

***Standard Chartered Bank Ghana Limited***

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



***Unaudited financial statements***

***31 March 2018***

**Standard Chartered Bank Ghana Limited**

**Corporate information**

**Board of directors**

Ishmael Yamson (Chairman)  
Mansa Nettey (Managing Director)  
Kweku Nimfah-Essuman  
Dr. Emmanuel Oteng Kumah  
Felix Addo  
David Adepoju  
Henry Baye  
Professor (Mrs) Akua Kuenyehia

**Secretary**

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

**Auditors**

Deloitte & Touché  
Chartered Accountants  
Plot No. 71, off George Walker Bush Highway  
North Dworwulu  
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 31 March 2018**

	Note	Mar 2018	Mar 2017
		GH¢'000	GH¢000
Interest income	5	140,669	139,901
Interest expense	6	<u>(22,810)</u>	<u>(23,856)</u>
<b>Net interest income</b>		<u>117,859</u>	<u>116,045</u>
Fees and commission income		36,314	21,606
Fees and commission expense		<u>(3,445)</u>	<u>(2,642)</u>
<b>Net fee and commission income</b>		<u>32,869</u>	<u>18,964</u>
Net trading income		37,454	32,857
Net income from other financial instruments carried at fair value		<u>(36)</u>	<u>(5,613)</u>
<b>Total other and trading income</b>		<u>37,418</u>	<u>27,244</u>
<b>Operating income</b>		188,146	162,253
Net impairment (loss)/recovery on financial assets	7	<u>(13,356)</u>	<u>12,111</u>
<b>Operating income net of impairment charges</b>		174,790	174,364
Personnel expenses	8	<u>(37,085)</u>	(33,999)
Operating lease expenses		<u>(1,768)</u>	(1,490)
Depreciation and amortisation		<u>(1,889)</u>	(1,722)
Other expenses	9	<u>(18,608)</u>	<u>(17,671)</u>
		<u>(59,350)</u>	<u>(54,882)</u>
<b>Profit before income tax</b>		115,440	119,482
Income tax expense:			
Corporate tax		<u>(28,860)</u>	(29,871)
National Fiscal Stabilization Levy		<u>(5,772)</u>	<u>(5,974)</u>
<b>Profit for the period:</b>		<u>80,808</u>	<u>83,637</u>
Basic earnings per share (Ghana Cedis per share)		<u>0.69</u>	<u>0.71</u>
Diluted earnings per share (Ghana Cedis per share)		<u>0.69</u>	<u>0.71</u>

**Standard Chartered Bank Ghana Limited**  
**Unaudited statement of financial position at 31 March 2018**

	Notes	Mar 2018	Mar 2017
		GH¢'000	GH¢'000
<b>Assets</b>			
Cash and cash equivalents	10	1,912,493	1,641,483
Derivative assets held for risk management		1,069	4,337
Non-pledged trading assets		13,712	38,963
Loans and advances to customers		1,291,082	1,308,370
Investment securities		1,868,178	1,259,603
Current tax assets		22,584	5,487
Intangible assets		785	2,061
Equity investment		1	1
Other assets		267,181	229,910
Property plant and equipment		<u>31,812</u>	<u>29,821</u>
<b>Total assets</b>		<b><u>5,408,897</u></b>	<b><u>4,520,036</u></b>
<b>Liabilities</b>			
Deposits from banks		38,052	2,345
Deposits from customers		3,954,132	3,335,408
Borrowings		109,760	129,518
Deferred tax liabilities		3,264	5,226
Other liabilities		<u>298,290</u>	<u>207,018</u>
<b>Total liabilities</b>		<b><u>4,403,498</u></b>	<b><u>3,679,515</u></b>
<b>Equity</b>			
Stated capital		121,631	61,631
Income surplus		413,772	389,416
Statutory reserve		246,994	211,544
Credit risk reserve		176,065	149,796
Other reserves		<u>46,937</u>	<u>28,134</u>
<b>Total equity</b>		<b><u>1,005,399</u></b>	<b><u>840,521</u></b>
<b>Total liabilities and equity</b>		<b><u>5,408,897</u></b>	<b><u>4,520,036</u></b>

These financial statements were approved by the Board of Directors on ... April 2018 and signed on its behalf by:

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

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

**Standard Chartered Bank Ghana Limited**  
**Unaudited statement of changes in equity**  
**for the period ended 31 March 2018**

2018	Share Capital	Income Surplus	Reserve Fund	Credit Risk Reserve	Other Reserves	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2018	121,631	361,859	246,994	148,237	42,033	920,754
<i>Movement during the period</i>						
Profit for the period	-	80,808	-	-	-	80,808
Net fair value gains/loss on available for sale for financial asset	-	-	-	-	4,610	4,610
Dividend paid	-	(773)	-	-	-	(773)
Transfer to credit risk reserve	-	(27,828)	-	27,828	-	-
Changes between reserves	-	(294)	-	-	294	-
As at 30 March 2018	<u>121,631</u>	<u>413,772</u>	<u>246,994</u>	<u>176,065</u>	<u>46,937</u>	<u>1,005,399</u>

2017	Share Capital	Income Surplus	Reserve Funds	Credit Risk Reserve	Other Reserves	Total
	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	-	83,637	-	-	-	83,637
Net fair value gains/loss on available for sale financial asset	-	-	-	-	(7,083)	(7,083)
Dividend paid	-	(1,249)	-	-	-	(1,249)
Transfer to credit risk reserve	-	(28,388)	-	28,388	-	-
Changes between reserves	-	294	-	-	(294)	-
As at 30 March 2017	<u>61,631</u>	<u>389,416</u>	<u>211,544</u>	<u>149,796</u>	<u>28,134</u>	<u>840,521</u>

