

Standard Chartered Bank Ghana Limited

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Unaudited financial statements

30 June 2020

Standard Chartered Bank Ghana Limited

Corporate information

Board of directors

Dr. Emmanuel Oteng Kumah (Chairman)
Mansa Nettey (Managing Director)
Kweku Nimfah-Essuman
Sheikh Jobe
Harriet-Ann Omobolanle Adesola
Professor (Mrs) Akua Kuenyehia
Mr. Ebenezer Twum Asante
Kwabena Nifa Aning

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

Share Registry Department
GCB Bank Limited
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 comprehensive income
for the period ended 30 June 2020

	Note	2020 GH¢'000	2019 GH¢'000
Interest income	5	359,883	350,835
Interest expense	6	<u>(70,566)</u>	<u>(68,234)</u>
Net interest income		<u>289,317</u>	<u>282,601</u>
Fees and commission income	7	83,185	59,637
Fees and commission expense		<u>(5,929)</u>	<u>(8,424)</u>
Net fee and commission income		<u>77,256</u>	<u>51,213</u>
Net trading income		117,205	85,397
Net income from other financial instruments carried at fair value		<u>(6,565)</u>	<u>(3,715)</u>
Total other and trading income		<u>110,640</u>	<u>81,682</u>
Operating income		477,213	415,496
Net impairment charge on financial assets	8	<u>(7,114)</u>	<u>(74,589)</u>
Operating income net of impairment charges		<u>470,099</u>	<u>340,907</u>
Personnel expenses	9	(101,580)	(89,858)
Operating lease expenses		(483)	(8,336)
Depreciation and amortisation	10	(16,937)	(15,272)
Other expenses	11	<u>(53,307)</u>	<u>(37,353)</u>
		<u>(172,307)</u>	<u>(150,819)</u>
Profit before income tax		297,792	190,088
Income tax expense:			
Corporate tax		(74,448)	(47,522)
National Fiscal Stabilization Levy		<u>(14,890)</u>	<u>(9,504)</u>
Profit for the period:		<u>208,454</u>	<u>133,062</u>
Basic earnings per share (Ghana Cedis per share)		<u>1.54</u>	<u>0.99</u>
Diluted earnings per share (Ghana Cedis per share)		<u>1.54</u>	<u>0.99</u>

Standard Chartered Bank Ghana Limited
Unaudited statement of financial position at 30 June 2020

	Note	2020 GH¢'000	2019 GH¢'000
Assets			
Cash and cash equivalents	12	2,272,766	2,376,729
Derivative assets held for risk management		9,667	765
Non-pledged trading assets		96,408	24,773
Loans to other banks		200,000	284,065
Loans and advances to customers	13	1,796,372	1,429,246
Investment securities		2,817,161	2,211,066
Current tax assets		7,415	31,896
Property, plant and equipment	14	267,286	275,977
Equity investment		1	1
Other assets	15	<u>905,537</u>	<u>326,463</u>
Total assets		<u>8,372,613</u>	<u>6,960,981</u>
Liabilities			
Deposits from other financial institutions		362,913	358,748
Deposits from customers		5,367,677	4,588,803
Borrowings		396,718	289,245
Derivative liabilities held for risk management		9,460	-
Deferred tax liability		23,488	4,483
Other liabilities	16	<u>784,822</u>	<u>679,892</u>
Total liabilities		<u>6,945,078</u>	<u>5,921,171</u>
Shareholders' funds			
Stated capital		400,000	400,000
Income surplus		495,675	322,051
Reserve fund		370,122	299,658
Credit risk reserve		138,518	26,284
Other reserves		<u>23,220</u>	<u>(8,183)</u>
Total shareholders' funds		<u>1,427,535</u>	<u>1,039,810</u>
Total liabilities and shareholders' funds		<u>8,372,613</u>	<u>6,960,981</u>

These financial statements were approved by the Board of Directors on 29th July 2020 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 2020

