

# *Standard Chartered Bank Ghana Limited*

*(Driving investment, trade and the creation of wealth in Ghana)*



*Unaudited financial statements*

*30 June 2017*

**Standard Chartered Bank Ghana Limited**

**Corporate information**

**Board of directors**

Ishmael Yamson (Chairman)  
Mansa Nettey (Managing Director )  
Kweku Nimfah-Essuman  
Felicia Gbesemete (resigned on 4 May 2017)  
Dr. Emmanuel Oteng Kumah  
Felix Addo  
David Adepoju

**Secretary**

Angela Okai  
Standard Chartered Bank Building  
John Evans Atta Mills High Street  
P. O. Box 768  
Accra

**Auditors**

Deloitte & Touche  
Chartered Accountants  
4 Liberation Road  
P. O. Box GP 453  
Accra

**Solicitors**

Bentsi-Enchill Letsa & Ankomah  
1st Floor Teachers' Hall Complex  
Education Loop (off Barnes Road)  
Adabraka  
P. O. Box GP 1632  
Accra

**Registrars**

GCB Bank Limited  
Share Registry Department  
Thorpe Road,  
John Evans Atta Mills High Street  
P.O. Box 134  
Accra

**Registered office**

Standard Chartered Bank Building  
John Evans Atta Mills High Street  
P. O. Box 768  
Accra

**Standard Chartered Bank Ghana Limited**  
**Unaudited statement of comprehensive income**  
**for the period ended 30 June 2017**

	Note	June 2017	Jun 2016
		GH¢'000	GH¢'000
Interest income	5	277,354	257,833
Interest expense	6	<u>(48,029)</u>	<u>(42,431)</u>
<b>Net interest income</b>		<u>229,325</u>	<u>215,402</u>
Fees and commission income		41,627	51,158
Fees and commission expense		<u>(5,644)</u>	<u>(5,185)</u>
<b>Net fee and commission income</b>		<u>35,983</u>	<u>45,973</u>
Net trading income		73,954	35,430
Net income from other financial instruments carried at fair value		(12,355)	224
Other operating income		<u>-</u>	<u>-</u>
<b>Total other and trading income</b>		<u>61,599</u>	<u>35,654</u>
<b>Operating income</b>		<b>326,907</b>	<b>297,029</b>
Net impairment recovery/(loss) on financial assets		15,954	(16,219)
Personnel expenses	7	(70,833)	(65,370)
Operating lease expenses		(2,891)	(2,971)
Depreciation and amortisation		(3,481)	(3,161)
Other expenses	8	<u>(38,982)</u>	<u>(5,892)</u>
<b>Profit before income tax</b>		<b>226,674</b>	<b>203,416</b>
Income tax expense:			
Corporate tax		(58,897)	(46,715)
National Fiscal Stabilization Levy		<u>(9,105)</u>	<u>(7,125)</u>
<b>Profit for the period</b>		<u>158,672</u>	<u>149,576</u>
Basic earnings per share (Ghana Cedis per share)		<u>1.37</u>	<u>1.29</u>
Diluted earnings per share (Ghana Cedis per share)		<u>1.37</u>	<u>1.29</u>

**Standard Chartered Bank Ghana Limited**  
**Unaudited statement of financial position at 30 June 2017**

	Notes	June 2017	June 2016
		GH¢'000	GH¢'000
<b>Assets</b>			
Cash and cash equivalents	9	1,588,886	1,373,597
Derivative assets held for risk management		7,058	4,395
Trading Assets (non-pledge)		27,817	7,471
Loans and advances to customers		1,364,822	1,107,476
Investment securities		1,267,191	1,247,380
Current tax assets		643	11,385
Intangible assets		1,767	2,846
Equity investment		1	1
Other assets		220,133	187,927
Property plant and equipment		<u>30,542</u>	<u>26,281</u>
<b>Total assets</b>		<b><u>4,508,860</u></b>	<b><u>3,968,759</u></b>
<b>Liabilities</b>			
Deposits from banks		16,100	15,448
Deposits from customers		3,239,078	2,748,812
Borrowings		87,258	100,249
Deferred tax liabilities		9,676	5,226
Other liabilities		<u>358,919</u>	<u>439,717</u>
<b>Total liabilities</b>		<b><u>3,711,031</u></b>	<b><u>3,309,452</u></b>
<b>Equity</b>			
Stated capital		121,631	61,631
Income surplus		279,447	228,915
Statutory reserve		211,544	183,480
Credit risk reserve		140,989	180,834
Other reserves		<u>44,218</u>	<u>4,447</u>
<b>Total equity</b>		<b><u>797,829</u></b>	<b><u>659,307</u></b>
<b>Total liabilities and equity</b>		<b><u>4,508,860</u></b>	<b><u>3,968,759</u></b>

