a joint operation;
- IFRS 12 is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including for unconsolidated structured entities.

IFRS 13 "Fair Value Measurement" establishes a single framework for measuring fair value and introduces new requirements for disclosure of fair value measurements. IFRS 13 is required to be applied prospectively from the beginning of the first annual period in which it is applied. The disclosure requirements of IFRS 13 do not require comparative information to be provided for periods prior to initial application.

Notes to the condensed consolidated interim financial statements

for the nine months period ended 30 September 2013

3.1 Standards adopted during the period ended 30 September 2013 (continued)

Amendments to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities" which requires disclosure of the effect or potential effects of netting arrangements on an entity's financial position. The amendment requires disclosure of recognised financial instruments that are subject to enforceable master netting arrangements or similar agreements. The amendments have been applied retrospectively.

Amendments to IAS 1 "Presentation of financial statements" - As a result of the amendments to IAS 1, the group has modified the presentation of items of other comprehensive income in its condensed consolidated statement of profit or loss and other comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be.

Amendments to IAS 19 "Employee Benefits" (IAS 19 revised). IAS 19 revised is required to be applied retrospectively. IAS 19 revised replaces the interest cost on the plan liability and expected return on plan assets with a finance cost comprising the net interest on the net defined benefit liability or asset. This finance cost is determined by applying to the net defined benefit liability or asset the same discount rate used to measure the defined benefit obligation. The difference between the actual return on plan assets and the return included in the finance cost component reflected in the income statement is presented in other comprehensive income. The effect of this change is to increase or decrease the pension expense by the difference between the current expected return on plan assets and the return calculated by applying the relevant discount rate.

3.2 Future accounting developments

The following new or revised standards and amendments which have a potential impact on the group or company are not yet effective for the period ended 30 September 2013 and have not been applied in preparing these interim financial statements.

IFRS 9 "Financial Instruments" (amended)

IFRS 9 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 amendments are effective for annual periods beginning on or after 1 January 2015. The impact on the financial statements has not yet been fully determined. The group will adopt this standard when it becomes effective.

IAS 32 "Offsetting Financial Assets and Financial Liabilities" (amendments)

The amendments to IAS 32 clarify the requirements for offsetting of financial assets and liabilities.

The amendments are effective for annual periods beginning on or after 1 January 2014. The impact on the financial statements has not yet been fully determined. The group will adopt this standard when it becomes effective.

Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment entities

IFRS 10 Consolidated Financial Statements

IFRS 12 Disclosure of Interests in Other Entities

IAS 27 Separate Financial Statements

The amendments provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement.

The amendments also require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries.

The amendments are effective for annual periods beginning on or after 1 January 2014. The impact on the financial statements has not yet been fully determined. The group will adopt this standard when it becomes effective.

IAS 36 "Impairment of Assets" (amendments)

Amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

The amendments are effective for annual periods beginning on or after 1 January 2014. The impact on the financial statements has not yet been fully determined. The group will adopt this standard when it becomes effective.

IAS 39 "Financial Instruments: Recognition and Measurement" (amendments)

These amendments make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

The amendments, effective for annual periods beginning on or after 1 January 2014, are not expected to have a material impact on the group's financial statements. The group will adopt this standard when it becomes effective.

IFRIC 21 "Levies"

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The amendments are effective for annual periods beginning on or after 1 January 2014. The group will adopt this standard when it becomes effective.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

4 Segment reporting

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

Business unit	
Personal & Business Banking	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 as well as merchant acquiring services. Transactional products – Comprehensive suite of transactional, savings and investment products. This includes deposit taking activities, electronic banking, and debit cards facilities. Lending products – Provides lending products to both personal and business markets. Bancassurance - Provides short to long term insurance products to clients, through third parties, and financial planning services to clients.
Corporate & 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. Transaction process and services - includes transactional banking, trade finance, and investors services. Investment banking – Include project finance, structured finance, equity investments, advisory, corporate lending, primary market acquisition, leverage finance and structured trade finance. Real estate and principal investment management - Includes real estate financing, investment in real estate, and principal investment management.
Wealth	The wealth group is made up of the company's subsidiaries, whose activities involve investment management, portfolio management, unit trust/ funds management, trusteeship, and pension fund management and administration.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

4 Segment reporting

Operating segments

	Personal & Business Banking		Corporate & Investment Banking		Wealth		Eliminations		Group	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Income from banking activities	18,036	16,762	33,158	21,872	12,839	9,898	(493)	(613)	63,540	47,919
Net interest income	12,880	12,974	12,800	12,454	1,414	1,173	-	-	27,094	26,601
Interest income	19,367	16,823	25,559	24,802	1,414	1,173	(150)	(263)	46,190	42,535
Interest expense	(6,487)	(3,849)	(12,759)	(12,348)	-	-	150	263	(19,096)	(15,934)
Non-interest revenue	5,156	3,788	20,358	9,418	11,425	8,725	(493)	(613)	36,446	21,318
Net fee and commission revenue	5,026	3,780	7,318	5,257	11,410	8,711	(493)	(613)	23,261	17,135
Trading revenue	-	-	12,848	4,045	-	-	-	-	12,848	4,045
Other revenue	130	8	192	116	15	14	-	-	337	138
Total income	18,036	16,762	33,158	21,872	12,839	9,898	(493)	(613)	63,540	47,919
Credit impairment charges	(1,841)	(2,351)	(423)	(724)	-	-	-	-	(2,264)	(3,075)
Income after credit impairment charges	16,195	14,411	32,735	21,148	12,839	9,898	(493)	(613)	61,276	44,844
Operating expenses in banking activities	(21,793)	(18,679)	(14,988)	(13,325)	(4,650)	(4,436)	493	613	(40,938)	(35,827)
Staff costs	(10,815)	(9,214)	(5,056)	(4,101)	(2,109)	(1,862)	-	-	(17,980)	(15,177)
Other operating expenses	(10,978)	(9,465)	(9,932)	(9,224)	(2,541)	(2,574)	493	613	(22,958)	(20,650)
Net income before indirect taxation	(5,598)	(4,268)	17,747	7,823	8,189	5,462	-	-	20,338	9,017
Indirect taxation	(55)	(63)	(32)	(214)	(19)	-	-	-	(106)	(277)
Profit before direct taxation	(5,653)	(4,331)	17,715	7,609	8,170	5,462	-	-	20,232	8,740
Direct taxation	914	964	(2,512)	(1,398)	(2,577)	(1,309)	-	-	(4,175)	(1,743)
Profit for the period	(4,739)	(3,367)	15,203	6,211	5,593	4,153	-	-	16,057	6,997
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	N million	N million	N million	N million	N million	N million	N million	N million	N million	N million
Total assets	158,237	151,442	702,446	474,570	19,304	16,957	(5,282)	(8785)	874,705	634,184
Total liabilities	128,302	120,529	650,715	426,290	7,436	6,720	(5,282)	(8785)	781,171	544,754
Ordinary shareholder's equity	29,935	30,913	51,731	48,280	11,868	10,237	-	-	93,534	89,430
Depreciation and amortisation	2,249	2,159	293	381	118	131	-	-	2,660	2,671
Number of employees	1,445	1,538	352	376	341	326	-	-	2,138	2,240

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

	Group		Company	
	30 Sept. 2013 N'million	31 Dec. 2012 N'million	30 Sept. 2013 N'million	31 Dec. 2012 N'million
5 Cash and balances with central bank				
Coins and bank notes	13,982	15,536	-	-
Balances with central banks	64,299	61,397	-	-
	78,281	76,933	-	-

Cash and balances with central bank include N59.59 billion (Dec 2012:N40.52 billion) 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.

