

Standard Chartered Bank Ghana Limited

(Driving commerce and prosperity through our unique diversity in Ghana)



Unaudited financial statements

30 September 2018

Standard Chartered Bank Ghana Limited

Corporate information

Board of directors

Dr. Emmanuel Oteng Kumah - (Appointed Chairman on 30/06/18)
Mansa Nettey (Managing Director)
Kweku Nimfah-Essuman
Felix Addo
David Adepoju
Henry Baye
Professor (Mrs) Akua Kuenyehia
Harriet-Ann Omobolanle Adesola (Appointed on 27/07/18)
Ishmael Yamson - (Stepped down on 30/06/18)

Secretary

Angela Okai
Standard Chartered Building
87 Independence Avenue
P. O. Box 768
Accra

Auditors

KPMG
Chartered Accountants
Marlin Hse. 13 Yiyiwa Drive
Abelenkpe
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
87 Independence Avenue
P. O. Box 768
Accra

Standard Chartered Bank Ghana Limited

Unaudited statement of profit or loss
for the period ended 30 September 2018

	Note	Sept 2018	Sept 2017
		GH¢'000	GH¢'000
Interest income	5	452,504	426,261
Interest expense	6	<u>(89,221)</u>	<u>(81,206)</u>
Net interest income		<u>363,283</u>	<u>345,055</u>
Fees and commission income		90,820	64,223
Fees and commission expense		<u>(11,300)</u>	<u>(8,599)</u>
Net fee and commission income		<u>79,520</u>	<u>55,624</u>
Net trading income		96,765	104,693
Net income from other financial instruments carried at fair value		<u>89</u>	<u>(15,234)</u>
Total other and trading income		<u>96,854</u>	<u>89,459</u>
Operating income		539,657	490,138
Net impairment (loss)/recovery on financial assets	7	<u>(93,811)</u>	<u>18,178</u>
Operating income net of impairment charges		<u>445,846</u>	<u>508,316</u>
Personnel expenses	8	(119,265)	(110,036)
Operating lease expenses		(10,038)	(4,626)
Depreciation and amortisation		(5,652)	(5,333)
Other expenses	9	<u>(61,024)</u>	<u>(57,695)</u>
		<u>(195,979)</u>	<u>(177,690)</u>
Profit before income tax		249,867	330,626
Income tax expense:			
Corporate tax		(62,467)	(82,656)
National Fiscal Stabilization Levy		<u>(12,493)</u>	<u>(16,532)</u>
Profit for the period:		<u>174,907</u>	<u>231,438</u>
Basic earnings per share (Ghana Cedis per share)		<u>1.29</u>	<u>1.70</u>
Diluted earnings per share (Ghana Cedis per share)		<u>1.29</u>	<u>1.70</u>

Standard Chartered Bank Ghana Limited

Unaudited statement of financial position at 30 September 2018

	Note	Sept 2018	Sept 2017
		GH¢'000	GH¢'000
Assets			
Cash and cash equivalents	10	2,621,420	1,345,178
Derivative assets held for risk management		3,699	1,311
Non-pledged trading assets		5,590	21,139
Loans and advances to customers	11	1,173,196	1,253,455
Investment securities		1,778,233	1,661,803
Current tax assets		52,870	-
Intangible assets		294	1,472
Equity investment		1	1
Other assets	12	308,713	251,523
Property plant and equipment		47,680	30,924
Total assets		5,991,696	4,566,806
Liabilities			
Deposits from banks		80,580	3,338
Deposits from customers		4,488,965	3,359,621
Borrowings		95,552	108,664
Current tax liabilities		-	7,835
Deferred tax liabilities		6,339	777
Other liabilities	13	290,732	223,204
Total liabilities		4,962,168	3,703,439
Equity			
Stated capital		400,000	121,631
Income surplus		202,535	320,002
Reserve Fund		246,994	211,544
Credit risk reserve		192,463	173,089
Other reserves		(12,464)	37,101
Total equity		1,029,528	863,367
Total liabilities and equity		5,991,696	4,566,806

