

***Standard Chartered Bank Ghana Limited***

***Here for good***

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



***Unaudited financial statements***

***31 March 2019***

**Standard Chartered Bank Ghana Limited**

**Corporate information**

**Board of directors**

Dr. Emmanuel Oteng Kumah  
Mansa Nettey (Managing Director)  
Kweku Nimfah-Essuman  
Felix Addo  
David Adepoju  
Henry Baye  
Professor (Mrs) Akua Kuenyehia  
Harriet-Ann Omobolanle Adesola

**Secretary**

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

**Auditors**

KPMG  
Chartered Accountants  
Marlin Hse. 13 Yiyiwa Drive  
Abelemkpe  
P.o.Box GP 242  
Accra

**Solicitors**

Bentsi-Enchill Letsa & Ankomah  
#4 Momotse Avenue  
Adabraka, Accra  
P. O. Box GP 1632  
Accra, Ghana

**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 31 March 2019

|   | Note | Mar 2019        | Mar 2018        |
|---|------|-----------------|-----------------|
|   |      | GHC'000         | GHC'000         |
| Interest income   | 5    | 160,836         | 140,669         |
| Interest expense  | 6    | (34,780)        | (22,810)        |
| <b>Net interest income</b>  |      | <b>126,056</b>  | <b>117,859</b>  |
| Fees and commission income  |      | 28,761          | 36,314          |
| Fees and commission expense                                       |      | (4,264)         | (3,445)         |
| <b>Net fee and commission income</b>                              |      | <b>24,497</b>   | <b>32,869</b>   |
| Net trading income  |      | 42,464          | 37,454          |
| Net income from other financial instruments carried at fair value |      | (639)           | (36)            |
| <b>Total other and trading income</b>                             |      | <b>41,825</b>   | <b>37,418</b>   |
| <b>Operating income</b>   |      | <b>192,378</b>  | <b>188,146</b>  |
| Net impairment recovery/(charge) on financial assets              | 7    | 3,032           | (13,356)        |
| <b>Operating income net of impairment charges</b>                 |      | <b>195,410</b>  | <b>174,790</b>  |
| Personnel expenses  | 8    | (42,298)        | (37,085)        |
| Operating lease expenses  |      | (4,127)         | (1,768)         |
| Depreciation and amortisation                                     |      | (7,345)         | (1,889)         |
| Other expenses  | 9    | (16,486)        | (18,608)        |
|   |      | <b>(70,256)</b> | <b>(59,350)</b> |
| <b>Profit before income tax</b>                                   |      | <b>125,154</b>  | <b>115,440</b>  |
| Income tax expense:   |      |                 |                 |
| Corporate tax   |      | (31,288)        | (28,860)        |
| National Fiscal Stabilization Levy                                |      | (6,258)         | (5,772)         |
| <b>Profit for the period:</b>                                     |      | <b>87,608</b>   | <b>80,808</b>   |
| Basic earnings per share (Ghana Cedis per share)                  |      | <b>0.64</b>     | <b>0.59</b>     |
| Diluted earnings per share (Ghana Cedis per share)                |      | <b>0.64</b>     | <b>0.59</b>     |

