Stanbic IBTC
A member of Standard Bank Group

STANBIC IBTC HOLDINGS PLC

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2014

STANBIC IBTC HOLDINGS PLC
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2014

Table of contents

STANBIC IBTC HOLDINGS PLC

Statement of financial position
at 31 March 2014

		Group		Company	
	Note	**31 Mar. 2014 N'million**	31 Dec. 2013 N'million	**31 Mar. 2014 N'million**	31 Dec. 2013 N'million
Assets					
Cash and cash equivalents	5	**160,946**	120,312	**2,104**	2,722
Trading assets	7	**60,418**	40,711	**-**	-
Pledged assets	8	**24,484**	24,733	**-**	-
Derivative assets	6	**2,831**	1,526	**-**	-
Financial investments	8	**131,455**	139,304	**-**	-
Loans and advances	9	**374,813**	383,927	**-**	-
Loans and advances to banks	9	**68,158**	94,180	**-**	-
Loans and advances to customers	9	**306,655**	289,747	**-**	-
Equity Investment in group companies		**-**	-	**68,951**	68,951
Other assets		**23,350**	19,829	**1,856**	1,038
Current tax and deferred tax assets		**7,420**	7,716	**158**	118
Property and equipment		**24,154**	24,988	**2,554**	2,572
Total assets		**809,871**	763,046	**75,623**	75,401
Equity and liabilities					
Equity		**104,298**	97,634	**71,731**	71,846
Equity attributable to ordinary shareholders		**100,324**	94,313	**71,731**	71,846
Ordinary share capital		**5,000**	5,000	**5,000**	5,000
Ordinary share premium		**65,450**	65,450	**65,450**	65,450
Reserves		**29,874**	23,863	**1,281**	1,396
Non-controlling interest		**3,974**	3,321		
Liabilities		**705,573**	665,412	**3,892**	3,555
Trading liabilities	7	**62,880**	66,960	**-**	-
Derivative liabilities	6	**1,011**	1,085	**-**	-
Deposit and current accounts	10	**510,906**	468,038	**-**	-
Deposits from banks	10	**58,544**	51,686	**-**	-
Deposits from customers	10	**452,362**	416,352	**-**	-
Other borrowings	11	**65,027**	48,764	**-**	-
Cuurent and deferred tax liabilities		**8,968**	7,788	**2**	2
Subordinated debt		**6,624**	6,399	**-**	
Other liabilities		**50,157**	66,378	**3,890**	3,553
Total equity and liabilities		**809,871**	763,046	**75,623**	75,401

Sola David-Borha
Chief Executive Officer
FRC/2013/CIBN/00000001070
16 April 2014

Arthur Oginga
Chief Financial Officer
FRC/2013/IODN/00000003181
16 April 2014.

The accompanying notes form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Statement of profit or loss
for the three months period ended 31 March 2014

	Note	Group 31-Mar-14 N'million	Group 31-Mar-13 N'million	Company 31-Mar-14 N'million	Company 31-Mar-13 N'million
Gross earnings		**30,221**	26,586	**189**	163
Net interest income		**11,726**	8,255	**-**	-
Interest income	15.1	**17,019**	14,666	**-**	-
Interest expense	15.2	**(5,293)**	(6,411)	**-**	-
Non-interest revenue		**13,085**	11,872	**189**	163
Net fee and commission revenue	15.3	**8,936**	6,968	**185**	163
Fee and commission revenue	15.3	**9,053**	7,016	**185**	163
Fee and commission expense	15.3	**(117)**	(48)	**-**	-
Trading revenue	15.4	**4,101**	4,887	**-**	-
Other revenue		**48**	17	**4**	-
Total income		**24,811**	20,127	**189**	163
Credit impairment charges	15.5	**(1,195)**	(1,885)	**-**	-
Income after credit impairment charges		**23,616**	18,242	**189**	163
Operating expenses		**(14,647)**	(13,503)	**(345)**	(178)
Staff costs	15.6	**(6,418)**	(5,910)	**(104)**	(85)
Other operating expenses	15.6	**(8,229)**	(7,593)	**(241)**	(93)
Profit before tax		**8,969**	4,739	**(156)**	(15)
Income tax		**(2,072)**	(1,166)	**40**	4
Profit for the period		**6,897**	3,573	**(116)**	(11)
Profit attributable to:					
Non-controlling interests		**651**	391	**-**	-
Equity holders of the parent		**6,246**	3,182	**(116)**	(11)
Profit for the period		**6,897**	3,573	**(116)**	(11)
Earnings per share					
Basic /diluted earnings per ordinary share (kobo)	16	**62**	32	**(1)**	-

The accompanying notes form an integral part of these financial statements

Statement of comprehensive income
for the three months period ended 31 March 2014

		Group		Company	
	Note	**31-Mar-14 N'million**	31-Mar-13 N'million	**31-Mar-14 N'million**	31-Mar-13 N'million
Profit for the period		**6,897**	3,573	**(116)**	(11)
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		**(245)**	1 073	-	-
Realised fair value adjustments on available-for-sale financial assets reclassified to income statement		**-**	(467)	-	-
Income tax on other comprehensive income		**-**	-	-	-
		(245)	606	**-**	-
Other comprehensive income for the period, net of tax		**(245)**	606	-	-
Total comprehensive income for the period		**6,652**	4,179	**(116)**	(11)
Total comprehensive income attributable to:					
Non-controlling interests		**653**	366	**-**	-
Equity holders of the parent		**5,999**	3,813	**(116)**	(11)
		6,652	4,179	**(116)**	(11)

