

Stanbic Bank Ghana Limited – Unaudited 1st Quarter 2019 Report

Unaudited summary statements of comprehensive income for the period ended 31 March 2019

	Group		Bank	
	2019 GHS'000	2018 GHS'000	2019 GHS'000	2018 GHS'000
Net interest income	127,508	101,072	127,388	100,945
Interest income	160,509	116,626	160,370	116,499
Interest expense	(33,001)	(15,554)	(32,982)	(15,554)
Non-interest revenue	114,109	72,763	114,076	72,663
Net fee and commission revenue	58,348	46,234	58,315	46,134
Fee and commission revenue	64,931	52,433	64,898	52,333
Fee and commission expense	(6,583)	(6,199)	(6,583)	(6,199)
Trading revenue	55,761	26,529	55,761	26,529
Total income	241,617	173,835	241,464	173,608
Credit impairment charges	(5,829)	(7,908)	(5,829)	(7,908)
Income after credit impairment charges	235,788	165,927	235,635	165,700
Operating expenses	(108,393)	(95,552)	(108,133)	(95,216)
Staff costs	(58,880)	(53,436)	(58,712)	(53,224)
Depreciation and amortisation	(18,711)	(8,481)	(18,680)	(8,481)
Other operating expenses	(30,802)	(33,635)	(30,741)	(33,511)
Net income before indirect taxation	127,395	70,375	127,502	70,484
Indirect taxation	(2,708)	(2,708)	(2,708)	(2,708)
Profit before direct taxation	124,687	67,667	124,794	67,776
Direct taxation	(42,088)	(19,049)	(42,088)	(19,049)
Profit for the period	82,599	48,618	82,706	48,727
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	82,599	48,618	82,706	48,727

Unaudited summary statements of financial position at 31 March 2019

	Group		Bank	
	2019 GHS'000	2018 GHS'000	2019 GHS'000	2018 GHS'000
Assets				
Cash and cash equivalents	2,016,038	2,546,197	2,016,021	2,544,560
Non-pledged trading assets	1,206,419	148,283	1,206,419	148,283
Pledged assets	114,918	461,875	114,918	461,875
Investment securities	705,004	333,209	702,478	331,803
Loans and advances to customers	2,986,710	1,813,583	2,986,710	1,813,583
Current tax assets	11,993	16,036	11,917	15,960
Deferred tax assets	-	7,484	-	7,484
Other assets	299,184	96,112	296,721	97,595
Investment in subsidiary	-	-	2,500	1,000
Intangible assets	71,870	78,658	71,870	78,658
Property, equipment and right of use assets	230,675	75,274	230,625	75,273
Total assets	7,642,811	5,576,711	7,640,179	5,576,074
Equity	1,157,973	924,302	1,157,996	924,197
Stated capital	414,213	108,241	414,213	108,241
Reserves	743,760	816,061	743,783	815,956
Income surplus	340,319	532,568	340,342	532,463
Statutory reserve	317,695	204,621	317,695	204,621
Statutory credit risk reserve	85,073	78,633	85,073	78,633
Other reserve	673	239	673	239
Liabilities	5,925,864	4,652,409	5,925,864	4,651,877
Trading liabilities	433,431	491,997	433,431	491,997
Deposit and current accounts	5,492,433	3,803,034	5,492,433	3,803,034
Deposits from banks	307,080	104,835	307,080	104,835
Deposits from customers	5,185,353	3,698,199	5,185,353	3,698,199
Deferred tax liability	1,286	-	1,286	-
Provisions and other liabilities	416,288	234,225	413,633	233,693
Subordinated debt	141,400	123,153	141,400	123,153
Total equity and liabilities	7,642,811	5,576,711	7,640,179	5,576,074