**Standard Chartered Bank Ghana Limited**  
**Unaudited statement of financial position at 31 March 2019**

|  | Note | Mar 2019                | Mar 2018                |
|--|------|-------------------------|-------------------------|
|  |      | GH¢'000                 | GH¢'000                 |
| <b>Assets</b>                                    |      |                         |                         |
| Cash and cash equivalents                        | 10   | 2,187,524               | 1,912,493               |
| Derivative assets held for risk management       |      | 21,269                  | 1,069                   |
| Non-pledged trading assets                       |      | 105,373                 | 13,712                  |
| Loans to other banks                             |      | 671,563                 | -                       |
| Loans and advances to customers                  | 11   | 1,401,216               | 1,291,082               |
| Investment securities                            |      | 2,070,221               | 1,868,178               |
| Current tax assets                               |      | 23,240                  | 22,584                  |
| Deferred tax assets                              |      | 2,256                   | -                       |
| Property, plant and equipment                    | 12   | 274,266                 | 31,812                  |
| Intangible assets                                |      | -                       | 785                     |
| Equity investment                                |      | 1                       | 1                       |
| Other assets                                     | 13   | <u>230,803</u>          | <u>267,181</u>          |
| <b>Total assets</b>                              |      | <b><u>6,987,732</u></b> | <b><u>5,408,897</u></b> |
| <b>Liabilities</b>                               |      |                         |                         |
| Derivative liabilities held for risk management  |      | 36,896                  | -                       |
| Deposits from banks                              |      | 16,313                  | 38,052                  |
| Deposits from customers                          |      | 4,701,243               | 3,954,132               |
| Borrowings                                       |      | 643,008                 | 109,760                 |
| Deferred tax liability                           |      | -                       | 3264                    |
| Provisions                                       |      | 49,981                  | 26,730                  |
| Other liabilities                                | 14   | <u>405,585</u>          | <u>271,560</u>          |
| <b>Total liabilities</b>                         |      | <b><u>5,853,026</u></b> | <b><u>4,403,498</u></b> |
| <b>Shareholders' funds</b>                       |      |                         |                         |
| Stated capital                                   |      | 400,000                 | 121,631                 |
| Income surplus                                   |      | 314,557                 | 413,772                 |
| Reserve fund                                     |      | 299,658                 | 246,994                 |
| Credit risk reserve                              |      | 129,192                 | 176,065                 |
| Other reserves                                   |      | <u>(8,701)</u>          | <u>46,937</u>           |
| <b>Total shareholders' funds</b>                 |      | <b><u>1,134,706</u></b> | <b><u>1,005,399</u></b> |
| <b>Total liabilities and shareholders' funds</b> |      | <b><u>6,987,732</u></b> | <b><u>5,408,897</u></b> |

These financial statements were approved by the Board of Directors on 29<sup>th</sup> April 2019 and signed on its behalf by:

SIGNED  
**Mansa Nettey**  
**Director**

SIGNED  
**Kweku Nimfah-Essuman**  
**Director**

**Standard Chartered Bank Ghana Limited**  
**Unaudited statement of changes in equity**  
**for the period ended 31 March 2019**

| <b>2019</b>                            | <b>Stated<br/>capital<br/>GH¢'000</b> | <b>Income<br/>surplus<br/>GH¢'000</b> | <b>Reserve<br/>fund<br/>GH¢'000</b> | <b>Credit risk<br/>reserve<br/>GH¢'000</b> | <b>Other<br/>reserves<br/>GH¢'000</b> | <b>Total<br/>GH¢'000</b> |
|--|---------------------------------------|---------------------------------------|-------------------------------------|--|---------------------------------------|--------------------------|
| <b>Balance at 1 January 2019</b>       | <b>400,000</b>                        | <b>230,215</b>                        | <b>299,658</b>                      | <b>126,647</b>                             | <b>(8,701)</b>                        | <b>1,047,819</b>         |
| <i>Movement during the period</i>      |                                       |                                       |                                     |  |                                       |                          |
| <b>Profit for the period</b>           | -                                     | <b>87,608</b>                         | -                                   | -  | -                                     | <b>87,608</b>            |
| <b>Dividend paid</b>                   | -                                     | <b>(721)</b>                          | -                                   | -  | -                                     | <b>(721)</b>             |
| <b>Transfer to credit risk reserve</b> | -                                     | <b>(2,545)</b>                        | -                                   | <b>2,545</b>                               | -                                     | -                        |
| <b>As at 31 March 2019</b>             | <b><u>400,000</u></b>                 | <b><u>314,557</u></b>                 | <b><u>299,658</u></b>               | <b><u>129,192</u></b>                      | <b><u>(8,701)</u></b>                 | <b><u>1,134,706</u></b>  |

