

Independent Auditor's Report

To the Members of Standard Chartered Bank Ghana Limited

Report on the Financial Statements

We have audited the financial statements of Standard Chartered Bank Ghana Limited which comprise the statement of financial position at 31 December 2012, the statements of comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 41 to 92.

Directors' Responsibility for the Financial Statements

The Bank's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Code, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738); and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Standard Chartered Bank Ghana Limited at 31 December 2012, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738).

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179), and Section 78 of the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738)

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, and the statements of financial position and comprehensive income are in agreement with the books of account.

The Bank's transactions were within its powers, and the Bank generally complied with the relevant provisions of the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738).



Felix Nana Sackey

Practising Certificate Licence No.: ICAG/P/1131



Licence Number: ICAG/F/026

Chartered Accountants

Deloitte & Touche

26 February, 2013

Income Statement

For the year ended 31 December 2012

	Notes	2012 GH¢'000	2011 GH¢'000
Interest Income	8	222,725	195,775
Interest Expense	9	(52,982)	(45,372)
Net Interest Income		169,743	150,403
Fees and commission income	10	74,075	32,103
Other Operating Income	11	38,452	34,833
Non – interest income		112,527	66,936
Operating Income		282,270	217,339
Operating Expenses	12	(105,059)	(93,454)
Operating profit before impairment loss and Taxation		177,211	123,885
Impairment Loss	14	(6,720)	(9,847)
Profit before Taxation		170,491	114,038
Corporate Tax	16(i)	(34,203)	(30,660)
National Fiscal Stabilisation Levy	16(ii)	-	(5,702)
Profit for the year		136,288	77,676
Basic earnings per share (Ghana Cedi per share)	37(ii)	GH¢1.16	GH¢3.97
Rebasing EPS (new shares)		GH¢1.16	GH¢0.66

Statement of Comprehensive Income

For the year ended 31 December 2012

	2012 GH¢'000	2011 GH¢'000
Profit for the year	136,288	77,676
Other Comprehensive Income		
Net change in fair value of available for sale financial assets:		
Gains/(Losses) recognised directly in equity, net of tax	4,573	(18,994)
Net amount transferred to the income statement	(2,090)	4,967
Other Comprehensive Income	2,483	(14,027)
Total Comprehensive Income for the year	138,771	63,649

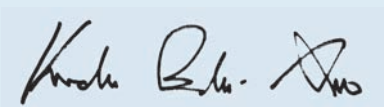
The notes on pages 49 to 94 form an integral part of these financial statements.

Statement of Financial Position

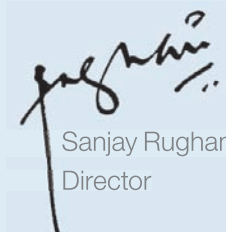
At 31 December 2012

	Notes	2012 GH¢'000	2011 GH¢'000
Assets			
Cash and Balances with Bank of Ghana	18	515,468	159,872
Short -Term Government Securities	19(i)	177,098	170,104
Due from other Banks and Financial Institutions	20	155,473	479,245
Loans and Advances	21	959,597	596,724
Other Assets	24	127,615	68,848
Medium -Term Investments in other securities	19(ii)	425,148	469,322
Equity Investment	19(iii)	1	100
Property and Equipment	22	23,315	18,291
Intangible Assets	23	6,969	8,146
Deferred Taxation	17	-	410
Total Assets		2,390,684	1,971,062
Liabilities			
Customer Deposits	26	1,704,198	1,479,687
Due to other Banks and Financial Institutions	27	4,741	10,261
Provisions	30	50,160	40,828
Borrowings	31	193,166	90,976
Interest Payable and other Liabilities	29	119,718	110,068
Taxation	16(ii)	1,889	6,666
Deferred Taxation	17	5,463	-
Total Liabilities		2,079,335	1,738,486
Shareholders' Funds			
Share Capital	32(i)	61,631	61,131
Retained Earnings	32(ii)	62,481	66,560
Statutory Reserve Fund	32(iii)	123,175	56,139
Credit Risk Reserve	32(iv)	50,908	36,898
Other Reserves	32(v)	13,154	11,848
Total Shareholders' Funds		311,349	232,576
Total Liabilities and Shareholders' Funds		2,390,684	1,971,062
Net Assets Value per Share (Ghana Cedi per share)	37(i)	2.7	12.1
Rebasing with (new shares) Ghana Cedi per share	37(i)	2.7	2.0

