

***Standard Chartered Bank Ghana Limited***

***Here for good***

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



***Unaudited financial statements***

***30 June 2019***

**Standard Chartered Bank Ghana Limited**

**Corporate information**

**Board of directors**

Dr. Emmanuel Oteng Kumah  
Mansa Nettey (Managing Director)  
Kweku Nimfah-Essuman  
Felix Addo (stepped down on 17/06/2019)  
David Adepoju  
Professor (Mrs) Akua Kuenyehia  
Harriet-Ann Omobolanle Adesola  
Mr. Ebenezer Asante

**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 30 June 2019

	Note	Jun 2019	Jun 2018
		GH¢'000	GH¢'000
Interest income	5	350,835	293,411
Interest expense	6	(68,234)	(54,952)
<b>Net interest income</b>		<b><u>282,601</u></b>	<b><u>238,459</u></b>
Fees and commission income		59,637	65,366
Fees and commission expense		(8,424)	(7,965)
<b>Net fee and commission income</b>		<b><u>51,213</u></b>	<b><u>57,401</u></b>
Net trading income		85,397	61,626
Net income from other financial instruments carried at fair value		(3,715)	53
<b>Total other and trading income</b>		<b><u>81,682</u></b>	<b><u>61,679</u></b>
<b>Operating income</b>		<b>415,496</b>	<b>357,539</b>
Net impairment (charge) on financial assets	7	(74,589)	(33,675)
<b>Operating income net of impairment charges</b>		<b><u>340,907</u></b>	<b><u>323,864</u></b>
Personnel expenses	8	(89,858)	(78,918)
Operating lease expenses		(8,336)	(3,509)
Depreciation and amortisation	9	(15,272)	(3,686)
Other expenses	10	(37,353)	(40,764)
		<b><u>(150,819)</u></b>	<b><u>(126,877)</u></b>
<b>Profit before income tax</b>		<b><u>190,088</u></b>	<b><u>196,987</u></b>
Income tax expense:			
Corporate tax		(47,522)	(49,247)
National Fiscal Stabilization Levy		(9,504)	(9,849)
<b>Profit for the period:</b>		<b><u>133,062</u></b>	<b><u>137,891</u></b>
Basic earnings per share (Ghana Cedis per share)		<b><u>0.99</u></b>	<b><u>1.02</u></b>
Diluted earnings per share (Ghana Cedis per share)		<b><u>0.99</u></b>	<b><u>1.02</u></b>

**Standard Chartered Bank Ghana Limited**  
**Unaudited statement of financial position at 30 June 2019**

	Note	Jun 2019	Jun 2018
		GH¢'000	GH¢'000
<b>Assets</b>			
Cash and cash equivalents	11	2,476,729	2,205,680
Derivative assets held for risk management		765	14,963
Non-pledged trading assets		24,773	10,967
Loans to other banks		184,065	22,614
Loans and advances to customers	12	1,429,246	1,242,429
Investment securities		2,211,066	1,776,726
Current tax assets		31,896	33,427
Property, plant and equipment	13	275,977	34,778
Intangible assets		-	589
Equity investment		1	1
Other assets	14	<u>326,463</u>	<u>242,325</u>
<b>Total assets</b>		<b><u>6,960,981</u></b>	<b><u>5,584,499</u></b>
<b>Liabilities</b>			
Deposits from other financial institutions		358,748	47,395
Deposits from customers		4,588,803	4,145,864
Borrowings		289,245	90,459
Deferred tax liability		4,483	6,339
Other liabilities	15	<u>679,892</u>	<u>254,756</u>
<b>Total liabilities</b>		<b><u>5,921,171</u></b>	<b><u>4,544,813</u></b>
<b>Shareholders' funds</b>			
Stated capital		400,000	121,631
Income surplus		322,051	498,624
Reserve fund		299,658	246,994
Credit risk reserve		26,284	148,237
Other reserves		<u>(8,183)</u>	<u>24,200</u>
<b>Total shareholders' funds</b>		<b><u>1,039,810</u></b>	<b><u>1,039,686</u></b>
<b>Total liabilities and shareholders' funds</b>		<b><u>6,960,981</u></b>	<b><u>5,584,499</u></b>

These financial statements were approved by the Board of Directors on 26th July 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 30 June 2019**

2019	Stated capital GH¢'000	Income surplus GH¢'000	Reserve fund GH¢'000	Credit risk reserve GH¢'000	Other reserves GH¢'000	Total GH¢'000
<b>Balance at 1 January 2019</b>	400,000	230,216	299,658	126,647	(8,701)	1,047,819
<i>Movement during the period</i>						
Profit for the period	-	133,062	-	-	-	133,062
Dividend paid	-	(141,589)	-	-	-	(141,589)
Transfer from credit reserve	-	100,362	-	(100,362)	-	-
FVOCI-debt securities	-	-	-	-	518	518
<b>As at 30 June 2019</b>	<u>400,000</u>	<u>322,051</u>	<u>299,658</u>	<u>26,285</u>	<u>(8,183)</u>	<u>1,039,810</u>