These financial statements were approved by the Board of Directors on 27 July 2017 and signed on its behalf by:

.....  
**Mansa Nettey**  
**Director**

.....  
**Kweku Nimfah-Essuman**  
**Director**

Standard Chartered Bank Ghana Limited

Unaudited statement of changes in equity

for the period ended 30 June 2017

2017	Share Capital	Retained Earnings	Statutory Reserve	Credit Risk Reserve	Other Reserves	Shareholders Fund
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2017	61,631	335,122	211,544	121,408	35,511	765,216
<i>Movement during the period</i>						
Profit for the period	-	158,672	-	-	-	158,672
Capitalisation of retained earnings	60,000	(64,149)	-	-	-	(4,149)
Dividend paid	-	(130,617)	-	-	-	(130,617)
Transfer to credit reserve	-	(19,581)	-	19,581	-	-
Changes recognised in equity	-	-	-	-	8,707	8,707
As at 30 June 2017	<u>121,631</u>	<u>279,447</u>	<u>211,544</u>	<u>140,989</u>	<u>44,218</u>	<u>797,829</u>

2016	Share Capital	Retained Earnings	Statutory Reserve	Credit Risk Reserve	Other Reserves	Shareholders Fund
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2016	61,631	152,061	183,480	152,163	5,765	555,100
<i>Movement during the period</i>						
Profit for the period	-	149,576	-	-	-	149,576
Dividend paid	-	(44,051)	-	-	-	(44,051)
Transfer to credit risk reserve	-	(28,671)	-	28,671	-	-
Changes recognised in equity	-	-	-	-	(1,318)	(1,318)
As at 30 June 2016	<u>61,631</u>	<u>228,915</u>	<u>183,480</u>	<u>180,834</u>	<u>4,447</u>	<u>659,307</u>

Standard Chartered Bank Ghana Limited

Unaudited statement of cash flows

for the period ended 30 June 2017

	Notes	June 2017 GH¢'000	June 2016 GH¢'000
<b>Cash flows from operating activities</b>			
Profit before tax		158,672	149,576
<i>Adjustments for:</i>			
Depreciation and amortisation		3,481	3,162
Impairment of financial Assets		(15,954)	16,219
Net interest income		(229,325)	(215,402)
Income tax expense		<u>68,002</u>	<u>53,840</u>
		(15,124)	7,395
<i>Change in:</i>			
Investment securities		11,683	(334,863)
Derivate assets held for risk management		(2,773)	(2,891)
Loans and advances		(86,232)	95,764
Other assets		40,344	(24,319)
Trading assets		39,733	(531)
Customer deposits		41,405	326,430
Amounts due to other banks		6,398	(25,595)
Interest payable, other liabilities and provisions		<u>64,764</u>	<u>215,526</u>
		100,198	256,916
Interest and dividend received		254,165	227,832
Interest paid		(30,754)	(33,687)
Income tax paid		<u>(54,627)</u>	<u>(37,315)</u>
<b>Net cash generated from operating activities</b>		<u>268,982</u>	<u>413,746</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		<u>(4,021)</u>	<u>(4,044)</u>
<b>Net cash used in investing activities</b>		<u>(4,021)</u>	<u>(4,044)</u>
<b>Cash flows from financing activities</b>			
Dividend paid		<u>(130,617)</u>	<u>(44,051)</u>
<b>Net cash used in financing activities</b>		<u>(130,617)</u>	<u>(44,051)</u>
<b>Net change in cash and cash equivalents</b>		134,344	365,651
Cash and cash equivalents at 1 January		<u>1,454,542</u>	<u>1,007,946</u>
<b>Cash and cash equivalents at 30 June</b>	9	<u>1,588,886</u>	<u>1,373,597</u>

