

ICBC Standard Bank Plc
Unaudited interim results for the period ended 30 June 2015



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Consolidated balance sheet

at 30 June 2015

	2015 June \$m	2014 June*	2014 December*
	\$m	\$m	\$m
Assets			
Cash and balances with central banks	1 451.8	653.3	1 432.9
Due from banks and other financial institutions	1 756.5	1 701.7	2 001.3
Financial assets held for trading	2 739.4	4 004.2	2 695.5
Financial assets designated at fair value through profit and loss	14.0	-	14.2
Derivative financial assets	6 222.5	4 091.1	8 225.6
Non-financial assets held for trading	2 012.1	2 882.5	2 486.1
Reverse repurchase agreements	2 329.8	3 998.1	2 147.2
Loans and advances to customers	321.1	301.7	314.3
Financial investments	2.6	2.9	2.6
Property and equipment	25.2	20.7	29.2
Deferred income tax assets	24.4	20.0	24.7
Other assets	324.4	623.8	231.8
Assets held for sale to group companies	-	175.7	-
Total assets	17 223.8	18 475.7	19 605.4
Liabilities			
Financial liabilities held for trading	915.7	1 678.0	1 154.2
Derivative financial liabilities	6 008.8	4 293.9	8 166.8
Due to banks and other financial institutions	7 150.0	8 043.8	6 669.9
Repurchase agreements	11.8	448.1	24.5
Certificates of deposit	130.9	203.0	156.9
Due to customers	700.5	1 188.0	1 457.8
Income tax payable	4.5	5.6	6.0
Subordinated debt	689.2	721.1	684.8
Other liabilities	355.6	616.4	269.4
Total liabilities	15 967.0	17 197.9	18 590.3
Equity			
Share capital	1 083.5	1 083.5	1 083.5
Ordinary share premium	731.0	431.0	431.0
Reserves	(557.7)	(236.7)	(499.4)
Total equity	1 256.8	1 277.8	1 015.1
	17 223.8	18 475.7	19 605.4

* Reclassified to conform to current year presentation

Approved by the Board of Directors on 23 July 2015

Consolidated income statement

for the period ending 30 June 2015

	2015 June \$m	2014 June \$m	2014 December \$m
Net interest (expense) / income	(6.2)	4.9	5.5
Interest income	23.8	26.8	50.7
Interest expense	(30.0)	(21.9)	(45.2)
Non-interest income	140.3	19.0	(19.2)
Net fees and commission	13.6	(25.2)	(27.7)
Fees and commission income	14.4	4.3	5.6
Fees and commission expenses	(0.8)	(29.5)	(33.3)
Trading income	76.2	124.2	155.1
Recovery / (loss) on commodity reverse repurchase agreements	50.5	(80.0)	(147.1)
Other operating income	-	-	0.5
Total operating income / (loss)	134.1	23.9	(13.7)
Credit impairment (charges) / recovery	(1.0)	0.1	(4.5)
Income / (loss) after impairments	133.1	24.0	(18.2)
Operating expenses	(193.1)	(126.4)	(315.3)
Staff costs	(123.9)	(74.6)	(176.4)
Other operating expenses	(67.2)	(50.2)	(135.9)
Indirect taxation	(2.0)	(1.6)	(3.0)
Loss before taxation	(60.0)	(102.4)	(333.5)
Income tax charge	(0.8)	(2.1)	(4.3)
Loss for the period from continuing operations	(60.8)	(104.5)	(337.8)
Discontinued operations	-	(1.7)	(6.8)
Loss attributable to equity shareholders	(60.8)	(106.2)	(344.6)

Consolidated statement of comprehensive income

for the period ending 30 June 2015

	2015 June \$m	2014 June \$m	2014 December \$m
Loss attributable to equity shareholders	(60.8)	(106.2)	(344.6)
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation reserve	0.1	(1.5)	(1.6)
Cash flow hedging reserve	2.5	(3.0)	(27.0)
Effective portion of changes in fair value	9.0	14.3	4.8
Net amount transferred to profit or loss	(6.5)	(17.3)	(31.8)
Available-for-sale reserve	(0.1)	0.1	(0.2)
Changes in fair value	(0.1)	0.1	(0.2)
Net amount transferred to profit or loss	-	-	-
Total comprehensive loss attributable to equity shareholders	(58.3)	(110.6)	(373.4)