2018	Stated capital GH¢'000	Income surplus GH¢'000	Reserve fund GH¢'000	Credit risk reserve GH¢'000	Other reserves GH¢'000	Total GH¢'000
<b>Balance at 1 January 2018</b>	121,631	361,859	246,994	148,237	42,033	920,754

*Movement during the period*

Profit for the period	-	137,891	-	-	-	137,891
Net fair value gains/loss on available for sale for financial asset	-	-	-	-	(17,244)	(17,244)
Dividend paid	-	(773)	-	-	-	(773)
Expected Credit Loss Adjustment	-	(22,546)	-	-	-	(22,546)
Subsequent Expected Credit Loss	-	21,604	-	-	-	21,604
Other movements	-	589	-	-	(589)	-
<b>As at 30 June 2018</b>	<u>121,631</u>	<u>498,624</u>	<u>246,994</u>	<u>148,237</u>	<u>24,200</u>	<u>1,039,686</u>

Standard Chartered Bank Ghana Limited

Unaudited statement of cash flows

for the period ended 30 June 2019

	Jun 2019 GH¢'000	Jun 2018 GH¢'000
<b>Cash flows from operating activities</b>		
Profit for the period	133,062	137,891
<i>Adjustments for:</i>		
Depreciation and amortisation	15,272	3,686
Impairment on financial Assets	74,589	33,675
Net interest income	(282,601)	(238,459)
Income tax expense	<u>57,026</u>	<u>59,096</u>
	(2,652)	(4,111)
<i>Change in:</i>		
Trading assets	30,293	32,115
Investment securities	(546,154)	(519,786)
Derivate assets held for risk management	1,683	(14,420)
Loans to other banks	(161,450)	(22,614)
Loans and advances to customers	(201,741)	109,592
Other assets	89,779	101,126
Deferred tax assets	4,483	2,768
Derivate liabilities held for risk management	(3,787)	(543)
Deposits from customers	286,731	725,700
Deposits from banks	314,144	(18,691)
Current tax asset	(31,896)	-
Other liabilities and provisions	<u>298,089</u>	<u>(31,536)</u>
	77,522	359,600
Interest received	327,471	268,523
Interest paid	(43,389)	(37,462)
Income tax paid	<u>(47,990)</u>	<u>(70,614)</u>
<b>Net cash generated from operating activities</b>	<u>313,614</u>	<u>520,047</u>
<b>Cash flows in investing activities</b>		
Property, plant and equipment change	<u>(226,403)</u>	<u>(6,288)</u>
<b>Net cash used in investing activities</b>	<u>(226,403)</u>	<u>(6,288)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	<u>(141,589)</u>	<u>(773)</u>
<b>Net cash used in financing activities</b>	<u>(141,589)</u>	<u>(773)</u>
<b>Net increase in cash and cash equivalents</b>	(54,372)	512,986
Cash and cash equivalents at 1 January	<u>2,531,107</u>	<u>1,692,694</u>
<b>Cash and cash equivalents at 30 June</b>	<u>2,476,729</u>	<u>2,205,680</u>

**Standard Chartered Bank Ghana Limited**

**Notes to the unaudited financial statements**

**for the period ended 30 June 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>Jun 2019</b>	Jun 2018
i. Capital requirement directive (CRD) (%)	<b>27.08</b>	26.30
ii. CET (%)	<b>24.79</b>	24.30
iii. Tier 1(%)	<b>25.08</b>	24.30
iv. Leverage ratio (%)	<b>9.29</b>	-
v. Non-performing loan (NPL) ratio (%) - Gross basis	<b>22.36</b>	48.16
vi. Non-performing loan (NPL ratio less loss category) (%)	<b>7.55</b>	18.20
vii. Liquid ratio (%)	<b>96.00</b>	81.60

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

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

	<b>Jun 2019</b>	Jun 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 30 June 2019

**5. Interest income**

	Jun 2019	Jun 2018
	GH¢'000	GH¢'000
Cash & cash equivalent	23,594	25,554
Loans and advances to customers	136,649	104,767
Investment securities	<u>190,592</u>	<u>163,090</u>
	<u>350,835</u>	<u>293,411</u>

**6. Interest expense**

	Jun 2019	Jun 2018
	GH¢'000	GH¢'000
Deposits from banks	25,831	18,720
Deposits from customers	<u>42,403</u>	<u>36,232</u>
	<u>68,234</u>	<u>54,952</u>

**7. Net Impairment on financial Assets**

	Jun 2019	Jun 2018
	GH¢'000	GH¢'000
Specific Provisions	80,563	22,189
Expected Credit Loss(ECL)	<u>(5,974)</u>	<u>11,486</u>
	<u>74,589</u>	<u>33,675</u>