2020	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 2020	400,000	317,043	370,122	109,518	(29,823)	1,166,860
<i>Movement during the period</i>						
Profit for the period	-	208,454	-	-	-	208,454
Dividend paid	-	(822)	-	-	-	(822)
Transfer to credit reserve	-	(29,000)	-	29,000	-	-
FVOCI-debt securities	-	-	-	-	53,043	53,043
As at 30 June 2020	<u>400,000</u>	<u>495,675</u>	<u>370,122</u>	<u>138,518</u>	<u>23,220</u>	<u>1,427,535</u>

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	126,646	(8,701)	1,047,819

Movement during the period

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
As at 30 June 2019	<u>400,000</u>	<u>322,051</u>	<u>299,658</u>	<u>26,284</u>	<u>(8,183)</u>	<u>1,039,810</u>

Standard Chartered Bank Ghana Limited

Unaudited statement of cash flows

for the period ended 30 June 2020

	2020	2019
	GH¢'000	GH¢'000
Cash flows from operating activities		
Profit before tax for the period	297,792	199,088
<i>Adjustments for:</i>		
Depreciation and amortisation	16,937	15,272
Impairment on financial Assets	7,114	74,589
Net interest income	<u>(289,317)</u>	<u>(282,601)</u>
	32,526	(2,652)
<i>Change in:</i>		
Trading assets	69,333	30,293
Investment securities	(467,776)	(546,154)
Derivate assets held for risk management	4,167	1,683
Loans to other banks	(83,792)	(261,450)
Loans and advances to customers	(32,820)	(201,741)
Other assets	(633,047)	89,779
Deferred tax	98	4,483
Derivate liabilities held for risk management	4,078	(3,787)
Deposits from customers	(51,627)	286,731
Deposits from banks	191,946	314,144
Current tax asset	55,825	(31,896)
Other liabilities and provisions	<u>330,506</u>	<u>298,089</u>
	(580,583)	22,478
Interest received	343,802	327,471
Interest paid	(46,319)	(43,389)
Income tax paid	<u>(33,505)</u>	<u>(47,990)</u>
Net cash used (in)/ from operating activities	<u>(316,605)</u>	<u>213,614</u>
Cash flows in investing activities		
Property, plant and equipment change	<u>1,373</u>	<u>(226,403)</u>
Net cash used from / (in) investing activities	<u>1,373</u>	<u>(226,403)</u>
Cash flows from financing activities		
Dividend paid	<u>(822)</u>	<u>(141,589)</u>
Net cash used in financing activities	<u>(822)</u>	<u>(141,589)</u>
Net increase in cash and cash equivalents	(316,054)	(154,378)
Cash and cash equivalents at 1 January	<u>2,588,820</u>	<u>2,531,107</u>
Cash and cash equivalents at 30 June	<u>2,272,766</u>	<u>2,376,729</u>

Standard Chartered Bank Ghana Limited

Notes to the unaudited financial statements

for the period ended 30 June 2020

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

	2020	2019
i. Capital requirement directive (CRD) (%)	30.58	27.08
ii. CET (%)	28.33	24.79
iii. Tier 1(%)	28.58	25.08
iv. Leverage ratio (%)	9.84	9.29
v. Non-performing loan (NPL) ratio (%) - Gross basis	24.19	22.36
vi. Non-performing loan (NPL ratio less loss category) (%)	7.67	7.55
vii. Liquid ratio (%)	90.66	96.00

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 2020 are consistent with those followed for the year ended 31 December 2019.

4. Defaults in Statutory Liquidity and Accompanying Sanctions

	2020	2019
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 June 2020

5. Interest income

	2020	2019
	GH¢'000	GH¢'000
Cash & cash equivalent	15,953	23,594
Loans and advances to customers	155,499	136,649
Investment securities	<u>188,431</u>	<u>190,592</u>
	<u>359,883</u>	<u>350,835</u>

6. Interest expense

	2020	2019
	GH¢'000	GH¢'000
Deposits from banks	29,839	25,831
Deposits from customers	<u>40,727</u>	<u>42,403</u>
	<u>70,566</u>	<u>68,234</u>

7. Fee and Commission Income

	2020	2019
	GH¢'000	GH¢'000
Arrangement fees	22,691	22,561
Cards	11,488	13,319
Insurance	2,786	2,061
Remittances	9,293	7,702
Others	<u>36,927</u>	<u>13,994</u>
	<u>83,185</u>	<u>59,637</u>