**Standard Chartered Bank Ghana Limited**

**Unaudited statement of cash flows  
for the period ended 31 March 2018**

	Notes	Mar 2018 GH¢'000	Mar 2017 GH¢000
<b>Cash flows from operating activities</b>			
Profit for the period		80,808	83,637
<i>Adjustments for:</i>			
Depreciation and amortisation		1,889	1,722
Impairment on financial Assets		13,356	(12,111)
Net interest income		(117,859)	(116,046)
Income tax expense		34,632	35,845
Profit on sale of assets		-	-
		<u>12,826</u>	(6,953)
<i>Change in:</i>			
Trading Assets		29,370	28,587
Investment securities		(611,238)	19,271
Derivate assets held for risk management		(526)	-
Loans and advances		81,258	(33,623)
Other assets		76,272	56,398
Deferred tax assets		(307)	-
Derivate liabilities held for risk management		(543)	-
Deposits from customers		533,968	137,735
Deposits from banks		(28,034)	(7,357)
Other liabilities and provisions		<u>52,945</u>	<u>(90,447)</u>
		145,991	103,611
Interest and dividend received		128,577	130,074
Interest paid		(16,870)	(16,346)
Income tax paid		<u>(35,307)</u>	<u>(27,314)</u>
<b>Net cash generated from operating activities</b>		<u>222,391</u>	<u>190,025</u>
<b>Cash flows in investing activities</b>			
Purchase of property, plant and equipment		(1,819)	(1,835)
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash used in investing activities</b>		<u>(1,819)</u>	<u>(1,835)</u>
<b>Cash flows in financing activities</b>			
Dividend paid		<u>(773)</u>	<u>(1,249)</u>
<b>Net cash used in financing activities</b>		<u>(773)</u>	<u>(1,249)</u>
<b>Net change from cash and cash equivalents</b>		219,799	186,941
Cash and cash equivalents at 1 January		<u>1,692,694</u>	<u>1,454,542</u>
<b>Cash and cash equivalents at 30 March</b>	10	<u>1,912,493</u>	<u>1,641,483</u>

**Standard Chartered Bank Ghana Limited**

**Notes to the unaudited financial statements  
for the period ended 31 March 2018**

**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>Mar 2018</b>	Mar 2017
i. Capital adequacy ratio (%)	<b>27.85</b>	32.28
ii. Non-performing loan (NPL) ratio (%)	<b>46.25</b>	42.76
iii. Non-performing loan (NPL ratio less loss category)	<b>17.30</b>	27.23
iv. Liquid Ratio	<b>70.55</b>	67.07

**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 March 2018 are consistent with those followed for the year ended 31 December 2017.

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

	<b>Mar 2018</b>	Mar 2017
iv. Default in statutory liquidity (times)	<b>Nil</b>	Nil
v. Sanctions (GH¢)	<b>Nil</b>	Nil

**5. Interest income**

	<b>Mar 2018</b>	Mar 2017
	<b>GH¢'000</b>	GH¢000
Cash and cash equivalents	12,336	8,470
Loans and advances to customers	57,379	48,260
Investment securities	70,844	82,326
Other	<u>110</u>	<u>845</u>
	<b><u>140,669</u></b>	<b><u>139,901</u></b>

**6. Interest expense**

	<b>Mar 2018</b>	Mar 2017
	<b>GH¢'000</b>	GH¢000
Deposits from banks	1,968	1,370
Deposits from customers	16,232	15,749
Other	<u>4,610</u>	<u>6,737</u>
	<b><u>22,810</u></b>	<b><u>23,856</u></b>

**7. Net Impairment recovery /loss on financial Assets**

	<b>Mar 2018</b>	Mar 2017
	<b>GH¢'000</b>	GH¢000
Specific Provisions	63	(12,111)
Expected Credit Loss(ECL)	<u>13,293</u>	<u>-</u>
	<b><u>13,356</u></b>	<b><u>(12,111)</u></b>

**8. Personnel expenses**

	<b>Mar 2018</b>	Mar 2017
	<b>GH¢'000</b>	GH¢000
Wages, salaries, bonus and allowances	27,344	24,972
Social security costs	2,428	2,197
Pension and retirement benefits	1,389	1,242
Training	174	197
Other staff costs	<u>5,750</u>	<u>5,391</u>
	<b><u>37,085</u></b>	<b><u>33,999</u></b>

**9. Other expenses**

	<b>Mar 2018</b>	Mar 2017
	<b>GH¢'000</b>	GH¢000
Advertising and marketing	1,324	1,058
Donations and sponsorship	20	32
Premises and equipment	4,101	4,195
Administrative	11,981	11,618
Others	<u>1,182</u>	<u>768</u>
	<b><u>18,608</u></b>	<b><u>17,671</u></b>



**10. Cash and cash equivalents**

	<b>Mar 2018</b>	Mar 2017
	<b>GH¢'000</b>	GH¢000
Cash and balances at Central Bank	<b>1,631,586</b>	1,193,569
Due to other banks	<b>249,999</b>	-
Placements	<b><u>30,908</u></b>	<u>447,914</u>
	<b><u>1,912,493</u></b>	<u>1,641,483</u>

**"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