

Stanbic Bank Ghana Limited – Unaudited 3rd Quarter 2017 Report

Income statement for the period ended 30 September 2017

	Group		Bank	
	2017 GHS '000	2016 GHS '000	2017 GHS '000	2016 GHS '000
Net interest income	287 258	265 481	286 900	265 048
Interest income	359 046	339 063	358 688	338 630
Interest expense	71 788	73 582	71 788	73 582
Non-interest revenue	200 358	141 204	200 189	141 014
Net fee and commission revenue	110 459	78 192	110 290	78 002
Fee and commission revenue	126 005	92 476	125 836	92 286
Fee and commission expense	15 546	14 284	15 546	14 284
Trading revenue	90 184	61 206	90 184	61 206
Other (loss)/ revenue	(285)	1 806	(285)	1 806
Total income	487 616	406 685	487 089	406 062
Credit impairment charges	23 163	52 045	23 163	52 045
Income after credit impairment charges	464 453	354 640	463 926	354 017
Operating expenses	280 586	237 342	280 005	236 695
Staff costs	143 076	123 042	142 716	122 735
Depreciation and amortisation	22 500	15 963	22 499	15 939
Other operating expenses	115 010	98 337	114 790	98 021
Net income before indirect taxation	183 867	117 298	183 921	117 322
Indirect taxation	8 741	3 533	8 741	3 533
Profit before direct taxation	175 126	113 765	175 180	113 789
Direct taxation	53 235	38 341	53 235	38 347
Profit for the period	121 891	75 424	121 945	75 442

Statement of comprehensive income for the period ended 30 September 2017

	Group		Bank	
	2017 GHS '000	2016 GHS '000	2017 GHS '000	2016 GHS '000
Profit for the period	121 891	75 424	121 945	75 442
Other comprehensive income after tax for the period	4 971	541	4 971	541
Items that may be reclassified subsequently to profit or loss				
Net change in fair value of available-for-sale financial assets	4 971	541	4 971	541
Total comprehensive income for the period	126 862	75 965	126 916	75 983

Statement of cash flows for the period ended 30 September 2017

	Group		Bank	
	2017 GHS '000	2016 GHS '000	2017 GHS '000	2016 GHS '000
Net cash from operating activities	(550 040)	194 885	(550 156)	194 614
Cash flows from operations	(739 772)	498	(739 812)	539
Profit before indirect and direct taxation	183 867	117 298	183 921	117 322
Adjusted for:	(249 395)	(201 781)	(249 038)	(201 372)
Amortisation of intangible assets	5 134	2 382	5 134	2 361
Credit impairment charges on loans and advances	23 163	52 045	23 163	52 045
Depreciation of property and equipment	17 366	13 581	17 365	13 578
Equity-linked transactions	434	434	434	434
Interest expense	71 788	73 582	71 788	73 582
Interest income	(359 046)	(339 063)	(358 688)	(338 630)
Indirect tax - VAT	(8 741)	(3 533)	(8 741)	(3 533)
Fair value adjustment on financial instruments	436	(1 293)	436	(1 293)
Loss on sale of property and equipment	71	84	71	84
Increase in income-earning assets	(355 887)	(198 278)	(356 304)	(198 548)
(Decrease)/Increase in deposits, provisions and other liabilities	(318 357)	283 259	(318 391)	283 137
Interest expense paid	(69 708)	(71 424)	(69 708)	(71 424)
Interest income received	315 208	314 541	315 112	314 228
Direct taxation paid	(55 768)	(48 730)	(55 748)	(48 729)
Net cash used in investing activities	(20 362)	(107 671)	(20 362)	(107 671)
Capital expenditure on - property, equipment, furniture and vehicles	(20 478)	(16 535)	(20 478)	(16 535)
- intangible assets	-	(91 343)	-	(91 343)
Proceeds from sale of property, equipment, furniture and vehicles	116	207	116	207
Net cash from financing activities	(7 280)	3 215	(7 280)	3 215
Net (decrease)/increase in borrowings	(7 280)	3 215	(7 280)	3 215
Net increase in cash and cash equivalents	(577 682)	90 429	(577 798)	90 158
Cash and cash equivalents at the beginning of the period	2 069 778	1 521 544	2 068 069	1 519 552
Cash and cash equivalents at the end of the period	1 492 096	1 611 973	1 490 271	1 609 710

Statement of financial position at 30 September 2017

	Group		Bank	
	2017 GHS '000	2016 GHS '000	2017 GHS '000	2016 GHS '000
Assets				
Cash and cash equivalents	1 492 096	1 611 973	1 490 271	1 609 710
Pledged assets	129 851	-	129 851	-
Non-pledged Trading assets	407 943	633 024	407 943	633 024
Investments securities	543 822	276 819	542 951	276 580
Loans and advances to customers	1 935 160	1 737 078	1 935 160	1 737 078
Current tax assets	11 360	20 547	11 278	20 499
Deferred tax assets	5 299	15 816	5 299	15 816
Other assets	537 483	186 480	538 907	187 530
Investment (other than securities)	-	-	1 000	1 000
Intangible assets	82 080	88 991	82 080	88 982
Property, plant and equipment	75 600	65 058	75 598	65 054
Total assets	5 220 694	4 635 786	5 220 338	4 635 273
Equity and liabilities				
Equity	825 355	615 608	825 033	615 217
Ordinary share capital	108 241	108 241	108 241	108 241
Reserves	717 114	507 367	716 792	506 976
Income surplus	339 949	123 342	339 629	122 991
Statutory reserve	177 651	158 718	177 651	158 718
Statutory credit risk reserve	186 878	224 155	186 878	224 155
Available for sale reserve	11 763	(355)	11 763	(355)
Other reserve	873	1 507	871	1 467
Liabilities	4 395 339	4 020 178	4 395 305	4 020 056
Trading liabilities	312 324	179 128	312 324	179 128
Deposit and current accounts	3 682 880	3 594 701	3 682 880	3 594 701
Deposits from banks	149 435	142 257	149 435	142 257
Deposits from customers	3 533 445	3 452 444	3 533 445	3 452 444
Provisions and other liabilities	277 247	187 814	277 213	187 692
Borrowings	122 888	58 535	122 888	58 535
Total equity and liabilities	5 220 694	4 635 786	5 220 338	4 635 273

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

	September 2017	September 2016	September 2015
i) Non- performing loan (NPL) ratio	13.82%	21.50%	13.86%
ii) Capital Adequacy Ratio	18.89%	14.71%	13.93%
iii) Default in statutory liquidity (Number of times)	Nil	Nil	Nil
iv) Statutory liquidity default sanction (GHS)	Nil	Nil	Nil
v) Operational loss ratio	0.06%	0.26%	0.62%

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 such 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.