

Standard Chartered Bank Ghana Limited

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Unaudited financial statements

30 September 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

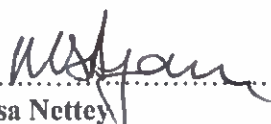
Standard Chartered Bank Ghana Limited
Unaudited statement of profit or loss
for the period ended 30 September 2019

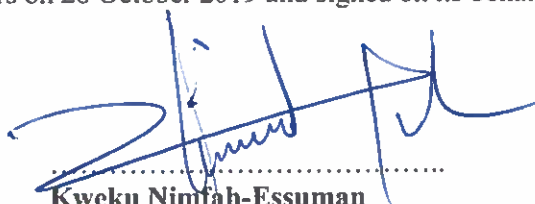
| | Note | Sept 2019 | Sept 2018 |
|---|------|-----------------------|-----------------------|
| | | GH¢'000 | GH¢'000 |
| Interest income | 5 | 534,711 | 452,504 |
| Interest expense | 6 | <u>(110,795)</u> | <u>(89,221)</u> |
| Net interest income | | <u>423,916</u> | <u>363,283</u> |
| Fees and commission income | | 93,040 | 90,820 |
| Fees and commission expense | | <u>(12,993)</u> | <u>(11,300)</u> |
| Net fee and commission income | | <u>80,047</u> | <u>79,520</u> |
| Net trading income | | 129,109 | 96,765 |
| Net income from other financial instruments carried at fair value | | <u>(9,235)</u> | <u>89</u> |
| Total other and trading income | | <u>119,874</u> | <u>96,854</u> |
| Operating income | | 623,837 | 539,657 |
| Net impairment (charge) on financial assets | 7 | <u>(94,927)</u> | <u>(93,811)</u> |
| Operating income net of impairment charges | | <u>528,910</u> | <u>445,846</u> |
| Personnel expenses | 8 | <u>(133,647)</u> | <u>(119,265)</u> |
| Operating lease expenses | | <u>(167)</u> | <u>(10,038)</u> |
| Depreciation and amortisation | 9 | <u>(23,681)</u> | <u>(5,652)</u> |
| Other expenses | 10 | <u>(82,049)</u> | <u>(61,024)</u> |
| | | <u>(239,544)</u> | <u>(195,979)</u> |
| Profit before income tax | | <u>289,366</u> | <u>249,867</u> |
| Income tax expense: | | | |
| Corporate tax | | <u>(72,342)</u> | <u>(62,467)</u> |
| National fiscal stabilization levy | | <u>(14,468)</u> | <u>(12,493)</u> |
| Profit for the period: | | <u>202,556</u> | <u>174,907</u> |
| Basic earnings per share (Ghana Cedis per share) | | <u>1.49</u> | <u>1.29</u> |
| Diluted earnings per share (Ghana Cedis per share) | | <u>1.49</u> | <u>1.29</u> |

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

| | Note | Sept 2019 | Sept 2018 |
|--|------|-------------------------|-------------------------|
| | | GH¢'000 | GH¢'000 |
| Assets | | | |
| Cash and cash equivalents | 11 | 3,072,255 | 2,025,868 |
| Derivative assets held for risk management | | 4,069 | 3,699 |
| Non-pledged trading assets | | 75,525 | 5,590 |
| Loans to other banks | | 604,742 | 595,552 |
| Loans and advances to customers | 12 | 1,693,271 | 1,173,196 |
| Investment securities | | 2,258,832 | 1,778,233 |
| Current tax assets | | 46,421 | 52,870 |
| Property, plant and equipment | 13 | 283,075 | 47,680 |
| Intangible assets | | - | 294 |
| Equity investment | | 1 | 1 |
| Other assets | 14 | <u>334,390</u> | <u>308,713</u> |
| Total assets | | <u>8,372,581</u> | <u>5,991,696</u> |
| Liabilities | | | |
| Deposits from other financial institutions | | 110,035 | 80,580 |
| Deposits from customers | | 5,788,347 | 4,488,965 |
| Borrowings | | 691,093 | 95,552 |
| Deferred tax liability | | 4,483 | 6,339 |
| Other liabilities | 15 | <u>669,998</u> | <u>290,732</u> |
| Total liabilities | | <u>7,263,956</u> | <u>4,962,168</u> |
| Shareholders' funds | | | |
| Stated capital | | 400,000 | 400,000 |
| Income surplus | | 290,297 | 202,535 |
| Reserve fund | | 299,658 | 246,994 |
| Credit risk reserve | | 126,647 | 192,463 |
| Other reserves | | <u>(7,977)</u> | <u>(12,464)</u> |
| Total shareholders' funds | | <u>1,108,625</u> | <u>1,029,528</u> |
| Total liabilities and shareholders' funds | | <u>8,372,581</u> | <u>5,991,696</u> |