| <b>2018</b>  | <b>Stated<br/>capital<br/>GH¢'000</b> | <b>Income<br/>surplus<br/>GH¢'000</b> | <b>Reserve<br/>fund<br/>GH¢'000</b> | <b>Credit risk<br/>reserve<br/>GH¢'000</b> | <b>Other<br/>reserves<br/>GH¢'000</b> | <b>Total<br/>GH¢'000</b> |
|--|---------------------------------------|---------------------------------------|-------------------------------------|--|---------------------------------------|--------------------------|
| <b>Balance at 1 January 2018</b>   | 121,631                               | 361,859                               | 246,994                             | 148,237                                    | 42,033                                | 920,754                  |
| <i>Movement during the period</i>  |                                       |                                       |                                     |  |                                       |                          |
| <b>Profit for the period</b>   | -                                     | 80,808                                | -                                   | -  | -                                     | 80,808                   |
| <b>Net fair value gains/loss on<br/>available for sale for financial asset</b> | -                                     | -                                     | -                                   | -  | 4,610                                 | 4,610                    |
| <b>Dividend paid</b>   | -                                     | <b>(773)</b>                          | -                                   | -  | -                                     | <b>(773)</b>             |
| <b>Transfer to credit risk reserve</b>   | -                                     | <b>(27,828)</b>                       | -                                   | <b>27,828</b>                              | -                                     | -                        |
| <b>Changes between reserve</b>   | -                                     | <b>(294)</b>                          | -                                   | -  | <b>294</b>                            | -                        |
| <b>As at 31 March 2018</b>   | <b><u>121,631</u></b>                 | <b><u>413,772</u></b>                 | <b><u>246,994</u></b>               | <b><u>176,065</u></b>                      | <b><u>46,937</u></b>                  | <b><u>1,005,399</u></b>  |

Standard Chartered Bank Ghana Limited

Unaudited statement of cash flows

for the period ended 31 March 2019

|   | Mar 2019<br>GH¢'000     | Mar 2018<br>GH¢'000     |
|---|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>                   |                         |                         |
| Profit for the period   | 87,608                  | 80,808                  |
| <i>Adjustments for:</i>                                       |                         |                         |
| Depreciation and amortisation                                 | 7,345                   | 1,889                   |
| Impairment on financial Assets                                | (3,032)                 | 13,356                  |
| Net interest income   | (126,056)               | (117,859)               |
| Income tax expense  | <u>37,546</u>           | <u>34,632</u>           |
|   | <b>3,411</b>            | <b>12,826</b>           |
| <i>Change in:</i>   |                         |                         |
| Trading assets  | (50,306)                | 29,370                  |
| Investment securities   | (405,309)               | (611,238)               |
| Derivate assets held for risk management                      | 18,075                  | (526)                   |
| Loans to other banks  | (671,564)               | -                       |
| Loans and advances to customers                               | (96,089)                | 81,258                  |
| Other assets  | 160,507                 | 76,272                  |
| Deferred tax assets   | (2,256)                 | (307)                   |
| Derivate liabilities held for risk management                 | (3,787)                 | (543)                   |
| Deposits from customers                                       | 399,171                 | 533,968                 |
| Deposits from banks   | (28,291)                | (28,034)                |
| Current tax asset   | (23,240)                | -                       |
| Other liabilities and provisions                              | <u>450,031</u>          | <u>52,945</u>           |
|   | <b>(249,647)</b>        | <b>145,991</b>          |
| Interest received   | 147,680                 | 128,577                 |
| Interest paid   | (24,130)                | (16,870)                |
| Income tax paid   | -                       | (35,307)                |
| <b>Net cash generated (used in)/from operating activities</b> | <b><u>(126,097)</u></b> | <b><u>222,391</u></b>   |
| <b>Cash flows in investing activities</b>                     |                         |                         |
| Property, plant and equipment change                          | (216,765)               | (1,819)                 |
| <b>Net cash used in investing activities</b>                  | <b><u>(216,765)</u></b> | <b><u>(1,819)</u></b>   |
| <b>Cash flows from financing activities</b>                   |                         |                         |
| Dividend paid   | (721)                   | (773)                   |
| <b>Net cash used in financing activities</b>                  | <b><u>(721)</u></b>     | <b><u>(773)</u></b>     |
| <b>Net increase in cash and cash equivalents</b>              | <b>(343,583)</b>        | <b>219,799</b>          |
| Cash and cash equivalents at 1 January                        | <u>2,531,107</u>        | <u>1,692,694</u>        |
| <b>Cash and cash equivalents at 31 March</b>                  | <b><u>2,187,524</u></b> | <b><u>1,912,493</u></b> |