Unaudited summary statements of cashflows for the period ended 31 March 2019

	Group		Bank	
	2019 GHS'000	2018 GHS'000	2019 GHS'000	2018 GHS'000
Net cash flows from operating activities	318,225	816,764	320,176	817,052
Cash flows used in operations	196,006	749,376	198,021	749,791
Profit before tax	127,395	70,378	127,502	70,487
Adjusted for:	(102,570)	(88,220)	(102,481)	(88,093)
Credit impairment charges on loans and advances	5,829	7,908	5,829	7,908
Depreciation of property, equipment and right of use assets	17,000	6,770	16,969	6,770
Amortisation of intangible asset	1,711	1,711	1,711	1,711
Equity-settled share-based payments	-	145	-	145
Interest expense	33,001	15,554	32,982	15,554
Interest income	(160,509)	(116,626)	(160,370)	(116,499)
Indirect tax - VAT	(2,708)	(2,708)	(2,708)	(2,708)
Fair value adjustment on financial instrument	3,115	(977)	3,115	(977)
(Gain) / Loss on sale of property, equipment and right of use assets	(9)	3	(9)	3
(Increase) / decrease in income-earning assets	(1,185,511)	453,153	(1,180,943)	453,751
Increase in deposits and other liabilities	1,356,692	314,065	1,353,943	313,646
Interest paid	(29,973)	(14,106)	(29,954)	(14,106)
Interest received	152,192	104,146	152,109	104,019
Direct taxation paid	-	(22,652)	-	(22,652)
Net cash flows used in investing activities	(5,322)	(3,624)	(5,322)	(3,624)
Capital expenditure on property, equipment and right of use assets	(5,337)	(3,665)	(5,337)	(3,665)
Proceeds from sale of property, equipment and right of use assets	15	41	15	41
Net cash flows used in financing activities	(5,969)	(1,938)	(5,969)	(1,938)
Net decrease in subordinated debt	-	(1,938)	-	(1,938)
Payment of lease liabilities	(5,969)	-	(5,969)	-
Net increase/ (decrease) in cash and cash equivalents	306,934	811,202	308,885	811,490
Cash and cash equivalents at beginning of the period	1,709,104	1,734,995	1,707,136	1,733,070
Cash and cash equivalents at end of the period	2,016,038	2,546,197	2,016,021	2,544,560

Unaudited summary statements of changes in equity for the period ended 31 March 2019

Group	Ordinary share 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
Balance at 1 January 2018	108,241	110,156	204,621	483,440	94	917,735
Total comprehensive income for the period	-	-	-	48,618	-	48,618
Profit for the period	-	-	-	48,618	-	48,618
Other comprehensive income	-	-	-	-	-	-
Increase in statutory credit risk reserve	-	12,956	-	(12,956)	-	-
Increase in share based payment reserve	-	-	-	-	145	145
IFRS 9 transition adjustment	-	(44,479)	-	13,466	-	(42,196)
Balance at 31 March 2018	108,241	78,633	204,621	532,568	239	924,302
Balance at 1 January 2019	414,213	119,761	317,695	223,032	673	1,075,374
Total comprehensive income for the period	-	-	-	82,599	-	82,599
Profit for the period	-	-	-	82,599	-	82,599
Other comprehensive income	-	-	-	-	-	-
Increase in statutory credit risk reserve	-	(34,688)	-	34,688	-	-
Balance at 31 March 2019	414,213	85,073	317,695	340,319	673	1,157,973
Balance at 1 January 2018	108,241	110,156	204,621	483,226	94	917,521
Total comprehensive income for the period	-	-	-	48,727	-	48,727
Profit for the period	-	-	-	48,727	-	48,727
Other comprehensive income	-	-	-	-	-	-
Increase in statutory credit risk reserve	-	12,956	-	(12,956)	-	-
Increase in share based payment reserve	-	-	-	-	145	145
IFRS 9 transition adjustment	-	(44,479)	-	13,466	-	(42,196)
Balance at 31 March 2018	108,241	78,633	204,621	532,463	239	924,197
Balance at 1 January 2019	414,213	119,761	317,695	222,948	673	1,075,290
Total comprehensive income for the period	-	-	-	82,706	-	82,706
Profit for the period	-	-	-	82,706	-	82,706
Other comprehensive income	-	-	-	-	-	-
Increase in statutory credit risk reserve	-	(34,688)	-	34,688	-	-
Balance at 31 March 2019	414,213	85,073	317,695	340,342	673	1,157,996

1. Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

2. Quantitative Disclosures

	Mar 2019	Mar 2018
i) Gross non-performing loan (NPL) ratio	16.59%	22.10%
ii) Capital Adequacy Ratio	16.19%	23.76%
iii) Default in statutory liquidity (Number of times)	Nil	Nil
iv) Statutory liquidity default sanction (GHS)	Nil	Nil
v) Operational loss ratio	0.06%	0.30%

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

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.

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.



Stanbic Bank

A Member of Standard Bank Group