

# Stanbic Bank Ghana Limited and its Subsidiary

Audited Summary Separate and Consolidated Financial Statements for the year ended 31 December 2019

## Summary statements of comprehensive income for the year ended 31 December 2019

	Group		Bank	
	2019 GHS'000	2018 GHS'000	2019 GHS'000	2018 GHS'000
<b>Net interest income</b>	532,267	466,325	531,884	465,834
Interest income	681,208	549,984	680,796	549,493
Interest expense	(148,941)	(83,659)	(148,912)	(83,659)
<b>Non-interest revenue</b>	443,172	331,316	443,035	330,627
Net fee and commission revenue	220,893	193,698	220,756	193,009
Fee and commission revenue	255,722	219,239	255,585	218,550
Fee and commission expense	(34,829)	(25,541)	(34,829)	(25,541)
Trading revenue	222,218	137,715	222,218	137,715
Other gain / ( loss)	61	(97)	61	(97)
<b>Total income</b>	975,439	797,641	974,919	796,461
Credit impairment charges	(53,867)	(38,680)	(53,792)	(38,678)
<b>Income after credit impairment charges</b>	921,572	758,961	921,127	757,783
<b>Operating expenses</b>	(510,667)	(423,226)	(509,603)	(421,930)
Staff costs	(270,164)	(226,776)	(269,458)	(226,192)
Depreciation and amortisation	(75,722)	(35,131)	(75,679)	(35,131)
Other operating expenses	(164,781)	(161,319)	(164,466)	(160,607)
<b>Net income before indirect taxation</b>	410,905	335,735	411,524	335,853
Indirect taxation	(15,633)	(12,890)	(15,609)	(12,882)
<b>Profit before direct taxation</b>	395,272	322,845	395,915	322,971
Direct taxation	(114,618)	(96,824)	(114,618)	(96,824)
<b>Profit for the year</b>	280,654	226,021	281,297	226,147
<b>Other comprehensive income</b>				
<i>Items that may not be reclassified subsequently to profit or loss:</i>				
	(385)	(10,196)	(385)	(10,196)
Defined benefit fund remeasurements	(385)	(10,196)	(385)	(10,196)
<b>Total comprehensive income for the year</b>	280,269	215,825	280,912	215,951

## Summary statements of cash flows for the year ended 31 December 2019

	Group		Bank	
	2019 GHS'000	2018 GHS'000	2019 GHS'000	2018 GHS'000
<b>Net cash flows from operating activities</b>	1,480,198	64,989	1,482,106	66,446
<b>Cash flows used in operations</b>	1,050,761	(222,038)	1,053,077	(220,114)
Profit before tax	395,272	322,845	395,915	322,971
Adjusted for:	(399,741)	(394,536)	(399,476)	(394,047)
Credit impairment charges on loans and advances	53,867	38,680	53,792	38,678
Depreciation of property, equipment and right of use assets	67,931	28,286	67,888	28,286
Amortisation of intangible asset	7,791	6,845	7,791	6,845
Equity-settled share-based payments	-	579	-	579
Interest expense	148,941	83,659	148,912	83,659
Interest income	(681,208)	(549,984)	(680,796)	(549,493)
Fair value adjustment on financial instrument	2,991	(2,657)	2,991	(2,657)
(Profit) / loss on sale of property and equipment	(54)	56	(54)	56
Increase in income-earning assets	(1,870,939)	(906,340)	(1,869,015)	(905,238)
Increase in deposits and other liabilities	2,926,169	755,993	2,925,653	756,200
Interest paid	(144,320)	(80,504)	(144,291)	(80,504)
Interest received	651,416	499,119	650,979	498,652
Direct taxation paid	(77,659)	(131,588)	(77,659)	(131,588)
<b>Net cash flows used in investing activities</b>	(44,870)	(37,705)	(44,870)	(39,205)
Capital expenditure on property and equipment	(32,608)	(37,767)	(32,608)	(37,767)
Capital expenditure on intangible assets	(12,322)	-	(12,322)	-
Proceeds from sale of property, equipment and right of use assets	60	62	60	62
Investment in subsidiary	-	-	-	(1,500)
<b>Net cash flows used in financing activities</b>	(118,362)	-	(118,302)	-
Repayment of subordinated debt	(65,938)	-	(65,938)	-
Principal element of lease payment	(52,424)	-	(52,364)	-
<b>Net increase in cash and cash equivalents</b>	1,316,966	27,284	1,318,934	27,241
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(98,390)	(53,175)	(98,390)	(53,175)
<b>Cash and cash equivalents at beginning of the year</b>	1,709,104	1,734,995	1,707,136	1,733,070
<b>Cash and cash equivalents at end of the year</b>	2,927,680	1,709,104	2,927,680	1,707,136