The accompanying notes form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Statement of changes in equity
for the three months period ended 31 March 2014

Group	note	Ordinary share capital N'million	Share premium N'million	Merger reserve N'million	Statutory credit risk reserve N'million	Available-for-sale revaluation reserve N'million	Share-based payment reserve N'million	Other regulatory reserves N'million	Retained earnings N'million	Ordinary shareholders' equity N'million	Non-controlling interest N'million	Total equity N'million
Balance at 1 January 2013		5,000	65,450	(19,123)	-	(68)	362	16,420	15,300	83,341	2,310	85,651
Total comprehensive (loss)/income for the period						606		-	3,182	3,788	366	4,154
Profit for the period									3,182	3,182	391	3,573
Other comprehensive (loss)/income after tax for the period						606		-		606	(25)	581
Net change in fair value on available-for-sale financial assets						1,073				1,073	(25)	1,048
Realised fair value adjustments on available-for-sale financial assets						(467)				(467)		(467)
Income tax on other comprehensive income										-		-
Transactions with shareholders, recorded directly in equity		-					-		-	-	-	-
Equity-settled share-based payment transactions												-
Dividends paid to equity holders												-
Dividends paid to equity holders										-		-
Balance at 31 March 2013		5,000	65,450	(19,123)	-	538	362	16,420	18,482	87,129	2,676	89,805
Balance at 1 January 2014		**5,000**	**65,450**	**(19,123)**	**769**	**221**	**273**	**18,859**	**22,864**	**94,313**	**3,321**	**97,634**
Total comprehensive income/(loss) for the period						**(247)**			**6,246**	**5,999**	**653**	**6,652**
Profit for the period									**6,246**	**6,246**	**651**	**6,897**
Other comprehensive income/(loss) after tax for the period						**(247)**				**(247)**	**2**	**(245)**
Net change in fair value on available-for-sale financial assets						**(247)**				**(247)**	**2**	**(245)**
Realised fair value adjustments on available-for-sale financial assets										**-**		**-**
Other						**-**						
Transactions with shareholders, recorded directly in equity		**-**	**-**	**-**	**-**	**-**	**12**	**-**	**-**	**12**	**-**	**12**
Equity-settled share-based payment transactions							**12**			**12**		**12**
Dividends paid to equity holders												
Balance at 31 March 2014		**5,000**	**65,450**	**(19,123)**	**769**	**(26)**	**285**	**18,859**	**29,110**	**100,324**	**3,974**	**104,298**

The accompanying notes form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Statement of changes in equity
for the three months period ended 31 March 2014

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			-			(11)	(11)
Profit for the period	-	-	-	-	-	(11)	(11)
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	-	-	-	-	-	-	-
Equity-settled share-based payment transactions			-	-	-	-	-
Dividends paid to equity holders						-	-
Balance at 31 March 2013	5,000	65,450	-	-	-	1,042	71,492
Balance at 1 January 2014	**5,000**	**65,450**	**-**	**8**	**-**	**1,388**	**71,846**
Total comprehensive income/(loss) for the period			**-**			**(116)**	**(116)**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**(116)**	**(116)**
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	**-**	**-**	**-**	**1**	**-**	**-**	**1**
Equity-settled share-based payment transactions			**-**	**1**	**-**	**-**	**1**
Dividends paid to equity holders							
Balance at 31 March 2014	**5,000**	**65,450**	**-**	**9**	**-**	**1,272**	**71,731**

The accompanying notes form an integral part of these financial statements

STANBIC IBTC HOLDINGS PLC

Statement of cash flows
for the three months period ended 31 March 2014

	Group		Company	
	31 Mar. 2014 N million	31 Mar. 2013 N million	**31 Mar. 2014 N million**	31 Mar. 2013 N million
Net cash flows from operating activities	**15,954**	45,549	**(606)**	75
Cash flows used in operations	**4,752**	37,322	**(606)**	75
Profit before tax	**8,969**	4,739	**(156)**	(15)
Adjusted for:	**(9,612)**	(5,441)	**31**	-
Credit impairment charges on loans and advances	**1,195**	1,885	**-**	-
Depreciation of property and equipment	**924**	875	**30**	-
Dividends included in other revenue	**-**	-		-
Equity-settled share-based payments	**12**	-	**1**	-
Interest expense	**5,293**	6,411	**-**	-
Interest income	**(17,019)**	(14,666)	**-**	-
Loss/(profit) on sale of property and equipment	**(17)**	54	**-**	-
Increase in income-earning assets	**(16,439)**	(179,431)	**(818)**	(1,579)
Increase in deposits and other liabilities	**21,834**	217,455	**337**	1,669
Dividends received	**-**	-	**-**	-
Interest paid	**(5,293)**	(6,411)	**-**	-
Interest received	**17,019**	14,666	**-**	-
Direct taxation paid	**(524)**	(28)	**-**	-
Net cash flows used in investing activities	**7,531**	(24 267)	**(12)**	(75)
Capital expenditure on - property	**-**	-		-
- equipment, furniture and vehicles	**(418)**	(226)	**(14)**	(75)
Proceeds from sale of property, equipment, furniture and vehicles	**345**	53	**2**	-
Investment in financial investment securities	**7,604**	(24,094)	**-**	
Net cash flows used in financing activities	**16,263**	(14 793)	**-**	-
Net increase/(decrease) in other borrowings	**16,263**	(14,793)	**-**	-
Net dividends paid	**-**	-	**-**	-
Effect of exchange rate changes on cash and cash equivalents	**886**	(138)	**-**	-
Net increase in cash and cash equivalents	**40,634**	6,351	**(618)**	-
Cash and cash equivalents at beginning of the period	**120,312**	106,680	**2,722**	2,625
Cash and cash equivalents at end of the period	**160,946**	113,031	**2,104**	2,625