The growth in reserving requirement is on the back of Central Bank of Nigeria policy directive instructing all banks to include public sector deposits in computation of the cash reserve balance; and marked increase in the group's total deposit liabilities.

6 Derivative instruments

All derivatives are classified as either derivatives held-for-trading or derivatives held-for-hedging.

6.1 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 Overt-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.

6.2 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:

6.2.1 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.

6.2.2 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.

6.3 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.

6.4 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 year end.

6.5 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.

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

for the nine months period ended 30 September 2013

6.6 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
	N million	N million	N million	N million	N million	N million
30 September 2013						
Derivatives held-for-trading						
Foreign exchange derivatives	(331)	-	-	(331)	203	(534)
Forwards	(331)	-	-	(331)	203	(534)
Options	-	-	-	-	-	-
Interest rate derivatives	974	769	-	1,744	1,837	(93)
Forwards	-	-	-	-	-	-
Swaps	974	769	-	1,744	1,837	(93)
Total derivative (liabilities)/assets held-for-trading	643	769	-	1,413	2,040	(627)
Total derivative assets/(liabilities)	643	769	-	1,413	2,040	(627)

	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
	N million	N million	N million	N million	N million	N million
31 December 2012						
Derivatives held-for-trading						
Foreign exchange derivatives	(348)	-	-	(348)	424	(772)
Forwards	(348)	-	-	(348)	424	(772)
Options	-	-	-	-	-	-
Interest rate derivatives	5	1 279	-	1 285	1 285	-
Forwards	-	-	-	-	-	-
Swaps	5	1 279	-	1,285	1 285	-
Total derivative assets/(liabilities) held-for-trading	(343)	1 279	-	937	1 709	(772)
Total derivative assets/(liabilities)	(343)	1 279	-	937	1 709	(772)

6.7 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	
	30 Sept. 2013	31 Dec. 2012
	N million	N million
Unrecognised profit at beginning of the period	277	780
Additional profit on new transactions	-	-
Recognised in profit or loss during the period	(256)	(503)
Unrecognised profit at end of the period	21	277

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for the nine months period ended 30 September 2013

7 Trading assets and trading liabilities

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

	Group		Company	
	30 Sept. 2013 N million	31 Dec. 2012 N million	30 Sept. 2013 N million	31 Dec. 2012 N million
7.1 Trading assets				
Classification				
Listed	134,694	114,877	-	-
Unlisted	-	-	-	-
	134,694	114,877	-	-
Comprising:				
Government bonds	7,142	37,037	-	-
Treasury bills	100,547	56,407	-	-
Listed equities	19	11	-	-
Reverse repurchase agreements	14,933	-	-	-
Placements	12,053	21,422	-	-
	134,694	114,877	-	-
Dated assets	134,674	114,866	-	-
Undated assets	19	11	-	-
	134,693	114,877	-	-

The growth in trading assets is on the back of increased activity on the trading desk towards maximising the opportunity presented by the volatility in the interest rate environment.

	Group		Company	
	30 Sept. 2013 N million	31 Dec. 2012 N million	30 Sept. 2013 N million	31 Dec. 2012 N million
7.2 Trading liabilities				
Classification				
Listed	92,137	88,371	-	-
Unlisted	-	-	-	-
	92,137	88,371	-	-
Comprising:				
Government, state and utility bonds	2,305	15,687	-	-
Deposits	61,731	36,707	-	-
Treasury bills	28,101	35,977	-	-
	92,137	88,371	-	-
Dated liabilities	92,137	88,371	-	-
Undated liabilities	-	-	-	-
	92,137	88,371	-	-

The increase in trading liabilities reflects additional deposits taken to support growth in trading assets.

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Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

		Group		Company	
		30 Sept. 2013	31 Dec. 2012	30 Sept. 2013	31 Dec. 2012
		N million	N million	N million	N million
8	Pledged assets and assets not derecognised				
8.1	Pledged assets				
	Financial assets that may be repledged or resold by counterparties				
	Government bonds	-	8,493	-	-
	Treasury bills	23,239	15,947	-	-
		23,239	24,440	-	-

All pledged assets of the group are classified as available-for-sale financial instruments.

		Group		Company	
		30 Sept. 2013	31 Dec. 2012	30 Sept. 2013	31 Dec. 2012
		N million	N million	N million	N million
9	Financial investments				
	Short - term negotiable securities	118,326	32,062	-	-
	Listed	118,326	32,062	-	-
	Unlisted	-	-	-	-
	Other financial investments	23,507	53,695	-	-
	Listed	16,336	42,805	-	-
	Unlisted	7,171	10,890	-	-
		141,833	85,757	-	-
	Comprising:				
	Government bonds	15,185	41,087	-	-
	Treasury bills	118,326	32,062	-	-
	Corporate bonds	1,989	2,453	-	-
	Unlisted equities	719	706	-	-
	Mutual funds and unit-linked investments	1,151	1,717	-	-
	Placements	4,463	7,732	-	-
		141,833	85,757	-	-

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

The increase in investments in treasury bills relates to increase in liquidity buffer on the back of impressive growth in customers deposits.

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Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

	Group		Company	
	30 Sept. 2013 N million	31 Dec. 2012 N million	30 Sept. 2013 N million	31 Dec. 2012 N million
10 Loans and advances				
10.1 Loans and advances net of impairments				
Loans and advances to banks	138,703	54,318	2,925	2,625
Call loans	-	-	-	-
Balances with banks	138,703	54,318	2,925	2,625
Loans and advances to customers	288,795	266,344	-	-
Gross loans and advances to customers	301,788	279,473	-	-
Mortgage loans	8,392	10,571	-	-
Instalment sale and finance leases	27,199	29,972	-	-
Card debtors	744	494	-	-
Overdrafts and other demand loans	33,003	29,193	-	-
Other term loans	232,450	209,243	-	-
Credit impairments for loans and advances (note 10.3)	(12,993)	(13,129)	-	-
Specific credit impairments	(8,740)	(9,287)	-	-
Portfolio credit impairments	(4,253)	(3,842)	-	-
Net loans and advances	427,498	320,662	2,925	2,625
Comprising:				
Gross loans and advances	440,491	333,791	2,925	2,625
Less: Credit impairments	(12,993)	(13,129)	-	-
Net loans and advances	427,498	320,662	2,925	2,625

All loans and advances are held at amortised cost.

Loans and advances to banks comprise bank interbank placements and operating accounts with offshore correspondent banks. The group's drive for optimum funding of its earning assets impacted favourably on the volume of loans and advances to banks.

The marginal growth in loans and advances to customers occurred in the face of high interest rate environment and sustained competition for good quality credits.