These financial statements were approved by the Board of Directors on 14 February, 2013 and signed on its behalf by:



Kweku Bedu-Addo
Director



Sanjay Rughani
Director

The notes on pages 49 to 94 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2012

	Share Capital GH¢'000	Retained Earnings GH¢'000	Statutory Reserve GH¢'000	Credit Risk Reserve GH¢'000	Other Reserves GH¢'000	Total Shareholders' fund GH¢'000
Balance at 1 January 2012	61,131	66,560	56,139	36,898	11,848	232,576
Profit for the year	-	136,288	-	-	-	136,288
Gains recognised directly in equity	-	-	-	-	2,483	2,483
Total other comprehensive income	-	-	-	-	2,483	2,483
Total comprehensive income for the year	-	136,288	-	-	2,483	138,771
Regulatory and other reserves						
Transfer to statutory reserve	-	(67,036)	67,036	-	-	-
Transfer to credit risk reserve	-	(14,010)	-	14,010	-	-
Transfer to share capital	500	(500)	-	-	-	-
Transfer from other reserves	-	1,177	-	-	(1,177)	-
Total transfers to and from reserves	500	(80,369)	67,036	14,010	(1,177)	-
Dividend to shareholders	-	(59,998)	-	-	-	(59,998)
Balance at 31 December 2012	61,631	62,481	123,175	50,908	13,154	311,349

The notes on pages 49 to 94 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2011

	Share Capital GH¢'000	Retained Earnings GH¢'000	Statutory Reserve GH¢'000	Credit Risk Reserve GH¢'000	Other Reserves GH¢'000	Total Shareholders' Funds GH¢'000
Balance at 1 January 2011	61,131	32,049	46,430	29,319	27,052	195,981
Profit for the year	-	77,676	-	-	-	77,676
Gains recognised directly in equity	-	-	-	-	(18,994)	(18,994)
Net amount transferred to the income statement	-	-	-	-	4,967	4,967
Total other comprehensive income	-	-	-	-	(14,027)	(14,027)
Total comprehensive income for the year	-	77,676	-	-	(14,027)	63,649
Regulatory and other reserves						
Transfer to statutory reserve	-	(9,709)	9,709	-	-	-
Transfer to credit risk reserve	-	(7,579)	-	7,579	-	-
Transfer from other reserves	-	-	-	-	(1,177)	(1,177)
Total transfers to and from reserves	-	(17,288)	9,709	7,579	(1,177)	(1,177)
Dividend to shareholders	-	(25,877)	-	-	-	(25,877)
Balance at 31 December 2011	61,131	66,560	56,139	36,898	11,848	232,576

The notes on pages 49 to 94 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2012

	2012 GH¢'000	2011 GH¢'000
Cash flows from operating activities		
Profit before tax	170,491	114,038
<i>Adjustments for:</i>		
Depreciation	4,125	2,845
Impairment on financial assets	6,720	9,847
Write-offs	-	34
	181,336	126,764
<i>Change in:</i>		
Investment other than those held for the purpose of trading	48,890	(92,407)
Investments held for trading	(6,994)	2,361
Loans and advances	(369,593)	(139,419)
Other assets	(58,767)	20,812
Customer deposits	224,511	387,245
Amounts due to other banks	(5,520)	10,065
Interest payable, other liabilities	9,650	40,324
Provisions	9,332	(7,275)
Borrowings	102,190	(161,887)
Cash generated from operating activities	135,035	186,583
Income tax paid	(28,674)	(33,984)
Tax adjustments	(6,666)	-
Net cash from operating activities	99,695	152,599
Cash flows from investing activities		
Equity Investments liquidated	99	-
Purchase of property and equipment	(7,972)	(1,756)
Net cash used in investing activities	(7,873)	(1,756)
Cash flows from financing activities		
Dividend paid	(59,998)	(25,877)
Net cash used in financing activities	(59,998)	(25,877)
Net increase in cash and cash equivalents	31,824	124,966
Cash and cash equivalents at 1 January	639,117	514,151
Cash and cash equivalents at 31 December	670,941	639,117

The notes on pages 49 to 94 form an integral part of these financial statements.