The accompanying notes form an integral part of these financial statements

Notes to the condensed consolidated interim financial statements
for the three months period ended 31 March 2014

1 Reporting entity
Stanbic IBTC Holdings PLC (the 'company') is a company domiciled in Nigeria. The address of the company is IBTC Place, Plot 1C Walter Carrington Crescent, Victoria Island, Lagos. The condensed consolidated interim financial statements as at and for the three months ended 31 March 2014 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 2013.

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 2013.

The condensed consolidated interim financial statements was approved by the Board of Directors on 16 April 2014.

(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 2013.

3 Statement of significant accounting policies
Except as described below, the accounting policies applied by the group in preparation of these condensed interim financial statements are consistent with those applied by the group in the preparation of its consolidated annual financial statements for the year ended 31 December 2013.

3.1 *New standards, interpretations and amendments adopted by the group*

On 1 January 2014, 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:

Offsetting financial assets and financial liabilities - Amendments to IAS 32

Amendments to IAS 32 “Financial instruments: Presentation” clarify the meaning of ’currently has a legally enforceable right to set-off’ and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting.

3.1 *Standards adopted during the period ended 31 March 2014 (continued)*

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
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.
Further, an investment entity will be required to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

Recoverable amount disclosures for non-financial assets – Amendments to IAS 36
These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period.

Novation of derivatives and continuation of hedge accounting – Amendments to IAS 39
Amendments to IAS 39 “Financial Instruments: Recognition and Measurement”: 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.
A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

IFRIC 21 Levies
IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. It is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 Income Taxes) and fines or other penalties for breaches of legislation.

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements.

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 31 March 2014 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 2018. The impact on the financial statements has not yet been fully determined. The group will adopt this standard when it becomes effective.

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

STANBIC IBTC HOLDINGS PLC

Notes to the condensed consolidated interim financial statements (continued)
for the three months period ended 31 March 2014

4 Segment reporting

Operating segments

	Personal & Business Banking		Corporate & Investment Banking		Wealth		Eliminations		Group	
	31 Mar. 2014	31 Mar. 2013	**31 Mar. 2014**	31 Mar. 2013	**31 Mar. 2014**	31 Mar. 2013	**31 Mar. 2014**	31 Mar. 2013	**31 Mar. 2014**	31 Mar. 2013
	N million	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**	**N million**
Net interest income	**5,604**	3,837	**5,568**	3,906	**554**	512	**-**	-	**11,726**	8,255
Non-interest revenue	**1,961**	1,659	**6,698**	7,094	**4,611**	3,277	**(185)**	(158)	**13,085**	11,872
Total income	**7,565**	5,496	**12,266**	11,000	**5,165**	3,789	**(185)**	(158)	**24,811**	20,127
Credit impairment charges	**(889)**	(1,467)	**(306)**	(418)	**-**	-			**(1,195)**	(1,885)
Income after credit impairment charges	**6,676**	4,029	**11,960**	10,582	**5,165**	3,789	**(185)**	(158)	**23,616**	18,242
Operating expenses in banking activities	**(7,340)**	(7,383)	**(5,905)**	(4,742)	**(1,587)**	(1,536)	**185**	158	**(14,647)**	(13,503)
Staff costs	**(3,717)**	(3,711)	**(1,961)**	(1,509)	**(740)**	(690)	**-**	-	**(6,418)**	(5,910)
Other operating expenses	**(3,623)**	(3,672)	**(3,944)**	(3,233)	**(847)**	(846)	**185**	158	**(8,229)**	(7,593)
Profit before direct taxation	**(664)**	(3,354)	**6,055**	5,840	**3,578**	2,253	**-**	-	**8,969**	4,739
Direct taxation	**375**	801	**(1,390)**	(1,265)	**(1,057)**	(702)		-	**(2,072)**	(1,166)
Profit for the period	**(289)**	(2,553)	**4,665**	4,575	**2,521**	1,551	**-**	-	**6,897**	3,573

		Group		Company	
		31 Mar. 2014 N'million	31 Dec. 2013 N'million	**31 Mar. 2014 N'million**	31 Dec. 2013 N'million
5	**Cash and cash equivalents**				
	Coins and bank notes	**14,222**	16,481	**-**	-
	Balances with central banks	**86,013**	66,018	**-**	-
	Current balances with banks within Nigeria	**14,038**	10,866	**2,104**	2,722
	Current balances with banks outside Nigeria	**46,673**	26,947	**-**	-
		160,946	120,312	**2,104**	2,722

Cash and balances with central bank include N56,036 million (Dec. 2013: N51,603 million) that is not available for use by the group on a day to day basis. These restricted balances comprise primarily reserving requirements held with Central Bank of Nigeria (CBN).