These financial statements were approved by the Board of Directors on 28 October 2019 and signed on its behalf by:


.....
Mansa Nettey
Director


.....
Kweku Nimlah-Essuman
Director

Standard Chartered Bank Ghana Limited
 Unaudited statement of changes in equity
 for the period ended 30 September 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 |
|-----------------------------------|---------------------------|---------------------------|-------------------------|--------------------------------|---------------------------|------------------|
| Balance at 1 January 2019 | 400,000 | 230,216 | 299,658 | 126,647 | (8,701) | 1,047,820 |
| <i>Movement during the period</i> | | | | | | |
| Profit for the period | - | 202,556 | - | - | - | 202,556 |
| Dividend paid | - | (141,751) | - | - | - | (141,751) |
| Transfer from credit reserve | - | - | - | - | - | - |
| FVOCI-debt securities | - | (724) | - | - | 724 | - |
| As at 30 September 2019 | <u>400,000</u> | <u>290,297</u> | <u>299,658</u> | <u>126,647</u> | <u>(7,977)</u> | <u>1,108,625</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 |
|--|---------------------------|---------------------------|-------------------------|--------------------------------|---------------------------|------------------|
| 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> |

Standard Chartered Bank Ghana Limited
 Unaudited statement of cash flows
 for the period ended 30 September 2019

| | Sept 2019 GH¢'000 | Sept 2018 GH¢'000 |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Profit for the period | 202,556 | 174,907 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 23,681 | 5,652 |
| Impairment on financial Assets | 94,927 | 93,811 |
| Net interest income | (423,916) | (363,283) |
| Income tax expense | <u>86,810</u> | <u>74,960</u> |
| | (15,942) | (13,953) |
| <i>Change in:</i> | | |
| Trading assets | (20,459) | 37,492 |
| Investment securities | (593,920) | (521,293) |
| Derivate assets held for risk management | (1,621) | (3,156) |
| Loans to other banks | (460,142) | (595,552) |
| Loans and advances to customers | (486,104) | 118,689 |
| Other assets | (56,412) | 34,739 |
| Deferred tax assets | 4,483 | 2,768 |
| Derivate liabilities held for risk management | (3,787) | (543) |
| Deposits from customers | 1,486,275 | 1,068,802 |
| Deposits from banks | 65,431 | 14,494 |
| Current tax asset | - | - |
| Other liabilities and provisions | <u>786,773</u> | <u>(28,712)</u> |
| | 704,575 | 113,775 |
| Interest received | 499,450 | 410,605 |
| Interest paid | (64,427) | (62,940) |
| Income tax paid | <u>(70,189)</u> | <u>(105,921)</u> |
| Net cash generated from operating activities | <u>1,069,409</u> | <u>355,519</u> |
| Cash flows in investing activities | | |
| Property, plant and equipment change | <u>(241,910)</u> | <u>(20,862)</u> |
| Net cash used in investing activities | <u>(241,910)</u> | <u>(20,862)</u> |
| Cash flows from financing activities | | |
| Dividend paid | <u>(141,751)</u> | <u>(1,483)</u> |
| Net cash used in financing activities | <u>(141,751)</u> | <u>(1,483)</u> |
| Net increase in cash and cash equivalents | 685,748 | 333,174 |
| Cash and cash equivalents at 1 January | <u>2,386,507</u> | <u>1,692,694</u> |
| Cash and cash equivalents at 30 September | <u>3,072,255</u> | <u>2,025,868</u> |

