

Standard Chartered Bank Ghana PLC

Summary consolidated and separate financial statements prepared from the Audited Financial Statements for the year ended 31 December 2022



SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022			
	2022 Bank GH¢'000	Group GH¢'000	2021 Bank GH¢'000
Interest income calculated using the effective interest method	1,008,901	1,008,901	819,932
Interest expense	(201,115)	(201,115)	(192,431)
Net interest income	807,786	807,786	627,501
Fees and commission income	191,440	196,279	170,024
Fees and commission expense	(22,220)	(22,220)	(14,179)
Net fee and commission income	169,220	174,059	155,845
Net trading income	239,390	239,390	268,504
Revenue	1,216,396	1,221,235	1,051,850
Net loss from other financial instruments carried at fair value through profit/(loss)	(1,189)	(1,189)	(378)
Lease modification loss	(8,581)	(8,581)	-
Other income	3,499	3,499	-
Operating income	1,210,125	1,214,964	1,051,472
Net impairment gain/(loss) on Investment securities	(602,086)	(602,086)	(8,506)
Net impairment gain/(loss) on loans and advances, and others	(506,438)	(506,438)	14,398
Lease Impairment	(50,249)	(50,249)	-
Total Impairment	(1,158,773)	(1,158,773)	5,892
Operating income net of impairment charges	51,352	56,191	1,057,364
Personnel expenses	(298,472)	(299,422)	(245,459)
Depreciation	(32,983)	(33,088)	(34,608)
Other expenses	(103,439)	(104,584)	(82,800)
Total operating expenses	(434,894)	(437,094)	(362,867)
(Loss)/profit before income tax	(383,542)	(380,903)	694,497
Income tax credit/(expense)	83,908	83,255	(196,366)
National Fiscal Stabilization Levy	-	(132)	(34,725)
Financial Sector Clean up Levy	-	-	(26,472)
Total tax and levy	83,908	83,123	(257,563)
(Loss)/profit for the year	(299,634)	(297,780)	436,934
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Net gain/(losses) from changes in fair value	(291,146)	(291,146)	(43,619)
Tax on net gain/(losses) from changes in fair value	72,787	72,787	10,905
Expected Credit Loss charge on FVOCI Investment	602,072	602,072	8,506
Tax on charge on FVOCI Investment	(150,518)	(150,518)	(2,127)
Debt investments at FVOCI – reclassified to profit or loss	-	-	229
Total other comprehensive income	233,195	233,195	(26,106)
Total comprehensive (Loss)/income for the year	(66,439)	(64,585)	410,828
Basic (loss)/earnings per share (Ghana Cedi per share)	(2.22)	(2.21)	3.23
Diluted (loss)/earnings per share (Ghana Cedi per share)	(2.22)	(2.21)	3.23

SUMMARY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022			
	2022 Bank GH¢'000	Group GH¢'000	2021 Bank GH¢'000
Assets			
Cash and cash equivalents	3,978,479	3,980,349	3,203,097
Derivative assets held for risk management	69,691	69,691	10,143
Non-pledged trading assets	4,560	4,560	361,964
Loans to other banks	-	-	241,254
Loans and advances to customers	2,050,310	2,050,310	1,886,799
Investment securities	3,473,154	3,473,154	3,761,388
Current tax assets	74,937	75,326	31,649
Deferred tax assets	188,524	188,531	-
Property and equipment	37,958	38,607	47,103
Right-of-use assets	192,667	192,667	194,964
Equity investments	1,001	1	1,001
Other assets	295,723	295,723	381,214
Total assets	10,367,004	10,368,919	10,120,576
Liabilities			
Derivative liabilities held for risk management	70,338	70,338	9,249
Deposits from banks	114,439	114,439	79,690
Deposits from customers	8,183,887	8,183,887	7,554,457
Borrowings	-	-	240,244
Provisions	98,015	98,015	86,228
Deferred tax liabilities	-	-	11,623
Lease liabilities	284,497	284,497	227,428
Other liabilities	288,470	288,531	268,375
Total liabilities	9,039,646	9,039,707	8,477,294

SUMMARY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022 (CONT'D)			
	2022 Bank GH¢'000	Group GH¢'000	2021 Bank GH¢'000
Shareholders' funds			
Stated capital	400,000	400,000	400,000
Income surplus	148,380	150,234	553,412
Reserve fund	568,228	568,228	568,228
Credit risk reserve	-	-	144,087
Other reserves	210,750	210,750	(22,445)
Total shareholders' funds	1,327,358	1,329,212	1,643,282
Total liabilities and shareholders' funds	10,367,004	10,368,919	10,120,576
Net assets value per share (Ghana Cedis per share)	9.78	9.79	12.13

