

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 as at 31 December 2013, income statement, the statements of comprehensive income, statement of changes in equity, and statement of 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 47 to 107.

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 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 2013, 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

The Ghana Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters.

We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
- ii. In our opinion proper books of accounts have been kept by the Bank, so far as appears from our examination of those books, and
- iii. The Balance Sheet [Statement of Financial Position] and Profit & Loss [Income Statement] of the Bank are in agreement with the books of accounts.

The Banking Act 2004 (Act 673), section 78 (2), required that we state certain matters in our report

We hereby state that:

- i. The accounts give a true and fair view of the state of affairs of the Bank and its results for the period under review.
- ii. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors.
- iii. The Bank transactions are within their powers and
- iv. The Bank has generally complied with the provisions of Act 673 and the Banking (Amendment) Act of 2007.



Deloitte & Touche
Licence Number: ICAG/F/129
Chartered Accountants
26th February, 2014

Felix Nana Sackey
Practising Certificate licence No.: ICAG/P/1131

Income Statement

For the year ended 31 December 2013

	Note	2013 GH¢'000	2012 GH¢'000
Interest Income	8	375,526	222,725
Interest Expense	9	(95,046)	(52,982)
Net Interest Income		280,480	169,743
Fees and Commission Income	10	83,303	74,075
Other Operating Income	11	56,282	38,452
Non – Interest Income		139,585	112,527
Operating Income		420,065	282,270
Operating Expenses	12	(129,393)	(105,059)
Operating Profit before Impairment Loss and Taxation		290,672	177,211
Impairment Loss	14	(17,429)	(6,720)
Profit before Taxation		273,243	170,491
Income Tax Expense	16(i)	(58,861)	(34,203)
National Fiscal Stabilisation Levy	16(ii)	(6,363)	-
Profit for the year		208,019	136,288
Basic earnings per share	37(ii)	GH¢1.77	GH¢1.16
Diluted earnings per share	37(ii)	GH¢1.77	GH¢1.16

Statement of Comprehensive Income

For the year ended 31 December 2013

	2013 GH¢'000	2012 GH¢'000
Profit for the year	208,019	136,288
Other Comprehensive Income		
Items that may be reclassified subsequently to profit & loss:		
Net fair value gains on available for sale financial assets	24,253	4,573
Reclassification adjustments relating to available for sale financial assets disposed of	-	(2,090)
Other Comprehensive Income	24,253	2,483
Total Comprehensive Income for the year	232,272	138,771

The notes on pages 56 to 107 form an integral part of these financial statements.

Statement Of Financial Position

At 31 December 2013

Assets	Note	2013 GH¢'000	2012 GH¢'000
Cash and Balances with Bank of Ghana	18	610,618	515,468
Short –Term Government Securities	19(i)	420,301	177,098
Due from Other Banks and Financial Institutions	20	36,389	155,473
Loans and Advances	21	1,130,244	959,597
Other Assets	24	168,039	127,615
Medium -Term Investments in Other Securities	19(ii)	589,027	425,148
Equity Investment	19(iii)	1	1
Property and Equipment	22	27,947	23,315
Intangible Assets	23	5,792	6,969
Total Assets		2,988,358	2,390,684
Liabilities			
Customer Deposits	26	1,779,108	1,704,198
Due to Other Banks and Financial Institutions	27	406,195	4,741
Provisions	30	47,774	50,160
Borrowings	31	70,105	193,166
Interest Payable and Other Liabilities	29	179,817	119,718
Taxation	16(ii)	2,641	1,889
Deferred Taxation	17	15,734	5,463
Total Liabilities		2,501,374	2,079,335
Shareholders' Funds			
Share Capital	32(i)	61,631	61,631
Retained Earnings	32(ii)	177,809	62,481
Statutory Reserve Fund	32(iii)	149,177	123,175
Credit Risk Reserve	32(iv)	62,137	50,908
Other Reserves	32(v)	36,230	13,154
Total Shareholders' Funds		486,984	311,349
Total Liabilities and Shareholders' Funds		2,988,358	2,390,684
Net Assets Value per Share	37(i)	GH¢4.2	GH¢2.7

These financial statements were approved by the Board of Directors on 20 February 2014 and signed on its behalf by:



J. Kweku Bedu-Addo
Director



Dayo Omolokun
Director

The notes on pages 56 to 107 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2013

	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 2013	61,631	62,481	123,175	50,908	13,154	311,349
Profit for the year	-	208,019	-	-	-	208,019
Gains recognised directly in equity	-	-	-	-	24,253	24,253
Total other comprehensive income	-	208,019	-	-	24,253	232,272
Total comprehensive income for the year	-	208,019	-	-	24,253	232,272
Regulatory and other reserves						
Transfer to statutory reserve	-	(26,002)	26,002	-	-	-
Transfer to credit risk reserve	-	(11,229)	-	11,229	-	-
Transfer from other reserves	-	1,177	-	-	(1,177)	-
Total transfers to and from reserves	-	(36,054)	26,002	11,229	(1,177)	-
Dividends to shareholders	-	(56,637)	-	-	-	(56,637)
Balance at 31 December 2013	61,631	177,809	149,177	62,137	36,230	486,984

The notes on pages 56 to 107 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)	-
Dividends 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 56 to 107 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2013

	Note	2013 GH¢'000	2012 GH¢'000
Cash flows from operating activities			
Profit before tax		273,243	170,491
<i>Adjustments for:</i>			
Depreciation	22	4,308	2,948
Amortisation of intangible assets	23	1,177	1,177
Impairment on financial assets	14	17,429	6,720
		296,157	181,336
<i>Change in:</i>			
Investment other than those held for the purpose of trading		(139,626)	48,890
Investments held for trading		(243,203)	(6,994)
Loans and advances		(188,076)	(369,593)
Other assets		(40,424)	(58,767)
Customer deposits		74,910	224,511
Amounts due to other banks		401,454	(5,520)
Interest payable, other liabilities		60,099	9,650
Provisions		(2,386)	9,332
Borrowings		(123,061)	102,190
Cash generated from operating activities		95,844	135,035
Income tax paid		(54,201)	(28,674)
Tax adjustments		-	(6,666)
Net cash from operating activities		41,643	99,695
Cash flows from investing activities			
Equity Investments liquidated		-	99
Purchase of property and equipment	22	(8,940)	(7,972)
Net cash used in investing activities		(8,940)	(7,873)
Cash flows from financing activities			
Dividend paid		(56,637)	(59,998)
Net cash used in financing activities		(56,637)	(59,998)
Net increase in cash and cash equivalents		(23,934)	31,824
Cash and cash equivalents at 1 January		670,941	639,117
Cash and cash equivalents at 31 December	39	647,007	670,941
Operational cash flows from interest and dividends			
Interest paid		92,158	51,064
Interest received		336,092	209,201

The notes on pages 56 to 107 form an integral part of these financial statements.