Standard Chartered Bank Ghana Limited
Notes to the unaudited financial statements
for the period ended 30 September 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

| | Sept 2019 | Sept 2018 |
|--|-----------|-----------|
| i. Capital requirement directive (CRD) (%) | 26.63 | 23.41 |
| ii. CET1 (%) | 24.35 | 21.01 |
| iii. Tier 1(%) | 24.63 | 21.41 |
| iv. Leverage ratio (%) | 6.84 | 8.77 |
| v. Non-performing loan (NPL) ratio (%) - Gross basis | 17.84 | 34.75 |
| vi. Non-performing loan (NPL ratio less loss category) (%) | 2.39 | 16.97 |
| vii. Liquid ratio (%) | 96.41 | 78.08 |

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

4. Defaults in Statutory Liquidity and Accompanying Sanctions

| | Sept 2019 | Sept 2018 |
|---|-----------|-----------|
| i. Default in statutory liquidity (times) | Nil | Nil |
| ii. Sanctions (GH¢) | Nil | Nil |

Standard Chartered Bank Ghana Limited

Notes to the unaudited financial statements
for the period ended 30 September 2019

5. Interest income

| | Sept 2019 | Sept 2018 |
|---------------------------------|----------------|----------------|
| | GH¢'000 | GH¢'000 |
| Cash & cash equivalent | 35,802 | 42,216 |
| Loans and advances to customers | 202,727 | 157,090 |
| Investment securities | <u>296,182</u> | <u>253,198</u> |
| | <u>534,711</u> | <u>452,504</u> |

6. Interest expense

| | Sept 2019 | Sept 2018 |
|-------------------------|----------------|---------------|
| | GH¢'000 | GH¢'000 |
| Deposits from banks | 30,692 | 28,089 |
| Deposits from customers | <u>80,103</u> | <u>61,133</u> |
| | <u>110,795</u> | <u>89,221</u> |

7. Net Impairment on financial Assets

| | Sept 2019 | Sept 2018 |
|---------------------------|----------------|---------------|
| | GH¢'000 | GH¢'000 |
| Specific Provisions | 98,598 | 77,382 |
| Expected Credit Loss(ECL) | <u>(3,671)</u> | <u>16,429</u> |
| | <u>94,927</u> | <u>93,811</u> |

8. Personnel expenses

| | Sept 2019 | Sept 2018 |
|---------------------------------------|----------------|----------------|
| | GH¢'000 | GH¢'000 |
| Wages, salaries, bonus and allowances | 98,199 | 87,167 |
| Social security costs | 9,114 | 8,071 |
| Pension and retirement benefits | 5,054 | 4,590 |
| Training | 1,076 | 630 |
| Other staff costs | <u>20,204</u> | <u>18,807</u> |
| | <u>133,647</u> | <u>119,265</u> |

Standard Chartered Bank Ghana Limited

Notes to the unaudited financial statements
for the period ended 30 September 2019

9. Depreciation and amortisation

| | Sept 2019 GH¢'000 | Sept 2018 GH¢'000 |
|---------------------------------|----------------------|----------------------|
| Leasehold premises | 2,106 | 1,758 |
| Plant | 144 | 250 |
| Computer equipment | 5,070 | 1,821 |
| Office equipment | 393 | 262 |
| Furniture & fixtures | 1,498 | 678 |
| Leased property assets (IFRS16) | <u>14,470</u> | <u>-</u> |
| | 23,681 | 4,768 |
| Amortn acquired intangible | = | <u>883</u> |
| | <u>23,681</u> | <u>5,652</u> |