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

10.3 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 lending N million	Total N million
30 September 2013						
Specific impairments						
Balance at beginning of the period	730	778	27	4,026	3,726	9,287
Net impairments raised and released	(157)	660	29	2,230	(575)	2,187
Impaired accounts written off	(342)	(499)	-	(837)	(1,056)	(2,734)
Balance at end of the period	231	939	56	5,419	2,095	8,740
Portfolio impairments						
Balance at beginning of the period	190	617	18	1,157	1,860	3,842
Net impairments raised and released	(102)	(322)	(2)	(162)	999	411
Balance at end of the period	88	295	16	995	2,859	4,253
Total	319	1,234	72	6,414	4,954	12,993
31 Dec. 2012						
Specific impairments						
Balance at beginning of the period	452	180	28	1,867	3,497	6,024
Net impairments raised and released	278	626	(1)	2,562	3,351	6,816
Impaired accounts written off	-	(28)	-	(403)	(3,122)	(3,553)
Balance at end of the period	730	778	27	4,026	3,726	9,287
Portfolio impairments						
Balance at beginning of the period	184	80	17	1,176	1,881	3,338
Net impairments raised and released	6	537	1	(19)	(21)	504
Balance at end of the period	190	617	18	1,157	1,860	3,842
Total	920	1,395	45	5,183	5,586	13,129

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Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

	Group		Company	
	30 Sept. 2013 N million	31 Dec. 2012 N million	30 Sept. 2013 N million	31 Dec. 2012 N million
11 Current and deferred tax assets				
Current tax assets	80	43	-	-
Deferred tax assets	5,597	5,169	-	-
	5,677	5,212	-	-

	Group		Company	
	30 Sept. 2013 N million	31 Dec. 2012 N million	30 Sept. 2013 N million	31 Dec. 2012 N million
12 Other assets				
Trading settlement assets	4,514	1,103	-	-
Receivable from AMCON in respect of loans sold	-	8,613	-	-
Accrued Income	2,297	3,398	-	-
Indirect / withholding tax receivables	-	593	-	-
Accounts receivable	26,279	4,786	1,341	843
Prepayments	7,963	5,440	-	73
Other debtors	536	738	-	-
	41,589	24,671	1,341	916
Impairment provision on doubtful receivables	(2,674)	(1,900)	-	-
	38,915	22,771	1,341	916

The increase in other assets mainly relates to higher unsettled trade receivables as at period end.

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

for the nine months period ended 30 September 2013

	Group		Company	
	30 Sept. 2013 N million	31 Dec. 2012 N million	30 Sept. 2013 N million	31 Dec. 2012 N million
13 Deposit and current accounts				
Deposits from banks	65,314	26,632	-	-
Deposits from banks	65,314	26,632		
Deposits from customers	491,859	355,419	-	-
Current accounts	239,673	138,524		
Call deposits	33,209	22,176		
Savings accounts	17,738	15,116		
Term deposits	179,806	167,101		
Negotiable certificate of deposits	21,433	12,502	-	-
Total deposits and current accounts	557,173	382,051	-	-

Deposits from banks mainly comprise vostro deposits (i.e. current accounts of offshore correspondent banks with Stanbic IBTC Bank). The growth in vostro deposits is linked to the activity of the group's custody business and are utilised mainly for executing trades instruction on behalf of private custody clients.

The deposit book grew on the strength of the group's efforts to improve deposit base, leveraging on the enlarged delivery channels and growing customer base to deliver excellent service.

	Group		Company	
	30 Sept. 2013 N million	31 Dec. 2012 N million	30 Sept. 2013 N million	31 Dec. 2012 N million
14 Other borrowings				
FMO - Netherland Development Finance Company	3,631	5,865	-	-
European Investment Bank	2,533	2,663	-	-
Bank of Industry	5,939	6,445	-	-
Standard Bank Isle of Man	27,274	40,308	-	-
CBN Commercial Agricultural Credit Scheme (CACS)	11,731	11,592	-	-
	51,108	66,873	-	-

- The on-lending dollar denominated loan obtained from Netherland Development Finance Company (FMO) expires on or after 15 January 2015, and has a rate of 2.0% above 6 month's LIBOR. The decrease in balance reported above was mainly as a result of repayment made during the period in accordance with the normal terms of the loan.
- The current dollar denominated facility from European Investment Bank expires on or after 14 December 2018 and has a rate of 2.5% above 3 month's LIBOR. The decrease in balance reported above was mainly as a result of repayment made during the period in accordance with the normal terms of the loan.
- 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 customer and beneficiary.
- The bank obtained dollar denominated long term LIBOR related on-lending facilities from Standard Bank Isle of Man with average tenor of 5 years. The decrease in balance reported above was mainly as a result of repayment made during the period in accordance with the normal terms of the loan.
- The bank obtained interest free bearing loan from the Central Bank of Nigeria (CBN) for purpose of on - lending to customers under the Commercial Agricultural Credit Scheme (CACS). The tenor is also based on agreement with individual customer and beneficiary. Disbursement of these funds are represented in loans and advances to customers.

	Group		Company	
	30 Sept. 2013 N million	31 Dec. 2012 N million	30 Sept. 2013 N million	31 Dec. 2012 N million
15 Subordinated debt				
Standard Bank of South Africa	6,517	-	-	-
	6,517	-	-	-

In order to further boost its deposit base, Stanbic IBTC Bank PLC, a subsidiary company, obtained an unsecured US dollar denominated term subordinated facility of \$40 million 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%.

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for the nine months period ended 30 September 2013

	Group		Company	
	30 Sept. 2013	31 Dec. 2012	30 Sept. 2013	31 Dec. 2012
	N million	N million	N million	N million
16 Current and deferred tax liabilities				
Current tax liabilities	5,817	4,686	63	
Deferred tax liabilities	242	158	19	-
	6,059	4,844	82	-

	Group		Company	
	30 Sept. 2013	31 Dec. 2012	30 Sept. 2013	31 Dec. 2012
	N million	N million	N million	N million
16.1				
Current tax liabilities at beginning of the period	4,686	5 112	-	-
	1,131	(426)	-	-
Charge for the period	4,589	3,685	-	-
Over / under provision - prior year	81	(349)	-	-
Payment made	(3,539)	(3,762)	-	-
Current tax liabilities at end of the period	5,817	4 686	-	-

	Group		Company	
	30 Sept. 2013	31 Dec. 2012	30 Sept. 2013	31 Dec. 2012
	N million	N million	N million	N million
17 Other liabilities				
17.1 Summary				
Trading settlement liabilities	2,058	1,070	-	-
Cash-settled share-based payment liability	377	303	-	-
Accrued expenses - Staff	1,116	4,172	-	-
Deferred revenue liability	1,553	1,152	-	-
Accrued expenses - Others	19,160	16,076		445
Collections / remittance payable	20,417	7,706	-	-
Customer deposit for letters of credit	4,831	8,999	-	-
Unclaimed balance	3,775	3,512	-	-
Provision for contingent losses	1,582	845	-	-
Draft & bank cheque payable	1,484	1,493	-	-
Sundry liabilities	11,197	2,929	1,388	560
	67,550	48,257	1,388	1,005

The increase in other liabilities is on the back of higher volume of funds collection on behalf of corporate clients.