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022			
	2022 Bank GH¢'000	Group GH¢'000	2021 Bank GH¢'000
Cash flows from operating activities			
(Loss)/Profit before tax	(383,542)	(380,903)	694,497
Adjustments for:			
Depreciation	32,983	33,088	34,608
Impairment on financial assets	1,108,524	1,108,524	(5,892)
Lease impairment	50,249	50,249	-
Lease modification Loss	8,581	8,581	-
Net interest income	(807,786)	(807,786)	(627,501)
Unrealised exchange gain/(loss) on trading	(68,881)	(68,881)	(102,614)
Effect of exchange	(9,295)	(9,295)	176,041
	(69,167)	(66,423)	169,139
Change in trading assets (Non-pledge)	357,404	357,404	44,290
Change in derivative assets held for risk management	(59,548)	(59,548)	(4,468)
Change in other assets	85,491	85,491	85,827
Change in loans to other banks	241,254	241,254	(226,254)
Change in loans and advances to customers	(666,787)	(666,787)	(191,586)
Change in derivative liabilities held for risk management	61,089	61,089	9,088
Change in deposits from banks	34,749	34,749	(5,290)
Change in deposits from customers	629,430	629,430	1,802,830
Change in borrowings	(240,244)	(240,244)	153,841
Change in provisions	11,787	11,787	17,168
Change in other liabilities	20,095	18,793	29,220
	405,553	406,995	1,883,805
Interest received	1,067,354	1,067,354	786,418
Interest paid	(170,551)	(170,551)	(191,118)
Income tax paid	(237,359)	(236,178)	(247,826)
Net cash from operating activities	1,064,997	1,067,620	2,231,279

Cash flows from investing activities			
Purchase of investment securities	(30,072,549)	(30,072,549)	(5,949,210)
Sale/redemption of investment securities	30,069,637	30,069,637	4,633,465
Purchase of property and equipment	-	(753)	(4,702)
Net cash used in investing activities	(2,912)	(3,665)	(1,320,447)
Cash flows used in financing activities			
Dividend paid	(249,485)	(249,485)	(234,350)
Lease principal repayment	(46,513)	(46,513)	(21,062)
Investment in Subsidiary	-	-	(1,000)
Net cash used in financing activities	(295,998)	(295,998)	(256,412)
Net increase in cash and cash equivalents	766,087	767,957	654,420
Effect of exchange fluctuation on cash held	9,295	9,295	(176,041)
Cash and cash equivalents at 1 January	3,203,097	3,203,097	2,724,718
Cash and cash equivalents at 31 December	3,978,479	3,980,349	3,203,097

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022						
Bank	Stated capital	Income surplus	Reserve fund	Credit risk reserve	Other reserves	shareholders' fund
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
2022						
Balance at 1 January 2022	400,000	553,412	568,228	144,087	(22,445)	1,643,282
Total Comprehensive income						-
Loss for the year		(299,634)	-	-	-	(299,634)
Other comprehensive income		-	-	-	-	-
Net gain/(losses) from changes in fair value					(291,146)	(291,146)
Tax on net gain/(losses) from changes in fair value					72,787	72,787
Expected Credit Loss charge on FVOCI Investment					602,072	602,072

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022						
Bank	Stated capital	Income surplus	Reserve fund	Credit risk reserve	Other reserves	Total shareholders' fund
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
2022						
Tax on charge on FVOCI Investment		-	-	-	(150,518)	(150,518)
Total Comprehensive income	-	(299,634)	-	-	233,195	(66,439)
Transfers:						-
Transfer from credit risk reserve		144,087	-	(144,087)	-	-
Total Transfers	-	144,087	-	(144,087)	-	-
Transactions with owners of the Group						-
Dividends	-	(249,485)	-	-	-	(249,485)
Total Transactions with owners of the Group		(249,485)				(249,485)
Balance at 31 December 2022	400,000	148,380	568,228	-	210,750	1,327,358

Group	Stated capital	Income surplus	Reserve fund	Credit risk reserve	Other reserves	Total shareholders' fund
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
2022						
Balance at 1 January 2022	400,000	553,412	568,228	144,087	(22,445)	1,643,282
Total Comprehensive income					-	-
Loss for the year		(297,780)			-	(297,780)
Other comprehensive income					-	-
Net gain/(losses) from changes in fair value					(291,146)	(291,146)
Tax on net gain/(losses) from changes in fair value					72,787	72,787
ECL charge on FVOCI Investment					602,072	602,072
Tax on charge on FVOCI Investment		-	-	-	(150,518)	(150,518)
Total Comprehensive income	-	(297,780)	-	-	233,195	(64,585)
Transfers:						-
Transfer from credit risk reserve		144,087	-	(144,087)	-	-
Total Transfers	-	144,087	-	(144,087)	-	-
Transactions with owners of the Group						-
Dividends	-	(249,485)	-	-	-	(249,485)
Total Transactions with owners of the Group		(249,485)				(249,485)
Balance at 31 December 2022	400,000	150,234	568,228	-	210,750	1,329,212