**Standard Chartered Bank Ghana Limited**

**Notes to the unaudited financial statements**

**for the period ended 31 March 2019**

**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 2019</b> | Mar 2018 |
|---|-----------------|----------|
| i. Capital requirement directive(CRD) (%)                   | <b>25.15</b>    | 12.91    |
| ii. Non-performing loan (NPL) ratio (%) - Gross basis       | <b>23.67</b>    | 46.25    |
| iii. Non-performing loan (NPL ratio less loss category) (%) | <b>5.75</b>     | 17.30    |
| iv. Liquid ratio (%)  | <b>87.68</b>    | 70.55    |

**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 31 March 2019 are consistent with those followed for the year ended 31 December 2018.

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

|   | <b>Mar 2019</b> | Mar 2018 |
|---|-----------------|----------|
| i. Default in statutory liquidity (times) | <b>Nil</b>      | Nil      |
| ii. Sanctions (GH¢)                       | <b>Nil</b>      | Nil      |

**Standard Chartered Bank Ghana Limited**

**Notes to the unaudited financial statements  
for the period ended 31 March 2019**

**5. Interest income**

|                                 | <b>Mar 2019</b>       | Mar 2018              |
|---------------------------------|-----------------------|-----------------------|
|                                 | <b>GH¢'000</b>        | GH¢'000               |
| Cash & cash equivalent          | 13,217                | 12,446                |
| Loans and advances to customers | 54,245                | 57,379                |
| Investment securities           | <u>93,374</u>         | <u>70,844</u>         |
|                                 | <u><b>160,836</b></u> | <u><b>140,669</b></u> |

**6. Interest expense**

|                         | <b>Mar 2019</b>      | Mar 2018             |
|-------------------------|----------------------|----------------------|
|                         | <b>GH¢'000</b>       | GH¢'000              |
| Deposits from banks     | 3,955                | 2,424                |
| Deposits from customers | 23,634               | 16,232               |
| Other                   | <u>7,191</u>         | <u>4,154</u>         |
|                         | <u><b>34,780</b></u> | <u><b>22,810</b></u> |

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

|                           | <b>Mar 2019</b>       | Mar 2018             |
|---------------------------|-----------------------|----------------------|
|                           | <b>GH¢'000</b>        | GH¢'000              |
| Specific Provisions       | 2,520                 | 63                   |
| Expected Credit Loss(ECL) | <u>(5,552)</u>        | <u>13,293</u>        |
|                           | <u><b>(3,032)</b></u> | <u><b>13,356</b></u> |

**8. Personnel expenses**

|                                       | <b>Mar 2019</b>      | Mar 2018             |
|---------------------------------------|----------------------|----------------------|
|                                       | <b>GH¢'000</b>       | GH¢'000              |
| Wages, salaries, bonus and allowances | 30,727               | 27,344               |
| Social security costs                 | 2,760                | 2,428                |
| Pension and retirement benefits       | 1,593                | 1,389                |
| Training                              | 949                  | 174                  |
| Other staff costs                     | <u>6,269</u>         | <u>5,750</u>         |
|                                       | <u><b>42,298</b></u> | <u><b>37,085</b></u> |