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

18

Classification of financial instruments

Accounting classifications and fair values

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

	Note	Held-for- trading	Designated at fair value	Loans and receivables	Available-for- sale	Other amortised cost	Total carrying amount	Fair value ¹
		N million	N million	N million	N million	N million	N million	N million
30 September 2013								
Assets								
Cash and balances with central banks	5	-	-	-	-	78,281	78,281	78,281
Derivative assets	6	2,040	-	-	-	-	2,040	2,040
Trading assets	7	134,694	-	-	-	-	134,694	134,694
Pledged assets	8	-	-	-	23,239	-	23,239	23,239
Financial investments	9	-	-	-	141,833	-	141,833	141,833
Loans and advances to banks	10	-	-	138,703	-	-	138,703	138,703
Loans and advances to customers	10	-	-	288,795	-	-	288,795	288,795
Other financial assets		-	-	-	-	28,655	28,655	28,655
		136,734	-	427,498	165,072	106,936	836,240	836,240
Liabilities								
Derivative liabilities	6	627	-	-	-	-	627	627
Trading liabilities	7	92,137	-	-	-	-	92,137	92,137
Deposits from banks	13	-	-	-	-	65,314	65,314	65,314
Deposits from customers	13	-	-	-	-	491,859	491,859	491,859
Other financial liabilities		-	-	-	-	118,658	118,658	118,658
		92,764	-	-	-	675,831	768,595	768,595

Notes to the condensed consolidated interim financial statements (continued)

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18 Classification of financial instruments continued

	Note	Held-for-trading	Designated at fair value	Loans and receivables	Available-for-sale	Other amortised cost	Total carrying amount	Fair value ¹
		N million	N million	N million	N million	N million	N million	N million
31 December 2012								
Assets								
Cash and balances with central banks	5	-	-	-	-	76,933	76,933	76,933
Derivative assets	6	1,709	-	-	-	-	1,709	1,709
Trading assets	7	114,877	-	-	-	-	114,877	114,877
Pledged assets	8	-	-	-	24,440	-	24,440	24,440
Financial investments	9	-	-	-	85,757	-	85,757	85,757
Loans and advances to banks	10	-	-	54,318	-	-	54,318	46,049
Loans and advances to customers	10	-	-	266,344	-	-	266,344	236,546
Other financial assets		-	-	-	-	13,340	13,340	13,340
		116,586	-	320,662	110,197	76,933	637,718	599,651
Liabilities								
Derivative liabilities	6	772	-	-	-	-	772	772
Trading liabilities	7	88,371	-	-	-	-	88,371	88,371
Deposits from banks	13	-	-	-	-	26,632	26,632	26,632
Deposits from customers	13	-	-	-	-	355,419	355,419	285,002
Other financial liabilities		-	-	-	-	115,130	115,130	115,130
		89,143	-	-	-	497,181	586,324	515,907

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

Wherever possible, the group compares valuations derived from models with quoted prices of similar financial instruments, and with actual values when realised, in order to further validate and calibrate the models. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experiences and other factors. Changes in assumptions could affect these estimates and the resulting fair values.

Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and may not be realised in an immediate sale of the instruments.

Notes to the condensed consolidated interim financial statements (continued)

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19 Financial instruments measured at fair value

The tables below analyze financial instruments carried at fair value at the end of the reporting period, by level of fair value hierarchy as required by IFRS 7. The different levels are based on the extent that quoted prices are used in the calculation of the fair value of the financial instruments and the levels have been defined as follows:

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.

Group	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
30 September 2013				
Assets				
Derivative assets	-	2,040	-	2,040
Trading assets	27,005	107,689	-	134,694
Pledged assets	-	23,239	-	23,239
Financial investments	-	141,833	-	141,833
	27,005	274,801	-	301,806
Comprising:				
Held-for-trading	27,005	109,729	-	136,734
Designated at fair value	-	-	-	-
Available-for-sale	-	165,072	-	165,072
	27,005	274,801	-	301,806
Liabilities				
Derivative liabilities	-	627	-	627
Trading liabilities	61,731	30,406	-	92,137
	61,731	31,033	-	92,764
Comprising:				
Held-for-trading	61,731	31,033	-	92,764
Designated at fair value	-	-	-	-
	61,731	31,033	-	92,764

Group	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2012				
Assets				
Derivative assets	-	1,709	-	1,709
Trading assets	21,422	93,455	-	114,877
Pledged assets	-	24,440	-	24,440
Financial investments	-	85,757	-	85,757
	21,422	205,361	-	226,783
Comprising:				
Held-for-trading	21,422	95,164	-	116,586
Designated at fair value	-	-	-	-
Available-for-sale	-	110,197	-	110,197
	21,422	205,361	-	226,783
Liabilities				
Derivative liabilities	-	749	-	749
Trading liabilities	63,173	-	-	63,173
	63,173	749	-	63,922
Comprising:				
Held-for-trading	63,173	749	-	63,922
Designated at fair value	-	-	-	-
	63,173	749	-	63,922

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

20 Offsetting of financial assets and financial liabilities**20.1 Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements**

	Gross amount of recognised financial assets	Gross amounts offset in the balance sheet	Amounts presented in the balance sheet	Amounts not offset in the balance sheet		
				Financial instruments	Cash collateral received	Net amount
At 30 September 2013						
Derivatives	2,040	-	2,040	-	-	2,040
Reverse repurchase agreements						
– trading assets	14,933	-	14,933	-	-	14,933
Loans and advances excluding reverse repos	-	-	-	-	-	-
– to banks	-	-	-	-	-	-
– to customers	-	-	-	-	-	-
	16,973	-	16,973	-	-	16,973
At 31 December 2012						
Derivatives	1,709	-	1,709	-	-	1,709
Reverse repurchase agreements						
– trading assets	-	-	-	-	-	-
Loans and advances excluding reverse repos	-	-	-	-	-	-
– to banks	-	-	-	-	-	-
– to customers	-	-	-	-	-	-
	1,709	-	1,709	-	-	1,709

20.2 Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

	Gross amount of recognised financial liabilities	Gross amounts offset in the balance sheet	Amounts presented in the balance sheet	Amounts not offset in the balance sheet		
				Financial instruments	collateral received	Net amount
At 30 September 2013						
Derivatives	627	-	627	-	-	627
Repurchase agreements						
– trading liabilities	-	-	-	-	-	-
Deposits and current accounts excluding repos	-	-	-	-	-	-
– from banks	-	-	-	-	-	-
– from customers	-	-	-	-	-	-
	627	-	627	-	-	627
At 31 December 2012						
Derivatives	772	-	772	-	-	772
Repurchase agreements						
– trading liabilities	-	-	-	-	-	-
Deposits and current accounts excluding repos	-	-	-	-	-	-
– from banks	-	-	-	-	-	-
– from customers	-	-	-	-	-	-
	772	-	772	-	-	772

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

		Group		Company	
		30 Sept. 2013	31 Dec. 2012	30 Sept. 2013	31 Dec. 2012
		N million	N million	N million	N million
21	Contingent liabilities and commitments				
21.1	Contingent liabilities				
	Letters of credit	13,542	19,145	-	-
	Guarantees	27,138	25,672	-	-
		40,680	44,817	-	-

21.3 Legal proceedings

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

There were a total of 193 legal proceedings outstanding as at 30 September 2013. 105 of these were against the group with claims amounting to N174.15billion (31 December 2012: N80.61 billion), while 88 other cases were instituted by the group with claims amounting to N5.1 billion (31 December 2012: N4.9 billion).

The claims against the bank are considered without merit, and the group is defending them vigorously. It is not expected that the ultimate resolution of any of the proceedings will have a significantly adverse effect on the financial position of the group.