The growth in cash and cash equivalents resulted from increase in current account balances with foreign correspondent bank on the back of growth in letters of credit transactions.

6 Derivative assets and liabilities

		Group		Company	
		31 Mar. 2014 N'million	31 Dec. 2013 N'million	**31 Mar. 2014 N'million**	31 Dec. 2013 N'million
6.1	**Derivative assets**				
	Foreign exchange derivatives	**1,862**	422	**-**	**-**
	Forwards	**1,862**	422		
	Options				
	Interest rate derivatives	**969**	1,104	**-**	**-**
	Forwards				
	Swaps	**969**	1,104		
	Total derivative assets	**2,831**	1,526	**-**	**-**
6.2	**Derivative liabilities**				
	Foreign exchange derivatives	**760**	601	**-**	**-**
	Forwards	**760**	601		
	Options				
	Interest rate derivatives	**251**	484	**-**	**-**
	Forwards				
	Swaps	**251**	484		
	Total derivative liabilities	**1,011**	1,085	**-**	**-**

Increase in derivative portfolio reflects growth in volume of foreign currency forward exchange transactions as well as decline in Naira/USD$ rate by 2% during the period.

7 Trading assets and trading liabilities

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

	Group		Company	
	31 Mar. 2014	31 Dec. 2013	**31 Mar. 2014**	31 Dec. 2013
	N million	N million	**N million**	N million
7.1 Trading assets				
Classification				
Listed	**42,091**	40,711	**-**	-
Unlisted	**18,327**	-	-	-
	60,418	40,711	**-**	-
Comprising:				
Government bonds	**1,557**	2,634	**-**	-
Treasury bills	**40,533**	38,026	**-**	-
Listed equities	**1**	51	-	-
Reverse repurchase agreements	**13,412**	-	-	-
Placements	**4 915**	-	**-**	-
	60,418	40,711	**-**	-

	Group		Company	
	31 Mar. 2014	31 Dec. 2013	**31 Mar. 2014**	31 Dec. 2013
	N million	N million	**N million**	N million
7.2 Trading liabilities				
Classification				
Listed	**18,219**	6,438	**-**	-
Unlisted	**44,661**	60,522	**-**	-
	62,880	66,960	**-**	-
Comprising:				
Government bonds (short positions)	**3,676**	1,714	**-**	-
Deposits	**44,661**	60,522	**-**	-
Treasury bills (short positions)	**14,543**	4,724	**-**	**-**
	62,880	66,960	**-**	-

Growth in trading portfolio is mainly as a result of reverse repo transaction with a bank counterparty at period end.

Notes to the condensed consolidated interim financial statements (continued)
for the three months period ended 31 March 2014

		Group		Company	
		31 Mar. 2014	31 Dec. 2013	31 Mar. 2014	31 Dec. 2013
		N million	N million	N million	N million
8	**Financial investments**				
	Short - term negotiable securities	**120,242**	125,695	**-**	**-**
	Listed	**120,242**	125,695	-	-
	Unlisted	**-**	-	-	-
	Other financial investments	**11,213**	13,609	**-**	**-**
	Listed	**8,750**	11,001	-	-
	Unlisted	**2,463**	2,608	-	-
		131,455	139,304	**-**	**-**
8.1	**Comprising:**				
	Government bonds	**5,891**	9,781		
	Treasury bills	**120,242**	125,695		
	Corporate bonds	**1,713**	1,867		
	Unlisted equities	**750**	741		
	Mutual funds and unit-linked investments	**2,859**	1,220	**-**	-
		131,455	139,304	**-**	-

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

Decrease in financial investments reflects government securities sold during the period for liquidity management purposes.

	Group		Company	
	31 Mar. 2014	31 Dec. 2013	**31 Mar. 2014**	31 Dec. 2013
	N million	N million	**N million**	N million
9 Loans and advances				
Loans and advances net of impairments				
Loans and advances to banks	**68,158**	94,180	**-**	-
Call loans	**-**	**-**		-
Placements	**68,158**	94,180	**-**	-
Loans and advances to customers	**306,655**	289,747	**-**	-
Gross loans and advances to customers	**321,513**	303,306	-	-
Mortgage loans	**7,842**	8,667	**-**	-
Instalment sale and finance leases	**27,316**	27,012	**-**	-
Card debtors	**675**	850	**-**	-
Overdrafts and other demand loans	**34,881**	32,676	**-**	-
Medium term loans	**248,101**	232,635	**-**	-
Others loans and advances	**2,698**	1,466	**-**	-
Credit impairments for loans and advances	**(14,858)**	(13,559)	**0**	0
Specific credit impairments	**(9,651)**	(8,972)	**0**	0
Portfolio credit impairments	**(5,207)**	(4,587)	**0**	0
Net loans and advances	**374,813**	383,927	**-**	-
Comprising:				
Gross loans and advances	**389,671**	397,486	**-**	-
Less: Credit impairments	**(14,858)**	(13,559)	**-**	-
Net loans and advances	**374,813**	383,927	**-**	-

The growth in loan book is supported by our growing customer relationships but was affected by the sustained high interest rate environment and competition for good quality corporate credit. The group's non-performing loan book increased by 7% in 1Q 2014 to close at N14.4 billion from N13.4 billion at the end of 2013. The increase is attributable to the newly classified loans in response to the trading environment. Consequently, the ratio of non-performing loans to total loans deteriorated slightly to 4.5% from 4.4% in Q4 2013.