These financial statements were approved by the Board of Directors on 30th October 2018 and signed on its behalf by:

SIGNED
Henry Baye
Director

SIGNED
Kweku Nimfah-Essuman
Director

Standard Chartered Bank Ghana Limited

Unaudited statement of changes in equity

for the period ended 30 September 2018

2018	Stated 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	-	174,907	-	-	-	174,907
Capitalisation of Retained Earnings	278,369	(289,879)	-	-	-	(11,510)
Dividend paid	-	(1,483)	-	-	-	(1,483)
Transfer to credit risk	-	(44,226)	-	44,226	-	-
Expected Credit Loss Adjustment	-	(22,546)	-	-	(12,954)	(35,500)
Subsequent Expected Credit Loss	-	23,019	-	-	-	23,019
Net fair value loss on available for sale on financial asset	-	-	-	-	(40,659)	(40,659)
Other movements	-	884	-	-	(884)	-
As at 30 September 2018	<u>400,000</u>	<u>202,535</u>	<u>246,994</u>	<u>192,463</u>	<u>(12,464)</u>	<u>1,029,528</u>

2017	Stated 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 2017	61,631	335,122	211,544	121,408	35,511	765,216
<i>Movement during the period</i>						
Profit for the period	-	231,438	-	-	-	231,438
Capitalisation of retained earnings	60,000	(64,149)	-	-	-	(4,149)
Dividend paid	-	(131,611)	-	-	-	(131,611)
Transfer to credit risk reserve	-	(51,681)	-	51,681	-	-
Changes recognised in equity	-	883	-	-	1,590	2,473
As at 30 September 2017	<u>121,631</u>	<u>320,002</u>	<u>211,544</u>	<u>173,089</u>	<u>37,101</u>	<u>863,367</u>

Standard Chartered Bank Ghana Limited

Unaudited statement of cash flows
for the period ended 30 September 2018

	Sept 2018 GH¢'000	Sept 2017 GH¢'000
Cash flows from operating activities		
Profit for the period	174,907	231,438
<i>Adjustments for:</i>		
Depreciation and amortisation	5,652	5,333
Impairment on financial Assets	93,811	(18,178)
Net interest income	(363,283)	(345,055)
Income tax expense	<u>74,960</u>	<u>99,188</u>
	(13,953)	(27,274)
<i>Change in:</i>		
Trading Assets	37,492	46,411
Investment securities	(521,293)	(382,929)
Derivate assets held for risk management	(3,156)	2,974
Loans and advances	118,689	27,360
Other assets	34,739	8,463
Deferred tax assets	2,768	-
Derivate liabilities held for risk management	(543)	-
Deposits from customers	1,068,802	161,948
Deposits from banks	14,494	(6,364)
Other liabilities and provisions	<u>(28,712)</u>	<u>(56,605)</u>
	709,327	(226,016)
Interest received	410,605	388,343
Interest paid	(62,940)	(46,823)
Income tax paid	<u>(105,921)</u>	<u>(87,297)</u>
Net cash generated from operating activities	<u>951,071</u>	<u>28,207</u>
Cash flows in investing activities		
Purchase of property, plant and equipment	(20,862)	(5,960)
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	<u>(20,862)</u>	<u>(5,960)</u>
Cash flows in financing activities		
Dividend paid	<u>(1,483)</u>	<u>(131,611)</u>
Net cash used in financing activities	<u>(1,483)</u>	<u>(131,611)</u>
Net change from cash and cash equivalents	928,726	(109,364)
Cash and cash equivalents at 1 January	<u>1,692,694</u>	<u>1,454,542</u>
Cash and cash equivalents at 30 September	<u>2,621,420</u>	<u>1,345,178</u>

Standard Chartered Bank Ghana Limited

**Notes to the unaudited financial statements
for the period ended 30 September 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