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

for the nine months period ended 30 September 2013

	Group		Company	
	30 Sept. 2013 N million	30 Sept. 2012 N million	30 Sept. 2013 N million	30 Sept. 2012 N million
22	Supplementary income statement information			
22.1	Interest income			
Interest on loans and advances to banks	2,308	204	-	-
Interest on loans and advances to customers	31,130	32,530	-	-
Interest on investments	12,752	9,801	-	-
	46,190	42,535	-	-
All interest income reported above relates to financial assets not carried at fair value through profit or loss.				
22.2	Interest expense			
Current accounts	363	320	-	-
Savings and deposit accounts	15,334	14,100	-	-
Other interest-bearing liabilities	3,399	1,514	-	-
	19,096	15,934	-	-
All interest expense reported above relates to financial assets not carried at fair value through profit or loss.				
22.3	Net fee and commission revenue			
Fee and commission revenue	23,546	17,312	494	-
Account transaction fees	2,654	2,508	-	-
Card based commission	995	381	-	-
Brokerage and financial advisory fees	3,302	1,455	-	-
Asset management fees	11,387	8,703	-	-
Custody transaction fees	1,926	999	-	-
Electronic banking	162	147	-	-
Foreign currency service fees	955	884	-	-
Documentation and administration fees	817	990	-	-
Other	1,348	1,245	494	-
Fee and commission expense	(285)	(177)	-	-
	23,261	17,135	494	-
22.4	Trading revenue			
Foreign exchange	5,654	3,284	-	-
Credit	913	1,137	-	-
Interest rates	6,276	(376)	-	-
Equities	5	-	-	-
	12,848	4,045	-	-
22.5	Other revenue			
Dividend income	69	73	8,404	-
Other	268	65	-	-
	337	138	8,404	-
22.6	Credit impairment charges			
Net credit impairments raised and released for loans and advances	2,597	3,480	-	-
Recoveries on loans and advances previously written off	(333)	(405)	-	-
	2,264	3,075	-	-
Comprising:				
Net specific credit impairment charges	1,854	2,642	-	-
Specific credit impairment charges (note 10.3)	2,187	3,047	-	-
Recoveries on loans and advances previously written off	(333)	(405)	-	-
Portfolio credit impairment charges/(reversal) (note 10.3)	410	433	-	-
	2,264	3,075	-	-

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

	Group		Company	
	30 Sept. 2013 N million	30 Sept. 2012 N million	30 Sept. 2013 N million	30 Sept. 2012 N million
22 Supplementary income statement information continued				
22.7 Staff costs - banking activities				
Salaries and allowances	17,774	14,920	265	-
Staff cost: below-market loan adjustment	206	257	-	-
	17,980	15,177	265	-
22.8 Other operating expenses				
Information technology	2,399	2,324	-	-
Communication	528	513	-	-
Premises and maintenance	2,578	2,767	-	-
Marketing and advertising	1,776	1,204	55	-
Insurance	4,101	2,533	-	-
Professional fees	3,176	3,640	85	-
Depreciation	2,660	2,671	3	-
Stationery and printing	502	561	-	-
Security	708	640	-	-
Travel and entertainment	917	808	25	-
Administration and Membership Fees	370	132	-	-
Training	461	214	-	-
Other	2,782	2,643	104	-
	22,958	20,650	272	-

22.9 Income statement analysis

Our results in the first nine months of 2013 showed an increase of 33% in total income to N63.5 billion despite the challenging operating environment. This improved performance was majorly driven by a 71% growth in non-interest revenue and a more modest 2% growth in net interest income.

Interest income was up 9% to N46.2 billion as a result of sustained growth in lending activities and positive yields in investment securities. Income from loans and advances contributed 67% of interest income, while income from investment securities contributed 28% and revenue from interbank activities accounted for the remaining 5%.

Interest expense increased by 20% to N19.1 billion due to a 38% growth in deposits, a portion of which comprises term deposit.

The growth in net fee and commission revenue is due to the growth in transactional volumes and activities, a function of our enlarged delivery channels, excellent customer services, steady growth within our wealth business, good advisory mandates in investment banking. The continued good performance of the capital market also impacted positively on the revenues of our stockbroking, asset management and custody businesses.

The growth in trading revenue is as a result of increased transaction volumes from customers as well as a well positioned trading book taking advantage of volatility in fixed income and foreign exchange trading.

Operating expenses grew by 14% on the back of 18% and 11% growth in staff costs and other operating expenses respectively.

Staff cost growth was due to inflation related salary increases and increase in headcount of non-full time staff and sales agents to drive customer acquisition, while growth in other operating expenses was occasioned by the increase in AMCON (Asset Management Corporation of Nigeria) sinking fund contribution, deposit insurance and premises related expenses.

The decline in credit impairment is on the back of resolution of some delinquent loans and write back of provisions no longer required

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

	30 Sept. 2013 N million	30 Sept. 2012 N million
23 Emoluments of Stanbic IBTC Holdings PLC directors		
Executive directors		
Emoluments of directors in respect of services rendered ¹ :		
While directors of Stanbic IBTC Holdings PLC	24	154
- as directors of the company and/ or subsidiary companies		
- 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	135	110
- as directors of the company and/ or subsidiary companies		
- otherwise in connection with the affairs of Stanbic IBTC Holdings PLC or its subsidiaries		
Pensions of directors and past directors	1	
	160	264

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

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

for the nine months period ended 30 September 2013

	Group		Company	
	30 Sept. 2013 N million	30 Sept. 2012 N million	30 Sept. 2013 N million	30 Sept. 2012 N million
24 Taxation				
Indirect taxation	106	277	11	-
Direct taxation	4 175	1,743	82	-
	4,281	2,020	93	-
24.2 Direct taxation				
Current year	4 175	1 743	82	-
Normal tax	4 589	1 861	63	-
Deferred tax	(414)	(118)	19	-
	4 175	1 743	82	
Income tax recognised in other comprehensive income	-	-	-	-
Deferred tax	-	-	-	-
Current tax	-	-	-	-
Direct taxation per the income statement	4 175	1,743	82	-
24.3 Rate reconciliation				
	Group		Company	
	30 Sept. 2013 %	30 Sept. 2012 %	30 Sept. 2013 %	30 Sept. 2012 %
Rate reconciliation including indirect and direct tax				
The total tax charge for the year as a percentage of net income before indirect tax	21	22	1	-
Value added tax	(1)	(1)	-	-
Information technology levy	(1)	(1)	-	-
Education tax	(1)	(1)	-	-
Withholding tax	-	(2)	-	-
The corporate tax charge for the period as a percentage of profit before tax	18	17	1	-
Tax relating to prior years	-	6	-	-
Net tax charge	18	23	1	-
The charge for the period has been reduced/(increased) as a consequence of:				
Dividend received	-	-	29	-
Income from government securities	13	6	-	-
Other non-taxable income	-	-	-	-
Other permanent differences	(1)	1	-	-
Standard rate of tax	30	30	30	-

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

	Group		Company	
	30 Sept. 2013 N million	30 Sept. 2012 N million	30 Sept. 2013 N million	30 Sept. 2012 N million
25 Earnings per ordinary share				
The calculations of basic earnings and headline earnings per ordinary share and diluted earnings and diluted headline earnings per ordinary share are as follows:				
Earnings based on weighted average shares in issue				
Earnings attributable to ordinary shareholders (N million)	14,598	6,026	8,268	-
Weighted average number of ordinary shares in issue (number of shares)				
Weighted average number of ordinary shares in issue	10,000	18,750	10,000	-
Basic earnings per ordinary share (kobo)	146	32	83	-

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.