**8. Personnel expenses**

	Jun 2019	Jun 2018
	GH¢'000	GH¢'000
Wages, salaries, bonus and allowances	65,410	59,197
Social security costs	5,975	5,269
Pension and retirement benefits	3,240	2,931
Training	1,143	577
Other staff costs	<u>14,090</u>	<u>10,944</u>
	<u>89,858</u>	<u>78,918</u>



**Standard Chartered Bank Ghana Limited**

**Notes to the unaudited financial statements**

**for the period ended 30 June 2019**

**9. Depreciation and amortisation**

	<b>Jun 2019</b>	Jun 2018
	<b>GH¢'000</b>	GH¢'000
Leasehold premises	<b>1,404</b>	1,182
Plant	<b>96</b>	200
Computer Equipment	<b>3,316</b>	1,212
Office Equipment	<b>252</b>	175
Furniture & Fixtures	<b>974</b>	328
Leased Property Assets (IFRS16)	<u><b>9,230</b></u>	-
	<b>15,272</b>	3,097
Amortn acquired intangible	<u>-</u>	<u>589</u>
	<u><b>15,272</b></u>	<u><b>3,686</b></u>

**10. Other expenses**

	<b>Jun 2019</b>	Jun 2018
	<b>GH¢'000</b>	GH¢'000
Advertising and marketing	<b>3,550</b>	2,599
Donations and sponsorship	<b>52</b>	50
Premises and equipment	<b>8,309</b>	10,740
Administrative	<b>24,532</b>	25,949
Others	<u><b>910</b></u>	<u>1,426</u>
	<u><b>37,353</b></u>	<u><b>40,764</b></u>

**11. Cash and cash equivalents**

	<b>Jun 2019</b>	Jun 2018
	<b>GH¢'000</b>	GH¢'000
Cash and balances with other banks	<b>149,307</b>	299,871
Unrestricted balances with BoG	<b>1,952,206</b>	1,298,090
Vostro balances with BoG	<b>231,804</b>	32,878
Placements	<u><b>143,412</b></u>	<u>574,840</u>
	<u><b>2,476,729</b></u>	<u><b>2,205,680</b></u>

**11a. Unrestricted balances with BoG**

<b>Jun 2019</b>	Jun 2018
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	<b>GH¢'000</b>	GH¢'000
Local currency	<b>508,160</b>	625,117
Foreign currency	<b><u>1,444,046</u></b>	<u>672,973</u>
	<b><u>1,952,206</u></b>	<u>1,298,090</u>

**Standard Chartered Bank Ghana Limited**

**Notes to unaudited financial statements  
for the period ended 30 June 2019**

**12. Loans and advances**

	<b>Jun 2019</b>	Jun 2018
	<b>GH¢'000</b>	GH¢'000
Individuals	<b>656,351</b>	434,908
Public and private institutions	<b>1,115,242</b>	1,443,978
Staff	<b><u>150,410</u></b>	<u>151,418</u>
Gross loans and advances	<b>1,922,003</b>	2,030,304
Interest in suspense	<b>(326,971)</b>	(429,673)
Impairment allowance	<b><u>(165,786)</u></b>	<u>(358,202)</u>
Net loans and advances	<b><u>1,429,246</u></b>	<u>1,242,429</u>

**13. Property, plant and equipment**

	<b>Jun 2019</b>	Jun 2018
	<b>GH¢'000</b>	GH¢'000
Leased property asset (IFRS 16)	<b>213,684</b>	-
Leasehold property	<b>29,083</b>	12,240
Computer equipment	<b>19,598</b>	7,960
Furniture & fittings	<b>8,282</b>	1,337
Office equipment	<b>1,555</b>	903
Plant	<b>845</b>	1,040
Work in progress	<b><u>2,930</u></b>	<u>11,298</u>
	<b><u>275,977</u></b>	<u>34,778</u>

**14. Other assets**

	<b>Jun 2019</b>	Jun 2018
	<b>GH¢'000</b>	GH¢'000
Accounts receivable and prepayments	<b>64,951</b>	49,351

LC acceptance	133,853	100,302
Accrued interest receivable	122,490	89,751
Impersonal accounts	<u>5,170</u>	<u>3,531</u>
	<u>326,463</u>	<u>242,935</u>

**Standard Chartered Bank Ghana Limited**

**Notes to unaudited financial statements**

**for the period ended 30 June 2019**

**15. Other liabilities**

	<b>Jun 2019</b>	Jun 2018
	<b>GH¢'000</b>	GH¢'000
Accrued interest payable	14,941	10,119
LC acceptance	133,853	100,302
Provisions	54,695	27,763
lease liability (IFRS 16)	213,684	-
Other creditors and accruals	<u>262,719</u>	<u>116,572</u>
	<u>679,892</u>	<u>254,756</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