

# 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 as set out on pages 45 to 98, which comprise the statement of profit or loss as at 31 December 2014, Statement of profit or loss, the Statements of other comprehensive income, Statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

## 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 2014, 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 Companies Code, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters.

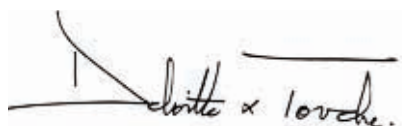
We confirm that:

- 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 (statement of profit or loss) of the Bank are in agreement with the books of accounts.

## The Banking Act 2004, (Act 673), section 78 (2), requires 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's transactions are within their powers and
- iv. The Bank has generally complied with the provisions of Banking Act, 2004 (Act 673) and the Banking (Amendment) Act of 2007, (Act 738).



**Deloitte & Touche**  
**Licence Number: ICAG/F/129**  
**Chartered Accountants**  
**Accra, Ghana**

**Felix Nana Sackey**  
**Practising Certificate Licence No.: ICAG/P/1131**  
**12 February, 2015**

## Statement of profit or loss

For the year ended 31 December 2014

	Note	2014 GH¢'000	2013 GH¢'000
Interest income	8	422,136	375,526
Interest expense	9	(88,250)	(95,046)
<b>Net interest income</b>		<b>333,886</b>	280,480
Fees and commission income	10	91,048	83,303
Other operating income	11	96,801	56,282
<b>Non-interest income</b>		<b>187,849</b>	139,585
<b>Operating income</b>		<b>521,735</b>	420,065
Operating expenses	12	(197,774)	(129,393)
Operating profit before impairment and taxation		323,961	290,672
Impairment loss	14	(49,121)	(17,429)
<b>Profit before taxation</b>		<b>274,840</b>	273,243
Corporate tax	16(i)	(52,827)	(58,861)
National fiscal stabilisation levy	16(ii)	(13,742)	(6,363)
<b>Profit for the year</b>		<b>208,271</b>	208,019
Basic earnings per share (Ghana Cedi per share)	36(ii)	GH¢1.78	GH¢1.77
Diluted earnings per share (Ghana Cedi per share)	36(ii)	GH¢1.78	GH¢1.77

The notes on pages 51 to 98 form an integral part of these financial statements.

## Statement of other comprehensive income

For the year ended 31 December 2014

---

	2014 GH¢'000	2013 GH¢'000
Profit for the year	208,271	208,019
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit &amp; loss:</b>		
Net fair value gains on available for sale financial assets	(31,220)	24,253
<b>Total comprehensive income for the year</b>	<b>177,051</b>	<b>232,272</b>

The notes on pages 51 to 98 form an integral part of these financial statements.

# Statement of financial position

At 31 December 2014

	Note	2014 GH¢'000	2013 GH¢'000
<b>Assets</b>			
Cash and balances with Bank of Ghana	18	764,126	610,618
Short-term government securities	19(i)	455,559	420,301
Due from other banks and financial institutions	20	396,107	36,389
Loans and advances	21	1,278,362	1,130,244
Other assets	24	226,166	168,039
Medium-term investments in other securities	19(ii)	356,093	589,027
Equity investment	19(iii)	1	1
Property and equipment	22	25,270	27,947
Intangible assets	23	4,613	5,792
<b>Total assets</b>		<b>3,506,297</b>	2,988,358
<b>Liabilities</b>			
Customer deposits	26	2,198,585	1,779,108
Due to other banks and financial institutions	27	382,558	406,195
Provisions	30	65,811	47,774
Borrowings	31	113,104	70,105
Interest payable and other liabilities	29	195,785	179,817
Taxation	16(ii)	4,844	2,641
Deferred taxation	17	16,683	15,734
<b>Total liabilities</b>		<b>2,977,370</b>	2,501,374
<b>Shareholders' funds</b>			
Share capital	32(i)	61,631	61,631
Retained earnings	32(ii)	150,319	177,809
Statutory reserve fund	32(iii)	175,211	149,177
Credit risk reserve	32(iv)	137,934	62,137
Other reserves	32(v)	3,832	36,230
<b>Total shareholders' funds</b>		<b>528,927</b>	486,984
<b>Total liabilities and shareholders' funds</b>		<b>3,506,297</b>	2,988,358
Net assets value per share (Ghana Cedi per share)	37(i)	4.6	4.2

These financial statements were approved by the Board of directors on 12 February 2015 and signed on its behalf by:



**J. Kwaku Bedu-Addo**  
Director



**Dayo Omolokun**  
Director

The notes on pages 51 to 98 form an integral part of these financial statements.

## Statement of changes in equity

For the year ended 31 December 2014

	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 2014	61,631	177,809	149,177	62,137	36,230	486,984
Profit for the year	-	208,271	-	-	-	208,271
Loss recognised directly in equity	-	-	-	-	(31,220)	(31,220)
<b>Total comprehensive income for the year</b>		208,271	-	-	(31,220)	177,051
<b>Regulatory and other reserves</b>						
Transfer to statutory reserve	-	(26,034)	26,034	-	-	-
Transfer to credit risk reserve	-	(75,797)	-	75,797	-	-
Transfer from other reserves	-	1,178	-	-	(1,178)	-
Total transfers to and from reserves	-	(100,653)	26,034	75,797	(1,178)	-
Dividends to shareholders	-	(135,108)	-	-	-	(135,108)
<b>Balance at 31 December 2014</b>	<b>61,631</b>	<b>150,319</b>	<b>175,211</b>	<b>137,934</b>	<b>3,832</b>	<b>528,927</b>

The notes on pages 51 to 98 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
<b>Total comprehensive income for the year</b>	-	208,019	-	-	24,253	232,272
<b>Regulatory and other reserves</b>						
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 51 to 98 form an integral part of these financial statements.

## Statements of cash flows

For the year ended 31 December 2014

	Note	2014 GH¢'000	2013 GH¢'000
<b>Cash flows from operating activities</b>			
Profit before tax		274,840	273,243
<i>Adjustments for:</i>			
Depreciation	22	5,300	4,308
Profit on disposal		(13,772)	-
Amortisation of intangible assets	23	1,178	1,177
Impairment on financial assets	14	49,121	17,429
		<b>316,667</b>	296,157
<i>Change in:</i>			
Short term government securities		(35,258)	(139,626)
Medium term investment		200,604	(243,203)
Loans and advances		(197,239)	(188,076)
Other assets		(53,466)	(40,424)
Customer deposits		419,477	74,910
Amounts due to other banks		(23,637)	401,454
Interest payable, other liabilities		15,968	60,099
Provisions		18,037	(2,386)
Borrowings		42,999	(123,061)
<b>Cash generated from operating activities</b>		<b>704,152</b>	95,844
Income tax paid		(62,307)	(54,201)
<b>Net cash from operating activities</b>		<b>641,845</b>	41,643
<b>Cash flows from investing activities</b>			
Proceeds from sale of property and equipment		13,819	-
Purchase of property and equipment		(7,330)	(8,940)
<b>Net cash generated/(used) in investing activities</b>		<b>6,489</b>	(8,940)
<b>Cash flows from financing activities</b>			
Dividend paid		(135,108)	(56,637)
<b>Net cash used in financing activities</b>		<b>(135,108)</b>	(56,637)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>513,226</b>	(23,934)
Cash and cash equivalents at 1 January		647,007	670,941
Cash and cash equivalents at 31 December	39	1,160,233	647,007
<b>Operational cash flows from interest</b>			
Interest paid		67,721	92,158
Interest received		413,573	336,092

The notes on pages 51 to 98 form an integral part of these financial statements.