	Company	
	30 Sept. 2013 N million	30 Sept. 2012 N million
26 Dividend		
The following interim dividends were declared and paid by the Company:		
70 kobo per qualifying ordinary shares	7,000	-
	7,000	-

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

27 Related party transactions

27.1 Parent

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

27.2 Subsidiaries

Details of effective interest in subsidiaries are disclosed below.

Stanbic IBTC Bank PLC	100%
Stanbic IBTC Ventures Limited ("SIVL")	100%
Stanbic IBTC Capital Limited	100%
Stanbic IBTC Asset Management Limited ("SIAML")	100%
Stanbic IBTC Pension Managers Limited ("SIPML")	70.59%
Stanbic Nominees Nigeria Limited ("SNNL")	100%
Stanbic IBTC Stockbrokers Limited ("SISL")	100%
Stanbic IBTC Trustees Limited ("SITL")	100%

27.3 Key management personnel

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

	30 Sept. 2013 N million	30 Sept. 2012 N million
Key management compensation		
Salaries and other short-term benefits	567	423
Post-employment benefits	29	3
Value of share options and rights expensed	308	73
	904	499

	30 Sept. 2013 N million	31 Dec. 2012 N million
The transactions below are entered into in the normal course of business.		
Loans and advances		
Loans outstanding at the beginning of the period	422	207
Net movement during the period	(199)	215
Loans outstanding at the end of the period	223	422

Loans include mortgage loans, instalment sale and finance leases and credit cards. No specific impairments have been recognised in respect of loans granted to key management (2011: 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	574	1,161
Net movement during the period	1,240	(587)
Deposits outstanding at end of the period	1,814	574

Deposits include cheque, current and savings accounts.

	30 Sept. 2013 N million	31 Dec. 2012 N million
--	----------------------------	---------------------------

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	46	62
Net movement during the period	(25)	(16)
Balance at the end of the period	21	46

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

27 Related party transactions continued

Shares and share options held **30 Sept. 2013** **30 Sept. 2012**

Aggregate number of Stanbic IBTC share options in issue and holding company share options issued to Stanbic IBTC key management personnel.

Share options held (Stanbic IBTC Holdings PLC scheme) **162,338,115** 219,110,923

Share options held (ultimate parent company schemes) **559,400** 1,237,087

Transactions with Ultimate Holding company (Standard Bank Group)

	30 Sept. 2013 N million	30 Sept. 2012 N million
Revenue		
Trading revenue	153	569
Net interest income	523	44
Total revenue earned	676	613

	30 Sept. 2013 N million	31 Dec. 2012 N million
Loans		
Loans outstanding at the beginning of the period	25,647	11,021
Net loans received/(repaid) during the period	17,440	14,626
Loans outstanding at the end of the period	43,088	25,647
Deposits		
Deposits outstanding at the beginning of the period	79,755	19,522
Net deposits received/(repaid) during the period	(15,910)	60,233
Deposits outstanding at the end of the period	63,845	79,755

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

28 Abridged financial statements of the group

	Stanbic IBTC Holdings PLC Company N'million	Stanbic IBTC Bank PLC N'million	Stanbic IBTC Capital Ltd N'million	Stanbic IBTC Pension Managers Ltd N'million	Stanbic IBTC Asset Mgt Ltd N'million	Stanbic IBTC Ventures Ltd N'million	Stanbic IBTC Trustees Ltd N'million	Stanbic IBTC Stockbrokers Ltd N'million	Consoli- dations / Elimina - tions N'million	Stanbic IBTC Holdings PLC Group N'million
Income statement										
Net interest income	-	25,493	-	1,089	309	35	16	152	-	27,094
Non interest revenue	8,898	21,616	1,938	9,886	1,457	116	81	1,267	(8,813)	36,446
Total income	8,898	47,109	1,938	10,975	1,766	151	97	1,419	(8,813)	63,540
Staff costs	(265)	(14,680)	(765)	(1,591)	(464)	-	(54)	(161)	-	(17,980)
Operating expenses	(272)	(20,208)	(155)	(2,100)	(424)	(7)	(17)	(269)	494	(22,958)
Credit impairment charges	-	(2,264)	-	-	-	-	-	-	-	(2,264)
Total expenses	(537)	(37,152)	(920)	(3,691)	(888)	(7)	(71)	(430)	494	(43,202)
Profit before tax	8,361	9,957	1,018	7,284	878	144	26	989	(8,319)	20,338
Tax	(93)	(1,023)	(241)	(2,323)	(266)	-	(7)	(328)	-	(4,281)
Profit for the period	8,268	8,934	777	4,961	612	144	19	661	(8,319)	16,057
At 30 September 2012	-	4,562	-	3,302	818	55	33	412	(2,185)	6,997
30 September 2013										
Total assets	73,247	845,448	5,866	15,267	3,817	2,218	221	2,877	(74,256)	874,705
Liabilities	1,470	775,398	658	6,245	1,104	235	87	1,559	(5,585)	781,171
Equity and reserves	71,777	70,050	5,208	9,022	2,713	1,983	134	1,318	(68,671)	93,534

Notes to the condensed consolidated interim financial statements (continued)

for the nine months period ended 30 September 2013

29 Retirement benefit obligations

The group operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act 2004, with contributions based on the sum of employees' basic salary, housing and transport allowance in the ratio 7.5% by the employee and 7.5% by the employer. The amount contributed by the group and remitted to the Pension Fund Administrators during the period was N542 million (31 Dec. 2012: N722 million).

The group's contributions to this scheme is charged to the income statement in the period to which they relate. Contributions to the scheme are managed by Stanbic IBTC Pension Management 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.

Risk management for the nine months period ended 30 September 2013

Risk management

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

The most important types of risk arising from financial instruments are credit risk, liquidity risk and market risk. The management of these risks is discussed in the consolidated financial statements of the group as at and for the year ended 31 December 2012.

There have been no significant change in the group's risk factors and uncertainties relative to those described in the consolidated financial statements as at and for the year ended 31 December 2012. Furthermore, no major change in the coming three months is anticipated to date.

Credit risk

The credit quality of the group's financial assets remains broadly consistent with the position outlined in its consolidated financial statement as at and for the year ended 31 December 2012.

Credit risk measurement

The credit committee approves based on the mandate given to them by the board credit committee. All approvals are sanctioned by the board credit committee.

The board credit committee approves all insider-related credit irrespective of the amount.

A key element in the measurement of credit risk is the assignment of credit ratings. All customers including corporate, individuals and institutions and special purpose vehicles (SPVs) are awarded risk gradings 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:

- all counterparties for which the banking business facility limits in place are assigned a credit rating. The rating is forward looking (i.e. predictive in nature) and discriminatory (i.e. ability to rank order). However, all local ratings are capped by the country rating;
- a foreign currency rating and associated probability of default (PD) must be used for all exposures to counterparties in a currency other than naira;
- facility risk arising from exposure and/or facility specific factors such as collateral and seniority must be measured and addressed as part of the credit risk mitigation analysis and should not affect or impact on the counterparty rating;
- external support, as distinct from mitigants, can be recognized in the rating process on a defined basis provided it is consistently
- the process and methodology to assign a rating to each counterparty and a PD to each rating must be the responsibility of, and signed off by the approving authority; and
- pricing must be based on the risk grades assigned to the counterparty.

