

# Stanbic Bank Ghana Limited - Unaudited Half Year Report 2017

## Income statement for the period ended 30 June 2017

	Group		Bank	
	2017 GHS '000	2016 GHS '000	2017 GHS '000	2016 GHS '000
<b>Net interest income</b>	<b>190 641</b>	167 110	<b>190 404</b>	166 825
Interest income	246 028	218 030	245 791	217 745
Interest expense	55 387	50 920	55 387	50 920
<b>Non-interest revenue</b>	<b>134 726</b>	93 005	<b>134 591</b>	92 845
<b>Net fee and commission revenue</b>	<b>72 149</b>	50 546	<b>72 014</b>	50 386
Fee and commission revenue	82 443	60 106	82 308	59 946
Fee and commission expense	10 294	9 560	10 294	9 560
Trading revenue	62 768	40 591	62 768	40 591
Other (loss)/ revenue	( 191)	1 868	( 191)	1 868
<b>Total income</b>	<b>325 367</b>	260 115	<b>324 995</b>	259 670
Credit impairment charges	5 293	46 417	5 293	46 417
<b>Income after credit impairment charges</b>	<b>320 074</b>	213 698	<b>319 702</b>	213 253
<b>Operating expenses</b>	<b>181 136</b>	151 943	<b>180 700</b>	151 499
Staff costs	92 651	80 174	92 417	79 955
Depreciation and amortisation	14 821	9 365	14 835	9 350
Other operating expenses	73 664	62 404	73 448	62 194
<b>Net income before indirect taxation</b>	<b>138 938</b>	61 755	<b>139 002</b>	61 754
Indirect taxation	5 609	1 936	5 609	1 936
<b>Profit before direct taxation</b>	<b>133 329</b>	59 819	<b>133 393</b>	59 818
Direct taxation	40 536	21 557	40 518	21 556
<b>Profit for the period</b>	<b>92 793</b>	38 262	<b>92 875</b>	38 262

## Statement of comprehensive income for the period ended 30 June 2017

	Group		Bank	
	2017 GHS '000	2016 GHS '000	2017 GHS '000	2016 GHS '000
<b>Profit for the period</b>	<b>92 793</b>	38 262	<b>92 875</b>	38 262
<b>Other comprehensive income after tax for the period</b>	<b>9 846</b>	345	<b>9 846</b>	345
<b>Items that may be reclassified subsequently to profit or loss</b>				
Net change in fair value of available-for-sale financial assets	9 846	345	9 846	345
<b>Total comprehensive income for the period</b>	<b>102 639</b>	38 607	<b>102 721</b>	38 607

## Statement of financial position at 30 June 2017

	Group		Bank	
	2017 GHS '000	2016 GHS '000	2017 GHS '000	2016 GHS '000
<b>Assets</b>				
Cash and cash equivalents	1 237 176	1 437 060	1 235 426	1 434 816
Non-pledged Trading assets	756 360	736 274	756 360	736 274
Investments securities	530 391	266 725	529 529	266 498
Loans and advances to customers	1 925 884	1 694 722	1 925 884	1 694 722
Current tax assets	4 495	34 299	4 438	34 299
Deferred tax assets	4 642	18 873	4 642	18 873
Other assets	382 265	178 706	383 549	179 709
Investment (other than securities)	-	-	1 000	1 000
Intangible assets	83 863	72 163	83 849	72 147
Property, plant and equipment	74 181	66 619	74 178	66 614
<b>Total assets</b>	<b>4 999 257</b>	4 505 441	<b>4 998 855</b>	4 504 952
<b>Equity and liabilities</b>				
<b>Equity</b>	<b>800 987</b>	578 002	<b>800 694</b>	577 592
Ordinary share capital	108 241	108 241	108 241	108 241
Reserves	692 746	469 761	692 453	469 351
Income surplus	315 645	86 221	315 353	85 811
Statutory reserve	177 651	158 718	177 651	158 718
Statutory credit risk reserve	182 084	223 631	182 084	223 631
Available for sale reserve	16 638	( 551)	16 638	( 551)
Other reserve	728	1 742	727	1 742
<b>Liabilities</b>	<b>4 198 270</b>	3 927 439	<b>4 198 161</b>	3 927 360
Trading liabilities	199 897	165 266	199 897	165 266
Deposit and current accounts	3 609 198	3 201 125	3 609 198	3 201 125
Deposits from banks	238 697	186 498	238 697	186 498
Deposits from customers	3 370 501	3 014 627	3 370 501	3 014 627
Provisions and other liabilities	267 306	502 034	267 197	501 955
Borrowings	121 869	59 014	121 869	59 014
<b>Total equity and liabilities</b>	<b>4 999 257</b>	4 505 441	<b>4 998 855</b>	4 504 952