8. Net Impairment on financial Assets

	2020	2019
	GH¢'000	GH¢'000
Specific Provisions	9,221	80,563
Expected Credit Loss (ECL)	<u>(2,107)</u>	<u>(5,974)</u>
	<u>7,114</u>	<u>74,589</u>

9. Personnel expenses

	2020	2019
	GH¢'000	GH¢'000
Wages, salaries, bonus and allowances	75,774	65,410
Social security costs	6,815	5,975
Pension and retirement benefits	4,466	3,240
Training	306	1,143
Other staff costs	<u>14,219</u>	<u>14,090</u>
	<u>101,580</u>	<u>89,858</u>

Standard Chartered Bank Ghana Limited

Notes to the unaudited financial statements

for the period ended 30 June 2020

10. Depreciation and amortisation

	2020	2019
	GH¢'000	GH¢'000
Leasehold premises	1,240	1,404
Plant	83	96
Computer Equipment	3,519	3,316
Office Equipment	360	252
Furniture & Fixtures	1,075	974
Leased Property Assets (IFRS16)	<u>10,660</u>	<u>9,230</u>
	<u>16,937</u>	<u>15,272</u>

10. Other expenses

	2020	2019
	GH¢'000	GH¢'000
Advertising and marketing	3,842	3,550
Donations and sponsorship	1,108	52
Premises and equipment	15,998	8,309
Administrative	29,352	24,532
Others	<u>3,007</u>	<u>910</u>
	<u>53,307</u>	<u>37,353</u>

11. Cash and cash equivalents

	2020	2019
	GH¢'000	GH¢'000
Cash and balances with other banks	172,322	149,307
Unrestricted balances with BoG	1,970,568	1,952,206
Vostro balances with BoG	129,876	231,804
Placements	<u>-</u>	<u>43,412</u>
	<u>2,272,766</u>	<u>2,376,729</u>

11a. Unrestricted balances with BoG

	2020	2019
	GH¢'000	GH¢'000
Local currency	495,131	508,160
Foreign currency	<u>1,475,437</u>	<u>1,444,046</u>
	<u>1,970,568</u>	<u>1,952,206</u>

Standard Chartered Bank Ghana Limited

Notes to unaudited financial statements
for the period ended 30 June 2020

12. Loans and advances

	2020	2019
	GH¢'000	GH¢'000
Individuals	519,658	656,351
Public and private institutions	1,565,046	1,115,242
Staff	<u>154,216</u>	<u>150,410</u>
Gross loans and advances	2,238,920	1,922,003
Interest in suspense	(297,176)	(326,971)
Impairment allowance	<u>(145,372)</u>	<u>(165,786)</u>
Net loans and advances	<u>1,796,372</u>	<u>1,429,246</u>

13. Property, plant and equipment

	2020	2019
	GH¢'000	GH¢'000
Leased property asset (IFRS 16)	211,067	213,684
Leasehold property	28,008	29,083
Computer equipment	15,380	19,598
Furniture & fittings	6,481	8,282
Office equipment	2,159	1,555
Plant	665	845
Work in progress	<u>3,526</u>	<u>2,930</u>
	<u>267,286</u>	<u>275,977</u>

14. Other assets

	2020	2019
	GH¢'000	GH¢'000
Accounts receivable and prepayments	181,381	64,950
LC acceptance	140,903	133,853
Accrued interest receivable	114,295	103,668
Impersonal accounts	58,256	23,992
Unsettled trade	<u>410,702</u>	-
	<u>905,537</u>	<u>326,463</u>

Standard Chartered Bank Ghana Limited

Notes to unaudited financial statements

for the period ended 30 June 2020

15. Other liabilities

	2020	2019
	GH¢'000	GH¢'000
Accrued interest payable	15,838	14,941
LC acceptance	140,903	133,853
Provisions	52,270	54,695
lease liability (IFRS 16)	227,780	213,684
Other creditors and accruals	<u>348,031</u>	<u>262,719</u>
	<u>784,822</u>	<u>679,892</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