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.

Some advantages of a PD Master Scale include the ability to compare entities in terms of default risk across portfolios and the removal of all dependency on a specific model's calibration going forward, making future enhancements to models easier to implement.

The table below shows a view of an indicative external rating equivalent bearing in mind that these equivalents may change from time to time i.e.

Group's rating	Grade description	External rating
SB01 - SB12/SB13	Investment grades	AAA to BBB-
SB13 - SB25	Speculative grades	BB- to CCC

Risk management
for the nine months period ended 30 September 2013

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

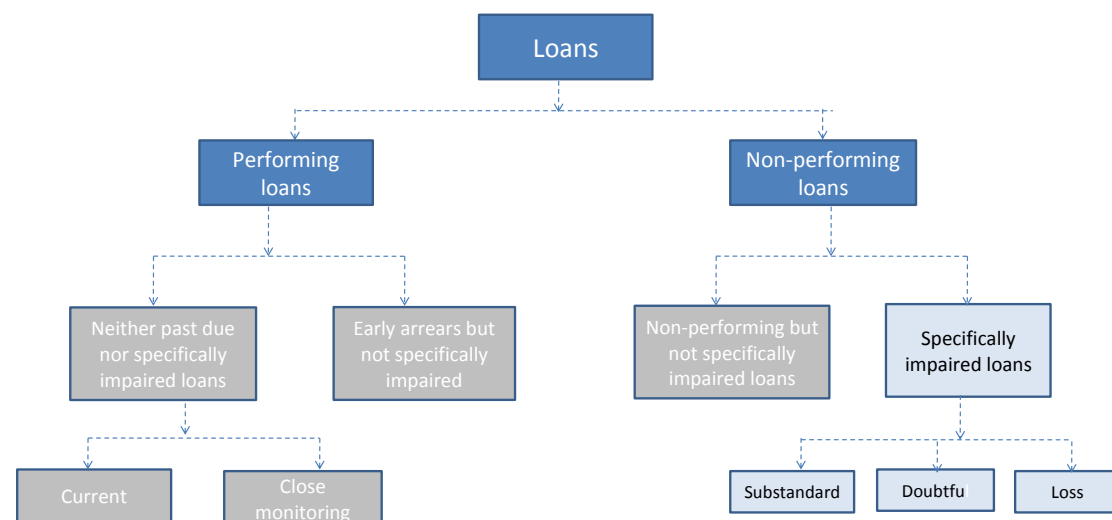
Non-performing loans are those loans for which:

- the group has identified objective evidence of default, such as a breach of a material loan covenant or condition; or
- instalments are due and unpaid for 90 days or more.

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 collateral into account.



■ Portfolio credit impairments

■ Specific credit impairments

STANBIC IBTC HOLDINGS PLC

Risk management for the nine months period ended 30 September 2013

Maximum exposure to credit risk by credit quality

September 2013			Performing loans				Non-performing loans											
			Neither past due nor specifically impaired		Not specifically impaired		Specifically impaired loans											
			Normal monitoring N'million	Close monitoring N'million	Early arrears N'million	Non-performing ¹ 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	119,505	1,395	85,209	-	24,172	-	3,951	2,795	3,378	10,124	3,477	6,647	6,647	66	10,124	8.5		
Mortgage loans	8,392	67	6,681	-	1,335	-	39	3	334	376	121	255	255	68	376	4.5		
Instalment sale and finance leases	16,319	297	6,934	-	7,311	-	528	1,351	195	2,074	1,134	940	940	45	2,074	12.7		
Card debtors	744	16	422	-	262	-	11	48	1	60	4	56	56	93	60	8.1		
Overdrafts	13,111	55	11,979	-	212	-	267	103	550	920	146	774	774	84	920	7.0		
Unsecured Personal Loans	56,774	462	42,010	-	12,710	-	702	516	836	2,054	367	1,687	1,687	82	2,054	3.6		
Business Term Loans	24,165	498	17,183	-	2,342	-	2,404	774	1,462	4,640	1,705	2,935	2,935	63	4,640	19.2		
Corporate & Investment Banking	182,283	2,858	-	-	-	-	1,095	2,291	-	3,386	1,292	2,094	2,094	62	3,386	1.9		
Corporate loans	182,283	2,858	-	-	-	-	1,095	2,291	-	3,386	1,292	2,094	2,094	62	3,386	1.9		
Central and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Gross loans and advances	301,788	4,253	85,209	-	24,172	-	5,046	5,086	3,378	13,510	4,769	8,741	8,741	65	13,510	4.5		
Less:																		
Impairment for loans and advances	(12,993)																	
Net loans and advances	288 795																	
Add the following other banking activities exposures:																		
Cash and balances with central bank	78 281																	
Derivatives	2 040																	
Financial investments	141 833																	
Loans and advances to banks	138 703																	
Trading assets	134 694																	
Pledged assets	23 239																	
Other financial assets	28 655																	
Total on-balance sheet exposure	836 240																	
Unrecognised financial assets:																		
Letters of credit	13 542																	
Guarantees	27 138																	
Total exposure to credit risk	876 920																	

¹ ⁴Includes loans of N0m that are past due but are not specifically impaired.

Additional disclosures on loans and advances is set out in (note 10)

STANBIC IBTC HOLDINGS PLC

Risk management for the nine months period ended 30 September 2013

Maximum exposure to credit risk by credit quality

December 2012		Total Loans and Advances to Customers N'million	Balance sheet impairments for performing loans N'million	Performing loans				Non-performing loans										Total non-performing loans N'million	Non-performing loans %
				Neither past due nor specifically impaired		Not specifically impaired		Specifically impaired loans											
				Normal monitoring N'million	Close monitoring N'million	Early arrears N'million	Non-performing ¹ 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 %				
Personal & Business Banking	105,055	1,983	75,216	-	21,173	-	3,366	2,333	2,966	8,665	3,105	5,561	5,561	64	8,666	8.2			
Mortgage loans	10,571	190	6,669		2,851	-	288	374	389	1,051	321	732	732	70	1,052	10.0			
Instalment sale and finance leases	17,080	618	11,823		4,128	-	56	368	705	1,129	351	778	778	69	1,128	6.6			
Card debtors	494	18	423		44	-	10	-	17	27	1	26	26	97	27	5.5			
Overdrafts	13,037	110	11,886		532	-	183	1	435	619	108	511	511	83	619	4.8			
Unsecured Personal Loans	34,154	273	25,244		7,836	-	353	297	424	1,074	184	890	890	83	1,074	3.1			
Business Term Loans	29,719	774	19,171		5,782	-	2,476	1,293	996	4,765	2,140	2,625	2,625	55	4,765	16.0			
Corporate & Investment Banking	174,418	1,859	168,744		-	-	176	3,098	2,401	5,675	1,948	3,726	3,726	66	5,674	3.3			
Corporate loans	174,418	1,859	168,744		-	-	176	3,098	2,401	5,675	1,948	3,726	3,726	66	5,674	3.3			
Central and Other	-	-	-		-	-	-	-	-	-	-	-	-	0	-	-			
Gross loans and advances	279,473	3,842	243,960		21,173	-	3,542	5,431	5,367	14,340	5,052	9,287	9,287	65	14,340	5.1			
Less:																			
Impairment for loans and advances	(13,129)																		
Net loans and advances	266 344																		
Add the following other banking activities exposures:																			
Cash and balances with central bank	76 933																		
Derivatives	1 709																		
Financial investments	85 757																		
Loans and advances to banks	54 318																		
Trading assets	114 877																		
Pledged assets	24 440																		
Other financial assets	13 340																		
Total on-balance sheet exposure	637 718																		
Unrecognised financial assets:																			
Letters of credit	19 145																		
Guarantees	25 672																		
Total exposure to credit risk	682 535																		

¹ ⁴Includes loans of N0m that are past due but are not specifically impaired.