Consolidated statement of changes in shareholders' equity

for the period ending 30 June 2015

	Ordinary share capital and share premium \$m	Cash flow hedging reserve \$m	Available- for-sale reserve \$m	Foreign currency translation reserve \$m	Retained earnings \$m	Total equity \$m
Balance at 1 January 2014	1 514.5	27.3	2.6	8.4	(164.3)	1 388.5
Total comprehensive loss for the year	-	(27.0)	(0.2)	(1.6)	(344.6)	(373.4)
Balance at 31 December 2014	1 514.5	0.3	2.4	6.8	(508.9)	1 015.1
Balance at 1 January 2015	1 514.5	0.3	2.4	6.8	(508.9)	1 015.1
Total comprehensive income / (loss) for the year	-	2.5	(0.1)	0.1	(60.8)	(58.3)
Shares issued	300.0	-	-	-	-	300.0
Balance at 30 June 2015	1 814.5	2.8	2.3	6.9	(569.7)	1 256.8

Accounting policies

ICBC Standard Bank Plc prepares its consolidated annual financial statements under International Finance Reporting Standards (IFRS) as endorsed by the European Union. The accounting policies are consistent with those applied in the 2014 annual financial statements.

Change in control

On 8 November 2013, the Standard Bank Group (SBG) announced its intention to sell a majority interest in Standard Bank Plc, the principal entity which housed SBG's Global Markets business outside Africa. On 29 January 2014, Standard Bank London Holdings Limited (SBLH), a wholly-owned subsidiary of SBG, entered into a sale and purchase agreement in terms of which Industrial and Commercial Bank of China Limited (ICBC) agreed to acquire a controlling interest of 60% in SBG's London-based Global Markets business, focusing on commodities, fixed income, currencies, credit and equities products. The transaction completed on 1 February 2015 and the company is now 60% owned by ICBC, with the remaining 40% held by SBLH. The company's name was subsequently changed to ICBC Standard Bank Plc.

Balance sheet reclassification

at 30 June 2014

Balance sheet categories as presented at 30 June 2014	As previously reported \$m	Repurchase agreements ¹ \$m	Non-banking financial institutions ² \$m	Commodities ³ \$m	Pledged assets ⁴ \$m	Investments designated at fair value ⁵ \$m	Intangible assets ⁶ \$m	Certificates of deposit ⁷ \$m	Reclassified \$m	Balance sheet categories as presented at 30 June 2015
Assets										
Balances with central banks	653.3								653.3	Cash and balances with central banks
Loans and advances to banks	3 112.9	(2 355.9)	944.7						1 701.7	Due from banks and other financial institutions
Trading assets	6 286.5			(2 282.3)					4 004.2	Financial assets held for trading
									-	Financial assets designated at fair value through profit and loss
Derivative assets	4 091.1								4 091.1	Derivative financial assets
				2 282.3	600.2				2 882.5	Non-financial assets held for trading
		3 743.6			254.5				3 998.1	Reverse repurchase agreements
Loans and advances to customers	2 634.1	(1 387.7)	(944.7)						301.7	Loans and advances to customers
Financial investments	2.9								2.9	Financial investments
Pledged assets	854.7				(854.7)					
Property and equipment	20.7								20.7	Property and equipment
Deferred tax asset	20.0								20.0	Deferred income tax assets
Other assets	598.5						25.3		623.8	Other assets
Intangible assets	25.3						(25.3)			
Assets held for sale to group companies	175.7								175.7	Assets held for sale to group companies
	18 475.7								18 475.7	
Liabilities										
Trading liabilities	1 678.0								1 678.0	Financial liabilities held for trading
Derivative liabilities	4 293.9								4 293.9	Derivative financial liabilities
Deposits from banks	7 457.4	(399.1)	1 188.5					(203.0)	8 043.8	Due to banks and other financial institutions
		448.1							448.1	Repurchase agreements
								203.0	203.0	Certificates of deposit
Deposits from customers	2 425.5	(49.0)	(1 188.5)						1 188.0	Due to customers
Current tax liability	5.6								5.6	Income tax payable
Subordinated debt	721.1								721.1	Subordinated debt
Other liabilities	616.4								616.4	Other liabilities
	17 197.9								17 197.9	
Equity										
Ordinary share capital	1 083.5								1 083.5	Share capital
Ordinary share premium	431.0								431.0	Ordinary share premium
Reserves	(236.7)								(236.7)	Reserves
	1 277.8								1 277.8	

The balance sheet classification categories applied by the new parent company, ICBC Limited, have been adopted in the current period. The prior year's categories have according been reclassified to conform with the current period's presentation.