## Summary statements of financial position at 31 December 2019

	Group		Bank	
	2019 GHS'000	2018 GHS'000	2019 GHS'000	2018 GHS'000
<b>Assets</b>				
Cash and cash equivalents	2,927,680	1,709,104	2,927,680	1,707,136
Non-pledged trading assets	642,833	634,614	642,833	634,614
Investment securities	671,064	685,248	668,394	682,264
Loans and advances to customers	3,946,591	2,584,735	3,946,591	2,584,735
Current tax assets	19,938	54,790	19,849	54,692
Other assets	779,826	375,208	780,447	377,767
Investment in subsidiary	-	-	2,500	2,500
Intangible assets	78,112	73,581	78,112	73,581
Property, equipment and right of use assets	229,442	87,730	229,276	87,729
<b>Total assets</b>	9,295,486	6,205,010	9,295,682	6,205,018
<b>Equity</b>	1,355,643	1,075,374	1,356,202	1,075,290
Stated capital	414,213	414,213	414,213	414,213
Reserves	941,430	661,161	941,989	661,077
Retained earnings	479,006	223,032	479,565	222,948
Statutory reserve	388,019	317,695	388,019	317,695
Statutory credit risk reserve	73,732	119,761	73,732	119,761
Other reserve	673	673	673	673
<b>Liabilities</b>	7,939,843	5,129,636	7,939,480	5,129,728
Trading liabilities	102,539	127,360	102,539	127,360
Deposit and current accounts	7,284,411	4,501,166	7,284,454	4,501,390
Deposits from banks	529,142	218,855	529,142	218,855
Deposits from customers	6,755,269	4,282,311	6,755,312	4,282,535
Deferred tax liabilities	2,226	110	2,226	110
Provisions and other liabilities	467,111	366,778	466,705	366,646
Subordinated debt	83,556	134,222	83,556	134,222
<b>Total equity and liabilities</b>	9,295,486	6,205,010	9,295,682	6,205,018

## Summary statements of changes in equity for the year ended 31 December 2019

Group	Stated capital	Statutory credit risk reserve	Statutory reserve	Retained earnings	Share-based payment reserve	Ordinary shareholders' equity
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
<b>Balance at 1 January 2018</b>	108,241	68,123	204,621	494,762	94	875,841
<b>Total comprehensive income for the year</b>	-	-	-	215,825	-	215,825
Profit for the year	-	-	-	226,021	-	226,021
Other comprehensive income/(loss) for the year	-	-	-	(10,196)	-	(10,196)
Transfer from statutory credit risk reserve	-	51,638	-	(51,638)	-	-
Transfer to statutory reserve	-	-	113,074	(113,074)	-	-
<b>Transactions with shareholders, recorded directly in equity</b>	305,972	-	-	(322,843)	579	(16,292)
Equity-settled share-based payment transactions	-	-	-	-	579	579
Bonus issue to equity holders	305,972	-	-	(305,972)	-	-
Dividend tax on Bonus issue to equity holders	-	-	-	(15,341)	-	(15,341)
Stamp duty on bonus issue to equity holders	-	-	-	(1,530)	-	(1,530)
<b>Balance at 31 December 2018</b>	414,213	119,761	317,695	223,032	673	1,075,374
<b>Balance at 1 January 2019</b>	414,213	119,761	317,695	223,032	673	1,075,374
<b>Total comprehensive income for the year</b>	-	-	-	280,269	-	280,269
Profit for the year	-	-	-	281,297	-	281,297
Other comprehensive income/(loss) for the year	-	-	-	(385)	-	(385)
Transfer from statutory credit risk reserve	-	(46,029)	-	46,029	-	-
Transfer to statutory reserve	-	-	70,324	(70,324)	-	-
<b>Balance at 31 December 2019</b>	414,213	73,732	388,019	479,006	673	1,356,643

The financial statements were approved by the Board of Directors on 5th March 2020 and signed on its behalf by:

Ernest Aryeetey

Alhassan Andani



**Stanbic Bank**

A Member of Standard Bank Group

# Stanbic Bank Ghana Limited and its Subsidiary

Audited Summary Separate and Consolidated Financial Statements for the year ended 31 December 2019 (cont'd)

## INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF STANBIC BANK GHANA LIMITED

### Our opinion

In our opinion, the accompanying summary financial statements of Stanbic Bank Ghana Limited (the "Bank") and its subsidiary (together the "Group"), are consistent, in all material respects, with the audited financial statements of the Bank standing alone and the Group for the year ended 31 December 2019, on the basis described in the notes.

### The summary financial statements

The summary financial statements derived from the audited financial statements for the year ended 31 December 2019 comprise:

- the summary separate and consolidated statements of financial position as at 31 December 2019;
- the summary separate and consolidated statements of comprehensive income for the year then ended;
- the summary separate and consolidated statements of changes in equity for the year then ended;
- the summary separate and consolidated statements of cash flows for the year then ended; and
- the related notes to the summary separate and consolidated financial statements.

The summary separate and consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary separate and consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited separate and consolidated financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited separate and consolidated financial statements.

### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 23 March 2020. That report also include the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited separate and consolidated financial statements of the current period.

### Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary separate and consolidated financial statements on the basis described in the notes.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Oseini Amui (ICAG/P/1139).

**PricewaterhouseCoopers (ICAG/F/2020/028)**  
**Chartered Accountants**  
**Accra, Ghana**  
**23 March 2020**



## Notes to the financial statements for the year ended 31 December 2019

### 1. Significant Accounting Policies

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

### 2. Quantitative Disclosures

	2019	2018
i) Gross non-performing loan (NPL) ratio	7.4%	18.3%
ii) Capital Adequacy Ratio	14.4%	20.5%
iii) Contingencies and commitments (GHS' million)	2,701	2,135
iv) Social Responsibility Obligations (GHS' million)	2.2	2.3
v) Default in statutory liquidity (Number of times)	-	-
vi) Statutory liquidity default sanction (GHS)	-	-
vii) Default in other regulatory requirements (Number of times)	3	2
viii) Default sanction (GHS)	216,000	23,490
ix) Loan loss Ratio	1.3%	1.3%
x) Common Equity Tier 1 Ratio	12.4%	-
xi) Leverage Ratio	7.6%	-
xii) Liquidity Ratio	56%	61%

### 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 recognises 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.



**Stanbic  
Bank**

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