## Statement of cash flows for the year ended 30 June 2017

	Group		Bank	
	2017 GHS '000	2016 GHS '000	2017 GHS '000	2016 GHS '000
<b>Net cash from operating activities</b>	<b>(812 191)</b>	(150 267)	<b>(812 232)</b>	(150 147)
<b>Cash flows from operations</b>	<b>(962 040)</b>	(255 851)	<b>(960 889)</b>	(255 555)
Profit before indirect and direct taxation	138 939	61 755	139 002	61 754
Adjusted for:	(173 846)	(110 246)	(173 595)	(109 976)
Amortisation of intangible assets	3 408	468	3 422	454
Credit impairment charges on loans and advances	5 293	46 417	5 293	46 417
Depreciation of property and equipment	11 413	8 897	11 413	8 896
Equity-linked transactions	647	-	647	-
Interest expense	55 387	50 920	55 387	50 920
Interest income	(246 028)	(218 030)	(245 791)	(217 745)
Indirect tax - VAT	(5 609)	(1 936)	(5 609)	(1 936)
Fair value adjustment on financial instruments	1 612	3 018	1 612	3 018
(Gain)/loss on sale of property and equipment	31	-	31	-
Increase in income-earning assets	( 419 817)	(394 523)	( 419 977)	-393,543
Increase in deposits, provisions and other liabilities	(507 316)	187 163	(506 319)	186 210
<b>Interest paid</b>	<b>(55 330)</b>	(51 430)	<b>(56 319)</b>	(51 430)
<b>Interest received</b>	<b>242 369</b>	205 744	<b>242 141</b>	205 567
<b>Direct taxation paid</b>	<b>(37 190)</b>	(48 730)	<b>(37 165)</b>	(48 729)
<b>Net cash used in investing activities</b>	<b>(13 131)</b>	(82 674)	<b>(13 131)</b>	(82 673)
Capital expenditure on - property, equipment, furniture and vehicles	(13 182)	(10 073)	(13 182)	(10 072)
Proceeds from sale of property, equipment, furniture and vehicles	51	(72 601)	51	(72 601)
<b>Net cash from financing activities</b>	<b>(7 280)</b>	3 215	<b>(7 280)</b>	3 215
Net (decrease)/increase in borrowings	(7 280)	3 215	(7 280)	3 215
<b>Net increase in cash and cash equivalents</b>	<b>(832 602)</b>	(229 726)	<b>(832 643)</b>	(229 605)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2 069 778</b>	1 666 786	<b>2 068 069</b>	1 664 421
<b>Cash and cash equivalents at the end of the period</b>	<b>1 237 176</b>	1 437 060	<b>1 235 426</b>	1 434 816

### 1. Significant Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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

	June 2017	June 2016	June 2015
i) Non- performing loan (NPL) ratio	14.04%	24.46%	5.96%
ii) Capital Adequacy Ratio	19.41%	12.18%	12.69%
iii) Default in statutory liquidity (Number of times)	Nil	Nil	Nil
iv) Statutory liquidity default sanction (GHS)	Nil	Nil	Nil
v) Operational loss ratio	-0.18%	0.05%	0.39%

### 3. Qualitative Disclosures

The principal risks that the Bank is exposed to are credit, liquidity, market and operational risk.

#### Objectives, policies and processes for managing risks

##### Credit risk

Credit risk of the bank is managed in accordance with a comprehensive risk management control framework. Credit quality of financial assets is managed by the Bank using internal credit ratings for individual counterparties and ratios for portfolios among others.

##### Liquidity risk

The Bank's liquidity management framework is designed to measure and manage liquidity positions such that increasing funding requirements and payment obligations can be met at all times under both normal and considerably stressed conditions. Liquidity risk standards are monitored in line with regulatory requirement.

##### Operational risk

The Bank recognizes the significance of operational risk in all aspects of its business. The tools for achieving the objective of minimal losses resulting from operational risk include operational loss reports, Risk Control Self-Assessment (RCSA) process and use of Key Risk Indicators (KRI)

##### Market risk

The Assets and Liability Committee (ALCO) of the Bank sets limits on the minimum proportion of maturity funds available to meet periodic calls and the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand. The techniques used to measure and control market risk include variable rates quotations on loans and advances, swap arrangements, value at risk measurement and stress testing. Sensitivity analyses are carried out for interest rate and currency risks under various scenarios for the banking book.