Standard Chartered Bank Ghana Limited

Notes to the unaudited financial statements  
for the period ended 31 March 2019

**9. Other expenses**

|                           | <b>Mar 2019</b>      | Mar 2018             |
|---------------------------|----------------------|----------------------|
|                           | <b>GH¢'000</b>       | GH¢'000              |
| Advertising and marketing | 1,016                | 1,324                |
| Donations and sponsorship | 43                   | 20                   |
| Premises and equipment    | 3,883                | 4,101                |
| Administrative            | 10,359               | 11,981               |
| Others                    | <u>1,185</u>         | <u>1,182</u>         |
|                           | <b><u>16,486</u></b> | <b><u>18,608</u></b> |

**10. Cash and cash equivalents**

|                                | <b>Mar 2019</b>         | Mar 2018                |
|--------------------------------|-------------------------|-------------------------|
|                                | <b>GH¢'000</b>          | GH¢'000                 |
| Cash and balances with banks   | 112,081                 | 403,379                 |
| Unrestricted balances with BoG | 1,528,300               | 1,037,608               |
| Restricted balances with BoG   | 154,060                 | 190,598                 |
| Placements                     | <u>393,083</u>          | <u>280,908</u>          |
|                                | <b><u>2,187,524</u></b> | <b><u>1,912,493</u></b> |

**11. Loans and advances**

|                          | <b>Mar 2019</b>         | Mar 2018                |
|--------------------------|-------------------------|-------------------------|
|                          | <b>GH¢'000</b>          | GH¢'000                 |
| Individuals              | 378,359                 | 354,298                 |
| Public institutions      | 113,165                 | 45,355                  |
| Private enterprise       | 1,284,535               | 1,502,266               |
| Staff                    | <u>150,622</u>          | <u>146,537</u>          |
| Gross loans and advances | 1,926,681               | 2,048,456               |
| Impairment allowance     | <u>(525,465)</u>        | <u>(757,374)</u>        |
| Net loans and advances   | <b><u>1,401,216</u></b> | <b><u>1,291,082</u></b> |

**Standard Chartered Bank Ghana Limited**

**Notes to unaudited financial statements  
for the period ended 31 March 2019**

**12. Property, plant and equipment**

|                       | <b>Mar 2019</b>       | Mar 2018      |
|-----------------------|-----------------------|---------------|
|                       | <b>GH¢'000</b>        | GH¢'000       |
| Leased property asset | <b>211,642</b>        | -             |
| Computer equipment    | <b>21,426</b>         | 6,829         |
| Leasehold property    | <b>29,803</b>         | 20,913        |
| Furniture & fittings  | <b>8,806</b>          | 1,101         |
| Office equipment      | <b>1,697</b>          | 484           |
| Plant                 | <b>892</b>            | 991           |
| Work in progress      | <b>-</b>              | 1,494         |
|                       | <b><u>274,266</u></b> | <u>31,812</u> |

**13. Other assets**

|                                     | <b>Mar 2019</b>       | Mar 2018       |
|-------------------------------------|-----------------------|----------------|
|                                     | <b>GH¢'000</b>        | GH¢'000        |
| Accounts receivable and prepayments | <b>58,527</b>         | 58,809         |
| LC acceptance                       | <b>39,454</b>         | 70,874         |
| Accrued interest receivable         | <b>120,905</b>        | 111,151        |
| Impersonal accounts                 | <b><u>11,917</u></b>  | <u>26,347</u>  |
|                                     | <b><u>230,803</u></b> | <u>267,181</u> |

**14. Other liabilities**

|                              | <b>Mar 2019</b>       | Mar 2018       |
|------------------------------|-----------------------|----------------|
|                              | <b>GH¢'000</b>        | GH¢'000        |
| Accrued interest payable     | <b>13,523</b>         | 10,311         |
| LC acceptance                | <b>39,454</b>         | 70,874         |
| lease liability-property     | <b>211,642</b>        | -              |
| Other creditors and accruals | <b><u>140,966</u></b> | <u>190,375</u> |
|                              | <b><u>405,585</u></b> | <u>271,560</u> |

**Standard Chartered Bank Ghana Limited**

**Notes to unaudited financial statements**

**for the period ended 31 March 2019**

**"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