	Group		Company	
	31 Mar. 2014	31 Dec. 2013	**31 Mar. 2014**	31 Dec. 2013
	N million	N million	**N million**	N million
10 Deposit and current accounts				
Deposits from banks	**58,544**	51,686	**-**	-
Deposits from banks	**58,544**	51,686		
Deposits from customers	**452,362**	416,352	**-**	-
Current accounts	**227,893**	198,320		
Call deposits	**29,786**	52,927		
Savings accounts	**19,392**	19,097		
Term deposits	**164,835**	130,940		
Negotiable certificate of deposits	**10,456**	15,068	-	-
Total deposits and current accounts	**510,906**	468,038	**-**	-

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	
	31 Mar. 2014	31 Dec. 2013	**31 Mar. 2014**	31 Dec. 2013
	N million	N million	**N million**	N million
11 Other borrowings				
FMO - Netherland Development Finance Company	**2,491**	3,595	**-**	-
European Investment Bank	**2,374**	2,275	**-**	-
Bank of Industry	**6,482**	6,479	**-**	-
Standard Bank Isle of Man	**40,527**	23,762	**-**	-
CBN Commercial Agricultural Credit Scheme (CACS)	**13,153**	12,653	**-**	-
	65,027	48,764	**-**	-

Growth in other borrowing represents additional borrowing from Standard Bank Isle of Man applied mainly to fund growth in loans and advances to customers.

Notes to the condensed consolidated interim financial statements (continued)
for the three months period ended 31 March 2014

12 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
31 March 2014								
Assets								
Cash and balances with central banks	5	-	-	-	-	160,946	160,946	160,946
Derivative assets	6	2,831	-	-	-	-	2,831	2,831
Trading assets	7	60,418	-	-	-	-	60,418	60,418
Pledged assets	8	-	-	-	24,484	-	24,484	24,484
Financial investments	8	-	-	-	131,455	-	131,455	131,455
Loans and advances to banks	9	-	-	68,158	-	-	68,158	68,289
Loans and advances to customers	9	-	-	306,655	-	-	306,655	306,655
Other financial assets		-	-	13,688	-	-	13,688	13,688
		63,249	-	374,813	155,939	160,946	768,635	768,766
Liabilities								
Derivative liabilities	6	1,011	-	-	-	-	1,011	1,011
Trading liabilities	7	62,880	-	-	-	-	62,880	62,880
Deposits from banks	10	-	-	-	-	58,544	58,544	58,544
Deposits from customers	10	-	-	-	-	452,362	452,362	452,362
Subordinated debt		-	-	-	-	6,624	6,624	5,895
Other borrowings		-	-	-	-	65,027	65,027	65,166
Other financial liabilities		-	-	-	-	35,939	35,939	35,939
		63,891	-	-	-	546,845	610,736	610,736

Notes to the condensed consolidated interim financial statements (continued)

for the three months period ended 31 March 2014

12 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 2013								
Assets								
Cash and balances with central banks	5	-	-	-	-	120,312	120,312	120,312
Derivative assets	6	1,526	-	-	-	-	1,526	1,526
Trading assets	7	40,711	-	-	-	-	40,711	40,711
Pledged assets	8	-	-	-	24,733	-	24,733	24,733
Financial investments	8	-	-	-	139,304	-	139,304	139,304
Loans and advances to banks	9	-	-	94,180	-	-	94,180	94,164
Loans and advances to customers	9	-	-	289,747	-	-	289,747	259,076
Other financial assets		-	-	10,346	-	-	10,346	10,346
		42,237	-	383,927	164,037	120,312	720,859	690,172
Liabilities								
Derivative liabilities	6	1,085	-	-	-	-	1,085	1,085
Trading liabilities	7	66,960	-	-	-	-	66,960	66,960
Deposits from banks	10	-	-	-	-	51,686	51,686	51,692
Deposits from customers	10	-	-	-	-	416,352	416,352	415,625
Subordinated debt						6,399	6,399	5,721
Other financial liabilities		-	-	-	-	112,257	112,257	112,358
		68,045	-	-	-	580,295	648,340	647,720

[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.

13 Financial instruments measured at fair value

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

13.1 Valuation models

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

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

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

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

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

Specific valuation techniques used to value financial instruments include:

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

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

13.2 Valuation framework

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

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

Significant valuation issues are reported to the audit committee.