Bank	Stated capital	Income surplus	Reserve fund	Credit risk reserve	Other reserves	Total shareholders' fund
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
2021						
Balance at 1 January 2021	400,000	440,014	513,611	109,518	3,661	1,466,804
Total Comprehensive income						
Profit for the year		436,934				436,934
Other comprehensive income						
Net gain/(losses) from changes in fair value					(43,619)	(43,619)
Tax on net gain/(losses) from changes in fair value					10,905	10,905
ECL charge on FVOCI Investment					8,506	8,506
Tax on charge on FVOCI Investment		-	-	-	(2,127)	(2,127)
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	229	229
Total Comprehensive income	-	436,934	-	-	(26,106)	410,828
Transfers:						
Transfer to credit risk reserve		(34,569)		34,569	-	-
Transfer to reserve funds		(54,617)	54,617		-	-
Total Transfers	-	(89,186)	54,617	34,569	-	-
Transactions with owners of the Bank						
Dividends	-	(234,350)	-	-	-	(234,350)
Total Transactions with owners of the Bank	-	(234,350)	-	-	-	(234,350)
Balance at 31 December 2021	400,000	553,412	568,228	144,087	(22,445)	1,643,282

The summary financial statements presented in this publication are extracts from the audited financial statements for the year ended 31 December 2022, which are available for inspection at the Head Office of Standard Chartered Bank Ghana PLC located at the No. 87 Independence Avenue, Accra.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Basis of preparation
The summary financial statements have been prepared in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions and, in the form, and manner required by the Securities and Exchange Commission Regulations, 2003 as applicable to summary financial statements. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by Institute of Chartered Accountants, Ghana (ICAG).
The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRSs and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements. .
The annual audited financial statements were authorised on the 25 April 2023 for publication.

Quantitative Disclosures	2022	2021
i. Capital adequacy ratio (%)	22.90	33.42
ii. Common Equity Tier 1 (%)	22.75	33.21
iii. Leverage ratio (%)	11.52	11.58
iv. Non-performing loan (NPL) ratio (%) - Gross basis	12.04	23.59
v. Non-performing loan (NPL ratio less loss category) (%)	1.68	2.56
vi. Liquid ratio (%)	62.91	71.05
vii. Contingent liabilities (GH¢'000)	26,684	927
viii. Dividend paid per share (Ghana Cedis per share)	-	1.74

Assumptions and estimation uncertainties that have the most significant risk of resulting in a material adjustment in the year ended 31 December 2022 relate to impairment of financial instruments and the measurement of fair value of financial instruments with significant unobservable units.

Qualitative Disclosures
The Bank's dominant risks are: credit risk, liquidity risk, market risk, and operational risk. The Bank's Risk Management Framework defines the approach to risk management and the framework within which risks are managed and risk-retained trade-offs 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.

Defaults in Statutory Liquidity and Accompanying Sanctions	2022	2021
i. Default in statutory liquidity (times)	Nil	Nil
ii. Sanctions (GH¢)	Nil	Nil
Other Regulatory fine (GH¢ '000)	10,000	3

REPORT OF THE DIRECTORS TO THE MEMBERS OF STANDARD CHARTERED BANK GHANA PLC

Directors' responsibility statement
The Directors are responsible for the preparation of the summary consolidated and separate financial statements comprising the summary statements of financial position as at 31 December 2022 and the summary statements of comprehensive income, changes in equity and cash flows and related notes to the summary financial statements for each financial year which gives a true and fair view of the state of affairs of the Bank. The Directors have prepared these summary financial statements in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions and, in the form, and manner required by the Securities and Exchange Commission Regulations, 2003 as applicable to summary financial statements. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG). The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRSs and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements.

The Directors are responsible for ensuring that the Bank keeps proper accounting records that disclose with reasonable accuracy at any time, the financial positions of the Bank and Group. The Directors are also responsible for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nature of Business
The Bank is licensed to carry out universal banking business in Ghana. There was no change to the Bank's business during the year.

Particulars of entries in the Interests Register during the financial year
No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by 194(6), 195(1) (a) and 196 of the Companies Act 2019, (Act 992).

Parent Company
The Bank is a subsidiary of Standard Chartered Holdings (Africa) B.V., a company incorporated in The Netherlands.

Subsidiaries of the Bank
The Bank directly owns Standard Chartered Wealth Management Limited Company, incorporated in Ghana to distribute mutual funds, sell investments and wealth management products and provide advisory services.

Going concern
The Bank incurred a net loss for the year ended 31 December 2022 of GH¢ 299,634m (2021 GH¢ 436,934m profit) but as of that date its total assets exceeded its total liabilities by GH¢1,335b (2021 GH¢1,646b). Subsequent to the reporting date, the Bank projects an improved performance compared to prior year.

Area of Operations
The Group comprises a network of 21 branches, Main Head Office, and SC Wealth Management Limited Office at Opelbea as at the time of signing this account.

Auditor
The Audit Committee has the responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. Messrs KPMG has been the auditor for the Bank commencing with the financial statements for the year ended 31 December 2018.

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

Signed	Signed
Mansa Nettey	Sheikh Jobe
Executive Director	Executive Director

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

To the Members of Standard Chartered Bank Ghana PLC

Opinion
The summary consolidated and separate financial statements, which comprise the summary statement of financial position at 31 December 2022, and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended and related