1 Reverse repurchase agreements and repurchase agreements are now presented as separate line items on the balance sheet.

2 All balances relating to non-banking financial institutions were previously grouped within loans to customers and deposits from customers. These balances are now included within amounts due from / (to) banks and other financial institutions.

3 All commodity balances are reclassified to non-financial assets held for trading.

4 No separate disclosure of pledged assets on the face of the balance sheet. These balances will be disclosed in the notes of the financial statements.

5 New line item for financial instruments designated at fair value through profit and loss.

6 Intangible asset balances are reclassified within 'Other assets'.

7 Certificates of deposit which were previously contained within the balance of deposits from banks are now presented in a separate line on the face of the balance sheet.

Balance sheet reclassification

at 31 December 2014

Balance sheet categories as presented at 30 June 2014	As previously reported \$m	Repurchase agreements ¹ \$m	Non-banking financial institutions ² \$m	Commodities ³ \$m	Pledged assets ⁴ \$m	Investments designated at fair value ⁵ \$m	Intangible assets ⁶ \$m	Certificates of deposit ⁷ \$m	Reclassified \$m	Balance sheet categories as presented at 30 June 2015
Assets										
Balances with central banks	1 432.9								1 432.9	Cash and balances with central banks
Loans and advances to banks	2 697.8	(1 347.9)	651.4						2 001.3	Due from banks and other financial institutions
Trading assets	4 125.1			(1 429.6)					2 695.5	Financial assets held for trading
Derivative assets	8 225.6					14.2			14.2	Financial assets designated at fair value through profit and loss
				1 429.6	1 056.5				8 225.6	Derivative financial assets
		2 147.2							2 486.1	Non-financial assets held for trading
Loans and advances to customers	1 765.0	(799.3)	(651.4)						2 147.2	Reverse repurchase agreements
Financial investments	16.8					(14.2)			314.3	Loans and advances to customers
Pledged assets	1 056.5				(1 056.5)				2.6	Financial investments
Property and equipment	29.2								29.2	Property and equipment
Deferred tax asset	24.7								24.7	Deferred income tax assets
Other assets	220.1						11.7		231.8	Other assets
Intangible assets	11.7						(11.7)			
	19 605.4								19 605.4	
Liabilities										
Trading liabilities	1 154.2								1 154.2	Financial liabilities held for trading
Derivative liabilities	8 166.8								8 166.8	Derivative financial liabilities
Deposits from banks	6 127.4	(5.1)	704.5					(156.9)	6 669.9	Due to banks and other financial institutions
Repurchase agreements		24.5							24.5	Repurchase agreements
Certificates of deposit								156.9	156.9	Certificates of deposit
Deposits from customers	2 181.7	(19.4)	(704.5)						1 457.8	Due to customers
Current tax liability	6.0								6.0	Income tax payable
Subordinated debt	684.8								684.8	Subordinated debt
Other liabilities	269.4								269.4	Other liabilities
	18 590.3								18 590.3	
Equity										
Ordinary share capital	1 083.5								1 083.5	Share capital
Ordinary share premium	431.0								431.0	Ordinary share premium
Reserves	(499.4)								(499.4)	Reserves
	1 015.1								1 015.1	

The balance sheet classification categories applied by the new parent company, ICBC Limited, have been adopted in the current period. The prior year's categories have accordingly been reclassified to conform with the current period's presentation.

1 Reverse repurchase agreements and repurchase agreements are now presented as separate line items on the balance sheet.

2 All balances relating to non-banking financial institutions were previously grouped within loans to customers and deposits from customers. These balances are now included within amounts due from / (to) banks and other financial institutions.

3 All commodity balances are reclassified to non-financial assets held for trading.

4 No separate disclosure of pledged assets on the face of the balance sheet. These balances will be disclosed in the notes of the financial statements.

5 New line item for financial instruments designated at fair value through profit and loss.

6 Intangible asset balances are reclassified within 'Other assets'.

7 Certificates of deposit which were previously contained within the balance of deposits from banks are now presented in a separate line on the face of the balance sheet.

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