	Sept 2018	Sept 2017
i. Capital adequacy ratio (%)	29.21	28.27
ii. Non-performing loan (NPL) ratio (%) - Gross basis	34.75	44.91
iii. Non-performing loan (NPL) ratio (%) - Net basis	26.95	37.55
iv. Non-performing loan (NPL ratio less loss category) (%)	16.97	25.70
v. Liquid ratio (%)	78.08	74.73

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

4. Defaults in Statutory Liquidity and Accompanying Sanctions

	Sept 2018	Sept 2017
i. Default in statutory liquidity (times)	Nil	Nil
ii. Sanctions (GH¢)	Nil	Nil

5. Interest income

	Sept 2018 GH¢'000	Sept 2017 GH¢'000
Intra-group	42,216	34,518
Loans and advances to customers	157,090	150,849
Investment securities	<u>253,198</u>	<u>240,894</u>
	<u>452,504</u>	<u>426,261</u>

6. Interest expense

	Sept 2018 GH¢'000	Sept 2017 GH¢'000
Deposits from banks	28,089	36,168
Deposits from customers	<u>61,133</u>	<u>45,038</u>
	<u>89,221</u>	<u>81,206</u>

7. Net Impairment (loss) / recovery on financial Assets

	Sept 2018 GH¢'000	Sept 2017 GH¢'000
Specific Provisions	(77,382)	18,178
Expected Credit Loss(ECL)	<u>(16,429)</u>	<u>-</u>
	<u>(93,811)</u>	<u>18,178</u>

8. Personnel expenses

	Sept 2018 GH¢'000	Sept 2017 GH¢'000
Wages, salaries, bonus and allowances	87,167	79,634
Social security costs	8,071	7,011
Pension and retirement benefits	4,590	4,035
Training	630	613
Other staff costs	<u>18,807</u>	<u>18,743</u>
	<u>119,265</u>	<u>110,036</u>

9. Other expenses

	Sept 2018 GH¢'000	Sept 2017 GH¢'000
Advertising and marketing	4,773	3,174
Donations and sponsorship	-	31
Premises and equipment	16,177	15,413
Administrative	28,100	27,799
Redundancy Cost	8	458
Others	<u>11,966</u>	<u>10,820</u>
	<u>61,024</u>	<u>57,695</u>

10. Cash and cash equivalents

	Sept 2018 GH¢'000	Sept 2017 GH¢'000
Cash and balances at Central Bank	1,690,558	995,265
Due from other banks	629,397	160,417
Placements	<u>301,465</u>	<u>189,496</u>
	<u>2,621,420</u>	<u>1,345,178</u>

11. Loans and advances

	Sept 2018 GH¢'000	Sept 2017 GH¢'000
Individuals	453,504	151,068
Public and Private enterprise	1,341,281	1,656,998
Staff	<u>151,641</u>	<u>124,074</u>
Gross loans and advances	1,946,426	1,932,140
Impairment allowance	<u>(773,230)</u>	<u>(678,685)</u>
Net loans and advances	<u>1,173,196</u>	<u>1,253,455</u>

12 Other assets

	Sept 2018 GH¢'000	Sept 2017 GH¢'000
Accounts receivable and prepayments	29,765	26,761
LC acceptance	160,576	98,991
Accrued interest receivable	107,446	115,531
Impersonal accounts	<u>10,926</u>	<u>10,240</u>
	<u>308,713</u>	<u>251,523</u>

13. Other liabilities

	Sept 2018 GH¢'000	Sept 2017 GH¢'000
Accrued interest payable	9,478	8,462
LC acceptance	160,576	98,991
Other creditors and accruals	41,567	41,104
Provisions	<u>79,111</u>	<u>74,647</u>
	<u>290,732</u>	<u>223,204</u>

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

SIGNED
Henry Baye
Director

SIGNED
Kweku Nimfah-Essuman
Director