Additional disclosures on loans and advances is set out in (note 10)

Risk management

for the nine months period ended 30 September 2013

Ageing of loans and advances past due but not specifically impaired

	Less than 31 days N'million	31-60 days N'million	61-90 days N'million	91-180 days N'million	More than 180 days N'million	Total N'million
September 2013						
Personal and Business Banking	17,815	5,809	548	-	-	24,172
Mortgage loans	936	309	91	-	-	1,336
Instalment sales and finance lease	4,789	2,479	43	-	-	7,311
Card debtors	210	38	13	-	-	261
Other loans and advances	11,880	2,983	401	-	-	15,264
Corporate and Investment Banking	-	-	-	-	-	-
Corporate loans	-	-	-	-	-	-
Total	17,815	5,809	548	-	-	24,172
December 2012						
Personal and Business Banking	14,823	4,857	1,493	-	-	21,173
Mortgage loans	1,864	743	243	-	-	2,850
Instalment sales and finance lease	2,410	1,485	233	-	-	4,128
Card debtors	-	31	13	-	-	44
Other loans and advances	10,549	2,598	1,004	-	-	14,151
Corporate and Investment Banking	-	-	-	-	-	-
Corporate loans	-	-	-	-	-	-
Total	14,823	4,857	1,493	-	-	21,173

**Risk management
for the nine months period ended 30 September 2013**
Liquidity risk

The liquidity and funding management has remained broadly consistent with those described in the group's consolidated financial statements as at and for the period ended 31 December 2012.

Maturity analysis of financial liabilities by contractual maturity

The tables below 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
September 2013						
Financial liabilities						
Derivative financial instruments	-	235	350	10	32	627
Trading liabilities	-	30,452	45,975	3,223	12,487	92,137
Deposits and current accounts	358,683	97,603	87,719	13,118	50	557,173
Other borrowings	-	-	1,506	1,440	48,162	51,108
Subordinated debt	-	-	-	-	6,517	6,517
Total	358,683	128,290	135,550	17,791	67,248	707,562
Unrecognised financial instruments						
Letters of credit						-
Guarantees						-
Total	-	-	-	-	-	-
December 2012						
Financial liabilities						
Derivative financial instruments	-	313	460	-	-	772
Trading liabilities	11,437	16,939	14,787	8,091	37,116	88,371
Deposits and current accounts	205,271	109,639	50,320	16,789	32	382,051
Other borrowings	-	3,173	389	1,463	61,848	66,873
Total	216,708	130,064	65,956	26,343	98,995	538,067
Unrecognised financial instruments						
Letters of credit	1,508	602	17,030	5	-	19,145
Guarantees	86	2,102	12,713	9,439	1,333	25,673
Total	1,594	2,704	29,743	9,444	1,333	44,818

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 group acts as a principal with clients in the market. The group's policy is that all trading activities are contained within the group's CIB trading operations.

Banking book interest rate risk

These risks arise from the structural interest rate risk caused by the differing repricing 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 as a result of changes in foreign exchange rates.

Equity investment risk

These risks arise from equity price changes in listed and unlisted investments. This risk is managed through the equity investment committee, which is a sub-committee of the executive committee.

Framework and governance

The board through the board risk management committee 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 group follow a common governance framework. The group's ALCO reports to EXCO and also to board risk 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 committee.

Market risk measurement

The techniques used to measure and control market risk include:

- daily net open position
- daily VaR;
- back-testing;
- PV01;
- other market risk measures; and
- annual net interest income at risk.

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

Daily value-at-risk (VaR)

VaR is a technique that estimates the potential losses that occur resulting from market movements over a specified time period and a predetermined probability.

VaR limits and exposure measurements are in place for all market risks the trading desk is exposed to. The group 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.

Risk management
for the nine months period ended 30 September 2013

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 maintain 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

Capital adequacy ratio, which reflects the capital strength of an entity compared to the minimum regulatory requirements, is monitored daily by the management, essentially employing approaches based on the guidelines developed by the regulators for supervisory purposes. It is calculated by dividing the capital held by the bank by its risk-weighted assets. Risk weighted assets are determined by applying prescribed risk weighting to on and off balance sheet exposures according to the relative credit risk of the counterparty

The regulators require the banking business to hold a minimum regulatory capital of N25 billion and maintain a minimum of 10% capital adequacy ratio. The required information is filed monthly with the Central Bank of Nigeria (CBN).

In line with regulatory specification, the group's regulatory capital is divided into two tiers:

Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings.

Tier 2 capital: minority interest arising from consolidation, fixed asset revaluation reserves, foreign currency revaluation reserves and general provision subject to a maximum of 1.25% of risk assets.

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

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of asset and reflecting an estimate of credit, market and other risks associated with – each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off balance sheet exposures, with some adjustments to reflect the more contingent nature of the potential losses.

STANBIC IBTC HOLDINGS PLC

Risk management for the nine months period ended 30 September 2013

Capital management

The table below summarises the composition of regulatory capital and the ratios of the group for the period ended 30 September 2013. During the period, the individual entities within the group and the group complied with all of the externally imposed capital requirements to which they are subject.

	Group 30 Sept. 2013 N'million	Group 31 Dec. 2012 N'million
Tier 1 capital:		
Share capital	5,000	5,000
Share premium	65,450	65,450
Available-for-sale reserve	869	(68)
Retained earnings	7,300	15,300
Other reserves	(2,300)	(2,341)
Deferred tax asset and intangible assets	(5,597)	(5,169)
Total qualifying Tier 1 capital	70,722	78,172
Tier 2 capital:		
Non-controlling interest	2,617	2,310
General provision	4,253	3,842
Subordinated debt	6,517	-
Total qualifying Tier 2 capital	13,387	6,152
Total regulatory capital	84,109	84,324
Risk-weighted assets:		
On-balance sheet	399,193	346,011
Off-balance sheet	27,111	31,981
Total risk-weighted assets	426,304	377,992
Capital adequacy ratio	19.73%	22.31%

Regulatory capital compliance

The group complied with minimum capital requirements imposed by the regulators during the period under review. Apart from the local requirements, the group is also required to comply with the capital adequacy requirement in terms of South African banking regulations measured on Basel II principles. This act of compliance coupled with the risk governance structure and implementation of ERM framework as well as collation of loss data, amongst others, have continued to reinforce the group's readiness for a regulatory regime that is anchored on Basel II principles in the near future.