10. Other expenses

| | Sept 2019 GH¢'000 | Sept 2018 GH¢'000 |
|---------------------------|----------------------|----------------------|
| Advertising and marketing | 5,200 | 4,773 |
| Donations and sponsorship | 52 | - |
| Premises and equipment | 25,334 | 16,177 |
| Administrative | 43,660 | 28,100 |
| Redundancy cost | 6,079 | 8 |
| Others | <u>1,724</u> | <u>11,966</u> |
| | <u>82,049</u> | <u>61,024</u> |

11. Cash and cash equivalents

| | Sept 2019 GH¢'000 | Sept 2018 GH¢'000 |
|------------------------------------|-------------------------|-------------------------|
| Cash and balances with other banks | 195,780 | 109,175 |
| Unrestricted balances with BoG | 2,218,928 | 1,188,898 |
| Vostro balances with BoG | 611,759 | 451,628 |
| Placements | <u>45,788</u> | <u>276,167</u> |
| | <u>3,072,255</u> | <u>2,025,868</u> |

11a. Unrestricted balances with BoG

| | Sept 2019 GH¢'000 | Sept 2018 GH¢'000 |
|------------------|-------------------------|-------------------------|
| Local currency | 693,021 | 427,590 |
| Foreign currency | <u>1,525,907</u> | 761,308 |
| | <u>2,218,928</u> | <u>1,188,898</u> |

Standard Chartered Bank Ghana Limited

Notes to unaudited financial statements

for the period ended 30 September 2019

12. Loans and advances to customers

| | Sept 2019 | Sept 2018 |
|---------------------------------|------------------|------------------|
| | GH¢'000 | GH¢'000 |
| Individuals | 486,380 | 453,504 |
| Public and private institutions | 1,513,852 | 1,341,281 |
| Staff | <u>147,100</u> | <u>151,641</u> |
| Gross loans and advances | 2,147,332 | 1,946,426 |
| Interest in suspense | (320,815) | (401,434) |
| Impairment allowance | <u>(133,246)</u> | <u>(371,796)</u> |
| Net loans and advances | <u>1,693,271</u> | <u>1,173,196</u> |

13. Property, plant and equipment

| | Sept 2019 | Sept 2018 |
|---------------------------------|----------------|---------------|
| | GH¢'000 | GH¢'000 |
| Leased property asset (IFRS 16) | 213,617 | - |
| Leasehold property | 28,382 | 11,665 |
| Computer equipment | 17,844 | 7,350 |
| Furniture & fittings | 7,758 | 4,972 |
| Office equipment | 1,414 | 816 |
| Plant | 796 | 989 |
| Work in progress | <u>13,264</u> | <u>21,888</u> |
| | <u>283,075</u> | <u>47,680</u> |

14. Other assets

| | Sept 2019 | Sept 2018 |
|-------------------------------------|----------------|----------------|
| | GH¢'000 | GH¢'000 |
| Accounts receivable and prepayments | 75,790 | 29,765 |
| LC acceptance | 97,153 | 160,576 |
| Accrued interest receivable | 118,038 | 107,446 |
| Impersonal accounts | <u>43,409</u> | <u>10,926</u> |
| | <u>334,390</u> | <u>308,713</u> |


Standard Chartered Bank Ghana Limited

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

15. Other liabilities

| | Sept 2019 | Sept 2018 |
|------------------------------|----------------|----------------|
| | GH¢'000 | GH¢'000 |
| Accrued interest payable | 25,037 | 9,478 |
| LC acceptance | 97,153 | 160,576 |
| Provisions | 69,804 | 79,111 |
| lease liability (IFRS 16) | 221,914 | - |
| Other creditors and accruals | <u>256,090</u> | <u>41,567</u> |
| | <u>669,998</u> | <u>290,732</u> |

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


.....
Mansa Nettey
Director


.....
Kweku Nimfah-Essuman
Director