13.3 Financial instruments measured at fair value - fair value hierarchy

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

Group	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 March 2014				
Assets				
Derivative assets	**-**	**2,831**	**-**	**2,831**
Trading assets	**1**	**60,417**	**-**	**60,418**
Pledged assets	**-**	**24,484**	**-**	**24,484**
Financial investments	**-**	**131,241**	**214**	**131,455**
	1	**218,973**	**214**	**219,188**
Comprising:				
Held-for-trading	**1**	**63,248**	**-**	**63,249**
Available-for-sale	**-**	**155,725**	**214**	**155,939**
	1	**218,973**	**214**	**219 188**
Liabilities				
Derivative liabilities	**-**	**1,011**	**-**	**1,011**
Trading liabilities	**-**	**62,880**	**-**	**62,880**
	-	**63,891**	**-**	**63,891**
Comprising:				
Held-for-trading	**-**	**63,891**	**-**	**63,891**
Designated at fair value				**-**
	-	**63,891**	**-**	**63,891**

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

Group	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2013				
Assets				
Derivative assets	-	1,526	-	1,526
Trading assets	51	40,660	-	40,711
Pledged assets	-	24,733	-	24,733
Financial investments	-	139,091	213	139,304
	51	206,010	213	206,274
Comprising:				
Held-for-trading	51	42,186	-	42,237
Available-for-sale	-	163,824	213	164,037
	51	206,010	213	206,274
Liabilities				
Derivative liabilities	-	1,085	-	1,085
Trading liabilities	-	66,960	-	66,960
	-	68,045	-	68,045
Comprising:				
Held-for-trading	-	68,045	-	68,045
Designated at fair value	-	-	-	
	-	68,045	-	68,045

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

13.3 Level 3 fair value measurement

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

Financial investments - unquoted equities	31 Mar. 2014 N million	31 Dec. 2013 N million
Balance at 1 January		
Gain/(loss) recognised in other comprehensive income	-	(213)
Balance at period end	-	(213)

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

	31 Dec. 2013 N million	31 Dec. 2012 N million
Net change in fair value of available-for-sale financial assets	-	(213)

(ii) Unobservable inputs used in measuring fair value

The information below describes the significant unobservable inputs used at 31 March 2014 in measuring financial instruments categorised as level 3 in the fair value hierarchy.

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

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

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

	Carrying	**Fair value**			
	amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Group	**N million**	**N million**	**N million**	**N million**	**N million**
31 March 2014					
Assets					
Cash and cash equivalents	**160,946**	**160,946**	**-**	**-**	**160,946**
Loans and advances to banks	**68,158**	**-**	**60,418**	**-**	**60,418**
Loans and advances to customers	**306,655**	**-**	**306,655**	**-**	**306,655**
Other financial assets	**13,688**	**-**	**13,688**	**-**	**13,688**
					-
	549,447	**160,946**	**380,761**	**-**	**541,707**
Liabilities					
Deposits from banks	**58,544**		**58,544**	**-**	**58,544**
Deposits from customers	**452,362**	**277,071**	**175,291**	**-**	**452,362**
Other borrowings	**65,027**	**-**	**65,166**	**-**	**65,166**
Subordinated debt	**6,624**	**-**	**5,895**	**-**	**5,895**
Other financial liabilities	**35,939**	**-**	**35,939**	**-**	**35,939**
	618,496	**277,071**	**340,835**	**-**	**617,906**

	Carrying				
	amount	Level 1	Level 2	Level 3	Total
Group	N million	N million	N million	N million	N million
31 December 2013					
Assets					
Cash and cash equivalents	120,312	120,312	-	-	120,312
Loans and advances to banks	94,180	-	94,164	-	94,164
Loans and advances to customers	289,747	-	259,076	-	259,076
Other financial assets	10,346	-	10,346	-	10,346
	514,585	120,312	363,586	-	483,898
Liabilities					
Deposits from banks	51,686	-	51,692	-	51,692
Deposits from customers	416,352	270,621	145,004	-	415,625
Other borrowings	48,764	-	48,865	-	48,865
Subordinated debt	6,399	-	5,721	-	5,721
Other financial liabilities	63,493	-	63,493	-	63,493
	586,694	270,621	314,775	-	585,396

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

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

13.5 Offsetting of financial assets and financial liabilities

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

The disclosures include financial assets and financial liabilities that:

- are offset in the group's statement of financial position; or
- are subject to an enforceable master netting agreement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

The group had no offsetting financial assets and liabilities as at period end.

	Group		Company	
	31 Mar. 2014	31 Dec. 2013	**31 Mar. 2014**	31 Dec. 2013
	N million	N million	**N million**	N million
14 Contingent liabilities and commitments				
14.1 Contingent liabilities				
Letters of credit	**33,592**	20,836	**-**	-
Guarantees	**26,245**	23,779	**-**	-
	59,837	44,615	**-**	-

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

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

14.2 Capital commitments

	Group 31 Mar. 2014	Group 31 Dec. 2013	Company 31 Mar. 2014	Company 31 Dec. 2013
Contracted capital expenditure	**238**	445	**-**	**-**
Capital expenditure authorised but not yet con	**-**	**-**	**-**	**-**
	238	445	**-**	-

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

14.3 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 crystallising, that the group has adequate insurance programmes and provisions in place to meet such claims.

There were a total of 153 legal proceedings outstanding as at 31 March 2014. 96 of these were against the group with claims amounting to N168.63 billion (Dec. 2013: N168.63 billion), while 57 other cases were instituted by the group with claims amounting to N3.80 billion (31 Dec. 2013: N4.23 billion).