**Standard Chartered Bank Ghana Limited**  
**Notes to the unaudited financial statements**  
**for the period ended 30 June 2017**

**1. Significant Accounting Policies**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG) and are consistent with those applied in the preparation of the annual consolidated financial statements.

**2. Quantitative Disclosures**

	<b>June 2017</b>	June 2016
i. Capital adequacy ratio (%)	<b>23.69</b>	21.13
ii. Non-performing loan (NPL) ratio (%)	<b>41.79</b>	51.73

**3. Qualitative Disclosures**

i. The Bank's dominant risks are: credit risk, liquidity risk, market risk, and operational risk.

ii. The Bank's Risk Management Framework, defines the approach to risk management and the framework within which risks are managed and risk-return tradeoffs made. The risk management framework establishes common principles & standards for the management and control of all risks, provides a shared framework and language to improve awareness of risk management processes and provides clear accountability and responsibility for risk management. The core components of the risk management framework include our risk classifications, risk principles and standards, definitions of roles and responsibilities and governance structure.

The processes followed in risk measurement and their management for the period ended 30 June 2017 are consistent with those followed for the year ended 31 December 2016.

**4. Defaults in Statutory Liquidity and Accompanying Sanctions**

	<b>June 2017</b>	June 2016
iv. Default in statutory liquidity (times)	<b>Nil</b>	Nil
v. Sanctions (GH¢)	<b>Nil</b>	Nil

**5. Interest income**

	<b>June 2017</b>	June 2016
	<b>GH¢'000</b>	GH¢'000
Cash and cash equivalents	<b>20,653</b>	23,483
Loans and advances to customers	<b>96,647</b>	109,986
Investment securities	<b>158,099</b>	119,068
Other	<b><u>1,955</u></b>	<u>5,296</u>
	<b><u>277,354</u></b>	<u>257,833</u>

**6. Interest expense**

	<b>June 2017</b>	June 2016
	<b>GH¢'000</b>	GH¢'000
Deposits from banks	2,562	1,487
Deposits from customers	29,696	32,936
Other	<u>15,771</u>	<u>8,008</u>
	<b><u>48,029</u></b>	<b><u>42,431</u></b>

**7. Personnel expenses**

	<b>June 2017</b>	June 2016
	<b>GH¢'000</b>	GH¢'000
Wages, salaries, bonus and allowances	52,252	50,225
Social security costs	4,610	4,429
Pension and retirement benefits	2,597	2,611
Training	436	391
Other staff costs	<u>10,938</u>	<u>7,714</u>
	<b><u>70,833</u></b>	<b><u>65,370</u></b>

**8. Other expenses**

	<b>June 2017</b>	June 2016
	<b>GH¢'000</b>	GH¢'000
Advertising and marketing	2,021	2,045
Donations and sponsorship	31	71
Premises and equipment	10,021	9,307
Administrative	24,931	17,272
Redundancy cost	594	809
Other	<u>1,384</u>	<u>(23,612)</u>
	<b><u>38,982</u></b>	<b><u>5,892</u></b>

**9. Cash and cash equivalents**

	<b>June 2017</b>	June 2016
	<b>GH¢'000</b>	GH¢'000
Cash and balances at Central Bank	1,113,003	774,780
Due from other banks	332,762	247,757
Placements	<u>143,121</u>	<u>351,060</u>
	<b><u>1,588,886</u></b>	<b><u>1,373,597</u></b>

**"The financial statements do not contain untrue statements, misleading facts or omit material facts to the best of our knowledge"**

SIGNED  
**Mansa Nettey**  
Director

SIGNED  
**Kweku Nimfah-Essuman**  
Director