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

		Group		Company	
		31 Mar. 2014	31 Mar. 2013	**31 Mar. 2014**	31 Mar. 2013
		N million	N million	**N million**	N million
15	**Supplementary income statement information**				
15.1	**Interest income**				
	Interest on loans and advances to banks	**1,459**	613		
	Interest on loans and advances to customers	**10,417**	10,072	**-**	-
	Interest on investments	**5,143**	3,981	**-**	-
		17,019	14,666	**-**	-

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

15.2	**Interest expense**				
	Savings accounts	**111**	56	**-**	-
	Current accounts	**217**	140	**-**	-
	Call deposits	**573**	587		
	Term deposits	**3,769**	5,152		
	Interbank deposits	**338**	268		
	Borrowed funds	**285**	208	**-**	-
		5,293	6,411	**-**	-

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

15.3	**Net fee and commission revenue**				
	Fee and commission revenue	**9,053**	7,016	**185**	163
	Account transaction fees	**720**	984	**-**	-
	Card based commission	**412**	282	**-**	-
	Brokerage and financial advisory fees	**1,311**	649	185	163
	Asset management fees	**4,662**	3,262	**-**	-
	Custody transaction fees	**562**	668	**-**	-
	Electronic banking	**100**	4	**-**	-
	Foreign currency service fees	**387**	304	**-**	-
	Documentation and administration fees	**298**	409	**-**	-
	Other	**601**	454	**-**	-
	Fee and commission expense	**(117)**	(48)		-
		8,936	6,968	**185**	163
15.4	**Trading revenue**				
	Foreign exchange	**3,114**	1,456	**-**	-
	Credit	**394**	619	**-**	-
	Interest rates	**608**	2,807	**-**	-
	Equities	**(15)**	5	**-**	-
		4,101	4,887	**-**	-

15.5	**Credit impairment charges**				
	Net specific credit impairment charges	**576**	1,228	**-**	-
	Specific credit impairment charges	**806**	1,350		
	Recoveries on loans and advances previously written off	**(230)**	(122)		
	Portfolio credit impairment charges/(reversal)	**619**	657	**-**	-
		1,195	1,885	**-**	-

		Group		Company	
		31 Mar. 2014	31 Mar. 2013	**31 Mar. 2014**	31 Mar. 2013
		N million	N million	**N million**	N million
15	**Supplementary income statement information** continued				
15.6	**Other operating expenses**				
	Information technology	**1,225**	1,088	**-**	-
	Communication	**198**	176	**-**	-
	Premises and maintenance	**818**	1,179	**-**	-
	Marketing and advertising	**522**	424	**55**	12
	Insurance	**1,587**	1,333	**15**	10
	Professional fees	**1,429**	1,046	**41**	36
	Depreciation	**924**	875	**30**	-
	Stationery and printing	**121**	167	**-**	-
	Security	**246**	230	**-**	-
	Travel and entertainment	**283**	306	**-**	-
	Administration and membership fees	**259**	103	**-**	7
	Training	**85**	111	**-**	-
	Other	**532**	555	**100**	28
		8,229	7,593	**241**	93

15.7 Income statement analysis

Net interest income increased by 42%, benefiting from sustained growth in loans to customers and banks, good yields in investment securities and improved funding cost. Interest income grew by 16%, while interest expense declined by 17%. The reduction in interest expense is supported by the improvement in our deposit mix, as the ratio of low cost deposits to total deposits improved to 55% from 46% achieved in 1Q 2013 and 52% recorded at the end of 2013.

Non-interest revenue, which comprise revenue from commissions, fees, trading and other non-interest bearing revenue, grew by 10% to N13.1 billion (1Q 2013: N11.9 billion). The growth in non-interest revenue is primarily attributable to a 29% increase in net fee and commission revenue to N8.9 billion from N7.0 billion in 1Q 2013, although muted by the regulatory induced reduction in transaction fees and the bearish performance of the stock market. The growth in net fee and commission revenue is driven by increased transactional volumes and activities aided by increased in number of customers, increased card related fees, a function of the high ATM uptime, steady growth within our wealth business and good advisory mandates in investment banking.

Credit impairment charges declined by 37% to N1.2 billion (1Q 2013: N1.9 billion), benefitting from recoveries on loans and advances previously written off. We continued to maintain prudent approach to credit impairments in line with the realities of the operating environment.

Operating expenses grew by 9%, keeping with inflation. Staff cost was up 9% as a result of by inflation related salary increases in latter part of the quarter, while the 8% increase in other operating expenses was supported by growth in insurance cost including NDIC and AMCON expenses and increases in information technology expenses for securing competitive advantage in business efficiency and marketing and advertising expenses to increase brand awareness. The cost-to-income ratio improved to 59.0% from 67.1% recorded in 1Q 2013. We are committed to ensuring that revenues continue to grow at a faster rate than cost growth.

Overall, the group recorded an 89% growth in profit before tax to N9.0 billion, while profit after tax increased by 93% to N6.9 billion.

	Group		Company	
	31 Mar. 2014 N million	31 Mar. 2013 N million	**31 Mar. 2014 N million**	31 Mar. 2013 N million
16 Earnings per ordinary share				
The calculation of basic earnings per ordinary share and diluted earnings per ordinary share are as follows:				
Earnings based on weighted average shares in issue				
Earnings attributable to ordinary shareholders (N million)	**6,246**	3,182	**(116)**	(11)
Weighted average number of ordinary shares in issue (number of shares)				
Weighted average number of ordinary shares in issue	**10,000**	10,000	**10,000**	10,000
Basic earnings per ordinary share (kobo)	**62**	32	**(1)**	-

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.

17 Related party transactions

17.1 Parent

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

17.2 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%

17.3 Key management personnel

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

	31 Mar. 2014 N million	31 Mar. 2013 N million
Key management compensation		
Salaries and other short-term benefits	**206**	185
Post-employment benefits	**4**	4
Value of share options and rights expensed	**-**	-
	210	189

The transactions below are entered into in the normal course of business.	31 Mar. 2014 N million	31 Dec. 2013 N million
Loans and advances		
Loans outstanding at the beginning of the period	**215**	422
Net movement during the period	**(46)**	(207)
Loans outstanding at the end of the period	**169**	215

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	**717**	574
Net movement during the period	**724**	143
Deposits outstanding at end of the period	**1,441**	717

Deposits include cheque, current and savings accounts.

17 Related party transactions continued

17.4 Transactions with Ultimate Holding company (Standard Bank Group)

	31 Mar. 2014 N million	31 Mar. 2013 N million
Revenue		
Trading revenue - (Loss)/profit	**(256)**	48
Net interest income	**(281)**	(176)
Total revenue earned	**(537)**	(128)

	31 Mar. 2014 N million	31 Dec. 2013 N million
Loans to group entities		
Loans outstanding at the beginning of the period	**21,392**	25,647
Net loans given/(repaid) during the period	**(13,251)**	(4,255)
Loans outstanding at the end of the period	**8,141**	21,392
Deposits from group entities		
Deposits outstanding at the beginning of the period	**99,256**	49,248
Net deposits received/(repaid) during the period	**(50,101)**	50,008
Deposits outstanding at the end of the period	**49,155**	99,256

18 Summarised financial statements of the consolidated entities

	Stanbic IBTC Holdings PLC Company N'million	Stanbic IBTC Bank PLC N'million	Stanbic IBTC Capital Ltd N'million	Stanbic IBTC Pension Managers Ltd N'million	Stanbic IBTC Asset Mgt Ltd N'million	Stanbic IBTC Ventures Ltd N'million	Stanbic IBTC Trustees Ltd N'million	Stanbic IBTC Stockbrokers Ltd N'million	Consoli-dations / Elimina -tions N'million	Stanbic IBTC Holdings PLC Group N'million
Income statement										
Net interest income	-	11,095	-	436	112	20	6	57	-	**11,726**
Non interest revenue	189	7,312	653	4,186	462	1	25	442	(185)	**13,085**
Total income	**189**	**18,407**	**653**	**4,622**	**574**	**21**	**31**	**499**	**(185)**	**24,811**
Staff costs	(104)	(5,159)	(352)	(552)	(168)	-	(20)	(63)	-	**(6,418)**
Operating expenses	(241)	(6,931)	(116)	(900)	(88)	(2)	(10)	(126)	185	**(8,229)**
Credit impairment charges	-	(1,195)	-	-	-	-	-	-	-	**(1,195)**
Total expenses	**(345)**	**(13,285)**	**(468)**	**(1,452)**	**(256)**	**(2)**	**(30)**	**(189)**	**185**	**(15,842)**
Profit before tax	**(156)**	**5,122**	**185**	**3,170**	**318**	**19**	**1**	**310**	**-**	**8,969**
Tax	40	(935)	(43)	(955)	(75)	-	-	(104)	-	**(2,072)**
Profit for the period	**(116)**	**4,187**	**142**	**2,215**	**243**	**19**	**1**	**206**	**-**	**6,897**
At 31 March 2013	(11)	2,048	(213)	1,330	219	4	3	193	-	**3,573**
Statement of financial position										
31 March 2014										
Total assets	75,623	775,521	7,196	21,168	4,762	2,300	255	3,502	(80,456)	**809,871**
Liabilities	3,892	700,944	1,420	7,537	1,416	241	109	1,759	(11,745)	**705,573**
Equity and reserves	71,731	74,577	5,776	13,631	3,346	2,059	146	1,743	(68,711)	**104,298**

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 2013.

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 2013. Furthermore, no major change in the coming three months is anticipated to date.

Capital management

The table below summarises the composition of regulatory capital and the ratios of the group for the period ended 31 March 2014. 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 31 Mar. 2014 N'million	Group 31 Dec. 2013 N'million
Tier 1 capital:		
Share capital	**5,000**	5,000
Share premium	**65,450**	65,450
Statutory credit reserve	**769**	769
Retained earnings	**22,864**	22,864
Other reserves	**21**	9
Deferred tax asset and intangible assets	**(7,342)**	(7,716)
Total qualifying Tier 1 capital	**86,762**	86,376
Tier 2 capital:		
Non-controlling interest	**3,974**	3,321
Available-for-sale reserve	**(26)**	221
Subordinated debt	**6,624**	6,399
Total qualifying Tier 2 capital	**10,572**	9,941
Total regulatory capital	**97,334**	96,317
Risk-weighted assets:		
On-balance sheet	**387,361**	360,162
Off-balance sheet	**46,715**	32,726
Total risk-weighted assets	**434,076**	392,888
Capital adequacy ratio	**22.42%**	24.52%